

API - Petroleum Demand Rose in June and 2nd Quarter

The **American Petroleum Institute** (API) has released its Monthly Statistical Report that shows total U.S. petroleum deliveries (a measure of demand) grew by 4.2 percent from June 2014 to average 19.6 million barrels per day last month. In the second quarter, demand increased by 3.7 percent compared to the same period last year. “Demand for and production of oil and refined products grew almost across the board over the last year “,” said API Chief Economist **John Felmy**. “Notably, gasoline demand last month reached the highest level since the summer of 2007.” Other highlights of the API report are:

At nearly 9.8 million barrels per day, U.S. crude oil production in June increased by 12.5 percent from the prior year. This was a new record level for the month of June and the highest for any other month since April 1971. In the second quarter, crude oil production gained 12.9 percent year-over-year.

Natural gas liquids (NGL) production set a new all-time record last month, averaging nearly 3.4 million barrels per day. This was 10.3 percent higher than the prior year. Production in the second quarter increased by 11.4 percent over the same period in 2014.

Distillate deliveries were up 1.3 percent from the prior year to average 3.9 million barrels per day. Over the same period, demand rose for jet fuel (0.6 percent), residual fuel (3.1 percent) and “other oils” (8.9 percent).

According to the latest reports from Baker-Hughes, Inc., the number of oil and gas rigs in the U.S. in June was 861, a drop of 3.1 percent from the previous month and 53.7 percent below the year ago level. Last month’s count was the lowest count since January 2003.

U.S. total petroleum imports in June averaged 9.1 million barrels per day, 3.3 percent higher than a year ago but the second lowest level for the month since 1993. Meanwhile, crude oil imports fell 1.1 percent to just below 7.0 million barrels per day – falling below that mark for only the second time since February 1996.

Refinery gross inputs in June rose by 5.0 percent from last year to a record high for the month at nearly 16.9 million barrels per day. Exports of refined petroleum products were up by 12.6 percent over the same period to average nearly 4.7 million barrels per day—the highest June level ever.

The refinery capacity utilization rate last month averaged above 90.0 percent for the third time this year at 94.4 percent. This was up 2.4 percentage points from May, and up 4.1 percentage points from June 2014. API’s latest refinery operable capacity was 17.873 million barrels per day.

Crude oil stocks in June gained 22.0 percent from the prior year, averaging at 468.2 million barrels—the highest level for the month since 1930. Stocks of motor gasoline ended down 0.9 percent from last year to 216.9 million barrels. Distillate and jet fuel stocks were up from year ago levels while stocks of “other oils” fell.

Gasoline demand rose last month by 3.5 percent from June 2014 to average over 9.3 million barrels per day. These deliveries were the highest for any month since August 2007. Deliveries of gasoline in the second quarter increased by 2.6 percent compared to last year. Gasoline production fell by 0.3 percent from June 2014 to average 9.9 million barrels per day. Production of distillate fuel rose by 3.5 percent during that time to nearly 5.1 million barrels per day, the highest June level ever. Year-to-date production of both gasoline and distillate set new all-time records.

API is a national trade association that represents all segments of America’s technology-driven oil and natural gas industry. Its more than 625 members – including large integrated companies, exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms – provide most of the nation’s energy and are backed by a growing grassroots movement of more than 25 million Americans. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy and, since 2000, has invested over \$3 trillion in U.S. capital projects to advance all forms of energy, including alternatives.