

KEY ECONOMIC INDICATORS	Latest Report	Current Report	Previous Report	2022
<b>ECONOMIC GROWTH</b>				
GDP	Q1	1.1%	2.6%	2.1%
<b>EMPLOYMENT</b>				
Non-farm Payrolls (000s)	Apr	253	165	4,814
Private Payrolls (000s)	Apr	230	123	4,555
Unemployment Rate	Apr	3.4%	3.5%	3.4%
Avg Hourly Earnings (Y/Y)	Apr	4.4%	4.3%	4.4%
<b>INFLATION</b>				
Wholesale (Y/Y)	Mar	2.7%	4.9%	6.2%
Consumer (Y/Y)	Mar	5.0%	6.0%	7.1%
PCE Core (Y/Y)	Mar	4.6%	4.7%	4.4%
<b>INCOME &amp; SPENDING</b>				
Retail Sales	Mar	-1.0%	-0.2%	9.2%
Personal Income	Mar	0.3%	0.3%	2.1%
Personal Spending	Mar	0.0%	0.1%	9.2%
<b>AUTO &amp; HOUSING</b>				
Total Auto Sales (MM)	Apr	15.91	14.82	13.31
New/Existing Home Sales (M/M)	Mar	-1.0%	11.7%	-33.0%
S&P/Case Shiller HPI (Y/Y)	Feb	2.1%	3.8%	5.8%

Sources:

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

KEY MARKET INDICATORS	Mth End	Last Mth	12 Mth Ago
	Apr-23	Mar-23	Apr-22
<b>MONEY MARKETS</b>			
Effective Fed Funds	4.83%	4.83%	0.33%
Prime Rate	8.00%	8.00%	3.50%
3-month LIBOR	5.30%	5.19%	0.82%
2-year UST	4.01%	4.03%	2.72%
10-year UST	3.42%	3.47%	2.93%
<b>NATIONAL CU LOAN RATES</b>			
CU 48-mth Auto	6.17%	5.97%	3.82%
CU 60-mth Auto	6.25%	6.07%	3.91%
CU 15-year Mtg	5.86%	5.91%	4.23%
CU 30-year Mtg	6.46%	6.53%	4.91%
<b>EQUITY MARKETS</b>			
Dow Jones Industrial Average	34,098.2	33,274.2	32,977.2
NASDAQ Composite	12,226.6	12,221.9	12,334.6
S&P 500	4,168.5	4,109.3	4,131.9
<b>OTHER COMMODITIES</b>			
CRB Index	268.2	267.7	308.3
Crude Oil	76.7	75.7	86.8

Source: Bloomberg; S&P Global Market Intelligence

## KEY ECONOMIC AND MARKET INDICATORS

The U.S. added 253,000 jobs in April and the unemployment rate fell back to 3.4%, the lowest level since 1969. Wages increased more than expected on both monthly and year-over-year measures. The two-month standard revision subtracted 149,000 jobs. Job growth was broad-based with large gains in health care, leisure and hospitality, and business services.

The indices for both consumer and wholesale prices fell to the lowest levels in almost two years in March, a strong indicator that inflation pressures may finally be easing. Monthly price changes were the lowest in months due to falling gasoline prices and stable food prices. Wholesale prices fell 0.5% as final demand goods prices declined 1%. Prices were lower across the supply chain.

Retail sales fell in March for the second month in a row as consumers pulled back spending. Sales fell 1.0%, the largest drop in four months. Eight of the 13 major categories were down, with notable declines for building materials, general merchandise and electronics. Gasoline station sales fell 5.5% due to lower gasoline prices. Auto sales fell for the fourth month out of the last five months.

The economy expanded 1.1% during the first quarter, much slower than economists expected. Growth was slowed down by lower inventories, which counts as a drag on the economy. Business spending fell 7.3%, the largest drop since the beginning of the pandemic. Consumption, while less than expected, increased 3.7%, almost four times the pace in the prior quarter.

April was a month of waiting and speculation – would the recent turmoil among banks cause further economic weakness, would another bank fail, would the Federal Reserve raise interest rates again, and would earnings season be a disappointment? Economic data showed signs of the economy slowing, inflation falling slowly and the labor market weakening. Consumer spending, on the other hand, continued to be strong despite the financial challenges people are feeling. The debate continued between the need for the Fed to continue raising rates to push inflation lower or if it was time to take a pause and let economic activity catch up to 475 basis points of rate increases. As the financial markets tried to make sense of the economic situation, the uncertainty of the debt ceiling was becoming a bigger issue. The U.S. could exceed the current federal borrowing limit as soon as June. Republicans are proposing to tie debt ceiling action to proposed budget cuts. President Joe Biden is against this.

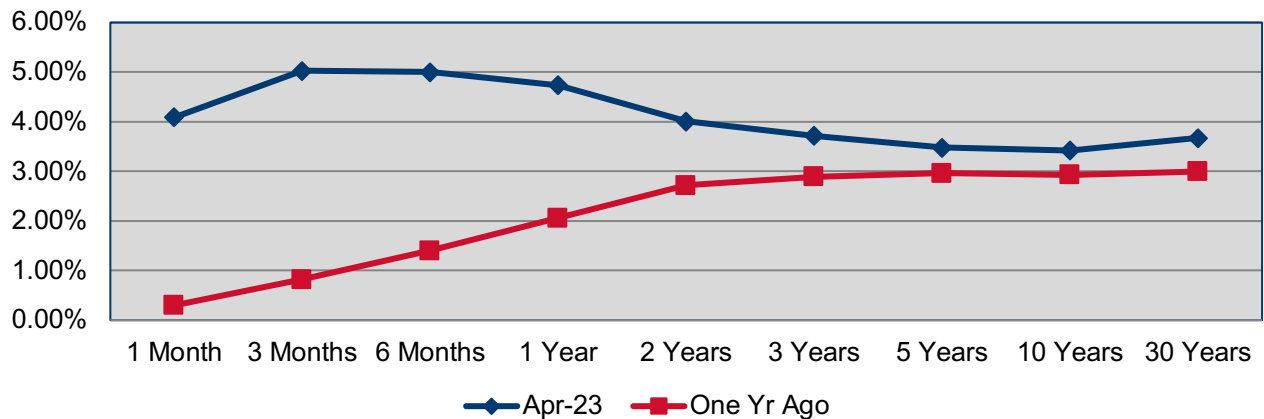
Mortgage rates followed Treasury yields in April and ended the month lower. The average 15-year mortgage rate closed five basis points lower at 5.86%. The average 30-year mortgage rate, as measured by a variety of financial institutions, fell by seven basis points to 6.46%. The benchmark Freddie Mac 30-year mortgage rate, however, closed the month at 6.43%, 11 basis points higher than in March. Financial institution auto loan rates rose again in April. The average 48-month auto loan rate closed the month 20 basis points higher at 6.07%. The average 60-month auto loan rate was 18 basis points higher at 6.28%.

Equity investors entered April holding their breath that March's banking turmoil and a year of higher interest rates did not cause too much of a negative impact on first quarter earnings. Fortunately for investors, the earnings season started off on a good note with three of the largest banks beating expectations. Adding to that, more than 75% of the reporting S&P 500 companies posted higher earnings per share. Consumer discretionary and energy stocks were two of the better performing sectors in the S&P 500. Solid earnings from some of the biggest technology companies, including Meta Platforms Inc., Microsoft Corp., Alphabet Inc. and Amazon, boosted confidence that businesses were managing to hold up despite higher interest rates. Stock activity was rather muted throughout the month but managed to eke positive returns. The three indices finished April in the black for the second month in a row. The Dow rose 2.5%, the Nasdaq gained 0.04%, and the S&P 500 was up 1.5%. Year-to-date, the Dow rose 2.9%, the Nasdaq is up 16.8% and the S&P 500 is ahead 8.6%.

#### ***For Credit Unions:***

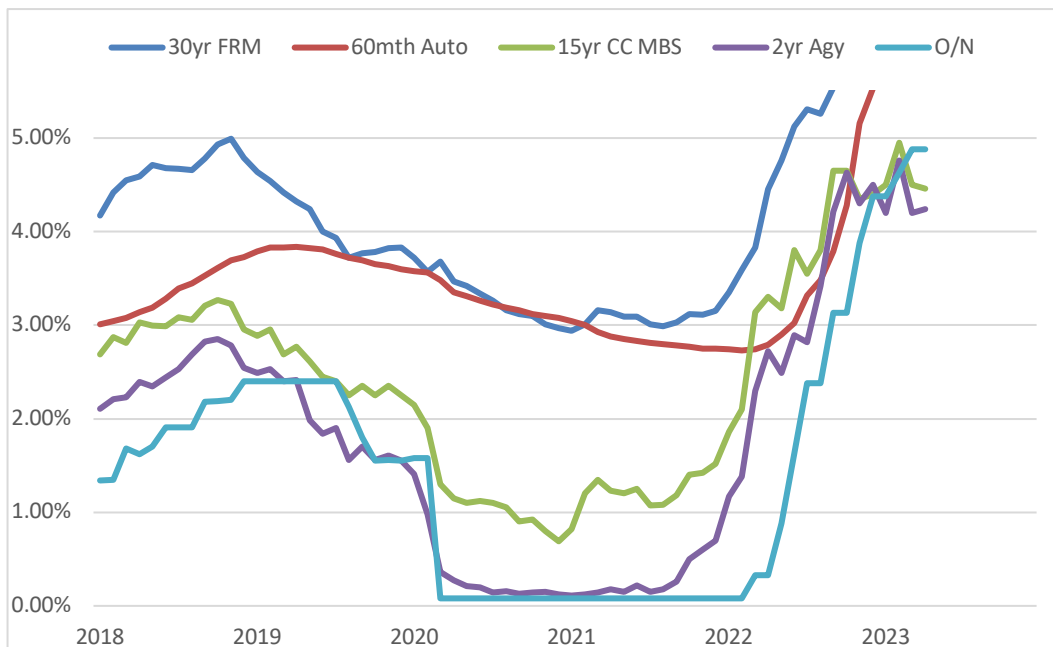
- The housing market faltered in March as mortgage rates resumed their climb higher. Sales of existing homes, which account for 90% of the housing market, fell 2.7%. Pending home sales, or contracts signed, fell over 5%, the most in six months. Buyers are shifting to new homes due to the lack of existing home inventory, even as the median price of a new home is 20% higher than an existing home. Builders continue to offer incentives and price breaks to entice buyers.
- Consumers are becoming increasingly worried about business conditions and job availability in the months ahead. Respondents in two recent confidence reports cited tighter credit conditions and continued high prices for the more pessimistic outlook and worsening personal finances. More consumers plan to put off large expenditure purchases.
- The personal savings rate increased to 5.1% in March. This is the fifth monthly increase in a row. Concern about weakening economic conditions and the ability to earn more interest from a variety of savings accounts and short-term investments are pushing people to keep more funds available for a rainy day. Top-yielding savings account rates are the highest in 15 years.

## Yield Curve



If you gauged the Treasury market action by the beginning and closing yields of the month, it would be reasonable to deduce there was very little movement during April. The two-year Treasury yield ended the month at 4.01%, two basis points lower than in March. The 10-year yield closed nine basis points lower at 3.48%; however, the devil is in the details. The two-year yield moved in a 46-basis point range, from 3.79% to 4.25%, as the markets tried to understand how the Federal Reserve would react to a series of conflicting economic and inflation data. The 10-year yield fluctuated between 3.31% and 3.60% before closing midway. The ongoing debt ceiling uncertainty pushed the yield on three-month Treasury bills up 34 basis points. The two-to-10-year yield curve remained inverted by 59 basis points, three basis points wider than March.

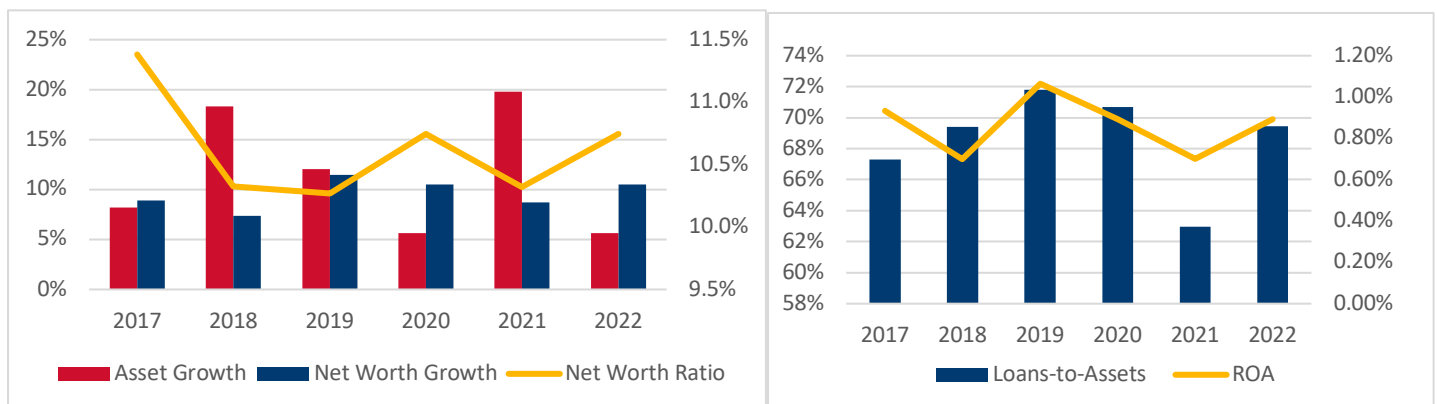
## Relative Value of Assets and Funding:



- Loan and investment yields widened seven basis points. Loan rates rose seven basis points. Rates on investments were unchanged.
- The difference between a 60-month auto loan and a 15-year mortgage loan widened by 24 basis points to -39 basis points.
- CD rates increased six basis points on average in April with six-month rates increasing the most. Rates are 108 basis points higher than a year ago.

## NCUA – December 2022

KEY CREDIT UNION DATA	2017	2018	2019	2020	2021	2022
<b>GROWTH RATES</b>						
Total Assets	7.17%	5.85%	8.22%	18.33%	12.07%	5.64%
Total Loans	10.56%	9.51%	6.59%	5.46%	8.24%	20.48%
Total Shares	6.62%	5.68%	8.63%	20.91%	13.03%	3.84%
Net Worth	7.79%	8.85%	8.92%	7.35%	11.48%	10.54%
<b>CAPITAL ADEQUACY</b>						
Net Worth Ratio	10.96%	11.31%	11.38%	10.32%	10.27%	10.75%
Equity Capital Ratio	10.67%	10.92%	11.24%	10.34%	9.99%	8.78%
Capital Ratio	11.30%	11.55%	11.85%	11.04%	10.52%	9.31%
<b>BALANCE SHEET COMPOSITION</b>						
Loans/Assets	69.37%	71.76%	70.69%	62.99%	60.88%	69.44%
Vehicle Loans/Net Loans	35.02%	35.35%	34.12%	33.04%	32.50%	32.48%
RE Loans/Net Loans	49.92%	49.80%	50.86%	52.25%	52.80%	44.22%
1st Mtg Loans/Net Loans	41.30%	41.27%	42.55%	44.90%	45.98%	39.22%
Commercial Loans/Net Loans	6.78%	6.96%	7.54%	8.29%	9.07%	9.39%
<b>LIQUIDITY POSITION</b>						
Cash & Short-Term Invs/Assets	12.46%	11.37%	12.85%	18.44%	17.16%	10.14%
Borr. & NM Deposits/Shares & Liab.	5.32%	5.46%	4.75%	3.39%	2.97%	6.05%
Net Liquid Assets/Shares & Liab.	22.74%	20.68%	22.15%	30.36%	33.08%	23.82%
Net Long-term Assets/Assets	34.29%	34.50%	34.40%	34.65%	39.45%	51.45%
<b>LOAN QUALITY</b>						
Delinquency Rate	0.85%	0.74%	0.72%	0.62%	0.51%	0.67%
Net Charge-off Rate	0.41%	0.41%	0.40%	0.30%	0.16%	0.22%
<b>EARNINGS</b>						
Investment Yield	1.66%	2.04%	2.37%	1.35%	0.89%	1.63%
Loan Yield	4.54%	4.69%	4.90%	4.71%	4.37%	4.44%
Asset Yield	3.56%	3.82%	4.06%	3.53%	3.02%	3.38%
Cost of Funds	0.56%	0.69%	0.89%	0.70%	0.43%	0.52%
Gross Net Margin	3.00%	3.13%	3.17%	2.83%	2.59%	2.87%
Provision Expense	-0.48%	-0.46%	-0.43%	-0.50%	-0.06%	-0.25%
Net Interest Margin	2.51%	2.67%	2.74%	2.33%	2.53%	2.62%
Net Operating Expense	1.74%	1.76%	1.81%	1.63%	1.47%	1.73%
Net Income (Return on Assets)	0.78%	0.92%	0.93%	0.70%	1.06%	0.89%



## Peer Statistics

	<\$2M	\$2-10M	\$10-50M	\$50-100M	\$100-500M	\$500M+	Total
<b>Industry Statistics</b>							
Average Asset Size (000s)	\$906	\$5,671	\$26,392	\$72,786	\$227,820	\$2,575,772	\$318,067
Pct of Number of Credit Unions	6.14%	13.83%	28.51%	13.87%	22.82%	14.82%	100.00%
Pct of Industry Assets	0.03%	0.18%	0.82%	2.28%	7.30%	89.01%	100.00%
<b>GROWTH RATES</b>							
Total Assets	-3.08%	-1.54%	0.90%	1.95%	3.25%	6.19%	5.64%
Total Loans	6.78%	9.58%	12.16%	14.27%	16.06%	21.30%	20.48%
Total Shares	-4.05%	-2.03%	0.54%	1.72%	2.76%	4.14%	3.84%
Net Worth	0.94%	0.90%	3.92%	6.66%	8.33%	11.16%	10.54%
<b>CAPITAL ADEQUACY</b>							
Net Worth Ratio	18.67%	16.07%	12.17%	11.61%	10.76%	10.68%	10.96%
Equity Capital Ratio	18.68%	15.89%	11.79%	10.66%	9.04%	8.61%	10.67%
Capital Ratio	19.90%	16.45%	12.16%	11.02%	9.42%	9.17%	11.30%
<b>BALANCE SHEET COMPOSITION</b>							
Loans/Assets	43.25%	47.60%	48.68%	53.91%	63.24%	71.16%	69.44%
Vehicle Loans/Net Loans	65.11%	67.46%	52.27%	44.39%	39.26%	31.11%	32.48%
RE Loans/Net Loans	0.68%	6.45%	27.80%	37.34%	40.37%	45.10%	44.22%
1st Mtg Loans/Net Loans	0.62%	5.27%	24.48%	32.50%	35.36%	40.07%	39.22%
Commercial Loans/Net Loans	0.02%	0.25%	1.38%	3.39%	7.30%	9.88%	9.39%
<b>LIQUIDITY POSITION</b>							
Cash & Short-Term Invs/Assets	45.07%	30.62%	22.83%	17.85%	12.29%	9.35%	10.14%
Borr. & NM Deposits/Shares & Liab.	1.13%	1.23%	1.02%	1.57%	2.92%	6.70%	6.05%
Net Liquid Assets/Shares & Liab.	52.11%	45.13%	41.80%	40.41%	32.77%	21.79%	23.82%
Net Long-term Assets/Assets	3.64%	9.88%	26.62%	37.21%	47.18%	52.99%	51.45%
<b>LOAN QUALITY</b>							
	2.92%	1.55%	1.08%	0.87%	0.73%	0.91%	0.89%
Delinquency Rate	2.66%	1.39%	0.96%	0.74%	0.59%	0.67%	0.67%
Net Charge-off Rate	0.26%	0.16%	0.12%	0.13%	0.14%	0.24%	0.22%
<b>EARNINGS</b>							
Investment Yield	0.73%	1.00%	1.17%	1.28%	1.42%	1.69%	1.63%
Loan Yield	6.63%	5.79%	5.09%	4.78%	4.51%	4.41%	4.44%
Asset Yield	3.17%	3.15%	2.94%	3.00%	3.18%	3.43%	3.38%
Cost of Funds	0.52%	0.31%	0.24%	0.25%	0.33%	0.55%	0.52%
Gross Net Margin	2.65%	2.85%	2.70%	2.75%	2.85%	2.88%	2.87%
Provision Expense	-0.18%	-0.16%	-0.16%	-0.13%	-0.15%	-0.27%	-0.25%
Net Interest Margin	2.47%	2.68%	2.54%	2.61%	2.70%	2.61%	2.62%
Net Operating Expense	2.63%	2.54%	2.16%	1.99%	1.97%	1.68%	1.73%
Net Income (Return on Assets)	-0.16%	0.14%	0.38%	0.62%	0.73%	0.93%	0.89%
<b>EFFICIENCY METRICS</b>							
Avg Loan Balance	\$5,099	\$8,120	\$3,774	\$6,436	\$10,612	\$20,129	\$17,011
Avg Share Per Member	\$2,460	\$5,607	\$9,205	\$10,705	\$12,395	\$14,194	\$13,686
Avg Compensation per FTE	\$22,144	\$46,787	\$65,099	\$70,048	\$76,485	\$96,455	\$91,581
Comp & Benefits-to-Total Assets	1.70%	1.75%	1.48%	1.50%	1.63%	1.45%	1.48%
Pct of Total Operating Expense	63.29%	70.32%	68.95%	70.50%	72.64%	74.49%	74.04%
Office Occ & Ops-to-Total Assets	0.21%	0.15%	0.19%	0.21%	0.21%	0.17%	0.17%
Pct of Total Operating Expense	17.91%	16.64%	21.87%	24.83%	25.51%	24.99%	24.97%

## Economic Calendar MAY 2023

Monday	Tuesday	Wednesday	Thursday	Friday
<b>1</b> ISM Manufacturing Construction Spending	<b>2</b> JOLTS (Mar) Factory Orders Durable Goods (Mar F) Auto Sales	<b>3</b> ADP Employment ISM Services FOMC Decision	<b>4</b> Jobless Claims Trade Balance	<b>5</b> Nonfarm Payrolls Unemployment Rate Consumer Credit
<b>8</b>	<b>9</b>	<b>10</b> CPI	<b>11</b> Jobless Claims PPI	<b>12</b> U. of Mich. Sentiment (P)
<b>15</b> Empire Manufacturing	<b>16</b> Retail Sales Industrial Production Business Inventories	<b>17</b> Fed Beige Book Housing Starts Building Permits	<b>18</b> Jobless Claims Leading Indicators Existing Home Sales	<b>19</b>
<b>22</b>	<b>23</b> New Home Sales	<b>24</b> FOMC meeting minutes	<b>25</b> Jobless Claims GDP 1Q23 Pending Home Sales	<b>26</b> Personal Income Personal Spending PCE Core Y/Y Durable Goods (Apr- P) U. of Mich. Sentiment (F)
<b>29</b> 	<b>30</b> S&P CL Home Prices Consumer Confidence	<b>31</b> JOLTS (Apr) Fed Beige Book		

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Changes in any assumption may have a material effect on projected results.