



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

August 25, 2017

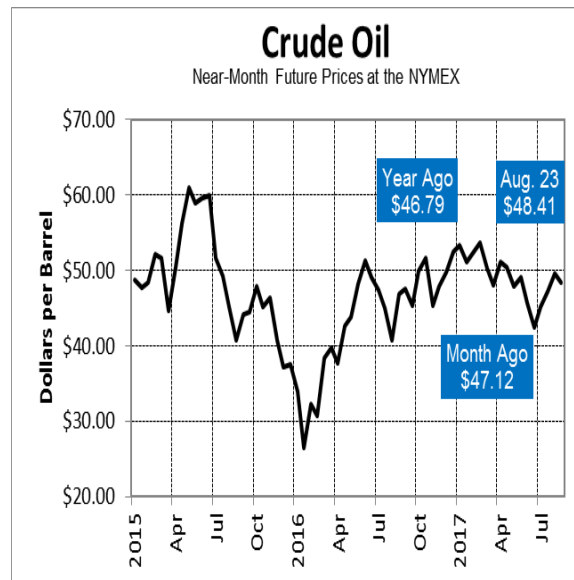
(Data are for the week ended August 18, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$1.29 to \$48.41 per barrel in the past month, 3 percent higher compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>08-23-17</u>	<u>07-19-17</u>	<u>change</u>	<u>08-17-16</u>	<u>change</u>
NYMEX	\$48.41	\$47.12	up 3%	\$46.79	up 3%

- Crude oil futures October delivery on the NYMEX ended \$0.58, or 1.2 percent, higher yesterday to settle at \$48.41 per barrel, after the Energy Information Administration (EIA) said domestic inventories declined for an 8th straight week and as a storm approached the Gulf Coast with the potential to disrupt oil and refined products output.
- U.S. crude oil inventory draws are approaching 75 million barrels (MMB) from commercial inventories since March, plus another 15 MMB from the Strategic Petroleum Reserve. The market was also watching a tropical depression. Harvey, formerly a tropical storm, has regenerated into a category 2 hurricane on Friday, the National Hurricane Center said. The system will hit the Texas coast on late Friday or early Saturday.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$48.41 is \$1.62, or 3 percent, higher.



- Domestic crude production was slightly higher than in the prior week at over 9.5 MMB/D. Last year at this time, production stood at over 8.5 MMB/D. Total crude imports increased from the prior week at nearly 8.8 MMB/D. Imports at this time last year averaged over 8.5 MMB/D.
- U.S. crude oil supplies decreased 3.3 MMB on the week to 463.2 MMB. U.S. supplies are 29.8 MMB lower compared to this time last year.
- U.S. refinery crude runs decreased from the prior week with refiners processing nearly 17.5 MMB/D. U.S. refinery capacity utilization was lower on the week at 95.4 percent. Last year at this time, capacity use stood at 92.5 percent.
- Gasoline output increased on the week at nearly 10.6 MMB/D. Output was over 10.0 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 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at over 21.0 MMB/D, up by 1.4 percent compared to the same period last year.

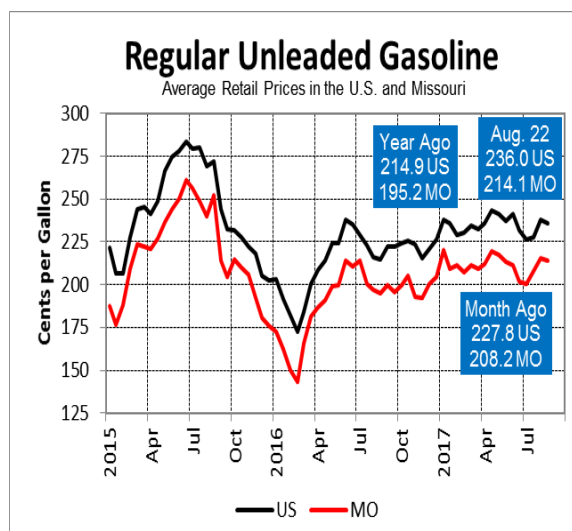
Transportation Fuels

On August 22, Missouri's statewide average retail price for gasoline was over \$2.14 per gallon, up 5.9 cents in the past month and up 18.9 cents in the past year.

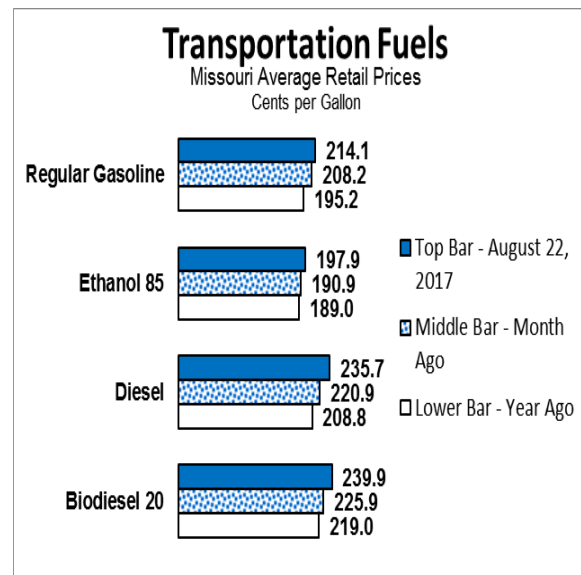
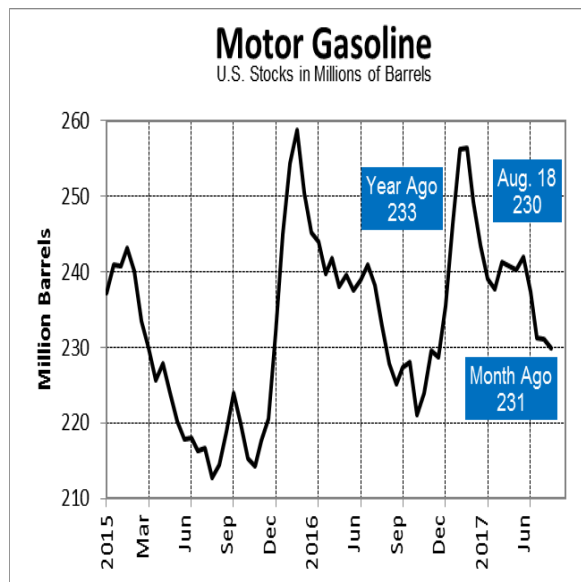
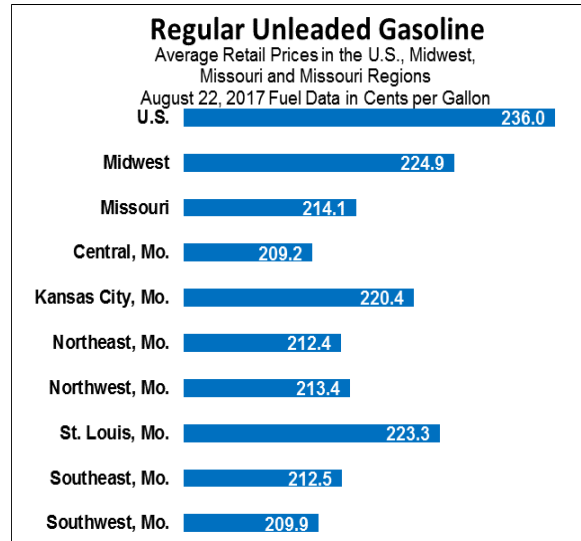
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-22-17	07-17-17	change	08-15-16	change
US	236.0	227.8	up 4%	214.9	up 10%
Missouri	214.1	208.2	up 3%	195.2	up 10%

Diesel Fuel - Retail Prices (cents per gallon)					
	08-22-17	07-17-17	change	08-15-16	change
US	259.6	249.1	up 4%	231.0	up 12%
Missouri	235.7	220.9	up 7%	208.8	up 13%

- On August 22, Missouri's average retail price for gasoline was over \$2.14 per gallon, up 5.9 cents in the past month.
- Missouri's average price for diesel fuel was almost \$2.36 per gallon, up 14.8 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 18.9 cents per gallon, or 10 percent, higher while the average retail diesel fuel price is 26.9 cents per gallon, or 13 percent, higher.
- At \$2.36, the U.S. average price for regular gasoline is 8.2 cents per gallon, or 4 percent, higher compared to last month.



- The U.S. average price for regular gasoline is 21.1 cents per gallon, or 10 percent, higher compared to this time last year. In the past week, the U.S. average decreased by 2.4 cents per gallon.
- Gasoline imports decreased from the prior week at nearly 0.6 MMB/D. Last year at this time, imports stood at over 0.8 MMB/D.
- Implied demand for gasoline increased on the week at over 9.6 MMB/D. Demand stood at nearly 9.7 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.7 MMB/D.
- U.S. gasoline supplies decreased 3.3 MMB on the week to 229.9 MMB. U.S. supplies are 2.8 MMB lower compared to this time last year.
- Distillate stocks were unchanged on the week at 148.4 MMB and stand 4.8 MMB lower compared to the same period last year.
- Distillate demand decreased on the week at nearly 4.1 MMB/D. Demand stood at nearly 3.8 MMB/D at this time last year. On a four-week average, distillate demand was lower at over 4.2 MMB/D.
- On August 22, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was almost \$1.98 per gallon, 16.2 cents, or 7.6 percent, lower than the average price for conventional motor gasoline.
- On August 22, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.40 per gallon, 4.2 cents per gallon, or 1.8 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.



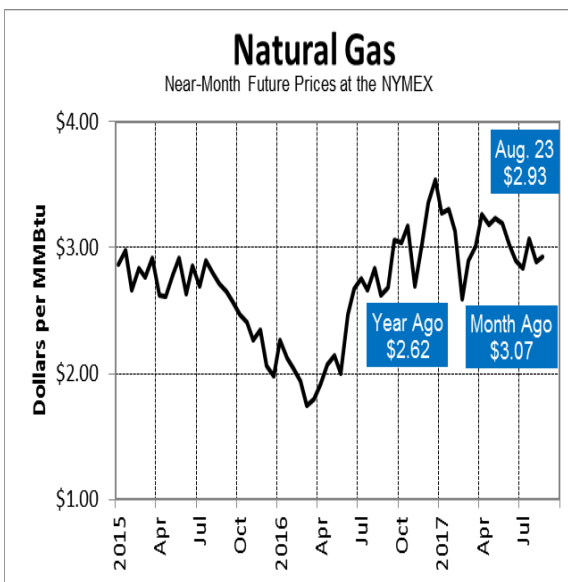
Natural Gas

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 23, 2017, natural gas futures on the NYMEX closed at \$2.93 per million British thermal units (MMBtu), up \$0.31, or 12.0 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>08-23-17</u>	<u>07-19-17</u>	<u>change</u>	<u>08-17-16</u>	<u>change</u>
NYMEX	\$2.93	\$3.07	down 5%	\$2.62	up 12%

- The September 2017 NYMEX futures contract settled at \$2.93 per MMBtu on August 23, down 1.1 cents from the prior settlement.
- Futures are up \$0.31, or 12.0 percent, in the past year.
- Working gas in storage was 3,125 Bcf, 1.5 percent above the five-year average inventory level for the week. According to EIA's August 24, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 223 Bcf, or 6.7 percent, lower than last year at this time.
- According to the EIA, net injections into storage totaled 43 Bcf, compared with the five-year (2012–16) average net injection of 53 Bcf and last year's net injections of 12 Bcf during the same week. This week's smaller-than-average net injections primarily resulted from increased cooling demand for natural gas because of warmer temperatures in the South Central region.
- Temperatures in the Lower 48 states averaged 74 degrees Fahrenheit (°F), the same as the normal and 5°F lower than last year at this time. Temperatures were within 2°F of the normal level in most regions during the storage week. Temperatures in the South Atlantic, East, and West South Central Census divisions ranged between 78° F and 83°F, on average, close to normal levels for the week. These warm temperatures likely contributed to cooling demand for natural gas and contributed to the net withdrawals from storage reported in the South Central region.
- According to the EIA, total U.S. consumption of natural gas rose by 4 percent compared with the previous report week. Natural gas consumed for power generation climbed by 6 percent week over week. Industrial sector consumption stayed constant, averaging 19.5 Bcf/d. In the residential and commercial sectors, consumption increased by 5 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)					
	08-07-17	07-06-17	change	08-01-16	change
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 increased by 2.9 MMB last week to 72.2 MMB as of August 18, 2017, 24.0 million barrels, or 24.9 percent, lower than a year ago. Midwest propane stocks increased by 0.5 MMB to over 22.8 MMB. Midwest inventories stood at over 29.0 MMB at this time last year.
- U.S. propane consumption was lower on the week at over 0.9 MMB/D. Consumption stood at nearly 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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<http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>

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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>.