



Division of Energy

MISSOURI ENERGY BULLETIN

February 24, 2017

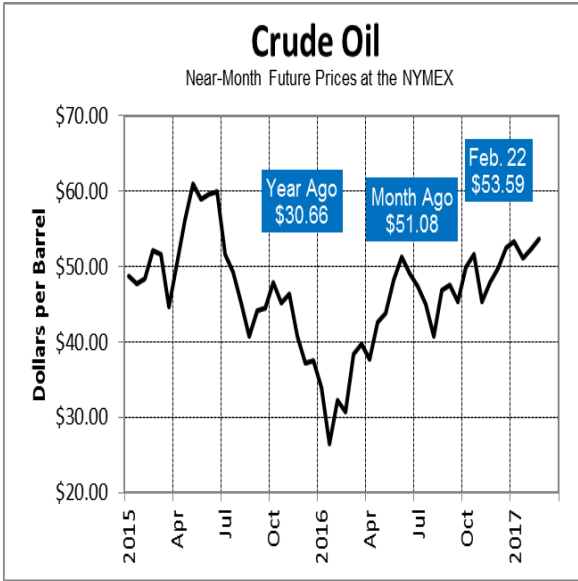
(Data are for the week ended February 17, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$2.51 to \$53.59 per barrel in the past month, 75 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>02-22-17</u>	<u>01-18-17</u>	<u>change</u>	<u>02-17-16</u>	<u>change</u>
NYMEX	\$53.59	\$51.08	up 5%	\$30.66	up 75%

- Crude oil futures for March delivery on the NYMEX ended \$0.86, or 1.5 percent, higher on February 22 to settle at \$53.59 per barrel, after the US Department of Energy’s Energy Information Administration (EIA) data showed the 7th straight build in inventories was smaller than expected.
- In Cushing, OK where oil inventories drive the NYMEX, supplies fell by more than 1.5 million barrels (MMB), the largest draw since October 2016. Data show oil producers, in and outside of OPEC, have largely kept their promise to reduce collective output by 1.8 MMB/D starting in January to tackle a global supply glut. However, a steady increase in US crude production and inventories is helping to offset these cuts.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$53.59 is \$22.93, or 75 percent, higher.
- Domestic crude production was higher from the prior week at over 9.0 MMB/D. Last year at this time, production stood at over 9.1 MMB/D. Total crude imports decreased from the prior week at over 7.2 MMB/D. Imports at this time last year averaged over 7.8 MMB/D.

- U.S. refinery crude runs decreased from the prior week with refiners processing nearly 15.3 MMB/D. U.S. refinery capacity utilization was down on the week at 84.3 percent. Last year at this time, capacity use stood at 87.3 percent.
- Gasoline output increased on the week at over 9.4 MMB/D. Output was over 10.0 MMB/D at this time last year. Distillate output decreased from the prior week at over 4.4 MMB/D. Last year at this time, production stood at nearly 4.5 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 19.8 MMB/D, up by 0.7 percent compared to the same period last year.

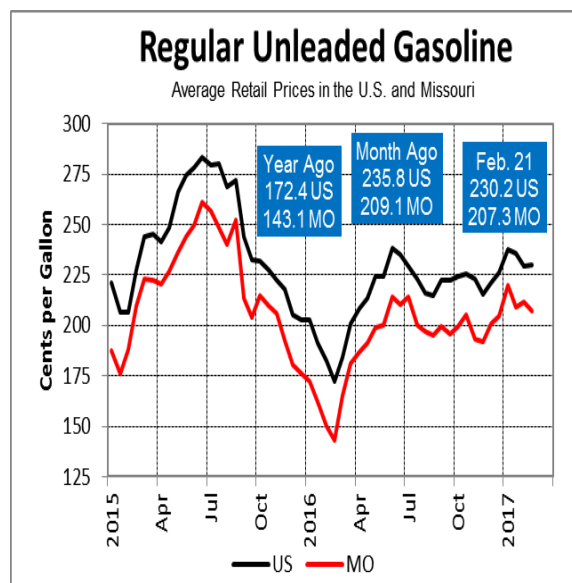
Transportation Fuels

On February 21, Missouri's statewide average retail price for gasoline was over \$2.07 per gallon, down 1.8 cents in the past month and up 64.2 cents in the past year.

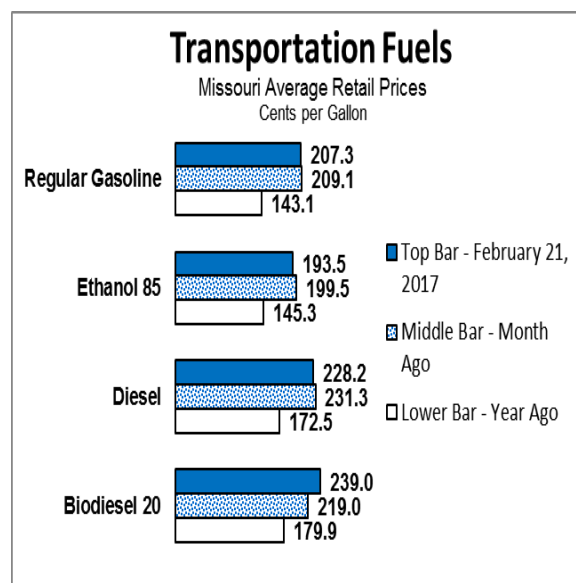
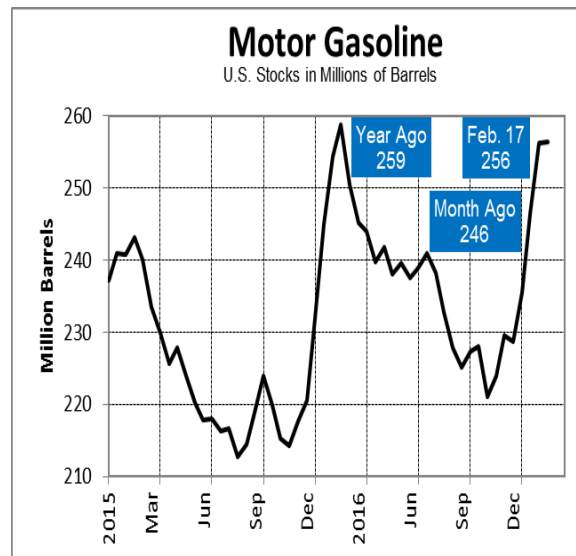
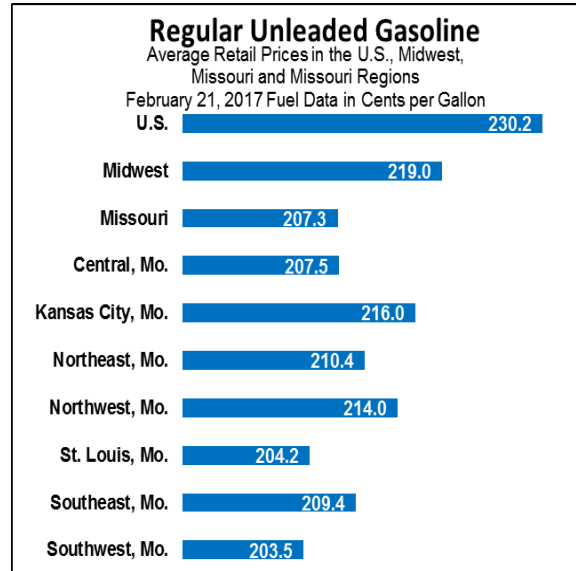
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>02-21-17</u>	<u>01-17-17</u>	<u>change</u>	<u>02-16-16</u>	<u>change</u>
US	230.2	235.8	down 2%	172.4	up 34%
Missouri	207.3	209.1	down 1%	143.1	up 45%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>02-21-17</u>	<u>01-17-17</u>	<u>change</u>	<u>02-16-16</u>	<u>change</u>
US	257.2	258.5	down 1%	198.0	up 30%
Missouri	228.2	231.3	down 1%	172.5	up 32%

- On February 21, Missouri's average retail price for gasoline was over \$2.07 per gallon, down 1.8 cents in the past month.
- Missouri's average price for diesel fuel was over \$2.28 per gallon, down 3.1 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 64.2 cents per gallon, or 45 percent, higher while the average retail diesel fuel price is 55.7 cents per gallon, or 32 percent, higher.
- At over \$2.30, the U.S. average price for regular gasoline is 5.6 cents per gallon, or 2 percent, lower compared to last month.
- The U.S. average price for regular gasoline is up 57.8 cents per gallon, or 34 percent, compared to this time last year. In the past week, the U.S. average decreased by less than a cent per gallon.
- Gasoline imports decreased from the prior week at nearly 0.4 MMB/D. Last year at this time, imports stood at nearly 0.6 MMB/D.



- Implied demand for gasoline increased on the week at nearly 8.7 MMB/D. Demand stood at nearly 9.6 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 8.6 MMB/D.
- U.S. gasoline supplies decreased 2.6 MMB on the week to 256.4 MMB. U.S. supplies are 2.7 MMB lower compared to this time last year.
- Distillate stocks decreased 4.9 MMB on the week at 165.1 MMB and stand 4.4 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 4.3 MMB/D. Demand stood at over 3.7 MMB/D at this time last year. On a four-week average, distillate demand was higher at nearly 4.0 MMB/D.
- On February 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.94 per gallon, 13.8 cents, or 6.7 percent, lower than the average price for conventional motor gasoline.
- On February 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$2.39 per gallon, 10.8 cents per gallon, or 4.7 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated February 7, 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 \$2.39 in 2017.



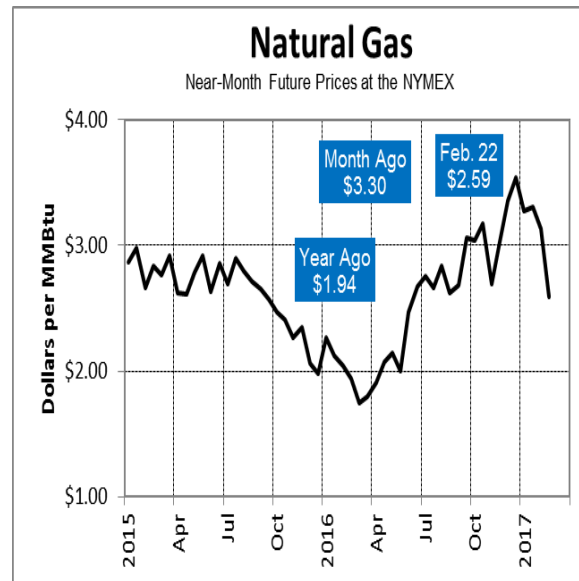
Natural Gas

Approximately 52 percent (1,220,179) 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 22, 2017, natural gas futures on the NYMEX closed at \$2.59 per million British thermal units (MMBtu), up \$0.65, or 34 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>02-22-17</u>	<u>01-18-17</u>	<u>change</u>	<u>02-17-16</u>	<u>change</u>
NYMEX	\$2.59	\$3.30	down 22%	\$1.94	up 34%

- The March 2017 NYMEX futures contract settled at \$2.59 per MMBtu on February 22, up 2.8 cents from the prior settlement.
- Futures are up \$0.65, or 34 percent, in the past year.
- Working gas in storage was 2,356 Bcf, 7.1 percent above the five-year average inventory level for the week. According to EIA's February 17, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 261 Bcf, or 10.0 percent, lower than last year at this time.
- According to the EIA, net withdrawals from working gas totaled 89 billion cubic feet (Bcf) for the week ending February 17.
- Temperatures in the Lower 48 states averaged 43°F, 7°F higher than the normal and 9°F higher than last year at this time. This pattern prevailed throughout most of the Lower 48 states except for New England. Temperatures in the New England Census division averaged 25°F, 3°F lower than the normal and 8°F higher than last year at this time. Heating degree days (HDD) in the Lower 48 states totaled 159, compared with 220 last year and a normal of 202.
- According to the EIA, total U.S. consumption of natural gas fell by 15 percent compared with the previous report week. Power burn declined by 3 percent; industrial sector consumption declined by 4 percent, and residential and commercial sector consumption declined by 29 percent. Natural gas exports to Mexico decreased 2 percent.



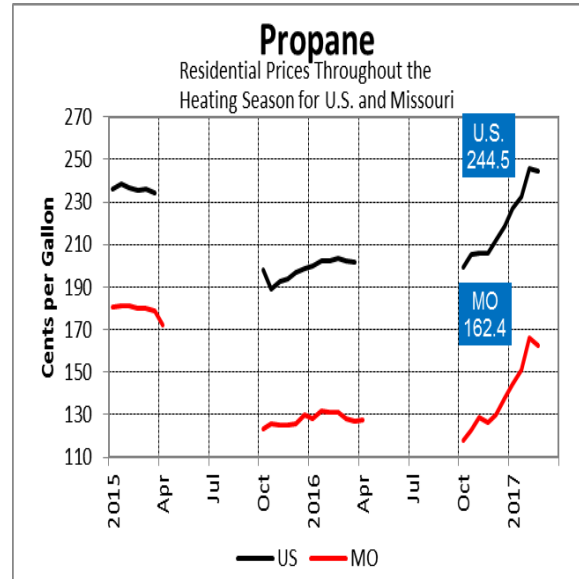
Propane

Approximately 9.2 percent (217,551) 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 21, the average Missouri retail price for residential propane was over \$1.62 per gallon, up 11.2 cents in the past month and up 31.3 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>02-21-17</u>	<u>01-17-17</u>	<u>change</u>	<u>02-16-16</u>	<u>change</u>
Missouri	162.4	151.2	up 7%	131.1	up 24%

- According to the Division of Energy's most recent statewide propane price survey conducted February 21, the average Missouri retail residential propane price was over \$1.62 per gallon, up 11.2 cents in the past month and up 31.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.00 per gallon. The lowest retail price was \$1.25 per gallon.
- U.S. propane stocks decreased by 3.3 MMB last week to 49.8 MMB as of February 17, 2017, 16.9 MMB, or 25.3 percent, lower than a year ago. Midwest propane stocks declined by nearly 1.0 MMB to over 13.7 MMB. Midwest inventories stood at nearly 16.9 MMB at this time last year.
- U.S. propane consumption was higher on the week at over 1.2 MMB/D. Consumption stood at over 1.5 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>.