



# OKLAHOMA State Treasurer Todd Russ

## Economic Report

September 2024

### MONTHLY COMPARISON: AUGUST vs SEPTEMBER



**GROSS  
PROD.**

↑ \$1.5M or 1.8%



**INCOME  
TAX**

↑ \$233.5M or 63.6%



**SALES  
& USE**

↓ \$13.7M or 2.3%



**VEHICLE  
TAX**

↓ \$3.9M or 4.8%



**OTHER  
TAXES**

↑ \$0.9M or 0.7%

#### GROSS PRODUCTION TAX Oil & Gas Breakout

Gross Production Gas

\$ 29.28M

Petroleum Gas

\$ 375.7K

Gross Production Oil

\$ 54.98M

Petroleum Oil

\$ 764.6K

**GPT total of \$85.4 million** in revenues for September, the division saw an overall increase over last month of **\$1.5 million or 1.8%**.

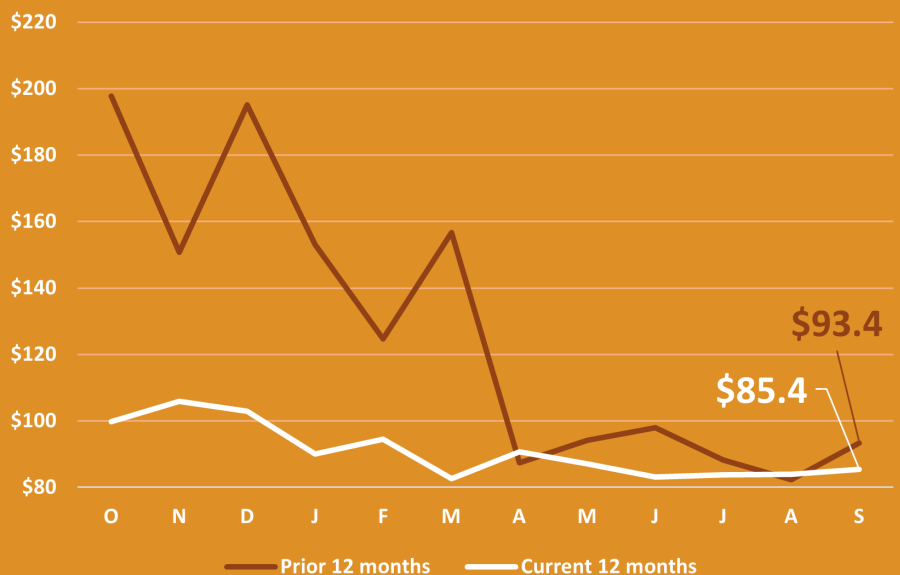
Crude oil prices fell 2% after the OPEC lowered its demand forecast for the third consecutive month. However, global oil demand growth remains well above the historical average of 1.4 million barrels per day seen before the COVID-19 pandemic. OPEC maintained its forecast for world economic growth at 3% this year and 2.9% next year.

**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

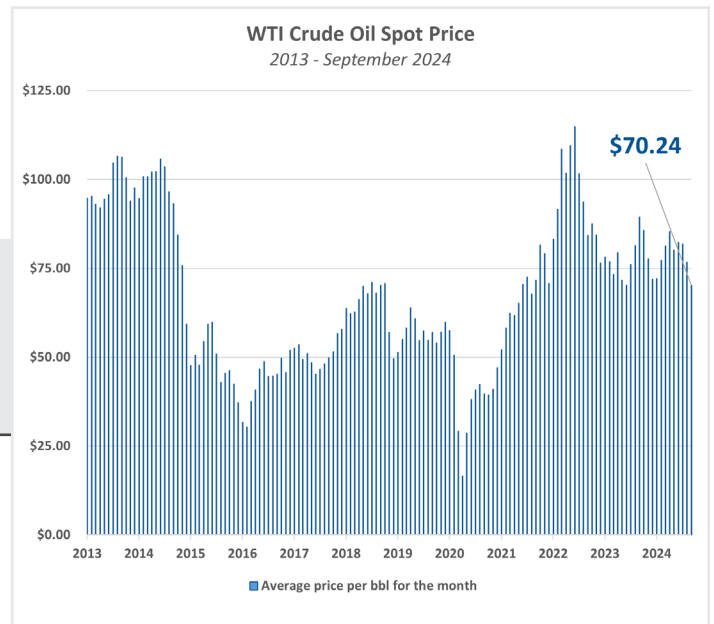
in millions



WTI Crude Oil Price is down more than **\$6** from the previous month, settling at an average of **\$70.24**, while the gasoline index fell 4.1% over the month.

Average **U.S. Gasoline Prices** finish the month at **\$3.34** for all regular formulations, an decrease over last month of **\$0.26**. The Consumer Price Index for fuel oil was down **6.0%** from last month.

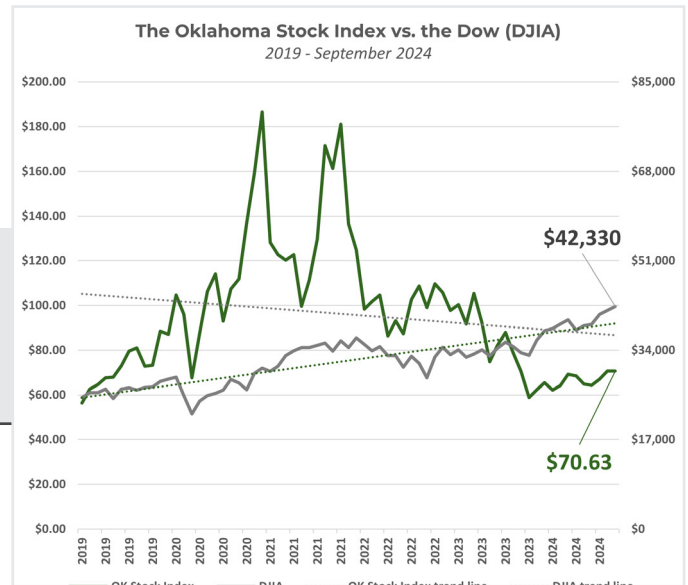
Number of rigs drilling for oil and gas tends to correlate with commodity prices. Higher prices encourage more drilling activity over time.



Oklahoma Stock Index is up **0.02%** settling at **\$70.63** while the Dow Jones Industrial Average is up over last month closing at **\$42,330**.

The Oklahoma Stock Index increased **\$0.01** or **0.02%** over the last month, while the Dow increased **1.8%**. The Oklahoma Stock index includes energy, software, financial and utility sectors.

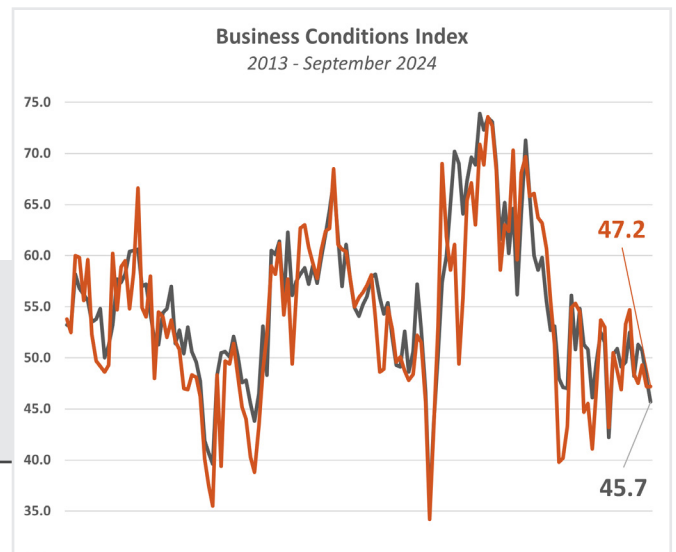
The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.



Oklahoma's Business Conditions Index decreased over the last month to **45.7**, while the U.S. International Trade Admin. reports expansion in Oklahoma's manufacturing sector.

According to Creighton University, supply managers remain pessimistic regarding the economic outlook, with approx. **62%** expecting a recession, or a sharp downturn in economic activity in the next 6 months.

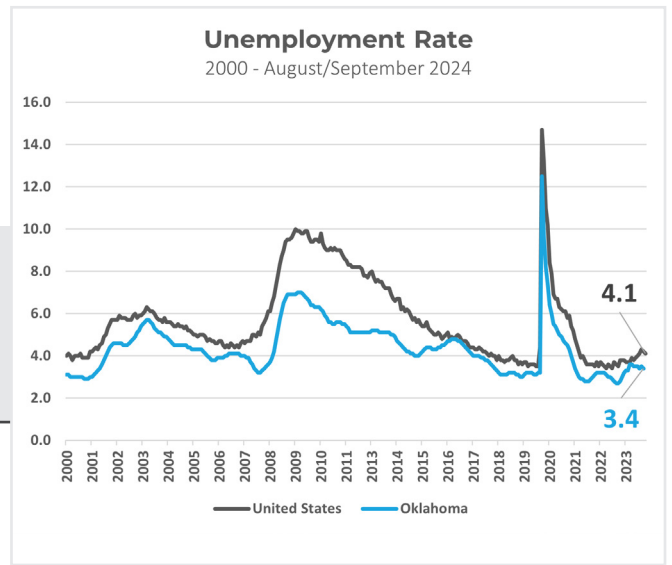
The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north.



The OK Unemployment Rate is **3.4%** for August. US claims decreased to **4.1%** for September, continuing it's fall for the last two months.

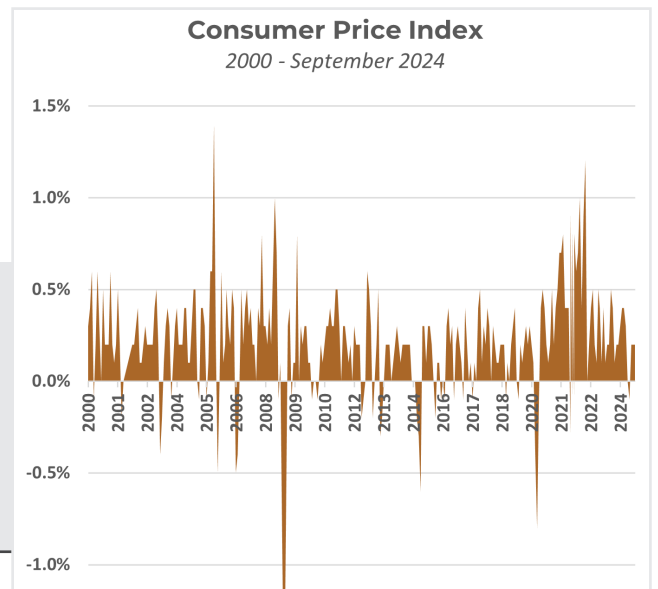
Sticking in the mid 3% range since fall of 2021, the OK rate decreased **0.1%** while the national average decreased to **4.1%**, down **0.1%** over the last month, remaining at ~4% for five months.

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 hit **2.4%** over the last 12 months, as the all items index increased **0.2%** in September on a seasonally adjusted basis, after increasing the last two months.

The index for shelter rose **0.2%**, and the index for food increased **0.4%**. Together, these two indexes contributed over 75% of the monthly all items increase. The index for all items less food and energy rose **0.3%** in September, as it did the preceding month.



The average 30-year fixed rate mortgage is **6.18%**, down **0.49%** from last month, decreasing for the fourth straight month.

Rates should continue to trend down in the coming months, setting up for a much better home buying season in 2025. Assuming the Fed implements cuts to its benchmark interest rate, it could lead to lower mortgage rates in the next months.

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

