



Department of Economic Development
 Division of Energy

MISSOURI ENERGY BULLETIN

July 10, 2017

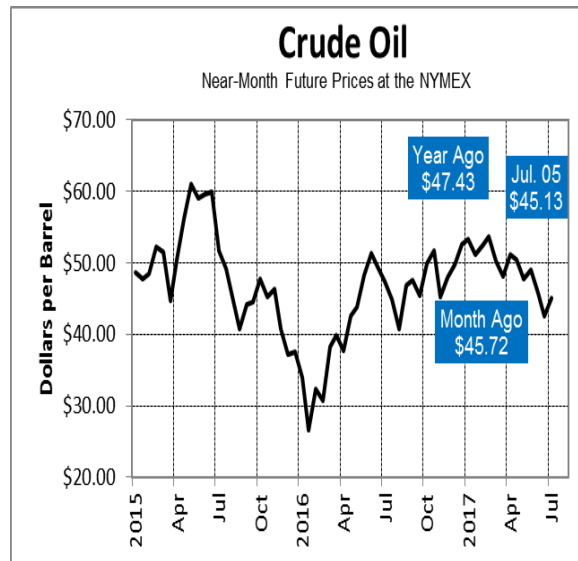
(Data are for the week ended June 30, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$0.59 to \$45.13 per barrel in the past month, 5 percent lower compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>07-05-17</u>	<u>06-07-17</u>	<u>change</u>	<u>07-06-16</u>	<u>change</u>
NYMEX	\$45.13	\$45.72	down 1%	\$47.43	down 5%

- Crude oil futures for August delivery on the NYMEX ended \$1.94, or 4.1 percent, lower on July 5, falling sharply while ending the longest gain this year as Russia was said to oppose any proposal to deepen OPEC-led production cuts.
- According to the Energy Information Administration (EIA), inventories at Cushing, Oklahoma, the oil futures designated delivery point in the U.S. fell by 1.4 million barrels (MMB) this week. Oil futures are down 16 percent for the year (2017) amid concerns that rising global supply will offset the output cuts from OPEC and its partners. Libya and Nigeria, which are exempt from the agreement, accounted for half of the cartel's production increase in June. Prices gained almost 11 percent in the 8 days through Monday, July 3. Deepening cuts would suggest that OPEC, Russia and their allies are nervous that the pact to reduce output by a combined 1.8 million barrels per day through March 2018 is not doing enough to support prices.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$45.13 is \$2.30, or 5 percent, lower.
- Domestic crude production was higher than in the prior week at nearly 9.4 MMB/D. Last year at this time, production stood at over 8.4 MMB/D. Total crude imports decreased from the prior week at over 7.7 MMB/D. Imports at this time last year averaged nearly 8.4 MMB/D.
- U.S. crude oil supplies decreased 6.3 MMB on the week to 502.9 MMB. U.S. supplies are 9.2 MMB higher compared to this time last year.
- U.S. refinery crude runs increased from the prior week with refiners processing over 17.1 MMB/D. U.S. refinery capacity utilization was higher on the week at 93.6 percent. Last year at this time, capacity use stood at 92.5 percent.
- Gasoline output increased on the week at nearly 10.4 MMB/D. Output was over 10.0 MMB/D at this time last year. Distillate output was lower from the prior week at 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 20.6 MMB/D, up by 0.5 percent compared to the same period last year.

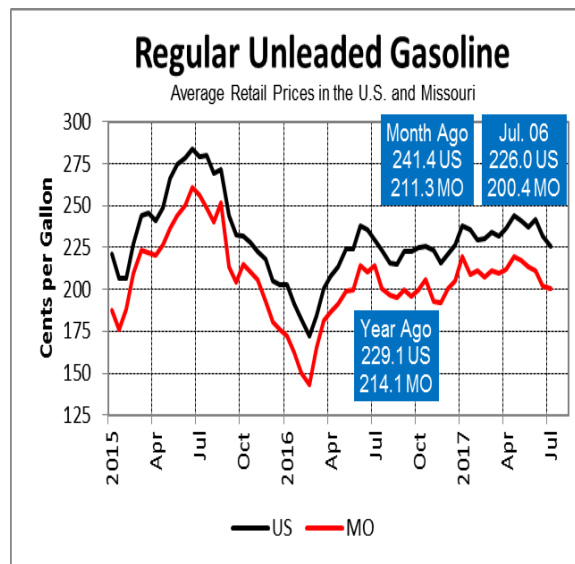
Transportation Fuels

On July 6, Missouri's statewide average retail price for gasoline was \$2.00 per gallon, down 10.9 cents in the past month and down 13.7 cents in the past year.

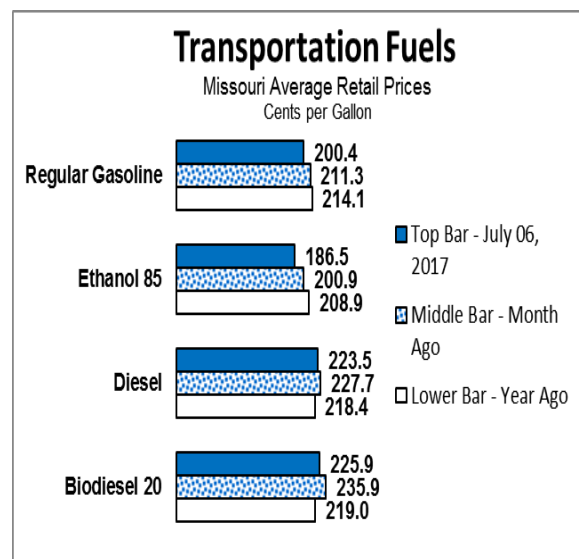
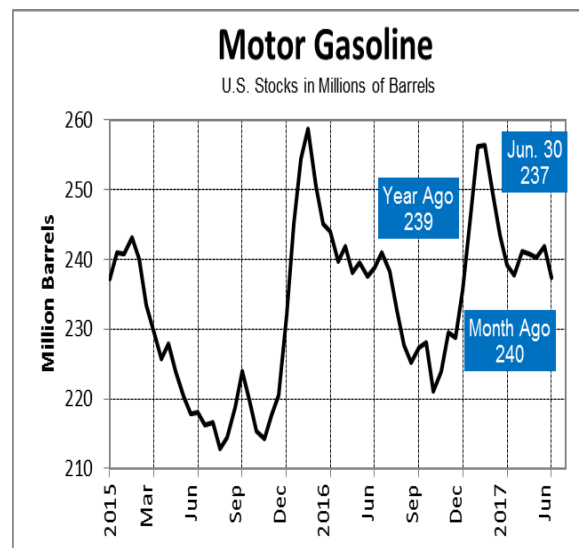
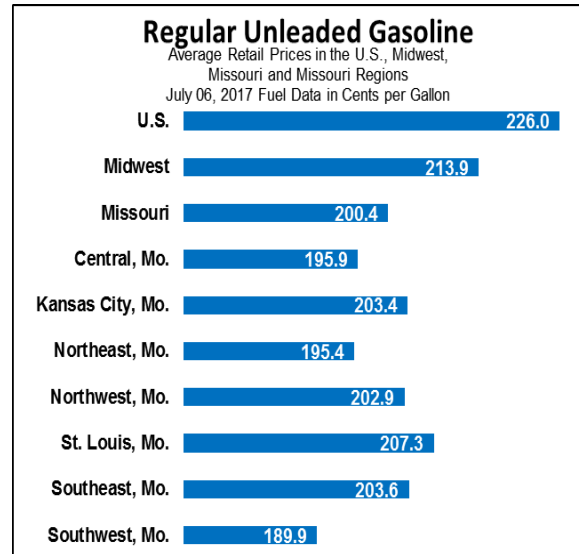
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	07-06-17	06-05-17	change	07-05-16	change
US	226.0	241.4	down 6%	229.1	down 1%
Missouri	200.4	211.3	down 5%	214.1	down 6%

Diesel Fuel - Retail Prices (cents per gallon)					
	07-06-17	06-05-17	change	07-05-16	change
US	247.2	256.4	down 4%	242.3	up 2%
Missouri	223.5	227.7	down 2%	218.4	up 2%

- On July 6, Missouri's average retail price for gasoline was over \$2.00 per gallon, down 10.9 cents in the past month.
- Missouri's average price for diesel fuel was almost \$2.24 per gallon, down 4.2 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 13.7 cents per gallon, or 6 percent, lower while the average retail diesel fuel price is 5.1 cents per gallon, or 2 percent, higher.



- At \$2.26, the U.S. average price for regular gasoline is 15.4 cents per gallon, or 6 percent, lower compared to last month.
- The U.S. average price for regular gasoline is 3.1 cents per gallon, or 1 percent, lower compared to this time last year. In the past week, the U.S. average decreased by 2.8 cents per gallon.
- Gasoline imports increased from the prior week at over 0.7 MMB/D. Last year at this time, imports stood at nearly 0.8 MMB/D.
- Implied demand for gasoline increased on the week at over 9.7 MMB/D. Demand stood at nearly 10.0 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.6 MMB/D.
- U.S. gasoline supplies decreased 3.7 MMB on the week to 237.3 MMB. U.S. supplies are 1.6 MMB lower compared to this time last year.
- Distillate stocks decreased 1.8 MMB on the week to 150.4 MMB and stand 1.5 MMB higher compared to the same period last year.
- Distillate demand increased on the week at over 4.3 MMB/D. Demand stood at nearly 4.0 MMB/D at this time last year. On a four-week average, distillate demand was higher at over 4.1 MMB/D.
- On July 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was almost \$1.87 per gallon, 13.9 cents, or 6.9 percent, lower than the average price for conventional motor gasoline.
- On July 6, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.26 per gallon, 2.4 cents per gallon, or 1.1 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated June 6, 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 \$2.38 in 2017.

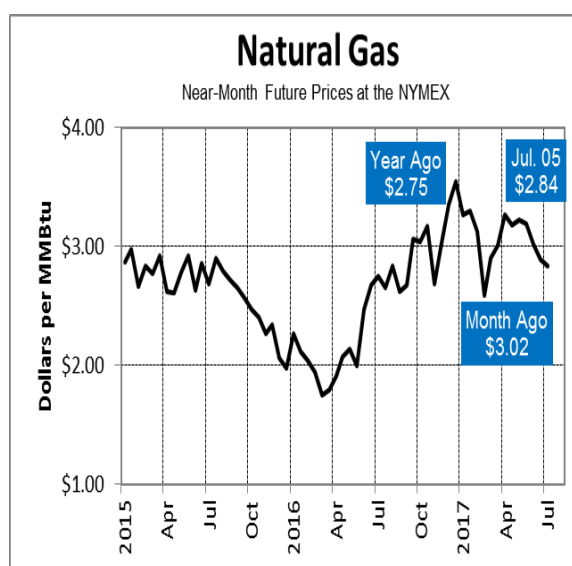
Natural Gas

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 July 5, 2017, 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 year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>07-05-17</u>	<u>06-07-17</u>	<u>change</u>	<u>07-06-16</u>	<u>change</u>
NYMEX	\$2.84	\$3.02	down 6%	\$2.75	up 3%

- The August 2017 NYMEX futures contract settled at \$2.84 per MMBtu on July 5, down 11.1 cents from the prior settlement.
- Futures are up \$0.09, or 3 percent, in the past year.
- Working gas in storage was 2,888 Bcf, 6.9 percent above the five-year average inventory level for the week. According to EIA's July 7, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 285 Bcf, or 9.0 percent, lower than last year at this time.
- According to the EIA, net injections into storage totaled 72 Bcf for the week ending June 30, 2017 compared with the five-year (2012–16) average net injection of 66 Bcf and last year's net injections of 38 Bcf during the same week. For seven out of the last nine weeks, the weekly net injection has been smaller than the five-year average.
- Temperatures in the Lower 48 states averaged 72 degrees Fahrenheit (°F), 1°F lower than the normal and 4°F lower than last year at this time.
- According to the EIA, total U.S. consumption of natural gas rose by 1 percent compared with the previous report week. Power burn climbed by 7 percent week over week as the hot weather drove up demand for cooling. The increase in power burn more than offset a 20 percent decrease in demand in the residential and commercial sectors. Industrial sector consumption decreased by 1 percent week over week. Natural gas exports to Mexico decreased 4 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.

(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 July 6, the average Missouri retail price for residential propane was almost \$1.35 per gallon, down 7.1 cents in the past month and up 19.0 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>07-06-17</u>	<u>06-05-17</u>	<u>change</u>	<u>07-05-16</u>	<u>change</u>
Missouri	134.5	141.6	down 5%	115.5	up 16%

- According to the Division of Energy's most recent statewide propane price survey conducted July 6, the average Missouri retail residential propane price was almost \$1.35 per gallon, down 7.1 cents in the past month and up 19.0 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$1.66 per gallon. The lowest retail price was nearly \$1.06 per gallon.
- U.S. propane stocks increased by over 2.1 MMB last week to 60.6 MMB as of June 30, 2017, 24.2 MMB, or 28.6 percent, lower than a year ago. Midwest propane stocks increased by nearly 0.7 MMB to over 18.8 MMB. Midwest inventories stood at nearly 26.0 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 0.7 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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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>.