



## Division of Energy

# MISSOURI ENERGY BULLETIN

June 10, 2016

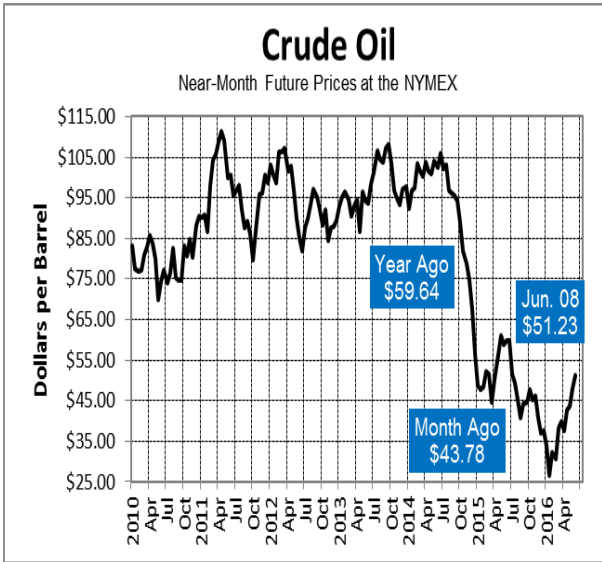
*(Data is for the week ended June 3, 2016, unless stated otherwise.)*

### Crude Oil

U.S. crude oil prices increased by \$7.45 to \$51.23 per barrel in the past month and stand 14 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>06-08-16</u>	<u>05-04-16</u>	<u>change</u>	<u>06-03-15</u>	<u>change</u>
NYMEX	\$51.23	\$43.78	up 17%	\$59.64	down 14%

- NYMEX crude oil futures for July 2016 delivery ended \$0.87, or 1.7 percent higher on June 8 to settle at \$51.23 per barrel, hitting 2016 highs above \$50 and settling up for a third straight day on sabotage of oil facilities in Nigeria.
- Futures rallied early, after the Niger Delta Avengers militant group said it had destroyed a Chevron oil well in Nigeria. The group continues to reject peace talks with the government. Rebel attacks have brought oil output in Nigeria, once Africa's largest crude producer, to a 20-year low. Prices were also supported by data showing China's May crude oil imports at over 6-year highs.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$51.23 is \$8.41, or 14 percent, lower.
- According to the weekly Energy Information Administration’s (EIA) fuels report released June 8, U.S. crude inventories decreased 3.2 million barrels (MMB) on the week to 532.5 MMB. U.S. crude supplies are now 61.9 MMB higher compared to this time last year.

- Domestic crude production was slightly lower from the prior week at nearly 8.8 MMB/D. Last year at this time, production stood at 9.5 MMB/D. Total crude imports decreased from the prior week to 7.7 MMB/D. Imports at this time last year averaged 6.6 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing over 16.4 MMB/D. U.S. refinery capacity utilization was up on the week at 90.9 percent. Last year at this time, capacity use stood at 94.6 percent.
- Gasoline output increased on the week at over 10.1 MMB/D. Output was 10.0 MMB/D at this time last year. Distillate output increased from the prior week at over 4.8 MMB/D. Last year at this time, production stood at nearly 5.1 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at over 20.3 MMB/D, up by 3.1 percent compared to the same period last year.

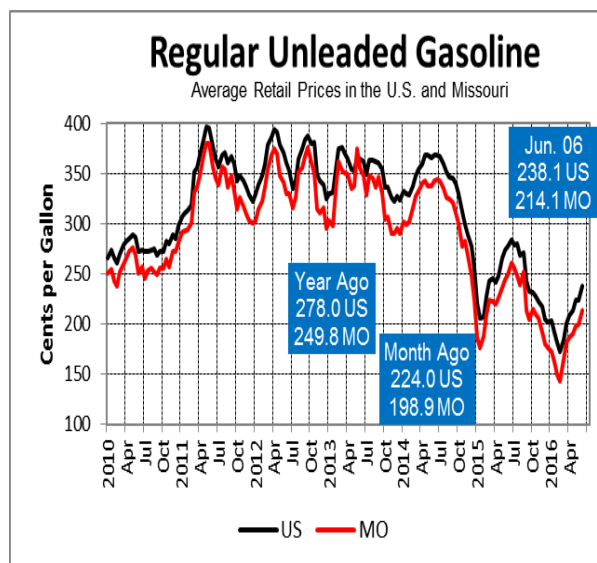
## Transportation Fuels

On June 6, Missouri's statewide average retail price for gasoline was \$2.14 per gallon, up 15.2 cents in the past month and down 35.7 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	06-06-16	05-02-16	change	06-01-15	change
US	238.1	224.0	up 6%	278.0	down 14%
Missouri	214.1	198.9	up 8%	249.8	down 14%

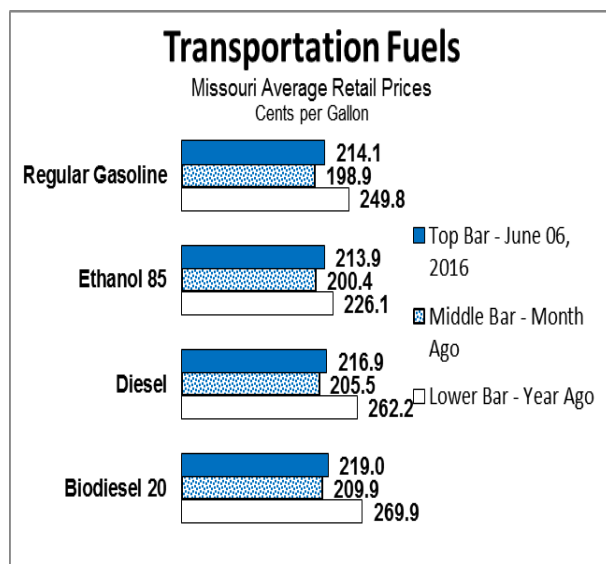
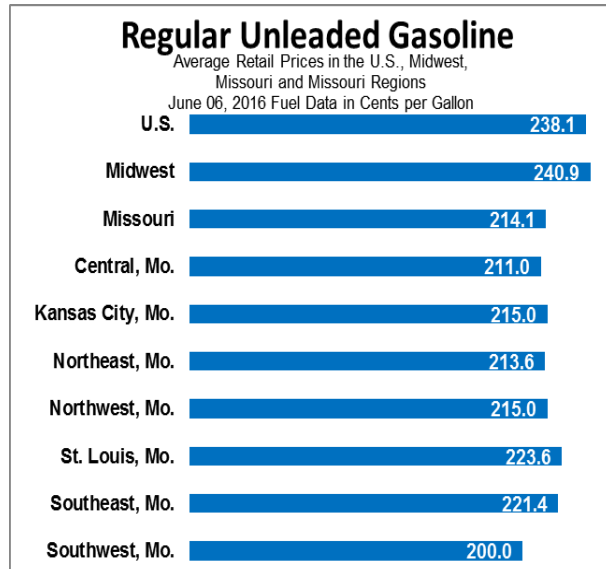
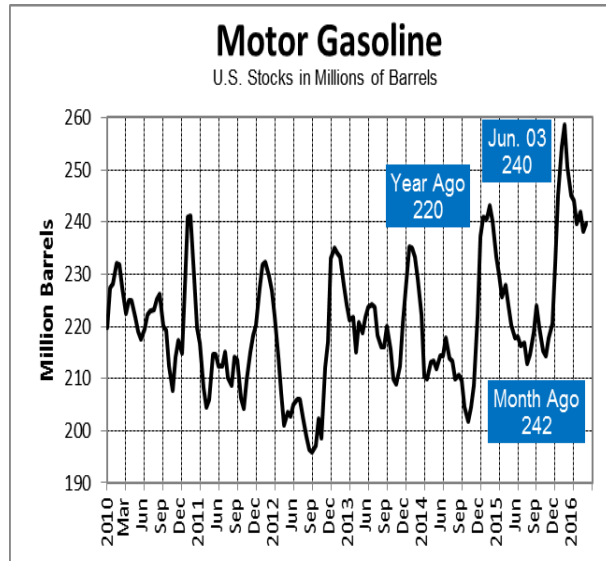
Diesel Fuel - Retail Prices (cents per gallon)					
	06-06-16	05-02-16	change	06-01-15	change
US	240.7	226.6	up 6%	290.9	down 17%
Missouri	216.9	205.5	up 6%	262.2	down 17%

- On June 6, Missouri's average retail price for gasoline was \$2.14 per gallon, up 15.2 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.17 per gallon, up 11.4 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 35.7 cents per gallon, or 14 percent, lower while the average retail diesel fuel price is 45.3 cents per gallon, or 17 percent, lower.
- At \$2.38, the U.S. average price for regular gasoline is 14.1 cents per gallon, or 6 percent, higher compared to last month.



- The U.S. average price for regular gasoline is down 39.9 cents per gallon, or 14 percent, compared to this time last year. In the past week, the U.S. average increased by 4.2 cents per gallon.

- Gasoline imports decreased from the prior week at over 0.8 MMB/D. Last year at this time imports stood at nearly 0.7 MMB/D.
- Implied demand for gasoline decreased on the week at nearly 9.6 MMB/D. Demand stood at 9.6 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.6 MMB/D.
- U.S. gasoline supplies increased 1.0 MMB on the week to 239.6 MMB. U.S. supplies are up 22.3 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks increased on the week at 151.4 MMB and stand 17.9 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at nearly 3.6 MMB/D. Demand stood at over 4.1 MMB/D at this time last year. On a four-week average, distillate demand was lower at nearly 4.0 MMB/D.
- On June 6, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.14 per gallon, 0.2 cent, or 0.1 percent, lower than the average price for conventional motor gasoline.
- On June 6, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 2.1 cents per gallon, or 1.0 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated June 7, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.13 per gallon in 2016.



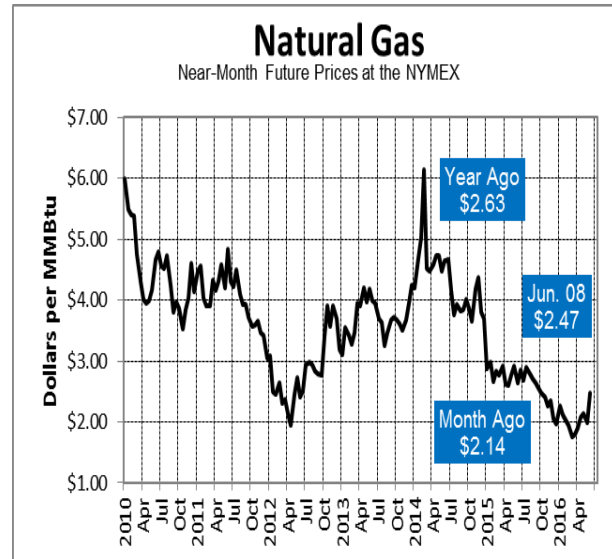
## Natural Gas

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 June 8, natural gas futures on the NYMEX closed at \$2.47 per million British thermal units (MMBtu), up \$0.33, or 15 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	06-08-16	05-04-16	change	06-03-15	change
NYMEX	\$2.47	\$2.14	up 15%	\$2.63	down 6%

- The July 2016 NYMEX futures contract settled at \$2.47 per MMBtu on June 8, down less than a cent from the prior settlement. Futures are up 33.0 cents, or 15 percent, in the past month.
- In the past year, natural gas prices have decreased by \$0.16 per MMBtu, or 6 percent.
- Working gas in storage was 2,972 Bcf, 32.1 percent above the five-year average inventory level for the week. According to EIA's June 9, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 660 Bcf, or 28.5 percent, higher than last year at this time.
- Despite a slow start to the refill season, working gas stocks remain near record-highs for this time of year. Working gas stocks as of June 3 were 76 Bcf above the previous five-year (2011-15) maximum for this time of year of 2,896, which occurred in 2012. Cumulative net injections into working gas total 492 Bcf thus far in the 2016 refill season, compared with the five-year average of 644 Bcf and last year's tally of 840 Bcf during the same period..
- Temperatures in the Lower 48 states averaged 72°F during the storage report week, increasing 10 percent above the previous week. Temperatures during the report week were 7 percent above normal and 6 percent above last year at this time. Cooling degree-days (CDD) in the Lower 48 states hit its highest level since the beginning of 2016, totaling 52 CDD. Temperatures in the South Atlantic, East South Central, and West South Central U.S. Census divisions, where natural gas is a key energy source for electric generation, averaged 76°F.
- According to the EIA, natural gas consumption for the report week increased slightly, rising 1 percent driven by a minor increase in electric-sector gas consumption. Consumption of natural gas for power generation increased 2 percent week over week, while residential/commercial consumption increased by just over 1 percent. Industrial consumption remained flat and exports to Mexico increased 3 percent.



## 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 2016, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2016.)*

**On June 6, the average Missouri retail price for residential propane was about \$1.19 per gallon, 5.8 cents lower in the past month and down 13.2 cents in the past year.**

Propane - Retail Prices (cents per gallon)					
	<u>06-06-16</u>	<u>05-02-16</u>	<u>change</u>	<u>06-01-15</u>	<u>change</u>
Missouri	118.7	124.5	down 5%	131.9	down 10%

- According to the Division of Energy's most recent statewide propane price survey conducted June 6, the average Missouri retail residential propane price was about \$1.19 per gallon, 5.8 cents lower in the past month and down 13.2 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.65 per gallon, a decrease of 14.9 cent or 8 percent in the past month. The lowest retail price was \$0.99 per gallon, down 0.9 cent or 1 percent in the past month.
- U.S. propane stocks increased by 1.9 MMB to 77.3 MMB as of June 3, 2016, 1.5 MMB or 1.9 percent, lower than a year ago. Midwest inventories increased by 0.5 MMB on the week to over 21.2 MMB. Midwest inventories stood at nearly 20.8 MMB at this time last year.
- U.S. propane consumption decreased on the week. At over 0.9 MMB/D, U.S. demand for propane is 9.2 percent lower compared to last year at this time.

### For more information on propane, please visit:

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

### To access previous issues of the Energy Bulletin, or to subscribe, please visit:

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