



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

October 22, 2018

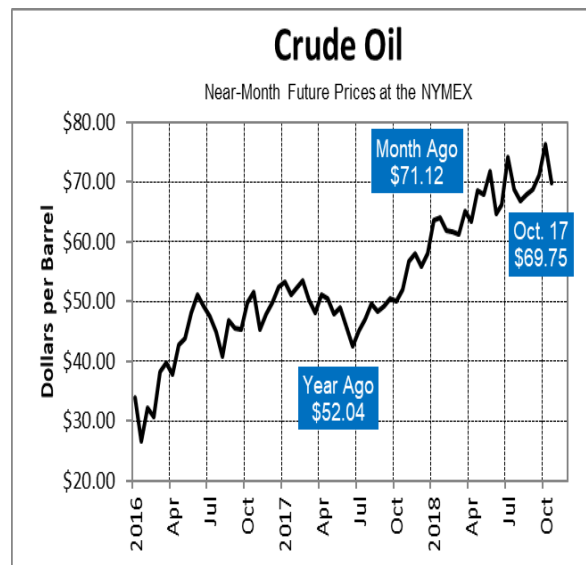
(Data are for the week ended October 12, 2018, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$1.37 to \$69.75 per barrel in the past month and are 34 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>10-17-18</u>	<u>09-19-18</u>	<u>change</u>	<u>10-18-17</u>	<u>change</u>
NYMEX	\$69.75	\$71.12	down 2%	\$52.04	up 34%

- Crude oil futures for November delivery on the NYMEX ended \$2.17, or 3.02 percent, lower on October 17 to settle at \$69.75 per barrel. The price for crude oil futures is \$1.37, or 2 percent, below the month-ago level.
- The drop in crude oil prices followed an increase in U.S. inventories of 6.5 million barrels, far above analyst expectations.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$69.75 is \$17.71, or 34 percent, higher.
- Domestic crude production was down over the prior week at 10.9 million barrels per day (MMB/D). Last year at this time, production stood at approximately 8.4 MMB/D. Total crude imports were higher over the prior week at approximately 7.6 MMB/D. Imports at this time last year were approximately 7.5 MMB/D.
- U.S. crude oil supplies rose 6.4 MMB on the week to 416.4 MMB. U.S. supplies are 40.1 MMB lower compared to this time last year.



- U.S. refinery crude runs were higher over the prior week with refiners processing over 16.3 MMB/D. U.S. refinery capacity utilization was unchanged on the week at 88.8 percent. Last year at this time, capacity use stood at 84.5 percent.
- Gasoline output was higher on the week at approximately 10.4 MMB/D. Output was approximately 10.0 MMB/D at this time last year. Distillate output was lower than the prior week at approximately 4.8 MMB/D. Last year at this time, production stood at 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 20.0 MMB/D, up by 0.4 percent compared to the same period last year.

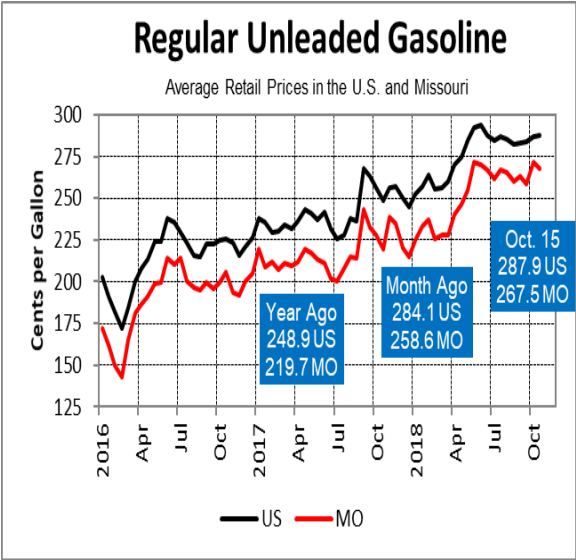
Transportation Fuels

On October 15, Missouri’s statewide average retail price for gasoline was approximately \$2.68 per gallon, up 8.9 cents in the past month and up 47.8 cents in the past year.

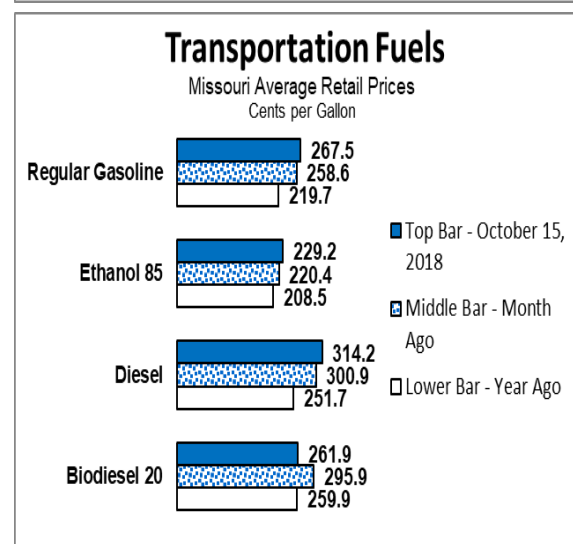
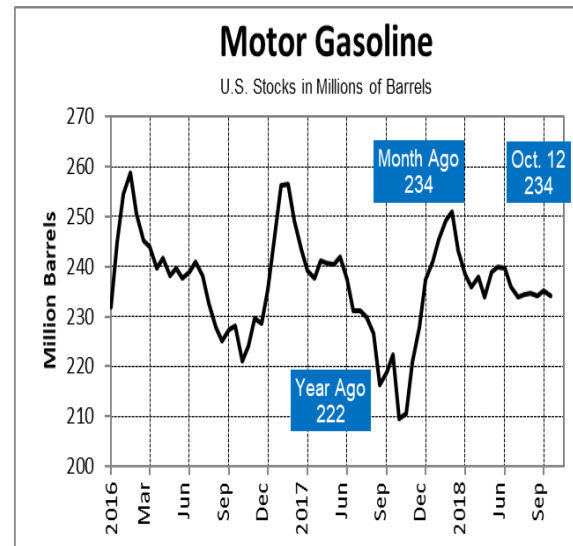
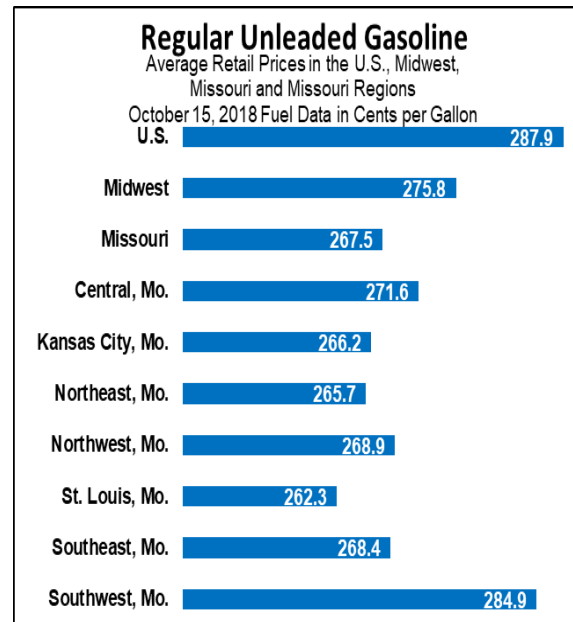
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	10-15-18	09-17-18	change	10-17-17	change
US	287.9	284.1	up 1%	248.9	up 16%
Missouri	267.5	258.6	up 3%	219.7	up 22%

Diesel Fuel - Retail Prices (cents per gallon)					
	10-15-18	09-17-18	change	10-17-17	change
US	339.4	326.8	up 4%	278.7	up 22%
Missouri	314.2	300.9	up 4%	251.7	up 25%

- On October 15, Missouri’s average retail price for gasoline was approximately \$2.68 per gallon, up 8.9 cents in the past month.
- Missouri’s average price for diesel fuel was over \$3.14 per gallon, up 13.3 cents in the past month.
- Compared to last year at this time, Missouri’s average retail gasoline price is 47.8 cents per gallon, or 22 percent, higher while the average retail diesel fuel price is 62.5 cents per gallon, or 25 percent, higher.
- At approximately \$2.88, the U.S. average price for regular gasoline is 3.8 cents per gallon, or 1 percent, higher compared to last month.
- The U.S. average price for regular gasoline is 39.0 cents per gallon, or 16 percent, higher compared to this time last year. In the past week, the U.S. average decreased by 2.4 cents per gallon.



- Gasoline imports decreased from the prior week at approximately 0.4 MMB/D. Last year at this time, imports stood at approximately 0.7 MMB/D.
- Implied demand for gasoline was higher on the week at approximately 9.2 MMB/D. Demand stood at approximately 9.1 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged approximately 9.1 MMB/D.
- U.S. gasoline supplies were down 2.0 MMB on the week at 234.2 MMB. U.S. supplies are 11.9 MMB higher than this time last year.
- Distillate stocks decreased 0.9 MMB on the week at 132.6 MMB and stand 1.9 MMB lower compared to the same period last year.
- Distillate demand was lower on the week at approximately 3.8 MMB/D. Demand stood at approximately 3.5 MMB/D at this time last year. On a four-week average, distillate demand was lower at approximately 4.1 MMB/D.
- On October 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was over \$2.29 per gallon, 38.3 cents per gallon, or 14.3 percent, lower than the average price for conventional motor gasoline.ⁱ
- On October 15, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.62 per gallon, 52.2 cents per gallon, or 16.6 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated October 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 \$2.79 in 2018.



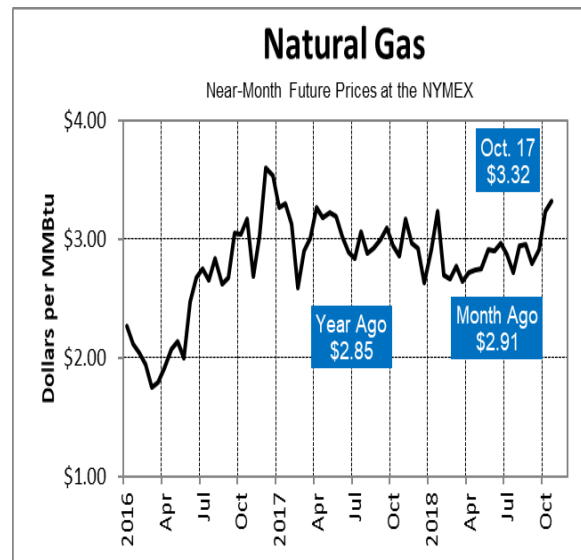
Natural Gas

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 October 17, 2018, natural gas futures on the NYMEX closed at \$3.32 per million British thermal units (MMBtu), up approximately \$0.41, or 14 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-17-18	09-19-18	change	10-18-17	change
NYMEX	\$3.32	\$2.91	up 14%	\$2.85	up 16%

- The November 2018 NYMEX futures contract settled at \$3.32 per MMBtu on October 17, up more than 8 cents from the October 16 settlement.
- In the past month, the futures contract has increased 41.2 cents, or 14 percent.
- Futures are up \$0.47, or 16 percent, in the past year.
- According to EIA's October 18, 2018 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 601 billion cubic feet (Bcf), or 16.5 percent, lower than last year at this time.
- According to the EIA, net injections into working gas totaled 81 Bcf for the week ending October 12. Working natural gas stocks are at 3,037 Bcf, which is approximately 17 percent lower than the year-ago level and 17 percent lower than the five-year (2013–17) average for this week.
- Temperatures in the Lower 48 states averaged 66 degrees Fahrenheit (°F) for the storage report week, 6°F higher than normal and 1°F lower than last year at this time. Temperatures were unchanged over the report week. Cooling degree days nationally were above the normal, with the Mountain and Pacific regions below their normals. Heating degree days were below the normal nationally, although the West North Central, Mountain, and Pacific regions had more heating degree days than the normal.
- According to the EIA, total U.S. consumption of natural gas increased by 6 percent for the week compared with the previous report week. In the residential and commercial sectors, consumption increased by 73 percent on colder temperatures in a number of areas. Natural gas consumed for power generation dropped 18 percent week over week on lower cooling needs. Industrial sector consumption increased 5 percent week over week. Natural gas exports to Mexico decreased 5 percent over the week.



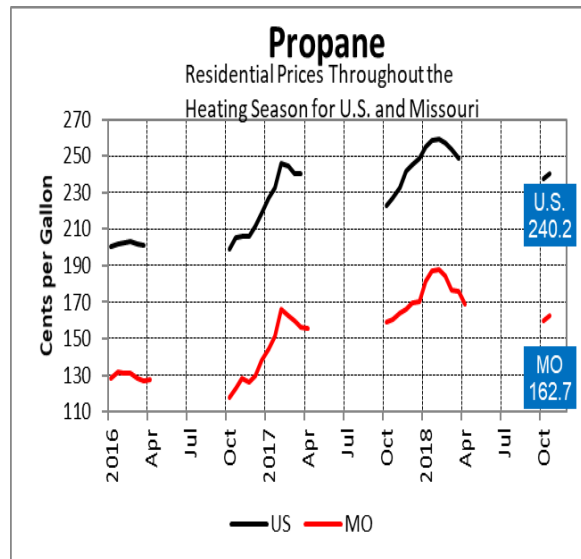
Propane

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.

On October 15, the average Missouri retail price for residential propane was approximately \$1.63 per gallon, up 2.3 cents, or 1 percent, in the past year.

Propane - Retail Prices (cents per gallon)					
	10-15-18	N/A	N/A	10-17-17	change
Missouri	162.7	N/A	N/A	160.3	up 1%

- According to the Division of Energy’s most recent statewide propane price survey conducted October 15, the average Missouri retail residential propane price was approximately \$1.63 per gallon, up 2.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.89 per gallon. The lowest retail price was \$1.24 per gallon.
- U.S. propane/propylene stocks increased over the report week at 82.3 MMB as of October 12, 2018, 4.3 MMB, or 4.9 percent, lower than the five-year average inventory level for this same time of year. Midwest inventories increased by approximately 0.1 MMB to over 27.9 MMB for the report week. Midwest inventories stood at approximately 27.3 MMB at the same time last year.
- U.S. propane consumption was lower week over week at approximately 0.9 MMB/D. Consumption stood at over 0.9 MMB/D at the same time last year.



For more information on propane, please visit:

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

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<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>.

ⁱ E-85 data availability was limited for the bulletin dated September 25, so caution should be exercised when comparing E-85 prices from this week to month-ago data.