

February Petroleum Demand Highest Since 2008

The **American Petroleum Institute** (API) reports total U.S. petroleum deliveries (a measure of demand) rose 1.5 percent from February 2014 to average 19.3 million barrels per day. This was the highest February demand since 2008. “Greater demand for gasoline and jet fuel and a colder-than-usual February brought total February deliveries back to pre-recession levels,” said API Chief Economist **John Felmy**. “At the same time, the continued strength of crude oil and refinery production ensured that stocks of crude and refined products remained high.”

At nearly 9.3 million barrels per day, U.S. crude oil production in February increased by 14.5 percent from a year earlier, said API. This was the highest crude oil production level since April 1973. Natural gas liquids (NGL) production, a co-product of natural gas production, set a new all-time high last month by gaining 18.1 percent over the same period to average nearly 3.2 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 February was 1348, a drop of 19.9 percent from the previous month and 23.8 percent below the year ago level.

U.S. total imports in February averaged nearly 9.8 million barrels per day, 7.0 percent higher than the prior year. Meanwhile, crude oil imports rose by 6.0 percent to just over 7.6 million barrels per day. Both figures were the third lowest February levels in 18 years, although the level of crude oil imports was also the highest for the month since 2012.

Crude oil stocks ended up by 17.8 percent from a year earlier at 439.7 million barrels—the highest February inventory level since 1930. Stocks of motor gasoline also ended higher in February, up 3.7 percent from last year to 236.6 million barrels. Stocks of distillate, jet fuel and “other oils” were all up from year ago levels as well.

February gasoline demand edged up 0.1 percent from the prior year to average 8.7 million barrels per day -- the highest level for the month since 2009. Demand for jet fuel rose 2.4 percent over the same period to the highest February level since 2008, while deliveries of “other oils” gained 13.0 percent driven by strong demand for propane. Demand for distillate and residual fuel fell by 4.8 percent and 4.3 percent, respectively.

At nearly 9.5 million barrels per day, production of gasoline hit a record high for the month on a 1.9 percent increase from February 2014. Production of distillate fuel in February rose by 3.8 percent from the prior year to reach a record February level of over 4.7 million barrels per day.

Refinery gross inputs rose by 0.7 percent from last year to a record high for the month of over 15.6 million barrels per day. At the same time, exports of refined petroleum products were up by 27.5 percent to average 4.6 million barrels per day—the highest February level ever.

The refinery capacity utilization rate averaged 87.9 percent last month. This was down 1.6 percentage points from January but up 1.3 percentage points from February 2014. API’s latest refinery operable capacity was 17.793 million barrels per day.

(Story by Brian Straessle, API)