



OKLAHOMA State Treasurer Todd Russ

Economic Report

July 2024

MONTH-OVER-MONTH COMPARISON: JUNE vs JULY



**GROSS
PROD.**

↑ \$0.6M or 0.7%



**INCOME
TAX**

↓ \$90M or 16.8%



**SALES
& USE**

↓ \$0.5M or 0.1%



**VEHICLE
TAX**

↑ \$80.4M or 5.7%



**OTHER
TAXES**

↑ \$17.2M or 13%

GROSS PRODUCTION TAX Oil & Gas Breakout

Gross Prod. Gas \$ 24.79M

Petroleum Gas \$ 496.6K

Gross Prod. Oil \$ 57.27M

Petroleum Oil \$ 1.07M

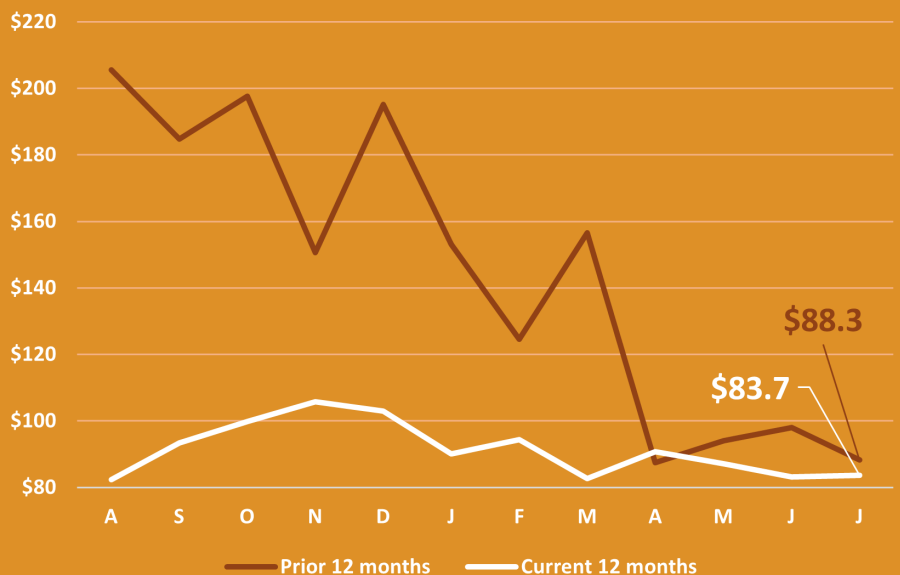
GPT total of \$83.7 million in revenues for July, the division saw an overall increase over last month of **\$0.6 million** or **0.7%**.

Right now, **prices seem stuck** between the war premium and the oil demand outlook of the IEA and OPEC, with the latter revising its demand growth forecast for 2024 lower earlier this week. This was taken as acknowledgment that oil demand is **rising slower** than before.

Gross Production Tax (GPT) is the Oklahoma severance tax imposed on producers for the extraction of oil and natural gas.

Revenue fluctuates widely from the volatile nature of commodity prices and production levels. The Revenue Stabilization Fund smooths out peaks and valleys. The fund receives deposits from the **gross production tax** and **corporate income tax** when above the five-year rolling average.

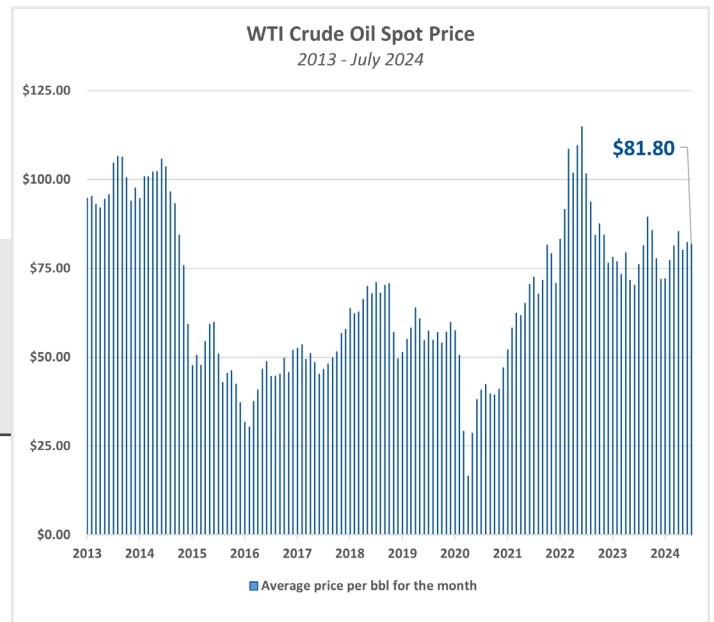
Gross Production Tax in millions



WTI Crude Oil Price is down less than **\$1** from the previous month, settling at an average of **\$81.80**, while all CPI energy index items declined.

Average **U.S. Gasoline Prices** finish the month at **\$3.60** for all regular formulations, an increase over last month of **\$3.58**. The Consumer Price Index for gasoline was **unchanged** from last month.

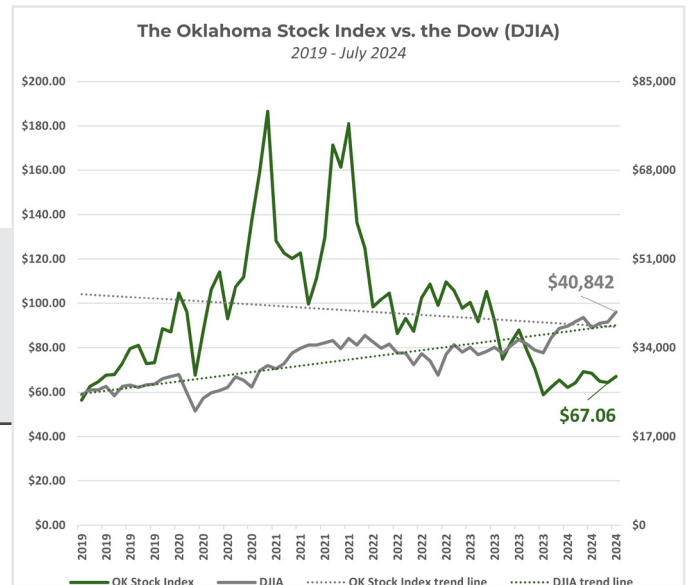
Number of rigs drilling for oil and gas tends to correlate with commodity prices. Higher prices encourage more drilling activity over time.



Oklahoma Stock Index is up **4.23%** settling at **\$67.06** while the Dow Jones Industrial Average is up over last month closing at **\$40,842**.

The Oklahoma Stock Index increased **\$2.72** over the last month, while the Dow increased **4.98%**. The Oklahoma Stock index includes energy, software, financial and utility sectors.

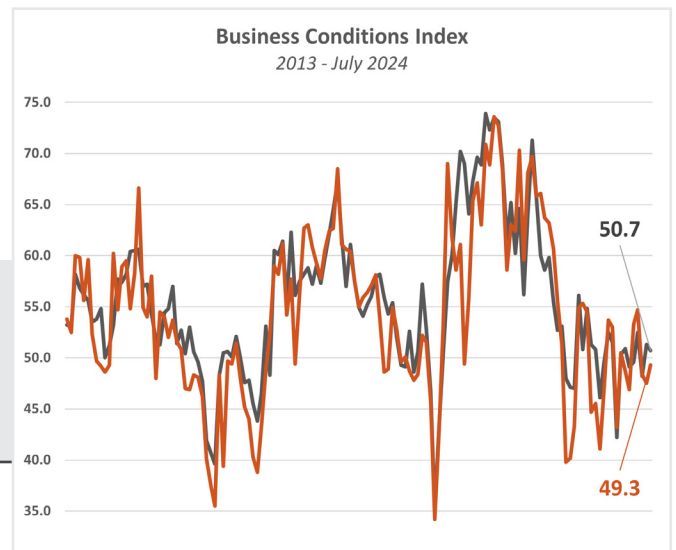
The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.



Oklahoma's Business Conditions Index increased over the last month to **49.3**, while the U.S. International Trade Admin. reports expansion in Oklahoma's manufacturing sector.

According to the latest U.S. International Trade Admin. data, Oklahoma's manufacturing sector expanded year-to-date 2024 exports to **\$5.5 billion** from **\$2.8 billion** for the same period in 2023, a **96.2% gain**.

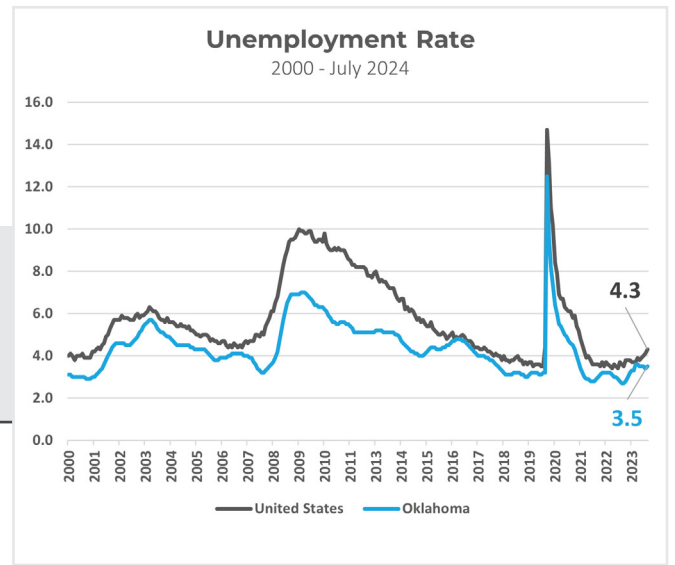
The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north.



The Oklahoma Unemployment Rate is **3.5%** for July. US claims increased to **4.3%** for July, returning to similar rates from Fall 2021.

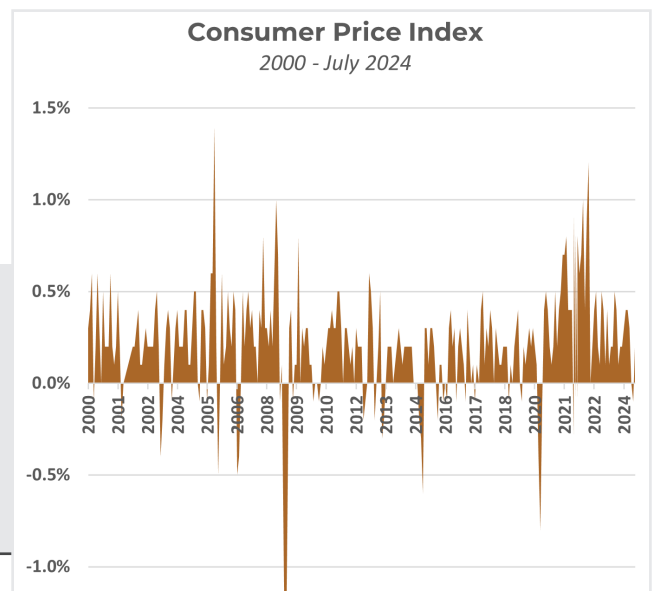
Sticking in the mid 3% range since fall of 2021, the OK rate increased **0.1%** while the national average increased to **4.3%**, up **0.2%** over the last month, remaining at 4% for the third month.

The unemployment rate is the percentage of the labor force who are actively pursuing employment but currently don't have a job. Oklahoma typically maintains an unemployment rate below the national average.



CPI hit **2.9%** over the last 12 months, as the all items index increased **0.2%** in July on a seasonally adjusted basis, after decreasing in June. All items less food and energy rose **0.2%**.

The index for shelter rose **0.4%** in July, accounting for nearly **90%** of the monthly increase in the all items index. The index for gasoline was unchanged in July, after declining in the two preceding months. The index for all items less food and energy rose **0.2%** in July, after rising **0.1%** the preceding month.



The average 30-year fixed rate mortgage is **6.85%**, down **1.01%** from last month, decreasing for the second straight month.

Despite rates elevated and fluctuating within a relatively narrow range, many housing market experts expect rates to recede slightly in the coming months, assuming the Fed implements cuts to its benchmark interest rate.

Mortgage rates are the interest charged for home loans, based on prevailing economic conditions, and with a spread over U.S. Treasury bond yields

