TXOGA CHARTBOOK™

November 3, 2025

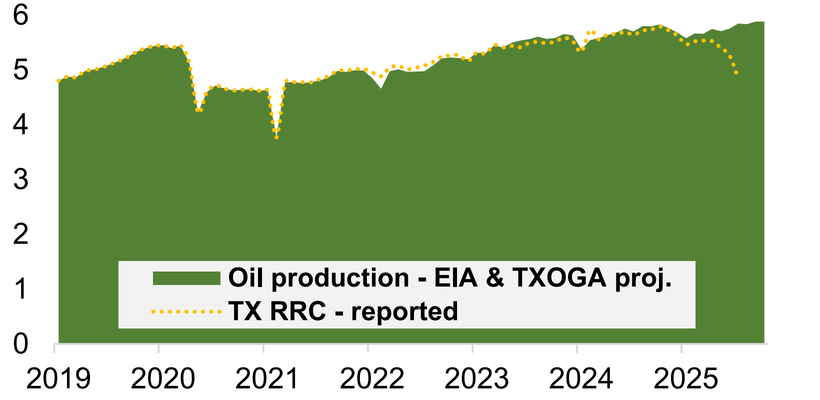
The TXOGA Chartbook is an essential resource for our members and those interested in understanding the data reflecting ongoing developments within the economy and the oil and gas sectors, both internationally and domestically, including specific trends in Texas.

Key points – Week of November 3, 2025

- **Economic signals softened amid data delays.** With most federal data still unavailable due to the government shutdown, indicators point to slower momentum entering Q4. The University of Michigan's consumer sentiment index fell 0.2% m/m and 25.7% year-to-date through late October, signaling weaker household confidence and spending. High-yield borrowing costs eased 0.1 percentage points w/w to 11.9%, while Fed Funds futures held steady near 3.9%, narrowing the low-credit-quality premium to 8.0%. The Philadelphia Fed's ADS Index—an early gauge of economic momentum—continued to indicate subdued activity in Q3, consistent with flat investment and softer employment growth.
- **Oil prices slipped as market focus shifted to supply risks.** WTI crude prices fell 1.0% w/w to $60.88/bbl as of October 31, as traders weighed prospects of tighter Russian sanctions against concerns over slower Chinese demand and rising OPEC+ output. Futures curves remained in backwardation through 2026, reflecting expectations of tighter near-term market conditions. U.S. petroleum demand rose to 21.3 mb/d (+1.3 mb/d w/w), while net exports increased 1.3% to 4.3 mb/d. Commercial crude inventories declined by 6.9 million barrels for the week ended October 24—about 10% below the five-year average.
- **Natural gas prices surged on seasonal strength.** Natural gas prices jumped 24.5% w/w to $4.11/mmBtu as of October 31, reflecting seasonal futures gains despite robust storage. Working gas in storage rose 1.9% w/w to 3.9 tcf—within the top 16% of the five-year range—indicating strong supply heading into winter. U.S. natural gas net exports increased 30.9% y/y to a record 16.6 bcf/d in October, driven by continued LNG demand. Consumption edged up 0.7% y/y to 79.2 bcf/d, led by higher residential and power sector use. Near-term futures remained in contango, suggesting modest upward price potential through 2026.
- Chart of the Week: **Texas oil and gas output reached new highs.** Texas crude oil production held near record levels at 5.84 mb/d in August and is estimated to have risen to 5.89 mb/d in October—its highest on record. Natural gas output also set new highs, with August gross withdrawals of 38.0 bcf/d and marketed production of 35.4 bcf/d; TXOGA estimates October volumes near 36 bcf/d. Texas accounted for 42.8% of total U.S. crude oil production through October. Rig productivity rose 9.8% y/y in the Permian, 4.9% in the Eagle Ford, and 3.6% in the Haynesville.

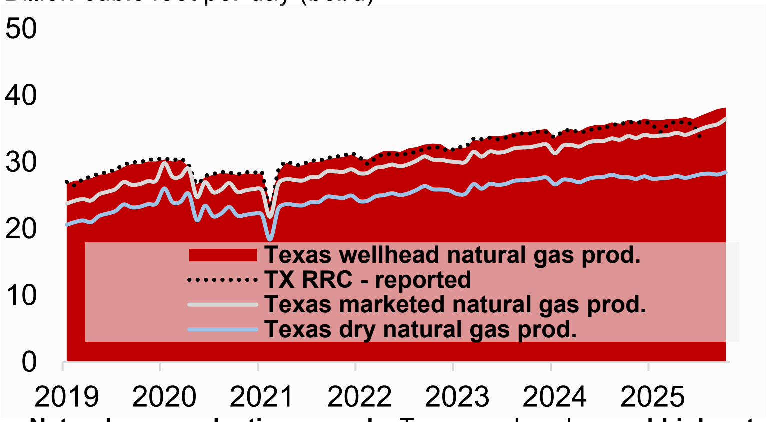
Chart of the Week: Texas oil and natural gas production

Texas crude oil production, Jan. 2019 – Oct. 2025



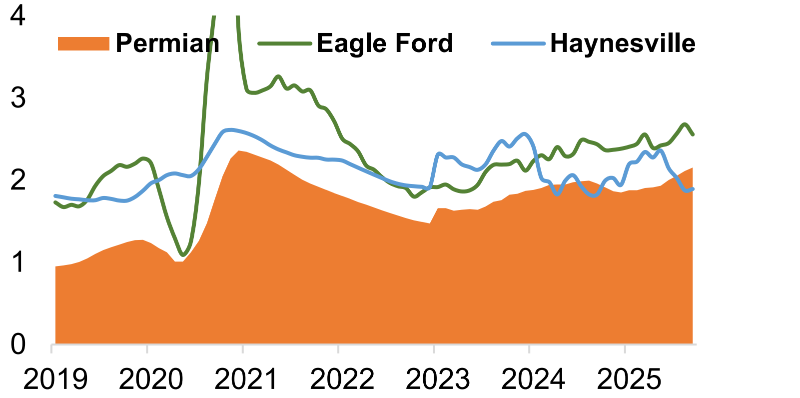
Estimated record production. Texas crude oil output held near record highs at **5.84 mb/d** in **August 2025 (EIA)**, with TXOGA estimates showing production **rising to 5.89 mb/d in October**, the highest on record.

Texas natural gas production, Jan. 2019 – Oct. 2025
Billion cubic feet per day (bcf/d)



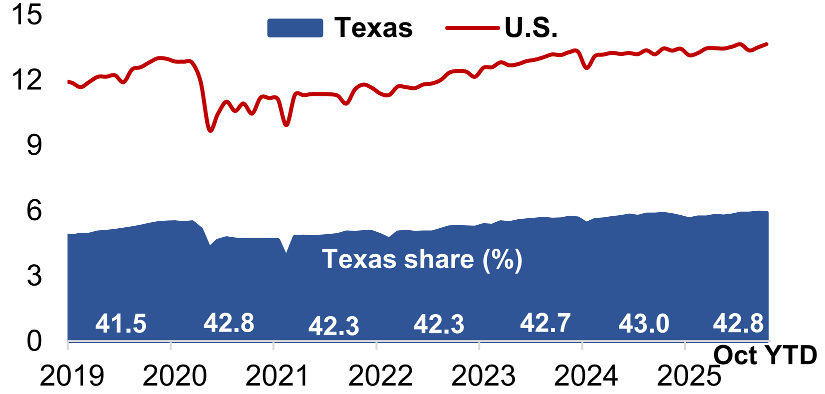
Natural gas production records. Texas produced **record-high natural gas volumes** in August 2025—38.0 bcf/d in gross withdrawals and 35.4 bcf/d in marketed production (EIA). TXOGA estimates indicate October marketed output above 36 bcf/d.

Texas rig productivity by basin – new monthly prod. per rig
Thousand barrels per day oil-equivalent, kb/doe



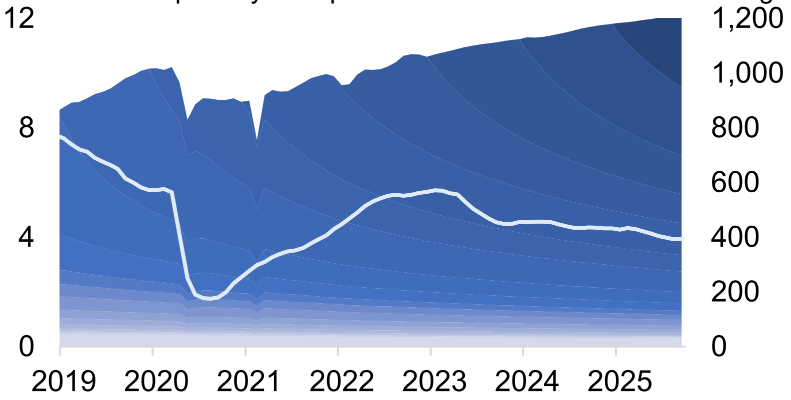
Rig productivity rose in all major basins. EIA estimates for September 2025 show rig productivity up 9.8% y/y in the Permian, 4.9% in the Eagle Ford, and 3.6% in the Haynesville, reflecting efficiency gains amid stable drilling activity.

U.S. and Texas crude oil production, Jan. 2019 – Oct. 2025
Million barrels per day (mb/d)



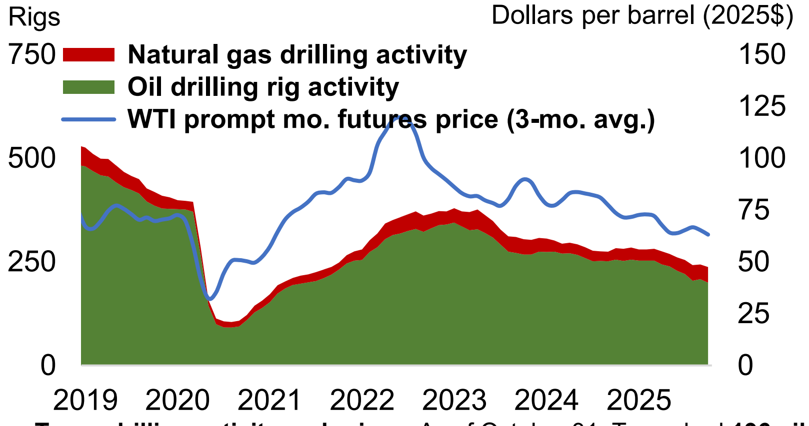
Texas share of U.S. production. Through the first ten months of 2025, **Texas accounted for 42.8% of total U.S. crude oil production**, underscoring its continued leadership in national output.

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 September 2025, including the Permian (+2.9% y/y), and Haynesville (+11.2% y/y), but a decline of 2.3% y/y in the Eagle Ford.

Texas drilling activity and WTI crude oil futures prices

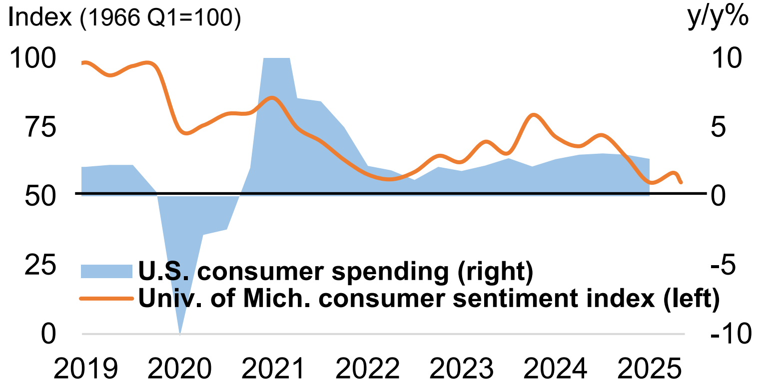


Texas drilling activity and prices. As of October 31, Texas had **196 oil-directed rigs (unchanged w/w)** and **38 gas-directed rigs (down one w/w)**, according to Baker Hughes.

sources: U.S. Energy Information Administration; Texas Railroad Commission; Baker Hughes; CME Group; TXOGA analysis

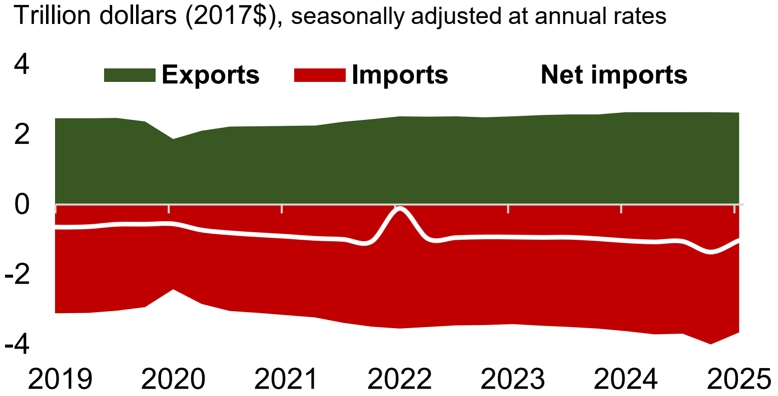
U.S. economic indicators

Consumer sentiment and spending trends



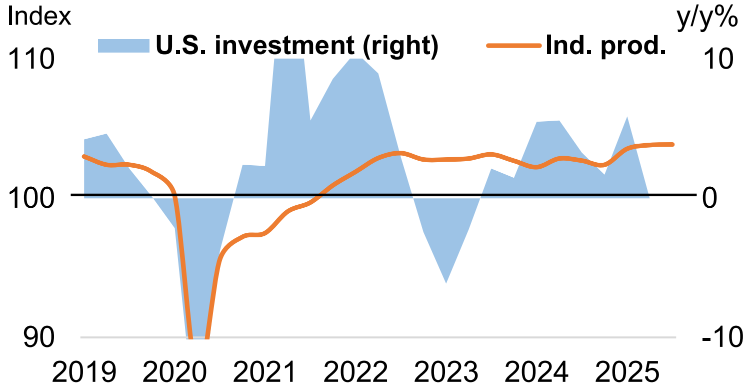
In the University of Michigan's survey, **consumer sentiment—a leading indicator of household spending—fell 0.2% m/m** and 25.7% ytd through October, pointing to weaker household confidence and slower spending. BEA's revised Q2 GDP data showed consumer spending up 2.7% year-over-year, 0.4 percentage points slower than in Q1.

U.S. trade balance and petroleum exports



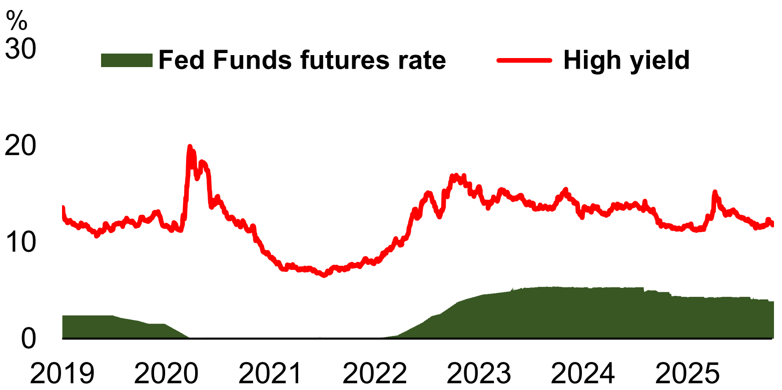
The BEA's initial Q2 2025 GDP report showed the **U.S. trade deficit narrowed to an annualized $1.0 trillion (SAAR)**, down from $1.4 trillion in Q1, as exports exceeded imports. The **petroleum trade surplus rose $9.9 billion to $72.2 billion**, more than double its level a year ago.

Industrial production and investment



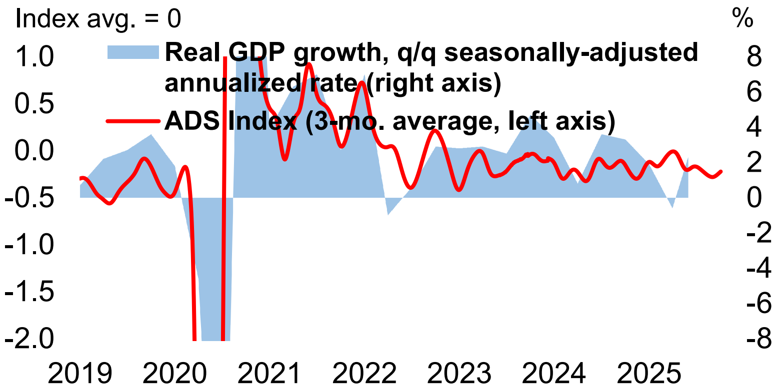
Macro uncertainties stalled investment in Q2 2025. Revised BEA data show **economy-wide investment flat year-over-year**, diverging from industrial production, which rose **0.1% m/m in August**. Capacity utilization held at **77.4%**, per the Federal Reserve.

Interest rates and high-yield borrowing costs



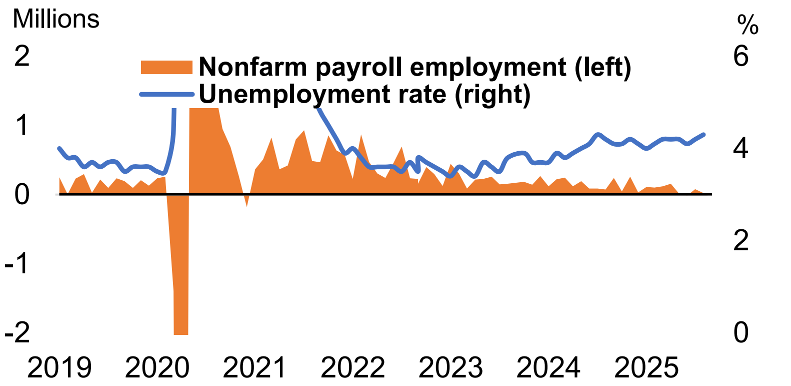
Credit costs for lower-quality issuers narrowed further. As of October 24, high-yield borrowing costs decreased 0.1% w/w to 11.9%, while Fed Funds futures held steady at 3.9%, narrowing the low-credit-quality premium to 8.0%.

ADS Index and real GDP growth



The **ADS Index suggests Q3 slowing**. While real GDP growth rebounded in Q2, the **Philadelphia Fed's ADS Index—an early signal of economic momentum—continued to indicate weak growth in Q3 2025**.

Employment and unemployment trends



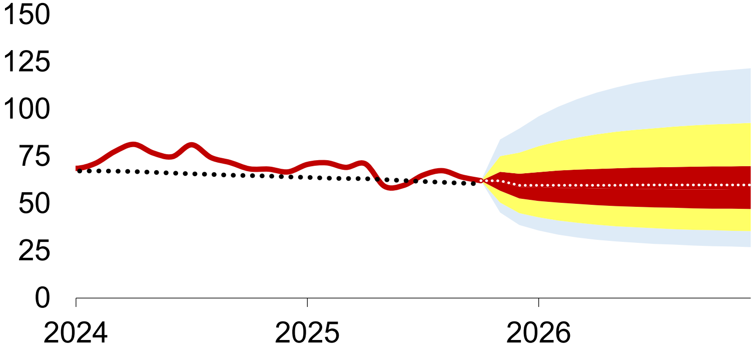
Labor market conditions weakened further. Nonfarm payrolls increased by **22,000 in August**, while the **unemployment rate rose 0.1 points to 4.3%**, according to the Bureau of Labor Statistics.

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

U.S. oil market indicators

WTI futures mean reversion analysis

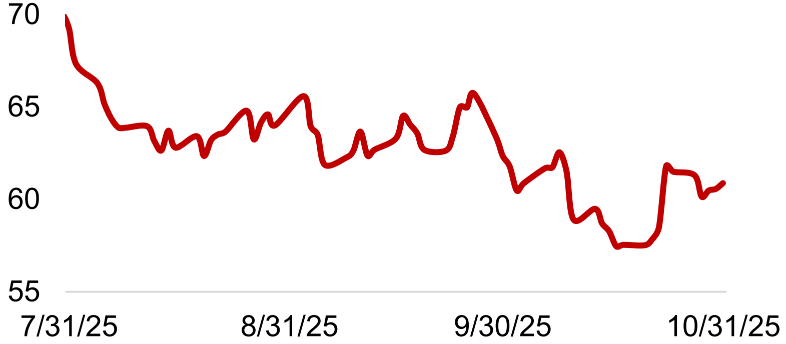
Dollars per barrel (2025$)



Near-term WTI futures rose and aligned with their historical mean-reversion target, with forward prices returning to backwardation (spot prices above futures) through 2026—suggesting expectations of relatively tighter near-term market conditions.

WTI crude prompt month futures prices

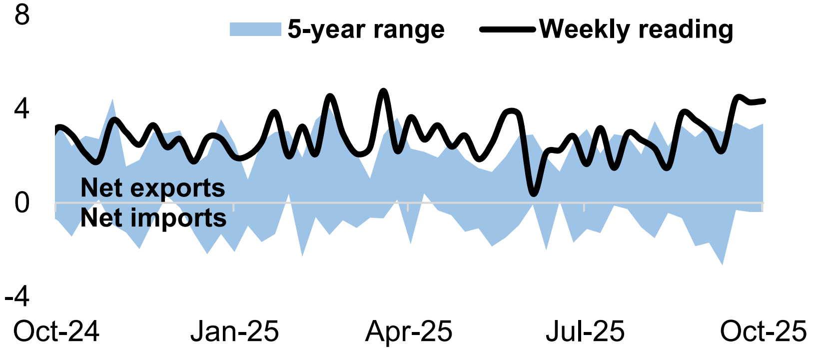
Dollars per barrel



WTI crude prices fell 1.0% w/w to $60.88 per barrel as of October 31, as markets weighed the potential impact of tighter Russian sanctions against persistent concerns over slower growth in China and rising OPEC+ supply.

U.S. petroleum net exports (imports)

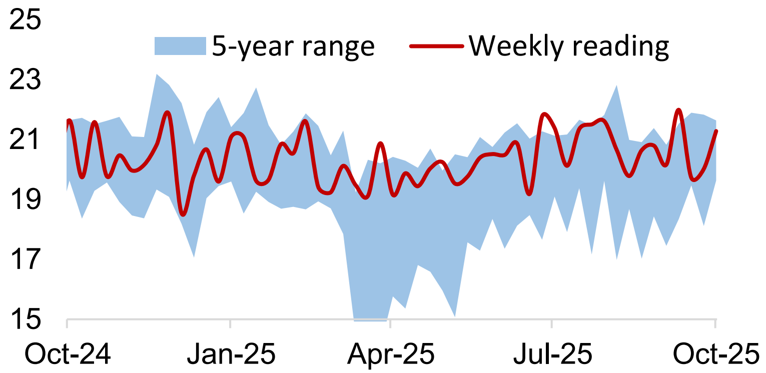
Million barrels per day, mb/d



U.S. petroleum net exports rose to 4.3 mb/d for the week ended October 24, up 1.3% from the prior week.

U.S. petroleum demand

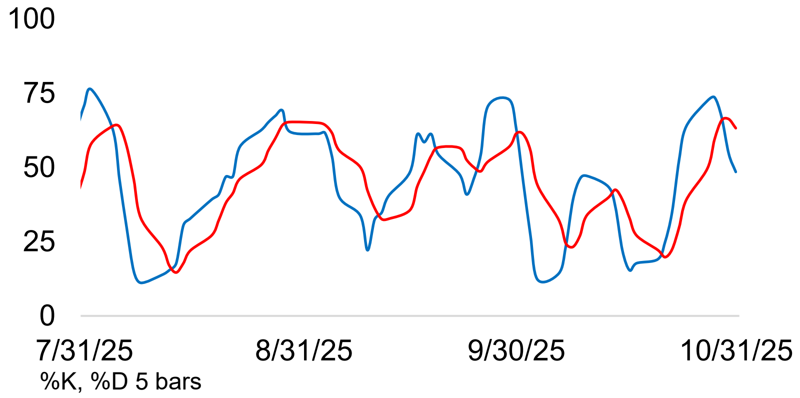
Million barrels per day (mb/d)



U.S. petroleum demand increased. As of October 24, deliveries averaged 21.3 mb/d, up 1.3 mb/d from the prior week.

WTI futures momentum indicator

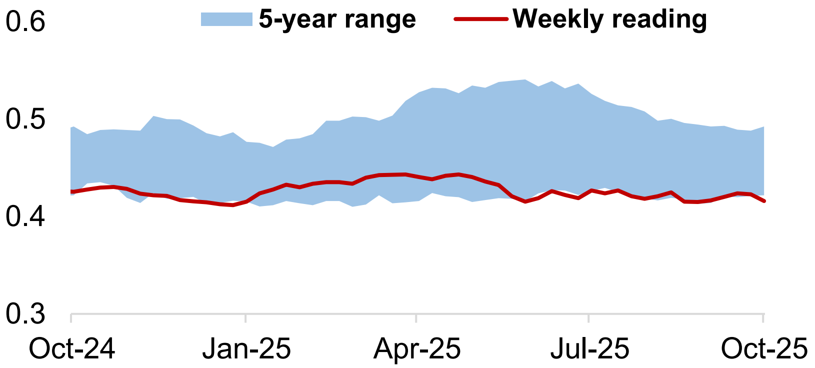
Index level



Price momentum rose and then turned down for the week ended October 31.

U.S. crude oil inventories (excluding the SPR)

Billion barrels



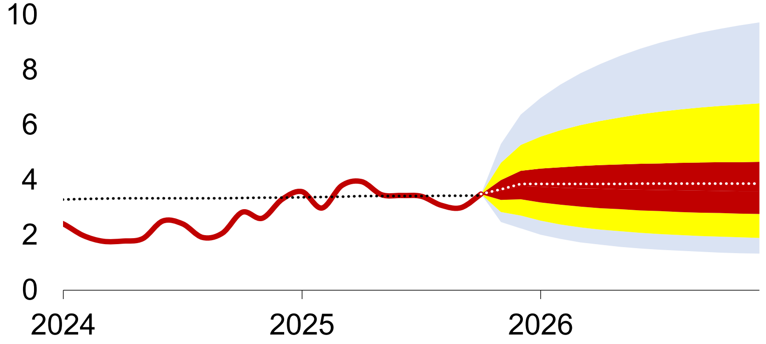
U.S. crude oil inventories decreased by 6.9 million barrels for the week ended October 24. Stocks fell to 10% below the five-year range.

sources: U.S. Energy Information Administration; CME Group; Bureau of Labor Statistics; TXOGA analysis

U.S. natural gas market indicators

Natural gas futures mean reversion analysis

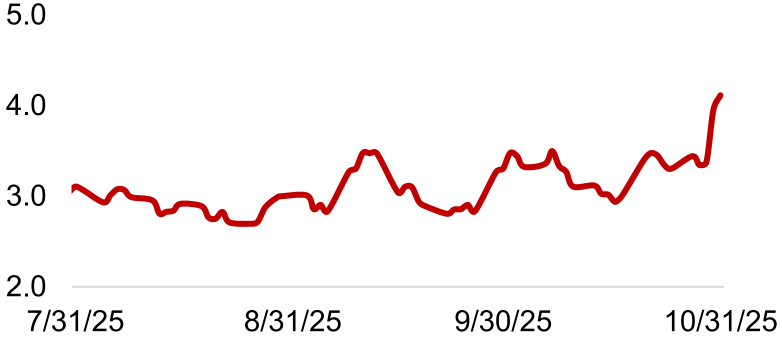
Dollars per mmBtu (2025$)



Near-term futures remain aligned with their historical mean-reversion target, with forward prices in contango (spot prices below futures). Confidence intervals imply greater potential for upside movement than downside risk.

Natural gas prompt month futures prices

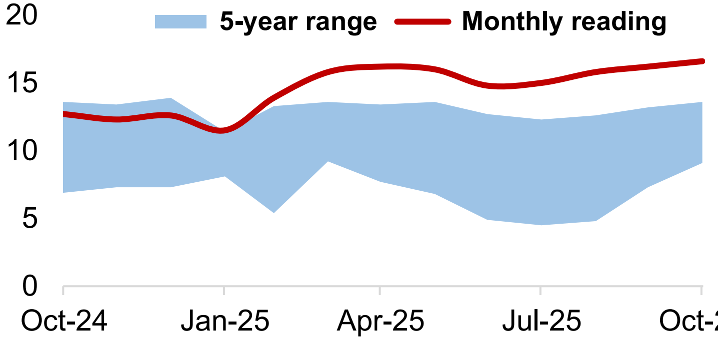
Dollars per million Btu



Natural gas prices rose 24.5% w/w to $4.11 per mmBtu as of October 31, reflecting seasonal futures pricing strength despite continued robust storage builds.

U.S. natural gas net exports

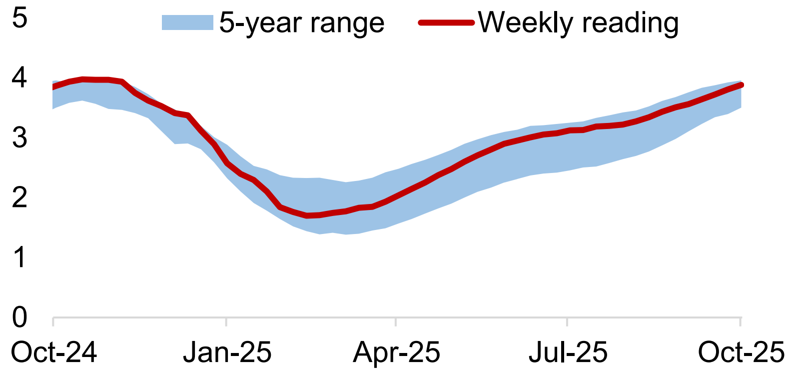
Billion cubic feet per day, bcf/d



According to EIA estimates, **U.S. natural gas net exports rose 30.% y/y** to a record 16.6 bcf/d in October, supported by continued LNG strength.

Working natural gas storage

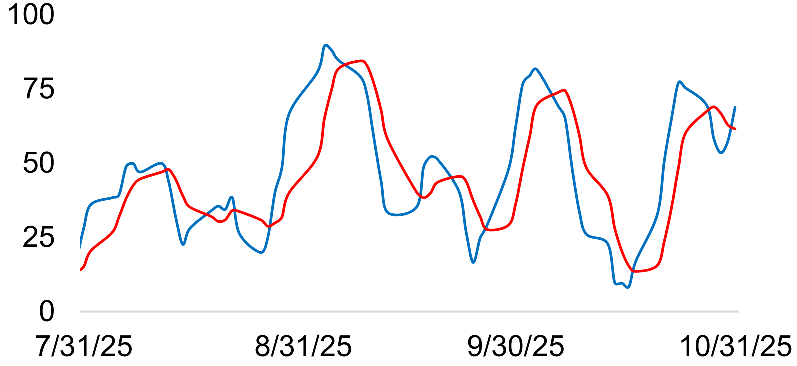
Trillion cubic feet (tcf)



Working natural gas storage increased 1.9% w/w to 3.9 tcf as of October 24, rising into the top 16% within the five-year range.

Natural gas futures momentum indicator

Index level

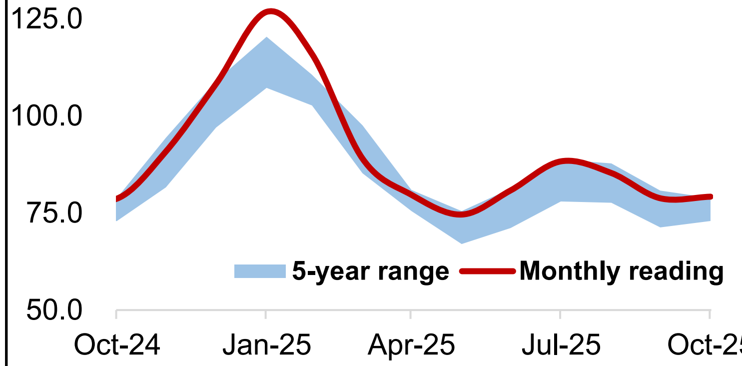


%K, %D 5 bars

Price momentum rose during the week ended October 31.

U.S. natural gas consumption

Billion cubic feet per day, bcf/d



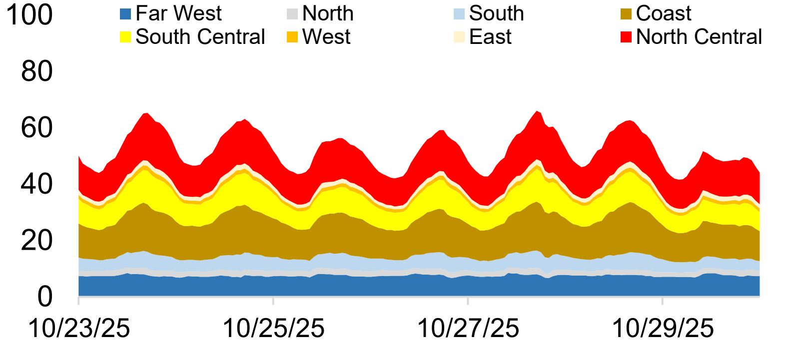
Consumption rose 0.7% y/y to 79.2 bcf/d in October, led by lower residential and power sector demand, according to EIA estimates.

sources: U.S. Energy Information Administration; CME Group; Bureau of Labor Statistics; TXOGA analysis

Texas electricity analysis

ERCOT electricity load by region

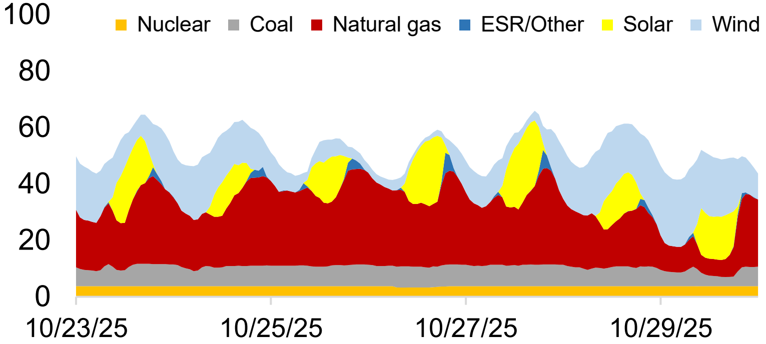
Thousand megawatt-hours (kMWh)



For Oct. 23-29, ERCOT's average hourly electricity load was 52.2 kMWh, down 6.2% w/w, while the maximum hourly load of 66.1 kMWh fell by 7.0% w/w. Variability was the highest in the South Central and Coast regions.

ERCOT hourly electricity generation by source

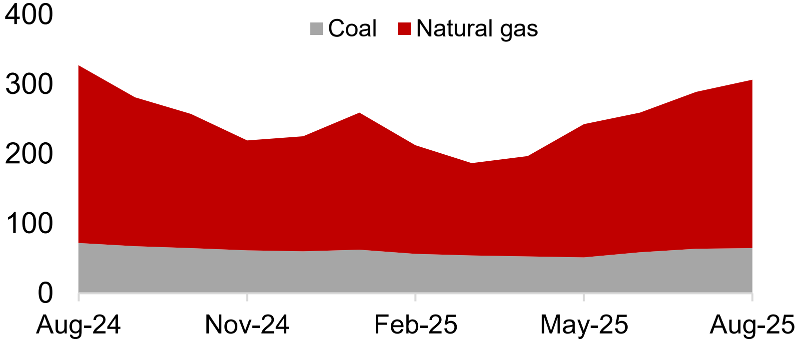
Thousand megawatt-hours (kMWh)



Dispatchable generation dominated ERCOT's supply. From October 23–29, thermal and other dispatchable resources supplied as much as 93.6% of ERCOT's total generation, including 69.5% from natural gas. Hourly generation ranged between 41 and 66 thousand MWh, with a standard deviation of 6.5 thousand MWh, indicating stable but lower seasonal load.

Texas electricity plant receipts of natural gas and coal

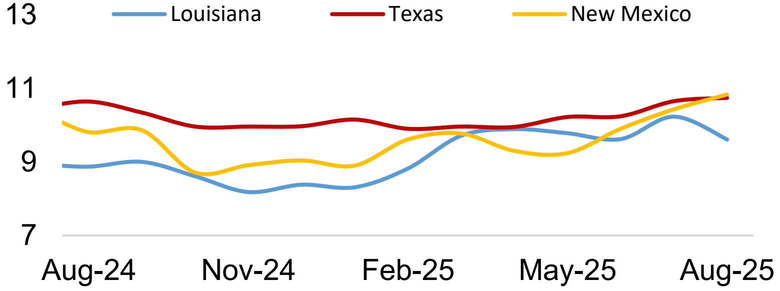
Trillion Btu



Natural gas receipts rose seasonally. Power plant receipts of natural gas in Texas climbed 7.5% m/m in August but were 5.2% lower y/y, while coal receipts rose 1.4% m/m and remained 10.1% below year-ago levels, reflecting fuel-mix shifts toward gas and renewables.

Electricity prices – average across all end-use sectors

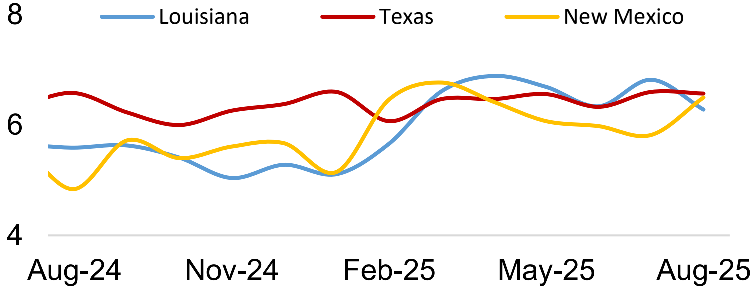
Cents per kilowatt-hour



Texas electricity prices increased in August. Average statewide electricity prices rose **0.8% m/m** and **0.9% y/y** to **10.74 ¢/kWh**, compared with 9.61 ¢ in Louisiana and 10.83 ¢ in New Mexico.

Industrial electricity prices

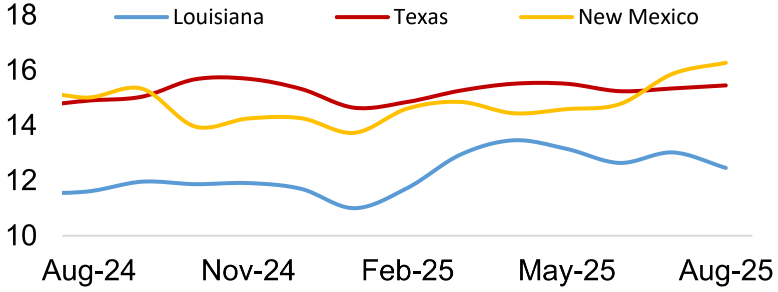
Cents per kilowatt-hour



Industrial electricity prices moderated. Industrial rates in Texas declined **0.5% m/m** and **0.2% y/y** to **6.57 ¢/kWh** in August. Prices in neighboring states rose sharply—**12.3% y/y in Louisiana** and **34.3% y/y** in New Mexico—bringing them roughly in line with Texas levels.

Residential electricity prices

Cents per kilowatt-hour



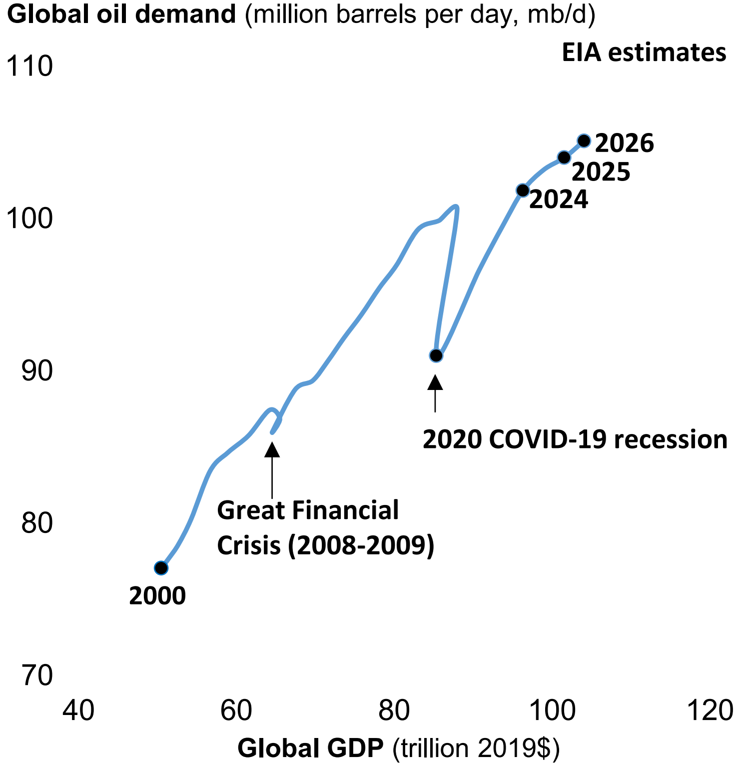
Residential rates rose but remained competitive. Residential electricity prices in Texas increased **0.7% m/m** and **3.7% y/y** to **15.45 ¢/kWh** in August. Rates also rose **7.3% y/y in Louisiana** and **8.4% y/y in New Mexico**, though Louisiana's remained roughly **19% below Texas averages.**

sources: ERCOT; EIA; TXOGA analysis

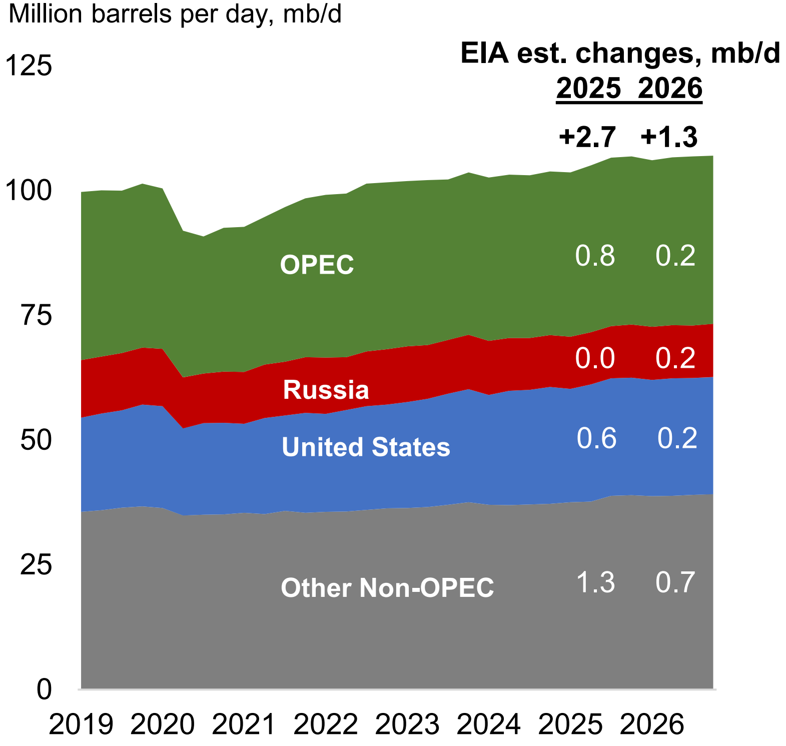
Global oil demand outlook upgraded

- In its October update, EIA raised its 2025 global oil demand estimates, still expecting a third consecutive record, but at higher levels: 104.0 mb/d in 2025 (+0.2 mb/d vs. prior report) and 105.1 mb/d in 2026 (unchanged), effectively advancing demand.
- EIA raised its 2025 global supply growth by 0.3 mb/d and its 2026 outlook by 0.2 mb/d, with higher supply from all sources
- Brent crude oil prices are now projected to average $69 per barrel in 2025 and $52 in 2026—compared with about $66 currently

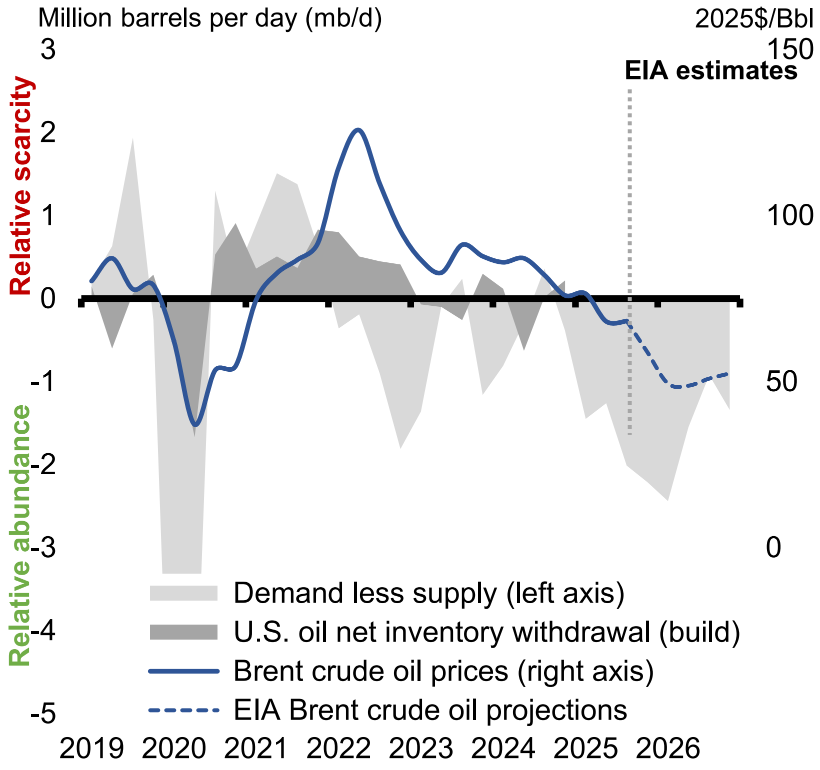
Global oil demand vs. GDP



Oil production by country/region



Global demand/supply & Brent prices

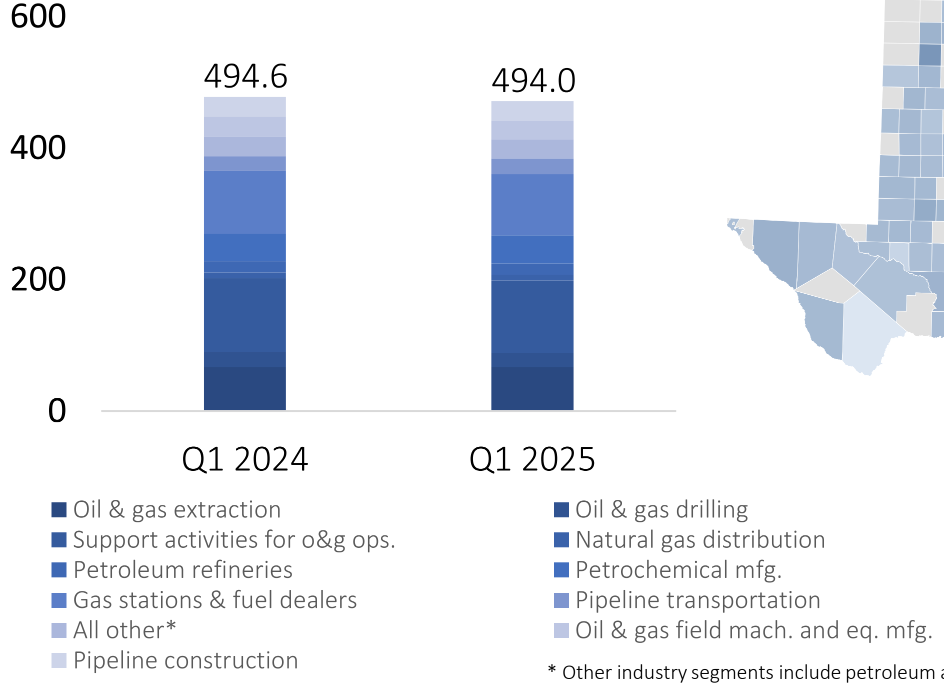


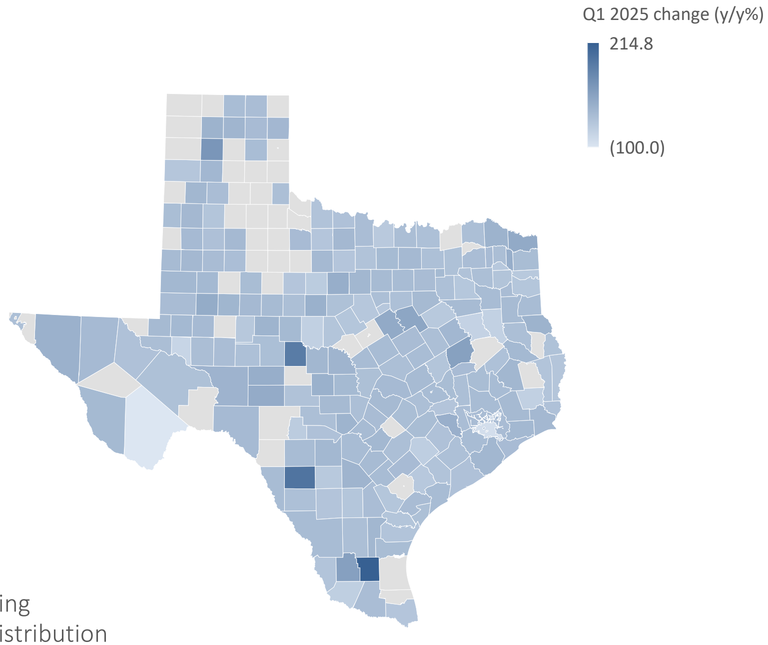
sources: U.S. Energy Information Administration (Oct. 2025); TXOGA analysis

Texas oil & gas jobs dipped, wages reached record high in Q1 2025

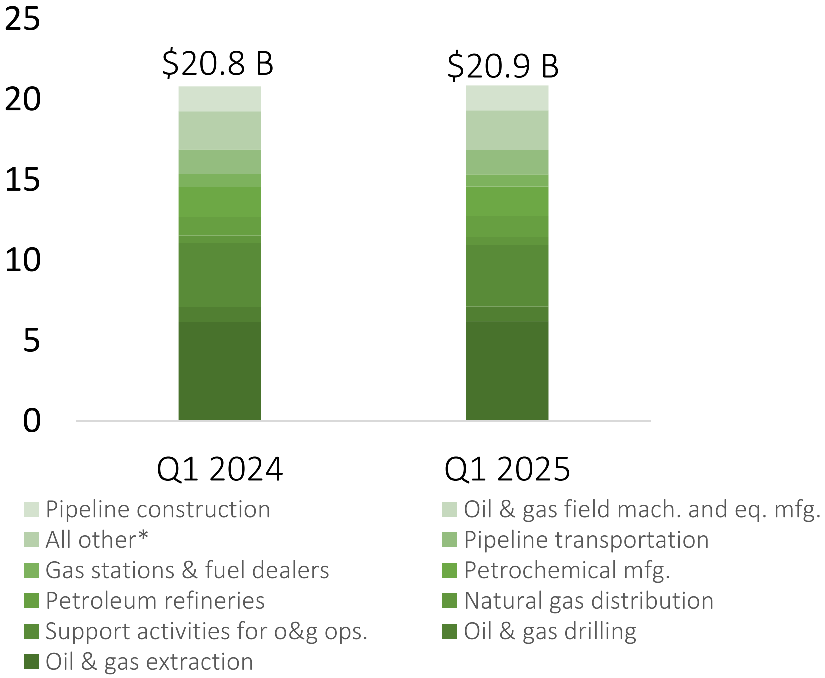
- Texas oil and natural gas industry employment fell 0.1% year-over-year (y/y) in Q1 2025 to 493,958 jobs, while industry wages edged up 0.2% y/y to $20.9 billion—the highest on record.
- Although overall employment held steady, several industry segments posted notable changes. Petroleum refinery employment 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





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



* 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.

sources: U.S. Census Bureau; Texas Workforce Commission

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