

# Market Overview & Data Report



**AUGUST 2025**

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2024
<b>ECONOMIC GROWTH</b>				
GDP	Q2	3.0%	-0.5%	2.8%
<b>EMPLOYMENT</b>				
Non-farm Payrolls (000s)	July	73	147	2,232
Private Payrolls (000s)	July	83	74	1,792
Unemployment Rate	July	4.2%	4.1%	4.1%
Avg Hourly Earnings (Y/Y)	July	3.9%	3.7%	3.9%
<b>INFLATION</b>				
Wholesale (Y/Y)	June	2.3%	2.6%	3.3%
Consumer (Y/Y)	June	2.7%	2.4%	2.9%
PCE Core (Y/Y)	June	2.8%	2.7%	2.8%
<b>INCOME &amp; SPENDING</b>				
Retail Sales	June	0.6%	-0.9%	3.8%
Personal Income	June	0.3%	-0.4%	2.4%
Personal Spending	June	0.3%	-0.1%	3.1%
<b>AUTO &amp; HOUSING</b>				
Total Auto Sales (MM)	June	15.34	15.65	16.80
New/Existing Home Sales (M/M)	June	0.6%	-13.7%	4.2%
S&P/CaseShiller HPI (Y/Y)	May	2.8%	3.4%	3.9%

Sources:

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

## KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 73,000 nonfarm payroll jobs, 31,000 fewer than consensus estimates. Private payrolls fell 17,000 short of estimates, reporting 83,000 new jobs. Manufacturing lost 11,000 jobs. The unemployment rate rose back to 4.2% due to exits from the workforce. Downward revisions showed 258,000 fewer new jobs in the last two months, resulting in a net gain of just 35,000 jobs per month in the last three months.

Inflation is starting to rear its ugly head again after CPI and PPI posted flat or muted changes. CORE PCE was reported higher than expected at 2.8%, one of the highest sprints of the year so far. The figure rose just 0.3% MoM, matching a commensurate increase in personal income and spending.

Equity markets spent the month of July rallying because they could. Retail investors remain the impetus of recent equity action as institutional investors have started to pull back. The S&P 500 and NASDAQ indices hit new all-time

KEY MARKET INDICATORS	Mth End Jul-25	Last Mth Jun-25	12 Mth Ago Jul-24
<b>MONEY MARKETS</b>			
Effective Fed Funds	4.33%	4.33%	5.33%
Prime Rate	7.50%	7.50%	8.50%
3-month SOFR	4.34%	4.31%	5.33%
2-year UST	3.95%	3.71%	4.25%
10-year UST	4.37%	4.22%	4.02%
<b>NATIONAL CU LOAN RATES</b>			
CU 48-mth Auto	6.87%	6.82%	7.07%
CU 60-mth Auto	6.97%	6.98%	7.24%
CU 15-year Mtg	6.05%	6.10%	6.38%
CU 30-year Mtg	6.73%	6.78%	6.89%
<b>EQUITY MARKETS</b>			
Dow Jones Industrial Average	44130.98	44094.7	40,348.0
NASDAQ Composite	21122.45	20273.46	17,194.1
S&P 500	6339.39	6204.95	5,446.7
<b>OTHER COMMODITIES</b>			
CRB Index	299.78	297.28	273.6
Crude Oil	69.26	65.11	71.1

Source: Bloomberg; S&P Global Market Intelligence

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highs in the last week of the month while the Dow fell just short of a new record. Sadly, equities did an about-face in the wake of the government jobs report on Aug. 1, with each index dropping several percentage points as of this writing. The rally had been driven by optimism of reduced rates and trade deals, despite limited news or indicators that might logically drive that conclusion. July ended with interest rate futures pricing in the first cut of the year in December. However, the jobs report changed that overnight, with markets pricing in two full 25 basis points (bps) cuts before year-end.

President Trump's Aug. 1 deadline for tariff deals came and went with only 8 trade deals worked out in the 120 days since Liberation Day. One deal comprised of the 27-member European Union. Trump signed an executive order behind closed doors on July 31 to implement the full reciprocal tariff levels first mentioned in April. The order raises the average tariff level on U.S. trading partners to 15.2%, from its current level of 13.3%. Levies range from 10% to 41% depending on the trade partner. Trump is also expected to unveil separate unilateral tariffs on pharmaceuticals, semiconductors and precious metals. This means there's still uncertainty for markets to parse out in the meantime.

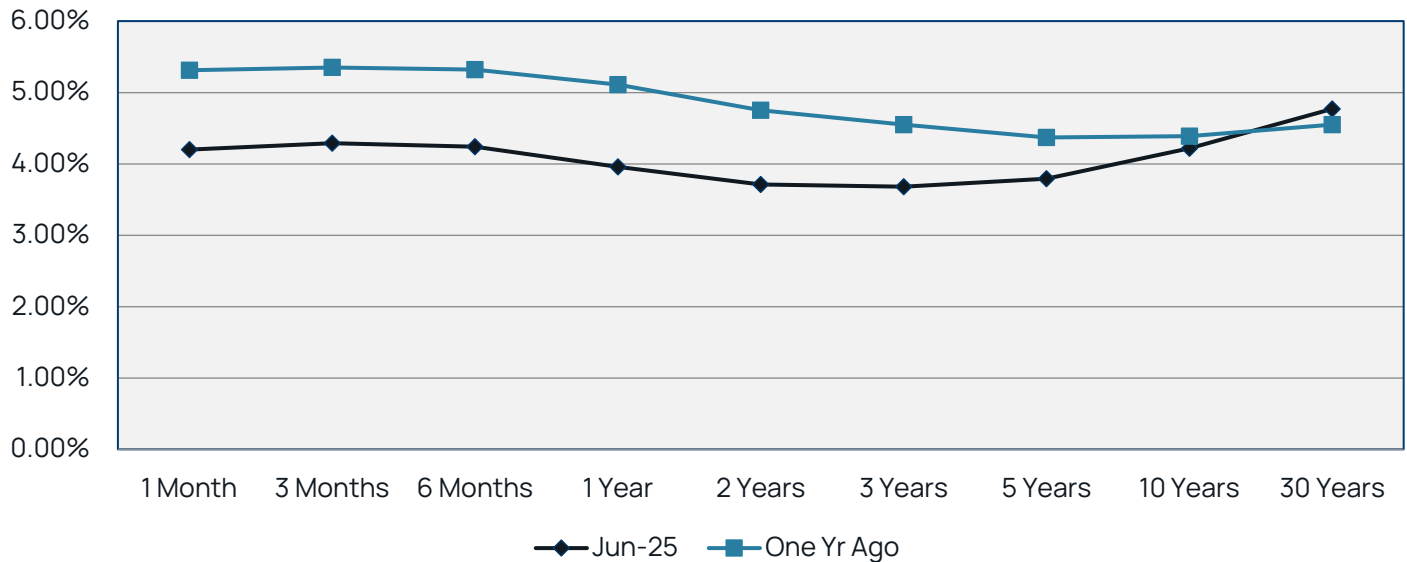
The 15- and 30-year mortgage rates, measured by a variety of financial institutions (including credit unions) closed just a few bps lower for the month at 6.05% and 6.73%, respectively. The spread between the average 30-year mortgage rate and the 10-year Treasury yield shrank 9 bps to 236 bps, 60 bps above the 54-year average spread. Average auto loan rates finished June within their recent range at 6.87% for a 48-month loan and 6.97% for a 60-month loan. Auto loan rates are, on average, 27 bps lower than a year ago.

The FOMC concluded their July meeting as most expected, leaving their target rate in its current range of 4.25%-4.50%. Notably, for the first time since 1993, the committee had two dissenters on the decision. Fed governors Christopher Waller and Michelle Bowman (two potential picks to replace Jerome Powell when his term is over) dissented in favor of a 25 bp rate cut. Powell's press conference and subsequent meeting notes downgraded their description of the U.S. economy, noting that "growth of economic activity moderated in the first half of the year," but maintains "labor market conditions have remained solid" and inflation "remains somewhat elevated." The notes also repeat that uncertainty about the economic outlook "remains elevated," and removed previous language that uncertainty "has diminished," implying that it has increased. We'll get an updated dot plot and Summary of Economic Projections at the September meeting.

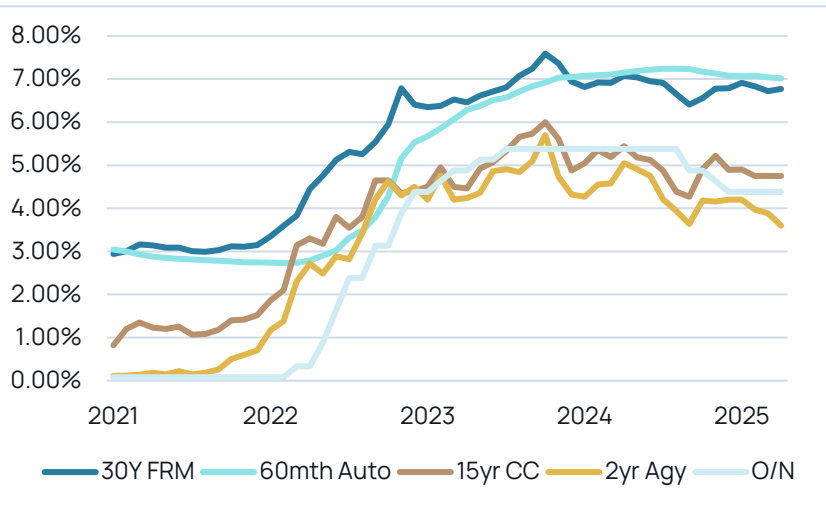
## **FOR CREDIT UNIONS:**

- Edmunds reported that average car buyers were \$6,835 underwater on their trade-ins, while paying \$48,699 for the average new car. 17% of new auto loans are 84-month terms or longer, with average payments over \$1,000/month, comprising the largest percentage of recent auto loan issuance.
- VantageScore reported financial stress is evident across all income spectrums, with delinquencies on auto loans and credit cards for those making over \$150,000 rising 20% in the last 2 years, faster than middle- and lower-income borrowers.

## Yield Curve



Treasury yields spent the calendar month of July on a slight uptick with some volatility mixed in. Overall, the two-year note rose 18 bps as bets for rate cuts waned throughout the month, while the 10-year note rose just 13 bps over the month. Bond prices held within a certain range until the morning of Aug. 1 when a lackluster jobs report re-calibrated market expectations for the remainder of the year and yields dropped approximately 20 bps across the curve. Powell devoted a significant portion of his post-meeting press conference towards assuring everyone that the labor market was stable, which was almost immediately contradicted by the government jobs report and significant downward revisions from the last 3 months. With bets for rate cuts likely to increase in coming months and weeks we might start to see more downward pressure on front-end yields, which means lock in what rates you can while you can.



### RELATIVE VALUE OF ASSETS AND FUNDING:

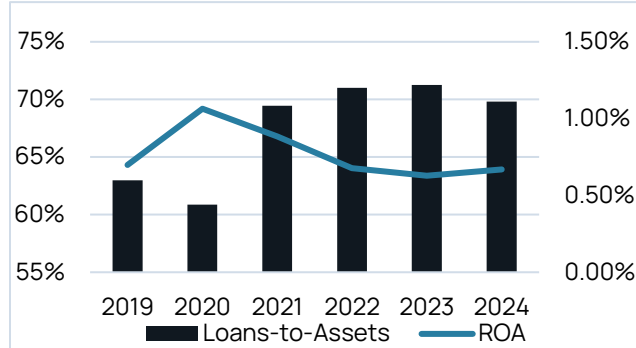
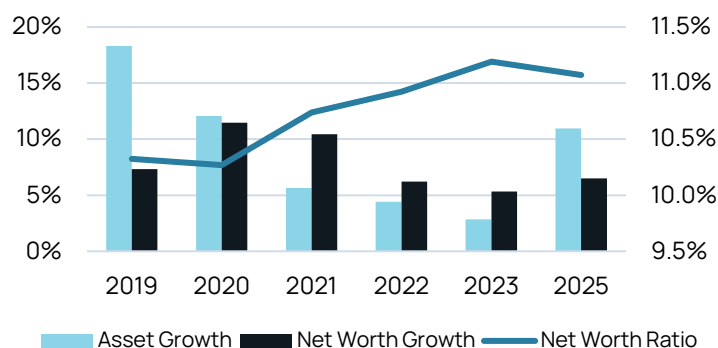
- The difference between loan and investment yields fell by 24 bps to 2.34% as Treasury yields fell rose faster than loans re-priced.
- The spread between a 60-month auto loan and a 15-year mortgage loan fell to 182 bps.
- CD rates stayed near previous levels, with just a one or two basis point difference from the previous month.

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## NCUA - MARCH 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%	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%
<b>CAPITAL ADEQUACY</b>						
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%
<b>BALANCE SHEET COMPOSITION</b>						
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%
<b>LIQUIDITY POSITION</b>						
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%
<b>LOAN QUALITY</b>						
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%
<b>EARNINGS</b>						
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%



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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)	\$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%
<b>GROWTH RATES</b>							
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%
<b>CAPITAL ADEQUACY</b>							
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%
<b>BALANCE SHEET COMPOSITION</b>							
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%
<b>LIQUIDITY POSITION</b>							
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%
<b>LOAN QUALITY</b>							
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%
<b>EARNINGS</b>							
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%
<b>EFFICIENCY METRICS</b>							
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

### AUGUST 2025

Monday	Tuesday	Wednesday	Thursday	Friday
				<b>1</b> Nonfarm payrolls Hourly earnings ISM data U. of Mich. data
<b>4</b> Factory orders Durable goods Capital goods	<b>5</b> Trade balance S&P PMI ISM services	<b>6</b> MBA mortgage apps	<b>7</b> Jobless claims Consumer credit	<b>8</b>
<b>11</b>	<b>12</b> CPI	<b>13</b> MBA mortgage apps	<b>14</b> PPI Jobless claims	<b>15</b> Retail sales Import/export prices U. of Mich data
<b>18</b> NY Fed Services	<b>19</b> Housing starts Building permits	<b>20</b> MBA mortgage apps FOMC meeting minutes	<b>21</b> Jobless claims S&P PMI Existing home sales	<b>22</b>
<b>25</b> New home sales Dallas Fed manufacturing	<b>26</b> Durable/capital goods Corelogic CS Home Price Index Conf. Board consumer expectations	<b>27</b> MBA mortgage apps	<b>28</b> Q2 GDP revision Jobless claims Pending home sales	<b>29</b> Personal income Personal spending CORE PCE U. of Mich data

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