

ECONOMIC INDICATORS September 2015

National

Consumer Prices - The 12-month percent change in the non-seasonally adjusted consumer price index (CPI), as reported by the Bureau of Labor Statistics, was 0.20% in July 2015, which is a decrease from the 2014 annual average of 1.6%. According to *Moody's Analytics*, the CPI is expected to be unchanged during 2015. Projections indicate the rate will increase to an average of 2.0% for 2016, gradually increasing to 2.8% through the long-term forecast horizon of 2019.

Money Markets – The average yield on a three-month Treasury bill is currently .03%. Rates have remained below 20 basis points since June of 2009. *Moody's* expects three month T-bill rates to average between 0.10% and 1.10% in 2015 and 2016, but increase to above 3.0% for 2018 and 2019. *Moody's* predicts that the prime rate, which has not gone above 3.3% since 2009, will average 3.3% for 2015 and 4.4% for 2016. Their forecast provides for a sharp increase in the ensuing years, to 6.0% in 2017, 6.8% in 2018 and 6.7% in 2019.

Personal Income – Personal income, as reported by *Moody's* in inflation-adjusted 2005 dollars, grew by 3.0% during 2014. *Moody's* predicts personal income growth will average 4.4% during 2015 and 4.7% in 2016. They predict annual growth rates of 4.1% in 2017 gradually decreasing to 1.8% in 2019.

Commodity Prices – Agricultural prices rose by an average of 1.3 % during 2014, the result of a 12.4% reduction in crop prices and an 18.2% increase in livestock prices. After a projected decrease of 3.0% in 2015, the *Moody's* outlook provides for a 3.0% increase in 2016 and moderate levels of growth around 1.5% per year through 2019. The outlook for West Texas Intermediate crude, the benchmark oil forecast for *Moody's Analytics* is in the low \$50's per barrel for 2015, and around \$60 per barrel by the end of the forecast.

Local

Unemployment – North Dakota's non-seasonally adjusted unemployment rate in July 2015 remains among the lowest in the nation at only 2.6%. The national average unemployment rate increased slightly to 5.6% in July.

Employment Growth – Nationally, according to State Policy Reports (S/P/R), the employment growth rate from May 2014 to May 2015 was 2.0%. North Dakota's employment growth rate was 0.80% during that same time period.

Personal Income – S/P/R reported that between the first quarters of 2014 and 2015, North Dakota's personal income increased by 6.1%. The national average during the same period was 4.4%.

Energy – The May 2015 legislative forecast was based on oil production averaging 1.1 million barrels per day throughout the 2015-17 biennium. North Dakota crude oil prices were estimated to average between \$47 to \$53 per barrel during biennium. The current rig count is 68 rigs, 128 rigs less than the number operating in the state one year ago. Price, production, and drilling activity are summarized on the following table:

	July 2015	June 2015	May 2015
Actual average price per barrel	\$44.05	\$52.14	\$50.09
Production (barrels/day)	1,201,920	1,211,328	1,202,615
Drilling permits	233	192	150
Producing wells	12,940	12,868	12,679
Rig count	73	78	83

Mortgage Rates – Mortgage rates remain low. Thirty-year fixed rate mortgages are available locally for 4.00%. Fifteen-year fixed rates are around 3.125%.