



## Division of Energy

# MISSOURI ENERGY BULLETIN

February 23, 2016

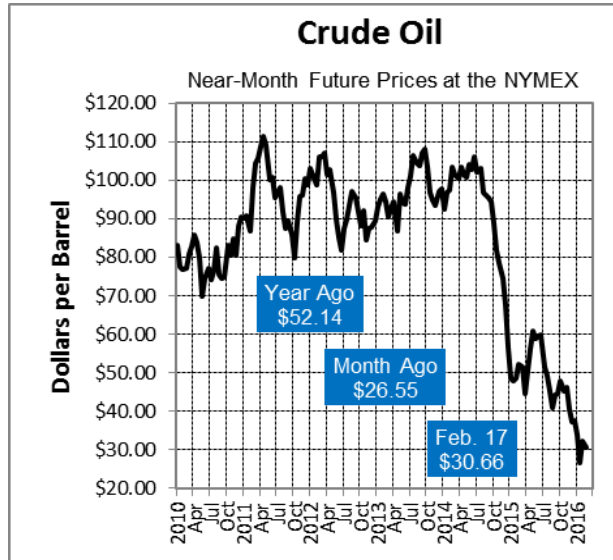
*(Data is for the week ended February 12, 2016, unless stated otherwise.)*

### Crude Oil

U.S. crude oil prices increased by \$4.11 to \$30.66 per barrel in the past month and stand 41 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>02-17-16</u>	<u>01-20-16</u>	<u>change</u>	<u>02-18-15</u>	<u>change</u>
NYMEX	\$30.66	\$26.55	up 15%	\$52.14	down 41%

- NYMEX crude oil futures for March delivery ended \$1.62, or 5.6 percent, higher February 17 to settle at \$30.66 per barrel, after Iran voiced support for a Russia-Saudi-led move to freeze production to deal with the global oil glut that had pressured crude prices to their lowest in over a decade.
- OPEC nations Saudi Arabia, Qatar and Venezuela as well as Russia have agreed to cap crude production at January 2016 levels if other major producers follow suit. If such an agreement actually happens, it would mark the first deal on production between OPEC and non-OPEC members in 15 years.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$30.66 is \$21.48, or 41 percent, lower.
- According to the February 18 weekly Energy Information Administration’s (EIA) fuels report, U.S. crude inventories increased 2.1 million barrels (MMB) to 504.1 MMB, a new record. U.S. crude supplies are now 78.5 MMB higher compared to this time last year.



- Domestic crude production was slightly down from the prior week at 9.1 MMB/D. Last year at this time, production stood at just under 9.3 MMB/D. Total crude imports increased from the prior week at 7.9 MMB/D, 0.8 MMB/D higher compared to imports at this time last year.
- U.S. refinery crude runs increased from the prior week with refiners processing 15.9 MMB/D. U.S. refinery capacity use was up on the week at 88.3 percent. Last year at this time, capacity use stood at 88.7 percent.
- Gasoline output increased on the week at 9.7 MMB/D. Output was 9.2 MMB/D at this time last year. Distillate output increased from the prior week at 4.7 MMB/D. Last year at this time, production stood at 4.6 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.8 MMB/D, up by 0.2 percent compared to the same period last year.

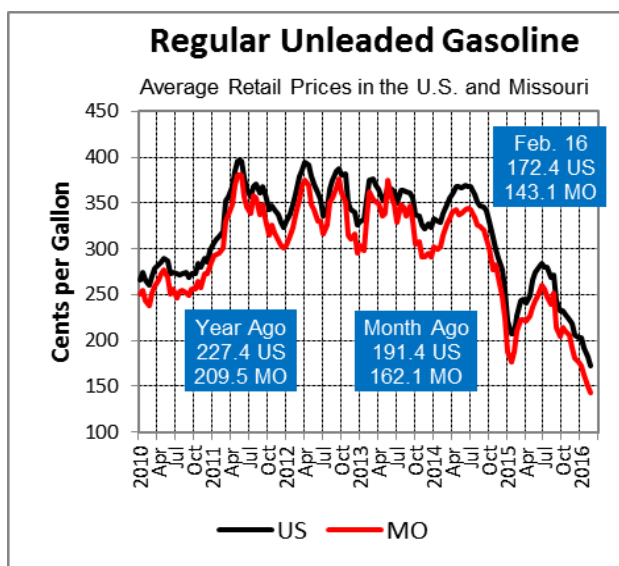
## Transportation Fuels

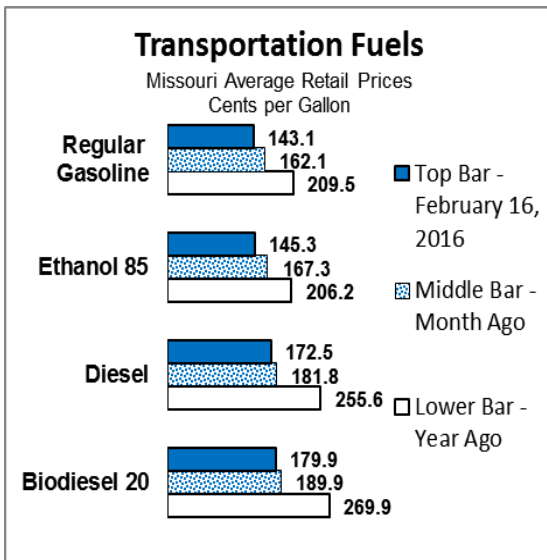
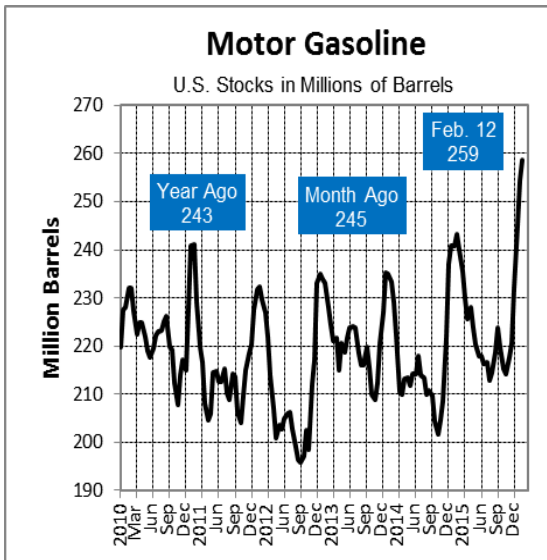
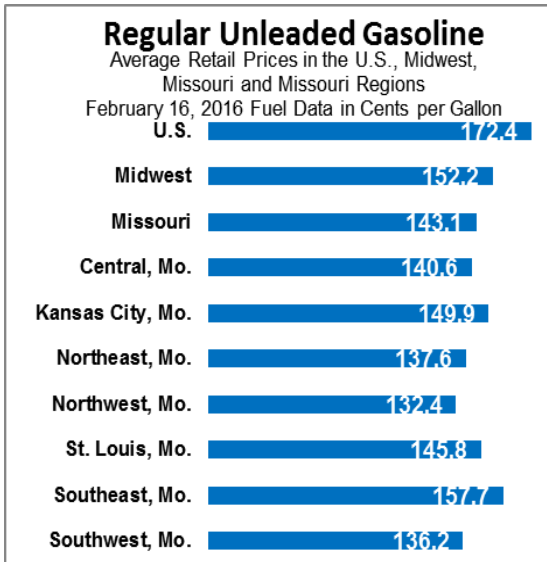
On February 16, Missouri's statewide average retail price for gasoline was \$1.43 per gallon, down 19.0 cents in the past month and down 66.4 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-16-16	01-19-16	change	02-17-15	change
US	172.4	191.4	down 10%	227.4	down 24%
Missouri	143.1	162.1	down 12%	209.5	down 32%

Diesel Fuel - Retail Prices (cents per gallon)					
	02-16-16	01-19-16	change	02-17-15	change
US	198.0	211.2	down 6%	286.5	down 31%
Missouri	172.5	181.8	down 5%	255.6	down 33%

- On February 16, Missouri's average retail price for gasoline was \$1.43 per gallon, down 19.0 cents in the past month.
- Missouri's average price for diesel fuel was \$1.73 per gallon, down 9.3 cents in the past month.
- Missouri's average retail gasoline price is 66.4 cents per gallon, or 32 percent, lower than the comparable period in February 2015. The average retail diesel fuel price is 83.1 cents per gallon, or 33 percent, lower for the comparable period in February 2015.
- At \$1.72, the U.S. average price for regular gasoline is 19.0 cents per gallon, or 10 percent, lower compared to last month.
- The U.S. average was down 55.0 cents per gallon, or 24 percent, compared to this time last year. In





the past week, the U.S. average decreased by 3.5 cents per gallon.

- Gasoline imports decreased from the prior week at 0.6 MMB/D. Last year at this time imports stood at nearly 0.6 MMB/D.
- Implied demand for gasoline increased on the week at 9.2 MMB/D, 0.4 MMB/D higher compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged 8.9 MMB/D; about 0.3 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 3.0 MMB on the week to 258.7 MMB, a new record. U.S. supplies are up 15.6 MMB compared to this time last year and trend well above the five-year average for this time of year.
- Distillate stocks increased at 162.4 MMB and stand 35.0 MMB higher compared to the same period last year.
- Distillate demand increased on the week at 3.5 MMB/D. Demand stood at 4.3 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.5 MMB/D.
- On February 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.45 per gallon, 2.2 cents, or 1.6 percent, lower than the average price for conventional motor gasoline.
- On February 16, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$1.80 per gallon, 7.4 cents, or 4.3 percent, higher than the average retail price for conventional diesel fuel.
- According to the February 9, 2016, *Short Term Energy Outlook*, U.S. regular gasoline retail prices averaged \$2.43 per gallon in 2015. EIA projects U.S. regular gasoline retail prices to average \$1.98 per gallon in 2016 and \$2.21 in 2017.

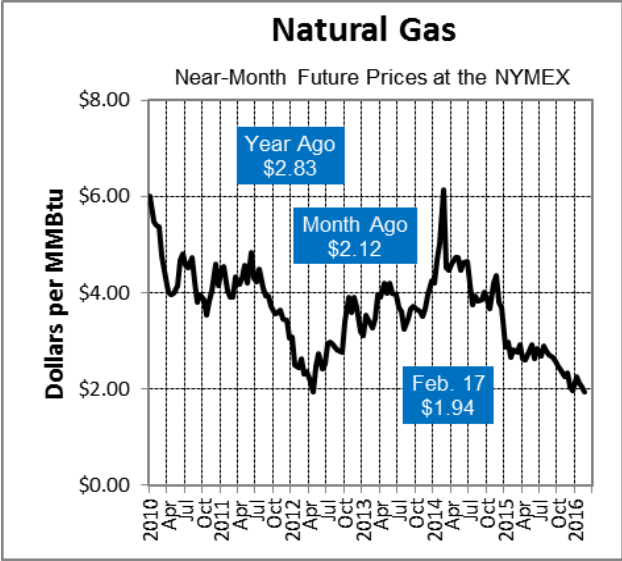
# Natural Gas

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 17, natural gas futures on the NYMEX closed at \$1.94 per million British thermal units (MMBtu), down \$0.18, or 8 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-17-16	01-20-16	change	02-18-15	change
NYMEX	\$1.94	\$2.12	down 8%	\$2.83	down 31%

- The March NYMEX futures contract settled at \$1.94 per MMBtu on February 17, up 3.9 cents from the prior settlement and down about 10.0 cents in the past week. Futures are down 18.0 cents in the past month.
- In the past year, natural gas values have decreased by \$0.89 per MMBtu, or 31 percent.
- Working gas in storage was 2,706 Bcf, 25.8 percent above the five-year average inventory level for the week. According to EIA's February 12, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 532 Bcf, or 24.5 percent, higher than last year at this time.



- The net withdrawal from storage for the week ending Friday, February 12, was 158 Bcf, compared with the five-year average net withdrawal of 170 Bcf and last year's pull of 117 Bcf for the same week. Net withdrawals from storage posted a significant rebound from last week's storage pull of 70 Bcf.
- According to the EIA, U.S. consumption increased by 5.8 percent for the report period, driven by a large increase in residential/commercial consumption related to the cold weather. According to EIA data, residential/commercial consumption, which is largely used for heating, increased by 16.3 percent, week over week. Industrial consumption increased 1.1 percent and consumption of natural gas for electric power generation decreased 8.0 percent. U.S. exports of natural gas to Mexico increased 3.5 percent and were 59.2 percent greater than the same week a year ago.
- According to the February 9, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$532, \$179, or 25.1 percent, less this winter than last winter, reflecting prices that are about 10.9 percent lower and consumption that is 15.9 percent lower.

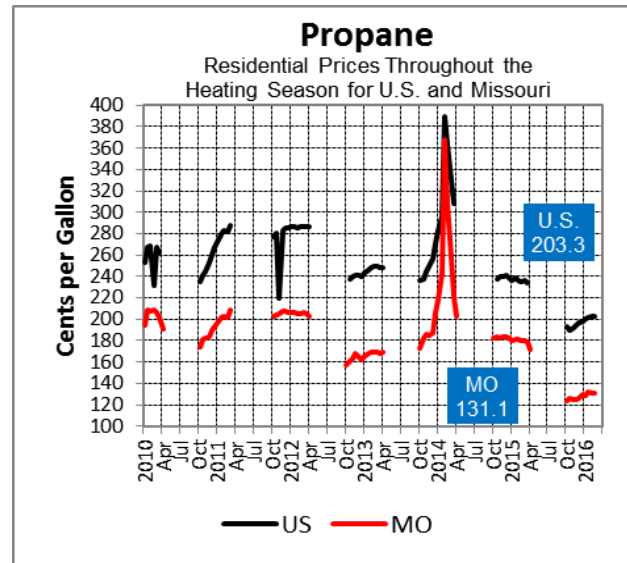
## Propane

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 16, the average Missouri retail price for residential propane was about \$1.31 per gallon, 1.0 cent lower in the past month and down 48.8 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	<u>02-16-16</u>	<u>01-19-16</u>	<u>change</u>	<u>02-17-15</u>	<u>change</u>
Missouri	131.1	132.0	down 1%	179.9	down 27%

- According to the Division of Energy's most recent statewide propane price survey conducted February 16, the average Missouri retail residential propane price was \$1.31 per gallon, 1.0 cent lower in the past month and down 48.8 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$2.21 per gallon, a decrease of 10.0 cents or 4 percent in the past month. The lowest retail price was \$1.06 per gallon, unchanged in the past month.
- As of February 16, U.S. residential propane prices averaged \$2.03 per gallon, 1.4 cents per gallon higher than the prior week's price and 32.2 cents lower than one year ago. U.S. wholesale propane prices averaged about 47.1 cents per gallon, unchanged from the prior week's price and 25.1 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 46.5 cents per gallon, 1.1 cents per gallon lower than the prior week's price and 22.1 cents lower than the price on February 16, 2015.
- U.S. propane stocks decreased by 4.3 MMB last week to 70.5 MMB as of February 12, 2016, 9.0 MMB (14.6%) higher than a year ago. Midwest inventories decreased by 0.5 MMB to 17.9 MMB, 1.9 MMB (-9.8%) percent lower compared to last year at this time.
- At nearly 1.7 MMB/D, U.S. demand for propane is about 0.02 MMB/D (-1.5%) lower compared to last year at this time.
- According to the February 9, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with propane will spend an average of \$1,029, \$525 or 33.8 percent, less this winter than last winter, reflecting prices that are about 22 percent lower and consumption that is 15.1 percent lower.



**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](mailto:energy@ded.mo.gov); Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.