



Division of Energy

MISSOURI ENERGY BULLETIN

March 25, 2016

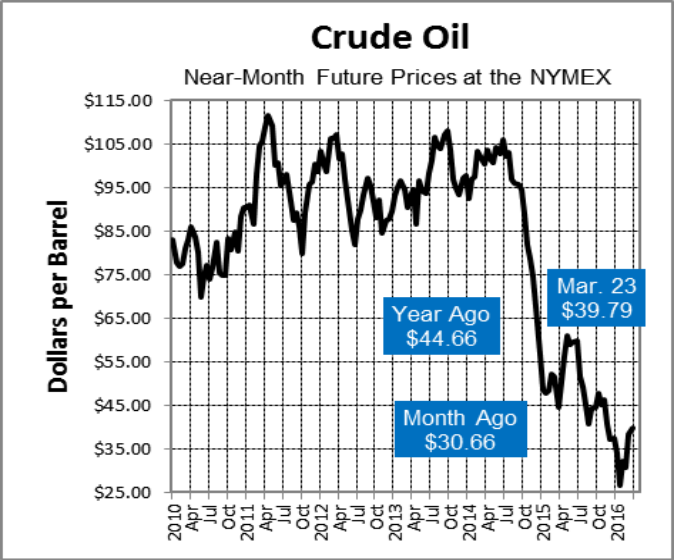
(Data is for the week ended March 18, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$9.13 to \$39.79 per barrel in the past month and stand 11 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>03-23-16</u>	<u>02-17-16</u>	<u>change</u>	<u>03-18-15</u>	<u>change</u>
NYMEX	\$39.79	\$30.66	up 30%	\$44.66	down 11%

- NYMEX crude oil futures for May delivery ended \$1.66, or 4.0 percent, lower March 23 to settle at \$39.79 per barrel, following an unexpected increase in US crude oil inventories that set a new record.
- Qatar has invited all 13 OPEC members to Doha on April 17 for another round of talks to address global oil production. Libya and Iran oppose production ceilings, arguing that they will need to boost their crude output further before considering joining any caps on production.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$39.79 is \$4.87, or 11 percent, lower.
- According to the March 23 weekly Energy Information Administration’s (EIA) fuels report, U.S. crude inventories increased 9.4 million barrels (MMB) on the week to 532.5 MMB, the 6th week of record highs. U.S. crude supplies are now 65.9 MMB higher compared to this time last year.



- Domestic crude production was slightly down from the prior week at 9.0 MMB/D. Last year at this time, production stood at 9.4 MMB/D. Total crude imports increased from the prior week at 8.4 MMB/D, about 1.0 MMB/D higher compared to imports at this time last year.
- U.S. refinery crude runs decreased from the prior week with refiners processing 15.8 MMB/D. U.S. refinery capacity use was down on the week at 88.4 percent. Last year at this time, capacity use stood at 89.0 percent.
- Gasoline output decreased on the week at 9.7 MMB/D. Output was 9.0 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 4.7 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 1.6 percent compared to the same period last year.

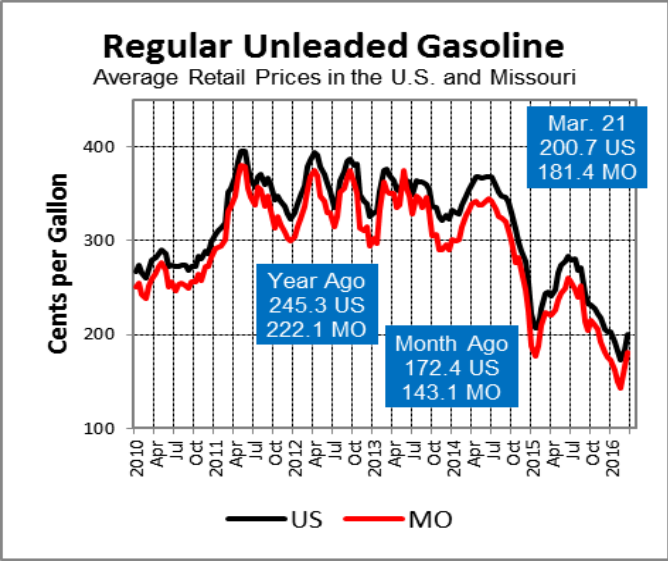
Transportation Fuels

On March 21, Missouri’s statewide average retail price for gasoline was \$1.81 per gallon, up 38.3 cents in the past month and down 40.7 cents in the past year.

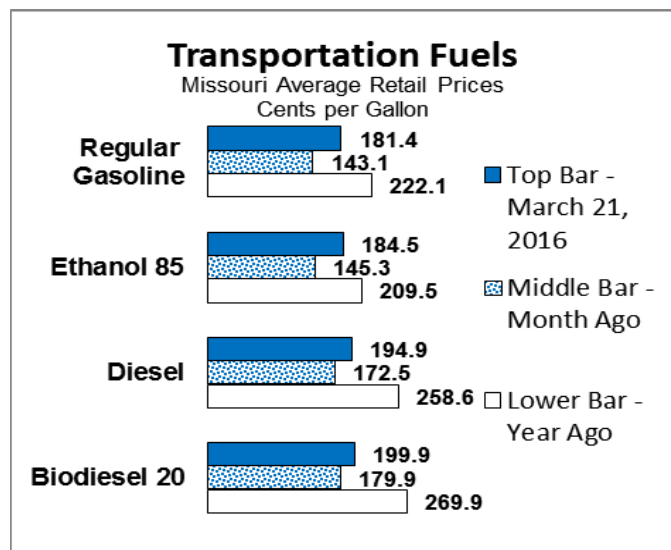
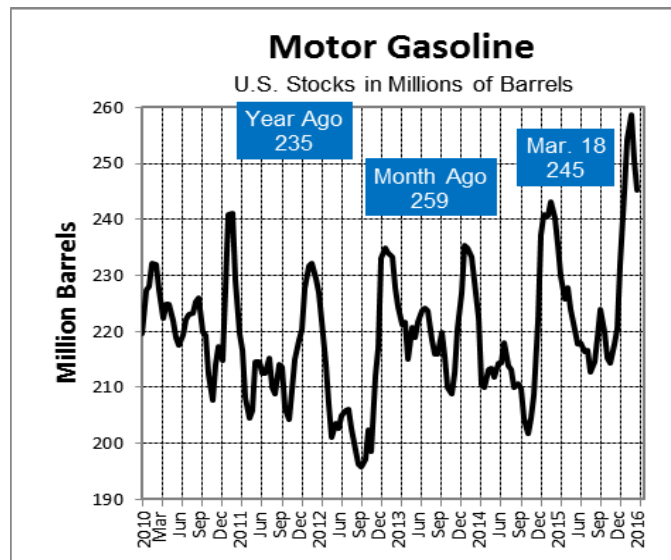
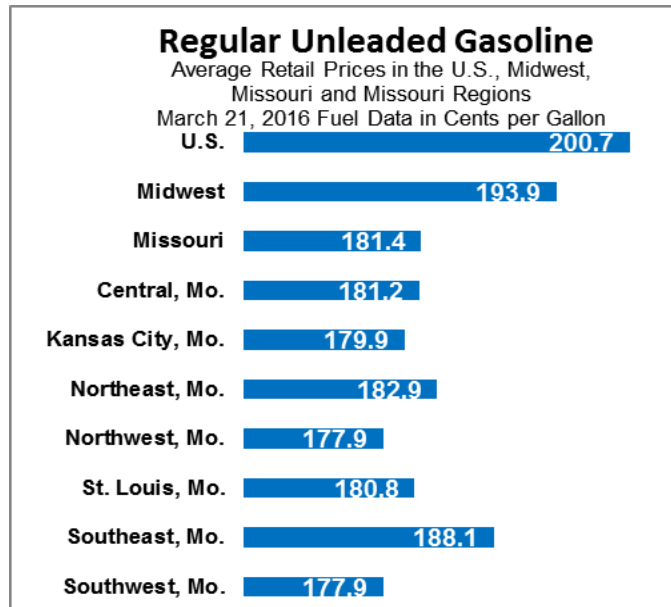
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>03-21-16</u>	<u>02-16-16</u>	<u>change</u>	<u>03-16-15</u>	<u>change</u>
US	200.7	172.4	up 16%	245.3	down 18%
Missouri	181.4	143.1	up 27%	222.1	down 18%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>03-21-16</u>	<u>02-16-16</u>	<u>change</u>	<u>03-16-15</u>	<u>change</u>
US	211.9	198.0	up 7%	291.7	down 27%
Missouri	194.9	172.5	up 13%	258.6	down 25%

- On March 21, Missouri’s average retail price for gasoline was \$1.81 per gallon, up 38.3 cents in the past month.
- Missouri’s average price for diesel fuel was \$1.95 per gallon, up 22.4 cents in the past month.
- Missouri’s average retail gasoline price is 40.7 cents per gallon, or 18 percent, lower than the comparable period in March 2015. The average retail diesel fuel price is 63.7 cents per gallon, or 25 percent, lower for the comparable period in March 2015.
- At \$2.01, the U.S. average price for regular gasoline is 28.3 cents per gallon, or 16 percent, higher compared to last month.



- The U.S. average was down 44.6 cents per gallon, or 18 percent, compared to this time last year. In the past week, the U.S. average increased by 4.6 cents per gallon.
- Gasoline imports decreased by nearly half from the prior week at 0.4 MMB/D. Last year at this time imports stood at just under 0.5 MMB/D.
- Implied demand for gasoline increased on the week at 9.5 MMB/D, 0.9 MMB/D higher compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged 9.4 MMB/D; about 0.6 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies decreased 4.6 MMB on the week to 245.1 MMB. U.S. supplies are up 11.7 MMB compared to this time last year and trend well above the five-year average for this time of year.
- Distillate stocks decreased at 162.3 MMB and stand 36.4 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at 3.4 MMB/D. Demand stood at 3.9 MMB/D at this time last year. On a four-week average, distillate demand was lower at nearly 3.6 MMB/D.
- On March 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$1.85 per gallon, 3.1 cents, or 1.8 percent, higher than the average price for conventional motor gasoline.
- On March 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.00 per gallon, 5.0 cents per gallon, or 2.6 percent, higher than the average 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.

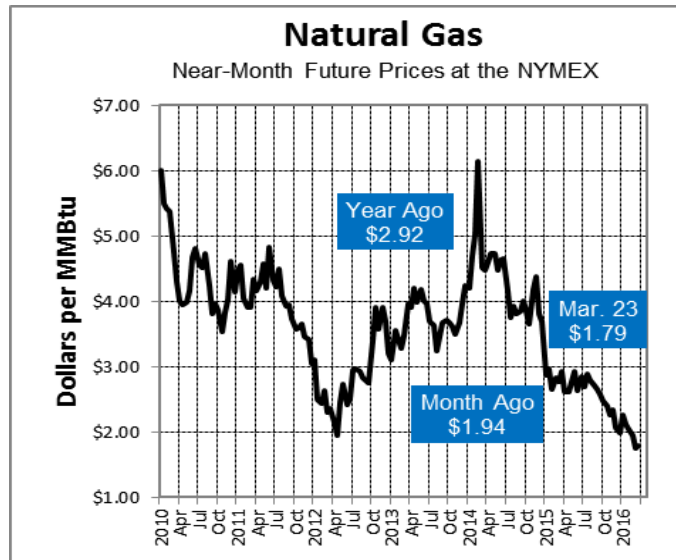
Natural Gas

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 23, natural gas futures on the NYMEX closed at \$1.79 per million British thermal units (MMBtu), down \$0.15, or 8 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>03-23-16</u>	<u>02-17-16</u>	<u>change</u>	<u>03-18-15</u>	<u>change</u>
NYMEX	\$1.79	\$1.94	down 8%	\$2.92	down 39%

- The April NYMEX futures contract settled at \$1.79 per MMBtu on March 23, down 6.9 cents from the prior settlement and down about 7.4 cents in the past week. Futures are down 15.0 cents in the past month.
- In the past year, natural gas prices have decreased by \$1.13 per MMBtu, or 39 percent.
- Working gas in storage was 2,493 Bcf, 51.4 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 1,017 Bcf, or 68.9 percent, higher than last year at this time.



- For the report week, working gas stocks posted its first net injection of the season on a national level. Net injections to storage totaled 15 Bcf, compared with the five-year average withdrawal of 24 Bcf and last year's net withdrawal of 4 Bcf. Since January 22, the storage surplus relative to the five-year average has grown from 432 to 846 Bcf. Natural gas inventories are 1,017 Bcf higher than last year at this time. Cumulatively since January 1, net withdrawals from storage have fallen 24.9 percent below the five-year average, and 29.5 percent below last year at this time.
- According to EIA, overall natural gas consumption increased by 9.5 percent, driven by a 29.2 percent increase in residential and commercial consumption, which was likely the result of increased heating consumption. Industrial sector consumption increased 3.2 percent, consumption of natural gas for power generation decreased 2.9 percent, and pipeline exports to Mexico decreased 8.2 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

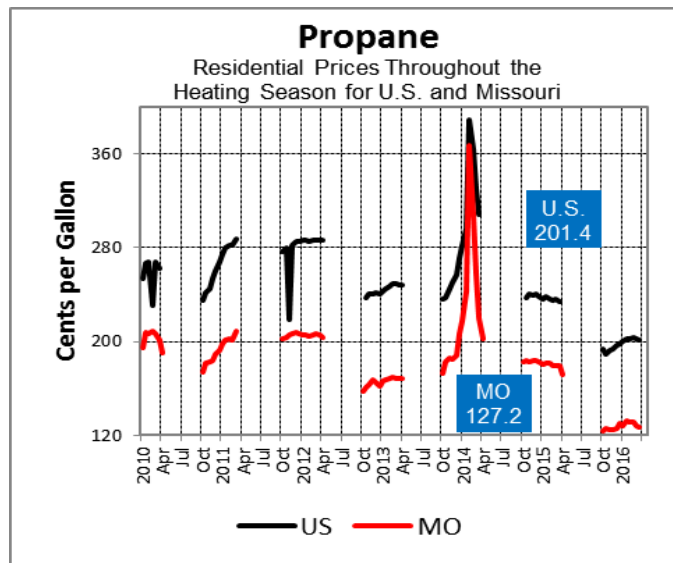
Approximately 10 percent (227,100) of Missouri households use propane to heat their homes. (Data updated from the most recent U.S. Census report.) Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

(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 March 21, the average Missouri retail price for residential propane was about \$1.27 per gallon, 3.9 cents lower in the past month and down 51.7 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>03-21-16</u>	<u>02-16-16</u>	<u>change</u>	<u>03-16-15</u>	<u>change</u>
Missouri	127.2	131.1	down 3%	178.9	down 29%

- According to the Division of Energy's most recent statewide propane price survey conducted March 21, the average Missouri retail residential propane price was about \$1.27 per gallon, 3.9 cents lower in the past month and down 51.7 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was about \$1.89 per gallon, a decrease of 31.9 cents or 14 percent in the past month. The lowest retail price was \$0.99 per gallon, down 6.9 cents or 7 percent in the past month.
- As of March 21, U.S. residential propane prices averaged \$2.01 per gallon, 0.8 cents per gallon lower than last week and 32.8 cents per gallon lower than one year ago. Wholesale propane prices averaged 53.2 cents per gallon, 2.3 cents per gallon lower than last week and 9.8 cents per gallon lower than the price last year.
- Missouri wholesale propane prices averaged 54.0 cents per gallon, 2.4 cents per gallon lower than the prior week's price and 10.4 cents lower than the price on March 16, 2015.
- U.S. propane stocks decreased by 0.3 MMB last week to 62.2 MMB as of March 18, 2016, 7.2 MMB, or 13.1 percent, higher than a year ago. Midwest inventories were unchanged from the prior week at 14.9 MMB.
- At nearly 1.2 MMB/D, U.S. demand for propane is about 0.1 MMB/D, or 10.4 percent, higher 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:

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