



Division of Energy

MISSOURI ENERGY BULLETIN

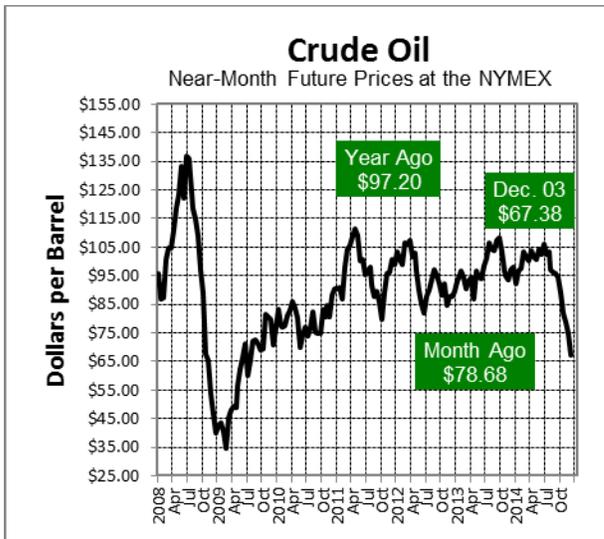
December 5, 2014

(Data is for the week ended November 28, 2014, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$11.30, or 14 percent, to \$67.38 per barrel in the past month and stand 31 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>12-03-14</u>	<u>11-05-14</u>	<u>change</u>	<u>12-04-13</u>	<u>change</u>
NYMEX	\$67.38	\$78.68	down 14%	\$97.20	down 31%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for January 2015 delivery ended \$0.50, or 0.7 percent, higher on the December 3 trade day to settle at \$67.38, on news that domestic supplies of crude oil fell on the week ending November 28.
- At the November 27 OPEC meeting in Vienna, oil ministers voted to maintain production levels following a similar announcement by Mexico and Russia. OPEC produced 30.56 million barrels per day (MMB/D) in November, exceeding its 30 MMB/D target for 6 consecutive months.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$67.38 is \$29.82, or 31 percent, lower.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 20.0 MMB/D, down by 0.6 percent compared to the same period last year.
- According to the December 3 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories decreased 3.7 MMB to 379.3 MMB. U.S. crude supplies are now 6.5 MMB lower than compared to this time last year.

- Crude imports decreased from the prior week at 7.3 MMB/D. Imports at this time last year averaged 7.8 MMB/D. Domestic crude production was unchanged at 9.1 MMB/D on the week. Last year at this time, production stood at 8.0 MMB/D.
- U.S. refinery crude runs were higher from the prior week with refiners processing about 16.6 MMB/D of crude. U.S. refinery capacity use was up on the week at 93.4 percent. Last year at this time, capacity use stood at 92.4 percent.
- Gasoline output was unchanged on the week at 9.6 MMB/D. Production at this time last year averaged 9.4 MMB/D. Distillate output was higher from the prior week at 5.0 MMB/D. Last year at this time, production stood at 5.1 MMB/D.

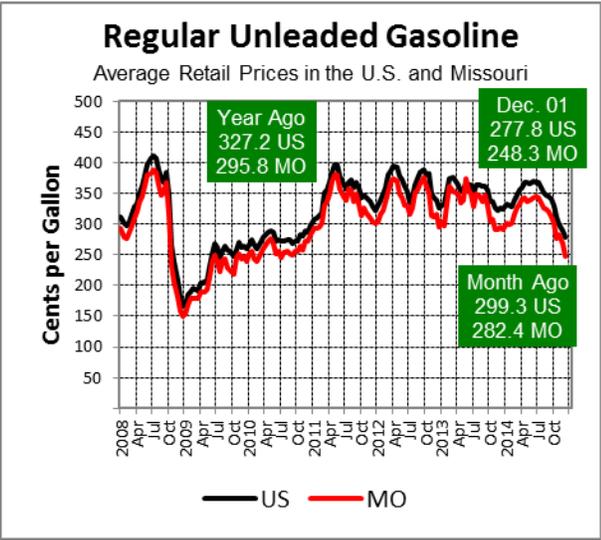
Transportation Fuels

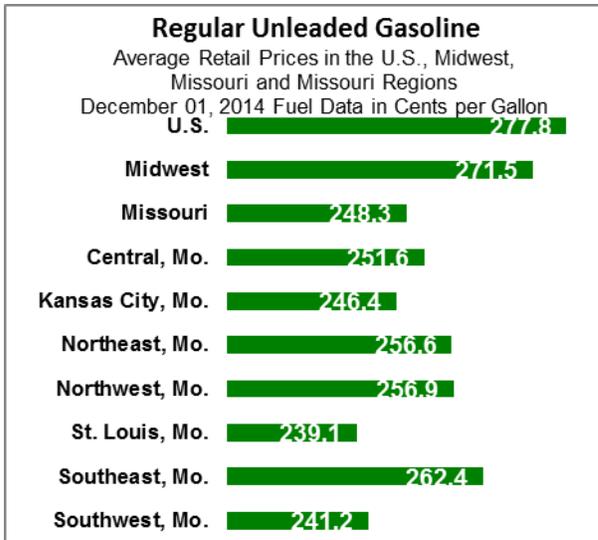
On December 1, Missouri’s statewide average retail price for gasoline was about \$2.48 per gallon, down 34.1 cents in the past month and down 47.5 cents in the past year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-01-14</u>	<u>11-03-14</u>	<u>change</u>	<u>12-02-13</u>	<u>change</u>
US	277.8	299.3	down 7%	327.2	down 15%
Missouri	248.3	282.4	down 12%	295.8	down 16%

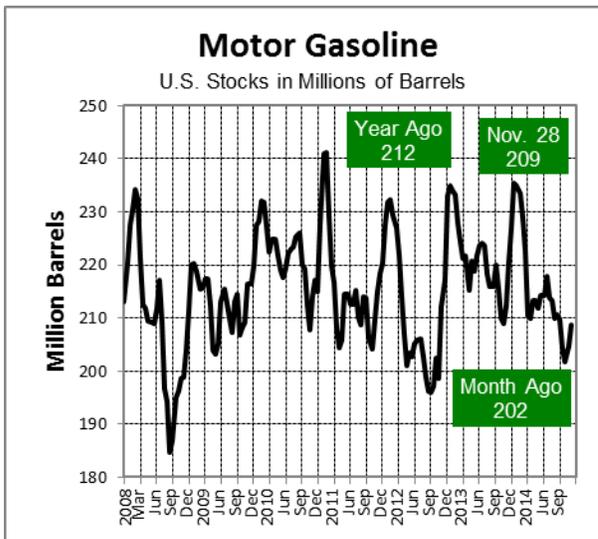
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-01-14</u>	<u>11-03-14</u>	<u>change</u>	<u>12-02-13</u>	<u>change</u>
US	277.8	362.3	down 23%	388.3	down 28%
Missouri	350.5	343.7	up 2%	365.1	down 4%

- On December 1, Missouri’s average retail price for gasoline was about \$2.48 per gallon, down 34.1 cents in the past month.
- The average price for diesel fuel was up 6.8 cents per gallon, or 2 percent, in the past month.
- Missouri’s average retail gasoline price is 47.5 cents, or 16 percent, lower while the average retail diesel fuel price is 14.6 cents, or 4 percent, lower for the comparable period in December 2013.
- Oklahoma City became the first in the US in more than 4 years to price gasoline at under \$2 per gallon.
- The U.S. average price for regular gasoline is 21.5 cents per gallon, or 7 percent, lower compared to last month at nearly \$2.78 per gallon.
- The U.S. average was down 49.4 cents, or 15 percent, compared to this time last year. In the past week, the U.S. average decreased by 4.3 cents per gallon.

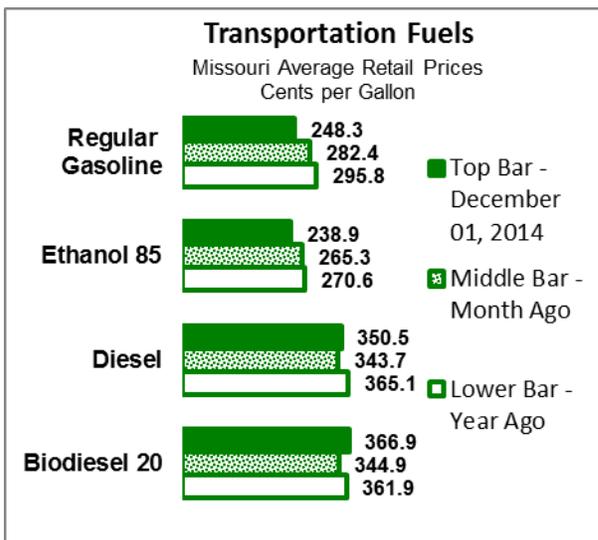




- Gasoline imports increased from the prior week at 0.7 MMB/D and were unchanged compared to last year at this time.
- Implied demand for gasoline was higher at 9.4 MMB/D. At this time last year, demand was 8.9 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 9.2 MMB/D, 0.3 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased at 208.6 MMB on the week. U.S. inventories are down 3.9 MMB compared to this time last year and trend within the five-year average for this time of year.



- Distillate stocks increased at 116.2 MMB and stand 2.7 MMB higher compared to the same period last year.
- Distillate demand decreased at 3.6 MMB/D on the week. Demand stood at 3.6 MMB/D at this time last year. On a four-week average, distillate demand decreased at 3.9 MMB/D.
- On December 1, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.39 per gallon, 9.4 cents or 3.9 percent lower than the average price for conventional motor gasoline.



- On December 1, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.67 per gallon, 16.4 cents or 4.7 percent higher than the average retail price for conventional diesel fuel.
- According to the November 12, 2014, *Short Term Energy Outlook*, EIA forecasts the 2014 regular gasoline retail price to average \$3.39 per gallon and \$2.94 in 2015.

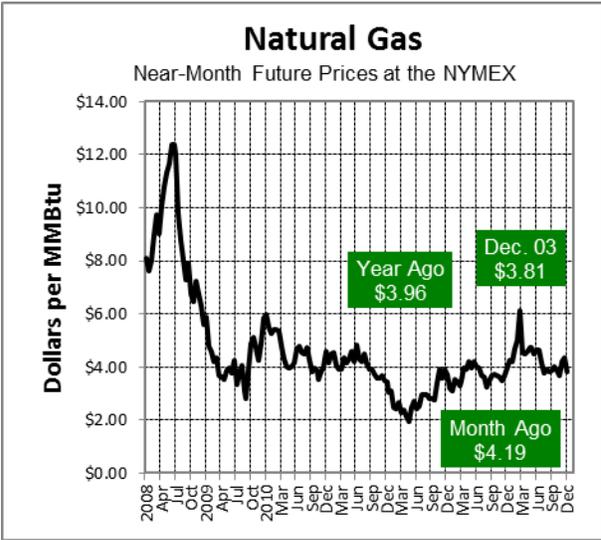
Natural Gas

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 December 3, natural gas futures at the NYMEX closed at \$3.81 per million British thermal units (MMBtu), down \$0.38 in the last month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	12-03-14	11-05-14	change	12-04-13	change
NYMEX	\$3.81	\$4.19	down 9%	\$3.96	down 4%

- At the NYMEX, natural gas futures for January 2015 delivery ended 6.9 cents lower on the December 3 trade day to close at \$3.81 per MMBtu. In the past year, natural gas values have decreased by \$0.15 per MMBtu, or 4 percent.
- For the reporting week, November 19 to November 26, the price of the January 2015 contract decreased by 55 cents, from \$4.36 to \$3.81 per MMBtu.
- The 12-month strip, the average of January 2015 through December 2015 futures contracts, ended the week down 30 cents, at \$3.62 per MMBtu.



- According to the EIA, cooler temperatures during the report week led to a 3 percent increase in total natural gas consumption week-over-week. Natural gas consumption increased in all demand sectors with the exception of the electric power sector. A 7 percent increase in residential and commercial consumption drove the overall increase in U.S. gas consumption. Power burn fell 2 percent, largely as a result of more moderate weather in the Southeast and Southwest, which caused consumption in those regions to fall 4 percent and 17 percent, respectively. Industrial consumption increased by 1 percent.
- Working gas in storage totaled 3,410 Bcf, 9.8 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 227 Bcf, or 6.2 percent, lower than last year at this time.
- EIA expects that households heating with natural gas in the Midwest will spend an average of \$67, or 8.7 percent, less this winter than last winter, reflecting prices that are about 4.7 percent higher and consumption that is nearly 13 percent lower.

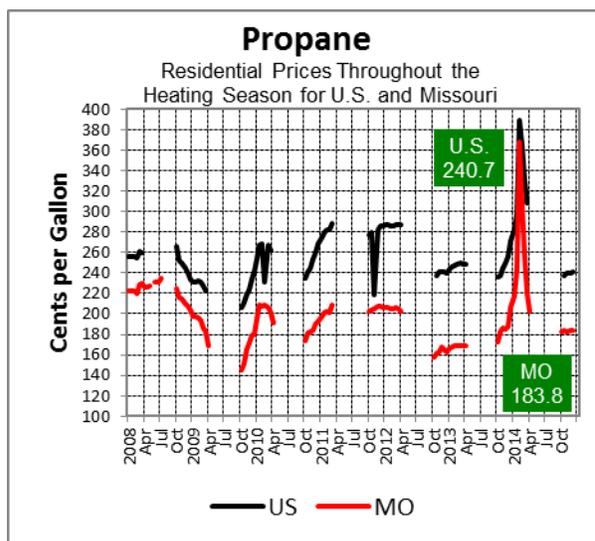
Propane

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.

On December 1, the average Missouri retail price for residential propane was about \$1.84 per gallon, 1.1 cent higher in the past month and down 3.8 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>12-01-14</u>	<u>11-03-14</u>	<u>change</u>	<u>12-02-13</u>	<u>change</u>
Missouri	183.8	182.7	up 1%	187.6	down 2%

- According to the Division of Energy's most recent statewide propane price survey conducted December 1, the average Missouri retail residential propane price was about \$1.84 per gallon, 1.1 cent higher in the past month and down 3.8 cents 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 about \$1.56 per gallon.
- U.S. propane stocks increased by 0.2 MMB last week to 79.4 MMB, 25.1 MMB, or 46.3 percent, higher than a year ago. Midwest inventories increased by 0.2 MMB to 26.1 MMB. Midwest inventories are 7.6 MMB, or 41.1 percent, higher than the 18.5 MMB reported at this time last year.
- Implied demand for propane decreased at 1.2 MMB/D on the week. Propane demand is 440,000 B/D or 26.3 percent, lower compared to this time last year.
- EIA expects that households heating with propane in the Midwest will spend an average of \$857, or 37.8 percent, less this winter than last winter, reflecting prices that are about 28.7 percent lower and consumption that is nearly 13 percent lower. Factors that could affect propane demand include a repeat of last winter's cold weather and recent infrastructure changes.



For more information on propane, please visit:

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

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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>.