

JULY 2012

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

Total domestic petroleum deliveries, a measure of U.S. petroleum demand, were down by 2.1 percent from the prior month to nearly 18.2 million barrels per day in September. Total domestic petroleum demand in September fell by 3.8 percent from last year, and was down 2.4 percent for year to date. This was the second lowest September level since 1996. The United States economy showed slight signs of improvement in September; however, the overall economic situation remains weak. According to the Bureau of Labor and Statistics (BLS) the unemployment rate decreased by 0.3 percent to 7.8 percent in September—the lowest rate in 44 months, since January 2009. Total nonfarm payroll employment increased by 114,000 in September. It appears that the majority of new jobs were created in the healthcare and education sectors of the economy. On average, American employers have added 146,000 jobs per month in 2012, but 12.1 million Americans remain unemployed persons.

Gasoline demand remained weak in September, down from the prior month, the prior year, and the prior year to date. Total motor gasoline deliveries, a measure of consumer gasoline demand, declined 3.6 percent in September from August to approximately 8.6 million barrels per day—the second lowest September level in eleven years, and the second lowest demand this year. Year over year declines were seen for the fourth consecutive month, as gasoline demand in September fell by 2.0 percent from September 2011. On a year to date basis, gasoline deliveries decreased by 0.7 percent compared with the same period in 2011. Year to date gasoline deliveries reached their lowest level since 2001. The average regular-grade gasoline price in September rose by 0.13 cents from the prior month to \$3.910 per gallon. At nearly 3.8 million barrels per day, distillate deliveries declined by 4.0 percent in September compared with the same period last year—driven by continued relatively weaker ULSD deliveries (down by 2.9 percent from last year). Compared with the prior month, September distillate deliveries were up by an average of 107 thousand barrels per day, while September ULSD deliveries were down 6 thousand barrels per day. ULSD prices increased to above \$4.00 for the first time since April, up by 13.7 cents from \$3.983 in August to \$4.120 in September. This price is 28.3 cents lower than September 2011.

PETROLEUM SUPPLY

Domestic crude oil production was up from the prior month, prior year, and prior year to date. In September, crude oil production rose by 4.1 percent from August and up 12.8 percent from last year to 6.295 million barrels per day—the highest September level since 1997. Since October 2011, year over year increases in crude production continued. Year to date crude production was 11.9 percent higher compared to 2011 year to date. Natural gas liquids (NGL) production, a co-product of natural gas production, rose 1.4 percent from the prior month to averaged 2.345 million barrels per day in September. This was 8.0 percent above the year-ago level. Year to date, NGL production was 2.357 million barrels per day, up 8.5 percent over the same period last year.

From January to September 2012, refined product imports continued to be below the export levels. Total imports of crude and refined products fell by 5.4 percent from last year to average 10.5 million barrels per day in September. Crude oil imports fell by 1.1 percent from last year to average just over 8.8 million barrels per day in September. Canadian crude imports were also down by 13.2 percent from last year to average 2.0 million barrels per day in September. Canadian imports made up 19.3 percent of total crude oil imports. Refined product imports fell by 23.4 percent compared with last year, to 1.6 million barrels per day. Gasoline and blending components imports were 563 thousand barrels per day in September, down 18.0 percent from September 2011 levels. In September, distillate fuel oil imports fell 20.7 percent from last year, while residual fuel imports also fell by 31.4 percent from last year. On the other hand, kerosine jet fuel imports were up 44.8 percent from last year.

Gasoline production continued year over year declines for the tenth straight month, and was down 3.3 percent from September 2011. Gasoline production in September fell 2.1 percent from the prior month to 8.8 million barrels per day—the lowest since April and the lowest September level in three years. Gasoline production year to date was also down by 2.4 percent from 2011 year to date. Even with these declines, gasoline production both for the month and year to date was the third highest September on record. Distillate fuel production in September was up 1.1 percent from last year to 4.6 million barrels per day—the highest September level. Year to date, distillate production was also at a record level at 4.5 million barrels per day, up 2.7 percent from 2011 year to date. Kerosine-jet production fell by 3.5 percent from August to about 1.5 million barrels per day in September. K-jet production was also down from last year, falling by 1.2 percent, but was up by 2.1 percent compared to 2011 year to date.

Crude oil stocks were up 9.7 percent from last year, and up 1.5 percent from August to end at 364.1 million barrels in September. In September, stocks of major products were all down from September 2011 levels. Gasoline stocks were down 7.0 percent from last year, and down 0.7 percent from last month. Distillate fuel stocks were down 19.0 percent from last year, and were down 1.9 percent from last month to end in September at 124.3 million barrels. Jet fuel stocks were down 5.6 percent from last year, but up 2.9 percent from last month. Stocks of “other oils” were down from year ago and month ago levels. Total inventories of all oils were down by 4.0 percent from year ago level, and down 3.4 percent from month ago level.

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.

Copyright©2012 The American Petroleum Institute.

All information offered in this report is the sole and exclusive property of the American Petroleum Institute. You may not reproduce, upload, post, transmit, download, or distribute, resell or otherwise transfer outside of your company without the express consent of the American Petroleum Institute. Data published in the API *Monthly Statistical Report* are based on data voluntarily reported by petroleum companies operating in the United States. Although API reviews reported data to identify internal inconsistencies and unusual period-to-period changes, in general API is not able to verify the accuracy of reported data. API therefore cannot guarantee the accuracy of the reported data, and disclaims any liability in connection with the data.