



September 29, 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 September 29, 2025

- **U.S. economic signals weakened further.** The ADS Index slipped again, pointing to little or no Q3 growth despite mixed GDP revisions. BEA's latest update reshuffled 2024 quarterly growth without changing the annual pace, mechanically lifting Q2 2025 GDP growth by 0.8 percentage points. Consumer sentiment stayed subdued relative to spending, investment continued to lag industrial production, and labor markets softened with payrolls up just 22,000 in August while unemployment edged up to 4.3%. High-yield borrowing costs rose to 11.8%, widening the low-credit-quality premium to 7.7%, while Fed Funds futures held steady at 4.1%.
- **Oil prices firmed on sanctions risk and tight inventories.** WTI crude rose 5.1% week-over-week (w/w) to \$65.89/bbl as of Sept. 26, supported by expectations of secondary sanctions against Russia and historically low U.S. inventories. The futures strip flattened, with backwardation between Nov. 2025 and Dec. 2026 only 3.7%. U.S. petroleum demand rose to 20.8 million barrels per day (mb/d) (+0.2 mb/d w/w) while net exports slipped to 3.5 mb/d (-0.3 mb/d w/w). Commercial crude inventories (excluding the SPR) fell 0.6 million barrels and remain at the bottom of the five-year range.
- **Natural gas prices slipped on strong storage.** Henry Hub prompt month prices fell 1.6% w/w to \$2.84 per million Btu as of Sept. 26, supported by robust storage, up 2.2% w/w to 3.5 trillion cubic feet (tcf). Net exports climbed 26.4% year-over-year (y/y) to 15.8 billion cubic feet per day (bcf/d) in August, while U.S. consumption declined 3.3% y/y to 84.9 bcf/d.
- **[Chart of the Week](#) shows regional electricity price convergence.** Texas industrial rates have remained relatively stable, while sharp increases in Louisiana and New Mexico have narrowed the gap in both industrial and residential prices.

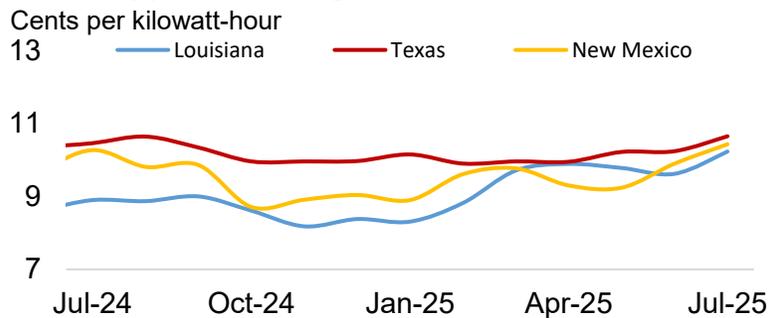


Chart of the Week: Electricity Prices Converge Across Texas, Louisiana, and New Mexico



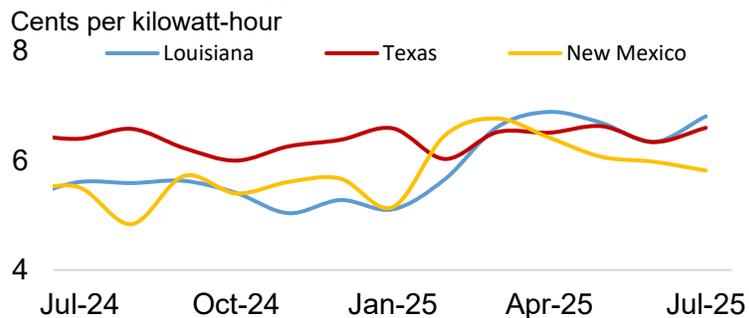
- **Overall convergence:** Average electricity rates across all end-use sectors in Texas, Louisiana, and New Mexico have drawn closer over the past year, narrowing regional differences.
- **Industrial stability:** Texas' industrial electricity prices remain relatively stable compared with sharper swings in Louisiana and New Mexico—underscoring Texas' continued competitive position for energy-intensive industries.
- **Residential pressures:** Texas residential rates rose modestly in July, while Louisiana's surged, though still remain more than 15% below Texas levels.
- **Regional dynamics:** Louisiana's sharp industrial price increases lifted them above Texas levels for the first time, while New Mexico's prices remain consistently lower.

Electricity prices – average across all end-use sectors



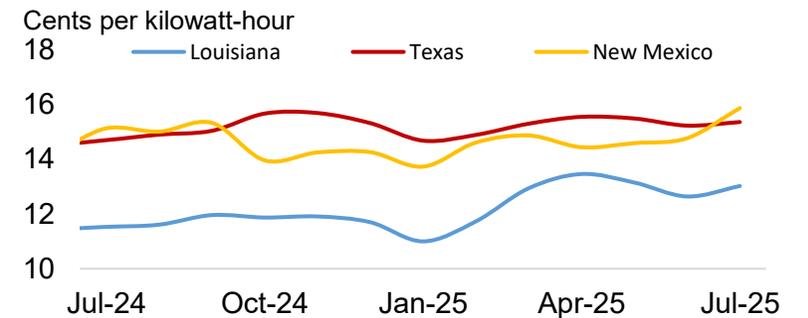
Texas electricity prices rose in July 2025. The state average increased 4.0% m/m and 1.8% y/y to 10.65 cents per kWh, compared with 10.23 in Louisiana and 10.43 in New Mexico.

Industrial electricity prices



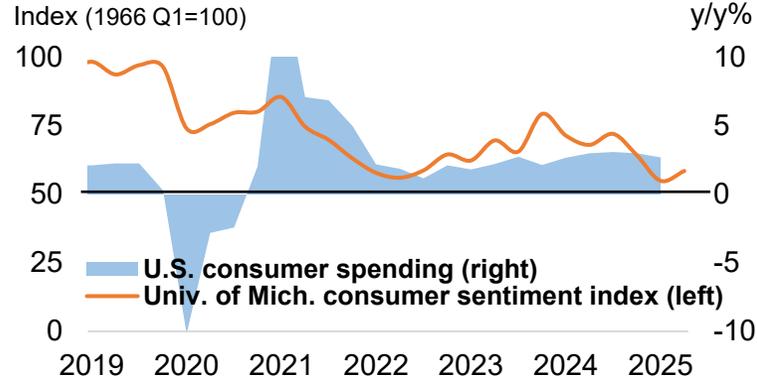
Texas' industrial electricity prices rose 4.1% m/m and 3.1% y/y to 6.6 cents per kWh in July. Prices in neighboring states also climbed from last year: Louisiana's surged 21.4% y/y to 6.81 cents per kWh—now above the Texas average—while New Mexico's rose 5.6% y/y but remained 11.8% below Texas levels.

Residential electricity prices



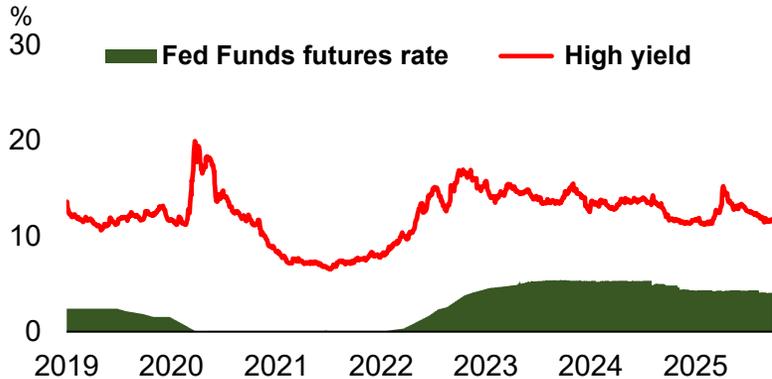
Texas' residential electricity prices rose 0.9% m/m and 4.5% y/y in July to 15.36 cents per kWh. Rates in neighboring states also climbed—up 12.9% y/y in Louisiana and 4.9% y/y in New Mexico—though Louisiana's still remain more than 15% below Texas levels.

Consumer sentiment vs. spending



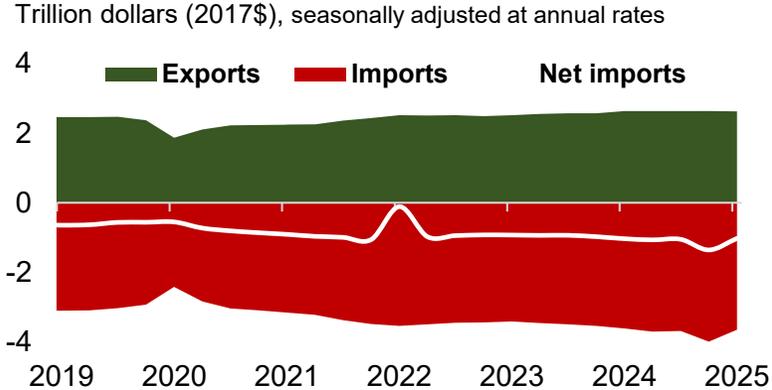
Consumer sentiment—a leading indicator of household spending—fell 5.5% month-over-month (m/m) in the University of Michigan's preliminary September reading, signaling a potential moderation in Q3 2025 spending growth. According to the BEA's revised estimate of Q2 2025 GDP, consumer spending rose 2.7% year-over-year (y/y), down 0.4 percentage points from Q1.

Fed Funds rate and CCC and lower corporate bond yields



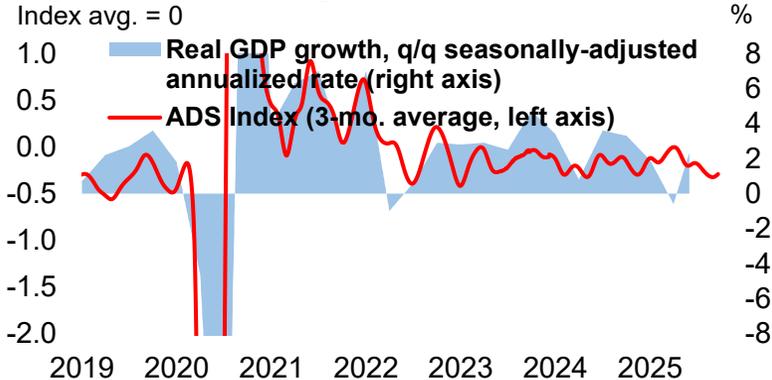
The bond premium for low-credit-quality issuers increased. High-yield (HY) borrowing costs rose 0.2% to 11.8% for the week ended Sept. 26, while 30-day Fed Funds futures held steady w/w at 4.1%. The low-credit-quality premium rose to 7.7%.

Real net exports of goods and services



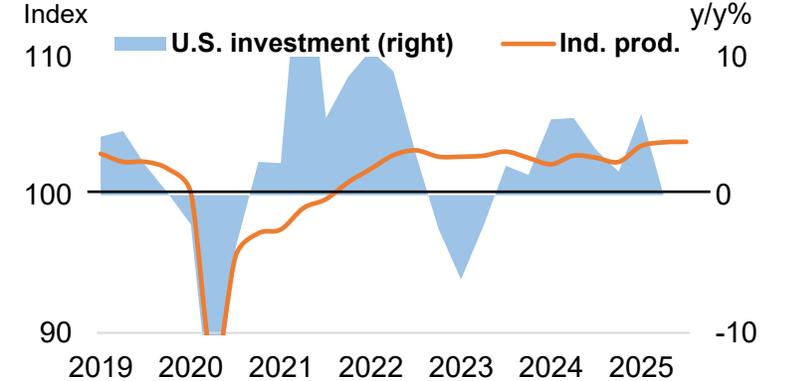
The BEA's initial Q2 2025 GDP report showed the U.S. trade deficit narrowed to an annualized \$1.0 trillion (SAAR), down from a record \$1.4 trillion in Q1, as imports declined more than exports. On a nominal basis, the petroleum trade surplus rose by an upward-revised \$9.9 billion to \$72.2 billion—more than double its level from a year ago.

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



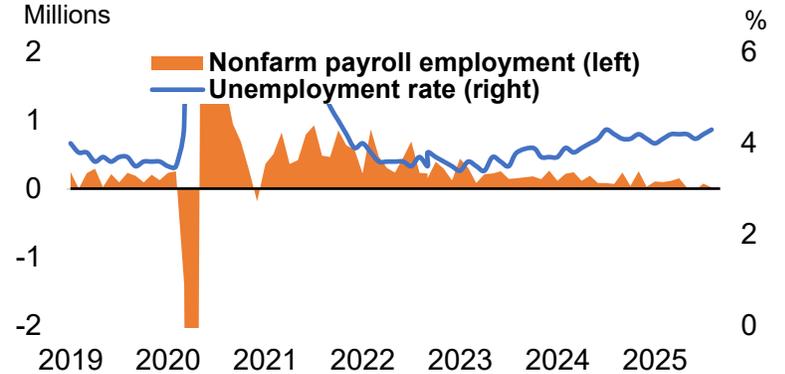
ADS Index suggests Q3 slowing. While real GDP growth posted a mixed rebound in Q2 2025, the ADS Business Conditions Index from the Philadelphia Fed—an early signal of economic momentum—currently points to weak growth in Q3 2025.

Industrial production and investment growth



Macro uncertainties stalled investment in Q2 2025. According to the revised GDP report, economy-wide investment was flat y/y in BEA's September revision, diverging from industrial production, which typically leads investment trends. Industrial production rose 0.1% m/m in August, corresponding with capacity utilization of 77.4%, per the Federal Reserve Board.

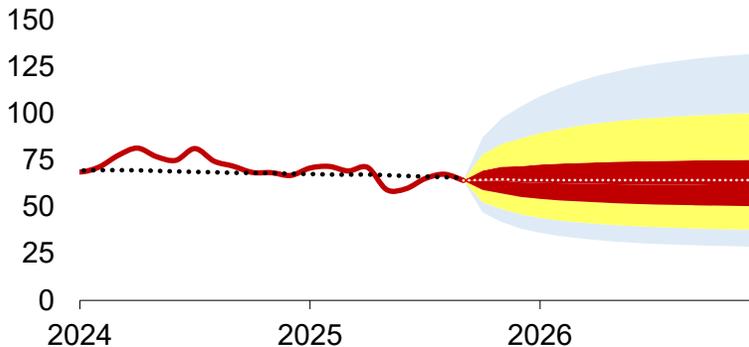
Nonfarm payroll employment & unemployment rate



Labor market conditions weakened further. Employment is a lagging indicator of GDP growth. Nonfarm payrolls rose by 22,000 in August. The U.S. unemployment rate rose by 0.1 percentage points to 4.3% according to the BLS.

WTI crude oil price mean reversion analysis

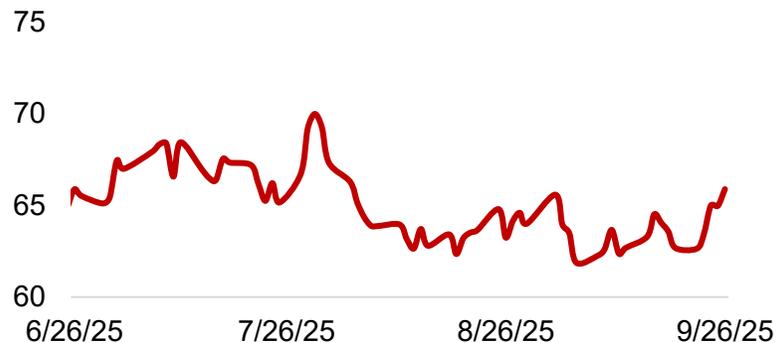
Dollars per barrel (2025\$)



Near-term futures prices remain aligned with their historical mean reversion threshold. The futures strip remains in backwardation (i.e., futures prices are below spot prices) by 3.7% between the November 2025 and December 2026 contracts.

WTI crude prompt month futures prices

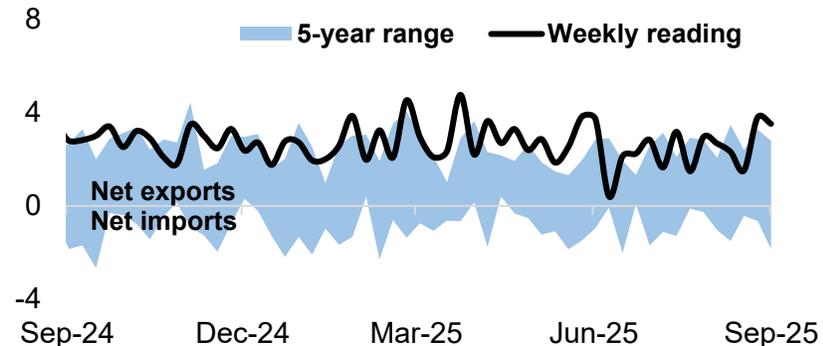
Dollars per barrel



WTI crude oil prices rose 5.1% w/w to \$65.89/bbl as of September 26, reflecting increased expectations of secondary sanctions against Russia coupled with historically low U.S. crude oil inventories.

U.S. petroleum net exports (imports)

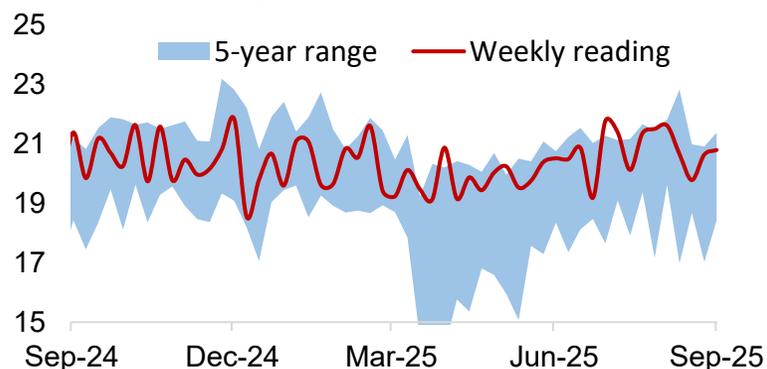
Million barrels per day, mb/d



Petroleum net exports fell to 3.5 mb/d for the week ended September 19, a decrease of 0.3 mb/d from the prior week.

U.S. petroleum demand

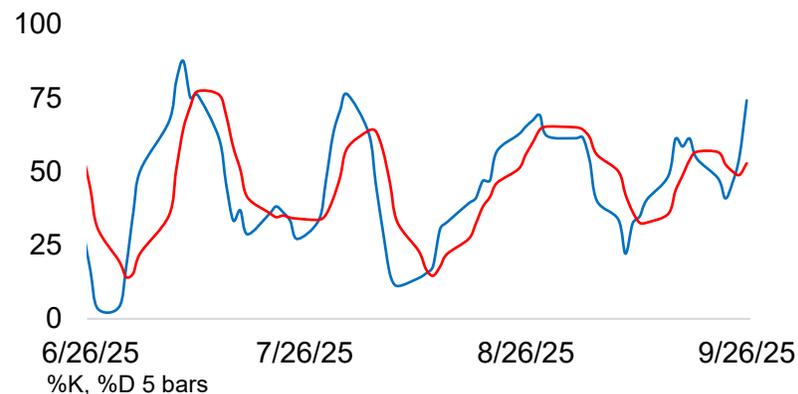
Million barrels per day (mb/d)



Petroleum demand increased. U.S. petroleum demand as of September 19, as measured by deliveries, increased by 0.2 mb/d from the prior week to 20.8 mb/d.

WTI crude prompt month futures slow stochastic

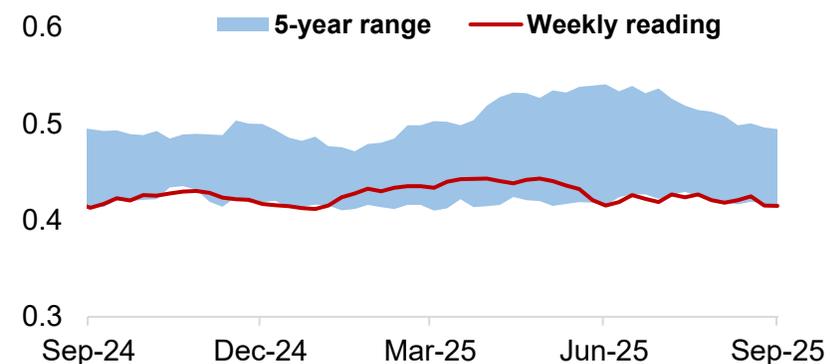
Index level



Price momentum rose for the week ended September 26.

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

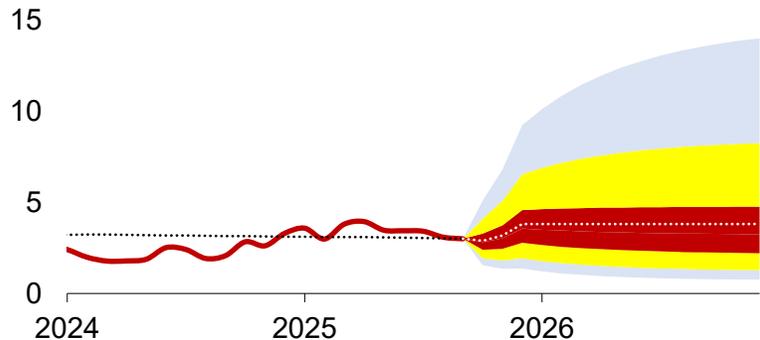
Billion barrels



Inventories decreased. U.S. ending stocks of crude oil excluding the Strategic Petroleum Reserve (SPR) decreased by 0.6 million barrels (mb) for the week ended September 19 – and remained at the bottom of the 5-year range.

Natural gas price mean reversion analysis

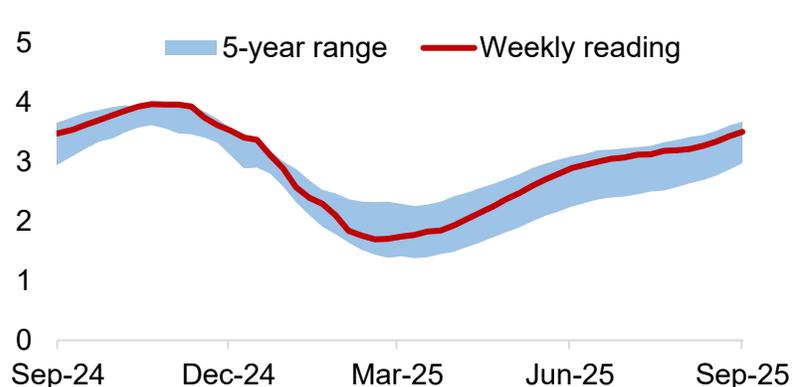
Dollars per mmBtu (2025\$)



Near-term futures prices have aligned with 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 2.2% w/w to 3.5 trillion cubic feet (tcf) as of September 19, top 25% within the 5-year range.

Natural gas prompt month futures prices

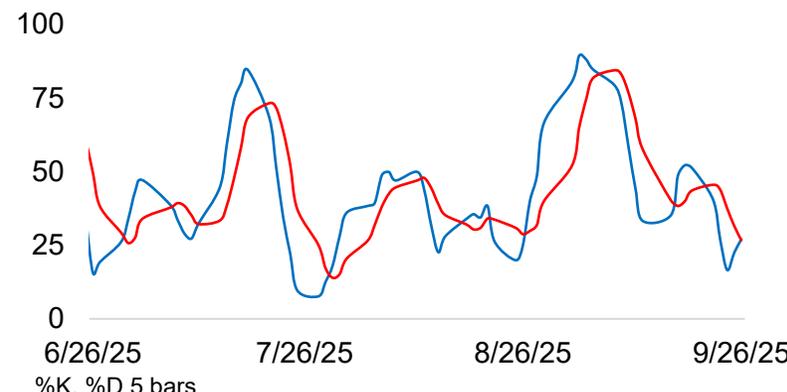
Dollars per million Btu



Natural gas prices held steady amid strong storage. Henry Hub prompt month prices fell 1.6% w/w to \$2.84 per million Btu for the week ended Sept. 26, reflecting robust underground storage and awaiting clearer seasonal direction.

Natural gas futures slow stochastic

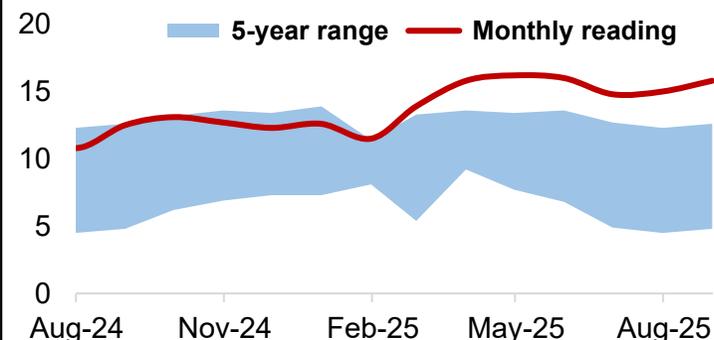
Index level



Natural gas price momentum remained weak during the week ended September 26.

U.S. natural gas net exports

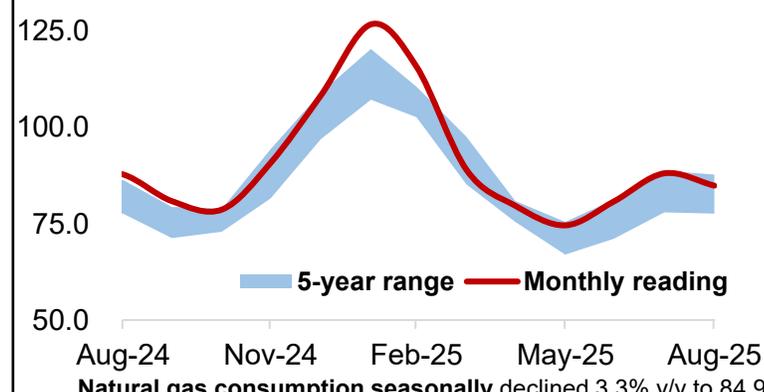
Billion cubic feet per day, bcf/d



According to the EIA estimates, U.S. natural gas net exports increased 26.4% y/y to 15.8 bcf/d in August.

U.S. natural gas consumption

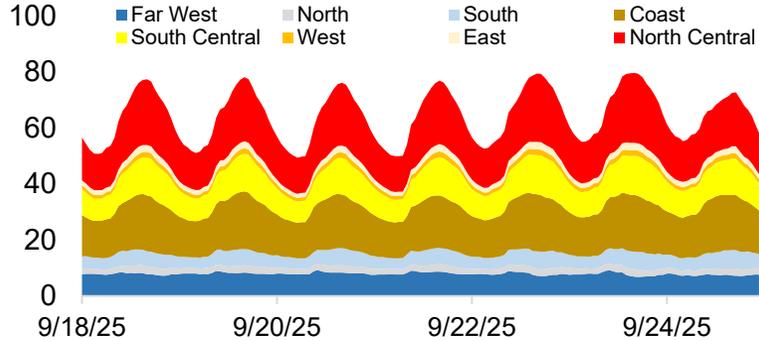
Billion cubic feet per day, bcf/d



Natural gas consumption seasonally declined 3.3% y/y to 84.9 bcf/d in August, according to EIA estimates.

ERCOT electricity load by region

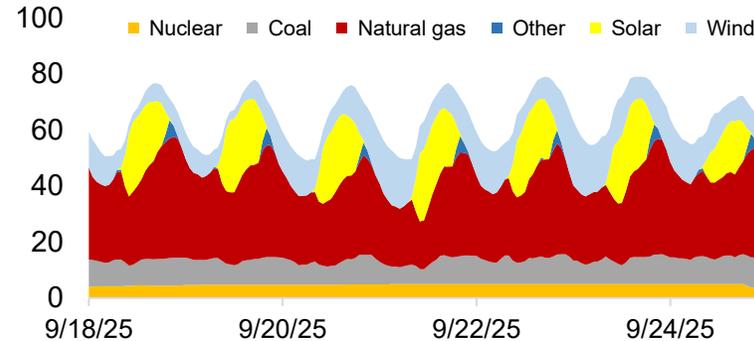
Thousand megawatt-hours (kMWh)



For Sep. 18-24, ERCOT's average hourly electricity load was 64.5 kMWh, up 1.9% w/w, while the maximum hourly load of 79.8 kMWh rose by 0.6% w/w. Variability was the highest in the North Central and South Central regions.

ERCOT hourly electricity generation by source

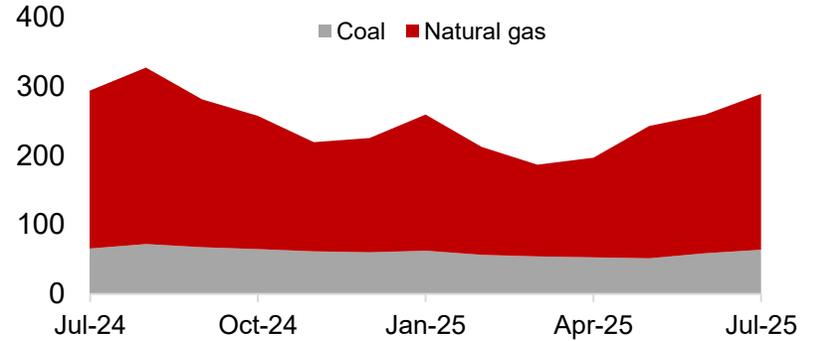
Thousand megawatt-hours (kMWh)



Thermal and other dispatchable resources supplied as much as 87.1% of ERCOT's electricity. From Sep. 18-24, hourly generation ranged between 49–79 kMWh, with a standard deviation of 9.1 kMWh. On the morning of Sep. 19, dispatchable sources met 87.1% of load—including 60.1% from natural gas.

Texas electricity plant receipts of natural gas and coal

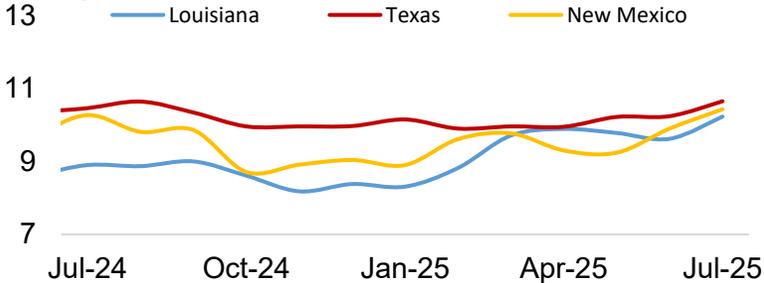
Trillion Btu



Natural gas receipts rose seasonally but remained below year-ago levels in July. Texas power plant receipts of natural gas increased 12.5% m/m but were 1.4% lower than in July 2024. Coal receipts also rose 8.2% m/m yet were down 2.7% y/y.

Electricity prices – average across all end-use sectors

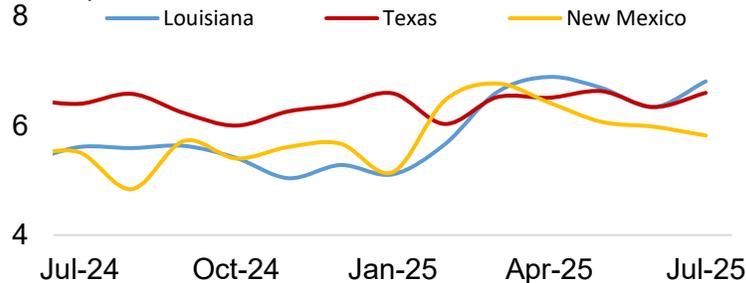
Cents per kilowatt-hour



Texas electricity prices rose in July 2025. The state average increased 4.0% m/m and 1.8% y/y to 10.65 cents per kWh, compared with 10.23 in Louisiana and 10.43 in New Mexico.

Industrial electricity prices

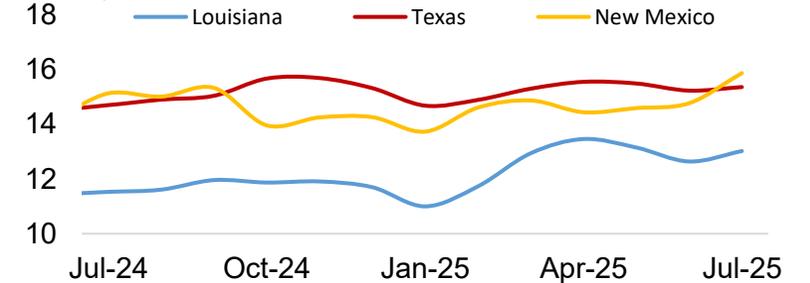
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Residential electricity prices

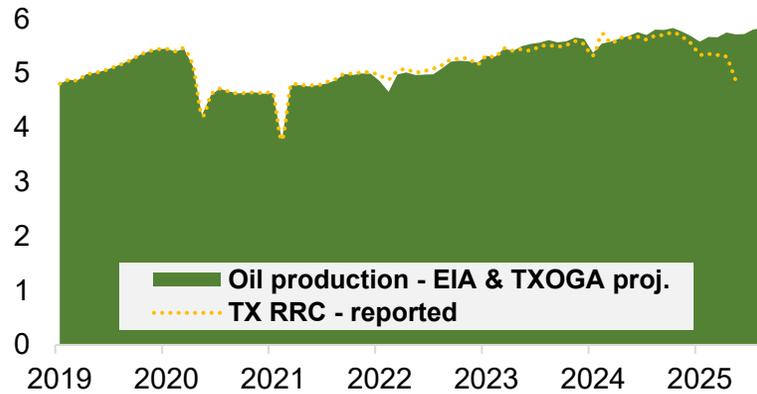
Cents per kilowatt-hour



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Texas crude oil production, Jan. 2019 – August 2025

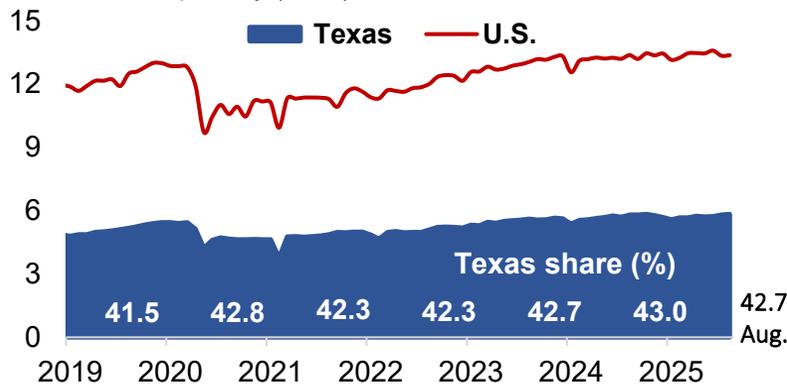
Million barrels per day (mb/d)



Record-high estimated oil production. Texas' oil production averaged 5.72 mb/d in June, according to the EIA. TXOGA estimates that production eclipsed 5.8 mb/d in July and August—and likely reached a new record high.

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

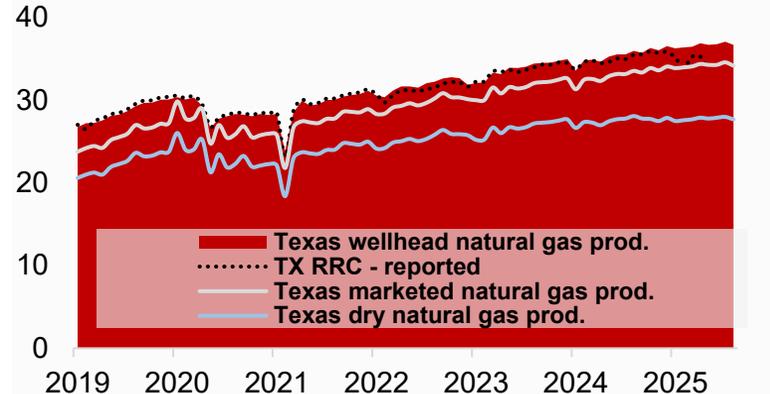
Million barrels per day (mb/d)



In the first eight months of 2025, Texas accounted for 42.7% of total U.S. crude oil production.

Texas natural gas production, Jan. 2019 – August 2025

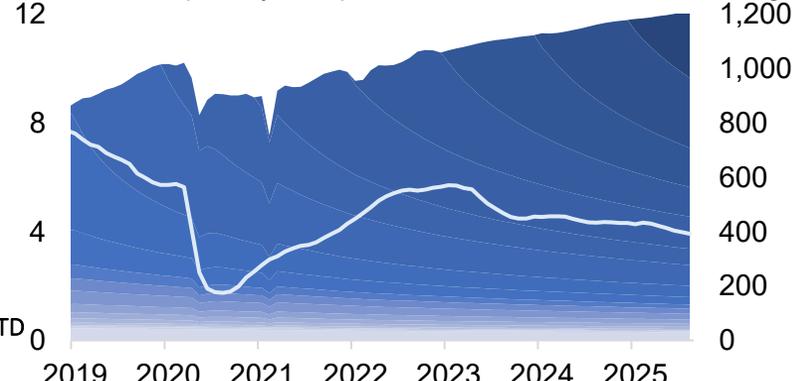
Billion cubic feet per day (bcf/d)



Natural gas production increased. Texas produced 36.8 bcf/d of natural gas gross withdrawals and 34.3 bcf/d of marketed production in June, per EIA. TXOGA estimates that Texas' marketed production slipped to 34.2 bcf/d in August.

Texas shale basin wellhead oil & natural gas production

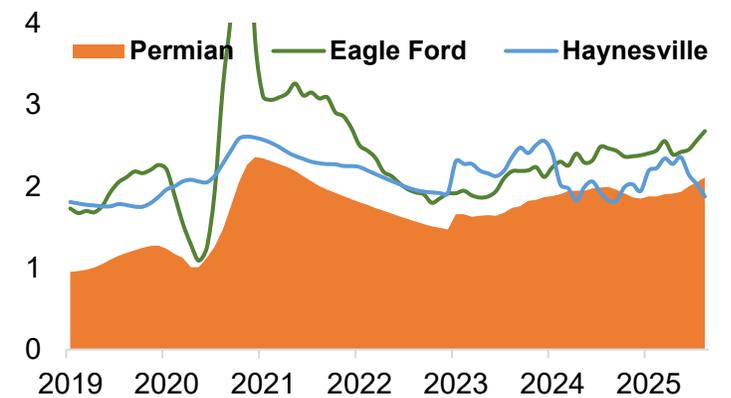
Million barrels per day oil-equivalent



EIA estimates show oil and natural gas production growth across Texas shale basins in August 2025, including the Permian (+3.4% y/y), Eagle Ford (+1.0% y/y), and Haynesville (+10.3% y/y).

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

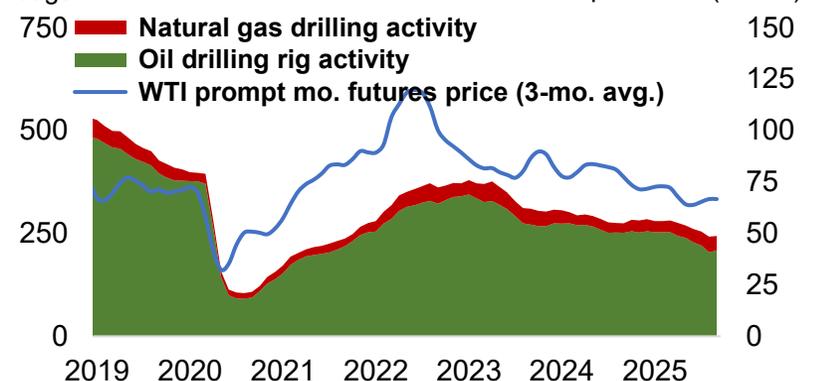
Thousand barrels per day oil-equivalent, kb/doe



Rig productivity rose in August. EIA estimates of rig productivity for August 2025 rose by 5.8% y/y in the Permian Basin, 8.6% y/y in the Eagle Ford, and 2.7% y/y in the Haynesville.

Texas drilling activity and WTI crude oil futures prices

Rigs (left axis), Dollars per barrel (2025\$) (right axis)

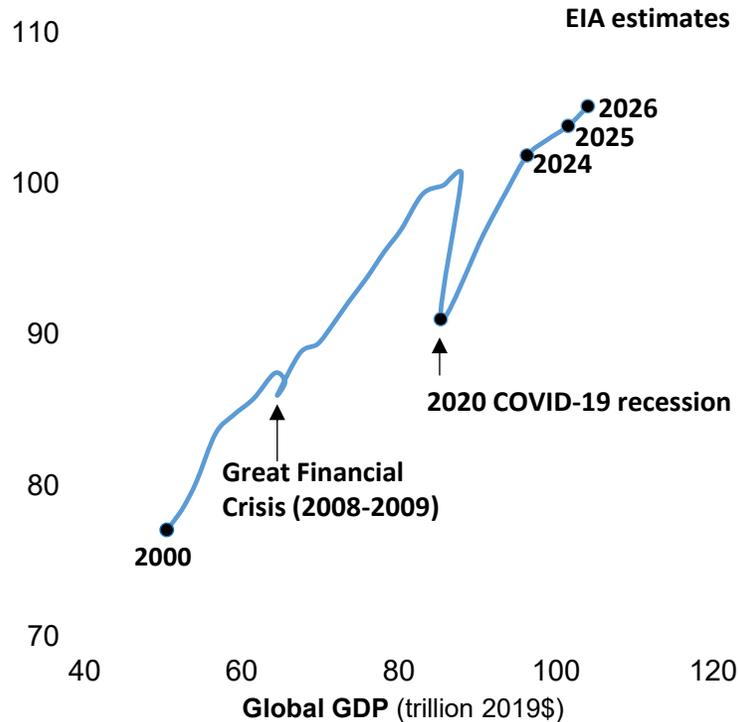


As of September 26, Texas' total rigs increased, according to Baker Hughes, with 210 oil-directed rigs (up 3 rig w/w) and 35 natural gas-directed rigs (unchanged w/w).

- In its September update, EIA raised its global oil demand estimates, still expecting a third consecutive record, but at higher levels: 102.9 mb/d in 2024 (+0.2 mb/d revision from the prior report), 103.8 mb/d in 2025 (+0.1 mb/d), and 105.1 mb/d in 2026 (+0.2 mb/d)
- EIA held its 2025 global supply growth steady but lifted its 2026 outlook by 0.2 mb/d, driven by higher non-OPEC supply
- Brent crude oil prices are now projected to average \$68 per barrel in 2025 and \$51 in 2026—compared with about \$66 currently

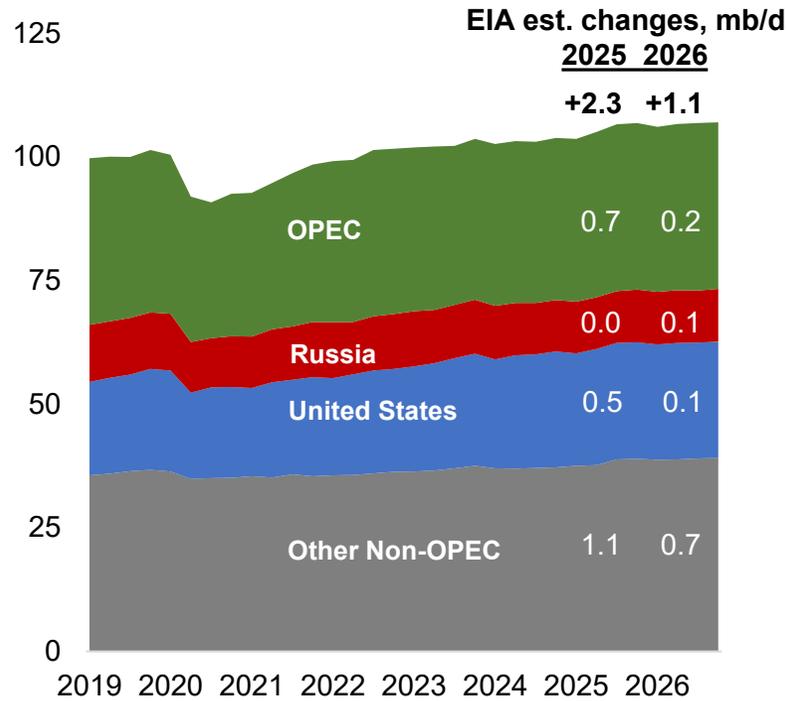
Global oil demand vs. GDP

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



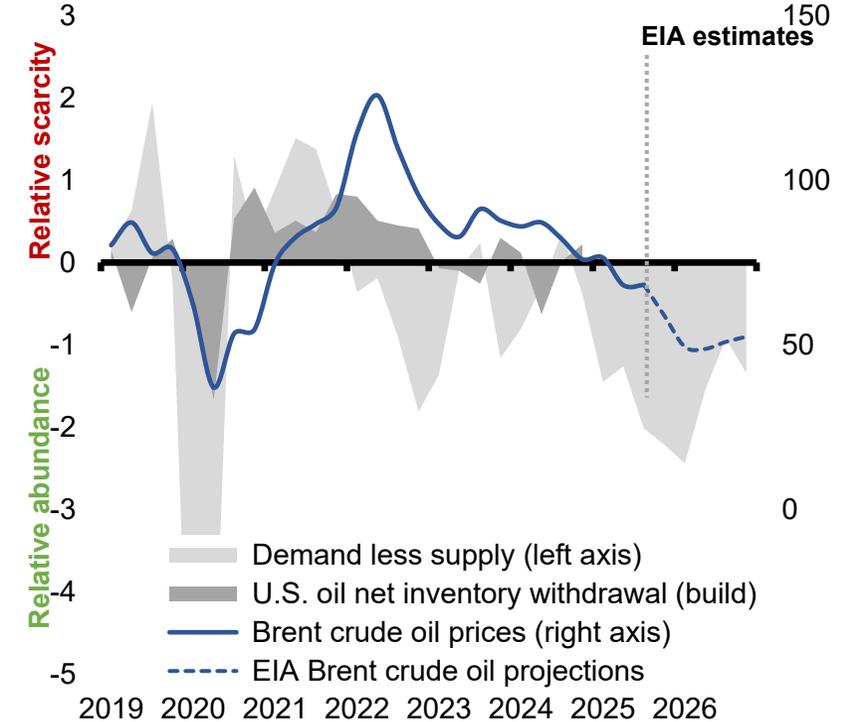
Oil production by country/region

Million barrels per day, mb/d



Global demand/supply & Brent prices

Million barrels per day (mb/d)





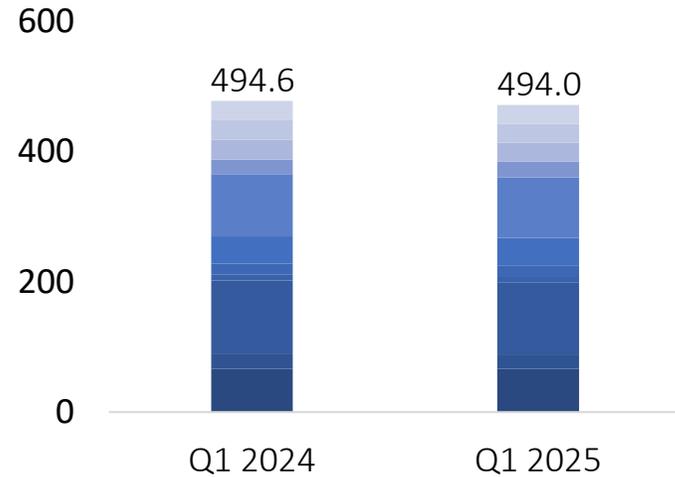
Texas Oil & Gas Jobs Dipped, Wages Reached Record High in Q1 2025



- ▶ Texas oil and natural gas industry employment fell 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.

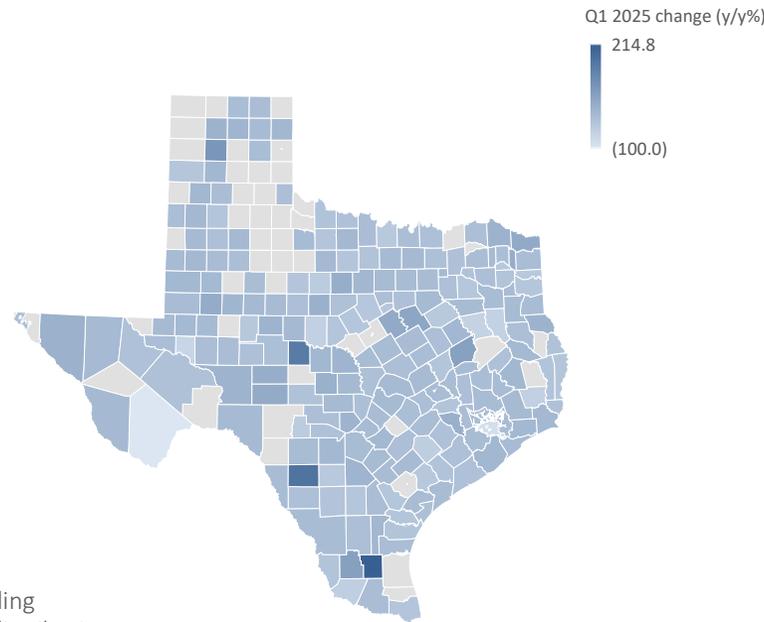
Texas oil and natural gas industry direct employment fell by +0.1% y/y in Q1 2025

Thousand Jobs



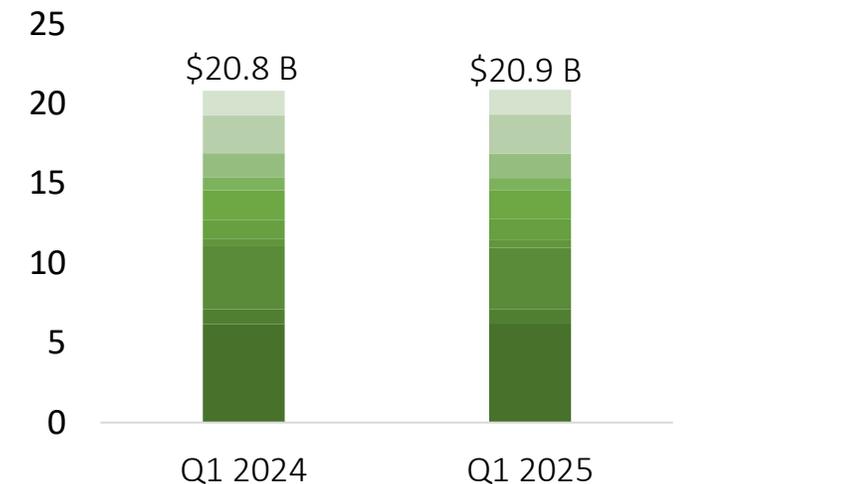
- Oil & gas extraction
- Support activities for o&g ops.
- Petroleum refineries
- Gas stations & fuel dealers
- All other*
- Pipeline construction
- Oil & gas drilling
- Natural gas distribution
- Petrochemical mfg.
- Pipeline transportation
- Oil & gas field mach. and eq. mfg.

* Other industry segments include petroleum and pet. product wholesalers, lubricant mfg., asphalt mfg., industrial sand mining, nitrogenous fertilizer mfg., basic organic chem. mfg., plastics and resin mfg.



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

Billion dollars



- Pipeline construction
- All other*
- Gas stations & fuel dealers
- Petroleum refineries
- Support activities for o&g ops.
- Oil & gas extraction
- Oil & gas field mach. and eq. mfg.
- Pipeline transportation
- Petrochemical mfg.
- Natural gas distribution
- Oil & gas drilling



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