



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

January 26, 2018

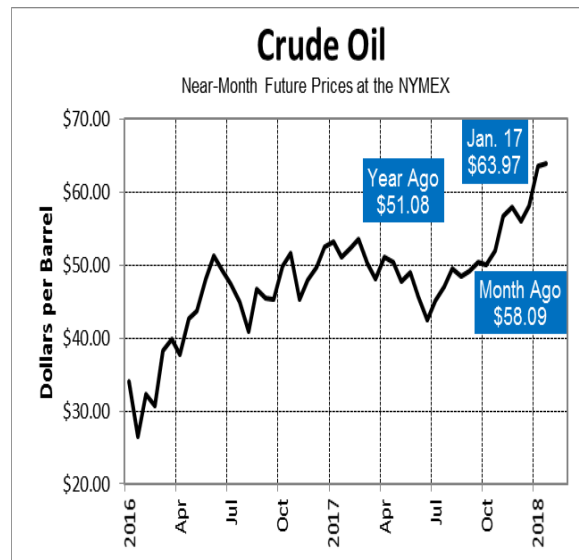
(Data are for the week ended January 12, 2018, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$5.88 to \$63.97 per barrel in the past month, 25 percent higher compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>01-17-18</u>	<u>12-20-17</u>	<u>change</u>	<u>01-18-17</u>	<u>change</u>
NYMEX	\$63.97	\$58.09	up 10%	\$51.08	up 25%

- Crude oil futures for February delivery on the NYMEX ended \$0.24, or 0.3 percent, higher on January 17 to settle at \$63.97 per barrel. Both Brent and WTI contracts climbed to their highest prices since December 2014 this week with Brent reaching \$70.37 on Monday and WTI up to \$64.89 on Tuesday. OPEC and Russia have been cutting production since January 2017; the cuts are set to last through 2018. The cuts have coincided with strong demand and solid economic growth, tightening the market.
- According to the Energy Information Administration (EIA), domestic crude supplies decreased 6.9 million barrels (MMB) for the week ended January 12.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$63.97 is \$12.89, or 25 percent, higher.

- Domestic crude production was slightly higher than in the prior week at nearly 9.8 MMB/D. Last year at this time, production stood at nearly 9.0 MMB/D. Total crude imports were higher from the prior week at nearly 8.0 MMB/D. Imports at this time last year averaged nearly 8.4 MMB/D.
- U.S. crude oil supplies decreased 6.9 MMB on the week to 412.7 MMB. U.S. supplies are 72.8 MMB lower compared to this time last year.
- U.S. refinery crude runs were lower from the prior week with refiners processing nearly 16.9 MMB/D. U.S. refinery capacity utilization was lower on the week at 93.0 percent. Last year at this time, capacity use stood at 90.7 percent.
- Gasoline output was higher on the week at over 9.7 MMB/D. Output was nearly 9.0 MMB/D at this time last year. Distillate output was lower from the prior week at nearly 5.1 MMB/D. Last year at this time, production stood at over 4.7 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 20.5 MMB/D, up by 6.2 percent compared to the same period last year.

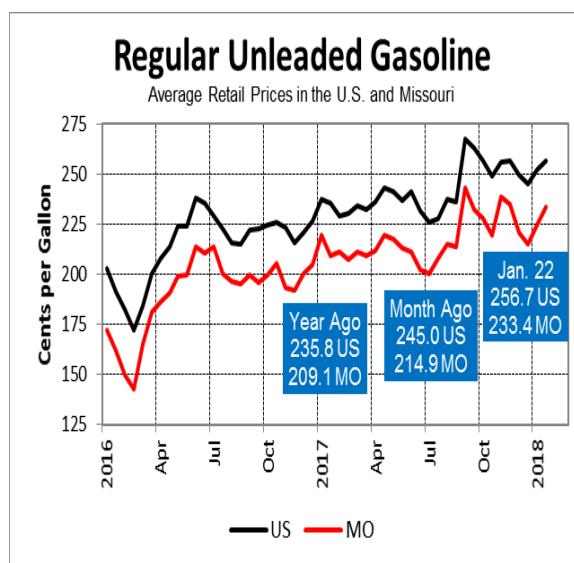
Transportation Fuels

On January 22, Missouri's statewide average retail price for gasoline was over \$2.33 per gallon, up 18.6 cents in the past month and up 24.3 cents in the past year.

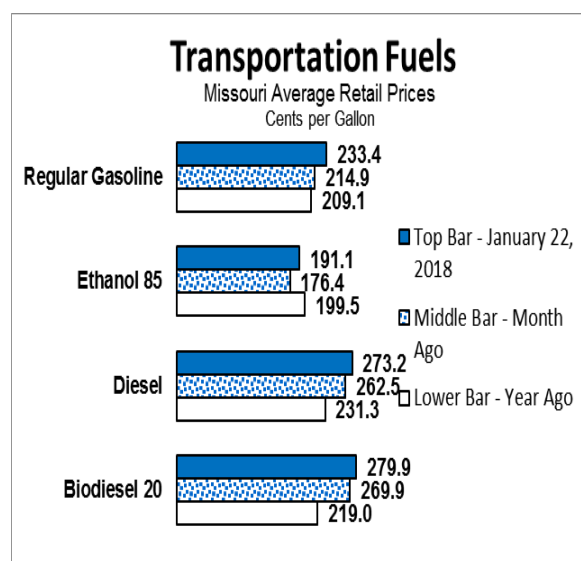
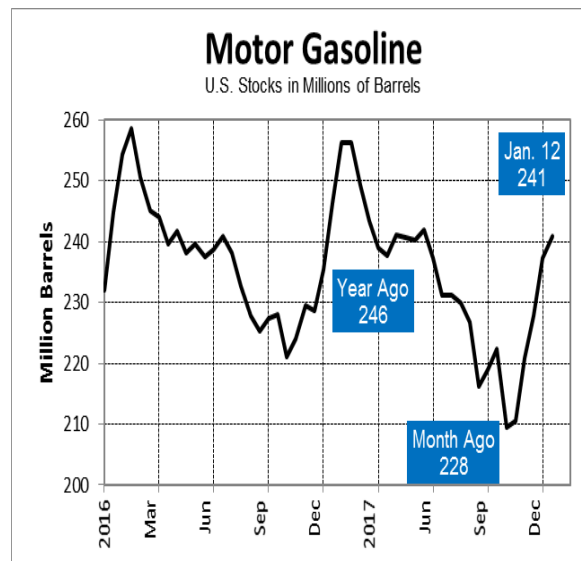
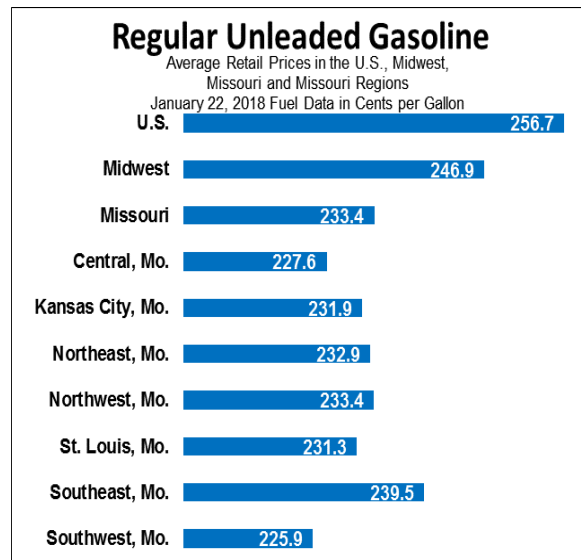
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	01-22-18	12-19-17	change	01-17-17	change
US	256.7	245.0	up 5%	235.8	up 9%
Missouri	233.4	214.9	up 9%	209.1	up 12%

Diesel Fuel - Retail Prices (cents per gallon)					
	01-22-18	12-19-17	change	01-17-17	change
US	303.0	290.1	up 4%	258.5	up 17%
Missouri	273.2	262.5	up 4%	231.3	up 18%

- On January 22, Missouri's average retail price for gasoline was over \$2.33 per gallon, up 18.6 cents in the past month.
- Missouri's average price for diesel fuel was over \$2.73 per gallon, up 10.6 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 24.3 cents per gallon, or 12 percent, higher while the average retail diesel fuel price is 41.9 cents per gallon, or 18 percent, higher.
- At nearly \$2.57, the U.S. average price for regular gasoline is 11.7 cents per gallon, or 5 percent, higher compared to last month.



- The U.S. average price for regular gasoline is 20.9 cents per gallon, or 9 percent, higher compared to this time last year. In the past week, the U.S. average increased by 1.0 cent per gallon.
- Gasoline imports increased from the prior week at nearly 0.4 MMB/D. Last year at this time, imports stood at nearly 0.6 MMB/D.
- Implied demand for gasoline was lower on the week at nearly 8.7 MMB/D. Demand stood at nearly 8.1 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 8.9 MMB/D.
- U.S. gasoline supplies were higher on the week at 240.9 MMB. U.S. supplies are 5.5 MMB lower compared to this time last year.
- Distillate stocks decreased 3.9 MMB on the week at 139.2 MMB and stand 29.9 MMB lower compared to the same period last year.
- Distillate demand increased on the week at over 4.7 MMB/D. Demand stood at over 4.0 MMB/D at this time last year. On a four-week average, distillate demand was higher at nearly 4.1 MMB/D.
- On January 22, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was nearly \$1.91 per gallon, 42.3 cents, or 18.2 percent, lower than the average price for conventional motor gasoline.
- On January 22, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.80 per gallon, 6.7 cents per gallon, or 2.4 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated January 9, 2018, U.S. regular gasoline retail prices, which averaged \$2.15 per gallon in 2016, and \$2.42 in 2017, are projected to average \$2.57 in 2018.



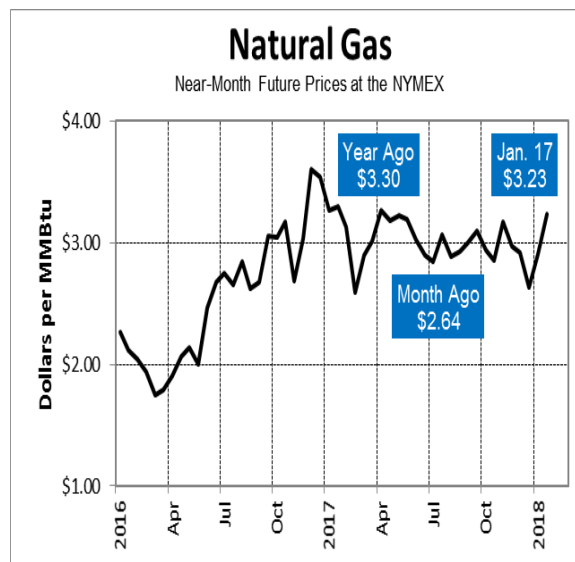
Natural Gas

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 January 17, 2018, natural gas futures on the NYMEX closed at \$3.23 per million British thermal units (MMBtu), down \$0.07, or 2 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>01-17-18</u>	<u>12-20-17</u>	<u>change</u>	<u>01-18-17</u>	<u>change</u>
NYMEX	\$3.23	\$2.64	up 22%	\$3.30	down 2%

- The February 2018 NYMEX futures contract settled at \$3.23 per MMBtu on January 17, up 10.3 cents from the prior settlement.
- In the past month, the futures contract has increased .59 cents, or 22 percent.
- Futures are down \$0.07, or 2 percent, in the past year.
- Working gas in storage was 2,584 billion cubic feet (Bcf), 12.3 percent below the five-year average inventory level for the week. According to EIA's January 18, 2018 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 368 Bcf, or 12.5 percent, lower than last year at this time.



- According to the EIA, net withdrawals from storage totaled 183 Bcf for the week ending January 12, compared with the five-year (2013–17) average net withdrawal of 203 Bcf and last year's net withdrawals of 230 Bcf during the same week.
- Temperatures in the Lower 48 states averaged 34 degrees Fahrenheit (°F), 1°F higher than the normal and 4°F higher than last year at this time. Temperatures in the heavy natural gas-consuming areas of the Northeast were also significantly warmer than the previous week. Despite warming somewhat, temperatures in the Northeast remained colder than normal—averaging lower than 25°F during the week, about 6°F lower than normal.
- According to the EIA, total U.S. consumption of natural gas was unchanged from the previous report week, averaging 102.3 Bcf/d. Natural gas consumed for power generation climbed by 6 percent week over week. Industrial sector consumption increased by 1 percent week over week. In the residential and commercial sectors, consumption declined by 4 percent. Natural gas exports to Mexico increased 3 percent.

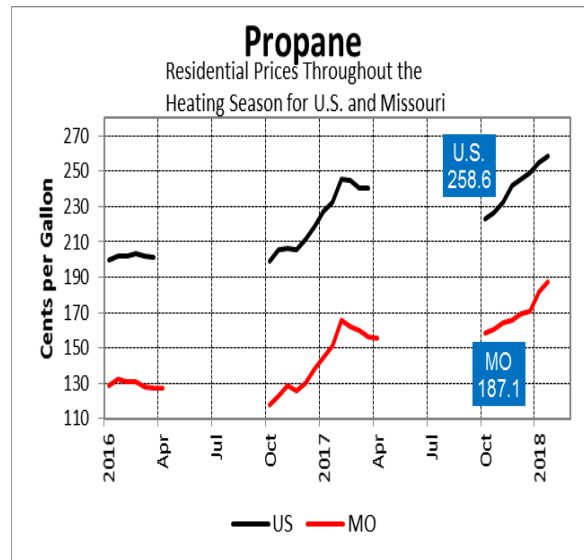
Propane

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.

On January 22, the average Missouri retail price for residential propane was over \$1.87 per gallon, up 35.9 cents, or 24 percent, in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>01-22-18</u>	<u>12-19-17</u>	<u>change</u>	<u>01-17-17</u>	<u>change</u>
Missouri	187.1	170.5	up 10%	151.2	up 24%

- According to the Division of Energy’s most recent statewide propane price survey conducted January 22, the average Missouri retail residential propane price was over \$1.87 per gallon, up 35.9 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.46 per gallon. The lowest retail price was \$1.49 per gallon.
- U.S. propane stocks decreased by 3.7 MMB last week to 58.0 MMB as of January 12, 2018, 10.3 MMB or 15.1 percent, lower than the five-year average inventory level for this same time of year. Midwest inventories decreased by over 1.8 MMB to nearly 16.9 MMB last week. Midwest inventories stood at nearly 19.5 MMB at this time last year.
- U.S. propane consumption decreased on the week at over 1.5 MMB/D. Consumption stood at over 1.9 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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<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>.