

# Market Overview & Data Report



JANUARY 2026

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
<b>ECONOMIC GROWTH</b>				
GDP	Q3	4.3%	3.8%	2.8%
<b>EMPLOYMENT</b>				
Non-farm Payrolls (000s)	Oct	-105	108	2,232
Private Payrolls (000s)	Oct	52	108	1,792
Unemployment Rate	Nov	4.6%	4.3%	4.1%
Avg Hourly Earnings (Y/Y)	Oct	3.7%	3.7%	3.9%
<b>INFLATION</b>				
Wholesale (Y/Y)	Sep	2.7%	2.7%	3.3%
Consumer (Y/Y)	Nov	2.7%	3.0%	2.9%
PCE Core (Y/Y)	Sep	2.8%	2.7%	2.8%
<b>INCOME &amp; SPENDING</b>				
Retail Sales	Oct	0.1%	0.0%	3.8%
Personal Income	Sep	0.4%	0.4%	2.4%
Personal Spending	Sep	0.3%	0.5%	3.1%
<b>AUTO &amp; HOUSING</b>				
Total Auto Sales (MM)	Dec	16.02	15.60	16.80
New/Existing Home Sales (M/M)	Oct	-4.6%	-8.5%	4.2%
S&P/Case Shiller HPI (Y/Y)	Oct	1.366%	1.6%	3.9%

Sources:

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

KEY MARKET INDICATORS	Mth End Dec-25	Mth End Nov-25	12 Mth Ago Dec-24
<b>MONEY MARKETS</b>			
Effective Fed Funds	3.64%	3.89%	4.33%
Prime Rate	6.75%	7.00%	7.50%
3-month SOFR	3.96%	4.00%	4.64%
2-year UST	3.47%	3.48%	4.24%
10-year UST	4.16%	4.01%	4.56%
<b>NATIONAL CU LOAN RATES</b>			
CU 48-mth Auto	6.60%	6.66%	6.98%
CU 60-mth Auto	6.96%	6.76%	7.09%
CU 15-year Mtg	5.73%	5.76%	6.21%
CU 30-year Mtg	6.32%	6.35%	6.81%
<b>EQUITY MARKETS</b>			
Dow Jones Industrial Average	48063.29	47716.42	42,544.2
NASDAQ Composite	23241.99	23365.69	19,310.8
S&P 500	6845.5	6849.09	5,881.6
<b>OTHER COMMODITIES</b>			
CRB Index	298.78	301.49	296.7
Crude Oil	57.42	58.55	67.6

Source: Bloomberg; S&P Global Market Intelligence

## KEY ECONOMIC AND MARKET INDICATORS

The FOMC cut rates for the third time this year at their December meeting, dropping the Fed Funds rate to a range of 3.50-3.75%. The cut was executed with a notable 9-3 split vote, reflecting internal tension among members, in addition to the “silent dissents” shown in the updated dot plot. The dot plot indicates only one rate cut is expected in 2026 and another in 2027. The updated Summary of Economic Projections (SEP) projected gradual GDP increases through 2028 and a moderate reduction in inflation and unemployment rates by the end of 2026.

December nonfarm payrolls rose by 50,000, below the expected 70,000, with most gains in education/health services and leisure/hospitality. Five of the 11 categories showed losses, highlighting the low hire/low fire labor market of 2025. Economists predict slow hiring, while steady employment and rising wages may prevent a recession.

The first estimate for Q3 GDP was reported at 4.3%, its highest level in two years, while the unemployment rate fell to 4.4%, just short of the Fed's 4.5% year-end target. November's CPI fell to 2.7%, mainly due to model errors from missing October data.

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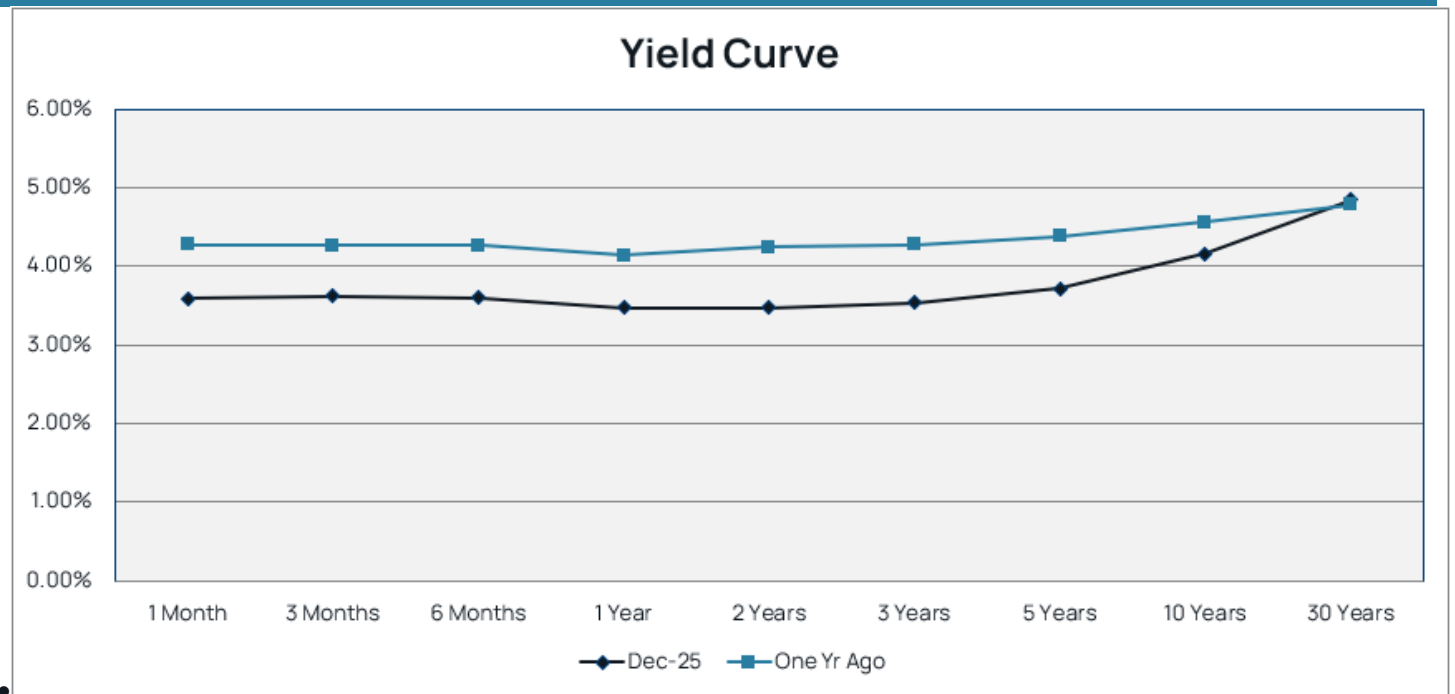
Equity markets enjoyed the Santa Claus rally in the days leading up to Christmas with the Dow and S&P setting a series of new all-time highs leading into this week. At the same time, traditional haven trades like gold and silver set a new series of all-time high valuations over the course of the month. Silver eclipsed \$80/oz while gold breached the \$4,500/oz mark – both for the first time ever. Platinum ended the year up 92%, while Palladium rose 65%. The rise in precious metals has been tied by some to a debasement of the U.S. dollar. Markets were surprisingly unperturbed by President Trump's raid to capture Venezuela President Nicolas Maduro and his wife on January 3. Christopher Dembik, senior investment advisor at Pictet Asset Management commented, "The economic impact of what happened in Venezuela is too small to weigh on equity markets. That's also true when it comes to oil; people have had time to look at the data and in the most optimistic scenario, it will take two or three years to have a significant impact." Oil prices traded below \$60/barrel the entire month of December and up to this writing. President Trump has also mused about the possible acquisition of Greenland for the last week, despite international objections.

President Trump made several announcements intended to address the current housing market this week. The first was a plan to ban institutional investors from purchasing single family homes. This morning, he instructed Fannie Mae and Freddie Mac to purchase \$200 billion in mortgage bonds. The ultimate effect of these actions is debatable at best with institutional investors only comprising about 3.5% of rental homes nationwide. Goldman Sachs estimates the housing market is short by about four million homes needed to address the supply shortage that would return home prices to affordable levels.

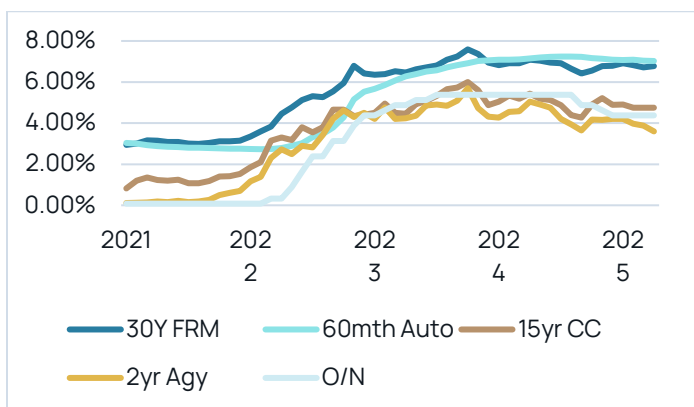
The FOMC faces a number of challenges heading into 2026. The first is independence. President Trump spent the better part of 2025 pressuring the Fed to lower rates to address a floundering labor market. With the expected departure of Jerome Powell in May, Trump will designate his successor, and markets could react adversely if the new Chair is perceived as a proxy for Trump's interests. Next are interest rates. Despite 75-basis points in cuts to end the year, the long-end of the curve has remained elevated, with the 10-year note holding over 4% for the past few months, which will keep mortgage rates high. Businesses and consumers have been on the sidelines waiting for lower rates to make major purchases and, if the long end doesn't start falling off, they could be forced to keep waiting or into expensive purchases, which could eventually trickle into GDP numbers. Lastly is the Fed's \$6.6 trillion balance sheet. After spending the past few years on gradual reduction, the Fed resumed QE-lite in the middle of December. Expansion of the balance sheet could limit their ability to address an economic crisis if it arises.

## FOR CREDIT UNIONS:

- Cox Automotive reported new car sales among households making less than \$75,000 have fallen 30% since 2019. In comparison, they've fallen 7% for incomes between \$75,000 and \$150,000, and soared 45% for incomes over \$150,000. One in five new-car buyers took out loans with monthly payments over \$1,000 in Q4.
- Edmunds reported the average monthly new-car auto payment rose to \$772 in Q4, an all-time high. Auto loans 84 months or longer accounted for 20% of new car purchases, up from 17% the prior year. The average APR for new cars fell to 6.7% in Q4, down from 7% in Q3, likely reflecting the Fed's rate cuts.



Treasury bonds spent December trading in one of the narrowest ranges we've seen in months. Terms under two years fell about 30 basis points, reflecting the Fed's December rate cut, but it started the month at 3.53% and was at 3.50% this morning. The 10-year opened December at 4.08% and is trading at 4.16% as of this writing. This indicates the long end of the curve is a bit stickier than most were expecting and may not lead to the drop in mortgage rates most were expecting to coincide with Fed cuts. The limited volatility was welcomed by markets after one of the most volatile years on record.



### RELATIVE VALUE OF ASSETS AND FUNDING:

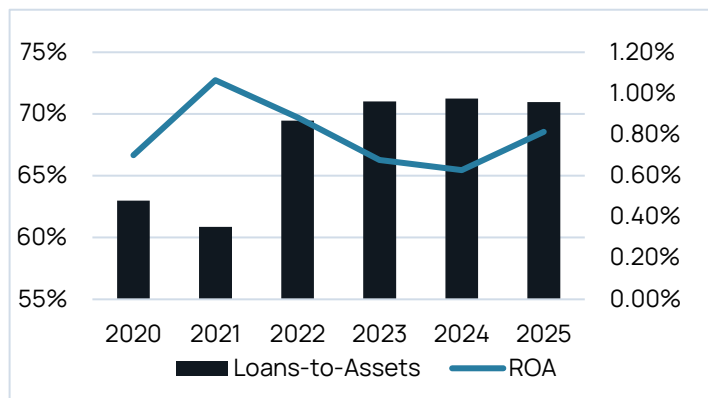
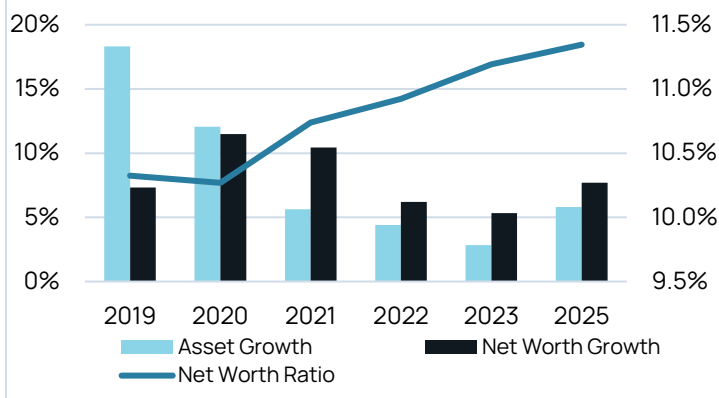
- The difference between loan and investment yields rose 1 bp to 2.57%.
- The spread between a 60-month auto loan and a 15-year MBS rose to 232 bps.
- CD rates stayed near their previous levels, with just a one or two basis point difference from the previous month.

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## NCUA - SEPTEMBER 2025

KEY CREDIT UNION DATA	2020	2021	2022	2023	2024	2025
<b>GROWTH RATES</b>						
Total Assets	18.31%	12.07%	5.63%	4.42%	2.84%	5.79%
Total Loans	5.44%	8.24%	20.49%	6.72%	3.16%	5.20%
Total Shares	20.89%	13.03%	3.84%	2.05%	4.72%	5.62%
Net Worth	7.33%	11.48%	10.44%	6.20%	5.32%	7.69%
<b>CAPITAL ADEQUACY</b>						
Net Worth Ratio	10.32%	10.27%	10.74%	10.92%	11.19%	11.34%
Equity Capital Ratio	10.34%	9.99%	8.77%	9.11%	9.66%	10.25%
Capital Ratio	11.04%	10.52%	9.31%	10.02%	10.60%	11.19%
<b>BALANCE SHEET COMPOSITION</b>						
Loans/Assets	62.99%	60.88%	69.45%	71.02%	71.25%	70.97%
Vehicle Loans/Net Loans	33.04%	32.50%	32.49%	31.49%	29.67%	28.71%
RE Loans/Net Loans	52.25%	52.80%	44.21%	44.83%	46.19%	47.08%
1st Mtg Loans/Net Loans	44.90%	45.97%	39.20%	39.20%	39.77%	40.00%
Commercial Loans/Net Loans	8.29%	9.07%	9.38%	10.01%	10.80%	11.28%
<b>LIQUIDITY POSITION</b>						
Cash & Short-Term Invs/Assets	18.44%	17.16%	10.17%	11.47%	12.20%	11.93%
Borr. & NM Deposits/Shares & Liab.	3.39%	2.97%	6.06%	7.96%	5.85%	5.22%
Net Liquid Assets/Shares & Liab.	30.36%	33.08%	23.82%	21.51%	22.97%	23.32%
Net Long-term Assets/Assets	35.58%	34.77%	39.48%	37.10%	35.74%	35.64%
<b>LOAN QUALITY</b>						
Delinquency Rate	0.62%	0.51%	0.67%	0.85%	0.99%	0.96%
Net Charge-off Rate	0.30%	0.16%	0.22%	0.43%	0.57%	0.54%
<b>EARNINGS</b>						
Investment Yield	1.35%	0.89%	1.63%	3.05%	3.79%	3.79%
Loan Yield	4.71%	4.37%	4.43%	5.25%	5.84%	6.08%
Asset Yield	3.53%	3.02%	3.38%	4.44%	5.06%	5.22%
Cost of Funds	0.70%	0.43%	0.52%	1.42%	1.93%	1.84%
Gross Net Margin	2.83%	2.59%	2.87%	3.02%	3.13%	3.39%
Provision Expense	-0.50%	-0.06%	-0.26%	-0.51%	-0.62%	-0.59%
Net Interest Margin	2.33%	2.53%	2.61%	2.51%	2.50%	2.80%
Net Operating Expense	1.63%	1.47%	1.73%	1.83%	1.88%	1.98%
Net Income (Return on Assets)	0.70%	1.06%	0.88%	0.68%	0.63%	0.81%



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## PEER STATISTICS

	<\$2M	\$2-10M	\$10-50M	\$50-100M	\$100-500M	\$500M+	Total
<b>Industry Statistics</b>							
Average Asset Size (000s)	\$907	\$5,613	\$26,580	\$72,695	\$231,420	\$2,806,459	\$433,943
Pct of Number of Credit Unions	5.75%	12.93%	26.65%	13.32%	24.40%	16.95%	100.00%
Pct of Industry Assets	0.03%	0.16%	0.74%	2.05%	6.67%	86.61%	100.00%
<b>GROWTH RATES</b>							
Total Assets	-1.66%	0.23%	2.34%	3.48%	4.72%	6.03%	5.79%
Total Loans	-7.49%	-2.71%	-0.87%	0.99%	4.02%	5.47%	5.20%
Total Shares	-3.11%	-0.33%	1.56%	2.75%	4.14%	5.94%	5.62%
Net Worth	1.83%	2.14%	6.50%	6.65%	7.15%	7.82%	7.69%
<b>CAPITAL ADEQUACY</b>							
Net Worth Ratio	21.46%	18.91%	14.46%	13.58%	11.94%	11.17%	11.34%
Equity Capital Ratio	21.44%	18.79%	14.22%	13.14%	11.09%	10.02%	10.25%
Capital Ratio	22.83%	19.49%	14.72%	13.61%	11.66%	11.02%	11.19%
<b>BALANCE SHEET COMPOSITION</b>							
Loans/Assets	45.09%	51.19%	50.93%	54.30%	63.85%	72.48%	70.97%
Vehicle Loans/Net Loans	64.47%	68.31%	52.17%	43.85%	35.96%	27.43%	28.71%
RE Loans/Net Loans	0.86%	7.09%	29.27%	38.63%	43.28%	47.85%	47.08%
1st Mtg Loans/Net Loans	0.82%	5.88%	25.00%	32.12%	36.13%	40.72%	40.00%
Commercial Loans/Net Loans	0.32%	0.18%	1.33%	3.36%	8.40%	11.83%	11.28%
<b>LIQUIDITY POSITION</b>							
Cash & Short-Term Invs/Assets	46.57%	34.16%	26.68%	22.11%	15.85%	11.00%	11.93%
Borr. & NM Deposits/Shares & Liab.	2.78%	1.68%	1.15%	1.40%	2.74%	5.65%	5.22%
Net Liquid Assets/Shares & Liab.	61.51%	51.20%	44.56%	43.27%	32.77%	21.47%	23.32%
Net Long-term Assets/Assets	3.46%	7.45%	20.52%	27.22%	32.94%	36.41%	35.64%
<b>LOAN QUALITY</b>							
Delinquency Rate	3.84%	1.81%	1.30%	1.18%	1.16%	1.56%	1.51%
Net Charge-off Rate	3.53%	1.50%	1.07%	0.93%	0.85%	0.97%	0.96%
	0.32%	0.32%	0.23%	0.25%	0.31%	0.58%	0.54%
<b>EARNINGS</b>							
Investment Yield	2.63%	3.28%	3.47%	3.41%	3.49%	3.87%	3.79%
Loan Yield	7.51%	6.93%	6.35%	6.20%	6.11%	6.07%	6.08%
Asset Yield	4.91%	5.12%	4.80%	4.75%	4.94%	5.27%	5.22%
Cost of Funds	0.65%	0.90%	0.92%	1.02%	1.35%	1.93%	1.84%
Gross Net Margin	4.26%	4.22%	3.88%	3.73%	3.60%	3.35%	3.39%
Provision Expense	-0.34%	-0.30%	-0.25%	-0.27%	-0.35%	-0.63%	-0.59%
Net Interest Margin	3.92%	3.92%	3.63%	3.46%	3.24%	2.71%	2.80%
Net Operating Expense	3.50%	3.42%	2.78%	2.61%	2.47%	1.90%	1.98%
Net Income (Return on Assets)	0.41%	0.50%	0.85%	0.84%	0.78%	0.82%	0.81%
<b>EFFICIENCY METRICS</b>							
Avg Loan Balance	\$5,954	\$9,389	\$4,106	\$6,898	\$11,499	\$21,995	\$19,034
Avg Share Per Member	\$2,424	\$5,214	\$9,203	\$10,985	\$12,819	\$14,451	\$14,044
Avg Compensation per FTE	\$29,194	\$50,376	\$70,739	\$76,868	\$88,248	\$115,497	\$109,424
Comp & Benefits-to-Total Assets	2.35%	2.14%	1.70%	1.71%	1.84%	1.61%	1.64%
Pct of Total Operating Expense	65.25%	68.59%	68.48%	70.30%	72.61%	74.73%	74.29%
Office Occ & Ops-to-Total Assets	0.27%	0.17%	0.21%	0.23%	0.23%	0.17%	0.18%
Pct of Total Operating Expense	17.98%	14.46%	21.24%	24.06%	24.94%	23.89%	23.96%

## ECONOMIC CALENDAR (SUBJECT TO AVAILABILITY)

### JANUARY 2026

Monday	Tuesday	Wednesday	Thursday	Friday
			1 	2
5 ISM Manufacturing	6 S&P PMI	7 MBA Apps ADP Emp. Change ISM Services JOLTS Job Openings	8 Challenger Job Cuts Jobless Claims Imports/Exports Consumer Credit	9 Nonfarm Payrolls Univ. Of Michigan Survey
12	13 ADP Emp. Change CPI New Home Sales	14 MBA Apps PPI Retail Sales Existing Home Sales	15 Jobless Claims Phil. Fed Bus. Outlook	16 Industrial Production
19	20 ADP Emp. Change.	21 MBA Apps Housing Starts Pending Home Sales	22 Jobless Claims GDP	23
26	27 ADP Emp. Change Case-Shiller HPI	28 FOMC Rate Decision MBA Apps	29 Core PCE Jobless Claims	30 PPI

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