Oil drops to four-month low as China growth slows

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NEW YORK — The price of oil dropped to a four-month low, as a slowdown in China's growth added to doubts about the strength of the world economy and global demand for crude.

China's slowdown, weak economic reports from the U.S. and Europe's malaise suggest demand for crude and refined fuels won't be strong enough to absorb the ample supplies on the world market.

West Texas Intermediate, the benchmark crude in the U.S., dropped $2.19, or 2.4 percent, to $89.10 a barrel in afternoon trading on the New York Mercantile Exchange. Earlier in the session, crude hit $87.86. It's dropped more than 8 percent the past two weeks.

Brent crude, which is used to price oil used by many U.S. refiners to make gasoline, fell $2.29 to $100.75 a barrel on the ICE Futures exchange in London. It briefly fell below $100 for the first time in nine months.

Those declines, if they hold or get steeper, could mean a further drop in U.S. gas pump prices. The average price for a gallon of gasoline fell 3 cents over the weekend to $3.53. That's 26 cents lower than the high for the year, set on Feb. 27. And gas is now 38 cents cheaper than a year ago.

The Chinese government said growth in the world's second-largest economy slowed to 7.7 percent in the first quarter from 7.9 percent in the final quarter of last year. Growth was expected to accelerate slightly.

"Poorer-than-expected data from China has fuelled new fears about demand. On Friday the U.S. had already published disappointing retail sales figures," said a report from Commerzbank in Frankfurt. "In other words, demand in both of the leading oil consumer countries is currently weaker than anticipated."