



OKLAHOMA State Treasurer Todd Russ

Economic Report

June 2024

MONTH-OVER-MONTH COMPARISON: MAY vs JUNE



**GROSS
PROD.**

↓ \$4M or 4.6%



**INCOME
TAX**

↑ \$110.7M or 26%



**SALES
& USE**

↑ \$19.5M or 3.3%



**VEHICLE
TAX**

↓ \$4.3M or 5.4%



**OTHER
TAXES**

↑ \$2.8M or 2.1%

GROSS PRODUCTION TAX Oil & Gas Breakout

Gross Prod. Gas \$ 24.9M

Petroleum Gas \$ 371K

Gross Prod. Oil \$ 57M

Petroleum Oil \$ 813K

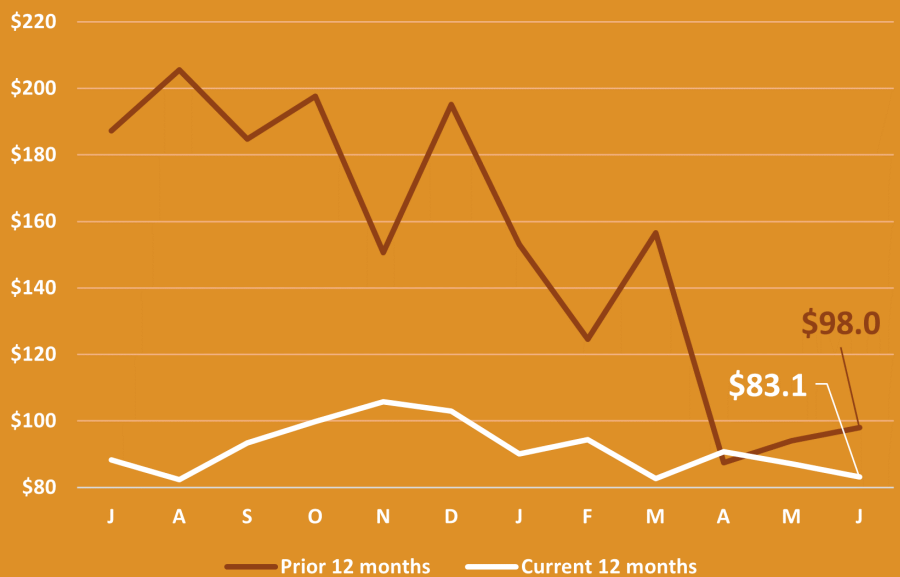
GPT total of \$83.1 million in revenues for June, the division saw an overall decrease over last month of **\$4 million** or **4.6%**.

While oil prices trade down, the Department of Energy reported crude oil inventories in the Strategic Petroleum Reserve rose by **500,000** barrels, with inventories at **373.1 million**, up from **372.6 million** barrels at the end of June, its highest level since December 2022.

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

Tax 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.

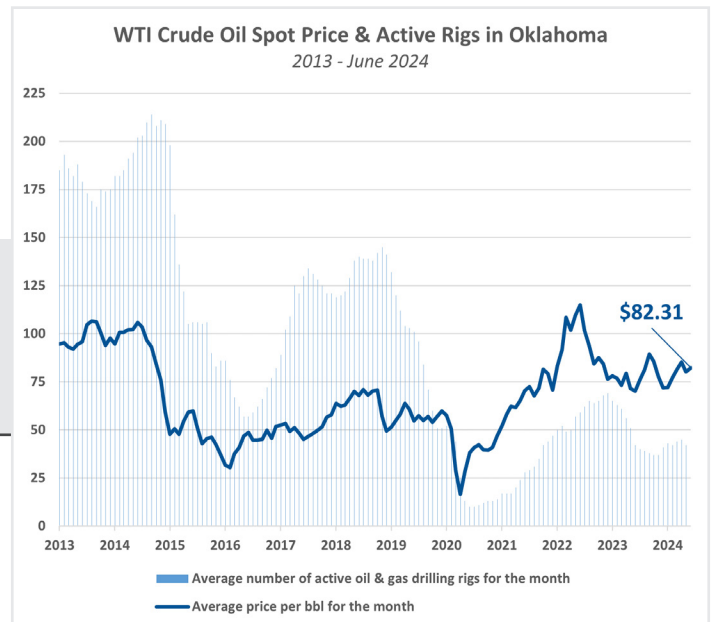
Gross Production Tax in millions



WTI Crude Oil Price is up more than **\$2** from the previous month, settling at an average of **\$82.31**, while all CPI energy index items declined.

Average **U.S. Gasoline Prices** finish the month at **\$3.58** for all regular formulations, with the latest week at **\$3.61**. The Consumer Price Index for gasoline more than offset a decline with **-3.6**.

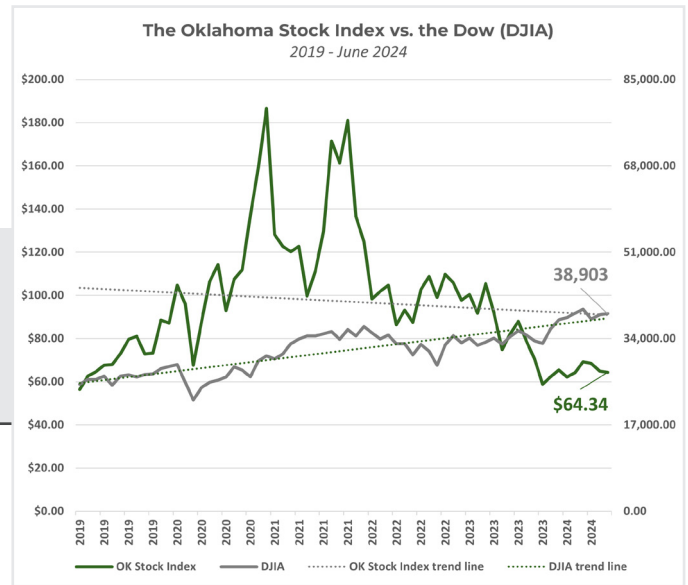
Number of rigs drilling for oil and gas tends to correlate with commodity prices. Higher prices encourage more drilling activity over time.



Oklahoma Stock Index is down less than **\$1** settling at **\$64.34** while the Dow Jones Industrial Average is up closing for the month at **\$38,903**.

The Oklahoma Stock Index decreased **\$0.64** over the last month, while the Dow increased **0.56%**. The Oklahoma Stock index includes energy, software, financial and utility sectors.

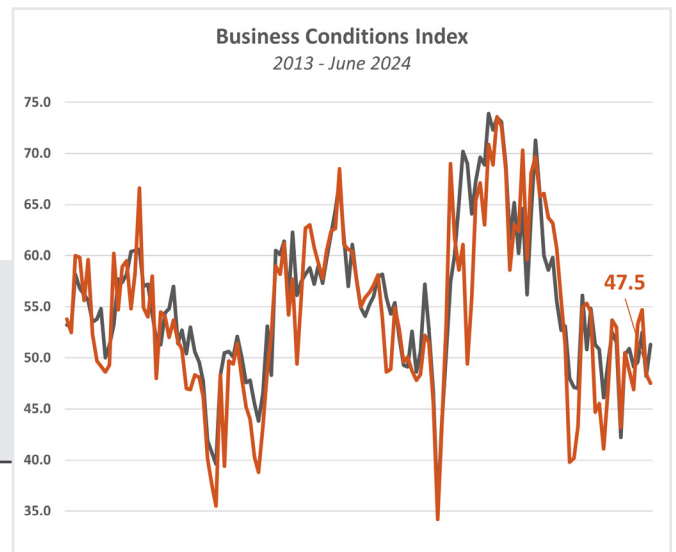
The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.



Oklahoma's Business Conditions Index remains below growth neutral at **47.5** 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 **\$2.2 billion** from **\$1.9 billion** for the same period in 2023 for an **18.3% gain**.

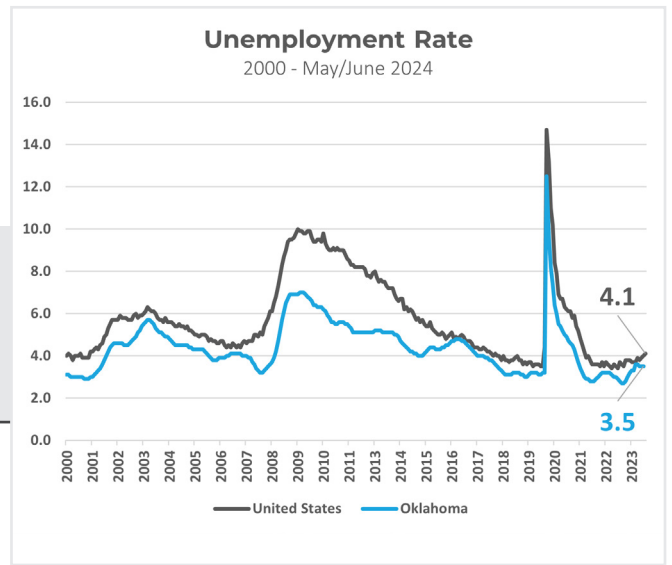
The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north.



The Oklahoma Unemployment Rate is **3.5%** for May. US claims increased to **4.1%** for June, returning to similar rates from December 2021.

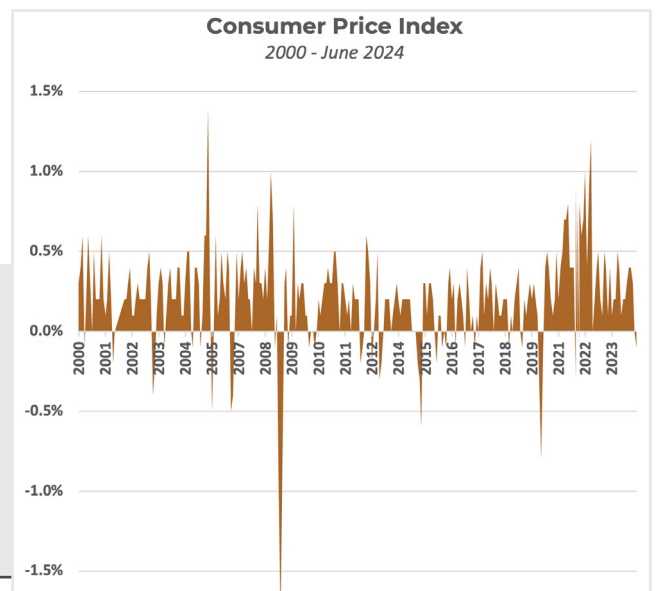
Sticking in the mid 3s since fall of 2021, the rate continues to inch closer to the national average of **4.1%**, an increase of **0.1%** over the last month, staying in the 4s for the second month.

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 **3.0%** over the last 12 months, as consumer prices declined **0.1%** in June on a seasonally adjusted basis, after being unchanged in May. All items less food and energy rose **0.1%**.

The index for gasoline fell **3.8%** in June, after declining **3.6%** in May, more than offsetting an increase in shelter. The energy index fell **2.0%** over the month, as it did the preceding month. The index for food increased **0.2%** in June. The food away from home index rose **0.4%** over the month, while the food at home index increased **0.1%**.



The average 30-year fixed rate mortgage is **6.92%**, down **2.02%** from last month, breaking a six-month streak of average rate increases.

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

