



How Will Montana Fare in the Post Commodity Boom Economy?

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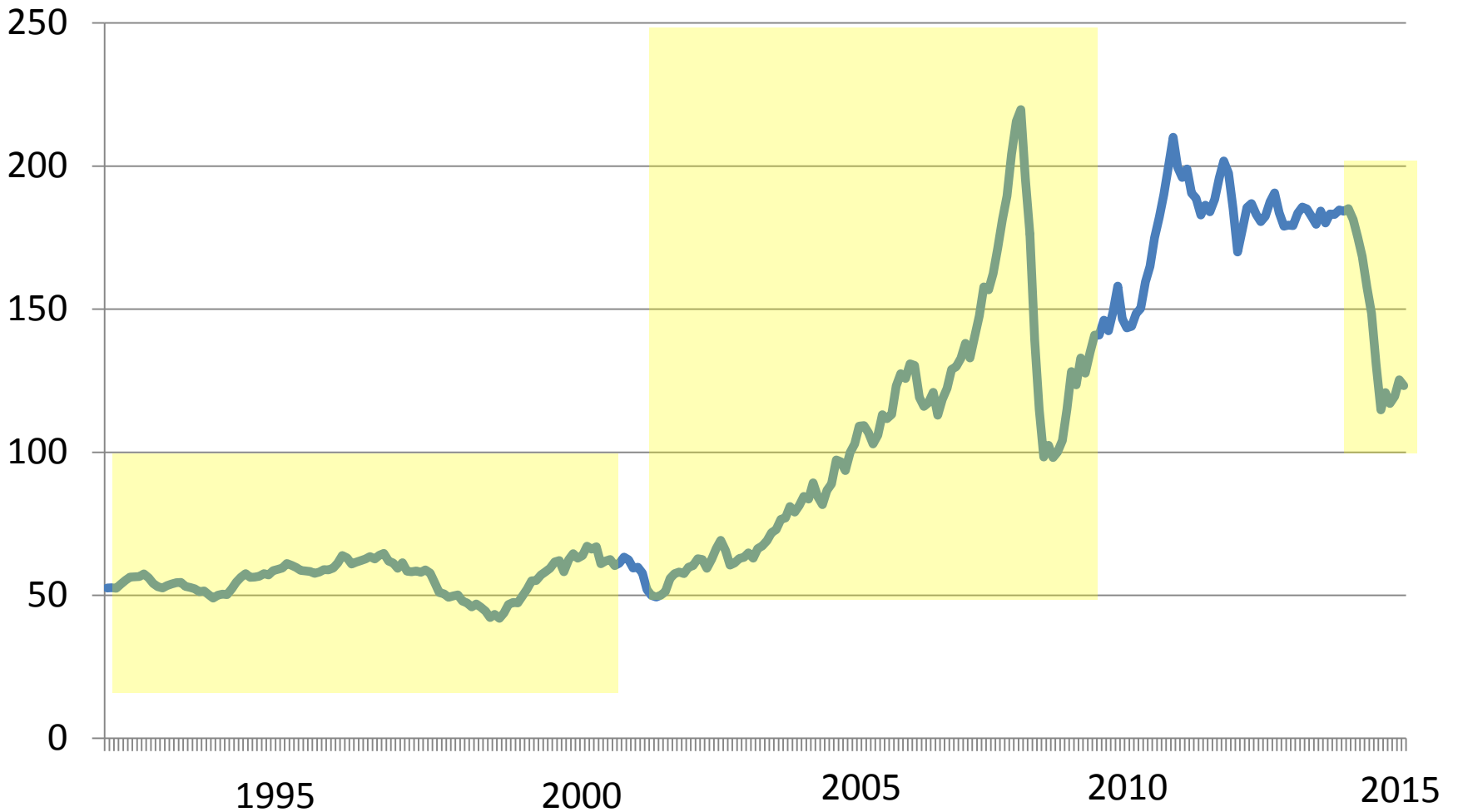


The U.S. Economy at Mid Year

- Labor markets approaching full employment
- Stronger dollar, bad weather contribute to surprising first quarter growth stall
- Real estate markets coming to life
- Still no movement on interest rates by the Federal Reserve
- Have commodity prices found bottom?

The Commodity Price Supercycle

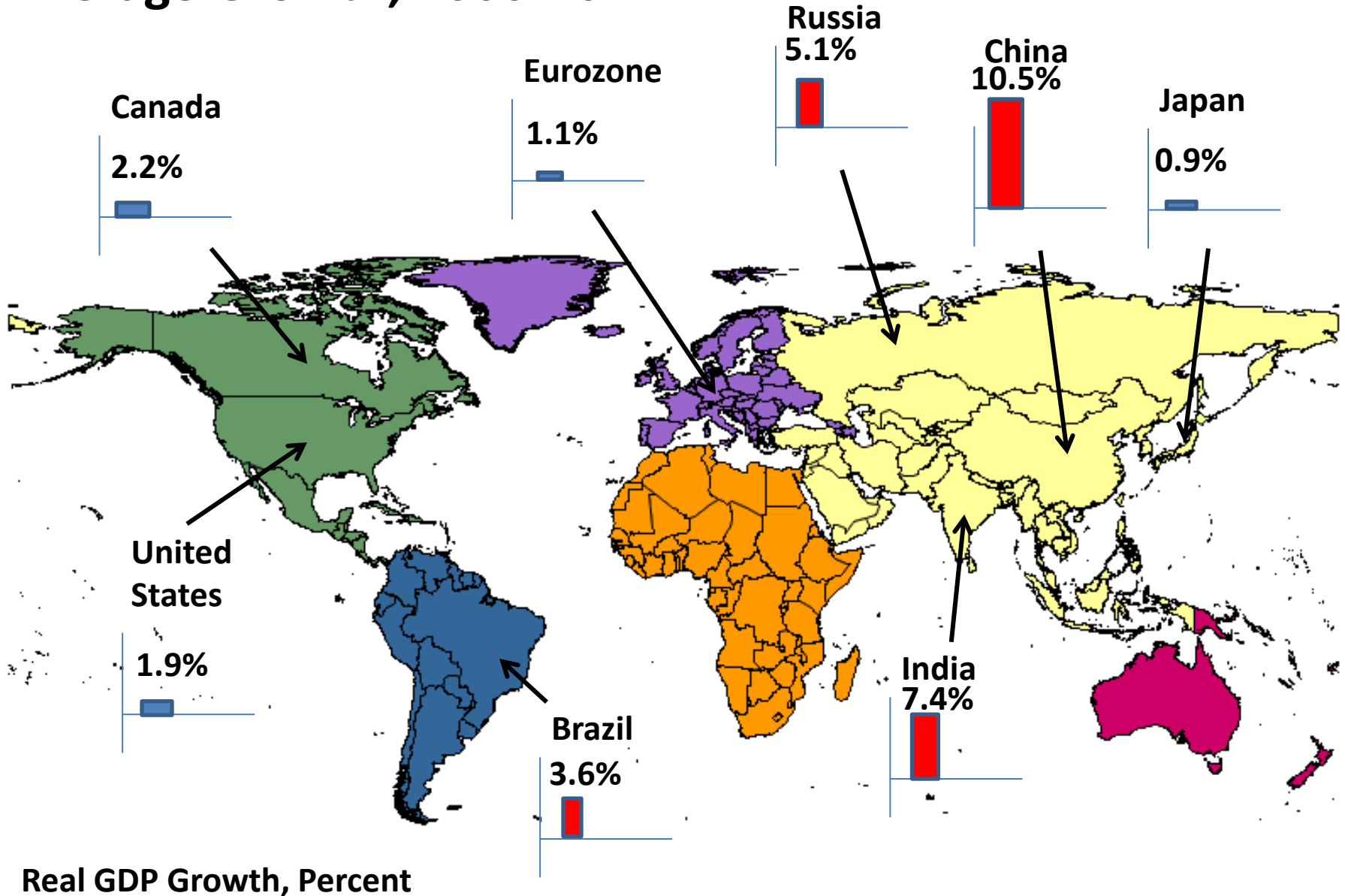
Percent



IMF All Commodity Price Index, 2005 = 100

The Global Growth Slowdown

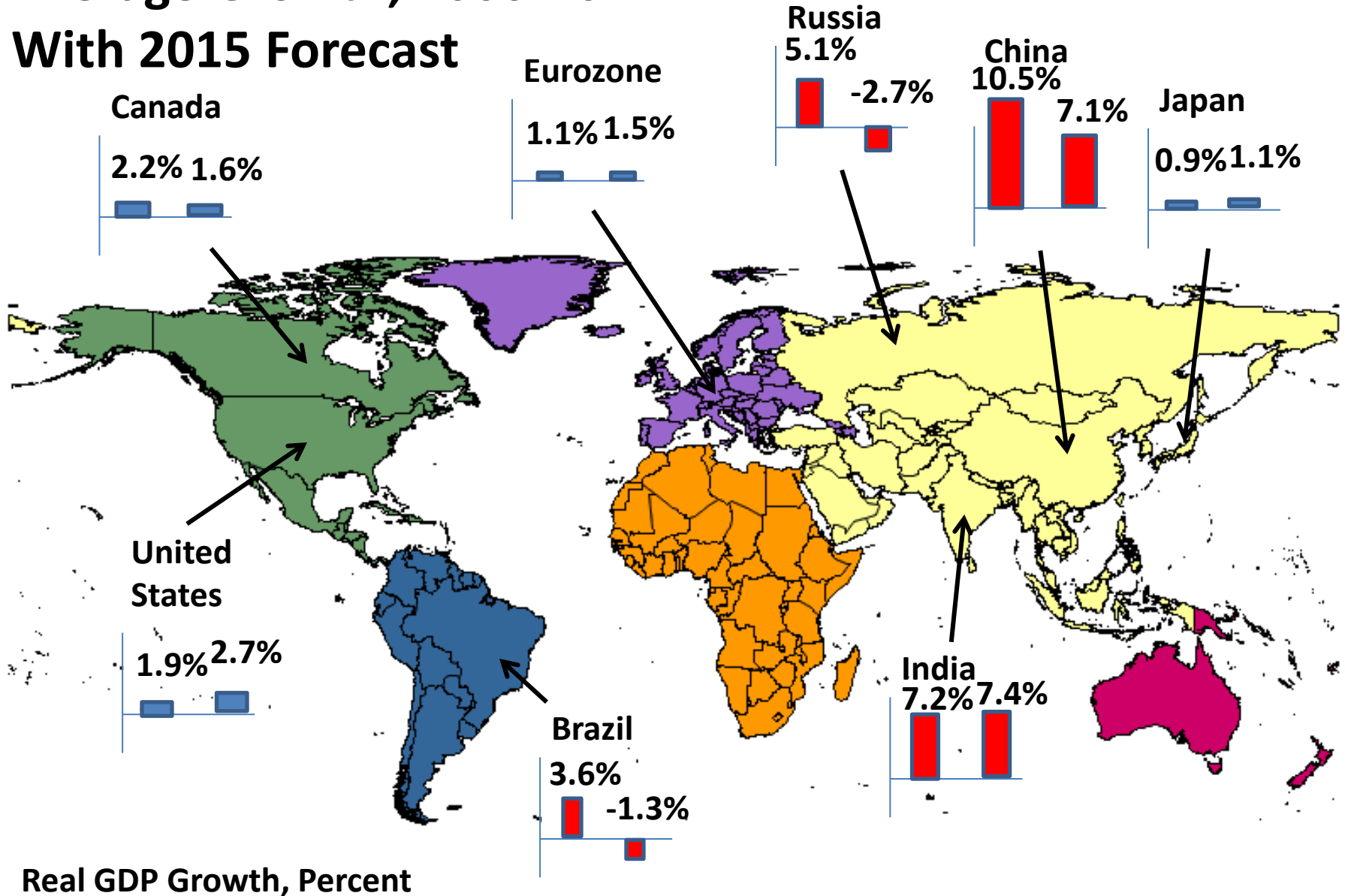
Average Growth, 2000-10



The Global Growth Slowdown

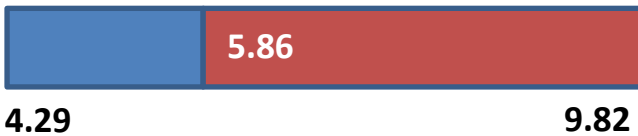
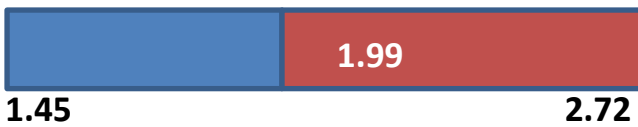
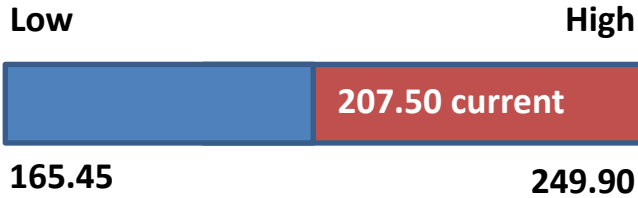
Average Growth, 2000-10

With 2015 Forecast

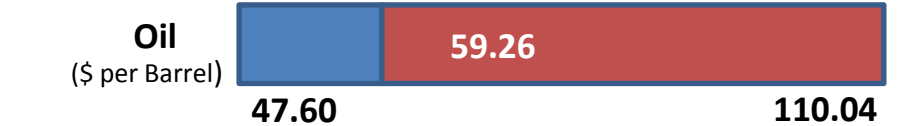
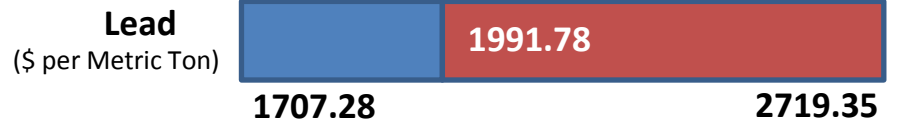
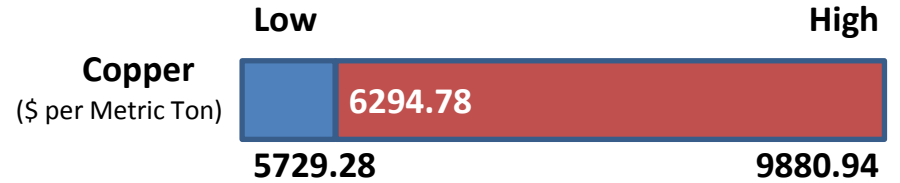


Commodity Prices Running Much Cooler

Materials & Foodstuffs (as of May 2015)

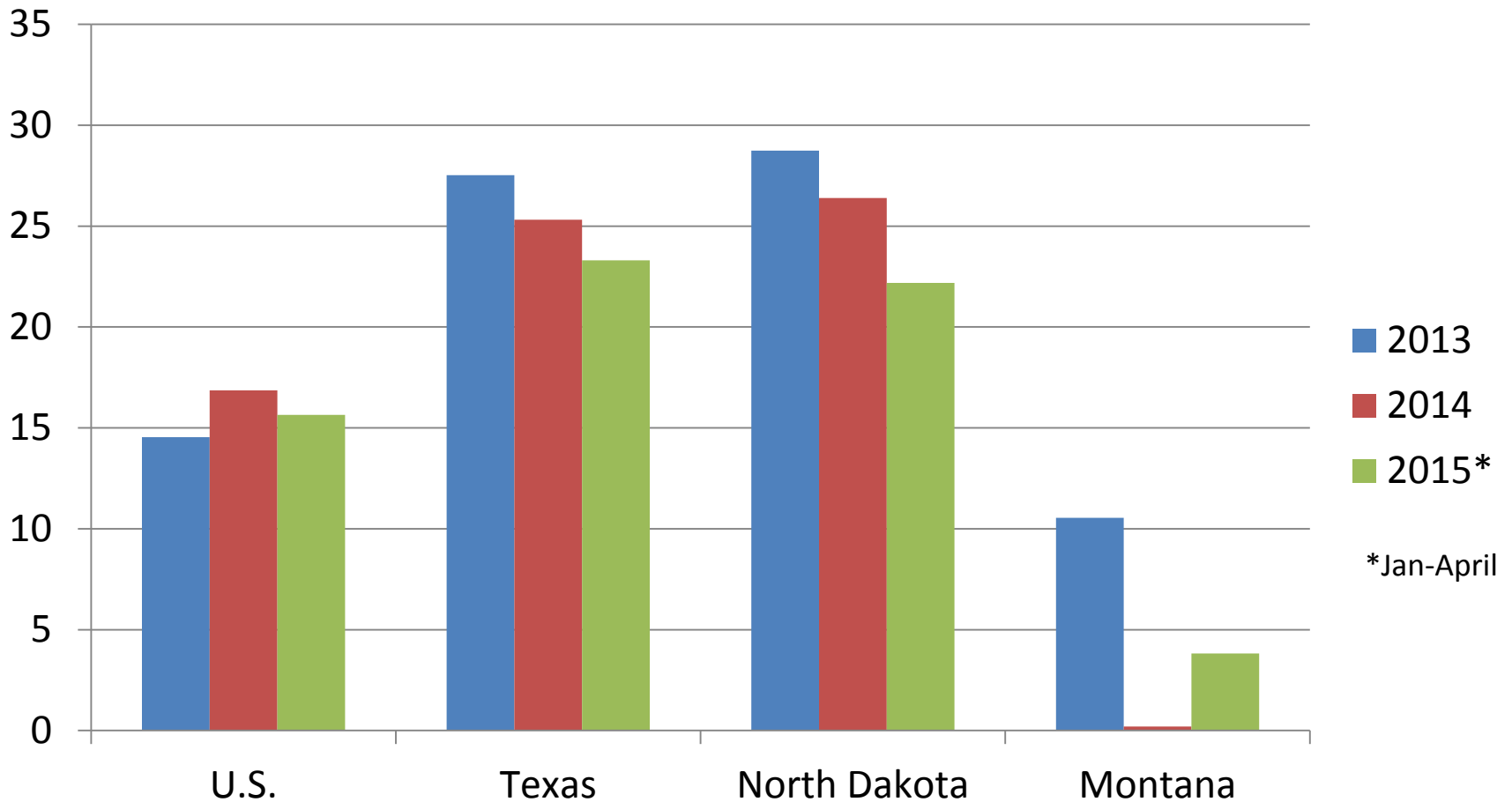


Metals & Energy (as of May 2015)



What Lower Oil Prices?

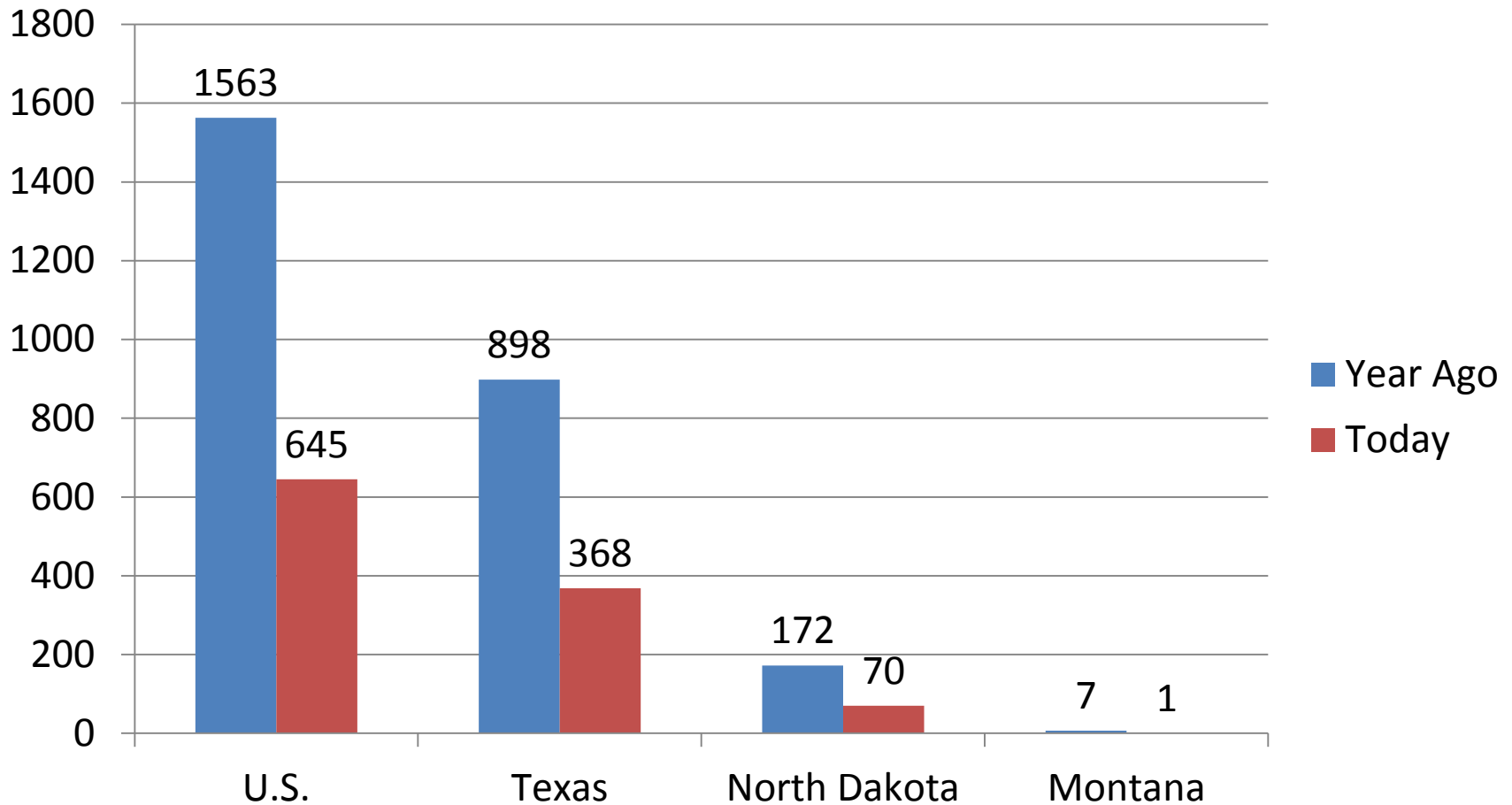
U.S. Crude Output Still Growing



Percent Change in Crude Oil Production

Source: U.S. Energy Information Administration

Big Efficiency Gains in Drilling Operations are Evident

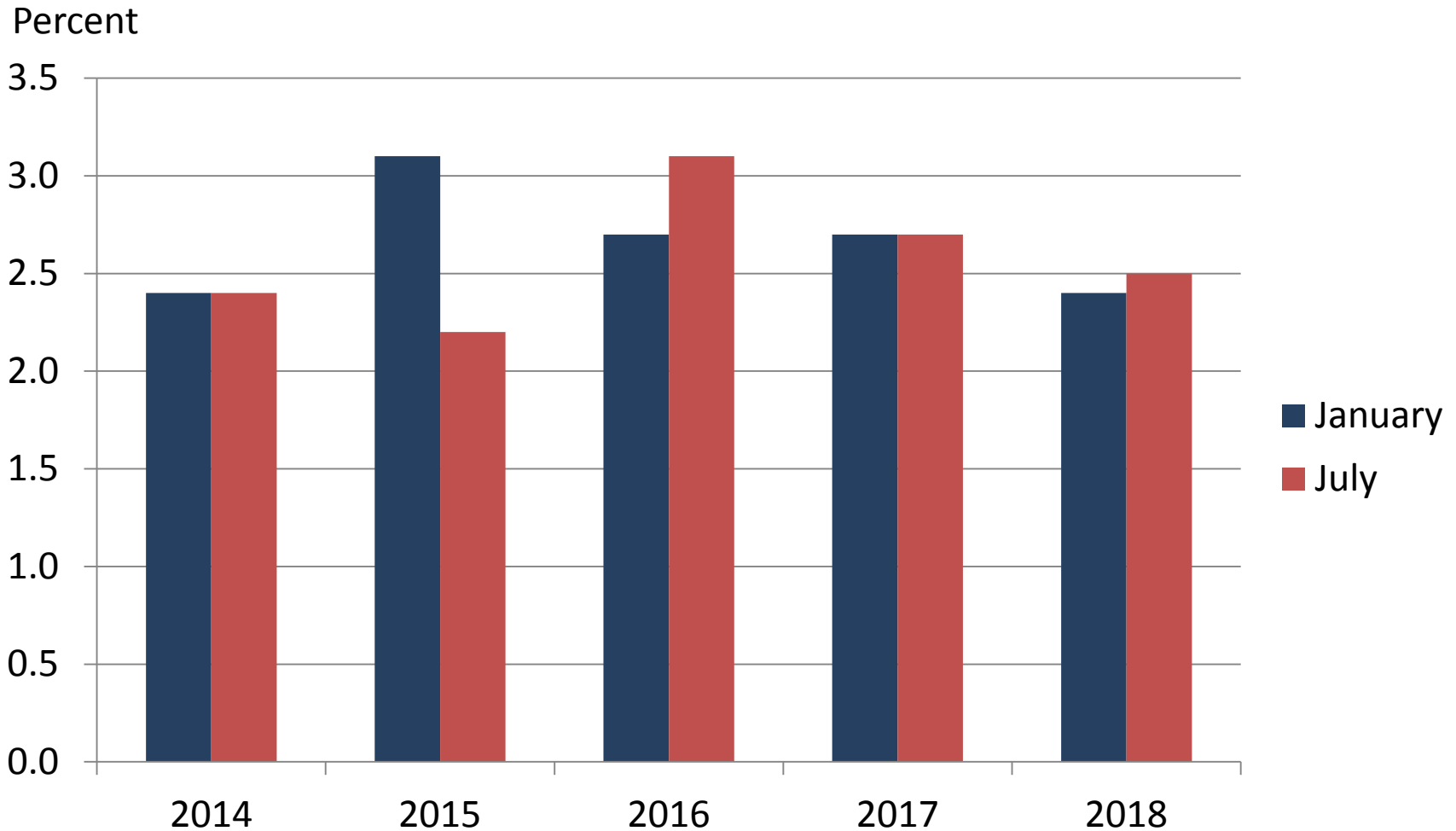


Rig Counts, Oil and Gas Wells, 7/10/2015 vs. 7/7/2014

Source: Baker-Hughes

2015 Growth Not Hitting the Growth Target

Forecasts of U.S. Real GDP Growth, Percent



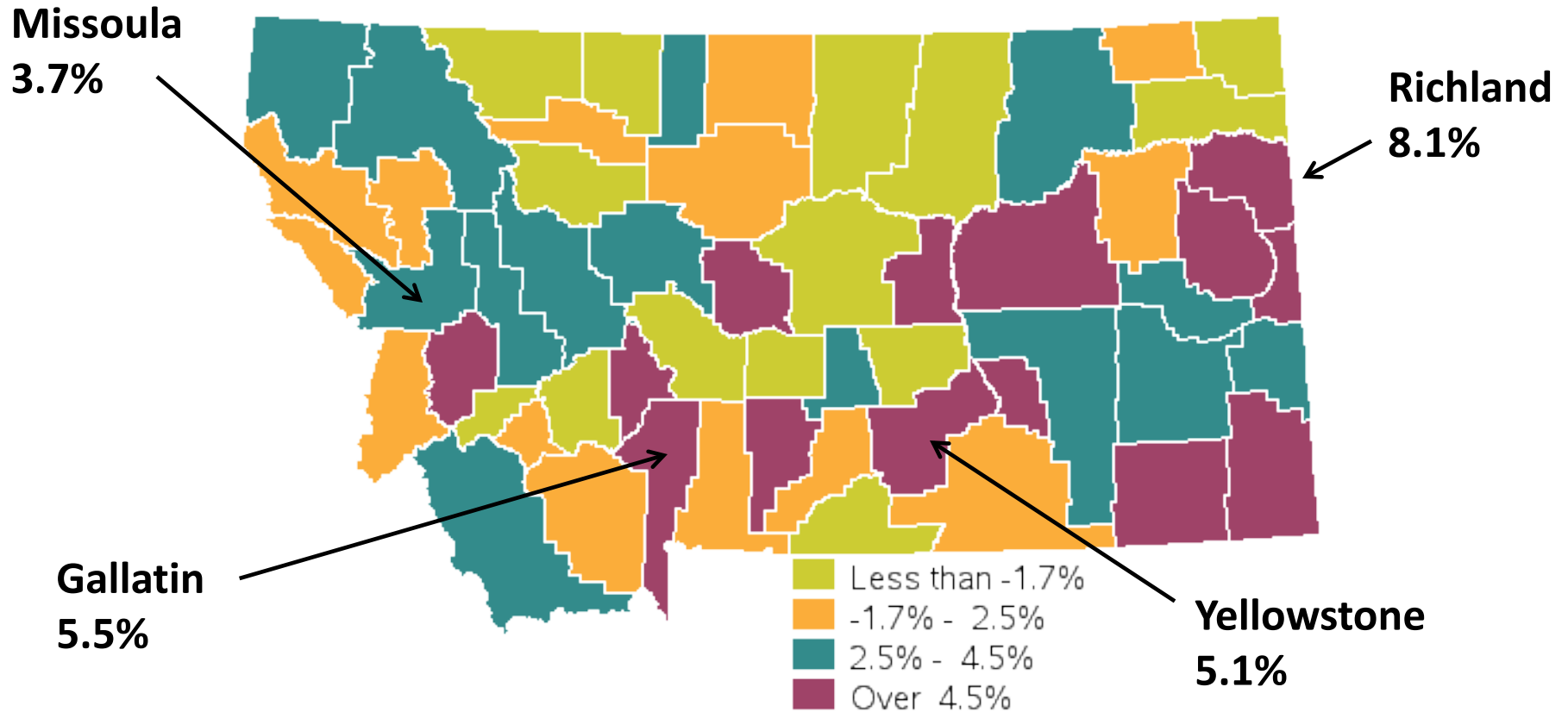
Source: IHS, Inc.

Montana Economic Highlights

- State closed out 2014 with good economic momentum
- Bozeman continues to lead growth, but growth is more geographically balanced
- Retail activity has picked up significantly
- Too early to see evidence of oil price decline in the most reliable economic indicators

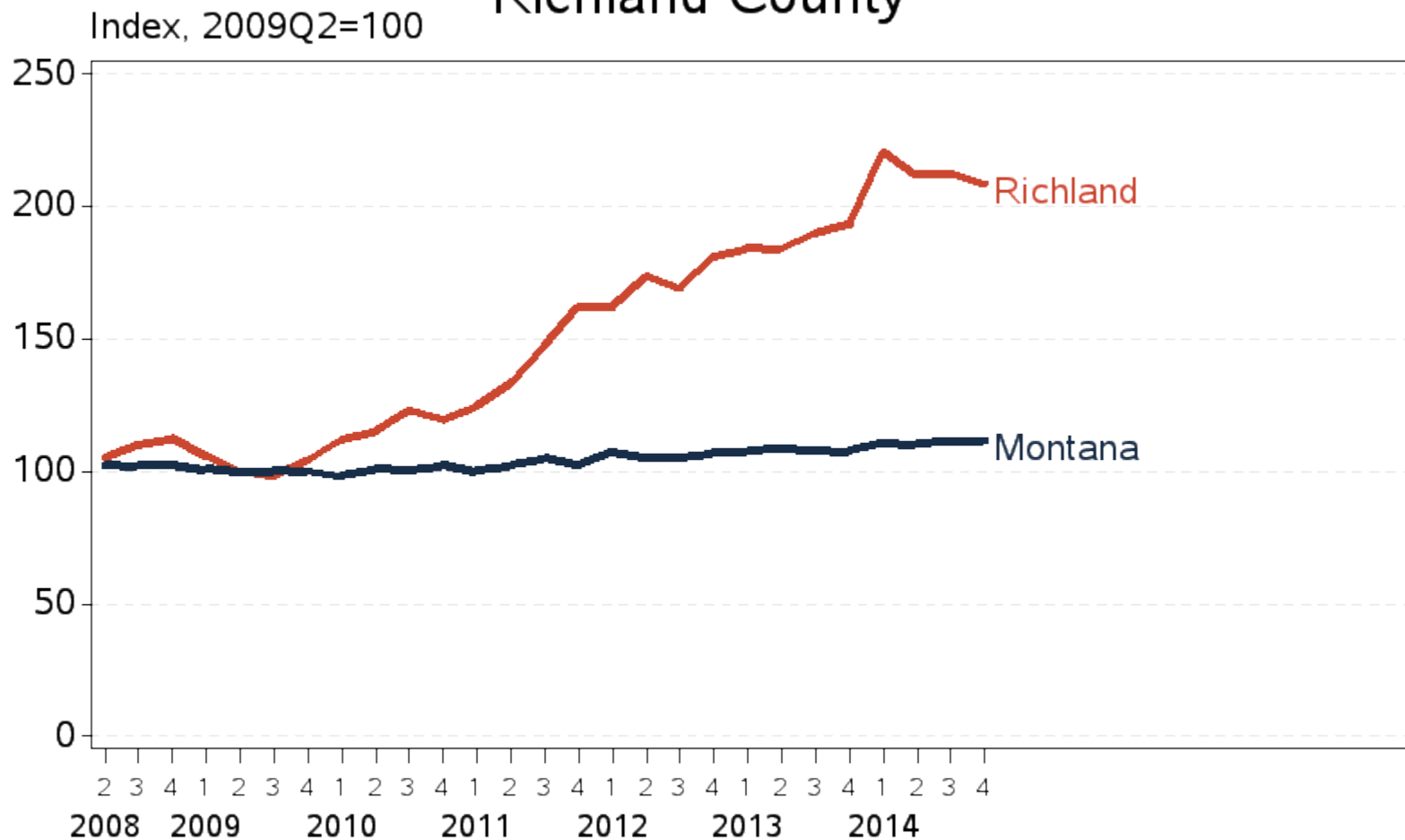
Real Payroll Wages Growth

Percent Change, 13Q4-14Q4



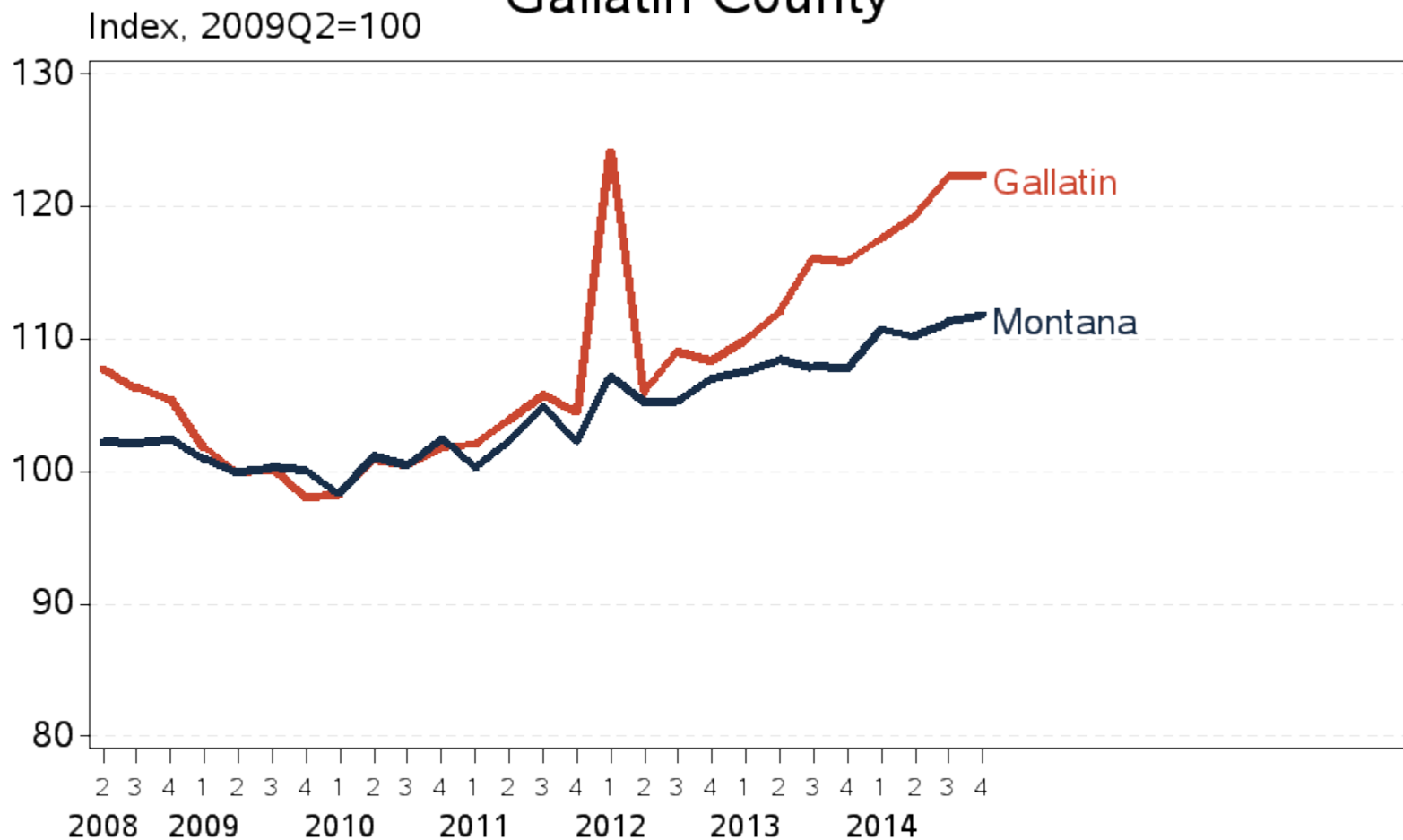
Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted.

Real Payroll Wages Richland County



Data Seasonally Adjusted by BBER.

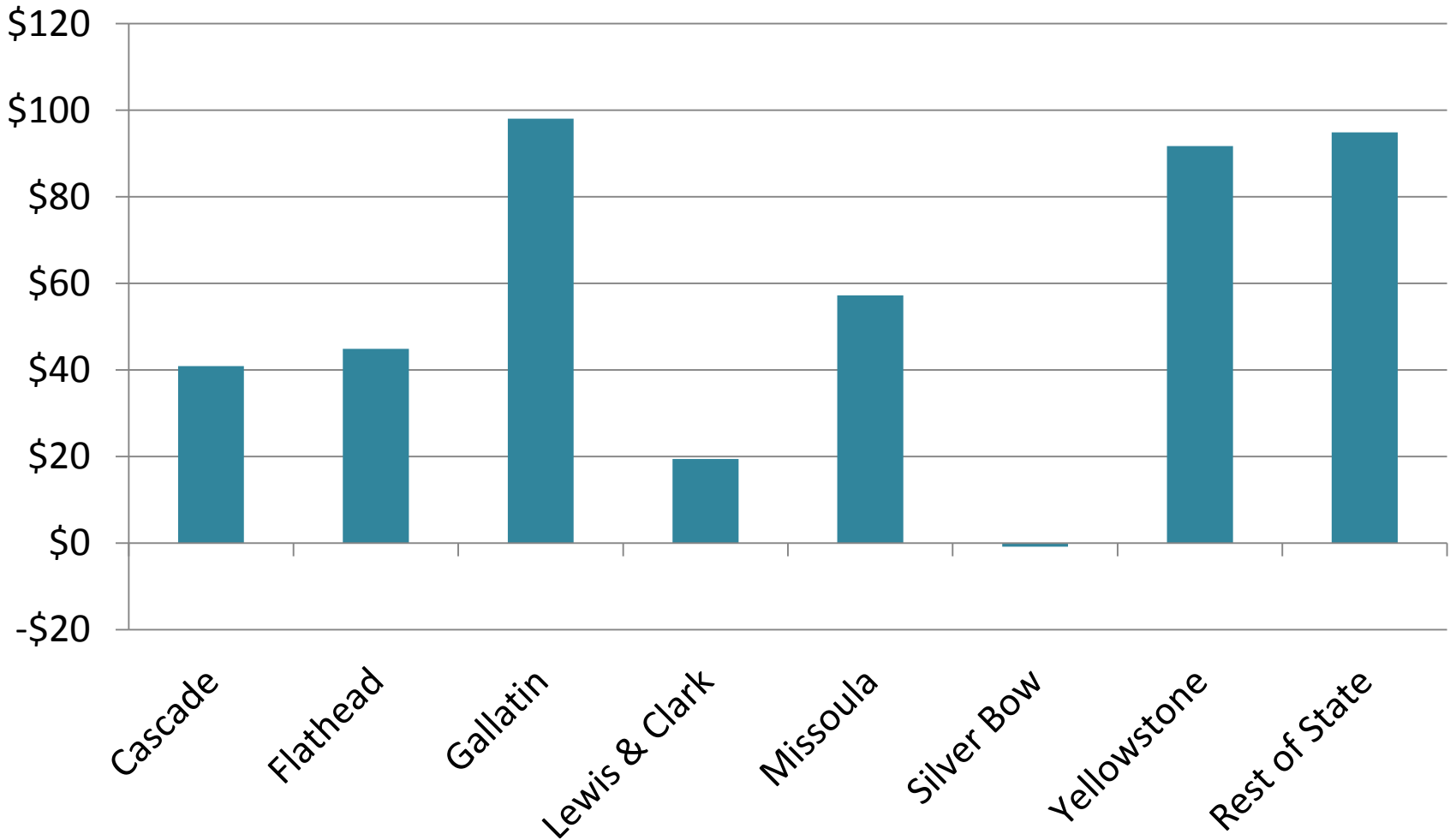
Real Payroll Wages Gallatin County



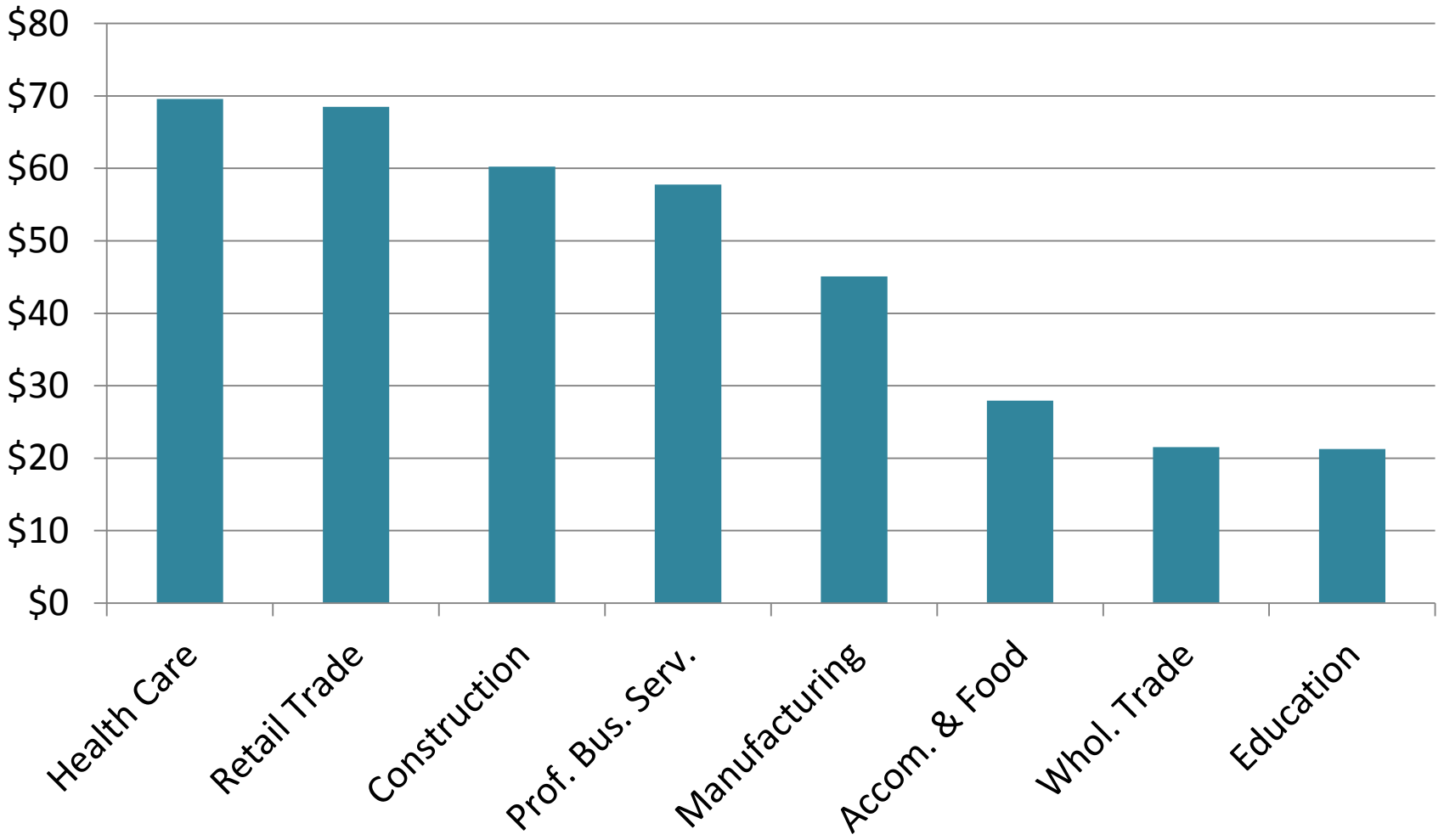
Data Seasonally Adjusted by BBER.

Wage Growth Pattern More Balanced

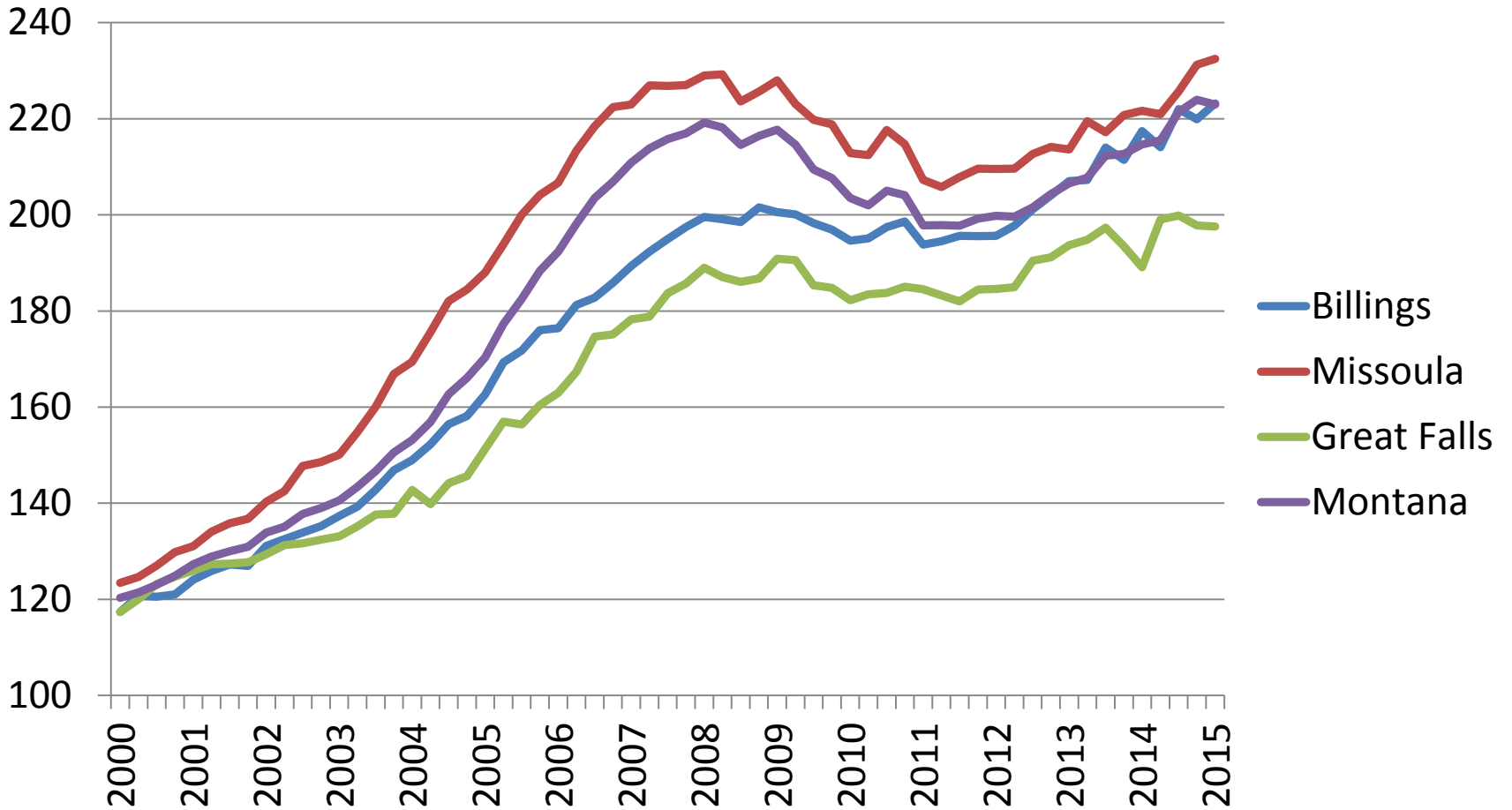
Growth in Real Wages, 2013-14 (\$ Millions)



Construction and Retail Among Fastest Growing Growth in Real Wages, 2013-14 (\$ Millions)



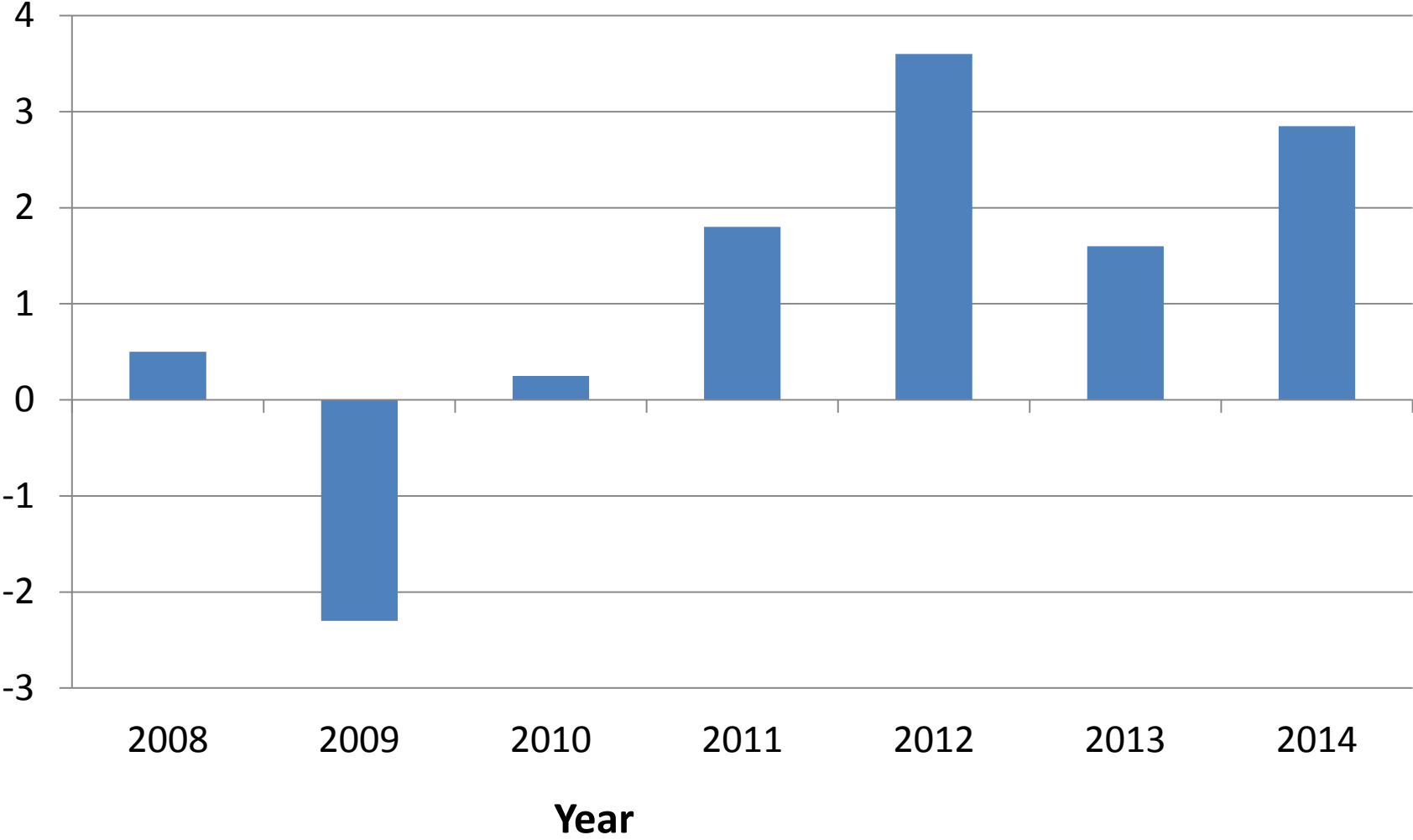
Housing Prices Continue Growth



Federal Home Loan Agency Housing Price Index, 1995Q1=100

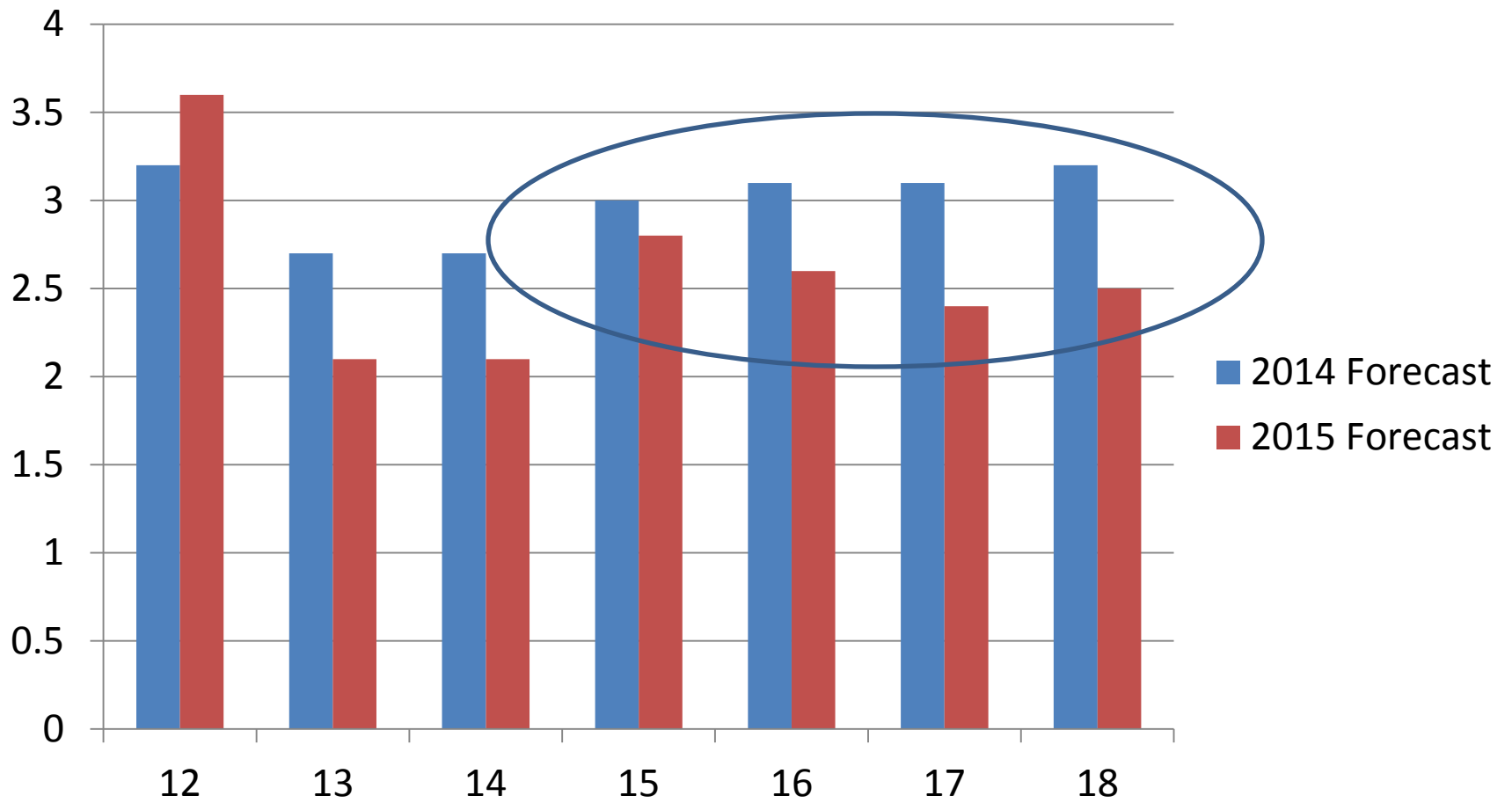
Montana's Recent Growth

Percent Change in Real Wages and Salaries



Change in BBER Forecasts

Montana, 2012-2018



Questions?