

August 2015

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 petroleum deliveries in August moved up by 0.8 percent from August 2014 to average nearly 19.6 million barrels per day. These were the highest August deliveries in five years, since 2010. Compared with July, total domestic petroleum deliveries, a measure of U.S. petroleum demand, decreased slightly by 0.1 percent. For year to date, total domestic petroleum deliveries increased by 2.2 percent compared to the same period last year. According to the Bureau of Labor and Statistics (BLS) September 4, 2015 report, the overall economy in the United States showed signs of improvement in August with an estimated 173,000 jobs added to the economy. In addition, BLS reported the unemployment rate fell to 5.1 percent, and the number of unemployed persons was down to 8.0 million.

Gasoline deliveries in August were up from the prior year and the prior year to date, but were down from the prior month. Total motor gasoline deliveries, a measure of consumer gasoline demand, moved up 1.1 percent from August 2014 to just above 9.4 million barrels per day. Compared with July, gasoline deliveries decreased by 0.1 percent. These were the highest August deliveries in eight years, since 2007. For year to date, gasoline deliveries increased by 2.6 percent compared with year to date of 2014. According to the latest EIA price data, the average regular-grade gasoline price in August was \$2.726 per gallon. This was the lowest price for the month of August since 2009. The August price was down from month-ago and year-ago prices to its lowest price in four months, falling by 15.4 cents and 83.9 cents, respectively. Distillate deliveries in August decreased by 3.0 percent from August 2014, and were down by 3.7 percent from July, to average just below 3.8 million barrels per day. For year to date, distillate deliveries were also down by 0.2 percent compared with year to date 2014, to just above 4.0 million barrels per day. The decrease in distillate deliveries was driven by the decreases in ULSD deliveries. Compared with the prior month and the prior year, ULSD deliveries fell by 5.2 percent and 4.9 percent, respectively, to 3.6 million barrels per day in August. Below \$3.00 per gallon for the eighth month in a row, ULSD prices fell by 19.3 cents from July and were down by \$1.243 from August 2014 to average \$2.595 per gallon in August, according to the latest EIA price data. Last month's price was the lowest August price in six years, since 2009.

According to the latest Manufacturing ISM Report on Business from the Institute for Supply Management (ISM) Survey, economic activity in the manufacturing sector expanded in August for the 32nd consecutive month. Moreover, the overall economy grew for the 75th consecutive month. The chair of the ISM Manufacturing Business Survey Committee stated that the Purchasing Managers Index (PMI) was registered at 51.1 percent in August, down 1.6 percentage points from the July reading of 52.7 percent.

PETROLEUM SUPPLY

U.S. crude oil production rose above 9.0 million barrels per day for the 11th month in a row. At an average of 9.3 million barrels per day, domestic crude oil production in August increased by 5.4 percent from August 2014, and was up by 0.5 percent from July. Compared with year to date 2014, domestic crude oil production rose by 10.6 percent. August crude oil production was the highest level for the month and the highest year to date level in 43 years, since 1972. Natural gas liquids (NGL) production, a co-product of natural gas production, was up from the prior year, and the prior year to date levels, but was down from the prior month. NGL production in August averaged nearly 3.3 million barrels per day—the highest August level on record. This was a decrease of 2.8 percent from July’s output, but was 4.2 percent higher than August 2014’s output. Compared with year to date 2014, NGL production rose by 9.0 percent. According to the latest reports from Baker-Hughes, Inc., the number of oil and gas rigs in the U.S. posted for the first time in four months a month over month increase to 894 in August. This was up by 3.2 percent from the previous month but remained below year-ago levels for the eighth straight month, down by 53.0 percent.

U.S. total petroleum imports in August averaged nearly 9.9 million barrels per day, up by 5.5 percent from the prior month, and up 6.1 percent from the prior year. These were the highest imports since September 2013, but remained the second lowest imports for the month of August in 20 years. Year to date total imports were up by 1.9 percent to average nearly 9.5 million barrels per day compared with year to date 2014. Meanwhile, crude oil imports fell slightly by 0.1 percent from August 2014 to their lowest level for the month of August in 20 years, averaging at nearly 7.5 million barrels per day. Compared with July, crude oil imports increased by 3.3 percent. For year to date, crude imports were down by 1.1 percent compared with year to date 2014. Imports of refined products increased by 12.6 percent from July and were up by 31.1 percent from August 2014 to 2.4 million barrels per day. These were the highest imports level for the month since 2010. For year to date, refined product imports were up by 13.7 percent compared with year to date 2014.

Production of gasoline in August reached a new high averaging nearly 10.1 million barrels per day. For the first time ever, gasoline production rose above 10.0 million barrels per day, up by 0.9 percent and 3.3 percent, from July and August 2014, respectively. For year to date, gasoline production increased by 2.1 percent compared with the same period last year and was the highest year to date on record. Production of distillate fuel in August fell by 0.2 percent from the prior year to average 5.0 million barrels per day, the second highest August level ever. For year to date, distillate production reached an all-time record of 4.9 million barrels per day. Refinery gross inputs in August increased by 1.5 percent from last year to reach a record high for the month of August averaging nearly 17.0 million barrels per day. Compared with July, U.S. gross refinery inputs rose by 0.4 percent. For year to date, refinery gross inputs were up by 2.0 percent compared with year to date 2014. The refinery capacity utilization rate in August averaged above 90.0 percent for the fifth consecutive month this year at 94.3 percent. This was up 0.3 percentage point from July, and up 0.6 percentage point from the same period last year. API’s latest refinery operable capacity was 17.982 million barrels per day, up 147 thousand barrels per day from last year’s capacity of 17.835 million barrels per day.

Crude oil stocks ended in August averaging at nearly 458.1 million barrels. Though this was the lowest inventory level since February, this August inventory level remained the highest inventory level in 85 years, since 1930. Crude stocks were down 0.3 percent from the prior month, but were up by 26.4 percent from the prior year. Stocks of motor gasoline ended in August were down by 0.9 percent from last month, but were up by 1.1 percent from last year, to end at 214.5 million barrels. These were the highest stocks for the month in 2 years. Distillate fuel oil stocks were up 3.3 percent from the prior month, and up 16.9 percent from the prior year to end at 150.0 million barrels—the highest August inventory level in 4 years, since 2011. Jet fuel stocks were up from the prior month by 1.7 percent, and were up by 20.3 percent from the prior year to end at 43.1 million barrels. Stocks of “other oils” were down from month ago levels, but were up from year ago levels. Total inventories of all oils were down 0.9 percent from month ago levels, but were up by 14.3 percent from year ago levels.

Copyright©2015 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