



Division of Energy

MISSOURI ENERGY BULLETIN

February 4, 2016

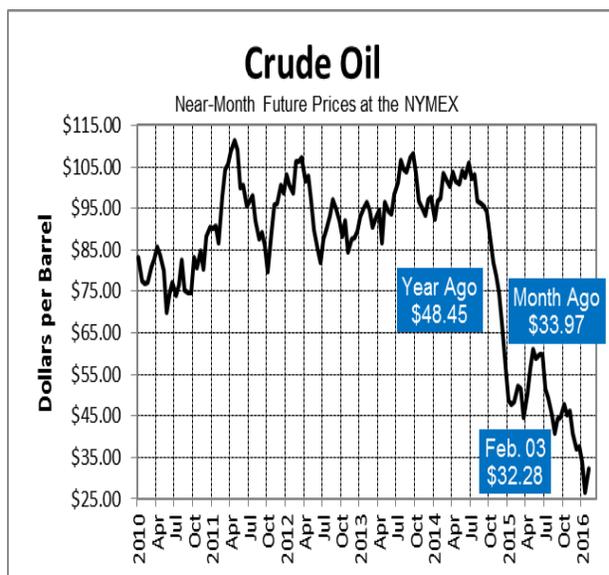
(Data is for the week ended January 29, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$1.69 to \$32.28 per barrel in the past month and stand 33 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	02-03-16	01-06-16	change	02-04-15	change
NYMEX	\$32.28	\$33.97	down 5%	\$48.45	down 33%

- NYMEX crude oil futures for March delivery ended \$2.40, or 8.0 percent, higher February 3 to settle at \$32.28 per barrel, breaking a 2-day rout after traders took advantage of a weaker dollar and shrugged off data showing an unexpected surge in U.S. inventories to a record high.
- Russia reiterated the major producer's willingness to meet if there was consensus among the OPEC and non-OPEC members, in the hope of a deal to cut global oil output to boost oil prices.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$32.28 is \$16.17, or 33 percent, lower.



- According to the February 3 weekly Energy Information Administration's (EIA) fuels report, U.S. crude inventories increased 7.8 million barrels (MMB) to 502.7 MMB, a new record. U.S. crude supplies are now 89.7 MMB higher compared to this time last year.
- Domestic crude production was unchanged from the prior week at 9.2 MMB/D. Last year at this time, production stood at just under 9.2 MMB/D. Total crude imports increased from the prior week at 8.3 MMB/D, 1.0 MMB higher compared to imports at this time last year.

- U.S. refinery crude runs decreased from the prior week with refiners processing 15.9 MMB/D of crude. U.S. refinery capacity use was down on the week at 86.6 percent. Last year at this time, capacity use stood at nearly 90.0 percent.
- Gasoline output decreased on the week at 8.6 MMB/D. Output was 9.1 MMB/D at this time last year. Distillate output decreased from the prior week at 4.4 MMB/D. Last year at this time, production stood at 4.7 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.7 MMB/D, up by 0.3 percent compared to the same period last year.

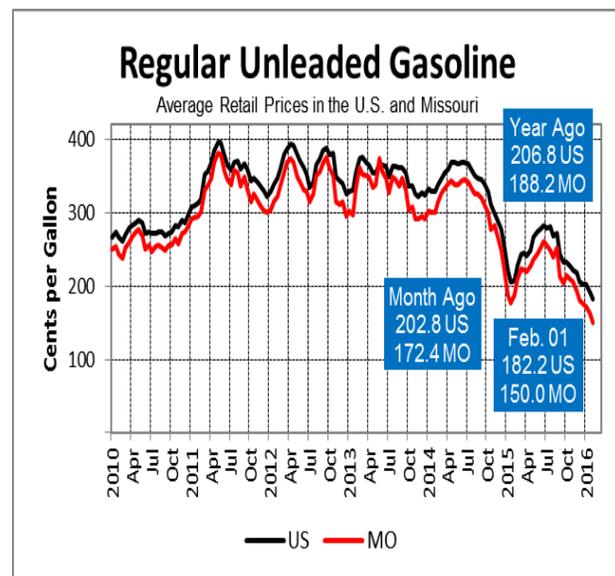
Transportation Fuels

On February 1, Missouri's statewide average retail price for gasoline was \$1.50 per gallon, down 22.4 cents in the past month and down 38.2 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-01-16	01-04-16	change	02-02-15	change
US	182.2	202.8	down 10%	206.8	down 12%
Missouri	150.0	172.4	down 13%	188.2	down 20%

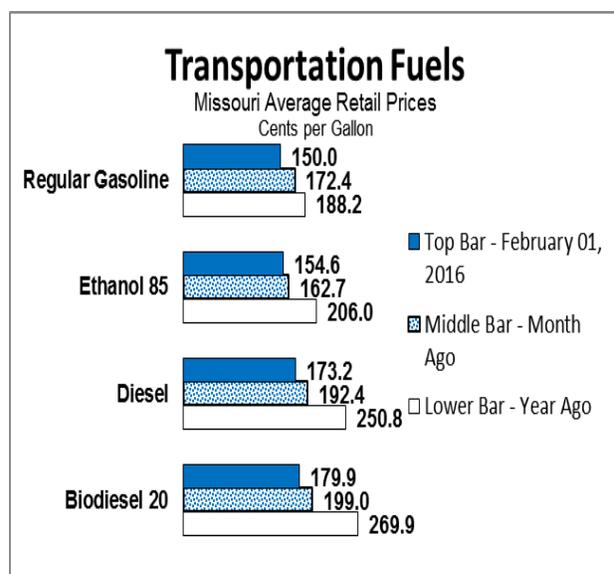
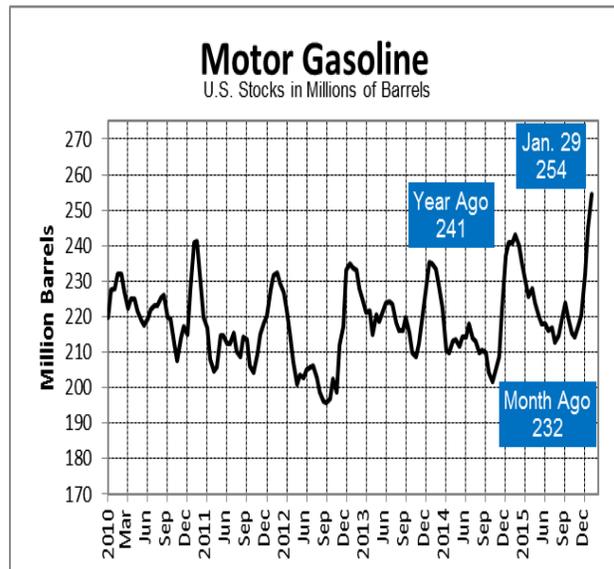
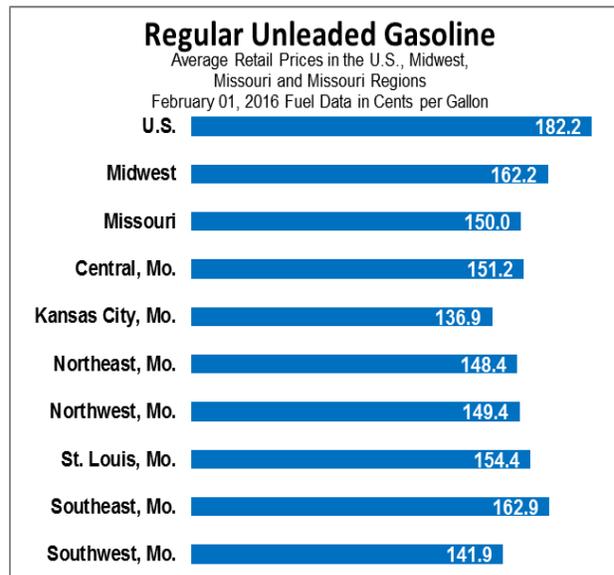
Diesel Fuel - Retail Prices (cents per gallon)					
	02-01-16	01-04-16	change	02-02-15	change
US	203.1	221.1	down 8%	283.1	down 28%
Missouri	173.2	192.4	down 10%	250.8	down 31%

- On February 1, Missouri's average retail price for gasoline was \$1.50 per gallon, down 22.4 cents in the past month.
- Missouri's average price for diesel fuel was \$1.73 per gallon, down 19.2 cents in the past month.
- Missouri's average retail gasoline price is 38.2 cents per gallon, or 20 percent, lower than the comparable period in January 2015. The average retail diesel fuel price is 77.6 cents per gallon, or 31 percent, lower for the comparable period in January 2015.
- At \$1.82, the U.S. average price for regular gasoline is 20.6 cents per gallon, or 10 percent, lower compared to last month.



- The U.S. average price for regular gasoline was down 24.6 cents per gallon, or 12 percent, compared to this time last year. In the past week, the U.S. average decreased by 3.4 cents per gallon.
- Gasoline imports increased from the prior week at 0.6 MMB/D. Last year at this time imports stood at nearly 0.7 MMB/D.

- Implied demand for gasoline decreased on the week at 8.3 MMB/D, 0.1 MMB/D lower compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged 8.7 MMB/D; about 0.1 MMB/D lower compared to the same four-week period last year.
- U.S. gasoline supplies increased 5.9 MMB on the week to 254.4 MMB. U.S. supplies are up 13.7 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased at 159.7 MMB and stand 25.2 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at 3.5 MMB/D. Demand stood at 3.7 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.5 MMB/D.
- On February 1, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.55 per gallon, 4.6 cents, or 3.0 percent, lower than the average price for conventional motor gasoline.
- On February 1, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$1.80 per gallon, 6.7 cents, or 3.8 percent, higher than the average retail price for conventional diesel fuel.
- According to the January 12, 2016, *Short Term Energy Outlook*, U.S. regular gasoline retail prices averaged \$2.43 per gallon in 2015 compared with \$3.36 per gallon in 2014. EIA projects U.S. regular gasoline retail prices to average \$2.03 per gallon in 2016 and \$2.21 in 2017.



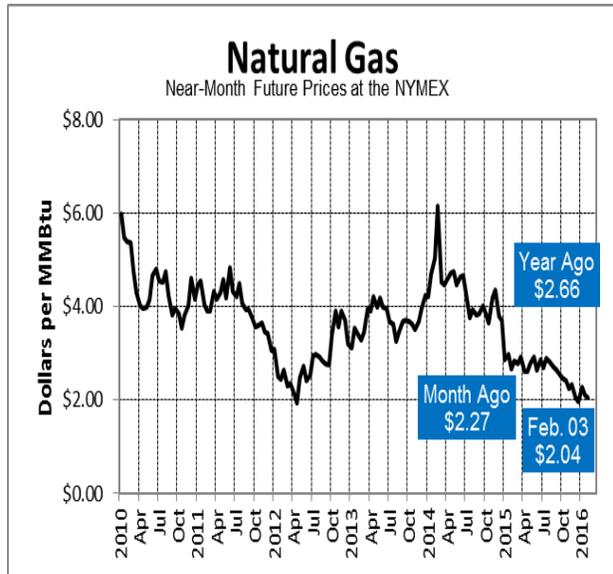
Natural Gas

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 February 3, natural gas futures on the NYMEX closed at \$2.04 per million British thermal units (MMBtu), down \$0.23, or 10 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-03-16	01-06-16	change	02-04-15	change
NYMEX	\$2.04	\$2.27	down 10%	\$2.66	down 23%

- The March NYMEX futures contract settled at \$2.04 per MMBtu on February 3, up 1.3 cents from the prior settlement and down about 15 cents in the past week. Futures are down 23 cents in the past month.
- In the past year, natural gas values have decreased by \$0.62 per MMBtu, or 23 percent.
- Working gas in storage was 2,934 Bcf, 17.9 percent above the five-year average inventory level for the week. According to EIA's February 4, 2016 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 490 Bcf, or 20.0 percent, higher than last year at this time.
- Net withdrawals from working gas totaled 211 Bcf, exceeding the 5-year (2011-15) average net withdrawals of 170 Bcf by 24 percent. The withdrawal total was almost twice as large as last year's pull for the same storage week. This marks the fourth consecutive week of triple-digit storage withdrawals in the Lower 48 states.
- According to the EIA, U.S. consumption fell by 5.4 percent, with the largest decline coming from the residential/commercial sector. Despite a winter storm dumping snow across the East Coast, residential and commercial consumption did not reach the highs it reached in the previous report week when temperatures were colder. Industrial consumption fell by 2.0 percent, and consumption of natural gas for electric power generation fell by 0.9 percent. U.S. exports of natural gas to Mexico fell by 4.2 percent.
- According to the January 12, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$539, \$172, or 24.2 percent, less this winter than last winter, reflecting prices that are about 9.4 percent lower and consumption that is 16.3 percent lower.



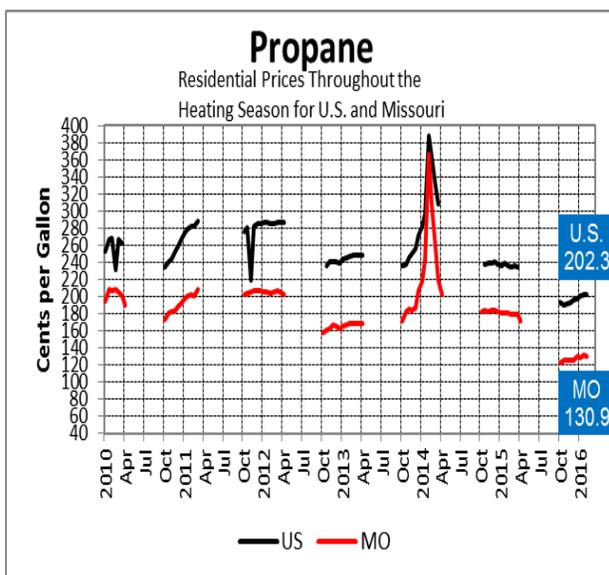
Propane

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 February 1, the average Missouri retail price for residential propane was about \$1.31 per gallon, 2.0 cents higher in the past month and down 50.3 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>02-01-16</u>	<u>01-04-16</u>	<u>change</u>	<u>02-02-15</u>	<u>change</u>
Missouri	130.9	128.4	up 2%	181.2	down 28%

- According to the Division of Energy's most recent statewide propane price survey conducted February 1, the average Missouri retail residential propane price was \$1.31 per gallon, 2.0 cents higher in the past month and down 50.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$2.01 per gallon, an increase of 28.0 cents or 16 percent in the past month. The lowest retail price was \$1.06 per gallon, up 1.0 cent or 1 percent in the past month.
- As of February 1, U.S. residential propane prices averaged \$2.02 per gallon, 0.4 cents per gallon higher than the prior week's price and 34.5 cents lower than one year ago. U.S. wholesale propane prices averaged about 46.4 cents per gallon, 2.2 cents per gallon higher than the prior week's price and 14.8 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 46.3 cents per gallon, 1.1 cents per gallon higher than the prior week's price and 13.0 cents lower than the price on February 2, 2015.
- U.S. propane stocks decreased by 5.6 MMB last week to 78.1 MMB as of January 29, 2016, 10.8 MMB (16.1%) higher than a year ago. Midwest inventories fell by 1.3 MMB to 19.3 MMB, 2.1 MMB (-9.9%) percent lower compared to last year at this time.
- At less than 1.9 MMB/D, U.S. demand for propane is about 0.3 MMB/D (16.3%) higher compared to last year at this time.
- According to the January 12, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with propane will spend an average of \$1,073, \$480 or 30.9 percent, less this winter than last winter, reflecting prices that are about 18.3 percent lower and consumption that is 15.4 percent lower.



For more information on propane, please visit:

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

To access previous issues of the Energy Bulletin, or to subscribe, please visit:

<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>.