



Division of Energy

MISSOURI ENERGY BULLETIN

March 11, 2016

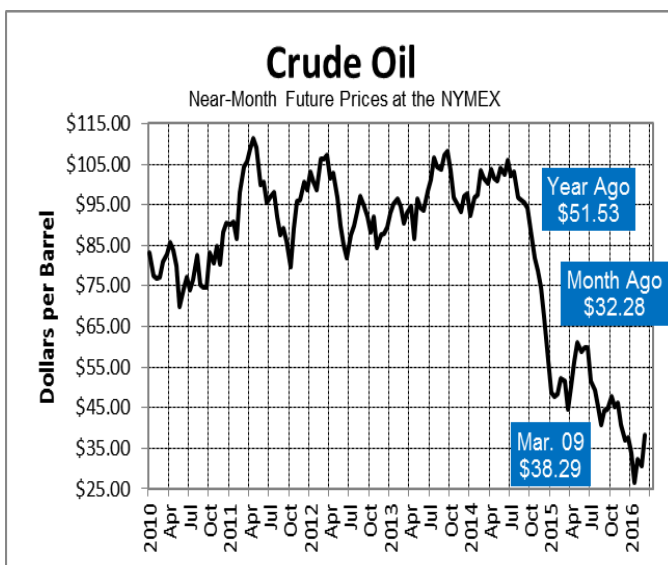
(Data is for the week ended March 4, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$6.01 to \$38.29 per barrel in the past month and stand 26 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>03-09-16</u>	<u>02-03-16</u>	<u>change</u>	<u>03-04-15</u>	<u>change</u>
NYMEX	\$38.29	\$32.28	up 19%	\$51.53	down 26%

- NYMEX crude oil futures for April delivery ended \$1.79, or 4.9 percent, higher March 9 to settle at \$38.29 per barrel, a multi-month high following a large gasoline inventory draw-down amid improving demand which overshadowed record high crude stockpiles.
- Oil is sharply higher from the 12-year lows hit less than two months ago, since Saudi Arabia, Qatar and Venezuela, along with non-OPEC exporter Russia, pledged to leave supply at January's levels if others cooperated. Producers are scheduled to meet March 20 in Moscow.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$38.29 is \$13.24, or 26 percent, lower.
- According to the March 9 weekly Energy Information Administration's (EIA) fuels report, U.S. crude inventories increased 3.9 million barrels (MMB) on the week to 521.9 MMB, the 4th week of record highs. U.S. crude supplies are now 73.0 MMB higher compared to this time last year.
- Domestic crude production was slightly down from the prior week at 9.1 MMB/D. Last year at this time, production stood at just under 9.4 MMB/D. Total crude imports decreased from the prior week at 8.0 MMB/D, 1.3 MMB/D higher compared to imports at this time last year.

- U.S. refinery crude runs increased from the prior week with refiners processing 15.9 MMB/D. U.S. refinery capacity usage was up on the week at 89.1 percent. Last year at this time, capacity use stood at 87.8 percent.
- Gasoline output increased on the week at 9.6 MMB/D. Output was 9.2 MMB/D at this time last year. Distillate output decreased from the prior week at 4.7 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 19.9 MMB/D, up by 1.3 percent compared to the same period last year.

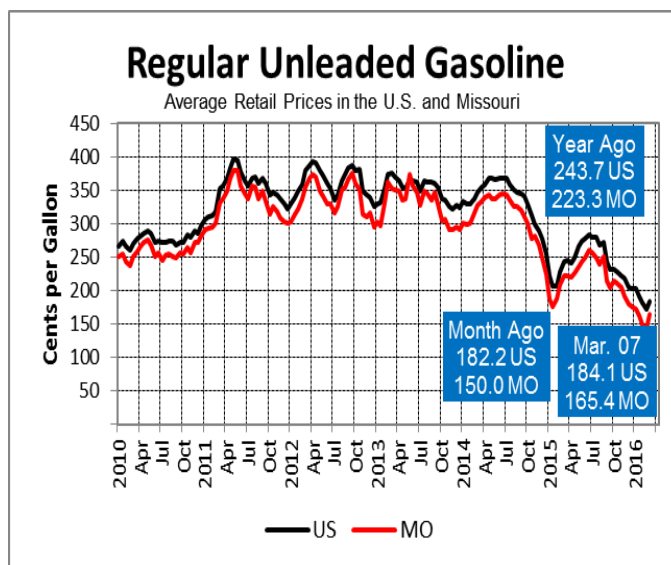
Transportation Fuels

On March 7, Missouri's statewide average retail price for gasoline was \$1.65 per gallon, up 15.4 cents in the past month and down 57.9 cents in the past year.

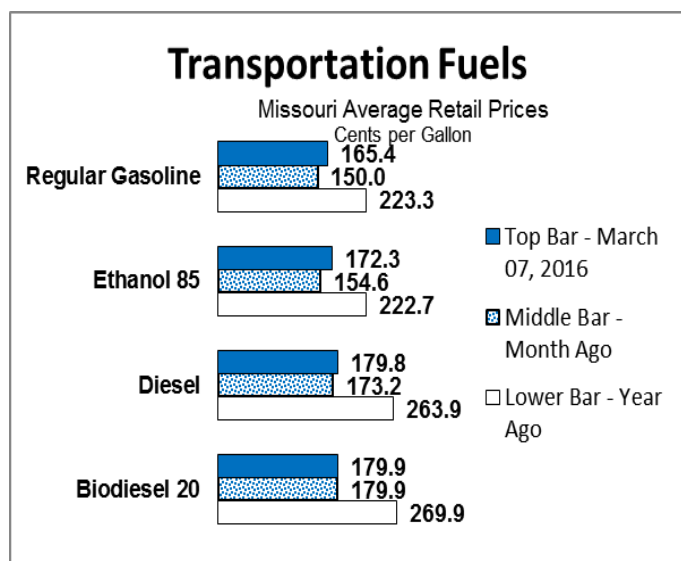
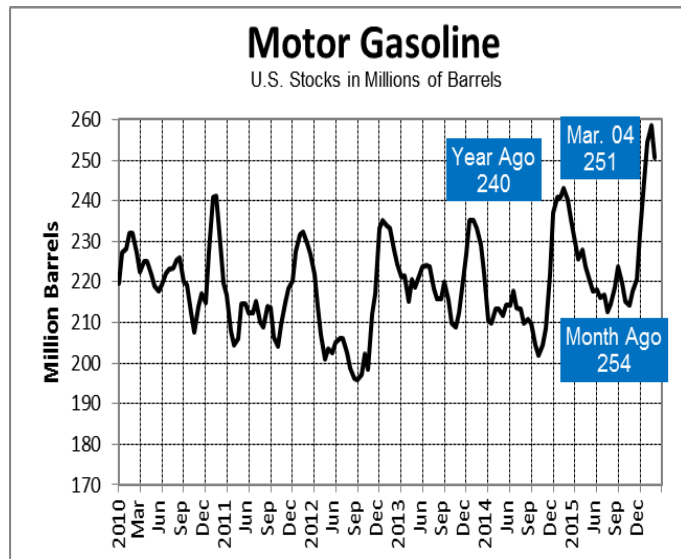
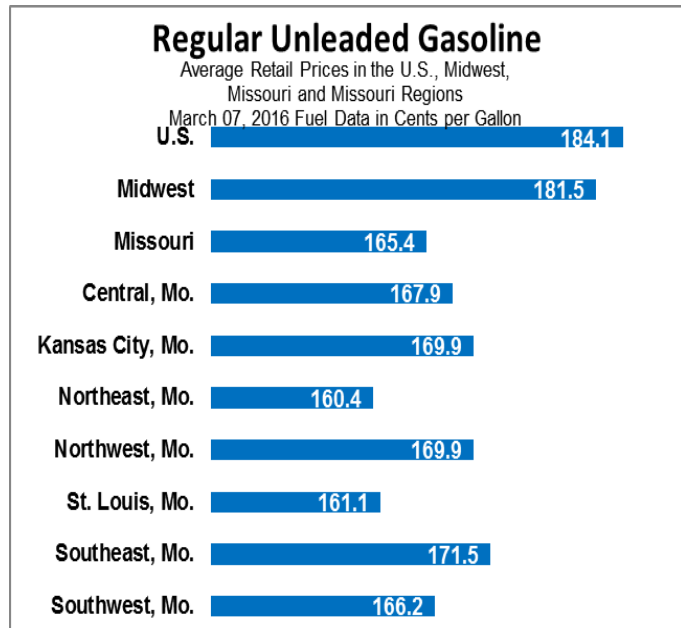
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	03-07-16	02-01-16	change	03-02-15	change
US	184.1	182.2	up 1%	243.7	down 24%
Missouri	165.4	150.0	up 10%	223.3	down 26%

Diesel Fuel - Retail Prices (cents per gallon)					
	03-07-16	02-01-16	change	03-02-15	change
US	202.1	203.1	down 0%	293.6	down 31%
Missouri	179.8	173.2	up 4%	263.9	down 32%

- On March 7, Missouri's average retail price for gasoline was \$1.65 per gallon, up 15.4 cents in the past month.
- Missouri's average price for diesel fuel was \$1.80 per gallon, up 6.6 cents in the past month.
- Missouri's average retail gasoline price is 57.9 cents per gallon, or 26 percent, lower than the comparable period in March 2015. The average retail diesel fuel price is 84.1 cents per gallon, or 32 percent, lower for the comparable period in March 2015.
- At \$1.84, the U.S. average price for regular gasoline is 1.9 cents per gallon, or 1 percent, higher compared to last month.
- The U.S. average was down 59.6 cents per gallon, or 24 percent, compared to this time last year. In the past week, the U.S. average increased by 5.8 cents per gallon.



- Gasoline imports increased from the prior week at 0.6 MMB/D. Last year at this time imports stood at 0.5 MMB/D.
- Implied demand for gasoline increased on the week at 9.4 MMB/D, 0.9 MMB/D higher compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged 9.3 MMB/D; about 0.6 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies decreased 4.5 MMB on the week to 250.5 MMB. U.S. supplies are up 10.6 MMB compared to this time last year and trend well above the five-year average for this time of year.
- Distillate stocks decreased at 162.5 MMB and stand 37.0 MMB higher compared to the same period last year.
- Distillate demand increased on the week at 3.7 MMB/D. Demand stood at 3.8 MMB/D at this time last year. On a four-week average, distillate demand was higher at 3.6 MMB/D.
- On March 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.72 per gallon, 6.9 cents, or 4.2 percent, higher than the average price for conventional motor gasoline.
- On March 7, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$1.80 per gallon, matching the average retail price for conventional diesel fuel.
- According to EIA's March 8, 2016, *Short Term Energy Outlook*, U.S. regular gasoline retail prices which averaged \$2.43 per gallon in 2015, is projected to average \$1.89 per gallon in 2016. This would be the lowest annual average since 2004.



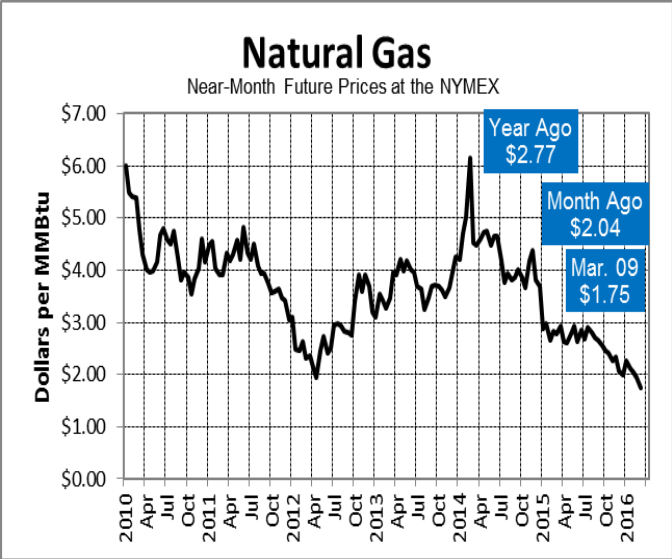
Natural Gas

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 March 9, natural gas futures on the NYMEX closed at \$1.75 per million British thermal units (MMBtu), down \$0.29, or 14 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	03-09-16	02-03-16	change	03-04-15	change
NYMEX	\$1.75	\$2.04	down 14%	\$2.77	down 37%

- The April NYMEX futures contract settled at \$1.75 per MMBtu on March 9, up 4.0 cents from the prior settlement and down about 16.0 cents in the past week. Futures are down 29.0 cents in the past month.
- In the past year, natural gas prices have decreased by \$1.02 per MMBtu, or 37 percent.
- Working gas in storage was 2,479 Bcf, 41.5 percent above the five-year average inventory level for the week. According to EIA’s March 9, 2016 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 911 Bcf, or 58.1 percent, higher than last year at this time.



- Net withdrawals from storage totaled 57 Bcf for the week ending March 4. The natural gas rotary rig count fell below 100 last week, with 97 active units in service as of March 4, 2016. This is the lowest level in Baker Hughes's recorded history. The total rig count fell by 13 units to 489, with oil rigs falling by 8 units to 392 active units as of March 4.
- According to EIA, residential and commercial sector natural gas consumption fell 11.4 percent week over week, the result of mild temperatures. Industrial sector consumption fell 2.7 percent. Consumption of natural gas for power generation increased 1.4 percent, and pipeline exports to Mexico increased 3.7 percent. Total U.S. consumption posted a net decline of 5.2 percent.
- According to the March 8, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$516, \$195, or 27.4 percent, less this winter than last winter, reflecting prices that are about 13.9 percent lower and consumption that is 15.8 percent lower.

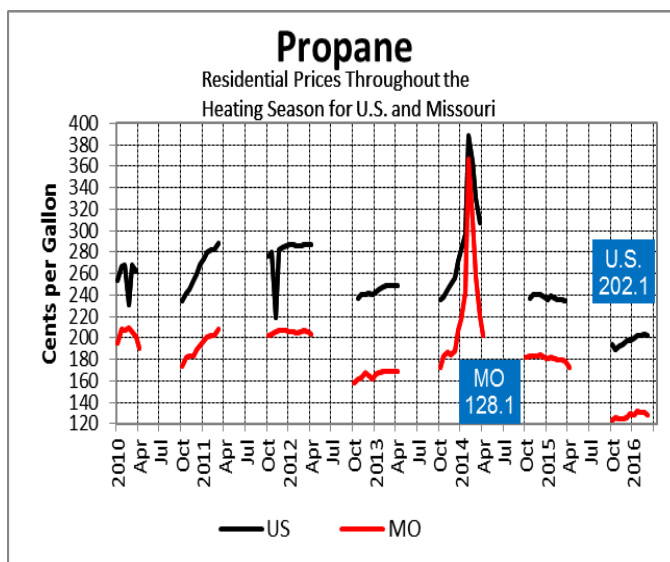
Propane

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 March 7, the average Missouri retail price for residential propane was about \$1.28 per gallon, 2.8 cents lower in the past month and down 51.8 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>03-07-16</u>	<u>02-01-16</u>	<u>change</u>	<u>03-02-15</u>	<u>change</u>
Missouri	128.1	130.9	down 2%	179.9	down 29%

- According to the Division of Energy's most recent statewide propane price survey conducted March 7, the average Missouri retail residential propane price was about \$1.28 per gallon, 2.8 cents lower in the past month and down 51.8 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$1.66 per gallon, a decrease of 35.0 cents or 17 percent in the past month. The lowest retail price was \$1.03 per gallon, down 3.0 cents or 3 percent in the past month.



- As of March 7, U.S. residential propane prices averaged \$2.02 per gallon, less than 1 cent per gallon lower than last week and almost 34 cents per gallon lower than one year ago. Wholesale propane prices averaged just under 53 cents per gallon, nearly 2 cents per gallon higher than last week and almost 24 cents per gallon lower than the price last year.
- Missouri wholesale propane prices averaged 52.2 cents per gallon, 1.8 cents per gallon higher than the prior week's price and 19.7 cents lower than the price on March 9, 2015.
- U.S. propane stocks decreased by 0.7 MMB last week to 62.3 MMB as of March 4, 2016, 8.6 MMB or 16.0 percent, higher than a year ago. Midwest inventories decreased by 1.2 to 15.2 MMB, or 0.8 MMB (5.7%) percent, higher compared to last year at this time.
- At nearly 1.2 MMB/D, U.S. demand for propane is about less than 0.1 MMB/D, or 6.3 percent, lower compared to last year at this time.
- According to the March 8, 2016 *Winter Fuels Outlook*, EIA expects that Midwest households heating with propane will spend an average of \$1,015, \$538 or 34.7 percent, less this winter than last winter, reflecting prices that are about 23 percent lower and consumption that is 15.1 percent lower.

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:
<http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>

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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; Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.