



Division of Energy

MISSOURI ENERGY BULLETIN

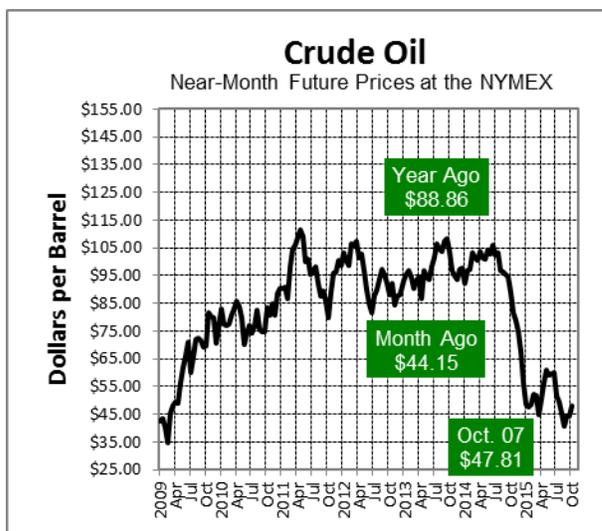
October 9, 2015

(Data is for the week ended October 2, 2015, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$3.66 to \$47.81 per barrel in the past month and stand 46 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	10-07-15	09-09-15	change	10-07-14	change
NYMEX	\$47.81	\$44.15	up 8%	\$88.86	down 46%



- The November futures contract settled at \$47.81 per barrel on the October 7 trade day, a decrease of \$0.72, or 1.5 percent from the prior settlement, in response to an unexpected build in domestic crude oil inventories. An October 6 preliminary inventory data report by the American Petroleum Institute had suggested a draw-down of 1.2 million barrels (MMB).
- The Energy Information Administration (EIA) projected in its October 6 *Short Term Energy Outlook (STEO)* that global petroleum and other liquids demand for 2016 will grow by the fastest rate since 2010, suggesting the current crude surplus may ease more quickly than expected. An

oil market rally between Friday and Tuesday bumped up domestic and foreign crude values by about \$4 per barrel as oil broke out of a month-long trading range based on technical buying and supportive data.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$47.81 is \$41.05, or 46 percent, lower.
- According to the October 7 weekly EIA fuels report, U.S. crude inventories increased 3.1 MMB to 461.0 MMB. U.S. crude supplies are now 99.3 MMB higher compared to this time last year.

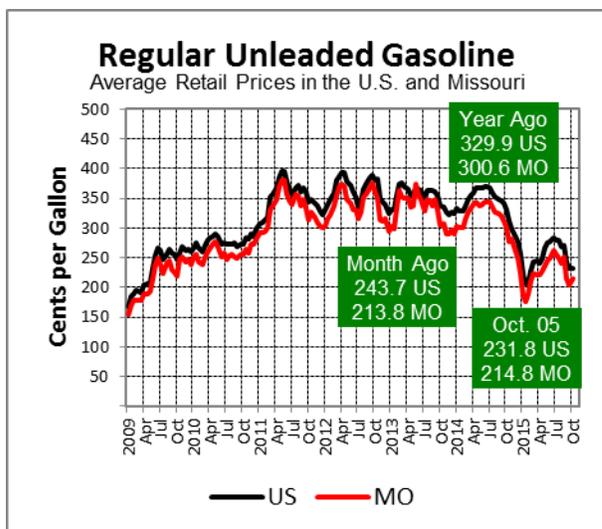
- Crude imports decreased from the prior week at 7.1 MMB/D, nearly 0.6 MMB/D lower compared to imports at this time last year. Domestic crude production increased from the prior week at 9.2 MMB/D. Last year at this time, production stood at about 8.9 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing 15.6 MMB/D of crude. U.S. refinery capacity use was down on the week at 87.5 percent. Last year at this time, capacity use stood at 89.3 percent.
- Midwest refinery utilization fell sharply again last week, falling below 80 percent for the first time since May 2013 on a combination of planned and unplanned refinery outages. PADD2 (Midwest) utilization rates fell to 79.2 percent in the week ending October 2, bringing four-week cumulative losses to 19.5 percentage points, according to EIA statistics. In the week immediately before the start of fall turnaround season, Midwest refinery utilization was nearly 99 percent.
- Gasoline output decreased on the week at 9.3 MMB/D. Gasoline production at this time last year averaged 8.9 MMB/D. Distillate output was slightly higher from the prior week at 5.1 MMB/D. Last year at this time, production stood at about 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at 19.3 MMB/D, down by 0.3 percent compared to the same period last year.

Transportation Fuels

On October 5, Missouri's statewide average retail price for gasoline was about \$2.15 per gallon, up 1.0 cent in the past month and down 85.8 cents in the past year.

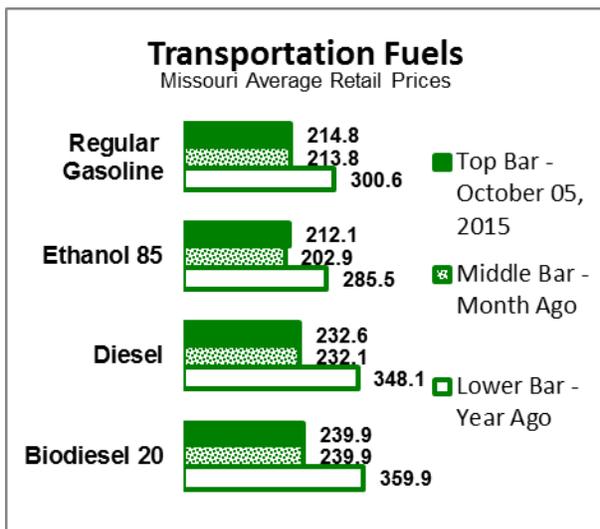
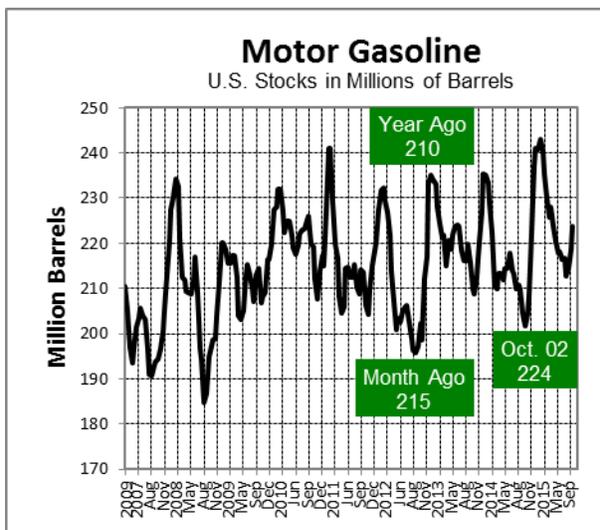
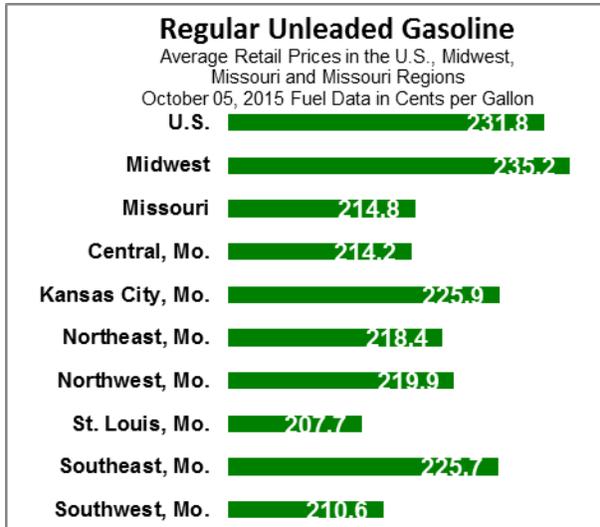
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	10-05-15	09-08-15	change	10-06-14	change
US	231.8	243.7	down 5%	329.9	down 30%
Missouri	214.8	213.8	up 0%	300.6	down 29%

Diesel Fuel - Retail Prices (cents per gallon)					
	10-05-15	09-08-15	change	10-06-14	change
US	249.2	253.4	down 2%	373.3	down 33%
Missouri	232.6	232.1	up 0%	348.1	down 33%



- On October 5, Missouri's average retail price for gasoline was about \$2.15 per gallon, up 1.0 cent in the past month.
- Missouri's average price for diesel fuel was about \$2.33 per gallon, up 0.5 cent per gallon, or less than 1 percent, in the past month.
- Missouri's average retail gasoline price is 85.8 cents per gallon, or 29 percent, lower while the average retail diesel fuel price is 115.5 cents per gallon, or 33 percent, lower for the comparable period in October 2014.

- At nearly \$2.32, the U.S. average price for regular gasoline is 11.9 cents per gallon, or 5 percent, lower compared to last month.
- The U.S. average was down 98.1 cents per gallon, or 30 percent, compared to this time last year. In the past week, the U.S. average decreased by less than 1 cent per gallon.
- Gasoline imports decreased from the prior week at 0.5 MMB/D, about 0.1 MMB higher compared to last year at this time.
- Implied demand for gasoline decreased at just below 9.0 MMB/D. At this time last year, demand stood at 8.6 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged 9.0 MMB/D; nearly 0.4 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased 1.9 MMB on the week to 223.9 MMB. U.S. supplies are up 14.3 MMB compared to this time last year and now trend above the five-year average for this time of year.
- Distillate stocks decreased at 149.2 MMB and stand 23.0 MMB higher compared to the same period last year.
- Distillate demand increased on the week at 4.2 MMB/D. Demand stood at 3.5 MMB/D at this time last year. On a four-week average, distillate demand was higher at 3.9 MMB/D.
- On October 5, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.12 per gallon, 2.7 cents or 1.3 percent lower than the average price for conventional motor gasoline.
- On October 5, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$2.40 per gallon, 7.3 cents or 3.1 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.

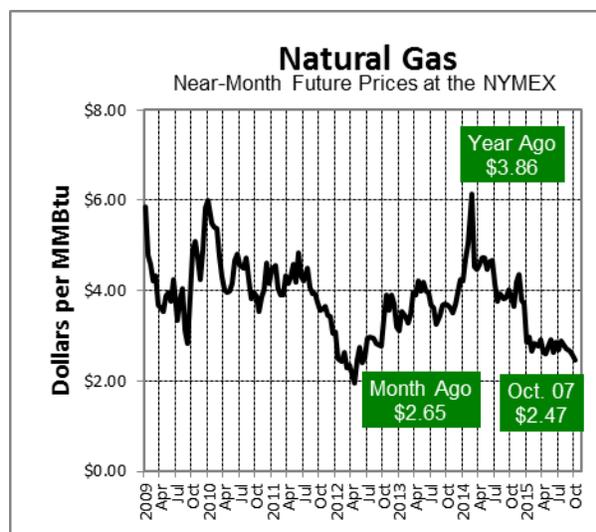
Natural Gas

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 October 7, natural gas futures at the NYMEX closed at \$2.47 per million British thermal units (MMBtu), down \$0.18, or 7 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-07-15	09-09-15	change	10-08-14	change
NYMEX	\$2.47	\$2.65	down 7%	\$3.86	down 36%

- The November NYMEX futures contract settled at \$2.47 per MMBtu on the October 7 trade day, an increase of less than 1.0 cent from the prior settlement. Futures are down 18 cents in the past month.
- In the past year, natural gas values have decreased by \$1.39 per MMBtu, or 36 percent.
- For the reporting week, September 30 to October 7, the price of the November 2015 contract decreased by 5 cents per MMBtu.
- According to the EIA, U.S. consumption increased by 1.9 percent compared to the last report week, with total natural gas used for power generation (power burn) down 10.8 percent. Consumption in the residential/commercial sectors increased by 28 percent, while industrial sector consumption increased by 1.8 percent. Exports to Mexico decreased 5.8 percent from week to week, though exports increased almost 50 percent over the same period of time last year.
- Working gas in storage totaled 3,633 Bcf, 4.5 percent above the five-year average inventory level for the week, according to EIA's October 8, 2015 *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 443 Bcf, or 13.9 percent, higher than last year at this time.
- From April 3 (the beginning of the injection season) through October 2, net storage injections totaled 2,172 Bcf, or 185 Bcf lower than the 2,357 Bcf injected during the same 27 weeks in 2014. During these weeks for the years 2010-14, net injections into storage averaged 1,827 Bcf.
- The estimated average unit value of the natural gas put into storage from April 3 to October 2 this year is \$2.73 per MMBtu, 36 percent lower than the average value of \$4.27 per MMBtu for the same 27 weeks last year. The highest winter-month NYMEX price (for the January 2016 contract) in trading for the week ending October 2 averaged \$2.80 per MMBtu. This price is 33 cents per MMBtu more than the November NYMEX contract price. A year ago, the difference was 23 cents per MMBtu.



- According to the October 6, 2015 *Winter Fuels Outlook*, EIA expects that Midwest households heating with natural gas will spend an average of \$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.

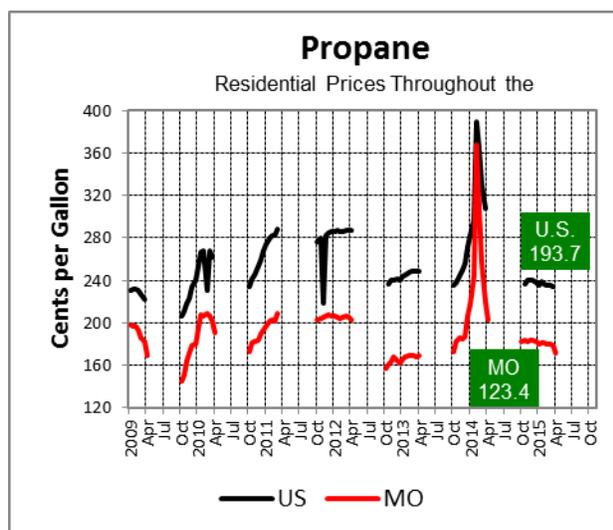
Propane

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 October 5, the average Missouri retail price for residential propane was about \$1.23 per gallon, 3.3 cents higher in the past month and down 58.7 cents in the past year.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>10-05-15</u>	<u>09-08-15</u>	<u>change</u>	<u>10-06-14</u>	<u>change</u>
Missouri	123.4	120.1	up 3%	182.1	down 32%

- According to the Division of Energy's most recent statewide propane price survey conducted October 5, the average Missouri retail residential propane price was about \$1.23 per gallon, 3.3 cents higher in the past month and down 58.7 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.73 per gallon. The lowest retail price was \$0.96 per gallon.
- U.S. residential propane prices entered the 2015-2016 heating season at an average of about \$1.94 per gallon on October 5, nearly 44 cents per gallon lower than at the start of last winter's heating season. The Midwest average stood at \$1.40 per gallon. Iowa had the lowest average price at \$0.99 per gallon while Tennessee had the highest average at \$3.15 per gallon.
- U.S. propane stocks increased by 1.6 MMB last week to 100.3 MMB as of October 2, 2015, 19.7 MMB, 24.4 percent, higher than a year ago. Midwest inventories increased by 0.5 MMB to 27.5 MMB, 0.4 MMB, 1.6 percent, lower compared to last year at this time.
- At 0.8 MMB/D, U.S. demand for propane is 0.3 MMB/D, 26.7 percent, 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, 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>

To access previous issues of the Energy Bulletin, or to subscribe, please visit:

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

To learn more about Missouri energy issues, please visit:

<http://energy.mo.gov/energy>

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>.