



US GAS PRICES HAVE FALLEN OR REMAINED STEADY FOR 10 WEEKS STRAIGHT. HERE'S WHY - ASSOCIATED PRESS

Posted on November 29, 2023 by WYATTE GRANTHAM-PHILIPS | AP Business Writer



Photo: In this photo made with a long exposure, vehicles move along Interstate 76 ahead of the Thanksgiving Day holiday in Philadelphia

It's not just you. Across the U.S., prices at the pump have felt milder in recent months.

Gas prices have fallen or remained steady since Sep. 19 — marking about a 70-day trajectory of decline, Andrew Gross, spokesperson for motor club AAA, said Tuesday.

As of Tuesday, the national average for gas prices stood just below \$3.25, according to AAA. That's down 25 cents from a month ago and 30 cents less than this time last year. Experts point to a recent decline in oil prices and a seasonal dip in demand, as well as easing inflation.

Each penny decline in the national average saves motorists close to \$3.8 million, according to Patrick De Haan, head of petroleum analysis at GasBuddy. "If you amplify that times 30 cents, we're talking about Americans that are spending hundreds of millions less on gasoline today than they were a year ago."

Despite the drop, the global energy market can be volatile and lower gas prices down the road aren't promised. Here's what you need to know.

WHY ARE GAS PRICES FALLING?

A few factors contribute to today's gas prices, but a big explanation behind the decline is seasonality. In other words, prices at the pump almost always ease at this time of year.

For starters, there's a switch to winter blend gasoline — which is cheaper to produce than the summer blend, Gross notes. And, despite some upticks around the holidays, shorter days make hitting the road less enticing in the colder months.

"It's dark and the weather is kind of crummy, and people just want to stay home," Gross said. "Demand is a lot less (in the) fall and winter."

On top of the seasonal cycle, inflation, while down from last year, is still high and continues to undercut Americans' spending habits — which could also be contributing to today's lower demand, De Haan added.

Beyond demand, experts also point to declining oil costs. Prices at the pump are highly dependent on crude oil, which is the main ingredient in gasoline. West Texas Intermediate crude, the U.S. benchmark, has stayed in the high-to-mid \$70s for the past three weeks — standing at about \$76 a barrel as of Tuesday afternoon, down from over \$82 a month ago.

Oil is a global commodity, so events impacting production and supply such as the Russia-Ukraine war can be felt domestically. There's also been a notable uptick in U.S. production that is "helping to keep a lid on prices" today, De Haan said.

At the start of October, American oil production hit an all-time high of 13.2 million barrels per day, passing the previous record set in early 2020 by 100,000 barrels. Average production has since remained at that level, according to the government's latest data through the week of Nov. 17.

COULD GAS PRICES CHANGE COURSE AND GO UP AGAIN SOON?

While the downward trend in gas prices is expected to continue at least into the New Year, anything's possible. Some experts point to the potential of more cuts from major producing OPEC+ countries — which boosted energy prices in the past.

Earlier this year, Saudi Arabia and Russia notably extended their voluntary oil production cuts through the end of this year, trimming 1.3 million barrels of crude out of the global market. Some speculate that OPEC+ could announce further cuts in an upcoming meeting, which was reportedly postponed until Thursday.

Still, the meeting delay signals that there may be disagreements within OPEC+, so it's "going to be a wildcard to watch," De Haan said. If a surprise announcement does arrive, it's hard to predict the impact — but consequences could also be brief or minimal, Gross added, especially if the market is already anticipating more cuts.

Among today's global backdrop is also the Israel-Hamas war. The breakout of violence initially slowed the fall in oil prices, but that progressively changed, Gross said — noting the war has not expanded to large oil producing countries in the Middle East. Still, the future remains uncertain.

"Given how volatile the oil market is ... I would keep an eye on what's going on overseas, not just in terms of this war, but in other economies," Gross said, adding that shifts in oil prices can be very headline-driven, with news impacting major markets around the world.

WHAT STATES HAVE THE LOWEST GAS PRICES TODAY?

While gas prices nationwide are collectively falling, some states, of course, always have cheaper averages than others — due to factors ranging from nearby refinery supply to local fuel requirements.

As of Tuesday, according to AAA, 15 states in the U.S. had gas prices below \$3 — with Texas (\$2.71), Mississippi (\$2.76) and Georgia (\$2.79) at the lowest.

Meanwhile, the states with the highest prices at the pump were led by California (\$4.88), Hawaii (\$4.72) and Washington (\$4.34).

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This story has been updated to correct the figure provided by Patrick De Haan. Each penny decline in the national average saves motorists almost \$3.8 million, not \$38 million.