

Market Overview & Data Report



JULY 2025

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
ECONOMIC GROWTH				
GDP	Q1	-0.5%	-0.3%	2.8%
EMPLOYMENT				
Non-farm Payrolls (000s)	June	147	139	2,232
Private Payrolls (000s)	June	74	140	1,792
Unemployment Rate	June	4.1%	4.2%	4.1%
Avg Hourly Earnings (Y/Y)	June	3.7%	3.9%	3.9%
INFLATION				
Wholesale (Y/Y)	May	2.6%	2.4%	3.3%
Consumer (Y/Y)	May	2.4%	2.3%	2.9%
PCE Core (Y/Y)	May	2.7%	2.5%	2.8%
INCOME & SPENDING				
Retail Sales	May	-0.9%	0.1%	3.8%
Personal Income	May	-0.4%	0.8%	2.4%
Personal Spending	May	-0.1%	0.2%	3.1%
AUTO & HOUSING				
Total Auto Sales (MM)	June	15.34	15.65	16.80
New/Existing Home Sales (M/M)	May	-13.7%	10.9%	4.2%
S&P/Case Shiller HPI (Y/Y)	Apr	3.4%	4.1%	3.9%

KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 147,000 jobs for June, 31,000 more than estimated after May's totals were revised upward from 139,000 to 144,000. State and local governments added 73,000 jobs, while education and health services added 51,000. Manufacturing and professional services lost 7,000 jobs each. The unemployment rate unexpectedly fell to 4.1% due to exits from the workforce.

Inflation continues to hold steady with no aberrations after CPI rose just 0.1% month-over-month and 2.4% year-over-year. PPI rose just 0.1% MoM and 2.6% YoY, repeating a new low since February 2021. The FOMC preferred measure, CORE PCE, matched expectations, rising 2.3% YoY, and 0.2% MoM.

Retail sales fell 0.9% in May after a downwardly revised 0.1% drop for April, highlighting the continued pullback in consumer spending.

The latest revision to Q1 GDP was reduced to -0.5% as net exports were revised lower after the tariff scares.

At the close of July 3, the S&P 500 reached a new all-time high as traders pared bets for rate cuts after a solid government jobs report. The NASDAQ

Sources:

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

KEY MARKET INDICATORS	Mth End	Last Mth	12 Mth Ago
	Jun-25	May-25	Jun-24
MONEY MARKETS			
	<i>Column1</i>		
Effective Fed Funds	4.33%	4.33%	5.33%
Prime Rate	7.50%	7.50%	8.50%
3-month SOFR	4.31%	4.41%	5.33%
2-year UST	3.71%	3.62%	5.04%
10-year UST	4.22%	4.17%	4.68%
NATIONAL CU LOAN RATES			
CU 48-mth Auto	6.82%	6.92%	7.05%
CU 60-mth Auto	6.98%	7.00%	7.16%
CU 15-year Mtg	6.10%	6.14%	6.55%
CU 30-year Mtg	6.78%	6.82%	7.09%
EQUITY MARKETS			
Dow Jones Industrial Average	44094.7	42,270.1	39,308.0
NASDAQ Composite	20273.46	19,113.8	18,188.3
S&P 500	6204.95	5,911.7	5,537.0
OTHER COMMODITIES			
CRB Index	297.28	290.4	294.0
Crude Oil	65.11	60.8	76.3

Source: Bloomberg; S&P Global Market Intelligence

Market Overview & Data Report



100 hit its own all-time high during June. Traders appeared unfazed by a litany of headlines for the month including the ongoing Ukraine war, the ongoing crises in the Gaza Strip and adding an Israeli attack on Iran to cap it off. Bond markets lost about 25 basis points over the course of the month as traders interpreted friendly economic data to mean FOMC might cut rates faster than expected. The month ended with a strong jobs report and a downfall in yield losses.

On July 4, President Trump signed the One Big Beautiful Bill Act of 2025 (OBBBA) into law. The bill cleared both chambers of Congress with a tie-breaking vote from Vice President J.D. Vance in the Senate. It passed the House with a 218-214 vote upon revision from the Senate. In its final form, the bill includes \$4.5 trillion in total tax cuts over the next 10 years. Also noteworthy are significant spending cuts to Medicaid & SNAP programs, repealing large portions of green energy incentives and increasing spending for defense & immigration enforcement. Critics of the bill cite a \$2.5 trillion increase in the national debt, loss of healthcare benefits for tens of millions and a reversal of recent climate change gains.

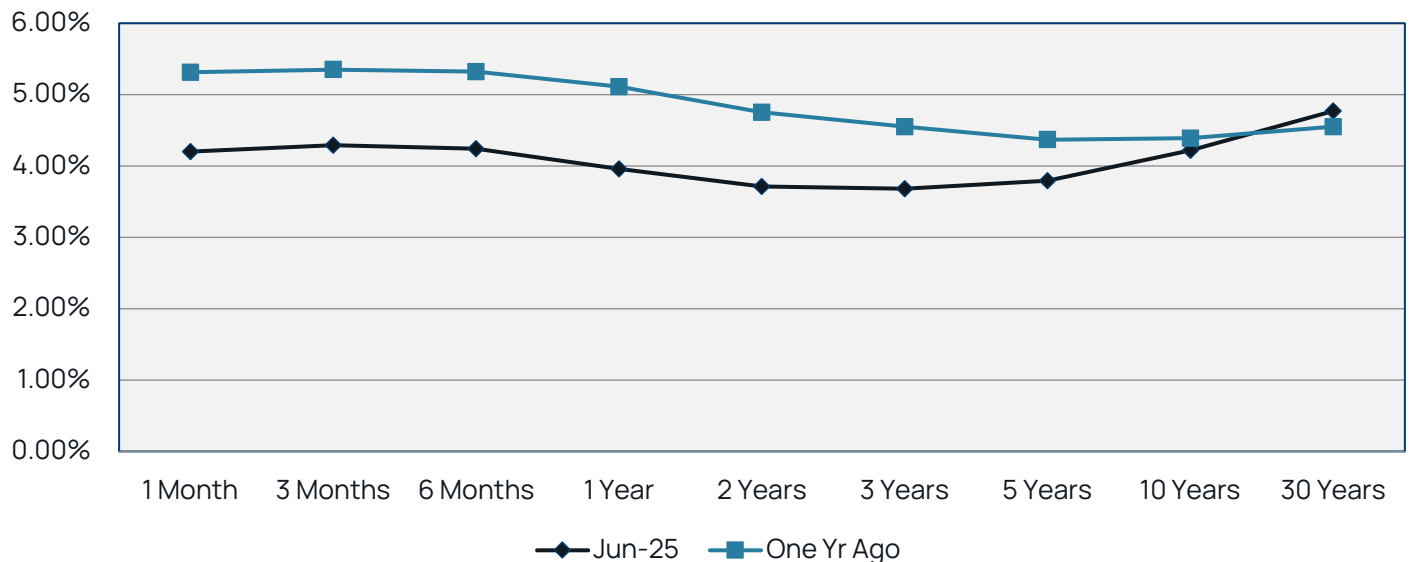
The 15-year and 30-year mortgage rates, as measured by a variety of financial institutions (including credit unions) also closed just a few basis points lower for the month at 6.11% and 6.79%, respectively. The spread between the average 30-year mortgage rate and the 10-year Treasury yield rose 2 basis points to 245 basis points, 69 basis points above the 54-year average spread. Average auto loan rates finished June a couple basis points lower at 6.80% for a 48-month loan and 6.98% for a 60-month loan. Auto loan rates are, on average, 24 basis points lower than a year ago.

The FOMC left rates in place again at the conclusion of its June meeting despite external pressure. Trump has been so bold as to say rates should be 200 basis points lower at this time. The committee also updated their Summary of Economic Projections from March, showing expectations for higher unemployment, inflation and lower GDP growth over the next two years. For the Fed Funds rate, the committee kept their 2025 year-end projections in place at 3.9%, implying at least one full cut before year end. However, Fed Funds Rates for YE 2026 and 2027 were increased to 3.6% and 3.4%, respectively. This means the FOMC would be at least two years behind Trump's preferred timeframe for rate reductions. June's strong government jobs report pushed interest rate future to price in the first cut of the year from September to October's meeting.

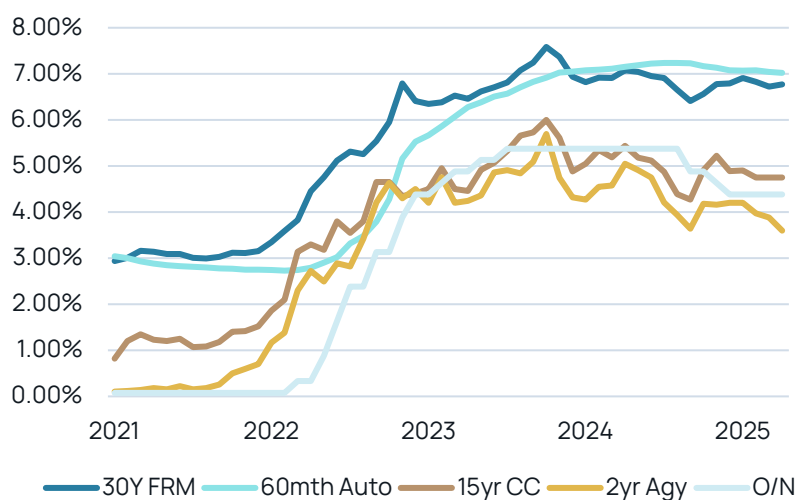
FOR CREDIT UNIONS:

- Light vehicle sales fell to 15.34 million in June, down 2% from May and down 9% from a year ago. We'd expect the trend to hold level for July before tariffs are reinstated on August 1.
- Credit unions need not fear the loss of their tax-exemption status after the Big, Beautiful Bill excluded its removal as a potential funding source for tax cuts.

Yield Curve



Treasury yields continued their volatile trend in June with a 26-basis point swing on the 10-year note to close the month at 4.24%, from a high of 4.51% on June 6. The two-year note saw an even bigger change, going from a peak of 4.04% on the same day and closing the month at 3.72%. Treasury yields began their downward trajectory in the wake of Israel's attack on Iran after a brief spike in oil prices had traders seeking havens. Subdued inflation reports kept yields falling as bets for rate cuts slowly increased over the course of the month, at least until the government jobs report showed the trade war has yet to hit the labor market. As of this writing, interest rate futures have moved the first rate cut of the year back to the October meeting.



RELATIVE VALUE OF ASSETS AND FUNDING:

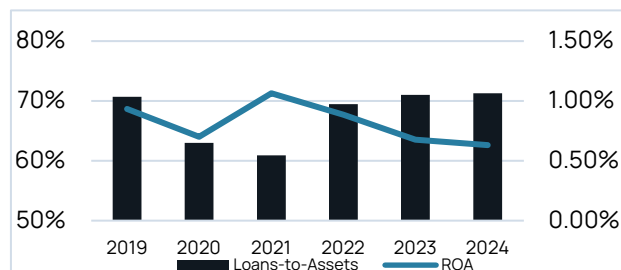
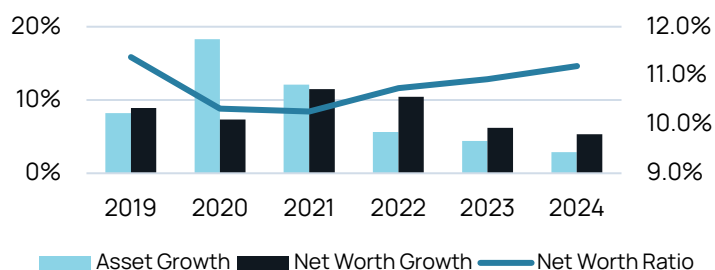
- The difference between loan and investment yields rose by 9 basis points to 2.58% as Treasury yields fell faster than loan rates.
- The spread between a 60-month auto loan and a 15-year mortgage loan rose to 222 basis points.
- CD rates stayed near previous levels, with just a one or two basis point difference from the previous month.

Market Overview & Data Report



NCUA - MARCH 2025

KEY CREDIT UNION DATA	2020	2021	2022	2023	2024	2025
GROWTH RATES						
Total Assets	18.31%	12.07%	5.63%	4.42%	2.84%	10.95%
Total Loans	5.44%	8.24%	20.49%	6.72%	3.16%	2.57%
Total Shares	20.89%	13.03%	3.84%	2.05%	4.72%	13.07%
Net Worth	7.33%	11.48%	10.44%	6.21%	5.32%	6.51%
CAPITAL ADEQUACY						
Net Worth Ratio	10.32%	10.27%	10.74%	10.92%	11.19%	11.07%
Equity Capital Ratio	10.34%	9.99%	8.77%	9.11%	9.66%	9.75%
Capital Ratio	11.04%	10.52%	9.31%	10.02%	10.60%	10.66%
BALANCE SHEET COMPOSITION						
Loans/Assets	62.99%	60.88%	69.45%	71.02%	71.25%	69.80%
Vehicle Loans/Net Loans	33.04%	32.50%	32.49%	31.49%	29.67%	29.43%
RE Loans/Net Loans	52.25%	52.80%	44.21%	44.83%	46.19%	46.44%
1st Mtg Loans/Net Loans	44.90%	45.97%	39.20%	39.20%	39.77%	39.82%
Commercial Loans/Net Loans	8.29%	9.07%	9.38%	10.01%	10.80%	11.00%
LIQUIDITY POSITION						
Cash & Short-Term Invs/Assets	18.44%	17.16%	10.17%	11.47%	12.20%	13.42%
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%	24.97%
Net Long-term Assets/Assets	35.58%	34.77%	39.48%	37.10%	35.75%	35.05%
LOAN QUALITY						
Delinquency Rate	0.62%	0.51%	0.67%	0.85%	0.99%	0.80%
Net Charge-off Rate	0.30%	0.16%	0.22%	0.43%	0.57%	0.58%
EARNINGS						
Investment Yield	1.35%	0.89%	1.63%	3.05%	3.79%	3.50%
Loan Yield	4.71%	4.37%	4.43%	5.25%	5.84%	5.98%
Asset Yield	3.53%	3.02%	3.38%	4.44%	5.06%	5.07%
Cost of Funds	0.70%	0.43%	0.52%	1.42%	1.93%	1.83%
Gross Net Margin	2.83%	2.59%	2.87%	3.02%	3.13%	3.24%
Provision Expense	-0.50%	-0.06%	-0.26%	-0.51%	-0.62%	-0.56%
Net Interest Margin	2.33%	2.53%	2.61%	2.51%	2.50%	2.68%
Net Operating Expense	1.63%	1.47%	1.73%	1.83%	1.88%	2.01%
Net Income (Return on Assets)	0.70%	1.06%	0.88%	0.68%	0.63%	0.67%



Market Overview & Data Report



PEER STATISTICS

	<\$2M	\$2-10M	\$10-50M	\$50-100M	\$100-500M	\$500M+	Total
Industry Statistics							
Average Asset Size (000s)	\$883	\$5,589	\$26,430	\$72,511	\$229,835	\$2,749,721	\$424,957
Pct of Number of Credit Unions	5.88%	13.03%	26.97%	13.50%	23.97%	16.65%	100%
Pct of Industry Assets	0.03%	0.16%	0.75%	2.09%	6.75%	86.61%	100%
GROWTH RATES							
Total Assets	4.83%	5.24%	9.12%	10.58%	10.94%	10.99%	10.95%
Total Loans	-14.67%	-6.97%	-4.63%	-2.50%	0.08%	3.01%	2.57%
Total Shares	3.12%	6.26%	9.70%	11.28%	12.03%	13.30%	13.07%
Net Worth	1.03%	1.23%	5.78%	5.74%	5.94%	6.64%	6.51%
CAPITAL ADEQUACY							
Net Worth Ratio	21.15%	18.33%	13.91%	13.05%	11.59%	10.91%	10.32%
Equity Capital Ratio	21.11%	18.16%	13.63%	12.46%	10.54%	9.52%	10.34%
Capital Ratio	22.52%	18.90%	14.12%	12.92%	11.08%	10.50%	11.04%
BALANCE SHEET COMPOSITION							
Loans/Assets	45.01%	51.03%	50.27%	53.93%	62.62%	71.34%	69.80%
Vehicle Loans/Net Loans	64.57%	68.49%	52.75%	44.28%	36.60%	28.13%	29.43%
RE Loans/Net Loans	0.85%	6.57%	28.75%	38.03%	42.74%	47.22%	46.44%
1st Mtg Loans/Net Loans	0.81%	5.53%	24.88%	31.87%	36.08%	40.55%	39.82%
Commercial Loans/Net Loans	0.29%	0.63%	1.29%	3.40%	8.02%	11.56%	11.00%
LIQUIDITY POSITION							
Cash & Short-Term Invs/Assets	45.63%	34.10%	28.00%	23.62%	17.66%	12.42%	13.42%
Borr. & NM Deposits/Shares & Liab.	2.79%	1.71%	1.12%	1.47%	2.83%	5.65%	5.22%
Net Liquid Assets/Shares & Liab.	59.46%	51.13%	45.46%	43.89%	34.29%	23.12%	24.97%
Net Long-term Assets/Assets	3.61%	7.30%	19.49%	26.09%	31.93%	35.91%	35.05%
LOAN QUALITY							
Delinquency Rate	3.59%	1.83%	1.25%	1.04%	1.01%	1.43%	1.38%
Net Charge-off Rate	3.15%	1.50%	1.02%	0.79%	0.71%	0.80%	0.80%
	0.44%	0.33%	0.24%	0.26%	0.31%	0.62%	0.58%
EARNINGS							
Investment Yield	2.44%	3.15%	3.25%	3.20%	3.21%	3.57%	3.50%
Loan Yield	7.56%	6.91%	6.23%	6.11%	5.99%	5.97%	5.98%
Asset Yield	4.80%	5.05%	4.64%	4.62%	4.78%	5.12%	5.07%
Cost of Funds	0.65%	0.87%	0.92%	1.03%	1.35%	1.92%	1.83%
Gross Net Margin	4.15%	4.18%	3.72%	3.58%	3.43%	3.20%	3.24%
Provision Expense	-0.34%	-0.40%	-0.24%	-0.29%	-0.32%	-0.60%	-0.56%
Net Interest Margin	3.81%	3.78%	3.48%	3.29%	3.11%	2.60%	2.68%
Net Operating Expense	3.11%	3.47%	2.77%	2.62%	2.45%	1.93%	2.01%
Net Income (Return on Assets)	0.70%	0.31%	0.71%	0.67%	0.66%	0.67%	0.67%
EFFICIENCY METRICS							
Avg Loan Balance	\$5,647	\$9,147	\$4,011	\$6,741	\$11,298	\$21,502	\$18,551
Avg Share Per Member	\$2,433	\$5,252	\$9,244	\$10,920	\$12,900	\$14,544	\$14,118
Avg Compensation per FTE	\$25,885	\$46,447	\$72,583	\$79,130	\$86,617	\$112,923	\$107,086
Comp & Benefits-to-Total Assets	2.30%	2.14%	1.68%	1.71%	1.81%	1.59%	1.62%
Pct of Total Operating Expense	64%	67%	68%	70%	73%	75%	74%
Office Occ & Ops-to-Total Assets	0.27%	0.18%	0.21%	0.23%	0.23%	0.17%	0.18%
Pct of Total Operating Expense	17%	14%	21%	24%	25%	24%	24%

ECONOMIC CALENDAR

JULY 2025

Monday	Tuesday	Wednesday	Thursday	Friday
	1 ISM Manufacturing JOLTs Job Openings Ward Total Vehicle Sales	2 Challenger Jobs Cuts ADP Employment Change	3 Nonfarm payrolls Jobless claims Trade Balance ISM Services	4 
7	8 NY Fed 1 yr Inflation Expectations	9 Wholesale trade FOMC Meeting Minutes	10 Jobless claims	11 Federal Budget Balance
14	15 CPI Hourly earnings	16 PPI	17 Retail sales Jobless claims Import/Export prices	18 Housing starts Building permits U of Michigan Surveys
21	22	23 Existing home sales	24 Jobless claims New home sales	25
28	29 JOLTs jobs openings Case- Schiller Housing Index	30 FOMC Rate Decision ADP Employment Change Q2 GDP estimate	31 Jobless claims Core PCE Personal spending	

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.