OKLAHOMA State Treasurer

State Economic Report

January 2026

"Oklahoma begins 2026 on strong footing, with energy markets steady, job growth continuing, and inflation largely stable. Manufacturing and business activity show cautious improvement, signaling a balanced and positive start to the year."

STATE TREASURER
TODD RUSS

Monthly Comparison: **January 2024 vs. 2025**

Gross Production Tax
↑ $1.1M or 1.4%

Sales & Use Tax[1]
↑ $33.1M or 5.4%

Income Tax
↓ $11.4M or 1.9%

Vehicle Tax
↑ $1.1M or 1.6%

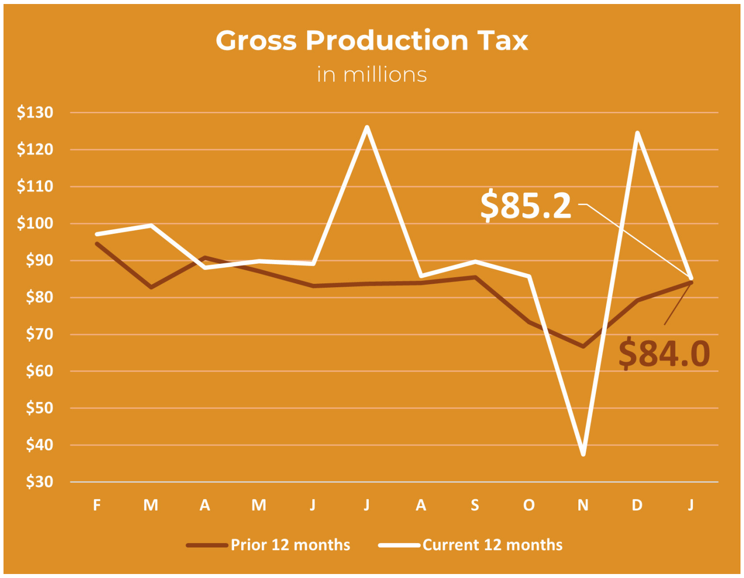
Other Tax Sources[2]
↓ $5.0M or 3.5%

[1] County and municipality taxes
[2] Oklahoma Tax Commission gross taxes

GROSS PRODUCTION TAX (GPT) Oil & Gas Breakout				
	Gross Production Gas	$ 42.48M	Petroleum Gas	$ 759.6K
	Gross Production Oil	$ 38.05M	Petroleum Oil	$ 813.8K

GPT equals **$85.2 million** in revenues for January, an overall increase over last year of **$1.1 million** or **1.4%.**

Following December's elevated spike, January reflects a return to the more typical range seen throughout the year, consistent with normal timing and settlement patterns in energy tax reporting. More **stable production and moderate pricing** continue to support Oklahoma's energy sector and provide elevated contributions to state revenue.

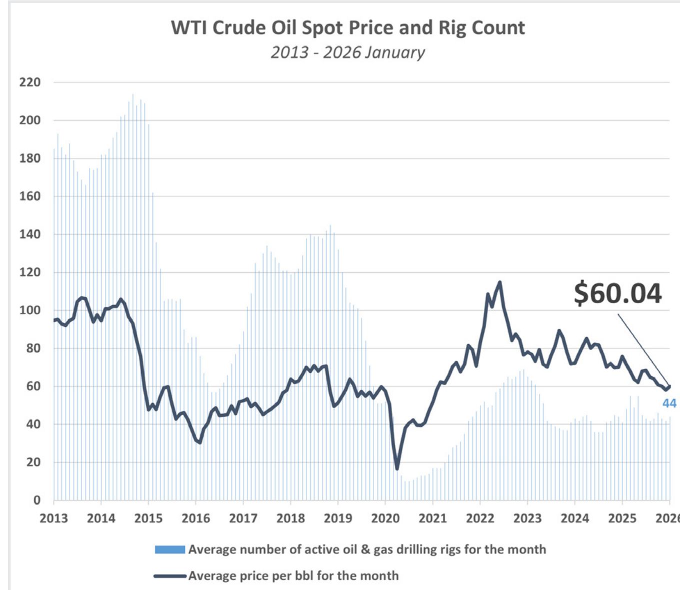


Personal Consumption Expenditures Price Index: **NOV. +2.8%** OCT. +2.7% SEPT. +2.8%

With inflation at 2.7% in October and 2.8% in November, price growth remains above the Federal Reserve's target but largely stable. The consistency suggests **inflation pressures are not accelerating**, giving policymakers flexibility to weigh interest rate decisions carefully while keeping long-term price stability in focus.

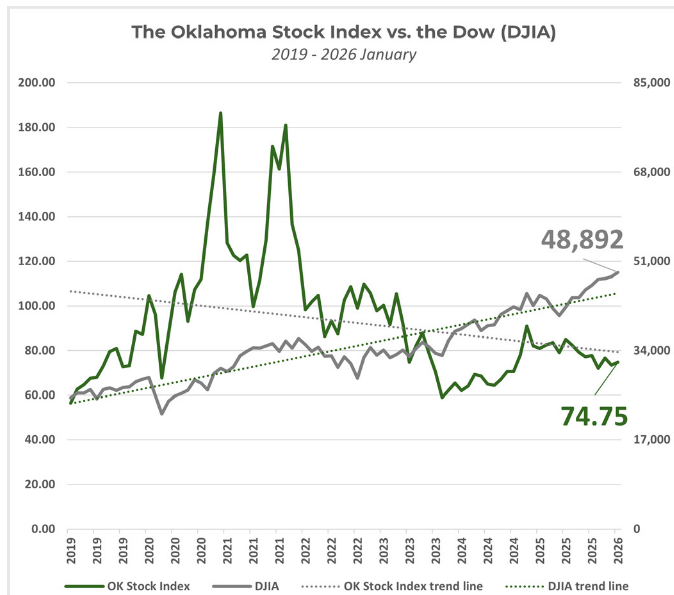
January reflects a **modest reset** for the energy sector. Oil prices stabilized and moved back above $60 per barrel, while producers responded with a measured increase in drilling activity.

Meanwhile, falling gasoline prices offer welcome **relief for households and help ease broader inflationary pressures**. For Oklahoma, stable crude prices paired with a slight rise in drilling activity provide a supportive backdrop for gross production tax revenues. While markets remain sensitive to global supply and demand shifts, the state enters 2026 with energy fundamentals appearing more balanced and steady.

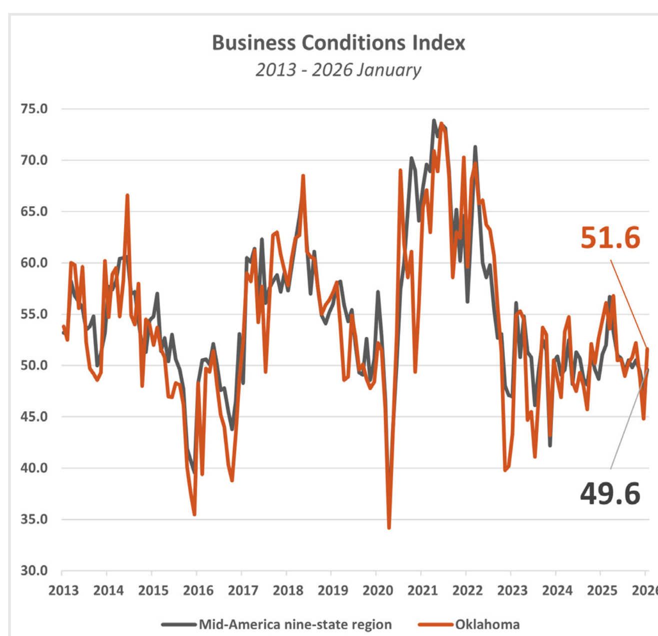


Nationally, markets began the year on a historically strong note, with the Dow continuing its **upward momentum** amid resilient corporate earnings and steady economic conditions. Investors remain attentive to inflation trends.

Locally, the Oklahoma Stock Index **moved modestly higher**, signaling cautious but improving sentiment. Energy markets, commodity prices, and regulatory developments remain central to investor outlook and will influence whether the index can build sustained strength in the months ahead.



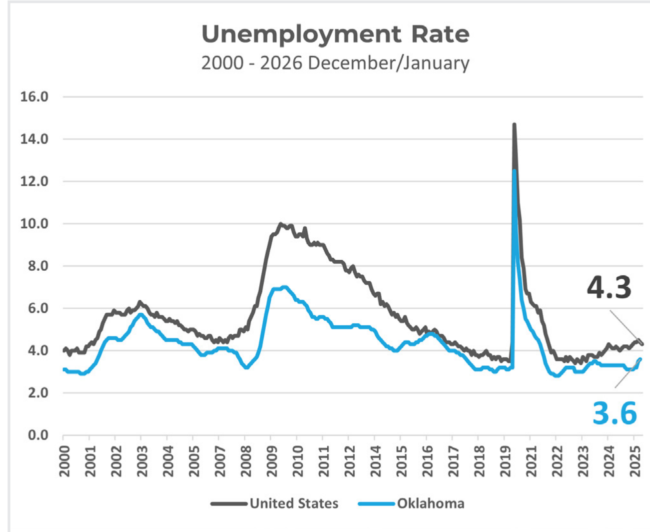
January's move back **above growth neutral** signals a stabilization in manufacturing following the sharp slowdown at the end of last year. Production and inventories improved, suggesting firms are **rebuilding output and managing stock levels more confidently**. However, softer new orders and only modest improvement in hiring indicate that demand has not fully recovered and employers remain cautious. Overall, the data suggests tentative recovery, but momentum remains fragile as manufacturers navigate uneven demand and external uncertainty.



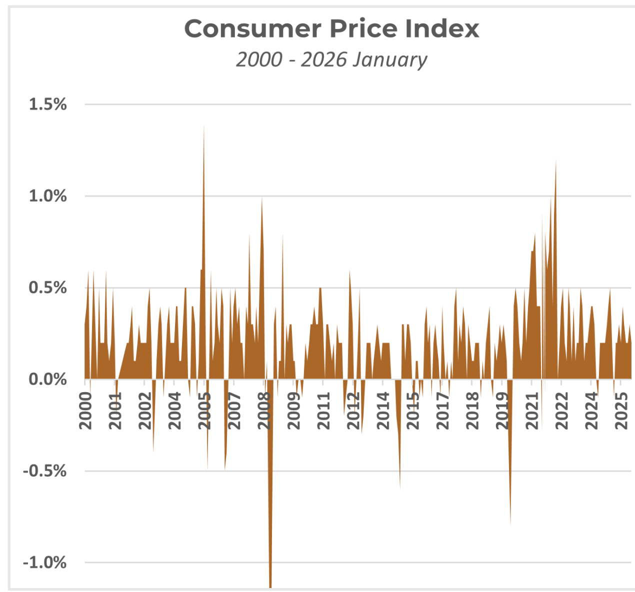
Nationwide, unemployment was higher in 8 states, lower in 2 states, and unchanged in 40 states and the District of Columbia.

The unemployment rate for the U.S is **4.3%** decreasing **0.1%** over the last month while Oklahoma is **3.6%** increasing **0.1%**.

As rates remain relatively low, jobs continue to grow, with non-farm payroll employment in **Oklahoma tied for 15th** in the nation for percentage gain over the last 12 months.



CPI hit **2.4%** in January, an increase of **0.2%**, marking the **ninth consecutive increase**. Inflation pressures remain broad, with shelter, food, and energy continuing to lead gains. While some categories, including vehicles and communication services, saw smaller increases or modest declines, core CPI remains elevated, showing that underlying price pressures persist modestly across the economy. The ongoing streak of monthly increases highlights the stubbornness of inflationary pressures, keeping a **cautious lens on consumer costs** and monetary policy as 2026 begins.



The average 30-year fixed-rate mortgage has stabilized around **6.09%** in early 2026, following the steady declines seen in late 2025. Borrowing costs remain relatively low, offering continued relief for homebuyers, though affordability, tight inventory, and cautious buyer confidence remain challenges.

Following the Fed's recent rate cuts in September and October 2025, mortgage rates have settled at **reasonably lower levels**, and markets continue to monitor for any further adjustments that could influence borrowing costs in 2026.