



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

July 23, 2018

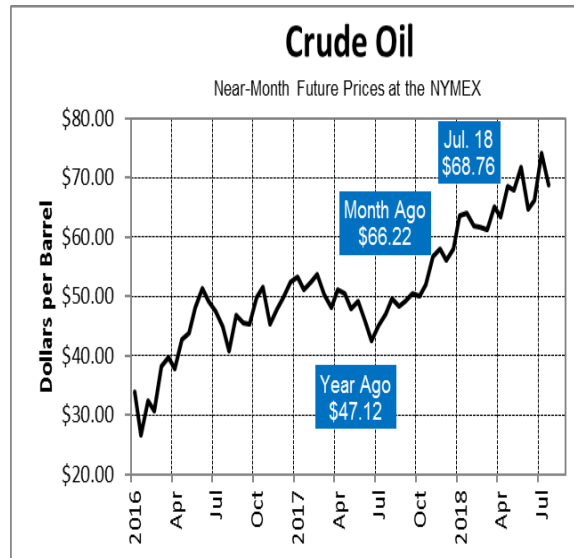
(Data are for the week ended July 13, 2018, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$2.54 to \$68.76 per barrel in the past month and are 46 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>07-18-18</u>	<u>06-20-18</u>	<u>change</u>	<u>07-19-17</u>	<u>change</u>
NYMEX	\$68.76	\$66.22	up 4%	\$47.12	up 46%

- Crude oil futures for August delivery on the NYMEX ended \$0.68, or 0.10%, higher on July 18 to settle at \$68.76 per barrel. The price for crude oil futures is \$2.54, or 4%, above the month-ago level.
- On Monday, the U.S. Energy Information Administration (EIA) released its monthly Drilling Productivity Report. The report predicts an increase in production in August of 143,000 barrels per day from seven domestic shale regions.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$68.76 is \$21.64, or 46 percent, higher.



- Domestic crude production was higher over the prior week at 11.0 million barrels per day (MMB/D). Last year at this time, production stood at approximately 9.4 MMB/D. Total crude imports were higher over the prior week at approximately 9.1 MMB/D. Imports at this time last year were almost 8.0 MMB/D.
- U.S. crude oil supplies rose 5.9 MMB on the week to 411.1 MMB. U.S. supplies are 79.5 MMB lower compared to this time last year.

- U.S. refinery crude runs were down over the prior week with refiners processing approximately 17.2 MMB/D. U.S. refinery capacity utilization was lower on the week at 94.3 percent. Last year at this time, capacity use stood at 94.0 percent.
- Gasoline output was lower on the week at approximately 10.3 MMB/D. Output was approximately 10.1 MMB/D at this time last year. Distillate output was lower than the prior week at almost 5.2 MMB/D. Last year at this time, production stood at 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 20.7 MMB/D, down by 0.3 percent compared to the same period last year.

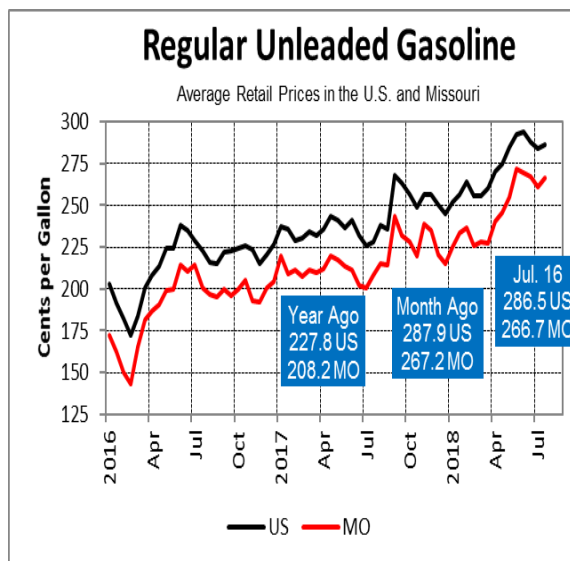
Transportation Fuels

On July 16, Missouri's statewide average retail price for gasoline was almost \$2.67 per gallon, down 0.5 cents in the past month and up 58.5 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	07-16-18	06-18-18	change	07-17-17	change
US	286.5	287.9	down <1%	227.8	up 26%
Missouri	266.7	267.2	down <1%	208.2	up 28%

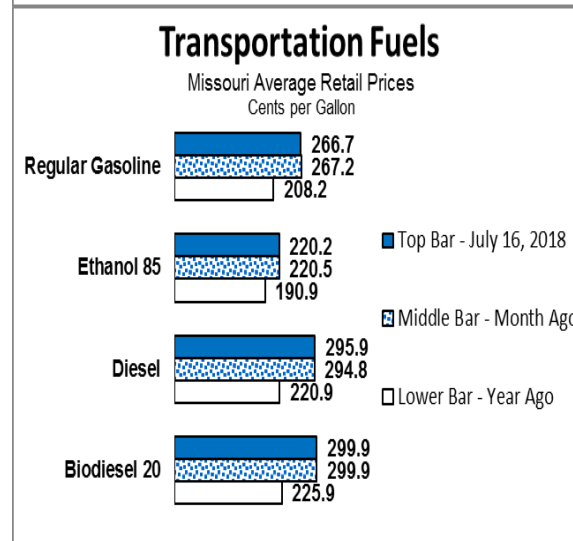
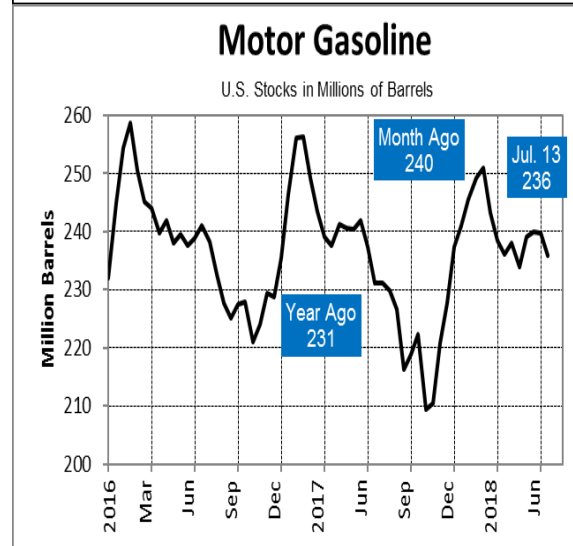
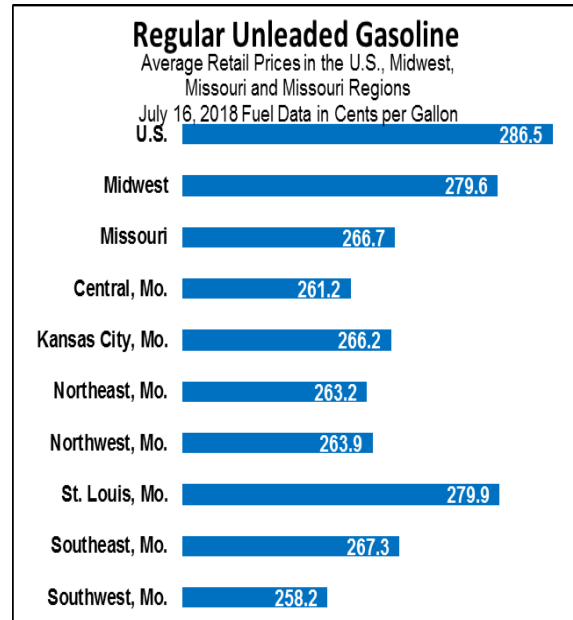
Diesel Fuel - Retail Prices (cents per gallon)					
	07-16-18	06-18-18	change	07-17-17	change
US	323.9	324.4	down <1%	249.1	up 30%
Missouri	295.9	294.8	up <1%	220.9	up 34%

- On July 16, Missouri's average retail price for gasoline was almost \$2.67 per gallon, down 0.5 cents in the past month.
- Missouri's average price for diesel fuel was nearly \$2.96 per gallon, up 1.1 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 58.5 cents per gallon, or 28 percent, higher while the average retail diesel fuel price is 75.0 cents per gallon, or 34 percent, higher.
- At approximately \$2.87, the U.S. average price for regular gasoline is 1.4 cents per gallon, or less than 1 percent, lower compared to last month.
- The U.S. average price for regular gasoline is 58.7 cents per gallon, or 26 percent, higher compared to this time last year. In the past week, the U.S. average increased by 0.8 cents per gallon.
- Gasoline imports decreased from the prior week at approximately 0.7 MMB/D. Last year at this



time, imports stood at nearly 0.6 MMB/D.

- Implied demand for gasoline was higher on the week at approximately 9.7 MMB/D. Demand stood at almost 9.6 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged approximately 9.6 MMB/D.
- U.S. gasoline supplies were down 3.2 MMB on the week at 235.8 MMB. U.S. supplies are 4.6 MMB higher than this time last year.
- Distillate stocks decreased 0.4 MMB on the week at 121.3 MMB and stand 30.1 MMB lower compared to the same period last year.
- Distillate demand was higher on the week at over 4.1 MMB/D. Demand stood at approximately 4.3 MMB/D at this time last year. On a four-week average, distillate demand was higher at over 3.9 MMB/D.
- On July 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was over \$2.20 per gallon, 46.5 cents per gallon, or 17.4 percent, lower than the average price for conventional motor gasoline.
- On July 16, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$3.00 per gallon, 4.0 cents per gallon, or 1.3 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated July 10, 2018, U.S. regular gasoline retail prices, which averaged \$2.15 per gallon in 2016 and \$2.42 in 2017, are projected to average \$2.76 in 2018.



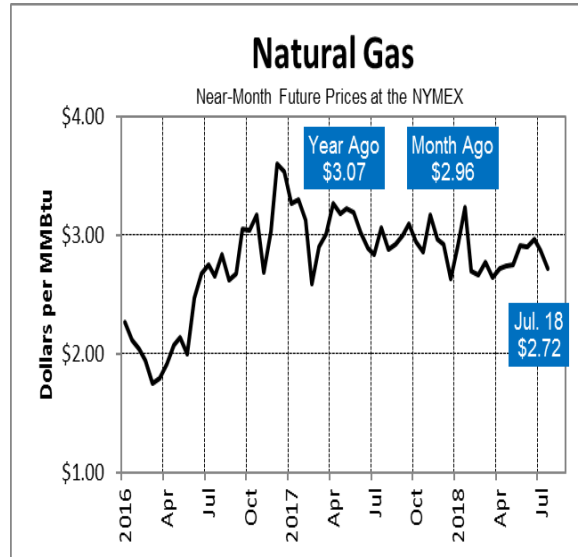
Natural Gas

Approximately 51.6 percent (1,220,485) of Missouri households use natural gas to heat their homes. (Data updated from the most recent U.S. Census report.) Natural gas is also used to produce goods and electricity.

On July 18, 2018, natural gas futures on the NYMEX closed at \$2.72 per million British thermal units (MMBtu), down approximately \$0.24, or 8 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>07-18-18</u>	<u>06-20-18</u>	<u>change</u>	<u>07-19-17</u>	<u>change</u>
NYMEX	\$2.72	\$2.96	down 8%	\$3.07	down 11%

- The August 2018 NYMEX futures contract settled at \$2.72 per MMBtu on July 18, down almost 2 cents from the July 17 settlement.
- In the past month, the futures contract has decreased 24.3 cents, or 8 percent.
- Futures are down \$0.35, or 11 percent, in the past year.
- According to EIA's July 19, 2018 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 710 Bcf, or 24.0 percent, lower than last year at this time.
- According to the EIA, net injections into working gas totaled 46 billion cubic feet (Bcf) for the week ending July 13. Working natural gas stocks are 2,249 Bcf, which is approximately 24 percent lower than the year-ago level and 19.2 percent lower than the five-year (2013–17) average for this week.
- Temperatures in the Lower 48 states averaged 76 degrees Fahrenheit (°F) for the week, 1°F higher than the normal and 1°F lower than last year at this time. Temperatures decreased 3°F over the report week. Cooling degree days in most regions were above the normal.
- According to the EIA, total U.S. consumption of natural gas increased by 4 percent for the week compared with the previous report week, driven by increased power burn. In the residential and commercial sectors, consumption decreased by 6 percent. Natural gas consumed for power generation rose 9 percent week over week. Industrial sector consumption fell by 1 percent week over week. Natural gas exports to Mexico declined 3 percent.



Propane

Approximately 9.2 percent (216,853) 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 2018, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2018.)

On July 2, the average Missouri retail price for residential propane was nearly \$1.55 per gallon, up 20.4 cents, or 15 percent, in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>07-02-18</u>	<u>06-04-18</u>	<u>change</u>	<u>07-06-17</u>	<u>change</u>
Missouri	154.9	161.9	down 4%	134.5	up 15%

- According to the Division of Energy's most recent statewide propane price survey conducted July 2, the average Missouri retail residential propane price was nearly \$1.55 per gallon, up 20.4 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was almost \$1.90 per gallon. The lowest retail price was \$1.20 per gallon.
- U.S. propane/propylene stocks increased over the report week at 65.3 MMB as of July 13, 2018, 7.1 MMB, or 9.8 percent, lower than the five-year average inventory level for this same time of year. Midwest inventories increased by 1.3 MMB to almost 21.7 MMB for the report week. Midwest inventories stood at approximately 20.5 MMB at the same time last year.
- U.S. propane consumption was higher week over week at over 1.0 MMB/D. Consumption stood at over 0.7 MMB/D at the same time last year.

For more information on propane, please visit:

<https://energy.mo.gov/resources/be-prepared-for-propane>

To access previous issues of the Energy Bulletin, or to subscribe, please visit: <https://energy.mo.gov/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: <https://energy.mo.gov/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 a sample of retail providers located throughout the state. The average price reported is based on these sample prices and may or may not reflect the actual price of a particular retail provider. 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>.