



Division of Energy

MISSOURI ENERGY BULLETIN

March 20, 2015

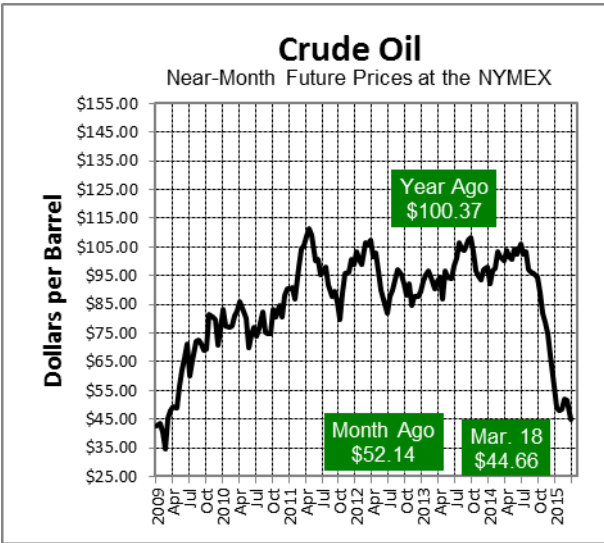
(Data is for the week ended March 20, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$7.48, to \$44.66 per barrel in the past month and stand 56 percent lower compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>03-18-15</u>	<u>02-18-15</u>	<u>change</u>	<u>03-19-14</u>	<u>change</u>
NYMEX	\$44.66	\$52.14	down 14%	\$100.37	down 56%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for April 2015 delivery ended \$1.20, or 2.9 percent, higher on the March 18 trade day, to settle at \$44.66 per barrel, as the dollar fell after the Federal Reserve indicated it preferred a more gradual path to normalizing interest rates despite being open to the first rate hike in almost a decade.



- The dollar's decline on the Federal Reserve's latest policy statement changed the market's direction. Analysts believe the gains will likely be short lived, maybe through next week at most, as the fundamental data week-after-week shows the market still has a tremendous amount of oil flowing into storage.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$44.66 is \$55.71, or about 56 percent, lower.

- According to the March 18 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 9.6 MMB to 458.5 MMB, a new record. U.S. crude supplies are now 82.7 MMB higher compared to this time last year.

- Crude imports increased from the prior week at about 7.5 MMB/D. Imports at this time last year averaged about 7.3 MMB/D. Domestic crude production increased at 9.4 MMB/D on the week. Last year at this time, production stood at about 8.2 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing about 15.4 MMB/D of crude. U.S. refinery capacity use was down on the week at 88.1 percent. Last year at this time, capacity use stood at 85.6 percent.
- Gasoline output was up on the week at 9.6 MMB/D. Production at this time last year averaged 9.4 MMB/D. Distillate output was unchanged from the prior week at 4.8 MMB/D. Last year at this time, production stood at 4.7 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.4 MMB/D, up by 4.3 percent compared to the same period last year.

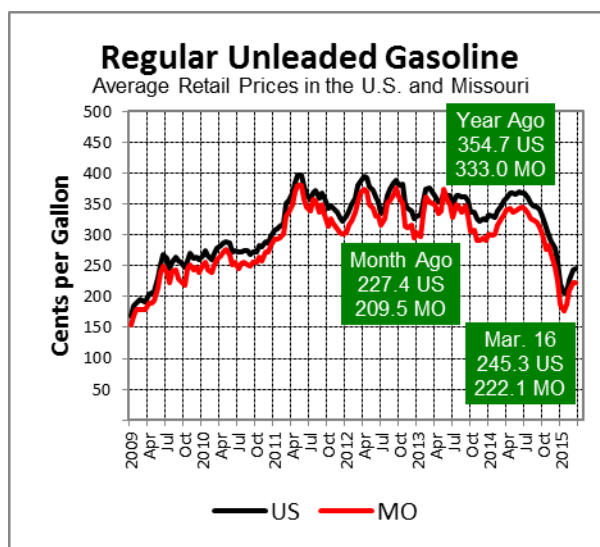
Transportation Fuels

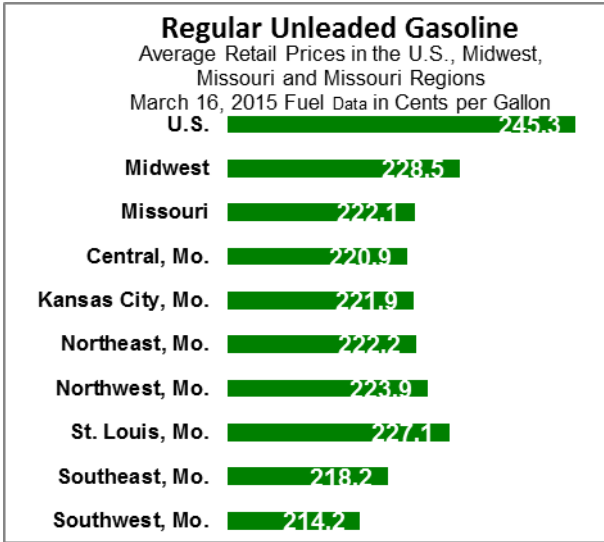
On March 16, Missouri's statewide average retail price for gasoline was about \$2.22 per gallon, up 12.6 cents in the past month and down 110.9 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>03-16-15</u>	<u>02-17-15</u>	<u>change</u>	<u>03-17-14</u>	<u>change</u>
US	245.3	227.4	up 8%	354.7	down 31%
Missouri	222.1	209.5	up 6%	333.0	down 33%

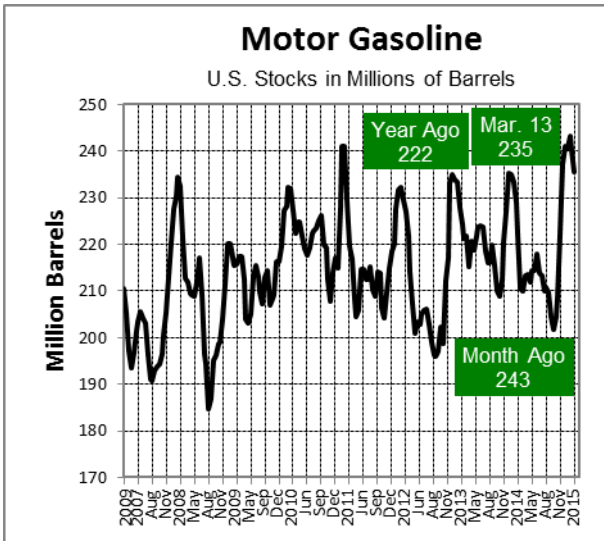
Diesel Fuel - Retail Prices (cents per gallon)					
	<u>03-16-15</u>	<u>02-17-15</u>	<u>change</u>	<u>03-17-14</u>	<u>change</u>
US	291.7	286.5	up 2%	354.7	down 18%
Missouri	258.6	255.6	up 1%	376.1	down 31%

- On March 16, Missouri's average retail price for gasoline was about \$2.22 per gallon, up 12.6 cents in the past month.
- Missouri's average price for diesel fuel was up 3.0 cents per gallon, or 1 percent, in the past month.
- Missouri's average retail gasoline price is 110.9 cents, or 33 percent, lower while the average retail diesel fuel price is 117.5 cents, or 31 percent, lower for the comparable period in March 2014.
- At \$2.45, the U.S. average price for regular gasoline is 17.9 cents per gallon, or 8 percent, higher compared to last month.
- The U.S. average was down 109.4 cents, or 31 percent, compared to this time last year. In the past week, the U.S. average decreased by 3.4 cents per gallon.

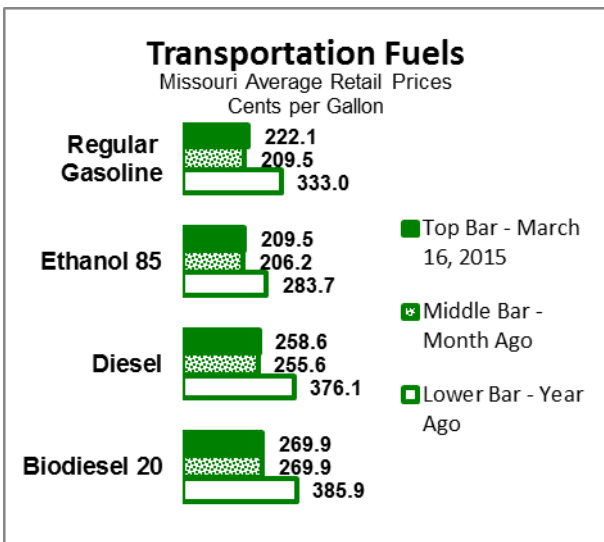




- Gasoline imports increased from the prior week at 0.7 MMB/D, 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline increased at 9.3 MMB/D. At this time last year, demand was about 8.5 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, 0.2 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies declined 4.5 MMB on the week to 235.4 MMB. U.S. inventories are up 13.1 MMB compared to this time last year and trend above the five-year average for this time of year.



- Distillate stocks increased at 125.9 MMB and stand 15.0 MMB higher compared to the same period last year.
- Distillate demand was unchanged on the week at 3.8 MMB/D on the week. Demand stood at 4.2 MMB/D at this time last year. On a four-week average, distillate demand was lower at 4.0 MMB/D.
- On March 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.10 per gallon, 12.6 cents or 5.7 percent lower than the average price for conventional motor gasoline.



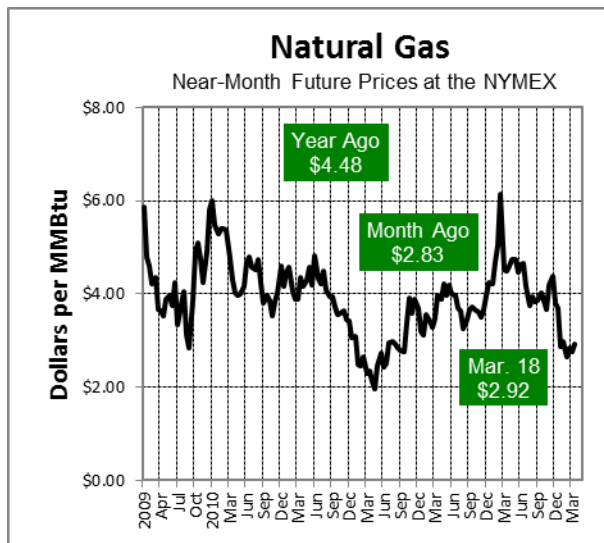
- On March 16, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.70 per gallon, 11.3 cents or 4.4 percent higher than the average retail price for conventional diesel fuel.
- According to the March 10, 2015, *Short Term Energy Outlook*, EIA expects U.S. regular gasoline retail prices, which averaged \$3.36 per gallon in 2014, to average \$2.39 per gallon in 2015. US motorists are expected to spend \$710 less for gasoline in 2015 compared to last year.

Natural Gas

Approximately 53 percent (1,251,339) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. (Data updated from the most recent U.S. Census report.)

On March 18, natural gas futures at the NYMEX closed at \$2.92 per million British thermal units (MMBtu), up \$0.09, or 3 percent in the last month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	03-18-15	02-18-15	change	03-19-14	change
NYMEX	\$2.92	\$2.83	up 3%	\$4.48	down 35%



- At the NYMEX, natural gas futures for April 2015 delivery ended 6.5 cents higher on the March 18 trade day to close at \$2.92 per MMBtu. In the past month, natural gas futures have increased \$0.09 per MMBtu.
- In the past year, natural gas values have decreased by \$1.56 per MMBtu, or 35 percent.
- For the reporting week, March 11 to March 18, the price of the April 2015 contract increased by 10.0 cents, moving from about \$2.82 to \$2.92 per MMBtu.
- The 12-month strip, which averages the April 2015 to March 2016 NYMEX contracts increased from \$2.95/MMBtu at the beginning of the week to \$3.03/MMBtu on March 18.

- According to the EIA, natural gas consumption fell in all sectors last week, led by the residential/commercial sector. Total domestic consumption fell 16.9 percent week-over-week, and is now nearly 11 percent lower than this week last year. Residential/commercial consumption fell by nearly one third, or 31.1 percent. Industrial consumption declined 4.7 percent, and consumption of gas for electric power generation (power burn) fell 4.4 percent
- Working gas in storage totaled 1,467 Bcf, 13.3 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 507 Bcf, or 52.8 percent, higher than last year at this time.
- According to the March 10, 2015, *Short Term Energy Outlook*, EIA expects that households heating with natural gas in the Midwest will spend an average of \$77, or 10.1 percent, less this winter than last winter, reflecting prices that are about 3.8 percent lower and consumption that is nearly 6.6 percent lower.

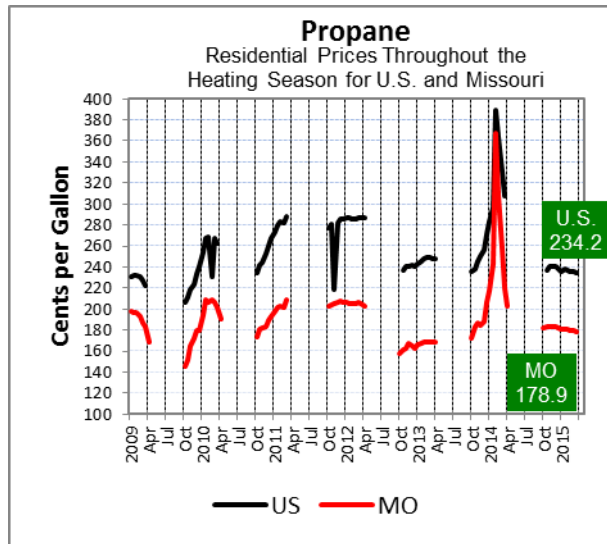
Propane

Approximately 10 percent (234,133) 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 16, the average Missouri retail price for residential propane was about \$1.79 per gallon, 1.0 cent lower in the past month and down 41.2 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>03-16-15</u>	<u>02-17-15</u>	<u>change</u>	<u>03-17-14</u>	<u>change</u>
Missouri	178.9	179.9	down 1%	220.1	down 19%

- According to the Division of Energy’s most recent statewide propane price survey conducted March 16, the average Missouri retail residential propane price was about \$1.79 per gallon, 1.0 cents lower in the past month and down 41.2 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.21 per gallon. The lowest retail price was about \$1.51 per gallon.
- U.S. propane stocks increased by 0.5 MMB last week to 54.3 MMB as of March 13, 2015, 28.0 MMB (106.9%) higher than a year ago. Midwest inventories decreased by 0.8 MMB. At 13.5 MMB, Midwest inventories are 6.3 MMB (87.6%), higher than a year ago.



- US demand for propane decreased at about 0.2 MMB/D on the week. Propane demand is unchanged compared to this time last year.
- According to the March 10, 2015, *Short Term Energy Outlook*, EIA expects that households heating with propane in the Midwest will spend an average of \$724, or 31.9 percent, less this winter than last winter, reflecting prices that are about 26.8 percent lower and consumption that is nearly 7.0 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>.