BUSINESS

Gas prices falling with leaves

National average at lowest since January

By Gary Strauss
USA Today

Like autumn leaves, gasoline prices are falling.

Already on a 23-straight-day slide, regular unleaded gas now averages $3.46 a gallon — the lowest national average since January, and 35 cents less than year-ago levels.

Prices are expected to drop another 20 to 25 cents in the coming weeks.

Behind the fall: Record high refining in the U.S., shrinking consumer demand and slumping crude oil prices, says Tom Kloza, chief oil analyst for Internet website price tracker GasBuddy.com.

Crude squirted to two-year highs of $112 a barrel in August on fears that U.S. military intervention in war-torn Syria would disrupt global supplies.

With Syrian intervention less likely and thawing tensions with Iran, a far bigger oil producer, crude oil prices continue to slump.

Light, sweet crude eased 46 cents to $103.13 a barrel Tuesday. Wholesale gas prices for October delivery, now $2.66 a gallon, are 60 cents below August levels in some markets.

Consumers are also getting a break because refineries in several states have switched from summer-grade blends to winter-grades that are 10 to 15 cents a gallon cheaper, says AAA spokesman Michael Green.

"How low can gas prices go? There is an aspect of this plunge that evokes the Caribbean limbo stick," says Kloza.

"Gasoline prices are dipping well below the limbo stick of crude oil, but at some point, it will take lower crude oil prices to hasten a return to sub-$3 gal prices nationwide."

Nationally, gasoline prices have been above $3 for 1,000 consecutive days. That's never happened before, according to the AAA.