

Market Overview & Data Report



MAY 2025

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
ECONOMIC GROWTH				
GDP	Q1	-0.3%	2.4%	2.8%
EMPLOYMENT				
Non-farm Payrolls (000s)	Apr	177	228	2,232
Private Payrolls (000s)	Apr	62	209	1,792
Unemployment Rate	Apr	4.2%	4.2%	4.1%
Avg Hourly Earnings (Y/Y)	Apr	3.8%	3.8%	3.9%
INFLATION				
Wholesale (Y/Y)	Mar	2.7%	3.2%	3.3%
Consumer (Y/Y)	Mar	2.4%	2.4%	2.9%
PCE Core (Y/Y)	Mar	2.6%	2.8%	2.8%
INCOME & SPENDING				
Retail Sales	Mar	1.4%	0.2%	3.8%
Personal Income	Mar	0.5%	0.8%	2.4%
Personal Spending	Mar	0.7%	0.4%	3.1%
AUTO & HOUSING				
Total Auto Sales (MM)	Apr	17.27	17.77	16.80
New/Existing Home Sales (M/M)	Mar	0.8%	3.8%	4.2%
S&P/Case Shiller HPI (Y/Y)	Feb	4.5%	4.1%	3.9%

Sources:

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

KEY MARKET INDICATORS	Mth End Apr-25	Last Mth Mar-25	12 Mth Ago Apr-24
MONEY MARKETS			
Effective Fed Funds	4.33%	4.33%	5.33%
Prime Rate	7.50%	7.50%	8.50%
3-month SOFR	4.41%	4.33%	5.33%
2-year UST	3.62%	3.88%	5.04%
10-year UST	4.17%	4.21%	4.68%
NATIONAL CU LOAN RATES			
CU 48-mth Auto	6.92%	6.94%	7.05%
CU 60-mth Auto	7.02%	7.04%	7.16%
CU 15-year Mtg	6.12%	6.10%	6.55%
CU 30-year Mtg	6.77%	6.72%	7.09%
EQUITY MARKETS			
Dow Jones Industrial Average	40,669.4	42,001.8	37,903.3
NASDAQ Composite	17,446.3	17,299.3	15,605.5
S&P 500	5,569.1	5,611.9	5,018.4
OTHER COMMODITIES			
CRB Index	288.8	309.3	285.4
Crude Oil	58.2	71.5	72.6

Source: Bloomberg; S&P Global Market Intelligence

KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 177,000 jobs for April, 39,000 more than estimated. However, March's totals were revised from 228,000 down to 185,000. Transportation/warehousing added a plurality of the jobs at 29,000, but the federal government lost 9,000 from DOGE cuts. The unemployment rate held steady at 4.2% for the month and the labor force participation rate ticked up one basis point to 62.6%.

Inflation continued to moderate in March ahead of President Trump's tariff announcements. CPI was flat month-over-month, while PPI and CORE PCE both fell from the previous month. Core CPI posted its lowest month-over-month gain since March 2021. Gas prices fell 6.3%, food prices climbed 0.4% and shelter prices rose just 0.2%.

After an increase of 0.2% in February, retail sales rose 1.4% in March but were revised down to 0.0% for April. Gas stations posted the only loss for the month while other categories posted modest gains. Auto sales made up a full 1% of the monthly increase as consumers pulled future auto purchases forward to avoid tariffs.

The economy contracted in the first quarter, posting a 0.3% drop versus estimates for a 0.2% drop resulting from new tariff policies. The biggest contribution to the poor showing was the massive increase in imports, which shaved approximately five percentage points off the final figure, the largest effect of trade we've seen historically. Consumer spending rose 1.8%.

Market Overview & Data Report



"Tariffs" was the market buzzword for April, again. President Trump's "Liberation Day" on April 2 sent markets reeling after he announced reciprocal tariffs on nearly all the U.S.'s trading partners. The initial announcement appears to have been a negotiation tactic, following a 90-day tariff pause announced by the White House within a week and various industry breaks. The Dow Jones Industrial Average fell as low as 37,223 in April, but ended the month about where it started, absent a few valleys on bad news days. The S&P 500 experienced similar volatility and ended the month on a higher note after strong earnings from the tech sector.

Mortgage rates rose slightly month-over-month. Homebuyers responded by increasing mortgage applications by 20% and refinances by 35% in early April, following the 10-year Treasury dipping below 4% on April 4. Markets sold off over concerns about economic uncertainty and the 10-year note was back up to almost 4.50% by April 11. 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 6.12% and 6.77%, respectively. The spread between the average 30-year mortgage rate and the 10-year Treasury yield widened 32 basis points to 261 basis points, 85 basis points above the 54-year average spread. Average auto loan rates finished April two basis points lower at 6.92% for a 48-month loan and 7.02% for a 60-month loan. Auto loan rates are, on average, 13 basis points lower from a year ago.

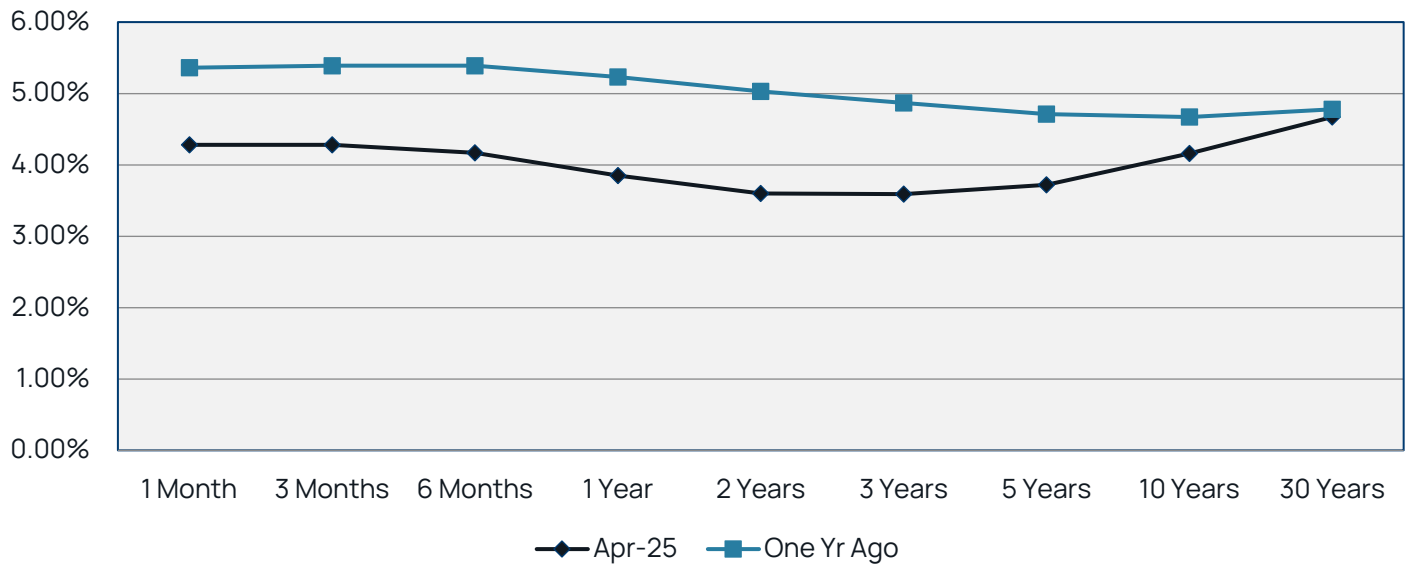
April's equity market was one for the books. Stock indices had one of their most volatile months on record with the CBOE Volatility Index (VIX) surging as high as 52.33 on April 8, before settling back into the 20s. Historically, 40 is a high level for the VIX, but this month's series of tariff soundbites from leaders and experts had markets on a proverbial roller coaster.

The mix of hard and soft data that poured in this month is painting a confusing picture for prognosticators. For one, the hard data this month, including inflation and labor reports, came back positive to neutral with prices holding steady month-over-month and a robust labor market. Conversely, "soft" survey data is starting to paint a different picture. The University of Michigan's Consumer Survey on April 11 showed that consumer sentiment fell 11% from the prior month to 50.85, the lowest reading since the survey began in 1952. The Conference Board Survey, released on April 29, reflected much of the same with consumer confidence falling to 86, its lowest level since May 2020. Several groups, including the World Trade Organization (WTO), the International Monetary Fund (IMF) and Bloomberg Economics downgraded their economic forecasts for the U.S. after the reciprocal tariff announcements. In addition, dozens of Fortune 500 companies removed all forward guidance from their earnings calls due to the tariff uncertainty.

FOR CREDIT UNIONS:

- FICO scores are decreasing due to student loan delinquencies being reported for the first time in nearly five years. 90+ day delinquencies rose to 8.3% in February, passing the pre-pandemic high of 8.1% in January 2020. A Philadelphia Fed survey reported over 11% of credit card holders are only making minimum payments, the highest level since the survey began. The same survey showed 0.90% of accounts were 90+ days delinquent, again the highest level since the survey began. According to Fitch, 6.6% of subprime borrowers were at least 60 days past due on their auto loans.
- Seven-year auto loans made up 19.8% of all new car financing by dealers in the first quarter, while only 10% chose loans of four years or less. The average price of a new car is \$47,692 as of March 2025, up from just over \$38,000 five years ago. One-fourth of customers were underwater on trade-in vehicles as prices and interest rates have increased in recent years. We'd expect the tariffs to exacerbate the situation.

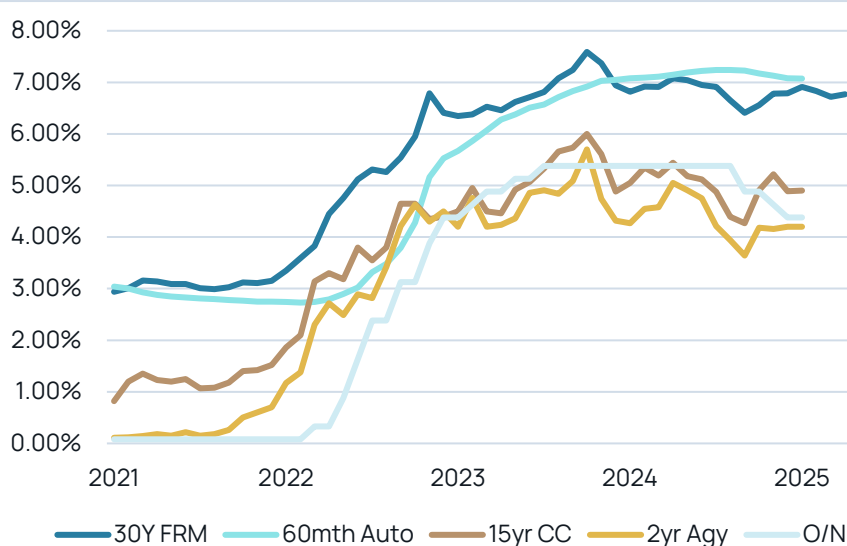
Yield Curve



Treasury yields continue their fall this month with a surreptitious dip to wrap up the first week of April as haven traders jumped out of equities over tariff fears. There were a series of extremely volatile trading sessions with 20+ basis points of range in intraday trading, indicating unusual volatility for the sector. The two-year Treasury lost almost 30 basis points, falling to a month-low of 3.60% by month-end, and the ten-year briefly fell below 4% in the early month's haven rally, but closed about even for the month. Fed speakers continued to voice concerns about sticky inflation and a resilient labor market making their jobs more difficult, but interest rate futures remain convinced there will be a July rate cut. The yield curve steepened 13 basis points to 46.

RELATIVE VALUE OF ASSETS AND FUNDING:

- The difference between loan and investment yields widened by 24 basis points as Treasury yield fell faster than loan rates.
- The spread between a 60-month auto loan and a 15-year mortgage loan narrowed two basis points to -2.27%.
- CD rates were unchanged in April. Two and three-year rates are three basis points higher than a year ago, while longer dated CDs are two basis points lower.

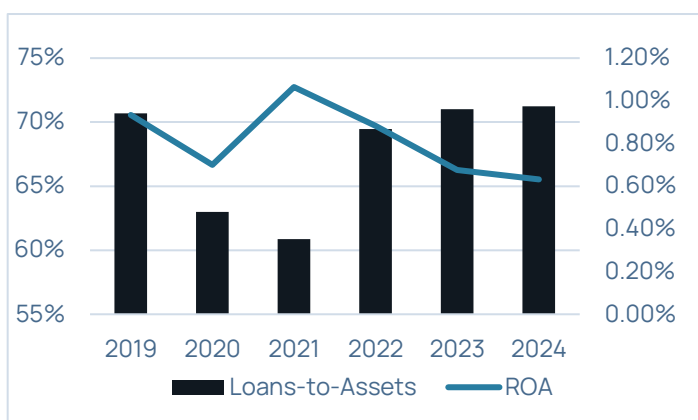
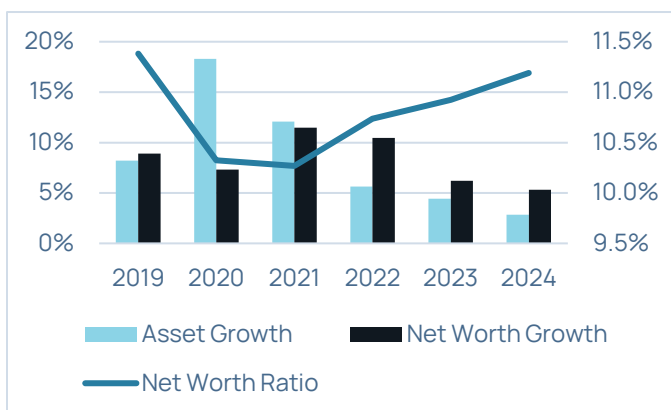


Market Overview & Data Report



NCUA - DECEMBER 2024

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%



Market Overview & Data Report



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%

Market Overview & Data Report



ECONOMIC CALENDAR

MAY 2025

Monday	Tuesday	Wednesday	Thursday	Friday
			1 Jobless Claims Construction Spending ISM Manufacturing Auto Sales	2 Nonfarm Payrolls Unemployment Rate Factory Orders
5 ISM Services	6 Trade Balance	7 FOMC rate decision Consumer Credit	8 Jobless Claims	9
12	13 CPI	14	15 Jobless Claims PPI Retail Sales Industrial Production Business Inventories	16 Housing Starts Building Permits U. of Mich Sentiment (P)
19 Leading Indicators	20	21	22 Jobless Claims Existing Home Sales	23 New Home Sales Building Permits
26 	27 S&P CL Home Prices Consumer Confidence Durable Goods Orders	28 FOMC May Minutes	29 Jobless Claims 1Q25 GDP Pending Home Sales	30 Personal Income Personal Spending PCE Core Y/Y U. of Mich Sentiment (F)

Although this information has been obtained from sources we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results. Changes in any assumption may have a material effect on projected results.