

## API Reports Petroleum Demand Falls in September and 3rd Quarter

The **American Petroleum Institute (API)** reports that total U.S. petroleum deliveries (a measure of demand) decreased by 3.5 percent from September 2013 to average 18.6 million barrels per day last month. For the third quarter, petroleum demand fell by 0.9 percent from the same period last year. “The gap between U.S. petroleum production and demand continued to trend higher last month,” said API Chief Economist **John Felmy**. “Strong production of crude and petroleum products coupled with soft demand is a classic recipe for the market movements that have generated headlines in recent weeks.”

Domestic crude oil production reached the highest September level in 29 years, increasing by 13.7 percent from last year to 8.8 million barrels per day. Natural gas liquids (NGL) production, a co-product of natural gas production reached a new all-time high of 3.1 million barrels per day, rising 11.1 percent over the same period. According to the latest reports from **Baker-Hughes, Inc.**, the number of oil and gas rigs in the U.S. in September was 1,930, up from August’s count of 1,904 and from September 2013’s count of 1,760. This was the highest count since July 2012.

API says U.S. total petroleum imports fell to their lowest level since February 1995, averaging just below 8.4 million barrels per day. This was a 16.3 drop from the prior year. Crude oil imports averaged 7.4 million barrels per day, down 6.7 percent over the same period to the lowest September level in 18 years. Meanwhile, imports of refined petroleum products dropped 52.5 percent to average 1.0 million barrels per day, the lowest level for EIA records dating to 1981.

Refinery gross inputs gained 1.2 percent from last year to set a new September record just above 16.3 million barrels per day, according to API. Gasoline production was at the lowest level since February but was 2.7 percent higher than the prior year to set a new record for the month of September at 9.4 million barrels per day. Exports of refined petroleum products increased by 18.4 percent from last year to nearly 4.3 million barrels per day. This was the highest September level on record and was also the third highest exports level ever recorded. The refinery capacity utilization rate averaged 91.7 percent in September, down 1.2 percentage points from August but up 1.0 percentage points from the same period last year. API’s latest refinery operable capacity was 17.822 million barrels per day.

Crude oil stocks ended September at 359.0 million barrels, down 3.8 percent from last year. Stocks of motor gasoline ended down by 4.3 percent from last year to 210.3 million barrels. Distillate and jet fuel stocks were both down from year-ago levels while stocks of “other oils” were up over the same period, said API.

Gasoline demand fell 3.0 percent from September 2013 to average nearly 8.7 million barrels per day, and distillate deliveries decreased by 2.6 percent to approximately 3.6 million barrels per day. Over the same period, jet fuel demand dropped 2.9 percent to the lowest level for the month in 21 years while residual fuel set a new September low with a 44.6 percent decline. “Other Oils,” which accounted for 25.4 percent of total deliveries, showed an increase of 1.0 percent over year-ago levels.

API is a national trade association that represents all segments of America’s technology-driven oil and natural gas industry. Its more than 600 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 grass-roots movement of more than 20 million Americans. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy, delivers \$85 million a day in revenue to our government, and, since 2000, has invested over \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives.