



Division of Energy

MISSOURI ENERGY BULLETIN

October 7, 2016

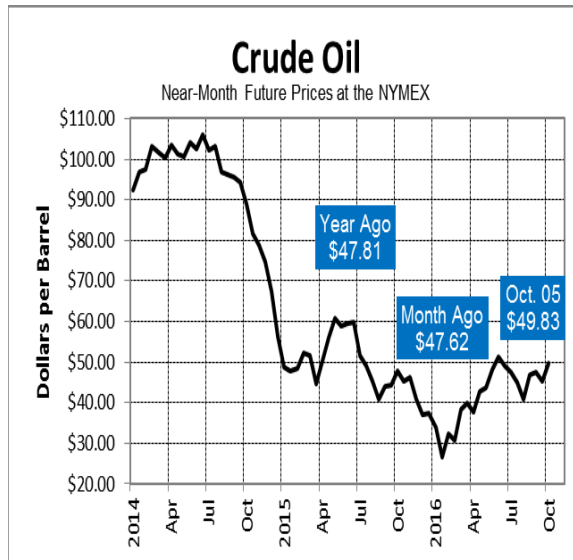
(Data is for the week ended September 30, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$2.21 to \$49.83 per barrel in the past month and stand 4 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>10-05-16</u>	<u>09-07-16</u>	<u>change</u>	<u>10-07-15</u>	<u>change</u>
NYMEX	\$49.83	\$47.62	up 5%	\$47.81	up 4%

- Crude oil futures for November delivery on the NYMEX ended \$1.14, or 2.3 percent, higher on October 5 to settle at \$49.83 per barrel, hitting the highest price since June after the fifth unexpected weekly draw-down in US inventories added to support on hopes that major producers will agree to cut output next month.
- Oil has rallied 13 percent over the past 6 sessions after OPEC announced plans to limit output, its first in 8 years, when it gathers for its policy meeting in Vienna in November. OPEC hopes to limit output to 32.5 - 33 million barrels per day (MMB/D), cutting 700,000 B/D from excess production of about 1 - 1.5 MMB/D estimated by analysts. OPEC has asked Russia and other major producers to join in making cuts. Algeria's Energy Minister said on October 5 that OPEC will meet other producers in Istanbul on October 8-13 to discuss implementation ahead of the Vienna meeting.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$49.83 is \$2.02, or 4 percent, higher.
- According to the federal weekly fuels report released October 5, U.S. crude inventories decreased 3.0 MMB on the week to 499.7 MMB. U.S. crude supplies are now 38.7 MMB higher compared to this time last year.

- Domestic crude production was unchanged from the prior week at nearly 8.5 MMB/D. Last year at this time, production stood at over 9.1 MMB/D. Total crude imports decreased from the prior week at 7.7 MMB/D. Imports at this time last year averaged about 7.1 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing just over 16.0 MMB/D. U.S. refinery capacity utilization was down on the week at 88.3 percent. Last year at this time, capacity use stood at 88.7 percent.
- Gasoline output increased on the week at nearly 10.0 MMB/D. Output was over 9.3 MMB/D at this time last year. Distillate output was unchanged from the prior week at 4.7 MMB/D. Last year at this time, production stood at nearly 5.1 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 19.9 MMB/D, up by 3.0 percent compared to the same period last year.

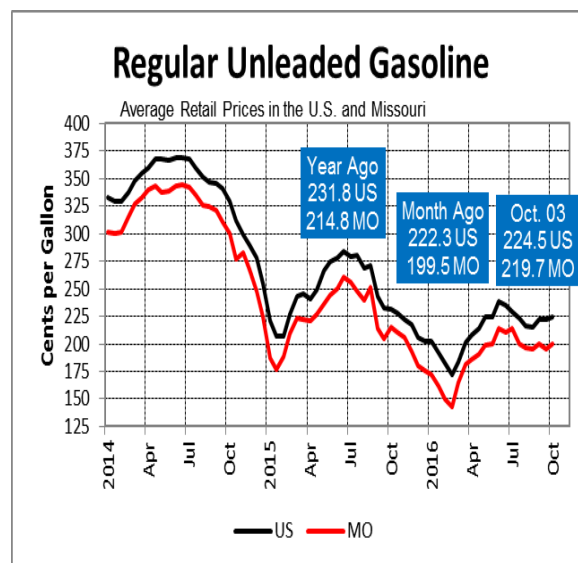
Transportation Fuels

On October 3, Missouri's statewide average retail price for gasoline was nearly \$2.00 per gallon, up 0.3 cents in the past month and down 15.0 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	10-03-16	09-06-16	change	10-05-15	change
US	224.5	222.3	up 1%	231.8	down 3%
Missouri	199.8	199.5	up <1%	214.8	down 7%

Diesel Fuel - Retail Prices (cents per gallon)					
	10-03-16	09-06-16	change	10-05-15	change
US	238.9	241.0	down 1%	249.2	down 4%
Missouri	219.7	220.8	down <1%	232.6	down 6%

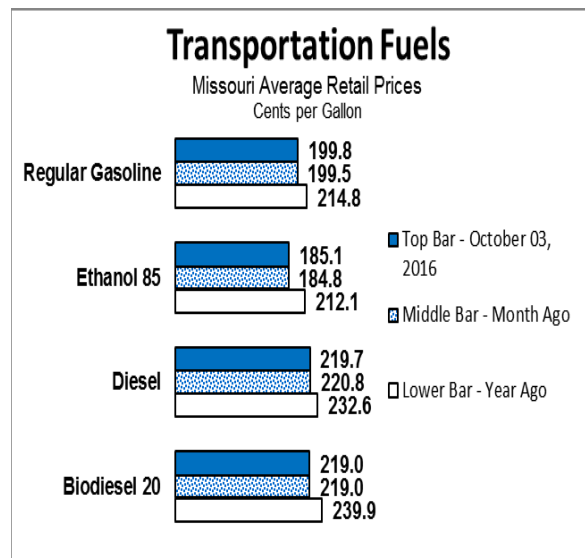
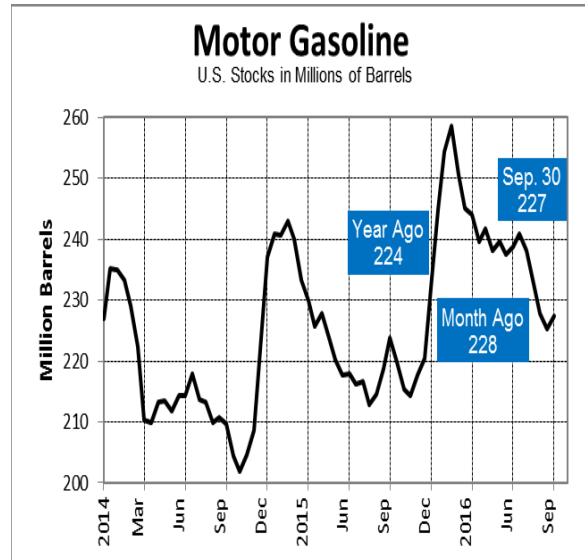
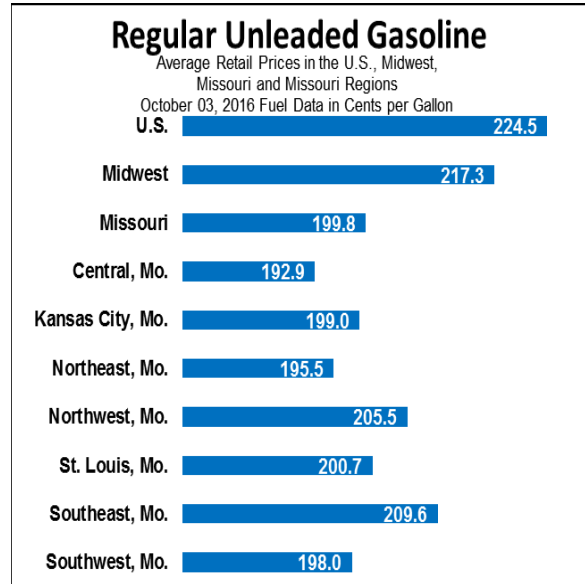
- On October 3, Missouri's average retail price for gasoline was nearly \$2.00 per gallon, up 0.3 cent in the past month.
- Missouri's average price for diesel fuel was about \$2.20 per gallon, down 1.1 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 15.0 cents per gallon, or 7 percent, lower while the average retail diesel fuel price is 12.9 cents per gallon, or 6 percent, lower.
- At nearly \$2.25, the U.S. average price for regular gasoline is 2.2 cents per gallon, or 1 percent, higher compared to last month.



- The U.S. average price for regular gasoline is down 7.3 cents per gallon, or 3 percent, compared to

this time last year. In the past week, the U.S. average increased by 2.1 cents per gallon.

- Gasoline imports increased from the prior week at just over 1.0 MMB/D. Last year at this time, imports stood at over 0.5 MMB/D.
- Implied demand for gasoline increased on the week at nearly 9.4 MMB/D. Demand stood at just under 9.4 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 increased 0.2 MMB on the week to 227.4 MMB. U.S. supplies are up 3.5 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks decreased on the week at 160.7 MMB and stand 11.6 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 3.9 MMB/D. Demand stood at just under 4.2 MMB/D at this time last year. On a four-week average, distillate demand was slightly higher at nearly 3.6 MMB/D.
- On October 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.85 per gallon, 14.7 cents, or 7.4 percent, lower than the average price for conventional motor gasoline.
- On October 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 0.7 cents per gallon, or 0.4 percent, higher than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated September 7, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.08 per gallon in 2016.



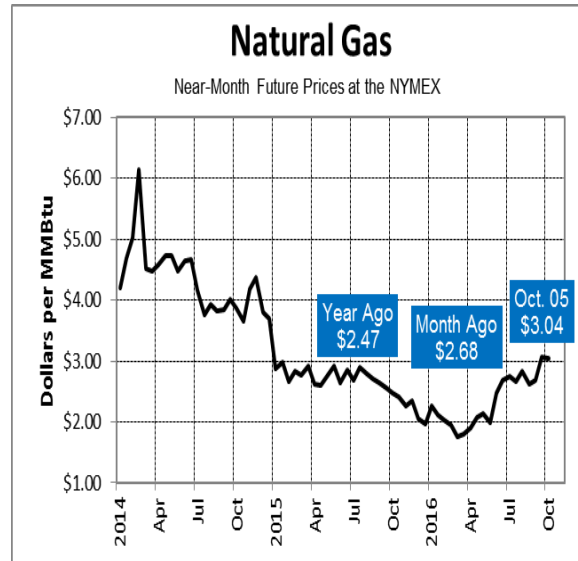
Natural Gas

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 October 5, natural gas futures on the NYMEX closed at \$3.04 per million British thermal units (MMBtu), up \$0.36, or 13 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>10-05-16</u>	<u>09-07-16</u>	<u>change</u>	<u>10-07-15</u>	<u>change</u>
NYMEX	\$3.04	\$2.68	up 13%	\$2.47	up 23%

- The November 2016 NYMEX futures contract settled at \$3.04 per MMBtu on October 5, up 7.7 cents from the prior settlement. Futures are up 36 cents, or 13 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.57 per MMBtu, or 23 percent.
- Working gas in storage was 3,680 Bcf, 5.9 percent above the five-year average inventory level for the week. According to EIA's October 6, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 74 Bcf, or 2.1 percent, higher than last year at this time.
- Injections to storage continue at a slower-than-normal rate. Net injections into storage totaled 49 Bcf, compared with the five-year (2011–15) average net injection of 97 Bcf and last year's net injections of 99 Bcf during the same week
- Temperatures in the Lower 48 states averaged 73°F, 7°F higher than the normal and 4°F higher than last year at this time. Cooling degree days (CDD) in the Lower 48 states totaled 62, compared with 42 last year and a normal of 32.
- According to the EIA, U.S. natural gas consumption fell by 2 percent compared with the previous report week. Power burn declined by 8 percent week over week, but remains 11 percent above last year's levels, largely because of new natural gas-fired generation. Industrial sector consumption increased by 1 percent week over week. In the residential and commercial sectors, consumption expanded by 14 percent, with some parts of the Northeast and Rockies experiencing temperatures as low as 40°F at times during the week. Natural gas exports to Mexico went up 1 percent.



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 October 3, the average Missouri retail price for residential propane was nearly \$1.18 per gallon, up 3.7 cents in the past month and down 5.7 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>10-03-16</u>	<u>09-06-16</u>	<u>change</u>	<u>10-05-15</u>	<u>change</u>
Missouri	117.7	114.0	up 3%	123.4	down 5%

- According to the Division of Energy's most recent statewide propane price survey conducted October 3, the average Missouri retail residential propane price was nearly \$1.18 per gallon, up 3.7 cents in the past month and down 5.7 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.65 per gallon. The lowest retail price was \$0.93 per gallon.
- U.S. propane stocks increased by 0.7 MMB last week to 104.0 MMB as of September 30, 2016, 3.7 MMB or 3.6 percent, higher than a year ago. Midwest inventories decreased by 0.2 MMB to almost 29.2 MMB. Midwest inventories stood at over 27.5 MMB at this time last year.
- U.S. propane consumption increased on the week. At just over 1.0 MMB/D, U.S. demand for propane is higher compared to last year at this time.

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/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>.