

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2022
<b>ECONOMIC GROWTH</b>				
GDP	Q2	2.4%	2.0%	2.1%
<b>EMPLOYMENT</b>				
Non-farm Payrolls (000s)	Jul	187	185	4,814
Private Payrolls (000s)	Jul	172	128	4,555
Unemployment Rate	Jul	3.5%	3.6%	3.4%
Avg Hourly Earnings (Y/Y)	Jul	4.4%	4.4%	4.4%
<b>INFLATION</b>				
Wholesale (Y/Y)	Jun	0.1%	0.9%	6.2%
Consumer (Y/Y)	Jun	3.0%	4.0%	7.1%
PCE Core (Y/Y)	Jun	4.1%	4.6%	4.4%
<b>INCOME &amp; SPENDING</b>				
Retail Sales	Jun	0.2%	0.5%	9.2%
Personal Income	Jun	0.3%	0.5%	2.1%
Personal Spending	Jun	0.5%	0.2%	9.2%
<b>AUTO &amp; HOUSING</b>				
Total Auto Sales (MM)	Jul	15.74	15.68	13.31
New/Existing Home Sales (M/M)	Jun	-3.2%	0.9%	-33.0%
S&P/Case Shiller HPI (Y/Y)	May	-0.5%	-0.1%	5.8%

Sources:

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

KEY MARKET INDICATORS	Mth End	Last Mth	12 Mth Ago
	Jul-23	Jun-23	Jul-22
<b>MONEY MARKETS</b>			
Effective Fed Funds	5.33%	5.08%	2.32%
Prime Rate	8.50%	8.25%	5.50%
3-month LIBOR	5.09%	4.99%	1.11%
2-year UST	4.88%	4.90%	2.88%
10-year UST	3.96%	3.84%	2.65%
<b>NATIONAL CU LOAN RATES</b>			
CU 48-mth Auto	6.48%	6.41%	4.28%
CU 60-mth Auto	6.57%	6.51%	4.38%
CU 15-year Mtg	6.27%	6.16%	4.80%
CU 30-year Mtg	6.81%	6.71%	5.50%
<b>EQUITY MARKETS</b>			
Dow Jones Industrial Average	35,559.5	34,407.6	32,845.1
NASDAQ Composite	14,346.0	13,787.9	12,390.7
S&P 500	4,589.0	4,450.4	4,130.3
<b>OTHER COMMODITIES</b>			
CRB Index	282.2	261.9	289.0
Crude Oil	81.8	70.5	85.5

## KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 187,000 jobs in July. This is the second month in a row with less than 200,000 jobs created. The unemployment rate fell for the third consecutive month. The service sector added the bulk of the jobs, with goods only adding 18,000. Wages rose at the same pace as in June. The data suggests the economy is stabilizing after the post-pandemic labor shortages.

Year-over-year measures of inflation fell to the lowest levels in more than two years in June. More importantly, the monthly pace of core consumer prices rose the slowest since 2021, causing some economists to suggest the economy is in a stage of disinflation. Housing accounted for 70% of the rise in CPI. Prices moderated or fell in key categories, including food, new and used vehicles, airfares and apparel.

Retail sales were weaker than expected in June but were revised higher for May. Sales increased in seven out of 13 retail categories, including electronics stores, furniture outlets and non-store retailers (i.e., internet sales). The value of purchases declined at building materials stores, gas stations and grocery stores. Auto sales were up 0.3%, the third gain in a row, albeit the smallest.

The U.S. economy grew 2.4% in the second quarter, better than expected and the best since the end of 2022. Consumer and business spending fueled the growth. Consumer spending was focused more on services than goods. Business spending rose at the fastest pace in more than a year. Residential investment fell for the ninth quarter in a row.

The financial markets rode a rollercoaster in early July. A strong June job report pushed yields to the highest levels in three months, only to have weak inflation data pull yields down 40 basis points a week later. Market leaders opined that the Federal Reserve should consider the war on inflation has been won and stop raising interest rates. The Federal Reserve officials, on the other hand, continued expressing the importance of not stopping too soon and risking inflation moving even higher. Not surprisingly, the Federal Open Market Committee (FOMC) voted unanimously to increase the benchmark rate 25 basis points to a range of 5.25% - 5.50%. This was the 11th increase in 12 meetings and brought the rate to the highest level in 22 years. Federal Reserve Chair Jerome Powell reinforced the committee's strategy to continue evaluating incoming data and make rate decisions at each meeting going forward, rather than have a preset schedule for raising interest rates. There is currently an equal chance for a rate increase or to hold rates steady at the September FOMC meeting with no chance for rate cuts this year.

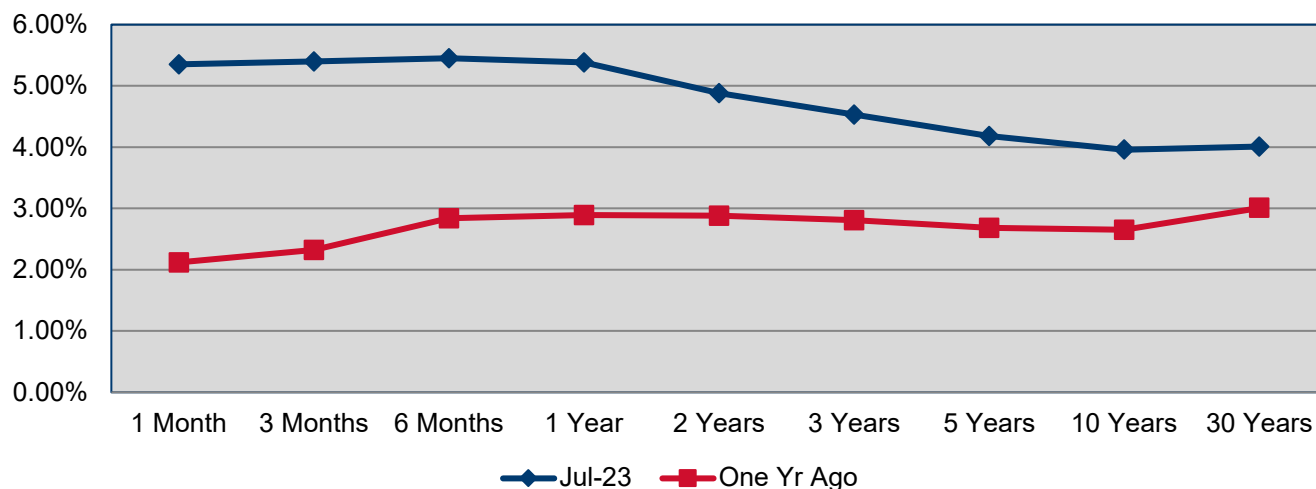
Mortgage rates rose and then fell during July, matching the pattern of the 10-year Treasury yield. By the end of the month, both mortgage rates and longer-dated Treasury yields were higher from June by an average 11 basis points. The average 15-year mortgage rate, as measured by a variety of financial institutions, closed at 6.27%. The similarly measured 30-year mortgage rate finished the month at 6.81%. The Mortgage Bankers Association's 30-year contract mortgage rate climbed to 7.07% mid-month before closing the month at 6.87%. The average 48- and 60-month auto loan rates rose seven basis points to 6.48% and 6.71% respectively. Auto loan rates are 220 basis points higher than a year ago.

The equity market moved higher for almost the entire month of July, save for just a few days. The three key indices benefited from a run of better-than-expected quarterly earnings. Over 80% of companies reported earnings beat consensus estimates. The Dow tried to break a 126-year winning streak, coming up shy by one day. In the end, the Dow closed in the black for 13 consecutive days, the best streak since 1987. The S&P 500 index posted its fifth consecutive month of gains. The technology sector, the star of the year, faltered toward the end of the month after Netflix reported lower than expected second quarter revenue, but it wasn't enough to hurt the sector as a whole, up 46% this year. Investors continue to pour money into equities as the fear of economic recession fades. For the month, the Dow increased 3.1%, the Nasdaq gained 4.1% and the S&P 500 rose 3.1%. Year-to-date, the Dow is up 7.3%, the Nasdaq is ahead 37.1% and the S&P 500 is up 19.2%.

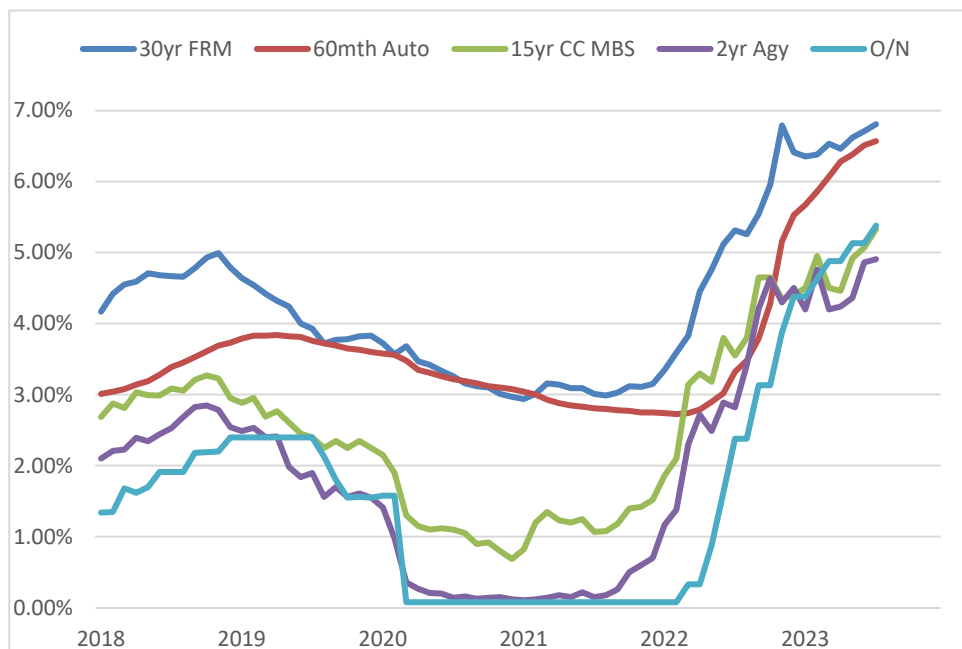
### **For Credit Unions:**

- The housing market continues to stumble, even as demand remains strong. In June, existing home sales fell for the fourth month this year. Inventory remained at the lowest level on record while the median price rose 3.5% to the second highest since records began in 1999. High mortgage rates are deterring homeowners from selling. Construction on new homes also fell in June as builders faced higher costs. Buyer traffic for new homes is at the highest level in three years.
- Wages are rising faster than inflation for the first time in two years. Inflation-adjusted average hourly wages rose 1.2% in June, giving Americans a buffer against rising costs. At the same time, people have roughly 10%--15% more in their bank accounts than they did in 2019, according to a JPMorgan Chase analysis of 9 million Chase customers' checking and savings accounts. But compared to the peak in 2021, median account balances have dipped more than 41%.
- Consumer confidence continued to improve in July. The Conference Board Consumer Confidence index rose to 117, the highest level in two years. The gauge of current conditions improved to the strongest level in over three years. The upbeat outlook was felt across age groups and among income levels, both under \$50,000 and above \$100,000.

## Yield Curve



The June jobs report released at the start of July pushed yields higher. The two-year Treasury yield climbed to 5.11%, the highest intraday level since 2007, but failed to post a closing yield above 4.99%. The 10-year yield managed to close at 4.07% early in the month (the highest level since March) before staying under 4% for most of the month. Yields fluctuated throughout the month as the financial markets contemplated the Fed ending rate hikes, falling inflation and the Fed continuing tighter monetary policy due to the resiliency of the economy and consumer. The two-year Treasury note yield closed July two basis points lower than June, ending the month at 4.88%. The 10-year Treasury note yield closed at 3.96%, 12 basis points higher than June. The yield curve closed at -92 basis points: 14 basis points less inverted.

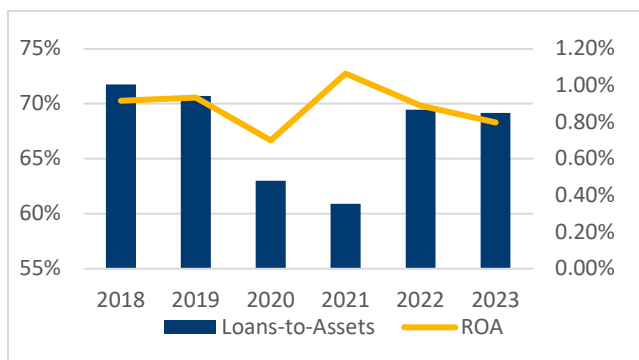
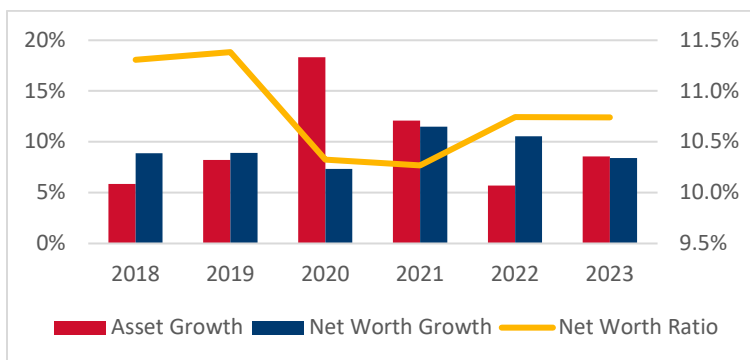


### Relative Value of Assets and Funding:

- The difference between loan and investment yields narrowed seven basis points. Loan rates rose eight basis points. Rates on investments increased 15 basis points.
- The spread between a 60-month auto loan and a 15-year mortgage loan narrowed by five basis point to -30 basis points.
- CD rates increased an average of four basis points in July. One-year rates increased the most. Rates are 108 basis points higher than a year ago.

## NCUA – March 2023

KEY CREDIT UNION DATA	2018	2019	2020	2021	2022	2023
<b>GROWTH RATES</b>						
Total Assets	5.85%	8.20%	18.31%	12.07%	5.67%	8.56%
Total Loans	9.51%	6.58%	5.44%	8.24%	20.53%	6.78%
Total Shares	5.68%	8.61%	20.89%	13.03%	3.88%	9.08%
Net Worth	8.85%	8.91%	7.33%	11.48%	10.53%	8.40%
<b>CAPITAL ADEQUACY</b>						
Net Worth Ratio	11.31%	11.38%	10.32%	10.27%	10.74%	10.74%
Equity Capital Ratio	10.92%	11.24%	10.34%	9.99%	8.77%	8.75%
Capital Ratio	11.55%	11.85%	11.04%	10.52%	9.31%	9.53%
<b>BALANCE SHEET COMPOSITION</b>						
Loans/Assets	71.76%	70.69%	62.99%	60.88%	69.45%	69.15%
Vehicle Loans/Net Loans	35.35%	34.12%	33.04%	32.50%	32.49%	32.61%
RE Loans/Net Loans	49.80%	50.86%	52.25%	52.80%	44.21%	44.35%
1st Mtg Loans/Net Loans	41.27%	42.55%	44.90%	45.98%	39.21%	39.22%
Commercial Loans/Net Loans	6.96%	7.54%	8.29%	9.07%	9.38%	9.57%
<b>LIQUIDITY POSITION</b>						
Cash & Short-Term Invs/Assets	11.37%	12.85%	18.44%	17.16%	10.14%	11.41%
Borr. & NM Deposits/Shares & Liab.	5.46%	4.75%	3.39%	2.97%	6.06%	6.26%
Net Liquid Assets/Shares & Liab.	20.68%	22.15%	30.36%	33.08%	23.82%	25.02%
Net Long-term Assets/Assets	34.49%	34.40%	34.65%	39.44%	51.43%	50.96%
<b>LOAN QUALITY</b>						
Delinquency Rate	0.74%	0.72%	0.62%	0.51%	0.67%	0.53%
Net Charge-off Rate	0.41%	0.40%	0.30%	0.16%	0.22%	0.36%
<b>EARNINGS</b>						
Investment Yield	2.04%	2.37%	1.35%	0.89%	1.63%	2.68%
Loan Yield	4.69%	4.90%	4.71%	4.37%	4.44%	4.88%
Asset Yield	3.82%	4.06%	3.53%	3.02%	3.39%	4.07%
Cost of Funds	0.69%	0.89%	0.70%	0.43%	0.52%	1.05%
Gross Net Margin	3.13%	3.17%	2.83%	2.59%	2.87%	3.01%
Provision Expense	-0.46%	-0.43%	-0.50%	-0.06%	-0.25%	-0.40%
Net Interest Margin	2.67%	2.74%	2.33%	2.53%	2.62%	2.61%
Net Operating Expense	1.76%	1.81%	1.63%	1.47%	1.73%	1.82%
Net Income (Return on Assets)	0.92%	0.93%	0.70%	1.06%	0.89%	0.80%



## Peer Statistics

	<\$2M	\$2-10M	\$10-50M	\$50-100M	\$100-500M	\$500M+	Total
<b>Industry Statistics</b>							
Average Asset Size (000s)	\$908	\$5,672	\$26,402	\$73,020	\$230,339	\$2,616,170	\$341,486
Pct of Number of Credit Unions	6.15%	13.91%	28.12%	13.91%	22.89%	15.02%	100.00%
Pct of Industry Assets	0.03%	0.17%	0.80%	2.24%	7.23%	88.45%	100.00%
<b>GROWTH RATES</b>							
Total Assets	-3.04%	-2.45%	1.34%	3.81%	6.77%	9.09%	8.56%
Total Loans	5.23%	6.99%	7.48%	6.46%	5.90%	6.88%	6.78%
Total Shares	-3.30%	-2.91%	1.49%	3.92%	7.27%	9.65%	9.08%
Net Worth	6.31%	1.74%	4.88%	6.81%	8.09%	8.58%	8.40%
<b>CAPITAL ADEQUACY</b>							
Net Worth Ratio	18.82%	16.26%	12.30%	11.73%	10.84%	10.66%	11.31%
Equity Capital Ratio	18.75%	16.07%	11.83%	10.80%	9.20%	8.56%	10.92%
Capital Ratio	19.92%	16.64%	12.26%	11.22%	9.66%	9.40%	11.55%
<b>BALANCE SHEET COMPOSITION</b>							
Loans/Assets	43.77%	48.54%	49.12%	54.31%	63.00%	70.79%	69.15%
Vehicle Loans/Net Loans	65.31%	68.52%	52.95%	45.14%	39.64%	31.19%	32.61%
RE Loans/Net Loans	1.14%	6.15%	27.81%	37.17%	40.14%	45.27%	44.35%
1st Mtg Loans/Net Loans	1.03%	4.97%	24.49%	32.27%	34.97%	40.11%	39.22%
Commercial Loans/Net Loans	0.44%	0.31%	1.37%	3.39%	7.28%	10.09%	9.57%
<b>LIQUIDITY POSITION</b>							
Cash & Short-Term Invs/Assets	43.63%	30.64%	23.18%	18.64%	13.31%	10.70%	11.41%
Borr. & NM Deposits/Shares & Liab.	1.00%	1.23%	1.07%	1.67%	2.89%	6.93%	6.26%
Net Liquid Assets/Shares & Liab.	52.94%	45.34%	42.10%	40.84%	33.62%	23.13%	25.02%
Net Long-term Assets/Assets	4.60%	9.29%	26.30%	50.21%	46.04%	52.20%	50.96%
<b>LOAN QUALITY</b>							
	2.72%	1.31%	0.97%	0.77%	0.68%	0.92%	0.89%
Delinquency Rate	2.45%	1.15%	0.79%	0.59%	0.48%	0.53%	0.53%
Net Charge-off Rate	0.27%	0.15%	0.17%	0.18%	0.20%	0.39%	0.36%
<b>EARNINGS</b>							
Investment Yield	1.58%	1.94%	2.09%	2.09%	2.30%	2.80%	2.68%
Loan Yield	6.70%	5.88%	5.25%	5.02%	4.84%	4.87%	4.88%
Asset Yield	3.79%	3.80%	3.55%	3.57%	3.76%	4.13%	4.07%
Cost of Funds	0.34%	0.42%	0.42%	0.47%	0.65%	1.14%	1.05%
Gross Net Margin	3.45%	3.38%	3.13%	3.09%	3.11%	3.00%	3.01%
Provision Expense	-0.20%	-0.20%	-0.38%	-0.18%	-0.20%	-0.43%	-0.40%
Net Interest Margin	3.25%	3.19%	2.75%	2.91%	2.91%	2.56%	2.61%
Net Operating Expense	2.85%	3.05%	2.69%	2.30%	2.19%	1.73%	1.82%
Net Income (Return on Assets)	0.40%	0.14%	0.06%	0.61%	0.72%	0.83%	0.80%
<b>EFFICIENCY METRICS</b>							
Avg Loan Balance	\$5,566	\$8,630	\$3,707	\$6,515	\$10,507	\$20,428	\$17,201
Avg Share Per Member	\$2,550	\$5,587	\$9,271	\$10,782	\$12,479	\$14,352	\$13,837
Avg Compensation per FTE	\$5,548	\$12,175	\$16,728	\$18,079	\$20,065	\$25,570	\$24,236
Comp & Benefits-to-Total Assets	1.67%	1.83%	1.51%	1.56%	1.69%	1.50%	1.53%
Pct of Total Operating Expense	63.83%	70.18%	68.35%	71.05%	73.05%	74.97%	74.50%
Office Occ & Ops-to-Total Assets	0.25%	0.16%	0.19%	0.21%	0.22%	0.17%	0.17%
Pct of Total Operating Expense	20.74%	17.49%	21.69%	25.05%	26.01%	24.98%	25.03%

## Economic Calendar AUGUST 2023

Monday	Tuesday	Wednesday	Thursday	Friday
	<b>1</b> ISM Manufacturing Construction Spending JOLTS Auto Sales	<b>2</b> ADP Employment (Jul)	<b>3</b> Jobless Claims ISM Services Factory Orders	<b>4</b> Nonfarm Payrolls Unemployment Rate
<b>7</b> Consumer Credit	<b>8</b> Trade Balance	<b>9</b>	<b>10</b> Jobless Claims CPI	<b>11</b> U. of Mich. Sentiment (P) PPI
<b>14</b>	<b>15</b> Retail Sales Business Inventories Empire Manufacturing	<b>16</b> Housing Starts Building Permits Industrial Production July FOMC minutes	<b>17</b> Jobless Claims Leading Indicators	<b>18</b>
<b>21</b>	<b>22</b> Existing Home Sales	<b>23</b> FOMC Decision New Home Sales	<b>24</b> Jobless Claims Durable Goods (June-P)	<b>25</b> U. of Mich. Sentiment (F)
<b>28</b>	<b>29</b> S&P CL Home Prices JOLTS (Jun) Consumer Confidence	<b>30</b> ADP Employment (Aug) GDP 2Q23 preliminary Pending Home Sales	<b>31</b> Jobless Claims Personal Income Personal Spending PCE Core Y/Y	

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.