Gasoline prices are rising again even though drivers in the U.S. have bought less gas for four months in a row.

Oil, which is used to make gasoline, is higher as well. On Tuesday, Benchmark West Texas Intermediate crude for August delivery gained $2.28, or 2.4 percent, to settle at $97.43 per barrel on the New York Mercantile Exchange. Brent crude, used to price many international oil varieties, rose 51 cents to settle at $117.75 per barrel on the ICE Futures exchange in London.

"If you look at the macro-economic headlines, we should be closer to $67 (per barrel) than $97" for WTI, analyst Stephen Schork said. But many traders "are going to keep pushing things to see how far they go."

Traders point to the effect of international currency markets on the price of oil. The dollar fell on Tuesday and helped push up the price of oil, since oil is priced in dollars and becomes less expensive for buyers with foreign currency as the dollar weakens. But poor jobs data, the growing U.S. trade deficit, a festering credit crisis in Europe and other recent troublesome reports about the economy could have pulled prices down just as easily, analysts said.

"The market is just looking for an excuse to go higher," said Tom Kloza, publisher and chief oil analyst at Oil Price Information Service.

Pump prices rebounded this month, hitting a national average of $3.636
per gallon on Tuesday. Just a week ago the average was $3.562 a gallon. A gallon of regular is still about 35 cents less than it was when prices peaked in May. It's 92 cents higher than a year ago.

Gasoline is getting more expensive even though motorists continue to cut back. MasterCard SpendingPulse said Tuesday that gasoline consumption has dropped for 16 weeks in a row. SpendingPulse, which tracks credit card payments around the country, said the four-week average for gasoline demand fell by 1.1 percent last week compared to a year ago.

Demand even dropped over the July 4 weekend, usually a time for lots of road trips. MasterCard analyst Jason Gamel said motorists used 1.7 percent less this year than they did during last year's holiday weekend.

Some experts say that rising fuel prices can be explained by the fact that oil and gasoline are traded around the world. The U.S. and Europe may be curbing their petroleum use, but China, India and Latin America are not. Overall, world oil demand keeps growing.

On Tuesday, both the U.S. Energy Information Administration and the Organization of Petroleum Exporting Countries forecast that world oil demand will increase to record levels this year. OPEC said that demand wouldn't grow as much as it previously expected "as the unsteady global economy has added risks to the forecast." But its demand estimate of 88.18 million barrels per day this year is still an all-time record. The EIA forecast global demand of 88.16 million barrels per day, up 1.6 percent from a year ago.

EIA added that global oil production won't be enough to satisfy demand. The U.S. and other countries will have to keep dipping into spare supplies, if they don't want prices to spiral out of control, the EIA said.
In other Nymex trading on Tuesday for August contracts, heating oil was flat, settling at $3.0876 per gallon and gasoline futures added 2.77 cents to settle at $3.0982 per gallon. Natural gas gained 3.5 cents to settle at $4.312 per 1,000 cubic feet.

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