



Division of Energy

MISSOURI ENERGY BULLETIN

December 9, 2016

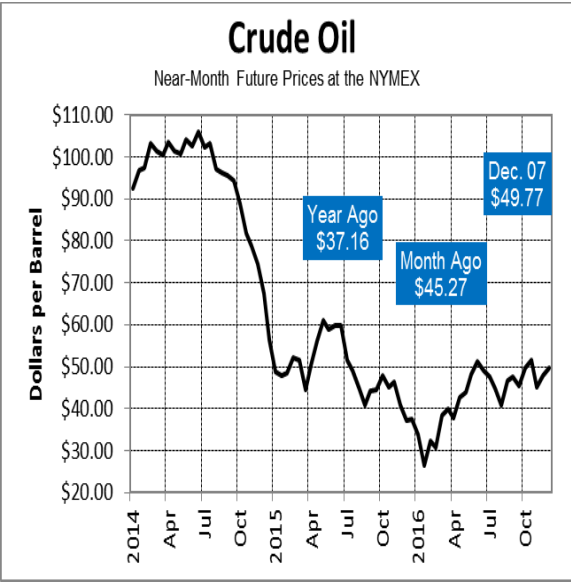
(Data are for the week ended December 2, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$4.50 to \$49.77 per barrel in the past month and stand 34 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	12-07-16	11-10-16	change	12-09-15	change
NYMEX	\$49.77	\$45.27	up 10%	\$37.16	up 34%

- Crude oil futures for January delivery on the NYMEX ended \$1.16, or 2.3 percent, lower on December 7 to settle at \$49.77 per barrel, on bearish Energy Information Administration (EIA) petroleum inventory data and doubts that production cuts promised by OPEC and Russia would be deep enough to end a supply overhang that has weighed on markets for more than 2 years.
- According to the federal weekly fuels report released December 7, U.S. crude inventories decreased 2.4 MMB on the week to 485.8 MMB. Stocks at the Cushing, Oklahoma delivery hub for crude futures, however, increased by 3.8 MMB last week, the most since 2009.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$49.77 is \$12.61, or 34 percent, higher.
- Domestic crude production was unchanged from the prior week at nearly 8.7 MMB/D. Last year at this time, production stood at nearly 9.2 MMB/D. Total crude imports increased from the prior week at over 8.3 MMB/D. Imports at this time last year averaged over 8.0 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 90.4 percent. Last year at this time, capacity use stood at 93.1 percent.
- Gasoline output decreased on the week at over 9.9 MMB/D. Output was nearly 9.9 MMB/D at this time last year. Distillate output decreased from the prior week at nearly 5.1 MMB/D. Last year at this time, production stood at over 5.2 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, down by 1.0 percent compared to the same period last year.

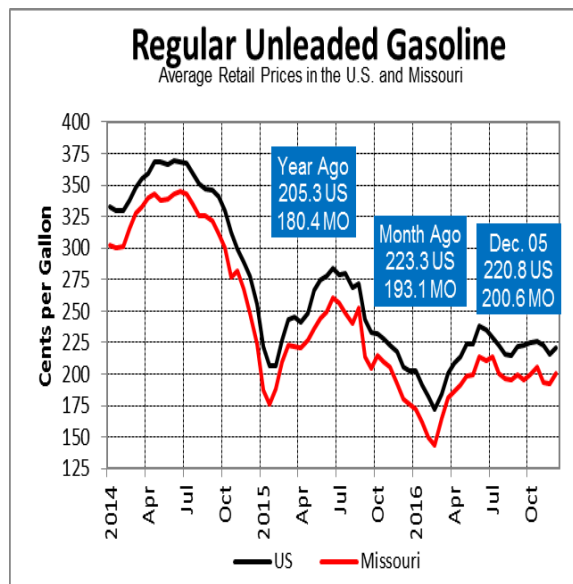
Transportation Fuels

On December 5, Missouri's statewide average retail price for gasoline was about \$2.01 per gallon, up 7.5 cents in the past month and up 20.2 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>12-05-16</u>	<u>11-07-16</u>	<u>change</u>	<u>12-07-15</u>	<u>change</u>
US	220.8	223.3	down 1%	205.3	up 8%
Missouri	200.6	193.1	up 4%	180.4	up 11%

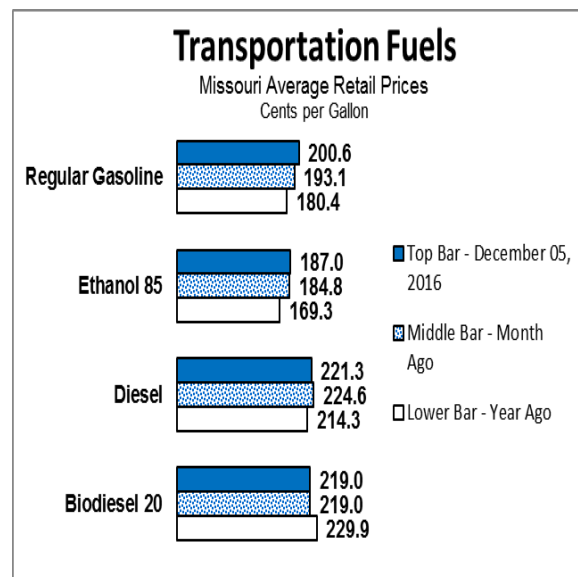
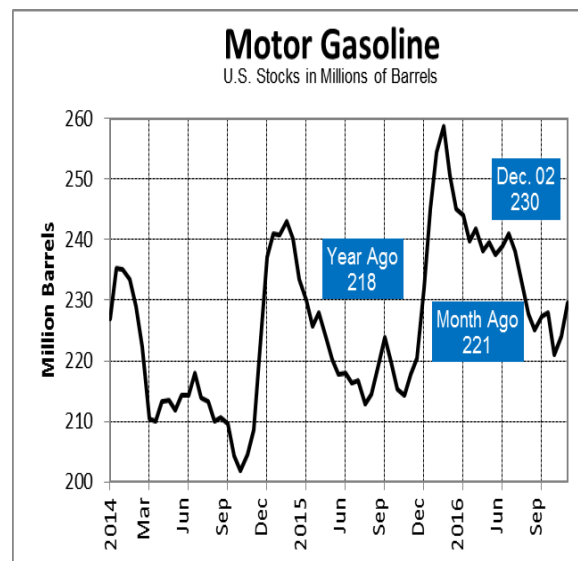
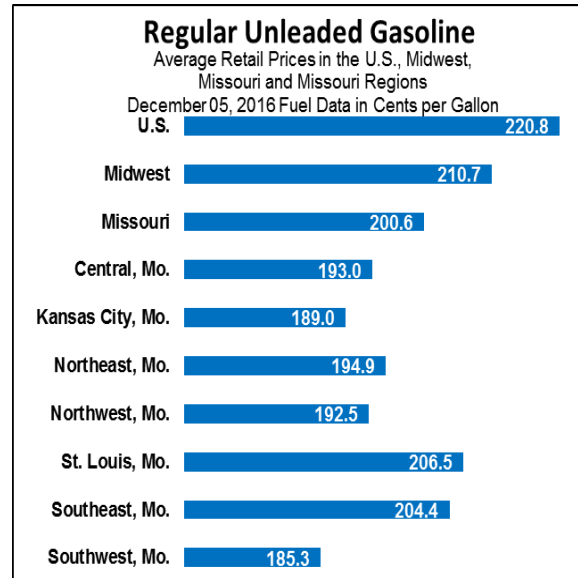
Diesel Fuel - Retail Prices (cents per gallon)					
	<u>12-05-16</u>	<u>11-07-16</u>	<u>change</u>	<u>12-07-15</u>	<u>change</u>
US	248.0	247.0	up 0%	237.9	up 4%
Missouri	221.3	224.6	down 1%	214.3	up 3%

- On December 5, Missouri's average retail price for gasoline was nearly \$2.01 per gallon, up 7.5 cents in the past month.
- Missouri's average price for diesel fuel was \$2.21 per gallon, down 3.3 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 20.2 cents per gallon, or 11 percent, higher while the average retail diesel fuel price is 7.0 cents per gallon, or 3 percent, higher.
- At nearly \$2.21, 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 up 15.5 cents per gallon, or 8 percent, compared to this time last year. In the past week, the U.S. average increased by 5.4 cents per gallon.
- Gasoline imports decreased from the prior week at nearly 0.7 MMB/D. Last year at this time, imports stood at nearly 0.7 MMB/D.

- Implied demand for gasoline decreased on the week at nearly 8.8 MMB/D. Demand stood at over 9.4 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.0 MMB/D.
- U.S. gasoline supplies increased 3.4 MMB on the week to 229.5 MMB. U.S. supplies are up 11.9 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 156.7 MMB and stand 7.3 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at over 3.7 MMB/D. Demand stood at over 3.3 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at nearly 3.9 MMB/D.
- On December 5, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.87 per gallon, 13.6 cents, or 6.8 percent, lower than the average price for conventional motor gasoline.
- On December 5, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 2.3 cents per gallon, or 1.1 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.



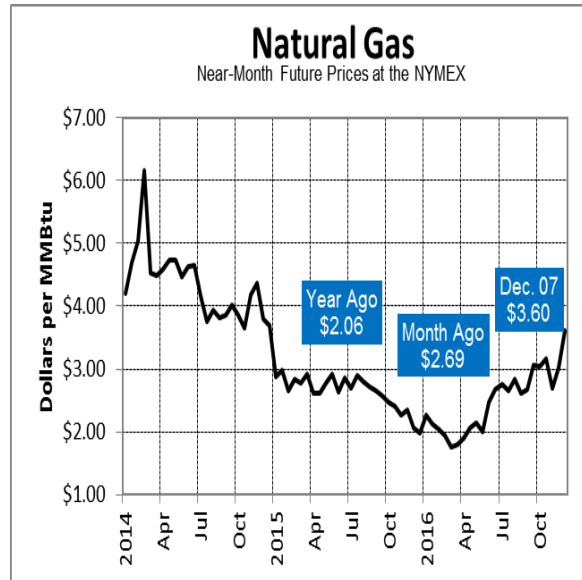
Natural Gas

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 7, natural gas futures on the NYMEX closed at \$3.60 per million British thermal units (MMBtu), up \$0.91, or 34.0 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>12-07-16</u>	<u>11-09-16</u>	<u>change</u>	<u>12-09-15</u>	<u>change</u>
NYMEX	\$3.60	\$2.69	up 34%	\$2.06	up 75%

- The January 2017 NYMEX futures contract settled at \$3.60 per MMBtu on December 7, down 3.2 cents from the prior settlement. Futures are up 91 cents, or 34 percent, in the past month.
- In the past year, natural gas prices have increased by \$1.54 per MMBtu, or 75 percent.
- Working gas in storage was 3,953 Bcf, 6.9 percent above the five-year average inventory level for the week. According to EIA's December 8, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 51 Bcf, or 1.3 percent, higher than last year at this time.



- Net withdrawals from storage totaled 50 Bcf, compared with the five-year (2011–15) average net withdrawal of 44 Bcf and last year's net withdrawals of 35 Bcf during the same week. This week's net withdrawals follow last week's net withdrawals of 2 Bcf, and herald the unofficial beginning of the 2016–17 heating season. The heating season traditionally begins on November 1, and continues through March 31. However, in recent years, net injections into storage have continued into mid-November. Posting back-to-back net weekly withdrawals suggests that the withdrawal season is under way.
- Temperatures in the Lower 48 states averaged 45°F, 1°F higher than the normal and the same as last year at this time. Cooling degree days (CDD) in the Lower 48 states totaled two, compared to three last year and compared to a normal of three. Heating degree days (HDD) in the Lower 48 states totaled 142, compared with 146 last year and a normal of 150.
- According to the EIA, U.S. consumption of natural gas fell by 3 percent compared with the previous report week. Power burn decreased by 3 percent, industrial sector consumption decreased by 1 percent, and residential and commercial sector consumption decreased by 5 percent. Natural gas exports to Mexico increased by 1 percent.

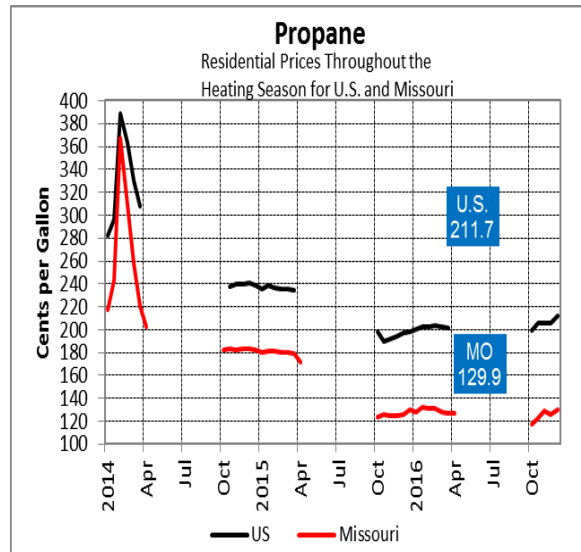
Propane

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.

On December 5, the average Missouri retail price for residential propane was nearly \$1.30 per gallon, up 1.3 cents in the past month and up 4.4 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	12-05-16	11-07-16	change	12-07-15	change
Missouri	129.9	128.6	up 1%	125.5	up 3%

- According to the Division of Energy’s most recent statewide propane price survey conducted December 5, the average Missouri retail residential propane price was nearly \$1.30 per gallon, up 1.3 cents in the past month and up 4.4 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.80 per gallon. The lowest retail price was \$1.03 per gallon.
- U.S. propane stocks decreased by 1.5 MMB last week to 99.3 MMB, 1.4 MMB or 1.4 percent lower than a year ago. Midwest inventories were down 0.6 MMB at over 26.6 MMB. Midwest inventories stood at over 28.9 MMB at this time last year.
- U.S. propane consumption increased on the week at nearly 1.5 MMB/D, but is lower compared to 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>.