



## Division of Energy

# MISSOURI ENERGY BULLETIN

May 23, 2014

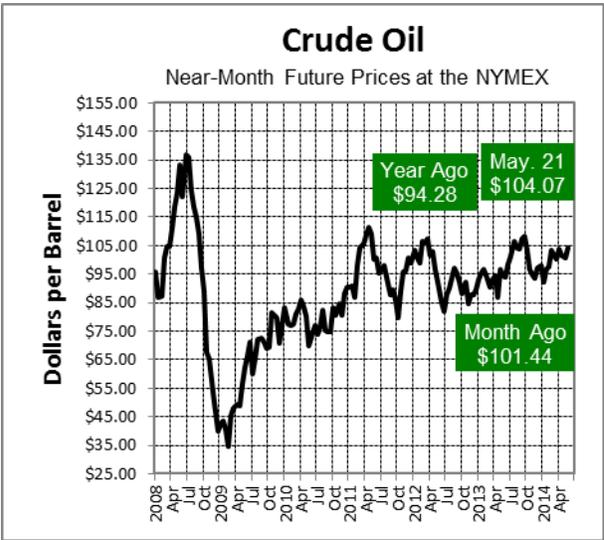
*(Data is for the week ended May 16, 2014, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices increased \$2.83, or 3 percent, to \$104.07 per barrel in the past month, and stand 10 percent higher compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	05-21-14	04-23-14	change	05-22-13	change
NYMEX	\$104.07	\$101.44	up 3%	\$94.28	up 10%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for June 2014 delivery ended \$1.74, or 1.7 percent, higher on the May 21 trade day to settle at \$104.07 per barrel, after the weekly Energy Information Administration (EIA) report showed that domestic crude oil inventories dropped as imports fell to a 17-year low.
- Nationwide, oil supplies have fallen in 2 of the 3 weeks since reaching 399.4 million barrels (MMB) on April 25. Stockpiles at Cushing, Oklahoma, dropped by 225,000 barrels to 23.2 MMB, the least since December 2008.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$104.07 is \$9.79, or 10 percent, higher.
- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 18.9 MMB/D, up by 1.8 percent compared to the same period last year.
- According to the May 21 weekly EIA fuels report, U.S. oil inventories decreased 7.2 MMB at 391.3 MMB. U.S. crude supplies are now 3.3 MMB lower than at this time last year.



- Crude imports decreased from the prior week at 6.5 MMB/D. Imports at this time last year averaged 8.1 MMB/D. Domestic crude production was unchanged at about 8.4 MMB/D on the week. Last year at this time, production stood at 7.3 MMB/D.
- U.S. refinery crude runs were higher from the prior week with refiners processing about 15.9 MMB/D of crude. U.S. refinery capacity use was unchanged on the week at 88.7 percent. Last year at this time, capacity use stood at 87.3 percent.
- Gasoline output was unchanged on the week at over 10.0 MMB/D, nearly 1.2 MMB/D higher compared to the production level at this time last year. Distillate output increased by nearly 0.1 MMB/D from the prior week at 5.0 MMB/D. Last year at this time, production stood at 4.8 MMB/D.

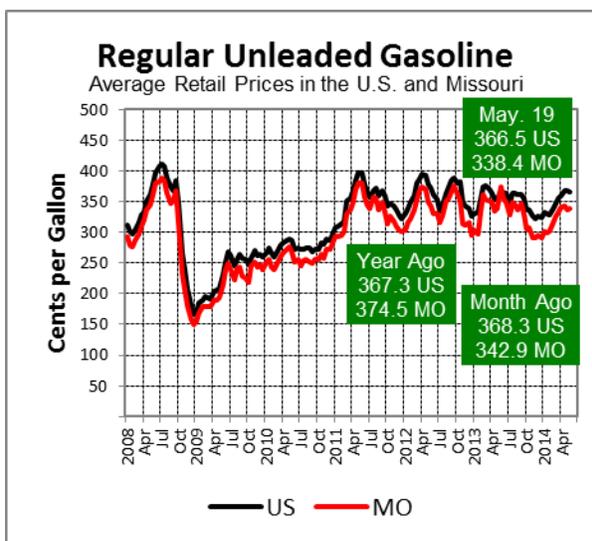
### Transportation Fuels

**On May 19, Missouri's statewide average retail price for gasoline was about \$3.38 per gallon, down 4.5 cents in the past month and down 36.1 cents in the past year.**

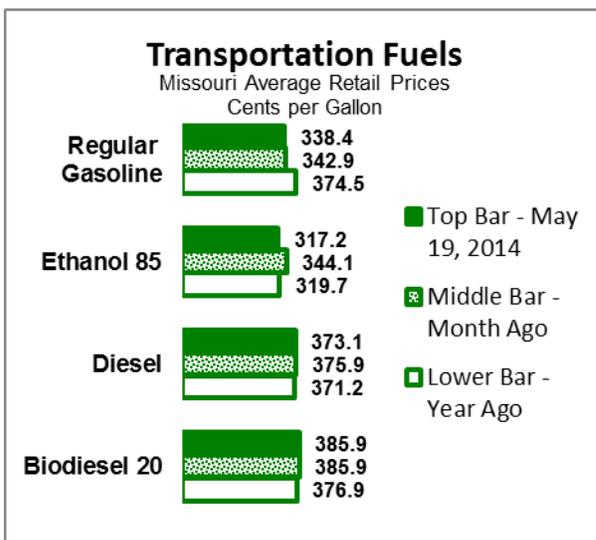
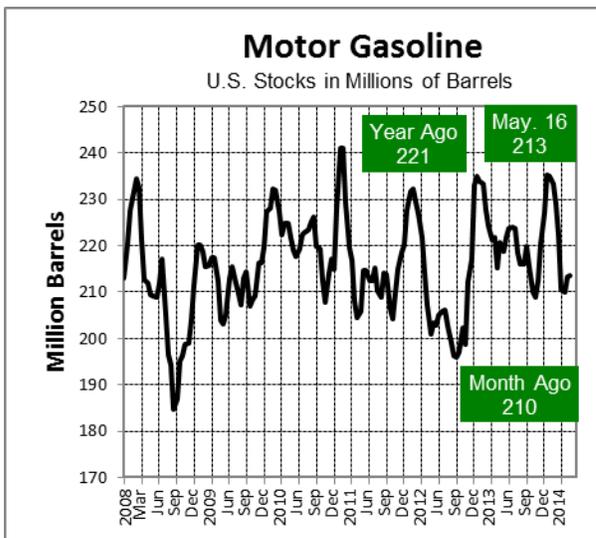
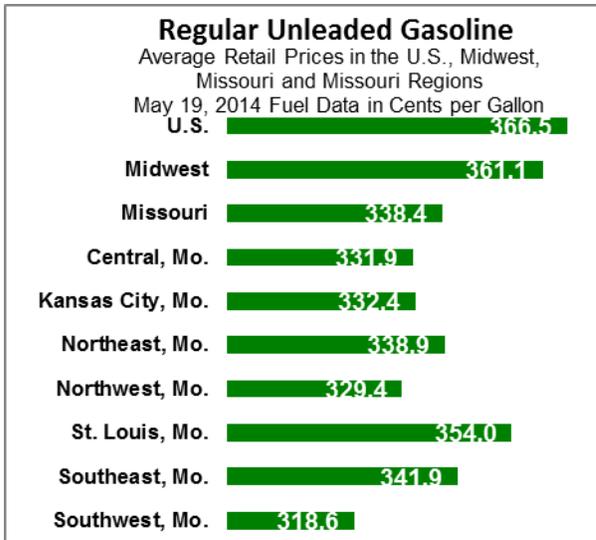
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	05-19-14	04-21-14	change	05-20-13	change
US	366.5	368.3	down 0%	367.3	down 0%
Missouri	338.4	342.9	down 1%	374.5	down 10%

Diesel Fuel - Retail Prices (cents per gallon)					
	05-19-14	04-21-14	change	05-20-13	change
US	393.4	397.1	down 1%	389.0	up 1%
Missouri	373.1	375.9	down 1%	371.2	up 1%

- On May 19, Missouri's average retail price for gasoline was about \$3.38 per gallon, down 4.5 cents in the past month.
- The average price for diesel fuel was down 2.8 cents per gallon, or less than 1 percent, in the past month.
- Missouri's average retail gasoline price is 36.1 cents, or 10 percent, lower, while the average retail diesel fuel price is 1.9 cents, or 1 percent, higher for the comparable period in May 2013.
- The U.S. average price for regular gasoline is 1.8 cents, or less than 1 percent, lower per gallon compared to last month at about \$3.67 per gallon.



- The U.S. average was down by less than 1.0 cent compared to this time last year. In the past week, the U.S. average decreased by less than 0.5 cent per gallon.
- Gasoline imports increased from the prior week at nearly 1.0 MMB/D. Imports were nearly 1.1 MMB/D last year at this time.



- Implied demand for gasoline was down slightly last week at nearly 9.2 MMB/D and up nearly 400,000 barrels per day compared to 8.8 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged about 8.9 MMB/D, up by over 0.4 MMB/D compared to the same four-week period last year.
- U.S. gasoline supplies increased by 1.0 MMB at 213.4 MMB on the week. U.S. gasoline inventories are down 7.3 MMB compared to this time last year and trend at the middle of the five-year average for this time of year.
- Distillate stocks increased 3.4 MMB at 116.3 MMB and stand 2.5 MMB lower compared to the same period last year.
- Distillate demand was down at 3.8 MMB/D on the week and down 0.4 MMB/D compared to the same period last year.
- On a four-week average, distillate demand was unchanged at 4.1 MMB/D. Demand was 3.8 MMB/D last year at this time.
- On May 19, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.17 per gallon, 21.2 cents or 6.3 percent, lower, than the average price for conventional motor gasoline.
- On May 19, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.86 per gallon, 12.8 cents or 3.3 percent higher than the average retail price for conventional diesel fuel.
- According to the May 6, 2014, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages, which was \$3.63 per gallon in 2012 and \$3.51 per gallon in 2013, is projected to average \$3.48 per gallon in 2014.

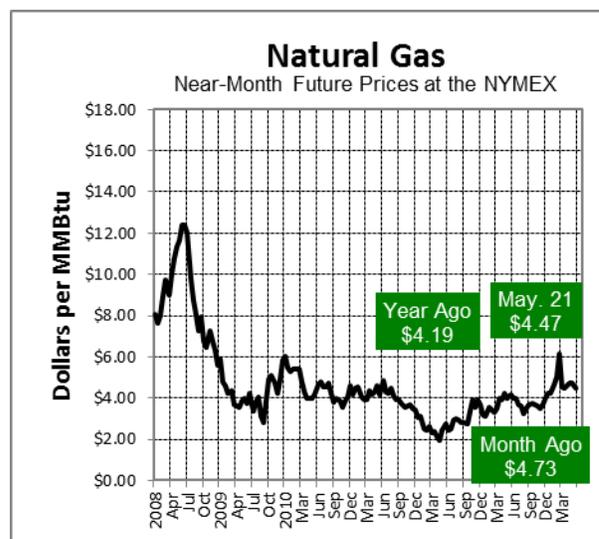
## Natural Gas

Approximately 54 percent (1,260,322) 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 May 21, natural gas futures at the NYMEX closed at \$4.47 per million British thermal units (MMBtu), up 7 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>05-21-14</u>	<u>04-23-14</u>	<u>change</u>	<u>05-22-13</u>	<u>change</u>
NYMEX	\$4.47	\$4.73	down 5%	\$4.19	up 7%

- At the NYMEX, natural gas futures for June 2014 delivery ended 7.9 cents lower on the May 21 trade day to close at \$4.47 per MMBtu. In the past year, natural gas values have increased by \$0.28, or 7 percent.
- For the reporting week, May 14 to May 21, the price of the June 2014 contract increased by 10.0 cents, from \$4.37 to \$4.47 per MMBtu.
- According to the EIA, overall domestic natural gas demand fell with lower natural gas consumption from the power sector more than offsetting increases in the industrial, residential, and commercial sectors. Total power burn fell by 11.9 percent. Consumption in the residential and commercial sectors increased by 10.7 percent. Industrial consumption increased by 1.3 percent.
- Working gas in storage totaled 1,266 Bcf, 42.7 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 774 Bcf, or 37.9 percent, lower than last year at this time.
- The EIA calculates that U.S. natural gas expenses surged 16 percent or \$5.8 billion during the 2013/14 winter heating season compared to 2012/13. The higher natural gas prices pressured diesel fuel and heating oil prices due to fuel switching on the East Coast.
- On May 21, Russia and China entered into a contract that would enable Russia to export over \$400 billion worth of gas to China over 30 years, starting in 2018.



## Propane

Approximately 10 percent (244,808) 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.

*(Note: Beginning April 2014, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2014.)*

**On May 5, the average Missouri retail price for residential propane was \$1.98 per gallon, down about 4.6 cents in the past month.**

Propane - Retail Prices (cents per gallon)					
	<u>05-05-14</u>	<u>04-08-14</u>	<u>change</u>	<u>05-06-13</u>	<u>change</u>
Missouri	198.0	202.6	down 2%	166.2	up 19%

- According to the Division of Energy's most recent statewide propane price survey conducted May 5, the average Missouri retail residential propane price was \$1.98 per gallon, down about 4.6 cents in the past month and up 31.8 cents, or 19 percent, compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.46 per gallon. The lowest retail price was about \$1.73 per gallon.
- The EIA calculates that U.S. propane prices spiked 27 percent, or \$6 billion, higher compared to the 2012/13 heating season.
- Domestic propane inventories remain low for this time of year. U.S. propane stocks increased at 39.9 MMB last week, 4.1 million barrels or 9.2 percent, lower than a year ago. Midwest propane inventories increased by nearly 1.0 MMB on the week. At 13.5 MMB, Midwest inventories are 0.1 MMB, or 0.7 percent, higher than the 13.4 MMB reported at this time last year.
- Implied demand for propane increased at 1.0 MMB/D on the week. Propane demand is 114,000 B/D higher compared to the demand level at this time last year.

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