



Department of Economic Development
Division of Energy

MISSOURI ENERGY BULLETIN

May 19, 2017

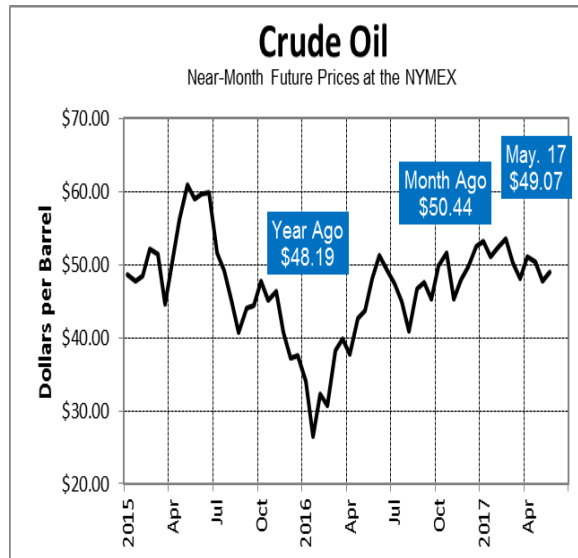
(Data are for the week ended May 12, 2017, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$1.37 to \$49.07 per barrel in the past month, 2 percent higher compared to this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>05-17-17</u>	<u>04-19-17</u>	<u>change</u>	<u>05-18-16</u>	<u>change</u>
NYMEX	\$49.07	\$50.44	down 3%	\$48.19	up 2%

- Crude oil futures for June delivery on the NYMEX ended \$0.41, or 0.8 percent, higher on May 17 to settle at \$49.07 per barrel, the highest price in nearly 3 weeks after the Energy Information Administration (EIA) reported a 6th straight weekly decline in US crude inventories.
- On May 15, Saudi Arabia and Russia said they backed a 9-month extension of the OPEC production cut deal. Skepticism on the effectiveness of the production cuts returned after the International Energy Agency (IEA) on May 16 said that even if the OPEC cuts are extended to the remainder of the year, “stocks at the end of 2017 might not have fallen to the 5-year average, suggesting that much work remains to be done in the second half of 2017 to drain them further.” According to the IEA for OPEC to reach its goal of bringing global inventories back to the 5-year average, “the cartel will need to drain its supplies by 1 million barrels per day over the next 10 months.” OPEC meets on May 25th to discuss extending the agreement.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$49.07 is \$0.88, or 2 percent, higher.
- Domestic crude production was higher than in the prior week at over 9.3 MMB/D. Last year at this time, production stood at nearly 8.8 MMB/D. Total crude imports increased from the prior week at nearly 8.6 MMB/D. Imports at this time last year averaged nearly 7.7 MMB/D.
- U.S. crude oil supplies decreased 1.8 MMB on the week to 520.8 MMB. U.S. supplies are 11.0 MMB higher compared to this time last year.
- U.S. refinery crude runs increased from the prior week with refiners processing over 17.1 MMB/D. U.S. refinery capacity utilization was up on the week at 93.4 percent. Last year at this time, capacity use stood at 90.5 percent.
- Gasoline output decreased on the week at over 10.0 MMB/D. Output was nearly 10.0 MMB/D at this time last year. Distillate output was higher from the prior week at over 5.0 MMB/D. Last year at this time, production stood at nearly 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.8 MMB/D, down by 2.2 percent compared to the same period last year.

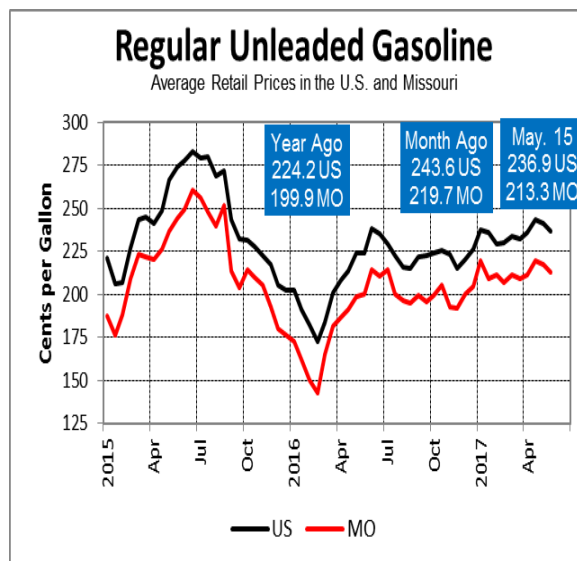
Transportation Fuels

On May 15, Missouri's statewide average retail price for gasoline was just over \$2.13 per gallon, down 6.4 cents in the past month and up 13.4 cents in the past year.

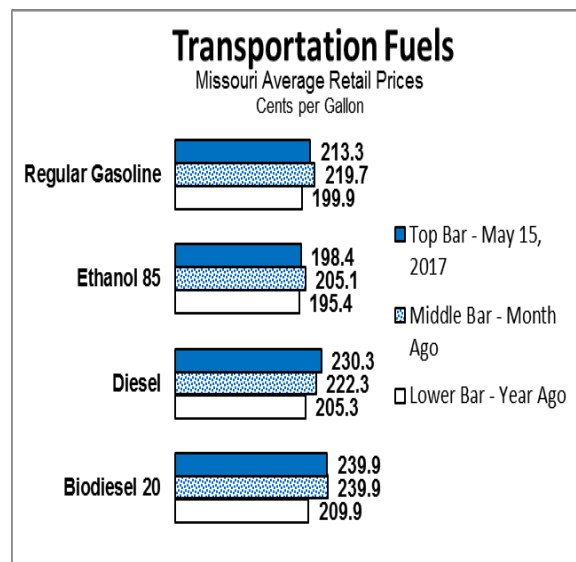
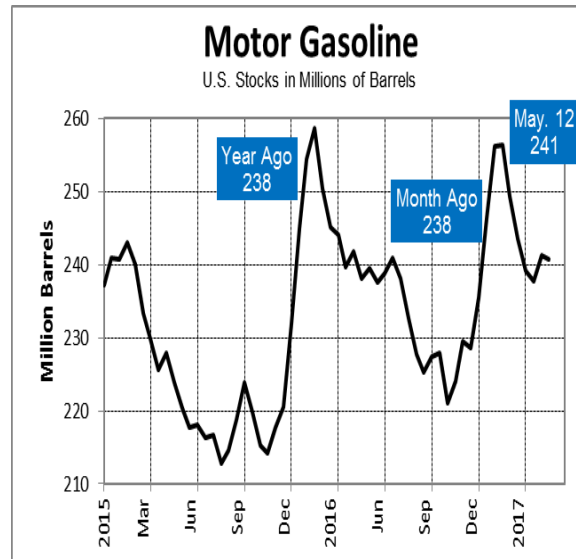
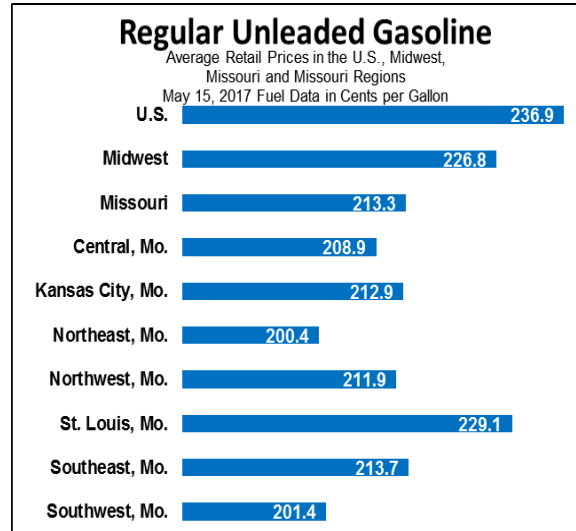
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	05-15-17	04-17-17	change	05-16-16	change
US	236.9	243.6	down 3%	224.2	up 6%
Missouri	213.3	219.7	down 3%	199.9	up 7%

Diesel Fuel - Retail Prices (cents per gallon)					
	05-15-17	04-17-17	change	05-16-16	change
US	254.4	259.7	down 2%	224.2	up 13%
Missouri	230.3	222.3	up 4%	205.3	up 12%

- On May 15, Missouri's average retail price for gasoline was just over \$2.13 per gallon, down 6.4 cents in the past month.
- Missouri's average price for diesel fuel was over \$2.30 per gallon, up 8.1 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 13.4 cents per gallon, or 7 percent, higher while the average retail diesel fuel price is 25.0 cents per gallon, or 12 percent, higher.



- At nearly \$2.37, the U.S. average price for regular gasoline is 6.7 cents per gallon, or 3 percent, lower compared to last month.
- The U.S. average price for regular gasoline is 12.7 cents per gallon, or 6 percent, higher compared to this time last year. In the past week, the U.S. average decreased by less than 0.1 cents per gallon.
- Gasoline imports decreased from the prior week at nearly 0.7 MMB/D. Last year at this time, imports stood at nearly 0.7 MMB/D.
- Implied demand for gasoline increased on the week at over 9.4 MMB/D. Demand stood at nearly 9.8 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.3 MMB/D.
- U.S. gasoline supplies decreased 0.4 MMB on the week to 240.7 MMB. U.S. supplies are 2.6 MMB higher compared to this time last year.
- Distillate stocks decreased 1.9 MMB on the week to 146.8 MMB and stand 5.3 MMB lower compared to the same period last year.
- Distillate demand increased on the week at over 4.2 MMB/D. Demand stood at over 4.3 MMB/D at this time last year. On a four-week average, distillate demand was higher at nearly 4.1 MMB/D.
- On May 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was over \$1.98 per gallon, 14.9 cents, or 7.0 percent, lower than the average price for conventional motor gasoline.
- On May 15, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was nearly \$2.40 per gallon, 9.6 cents per gallon, or 4.2 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy*



Outlook dated May 9, 2017, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015 and \$2.15 per gallon in 2016, are projected to average \$2.34 in 2017.

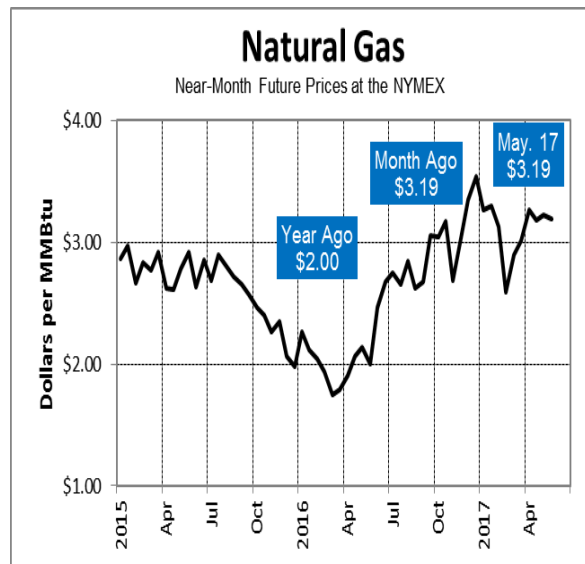
Natural Gas

Approximately 51.6 percent (1,220,485) 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 May 17, 2017, natural gas futures on the NYMEX closed at \$3.19 per million British thermal units (MMBtu), up \$1.19, or 60 percent, in the past year.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>05-17-17</u>	<u>04-19-17</u>	<u>change</u>	<u>05-18-16</u>	<u>change</u>
NYMEX	\$3.19	\$3.19	no change	\$2.00	up 60%

- The June 2017 NYMEX futures contract settled at \$3.19 per MMBtu on May 17, down 3.8 cents from the prior settlement.
- Futures are up \$1.19, or 60 percent, in the past year.
- Working gas in storage was 2,369 Bcf, 12.1 percent above the five-year average inventory level for the week. According to EIA's May 18, 2017 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 375 Bcf, or 13.7 percent, lower than last year at this time.
- According to the EIA, estimates of net injections to working natural gas storage ranged from 57 Bcf to 68 Bcf, with a median of 62 Bcf.
- Temperatures in the Lower 48 states averaged 58°F, 2°F lower than the normal and 1°F lower than last year at this time.
- According to the EIA, total U.S. consumption of natural gas fell by 1 percent compared with the previous report week. Warmer temperatures in the East influenced a 10 percent increase in power burn. Residential and commercial consumption fell by 16 percent. Industrial sector consumption decreased by 2 percent week over week. Natural gas exports to Mexico increased 5 percent.



Propane

Approximately 9.2 percent (216,853) 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 2017, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2017.)

On May 4, the average Missouri retail price for residential propane was nearly \$1.47 per gallon, down 8.5 cents in the past month and up 22.2 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>05-04-17</u>	<u>04-03-17</u>	<u>change</u>	<u>05-02-16</u>	<u>change</u>
Missouri	146.7	155.2	down 6%	124.5	up 18%

- According to the Division of Energy's most recent statewide propane price survey conducted May 4, the average Missouri retail residential propane price was nearly \$1.47 per gallon, down 8.5 cents in the past month and up 22.2 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.99 per gallon. The lowest retail price was \$1.15 per gallon.
- U.S. propane stocks increased by 0.6 MMB last week to 42.2 MMB as of May 12, 2017, 32.0 MMB, or 43.1 percent, lower than a year ago. Midwest propane stocks increased by over 0.6 MMB to over 13.2 MMB. Midwest inventories stood at over 19.2 MMB at this time last year.
- U.S. propane consumption was lower on the week at over 0.5 MMB/D. Consumption stood at over 1.0 MMB/D 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:

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

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For more information about the Comprehensive State Energy Plan, visit:

<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>.