



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

April 7, 2017

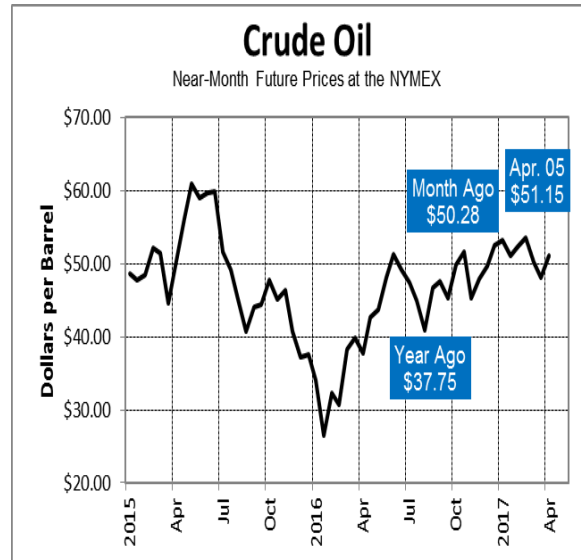
(Data are for the week ended March 31, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$0.87 to \$51.15 per barrel in the past month, 35 percent higher compared to this time last year.

| <i>Crude Oil - Near Month Future Prices (dollars per barrel)</i> | | | | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-05-17</u> | <u>03-08-17</u> | <u>change</u> | <u>04-06-16</u> | <u>change</u> |
| NYMEX | \$51.15 | \$50.28 | up 2% | \$37.75 | up 35% |

- Crude oil futures for May delivery on the NYMEX ended \$0.12, or 0.2 percent, higher on April 5 to settle at \$51.15 per barrel, trimming sharp early gains, after Energy Information Administration (EIA) data showed an unexpected rise in crude inventories.
- Oil prices have risen in recent weeks on hopes OPEC and prominent producers such as Russia agree to roll over a production-cut agreement, which is currently slated to end in June. The cartel is due to make a decision on May 25 to extend production cuts beyond this summer.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$51.15 is \$13.40, or 35 percent, higher.
- Domestic crude production was slightly higher from the prior week at nearly 9.2 MMB/D. Last year at this time, production stood at over 9.0 MMB/D. Total crude imports decreased from the prior week at nearly 7.9 MMB/D. Imports at this time last year averaged nearly 7.3 MMB/D.



- U.S. refinery crude runs increased from the prior week with refiners processing over 16.4 MMB/D. U.S. refinery capacity utilization was up on the week at 90.8 percent. Last year at this time, capacity use stood at 90.4 percent.
- Gasoline output decreased on the week at over 9.5 MMB/D. Output was over 9.6 MMB/D at this time last year. Distillate output was higher from the prior week at nearly 5.0 MMB/D. Last year at this time, production stood at over 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 19.6 MMB/D, up by 0.4 percent compared to the same period last year.

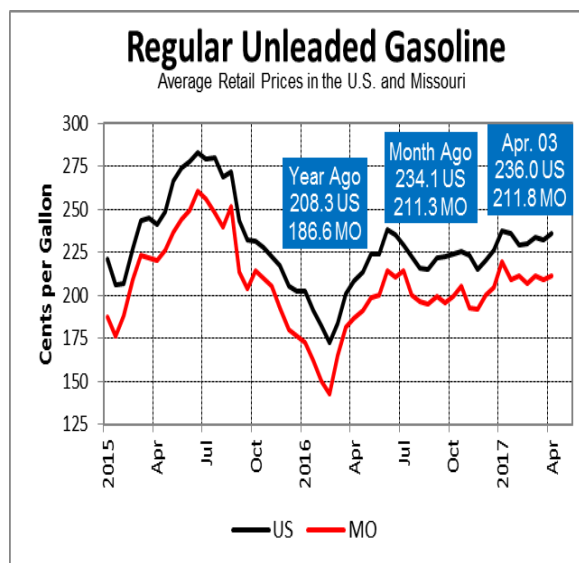
Transportation Fuels

On April 3, Missouri's statewide average retail price for gasoline was nearly \$2.12 per gallon, up 0.5 cents in the past month and up 25.2 cents in the past year.

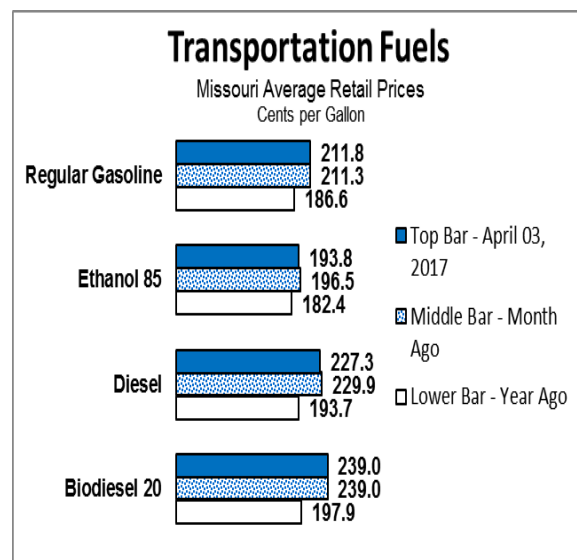
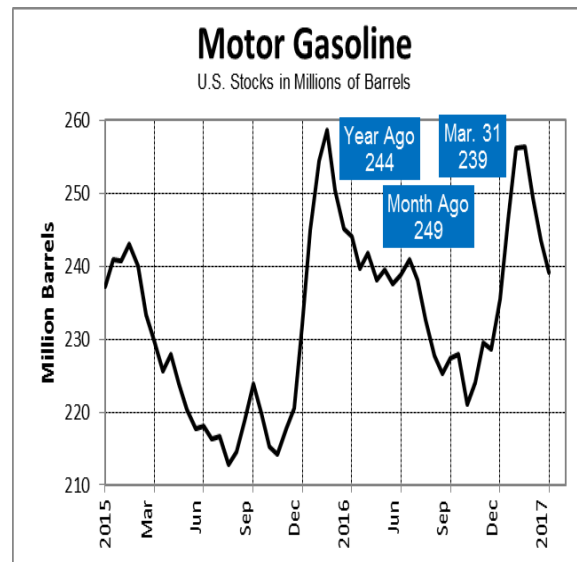
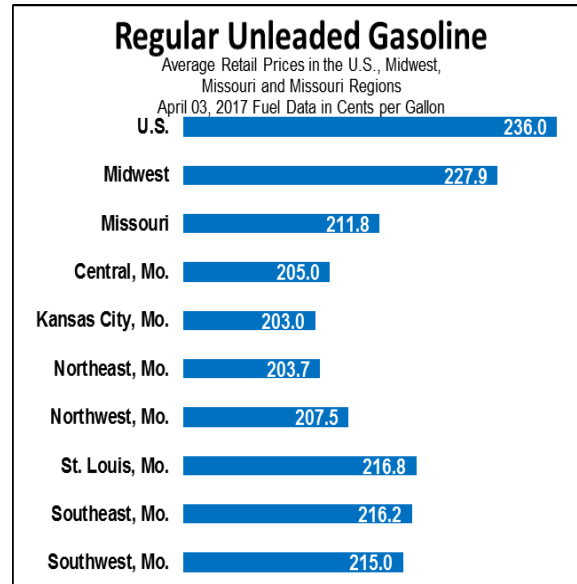
| Regular Unleaded Gasoline - Retail Prices (cents per gallon) | | | | | |
|--|----------|----------|--------|----------|--------|
| | 04-03-17 | 03-06-17 | change | 04-04-16 | change |
| US | 236.0 | 234.1 | up 1% | 208.3 | up 13% |
| Missouri | 211.8 | 211.3 | up <1% | 186.6 | up 13% |

| Diesel Fuel - Retail Prices (cents per gallon) | | | | | |
|--|----------|----------|---------|----------|--------|
| | 04-03-17 | 03-06-17 | change | 04-04-16 | change |
| US | 255.6 | 257.9 | down 1% | 211.5 | up 21% |
| Missouri | 227.3 | 229.9 | down 1% | 193.7 | up 17% |

- On April 3, Missouri's average retail price for gasoline was nearly \$2.12 per gallon, up 0.5 cents in the past month.
- Missouri's average price for diesel fuel was over \$2.27 per gallon, down 2.6 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 25.2 cents per gallon, or 13 percent, higher while the average retail diesel fuel price is 33.6 cents per gallon, or 17 percent, higher.
- At \$2.36, the U.S. average price for regular gasoline is 1.9 cents per gallon, or 1 percent, higher compared to last month.
- The U.S. average price for regular gasoline is up 27.7 cents per gallon, or 13 percent, compared to this time last year. In the past week, the U.S. average increased by 4.5 cents per gallon.



- Gasoline imports increased from the prior week at over 0.6 MMB/D. Last year at this time, imports stood at nearly 0.7 MMB/D.
- Implied demand for gasoline decreased on the week at over 9.2 MMB/D. Demand stood at over 9.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.3 MMB/D.
- U.S. gasoline supplies decreased 0.6 MMB on the week to 239.1 MMB. U.S. supplies are 4.9 MMB lower compared to this time last year.
- Distillate stocks decreased 0.5 MMB on the week at 152.4 MMB and stand 10.6 MMB lower compared to the same period last year.
- Distillate demand decreased on the week at over 4.0 MMB/D. Demand stood at over 3.6 MMB/D at this time last year. On a four-week average, distillate demand was unchanged at nearly 4.2 MMB/D.
- On April 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was nearly \$1.94 per gallon, 18.0 cents, or 8.5 percent, lower than the average price for conventional motor gasoline.
- On April 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$2.39 per gallon, 11.7 cents per gallon, or 5.2 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated March 7, 2017, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015 and \$2.15 per gallon in 2016, are projected to average \$2.40 in 2017.



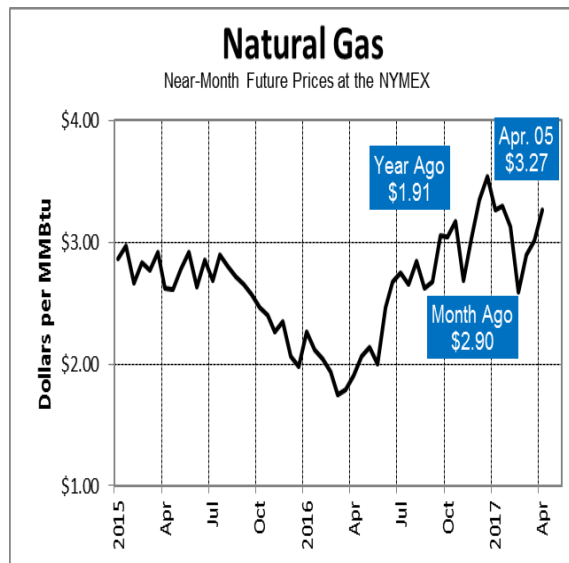
Natural Gas

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 April 5, 2017, natural gas futures on the NYMEX closed at \$3.27 per million British thermal units (MMBtu), up \$1.36, or 71 percent, in the past year.

| Natural Gas - Near Month Future Prices (dollars per MMBtu) | | | | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-05-17</u> | <u>03-08-17</u> | <u>change</u> | <u>04-06-16</u> | <u>change</u> |
| NYMEX | \$3.27 | \$2.90 | up 13% | \$1.91 | up 71% |

- The May 2017 NYMEX futures contract settled at \$3.27 per MMBtu on April 5, down 2.7 cents from the prior settlement.
- Futures are up \$1.36, or 71 percent, in the past year.
- Working gas in storage was 2,051 Bcf, 14.8 percent above the five-year average inventory level for the week. According to EIA's April 6, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 427 Bcf, or 17.2 percent, lower than last year at this time.
- According to the EIA, net injections into storage totaled 2 Bcf, compared with the five-year (2012–16) average net withdrawal of 13 Bcf and last year's net injections of 6 Bcf during the same week. Withdrawals from working gas totaled 150 Bcf during the previous storage week, as most of the Lower 48 states were significantly colder than normal.
- Temperatures in the Lower 48 states averaged 53°F, 5°F higher than the normal and 3°F higher than last year at this time. Temperatures were warmer than normal in most areas of the Lower 48 states, outside of the New England region. Temperatures in the New England Census division averaged 37°F, 3°F lower than the normal and 6°F lower than last year at this time. However, temperatures were considerably warmer than normal in the East and West South Central Census divisions. Temperatures in the East South Central Census division averaged 64°F, 10°F higher than the normal and 8°F higher than last year at this time. Temperatures in the West South Central Census division averaged 67°F, 7°F higher than the normal and 7°F higher than last year at this time. Temperatures in the South Atlantic Census division averaged 61°F, 7°F higher than the normal and 1°F higher than last year at this time.
- According to the EIA, total U.S. consumption of natural gas fell by 2 percent compared with the previous report week. Week over week, power burn climbed by 5 percent; industrial sector consumption stayed flat at 20.9 Bcf/d; and residential and commercial sector consumption declined by 11 percent. Natural gas exports to Mexico increased 3 percent from last week.



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 2017, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2017.)

On April 3, the average Missouri retail price for residential propane was over \$1.55 per gallon, down 4.7 cents in the past month and up 28.0 cents in the past year.

| Propane - Retail Prices (cents per gallon) | | | | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|
| | <u>04-03-17</u> | <u>03-06-17</u> | <u>change</u> | <u>04-04-16</u> | <u>change</u> |
| Missouri | 155.2 | 160.0 | down 3% | 127.3 | up 22% |

- According to the Division of Energy's most recent statewide propane price survey conducted April 3, the average Missouri retail residential propane price was over \$1.55 per gallon, down 4.7 cents in the past month and up 28.0 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.99 per gallon. The lowest retail price was \$1.29 per gallon.
- U.S. propane stocks decreased by 1.2 MMB last week to 41.6 MMB as of March 31, 2017, 23.3 MMB or 35.9 percent, lower than a year ago. Midwest propane stocks declined by nearly 0.4 MMB to nearly 11.2 MMB. Midwest inventories stood at nearly 15.4 MMB at this time last year.
- U.S. propane consumption was higher on the week at nearly 1.2 MMB/D. Consumption stood at over 0.8 MMB/D last year at this time.

For more information on propane, please visit:

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

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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://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.