



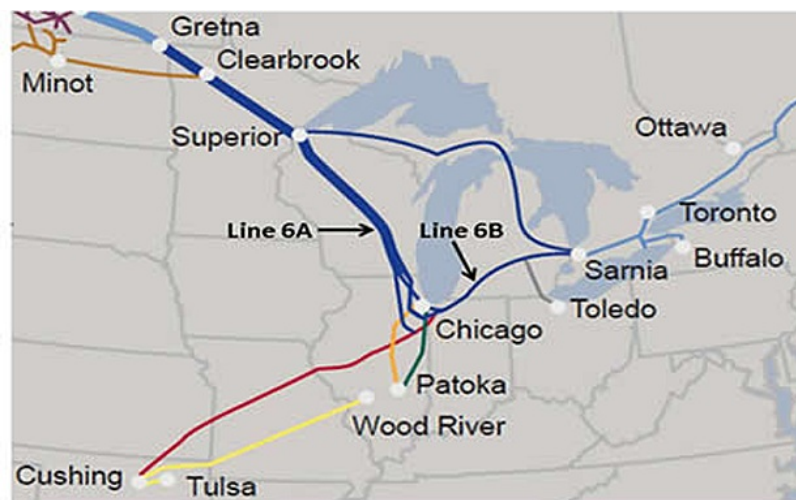
This Week in Petroleum for September 29 and July Vehicle Miles Traveled

Posted by [Heading Out](#) on October 2, 2010 - 9:30am

Topic: [Demand/Consumption](#)

One of the metrics of the economy that serves as a marker to me on how we are doing relates to the use of vehicles, and as a consequence the amount of gas that is being used. Prices of gas haven't changed much over the past months, nor has the price of crude. Thus without price fluctuations confounding the causes of change, it is possible to get some measure of how we're doing from how much gas is being used. Recognizing that the summer driving season is now over, but that information is now available on how the patterns of driving went.

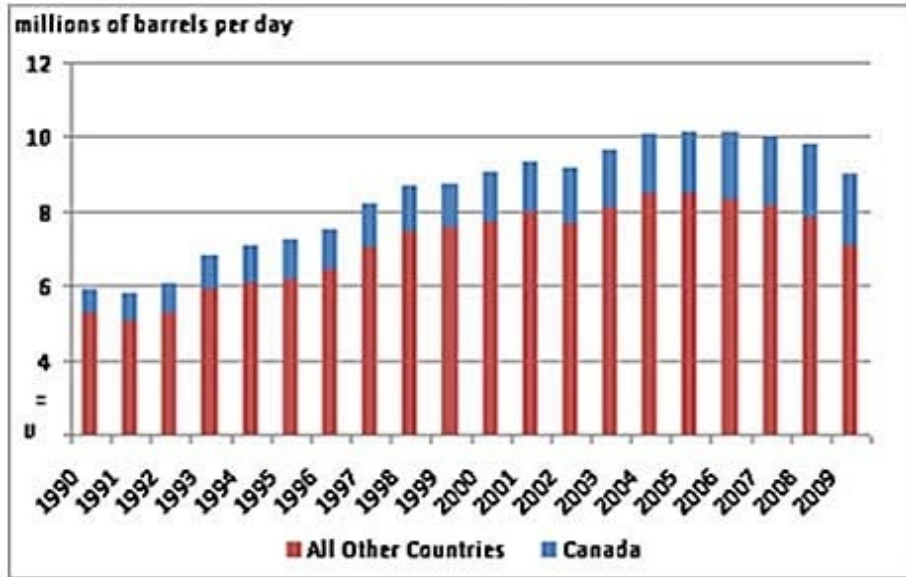
[This Week in Petroleum](#), where I get the data on this, has, this week, focused on the impact that Canada is having on imports, given that it is the largest supplier to the USA at the moment. Part of the story they told this week was that the impact of pipeline problems between the two countries had not ultimately had much impact, and service is now resumed.



Source: Enbridge, Inc.

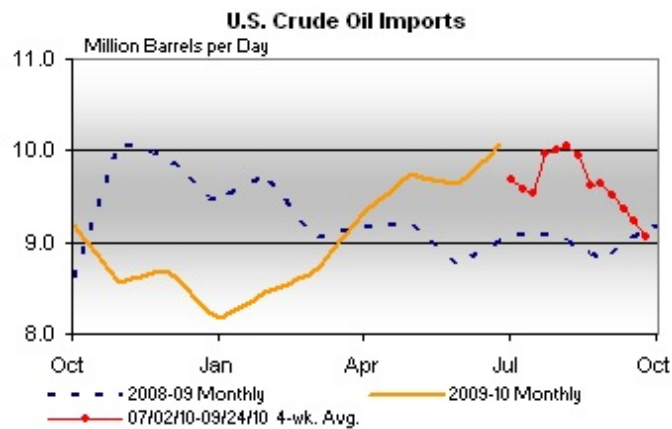
From TWIP Sept 29, 2010

The Canadian supply has remained relatively steady over the years, and not been much impacted by the declines in demand recently, though as a seasonal event, the demand for crude is currently falling.

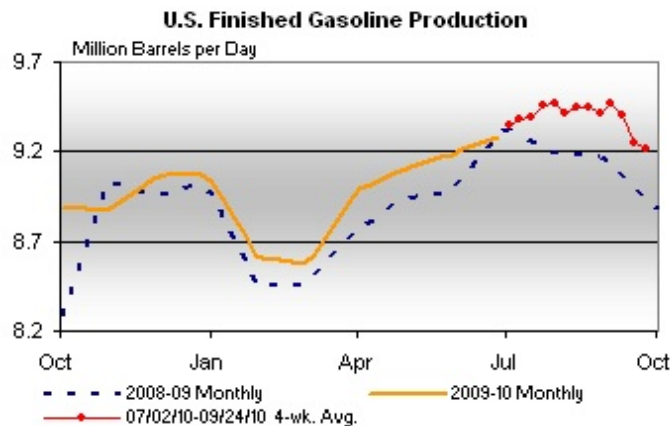


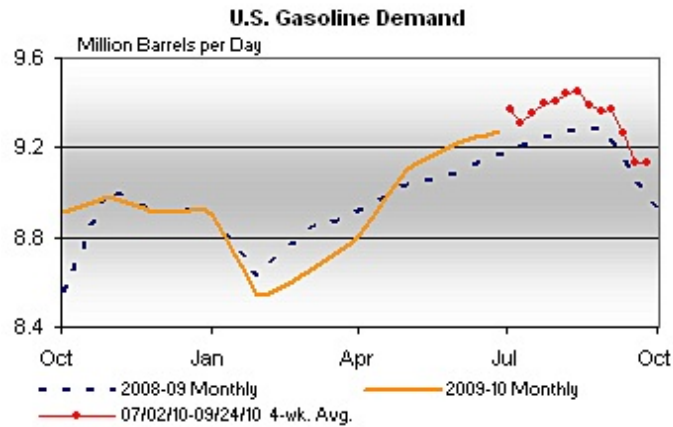
Source: EIA Petroleum Supply Annual

If one looks at the TWIP monthly figures rather than the annual demand, the fall in demand that started some months ago, is continuing, and given that domestic production remains relatively level, it will be interesting to see when this turns around.



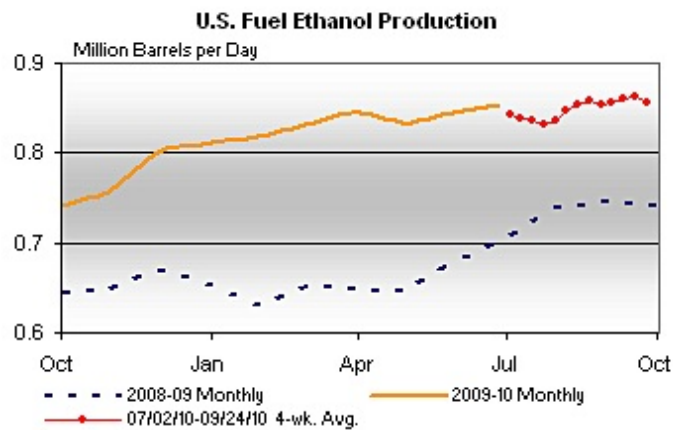
The amount of gasoline produced from this crude input would, logically, also fall, as it has been though it has just recently had a little uptick, relative to the trend of a year ago.



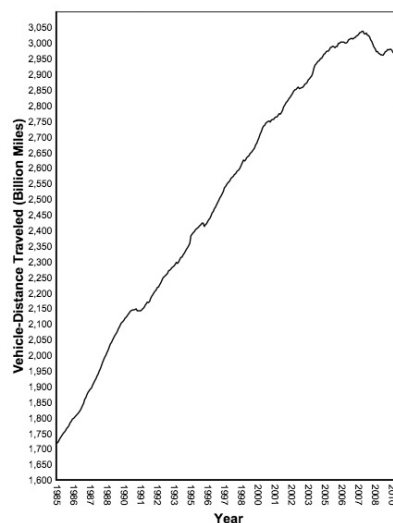


One week’s data should not, of course, be construed as having much import on its own, but it is worth watching.

Ethanol production, after a relatively steady, though small increase, concurrently had a slight dip, though this is, I suspect, likely to be insignificant in the longer term.



Looking at [vehicle miles driven](#), the last report for which relates to July numbers, the curve (bearing in mind that it is a 12-month rolling accumulation) has picked up and is now past the early “bump in the road” which we saw earlier in the year.



The slope is not yet that exciting, with the overall levels still equivalent to those back in 2005, but it is upward and a recognition that things are doing better. And it appears to be an across the board increase around the country, and in both rural and urban driving.

The question however, will likely arise before too long as to what impact the increasing demand is going to have on prices. For while the demand in the US and Europe has seen anemic growth, that in Asia is much more robust, and has been consuming the “slack” that had been left in global demand. We shall see how this impacts the capabilities of world suppliers to continue to meet this, in the months ahead.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).