

April 2016

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 April moved up by 3.6 percent from April 2015 to average 19.7 million barrels per day. These were the highest April deliveries in eight years, since 2008. Compared with March, total domestic petroleum deliveries, a measure of U.S. petroleum demand, increased by 2.2 percent. For year to date, total domestic petroleum deliveries moved up by 1.1 percent compared to the same period last year. The overall economy in the U.S. showed gains for the fourth time in the year, adding 160,000 jobs in April, according to the Bureau of Labor and Statistics (BLS). The U.S. unemployment rate was unchanged at 5.0 percent, and the number of unemployed persons was little changed at 7.9 million.

Gasoline deliveries in April were up from the prior month, the prior year, and the prior year to date to reach a record high for the month of April and year to date. Total motor gasoline deliveries, a measure of consumer gasoline demand, moved up 2.5 percent from April 2015 and increased by 1.3 percent from March, to average nearly 9.4 million barrels per day—the highest April deliveries on record. For year to date, total motor gasoline deliveries increased by 2.5 percent compared with year to date 2015 to a record level at 9.1 million barrels per day. According to the latest EIA price data, the average regular-grade gasoline price in April was \$2.216 per gallon—the highest price for any month since November 2015. This was up 14.5 cents from March, but was down by 33.9 cents from April 2015. In April, distillate deliveries averaged just above 4.0 million barrels per day, up by 1.0 percent compared with April 2015. Compared to the prior month, April distillate deliveries moved up 12.4 percent. For year to date, distillate deliveries decreased 8.3 percent compared to year to date 2015. The increase in distillate deliveries was driven by the increase in high sulfur distillate (HSD) deliveries, which rose by 15.4 percent during the same period to 185 thousand barrels per day. The higher HSD deliveries last month can be attributed to the colder weather seen last month. According to NOAA's latest report, heating degree days in April were up by 5.3 percent from April 2015. According to the latest EIA price data, ULSD prices in April increased by 6.2 cents from last month's price of \$2.090 per gallon to the highest price for the year at \$2.152 per gallon. Last month's price was 63.0 cents below the April 2015 price of \$2.782 per gallon.

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 April for the second consecutive month, while the overall economy grew for the 83rd consecutive month. The chair of the ISM Manufacturing Business Survey Committee stated that the Purchasing Managers Index (PMI) was registered at 50.8 percent, 1.0 percentage points above the March reading of 51.8 percent.

PETROLEUM SUPPLY

Below 9.0 million barrels per day for the second month in a row, crude oil production was down from the prior month, the prior year, and the prior year to date to the lowest output level in 20 months. Crude oil production decreased 0.6 percent from March, and was down by 7.8 percent from April 2015 to average 8.9 million barrels per day in April. For year to date, crude production was also down by 5.0 percent compared with year to date 2015. Natural gas liquids (NGL) production, a co-product of natural gas production, was up from prior year and the prior year to date, but was down from the prior month. NGL production in April averaged 3.3 million barrels per day, down by 0.4 percent from last month but was 0.7 percent higher than last year. This was the highest April output level on record. For year to date, NGL production was up 5.9 percent compared to the same period last year. According to the latest reports from Baker-Hughes, Inc., the average U.S. rig count for April 2016 fell at its lowest level on record at 438. This was down 8.6 percent from March's count of 479, and was down 55.1 percent from April 2015's count of 976.

U.S. total petroleum imports in April averaged 9.9 million barrels per day, down 0.7 percent from the prior month and were up by 6.7 percent from the prior year, but remained the third lowest total petroleum imports for the month of April in 20 years, since 1996. For year to date, total petroleum imports were also up by 5.8 percent compared with year to date 2015. Crude oil imports increased 8.0 percent from April 2015 to 7.8 million barrels per day in April 2016. Compared with March 2016, crude oil imports were 2.5 percent lower. For year to date, crude imports were also up by 7.9 percent compared with year to date 2015.

Gasoline production for the month of April averaged 9.8 million barrels per day, up 0.2 percent from the prior year, and up 0.8 percent from the prior month. The April 2016 gasoline output was a record high for the month. For year to date, gasoline production increased by 1.2 percent compared to the same period last year and was the highest year to date on record. Distillate production in April was down from the prior month, the prior year, and the period year to date to the lowest April output level in three years. Distillate fuel production in April declined 1.7 percent and 4.7 percent, from March and April 2015, respectively. For year to date, distillate production decreased by 3.4 percent compared to the same period last year.

Refinery gross inputs moved down by 0.9 percent from April 2015 but remained the second highest inputs for the month of April, averaging 16.4 million barrels per day in April. Compared to March 2016, refinery gross inputs were up by 0.4 percent. Production of all four major products—gasoline, distillate, jet fuel and residual fuels was higher than demand for those products, so refined products were exported. Exports of crude oil and refined petroleum products increased 2.5 percent in April 2016, compared to April 2015, to average nearly 5.1 million barrels per day. This was the highest April export level ever. Refinery capacity utilization rate averaged 89.4 percent in April, down 2.6 percentage points from the prior year, and was down by 0.1 percentage points from the prior month. API's latest refinery operable capacity was 18.315 million barrels per day.

Crude oil stocks ended in April at 540.6 million barrels—the highest April inventory level on record in 96 years, since 1920. Crude stocks were up 10.5 million barrels or 2.0 percent from the prior month, and were up by 57.3 million barrels or 11.8 percent from the prior year. In April, motor gasoline stocks ended at 239.8 million barrels, down 1.7 percent from the prior month, but were up by 5.0 percent from prior year. April's motor gasoline stocks were the highest inventory level for the month of April in 29 years, since 1987. Distillate fuel oil stocks were down 4.3 percent from the prior month, but were up by 21.7 percent from the same period last year to end at 157.0 million barrels—the highest April inventory level in 35 years, since 1981. Jet fuel stocks were down from the prior month by 3.6 percent, but were up by 10.9 from the prior year to end at 42.6 million barrels. Stocks of "other oils" were down from month ago and year ago levels. Total inventories of all oils were down 2.5 percent from month ago levels, but were up by 7.8 percent from year ago levels.

Copyright©2016 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