



## Division of Energy

# MISSOURI ENERGY BULLETIN

January 22, 2016

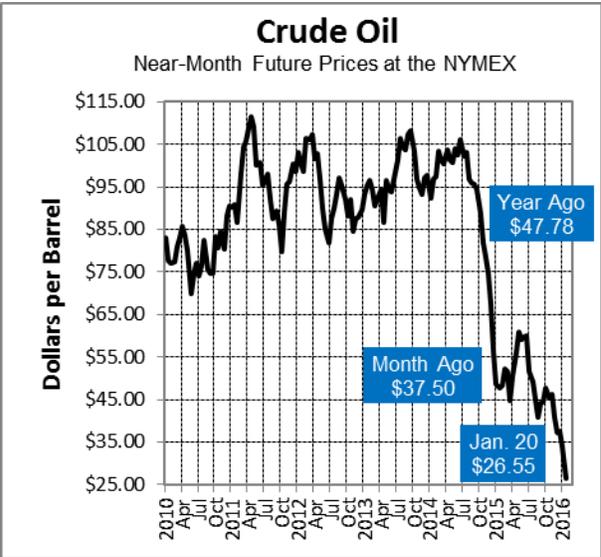
*(Data is for the week ended January 15, 2016, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased by \$10.95 to \$26.55 per barrel in the past month and stand 44 percent lower compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>01-20-16</u>	<u>12-23-15</u>	<u>change</u>	<u>01-21-15</u>	<u>change</u>
NYMEX	\$26.55	\$37.50	down 29%	\$47.78	down 44%

- Crude oil futures for February delivery on the NYMEX ended \$1.91, or 6.7 percent, lower January 20 to settle at \$26.55 per barrel, diving below \$27 for the first time since 2003, caught in a broad equities slump across world financial markets and with traders worried that the global crude supply glut could last longer as the near-month contract expired at the end of trading.
- Oil prices have fallen more than 25 percent since January 1, the steepest slide since the onset of the 2008 financial crisis.
- On January 19, the International Energy Agency warned of additions to global oil inventories as persistent oversupply and bloated inventories continue in 2016 with the lifting of sanctions against Iran allowing that country to add its exports to the global glut. A Middle Eastern shipping firm became one of the first to resume direct business with Iran after international sanctions on Tehran were lifted this past weekend.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$26.55 is \$21.23, or 44 percent, lower.

- According to the January 21 weekly Energy Information Administration’s (EIA) fuels report, U.S. crude inventories increased 4.0 million barrels (MMB) to 486.5 MMB. U.S. crude supplies are now 88.7 MMB higher compared to this time last year.
- Domestic crude production was up slightly 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 decreased from the prior week at 7.8 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 16.2 MMB/D of crude. U.S. refinery capacity use was down on the week at 90.6 percent. Last year at this time, capacity use stood at 85.5 percent.
- Gasoline output increased on the week at 9.7 MMB/D. Output was 9.0 MMB/D at this time last year. Distillate output decreased from the prior week at nearly 4.6 MMB/D. Last year at this time, production stood at 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.3 MMB/D, down by 1.8 percent compared to the same period last year.

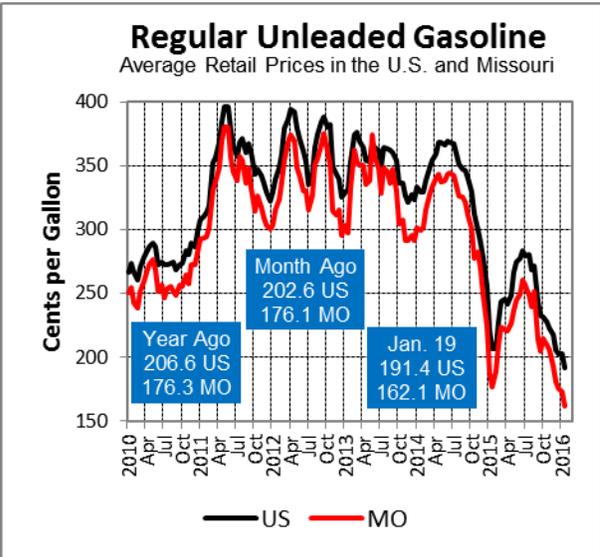
**Transportation Fuels**

**On January 19, Missouri’s statewide average retail price for gasoline was about \$1.62 per gallon, down 14.0 cents in the past month and down 14.2 cents in the past year.**

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>01-19-16</u>	<u>12-21-15</u>	<u>change</u>	<u>01-20-15</u>	<u>change</u>
<b>US</b>	191.4	202.6	down 6%	206.6	down 7%
<b>Missouri</b>	162.1	176.1	down 8%	176.3	down 8%

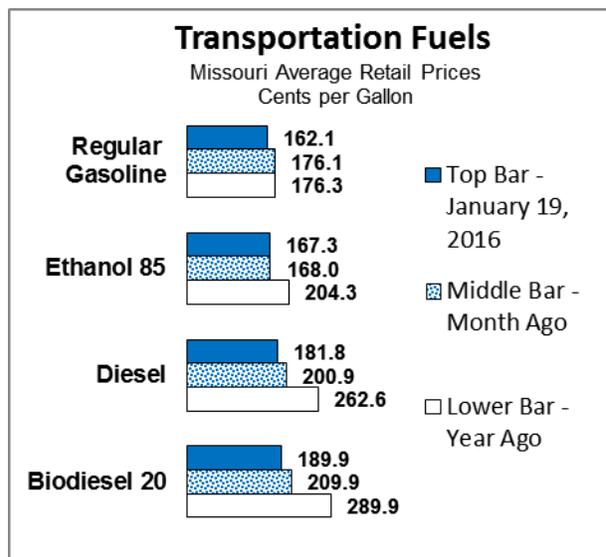
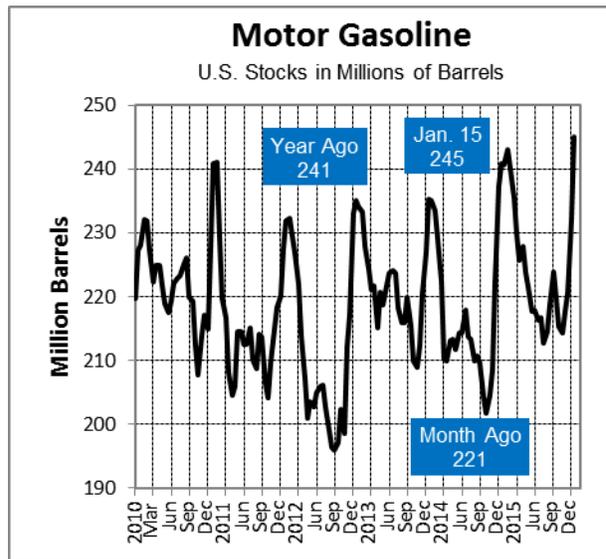
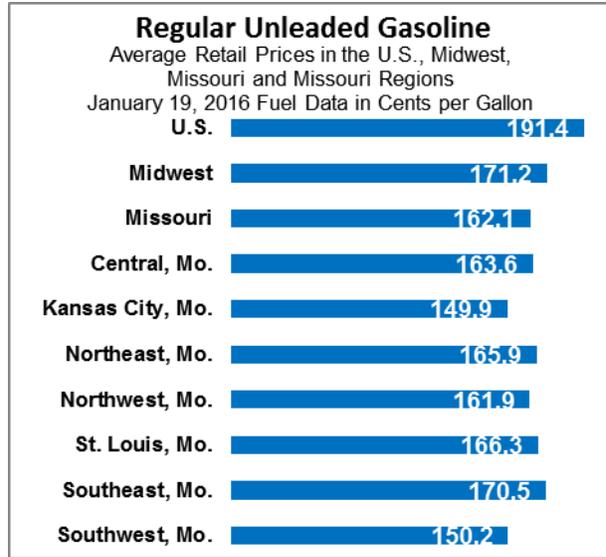
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>01-19-16</u>	<u>12-21-15</u>	<u>change</u>	<u>01-20-15</u>	<u>change</u>
<b>US</b>	211.2	228.4	down 8%	293.3	down 28%
<b>Missouri</b>	181.8	200.9	down 10%	262.6	down 31%

- On January 19, Missouri’s average retail price for gasoline was about \$1.62 per gallon, down 14.0 cents in the past month.
- Missouri’s average price for diesel fuel was about \$1.82 per gallon, down 19.1 cents in the past month.
- Missouri’s average retail gasoline price is 14.2 cents per gallon, or 8 percent, lower than the comparable period in January 2015. The average retail diesel fuel price is 80.8 cents per gallon, or 31 percent, lower for the comparable period in January 2015.
- At \$1.91, the U.S. average price for regular



gasoline is 11.2 cents per gallon, or 6 percent, lower compared to last month.

- The U.S. average was down 15.2 cents per gallon, or 7 percent, compared to this time last year. In the past week, the U.S. average decreased by 8.2 cents per gallon.
- Gasoline imports increased from the prior week at 0.5 MMB/D. Last year at this time imports stood at nearly 0.7 MMB/D.
- Implied demand for gasoline increased on the week at 9.1 MMB/D, 0.3 MMB/D higher compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged 8.8 MMB/D; about 0.3 MMB/D lower compared to the same four-week period last year.
- U.S. gasoline supplies increased 4.6 MMB on the week to 245.0 MMB. U.S. supplies are up 4.1 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased at 164.5 MMB and stand 28.0 MMB higher compared to the same period last year.
- Distillate demand increased on the week at 3.7 MMB/D. Demand stood at 4.5 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.3 MMB/D.
- On January 19, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.67 per gallon 5.2 cents, or 3.3 percent, lower than the average price for conventional motor gasoline.
- On January 19, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$1.90 per gallon 8.1 cents, or 4.5 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.

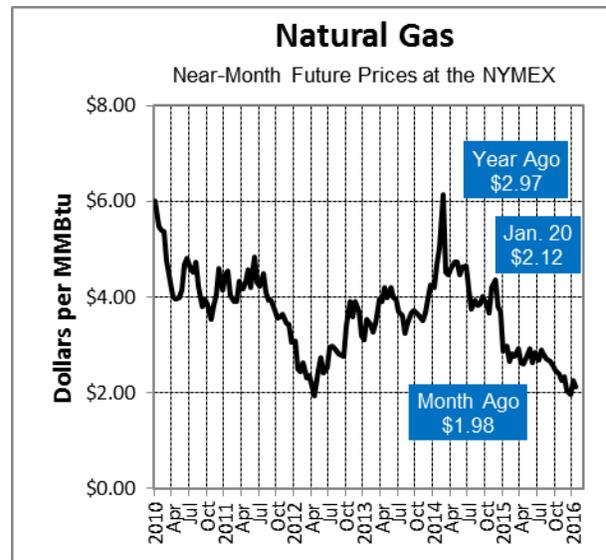
## Natural Gas

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 January 20, natural gas futures on the NYMEX closed at \$2.12 per million British thermal units (MMBtu), up \$0.14, or 7 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-20-16	12-23-15	change	01-21-15	change
NYMEX	\$2.12	\$1.98	up 7%	\$2.97	down 29%

- The February NYMEX futures contract settled at \$2.27 per MMBtu on January 20, up 2.7 cents from the prior settlement and down about 15 cents in the past week. Futures are up 14 cents in the past month.
- In the past year, natural gas values have decreased by \$0.85 per MMBtu, or 29 percent.
- Working gas in storage was 3,297 Bcf, 16.7 percent above the five-year average inventory level for the week, according to EIA's January 21, 2016 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 629 Bcf, or 23.6 percent, higher than last year at this time.
- Since January 1, consumption of natural gas for electric power generation (power burn) has averaged 26.0 billion cubic feet per day (Bcf/d), 24 percent greater than the five-year average and 3 percent higher than the five-year maximum. While power consumption is typically highest in summer to meet air-conditioning demand, about 39 percent of all households in the United States rely on electricity as their primary heating source. In the Southeast, where most of the homes use electricity for space heating, natural gas is a relatively large share of the generation mix. However, the growth in power burn this month has occurred despite electricity-weighted heating degree days that were close-to-average nationally and in the Southeast region.
- According to the EIA, total U.S. natural gas consumption increased 3.1 percent week-on-week. Residential and commercial consumption drove the increase, rising 7.9 percent, or 3.8 Bcf/d over the report week. As typically happens in cold weather, industrial consumption also rose, increasing by 1.3 percent. Power burn, though still elevated compared to last year at this time, fell slightly this week, decreasing by 3.0 percent. The decrease in power burn was driven by the Southwest, which experienced more mild temperatures this report week compared to last. Exports to Mexico fell somewhat, declining by 4.5 percent for the period.
- 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.

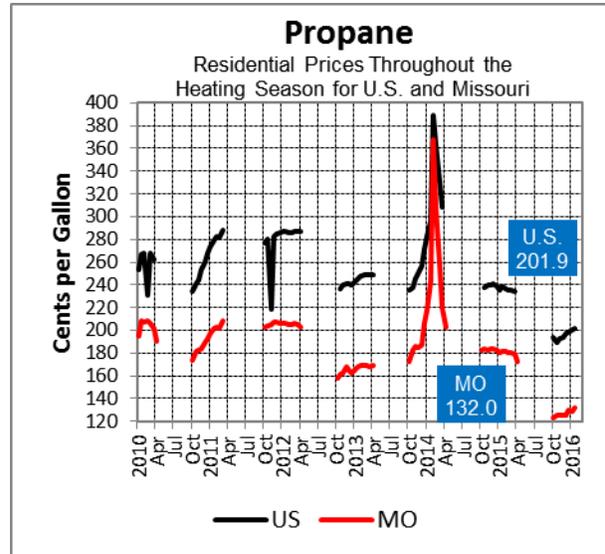
## Propane

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 January 19, the average Missouri retail price for residential propane was about \$1.32 per gallon, 2.3 cents higher in the past month and down 49.3 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	01-19-16	12-21-15	change	01-20-15	change
Missouri	132.0	129.7	up 2%	181.3	down 27%

- According to the Division of Energy's most recent statewide propane price survey conducted January 19, the average Missouri retail residential propane price was \$1.32 per gallon, 2.3 cents higher in the past month and down 49.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$2.31 per gallon, an increase of 30.0 cents or 15 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 January 18, U.S. residential propane prices averaged \$2.02 per gallon, 0.5 cents per gallon higher than the prior week's price and 0.4 cents lower than one year ago. U.S. wholesale propane prices averaged about 41 cents per gallon, 2.5 cents per gallon lower than the prior week's price and 21.2 cents lower than last year's price for the same week.
- Missouri wholesale propane prices averaged 40.6 cents per gallon, 2.2 cents per gallon lower than the prior week's price and 20.5 cents lower than the price on January 19, 2015.
- U.S. propane stocks decreased by 1.9 MMB last week to 89.9 MMB as of January 15, 2016, 18.7 MMB (26.2%) higher than a year ago. Midwest inventories decreased by 2.2 MMB to 22.3 MMB, 1.4 MMB (-5.8%) percent lower compared to last year at this time.
- At less than 1.4 MMB/D, U.S. demand for propane is about 0.3 MMB/D (-17.0%) lower 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>

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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>.