



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

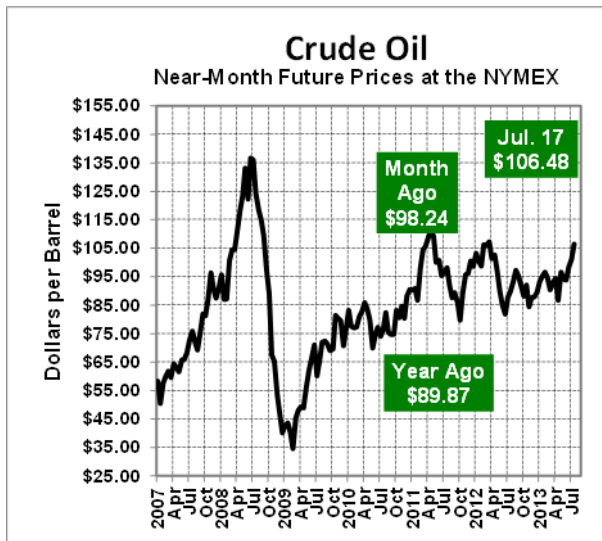
July 19, 2013

(Data is for the week ended July 12, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$8.24, or 8 percent, to \$106.48 per barrel in the past month and stand 18 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	07-17-13	06-19-13	change	07-18-12	change
NYMEX	\$106.48	\$98.24	up 8%	\$89.87	up 18%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for August delivery ended \$0.48, or 0.5 percent, higher on July 17 to close at \$106.48 per barrel after the weekly federal fuels report showed inventories decreased more than expected as refineries increased fuel production.
- U.S. oil futures have rallied 10 percent in July and are headed for the biggest monthly gain since October 2011. Crude stockpiles decreased for a third week to the lowest level since January 18. Supplies at Cushing, Oklahoma, fell 882,000 barrels to 46.1 million barrels (MMB), the lowest level since November 30, 2012.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$106.48 is \$16.61 or 18 percent higher.
- Total petroleum products supplied to market over the last four-week period averaged 19.5 million barrels per day (MMB/D), up by 3.0 percent compared to the similar period last year. According to the July 17 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 6.9 MMB at 367.0 MMB. U.S. crude supplies are now 10.4 MMB lower than at this time last year.

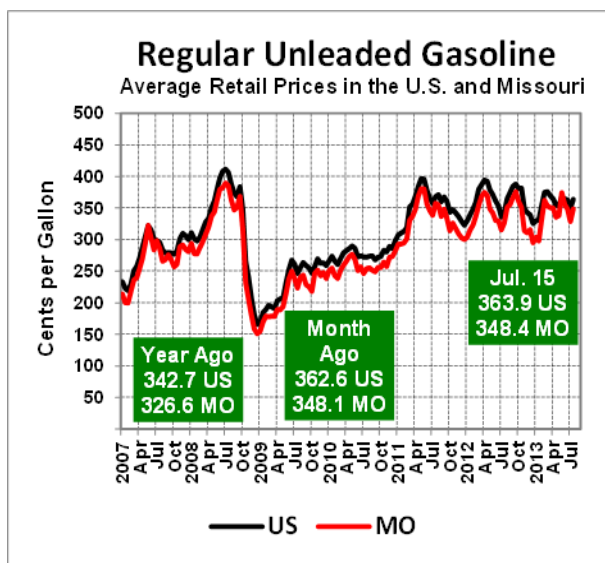
- Crude imports increased 180,000 barrels per day (B/D) from the prior week at 7.7 MMB/D. Imports at this time last year averaged 8.9 MMB/D.
- U.S. refinery crude runs increased with refiners processing 16.2 MMB/D of crude. U.S. refinery capacity use was 92.8 percent, up 0.5 percent from the prior week and up 7.4 percent compared to this time last year.
- Gasoline output decreased at 8.9 MMB/D on the week and was up 254,000 B/D compared to the production level at this time last year. Distillate output was up slightly on the week at 4.1 MMB/D, an increase of about 44,000 B/D, and stands 316,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On July 15, Missouri's statewide average retail price for gasoline was about \$3.48 per gallon, up 0.3 cents in the past month and up 21.8 cents in the past year.

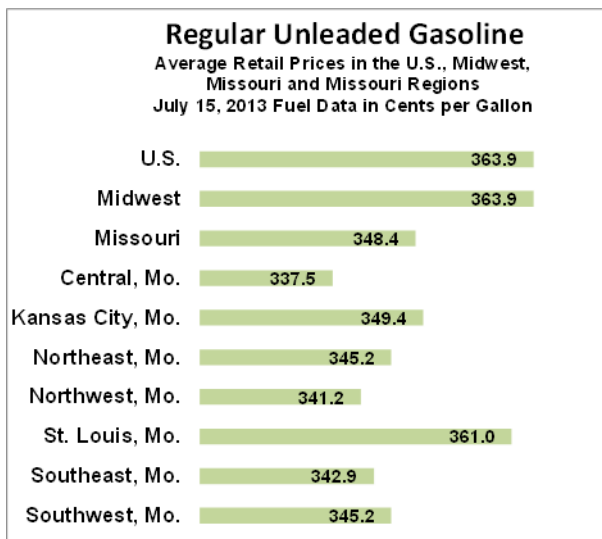
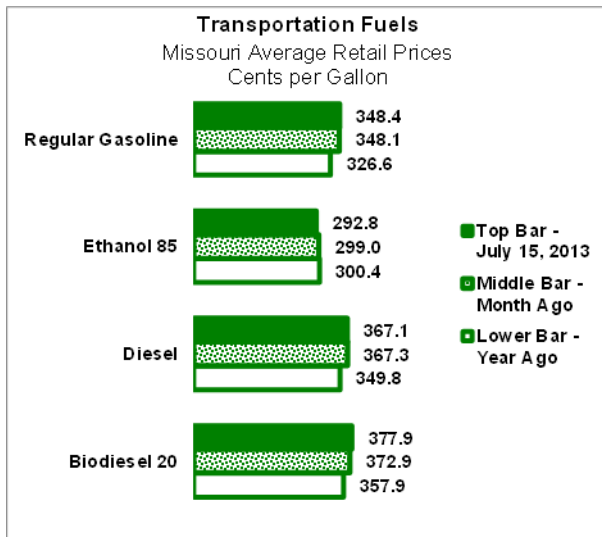
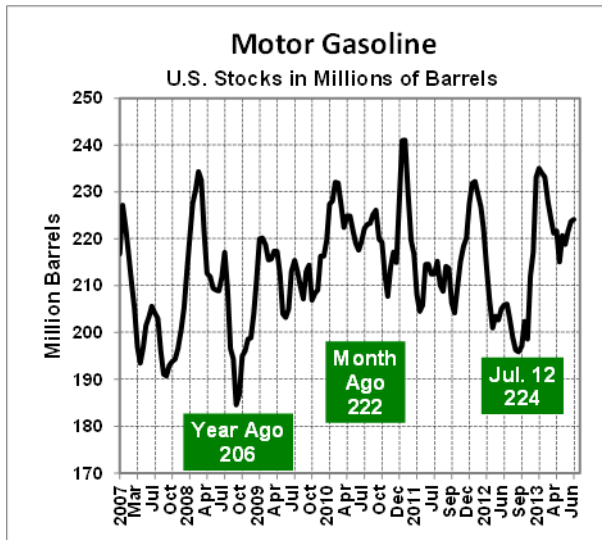
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	07-15-13	06-17-13	change	07-16-12	change
US	363.9	362.6	up 0%	342.7	up 6%
Missouri	348.4	348.1	up 0%	326.6	up 7%

Diesel Fuel - Retail Prices (cents per gallon)					
	07-15-13	06-17-13	change	07-16-12	change
US	363.9	362.6	up 0%	342.7	up 6%
Missouri	367.1	367.3	down 0%	349.8	up 5%



- On July 15, Missouri's average retail price for gasoline was about \$3.48 per gallon, an increase of 0.3 cents in the past month. The average price for diesel fuel was down by 0.2 cents per gallon in the past month. Missouri's average retail gasoline price is 21.8 cents, or 7 percent, higher, while the average diesel fuel price is 17.3 cents, or 5 percent, higher for the comparable period in July 2012.
- The U.S. average price for regular gasoline was up by 1.3 cents, or less than 1.0 percent, per gallon compared to last month at nearly \$3.64 per gallon. The U.S. average was up by 21.2 cents compared to this time last year. In the past week, the U.S. average increased by 14.7 cents per gallon.

- Gasoline prices may have strengthened due to tensions in the Middle East with the toppling of the government in Egypt and other political issues in North Africa. Investors are concerned about the Federal Reserve cutting back on stimulus causing the prices of safe-haven commodities such as gold to fall. Money that came out of gold may be flowing into oil futures, driving up those prices. The



increase in summer driving this year and higher gasoline consumption has taken crude oil inventories down by 24 million barrels since the end of May, which is 24 percent more than supplies of oil fell in the same period last summer. Typically, tighter oil supply results in higher prices.

- Gasoline imports increased by 224,000 B/D from the prior week at 0.7 MMB/D. Imports are 82,000 B/D higher than last year at this time.
- Implied demand for gasoline decreased at 8.7 MMB/D from the prior week and stands about 100,000 B/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 9.1 MMB/D, an increase of 300,000 B/D compared to the same 4-week period last year.
- U.S. gasoline supplies increased 3.1 MMB at 224.1 MMB on the week. U.S. gasoline inventories are up 18.2 MMB compared to this time last year and trend above the upper range of the five-year average for this time of year.
- Distillate stocks increased 3.9 MMB at 120.8 MMB and stand 4.1 MMB higher compared to the same period last year. Distillate demand decreased 26,000 B/D at 3.8 MMB/D on the week and up 0.5 MMB/D compared to the same period last year. On a four-week average, distillate demand was up 429,000 B/D compared to the same period last year at 4.0 MMB/D.
- On July 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.93 per gallon, 55.0 cents or 15.8 percent lower than the average price for conventional motor gasoline.
- On July 15, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.78 per gallon, 11.0 cents or 2.9 percent higher than the average

retail price for conventional diesel fuel.

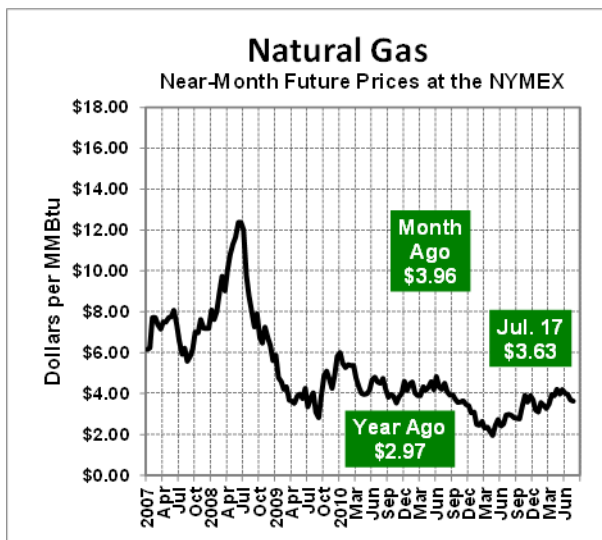
- According to EIA’s July 9, 2013, *Short Term Energy Outlook*, EIA expects the annual average regular gasoline retail price to decline from \$3.63 per gallon in 2012 to \$3.48 per gallon in 2013 and to \$3.37 per gallon in 2014. Energy price forecasts are highly uncertain, and the current values of futures and options contracts suggest prices could differ significantly from the projected levels.

Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On July 17, natural gas futures at the NYMEX closed at \$3.63 per million British thermal units (MMBtu), down 33 cents from a month ago and up 66 cents compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	07-17-13	06-19-13	change	07-18-12	change
NYMEX	\$3.63	\$3.96	down 8%	\$2.97	up 22%



- At the NYMEX, natural gas futures for August 2013 delivery ended 4.8 cents lower on July 17 to close at \$3.63 per MMBtu. In the past year, natural gas values have increased 66 cents, or 22 percent.
- For the reporting week July 10 to July 17, the price of the August 2013 contract decreased from \$3.68 per MMBtu to \$3.63 per MMBtu. The 12-month strip (the average of the 12 contracts between August 2013 and July 2014) decreased from \$3.88 per MMBtu to \$3.83 per MMBtu.
- According to EIA, U.S. natural gas consumption in all sectors was up for the

report week. The power sector, which consumes the most gas during summer months, consumed 5.8 percent more gas compared with last week; the residential and commercial sectors consumed 3.1 percent more; and the industrial sector consumed 0.1 percent more. Higher temperatures across most of the country, and the corresponding increase in air conditioning load, likely contributed to the demand increases.

- Working gas in storage totaled 2,745 billion cubic feet (Bcf), 1.2 percent below the five-year average inventory level for the week, according to EIA’s *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 414 Bcf, or 13.1 percent, lower than last year at this time.

Propane

Approximately 13 percent (293,603) of Missouri households use propane to heat their homes. Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

(Note: Beginning April 2013, residential retail propane prices will be reported only for the first full week of each month through September 2013.)

On July 1, the average Missouri retail price for residential propane was about \$1.60 per gallon, down 2.8 cents in the past month, and down 6 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>07-01-13</u>	<u>06-03-13</u>	<u>change</u>	<u>07-02-12</u>	<u>change</u>
Missouri	160.0	162.8	down 2%	163.5	down 6 %

- According to the Division of Energy's statewide propane price survey conducted July 1, the average Missouri retail residential propane price was about \$1.60 per gallon, down 2.8 cents in the past month and down 6 percent 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, while the lowest retail price was about \$1.36 per gallon.
- U.S. inventories of propane increased by about 0.6 MMB to end at 58.0 MMB. Propane inventories are now 6.8 MMB, or 10.5 percent, lower compared to the same period last year. Implied demand for propane increased by 108,000 B/D at 1.2 MMB/D on the week and up 116,000 B/D compared to the demand level for this time last year.
- Midwest propane inventories increased 0.2 MMB barrels on the week. At 19.4 MMB, Midwest inventories are 7.0 MMB, or 26.5 percent, lower than the 26.4 MMB reported at this time last year.

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