

Division of Energy

MISSOURI ENERGY BULLETIN

July 10, 2015

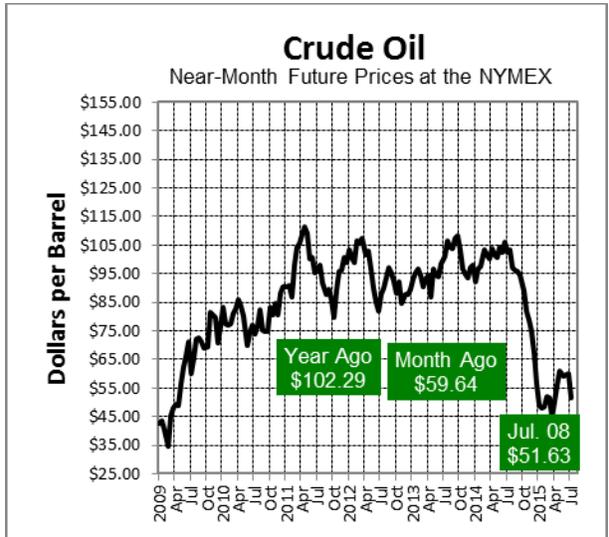
(Data is for the week ended July 3, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$8.01 to \$51.63 per barrel in the past month and stand 50 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>07-08-15</u>	<u>06-03-15</u>	<u>change</u>	<u>07-09-14</u>	<u>change</u>
NYMEX	\$51.63	\$59.64	down 13%	\$102.29	down 50%

- On the NYMEX, crude oil futures for August delivery ended \$0.68, or 1.3 percent, lower on the July 8 trade day to settle at \$51.63 per barrel.
- Crude prices were supported by domestic inventory increases over the past two weeks. Crude inventories started to fall in April after hitting a record high, boosting prices, but the last two weekly federal fuel reports have surprised the market by showing stockpile builds. Supplies usually decline in the summer as refineries process more crude oil into gasoline and other fuels.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$51.63 is \$50.66, or 50 percent, lower.
- According to the July 8 weekly Energy Information Administration (EIA) fuels report, U.S. crude inventories increased 0.4 million barrels (MMB) to 465.8 MMB. U.S. crude supplies are now 83.2 MMB higher compared to this time last year.
- Crude imports decreased from the prior week at 7.3 MMB/D, less than 0.1 MMB/D higher compared to imports at this time last year. Domestic crude production increased at about 9.6 MMB/D on the week. Last year at this time, production stood at about 8.5 MMB/D.



- U.S. refinery crude runs decreased from the prior week with refiners processing 16.6 MMB/D of crude. U.S. refinery capacity use was down on the week at 94.7 percent. Last year at this time, capacity use stood at 91.6 percent.
- Gasoline output was up on the week at 9.9 MMB/D. Production at this time last year averaged 10.0 MMB/D. Distillate output was slightly higher from the prior week at 5.1 MMB/D. Last year at this time, production stood at about 5.1 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 5.2 percent compared to the same period last year.

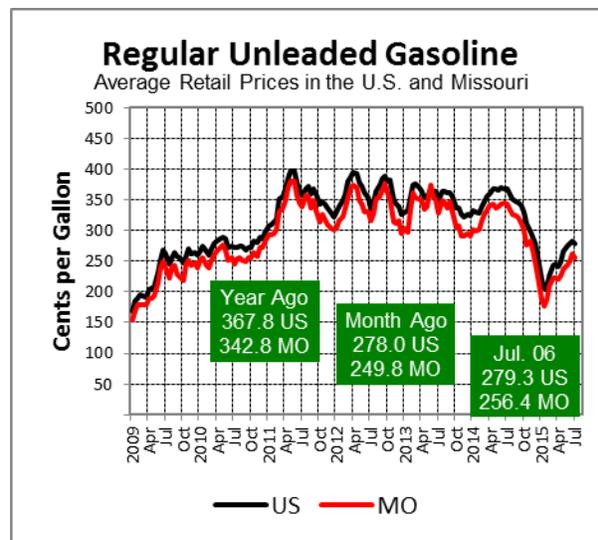
Transportation Fuels

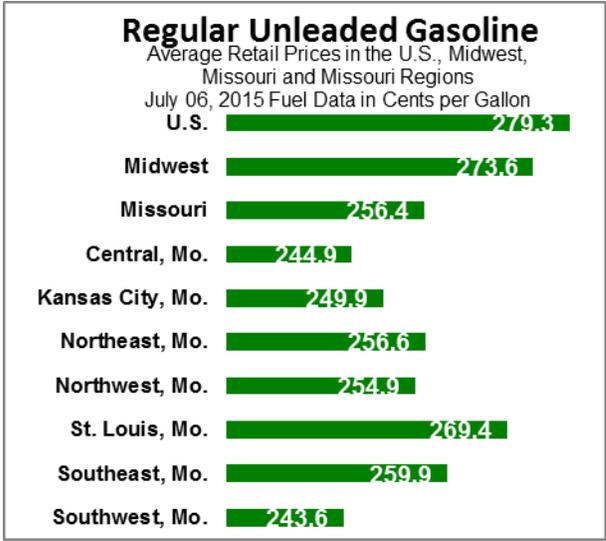
On July 6, Missouri's statewide average retail price for gasoline was about \$2.56 per gallon, up 6.6 cents in the past month and down 88.5 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	07-06-15	06-01-15	change	07-07-14	change
US	279.3	278.0	up 0%	367.8	down 24%
Missouri	256.4	249.8	up 3%	342.8	down 25%

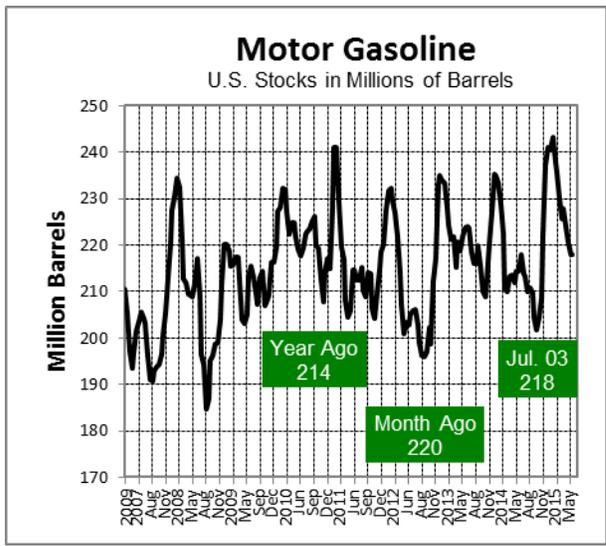
Diesel Fuel - Retail Prices (cents per gallon)					
	07-06-15	06-01-15	change	07-07-14	change
US	283.2	290.9	down 3%	391.3	down 28%
Missouri	254.8	262.2	down 3%	367.3	down 31%

- On July 6, Missouri's average retail price for gasoline was about \$2.56 per gallon, up 6.6 cents in the past month.
- Missouri's average price for diesel fuel was \$2.55 per gallon, down 7.4 cents per gallon, or 3 percent, in the past month.
- Missouri's average retail gasoline price is 86.4 cents per gallon, or 25 percent, lower while the average retail diesel fuel price is 112.5 cents per gallon, or 31 percent, lower for the comparable period in July 2014.
- At \$2.79, the U.S. average price for regular gasoline is 1.3 cents per gallon, or less than 1 percent, higher compared to last month.
- The U.S. average was down 88.5 cents per gallon, or 24 percent, compared to this time last year. In the past week, the U.S. average decreased by less than 1 cent per gallon.

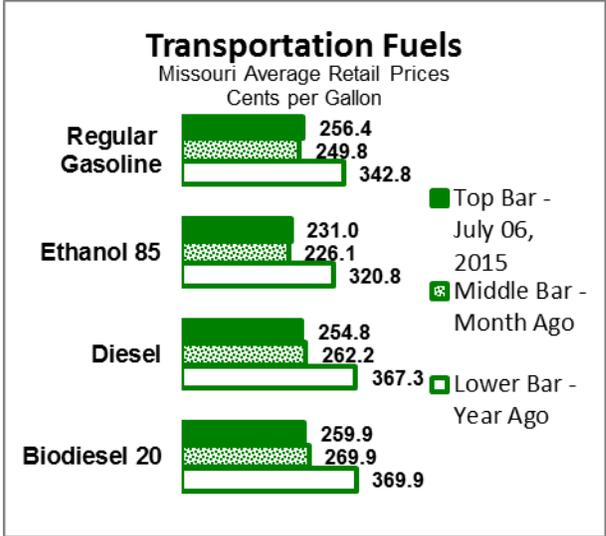




- Gasoline imports increased from the prior week at 0.9 MMB/D, about 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline decreased at nearly 9.5 MMB/D. At this time last year, demand was 8.9 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged 9.5 MMB/D, 0.5 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 1.2 MMB on the week to 218.0 MMB. U.S. supplies are up 3.6 MMB compared to this time last year and trend within the five-year average for this time of year.



- Distillate stocks increased at 137.5 MMB and stand 15.7 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at nearly 3.8 MMB/D. Demand stood at 4.0 MMB/D at this time last year. On a four-week average, distillate demand was lower at 3.8 MMB/D.
- On July 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.31 per gallon, 25.4 cents or 10.0 percent lower than the average price for conventional motor gasoline.



- On July 6, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.60 per gallon, 5.1 cents or 2.1 percent higher than the average retail price for conventional diesel fuel.
- According to the July 7, 2015, *Short Term Energy Outlook*, regular gasoline retail prices are forecast to average \$2.48 per gallon in 2015 compared with \$3.36 per gallon in 2014.

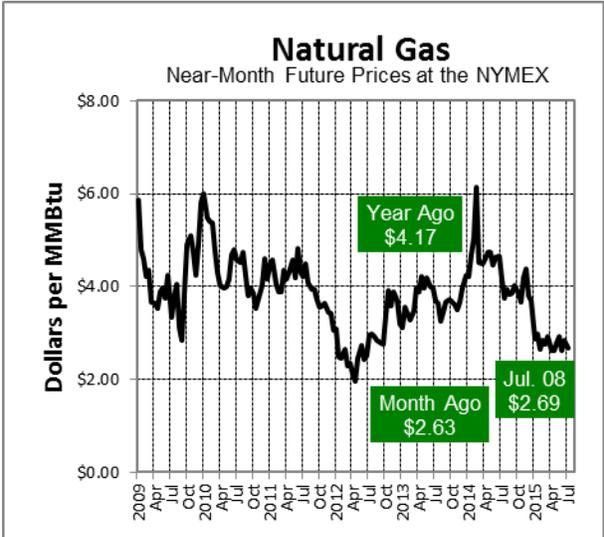
Natural Gas

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 July 8, natural gas futures at the NYMEX closed at \$2.69 per million British thermal units (MMBtu), up \$0.06, or 2 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>07-08-15</u>	<u>06-03-15</u>	<u>change</u>	<u>07-09-14</u>	<u>change</u>
NYMEX	\$2.69	\$2.63	up 2%	\$4.17	down 35%

- The August NYMEX contract settled at \$2.69 per MMBtu on the July 8 trade day, an increase of 6 cents in the past month.
- In the past year, natural gas values have decreased by \$1.48 per MMBtu, or 35 percent.
- For the reporting week, July 1 to July 8, the price of the August 2015 contract fell by 9 cents from \$2.78 per MMBtu to \$2.69 per MMBtu.
- According to the EIA, U.S. natural gas consumption was down by 1.8 percent compared to the prior week led by reductions in gas consumption by the power sector, which fell by 4.9 percent nationally. The reduction was partly driven by the holiday. Industrial consumption increased by 0.5 percent and residential/commercial consumption increased by 2.0 percent.
- Working gas in storage totaled 2,668 Bcf, 1.7 percent above the five-year average inventory level for the week, according to EIA’s *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 659 Bcf, or 32.8 percent, higher than last year at this time.



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.

(Note: Beginning April 2015, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2015.)

On July 6, the average Missouri retail price for residential propane was about \$1.29 per gallon, 3.1 cents lower in the past month and down 51.1 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>07-06-15</u>	<u>06-01-15</u>	<u>change</u>	<u>07-07-14</u>	<u>change</u>
Missouri	128.8	131.9	down 2%	179.9	down 28%

- According to the Division of Energy's most recent statewide propane price survey conducted July 6, the average Missouri retail residential propane price was about \$1.29 per gallon, 3.1 cents lower in the past month and down 51.1 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.93 per gallon. The lowest retail price was \$0.96 per gallon.
- U.S. propane stocks increased by 2.2 MMB last week to 85.7 MMB as of July 3, 2015, 25.7 MMB (42.7%) higher than a year ago. Midwest inventories increased by 1.4 MMB. At 24.2 MMB, Midwest inventories are 5.2 MMB (27.6%) higher than a year ago.
- U.S. demand for propane decreased on the week to about 0.8 MMB/D as of July 3, 2015. Propane demand is slightly higher compared to this time last year.

For more information on propane, please visit:

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

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For more information about the Comprehensive State Energy Plan, visit:

<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>.