



Division of Energy

MISSOURI ENERGY BULLETIN

December 20, 2013

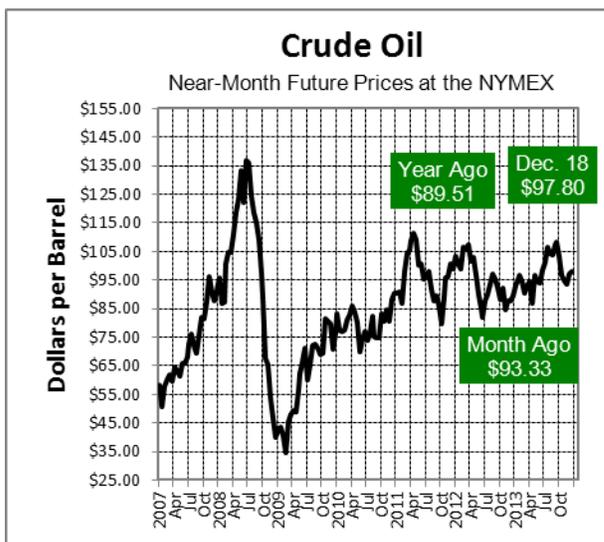
(Data is for the week ended December 13, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$4.47, or 5 percent, to \$97.80 per barrel in the past month, and stand 9 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	12-18-13	11-20-13	change	12-19-12	change
NYMEX	\$97.80	\$93.33	up 5%	\$89.51	up 9%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for January 2014 delivery ended \$0.58, or 0.6 percent, higher on December 18 to close at \$97.80 per barrel, after the Federal Reserve said it will begin reducing the pace of stimulus and raised its assessment of the job market.



- Crude prices increased after the Central Bank announced plans to cut its monthly bond purchases to \$75 billion from \$85 billion. Federal officials forecast the unemployment rate will fall as low as 6.3 percent by the end of next year. The taper is considered a bullish sentiment overall and is an indicator that the Federal Reserve is comfortable with the economic recovery.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$97.80 is \$8.29, or 9 percent, higher.
- Total petroleum products supplied to market over the last four-week period

averaged 19.8 million barrels per day (MMB/D), up by 4.0 percent compared to the same period last year.

- According to the December 18 weekly federal fuels report, U.S. oil inventories decreased 2.9 million barrels (MMB) at 372.3 MMB. U.S. crude supplies are now 0.7 MMB higher than at this time last year.

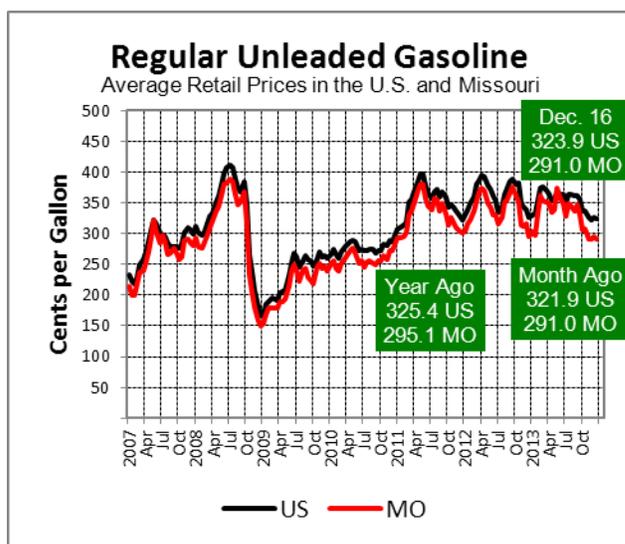
- Crude imports increased by 870,000 barrels per day (B/D) from the prior week at 7.7 MMB/D. Imports at this time last year averaged 8.4 MMB/D. Domestic crude production remained at 8.0 MMB/D on the week. Last year at this time, production reached 6.9 MM/D.
- U.S. refinery crude runs decreased by 0.2 MMB/D with refiners processing 15.9 MMB/D of crude. U.S. refinery capacity use was 91.5 percent, down 1.1 percent from the prior week and unchanged compared to this time last year.
- Gasoline output was down at 9.4 MMB/D on the week and up 228,000 B/D compared to the production level at this time last year. Distillate output was down 305,000 B/D for the week at 4.9 MMB/D, and stands 77,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

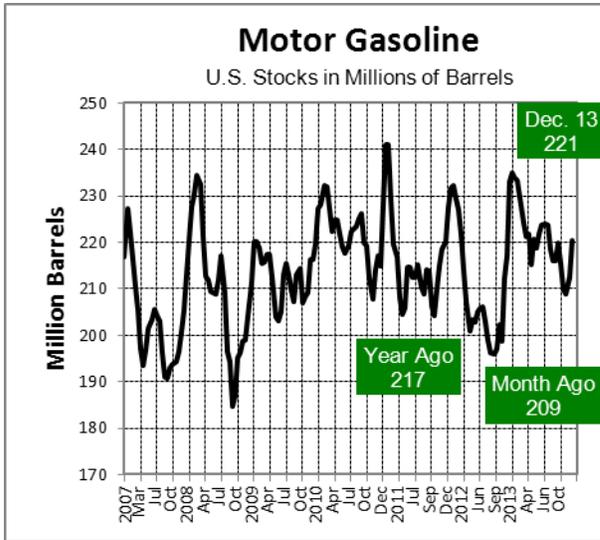
On December 16, Missouri's statewide average retail price for gasoline was \$2.91 per gallon, unchanged in the past month and down 4.1 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	12-16-13	11-18-13	change	12-17-12	change
US	323.9	321.9	up 1%	325.4	down 0%
Missouri	291.0	291.0	no change	295.1	down 1%

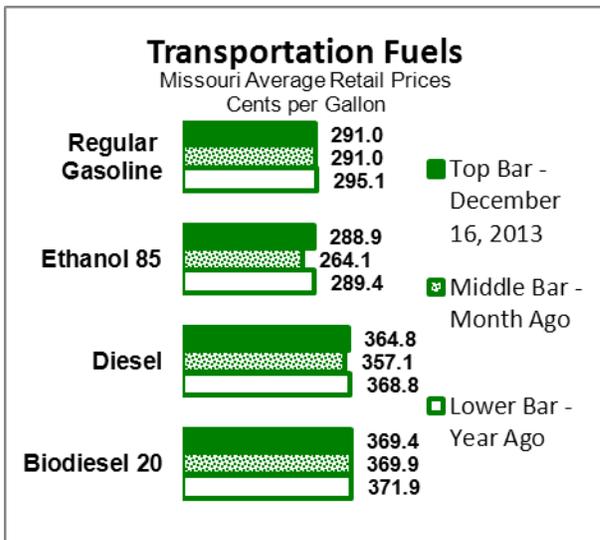
Diesel Fuel - Retail Prices (cents per gallon)					
	12-16-13	11-18-13	change	12-17-12	change
US	387.1	321.9	up 20%	325.4	up 19%
Missouri	364.8	357.1	up 2%	368.8	down 1%



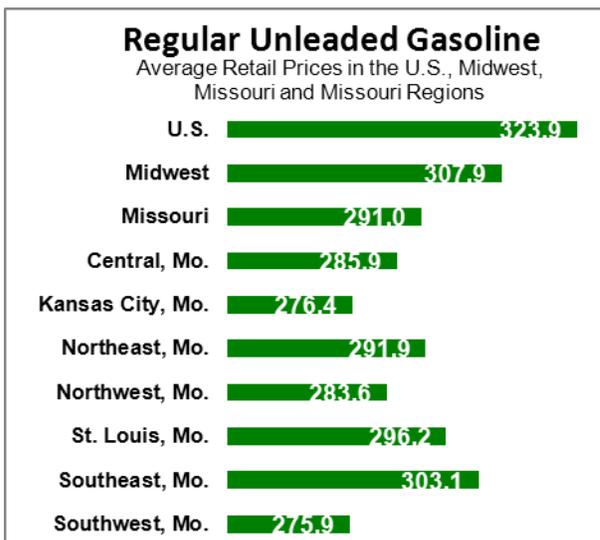
- On December 16, Missouri's average retail price for gasoline was about \$2.91 per gallon, unchanged in the past month. The average price for diesel fuel was up 7.7 cents per gallon, or 2 percent, in the past month. Missouri's average retail gasoline price is 4.1 cents, or 1 percent, lower, while the average retail diesel fuel price is 4.0 cents, or 1 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 Arkansas, Kansas, New Mexico and Oklahoma with an average price below \$3 per gallon.
- The U.S. average price for regular gasoline is 2.0 cents, or 1 percent, higher per gallon compared to last month at \$3.24 per gallon. The U.S. average was down by 1.5 cents compared to this time last year. In the past week, the U.S. average decreased by 3.0 cents per gallon.



- Gasoline imports decreased by 72,000 B/D from the prior week at 0.6 MMB/D. Imports were 0.5 MMB/D last year at this time.
- Implied demand for gasoline was up at 9.0 MMB/D from the prior week and stands about 0.4 MMB/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, relatively unchanged compared to the same four-week period last year.
- U.S. gasoline supplies increased by 1.3 MMB at 220.5 MMB on the week. U.S. gasoline inventories are up 1.2 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 2.1 MMB at 116.0 MMB and stand 1.0 MMB lower compared to the same period last year. Distillate demand was up 785,000 B/D at 4.1 MMB/D on the week and down 125,000 B/D compared to the same period last year. On a four-week average, distillate demand was down 32,000 barrels per day compared to the same period last year at 3.7 MMB/D.
- On December 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.89 per gallon, 2 cents or 1.0 percent lower than the average price for conventional motor gasoline.



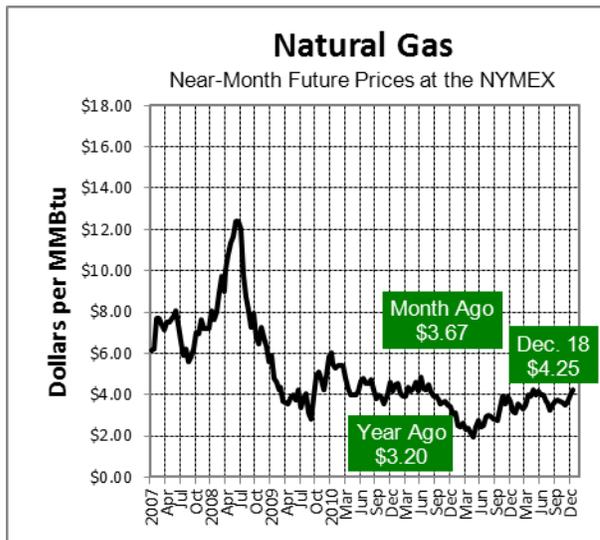
- On December 16, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.69 per gallon, 4 cents, or 1 percent, higher than the average retail price for conventional diesel fuel.
- According to the December 10, 2013, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages, which was \$3.63 per gallon in 2012, is expected to average \$3.50 per gallon in 2013 and \$3.43 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 18, natural gas futures at the NYMEX closed at \$4.25 per million British thermal units (MMBtu), up 33 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>12-18-13</u>	<u>11-20-13</u>	<u>change</u>	<u>12-19-12</u>	<u>change</u>
NYMEX	\$4.25	\$3.67	up 16%	\$3.20	up 33%



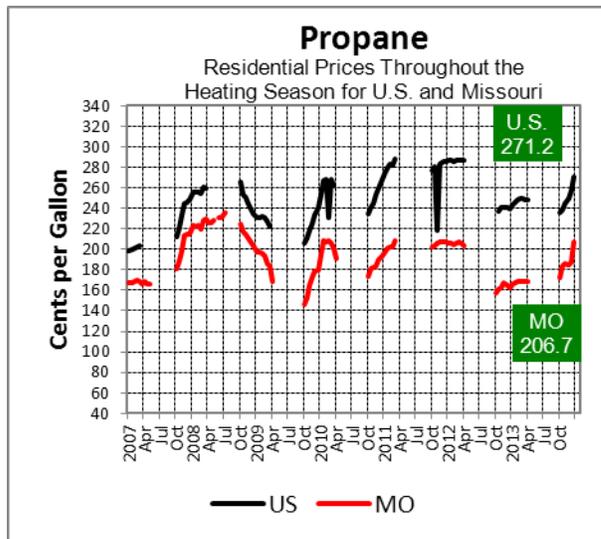
- At the NYMEX, natural gas futures for December 2013 delivery ended 3.6 cents lower on the December 18 trade day to close at \$4.25 per MMBtu. In the past year, natural gas values have increased by \$1.05, or 33 percent, per MMBtu.
- For the reporting week December 11 to December 18, the price of the January 2014 contract decreased 8.0 cents, from \$4.33 to \$4.25 per MMBtu.
- The 12-month strip (average of January 2014 to December 2014 contracts) decreased 5.4 cents per MMBtu for the week, closing at \$4.19 per MMBtu.
- According to EIA, total natural gas consumption fell 8.8 percent compared with last week, as temperatures recovered from lows reached during last week's cold snap. Residential/commercial sector and electric sector consumption decreased by 8.9 percent and 15.5 percent, respectively.
- Working gas in storage totaled 3,248 billion cubic feet (Bcf), 7.4 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 488 Bcf, or 13.1 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released December 10, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 11.8 percent for the 2013/14 heating season based on an increase in price of approximately 11.2 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 16, the average Missouri retail price for residential propane was about \$2.07 per gallon, up 22.2 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	12-16-13	11-18-13	change	12-17-12	change
Missouri	206.7	184.5	up 12%	162.0	up 28%



- According to the Division of Energy's most recent statewide propane price survey conducted December 16, the average Missouri retail residential propane price was about \$2.07 per gallon, up 22.2 cents in the past month and up 28 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.75 per gallon, while the lowest retail price was about \$1.80 per gallon.
- U.S. inventories of propane decreased by 2.7 MMB to end at 50.0 MMB. Propane

inventories are now 19.3 MMB, or 27.8 percent, lower compared to the same period last year. Implied demand for propane increased by 57,000 B/D at 1.6 MMB/D on the week, and up 35,000 B/D compared to the demand level for this time last year.

- Midwest propane inventories decreased 1.0 MMB on the week. At 15.9 MMB, Midwest inventories are 8.4 MMB, or 35 percent, lower than the 24.3 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released December 10, 2013, Midwest households that heat with propane may realize an increase in expenditures by 18.4 percent for the 2013/14 heating season based on an increase in price of 18.8 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>.