

API - Petroleum Demand Rises in August

Total U.S. petroleum deliveries (a measure of demand) in August 2014 increased 1.0 percent from a year ago to average 19.3 million barrels per day. These were the highest August deliveries in three years, according to latest figures released by the **American Petroleum Institute (API)**. “Petroleum demand last month showed slow but steady growth, mirroring economic indicators for domestic manufacturing, air travel and job creation,” said API Chief Economist **John Felmy**. “Domestic crude and refinery production also remained quite strong.”

With record production in North Dakota and Texas, API said crude oil production reached its highest August output in nearly three decades, averaging at just above 8.6 million barrels per day. This was up by 15.5 percent from August 2013. Natural gas liquids (NGL) production, a co-product of natural gas production, rose by 13.6 percent from the prior year to average a new all-time record high of nearly 3.1 million barrels per day. According to the latest reports from **Baker-Hughes, Inc.**, the number of oil and gas rigs in the U.S. in August was 1,904, up 28 counts from July, and up 123 counts from August 2013.

API stats showed total imports fell by 10.2 percent compared with August 2013, to average 9.2 million barrels per day last month. These were the lowest August imports in 19 years, since 1995. Meanwhile, crude oil imports averaged nearly 7.6 million barrels per day, which was a 6.2 percent drop from last year and the lowest August level in 18 years. Imports of refined products plummeted 25.0 percent from August 2013 to the lowest level in 32 years at 1.6 million barrels per day.

August records were set in U.S. refinery gross inputs and exports of refined products as well, said API. Refinery gross inputs rose by 2.3 percent from the August 2013 to average 16.7 million barrels per day while exports of refined petroleum products gained 7.5 percent to average just over 4.0 million barrels per day. The refinery capacity utilization rate averaged 92.9 percent in August. API’s latest refinery operable capacity was 17.934 million barrels per day.

API reports that crude oil stocks ended down by 1.5 percent from the prior year at 360.1 million barrels last month, the lowest August inventory since 2011. Stocks of motor gasoline ended down by 2.7 percent from last year to 211.7 million barrels. Distillate, jet fuel and “other oils” stocks were all down from year ago levels, with distillate hitting a 13-year August low.

Gasoline demand fell 1.2 percent from August 2013 to average 9.0 million barrels per day, the lowest deliveries for the month since 2011, according to API. Demand for distillate and jet fuel was 2.7 percent and 2.3 percent higher than the prior year, respectively. Production of gasoline in August averaged nearly 9.8 million barrels per day, a 4.6 percent gain from year-ago levels and the highest August output on record. Production of jet fuel also set a new August record by rising 3.2 percent from last year to just below 1.7 million barrels per day. Distillate fuel production reached the second highest August level on record at nearly 4.9 million barrels per day, a 1.3 percent decrease from last year.