



## Division of Energy

# MISSOURI ENERGY BULLETIN

October 25, 2013

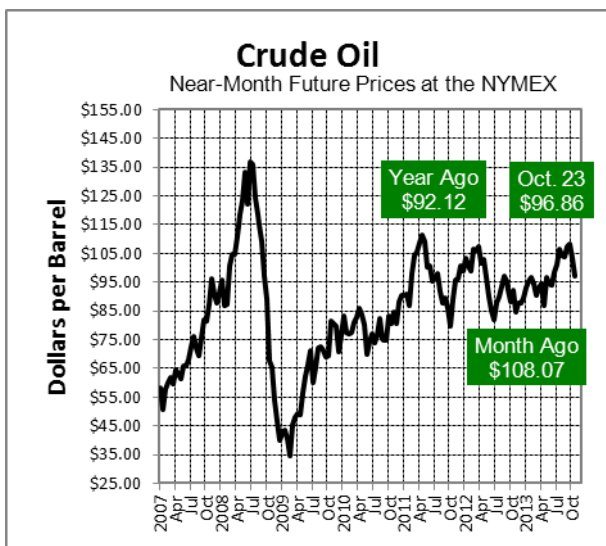
*The Division of Energy was transferred from the Missouri Department of Natural Resources to the Missouri Department of Economic Development on August 28, 2013. The Missouri Energy Bulletin will continue to be published the first and third full weeks of each month.*

*(Data is for the week ended October 18, 2013, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased \$11.25, or 10 percent, to \$96.86 per barrel in the past month, and stand 5 percent higher compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>10-23-13</u>	<u>09-18-13</u>	<u>change</u>	<u>10-18-12</u>	<u>change</u>
<b>NYMEX</b>	<b>\$96.86</b>	<b>\$108.07</b>	<b>down 10%</b>	<b>\$92.12</b>	<b>up 5%</b>



October 16.

- At the New York Mercantile Exchange (NYMEX), crude oil futures for December delivery ended \$1.44, or 1.5 percent, lower on October 23 to close at \$96.86 per barrel, falling to the lowest price in almost 4 months as supplies rose more than expected.
- Crude prices fell as inventories continued to climb. Stockpiles at Cushing, Oklahoma, the price point for the NYMEX, increased for a second week and domestic production jumped to the most in 24 years. They have climbed 24.2 million barrels, or 6.8 percent, in the last 5 weeks. Prices have fallen 5.3 percent since

- Compared to this time last year, the U.S. crude oil futures settlement price of \$96.86 is \$4.74, or 5.0 percent, higher.

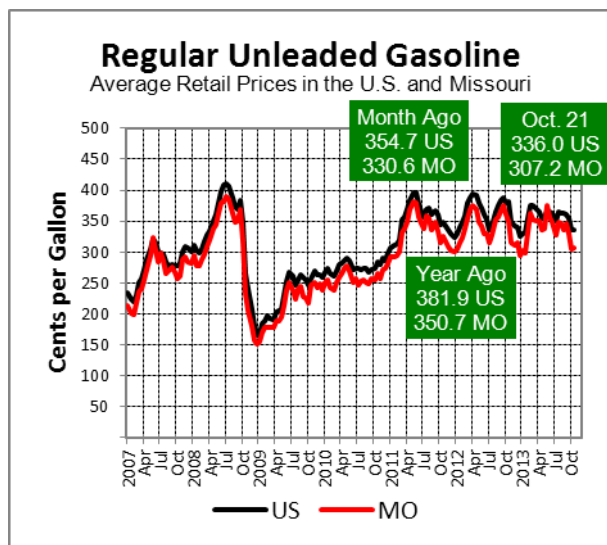
- Total petroleum products supplied to market over the last four-week period averaged 18.7 million barrels per day (MMB/D), down by 1.5 percent compared to the same period last year. According to the October 23 weekly fuels report, U.S. oil inventories increased 5.2 MMB at 379.8 MMB. U.S. crude supplies are now 4.7 MMB higher than at this time last year.
- Crude imports decreased 348,000 barrels per day (B/D) from the prior week at 7.7 MMB/D. Imports at this time last year averaged 8.8 MMB/D.
- U.S. refinery crude runs were unchanged, with refiners processing 14.9 MMB/D of crude. U.S. refinery capacity use was 85.9 percent, down 0.2 percent from the prior week and down 1.3 percent compared to this time last year.
- Gasoline output was down at 8.9 MMB/D on the week and was down 49,000 B/D compared to the production level at this time last year. Distillate output was down for the week at 4.8 MMB/D, an increase of about 26,000 B/D, and stands 439,000 B/D higher compared to the production level at this time last year.

### Transportation Fuels

On October 21, Missouri's statewide average retail price for gasoline was about \$3.07 per gallon, down 23.4 cents in the past month and down 43.5 cents in the past year.

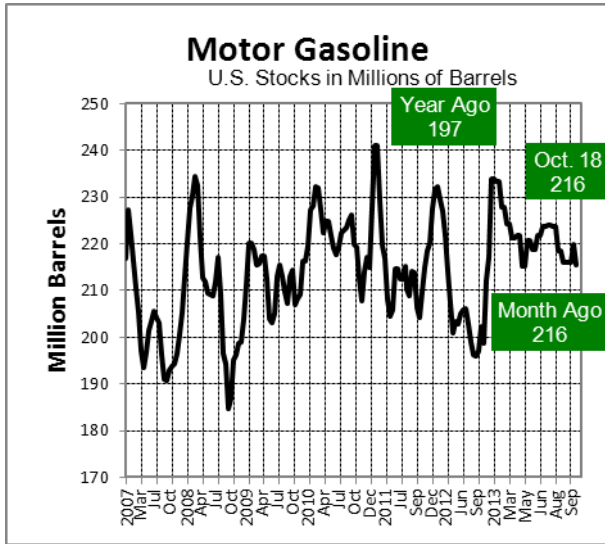
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	10-21-13	09-16-13	change	10-15-12	change
US	336.0	354.7	down 5%	381.9	down 12%
Missouri	307.2	330.6	down 7%	350.7	down 12%

Diesel Fuel - Retail Prices (cents per gallon)					
	10-21-13	09-16-13	change	10-15-12	change
US	389.7	397.4	down 2%	381.9	up 2%
Missouri	368.8	380.8	down 3%	404.4	down 9%



- On October 21, Missouri's average retail price for gasoline was about \$3.07 per gallon, a decrease of 23.4 cents in the past month. The average price for diesel fuel was down 12.0 cents per gallon in the past month. Missouri's average retail gasoline price is 43.5 cents, or 12 percent, lower, while the average retail diesel fuel price is 35.6 cents, or 9 percent, lower for the comparable period in October 2012.
- The U.S. average price for regular gasoline is 18.7 cents, or 5 percent, lower per gallon compared to last month at \$3.36 per gallon. The U.S. average was down by 32.7 cents

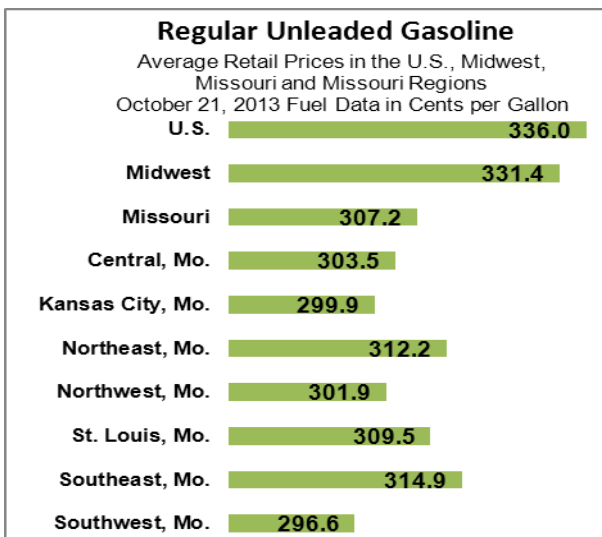
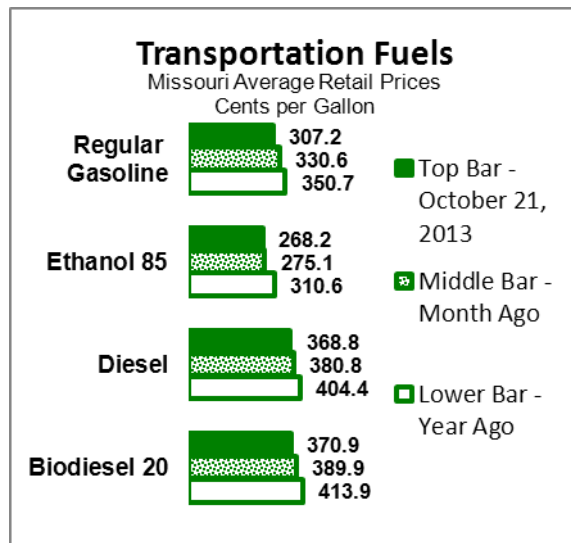
compared to this time last year. In the past week, the U.S. average was relatively unchanged.



- Gasoline imports decreased by 147,000 B/D from the prior week at 0.4 MMB/D. Imports are 88,000 B/D lower than last year at this time.
- Implied demand for gasoline was down at 8.8 MMB/D from the prior week and stands about 304,000 B/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, an increase of about 201,000 B/D compared to the same four-week period last year.
- U.S. gasoline supplies decreased 1.8 MMB at 215.5 MMB on the week. U.S. gasoline

inventories are up 16.9 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 increased 1.5 MMB at 125.8 MMB and stand 7.8 MMB higher compared to the same period last year. Distillate demand was down 401,000 barrels per day at 3.3 MMB/D on the week and down 196,000 barrels per day compared to the same period last year. On a four-week average, distillate demand was down 150,000 barrels per day compared to the same period last year at 3.7 MMB/D.
- On October 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.68 per gallon, 39.0 cents or 12.7 percent lower than the average price for conventional motor gasoline.



- On October 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.71 per gallon, 2.0 cents or less than 1.0 percent higher than the average retail price for conventional diesel fuel.
- According to the October 8, 2013, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages \$3.34 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to be \$3.52 per gallon in 2013 and \$3.40 per gallon in 2014.

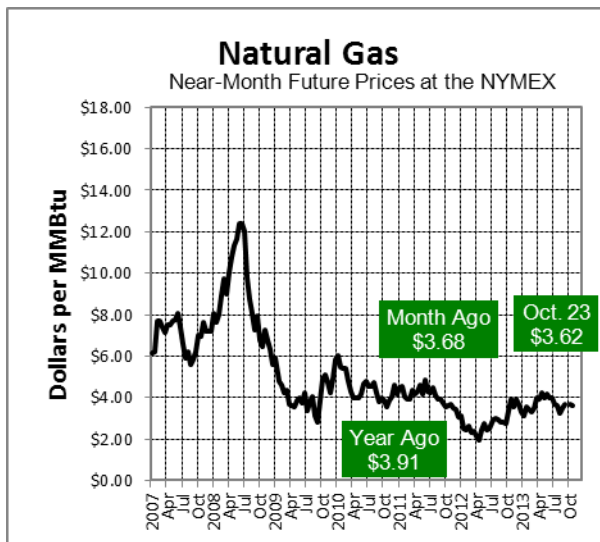
## Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On October 23, natural gas futures at the NYMEX closed at \$3.62 per million British thermal units (MMBtu), and down 7 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-23-13	09-04-13	change	10-18-12	change
NYMEX	\$3.62	\$3.68	down 2%	\$3.91	down 7%

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-23-13	09-04-13	change	10-18-12	change
NYMEX	\$3.62	\$3.68	down 2%	\$3.91	down 7%



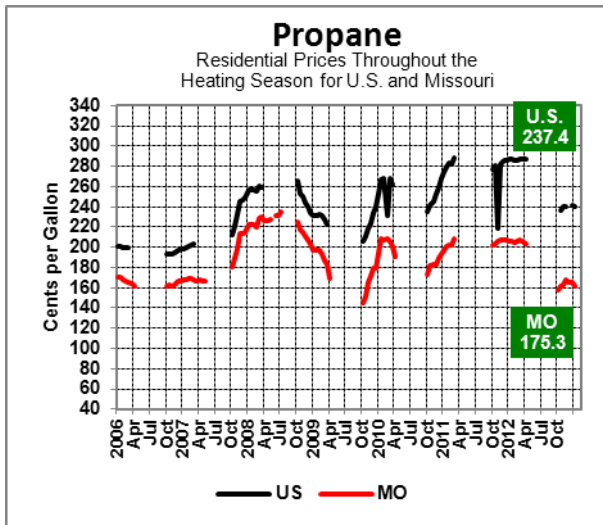
- At the NYMEX, natural gas futures for November 2013 delivery ended 3.8 cents higher on October 23 to close at \$3.62 per MMBtu. In the past year, natural gas values have decreased 29 cents or 7 percent.
- For the reporting week October 16 to October 23, the price of the November 2013 contract decreased 15.0 cents, from \$3.77 to \$3.62 per MMBtu.
- The 12-month strip (average of November 2013 to October 2014 contracts) fell 14.6 cents per MMBtu for the week, closing at \$3.80 per MMBtu.
- According to EIA, gas consumption increased by 9.4 percent from the previous week, driven by the increase of natural gas consumption in the residential and commercial sectors. Power generation decreased by 2.7 percent.
- Working gas in storage totaled 3,741 billion cubic feet (Bcf), 2.1 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 92 Bcf, or 2.4 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released October 8, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 13 percent for the 2013/14 heating season based on an increase in price of approximately 14 percent.

## Propane

Approximately 13 percent (293,603) of Missouri households use propane to heat their homes. Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**On October 21, the average Missouri retail price for residential propane was about \$1.75 per gallon, up 3.3 cents in the past month, and up 8 percent compared to last year at this time.**

Propane - Retail Prices (cents per gallon)					
	10-21-13	10-07-13	change	10-15-12	change
Missouri	175.3	172.0	up 2%	161.1	up 8%



- According to the Division of Energy's most recent statewide propane price survey conducted October 21, the average Missouri retail residential propane price was about \$1.75 per gallon, up 3.3 cents in the past month and up 8 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.10 per gallon, while the lowest retail price was about \$1.54 per gallon.
- U.S. inventories of propane decreased by about 0.5 MMB to end at nearly 66.0 MMB. Propane inventories are now 8.5 MMB, or 11.5 percent, lower compared to the same period last year. Implied demand for propane increased by 85,000 B/D at 1.3 MMB/D on the week, and up 64,000 B/D compared to the demand level for this time last year.
- Midwest propane inventories increased 0.08 MMB on the week. At 23.6 MMB, Midwest inventories are 3.9 MMB, or 14.2 percent, lower than the 27.5 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released October 8, 2013, Midwest households that heat with propane may realize an increase in expenditures by 9 percent for the 2013/14 heating season based on an increase in price of 10 percent.

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

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

**To learn more about Missouri energy issues, please visit:**

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

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](mailto:energy@ded.mo.gov); Web Address: <http://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.