



## Division of Energy

# MISSOURI ENERGY BULLETIN

September 12, 2016

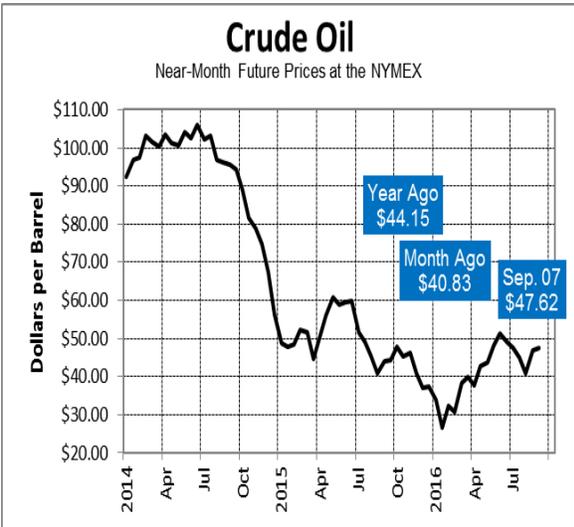
*(Data is for the week ended September 2, 2016, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices increased by \$6.79 to \$47.62 per barrel in the past month and stand 8 percent higher compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	09-07-16	08-03-16	change	09-09-15	change
NYMEX	\$47.62	\$40.83	up 17%	\$44.15	up 8%

- NYMEX crude oil futures for October 2016 delivery ended \$0.67, or 1.5 percent higher on September 7 to settle at \$47.62 per barrel as traders focused on the possibility that the world's top producers could agree on an output freeze.
- Oil hit a one-week high on September 5 after Russia and Saudi Arabia agreed to cooperate on stabilizing the oil market. Prices have since fallen due to uncertainty over a deal, particularly after a meeting in Doha in April among the world's largest producers to discuss output ended in failure. The market continues to be reactive to the claims of cooperation of OPEC and Russia, despite producers' inability to agree on production quotas. OPEC and non-OPEC producers such as Russia are expected to discuss an output freeze at informal talks in Algeria on September 26-28.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$47.62 is \$3.47, or 8 percent, higher.
- According to the weekly Energy Information Administration (EIA) fuels report released September 8, U.S. crude inventories decreased 14.5 million barrels (MMB) on the week to 511.4 MMB. U.S. crude supplies are now 53.4 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 nearly 7.1 MMB/D. Imports at this time last year averaged about 7.5 MMB/D.
- U.S. refinery crude runs increased from the prior week with refiners processing over 16.9 MMB/D. U.S. refinery capacity utilization was up on the week at 93.7 percent. Last year at this time, capacity use stood at 90.9 percent.
- Gasoline output increased on the week at nearly 10.2 MMB/D. Output was just under 9.6 MMB/D at this time last year. Distillate output increased from the prior week at just over 5.0 MMB/D. Last year at this time, production stood at nearly 4.8 MMB/D.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period stood at about 20.7 MMB/D, up by 2.4 percent compared to the same period last year.

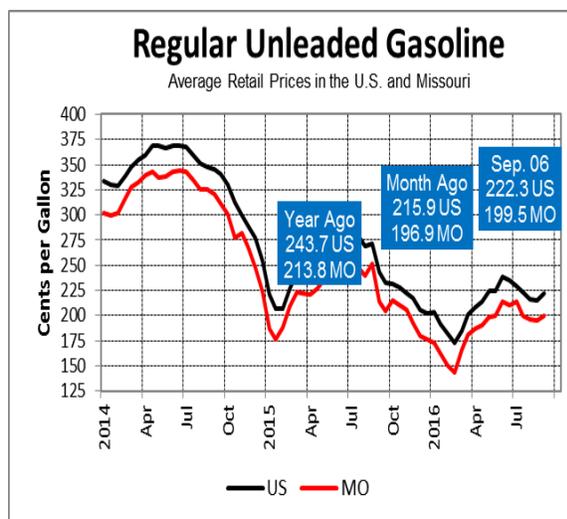
## Transportation Fuels

On September 6, Missouri's statewide average retail price for gasoline was \$2.00 per gallon, up 2.6 cents in the past month and down 14.3 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	09-06-16	08-01-16	change	09-08-15	change
US	222.3	215.9	up 3%	243.7	down 9%
Missouri	199.5	196.9	up 1%	213.8	down 7%

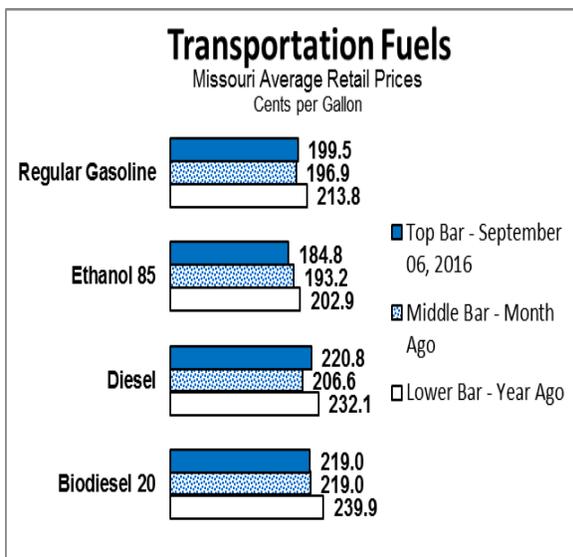
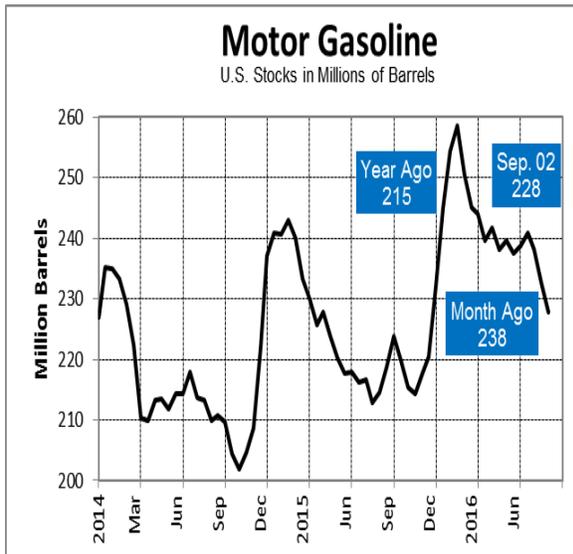
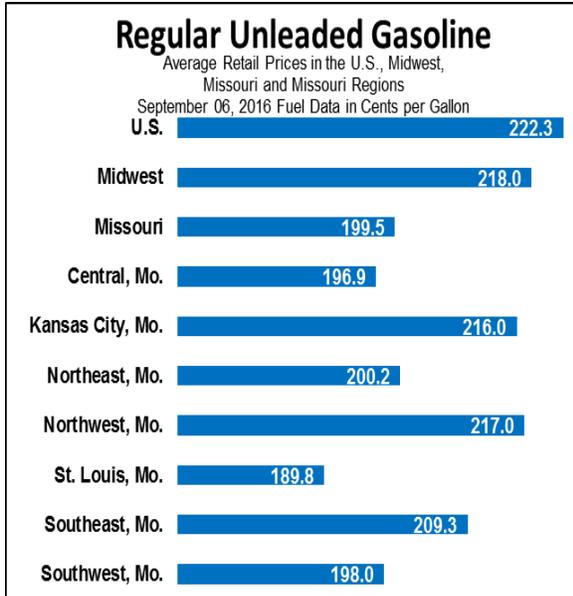
Diesel Fuel - Retail Prices (cents per gallon)					
	09-06-16	08-01-16	change	09-08-15	change
US	241.0	234.8	up 3%	253.4	down 5%
Missouri	220.8	206.6	up 7%	232.1	down 5%

- On September 6, Missouri's average retail price for gasoline was \$2.00 per gallon, up 2.6 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.21 per gallon, up 14.2 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 14.3 cents per gallon, or 7 percent, lower while the average retail diesel fuel price is 11.3 cents per gallon, or 5 percent, lower.
- At \$2.22, the U.S. average price for regular gasoline is 6.4 cents per gallon, or 3 percent, higher compared to last month.
- The U.S. average price for regular gasoline is down 21.4 cents per gallon, or 9 percent, compared to



this time last year. In the past week, the U.S. average decreased by 1.4 cents per gallon.

- Gasoline imports decreased from the prior week at over 0.6 MMB/D. Last year at this time, imports stood at over 0.6 MMB/D.
- Implied demand for gasoline increased on the week at over 9.6 MMB/D. Demand stood at over 9.7 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.6 MMB/D.
- U.S. gasoline supplies decreased 4.2 MMB on the week to 227.8 MMB. U.S. supplies are up 13.2 MMB compared to this time last year and trend above the five-year average for this time of year.
- Distillate stocks increased on the week at 158.1 MMB and stand 7.2 MMB higher compared to the same period last year.
- Distillate demand decreased on the week at nearly 3.7 MMB/D. Demand stood at nearly 3.6 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at over 3.7 MMB/D.
- On September 6, 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 September 6, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 1.8 cents per gallon, or 0.9 percent, lower 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.



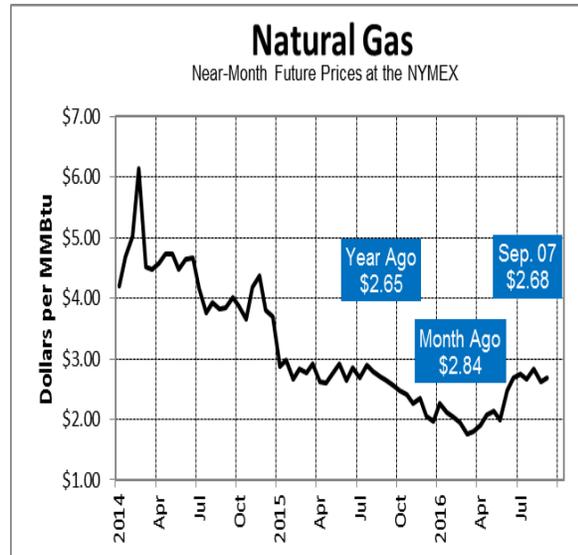
## Natural Gas

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 September 7, natural gas futures on the NYMEX closed at \$2.68 per million British thermal units (MMBtu), down \$0.16, or 6 percent, in the past month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-07-16	08-03-16	change	09-09-15	change
NYMEX	\$2.68	\$2.84	down 6%	\$2.65	up 1%

- The October 2016 NYMEX futures contract settled at \$2.68 per MMBtu on September 7, down 4.1 cents from the prior settlement. Futures are down 16 cents, or 6 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.03 per MMBtu, or 1 percent.
- Working gas in storage was 3,437 Bcf, 9.8 percent above the five-year average inventory level for the week. According to EIA's September 8, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 196 Bcf, or 6.0 percent, higher than last year at this time.



- Injections to storage continue at a slower-than-normal rate. Net injections into storage totaled 36 Bcf, compared with the five-year (2011-15) average net injection of 64 Bcf and last year's net injections of 78 Bcf during the same week.
- Temperatures rose from week-ago levels, remaining higher than normal. Temperatures in the Lower 48 states averaged 76°F, 4°F more than normal and 2°F more than last year at this time. Cooling degree-days (CDD) in the Lower 48 states totaled 79, compared with 65 last year and a normal of 54.
- According to the EIA, total U.S. consumption of natural gas fell by 8 percent. With cooler temperatures, power burn declined by 14 percent week over week, whereas industrial sector consumption stayed constant, averaging 19.5 Bcf/d. In the residential and commercial sectors, consumption increased by 1 percent. Natural gas exports to Mexico were down 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.

*(Note: Beginning April 2016, Missouri residential retail propane prices will be reported only for the first full week of each month through September 2016.)*

**On September 6, the average Missouri retail price for residential propane was \$1.14 per gallon, down 2.1 cents in the past month and down 6.1 cents in the past year.**

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>09-06-16</u>	<u>08-01-16</u>	<u>Change</u>	<u>09-08-15</u>	<u>change</u>
Missouri	114.0	116.2	down 2%	120.1	down 5%

- According to the Division of Energy's most recent statewide propane price survey conducted September 6, the average Missouri retail residential propane price was \$1.14 per gallon, down 2.1 cents in the past month and down 6.1 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was \$1.79 per gallon. The lowest retail price was \$0.88 per gallon.
- U.S. propane stocks increased by 0.6 MMB last week to 99.1 MMB as of September 2, 2016, 2.6 MMB or 2.7 percent higher than a year ago. Midwest inventories increased by 0.4 MMB to almost 29.2 MMB. Midwest inventories stood at over 26.4 MMB at this time last year.
- U.S. propane consumption increased on the week. At over 1.2 MMB/D, U.S. demand for propane is slightly 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](mailto:energy@ded.mo.gov); Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.