



OKLAHOMA State Treasurer Todd Russ

Economic Report

May 2024

MONTHLY COMPARISON: 2023 vs 2024



**GROSS
PROD.**

↓ \$7M or 7.5%



**INCOME
TAX**

↑ \$34M or 8.7%



**SALES
& USE**

↑ \$5M or 0.9%



**VEHICLE
TAX**

↓ \$4.5M or 5.3%



**OTHER
TAXES**

↓ \$7.3M or 5.4%

GROSS PRODUCTION TAX Oil & Gas Breakout

Gross Prod. Gas \$ 17.7M

Petroleum Gas \$ 302.3K

Gross Prod. Oil \$ 67.8K

Petroleum Oil \$ 1.1M

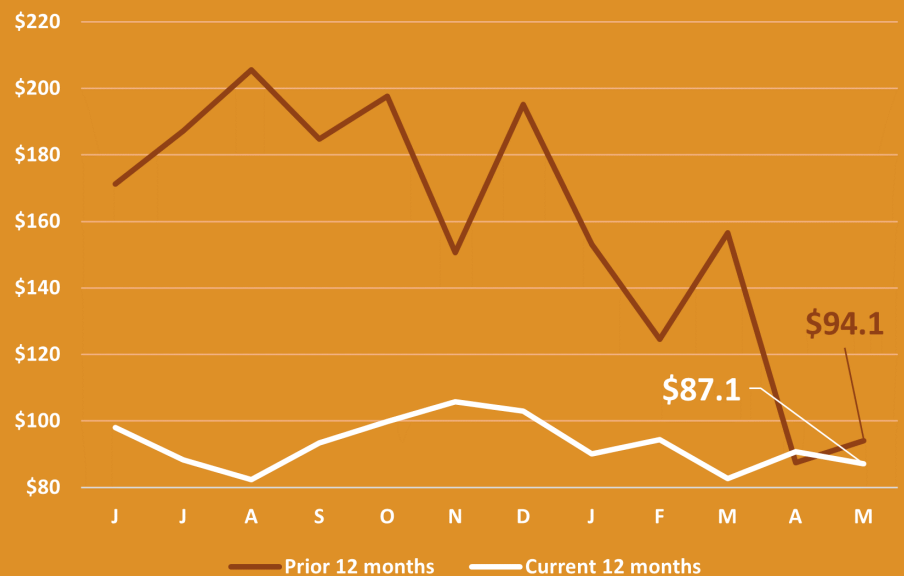
GPT total of \$87.1 million in revenues for May, the division saw an overall decrease over last month of **\$3.6 million** or **4%**.

The Energy Information Admin. raised its 2024 world oil demand growth forecasts to **1.10 million barrels per day**. The Organization of the Petroleum Exporting Countries maintained its forecast citing expectations for travel and tourism in the second half of the year.

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.

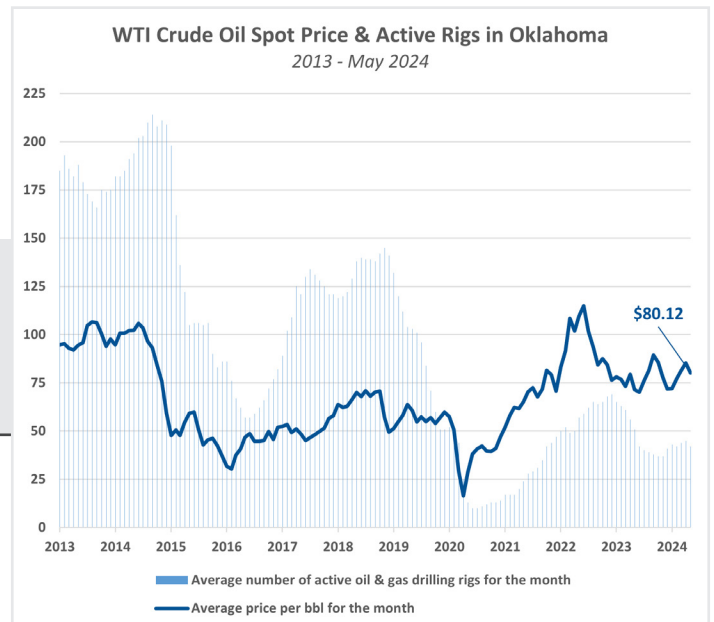
Gross Production Tax in millions



WTI Crude Oil Price is down more than **\$5** from the previous month, settling at an average of **\$80.12**. The average rig count is **42**, down 3 from last month.

Since peaking last October, weekly average **U.S. Gasoline Prices** finish the month at **\$3.73** for all regular formulations resulting in the same average from last month.

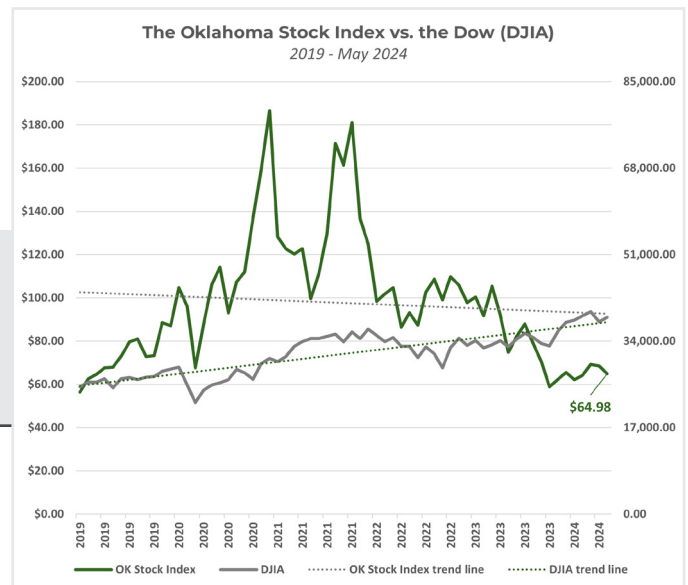
Number of rigs drilling for oil and gas tends to correlate with commodity prices. Higher prices encourage more drilling activity over time.



Oklahoma Stock Index is down less than **\$4** settling at **\$64.98** while the Dow Jones Industrial Average is up closing for the month at **\$38,686**.

The Oklahoma Stock Index decreased **\$3.59** over the last month, while the Dow increased **2%**. The index includes energy, software, financial and utility sectors.

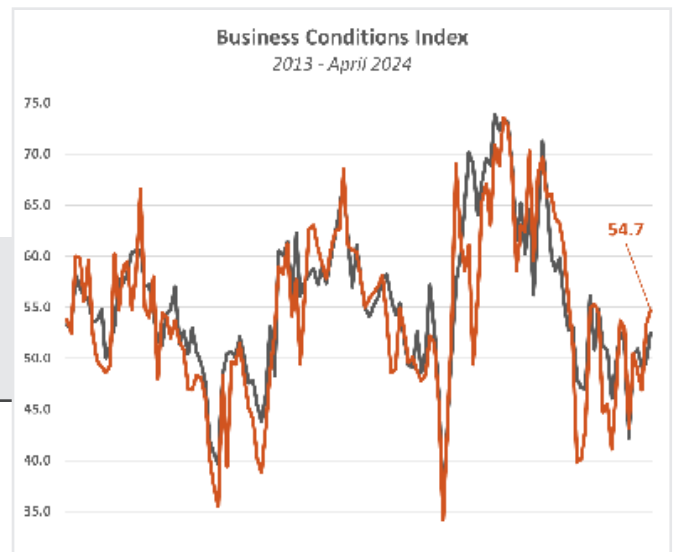
The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.



Oklahoma's Business Conditions Index remains above growth neutral from a four-month average of **50.9**. May reports are delayed.

The Business Conditions index rose above neutral for the first time in March 2024, reaching a three to six month forecast of expansion instead of contraction.

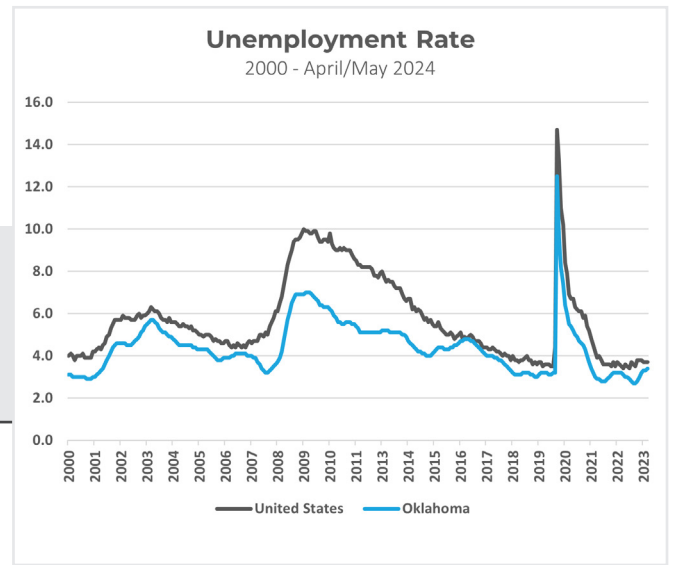
The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north.



The Oklahoma Unemployment Rate is **3.5%** for **April**. US claims increased to **4%** for **May**, returning to similar rates from January 2022.

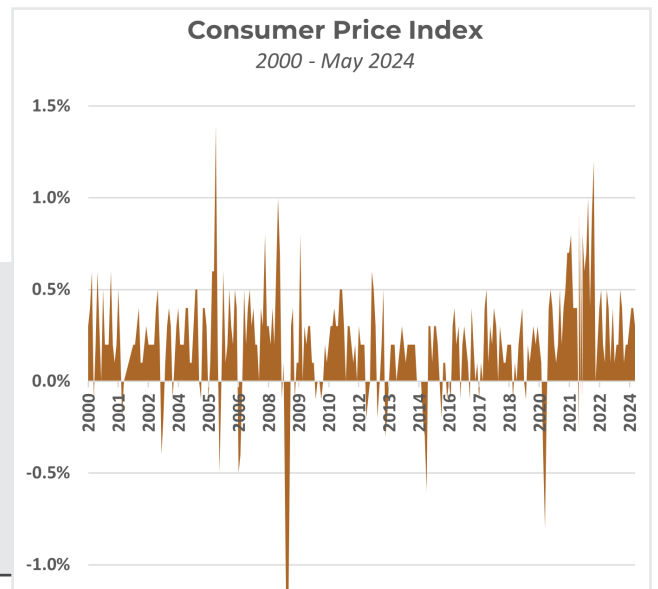
Sticking around **3%** since the fall of 2021, the rate continues to inch closer to the national average of **4%**, an increase of **0.1%** over the last month, hovering in the high 3s for the last six months.

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 was unchanged in May on a seasonally adjusted basis, after rising **0.3%** in April. Over the last 12 months, the all items index increased **3.3%** before seasonal adjustment.

More than offsetting a decline in gasoline, the index for shelter rose in May, up **0.4%** for the fourth consecutive month. The index for food increased **0.1%** in May. The food away from home index rose **0.4%** over the month, while the food at home index was unchanged. The energy index fell **2%** over the month, led by a **3.6%** decrease in the gasoline index.



The average 30-year fixed rate mortgage is **7.06%**, up **1%** from last month, for a **six-month streak** of average rate increases.

As mortgage rates were expected to fall instead of rise, experts are revising home price forecasts for the year while price-sensitive home shoppers continue to look for relief.

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

