

U.S. Petroleum Demand Grew 5.4 percent in May

The **American Petroleum Institute (API)**, a national trade association that represents all segments of America's technology-driven oil and natural gas industry, reported total U.S. petroleum deliveries (a measure of demand) grew by 5.4 percent last month from May 2014 to average 19.5 million barrels per day. This was the highest monthly demand yet seen in 2015.

"Fuel demand was up across the board last month, but stocks of crude oil and gasoline remained elevated thanks to robust production," said API Chief Economist **John Felmy**. "Activity in the refining sector was particularly strong, setting several new records for the month of May." Other highlights of the API Monthly Statistical Report are as follows.

Gasoline demand grew by 2.5 percent compared to May 2014 to just above 9.2 million barrels per day. Distillate deliveries reached a new record for the month, up by 4.5 percent from the prior year to average 4.1 million barrels per day. Over the same period, demand also rose for jet fuel (11.5 percent), residual fuel (1.3 percent) and "other oils" (13.8 percent).

Gasoline production set a new record for the month of May, rising 0.2 percent from last year to average 9.8 million barrels per day. Production of distillate fuel fell by 1.4 percent from May 2014 to reach an average output of 4.9 million barrels per day, the second highest May level ever. For year to date, distillate production reached an all-time record of nearly 4.9 million barrels per day.

At nearly 9.6 million barrels per day, U.S. crude oil production increased by 10.7 percent from May 2014, but changed only slightly from April with an increase of 0.3 percent. Year to date domestic crude oil production was 13.8 percent above the same period in 2014. This was the highest production level for any month and for the year to date since May 1972.

Natural gas liquids (NGL) production in May averaged nearly 3.2 million barrels per day, which was 10.4 percent higher than last year. It was also the highest May level on record and just one thousand barrels below the all-time record set in October 2014.

Crude oil stocks ended the month averaging at nearly 476.0 million barrels, up by 20.8 percent from the prior year to reach the highest May inventory level since 1930. Stocks of motor gasoline ended up 1.9 percent from last year, to 221.8 million barrels. These were the highest May motor gasoline stocks in 16 years. Distillate and jet fuel stocks were up from year ago levels while stocks of "other oils" fell.

U.S. total petroleum imports in May fell 3.1 percent from the prior year to average nearly 9.1 million barrels per day, the lowest level since 1995. Crude oil imports were down by 2.4 percent from the prior year, falling to just below 7.0 million barrels per day for the first time since February 1996 and reaching the lowest May level since 1993. Imports of refined products were down by 5.5 percent from May 2014 to nearly 2.1 million barrels per day, the lowest level for the month since 1996.

Refinery gross inputs in May rose by 1.7 percent from last year to a record high for the month of 16.5 million barrels per day. Exports of refined petroleum products were up by 5.3 percent from May 2014 to average 4.3 million barrels per day—the highest May level ever.

The refinery capacity utilization rate last month averaged above 90.0 percent for the second time this year at 92.0 percent. This was up 0.6 of a percentage point from April, and up 1.8 percentage points from the May 2014. API's latest refinery operable capacity was 17.873 million barrels per day.

Latest reports from Baker-Hughes, Inc., showed the number of oil and gas rigs in the U.S. in May was 889, a drop of 8.9 percent from the previous month and 52.2 percent below the year ago level. Last month's count was the lowest count since January 2003.