



Division of Energy

MISSOURI ENERGY BULLETIN

November 26, 2013

The Division of Energy was transferred from the Missouri Department of Natural Resources to the Missouri Department of Economic Development on August 28, 2013. The Missouri Energy Bulletin will continue to be published the first and third full weeks of each month.

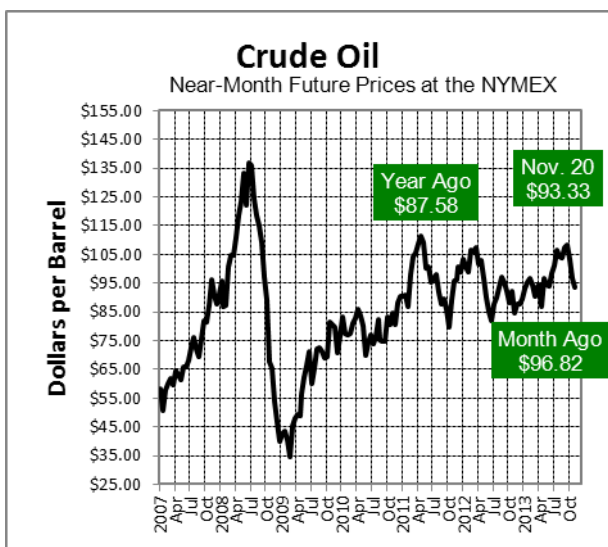
(Data is for the week ended November 15, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$3.49, or 4 percent, to \$93.33 per barrel in the past month, and stand 6 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>11-20-13</u>	<u>10-23-13</u>	<u>change</u>	<u>11-21-12</u>	<u>change</u>
NYMEX	\$93.33	\$96.82	down 4%	\$87.58	up 6%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for December delivery ended \$0.02 lower on November 20 to close at \$93.33 per barrel, as the Federal Reserve said it might reduce stimulus in coming months, countering a report that showed fuel consumption climbed to a 5-year high.



- Crude prices fell after the Fed noted it may pare the \$85 billion in monthly bond purchases as the economy improves, according to the minutes of the Federal Open Market Committee’s last meeting.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$93.33 is \$5.75, or 6 percent, higher.
- Total petroleum products supplied to market over the last four-week period averaged 20.3 million barrels per day (MMB/D), up by 7.4 percent compared to the same period last year and the most since August 2008.

- According to the November 20 weekly fuels report, U.S. oil inventories increased 0.4 MMB at 388.5 MMB. U.S. crude supplies are now 14 MMB higher than at this time last year.

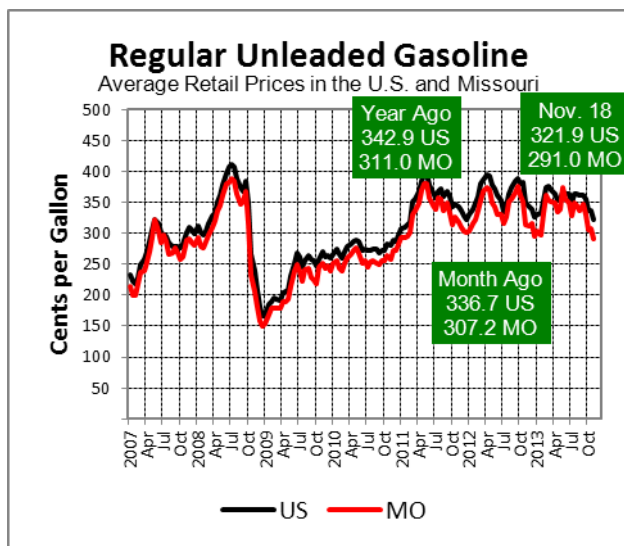
- Crude imports increased by 19,000 barrels per day (B/D) from the prior week at 7.9 MMB/D. Imports at this time last year averaged 7.8 MMB/D. Domestic crude production reached 7.9 MM/D, just 26,000 B/D shy of the 8 MMB/D production level last seen in January 1989.
- U.S. refinery crude runs increased by 36,000 B/D, with refiners processing 15.4 MMB/D of crude. U.S. refinery capacity use was 88.6 percent, down 0.1 percent from the prior week and up 1.1 percent compared to this time last year.
- Gasoline output was up at 9.6 MMB/D on the week and up 551,000 B/D compared to the production level at this time last year. Distillate output was down 40,000 B/D for the week at 4.9 MMB/D, and stands 239,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On November 18, Missouri's statewide average retail price for gasoline was \$2.91 per gallon, down 45 cents in the past month and down 20 cents in the past year.

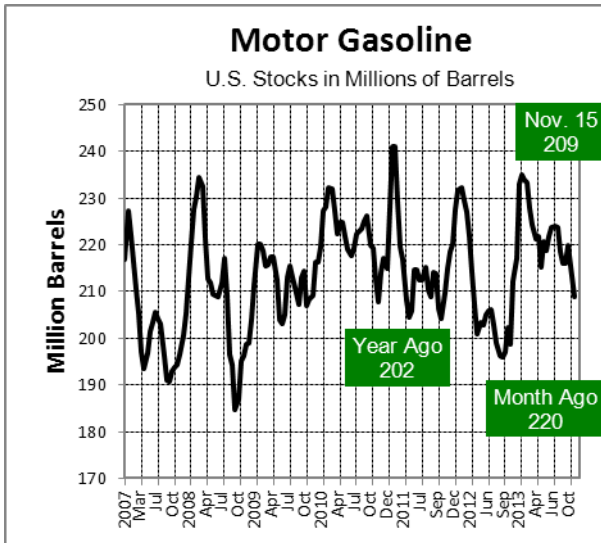
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	11-18-13	10-21-13	change	11-19-12	change
US	321.9	336.0	down 4%	342.9	down 6%
Missouri	291.0	307.2	down 5%	311.0	down 6%

Diesel Fuel - Retail Prices (cents per gallon)					
	11-18-13	10-21-13	change	11-19-12	change
US	382.2	389.7	down 2%	342.9	up 10%
Missouri	357.1	368.8	down 3%	374.8	down 5%



- On November 18, Missouri's average retail price for gasoline was about \$2.91 per gallon, a decrease of 16.2 cents in the past month. The average price for diesel fuel was down 11.7 cents per gallon in the past month. Missouri's average retail gasoline price is 21 cents, or 6 percent, lower, while the average retail diesel fuel price is 17.7 cents, or 5 percent, lower for the comparable period in November 2012.
- According to the AAA, Missouri continues to enjoy the lowest average retail price in the U.S. and is the only state with an average price below \$3 per gallon.

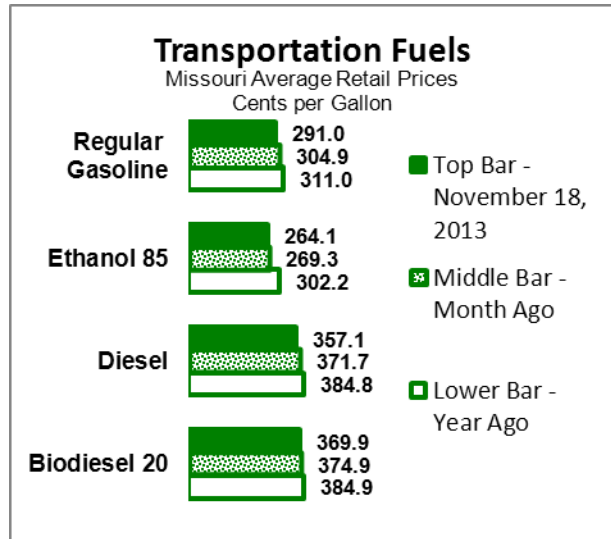
- The U.S. average price for regular gasoline is 14.1 cents, or 4 percent, lower per gallon compared to last month at \$3.21 per gallon. The U.S. average was down by 21 cents compared to this time last year. In the past week, the U.S. average increased by 2.5 cents per gallon.
- Gasoline imports increased by 5,000 B/D from the prior week at 0.5 MMB/D. Imports are 163,000 B/D lower than last year at this time.



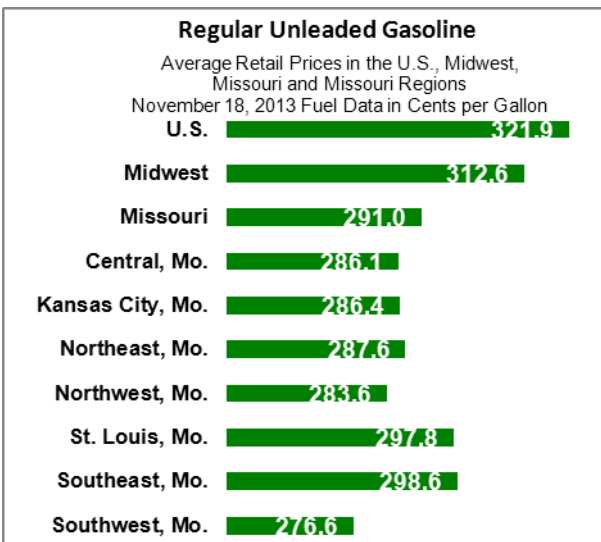
- Implied demand for gasoline was down at 8.9 MMB/D from the prior week and stands about 26,000 B/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 9.1 MMB/D, an increase of about 337,000 B/D compared to the same four-week period last year.
- U.S. gasoline supplies decreased 0.3 MMB at 208.9 MMB on the week. U.S. gasoline inventories are up 8.5 MMB compared to this time last year and trend at the upper range of the five-year average for this time of year.
- Distillate stocks decreased 4.8 MMB at

112.5 MMB and stand 0.3 MMB lower compared to the same period last year. Distillate demand was up 543,000 barrels per day at 4.3 MMB/D on the week and up 132,000 barrels per day compared to the same period last year. On a four-week average, distillate demand was up 338,000 barrels per day compared to the same period last year at 4.2 MMB/D.

- On November 18, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.64 per gallon, 27 cents or 9.3 percent lower than the average price for conventional motor gasoline.
- On November 18, Missouri's average retail price for B20, diesel fuel containing 20 percent



biofuel, was about \$3.70 per gallon, 13 cents or about 3.5 percent higher than the average retail price for conventional diesel fuel.



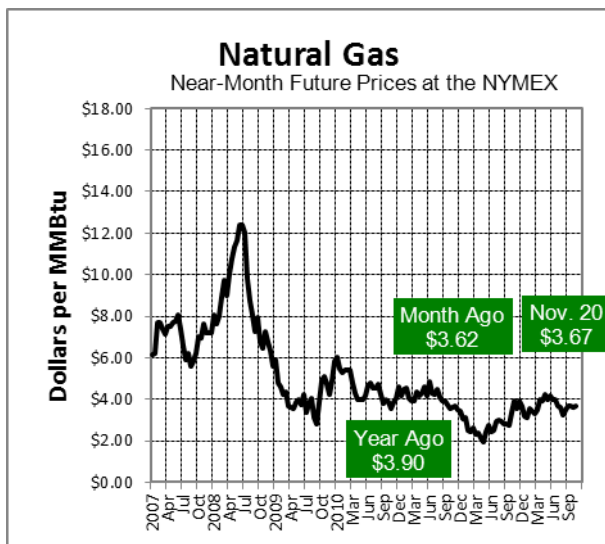
- According to the November 13, 2013, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages \$3.24 per gallon in the fourth quarter of 2013, \$0.10 per gallon less than forecast in last month's *STEO*. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to average \$3.50 per gallon in 2013 and \$3.39 per gallon in 2014.

Natural Gas

Approximately 54 percent (1,260,322) 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 November 20, natural gas futures at the NYMEX closed at \$3.67 per million British thermal units (MMBtu), down 6 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>11-20-13</u>	<u>10-23-13</u>	<u>change</u>	<u>11-21-12</u>	<u>change</u>
NYMEX	\$3.67	\$3.62	up 0%	\$3.90	down 6%



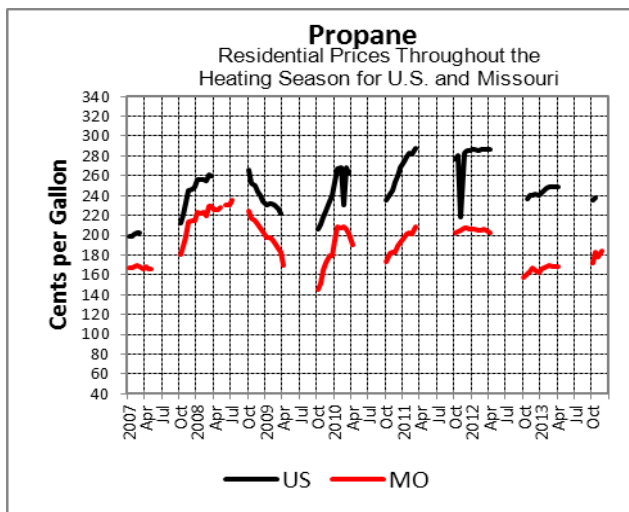
- At the NYMEX, natural gas futures for December 2013 delivery ended 11.8 cents higher on November 20 to close at \$3.67 per MMBtu. In the past year, natural gas values have decreased 23 cents or 6 percent.
- For the reporting week November 13 to November 20, the price of the December 2013 contract increased 10.8 cents, from \$3.57 to \$3.68 per MMBtu.
- The 12-month strip (average of December 2013 to November 2014 contracts) increased 8.6 cents per MMBtu for the week, closing at \$3.75 per MMBtu.
- According to EIA, total natural gas consumption fell 6 percent, representing overall week-over-week declines in industrial, residential/commercial, and natural gas used for power generation.
- Working gas in storage totaled 3,789 billion cubic feet (Bcf), 0.4 percent above the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 89 Bcf, or 2.3 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released November 13, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 10 percent for the 2013/14 heating season based on an increase in price of approximately 12 percent.

Propane

Approximately 10 percent (244,808) 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 18, the average Missouri retail price for residential propane was about \$1.85 per gallon, up 1.6 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	11-18-13	10-21-13	change	11-19-12	change
Missouri	184.5	182.9	up 1%	167.6	up 9%



- According to the Division of Energy's most recent statewide propane price survey conducted November 18, the average Missouri retail residential propane price was about \$1.85 per gallon, up 1.6 cents in the past month and up 9 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.40 per gallon, while the lowest retail price was about \$1.66 per gallon.
- U.S. inventories of propane decreased by about 2.4 MMB to end at nearly 58.4 MMB. Propane inventories are now 14.3 MMB, or 19.7 percent, lower compared to the same period last year. Implied demand for propane increased by 138,000 B/D at 1.7 MMB/D on the week, and up 309,000 B/D compared to the demand level for this time last year.
- Midwest propane inventories decreased 0.3 MMB on the week. At 19.5 MMB, Midwest inventories are 7.1 MMB, or 26.7 percent, lower than the 26.6 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released November 13, 2013, Midwest households that heat with propane may realize an increase in expenditures by 10 percent for the 2013/14 heating season based on an increase in price of 12 percent.

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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://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.