



Division of Energy

MISSOURI ENERGY BULLETIN

September 23, 2016

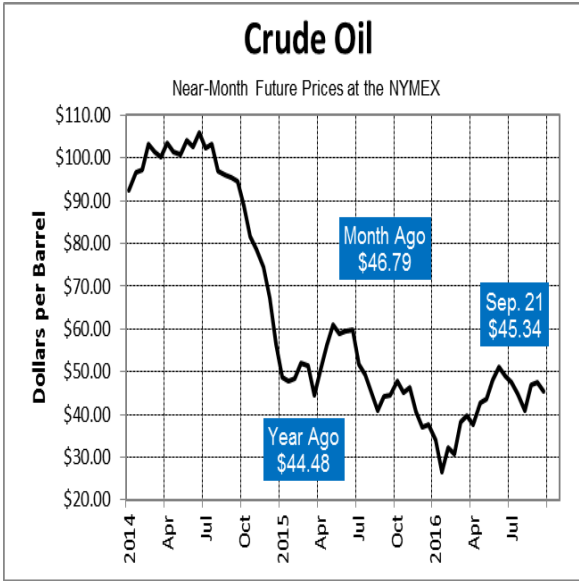
(Data is for the week ended September 16, 2016, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased by \$1.45 to \$45.34 per barrel in the past month and stand 2 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	09-21-16	08-17-16	change	09-23-15	change
NYMEX	\$45.34	\$46.79	down 3%	\$44.48	up 2%

- Crude oil futures for November delivery on the NYMEX ended \$1.29, or 2.9 percent, higher on September 21 to settle at \$45.34 per barrel, after a third unexpected weekly drop in US crude stockpiles boosted the demand outlook.
- The dollar weakened after the Federal Reserve left US interest rates unchanged, which also buoyed prices for dollar-denominated crude. Another supportive factor was an oil workers’ strike in Norway, which threatened to cut North Sea crude output. Prices jumped after the Energy Information Administration (EIA) surprised the market when it reported that crude inventories fell 6.2 million barrels (MMB) last week.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$45.34 is \$0.86, or 2 percent, higher.
- According to the federal weekly fuels report released September 21, U.S. crude inventories decreased 6.2 MMB on the week to 504.6 MMB. U.S. crude supplies are now 50.6 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 increased from the prior week at 8.3 MMB/D. Imports at this time last year averaged about 7.2 MMB/D.
- U.S. refinery crude runs decreased from the prior week with refiners processing over 16.6 MMB/D. U.S. refinery capacity utilization was down on the week at 92.0 percent. Last year at this time, capacity use stood at 90.9 percent.
- Gasoline output increased on the week at nearly 10.1 MMB/D. Output was nearly 9.6 MMB/D at this time last year. Distillate output increased from the prior week at less than 5.0 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 20.3 MMB/D, up by 3.0 percent compared to the same period last year.

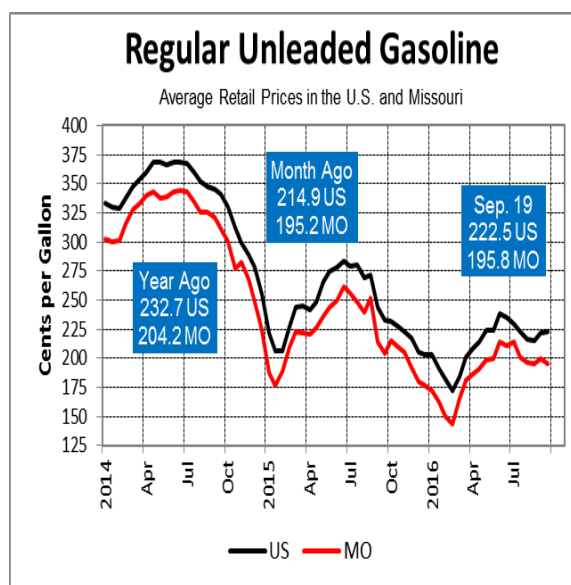
Transportation Fuels

On September 19, Missouri's statewide average retail price for gasoline was nearly \$1.96 per gallon, up 0.5 cent in the past month and down 8.4 cents in the past year.

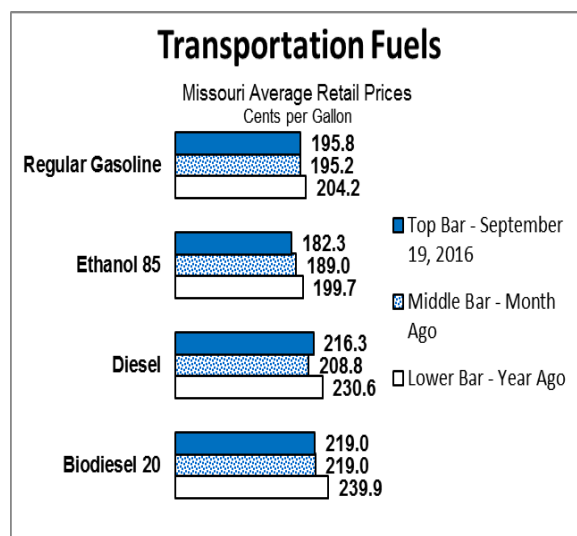
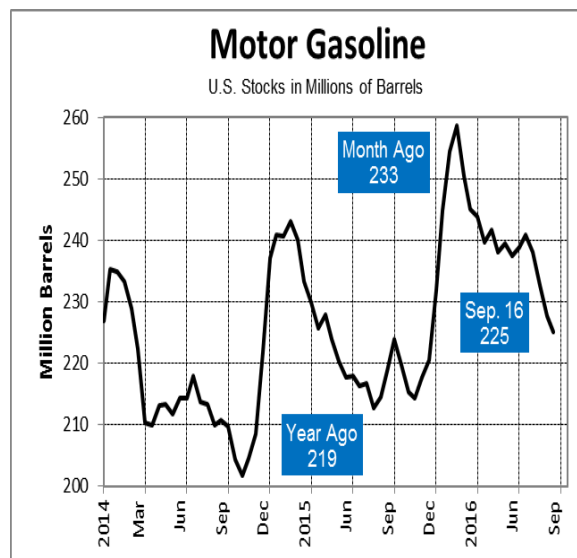
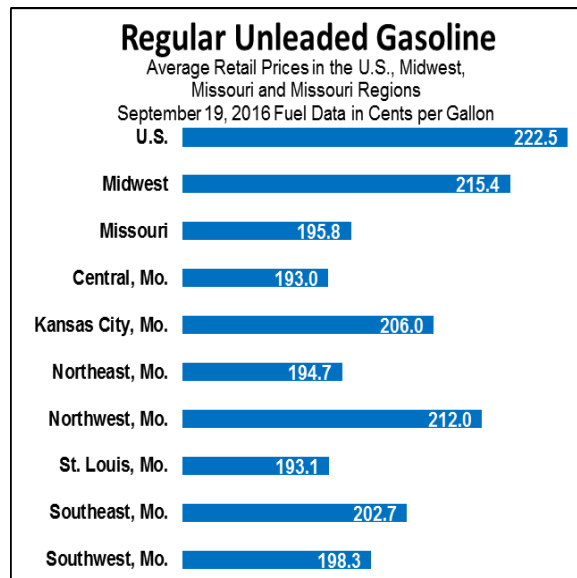
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	09-19-16	08-15-16	change	09-21-15	change
US	222.5	214.9	up 4%	232.7	down 4%
Missouri	195.8	195.2	up 0%	204.2	down 4%

Diesel Fuel - Retail Prices (cents per gallon)					
	09-19-16	08-15-16	change	09-21-15	change
US	238.9	231.0	up 3%	249.3	down 4%
Missouri	216.3	208.8	up 4%	230.6	down 6%

- On September 19, Missouri's average retail price for gasoline was nearly \$1.96 per gallon, up 0.5 cents in the past month.
- Missouri's average price for diesel fuel was about \$2.16 per gallon, up 7.5 cents in the past month.
- Compared to last year at this time, Missouri's average retail gasoline price is 8.4 cents per gallon, or 4 percent, lower while the average retail diesel fuel price is 14.3 cents per gallon, or 6 percent, lower.
- At nearly \$2.23, the U.S. average price for regular gasoline is 7.6 cent per gallon, or 4 percent, higher compared to last month.
- The U.S. average price for regular gasoline is down 10.2 cents per gallon, or 4 percent, compared to this time last year. In the past week, the U.S. average increased by 2.3 cents per gallon.



- Gasoline imports decreased from the prior week at under 0.6 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 9.7 MMB/D. Demand stood at just over 9.2 MMB/D at this time last year.
- In the past four weeks, U.S. gasoline demand has averaged over 9.5 MMB/D.
- U.S. gasoline supplies decreased 3.2 MMB on the week to 225.2 MMB. U.S. supplies are up 6.4 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 165.0 MMB and stand 13.1 MMB higher compared to the same period last year.
- Distillate demand increased on the week at over 3.4 MMB/D. Demand stood at over 4.3 MMB/D at this time last year. On a four-week average, distillate demand was slightly lower at nearly 3.6 MMB/D.
- On September 19, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$1.82 per gallon, 13.5 cents, or 6.9 percent, lower than the average price for conventional motor gasoline.
- On September 19, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel was \$2.19 per gallon, 2.7 cents per gallon, or 1.3 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.



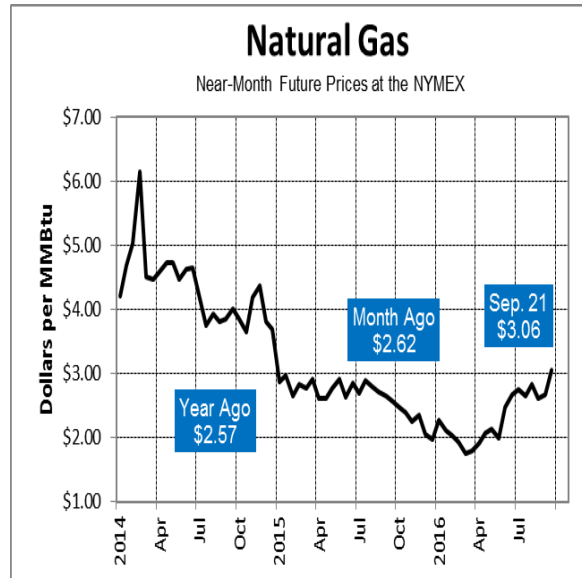
Natural Gas

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 September 21, natural gas futures on the NYMEX closed at \$3.06 per million British thermal units (MMBtu), up \$0.44, or 17 percent, in the past month.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-21-16	08-17-16	change	09-23-15	change
NYMEX	\$3.06	\$2.62	up 17%	\$2.57	up 19%

- The October 2016 NYMEX futures contract settled at \$3.06 per MMBtu on September 21, up 0.1 cents from the prior settlement. Futures are up 44 cents, or 17 percent, in the past month.
- In the past year, natural gas prices have increased by \$0.49 per MMBtu, or 19 percent.
- Working gas in storage was 3,551 Bcf, 8.2 percent above the five-year average inventory level for the week. According to EIA's September 22, 2016 *Weekly Natural Gas Storage Report*, U.S. natural gas supplies are 140 Bcf, or 4.1 percent, higher than last year at this time.
- Injections to storage continue at slower-than-normal rate. Net injections into storage totaled 52 Bcf, compared with the five-year (2011–15) average net injection of 83 Bcf and last year's net injections of 96 Bcf during the same week.
- Temperatures in the Lower 48 states averaged 73°F, 4°F higher than the normal and 4°F higher than last year at this time. Cooling degree-days in the Lower 48 states totaled 60, compared with 42 last year and compared to a normal of 40.
- According to the EIA, total U.S. consumption of natural gas was unchanged from last week, averaging 59.4 Bcf/d. Power burn declined by 3 percent week over week, and industrial sector consumption stayed constant, averaging 19.4 Bcf/d. Natural gas exports to Mexico decreased 5 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 2.2 cents in the past month and down 6.1 cents in the past year.

Propane - Retail Prices (cents per gallon)					
	<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 2.2 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 0.7 MMB last week to 101.7 MMB as of September 16, 2016, 4.7 MMB or 4.8 percent, higher than a year ago. Midwest inventories decreased by 0.2 MMB to almost 29.3 MMB. Midwest inventories stood at over 26.4 MMB at this time last year.
- U.S. propane consumption increased on the week. At just under 0.7 MMB/D, U.S. demand for propane is lower 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>.