



MACRO Report: Review of Wyoming's Economy

Economic Update as of December 31, 2017

The MACRO Report is a quarterly publication comprised of charts focusing on energy, employment, state revenues, and other indicators pertaining to the state of Wyoming.



WYOMING DEPARTMENT
OF ADMINISTRATION & INFORMATION

WYOMING MACRO Report

Summary: Recovering Crude Oil Market Bolsters State Revenues.

- **Employment** – Total nonfarm employment fell by 1,700 jobs (-0.6%) in November compared to previous year; mining (+2,200) recorded the largest private sector gain while leisure & hospitality (-1,200) lost the most jobs.
- **Energy** – December average for Opal natural gas settled at \$2.61 per MMBtu while WTI oil rose to \$57.36 per bbl.; October 2017 natural gas production was 7.9% behind last year while oil production was ahead by 1.6% and November 2017 year-to-date coal production had increased by 8.5%; oil & gas rig count was 25 in December compared to 19 one year ago; oil & gas jobs in November increased by 1,600 in a year-ago comparison.
- **Revenues** – First 6 months of FY 2018 sales and use tax collections ahead of last year by 17.9%; 10 of 12 industry sectors that were tracked recorded year-over-year gains; **Sublette County** realized the largest increase in collections (+\$9.3 million) in fiscal 2018 while **Crook County** had the largest loss (-\$0.4 million). After 6 months of FY18, severance tax revenue exceeded last year by 9.6%.
- **Personal income, home price appreciation, and building permits** – Personal income for Q3 of 2017 saw an increase of 0.4% for the state compared to the previous quarter. FHFA's purchase-only house price index reported a Q3 year-over-year increase in home prices for Wyoming of 2.3%; the Mountain Division saw an increase in prices of 8.6%. Statewide, single family units permitted year-to-date through end of November fell by 0.9% over the previous year.

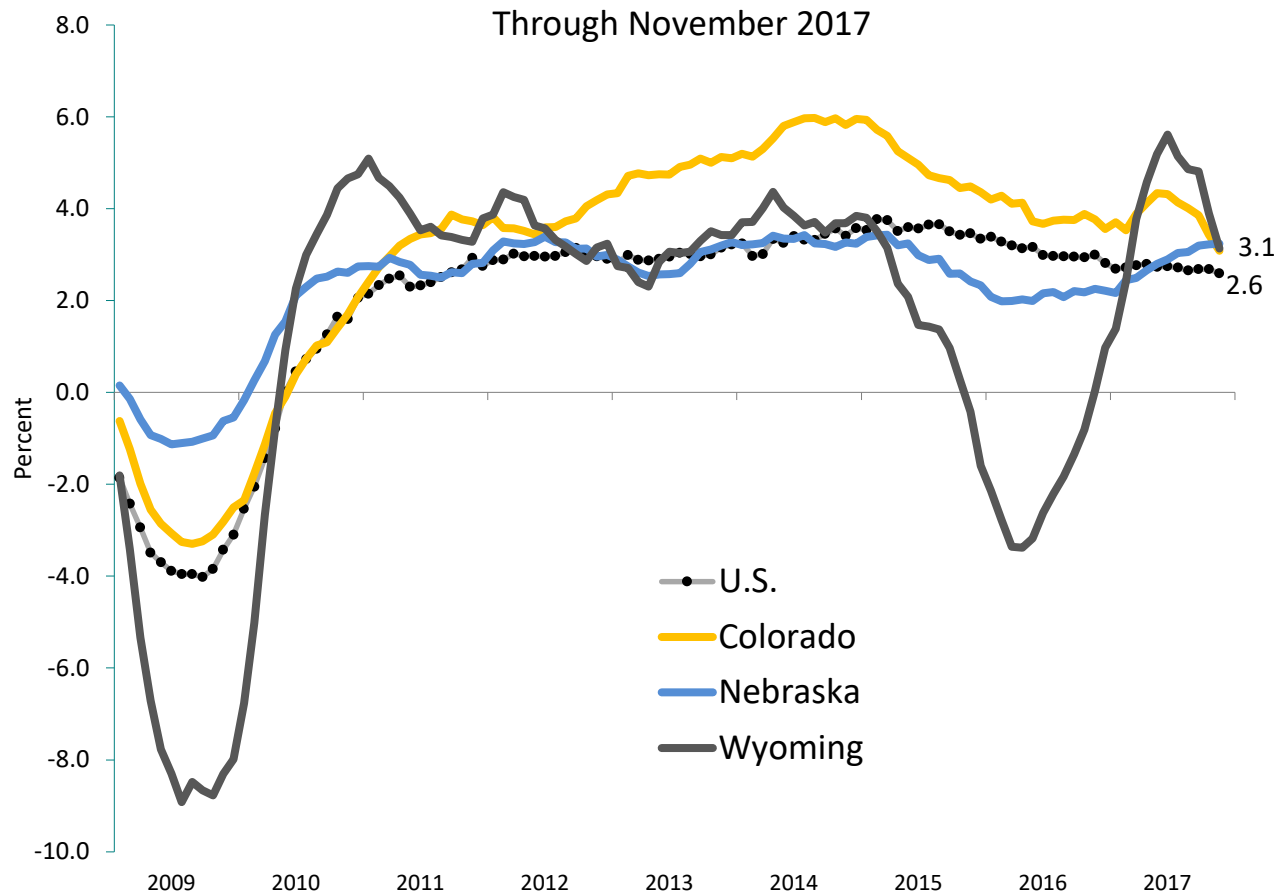
Economic Activity:

Weak Labor Market is Improving; Q3 Personal Income Saw 2.6% Year-over-Year Growth

- Year-over-year job losses shrank in November.
- Rig counts numbered 25 in December, leveled off in second half of 2017; improving production and spot prices seen for oil and coal in latter part of 2017.
- After six months of fiscal 2018, year-to-date sales & use tax and severance tax collections were outpacing fiscal 2017.
- Three consecutive quarters of personal income growth observed in 2017.

Coincident Index: WY, CO, NE, & U.S.

Year-over-Year Percent Change in Index Values



Note: The coincident index for each state is comprised of four indicators of current economic activity including:

1. nonfarm employment
2. manufacturing hours worked
3. unemployment rate
4. and wages & salaries paid.

Source: Federal Reserve Bank of Philadelphia.

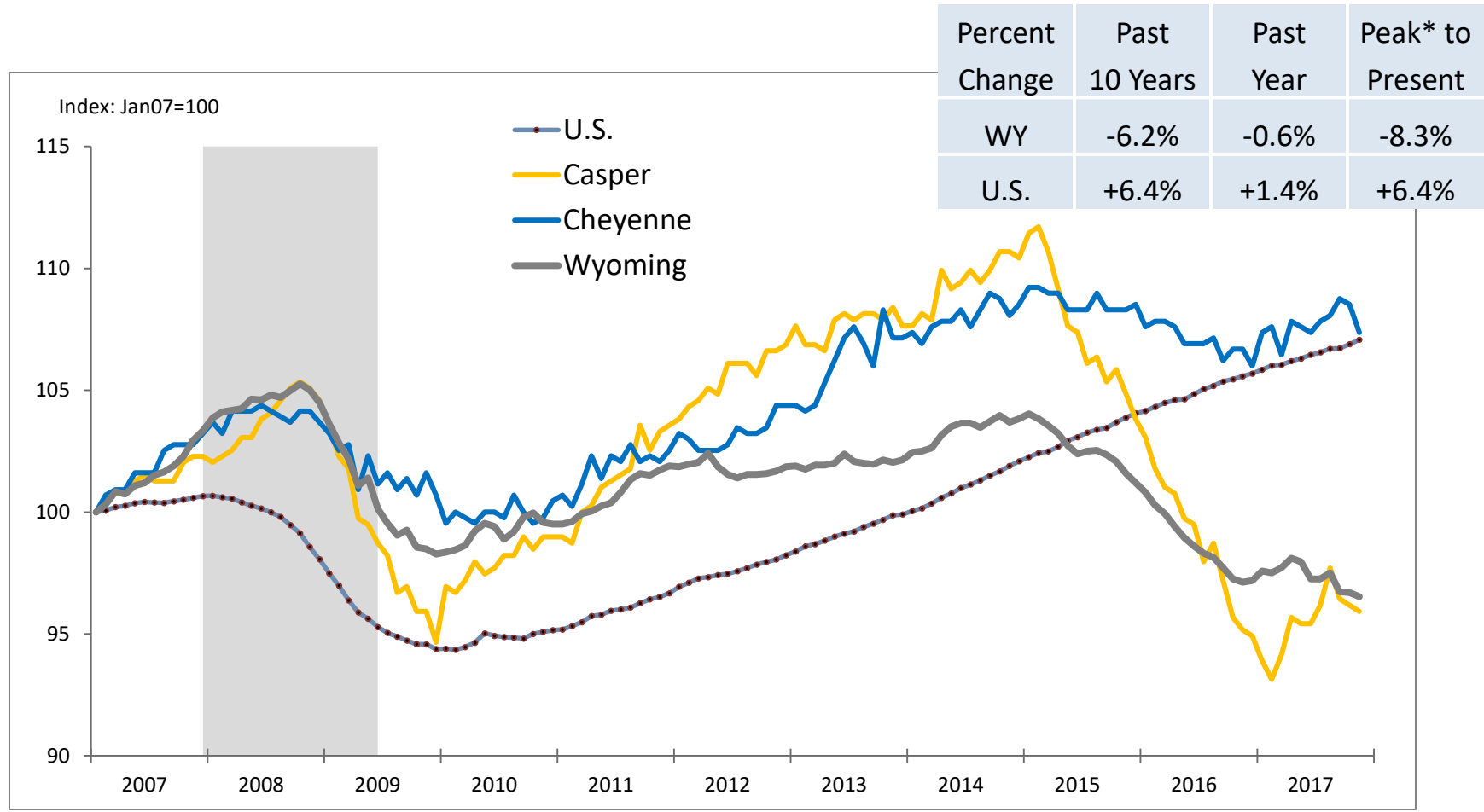


Employment:

Mining Drove Job Gains in 2017; Year-over-Year Total Job Losses Shrank from -9,200 to -1,700

- Statewide employment fell by 1,700 jobs (-0.6%) when compared to November 2016.
- Mining industry led the private sector by adding 2,200 jobs in November 2017 followed by financial activities (+300), professional & business services (+300), and manufacturing (+200).
- Both Casper and Cheyenne realized year-over-year job growth of 1.1% in November.

Nonfarm Employment: Casper, Cheyenne, WY, & U.S. Seasonally Adjusted — Through November 2017



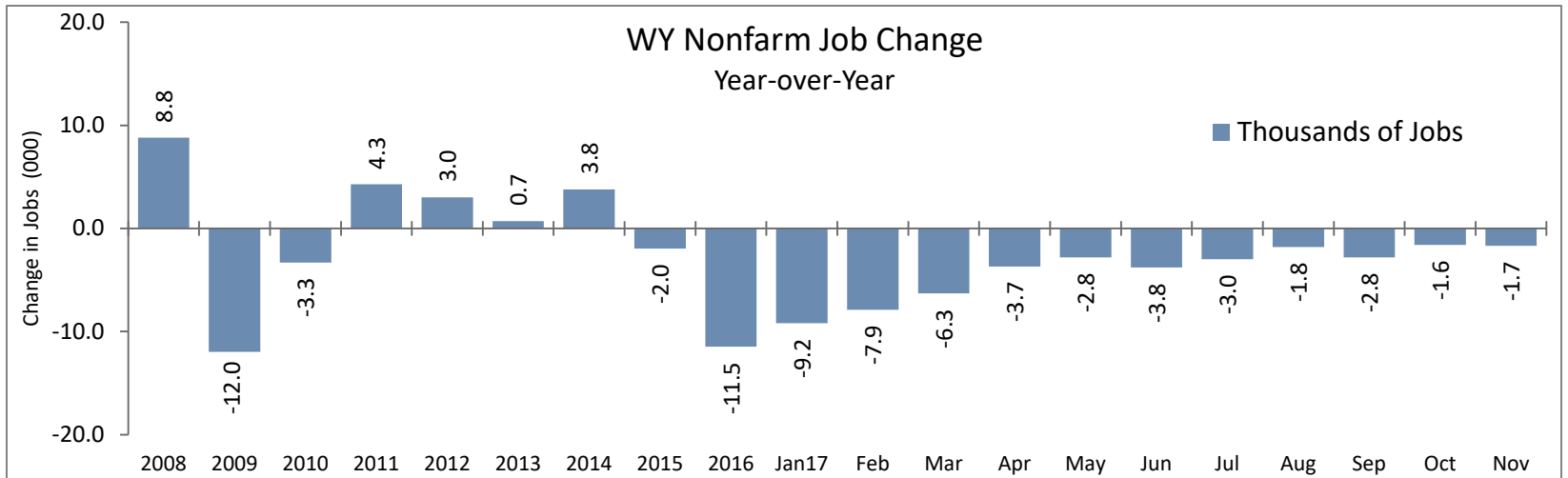
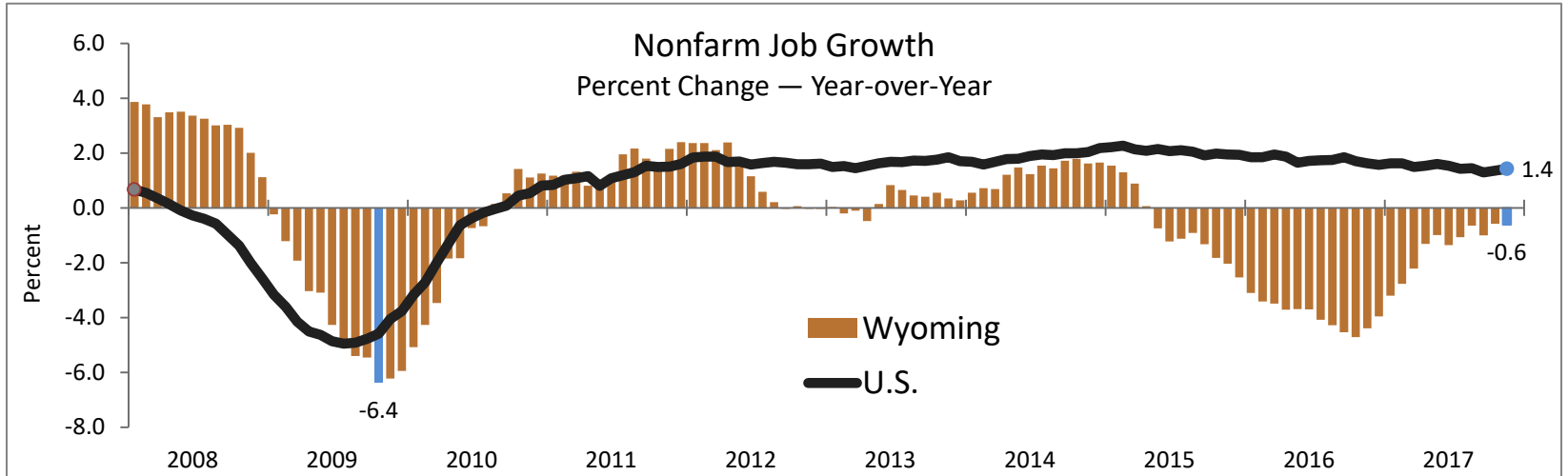
Source: Bureau of Labor Statistics.

Note: Shaded area represents U.S. recession.

*Refers to pre-recession peak.



WY and U.S. Nonfarm Employment Through End of November 2017; Seasonally Adjusted

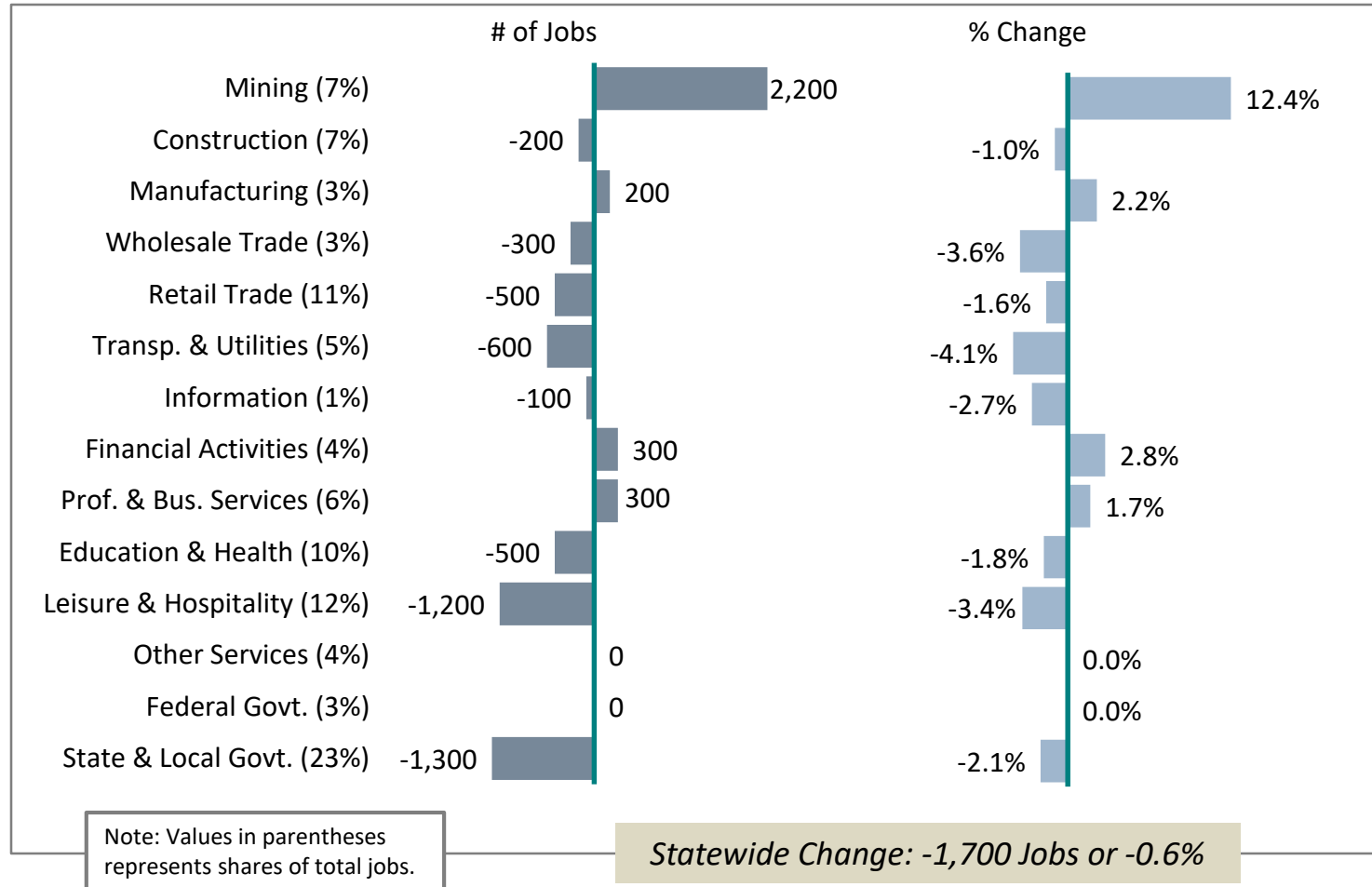


Source: U.S. Bureau of Labor Statistics.



WY Employment Change: Nov 2017 vs. Nov 2016

Year-over-Year; Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics.

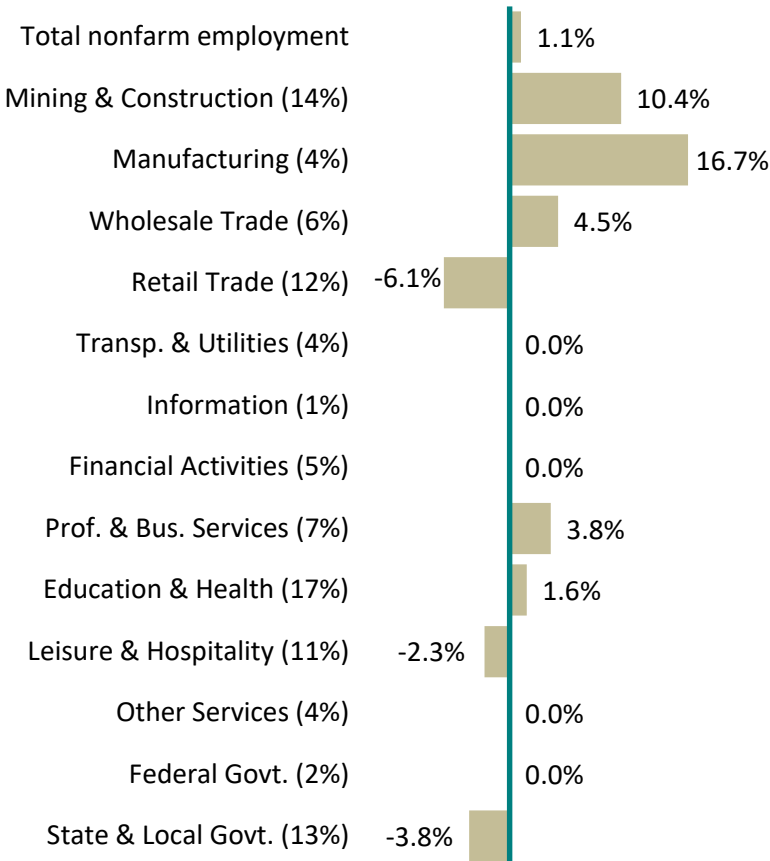
Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.



Casper & Cheyenne Job Change: Nov 2017 vs. Nov 2016

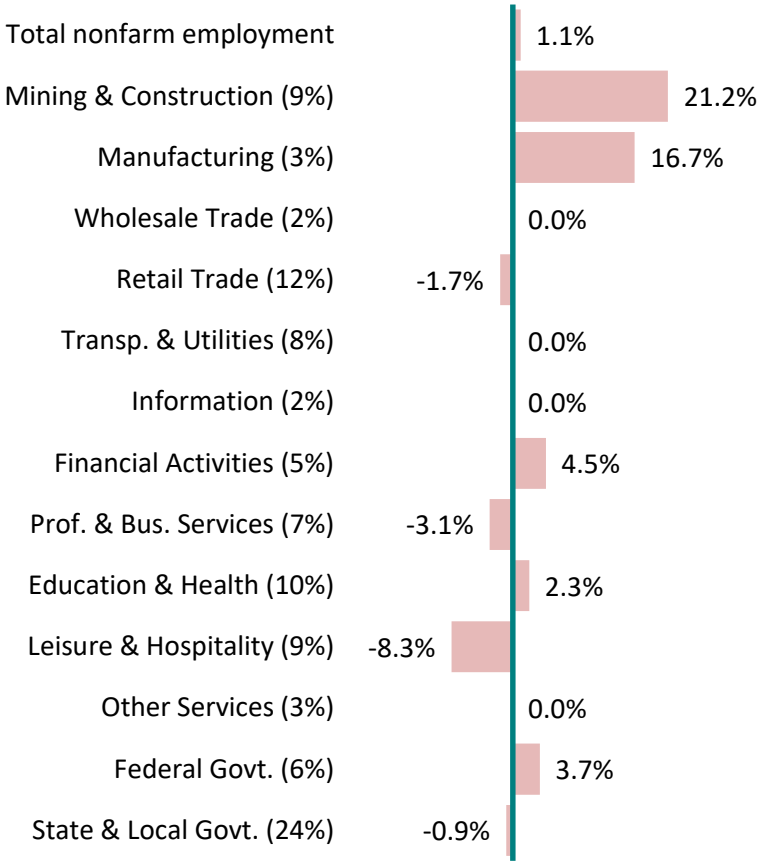
Year-over-Year; Not Seasonally Adjusted

Casper (+400 jobs YoY)



Note: Values in parentheses represent shares of total jobs.

Cheyenne (+500 jobs YoY)



Note: Values in parentheses represent shares of total jobs.

Source: U.S. Bureau of Labor Statistics.

Note: The State & Local Government sector includes jobs affiliated with K-12 & higher education and public hospitals.

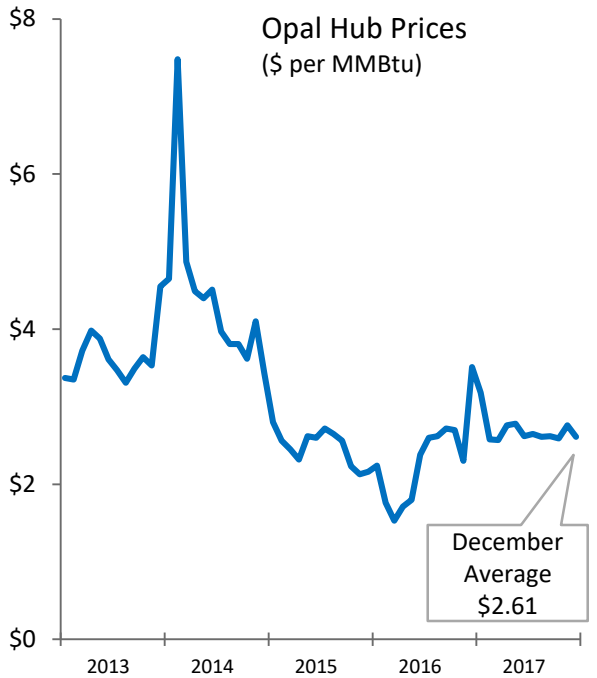


Energy:

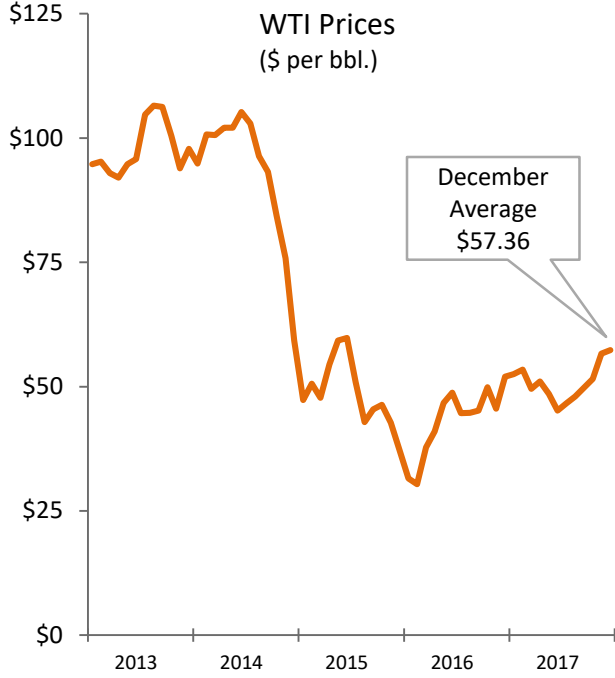
Drilling Activity and Oil & Gas Jobs Remained Steady at Year End

- In December, the price of Opal natural gas averaged \$2.61 per MMBtu for the month; WTI oil price rose to \$57.36 per bbl.
- Natural gas production (-7.9%) declined while oil (+1.6%) expanded year-to-date, end of October; coal (+8.5%) production was tracking ahead of 2016.
- Oil & gas jobs were at 11,800 in November 2017, an increase of 1,600 compared to a year ago.

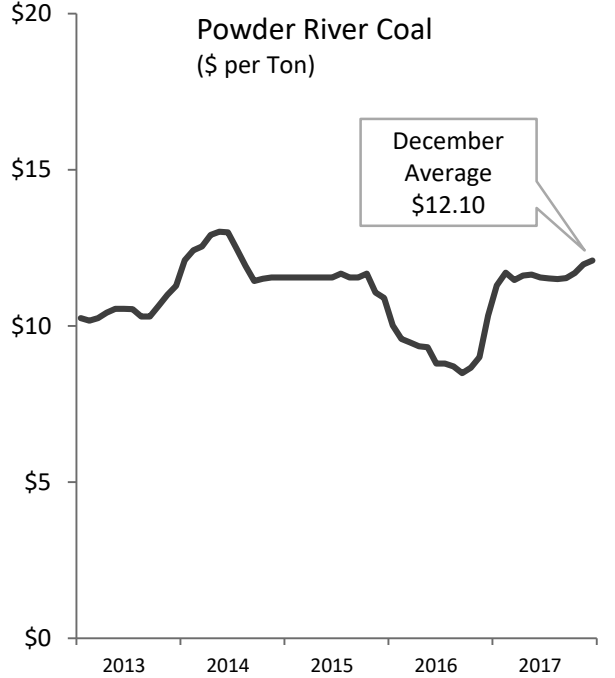
Natural Gas, Crude Oil, and Coal Prices



As of December 21, 2017
Fiscal Year 2018 Average Price:
\$2.65
Calendar Year 2017 Average Price:
\$2.70



As of December 21, 2017
Fiscal Year 2018 Average Price:
\$51.40
Calendar Year 2017 Average Price:
\$50.63

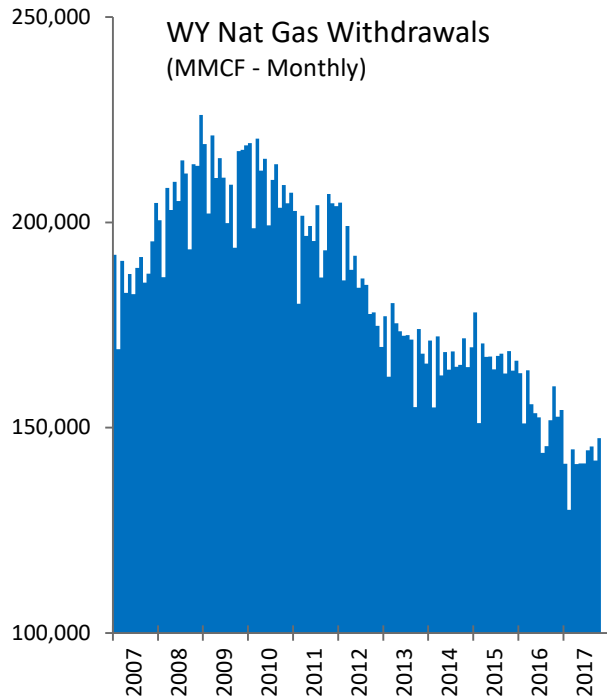


As of December 21, 2017
Fiscal Year 2018 Average Price:
\$11.70
Calendar Year 2017 Average Price:
\$11.62

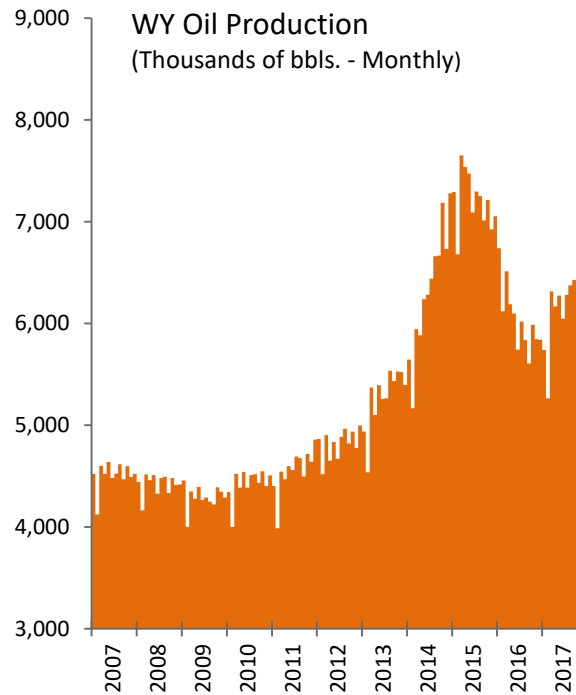
Source: Bloomberg.



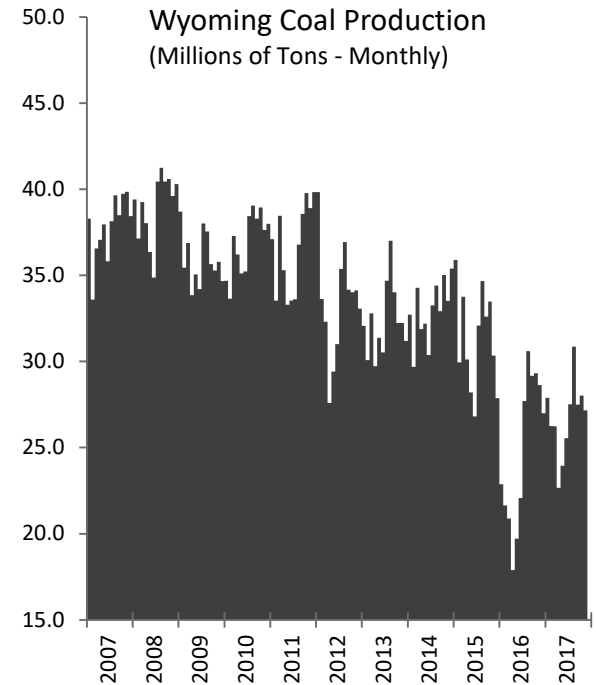
WY Natural Gas, Crude Oil, and Coal Production



Cumulative Change YTD:
Oct 2017 vs. Oct 2016
-7.9%



Cumulative Change YTD:
Oct 2017 vs. Oct 2016
+1.6%

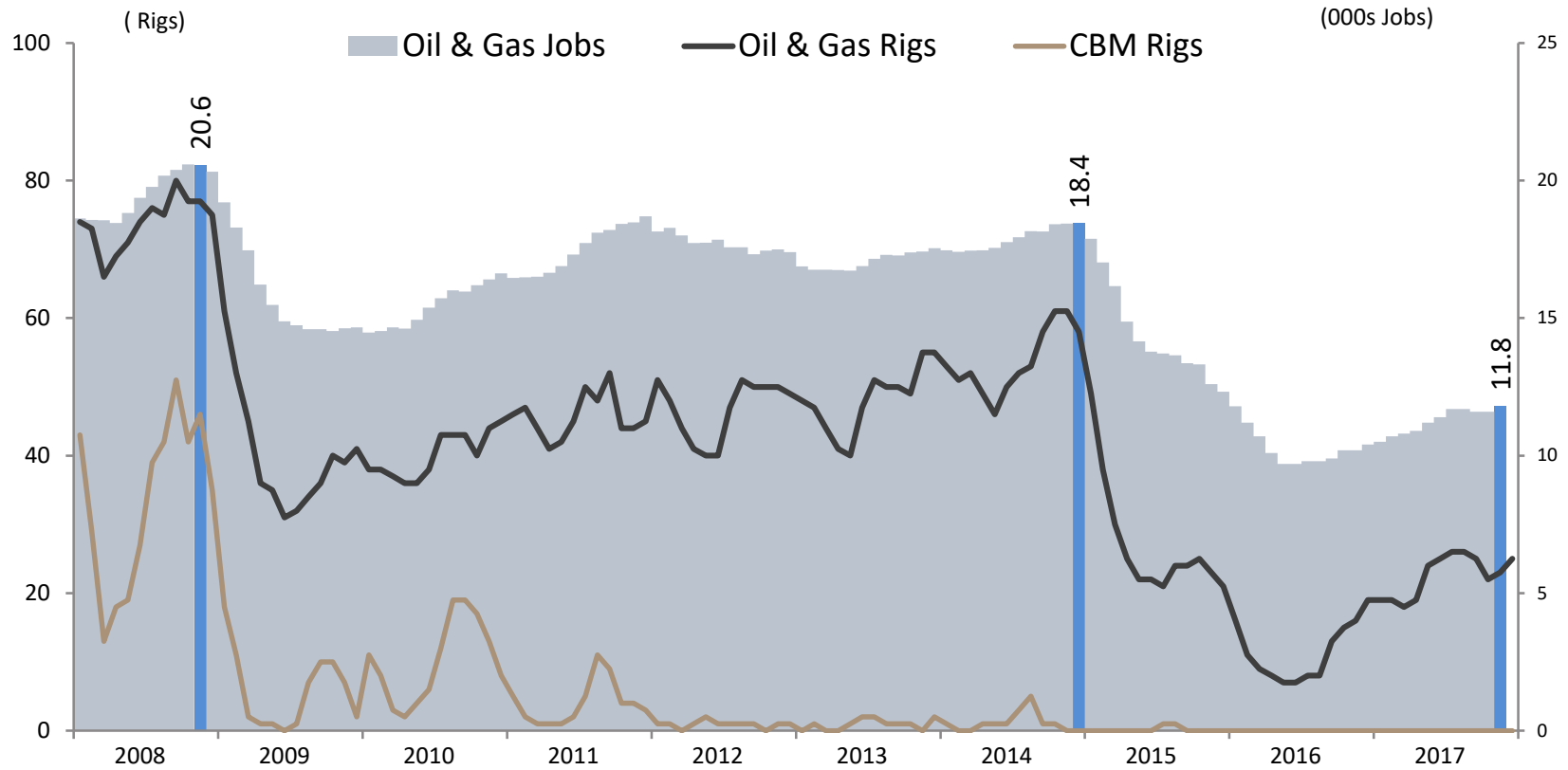


Cumulative Change YTD:
Nov 2017 vs. Nov 2016
+8.5%

Source: Energy Information Administration.



WY Oil & Gas Jobs and Rig Counts



Source: WY Oil and Gas Conservation Commission; U.S. Bureau of Labor Statistics.

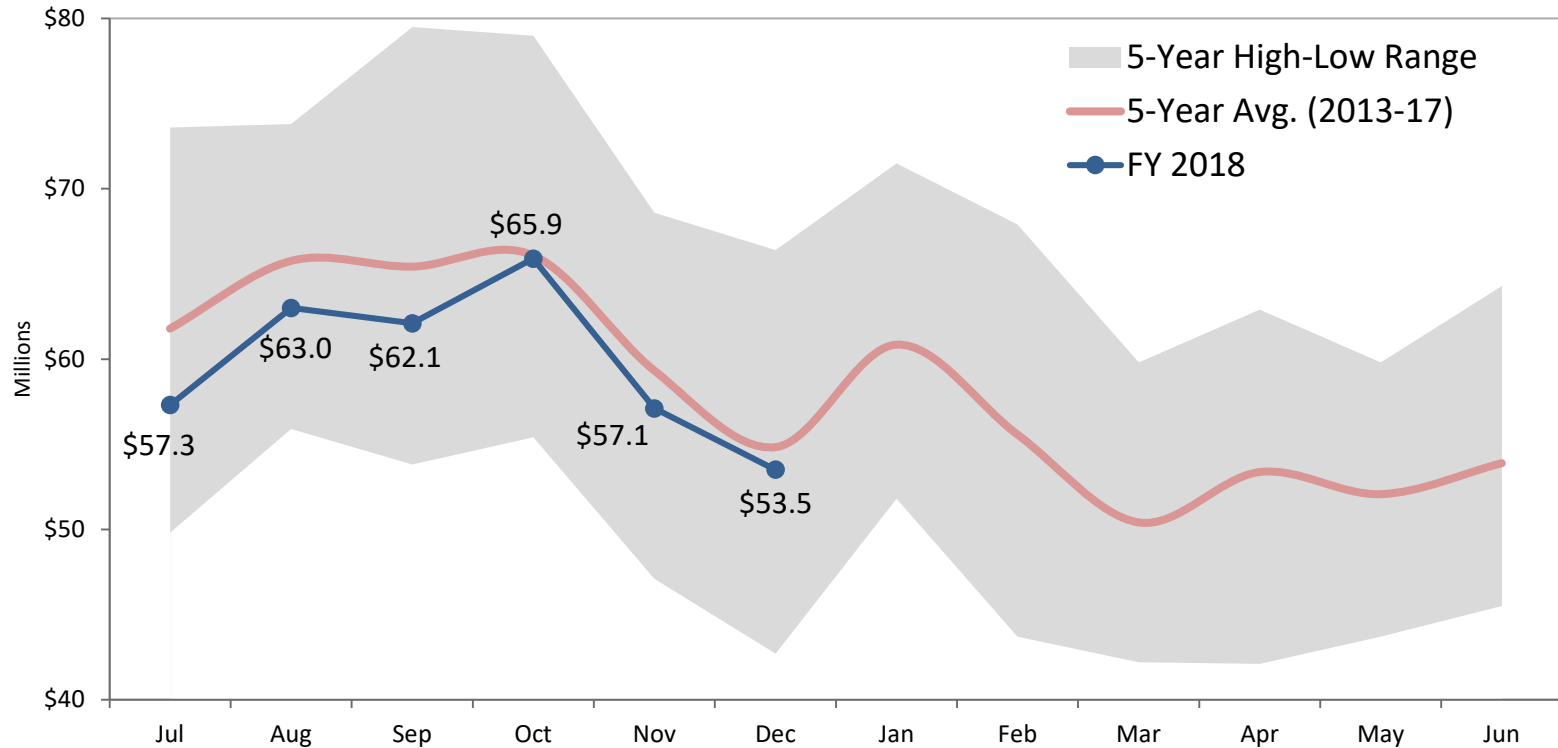


State Revenues:

Sales & Use and Severance Tax Collections Show Improvement in First Half of Fiscal 2018

- After six months of collections for fiscal 2018, sales and use taxes were \$54.4 million or 17.9% ahead of last year; mining sector recorded the largest year-over-year gain.
- With six months of collections, severance taxes increased by \$26.1 million or 9.6% in fiscal 2018 compared to 2017.

WY Statewide 4% Sales and Use Tax Collections: All Sectors



After six months, FY18 total collections were \$54.4 million (+17.9%) ahead of fiscal 2017. **Campbell, Converse, Laramie, Natrona, Sublette, and Sweetwater** counties accounted for 80.0% of the increase.

Source: WY Dept. of Revenue.

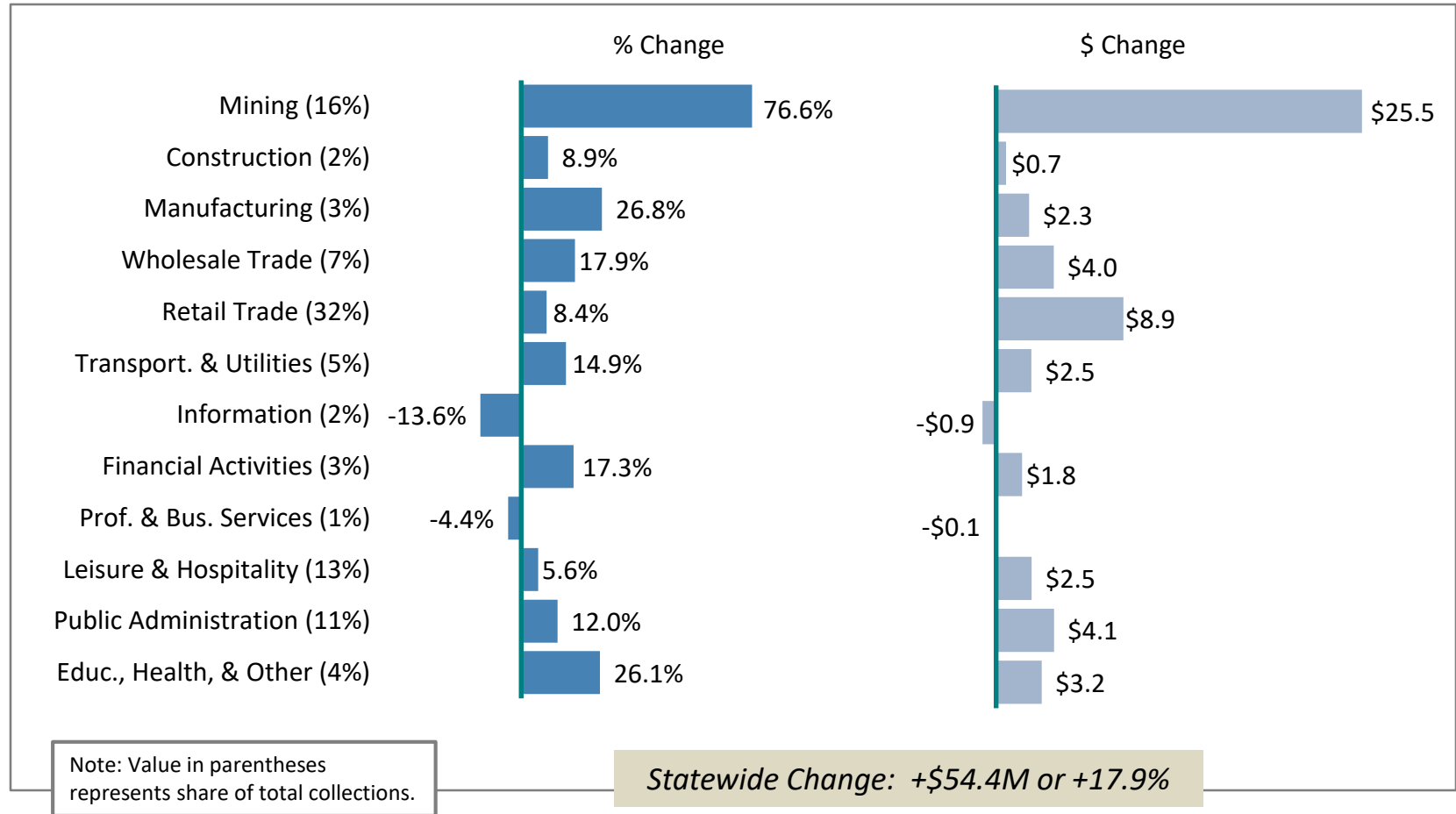
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis.



WY Statewide 4% Sales and Use Tax Collections by Industry

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Six Months of Collections



Source: WY Dept. of Revenue.

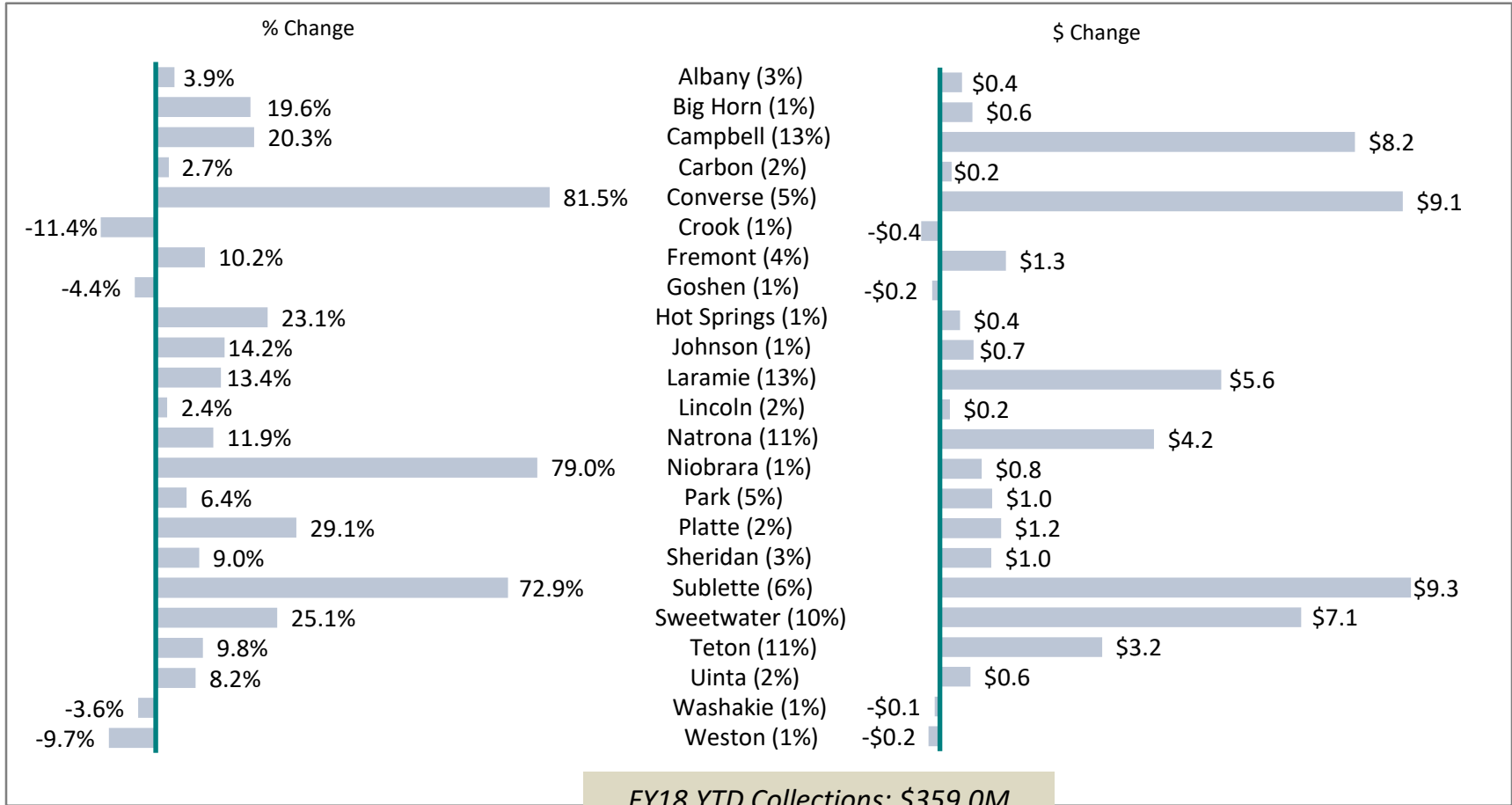
Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. The Public Administration sector reflects taxes collected on the sale of new and used vehicles.



WY Statewide 4% Sales and Use Tax Collections by County

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Six Months of Collections



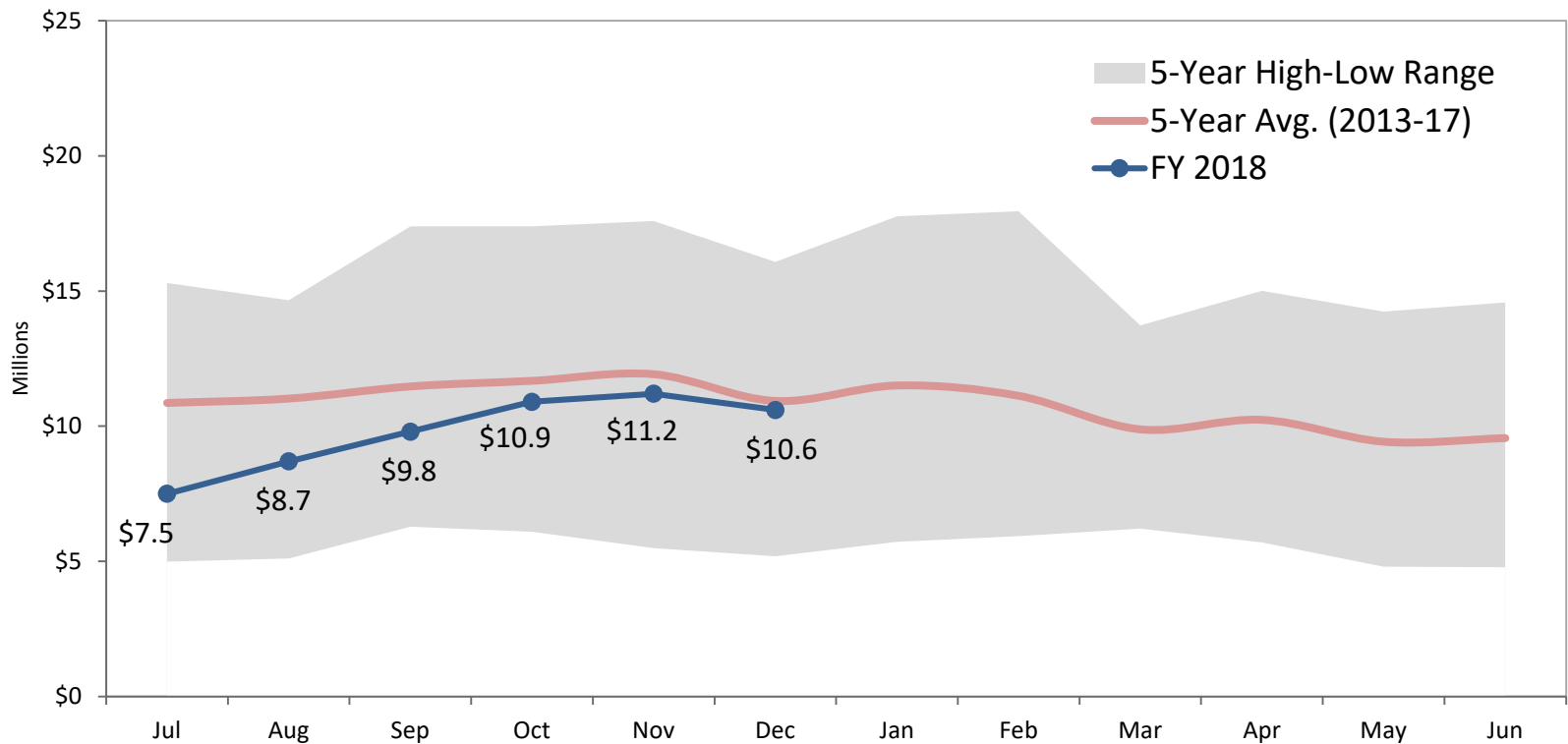
FY18 YTD Collections: \$359.0M
FY17 YTD Collections: \$304.6M

Source: WY Dept. of Revenue.

Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis. Value in parentheses represents share of total collections.



WY Statewide 4% Sales and Use Tax Collections: Mining Sector



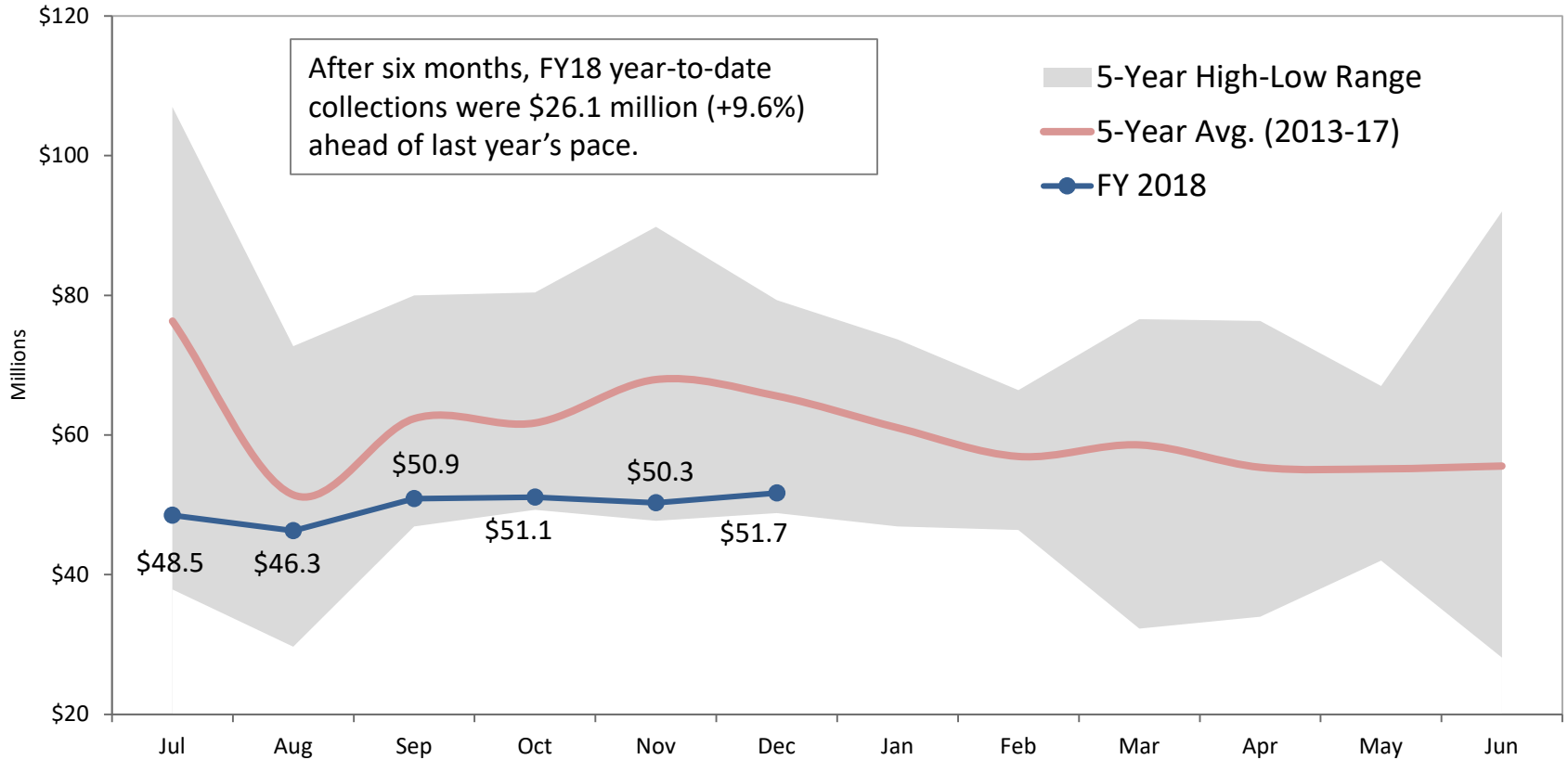
After six months, FY18 total collections from the mining sector reached a total of \$58.7 million, ahead of fiscal 2017 by \$25.5 million or 76.6%.

Source: WY Dept. of Revenue.

Note: Includes both the state and local shares of the state-wide 4% sales and use tax collections on a cash receipts basis.



WY Statewide Severance Tax Collections



Source: WY Dept. of Revenue.

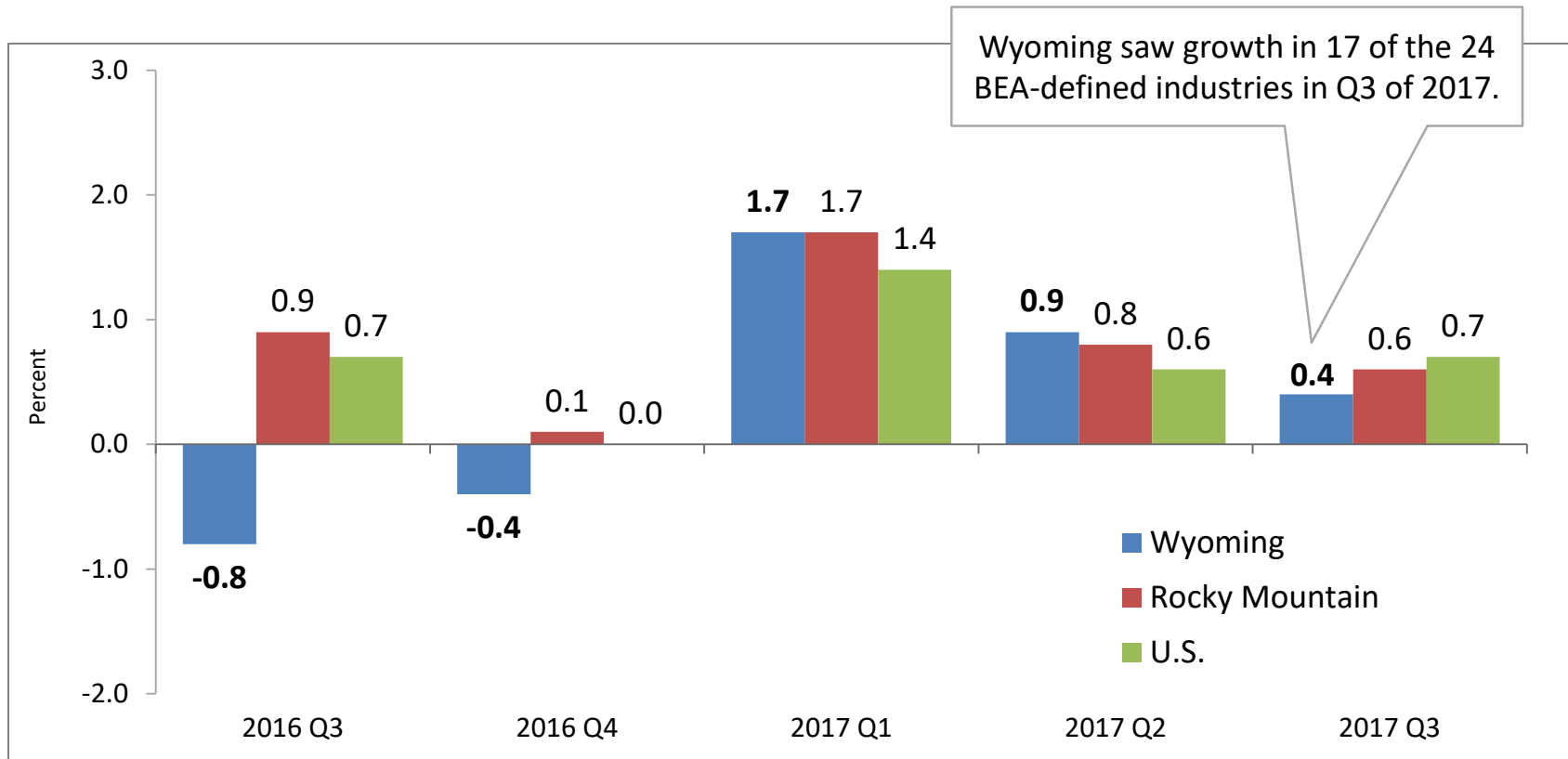
Note: Includes severance taxes collected on all minerals in Wyoming on a cash receipts basis.



Other Indicators for the State: Personal Income, House Price Appreciation, and Building Permits

- Mining and wholesale trade sectors were primary drivers of personal income growth for Q3 of 2017.
- Wyoming's house price appreciation saw moderate annual growth of 2.3% in Q3 of 2017; the Mountain Division and the U.S. saw gains of 8.6% and 6.5%, respectively.
- Statewide single family units permitted decreased year-to-date through end of November 2017 in a year-ago comparison by 12; single family units declined in Casper by 8 while Cheyenne saw a decrease of 28 through November year-to-date.

Quarterly Personal Income: WY, Rocky Mtn. Region, & U.S. Percent Change from Preceding Quarter



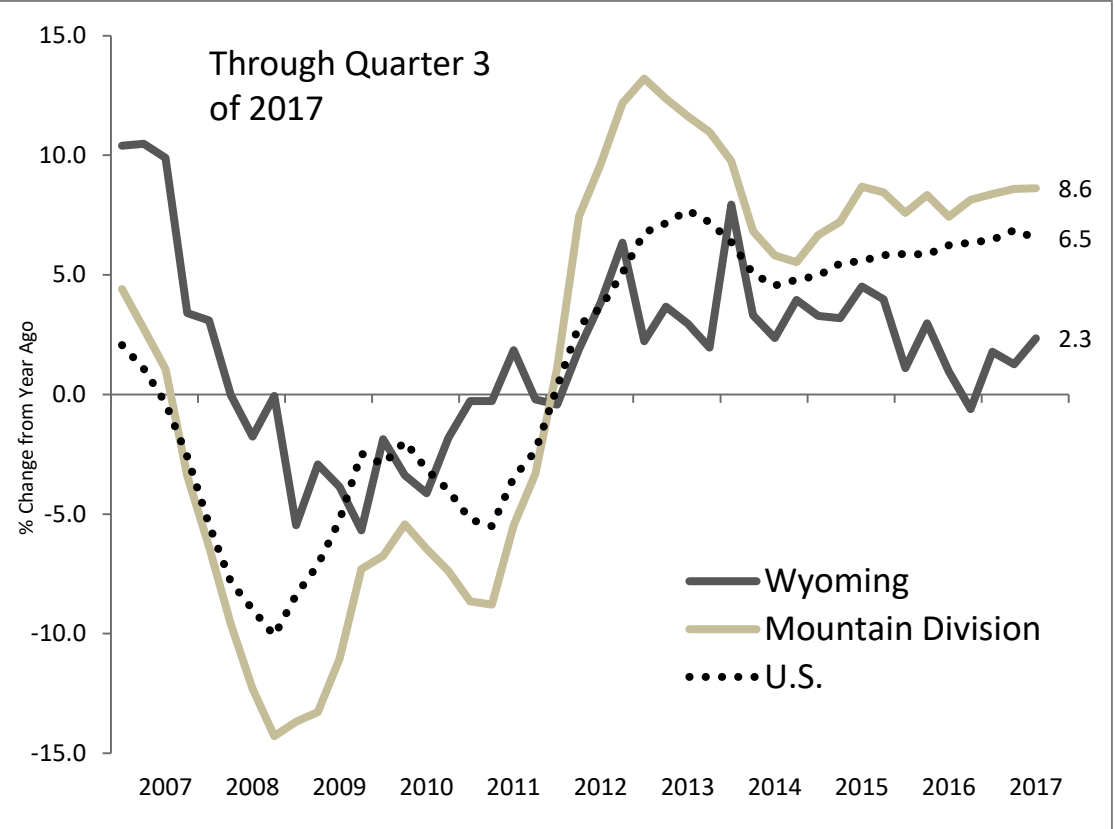
The **mining sector** contributed the most to earnings growth in Q3 of 2017 with an increase of \$40 million over Q2. **Farm earnings** had the largest decline of \$21 million.

Source: U.S. Bureau of Economic Analysis.



House Price Appreciation

Purchase-Only Mortgages: WY, Mountain Division, & U.S.



2017 Q3 vs. 2016 Q3		
	1-Yr. Rate	Rank
Arizona	+10.0%	4
Nevada	+9.6%	5
Idaho	+9.2%	6
Utah	+9.2%	7
Colorado	+8.5%	10
Montana	+6.5%	15
New Mexico	+5.4%	32
Wyoming	+2.3%	46
Mtn Division	+8.6%	
U.S.	+6.5%	

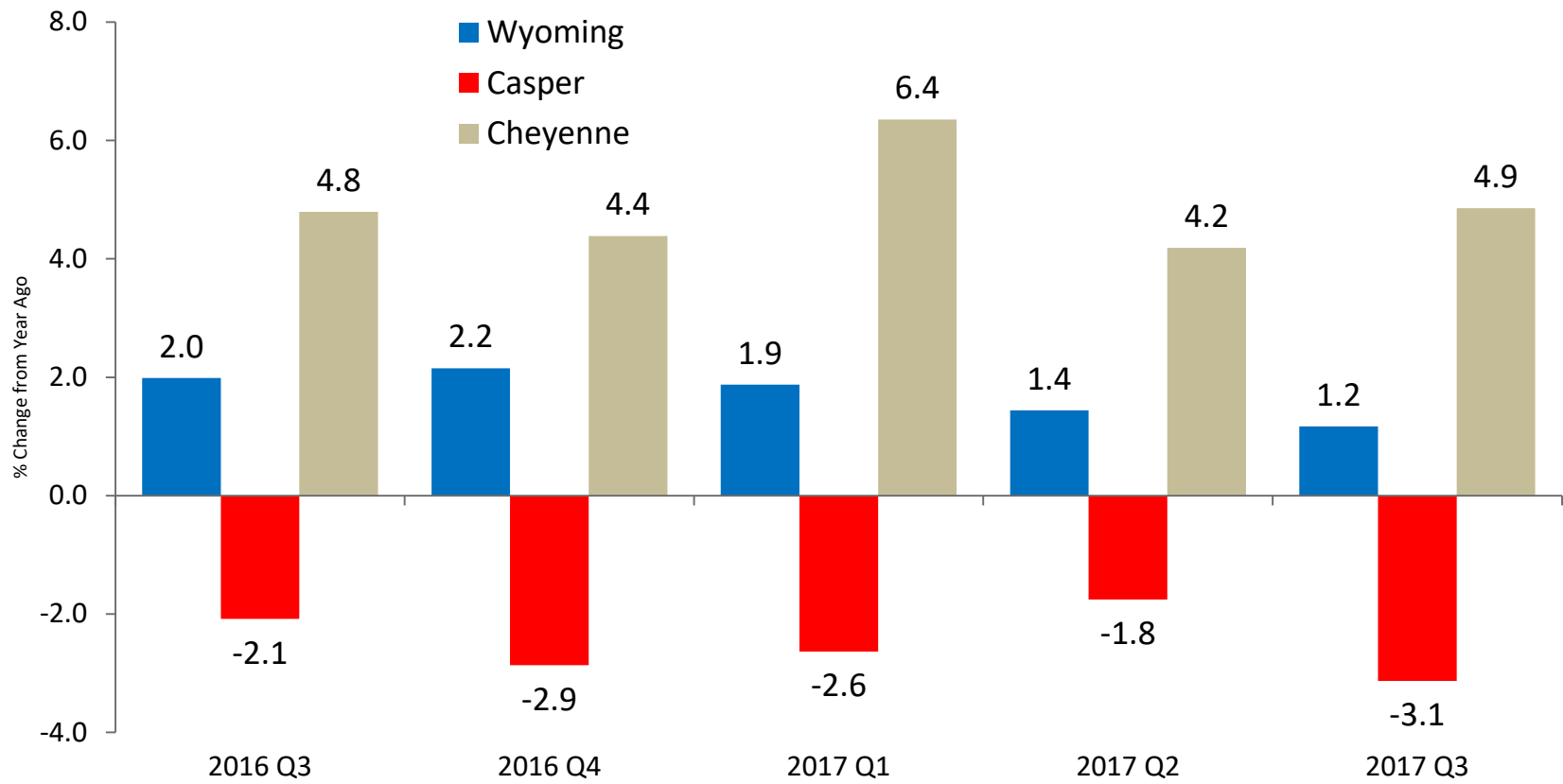
Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s seasonally adjusted, purchase-only house price index.

Note: For the Period Ended September 30, 2017.



House Price Appreciation

Purchase and Refinance Mortgages: WY, Casper, & Cheyenne



Source: Federal Housing Finance Agency (FHFA) – estimates using FHFA’s not seasonally adjusted, all-transactions house price index, that includes purchase and refinance mortgages.

Note: For the Period Ended September 30, 2017.

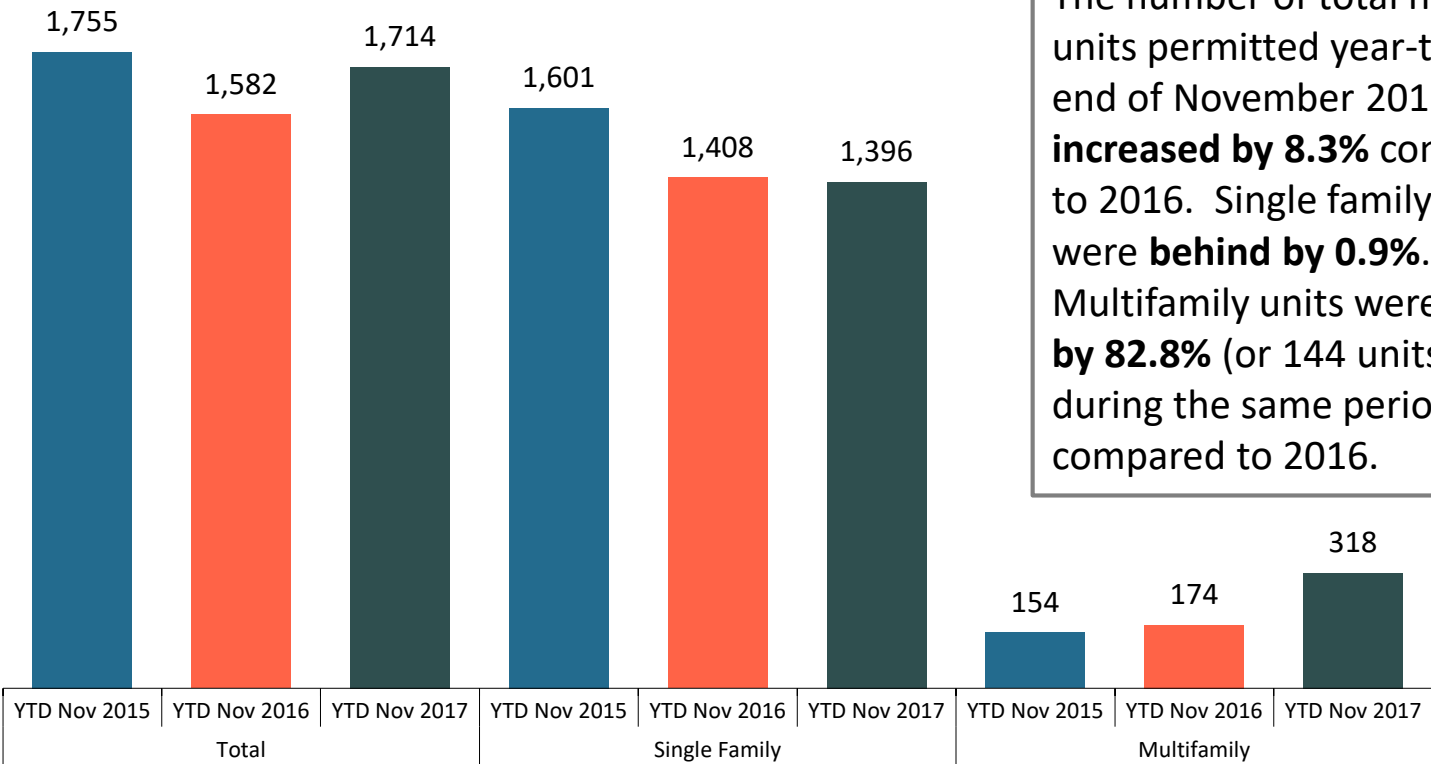


Residential Building Permits

Units Statewide: Year-to-Date through November

Statewide - Units Permitted

The number of total housing units permitted year-to-date end of November 2017 **increased by 8.3%** compared to 2016. Single family units were **behind by 0.9%**. Multifamily units were **ahead by 82.8%** (or 144 units) during the same period compared to 2016.



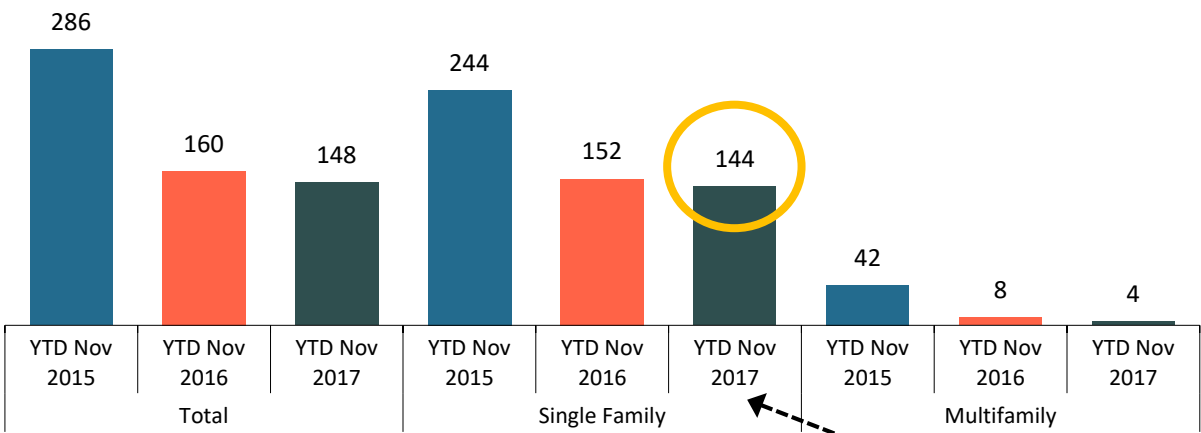
Source: U.S. Census Bureau.



Residential Building Permits

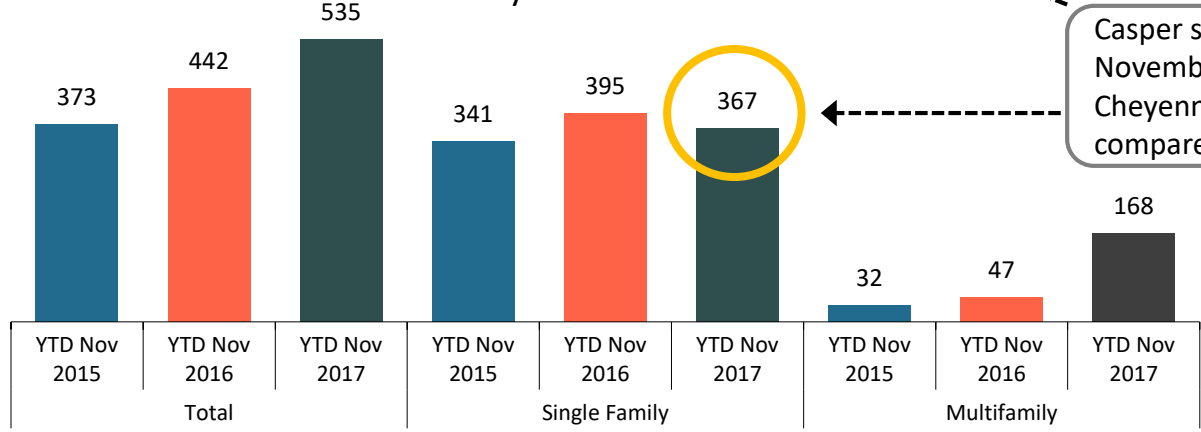
Units for Casper and Cheyenne: Year-to-Date through November

Casper - Units Permitted



The number of total housing units permitted for Casper year-to-date November 2017 **decreased by 7.5%** compared to 2016. Total units permitted for Cheyenne over the same time **increased by 21.0%**.

Cheyenne - Units Permitted



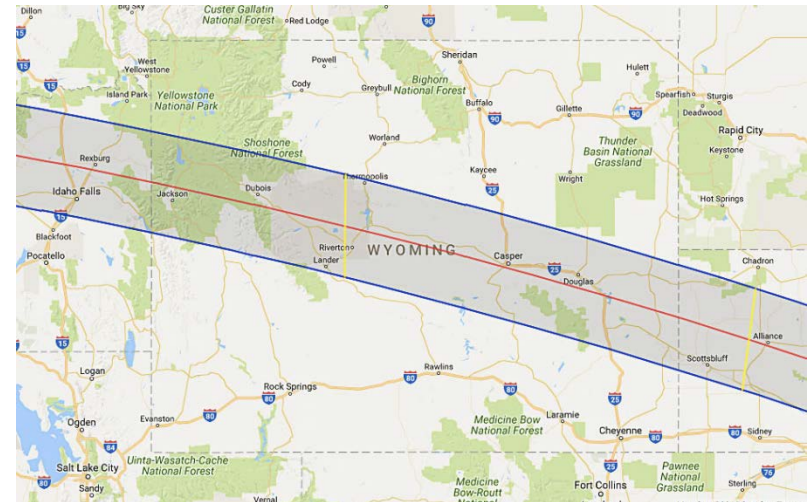
Casper saw a decline (-5.3%) through the end of November 2017 of single family units while Cheyenne reported a similar drop (-7.1%) when compared to 2016.

Source: U.S. Census Bureau.



How To Find Us

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Path of solar eclipse in Wyoming, August 21, 2017.
Source: Google Images.

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