



November 24, 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.

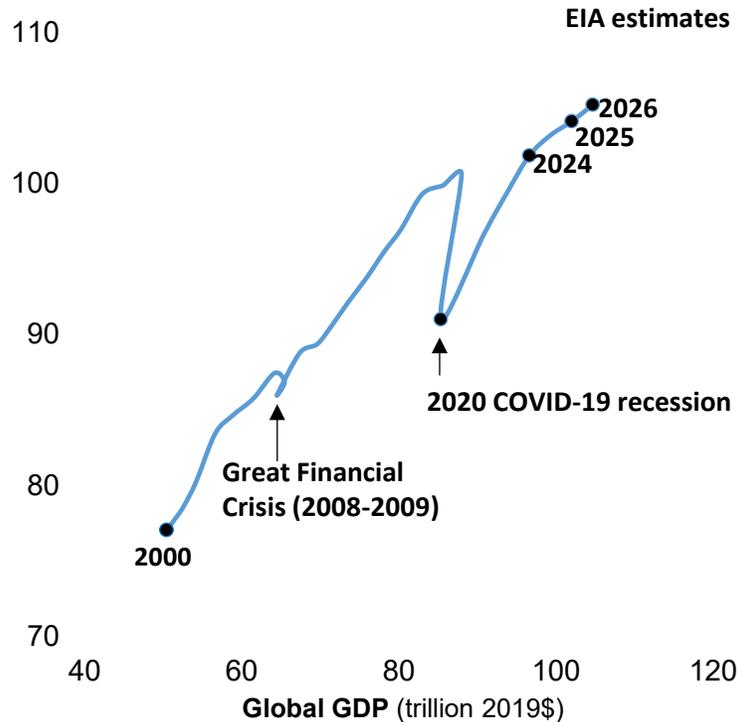
Key points – Week of November 24, 2025

- **Economic momentum softened.** With federal data releases back online, September's figures showed a mixed labor picture: unemployment rose to 4.4%, even as payroll gains beat expectations with a 119,000 increase. High-yield borrowing costs continued to creep up, pushing the premium to its highest level since May, signaling tighter credit for lower-quality issuers. Consumer sentiment fell sharply, reinforcing signs of cooling household spending. The ADS Index points to moderation, with Q3 slowing and early Q4 holding steady. Industrial production stayed sluggish and business investment remained stalled amid broader macro uncertainty.
- **Oil markets softened, even as the global outlook firmed.** WTI fell 3.8% w/w to \$57.82/bbl, pressured by oversupply concerns despite U.S. crude stocks sitting ~10% below normal. Futures remain anchored to long-run mean reversion, with forward prices essentially flat through 2026. Demand eased to 20.2 mb/d, while net exports jumped to 3.8 mb/d, a strong weekly gain. Momentum stayed weak and directionless, consistent with recent choppiness. [Chart of the Week](#): EIA upgraded the global oil demand outlook. EIA now expects three consecutive record demand years at higher levels—104.1 mb/d in 2025 and 105.2 mb/d in 2026—after successive upward revisions. Global supply estimates were raised as well, led by the U.S. and other non-OPEC producers. EIA projects Brent to average \$69/bbl in 2025 and \$55/bbl in 2026 (both above its prior outlook), reflecting a market that becomes less tight but not oversupplied through 2026.
- **Natural gas markets strengthened.** Prompt-month futures rose above \$4.50/mmBtu as of November 21, supported by January-delivery pricing and the first storage draw of the season. Near-term futures now sit above their historical mean-reversion target, with contango suggesting greater upside than downside risk. Working gas storage slipped to 3.95 tcf, remaining in the top 6% of the five-year range. Net exports rose 24.4% y/y to 15.8 bcf/d in October, driven by continued LNG strength. Consumption increased 1.1% y/y to 79.5 bcf/d, consistent with seasonal patterns. Momentum indicators eased, but remained positive, tracking the recent firming in prices.

- In its November update, EIA raised its 2025 global oil demand estimates, still expecting a third consecutive record, but at higher levels: 104.1 mb/d in 2025 and 105.2 mb/d in 2026 (+0.1 mb/d vs. prior report) – on top of revisions that added 0.5 mb/d from 2024 onward two months ago
- EIA also raised its global supply growth by 0.1 mb/d in 2025 and 2026, with higher supply from the U.S. and other non-OPEC producers
- Brent crude oil prices are now projected by EIA to average \$69 per barrel in 2025 and \$55 in 2026 (+\$3 per barrel vs. prior outlook)—compared with about \$63 currently

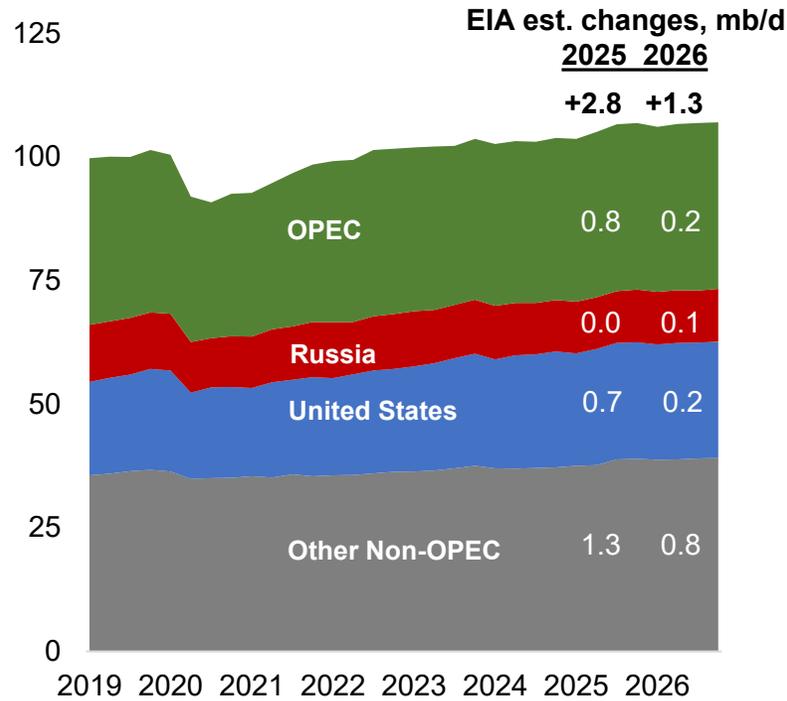
Global oil demand vs. GDP

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



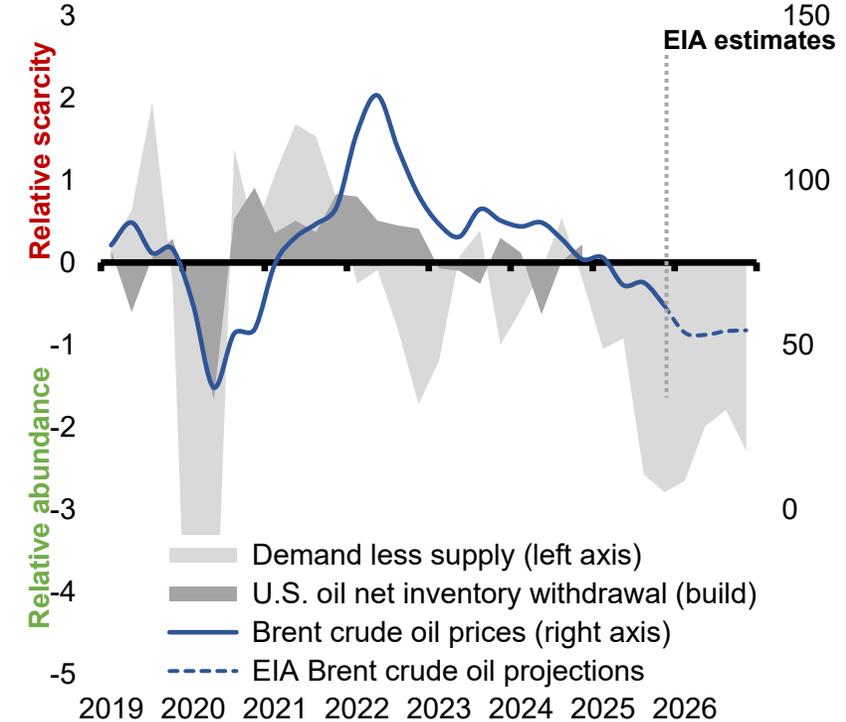
Oil production by country/region

Million barrels per day, mb/d

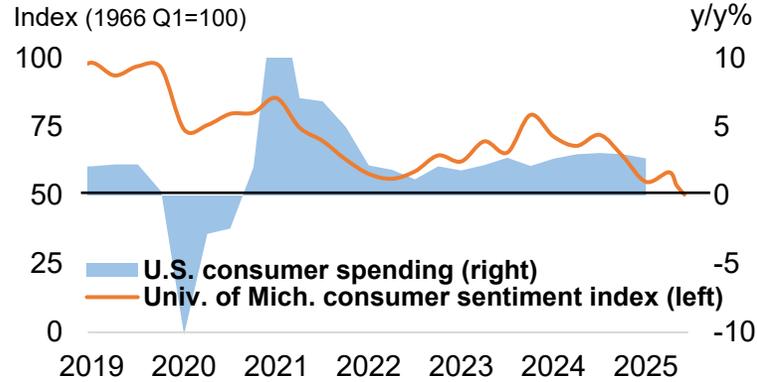


Global demand/supply & Brent prices

Million barrels per day (mb/d)

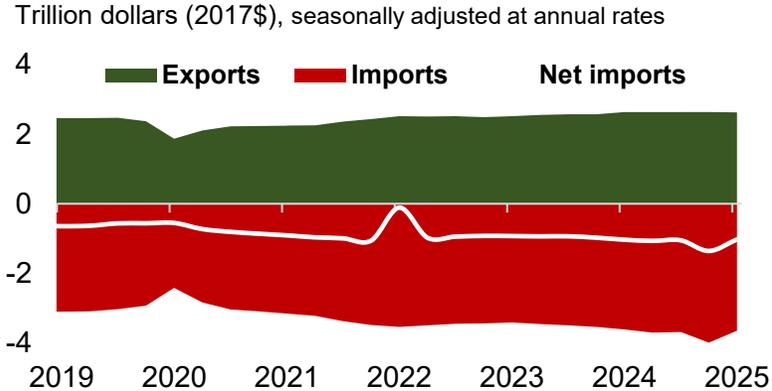


Consumer sentiment and spending trends



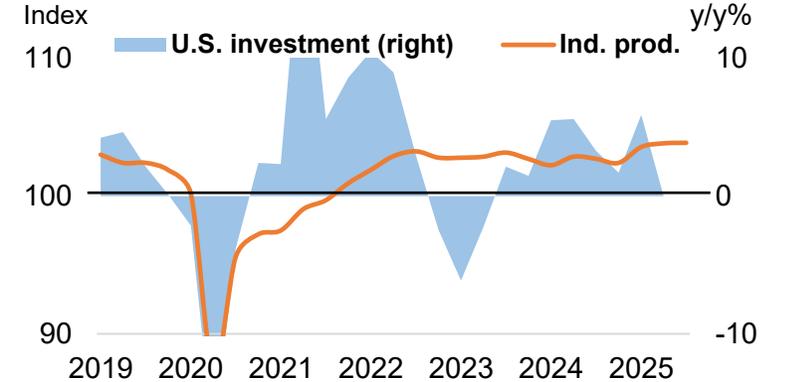
In the University of Michigan's survey, **consumer sentiment—a leading indicator of household spending—fell 6.2% m/m and 32.0% ytd** through early November, pointing to weaker household confidence and slower spending. BEA's revised Q2 GDP data showed consumer spending up 2.7% year-over-year, 0.4 percentage points slower than in Q1.

U.S. trade balance and petroleum exports



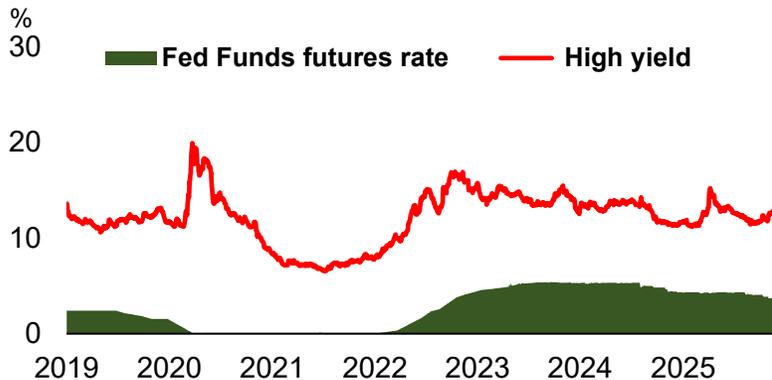
The BEA's initial Q2 2025 GDP report showed the **U.S. trade deficit narrowed to an annualized \$1.0 trillion (SAAR)**, down from \$1.4 trillion in Q1, as exports exceeded imports. The **petroleum trade surplus rose \$9.9 billion to \$72.2 billion**, more than double its level a year ago.

Industrial production and investment



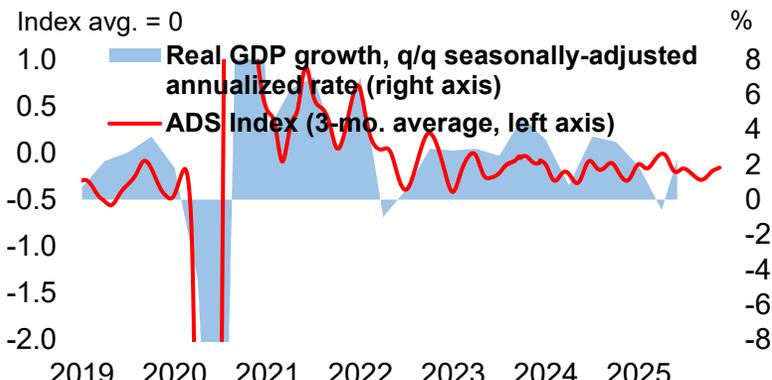
Macro uncertainties stalled investment in Q2 2025. Revised BEA data show **economy-wide investment flat year-over-year**, diverging from industrial production, which rose **0.1% m/m in August**. Capacity utilization held at **77.4%**, per the Federal Reserve.

Interest rates and high-yield borrowing costs



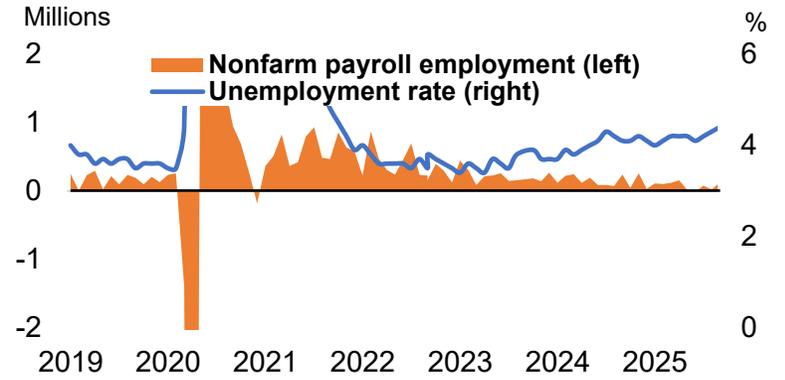
Credit costs for lower-quality issuers rose to 9.0%. As of November 21, high-yield borrowing costs rose 14 bps w/w above 12.8%, while Fed Funds futures edged up to 3.8%, resulting in a premium of 9%, the highest since May.

ADS Index and real GDP growth



The **ADS Index suggests Q3 slowing, Q4 steadying.** 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 and increased growth entering Q4..

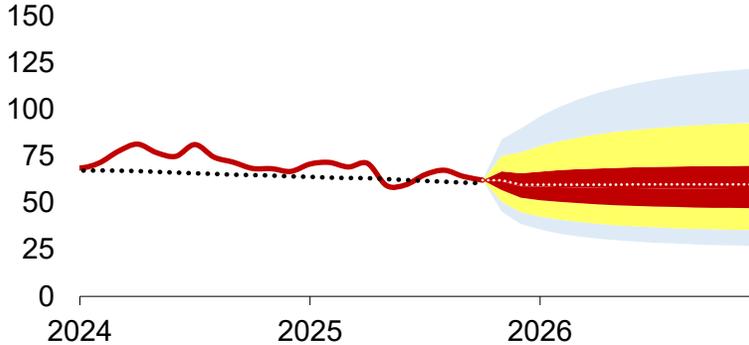
Employment and unemployment trends



Labor market conditions weakened further. Nonfarm payrolls increased by **119,000 in September**, while the **unemployment rate rose 0.1 points to 4.4%**, according to the Bureau of Labor Statistics.

WTI futures mean reversion analysis

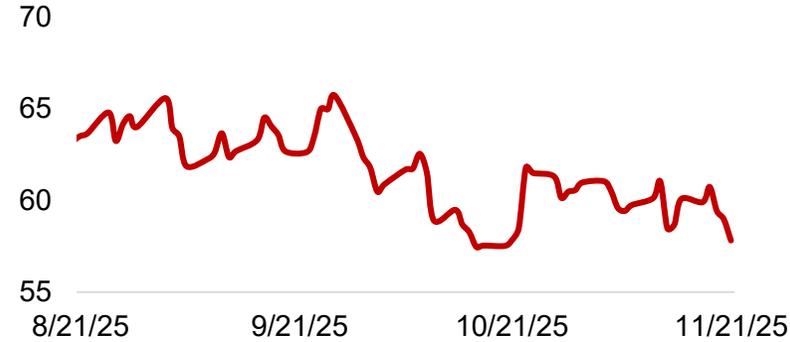
Dollars per barrel (2025\$)



Near-term WTI futures remain aligned with their historical mean-reversion target, with forward prices remaining flat through 2026—suggesting expectations of similar near-term market conditions.

WTI crude prompt month futures prices

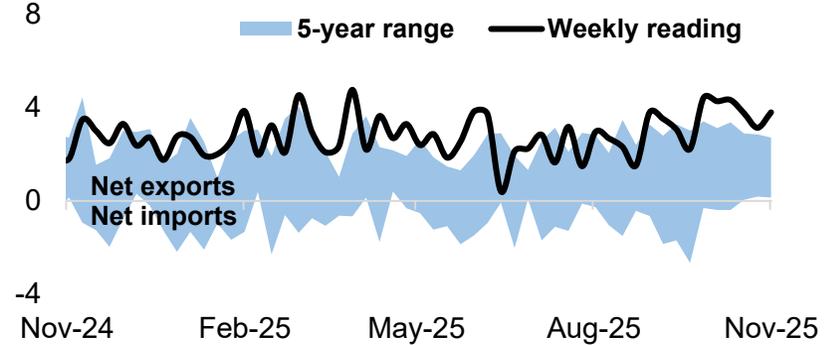
Dollars per barrel



WTI crude prices fell 3.8% w/w to \$57.82 per barrel as of November 21, amid concerns for global oversupply – and despite historically low U.S. stocks.

U.S. petroleum net exports (imports)

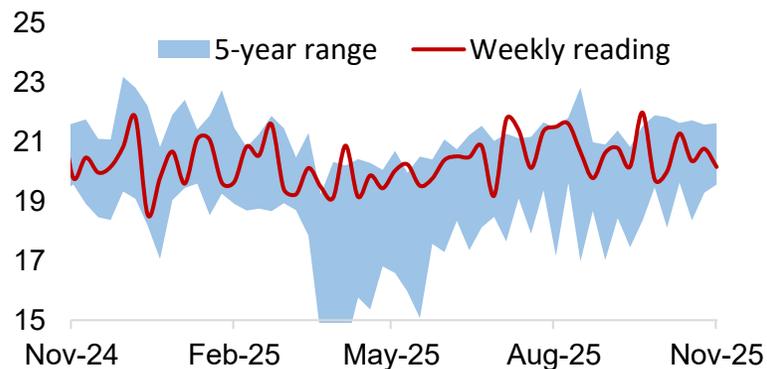
Million barrels per day, mb/d



U.S. petroleum net exports rose to 3.8 mb/d for the week ended November 14, up 0.7 mb/d (21.1%) from the prior week.

U.S. petroleum demand

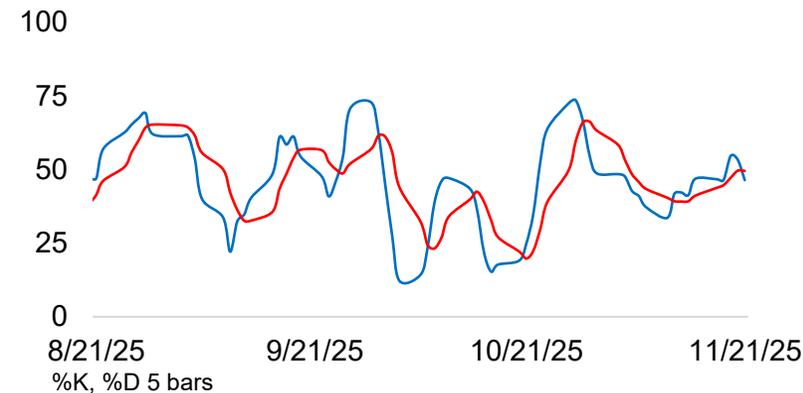
Million barrels per day (mb/d)



U.S. petroleum demand decreased. As of November 14, deliveries averaged 20.2 mb/d, down 0.6 mb/d from the prior week.

WTI futures momentum indicator

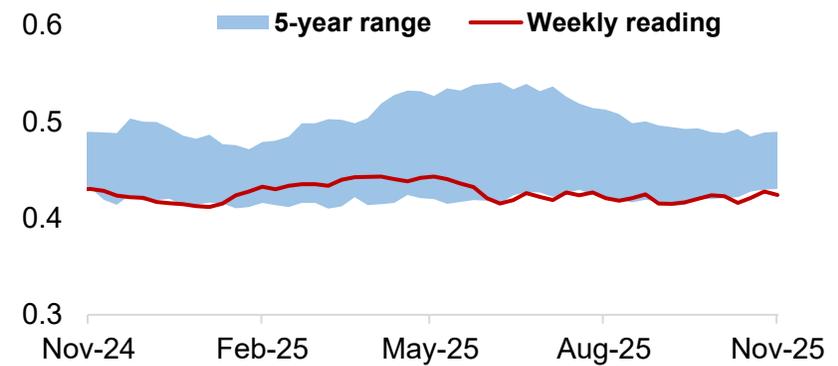
Index level



Price momentum remained weak and without clear direction during the week ended November 21.

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

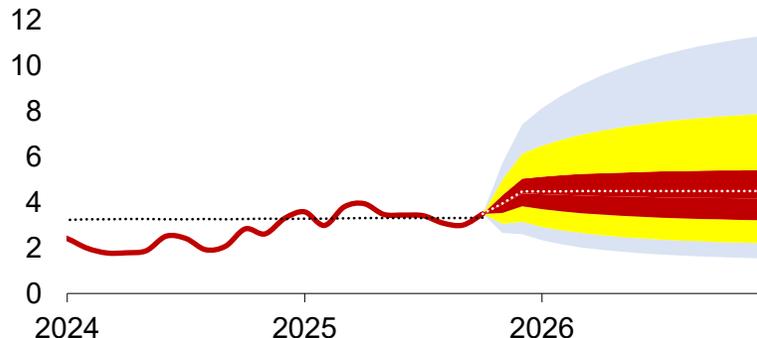
Billion barrels



U.S. crude oil inventories decreased by 3.4 million barrels for the week ended Nov. 14, which was 10% below the five-year range.

Natural gas futures mean reversion analysis

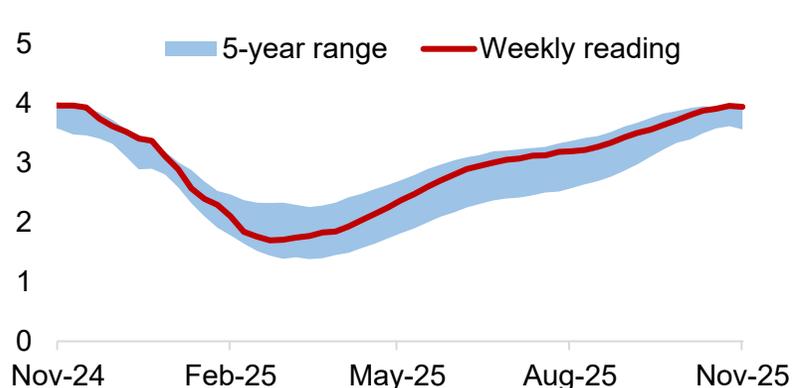
Dollars per mmBtu (2025\$)



Near-term futures have risen to exceed 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.

Working natural gas storage

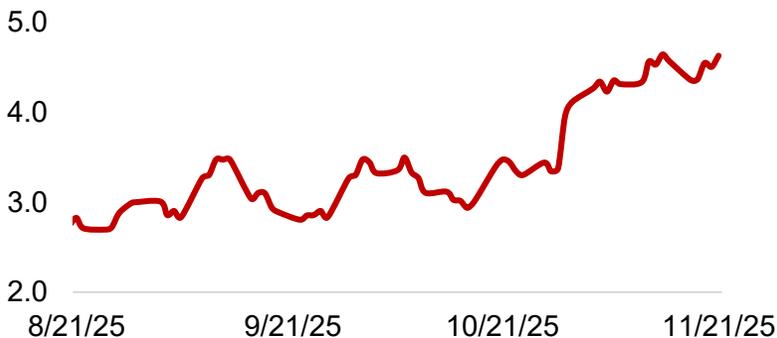
Trillion cubic feet (tcf)



Working natural gas storage decreased 0.4% w/w to 3.95 tcf as of November 14, the first decrease of the season coming with storage in the top 6% of the five-year range.

Natural gas prompt month futures prices

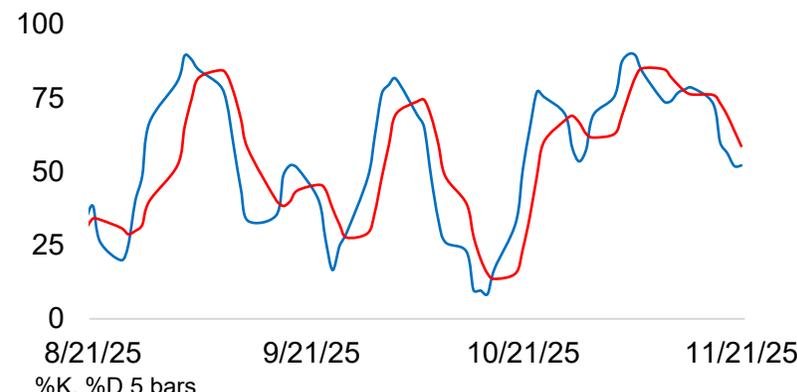
Dollars per million Btu



Natural gas prices rose and held above \$4.50 per mmBtu as of November 21, reflecting futures pricing for January delivery and the first storage drawdown of the season.

Natural gas futures momentum indicator

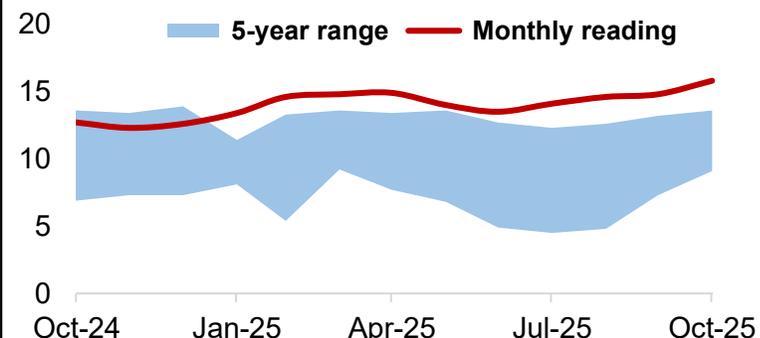
Index level



Price momentum continued to ease during the week ended November 21.

U.S. natural gas net exports

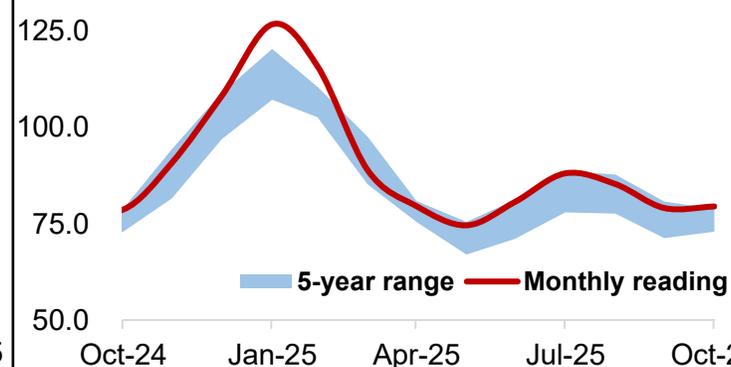
Billion cubic feet per day, bcf/d



According to revised EIA estimates, U.S. natural gas net exports rose 24.4% y/y to 15.8 bcf/d in October, supported by continued LNG strength.

U.S. natural gas consumption

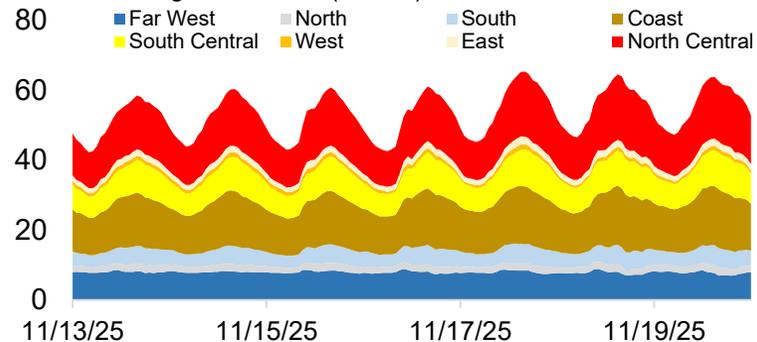
Billion cubic feet per day, bcf/d



Consumption rose 1.1% y/y to 79.5 bcf/d in October, according to EIA estimates.

ERCOT electricity load by region

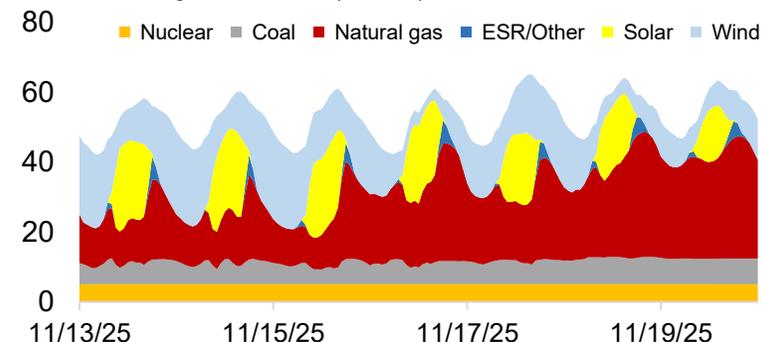
Thousand megawatt-hours (kMWh)



For Nov. 13-19, ERCOT's average hourly electricity load was 53.5 kMWh, up 7.2% w/w, while the maximum hourly load of 65.3 kMWh rose by 5.6% w/w. Variability was the highest in the West and North Central regions.

ERCOT hourly electricity generation by source

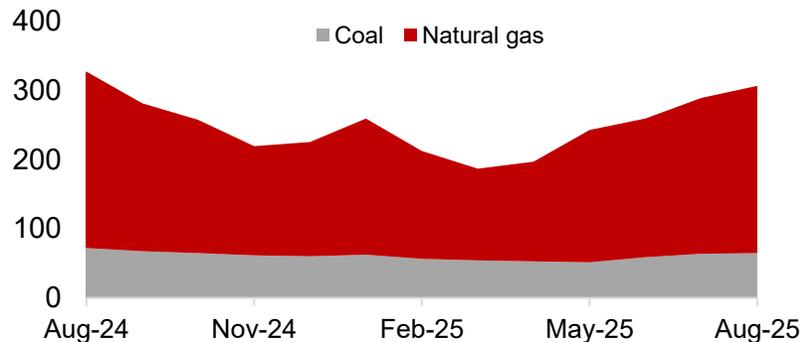
Thousand megawatt-hours (kMWh)



Dispatchable generation dominated ERCOT's supply. From Nov. 13-19, thermal and other dispatchable resources supplied as much as 85.3% of ERCOT's total generation, including 62.4% from natural gas. Hourly generation ranged between 42 and 65 thousand MWh, with a standard deviation of 6.2 thousand MWh, indicating higher and more variable seasonal load.

Texas electricity plant receipts of natural gas and coal

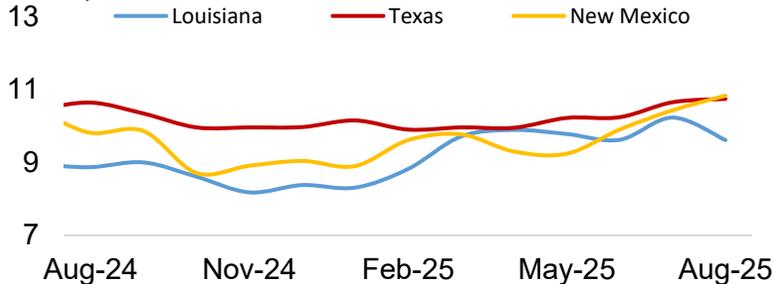
Trillion Btu



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

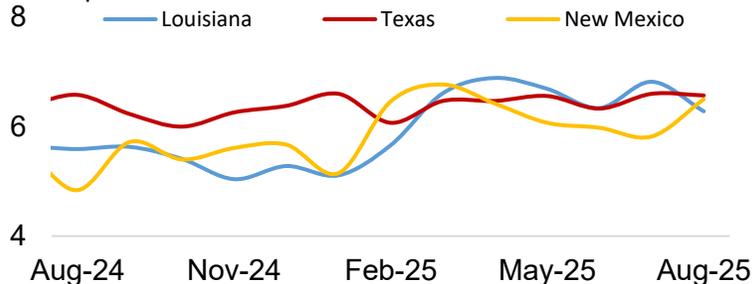
Cents per kilowatt-hour



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

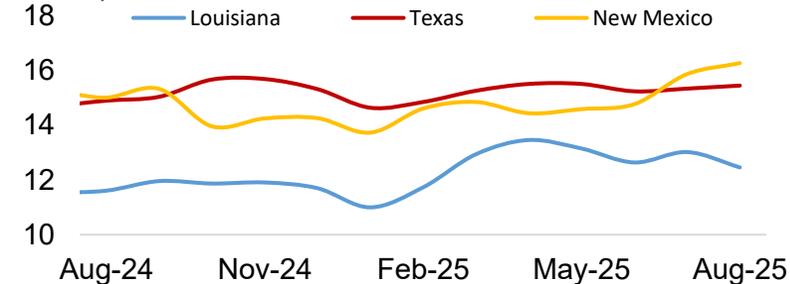
Cents per kilowatt-hour



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.

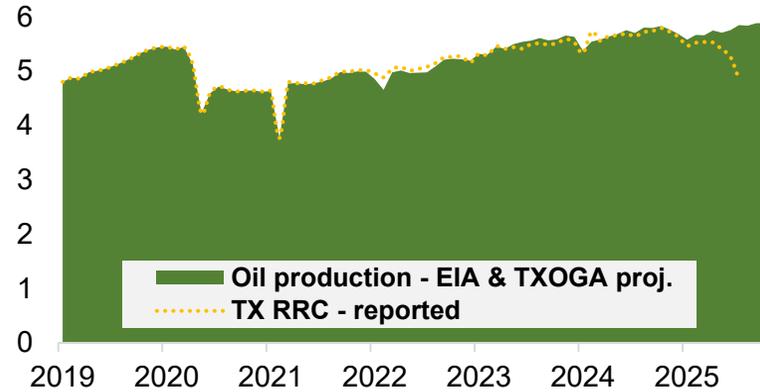
Residential electricity prices

Cents per kilowatt-hour



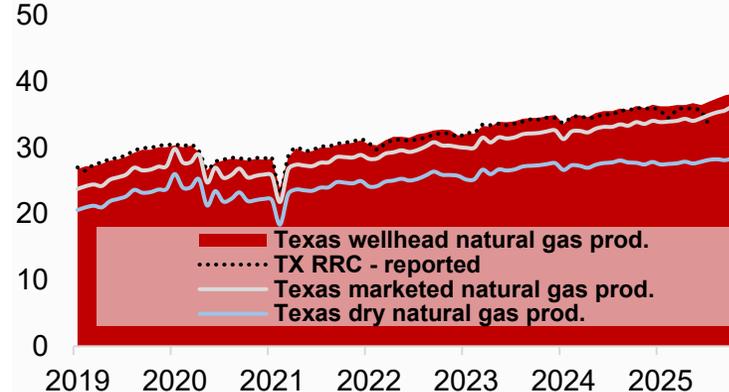
Residential rates rose but remained competitive. Residential electricity prices in Texas increased 0.7% m/m and 3.7% y/y to 15.45 ¢/kWh in August. Rates also rose 7.3% y/y in Louisiana and 8.4% y/y in New Mexico, though Louisiana's remained roughly 19% below Texas averages.

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



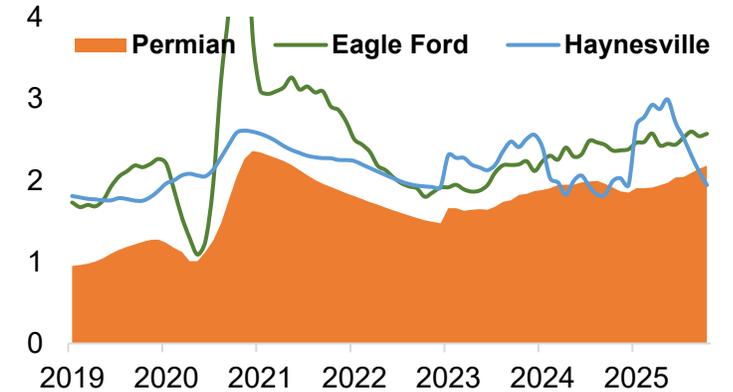
Estimated record production. Texas crude oil output held near record highs at **5.84 mb/d in August 2025 (EIA)**, with TXOGA estimates showing production rising to **5.89 mb/d in October**, the highest on record.

Texas natural gas production, Jan. 2019 – Oct. 2025



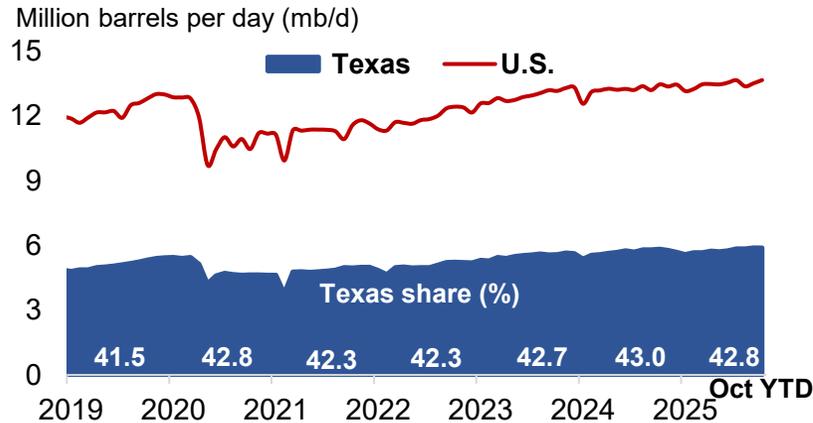
Natural gas production records. Texas produced **record-high natural gas volumes** in August 2025—**38.0 bcf/d** in gross withdrawals and **35.4 bcf/d** in marketed production (EIA). TXOGA estimates indicate October marketed output above **36 bcf/d**.

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



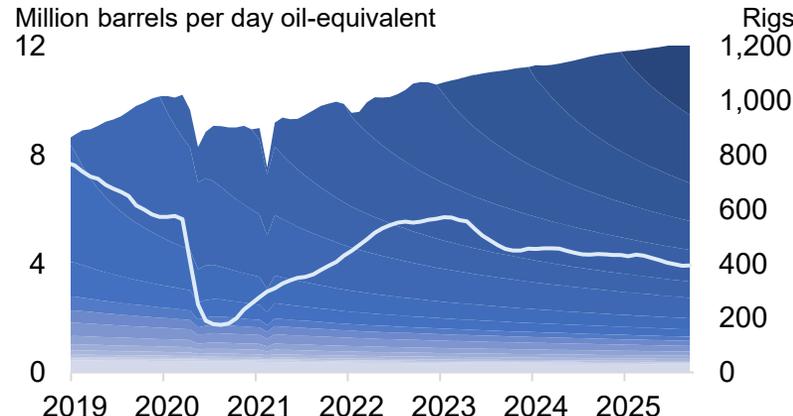
Rig productivity rose in the Permian and Eagle Ford. EIA estimates for October 2025 show rig productivity up **14.1% y/y** in the Permian and **8.7%** in the Eagle Ford, but down **2.5%** in the Haynesville.

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



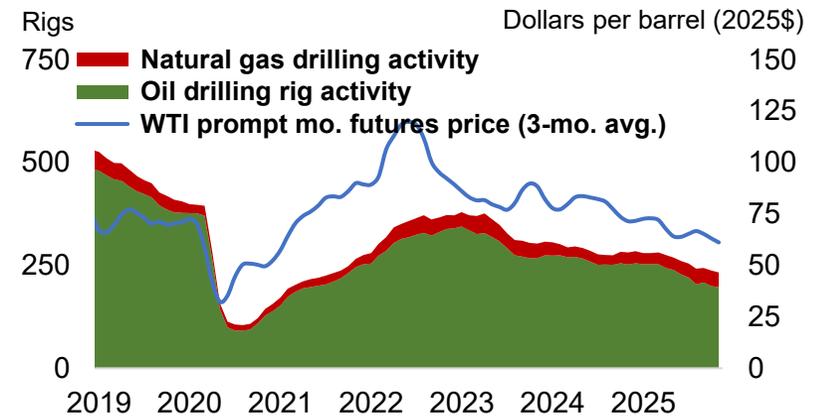
Texas share of U.S. production. Through the first ten months of 2025, **Texas accounted for 42.8% of total U.S. crude oil production**, underscoring its continued leadership in national output.

Texas shale basin wellhead oil & natural gas production



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 November 21, Texas had **197 oil-directed rigs** and **36 gas-directed rigs**, both unchanged versus the prior week according to Baker Hughes.



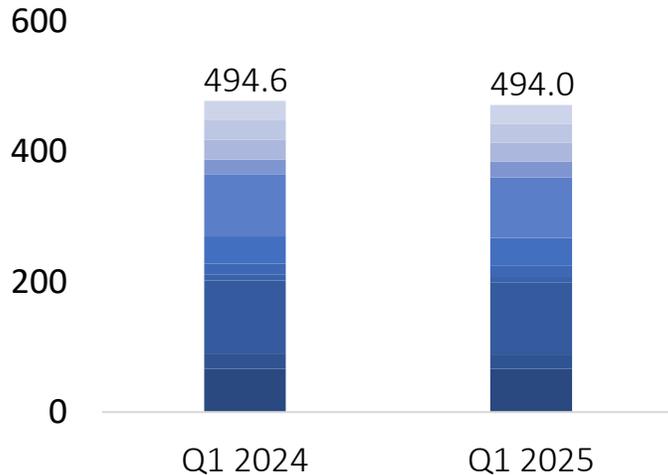
Texas oil & gas jobs dipped, wages reached record high in Q1 2025



- ▶ 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.

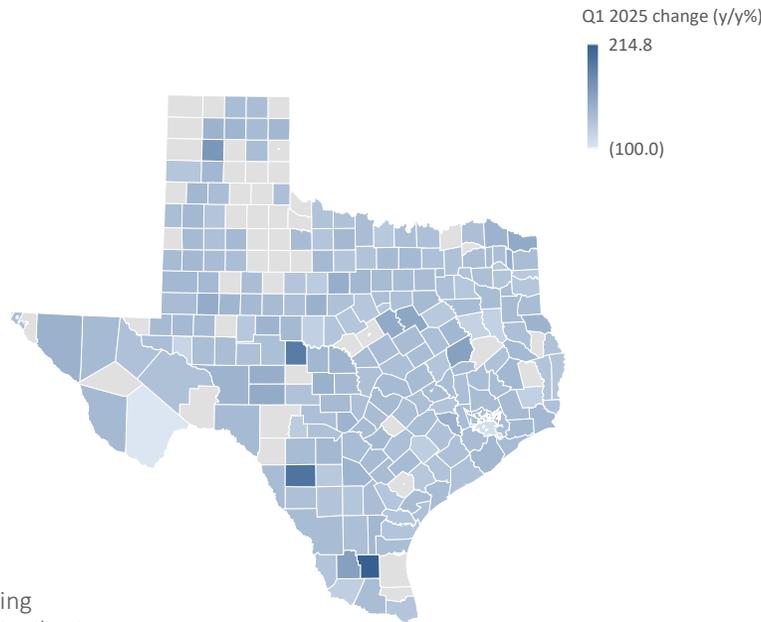
Texas oil and natural gas industry direct employment fell by +0.1% y/y in Q1 2025

Thousand Jobs



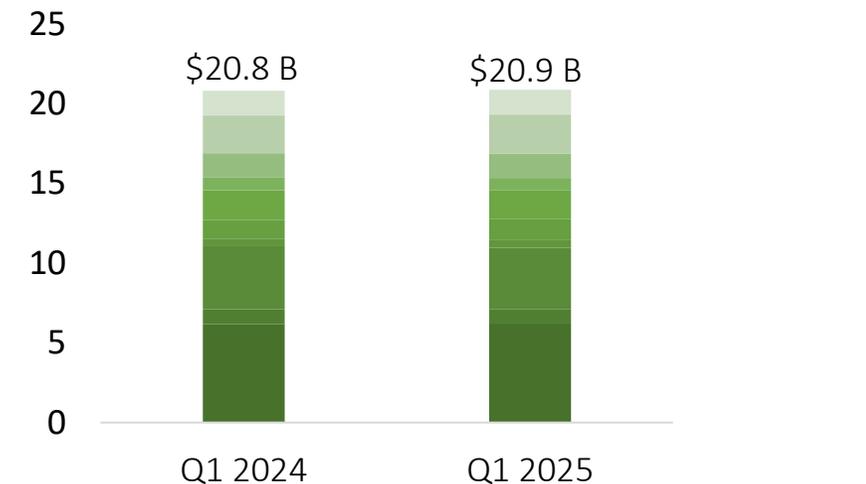
- Oil & gas extraction
- Support activities for o&g ops.
- Petroleum refineries
- Gas stations & fuel dealers
- All other*
- Pipeline construction
- Oil & gas drilling
- Natural gas distribution
- Petrochemical mfg.
- Pipeline transportation
- Oil & gas field mach. and eq. mfg.

* 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



R. Dean Foreman, Ph.D.
dforeman@txoga.org