



Division of Energy

MISSOURI ENERGY BULLETIN

August 5, 2016

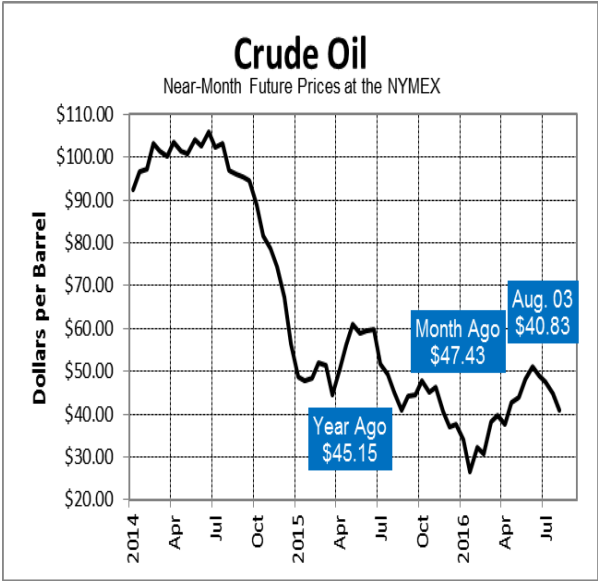
(Data is for the week ended July 29, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$6.60 to \$40.83 per barrel in the past month and stand 10 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>08-03-16</u>	<u>07-06-16</u>	<u>change</u>	<u>08-05-15</u>	<u>change</u>
NYMEX	\$40.83	\$47.43	down 14%	\$45.15	down 10%

- NYMEX crude oil futures for September 2016 delivery ended \$1.32, or 3.3 percent higher on August 8 to settle at \$40.83 per barrel, after the Energy Information Administration (EIA) reported a larger-than-expected gasoline draw that offset a surprise build in crude stockpiles.
- Global crude values are expected to be pressured lower on a combination of Canadian and Nigerian oil production recovery, scheduled refinery maintenance, concerns about slowing economies in Asia and Europe, near record-high OPEC oil output and signs of a new crude oil price war by Saudi Arabia.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$40.83 is \$4.32, or 10 percent, lower.
- According to the weekly EIA fuels report released August 3, U.S. crude inventories increased 1.4 million barrels (MMB) on the week to 522.5 MMB. U.S. crude supplies are now 67.3 MMB higher compared to this time last year.



- Domestic crude production was unchanged from the prior week at 8.5 MMB/D. Last year at this time, production stood at 9.5 MMB/D. Total crude imports increased from the prior week at nearly 8.3 MMB/D. Imports at this time last year averaged 7.5 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing over 16.7 MMB/D. U.S. refinery capacity utilization was up on the week at 93.3 percent. Last year at this time, capacity use stood at 96.1 percent.
- Gasoline output was unchanged on the week at nearly 10.1 MMB/D. Output was just under 9.9 MMB/D at this time last year. Distillate output was unchanged from the prior week at just over 4.9 MMB/D. Last year at this time, production stood at over 5.0 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 20.5 MMB/D, up by 0.6 percent compared to the same period last year.

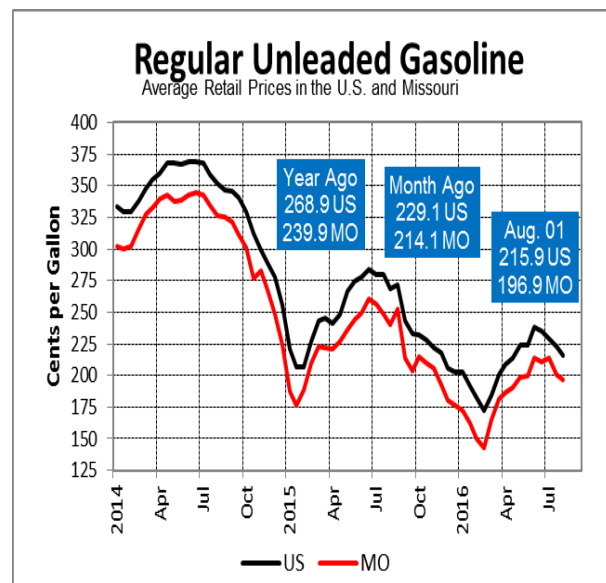
Transportation Fuels

On August 1, Missouri's statewide average retail price for gasoline was \$1.97 per gallon, down 17.2 cents in the past month and down 43.0 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-01-16	07-05-16	change	08-03-15	change
US	215.9	229.1	down 6%	268.9	down 20%
Missouri	196.9	214.1	down 8%	239.9	down 18%

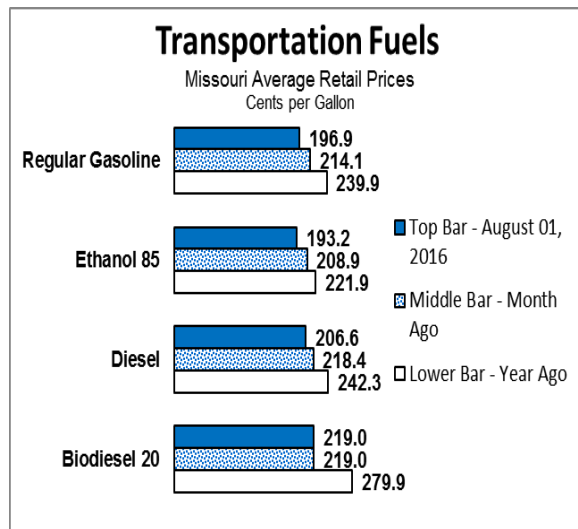
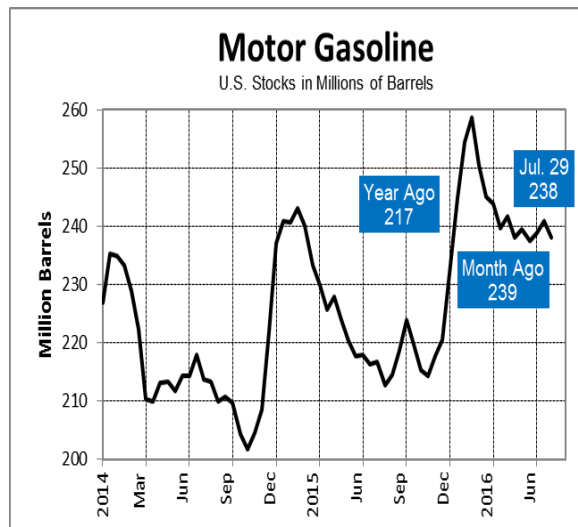
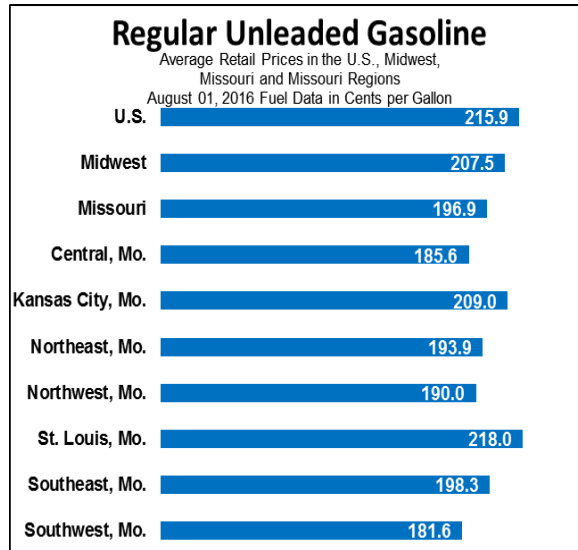
Diesel Fuel - Retail Prices (cents per gallon)					
	08-01-16	07-05-16	change	08-03-15	change
US	234.8	242.3	down 3%	266.8	down 12%
Missouri	206.6	218.4	down 5%	242.3	down 15%

- On August 1, Missouri's average retail price for gasoline was \$1.97 per gallon, down 17.2 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.07 per gallon, down 11.8 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 43.0 cents per gallon, or 18 percent, lower while the average retail diesel fuel price is 35.7 cents per gallon, or 15 percent, lower.
- At \$2.16, the U.S. average price for regular gasoline is 13.2 cents per gallon, or 6 percent, lower compared to last month.



- The U.S. average price for regular gasoline is down 53.0 cents per gallon, or 20 percent, compared to this time last year. In the past week, the U.S. average decreased by 2.3 cents per gallon.

- Gasoline imports decreased from the prior week at over 0.6 MMB/D. Last year at this time, imports stood at over 0.8 MMB/D.
- Implied demand for gasoline was unchanged on the week at nearly 9.8 MMB/D. Demand stood at nearly 9.7 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged less than 9.8 MMB/D.
- U.S. gasoline supplies decreased 3.3 MMB on the week to 238.2 MMB. U.S. supplies are up 21.5 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks increased on the week at 153.2 MMB and stand 8.3 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at over 3.6 MMB/D. Demand stood at just under 3.8 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at nearly 3.7 MMB/D.
- On August 1, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.93 per gallon, 3.7 cents, or almost 1.9 percent, lower than the average price for conventional motor gasoline.
- On August 1, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 12.4 cents per gallon, or 6.1 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated July 12, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.12 per gallon in 2016.



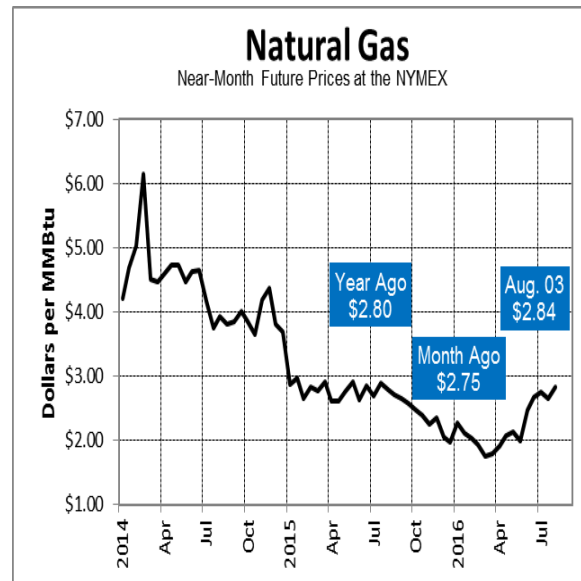
Natural Gas

Approximately 52 percent (1,236,651) 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 August 3, natural gas futures on the NYMEX closed at \$2.84 per million British thermal units (MMBtu), up \$0.09, or 3 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-03-16	07-06-16	change	08-05-15	change
NYMEX	\$2.84	\$2.75	up 3%	\$2.80	up 1%

- The September 2016 NYMEX futures contract settled at \$2.84 per MMBtu on August 3, up 10.6 cents from the prior settlement. Futures are up 9 cents, or 3 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.04 per MMBtu, or 1 percent.
- Working gas in storage was 3,288 Bcf, 16.4 percent above the five-year average inventory level for the week. According to EIA's August 4, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 389 Bcf, or 13.4 percent, higher than last year at this time.



- The U.S. posted the first summertime weekly net withdrawal since 2006. Net withdrawals from storage totaled 6 Bcf, compared with the five-year (2011-15) average net injection of 54 Bcf and last year's net injections of 41 Bcf during the same week. This is only the third time ever that net withdrawals from working gas stocks were reported on a national basis during the summer months. The two other summertime withdrawals both occurred in 2006 (July 21 and August 4).
- Temperatures reached their highest levels in 2016, increasing cooling demand for natural gas. Temperatures in the Lower 48 states averaged 80°F, 5°F above the normal and 3°F above last year at this time. Cumulative cooling degree-days in the Lower 48 states totaled 761 since April 1, compared to the normal of 615. Every U.S. Census region featured above-normal temperatures for the report week.
- According to the EIA, total U.S. consumption of natural gas fell by 3 percent. Power burn declined by 8 percent week over week; in the previous week, hot weather drove power burn to hit record highs. Industrial sector consumption stayed constant, averaging 19.5 Bcf/d. In the residential and commercial sectors, consumption remained at last week's level, averaging 19.5 Bcf/d. Natural gas exports to Mexico declined 1 percent.

Propane

Approximately 10 percent (227,100) 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 2016, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2016.)

On August 1, the average Missouri retail price for residential propane was just over \$1.16 per gallon, less than 1 cent higher in the past month and down 4.9 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>08-01-16</u>	<u>07-05-16</u>	<u>change</u>	<u>08-03-15</u>	<u>change</u>
Missouri	116.2	115.5	up 1%	121.1	down 4%

- According to the Division of Energy's most recent statewide propane price survey conducted August 1, the average Missouri retail residential propane price was just over \$1.16 per gallon, less than 1 cent higher in the past month and down 4.9 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.65 per gallon. The lowest retail price was nearly \$0.89 per gallon.
- U.S. propane stocks increased by 0.3 MMB last week to 89.9 MMB as of July 29, 2016, 0.5 MMB or 0.6 percent lower than a year ago. Midwest inventories were unchanged on the week at almost 28.8 MMB. Midwest inventories stood at over 26.1 MMB at this time last year.
- U.S. propane consumption increased on the week. At nearly 1.1 MMB/D, U.S. demand for propane is unchanged compared to last year at this time.

For more information on propane, please visit:

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

To access previous issues of the Energy Bulletin, or to subscribe, please visit:

<http://energy.mo.gov/energy/stay-informed/missouri-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:

<http://energy.mo.gov/energy/about/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 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>.