energy API

Monthly Statistical Report

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MACROECONOMIC INDICATORS

- ISM Manufacturing ↓
- Fed Reserve Manufacturing Index ↑
- Rig Counts ↓

PETROLEUM DEMAND INDICATORS

- Total Deliveries ↓
- Gasoline ↓
- Distillates ↓
- Jet Fuel ↑

RETAIL PRICING INDICATORS

- Regular Gasoline ↓
- On-highway Diesel ↓

PETROLEUM DELIVERIES

For the first half of this year, total domestic petroleum deliveries fell 2.6 percent compared with the first half of last year. Total domestic petroleum deliveries, a measure of U.S. petroleum demand, were down from the prior year and were also down compared to second quarter last year, in June. This continued weak demand change is reflective of improving but relatively weak economic conditions. The most recent BLS data showed minimal employment growth from May, adding 80,000 jobs in June. However, the overall unemployment rate remains unchanged at 8.2 percent. In June, retail sales fell more than expected by 0.5 percent, compared with a 0.2 percent decline in May. Furthermore, economic conditions in Europe remain unstable causing further volatility within international financial markets. Asia is not immune from the global economic slowdown either. According to the Financial Times, the second quarter saw China's growth rate fall to 7.6 percent, its lowest since 2009.

At 8.8 million barrels per day, gasoline deliveries, a measure of consumer gasoline demand, were down in June from last year. Gasoline deliveries fell by 225,000 barrels per day in June compared with last year. Compared with the prior month's numbers, gasoline deliveries remained virtually unchanged. For the first half of this year, gasoline deliveries were lower 1.0 percent compared with the first half of last year. This dip is smaller than the 1.7 percent decline seen in the first half of 2008 during the financial crisis. For the second quarter, gasoline deliveries averaged 8.8 million barrels per day, a drop of 0.5 percent from the same period last year.

PETROLEUM SUPPLY

Domestic crude oil production rose from the prior month, prior year, prior year to date, and prior quarter. In June, crude oil production rose by 1.2 percent from May and 10.7 percent from last year to 6.197 million barrels per day –the highest June production level since June 1998. A year-over-year increase was seen in crude production for nine months in a row. Alaskan production in June was down 9.5 percent from last month and down 6.5 percent from last year to 517,000 barrels per day. The year-over-year decline was seen in Alaskan production since February this year. The number of oil and gas rigs decreased from 1,977 in May to 1,972 in June, according to the latest reports from Baker-Hughes, Inc. The number of oil and gas rigs continued to average under 2,000 in the first half 2012.

Refined product imports continued to be below the export levels through the first half of this year. Total imports of crude and refined products fell in June by 6.0 percent to average at 10.9 million barrels per day. Imports of crude oil declined in June by 1.6 percent to average 9.1 million barrels per day. Canadian crude imports were up by 8.8 percent in June to average 2.2 million barrels per day. Canadian imports made up nearly one quarter of total crude oil imports. Refined product imports fell by 23.1 percent compared with last year, to 1.8 million barrels per day. Gasoline and blending components imports were at 737 thousand barrels per day, a drop of 21.8 percent from June 2011 levels. Distillate fuel oil imports fell 18.3 percent from last year, while Jet fuel imports also fell by 70.7 percent from last year.

Although gasoline production was down for the second month in a row, total refinery inputs and production of other major products all rose in June. Inputs were 2.8 percent higher than last year's levels, to nearly 15.8 million barrels per day in June –the highest level so far this year. Production of all four major products – gasoline, distillate, jet fuel and residual fuels was greater than demand for those products, so exports of refined petroleum products increased by 17.8 percent.

The API **Monthly Statistical Report** is available via IHS Global (www.global.ihs.com). For more information, go to http://www.api.org/statistics or contact IHS at 1-800-854-7179.

QUARTERLY ESTIMATED UNITED STATES PETROLEUM BALANCE[1]
(Daily average in thousands of 42 gallon barrels)

Disposition and Supply	Second Quarter 2012[2]	2011	% Change
Disposition			
Total motor gasoline	8,818	8,863	(0.5)
Finished reformulated	3,067	3,039	0.9
Finished conventional	5,751	5,825	(1.3)
Kerosine-jet	1,454	1,474	(1.3)
Distillate fuel oil	3,754	3,749	0.1
≤ 0.05 percent sulfur	3,480	3,436	1.3
≤ 15 ppm sulfur	3,480	3,323	4.7
> 0.05 percent sulfur	275	313	(12.1)
Residual fuel oil	374	516	(27.4)
All other oils (including crude losses)	4,124	4,172	(1.1)
Reclassified[5]	(49)	(27)	na
Total domestic product supplied	18,477	18,747	(1.4)
Exports	3,161	2,716	16.4
Total disposition	21,638	21,463	0.8
Supply:			
Domestic liquids production			
Crude oil (including condensate)	6,150	5,602	9.8
Natural gas liquids	2,379	2,186	8.9
Other supply[4]	1,232	952	29.4
Total domestic supply	9,761	8,739	11.7
Imports:			
Crude oil (excluding SPR imports)	8,856	8,983	(1.4)
From Canada	2,227	2,032	9.6
All other	6,630	6,952	(4.6)
Products	1,762	2,582	(31.7)
Total motor gasoline (incl. blend.comp)	731	1,022	(28.5)
All other	1,031	1,560	(33.9)
Total imports	10,619	11,566	(8.2)
Total supply	20,379	20,304	0.4
Stock change, all oils	(1,259)	(1,159)	na
Refinery Operations:			
Input to crude distillation units	15,319	15,076	1.6
Operable capacity	17,442	17,572	(0.7)
Refinery utilization[5]	87.8%	85.8%	na
Crude oil runs	14,922	14,956	(0.2)

	Second Quarter 2012[2]	2011	% Change
Stocks (at end of quarter, in millions of barrels):			
Crude oil (excluding SPR stocks)	382.4	358.5	6.7
Unfinished oils	84.5	91.9	(8.0)
Total motor gasoline	206.6	215.2	(4.0)
Finished reformulated	0.1	0.1	(2.9)
Finished conventional	51.5	56.3	(8.5)
Blending components	153.0	158.8	(3.7)
Kerosine-jet	38.2	42.3	(9.6)
Distillate fuel oil	118.4	143.7	(17.6)
≤ 0.05 percent sulfur	92.2	110.9	(16.9)
≤ 15 ppm sulfur	100.5	93.9	7.1
> 0.05 percent sulfur	26.2	32.7	(20.0)
Residual fuel oil	34.7	37.4	(7.2)
All other oils	149.5	143.0	4.6
Total all oils	1,014.3	1,031.8	(1.7)

1. Total supply, i.e., production plus imports adjusted for net stock change is equal to total disposition from primary storage. Total disposition from primary storage less exports equals total domestic products supplied. Information contained in this report is derived from information published in the API *Weekly Statistical Bulletin* and is based on historical analysis of the industry. All data reflect the most current information available to the API and include all previously published revisions.

2. Data for most current two months are API estimates. Other data come from U.S. Energy Information Administration (including any adjustments).

3. An adjustment to avoid double counting resulting from differences in product classifications among different refineries and blenders.

4. Includes unaccounted-for crude oil, withdrawals from the SPR when they occur, processing gain, field production of other hydrocarbons and alcohol, and downstream blending of ethanol.

5. Represents "Input to crude oil distillation units" as a percent of "Operable capacity".

R: Revised. **na:** Not available.