Monthly Statistical Report

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SUMMARY

For the first time since March 2011, total domestic petroleum deliveries, a measure of U.S. petroleum demand, rose, by 0.5 percent in May as compared with May 2011. Gasoline deliveries, a measure of consumer gasoline demand, continue to grow, up 0.4 percent from last year to 8.8 million barrels per day. For the first five months of 2012, gasoline demand decreased only slightly by 0.6 percent over the first five months of 2011. This continued weak demand change is reflective of improving but relatively weak economic conditions. The most recent BLS data showed employment growth from April to May, but at a less than expected amount. Conventional gasoline demand was up both in May and year to date, while reformulated gasoline demand was up for the month, but was down for the year to date. Reformulated gasoline is mostly used in urban areas and conventional is used in more rural areas. Gasoline demand remains weak, and although distillate demand has made some recent marginal improvements, overall distillate demand has weakened.

Weak demand for gasoline and distillate fuels can be traced to the overall instability in the U.S. and global economies. Unemployment numbers crept back up to 8.2 percent in May, up from 8.1 percent in April. International financial markets remain jittery over the ongoing financial upheaval in Europe as well as precarious economic conditions in other regions of the world.

Deliveries of distillate fuel, which include both diesel and heating oil, improved in May, up 2.0 percent for the month but declined 1.5 percent for year to date. Ultra-low sulfur diesel deliveries rose 1.6 percent for the month and rose 0.9 percent for the year to date. High-sulfur distillate deliveries increased by 9.3 percent for the month, but 2012 year to date were down 16.7 percent compared to 2011 year to date, due to the relatively warm weather.

Jet fuel deliveries ended March and April's decline with an increase of 1.4 percent for the month but remained weak for the year to date, down 1.0 percent from the same period a year ago. May's jet fuel deliveries were the highest level in 2012 and the highest level since August 2011, at 1.4 million barrels per day. According to the latest price data from the Energy Information Administration, Gulf-Coast jet fuel spot prices were below $3.00 for the first time this year, down 11.1 cents a gallon from last year to $2.974 per gallon in May. According to the Research and Innovation Technology Administration (RITA) at the Bureau of Transportation Statistics, available seat miles increased from 73,412,017 in February 2011 to 76,023,348 in February 2012. Jet fuel demand was up 0.5% and available seat miles were up 3.6% in February 2012. These data indicate that airplanes are becoming increasingly fuel efficient as airlines upgrade their respective fleets.

Domestic crude oil production rose by 8.5 percent to average 6.1 million barrels per day in May. Alaskan production was down by 5.0 percent from last May, at 571 thousand barrels per day. North Dakota produced record levels of crude oil in May at 574 thousand barrels per day. Natural gas liquids (NGL) production averaged 2.4 million barrels per day for May 2012, up by 6.9 percent from a year ago. The number of oil and gas rig counts increased from 1962 in April to 1977 in May, according to the latest reports from Baker-Hughes, Inc.

Imports of crude and refined products fell in May by 10.4 percent to average at 10.5 million barrels per day. Imports of crude oil declined in May by 1.3 percent to average 8.9 million barrels per day. Canadian crude imports were up by 3.8 percent in May to average 2.0 million barrels per day. Canadian imports made up nearly 23 percent of total crude oil imports.

May total refinery inputs were slightly higher than last year's levels by 0.7 percent. 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 19.3 percent. Gasoline production reached its third highest level in May, and year to date gas production reached its second highest level ever.

Crude oil stocks were up 3.9 percent from last year and up 2.5 percent from April levels to end in May at 384.1 million barrels. On the other hand, gasoline stocks posted declines for the month, down 4.0 percent from year ago and down 2.3 percent from month ago levels. Similarly, distillate fuel stocks were down 16.7 percent from year ago levels and down 2.0 percent from month ago levels and reached 120.5 million barrels. Jet fuel stocks also fell for the month, down 0.8 percent from April and down 5.6 percent from year ago levels. Stocks of "other oils" were down from year ago and from month ago levels. Total inventories of all oils were down 4.2 percent from year ago levels and down 3.9 percent from month ago levels.

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

Disposition and Supply	May			Year-to-Date		
	2012[2]	2011	% Change	2012[3]	2011	% Change
Disposition:						
Total motor gasoline	8,815	8,784	0.4	8,618	8,671	(0.6)
Finished reformulated	3,022	2,997	0.8	2,921	2,993	(2.4)
Finished conventional	5,793	5,787	0.1	5,697	5,678	0.3
Kerosine-jet	1,449	1,429	1.4	1,380	1,394	(1.0)
Distillate fuel oil	3,731	3,657	2.0	3,778	3,836	(1.5)
≤ 500 ppm sulfur	3,430	3,382	1.4	3,358	3,331	0.8
≤ 15 ppm sulfur	3,423	3,368	1.6	3,349	3,318	0.9
> 500 ppm sulfur	301	275	9.3	420	505	(16.7)
Residual fuel oil	381	478	(20.3)	408	574	(28.8)
All other oils (including crude losses)	4,171	4,087	2.1	4,230	4,347	(2.7)
Reclassified[4]	(90)	(72)	na	17	22	na
Total domestic product supplied	18,457	18,363	0.5	18,432	18,844	(2.2)
Exports	3,152	2,642	19.3	2,998	2,694	11.3
Total disposition	21,609	21,005	2.9	21,430	21,538	(0.5)
Supply:						
Domestic liquids production						
Crude oil (including condensate)	6,126	5,647	8.5	6,123	5,563	10.1
Natural gas liquids	2,376	2,222	6.9	2,377	2,101	13.2
Other supply[5]	1,366	952	43.5	1,075	964	11.6
Total domestic supply	9,868	8,821	11.9	9,576	8,628	11.0
Imports:						
Crude oil (excluding SPR imports)	8,874	8,988	(1.3)	8,735	8,779	(0.5)
From Canada	2,044	1,969	3.8	2,258	2,099	7.6
All other	6,830	7,019	(2.7)	6,477	6,679	(3.0)
Products	1,587	2,681	(40.8)	1,721	2,581	(33.3)
Total motor gasoline (incl. blend.comp)	654	1,115	(41.3)	678	923	(26.5)
All other	933	1,567	(40.4)	1,043	1,658	(37.1)
Total imports	10,461	11,669	(10.4)	10,537	11,360	(7.2)
Total supply	20,329	20,490	(0.8)	20,113	19,988	0.6
Stock change, all oils	(1,280)	(514)	na	(1,317)	(1,551)	na
Refinery Operations:						
Input to crude distillation units	15,238	15,128	0.7	14,931	14,515	2.9
Gasoline production	9,092	9,142	(0.5)	8,809	8,873	(0.7)
Distillate fuel production	4,531	4,277	5.9	4,396	4,221	4.1
Kerosine-jet production	1,499	1,483	1.1	1,434	1,402	2.3
Residual fuel production	515	557	(7.5)	534	539	(0.8)
Operable capacity	17,737	17,735	0.0	17,466	17,999	(3.0)
Refinery utilization[6]	85.9%	85.3%	na	85.5%	80.6%	na
Crude oil runs	14,761	14,776	(0.1)	14,522	14,607	(0.6)

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 BALANCE[1]
(Daily average in thousands of 42 gallon barrels)

	May 2012	April 2012	May 2011	% Change From Month Ago	% Change From Year Ago
Stocks (at month-end, in millions of barrels):					
Crude oil (excluding SPR stocks)	384.1	374.8	369.7	2.5	3.9
Unfinished oils	84.3	82.4	91.3	2.3	(7.7)
Total motor gasoline	205.3	210.1	213.9	(2.3)	(4.0)
Finished reformulated	0.3	0.1	0.7	200.0	(55.2)
Finished conventional	49.9	53.3	56.7	(6.4)	(12.0)
Blending components	154.1	156.7	156.5	(1.7)	(1.5)
Kerosine-jet	39.0	39.3	41.3	(0.8)	(5.6)
Distillate fuel oil	120.5	123.0	144.7	(2.0)	(16.7)
≤ 500 ppm sulfur	94.9	96.8	114.3	(2.0)	(17.0)
≤ 15 ppm sulfur	89.1	89.1	101.5	0.0	(12.2)
> 500 ppm sulfur	25.7	26.2	32.2	(1.9)	(20.2)
Residual fuel oil	31.8	32.4	30.4	(1.9)	4.7
All other oils	125.5	168.2R	142.3	(25.4)	(11.8)
Total all oils	990.5	1030.2R	1,033.6	(3.9)	(4.2)

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