

November 2011

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

November's decline in domestic petroleum deliveries of 1.1 percent reversed the increase for October. For the first 11 months of 2011, total deliveries were down 0.7 percent from the same period in 2010. Deliveries of distillate fuel and jet fuel were strong in November this year compared with the prior year. However, continued declines in gasoline deliveries from the prior year suggest that the consumer activity has been generally sluggish in the second half of this year. Industrial activity seemed to show mixed signs as the latest data from the Federal Reserve indicate that the manufacturing activity declined from last year, but the production from the mining and utilities sector jumped from 2010 levels. Manufacturing, mining and utilities form the three subsectors in the Federal Reserve's industrial activity estimates.

Gasoline deliveries, at 8.7 million barrels per day, were down 1.8 percent from November 2010 and at an eleven-year low for the month. On a year-to-date basis, gasoline deliveries were 2.2 percent lower compared with the same period in 2010. Distillate deliveries were up 4.3 percent from November 2010 and were driven by ultra-low sulfur distillate fuel demand. This level was at a four-year high for the month. High-sulfur distillate fuel deliveries were significantly lower in November this year compared with last year. Exports of petroleum products jumped 35.4 percent from last November to reach 3.5 million barrels per day.

PETROLEUM SUPPLY

Crude oil production reversed its year-over-year gains from October and declined in November by 2.1 percent. At 5.4 million barrels per day, production was lower than last November but with the exception of last year, this production level was at a eight-year high for November. On a year-to-date basis, production was up by 2.8 percent. Production in the Lower 48 states was down by 2.8 percent to 4.8 million barrels per day. Alaskan crude oil production increased from the prior month to 625 thousand barrels per day and was up from last November by 3.1 percent. Natural gas liquids production was up by 2.1 percent from last November, to average 2.2 million barrels per day. The total number of oil and gas rigs remained above 2,000 for the second month in a row but declined slightly from October to 2,011, according to the latest Baker-Hughes Inc. report.

Imports of crude oil and refined products continued to show the same trends as in the prior months of this year, with crude imports staying positive while refined product imports declining throughout the year. Total imports were down from last year by 2.7 percent, at 10.8 million barrels per day. Crude imports jumped by 4.7 percent to 9.1 million barrels per day and product imports fell by 29.5 percent to 1.7 million barrels per day, compared with last year.

Refinery inputs recovered from the year-over-year declines in September and October. Total inputs were up 1.6 percent compared with November 2010. Gasoline production rose 2.1 percent to 9.3 million barrels per day. Distillate fuel production rose 6.8 percent to 4.8 million barrels per day. Both gasoline and distillate fuel production were at record highs for the month and for the year. Jet fuel production was up 1.8 percent while residual fuel production slumped by 11.7 percent in November.

Compared with November 2010, crude oil and refined product inventories declined this November. Total stocks of oils were down 4.3 percent to reach 928.4 million barrels. Crude oil stocks, at the end of November, were at 334.9 million barrels, down 5 percent from last November and down 1.5 percent from October 2011. Crude oil stocks were at a three-year low for the month. Gasoline inventories were up 3.2 percent from the prior month and up 0.8 percent from the prior year and were at 214.5 million barrels. Distillate fuel inventories were down 13 percent and 1.6 percent from the prior year and prior month respectively. At 140.9 million barrels, distillate fuel stocks were at a three-year low for the month. Jet fuel inventories were down 3.5 percent from last year to reach 42.5 million barrels. Residual fuel inventories were down 10 percent to finish November at 36.5 million barrels.

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ESTIMATED UNITED STATES PETROLEUM BALANCE¹
(Daily average in thousands of 42 gallon barrels)

Disposition and Supply	November			Year-to-Date		
	2011 ²	2010	% Change	2011 ³	2010	% Change
Disposition:						
Total motor gasoline.....	8,654	8,816	(1.8)	8,802	9,000	(2.2)
Finished reformulated.....	2,800	3,035	(7.8)	3,004	3,078	(2.4)
Finished conventional.....	5,854	5,781	1.3	5,798	5,923	(2.1)
Kerosine-jet.....	1,501	1,396	7.5	1,445	1,436	0.7
Distillate fuel oil.....	4,040	3,873	4.3	3,900	3,765	3.6
≤ 500 ppm sulfur.....	3,660	3,392	7.9	3,504	3,342	4.9
≤ 15 ppm sulfur.....	3,660	3,393	7.9	3,536	3,190	10.8
> 500 ppm sulfur.....	380	481	(21.1)	396	561	(29.4)
Residual fuel oil.....	240	552	(56.6)	464	536	(13.5)
All other oils (including crude losses)	4,433	4,372	1.4	4,366	4,369	(0.1)
Reclassified ⁴	(102)	(33)	na	2	12	na
Total domestic product supplied.....	18,766	18,977	(1.1)	18,978	19,118	(0.7)
Exports.....	3,518	2,599	35.4	2,866	2,326	23.2
Total disposition.....	22,283	21,576	3.3	21,844	21,444	1.9
Supply:						
Domestic liquids production						
Crude oil (including condensate).....	5,434	5,553	(2.1)	5,623	5,471	2.8
Natural gas liquids.....	2,181	2,136	2.1	2,141	2,069	3.5
Other supply ⁵	1,071	967	10.7	912	901	1.2
Total domestic supply.....	8,686	8,656	0.3	8,677	8,442	2.8
Imports:						
Crude oil (excluding SPR imports).....	9,109	8,699	4.7	8,969	9,315	(3.7)
From Canada.....	2,150	1,975	8.9	2,128	1,960	8.6
All other.....	6,959	6,724	3.5	6,841	7,355	(7.0)
Products.....	1,690	2,397	(29.5)	2,312	2,593	(10.8)
Total motor gasoline (incl. blend.comp)....	670	707	(5.2)	823	872	(5.6)
All other.....	1,020	1,691	(39.7)	1,489	1,721	(13.5)
Total imports.....	10,799	11,096	(2.7)	11,281	11,908	(5.3)
Total supply.....	19,485	19,752	(1.4)	19,958	20,350	(1.9)
Stock change, all oils.....	(2,799)	(1,823)	na	(1,887)	(1,094)	na
Refinery Operations:						
Input to crude distillation units.....	14,874	14,640	1.6	14,881	15,109	(1.5)
Gasoline production.....	9,321	9,134	2.1	9,113	9,041	0.8
Distillate fuel production.....	4,809	4,503	6.8	4,438	4,182	6.1
Kerosine-jet production.....	1,419	1,394	1.8	1,468	1,418	3.6
Residual fuel production.....	498	564	(11.7)	541	584	(7.3)
Operable capacity.....	17,737	17,594	0.8	17,717	17,589	0.7
Refinery utilization ⁶	83.9%	83.2%	na	84.0%	85.9%	na
Crude oil runs.....	14,479	14,637	(1.1)	15,123	14,700	2.9

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. Based on API estimated data converted to a monthly basis.

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

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

5. 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.

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

R: Revised. na: Not available.

ESTIMATED UNITED STATES PETROLEUM BALANCE¹
(Daily average in thousands of 42 gallon barrels)

	November 2011	October 2011	November 2010	% Change From	
				Month Ago	Year Ago
Stocks (at month-end, in millions of barrels):					
Crude oil (excluding SPR stocks).....	334.9	339.9	352.5	(1.5)	(5.0)
Unfinished oils.....	81.7	85.2	86.3	(4.1)	(5.3)
Total motor gasoline.....	214.5	207.9	212.8	3.2	0.8
Finished reformulated.....	0.1	0.1	0.2	150.0	(43.8)
Finished conventional.....	57.5	56.5	65.4	1.8	(12.0)
Blending components.....	156.9	151.3	147.3	3.7	6.5
Kerosine-jet.....	42.5	45.2	44.1	(6.0)	(3.5)
Distillate fuel oil.....	140.9	143.2	162.0	(1.6)	(13.0)
≤ 500 ppm sulfur.....	101.9	105.3	110.7	(3.2)	(7.9)
≤ 15 ppm sulfur.....	92.9	96.3	99.7	(3.6)	(6.8)
> 500 ppm sulfur.....	39.1	38.0	51.3	2.9	(23.8)
Residual fuel oil.....	36.5	35.0	40.5	4.3	(10.0)
All other oils.....	77.4	98.5	72.5	(21.4)	6.8
Total all oils.....	928.4	954.9R	970.6	(2.8)	(4.3)

R: Revised. na: Not available.