



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

September 13, 2018

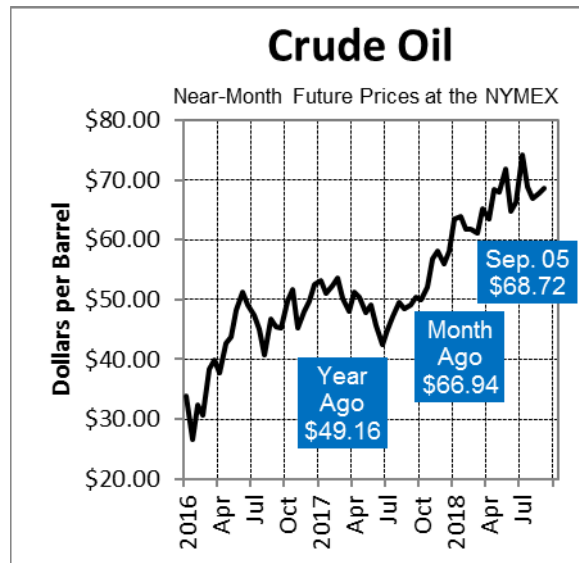
(Data are for the week ended August 31, 2018, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$1.78 to \$68.72 per barrel in the past month and are 40 percent higher compared to this time last year.

| Crude Oil - Near Month Future Prices (dollars per barrel) | | | | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>09-05-18</u> | <u>08-08-18</u> | <u>change</u> | <u>09-06-17</u> | <u>change</u> |
| NYMEX | \$68.72 | \$66.94 | up 3% | \$49.16 | up 40% |

- Crude oil futures for August delivery on the NYMEX ended \$1.15, or 1.65 percent, lower on September 5 to settle at \$68.72 per barrel. The price for crude oil futures is \$1.78, or 3 percent, above the month-ago level.
- Inventories in Cushing, Oklahoma dropped 5.8 million barrels, per the U.S. Energy Information Administration (EIA). Prices were also buoyed by a 600,000 barrel per day drop in Iranian exports.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$68.72 is \$19.56, or 40 percent, higher.



- Domestic crude production was unchanged over the prior week at 11.0 million barrels per day (MMB/D). Last year at this time, production stood at approximately 8.8 MMB/D. Total crude imports were higher over the prior week at approximately 7.7 MMB/D. Imports at this time last year were approximately 7.1 MMB/D.
- U.S. crude oil supplies dropped 4.3 MMB on the week to 401.5 MMB. U.S. supplies are 60.9 MMB lower compared to this time last year.

- U.S. refinery crude runs were higher over the prior week with refiners processing over 17.6 MMB/D. U.S. refinery capacity utilization was up on the week at 96.6 percent. Last year at this time, capacity use stood at 93.3 percent.
- Gasoline output was lower on the week at approximately 10.2 MMB/D. Output was approximately 9.5 MMB/D at this time last year. Distillate output was higher than the prior week at over 5.4 MMB/D. Last year at this time, production stood at 4.5 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 21.4 MMB/D, up by 3.0 percent compared to the same period last year.

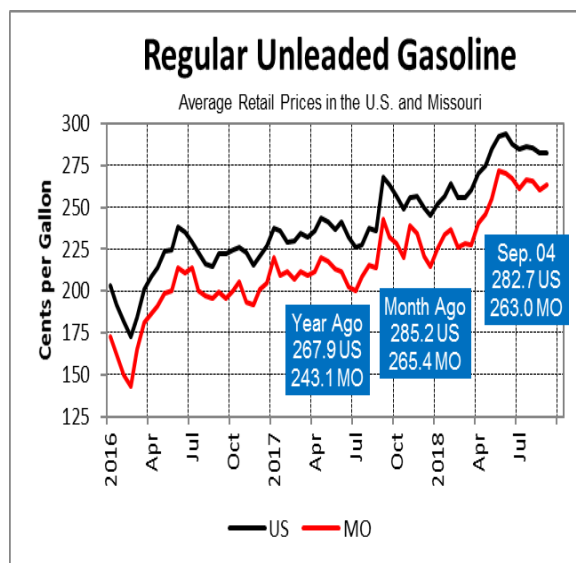
Transportation Fuels

On September 4, Missouri's statewide average retail price for gasoline was \$2.63 per gallon, down 2.4 cents in the past month and up 19.9 cents in the past year.

| Regular Unleaded Gasoline - Retail Prices (cents per gallon) | | | | | |
|--|----------|----------|---------|----------|--------|
| | 09-04-18 | 08-06-18 | change | 09-06-17 | change |
| US | 282.7 | 285.2 | down 1% | 267.9 | up 6% |
| Missouri | 263.0 | 265.4 | down 1% | 243.1 | up 8% |

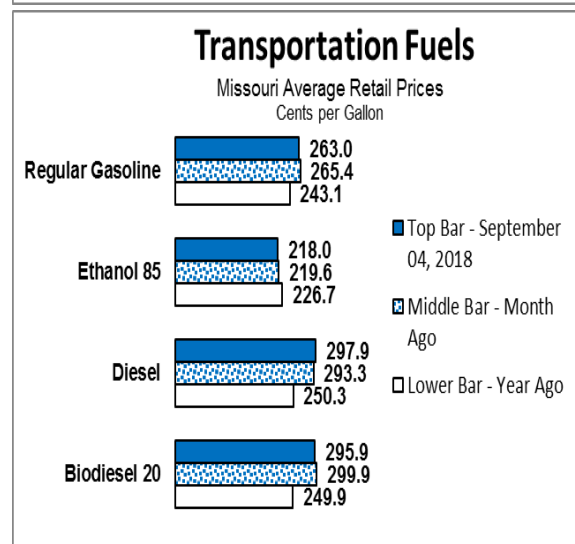
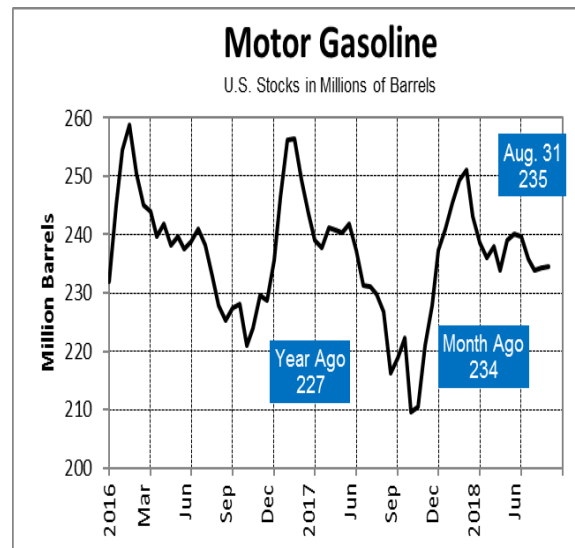
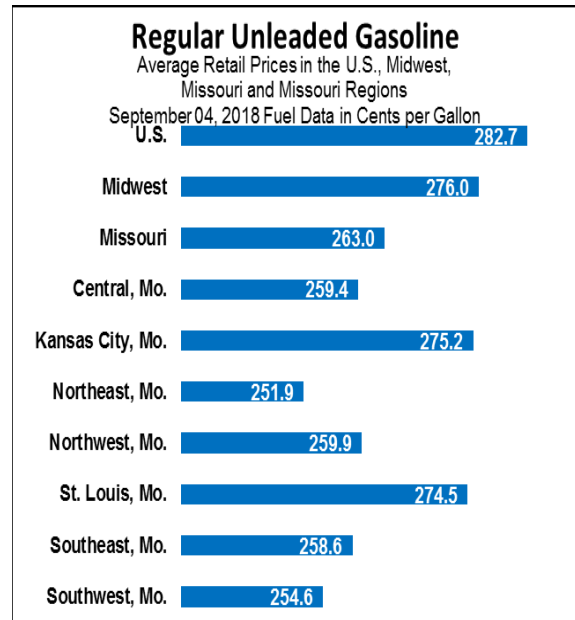
| Diesel Fuel - Retail Prices (cents per gallon) | | | | | |
|--|----------|----------|--------|----------|--------|
| | 09-04-18 | 08-06-18 | change | 09-06-17 | change |
| US | 325.2 | 322.3 | up 1% | 275.8 | up 18% |
| Missouri | 297.9 | 293.3 | up 2% | 250.3 | up 19% |

- On September 5, Missouri's average retail price for gasoline was \$2.63 per gallon, down 2.4 cents in the past month.
- Missouri's average price for diesel fuel was \$2.98 per gallon, up 4.7 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 19.9 cents per gallon, or 8 percent, higher while the average retail diesel fuel price is 47.6 cents per gallon, or 19 percent, higher.



- At approximately \$2.83, the U.S. average price for regular gasoline is 2.5 cents per gallon, or 1 percent, lower compared to last month.
- The U.S. average price for regular gasoline is 14.8 cents per gallon, or 6 percent, higher compared to this time last year. In the past week, the U.S. average decreased by 0.3 cents per gallon.

- Gasoline imports increased from the prior week at approximately 1.0 MMB/D. Last year at this time, imports stood at approximately 0.5 MMB/D.
- Implied demand for gasoline was lower on the week at approximately 9.7 MMB/D. Demand stood at approximately 9.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged approximately 9.7 MMB/D.
- U.S. gasoline supplies were up 1.8 MMB on the week at 234.6 MMB. U.S. supplies are 7.9 MMB higher than this time last year.
- Distillate stocks increased 3.1 MMB on the week at 133.1 MMB and stand 14.7 MMB lower compared to the same period last year.
- Distillate demand was lower on the week at approximately 4.3 MMB/D. Demand stood at approximately 4.1 MMB/D at this time last year. On a four-week average, distillate demand was higher at almost 4.2 MMB/D.
- On September 4, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.18 per gallon, 45.0 cents per gallon, or 17.1 percent, lower than the average price for conventional motor gasoline.
- On September 4, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.96 per gallon, 2.0 cents per gallon, or 0.7 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated August 7, 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.



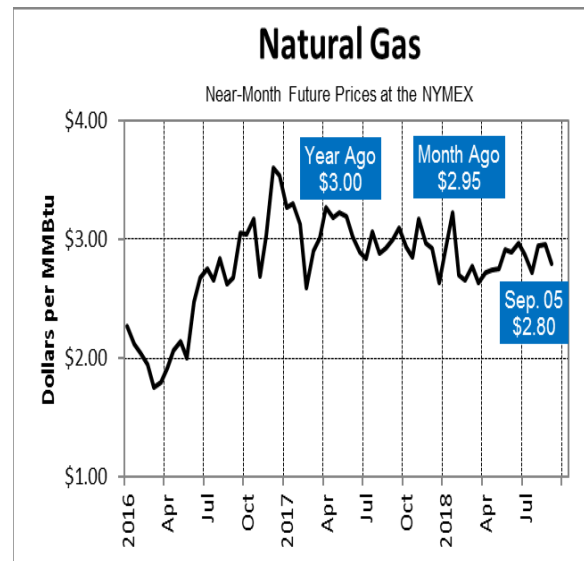
Natural Gas

Approximately 51.4 percent (1,218,420) 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 September 5, 2018, natural gas futures on the NYMEX closed at \$2.80 per million British thermal units (MMBtu), down approximately \$0.15, or 5 percent, in the past month.

| Natural Gas - Near Month Future Prices (dollars per MMBtu) | | | | | |
|--|----------|----------|---------|----------|---------|
| | 09-05-18 | 08-08-18 | change | 09-06-17 | change |
| NYMEX | \$2.80 | \$2.95 | down 5% | \$3.00 | down 7% |

- The October 2018 NYMEX futures contract settled at \$2.80 per MMBtu on September 5, down almost 3 cents from the September 4 settlement.
- In the past month, the futures contract has decreased 15.4 cents, or 5 percent.
- Futures are down \$0.21, or 7 percent, in the past year.
- According to EIA's September 10, 2018 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 644 billion cubic feet (Bcf), or 20.1 percent, lower than last year at this time.
- According to the EIA, net injections into working gas totaled 63 Bcf for the week ending August 31. Working natural gas stocks are 2,567 Bcf, which is approximately 20 percent lower than the year-ago level and 18.7 percent lower than the five-year (2013–17) average for this week.
- Temperatures in the Lower 48 states averaged 75 degrees Fahrenheit (°F) for the week, 3°F higher than normal and 4°F higher than last year at this time. Temperatures were unchanged over the report week. Cooling degree days nationally were above the normal, with the exception of the Pacific Region.
- According to the EIA, total U.S. consumption of natural gas decreased by 2 percent for the week compared with the previous report week. In the residential and commercial sectors, consumption decreased by 3 percent. Natural gas consumed for power generation fell 3 percent week over week. Industrial sector consumption remained unchanged week over week. Natural gas exports to Mexico increased 2 percent.



Propane

Approximately 9.0 percent (212,748) 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 September 3, the average Missouri retail price for residential propane was approximately \$1.55 per gallon, up 15.4 cents, or 11 percent, in the past year.

| <i>Propane - Retail Prices (cents per gallon)</i> | | | | | |
|---|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>09-03-18</u> | <u>08-06-18</u> | <u>change</u> | <u>09-07-17</u> | <u>change</u> |
| Missouri | 154.6 | 151.3 | up 2% | 139.1 | up 11% |

- According to the Division of Energy's most recent statewide propane price survey conducted September 3, the average Missouri retail residential propane price was approximately \$1.55 per gallon, up 15.4 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was almost \$1.80 per gallon. The lowest retail price was \$1.25 per gallon.
- U.S. propane/propylene stocks increased over the report week at 73.4 MMB as of August 31, 2018, 9.7 MMB, or 11.7 percent, lower than the five-year average inventory level for this same time of year. Midwest inventories increased by 1.2 MMB to almost 25.7 MMB for the report week. Midwest inventories stood at approximately 24.4 MMB at the same time last year.
- U.S. propane consumption was higher week over week at approximately 1.1 MMB/D. Consumption stood at over 0.5 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:

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For more information about the Comprehensive State Energy Plan, please 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>.