



Division of Energy

MISSOURI ENERGY BULLETIN

December 23, 2016

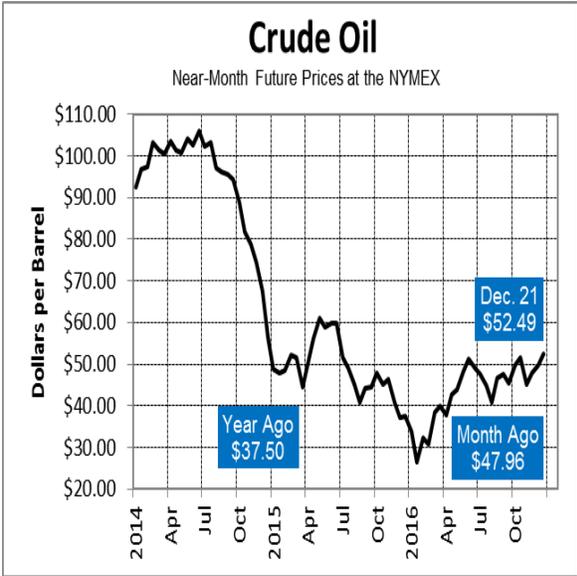
(Data are for the week ended December 16, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$4.53 to \$52.49 per barrel in the past month and stand 40 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	12-21-16	11-23-16	change	12-23-15	change
NYMEX	\$52.49	\$47.96	up 9%	\$37.50	up 40%

- Crude oil futures for February delivery on the NYMEX ended \$0.81, or 1.5 percent, lower on December 21 to settle at \$52.49 per barrel, after Libya said it expects to boost production over the next few months and the Energy Information Administration (EIA) reported an unexpected build in weekly domestic crude inventories.
- According to the federal weekly fuels report released December 21, U.S. crude inventories increased 2.3 MMB on the week to 485.4 MMB. That was the first weekly build in crude stockpiles in five weeks. Analysts were expecting crude inventories to fall by 2.5 million barrels.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$52.49 is \$14.99, or 40 percent, higher.
- Domestic crude production was unchanged from the prior week at nearly 8.8 MMB/D. Last year at this time, production stood at nearly 9.2 MMB/D. Total crude imports increased from the prior week at nearly 8.5 MMB/D. Imports at this time last year averaged over 7.3 MMB/D.



- U.S. refinery crude runs increased from the prior week with refiners processing over 16.6 MMB/D. U.S. refinery capacity utilization was up on the week at 91.5 percent. Last year at this time, capacity use stood at 91.3 percent.
- Gasoline output increased on the week at nearly 10.2 MMB/D. Output was over 9.3 MMB/D at this time last year. Distillate output increased from the prior week at over 5.1 MMB/D. Last year at this time, production stood at over 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 19.8 MMB/D, down by 1.3 percent compared to the same period last year.

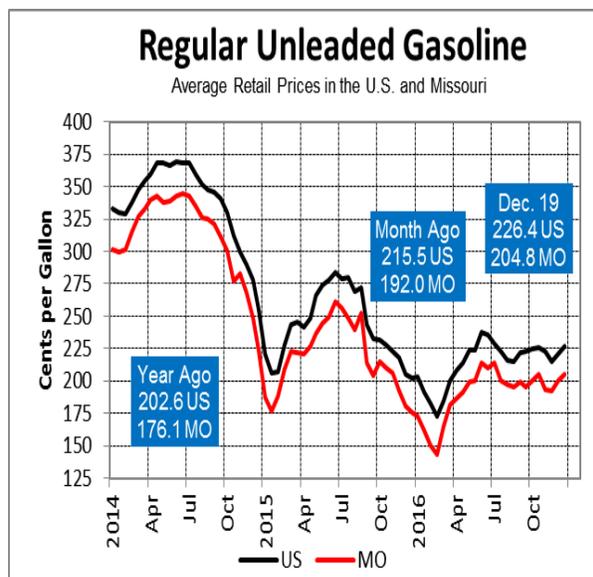
Transportation Fuels

On December 19, Missouri's statewide average retail price for gasoline was about \$2.05 per gallon, up 12.8 cents in the past month and up 28.7 cents in the past year.

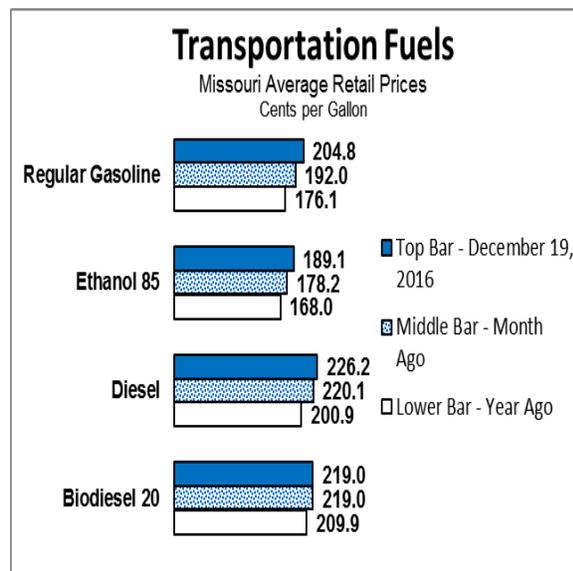
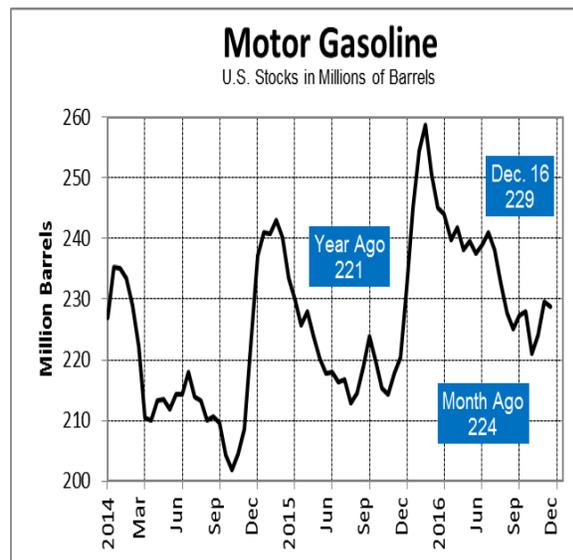
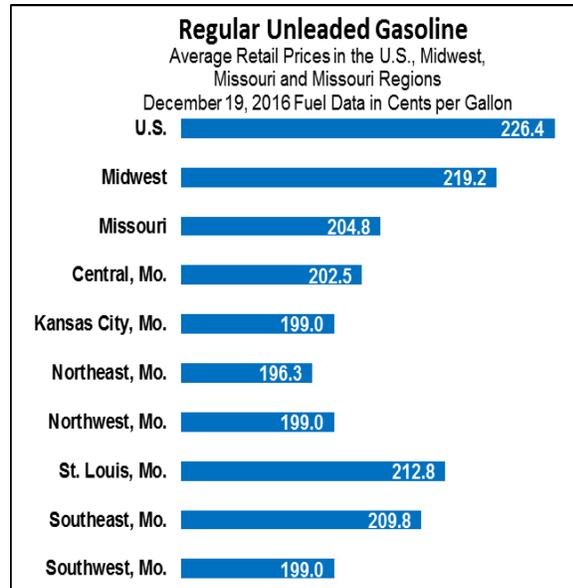
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	12-19-16	11-21-16	change	12-21-15	change
US	226.4	215.5	up 5%	202.6	up 12%
Missouri	204.8	192.0	up 7%	176.1	up 16%

Diesel Fuel - Retail Prices (cents per gallon)					
	12-19-16	11-21-16	change	12-21-15	change
US	252.7	242.1	up 4%	228.4	up 11%
Missouri	226.2	220.1	up 3%	200.9	up 13%

- On December 19, Missouri's average retail price for gasoline was nearly \$2.05 per gallon, up 12.8 cents in the past month.
- Missouri's average price for diesel fuel was \$2.26 per gallon, up 6.1 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 28.7 cents per gallon, or 16 percent, higher while the average retail diesel fuel price is 25.3 cents per gallon, or 13 percent, higher.
- At over \$2.26, the U.S. average price for regular gasoline is 10.9 cents per gallon, or 5 percent, higher compared to last month.
- The U.S. average price for regular gasoline is up 23.8 cents per gallon, or 12 percent, compared to this time last year. In the past week, the U.S. average increased by 2.8 cents per gallon.
- Gasoline imports decreased from the prior week at over 0.4 MMB/D. Last year at this time, imports stood at over 0.3 MMB/D.



- Implied demand for gasoline increased on the week at nearly 9.3 MMB/D. Demand stood at nearly 9.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.0 MMB/D.
- U.S. gasoline supplies decreased 1.3 MMB on the week to 228.7 MMB. U.S. supplies are up 8.2 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased on the week at 153.5 MMB and stand 2.2 MMB higher compared to the same period last year.
- Distillate demand increased on the week at over 4.5 MMB/D. Demand stood at nearly 4.0 MMB/D at this time last year. On a four-week average, distillate demand was slightly higher at over 4.0 MMB/D.
- On December 19, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.89 per gallon, 15.7 cents, or 7.7 percent, lower than the average price for conventional motor gasoline.
- On December 19, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$2.19 per gallon, 7.2 cents per gallon, or 3.2 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated December 6, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.14 per gallon in 2016 and \$2.30 in 2017.



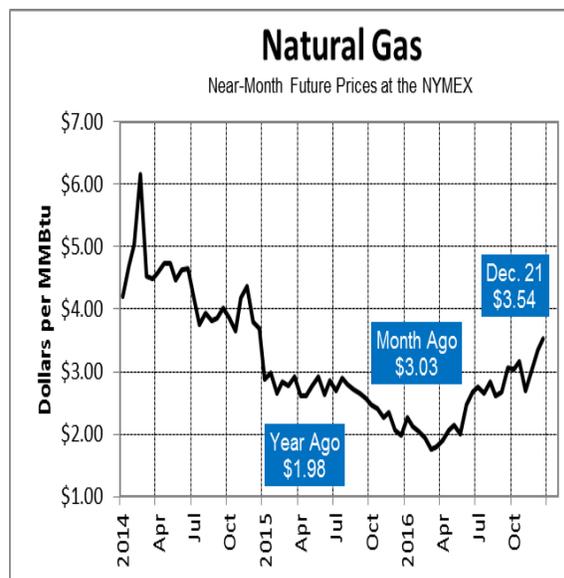
Natural Gas

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 December 21, natural gas futures on the NYMEX closed at \$3.54 per million British thermal units (MMBtu), up \$0.51, or nearly 17 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>12-21-16</u>	<u>11-23-16</u>	<u>change</u>	<u>12-23-15</u>	<u>change</u>
NYMEX	\$3.54	\$3.03	up 17%	\$1.98	up 79%

- The January 2017 NYMEX futures contract settled at \$3.54 per MMBtu on December 21, up 27.9 cents from the prior settlement. Futures are up 51 cents, or nearly 17 percent, in the past month.
- In the past year, natural gas prices have increased by \$1.56 per MMBtu, or 79 percent.
- Working gas in storage was 3,597 Bcf, 2.2 percent above the five-year average inventory level for the week. According to EIA's December 22, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 226 Bcf, or 5.9 percent, lower than last year at this time.
- Withdrawals from storage totaled 209 Bcf, compared with the five-year (2011–15) average net withdrawal of 101 Bcf and last year's net withdrawal of 33 Bcf during the same week. Working natural gas stocks total 3,597 Bcf, which is 78 Bcf above the five-year average and 226 Bcf below last year at this time. This week's storage withdrawal represents the largest December net withdrawal in the *Weekly Natural Gas Storage Report* (WNGSR) history, which dates back to late 1994. The substantial storage draw is related to a combination of cold weather, increased electric-sector capacity for natural gas, reduced natural gas production relative to last year, and increased natural gas export volumes.
- Average temperatures in the Lower 48 states fell 6°F on the week and averaged 34°F. Temperatures in most regions were below the seasonal norms for the period. Falling temperatures this week pushed temperatures 3°F below the normal level for this time of year and 16°F lower than last year at this time. HDD in the Lower 48 states totaled 217, compared with 110 last year and a normal of 195.
- According to the EIA, U.S. consumption of natural gas rose by 11 percent compared with the previous report week. Power burn climbed by 10 percent week over week, while industrial sector consumption increased by 3 percent. In the residential/commercial sector, consumption increased by 15 percent. Natural gas exports to Mexico increased 9 percent.



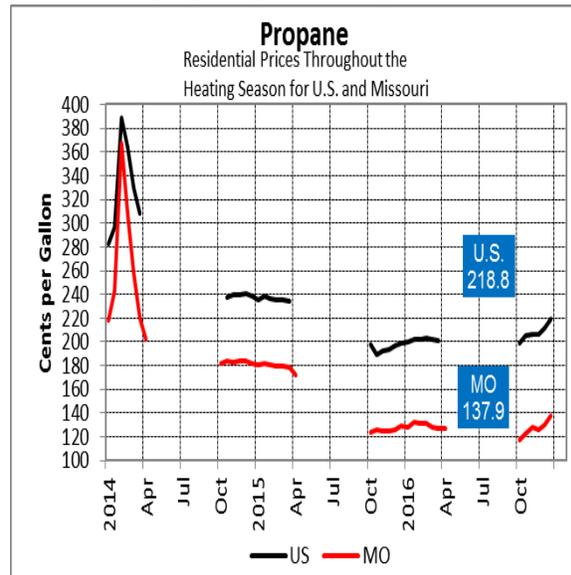
Propane

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.

On December 19, the average Missouri retail price for residential propane was nearly \$1.38 per gallon, up 11.8 cents in the past month and up 8.2 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	12-19-16	11-21-16	change	12-21-15	change
Missouri	137.9	126.1	up 9%	129.7	up 6%

- According to the Division of Energy’s most recent statewide propane price survey conducted December 19, the average Missouri retail residential propane price was nearly \$1.38 per gallon, up 11.8 cents in the past month and up 8.2 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.90 per gallon. The lowest retail price was \$1.03 per gallon.
- U.S. propane stocks decreased by 3.1 MMB last week to 92.5 MMB as of December 16, 2016, 5.1 MMB, or 5.2 percent, lower than a year ago. Midwest inventories were down 1.1 MMB at over 24.8 MMB. Midwest inventories stood at just under 27.0 MMB at this time last year.
- U.S. propane consumption was unchanged on the week at nearly 1.5 MMB/D, but is slightly higher compared to 1.3 MMB/D reported 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>.