

Market Overview & Data Report



JUNE 2025

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
ECONOMIC GROWTH				
GDP	Q1	-0.2%	-0.3%	2.8%
EMPLOYMENT				
Non-farm Payrolls (000s)	May	177	177	2,232
Private Payrolls (000s)	May	47	62	1,792
Unemployment Rate	May	4.2%	4.2%	4.1%
Avg Hourly Earnings (Y/Y)	May	3.9%	3.8%	3.9%
INFLATION				
Wholesale (Y/Y)	Apr	2.4%	2.7%	3.3%
Consumer (Y/Y)	Apr	2.3%	2.4%	2.9%
PCE Core (Y/Y)	Apr	2.5%	2.6%	2.8%
INCOME & SPENDING				
Retail Sales	Mar	0.1%	1.7%	3.8%
Personal Income	Mar	0.8%	0.5%	2.4%
Personal Spending	Mar	0.2%	0.7%	3.1%
AUTO & HOUSING				
Total Auto Sales (MM)	May	15.65	17.27	16.80
New/Existing Home Sales (M/M)	Apr	10.9%	7.4%	4.2%
S&P/Case Shiller HPI (Y/Y)	Mar	4.1%	4.5%	3.9%

Sources:

US Labor Dept; US Commerce Dept; National Association of Realtors; Bloomberg

KEY MARKET INDICATORS	Mth End May-25	Last Mth Apr-25	12 Mth Ago May-24
MONEY MARKETS			
Effective Fed Funds	4.33%	4.33%	5.33%
Prime Rate	7.50%	7.50%	8.50%
3-month SOFR	4.32%	4.41%	5.33%
2-year UST	3.89%	3.62%	5.04%
10-year UST	4.40%	4.17%	4.68%
NATIONAL CU LOAN RATES			
CU 48-mth Auto	3.90%	6.92%	7.05%
CU 60-mth Auto	7.00%	7.02%	7.16%
CU 15-year Mtg	6.14%	6.12%	6.55%
CU 30-year Mtg	6.83%	6.77%	7.09%
EQUITY MARKETS			
Dow Jones Industrial Average	42270.07	40,669.4	37,903.3
NASDAQ Composite	19113.77	17,446.3	15,605.5
S&P 500	5911.69	5,569.1	5,018.4
OTHER COMMODITIES			
CRB Index	290.43	288.8	285.4
Crude Oil	60.79	58.2	72.6

Source: Bloomberg; S&P Global Market Intelligence

KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 139,000 jobs for April, 13,000 more than estimated after April's totals were revised from 177,000 down to 147,000. Education and health services comprised the lion's share of growth with 87,000 new jobs added. Professional Services lost 18,000 positions. The unemployment rate remained at 4.2% and the labor force participation rate fell two basis points to 62.4%.

Inflation continued its recent plateau in May, with CPI rising 2.3% year over year and just 0.2% month over month. PPI rose 2.4% year over year and fell 0.5% month over month, the lowest monthly increase since February 2021. CORE PCE rose 2.5% year over year and just 0.1% month over month.

After a downwardly revised 1.4% increase in March, retail sales rose just 0.1% for April, indicating a pullback in consumer spending after the tariffs took effect, albeit temporarily in some cases. It was the weakest pace of consumer spending in almost 2 years.

The first revision to Q1 GDP was increased to -0.2% from -0.3%, as consumer spending fell off more than expected due to tariff concerns. The moderated pace of inflation and a resilient job market will make the FOMC's job more difficult if either component of their dual mandate starts to slip in the wrong direction.

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The month of May was kind enough to erase all equity losses experienced across the month of April as a series of tenuous deals and forward progress in negotiations between the U.S. and its trade partners calmed markets' nerves. Over the course of the month, President Trump's varied tariff announcements were only to rescind in a week and end the month with accusing China of violating its agreement with the U.S. Trump's tariffs were also declared illegal by the U.S. Court of International Trade, only to be immediately appealed and reinstated by the Administration. The ongoing trade wars are likely to drive headline risk in the coming months, which has created atypical and volatile market movements since the beginning of the year.

The GOP's Big, Beautiful Bill passed the House in May and is expected to be revised and approved by the Senate before July 4th, at which point President Trump would presumably sign the bill into law before congress leaves for their summer break. As it stands, the non-partisan Congressional Budget Office (CBO) expects the bill to add approximately \$3.3 trillion to deficit over the next 10 years. However, significant barriers to passage remain as many GOP members have voiced concerns regarding individual components, as well as funding for the bill.

Mortgage rates rose slightly month-over-month as rates tracked an increase in the 10-year Treasury. Homebuyers responded with an 11% increase in mortgage applications the first week of May, only to fall by 1%, 5.1% and 1.2% in subsequent weeks as the 10-year Treasury crept back up to 4.40% from a May 1st level of 4.21%. The 15-year and 30-year mortgage rates, as measured by a variety of financial institutions (including credit unions) also closed just a few basis points higher for the month at 6.14% and 6.83%, respectively. The spread between the average 30-year mortgage rate and the 10-year Treasury yield shrank 18 basis points to 243 basis points, 67 basis points above the 54-year average spread. Average auto loan rates finished May a couple basis points lower at 6.90% for a 48-month loan and 7.00% for a 60-month loan. Auto loan rates are, on average, 19 basis points lower from a year ago.

May was a bounce back month for equities after the dramatic selloffs we saw in April over tariff uncertainty. The Dow recovered over 1,500 points across May to close at 42,270, the S&P gained 300 points in May, closing at 5911, and the Nasdaq added over 1,400 points, closing at 19,113. All indices erased any losses experienced in April and equity markets turned their sentiments towards incoming trade deal announcements and details on the GOP bill.

The FOMC left rates in place at the conclusion of its May meeting. In the post-meeting press conference and subsequent meeting minutes, Powell and his colleagues alluded to elevated risks to the downside and increasing economic uncertainty regarding the broad potential for volatility across a variety of market sectors. FedSpeak for May included more "wait and see" language focused on hard data with a simultaneous cognizance of the potential for stagflation if inflation and unemployment begins to rise in tandem. Powell also passively noted his team "was probably a little late," with the 50 bps rate cut in September. Consumer survey data improved across May after a lackluster April, highlighting the volatility of soft data, and adding to the FOMC's case to set it aside in their rate decisions. Interest rate futures are currently pricing in the next rate cut for their October meeting.

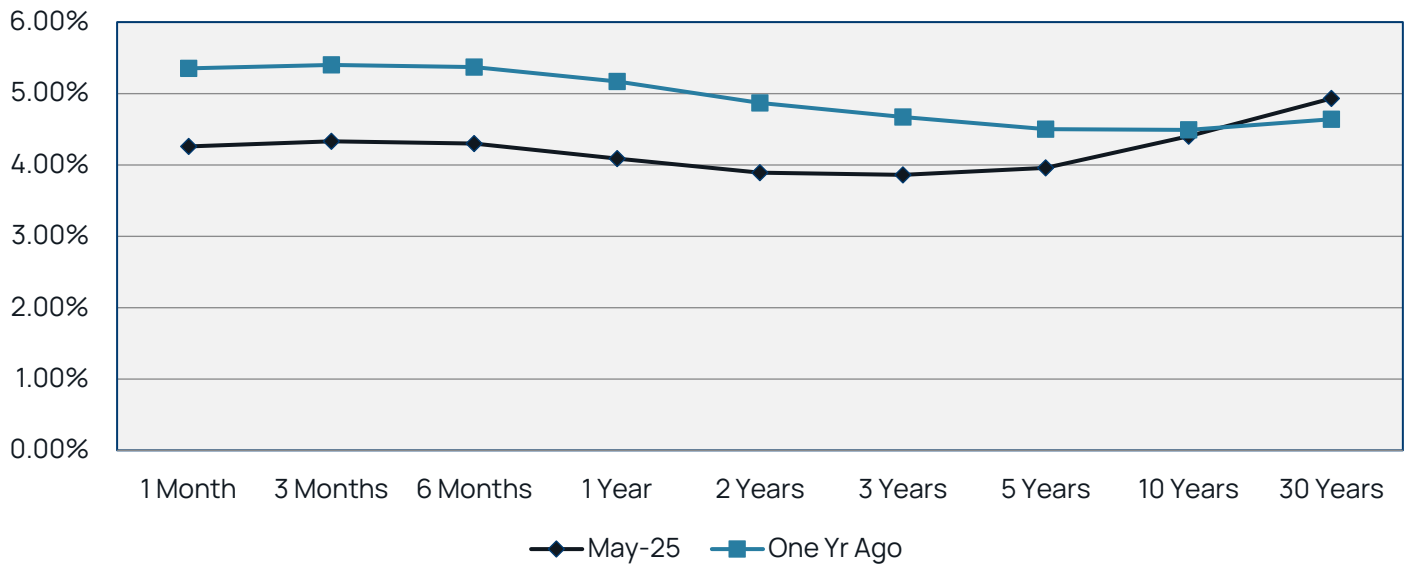
FOR CREDIT UNIONS:

- Light vehicle sales fell to 15.65 million for May, down 9.4% from April and down 1.1% from a year ago, falling well below the consensus forecast. The "beat the tariff" surge from April appears to have ended and we expect a normalized, if not reduced trend of vehicle purchases going forward.
- Credit scores for student loan borrowers have already dropped more than 100 points for 2.2 million delinquent borrowers and 150 points for more than 1 million in the first three months of 2025. It's anticipated at least 2.4 million Americans will see reduced credit scores as delinquencies increase over time.

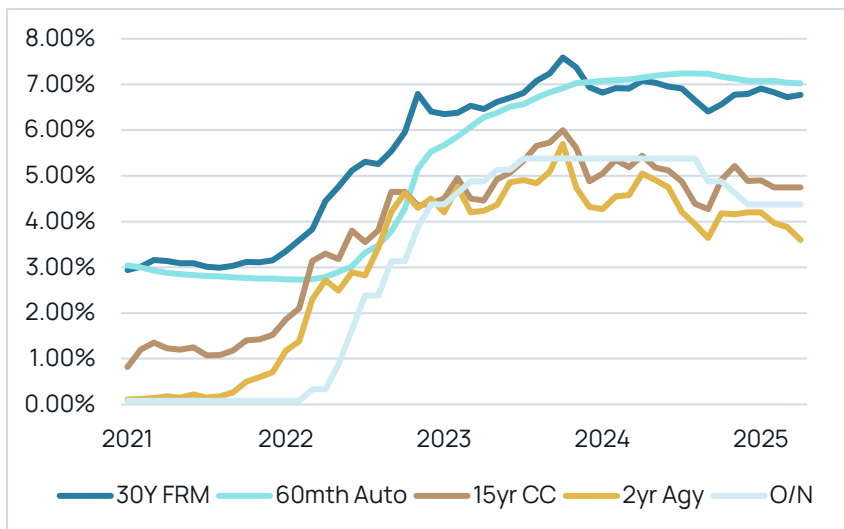
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Yield Curve



Treasury yields had a volatile month trying to parse out potential issues in the market for buyers who have to cope with a litany of factors. First, the U.S. lost its final top-tier credit rating when Moody's downgraded American debt to a lower tier, but with a stable outlook. The rating agency noted the fiscal strengths of the U.S. no longer fully counterbalance the decline in fiscal metrics. There wasn't much of a market reaction to the downgrade news, but analysts and traders will have their eyes trained on future Treasury auctions for signs of reduced demand from large buyers, which could cause long term rates to increase over time. The spread on the 2-10 year Treasury curve steepened 5 basis points to 51. The passage of the Big, Beautiful Bill is also expected to cause trepidation in Treasury markets as traders figure out how much additional debt we'll have to issue to pay for it.



RELATIVE VALUE OF ASSETS AND FUNDING:

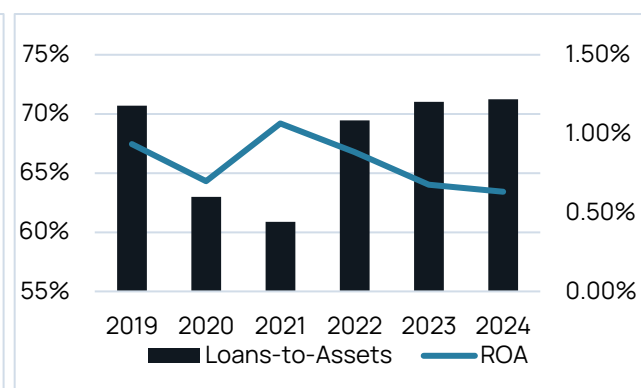
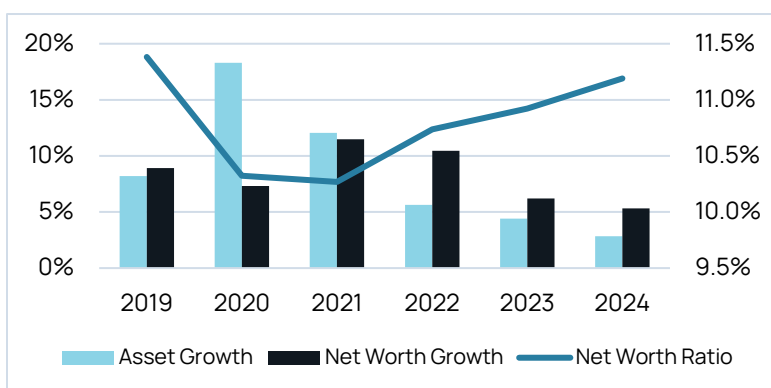
- The difference between loan and investment yields decreased by 24 basis points to 2.49% as Treasury yields normalized from April faster than loan rates.
- The spread between a 60-month auto loan and a 15-year mortgage loan narrowed by 14 basis points to -2.12%.
- CD rates were fell 1-2 basis points in May. Two and three-year rates are 4-7 basis points higher than a year ago.

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NCUA - MARCH 2025

KEY CREDIT UNION DATA	2019	2020	2021	2022	2023	2024
GROWTH RATES						
Total Assets	8.20%	18.31%	12.07%	5.63%	4.42%	2.85%
Total Loans	6.58%	5.44%	8.24%	20.49%	6.72%	3.16%
Total Shares	8.61%	20.89%	13.03%	3.84%	2.05%	4.72%
Net Worth	8.91%	7.33%	11.48%	10.45%	6.21%	5.31%
CAPITAL ADEQUACY						
Net Worth Ratio	11.38%	10.32%	10.27%	10.74%	10.92%	11.19%
Equity Capital Ratio	11.24%	10.34%	9.99%	8.77%	9.11%	9.66%
Capital Ratio	11.85%	11.04%	10.52%	9.31%	10.02%	10.60%
BALANCE SHEET COMPOSITION						
Loans/Assets	70.69%	62.99%	60.88%	69.45%	71.02%	71.24%
Vehicle Loans/Net Loans	34.12%	33.04%	32.50%	32.49%	31.49%	29.67%
RE Loans/Net Loans	50.86%	52.25%	52.80%	44.21%	44.83%	46.18%
1st Mtg Loans/Net Loans	42.55%	44.90%	45.97%	39.20%	39.20%	39.77%
Commercial Loans/Net Loans	7.54%	8.29%	9.07%	9.38%	10.01%	10.80%
LIQUIDITY POSITION						
Cash & Short-Term Invs/Assets	12.85%	18.44%	17.16%	10.17%	11.47%	12.19%
Borr. & NM Deposits/Shares & Liab.	4.75%	3.39%	2.97%	6.06%	7.96%	5.85%
Net Liquid Assets/Shares & Liab.	22.15%	30.36%	33.08%	23.82%	21.51%	22.96%
Net Long-term Assets/Assets	38.94%	35.58%	34.77%	39.48%	37.10%	35.77%
LOAN QUALITY						
Delinquency Rate	0.72%	0.62%	0.51%	0.67%	0.85%	0.99%
Net Charge-off Rate	0.40%	0.30%	0.16%	0.22%	0.43%	0.57%
EARNINGS						
Investment Yield	2.37%	1.35%	0.89%	1.63%	3.05%	3.79%
Loan Yield	4.90%	4.71%	4.37%	4.43%	5.25%	5.84%
Asset Yield	4.06%	3.53%	3.02%	3.38%	4.44%	5.06%
Cost of Funds	0.89%	0.70%	0.43%	0.52%	1.42%	1.93%
Gross Net Margin	3.17%	2.83%	2.59%	2.87%	3.02%	3.13%
Provision Expense	-0.43%	-0.50%	-0.06%	-0.26%	-0.51%	-0.62%
Net Interest Margin	2.74%	2.33%	2.53%	2.61%	2.51%	2.51%
Net Operating Expense	1.81%	1.63%	1.47%	1.73%	1.83%	1.88%
Net Income (Return on Assets)	0.93%	0.70%	1.06%	0.88%	0.68%	0.63%



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PEER STATISTICS


	<\$2M	\$2-10M	\$10-50M	\$50-100M	\$100-500M	\$500M+	Total
Industry Statistics							
Average Asset Size (000s)	\$872	\$5,569	\$26,163	\$71,934	\$228,996	\$2,709,364	\$396,076
Pct of Number of Credit Unions	5.93%	13.36%	26.99%	13.71%	23.76%	16.24%	100.00%
Pct of Industry Assets	0.03%	0.16%	0.76%	2.11%	6.87%	87.25%	100.00%
GROWTH RATES							
Total Assets	-4.06%	-2.43%	0.19%	1.61%	2.84%	2.93%	2.85%
Total Loans	-6.94%	-3.40%	-1.23%	-0.18%	1.11%	3.51%	3.16%
Total Shares	-5.62%	-3.38%	-0.47%	1.30%	3.25%	5.10%	4.72%
Net Worth	3.25%	2.69%	5.43%	5.41%	5.65%	5.27%	5.31%
CAPITAL ADEQUACY							
Net Worth Ratio	21.43%	18.52%	13.96%	13.21%	11.70%	11.02%	11.38%
Equity Capital Ratio	21.37%	18.34%	13.64%	12.50%	10.43%	9.42%	11.24%
Capital Ratio	22.84%	19.05%	14.14%	12.96%	10.99%	10.43%	11.85%
BALANCE SHEET COMPOSITION							
Loans/Assets	47.43%	52.47%	52.03%	55.71%	64.40%	72.78%	71.24%
Vehicle Loans/Net Loans	63.44%	68.22%	52.58%	44.20%	36.89%	28.31%	29.67%
RE Loans/Net Loans	0.87%	6.69%	28.47%	37.99%	42.12%	47.03%	46.18%
1st Mtg Loans/Net Loans	0.79%	5.68%	24.67%	31.95%	35.62%	40.58%	39.77%
Commercial Loans/Net Loans	0.23%	0.13%	1.35%	3.29%	8.06%	11.36%	10.80%
LIQUIDITY POSITION							
Cash & Short-Term Invs/Assets	42.82%	32.81%	26.07%	21.81%	15.77%	11.27%	12.19%
Borr. & NM Deposits/Shares & Liab.	2.65%	1.77%	1.20%	1.75%	3.25%	6.34%	5.85%
Net Liquid Assets/Shares & Liab.	57.36%	49.38%	43.63%	42.01%	31.95%	21.09%	22.96%
Net Long-term Assets/Assets	3.75%	7.12%	19.22%	26.51%	32.32%	36.72%	35.77%
LOAN QUALITY							
Delinquency Rate	3.60%	1.88%	1.39%	1.19%	1.17%	1.61%	1.55%
Net Charge-off Rate	3.25%	1.59%	1.15%	0.93%	0.85%	1.00%	0.99%
Net Charge-off Rate	0.36%	0.29%	0.24%	0.25%	0.32%	0.61%	0.57%
EARNINGS							
Investment Yield	2.78%	3.27%	3.16%	3.08%	3.30%	3.93%	3.79%
Loan Yield	7.33%	6.62%	6.10%	5.95%	5.85%	5.83%	5.84%
Asset Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Asset Yield	4.97%	4.98%	4.57%	4.52%	4.75%	5.12%	5.06%
Cost of Funds	0.62%	0.88%	0.91%	1.01%	1.39%	2.03%	1.93%
Gross Net Margin	4.35%	4.10%	3.66%	3.52%	3.36%	3.08%	3.13%
Provision Expense	-0.46%	-0.34%	-0.27%	-0.26%	-0.35%	-0.67%	-0.62%
Net Interest Margin	3.89%	3.76%	3.39%	3.25%	3.01%	2.41%	2.51%
Net Operating Expense	3.77%	3.29%	2.69%	2.56%	2.38%	1.78%	1.88%
Net Income (Return on Assets)	0.12%	0.47%	0.70%	0.69%	0.62%	0.63%	0.63%
EFFICIENCY METRICS							
Avg Loan Balance	\$5,626	\$9,202	\$4,140	\$6,633	\$11,261	\$21,270	\$18,307
Avg Share Per Member	\$2,383	\$5,177	\$9,053	\$10,655	\$12,529	\$14,216	\$13,775
Avg Compensation per FTE	\$237,946	\$47,204	\$70,640	\$75,213	\$82,623	\$111,820	\$105,153
Comp & Benefits-to-Total Assets	2.23%	2.07%	1.68%	1.70%	1.79%	1.56%	1.59%
Pct of Total Operating Expense	63.92%	69.58%	68.88%	70.54%	72.69%	74.57%	74.15%
Office Occ & Ops-to-Total Assets	0.21%	0.17%	0.21%	0.22%	0.22%	0.17%	0.18%
Pct of Total Operating Expense	14.20%	16.02%	21.30%	23.79%	24.91%	24.03%	24.07%

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ECONOMIC CALENDAR

JUNE 2025

Monday	Tuesday	Wednesday	Thursday	Friday
2 S&P Manufacturing PMI ISM Manufacturing, Prices Paid, New Orders, Employment	3 Factory Orders Durable Goods Orders JOLTS (April)	4 ADP Employment Change ISM Services FOMC Beige Book	5 Challenger Job Cuts Jobless Claims	6 Nonfarm Payrolls Unemployment Rate Hourly earnings
9 NY Fed 1-yr Inflation Exp.	10	11 CPI Federal Budget Balance	12 PPI Jobless claims	13 Univ of Michigan Surveys
16	17 Retail sales Import/Export prices	18 FOMC Rate Decision Jobless claims Housing starts	19 	20
23 S&P Manufacturing PMI Home sales	24 S&P Corelogic 20-city Survey Conference Board Consumer Expectations	25 Home sales Building permits	26 Third Q1 GDP revision Jobless claims Durable goods Capital goods Core PCE Price Index	27 CORE PCE Personal spending Personal income Univ of Michigan Surveys
30				

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