



Gasoline futures prices in the US seen resembling roller coaster ride

Prices for gasoline futures which have seen sharp increases in recent months as demand for gasoline has been the strongest in 24 years, pushing values higher for eight consecutive weeks, are now set for a dramatic decrease for the months that will follow the summer period, according to a Reuters analysis published June 25.

The latest prices for front-month futures for RBOB, or gasoline, have reached their highest levels since November and may rise some more in the next few weeks but after that they are expected to plunge fast following their biggest rally in six years.

"There is an extreme downside from here," said Brian LaRose, a fuel trading analyst quoted by the Reuters report, which was signed by Barani Krishnan.

The increase of gasoline prices by 42% in the past six months was the steepest since prices gained 88% in a similar period in the first half of 2008, Reuters reported.

Traditionally gasoline prices at fuel stations in the US increase sharply during the summer so the price of gasoline futures also gain sharply just ahead of them, between March and May. The summer weather, which allows travel, is always the busiest season for gasoline sales by US fuel stations.