



Division of Energy

MISSOURI ENERGY BULLETIN

December 9, 2013

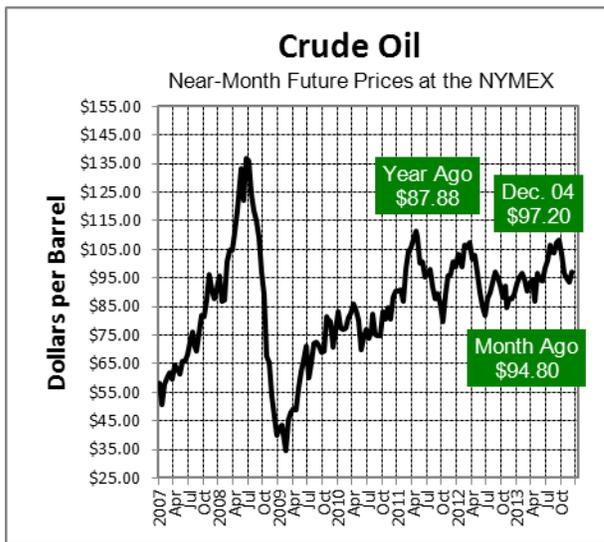
(Data is for the week ended November 29, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$2.40, or 3 percent, to \$97.20 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)					
	12-04-13	11-06-13	change	12-05-12	change
NYMEX	\$97.20	\$94.80	up 3%	\$87.88	up 10%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for January 2014 delivery ended \$1.16, or 1.2 percent, higher on December 4 to close at \$97.20 per barrel, after U.S. crude oil inventories declined for the first time in 11 weeks.



- Crude prices increased after the weekly federal fuel report showed oil supplies declined. Cushing oil declined 18,000 barrels to 40.6 million barrels (MMB), the first decrease in 8 weeks. Nationwide supplies dropped the most since July. Iran wants to produce 4 million barrels per day (MMB/D) after the international sanctions that were imposed because of its nuclear program are lifted. The country pumped 2.65 MMB/D in November and last produced 4 MMB/D in August 2008.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$97.20 is \$9.32, or 10 percent, higher.

- Total petroleum products supplied to market over the last four-week period averaged 20.1 MMB/D, up by 5.6 percent compared to the same period last year.

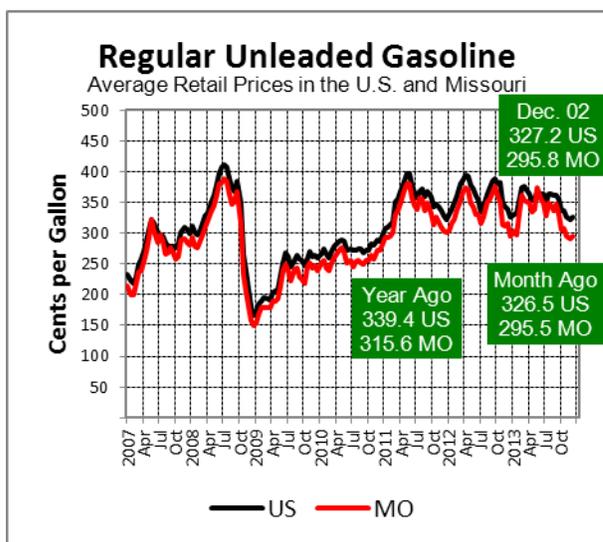
- According to the December 4 weekly federal fuels report, U.S. oil inventories decreased 5.6 MMB at 385.8 MMB. U.S. crude supplies are now 14.1 MMB higher than at this time last year.
- Crude imports increased by 91,000 B/D from the prior week at 7.8 MMB/D. Imports at this time last year averaged 8.2 MMB/D. Domestic crude production remained at 8.0 MMB/D on the week. Last year at this time, production reached 6.8 MM/D.
- U.S. refinery crude runs increased by 0.6 MMB/D with refiners processing 16.1 MMB/D of crude. U.S. refinery capacity use was 92.4 percent, up 3.1 percent from the prior week and up 1.8 percent compared to this time last year.
- Gasoline output was up at 9.6 MMB/D on the week and up 551,000 B/D compared to the production level at this time last year. Distillate output was down 40,000 B/D for the week at 4.9 MMB/D, and stands 239,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On December 2, Missouri's statewide average retail price for gasoline was \$2.96 per gallon, unchanged in the past month and down 19.8 cents in the past year.

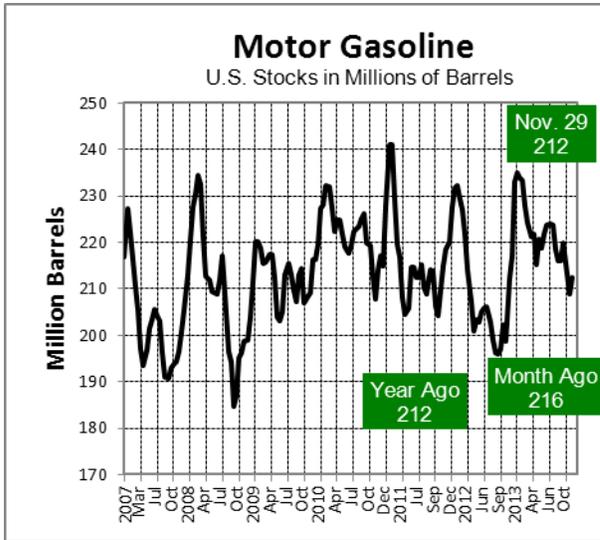
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	12-02-13	11-04-13	change	12-03-12	change
US	327.2	326.5	up 0%	339.4	down 4%
Missouri	295.8	295.5	up 0%	315.6	down 6%

Diesel Fuel - Retail Prices (cents per gallon)					
	12-02-13	11-04-13	change	12-03-12	change
US	388.3	385.7	up 1%	339.4	up 14%
Missouri	365.1	364.0	up 0%	379.3	down 4%

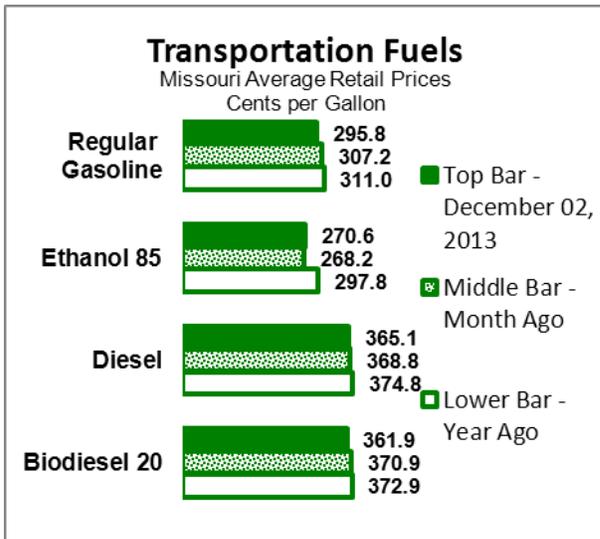


- On December 2, Missouri's average retail price for gasoline was about \$2.96 per gallon, unchanged in the past month. The average price for diesel fuel was up 1.1 cents per gallon, or less than 1 percent in the past month. Missouri's average retail gasoline price is 19.8 cents, or 6 percent, lower, while the average retail diesel fuel price is 14.2 cents, or 4 percent, lower for the comparable period in December 2012.
- According to the AAA, Missouri continues to enjoy the lowest average retail motor gasoline price in the U.S. and is now joined by Kansas as the only two states with an average price below \$3 per gallon.

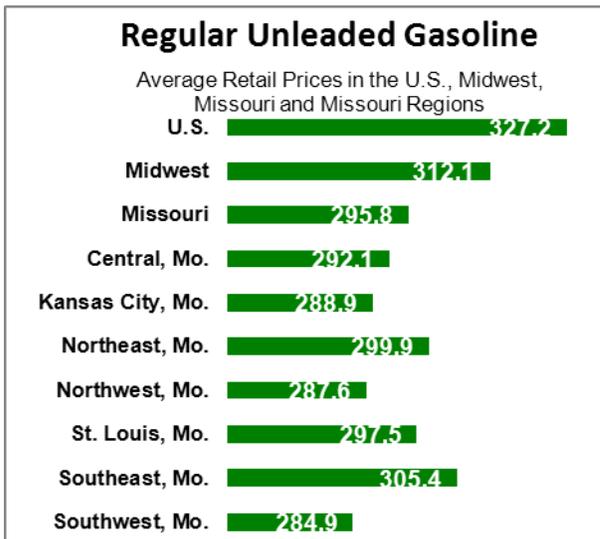
- The U.S. average price for regular gasoline is 0.7 cents, or less than 1 percent, higher per gallon compared to last month at \$3.27 per gallon. The U.S. average was down by 12.2 cents compared to this time last year. In the past week, the U.S. average decreased by 2.1 cents per gallon.



- Gasoline imports decreased by 9,000 B/D from the prior week at 0.7 MMB/D. Imports were 0.5 MMB/D last year at this time.
- Implied demand for gasoline was down at 8.9 MMB/D from the prior week and stands about 0.5 MMB/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.9 MMB/D, an increase of about 288,000 B/D compared to the same four-week period last year.
- U.S. gasoline supplies increased by 1.8 MMB at 212.4 MMB on the week. U.S. gasoline inventories are up 0.3 MMB compared to this time last year and trend at the upper range of the five-year average for this time of year.



- Distillate stocks decreased 2.6 MMB at 113.5 MMB and stand 1.5 MMB lower compared to the same period last year. Distillate demand was down 474,000 barrels per day at 3.6 MMB/D on the week and up 6,000 barrels per day compared to the same period last year. On a four-week average, distillate demand was down 241,000 barrels per day compared to the same period last year at 3.9 MMB/D.
- On December 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.71 per gallon, 25 cents or 8.4 percent lower than the average price for conventional motor gasoline.



- On December 2, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.62 per gallon, 3 cents, or less than 1 percent, lower than the average retail price for conventional diesel fuel.
- According to the November 13, 2013, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages \$3.24 per gallon in the fourth quarter of 2013, \$0.10 per gallon less than forecast in last

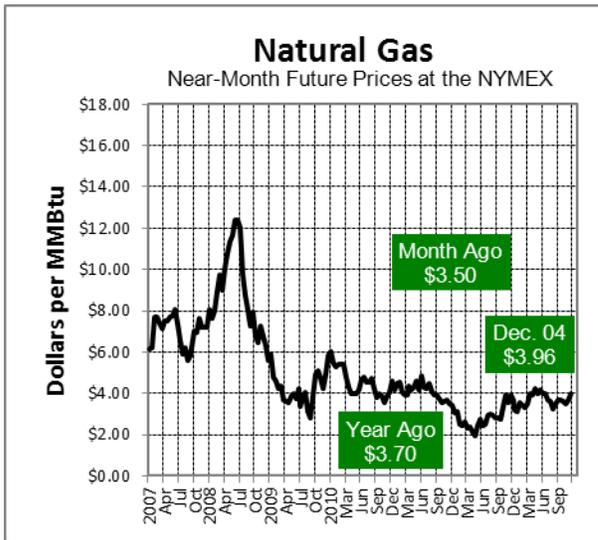
month's *STEO*. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to average \$3.50 per gallon in 2013 and \$3.39 per gallon in 2014.

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 December 4, natural gas futures at the NYMEX closed at \$3.96 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)					
	12-04-13	11-06-13	change	12-05-12	change
NYMEX	\$3.96	\$3.50	up 12%	\$3.70	up 7%



- At the NYMEX, natural gas futures for December 2013 delivery ended 1.6 cents lower on the December 4 trade day to close at \$3.96 per MMBtu. In the past year, natural gas values have increased 26 cents or 7 percent.
- For the reporting week November 27 to December 4, the price of the January 2014 contract increased 6.5 cents, from \$3.89 to \$3.96 per MMBtu.
- The 12-month strip (average of January 2014 to December 2014 contracts) increased 7.0 cents per MMBtu for the week, closing at \$3.99 per MMBtu.

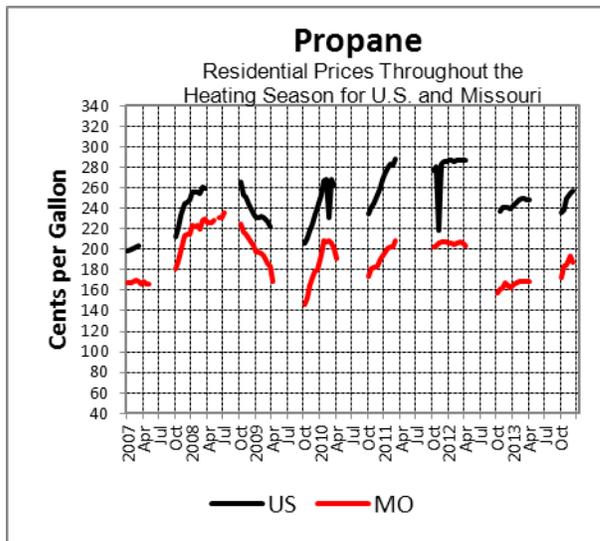
- According to EIA, total natural gas consumption fell 10.5 percent, representing overall week-over-week declines in industrial, residential/commercial, and natural gas used for power generation.
- Working gas in storage totaled 3,614 billion cubic feet (Bcf), 2.8 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 200 Bcf, or 5.2 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released November 13, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 10 percent for the 2013/14 heating season based on an increase in price of approximately 12 percent.

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.

On December 2, the average Missouri retail price for residential propane was about \$1.88 per gallon, up 3.1 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	12-02-13	11-04-13	change	12-03-12	change
Missouri	187.6	184.5	up 2%	169.7	up 10%



- According to the Division of Energy's most recent statewide propane price survey conducted December 2, the average Missouri retail residential propane price was about \$1.87 per gallon, up 3.1 cents in the past month and up 10 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.40 per gallon, while the lowest retail price was about \$1.66 per gallon.
- U.S. inventories of propane decreased by 2.7 MMB to end at 54.3 MMB. Propane

inventories are now 18.2 MMB, or 25.1 percent, lower compared to the same period last year. Implied demand for propane increased by 158,000 B/D at 1.7 MMB/D on the week, and up 181,000 B/D compared to the demand level for this time last year.

- Midwest propane inventories decreased 0.4 MMB on the week. At 18.4 MMB, Midwest inventories are 7.9 MMB, or 30 percent, lower than the 26.3 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released November 13, 2013, Midwest households that heat with propane may realize an increase in expenditures by 10 percent for the 2013/14 heating season based on an increase in price of 12 percent.

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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://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.