

API Reports Petroleum Demand Down Slightly in October

The **American Petroleum Institute** (API) reports that total U.S. petroleum deliveries (a measure of demand) edged down last month by 0.2 percent from October 2013 to average 19.3 million barrels per day. “Production and refining activity were both quite strong in October,” said API Chief Economist **John Felmy**. “While total demand saw a small drop-off from last year, transportation fuels like gasoline and jet fuel hit recent highs for the month.” Other highlights of API’s Monthly Statistical Report include:

- Crude production last month averaged nearly 9.0 million barrels per day, up 17.0 percent from last year to the highest October output in over four decades. Record oil production occurred in the Bakken, the Eagle Ford, and the Permian regions last month, and the Marcellus region achieved record natural gas production, per the latest EIA Drilling Productivity Report.

- Natural gas liquids (NGL) production, a co-product of natural gas production, averaged just above 3.1 million barrels per day, a 13.0 percent increase from the prior year. According to the latest reports from Baker-Hughes, Inc., the number of oil and gas rigs in the U.S. in last month was 1,925 – up 181 counts from October 2013.

- Total petroleum imports fell by 5.3 percent from the prior year to average 9.1 million barrels per day last month while imports of refined products fell 29.4 percent to 1.5 million barrels per day. Both figures represent 19-year lows for October. Imports of crude oil increased by 1.6 percent from October 2013 to average 7.6 million barrels per day but were still the second lowest level for the month in 18 years.

- October records were set in refinery gross inputs and exports of refined products. Gross inputs grew 2.2 percent from last year to average 15.8 million barrels per day while exports were up 8.4 percent to average just over 4.4 million barrels per day. With a number of refineries on turnaround, the refinery capacity utilization rate averaged 88.8 percent in October. This was a 2.9 percent drop from September but up 2.0 percent from last October and the highest rate for the month in 10 years. API’s latest refinery operable capacity was 17.805 million barrels per day.

- Crude oil stocks ended October at 374.3 million barrels, down 1.9 percent from the last year, and stocks of motor gasoline fell to 204.1 million barrels on a 4.6 percent decline. Jet fuel stocks also fell compared to the prior year while distillate and “other oils” stocks increased.

- Gasoline demand grew 0.3 percent from October 2013 to average just below 9.0 million barrels per day – the highest level for the month since 2010. Deliveries also rose over the same period for jet fuel (1.5 percent) and “other oils” (4.6 percent) but fell for distillate (6.2 percent) and residual fuel (11.2 percent). At nearly 1.5 million barrels per day, October deliveries of jet fuel reached the highest level in seven years. Production of gasoline in October grew by 0.4 percent from the prior year to set a new record for the month of 9.5 million barrels per day.