



Division of Energy

MISSOURI ENERGY BULLETIN

October 21, 2016

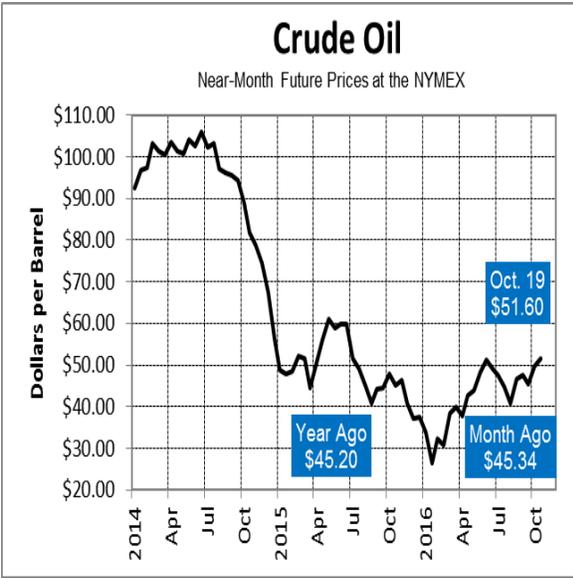
(Data is for the week ended October 14, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased by \$6.26 to \$51.60 per barrel in the past month and stand 14 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>10-19-16</u>	<u>09-21-16</u>	<u>change</u>	<u>10-21-15</u>	<u>change</u>
NYMEX	\$51.60	\$45.34	up 14%	\$45.20	up 14%

- Crude oil futures for November delivery on the NYMEX ended \$1.31, or 2.6 percent higher on October 19 to settle at \$51.60 per barrel, with prices settling at their highest level in 15 months after the Energy Information Administration (EIA) reported a surprisingly large drop in crude oil inventories for the 6th week out of the past seven. Crude stocks generally rise at this time of year as refineries go into maintenance.



- Oil prices have rallied 15 percent in the 3 weeks after OPEC proposed to enforce from November its first output cut since 2008. Khalid al-Falih, energy minister of Saudi Arabia told the Oil & Money conference in London that fundamentals are improving and the market is clearly balancing. However, Rex Tillerson, CEO of Exxon Mobil later told the same conference he expected US shale oil output, responsible for much of the glut, to rebound at current prices.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$51.60 is \$6.40, or 14 percent, higher.

- According to the federal weekly fuels report released October 19, U.S. crude inventories decreased 5.2 MMB on the week to 468.7 MMB. U.S. crude supplies are now 24.1 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 6.9 MMB/D. Imports at this time last year averaged about 7.5 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing nearly 15.4 MMB/D. U.S. refinery capacity utilization was down on the week at 85.0 percent. Last year at this time, capacity use stood at 86.0 percent.
- Gasoline output decreased on the week at nearly 9.5 MMB/D. Output was nearly 9.6 MMB/D at this time last year. Distillate output decreased from the prior week at nearly 4.6 MMB/D. Last year at this time, production stood at over 4.7 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 20.1 MMB/D, up by 3.6 percent compared to the same period last year.

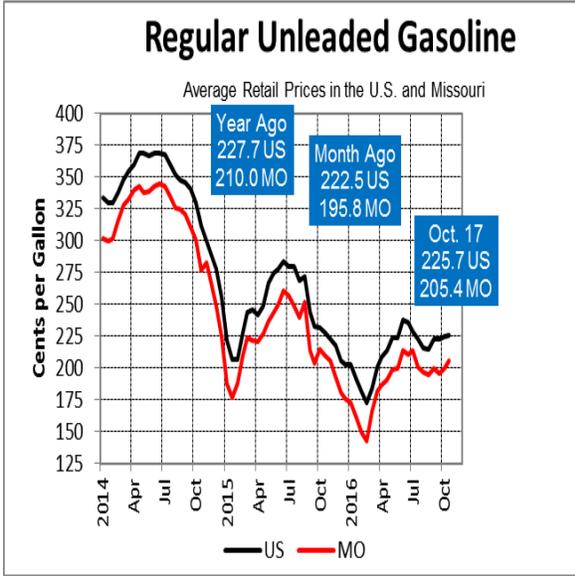
Transportation Fuels

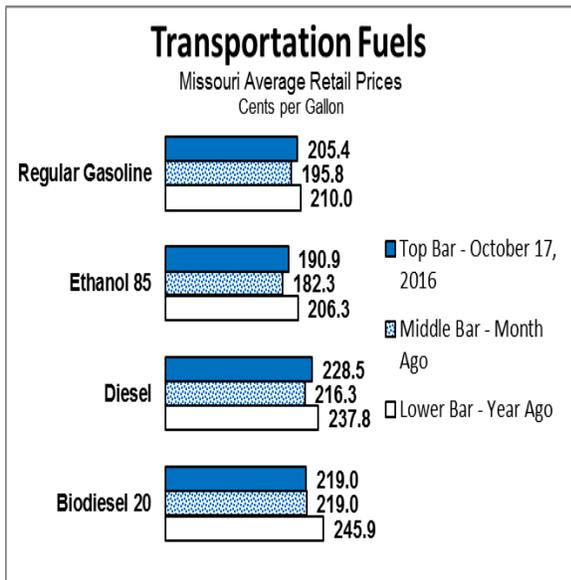
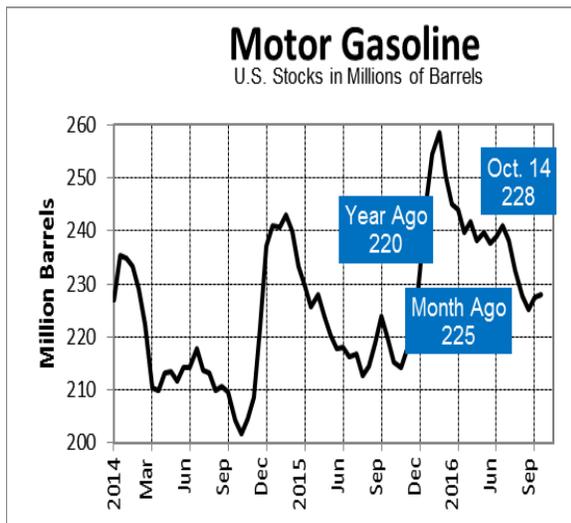
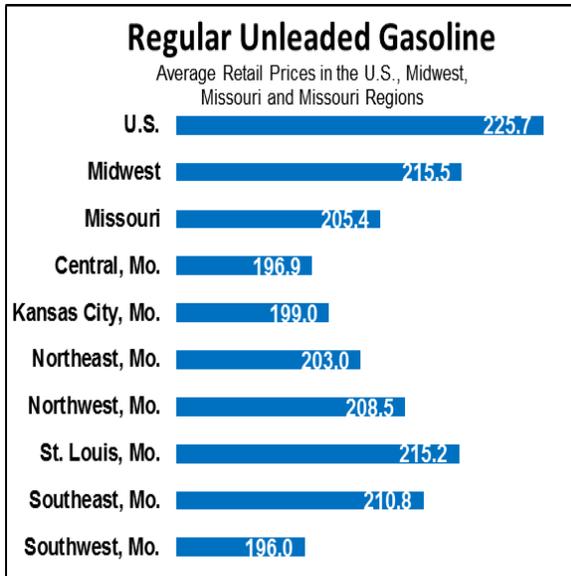
On October 17, Missouri’s statewide average retail price for gasoline was \$2.05 per gallon, up 9.6 cents in the past month and down 4.6 cents in the past year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-17-16</u>	<u>09-19-16</u>	<u>change</u>	<u>10-19-15</u>	<u>change</u>
US	225.7	222.5	up 1%	227.7	down 1%
Missouri	205.4	195.8	up 5%	210.0	down 2%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-17-16</u>	<u>09-19-16</u>	<u>change</u>	<u>10-19-15</u>	<u>change</u>
US	248.1	238.9	up 4%	253.1	down 2%
Missouri	228.5	216.3	up 6%	237.8	down 4%

- On October 17, Missouri’s average retail price for gasoline was \$2.05 per gallon, up 9.6 cents in the past month.
- Missouri’s average price for diesel fuel was \$2.29 per gallon, up 12.1 cents in the past month.
- Compared to last year at this time, Missouri’s average retail gasoline price is 4.6 cents per gallon, or 2 percent, lower while the average retail diesel fuel price is 9.3 cents per gallon, or 4 percent, lower.
- At nearly \$2.26, the U.S. average price for regular gasoline is 3.2 cents per gallon, or 1





percent, higher compared to last month.

- The U.S. average price for regular gasoline is down 2.0 cents per gallon, or 1 percent, compared to this time last year. In the past week, the U.S. average decreased by 1.5 cents per gallon.
- Gasoline imports increased from the prior week at nearly 0.9 MMB/D. Last year at this time, imports stood at 0.7 MMB/D.
- Implied demand for gasoline decreased on the week at nearly 8.8 MMB/D. Demand stood at just under 9.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged nearly 9.1 MMB/D.
- U.S. gasoline supplies increased 2.5 MMB on the week to 228.2 MMB. U.S. supplies are up 8.2 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 155.7 MMB and stand 10.7 MMB higher compared to the same period last year.
- Distillate demand increased on the week at nearly 4.0 MMB/D. Demand stood at just over 3.8 MMB/D at this time last year. On a four-week average, distillate demand was slightly higher at nearly 4.0 MMB/D.
- On October 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.91 per gallon, 14.5 cents, or 7.1 percent, lower than the average price for conventional motor gasoline.
- On October 17, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 9.5 cents per gallon, or 4.2 percent, lower than the average price for conventional diesel fuel.
- According to EIA's latest *Short Term Energy Outlook* dated October 13, 2016, U.S. regular gasoline retail prices, which averaged \$2.43 per gallon in 2015, are projected to average \$2.12 per gallon in 2016.

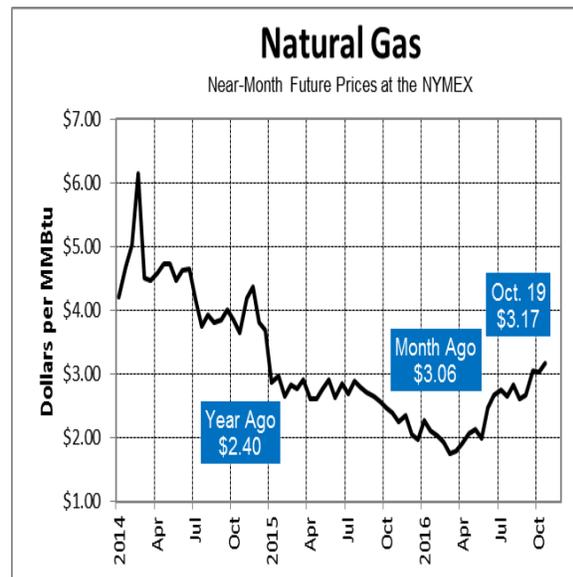
Natural Gas

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 19, natural gas futures on the NYMEX closed at \$3.17 per million British thermal units (MMBtu), up \$0.11, or 4 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>10-19-16</u>	<u>09-21-16</u>	<u>change</u>	<u>10-21-15</u>	<u>change</u>
NYMEX	\$3.17	\$3.06	up 4%	\$2.40	up 32%

- The November 2016 NYMEX futures contract settled at \$3.17 per MMBtu on October 19, down 9.3 cents from the prior settlement. Futures are up 11 cents, or 4 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.77 per MMBtu, or 32 percent.
- Working gas in storage was 3,836 Bcf, 5.1 percent above the five-year average inventory level for the week. According to EIA's October 20, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 46 Bcf, or 1.2 percent, higher than last year at this time.
- Injections into storage remain below historical norms. Net injections into storage totaled 77 Bcf, compared with the five-year (2011–15) average net injection of 84 Bcf and last year's net injections of 87 Bcf during the same week. During the past three weeks, net injections into storage have totaled 236 Bcf – the highest three-week tally of the 2016 refill season.
- Temperatures in the Lower 48 states averaged 63°F, 4°F higher than the normal and 1°F lower than last year at this time. Heating degree-days (HDD) in the Lower 48 states totaled 34, the same as last year and compared to a normal of 57.
- According to the EIA, U.S. natural gas consumption fell by 1 percent compared with the previous report week. Power burn was flat, averaging 25.6 Bcf/d week over week. However, this average masks large variations that occurred during the week: power burn increased by more than 6 Bcf/d from October 14 to October 18. Industrial sector consumption decreased by 1 percent week over week. In the residential and commercial sectors, consumption declined by 2 percent. Natural gas exports to Mexico decreased 1 percent.



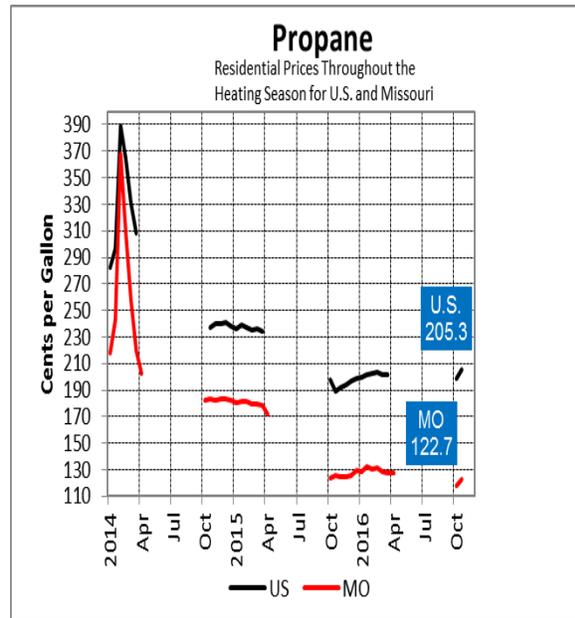
Propane

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 17, the average Missouri retail price for residential propane was nearly \$1.23 per gallon, up 8.7 cents in the past month and down 2.9 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<u>10/17/2016</u>	<u>9/6/2016</u>	<u>change</u>	<u>10/19/2015</u>	<u>change</u>
Missouri	122.7	114	up 8%	125.6	down 2%

- According to the Division of Energy's most recent statewide propane price survey conducted October 17, the average Missouri retail residential propane price was nearly \$1.23 per gallon, up 8.7 cents in the past month and down 2.9 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.69 per gallon. The lowest retail price was \$0.99 per gallon.
- U.S. propane stocks decreased by 1.2 MMB last week to 102.7 MMB as of October 14, 2016, 1.1 MMB or 1.1 percent higher than a year ago. Midwest inventories decreased by 0.3 MMB to almost 28.2 MMB. Midwest inventories stood at nearly 28.0 MMB at this time last year.
- U.S. propane consumption increased on the week. At 1.3 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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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>.