



August 18, 2025





The TXOGA Chartbook is an essential resource for our members and those interested in understanding the data reflecting ongoing developments within the economy and the oil and gas sectors, both internationally and domestically, including specific trends in Texas.

Key points – Week of August 18, 2025

- ***Producer prices posted their largest monthly increase in over three years, adding to a mixed economic picture.*** The PPI rose 0.9% m/m in July—the biggest gain since March 2022—driven largely by services (over three-quarters of the increase), with goods up 0.7% and notable contributions from diesel, heating oil, and fresh/dry vegetables. High-yield borrowing costs fell 20 bps to 11.9%, the low-credit-quality premium held at 7.8%, and the ADS Business Conditions Index was revised lower, pointing to little or no Q3 growth. Consumer sentiment fell 5% m/m in the University of Michigan’s preliminary August reading, signaling potential moderation in Q3 spending growth; Q2 consumer spending rose 2.4% y/y, down 0.3 percentage points from Q1.
- ***Oil markets:*** As highlighted in the [Chart of the Week](#), the Energy Information Administration’s (EIA) August update raised its global oil demand forecast to 103.7 mb/d in 2025 and 104.9 mb/d in 2026, alongside a 2.3 mb/d supply increase in 2025 led by OPEC and the U.S. Brent crude is now projected to average \$67/bbl in 2025 and \$51/bbl in 2026. WTI crude oil prices eased 0.3% w/w to \$63.72/bbl as of August 15, with price momentum that weakened but began to turn upward. Weekly U.S. petroleum demand rose to 21.4 mb/d, net exports fell to 1.5 mb/d, and crude inventories increased but remained near the bottom of their five-year range as of August 8.
- ***Natural gas markets:*** Prices fell as high storage levels outweighed export strength. Henry Hub prompt-month futures declined 2.2% w/w to \$2.92/MMBtu as of August 15. Working gas in storage rose 1.8% w/w to 3.19 tcf, in the top 20% of the five-year range. EIA’s August estimates show U.S. natural gas net exports up 42% y/y to 15.3 bcf/d in July, while consumption fell seasonally and was down 2.8% y/y to 88.4 bcf/d.
- ***ERCOT:*** Thermal and other dispatchable resources generated up to 93.3% of the region’s electricity. From Aug. 7–13, hourly generation ranged from 53 to 83 kMWh with a standard deviation of 9.9 kMWh. On the morning of Aug. 13, thermal and dispatchable sources provided 93.3% of the region’s power, including 67.4% from natural gas.

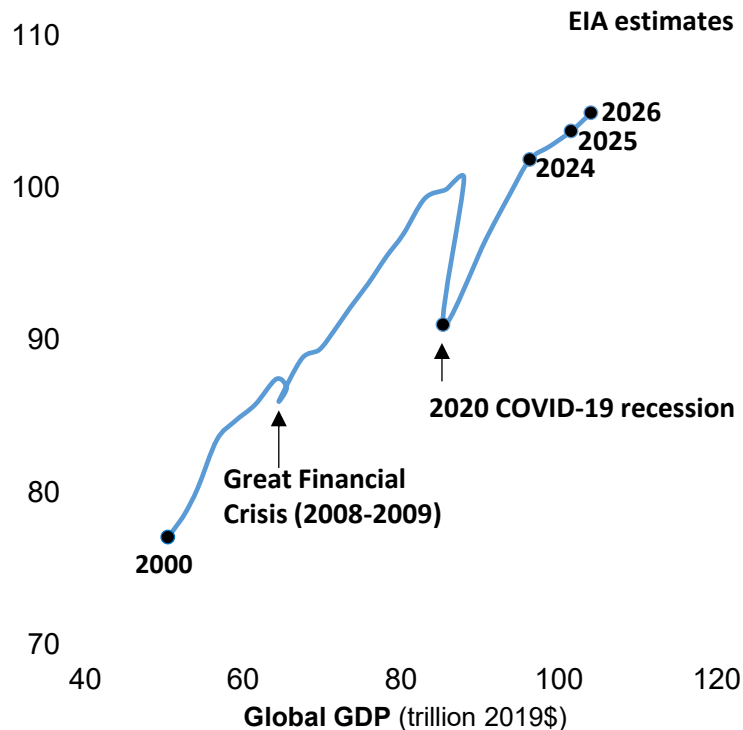
Chart of the Week: EIA sees record oil demand and higher 2025 supply, lower 2026 prices



- In its August update, EIA raised its global oil demand forecast, now expecting a third consecutive record: 102.7 mb/d in 2024, 103.7 mb/d in 2025 (+0.2 mb/d vs. prior forecast), and 104.9 mb/d in 2026 (+0.3 mb/d)
- The EIA raised its 2025 global supply growth forecast by 0.5 mb/d to 2.3 mb/d, led by gains from the U.S. and OPEC producers, but trimmed its 2026 outlook by 0.1 mb/d to 1.0 mb/d.
- Brent crude oil prices are now projected to average \$67 per barrel in 2025 and \$51 in 2026—compared with about \$65 currently and a prior 2026 projection of \$58.

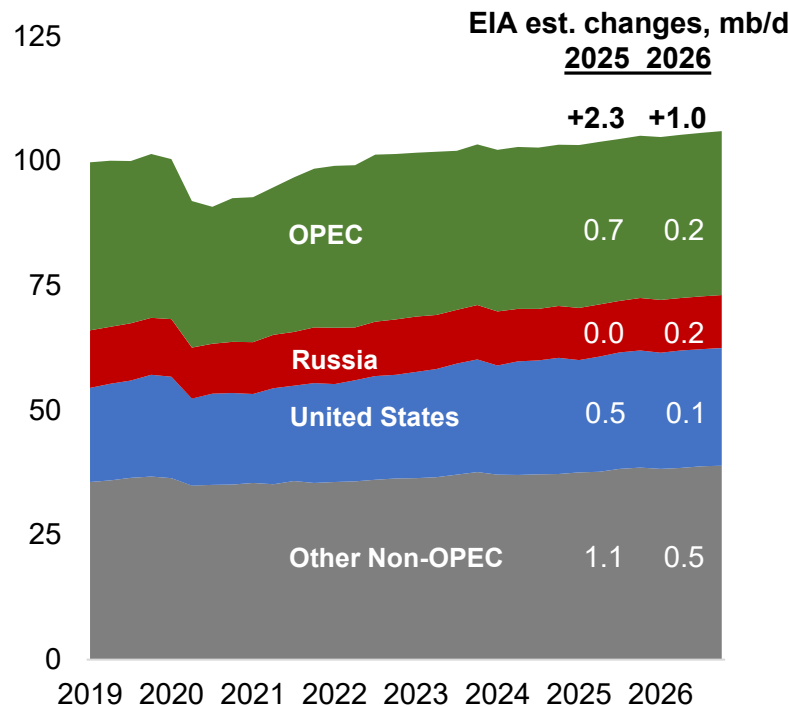
Global oil demand vs. GDP

Global oil demand (million barrels per day, mb/d)



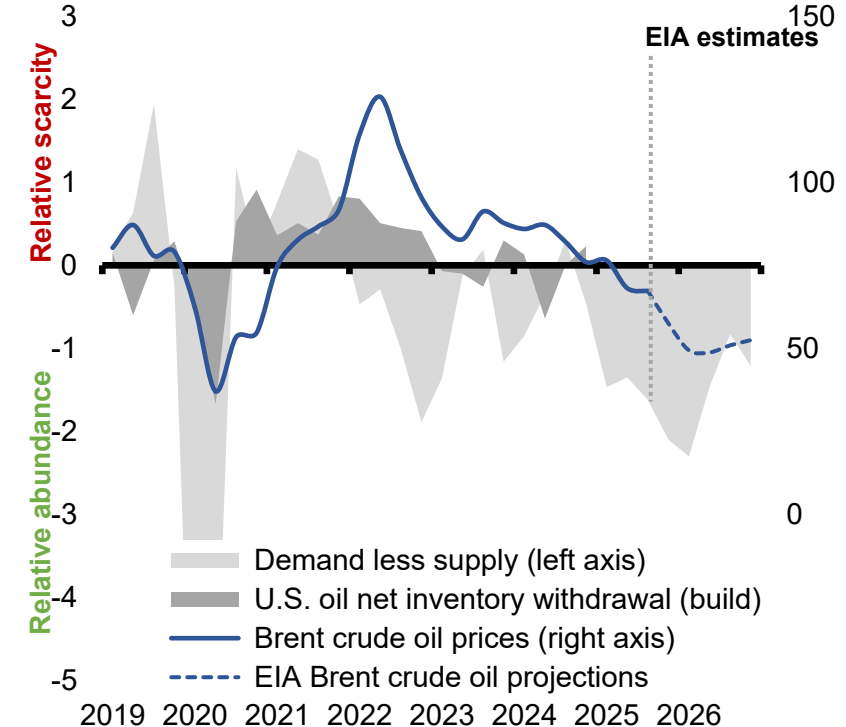
Oil production by country/region

Million barrels per day, mb/d

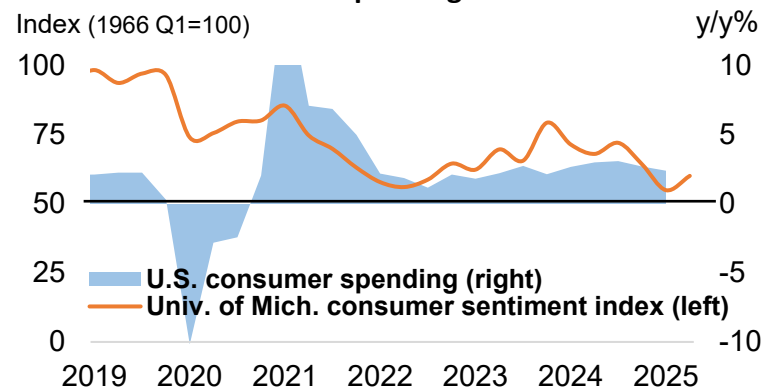


Global demand/supply & Brent prices

Million barrels per day (mb/d)

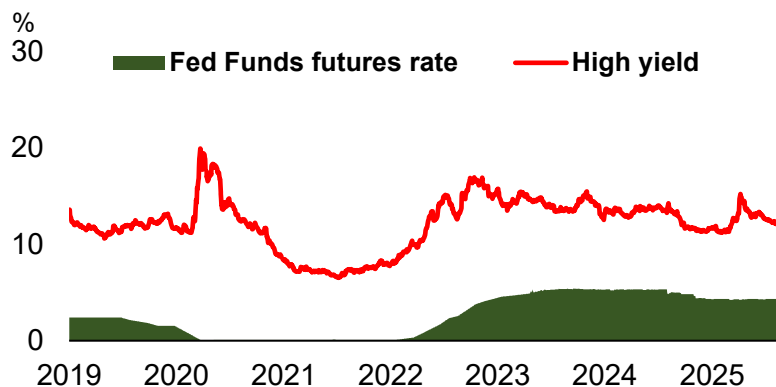


Consumer sentiment vs. spending



Consumer sentiment—a leading indicator of household spending—fell 5% month-over-month (m/m) in the University of Michigan's preliminary August reading, signaling a potential moderation in Q3 2025 spending growth. According to the BEA's estimate of Q2 2025 GDP, consumer spending rose 2.4% year-over-year (y/y), down 0.3 percentage points from Q1.

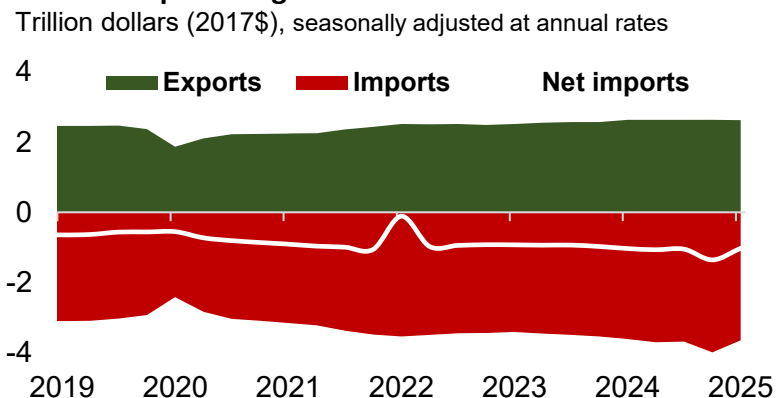
Fed Funds rate and CCC and lower corporate bond yields



As rates declined, the bond premium for low credit quality was unchanged. High-yield (HY) rates — reflecting borrowing costs for below-investment-grade firms — fell 20 basis points to 11.9% for the week ended Aug. 15. The 30-day Fed Funds futures rate also fell 20 bps to 4.1%, while the low-credit-quality premium held at 7.8%.

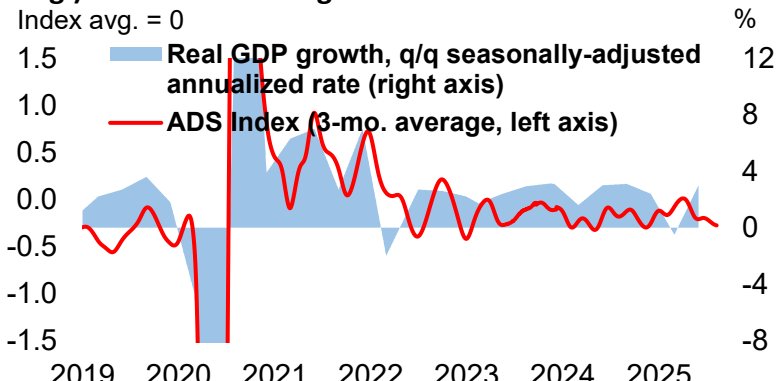
sources: FRED; Univ. of Michigan; BEA; CME Group; Federal Res. Board; Philadelphia Fed. Res.; Bureau of Labor Statistics

Real net exports of goods and services



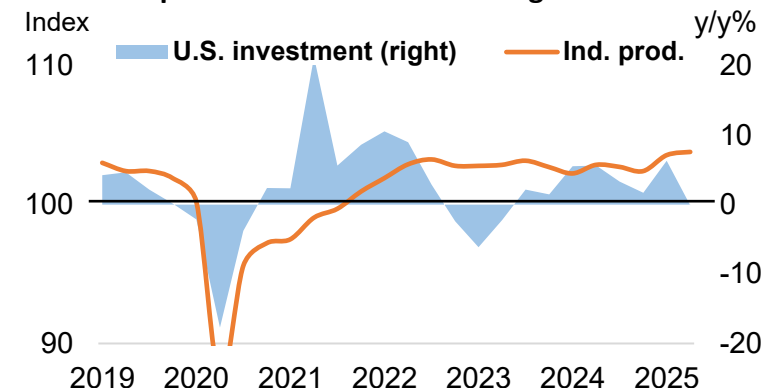
The BEA's initial Q2 2025 GDP report showed the U.S. trade deficit narrowed to \$1.0 trillion, down from a record \$1.4 trillion in Q1, as imports declined more than exports. On a nominal basis, the petroleum trade surplus rose by \$5.5 billion to \$67.8 billion—nearly double its level from a year ago.

Aruoba-Diebold-Scotti Business Conditions Index (qtr. avg.) vs. U.S. real GDP growth



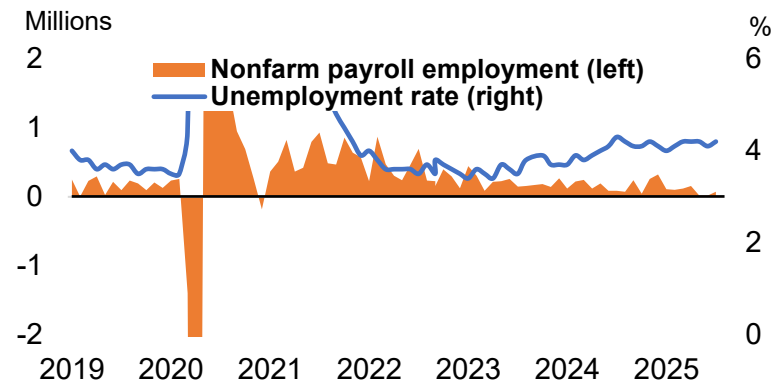
ADS Index revised downward retroactively. While real GDP growth posted a mixed rebound in Q2 2025, the ADS Business Conditions Index from the Philadelphia Fed—an early signal of economic momentum—was significantly revised downward on August 2. It now points to little or no growth in Q3 2025.

Industrial production and investment growth



Macro uncertainties stalled investment in Q2 2025. According to the GDP report, economy-wide investment declined 0.1% y/y, diverging from industrial production, which typically leads investment trends. Industrial production rose 0.7% m/m and 0.3% y/y in June, while capacity utilization edged up 0.1 percentage points to 77.6%, per the Federal Reserve Board.

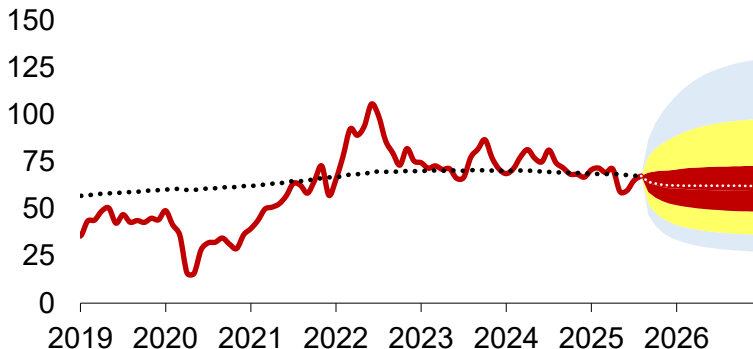
Nonfarm payroll employment & unemployment rate



Labor market conditions weakened – and were downgraded retroactively. Employment is a lagging indicator of GDP growth. Nonfarm payrolls rose by 73,000 in July, but cumulative downward revisions since April have subtracted 334,000 jobs from earlier estimates. The U.S. unemployment rate rose by 0.1 percentage points to 4.2% according to the BLS.

WTI crude oil price mean reversion analysis

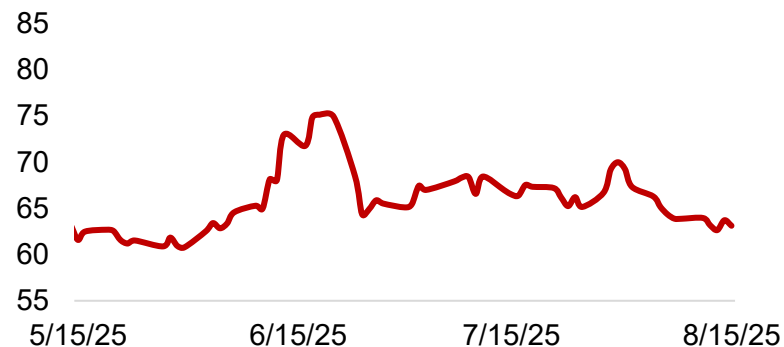
Dollars per barrel (2025\$)



Near-term futures prices have aligned with their historical mean reversion threshold. The futures strip remains in backwardation (i.e., futures prices are below spot prices).

WTI crude prompt month futures prices

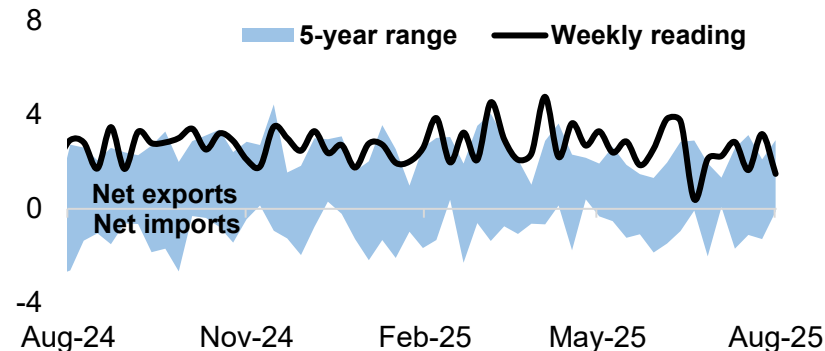
Dollars per barrel



WTI crude oil prices fell 1.2% w/w to \$63.12 per barrel as of August 15, with continued concerns over rising OPEC+ supply and uncertainty surrounding U.S.-Russia negotiations and sanctions.

U.S. petroleum net exports (imports)

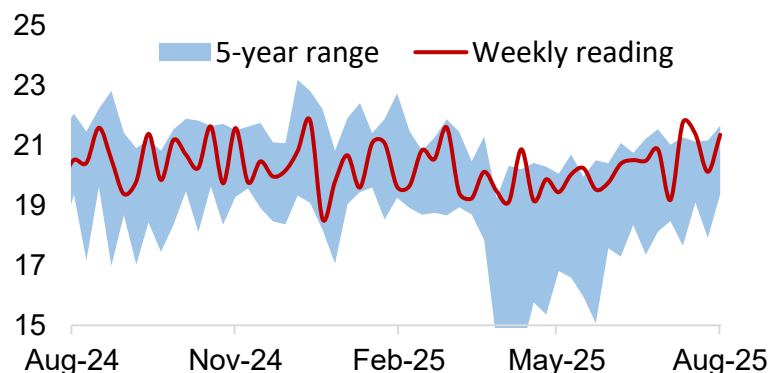
Million barrels per day, mb/d



Petroleum net exports fell to 1.5 mb/d for the week ended August 8, a decrease of 1.7 mb/d from the prior week to the midpoint of the 5-year range.

U.S. petroleum demand

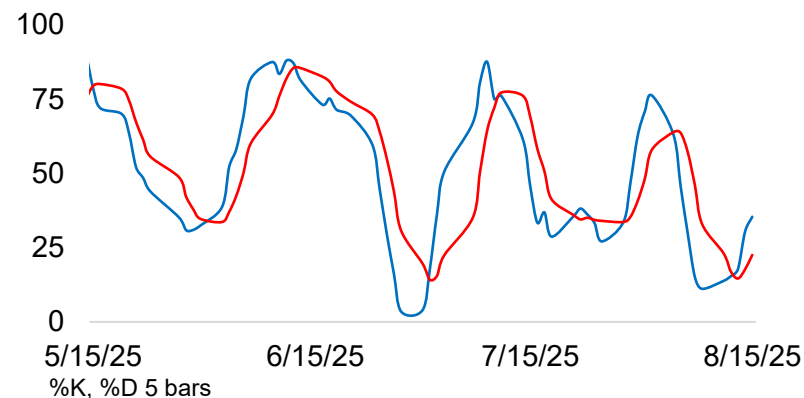
Million barrels per day (mb/d)



Petroleum demand rose. U.S. petroleum demand as of August 8, as measured by deliveries, increased by 1.2 mb/d from the prior week to 21.4 mb/d and remained near the top of the 5-year range.

WTI crude prompt month futures slow stochastic

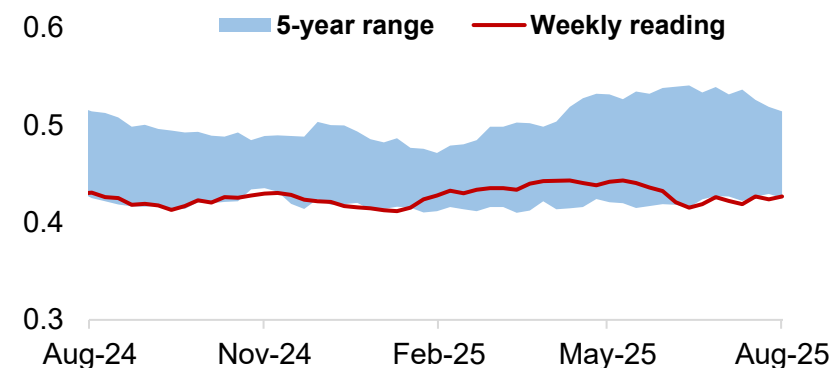
Index level



Price momentum weakened but began to turn upward in the week ended August 15, based on the slow stochastic indicator.

U.S. ending stocks of crude oil (excluding the SPR)

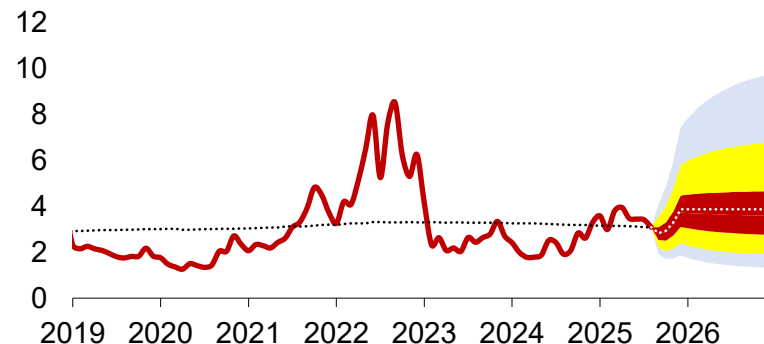
Billion barrels



Inventories increased. U.S. ending stocks of crude oil excluding the Strategic Petroleum Reserve (SPR) increased by 3.0 million barrels (mb) for the week ended August 8 – but remained at the bottom of the 5-year range.

Natural gas price mean reversion analysis

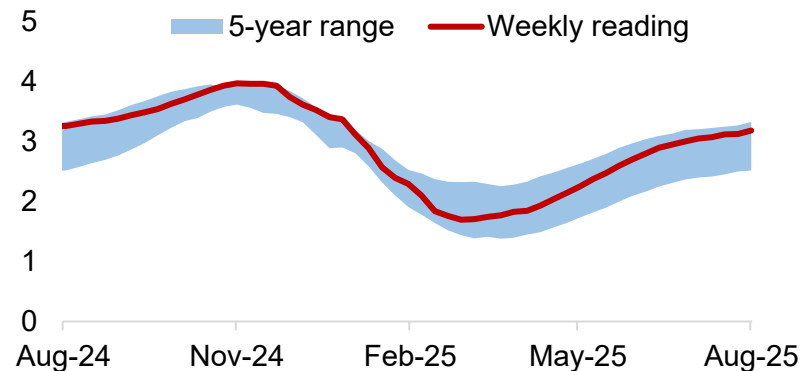
Dollars per mmBtu (2025\$)



Near-term futures prices have fallen below their historical mean reversion threshold. The futures curve is in contango, with spot prices below forward prices. Historical confidence intervals suggest greater potential for upside price movement than downside risk.

U.S. weekly working gas storage

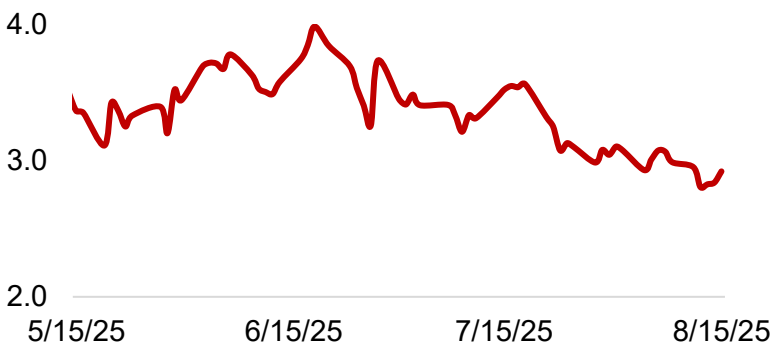
Trillion cubic feet (tcf)



Working natural gas storage increased. Underground storage rose by 1.8% w/w to 3.19 trillion cubic feet (tcf) as of August 8 – in the top 20% of the 5-year range.

Natural gas prompt month futures prices

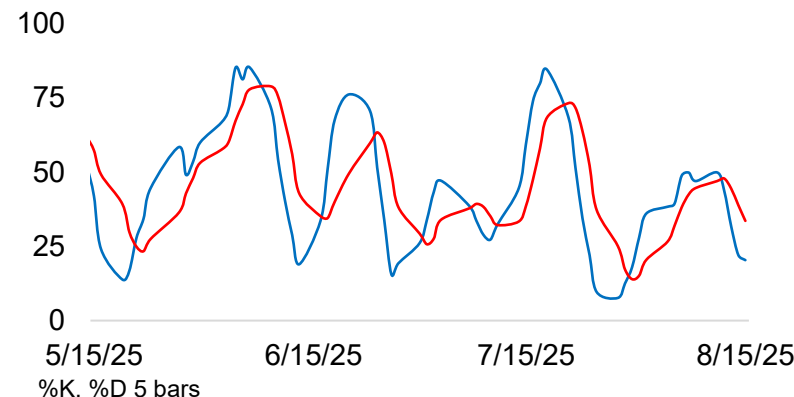
Dollars per million Btu



Henry Hub natural gas prices fell by 2.2% w/w to \$2.92 per million Btu for the week ended August 15, as markets continued to reflect strong inventories and weak expectations for peak summer power consumption.

Natural gas futures slow stochastic

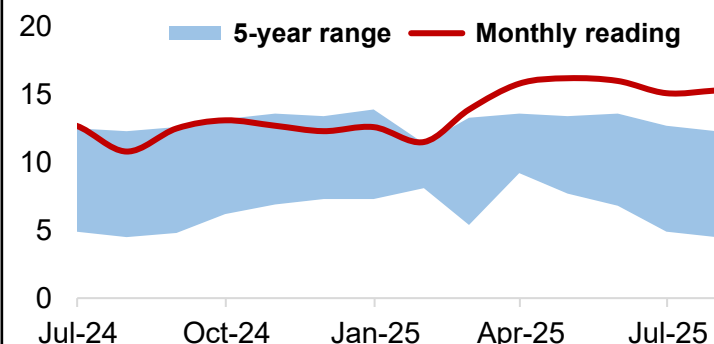
Index level



%K, %D 5 bars
Natural gas price momentum weakened during the week ended August 15.

U.S. natural gas net exports

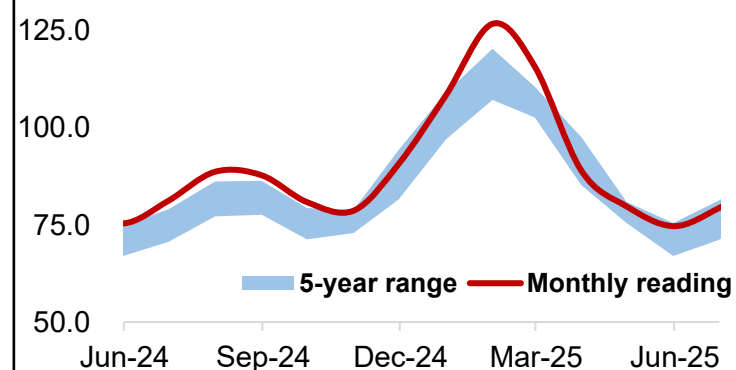
Billion cubic feet per day, bcf/d



According to the EIA's August-revised estimates, U.S. natural gas net exports increased 42% y/y to 15.3 bcf/d in July.

U.S. natural gas consumption

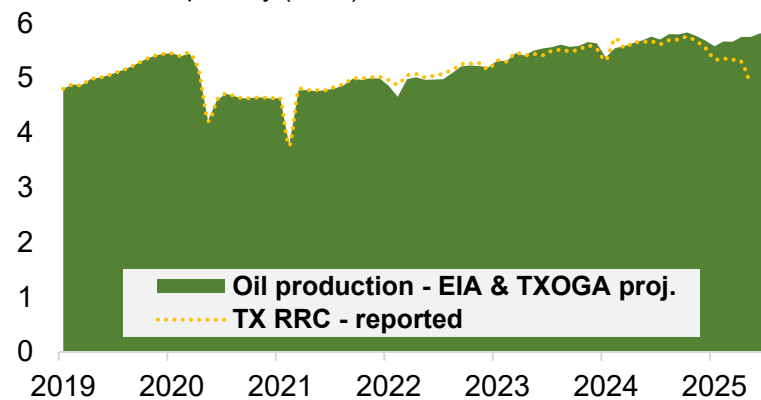
Billion cubic feet per day, bcf/d



Natural gas consumption rose seasonally but declined 2.6% y/y to 86.4 bcf/d in July, according to August 2025–revised EIA estimates.

Texas crude oil production, Jan. 2019 – July 2025

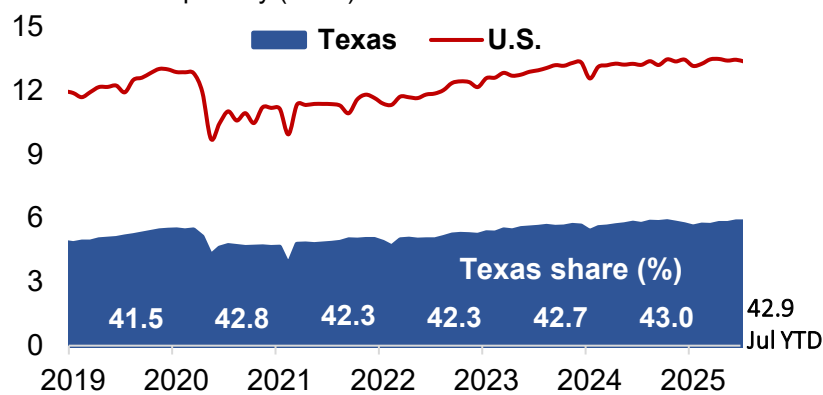
Million barrels per day (mb/d)



Record-high estimated oil production. Texas' oil production averaged 5.75 mb/d in May, according to the EIA. TXOGA estimates that production eclipsed 5.8 mb/d in July and likely reached a new record high.

U.S. and Texas crude oil production, Jan. 2019 – July 2025

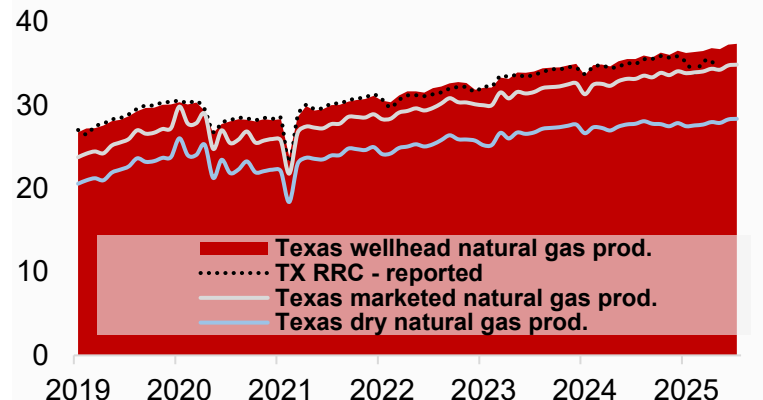
Million barrels per day (mb/d)



In the first seven months of 2025, Texas accounted for 42.9% of total U.S. crude oil production.

Texas natural gas production, Jan. 2019 – July 2025

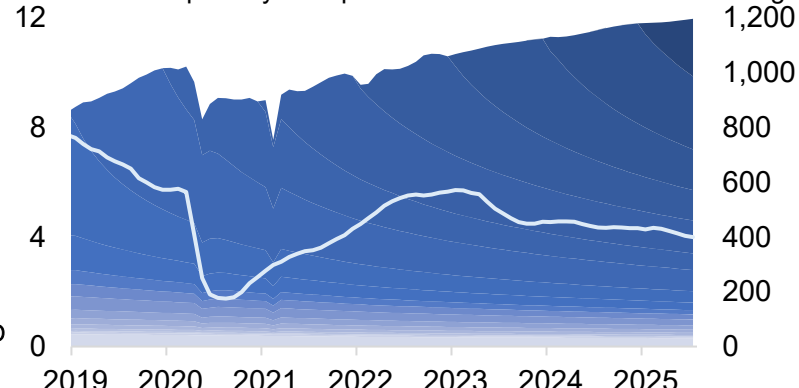
Billion cubic feet per day (bcf/d)



Natural gas production increased. Texas produced 36.7 bcf/d of natural gas gross withdrawals and 34.3 bcf/d of marketed production in May – both 0.3% below record highs set in April, per EIA. TXOGA estimates that Texas' marketed production rose to 34.9 bcf/d in July.

Texas shale basin wellhead oil & natural gas production

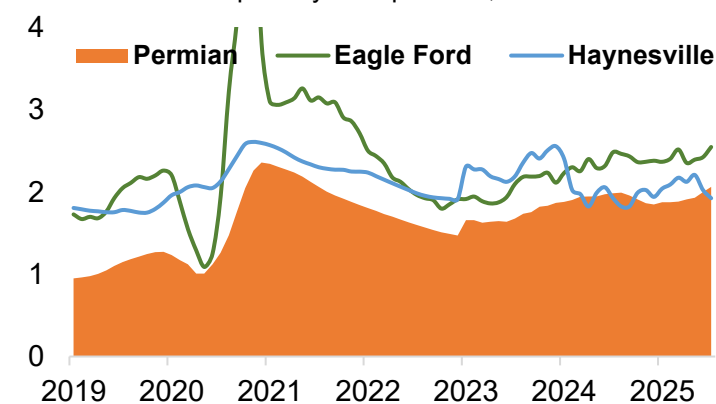
Million barrels per day oil-equivalent



EIA estimates show oil and natural gas production growth across Texas shale basins in July 2025, including the Permian (+3.7% y/y), Eagle Ford (+1.4% y/y), and Haynesville (+11.1% y/y).

Texas rig productivity by basin – new monthly prod. per rig

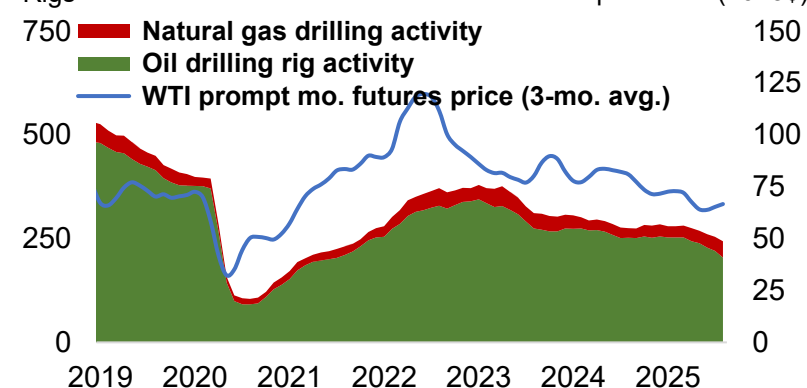
Thousand barrels per day oil-equivalent, kb/doe



Rig productivity gains were mixed in July. EIA estimates of rig productivity for July 2025 rose by 3.9% y/y in the Permian Basin and 2.5% y/y in the Eagle Ford, but remained flat in the Haynesville.

Texas drilling activity and WTI crude oil futures prices

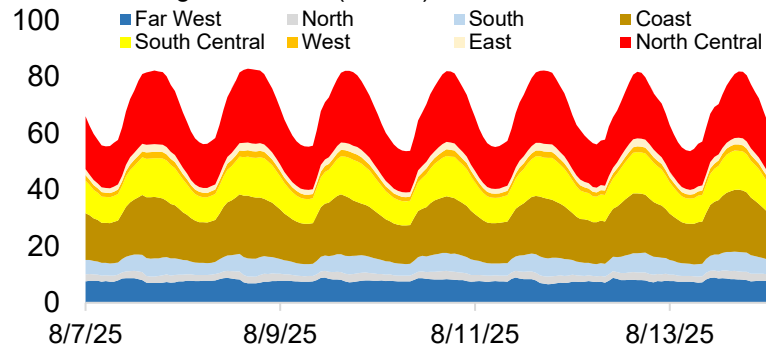
Rigs Dollars per barrel (2025\$)



As of August 15, Texas' total rigs declined, according to Baker Hughes, with 203 oil-directed rigs (unchanged w/w) and 39 natural gas-directed rigs (down 1 rig w/w).

ERCOT electricity load by region

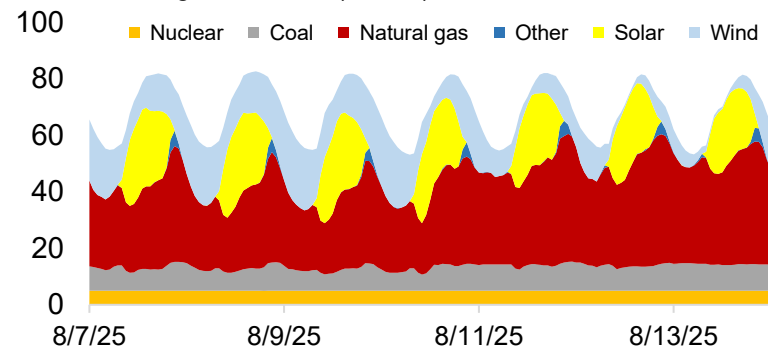
Thousand megawatt-hours (kMWh)



For Aug. 7-13, ERCOT's average hourly electricity load was 69.1 kMWh, up 3.4% w/w, while the maximum hourly load of 83.0 kMWh rose by 1.5% w/w. Variability was the highest in the North Central and South Central regions.

ERCOT hourly electricity generation by source

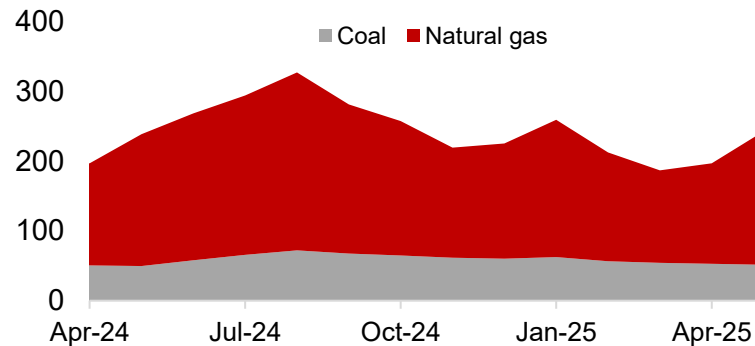
Thousand megawatt-hours (kMWh)



Thermal and other dispatchable resources generated up to 93.3% of ERCOT's electricity. ERCOT's hourly electricity generation for the period Aug. 7-13 ranged between 53 and 83 kMWh with a standard deviation of 9.9 kMWh. Thermal and dispatchable sources generated 93.3% of the region's power on the morning of Aug. 13, including 67.4% from natural gas.

Texas electricity plant receipts of natural gas and coal

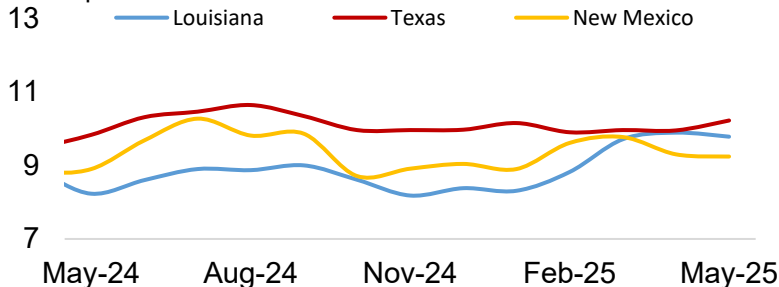
Trillion Btu



Natural gas receipts accelerated in May. Texas electricity plant receipts of natural gas rose by 32.6% m/m in May 2025, while receipts of coal fell 2.0% m/m.

Electricity prices – average across all end-use sectors

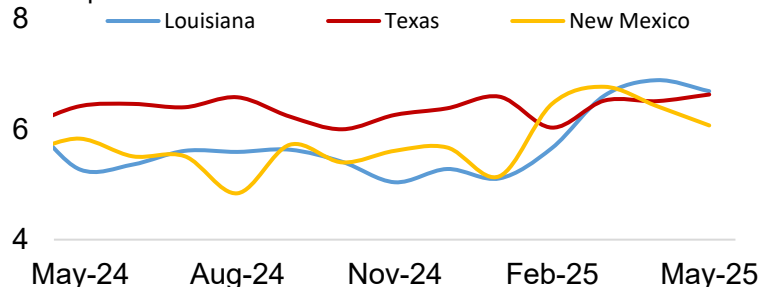
Cents per kilowatt-hour



Texas electricity prices escalated in May 2025. The average price of electricity in Texas rose 2.7% m/m and 4.0% y/y to 10.22 cents per kWh. For comparison, May electricity prices averaged 9.78 cents per kWh in Louisiana and 9.24 cents per kWh in New Mexico.

Industrial electricity prices

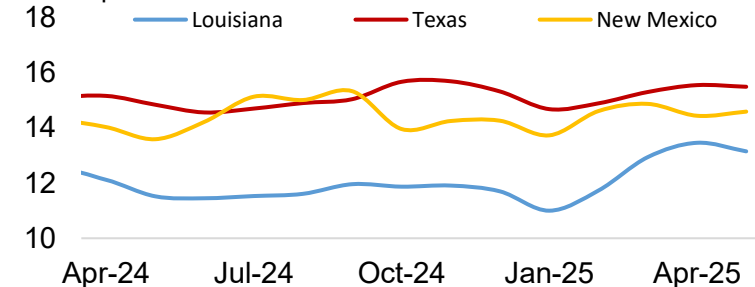
Cents per kilowatt-hour



Texas' industrial electricity prices rose by 1.8% m/m and 3.3% y/y to 6.63 cents per kWh in May, while those in neighboring Louisiana and New Mexico receded by 2.9% m/m and 5.5% m/m, respectively, to be on par or lower than prices in Texas.

Residential electricity prices

Cents per kilowatt-hour



Texas' residential electricity prices slipped by 0.4% m/m but remained up 4.4% y/y to 15.49 cents per kWh in May, remaining above rates in Louisiana (13.15 cents per kWh) and New Mexico (14.59 cents per kWh).



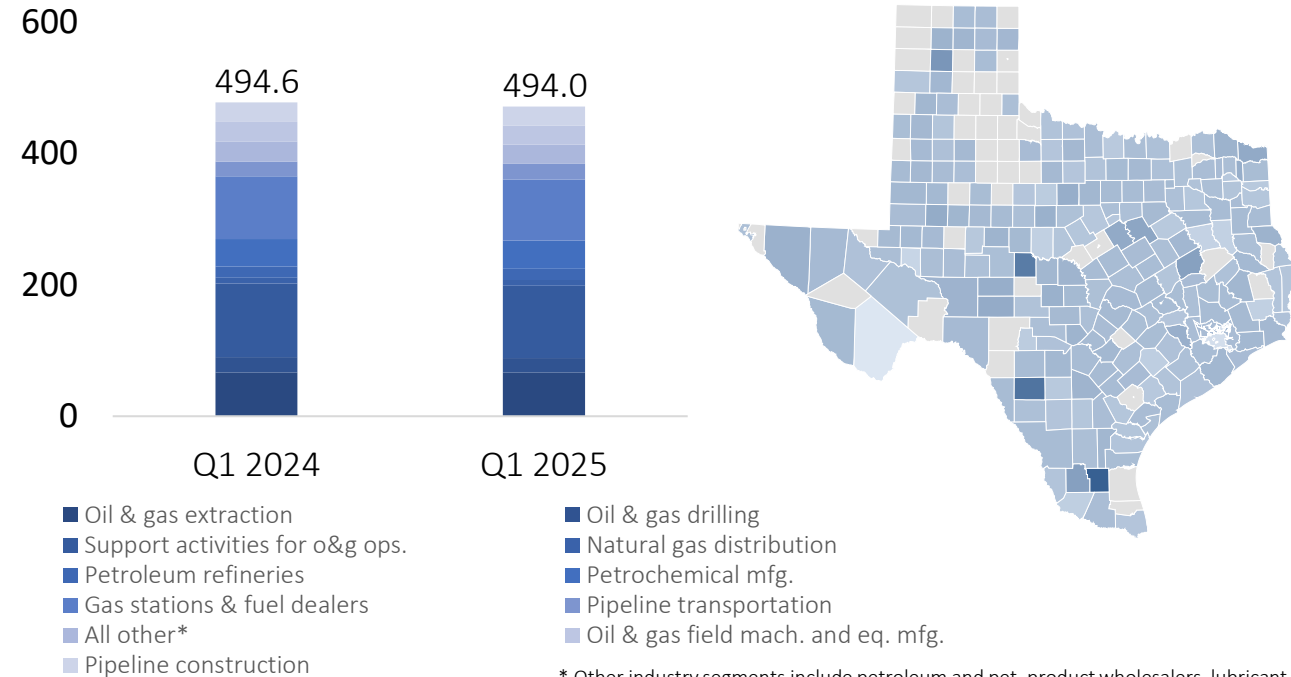
Texas Oil & Gas Jobs Dipped, Wages Reached Record High in Q1 2025



- Texas oil and natural gas industry employment slipped by 0.1% year-over-year (y/y) in Q1 2025 to 493,958 jobs, while industry wages edged up 0.2% y/y to \$20.9 billion—the highest on record.
- Although overall employment held steady, several industry segments posted notable changes. Petroleum refinery employment rose 10.8% y/y to 51,732 jobs; petrochemical manufacturing expanded 4.0% y/y to 18,279 jobs; nitrogenous fertilizer manufacturing jumped 15.6% y/y to 578 jobs; and industrial sand mining fell 26.4% y/y to 3,789 jobs, according to data from the U.S. Census Bureau and the Texas Workforce Commission.

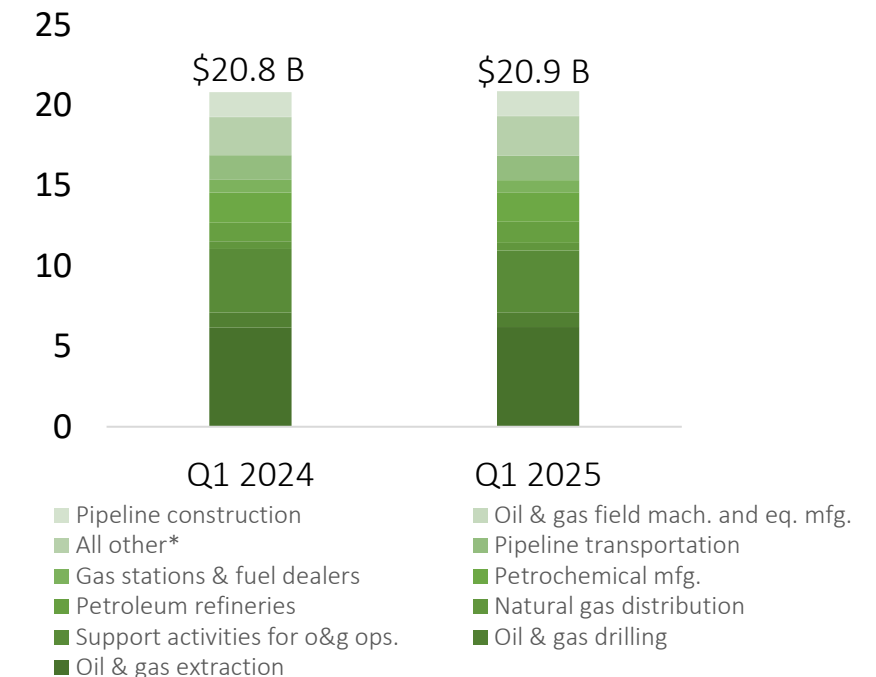
Texas oil and natural gas industry direct employment fell by +0.1% y/y in Q1 2025

Thousand Jobs



Texas oil and natural gas industry direct wages rose by +0.2% y/y in Q1 2025

Billion dollars





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