Market Overview & Data Report

catalyst

APRIL 2025

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
ECONOMIC GROWTH				
GDP	Q4	2.4%	2.3%	2.8%
EMPLOYMENT				
Non-farm Payrolls (000s)	Mar	228	117	2,232
Private Payrolls (000s)	Mar	209	116	1,792
Unemployment Rate	Mar	4.2%	4.1%	4.1%
Avg Hourly Earnings (Y/Y)	Mar	3.8%	4.0%	3.9%
INFLATION				
Wholesale (Y/Y)	Feb	3.2%	3.7%	3.3%
Consumer (Y/Y)	Feb	2.8%	3.0%	2.9%
PCE Core (Y/Y)	Feb	2.8%	2.7%	2.8%
INCOME & SPENDING				
Retail Sales	Feb	0.2%	-1.2%	3.8%
Personal Income	Feb	0.8%	0.7%	2.4%
Personal Spending	Feb	0.4%	-0.3%	3.1%
AUTO & HOUSING				
Total Auto Sales (MM)	Mar	17.77	16.00	16.80
New/Existing Home Sales (M/M)	Feb	3.8%	-4.9%	4.2%
S&P/Case Shiller HPI (Y/Y)	Jan	4.1%	4.0%	3.9%

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

KEY MARKET INDICATORS	Mth End Mar-25	Last Mth Feb-25	12 Mth Ago Mar-24
MONEY MARKETS			
Effective Fed Funds	4.33%	4.33%	4.33%
Prime Rate	7.50%	7.50%	8.50%
3-month SOFR	4.33%	4.35%	5.32%
2-year UST	3.88%	3.99%	4.62%
10-year UST	4.21%	4.21%	4.20%
NATIONAL CU LOAN RATES			
CU 48-mth Auto	6.94%	6.97%	7.03%
CU 60-mth Auto	7.04%	7.08%	7.11%
CU 15-year Mtg	6.10%	6.22%	6.38%
CU 30-year Mtg	6.72%	6.83%	6.91%
EQUITY MARKETS			
Dow Jones Industrial Average	42,001.8	48,840.9	39,807.4
NASDAQ Composite	17,299.3	18,847.3	16,379.5
S&P 500	5,611.9	5,954.5	5,254.4
OTHER COMMODITIES			
CRB Index	309.3	301.8	290.3
Crude Oil	71.5	70.0	75.5

Source: Bloomberg; S&P Global Market Intelligence

KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 228,00 jobs, 88,000 more than estimated. The biggest industry gainers were transportation, education & healthcare and leisure & hospitality. The government lost just 4,000 jobs as the round of layoffs occurred after the reporting period. The unemployment rate inched up to 4.2% as more people entered the workforce.

Inflation moderated in February. Both CPI and PPI year-over-year rose at the smallest pace in three months. Much of the improvement in services prices came from lowered cost margins and airline prices, both of which may prove to be temporary. Goods prices increased at a more moderate pace. Shelter costs rose at the smallest amount in over three years.

Retail sales rose 0.2% in February after being revised lower to -1.2% in January. Seven of the 13 major categories posted a decrease in sales, led by gasoline and department stores. Restaurants and bars, the only service-sector category in the index, fell 1.5%, the largest drop in a year. Sales were strongest at department stores and for health and personal care goods.

The economy grew 2.4% in the fourth quarter, stronger than initially estimated. The improvement came from a 5.9% rise in corporate profits, the largest gain in over two years. Other contributions to growth included better net exports, government spending and business spending. Consumer spending was revised lower from 4.2% to 4.0%.

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March was truly a month of madness on and off the court. The month was full of chaos and rebounds due to the on again, off again tariff announcements. Throw in a mid-month race to keep the government open and a Federal Open Market Committee (FOMC) meeting and you end up with highly volatile financial markets. Tariffs were front and center from the beginning with levies against Canada, Mexico and China going into effect at midnight on the second business day of the month. The countries responded quickly with intentions to impose counter tariffs on U.S goods. The Mexican peso and Canadian dollar plunged. Various tariffs were postponed or revised repeatedly, creating intraday knee-jerk reaction in the stock and bond markets. The FOMC voted to keep the benchmark interest rate unchanged at the target range of 4.25% to 4.50% while also downgrading economic growth and raising inflation projections.

Mortgage rates continued to follow in February's footsteps and fell for the second month. The benchmark FHLMC 30-year mortgage fell 11 basis points to 6.65%, the lowest level since December 2024. The 15-year and 30-year mortgage rates, as measured by a variety of financial institutions (including credit unions), also closed 11 basis points lower for the month at 6.10% and 6.72%, respectively. The spread between the average 30-year mortgage rate and the 10-year Treasury yield narrowed 21 basis points to 229 basis points, 53 basis points above the 54-year average spread. Average auto loan rates finished March four basis points lower at 6.94% for a 48-month loan and 7.04% for a 60-month loan. Auto loan rates are, on average, eight basis points lower from a year ago.

The equity markets were in sync with weather folklore this year as March roared in like a lion and out like a lamb. Stocks continued their slide from February as tariffs went into effect at the start of the month with promises of greater tariffs to come. Investors moved from worrying about high inflation to low economic growth, all the while trying to dissect the impact of tariffs on corporate earnings. The three key indices posted the worst week since September 2024 followed by the worst one-day selloff in the technology sector since 2022. Trillions of dollars were shaved from U.S. equity values during March due to concerns over an economic slowdown, tariffs, geopolitical risks and tech valuations. A risk-on attitude was revived near month end in hopes that the tariffs set to be imposed on April 2 might be limited. Unfortunately, the last minute rallies were not enough to save the indices from posting the worst quarter in three years. The Dow closed the month lower 4.2%, the Nasdaq fell 8.2%, and the S&P lost 5.7%. The Dow ended the first quarter down 1.3%, the Nasdaq fell 10.4%, and the S&P 500 is 4.6% lower.

FOR CREDIT UNIONS:

- The housing market recovered in February after a dismal start to the year. Sales of both existing and new homes increased as buyers were enticed into the market by slightly lower mortgage rates. The median price difference between a new and existing home has decreased about 30,000 over the past 20 years. Builders continue to offer price cuts and incentives to fuel demand.

- Consumer confidence dropped in March for the fourth consecutive month, reaching a four-year low. Consumers' expectations for future financial health were the lowest since mid-2022. The percentage of survey respondents expecting a recession rose to the highest in nine months. Consumers expressed more interest in buying large-ticket items, such as appliance and electronics, presumably to get ahead of tariff related price increases.

- Auto dealer analysts estimate the price of a new car could increase as much as $12,000 if proposed tariffs on Canada and Mexico are put in place. The cost of a crossover utility vehicle will rise by $4,000 and almost three times that much for an electric vehicle. Currently, the sticker price for new cars is up more than 20% from five years ago.

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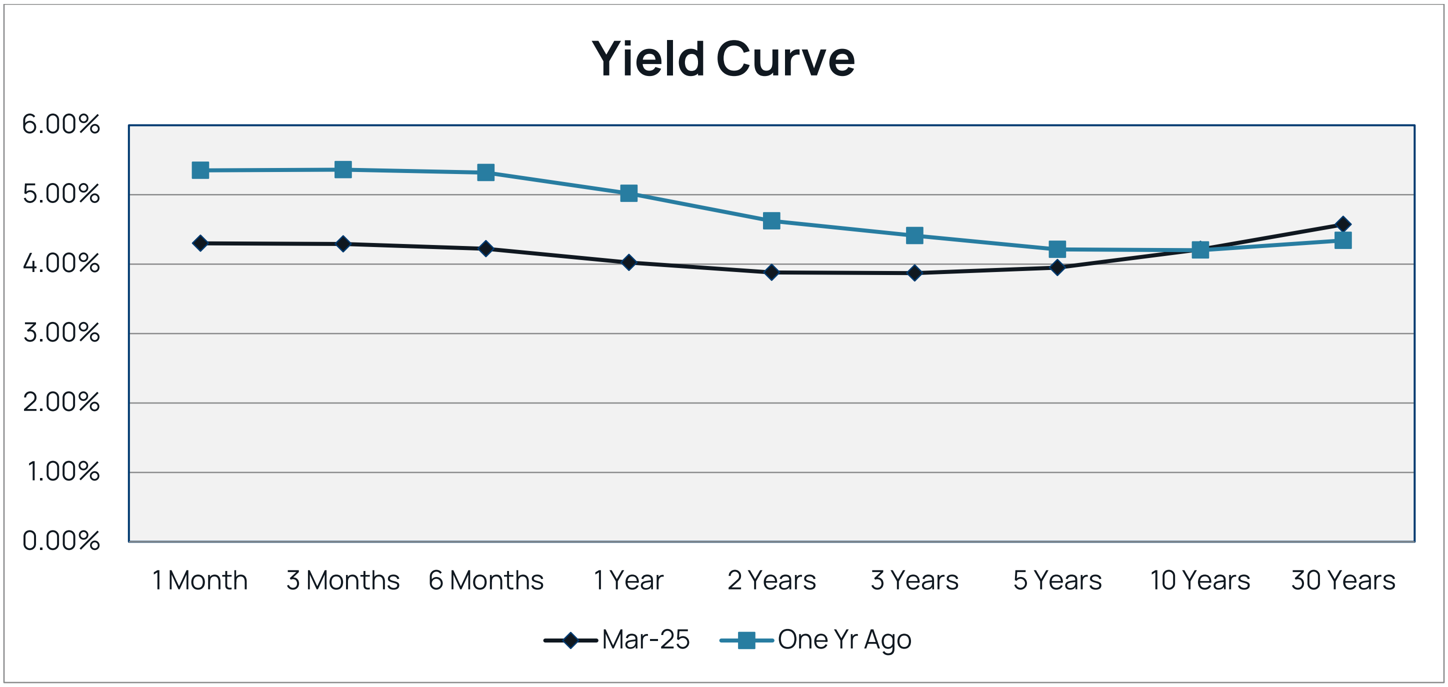
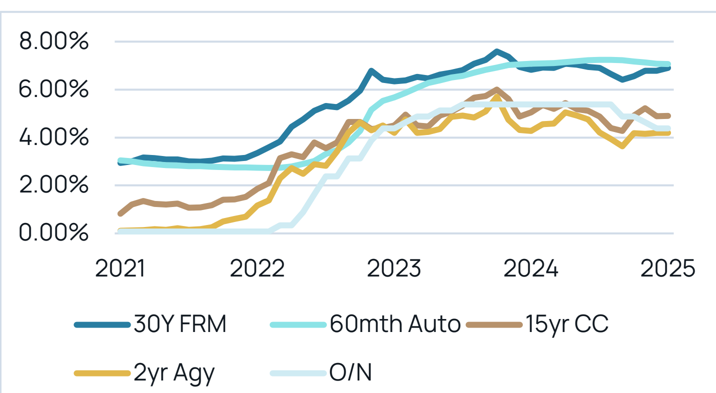


Treasury yields took a nosedive the first few days of March as tariffs were implemented on Canada and Mexico. The market switched from inflation concern to fear of low economic growth. The Trump administration's acknowledgement that there could be a "detox period" as the U.S. moves away from public spending sent investors scrambling out of equities into the safety of Treasury securities. The two-year Treasury note remained under 4% for most of the month as the Federal Reserve hinted at keeping rates steady for an extended period. Fed officials began to voice greater concerns about a slowing economy. The two-year Treasury note closed the month at 3.88%, 11 basis points lower from February and 74 basis points lower from a year ago. The 10-year note closed at 4.21%, unchanged from the month before, despite trading as high as 4.36% mid-month. The yield curve steepened 11 basis points to 33.



RELATIVE VALUE OF ASSETS AND FUNDING:

- The difference between loan and investment yields narrowed by three basis points as loan rates fell more than investment yields.
- The spread between a 60-month auto loan and a 15-year mortgage loan widened eight basis points to -94.
- CD rates were unchanged in March. Two and three-year rates are three basis points higher from a year ago, while longer dated CDs are two basis points lower.

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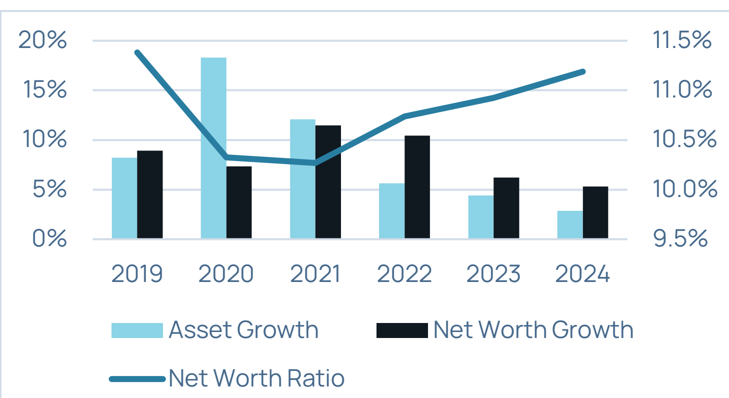
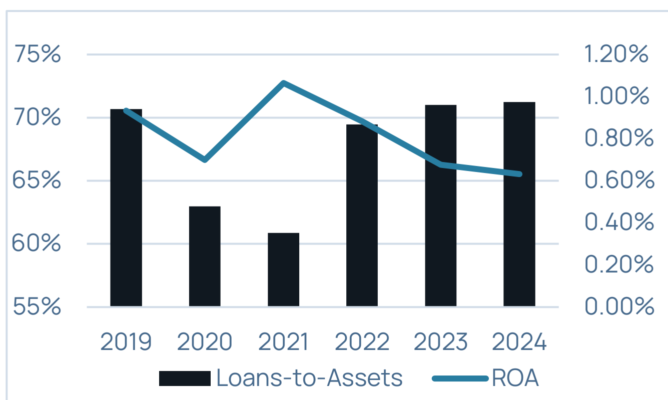
NCUA – DECEMBER 2024

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%





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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	3.60%	1.88%	1.39%	1.19%	1.17%	1.61%	1.55%
Delinquency 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%
	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

APRIL 2025

Monday	Tuesday	Wednesday	Thursday	Friday
	1 JOLTS (Feb) Construction Spending ISM Manufacturing Auto Sales 	**2** ADP Employment (Mar) ISM Services Trade Balance Factory Orders	**3** Jobless Claims Trade Balance	**4** Nonfarm Payrolls Unemployment Rate
7 Consumer Credit	**8**	**9** FOMC minutes - March	**10** Jobless Claims CPI	**11** PPI U. of Mich Sentiment (P)
14	**15** Empire Manufacturing	**16** Retail Sales Industrial Production Business Inventories	**17** Jobless Claims Housing Starts Building Permits	**18**
21	**22**	**23** New Home Sales Building Permits Fed Beige Book	**24** Jobless Claims Existing Home Sales Durable Goods Orders	**25** U. of Mich Sentiment (F)
28	**29** S&P CL Home Prices Consumer Confidence JOLTS (Mar)	**30** 4Q24 GDP Pending Home Sales Personal Income Personal Spending PCE Core Y/Y ADP (Apr)		