



Division of Energy

MISSOURI ENERGY BULLETIN

November 6, 2015

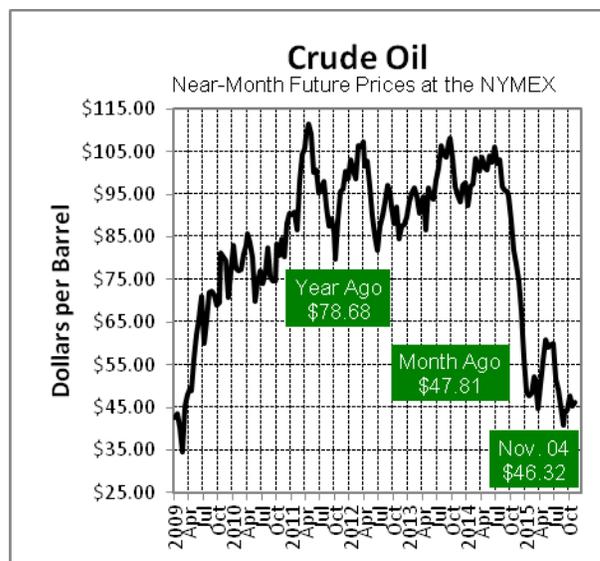
(Data is for the week ended October 30, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$1.49 to \$46.32 per barrel in the past month and stand 41 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	11-04-15	10-07-15	change	11-05-14	change
NYMEX	\$46.32	\$47.81	down 3%	\$78.68	down 41%

- Crude oil futures for December delivery on the NYMEX ended \$1.58, or 3.3 percent, lower November 4 to settle at \$46.32 per barrel, wiping out gains from the previous day's rally as a strong dollar, falling gasoline prices and rising US crude inventories pressured the market lower.
- Adding to bearish oil sentiment was an OPEC report that showed weaker demand in the next few years for oil from the cartel, even as Saudi Arabia pumped near record levels to protect its market share. Oil had rallied on Tuesday, November 3 on the back of a Brazilian oil workers strike, supply constraints in Libya and a US pipeline outage. In Wednesday's session, the dollar rose to 3-month highs against a basket of currencies as remarks from Federal Reserve Chair Janet Yellen intensified the possibility the central bank would raise interest rates next month if US economic growth continued to improve.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$46.32 is \$32.36, or 41 percent, lower.
- According to the November 4 weekly Energy Information Administration (EIA) fuels report, U.S. crude inventories increased 2.8 million barrels (MMB) to 482.8 MMB. U.S. crude supplies are now 102.6 MMB higher compared to this time last year.

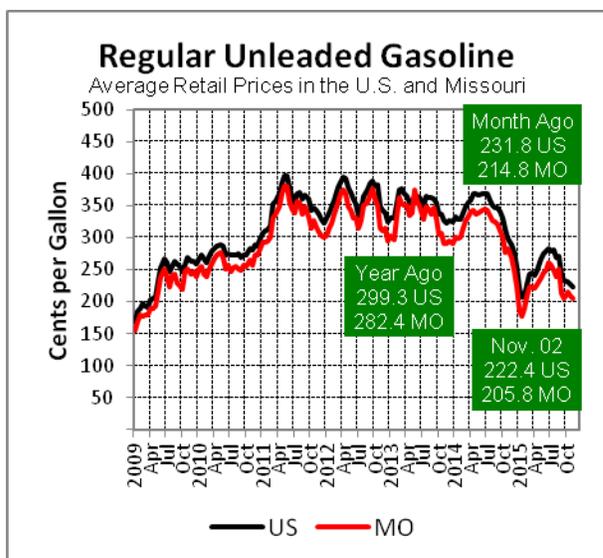
- Crude imports decreased from the prior week at 6.9 MMB/D, 0.2 MMB higher compared to imports at this time last year. Domestic crude production increased slightly from the prior week at 9.2 MMB/D despite a lower rig count. Last year at this time, production stood at nearly 9.0 MMB/D.
- U.S. refinery crude runs were unchanged from the prior week with refiners processing 15.6 MMB/D of crude. U.S. refinery capacity use was up on the week at 88.7 percent as refineries began to return to service following seasonal maintenance. Last year at this time, capacity use stood at 88.4 percent.
- Gasoline output decreased on the week at 9.5 MMB/D. Output was 9.7 MMB/D at this time last year. Distillate output was unchanged from the prior week at 4.9 MMB/D. Last year at this time, production stood at about 4.6 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.7 MMB/D, up by 1.1 percent compared to the same period last year.

Transportation Fuels

On November 2, Missouri's statewide average retail price for gasoline was about \$2.06 per gallon, down 9.0 cents in the past month and down 76.6 cents in the past year.

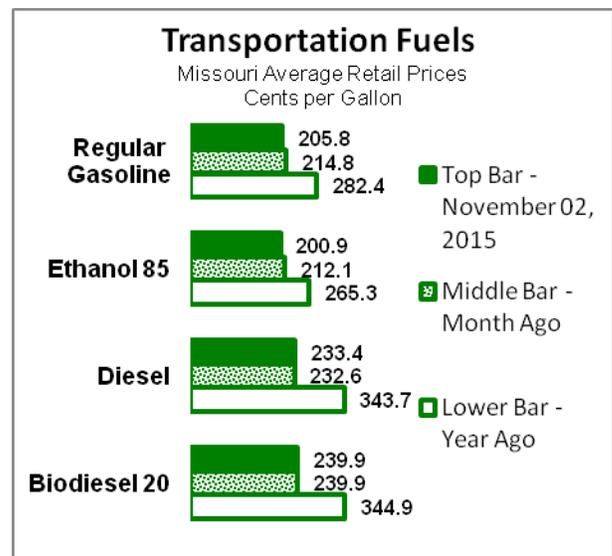
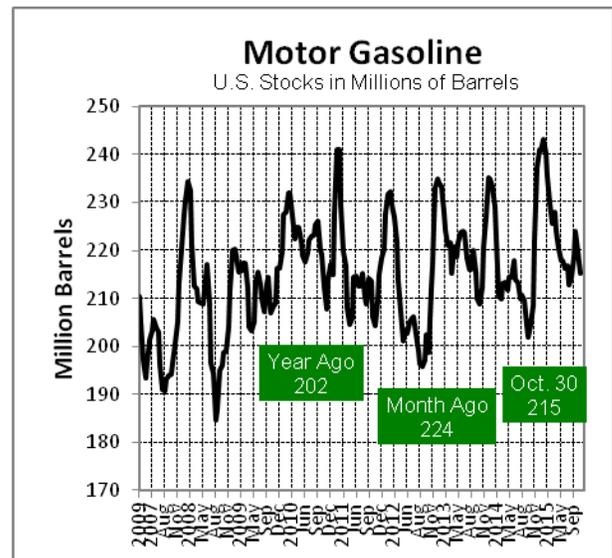
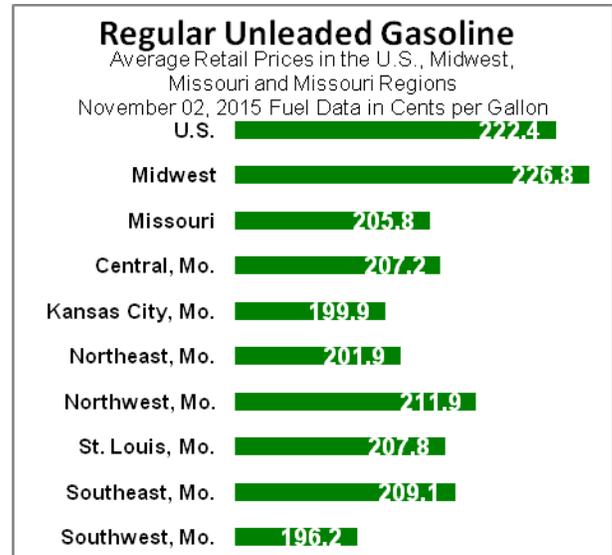
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>11-02-15</u>	<u>10-05-15</u>	<u>change</u>	<u>11-03-14</u>	<u>change</u>
US	222.4	231.8	down 4%	299.3	down 26%
Missouri	205.8	214.8	down 4%	282.4	down 27%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>11-02-15</u>	<u>10-05-15</u>	<u>change</u>	<u>11-03-14</u>	<u>change</u>
US	248.5	249.2	down 0%	362.3	down 31%
Missouri	233.4	232.6	up 0%	343.7	down 32%



- On November 2, Missouri's average retail price for gasoline was about \$2.06 per gallon, down 9.0 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.33 per gallon, up less than a penny in the past month.
- Missouri's average retail gasoline price is 76.6 cents per gallon, or 27 percent, lower for the comparable period in November 2014. The average retail diesel fuel price is 110.3 cents per gallon, or 32 percent, lower for the comparable period in November 2014.

- At \$2.22, the U.S. average price for regular gasoline is 9.4 cents per gallon, or 4 percent, lower compared to last month.
- The U.S. average was down 76.9 cents per gallon, or 26 percent, compared to this time last year. In the past week, the U.S. average decreased by less than one cent per gallon.
- Gasoline imports decreased from the prior week at 0.3 MMB/D, a drop of nearly 60 percent and about 0.2 MMB lower compared to last year at this time.
- Implied demand for gasoline decreased on the week at 9.2 MMB/D, unchanged compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.2 MMB/D; 0.2 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies decreased 3.3 MMB on the week to 215.3 MMB. U.S. supplies are up 13.6 MMB compared to this time last year and continue to trend above the five-year average for this time of year.
- Distillate stocks decreased at 140.8 MMB and stand 21.1 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at 4.0 MMB/D. Demand stood at 3.5 MMB/D at this time last year. On a four-week average, distillate demand was unchanged at 3.9 MMB/D.
- On November 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.01 per gallon, 4.9 cents or 2.4 percent lower than the average price for conventional motor gasoline.
- On November 2, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.40 per gallon, 6.5 cents or 2.8 percent higher than the average retail price for conventional diesel fuel.
- According to the October 6, 2015, *Short Term Energy Outlook*, regular gasoline retail prices are



forecast to average \$2.42 per gallon in 2015 compared with \$3.36 per gallon in 2014. EIA projects U.S. regular gasoline retail prices to average \$2.77 per gallon in 2016.

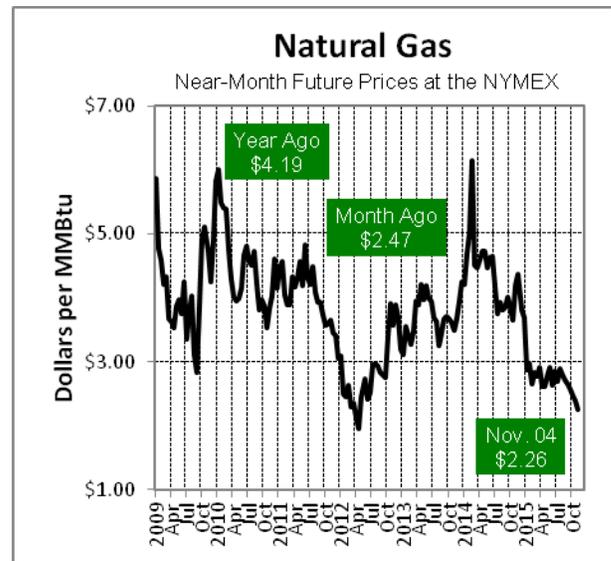
Natural Gas

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 November 4, natural gas futures at the NYMEX closed at \$2.26 per million British thermal units (MMBtu), down \$0.21, or 9 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	11-04-15	10-07-15	change	11-05-14	change
NYMEX	\$2.26	\$2.47	down 9%	\$4.19	down 46%

- The December NYMEX futures contract settled at \$2.26 per MMBtu on October 21, up nearly one cent from the prior settlement. Futures are down 21 cents in the past month.
- In the past year, natural gas values have decreased by \$1.93 per MMBtu, or 46 percent.
- The December 2015 contract, which moved into the front month-position last week, fell from nearly \$2.30 per MMBtu October 28 to \$2.26 per MMBtu November 4. The price of the 12-month strip (the 12 contracts between December 2015 and January 2016) fell slightly from \$2.51 MMBtu October 28 to \$2.50 per MMBtu on November 4.
- According to the EIA, U.S. consumption increased 1.4 percent week over week. Consumption of natural gas for electric power generation fell 3.1 percent, while industrial consumption increased 1.0 percent. Residential and commercial consumption increased 7.6 percent week over week, but dropped off midweek, with stronger demand in the early part of the week when temperatures were lower.
- Working gas in storage totaled 3,929 Bcf, 3.9 percent above the five-year average inventory level for the week, according to EIA's November 5, 2015 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 371 Bcf, or 10.4 percent, higher than last year at this time.
- From April 3 (the beginning of the injection season) through October 30, net storage injections totaled 2,453 Bcf, or 280 Bcf lower than the 2,733 Bcf injected during the same 30 weeks in 2014. During these weeks for the years 2010-14, net injections into storage averaged 2,133 Bcf.
- The estimated average unit value of the natural gas put into storage from April 3 to October 30 this year is \$2.69 per MMBtu, 36 percent lower than the average value of \$4.20 per MMBtu for the same 31 weeks last year.
- According to the October 6, 2015 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$608, \$101, or 14.2 percent, less this winter than



last winter, reflecting prices that are about 5.2 percent lower and consumption that is 9.5 percent lower.

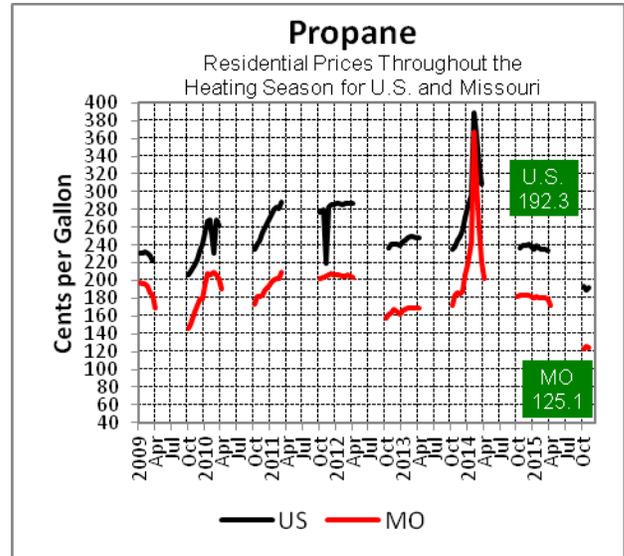
Propane

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 November 2, the average Missouri retail price for residential propane was about \$1.25 per gallon, 1.4 cents higher in the past month and down 47.8 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>11-02-15</u>	<u>10-05-15</u>	<u>change</u>	<u>11-03-14</u>	<u>change</u>
Missouri	125.1	123.4	up 1%	182.7	down 32%

- According to the Division of Energy's most recent statewide propane price survey conducted November 2, the average Missouri retail residential propane price was about \$1.25 per gallon, 1.4 cents higher in the past month and down 47.8 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$2.01 per gallon, an increase of 28 cents in the past month. The lowest retail price was \$1.01 per gallon, a decrease of 6 cents in the past month.
- As of November 2, U.S. residential propane prices averaged \$1.92 per gallon, 1.4 cents per gallon higher than the prior week's price and 47.8 cents lower than one year ago. U.S. wholesale propane prices averaged 54 cents per gallon, almost 2 cents per gallon higher than the prior week's price and 53 cents lower than the price on November 3, 2014.
- Missouri wholesale propane prices averaged 54 cents per gallon, almost 3 cents per gallon higher than the prior week's price and 51 cents lower than the price on November 3, 2014.
- U.S. propane stocks increased by 0.8 MMB last week to 102.4 MMB as of October 30, 2015, 22.3 MMB (27.8%) higher than a year ago. Midwest inventories increased by 0.2 MMB to 28.4 MMB, 1.4 MMB (5.3%) percent higher compared to last year at this time.
- At 0.8 MMB/D, U.S. demand for propane is 0.4 MMB/D (-34.8%) lower compared to last year at this time.
- According to the October 6, 2015 *Winter Fuels Outlook*, EIA expects that Midwest households heating with propane will spend an average of \$1,234, \$320 or 20.6 percent, less this winter than last winter, reflecting prices that are about 13.1 percent lower and consumption that is 8.6 percent lower.



For more information on propane, please visit:

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

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

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