



Division of Energy

MISSOURI ENERGY BULLETIN

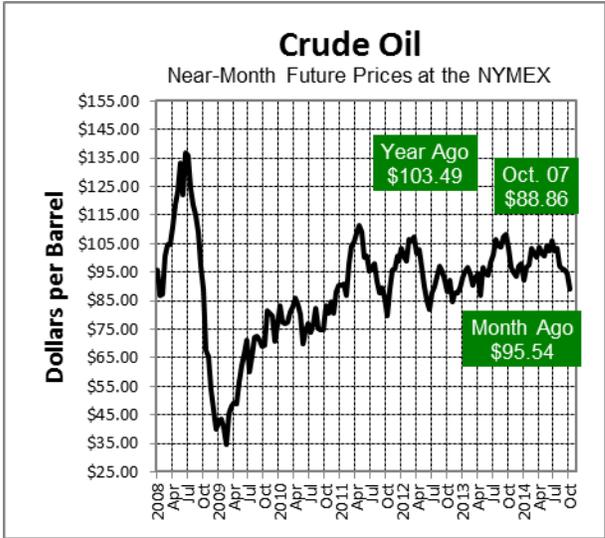
October 10, 2014

(Data is for the week ended October 3, 2014, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$6.68, or 7 percent, to \$88.86 per barrel in the past month, and stand 14 percent lower compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>10-07-14</u>	<u>09-03-14</u>	<u>change</u>	<u>10-09-13</u>	<u>change</u>
NYMEX	\$88.86	\$95.54	down 7%	\$103.49	down 14%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for November 2014 delivery ended \$1.54, or 1.7 percent lower, on the October 8 trade day to settle at \$87.31 per barrel, a 17-month low, on concern rising global oil supplies will be more than enough to meet slowing demand.
- U.S. production is set to increase to the most in more than 30 years amid higher output from shale formations. Supplies from OPEC rose last month and Russian output neared a post-Soviet record. The International Energy Agency has reduced demand projections for this year and next. OPEC production remains unchanged.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$88.86 is \$14.63, or 14 percent, lower.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 19.3 MMB/D, up by 0.7 percent compared to the same period last year.
- According to the October 8 weekly EIA fuels report, U.S. oil inventories increased 5.0 MMB at 361.7 MMB. U.S. crude supplies are now 8.9 MMB lower than at this time last year.

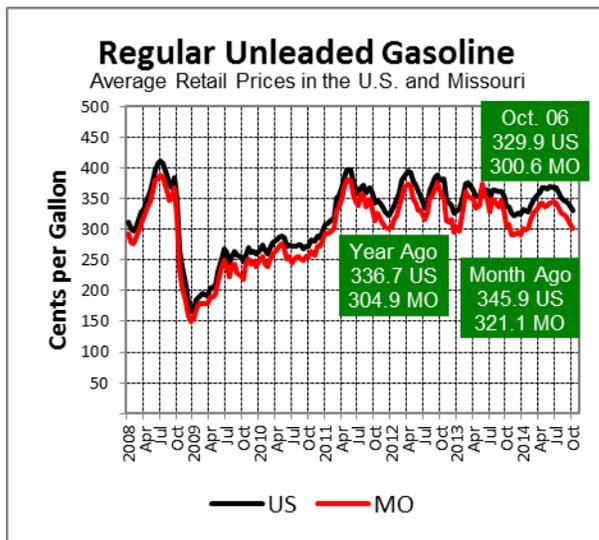
- Crude imports increased from the prior week at 7.7 MMB/D. Imports at this time last year averaged nearly 8.0 MMB/D. Domestic crude production increased at 8.9 MMB/D on the week. Last year at this time, production stood at 7.8 MMB/D.
- U.S. refinery crude runs were unchanged from the prior week with refiners processing about 15.6 MMB/D of crude. U.S. refinery capacity use was down on the week at 89.3 percent. Last year at this time, capacity use stood at 85.9 percent.
- Gasoline output was unchanged on the week at 9.3 MMB/D. Last year at this time, production stood at 8.9 MMB/D. Distillate output decreased from the prior week at 4.7 MMB/D. Last year at this time, production stood at 4.6 MMB/D.

Transportation Fuels

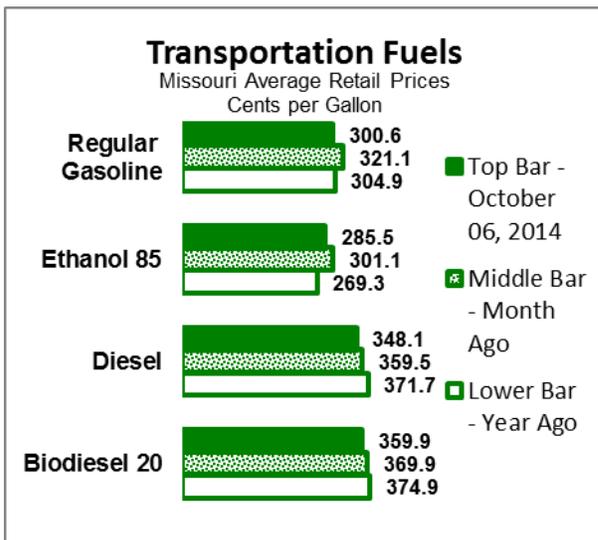
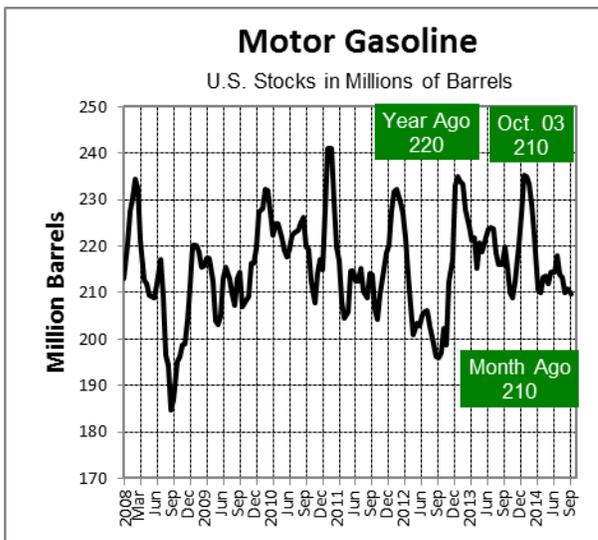
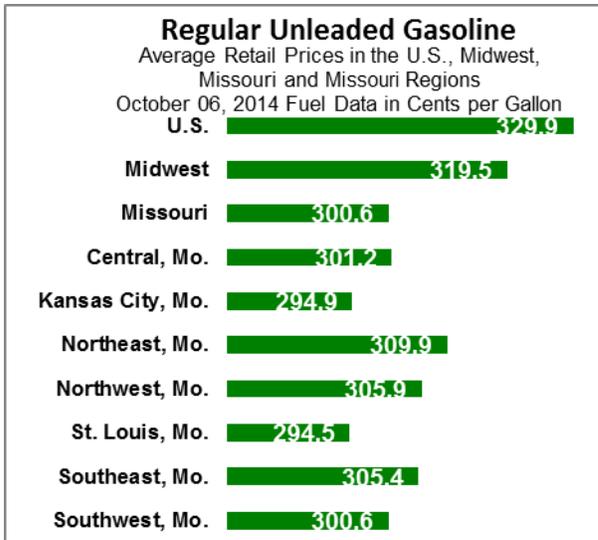
On October 6, Missouri's statewide average retail price for gasoline was about \$3.00 per gallon, down 20.5 cents in the past month and down 4.3 cents, or 1 percent, in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	10-06-14	09-02-14	change	10-08-13	change
US	329.9	345.9	down 5%	336.7	down 2%
Missouri	300.6	321.1	down 6%	304.9	down 1%

Diesel Fuel - Retail Prices (cents per gallon)					
	10-06-14	09-02-14	change	10-08-13	change
US	373.3	381.4	down 2%	390.0	down 4%
Missouri	348.1	359.5	down 3%	371.7	down 6%



- On October 6, Missouri's average retail price for gasoline was about \$3.00 per gallon, down 20.5 cents in the past month.
- The average price for diesel fuel was down 11.4 cents per gallon, or 3 percent, in the past month.
- Missouri's average retail gasoline price is 4.3 cents, or 1 percent lower, while the average retail diesel fuel price is 23.6 cents, or 6 percent, lower for the comparable period in October 2013.
- The U.S. average price for regular gasoline is 16.0 cents per gallon, or 5 percent, lower compared to last month at \$3.29 per gallon.
- The U.S. average was down 6.8 cents compared to this time last year. In the past week, the U.S. average decreased by 5.5 cents per gallon.



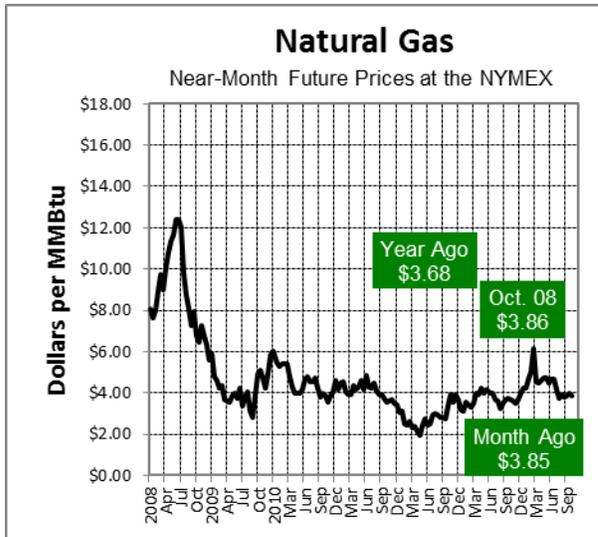
- Gasoline imports were down from the prior week at 0.4 MMB/D. Imports were 0.6 MMB/D last year at this time.
- Implied demand for gasoline was lower at 8.6 MMB/D. At this time last year, demand was 8.8 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 8.7 MMB/D, slightly lower from the same four-week period last year.
- U.S. gasoline supplies increased at 209.7 MMB on the week. U.S. gasoline inventories are down 10.2 MMB compared to this time last year and trend within the middle of the five-year average for this time of year.
- Distillate stocks increased to 126.1 MMB and stand 0.1 MMB lower compared to the same period last year.
- Distillate demand increased at 3.5 MMB/D on the week. Demand stood at 3.8 MMB/D at this time last year. On a four-week average, distillate demand was unchanged at 3.8 MMB/D.
- On October 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.85 per gallon, 15.1 cents or 5 percent lower than the average price for conventional motor gasoline.
- On October 6, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.60 per gallon, 11.8 cents or 3.3 percent higher than the average retail price for conventional diesel fuel.
- According to the October 7, 2014, *Short Term Energy Outlook*, EIA forecasts the 2014 regular gasoline retail price to average \$3.45 per gallon.

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 October 8, natural gas futures at the NYMEX closed at \$3.86 per million British thermal units (MMBtu), up \$0.01 compared to last month at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-08-14	09-03-14	change	10-09-13	change
NYMEX	\$3.86	\$3.85	up 0%	\$3.68	up 5%



- At the NYMEX, natural gas futures for November 2014 delivery ended 10.2 cents lower on the October 8 trade day to close at \$3.86 per MMBtu. In the past year, natural gas values have increased by \$0.18 per MMBtu, or 5 percent.
- For the reporting week, October 1 to October 8, the price of the November 2014 contract decreased by 16 cents, from \$4.02 to \$3.86 per MMBtu.
- According to the EIA, total U.S. natural gas consumption was up 5.5 percent for the week, driven by increases in the industrial and residential sectors. Industrial and

residential/commercial consumption rose week-to-week, by 1.3 percent and 30.1 percent, respectively, with the residential sector responding to cooler temperatures early in the season. Natural gas used for power generation fell 3.6 percent this week as most regions experienced lower demand with mild weather.

- Working gas in storage totaled 3,205 Bcf, 10.5 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 359 Bcf, or 10.1 percent, lower than last year at this time.
- EIA expects that households heating with natural gas in the Midwest will spend an average of \$65, or 8 percent, less this winter than last winter, reflecting prices that are about 6 percent higher and consumption that is 13 percent lower.

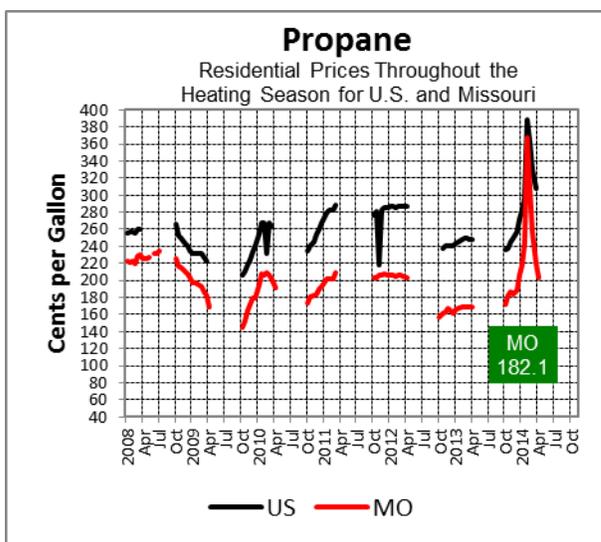
Propane

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.

(Note: Beginning the week of October 19, U.S. and Missouri residential retail propane prices will be reported through March 2015.)

On October 6, the average Missouri retail price for residential propane was \$1.82 per gallon, 2.6 cents higher in the past month and up 9.8 cents or 6 percent in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>10-06-14</u>	<u>09-02-14</u>	<u>change</u>	<u>10-08-13</u>	<u>change</u>
Missouri	182.1	179.5	up 1%	172.3	up 6%



- According to the Division of Energy's most recent statewide propane price survey conducted October 6, the average Missouri retail residential propane price was \$1.82 per gallon, 2.6 cents higher in the past month and up 9.8 cents, or 6 percent, compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.10 per gallon. The lowest retail price was \$1.59 per gallon.
- U.S. propane stocks increased by 1.1 MMB to 80.6 MMB, 14.2 MMB or 21.3 percent higher than a year ago. Midwest inventories

were unchanged at 28 MMB. Midwest inventories are now 3.7 MMB, or 15.2 percent, higher than the 24.3 MMB reported at this time last year.

- Implied demand for propane decreased at 1.1 MMB/D on the week. Propane demand is 266,000 B/D lower compared to this time last year.
- EIA expects that households heating with propane in the Midwest will spend an average of \$767, or 34 percent, less this winter than last winter, reflecting prices that are about 24 percent lower and consumption that is 13 percent lower. Factors that could affect propane demand include a repeat of last winter's cold weather, a record corn crop and recent infrastructure changes.

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>.