



December 15, 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.

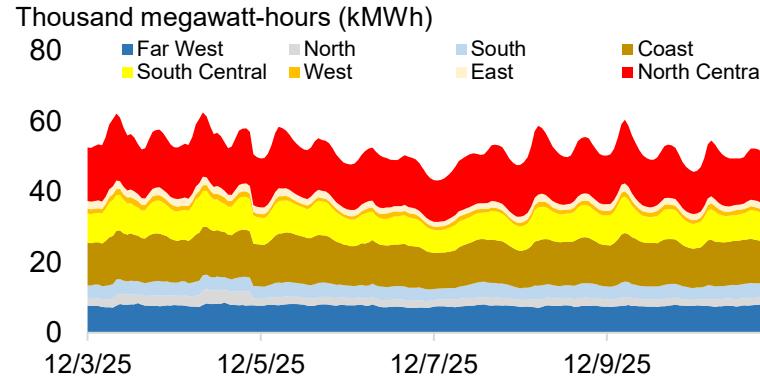
Key points – Week of December 15, 2025

- **Economic signals remain soft, with mixed momentum across consumers, credit, and activity.** Consumer sentiment rose 6.0% m/m but remains down 28% from a year ago, pointing to fragile household confidence and muted spending. High-yield borrowing costs rose to 12.5%, widening the premium over Fed Funds and underscoring still-tight financing conditions. The ADS Index continued to indicate subdued underlying activity entering Q4, even as other indicators show modest stabilization.
- **Oil markets eased as futures and fundamentals pointed to modest softness.** WTI fell 4.3% week-over-week (w/w) to \$57.47 per barrel amid concerns about a near-term supply glut, even as U.S. crude inventories remain historically low. Petroleum net exports dipped to 2.8 million barrels per day (mb/d), demand held firm at 21.1 mb/d, and the WTI forward curve stayed close to its long-run mean-reversion path—signaling expectations for stable but subdued market conditions ahead. EIA's December outlook made only minor adjustments, trimming 2025 global oil demand slightly while revising near-term supply growth higher, reinforcing a generally well-supplied market narrative.
- **Natural gas prices retreated as storage remained strong and global markets eased.** Mean reversion analysis proved useful in recent months as prompt-month prices fell sharply to \$4.12 per mmBtu, driven by robust inventories and softer European and Asian demand despite colder U.S. weather and solid LNG exports. Storage edged down to 3.75 tcf but remained above normal, futures realigned with their mean-reversion path, and momentum indicators weakened, pointing to softer near-term price support. Net exports rose 42% y/y to 17.5 bcf/d while U.S. consumption increased 2.5% y/y, underscoring steady underlying demand.
- **Chart of the Week: Dispatchable generation continued to anchor ERCOT reliability** as seasonal demand moderated. Average ERCOT load eased modestly w/w, while dispatchable resources—led by natural gas—supplied roughly 91% of total generation, underscoring their central role in meeting system needs. Power plant natural gas receipts declined month-over-month amid ongoing fuel-mix shifts, even as electricity prices rose across end-use sectors, with the largest increases concentrated in industrial and residential rates.

Chart of the Week: Texas electricity – dispatchable supply anchors reliability as prices edge higher

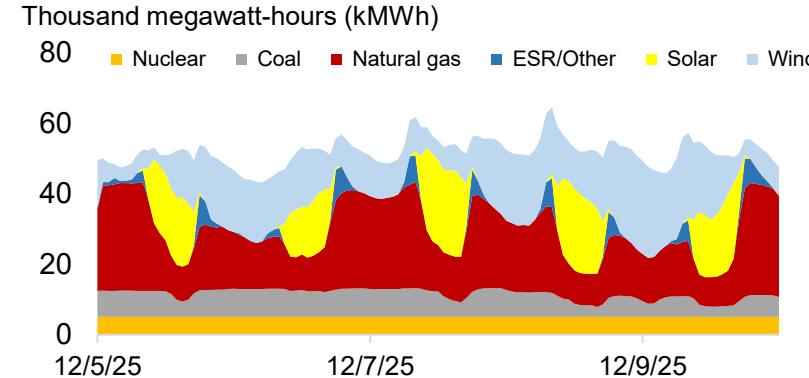


ERCOT electricity load by region



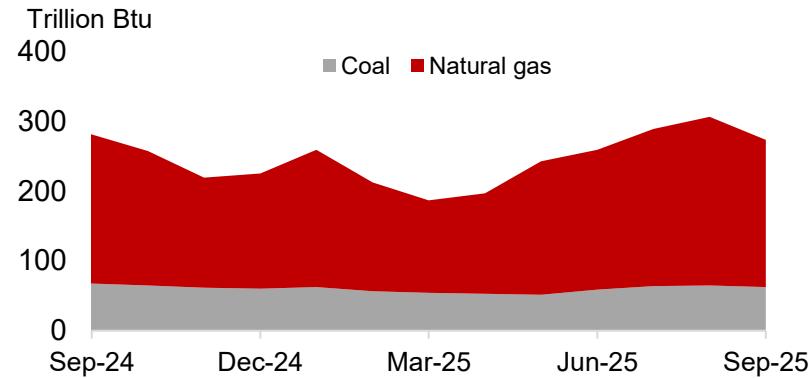
For Dec. 4-10, ERCOT's average hourly electricity load was 51.8 kMWh, up 3.2% w/w, while the maximum hourly load of 62.5 kMWh rose by 0.4% w/w. Variability was the highest in the North and West regions.

ERCOT hourly electricity generation by source



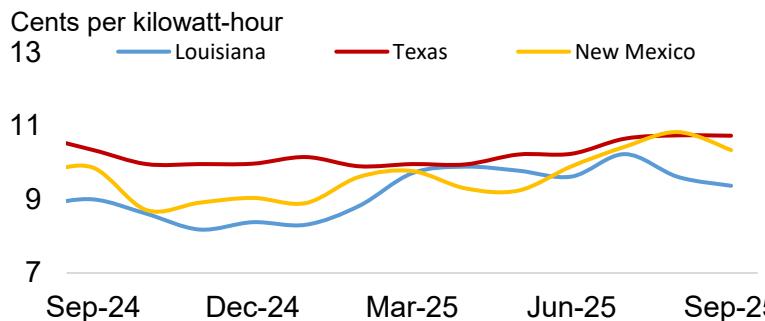
Dispatchable generation dominated ERCOT's supply. From Dec. 4-10 thermal and other dispatchable resources supplied as much as 90.6% of ERCOT's total generation, including 64.3% from natural gas. Hourly generation ranged between 43 and 65 thousand MWh, with a standard deviation of 3.5 thousand MWh, indicating lower but steadier seasonal load.

Texas electricity plant receipts of natural gas and coal



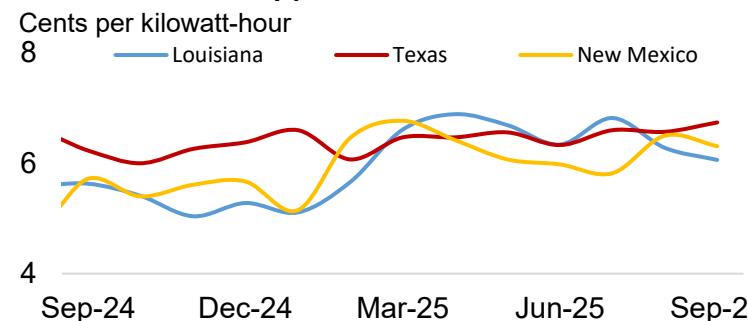
Natural gas receipts fell. Power plant receipts of natural gas in Texas decreased in September by 12.7% m/m and 1.3% y/y, while coal receipts fell 3.2% m/m and remained 7.5% below year-ago levels, reflecting fuel-mix shifts toward renewables.

Electricity prices – average across all end-use sectors



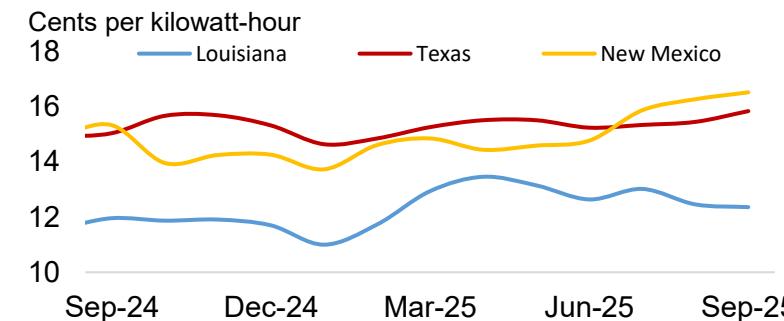
Texas electricity prices steadied in September. Average statewide electricity prices slipped 0.1% m/m but rose 3.8% y/y to 10.73 ¢/kWh, compared with 9.37 ¢ in Louisiana and 10.34 ¢ in New Mexico.

Industrial electricity prices



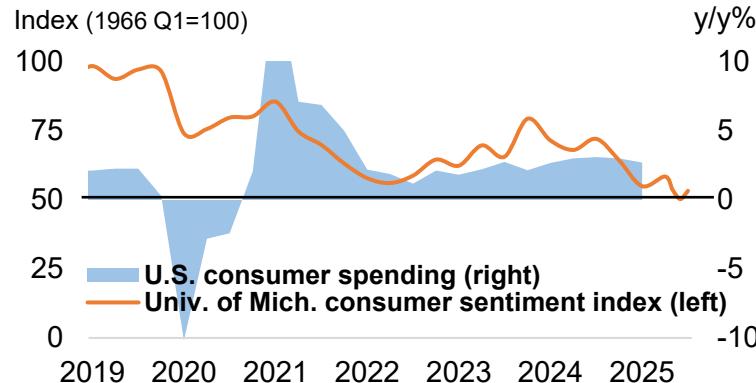
Industrial electricity prices increased. Industrial rates in Texas rose 2.6% m/m and 8.2% y/y to 6.74 ¢/kWh in September. Prices in neighboring states rose similarly versus last year—7.6% y/y in Louisiana and 10.3% y/y in New Mexico.

Residential electricity prices



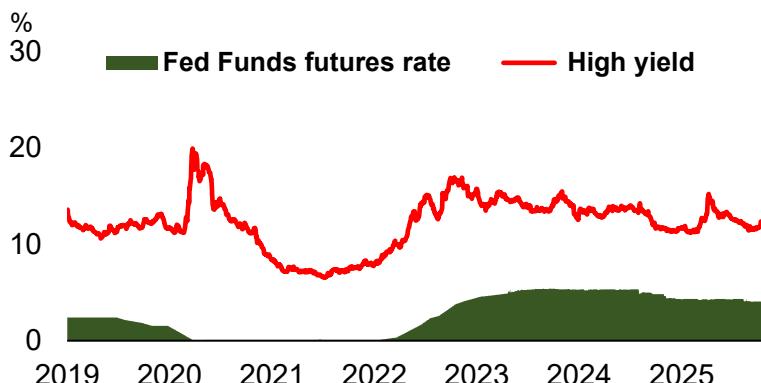
Residential rates rose. Residential electricity prices in Texas increased 2.5% m/m and 5.3% y/y to 15.84 ¢/kWh in September. Rates also rose 3.3% y/y in Louisiana and 7.84% y/y in New Mexico, though Louisiana's rates remained 22% lower than those in Texas.

Consumer sentiment and spending trends



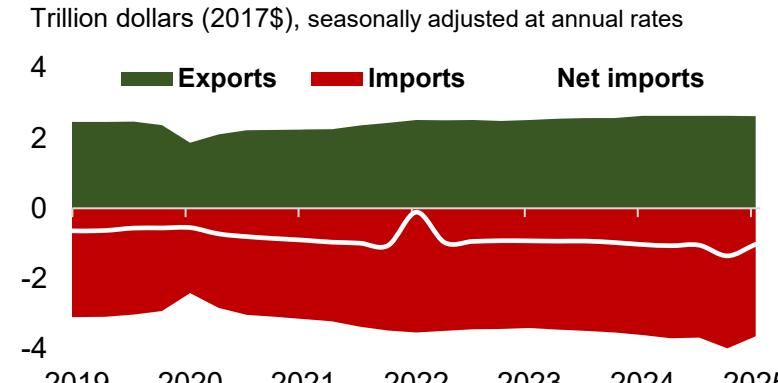
Economic signals remain soft, with mixed momentum across consumers, credit, and activity. Consumer sentiment rose 6% m/m but remains down 28% y/y, highlighting fragile household confidence and restrained spending. High-yield borrowing costs increased to 12.5%, keeping credit conditions tight for lower-rated issuers. The ADS Index continued to signal weak underlying activity entering Q4, even as broader economic indicators show tentative stabilization.

Interest rates and high-yield borrowing costs



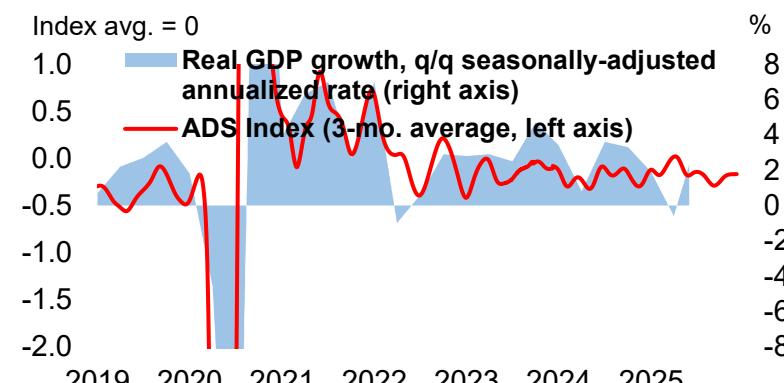
Credit costs for lower-quality issuers increased. As of December 12, high-yield borrowing costs rose 14 bps w/w to 12.5%, while Fed Funds futures edged down to 3.6%, resulting in a premium of 8.9%.

U.S. trade balance and petroleum exports



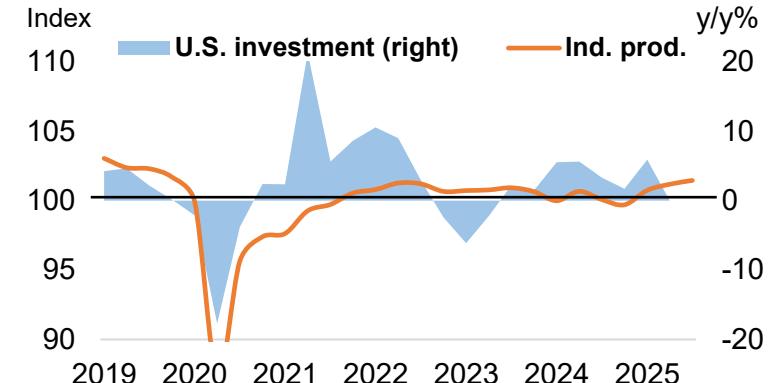
The BEA's initial Q2 2025 GDP report showed the U.S. trade deficit narrowed to an annualized \$1.0 trillion (SAAR), down from \$1.4 trillion in Q1, as exports exceeded imports. The petroleum trade surplus rose \$9.9 billion to \$72.2 billion, more than double its level a year ago.

ADS Index and real GDP growth



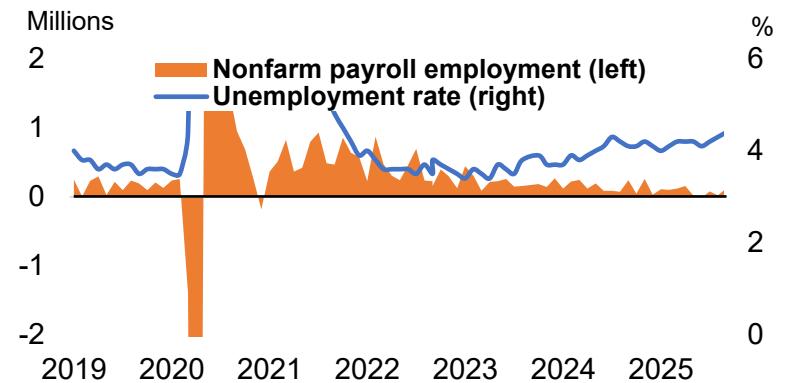
The **ADS Index suggests slowing in Q3 and steady in Q4.** While real GDP growth rebounded in Q2, the Philadelphia Fed's ADS Index—an early signal of economic momentum—continued to indicate weak growth in Q3 and increased growth entering Q4.

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 September. Total industry capacity utilization remained flat at 75.9%.

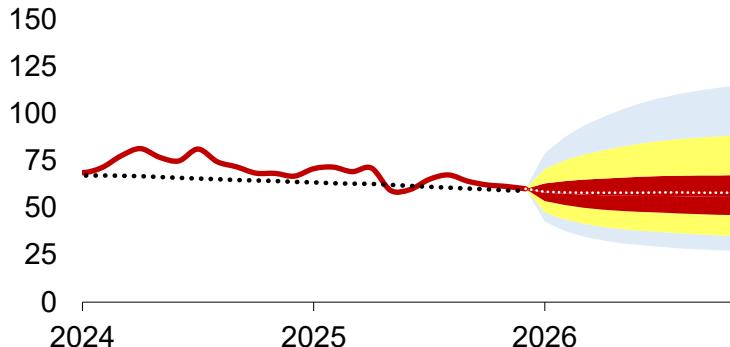
Employment and unemployment trends



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

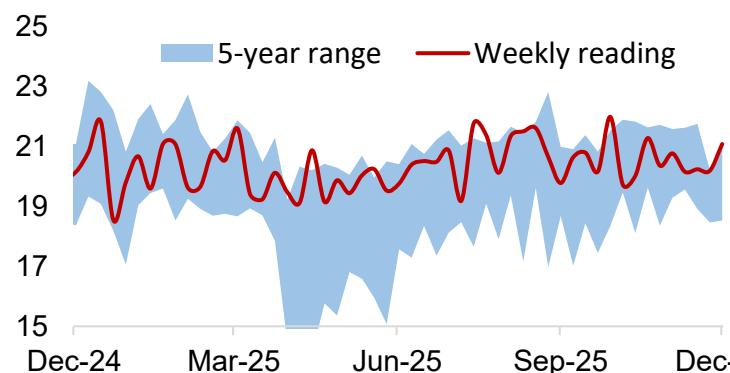
Dollars per barrel (2025\$)



WTI futures hold close to their long-run mean-reversion target, with the forward curve shifting into mild backwardation through 2026. This pattern suggests traders anticipate similar market conditions ahead, with spot prices remaining modestly above futures and no strong directional pressures in the near term.

U.S. petroleum demand

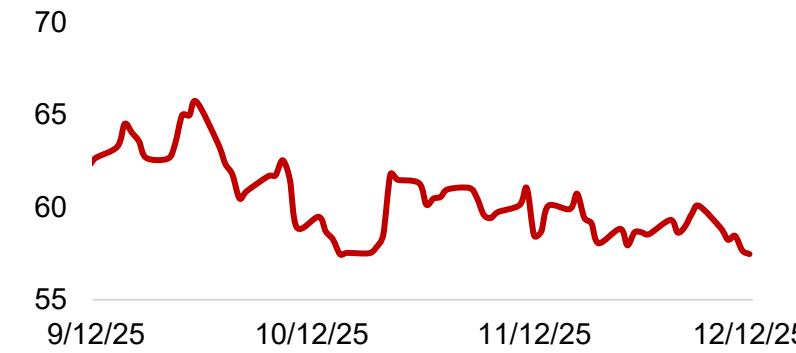
Million barrels per day (mb/d)



U.S. petroleum demand remained increased. As of December 5, deliveries averaged 21.1 mb/d up 0.9 mb/d versus the prior week and at the top of the 5-year range.

WTI crude prompt month futures prices

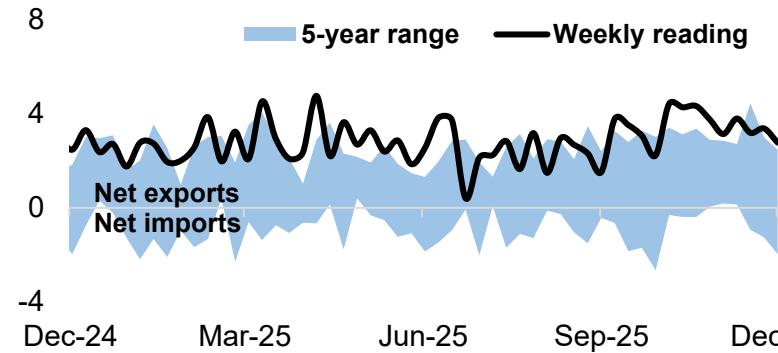
Dollars per barrel



WTI crude prices fell 4.3% w/w to \$57.47 per barrel as of December 12, reflecting market concerns about a near-term supply glut even as U.S. crude inventories remain historically low.

U.S. petroleum net exports (imports)

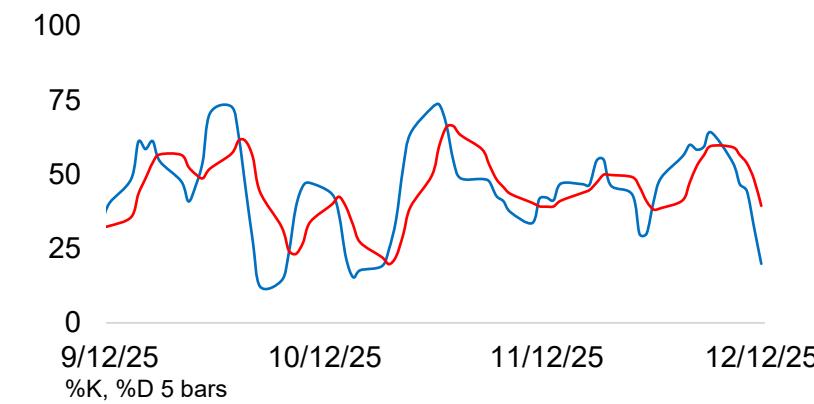
Million barrels per day, mb/d



U.S. petroleum net exports fell to 2.8 mb/d for the week ended December 5, down 0.6 mb/d from the prior week.

WTI futures momentum indicator

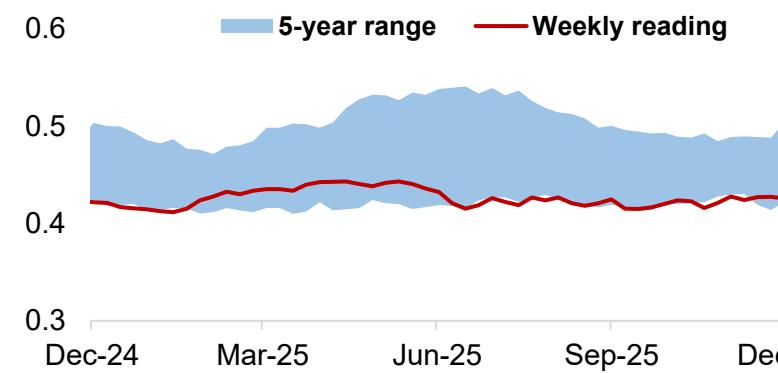
Index level



Price momentum weakened during the week ended December 12.

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

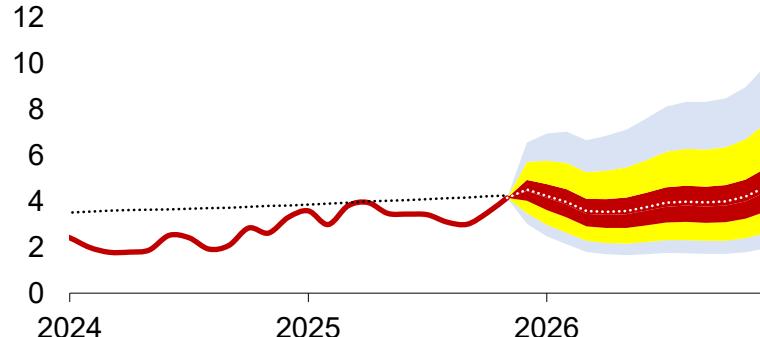
Billion barrels



U.S. crude oil inventories decreased by 1.8 million barrels for the week ended December 5.

Natural gas futures mean reversion analysis

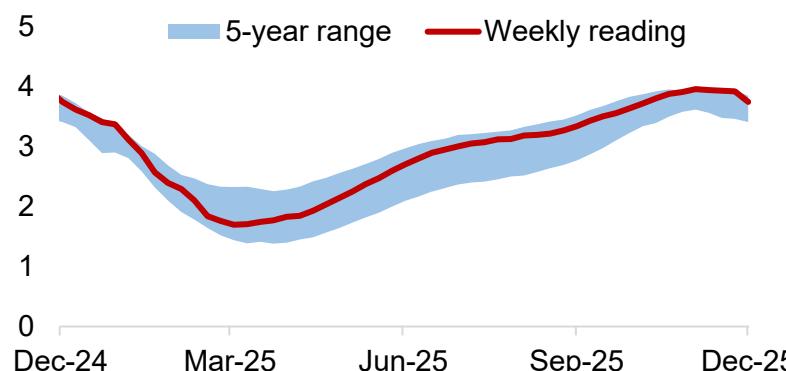
Dollars per mmBtu (2025\$)



Near-term natural gas futures fell and re-aligned with their historical mean-reversion path, and forward prices have continued to move into backwardation through late 2026. The distribution of outcomes indicates greater upside volatility risk than downside.

Working natural gas storage

Trillion cubic feet (tcf)



Working natural gas storage decreased 4.5% w/w to 3.75 tcf as of December 5.

Natural gas prompt month futures prices

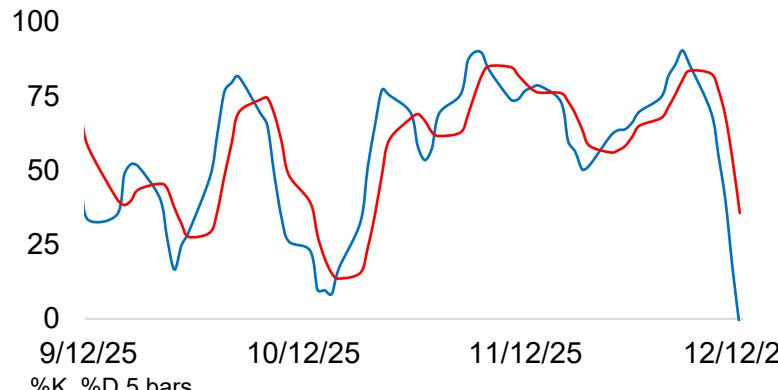
Dollars per million Btu



Natural gas prices fell 22.1% w/w to \$4.12 per mmBtu as of December 12, reflecting ample storage and easing global market pressures despite colder weather and strong U.S. exports.

Natural gas futures momentum indicator

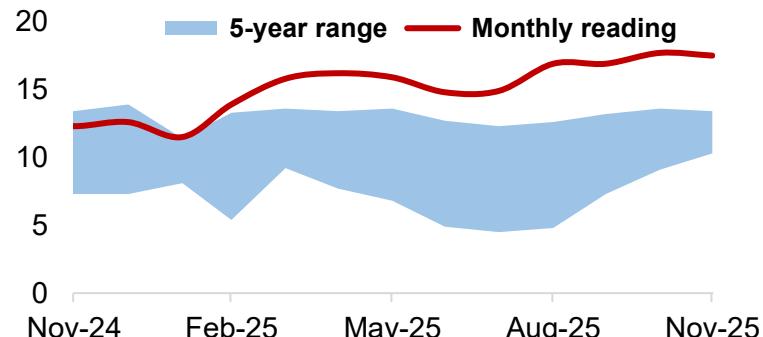
Index level



Price momentum weakened during the week ended December 12.

U.S. natural gas net exports

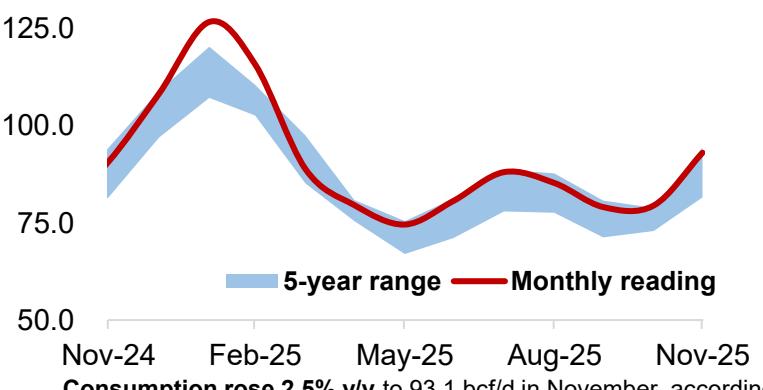
Billion cubic feet per day, bcf/d



According to revised EIA estimates, U.S. natural gas net exports rose 42% y/y to 17.5 bcf/d in November, supported by continued LNG strength.

U.S. natural gas consumption

Billion cubic feet per day, bcf/d



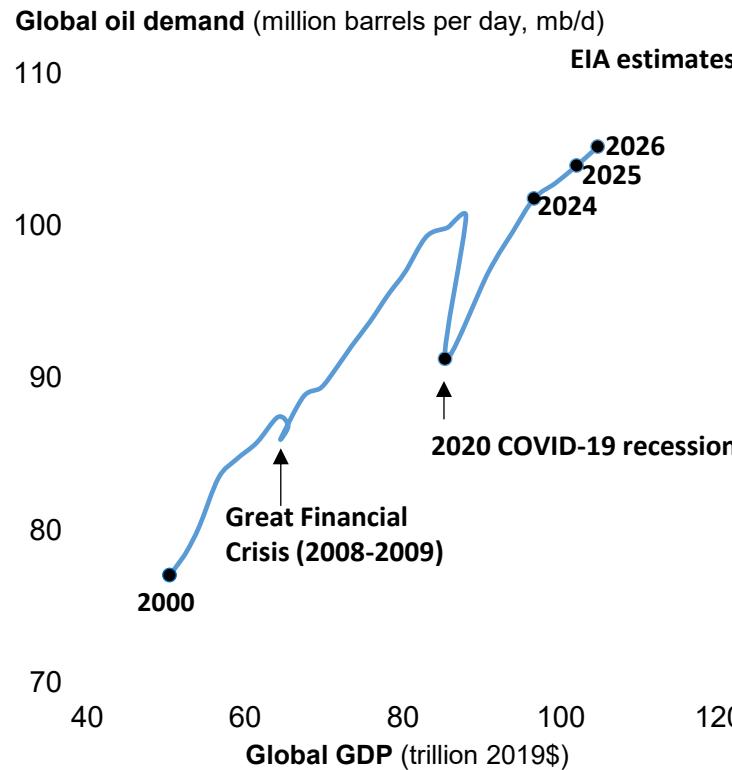
Consumption rose 2.5% y/y to 93.1 bcf/d in November, according to EIA estimates.

Global oil outlook – Demand eases slightly; supply outlook strengthens

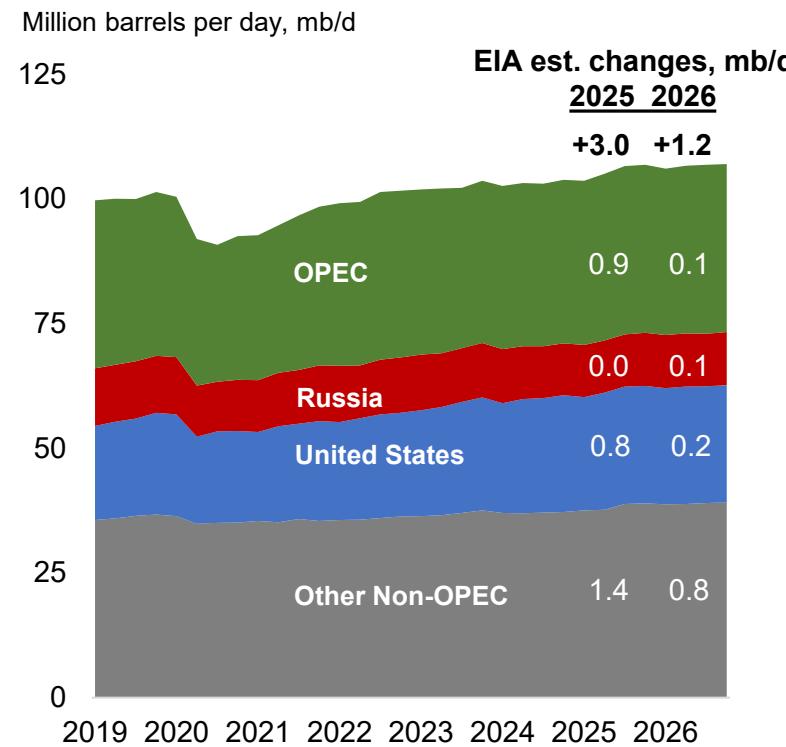


- EIA trimmed its 2025 global oil demand forecast by 0.2 mb/d to **103.9 mb/d**, while keeping 2026 unchanged at **105.2 mb/d**
- Global supply growth was revised up by 0.2 mb/d for 2025 (to **+3.0 mb/d**) and slightly lower for 2026 (to **+1.2 mb/d**), led by the U.S., OPEC, and other Non-OPEC producers
- Brent crude is projected to average \$69/bbl in 2025 and \$55/bbl in 2026, unchanged from last month and below current spot prices

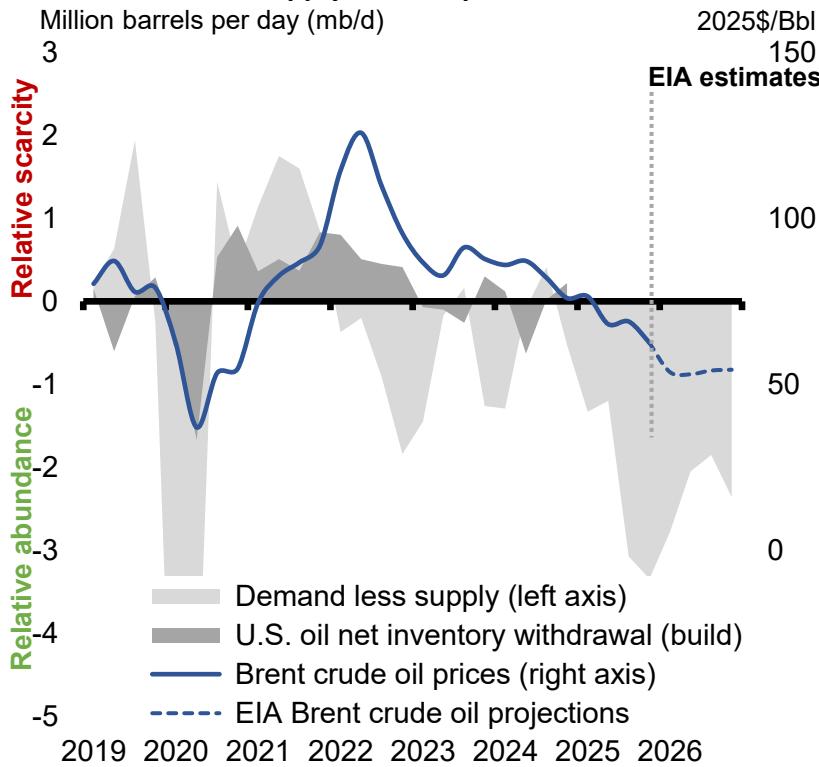
Global oil demand vs. GDP



Oil production by country/region



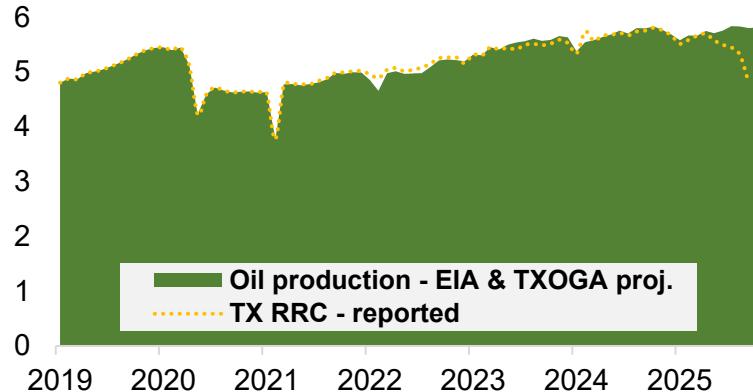
Global demand/supply & Brent prices



Texas oil and natural gas production has continued near record highs

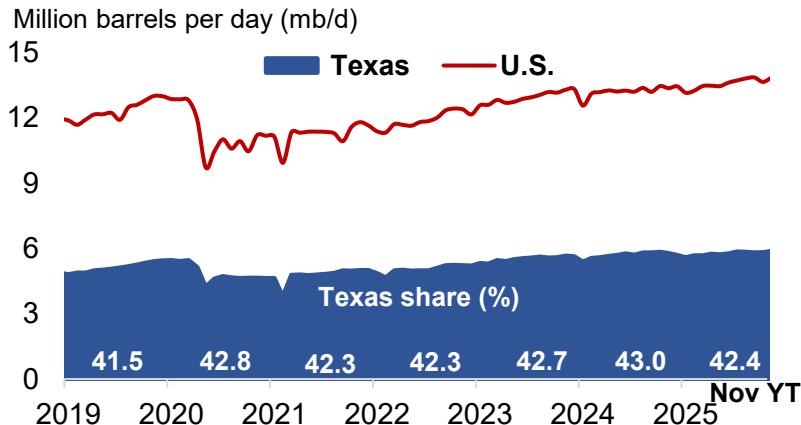


Texas crude oil production, Jan. 2019 – Nov. 2025



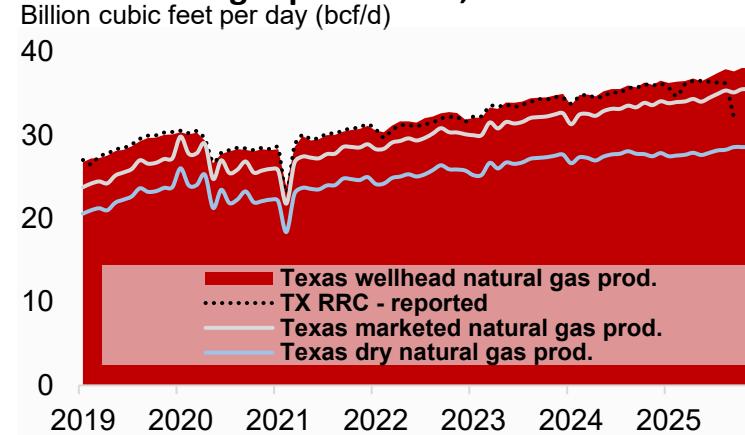
Estimated record production. Texas crude oil output held near record highs at 5.8 mb/d in September 2025 (EIA), with TXOGA estimates showing production **rising to 5.9 mb/d in November**, the highest on record.

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



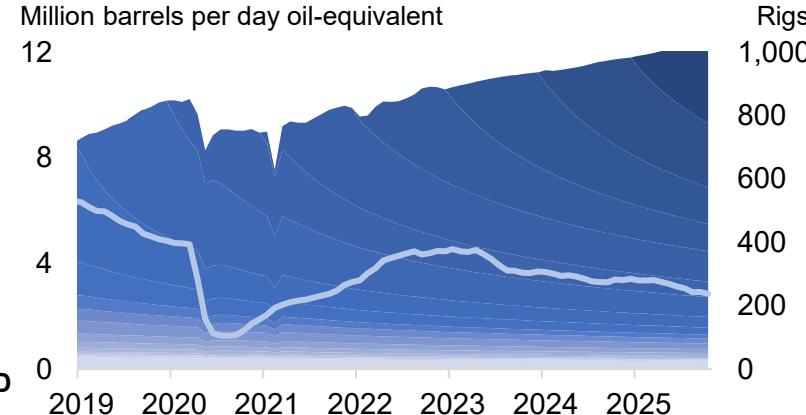
Texas share of U.S. production. Through the first 11 months of 2025, Texas accounted for **42.4%** of total U.S. crude oil production.

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



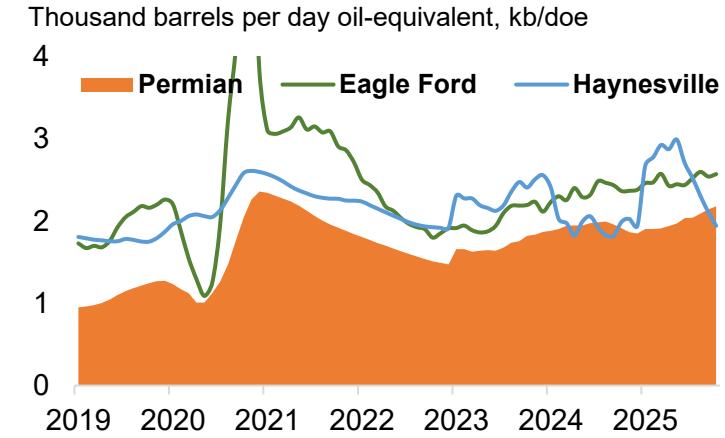
Natural gas production remains near record levels. Texas produced 37.7 bcf/d in gross withdrawals and 35.2 bcf/d in marketed production (EIA). TXOGA estimates indicate November marketed output near 36 bcf/d.

Texas shale basin wellhead oil & natural gas production



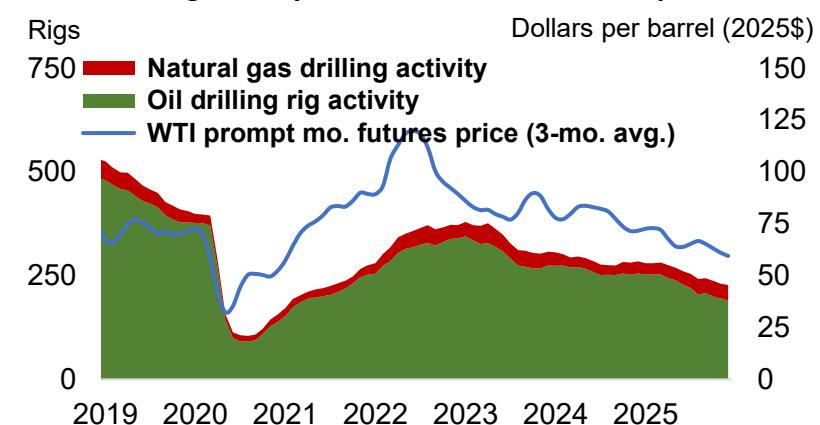
EIA estimates show continued production growth across major Texas shale basins in October 2025, including the Permian (+0.9% y/y) and Haynesville (+5.2% y/y), while the Eagle Ford declined 3.9% y/y.

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.

Texas drilling activity and WTI crude oil futures prices



Texas drilling activity and prices. As of December 12, Texas had **191 oil-directed rigs** (up 1 rig w/w) and **37 gas-directed rigs** (up 1 rig w/w), according to Baker Hughes.

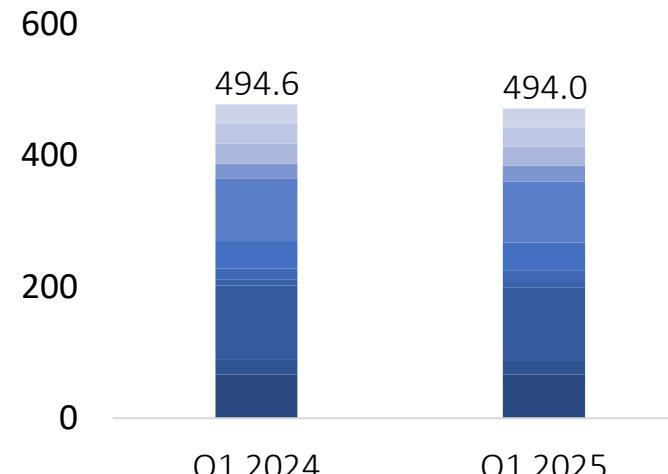
Texas oil & gas jobs dipped, wages reached record high in Q1 2025



- 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.

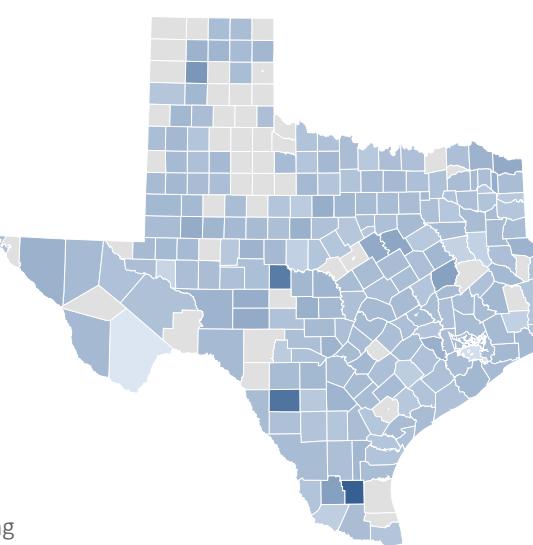
Texas oil and natural gas industry direct employment fell by 0.1% y/y in Q1 2025

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
- Petrochemical mfg.
- Natural gas distribution
- Oil & gas drilling
- Oil & gas extraction



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