



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

August 11, 2017

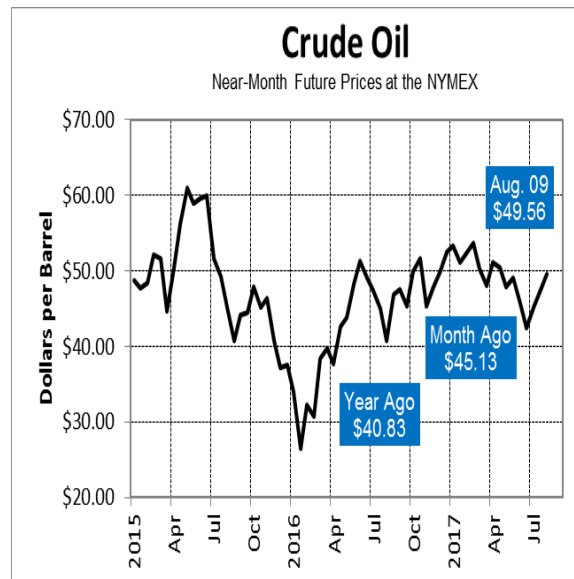
(Data are for the week ended August 4, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$4.43 to \$49.56 per barrel in the past month, 21 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-09-17	07-05-17	change	08-03-16	change
NYMEX	\$49.56	\$45.13	up 10%	\$40.83	up 21%

- Crude oil futures for September delivery on the NYMEX ended \$0.39 or 0.8 percent, higher on August 9 to settle at \$49.56 per barrel, after Energy Information Administration (EIA) inventory data showed a sharp decline in domestic crude supplies.
- Officials from a joint OPEC and non-OPEC technical committee met in Abu Dhabi on Monday and Tuesday, August 7 and 8, to discuss ways to boost compliance with a late May agreement where oil producers led by the OPEC extended a deal to reduce output by 1.8 million barrels per day (MMB/D) until the end of March, 2018. The committee did not announce any clear steps.
- OPEC output jumped by 173,000 barrels a day in July to nearly 32.9 million barrels (MMB). That was the highest level since December, the month before the cartel began enforcing an agreement to limit its output in a bid to rebalance the market after three years of oversupply.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$49.56 is \$8.73, or 21 percent, higher.
- Domestic crude production was slightly lower than in the prior week at over 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 over 8.4 MMB/D.
- U.S. crude oil supplies decreased 6.5 MMB on the week to 475.4 MMB. U.S. supplies are 17.5 MMB lower compared to this time last year.
- U.S. refinery crude runs increased from the prior week with refiners processing nearly 17.6 MMB/D. U.S. refinery capacity utilization was higher on the week at 96.3 percent. Last year at this time, capacity use stood at 92.2 percent.
- Gasoline output decreased on the week at over 10.2 MMB/D. Output was over 10.0 MMB/D at this time last year. Distillate output was lower from the prior week at over 5.1 MMB/D. Last year at this time, production stood at 4.9 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at over 21.2 MMB/D, up by 2.3 percent compared to the same period last year.

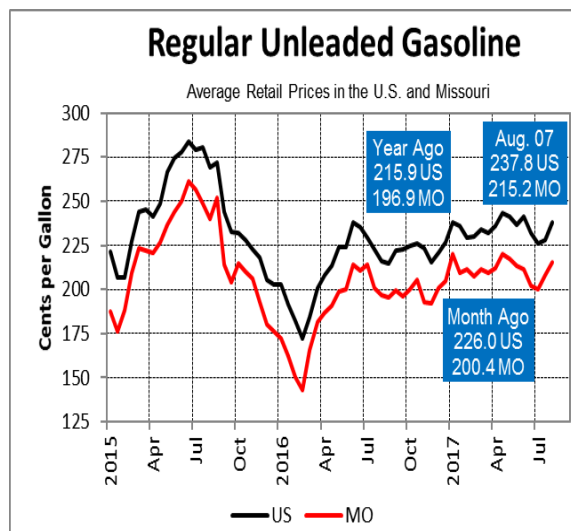
Transportation Fuels

On August 7, Missouri's statewide average retail price for gasoline was over \$2.15 per gallon, up 14.8 cents in the past month and up 18.3 cents in the past year.

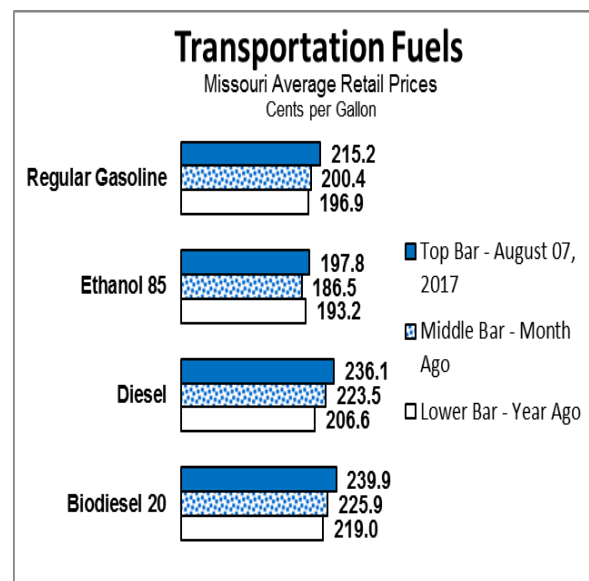
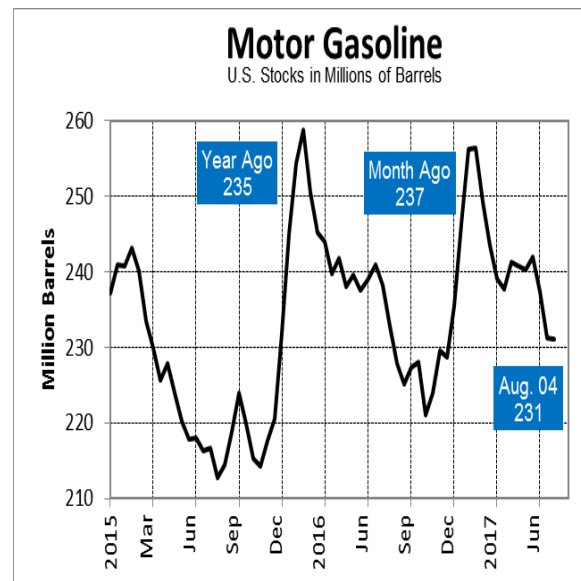
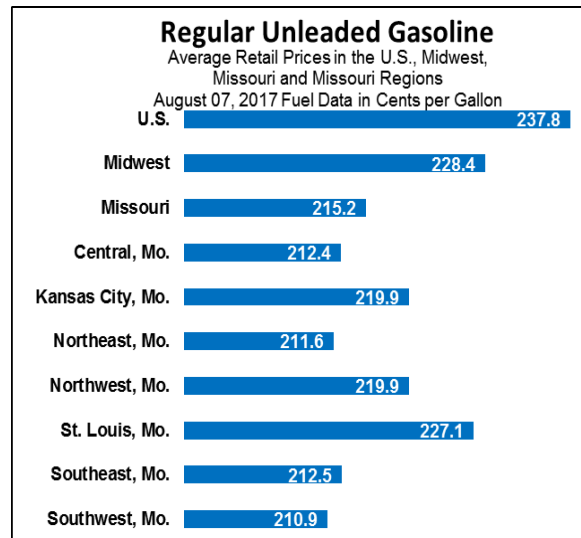
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-07-17	07-06-17	change	08-01-16	change
US	237.8	226.0	up 5%	215.9	up 10%
Missouri	215.2	200.4	up 7%	196.9	up 9%

Diesel Fuel - Retail Prices (cents per gallon)					
	08-07-17	07-06-17	change	08-01-16	change
US	258.1	247.2	up 4%	234.8	up 10%
Missouri	236.1	223.5	up 6%	206.6	up 14%

- On August 7, Missouri's average retail price for gasoline was over \$2.15 per gallon, up 14.8 cents in the past month.
- Missouri's average price for diesel fuel was over \$2.36 per gallon, up 12.5 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 18.3 cents per gallon, or 9 percent, higher while the average retail diesel fuel price is 29.5 cents per gallon, or 14 percent, higher.



- At nearly \$2.38, the U.S. average price for regular gasoline is 11.8 cents per gallon, or 5 percent, higher compared to last month.
- The U.S. average price for regular gasoline is 21.9 cents per gallon, or 10 percent, higher compared to this time last year. In the past week, the U.S. average increased by 2.6 cents per gallon.
- Gasoline imports increased from the prior week at over 1.1 MMB/D. Last year at this time, imports stood at over 0.9 MMB/D.
- Implied demand for gasoline decreased on the week at nearly 9.8 MMB/D. Demand stood at over 9.7 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.7 MMB/D.
- U.S. gasoline supplies increased 3.4 MMB on the week to 231.1 MMB. U.S. supplies are 4.3 MMB lower compared to this time last year.
- Distillate stocks decreased 1.7 MMB on the week to 147.7 MMB and stand 3.5 MMB lower compared to the same period last year.
- Distillate demand increased on the week at over 4.5 MMB/D. Demand stood at over 3.9 MMB/D at this time last year. On a four-week average, distillate demand was higher at over 4.3 MMB/D.
- On August 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was almost \$1.98 per gallon, 17.4 cents, or 8.1 percent, lower than the average price for conventional motor gasoline.
- On August 7, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.40 per gallon, 3.8 cents per gallon, or 1.6 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated August 8, 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 \$2.33 in 2017.

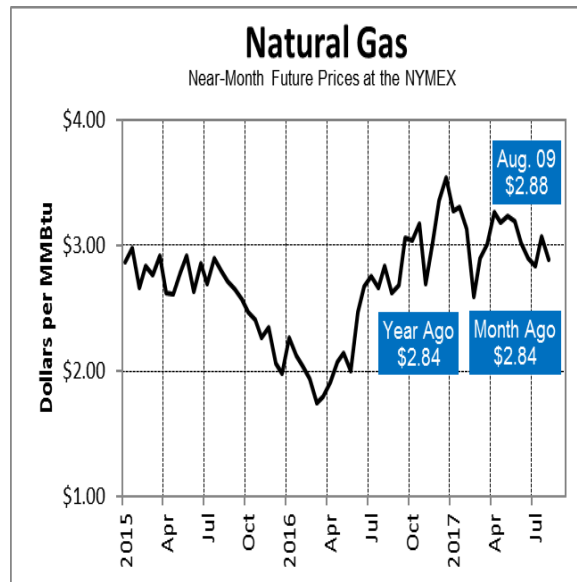
Natural Gas

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 August 9, 2017, natural gas futures on the NYMEX closed at \$2.88 per million British thermal units (MMBtu), up \$0.04, or 1.0 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>08-09-17</u>	<u>07-05-17</u>	<u>change</u>	<u>08-03-16</u>	<u>change</u>
NYMEX	\$2.88	\$2.84	up 1%	\$2.84	up 1%

- The September 2017 NYMEX futures contract settled at \$2.88 per MMBtu on August 9, up 6.0 cents from the prior settlement.
- Futures are up \$0.04, or 1.0 percent, in the past year.
- Working gas in storage was 3,038 Bcf, 2.0 percent above the five-year average inventory level for the week. According to EIA's August 10, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 275 Bcf, or 8.3 percent, lower than last year at this time.
- According to the EIA, net injections into storage totaled 28 Bcf, compared with the five-year (2012–16) average net injection of 54 Bcf and last year's net injections of 24 Bcf during the same week. The smaller-than-average net injections this week likely resulted from the warmer-than-normal temperatures in most of the Lower 48 states and increasing cooling demand for natural gas. This pattern was most pronounced in the South Central region, where warmer-than-normal temperatures resulted in net withdrawals from storage totaling 9 Bcf, compared with a five-year average net injection of 1 Bcf in the region.
- Temperatures in the Lower 48 states averaged 75 degrees Fahrenheit (°F), the same as the normal and 3°F lower than last year at this time. However, on a regional basis, temperatures were somewhat more varied. Most regions east of the Rockies reported lower-than-normal temperatures, ranging from 70°F to 77 °F, or up to 3°F lower than normal. West of the Rockies, temperatures were warmer than normal. Temperatures in the Pacific Census division averaged 77°F, 6°F higher than the normal and the same as last year at this time.
- According to the EIA, total U.S. consumption of natural gas fell by 1 percent compared with the previous report week. Week over week, electric sector consumption of natural gas decreased by 4 percent, reflecting overall moderating summer weather. Industrial sector consumption increased by 1 percent, and residential and commercial sector consumption increased by 16 percent. Natural gas exports to Mexico increased 2 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 August 7, the average Missouri retail price for residential propane was almost \$1.34 per gallon, down 0.7 cents in the past month and up 17.6 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>08-07-17</u>	<u>07-06-17</u>	<u>change</u>	<u>08-01-16</u>	<u>change</u>
Missouri	133.8	134.5	down <1%	116.2	up 15%

- According to the Division of Energy's most recent statewide propane price survey conducted August 7, the average Missouri retail residential propane price was almost \$1.34 per gallon, down 0.7 cents in the past month and up 17.6 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 \$1.11 per gallon.
- U.S. propane stocks were virtually unchanged last week at 67.6 MMB as of August 4, 2017, 24.3 million barrels, or 26.4 percent, lower than a year ago. Midwest propane stocks increased by 0.1 MMB to nearly 22.0 MMB. Midwest inventories stood at over 28.7 MMB at this time last year.
- U.S. propane consumption was higher on the week at over 1.3 MMB/D. Consumption stood at over 0.8 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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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>.