

Division of Energy

MISSOURI ENERGY BULLETIN

February 20, 2015

(Data is for the week ended February 13, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$0.20, to \$48.45 per barrel in the past month and stand 50 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>02-18-15</u>	<u>01-21-15</u>	<u>change</u>	<u>02-19-14</u>	<u>change</u>
NYMEX	\$52.14	\$47.78	up 9%	\$103.31	down 50%

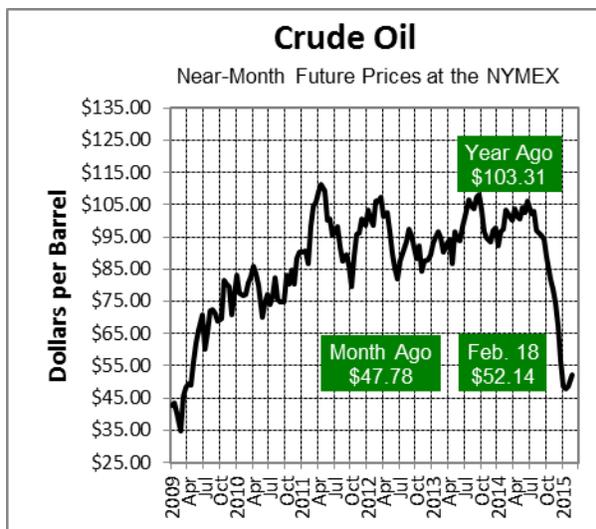
- At the New York Mercantile Exchange (NYMEX), crude oil futures for March 2015 delivery ended \$1.39, or 2.6 percent, lower on the February 18 trade day, to settle at \$52.14 per barrel, as domestic oil stockpiles hit another record high.

- Crude futures have rallied in recent weeks. However, analysts have questioned the sustainability of the rally as the global supply of crude remains robust and demand is still lackluster. Demand for crude oil typically falls in the early spring as refiners shutdown units for seasonal maintenance.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$52.14 is \$51.17, or about 50 percent, lower.

- According to the February 18 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 7.7 MMB to 425.6 MMB. U.S. crude supplies are now 63.3 MMB higher compared to this time last year.

- Crude imports decreased from the prior week at about 7.1 MMB/D. Imports at this time last year averaged about 7.4 MMB/D. Domestic crude production increased at about 9.3 MMB/D on the week. Last year at this time, production stood at 8.1 MMB/D.



- U.S. refinery crude runs decreased from the prior week with refiners processing about 15.4 MMB/D of crude. U.S. refinery capacity use was down on the week at 88.7 percent. Last year at this time, capacity use stood at 90.0 percent.
- Gasoline output was unchanged on the week at 9.3 MMB/D. Production at this time last year averaged 8.8 MMB/D. Distillate output was down from the prior week at 4.6 MMB/D. Last year at this time, production stood at 4.5 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 19.8 MMB/D, up by 3.6 percent compared to the same period last year.

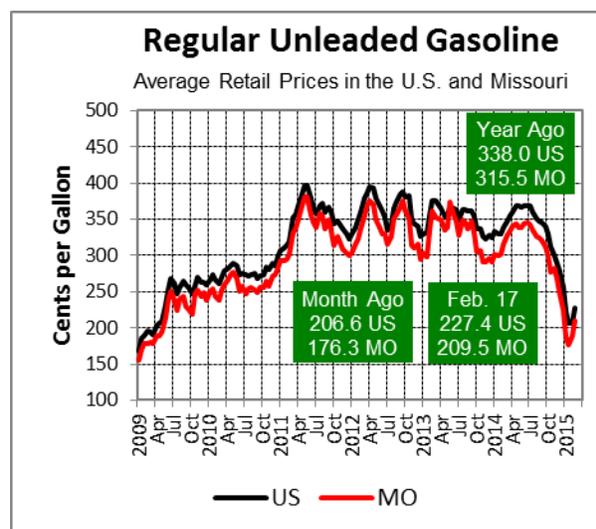
Transportation Fuels

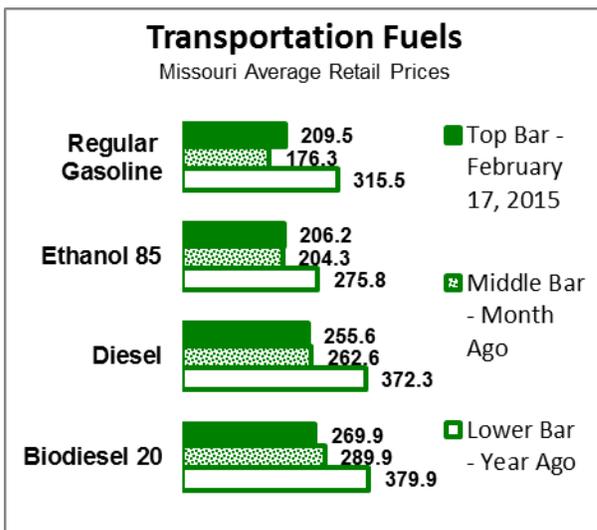
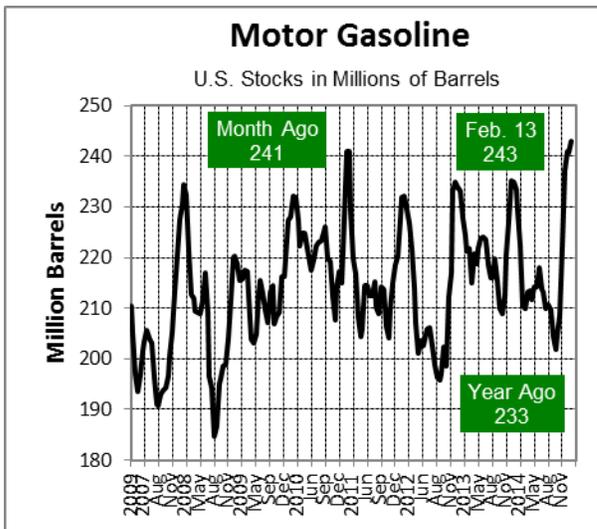
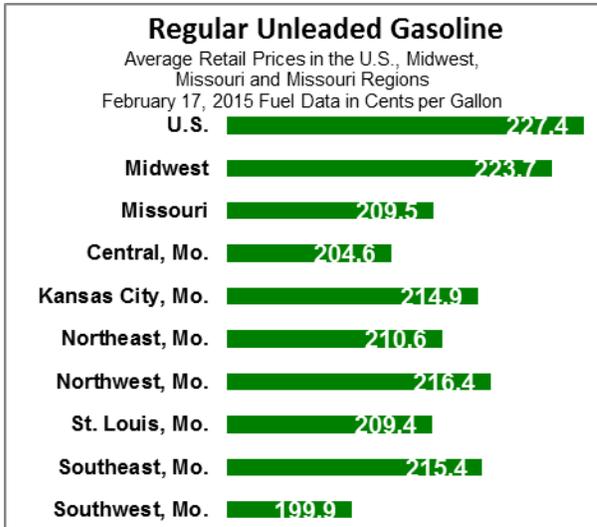
On February 17, Missouri's statewide average retail price for gasoline was about \$2.09 per gallon, up 33.2 cents in the past month and down 106.0 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-17-15	01-20-15	change	02-18-14	change
US	227.4	206.6	up 10%	338.0	down 33%
Missouri	209.5	176.3	up 19%	315.5	down 34%

Diesel Fuel - Retail Prices (cents per gallon)					
	02-17-15	01-20-15	change	02-18-14	change
US	286.5	293.3	down 2%	398.9	down 28%
Missouri	255.6	262.6	down 3%	372.3	down 31%

- On February 17, Missouri's average retail price for gasoline was about \$2.09 per gallon, up 33.2 cents in the past month.
- Missouri's average price for diesel fuel was down 7.0 cents per gallon, or 3 percent, in the past month.
- Missouri's average retail gasoline price is 106.0 cents, or 34 percent, lower while the average retail diesel fuel price is 116.7 cents, or 31 percent, lower for the comparable period in February 2014.
- At \$2.27, the U.S. average price for regular gasoline is 20.8 cents per gallon, or 10 percent, higher compared to last month.
- The U.S. average was down 110.6 cents, or 33 percent, compared to this time last year. In the past week, the U.S. average increased by 8.3 cents per gallon.





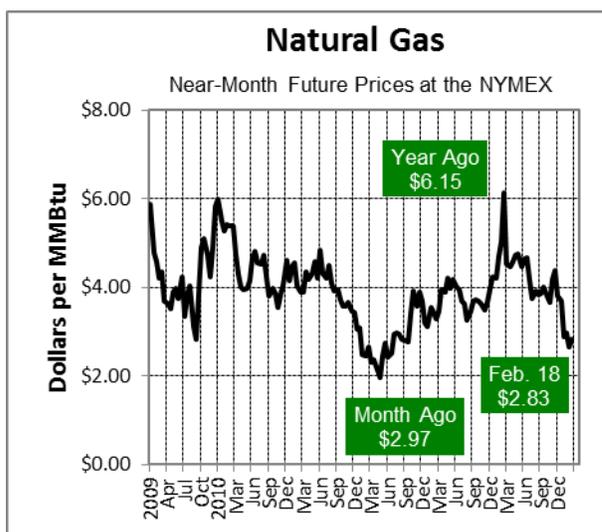
- Gasoline imports increased from the prior week at 0.6 MMB/D, 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline increased at 8.8 MMB/D. At this time last year, demand was about 8.0 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 8.6 MMB/D, 0.3 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased at 243.1 MMB on the week. U.S. inventories are up 9.7 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased at 127.4 MMB and stand 14.7 MMB higher compared to the same period last year.
- Distillate demand decreased at 4.2 MMB/D on the week. Demand stood at 3.6 MMB/D at this time last year. On a four-week average, distillate demand was unchanged at 4.2 MMB/D.
- On February 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.06 per gallon, 3.3 cents or 1.6 percent lower than the average price for conventional motor gasoline.
- On February 17, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.70 per gallon, 14.3 cents or 5.6 percent higher than the average retail price for conventional diesel fuel.
- According to the February 10, 2015, *Short Term Energy Outlook*, EIA expects U.S. regular gasoline retail prices, which averaged \$3.36 per gallon in 2014, to average \$2.33 per gallon in 2015. US motorists are expected to spend \$750 less for gasoline in 2015 compared to last year.

Natural Gas

Approximately 53 percent (1,251,339) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. (Data updated from the most recent U.S. Census report.)

On February 18, natural gas futures at the NYMEX closed at \$2.83 per million British thermal units (MMBtu), down \$0.14 in the last month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-18-15	01-21-15	change	02-19-14	change
NYMEX	\$2.83	\$2.97	down 5%	\$6.15	down 54%



- At the NYMEX, natural gas futures for March 2015 delivery ended 7.2 cents higher on the February 18 trade day to close at \$2.83 per MMBtu. In the past year, natural gas values have decreased by \$3.32 per MMBtu, or 54 percent.
- For the reporting week, February 11 to February 18, the price of the March 2015 contract increased by about 3 cents, moving from about \$2.80 to \$2.83 per MMBtu.
- The 12-month strip (the average of the contracts between March 2015 and February 2016) closed at \$2.95/MMBtu.
- According to the EIA, domestic consumption increased 23.1 percent this report week. Led by severe winter weather sweeping into the Midwest and pushing south and east, U.S. residential/commercial consumption rose 36.5 percent week over week, and consumption of natural gas for electric power generation (power burn) increased 14.5 percent.
- Working gas in storage totaled 2,157 Bcf, 2.8 percent above the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 678 Bcf, or 45.8 percent, higher than last year at this time.
- According to the February 10, 2015, *Short Term Energy Outlook*, EIA expects that households heating with natural gas in the Midwest will spend an average of \$112, or 14.6 percent, less this winter than last winter, reflecting prices that are about 3.9 percent lower and consumption that is nearly 11.1 percent lower.

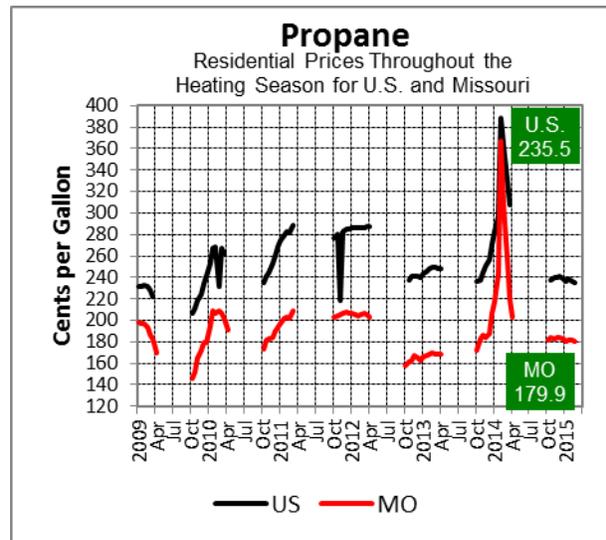
Propane

Approximately 10 percent (234,133) of Missouri households use propane to heat their homes. (Data updated from the most recent U.S. Census report.) Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

On February 17, the average Missouri retail price for residential propane was about \$1.80 per gallon, 1.4 cents lower in the past month and down 128.8 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	02-17-15	01-20-15	change	02-18-14	change
Missouri	179.9	181.3	down 1%	308.7	down 42%

- According to the Division of Energy’s most recent statewide propane price survey conducted February 17, the average Missouri retail residential propane price was about \$1.80 per gallon, 1.4 cents lower in the past month and down 128.8 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.00 per gallon. The lowest retail price was about \$1.56 per gallon.
- U.S. propane stocks decreased by 3.5 MMB last week to 61.5 MMB as of February 13, 2015, 34.8 MMB (130.1%) higher than a year ago. Midwest inventories decreased by 1.0 MMB. At 19.8 MMB, Midwest inventories are 10.9 MMB (124.3%), higher than a year ago.
- US demand for propane increased at about 1.7 MMB/D on the week. Propane demand is 0.4 MMB/D higher compared to this time last year.
- According to the February 10, 2015, *Short Term Energy Outlook*, EIA expects that households heating with propane in the Midwest will spend an average of \$796, or 35.1 percent, less this winter than last winter, reflecting prices that are about 26.8 percent lower and consumption that is nearly 11.3 percent lower.



For more information on propane, please visit:

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

To access previous issues of the Energy Bulletin, or to subscribe, please visit:

<http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>

To learn more about Missouri energy issues, please visit:

<http://energy.mo.gov/energy>

For more information about the Comprehensive State Energy Plan, visit:

<http://energy.mo.gov/energy/about/comprehensive-state-energy-plan>.

The *Missouri Energy Bulletin* is distributed twice a month by the Missouri Department of Economic Development's Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and online at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Economic Development, Division of Energy, P.O. Box 1766, Jefferson City, MO 65102-1766; Phone: 573-751-2254; Fax: 573-751-6860; Email: energy@ded.mo.gov; Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.