



2016 gas prices: Summer uptick won't last

[Nathan Bomey](#), USA TODAY 4:29 p.m. EST January 6, 2016

U.S. gasoline prices will tick upward as the summer driving season approaches but end the year back in the basement where they started, logging the fourth straight year of declines, according to a new forecast.

In a fresh report released exclusively to USA TODAY, GasBuddy.com analysts projected that the price of a gallon of gas will reach a national average high of \$2.63 in May, up from \$1.97 in January.

But rock-bottom oil prices will prevent gas from going any higher, according to GasBuddy, which expects gas to average \$2.01 by year's end.

The projected average \$2.28 for 2016 would mark the fourth consecutive year of lower gas prices, spelling a prolonged period of relief for pocketbooks. Gas prices were lower than \$2 at more than 7 in 10 pumps nationwide at the end of 2015, according to AAA.

The typical rise in prices as the summer driving season approaches will persist, but the increase isn't expected to stick past the warmer months.

"Gas prices always go up for the summer, but we're still talking oil inventories that are just in excess of what we've ever seen," said Patrick DeHaan, head petroleum analyst at GasBuddy.com.

That robust supply of oil is helping keep prices low. The global oil glut — coupled with a tepid economic outlook and concerns about North Korea's nuclear bomb claims — sent the price of crude lower Wednesday.

Tension between Saudi Arabia and Iran over Saudi Arabia's execution of a beloved Shiite cleric has led to speculation over the prospect of geopolitical instability in the Middle East. But rather than bolster prices it's more likely to cause both sides to jockey for market share, keeping oil production high and gasoline prices low, DeHaan said.

There's one notable exception to the low-gas-price rule: California.

The production outage at Exxon Mobil's refinery in Torrance, Calif., which produces up to 10% of the state's environmentally stringent gasoline mix, will continue to batter the Los Angeles area this year, leading to a wide spread from the rest of the country.

Los Angeles gas prices will peak anywhere from \$3.75 to \$4.25 this year, according to GasBuddy. San Francisco will also feel the pain with a peak between \$3.65 and \$3.95.

On the U.S. Gulf Coast, where refineries are humming along efficiently, drivers will enjoy low prices. Prices are also expected to be low in the Northeast and Great Lakes regions, DeHaan said.

In Houston, the price is not expected to get any higher than \$2.50 this year, reflecting the lowest peak among major cities.

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