



Monthly Statistical Report

Summary

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SUMMARY

Total domestic petroleum deliveries fell more than 4 percent in October compared with a year ago, contributing to a substantial year-to-date decline of over 5 percent to just 19.6 million barrels per day. A level for January-October deliveries of similar size has not been experienced since the year 2000, and a rate of decline of similar size has not been witnessed since the early 1980s. All the major products—gasoline, distillate, jet fuel, and residual fuel oil—have shared in 2008's sluggish deliveries, with year-to-date declines ranging from 2.6 percent for gasoline to nearly 19 percent for residual fuel oil.

Meanwhile, Gulf of Mexico crude oil production in October recovered more than half of the output sent offline by Hurricanes Gustav and Ike in September. Nevertheless, lower 48 crude oil production was still 7.2 percent lower than a year earlier at 4.0 million barrels per day. According to government estimates, more than half a million barrels per day of crude oil production, on average, was still shut in during October, as was nearly 3 billion cubic feet per day of natural gas production. A production increase in Alaska moderated the year-to-year decline for total U.S. crude oil production to 5.1 percent.

Refinery activity in October regained ground lost in September due to hurricane-related shut-downs. Input to distillation units rebounded to 14.9 million barrels per day, up by more than 14 percent from September, but still below year-ago levels by 2.4 percent. Production of all major products rebounded as well from September. Compared with year-ago levels, industry production of gasoline and distillate fuel oil were up, but jet fuel and residual fuel oil output lagged.

September's 12.0 million barrels per day of crude and product imports, in the wake of the hurricanes, had been the lowest in over four years. However, imports recovered in October to 13.7 million barrels per day, 5.8 percent higher than a year ago and their highest level since July 2007. Gasoline imports alone were up nearly 25 percent from a year ago to reach 1.35 million barrels per day, the second highest ever for that month after October 2005's surge following Hurricanes Katrina and Rita.

With significant recovery in offshore production during October, combined with the surge in crude oil imports, crude oil inventories swelled by nearly 11 million barrels to 309.5 million barrels. That was their highest level since April, and exceeded year-ago inventories for the first time in over a year. Gasoline inventories rose more than 4 million barrels from the prior month, and distillate inventories, a little over 1 million barrels. Gasoline inventories remained about 1.5 percent below year-ago levels, while distillate inventories, even with the counter-seasonal rise during October, were down by 5.8 percent from last October.

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