

ISSUED ON NOVEMBER 25, 2025

BRG CORPORATE FINANCE

Key Economic Data

October 2025

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INTELLIGENCE THAT WORKS

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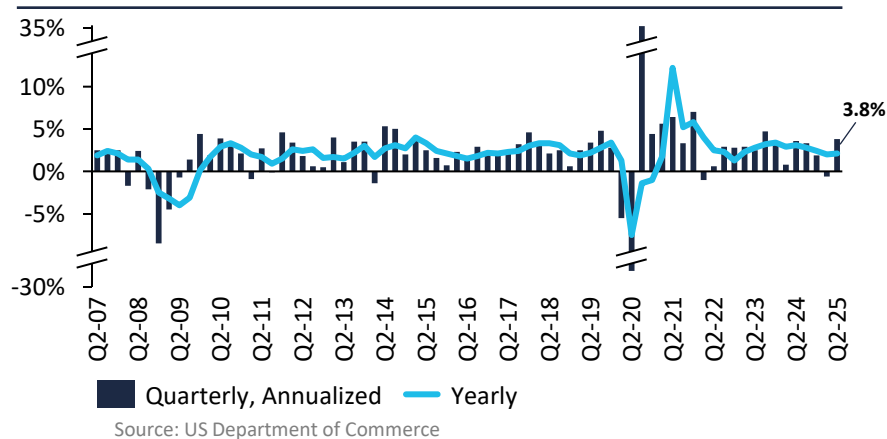
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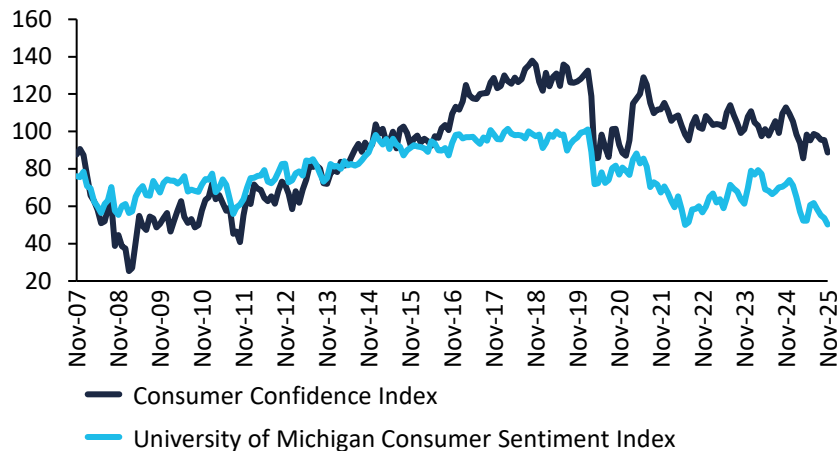
GDP AND CONSUMER CONFIDENCE

REAL GDP GROWTH



- Q3 '25 GDP data has not been reported by the BEA due to the government shutdown
- Forecasts for the quarter vary, but are all positive due to healthy business investment and consumer spending
- Q4 '25 might not be as strong with weakening job market and continued inflation

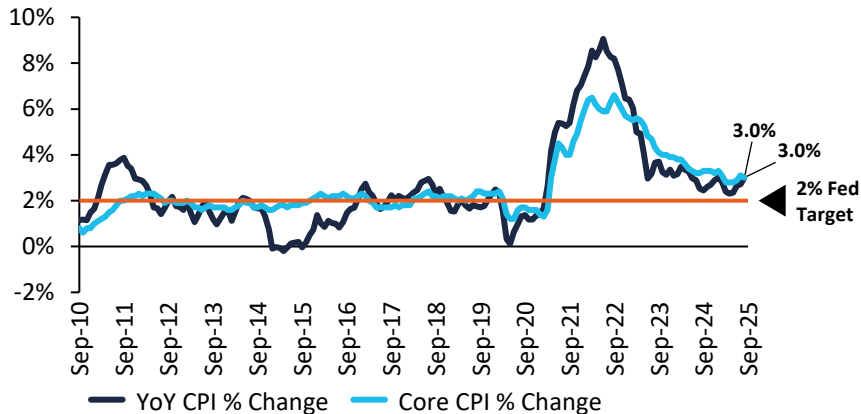
CONSUMER CONFIDENCE



- Consumer Confidence Index fell in Nov '25 and finished below consensus, after an upward revision to Oct '25 reading
 - Present situation assessment fell as perceptions of business and labor market conditions dipped; perceptions of future job availability fell notably
 - Spending plans for big-ticket items and services declined
- Consumer Sentiment Index⁽¹⁾ fell in Nov '25, to the lowest level since Jun '22, below consensus
 - The decline was driven by a drop to both personal finances and expected business conditions
 - 1-year inflation expectations rose slightly, while 5-year expectations fell
 - Unlike in October, consumers are now concerned about negative impacts from the government shutdown

INFLATION AND REAL EARNINGS

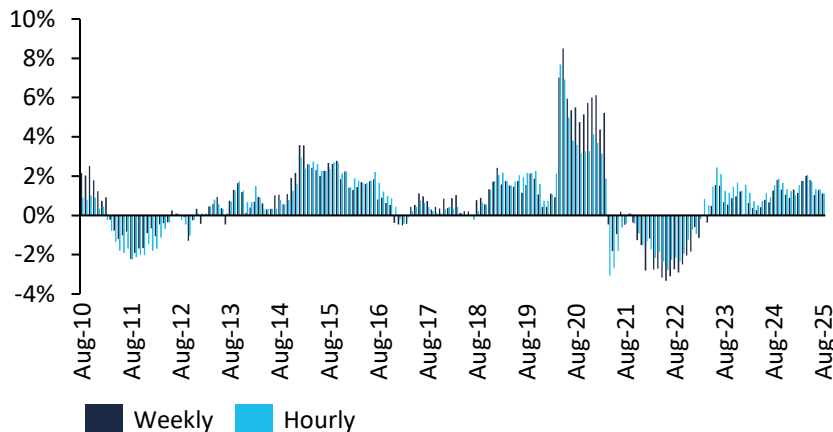
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- Sep '25 CPI data was reported after a delay; Oct '25 data has not been reported due to the government shutdown
- US consumer price growth eased MoM in Sep '25, but rose YoY, both below expectations; YoY rate is highest since Jan '25
 - Core CPI growth fell MoM and YoY, below consensus
- Alternative data for Oct '25 points toward the price growth of consumer goods easing MoM
 - Categories with a higher share of imported goods saw more firmness
- Full tariff-related price increases have not yet hit consumers as companies employ more strategies to avoid upfront cost increases

YOY CHANGE IN REAL EARNINGS*



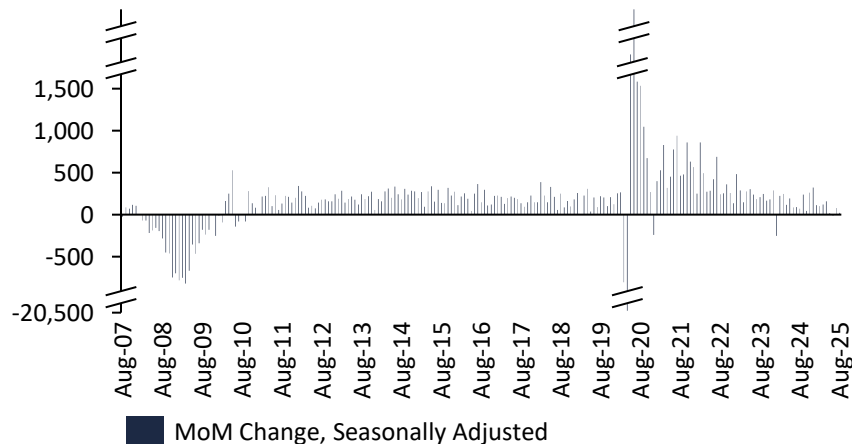
*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- Oct '25 real earnings data has not been reported by the BLS due to the government shutdown

EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

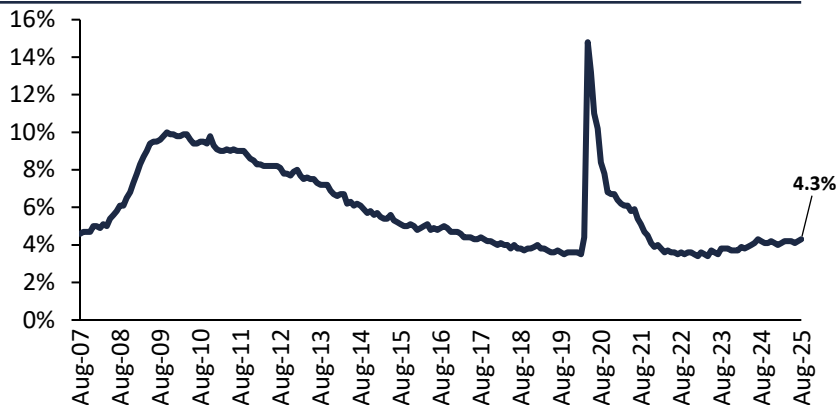
(in thousands)



Source: Bureau of Labor Statistics

- **Oct '25 employment data has not been reported by the BLS due to the government shutdown**
- According to the ADP Employment Report, Oct '25 private payrolls rebounded, above expectations, following a slight upward revision to Sep '25
 - Service provider payrolls increased, driven by gains to trade / transportation and education, partially offset by declines to information and professional services
 - Goods producer payrolls rose, as mining and construction added jobs, while manufacturing declined
- Small and medium-sized businesses shed jobs, while large businesses added jobs despite some high-profile layoffs

UNEMPLOYMENT RATE



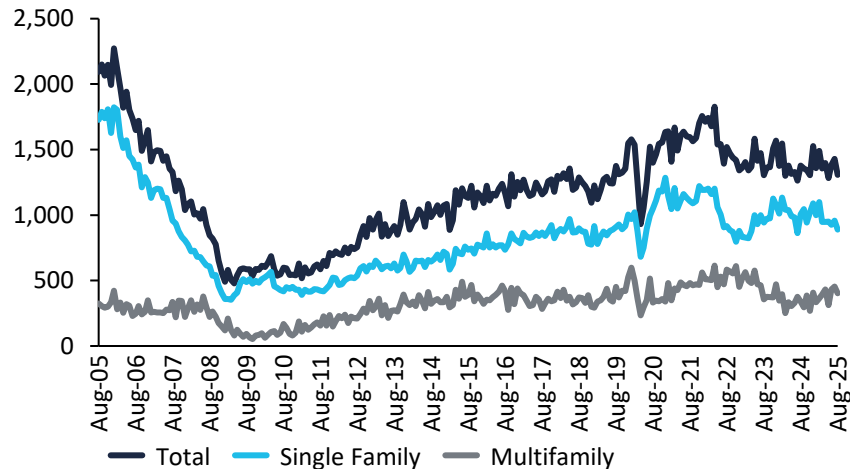
Source: Bureau of Labor Statistics

- **Official unemployment data is also unavailable**
- The Chicago Fed estimated the unemployment rate at 4.4% in Oct '25, highest since Oct '21
 - Layoffs and other job separations likely rose, while the hiring rate for unemployed workers likely fell

HOUSING

HOUSING STARTS (SAAR)

(in thousands)

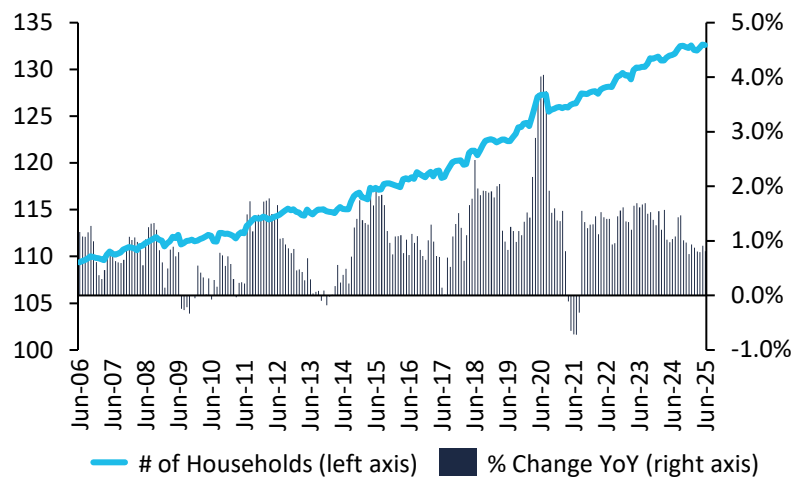


Source: US Department of Housing and Urban Development

- **Oct '25 housing starts data has not been reported by the Census Bureau due to the government shutdown**
 - Fannie Mae forecasted a slight decline to starts in Q4
- **Case Shiller 20-City Index⁽¹⁾ inched up MoM after five consecutive months of declines**
 - YoY growth slowed further, reaching the lowest level since Jul '23, in-line with consensus
 - Headline inflation has now been higher than housing price growth for three consecutive months, which could impact consumers' spending habits and views of personal finances going forward

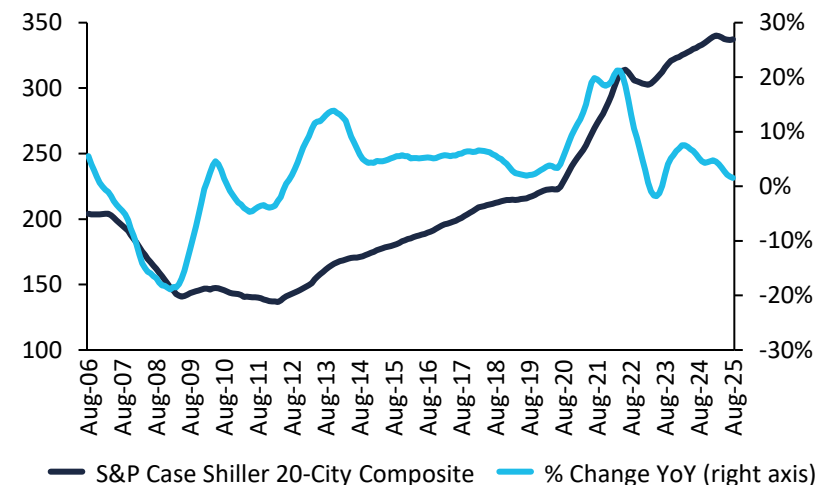
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)

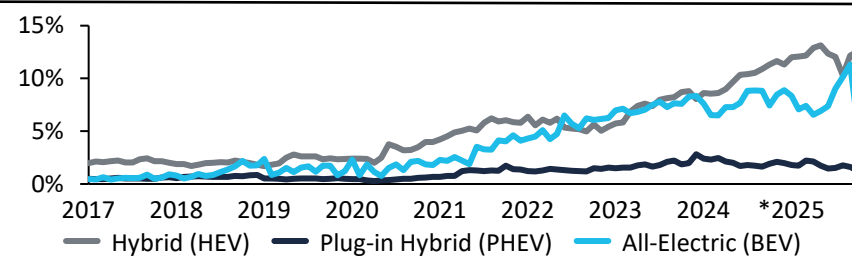


Source: S&P Global Market Intelligence

AUTO SALES AND PRODUCTION

- **Oct '25 Auto Sales were not reported by the BEA due to the government shutdown**
- J.D. Power forecasted new-vehicle sales to fall sharply YoY, largely driven by plummeting demand for electric vehicles
 - EV retail share fell to 7.2% from a high of 12.9% in Sep '25; the federal EV credit is no longer active
- Manufacturer incentives declined while transaction prices increased, as EVs usually have higher discounts

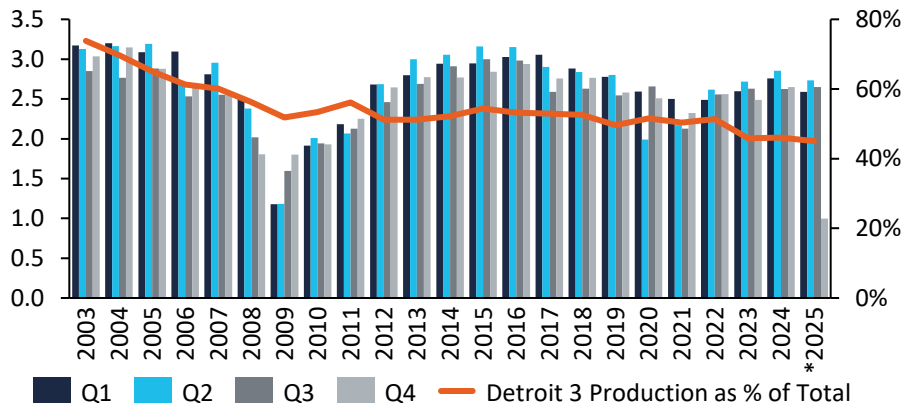
EV'S AS % OF US AUTO SALES



Source: Argonne National Laboratory, Bureau of Economic Analysis *Through October 31, 2025

US AUTO PRODUCTION

(in millions)

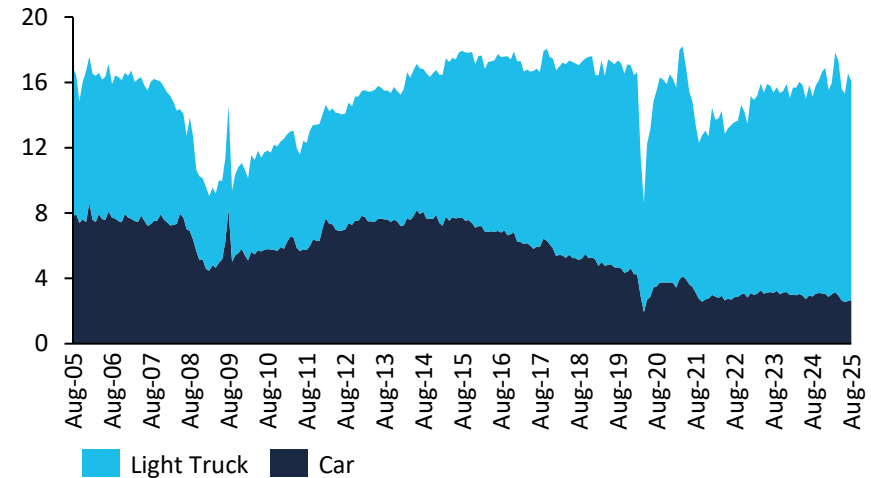


*Through October 31, 2025

Source: Automotive News

US LIGHT VEHICLE SALES (SAAR)

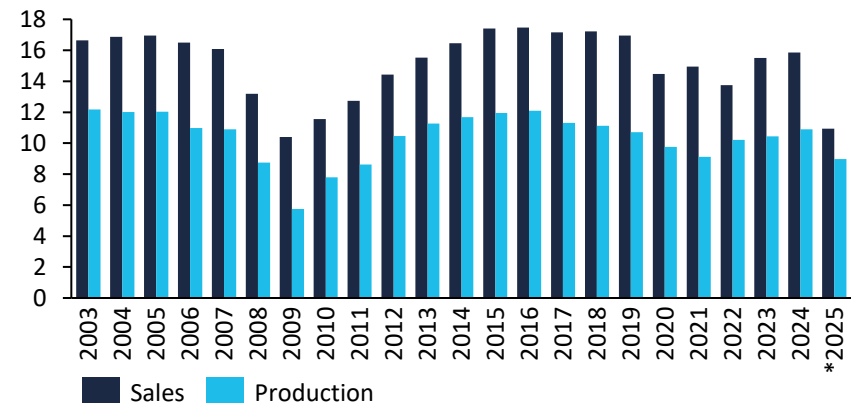
(in millions)



Source: Bureau of Economic Analysis

US AUTO SALES AND PRODUCTION

(in millions)



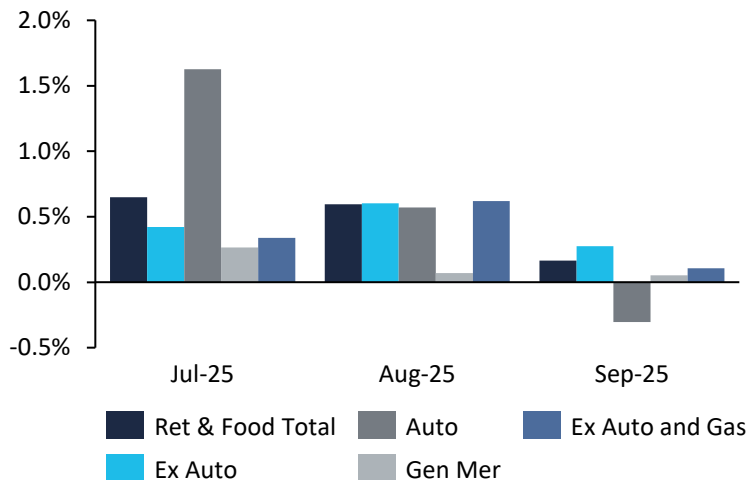
*Production through October 31, 2025 and Sales through August 31, 2025

Source: Bureau of Economic Analysis, Automotive News

RETAIL SALES

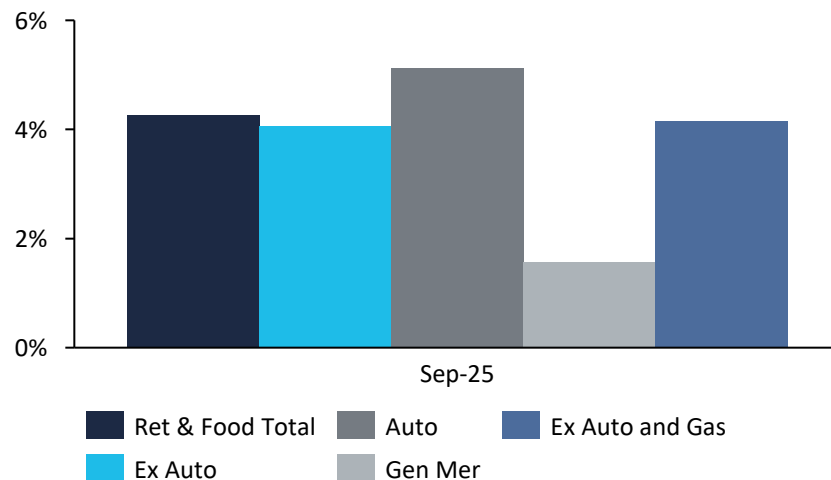
- **Sep '25 CPI data was reported after a delay; Oct '25 data has not been reported due to the government shutdown**
- US retail sales eased MoM in Sep '25, below expectations
 - Auto, the largest share of retail sales, declined from the month prior
 - The September results were driven in part by gains to gas, miscellaneous retailers, and health / personal care stores, partially offset by declines to nonstore retailers, clothing, and electronics stores
- On a year-over-year basis, retail sales rose 4.3%
 - Excluding gas and auto, sales gained 4.2% YoY
 - Nonstore sales rose 6.0% YoY, while department store sales fell 3.3% YoY
- Alternative sources point to higher prices continuing to drive growth in Oct '25

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

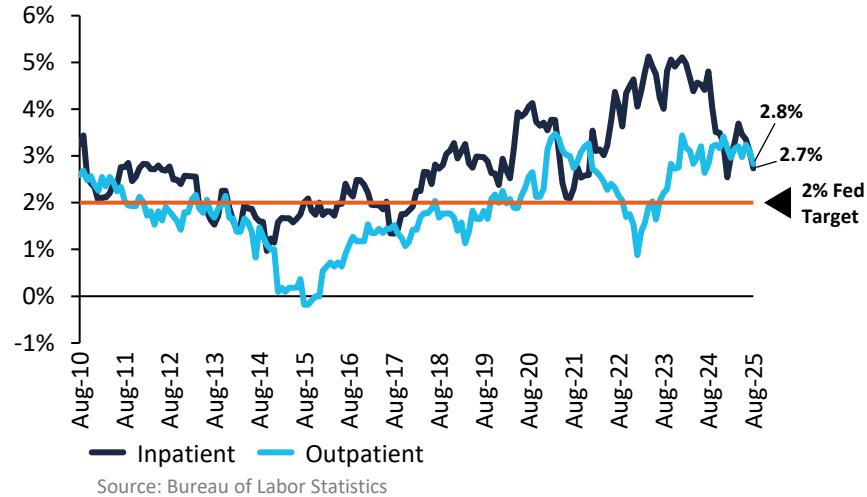
RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

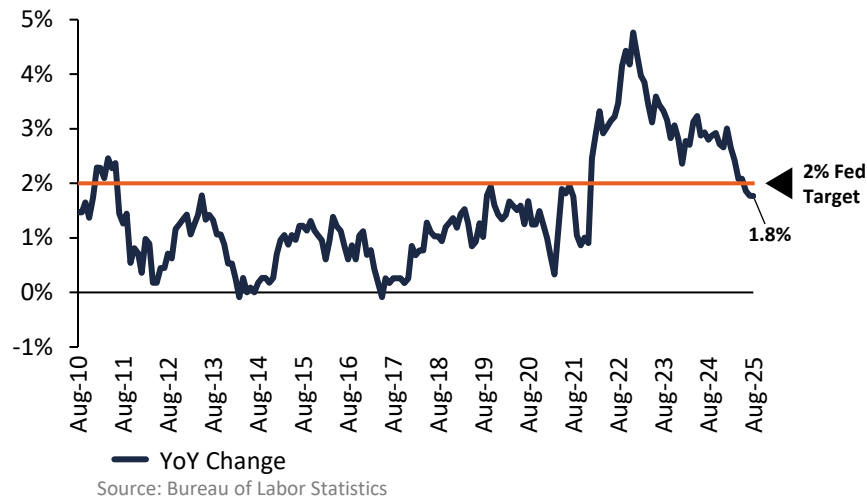
HEALTHCARE

INPATIENT VS OUTPATIENT PPI (% CHANGE YOY)

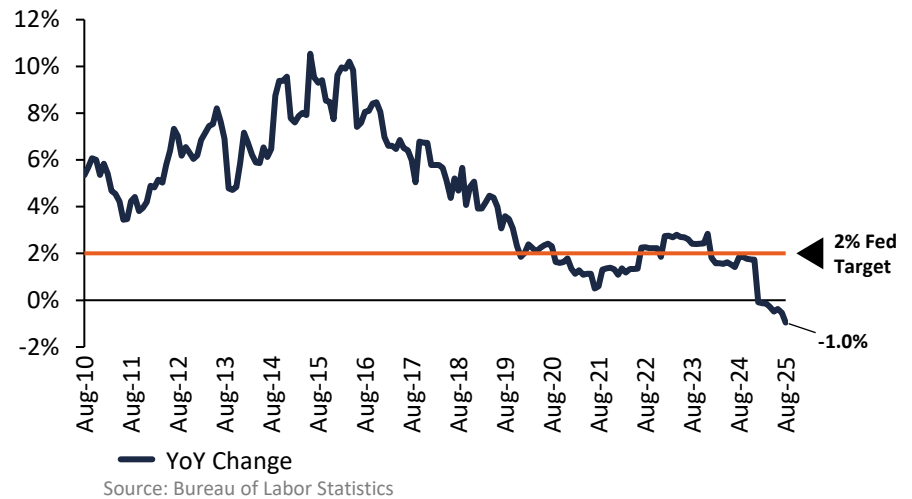


- Sep '25 and Oct '25 PPI data has not been reported by the BLS due to the government shutdown

MEDICAL EQUIPMENT / SUPPLIES PPI (% CHANGE YOY)

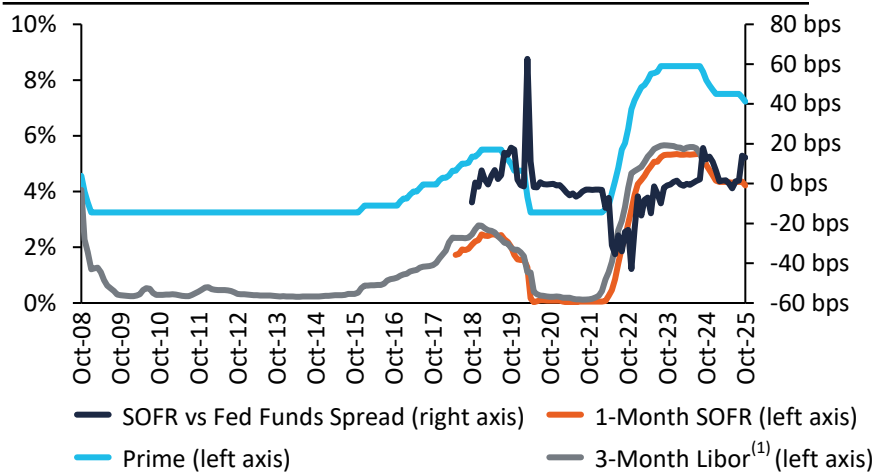


PHARMACEUTICAL AND MEDICINE PPI (% CHANGE YOY)



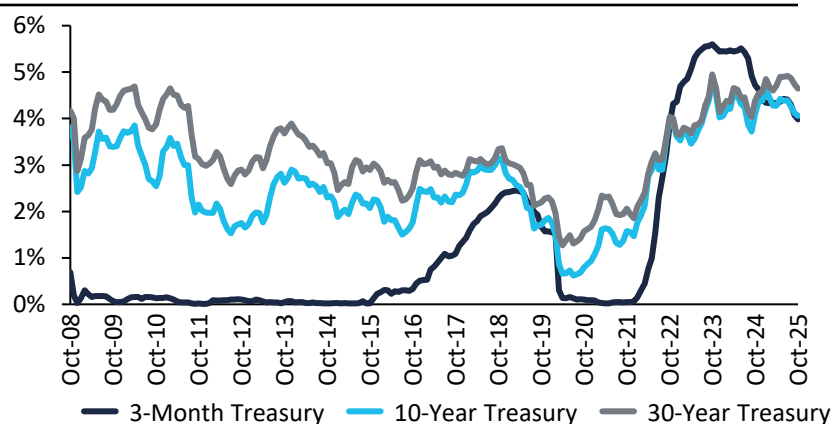
INTEREST RATES

INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

TREASURY YIELDS



Source: Federal Reserve, Federal Reserve Bank of St. Louis

- At the October meeting, Fed officials cut rates by 25 bps to 3.75% - 4.00 %, in-line with expectations
 - Two governors dissented, one preferring a 50-bps cut and the other preferring no cut
- According to the statement, “job gains have slowed this year, and the unemployment rate has edged up but remained low through August,” and noted that recent indicators “are consistent with these developments”
 - Inflation “has moved up since earlier in the year and remains somewhat elevated”
- The Fed will also conclude its program to reduce holdings of US treasuries and MBS as of 12/1/25
- According to the meeting minutes, there is now uncertainty for a rate cut during the December meeting

	OCT-25	SEP-25	OCT-24	CHANGE FROM	
				PRIOR MON.	YEAR AGO
Fed Funds	4.09%	4.22%	4.83%	-0.13%	-0.74%
Prime	7.23%	7.38%	8.00%	-0.15%	-0.77%
1-Month SOFR	4.22%	4.36%	4.95%	-0.14%	-0.73%
3-Month Treasury	3.98%	4.07%	4.72%	-0.09%	-0.74%
10-Yr Treasury	4.06%	4.12%	4.10%	-0.06%	-0.04%
30-Yr Treasury	4.64%	4.74%	4.38%	-0.10%	0.26%

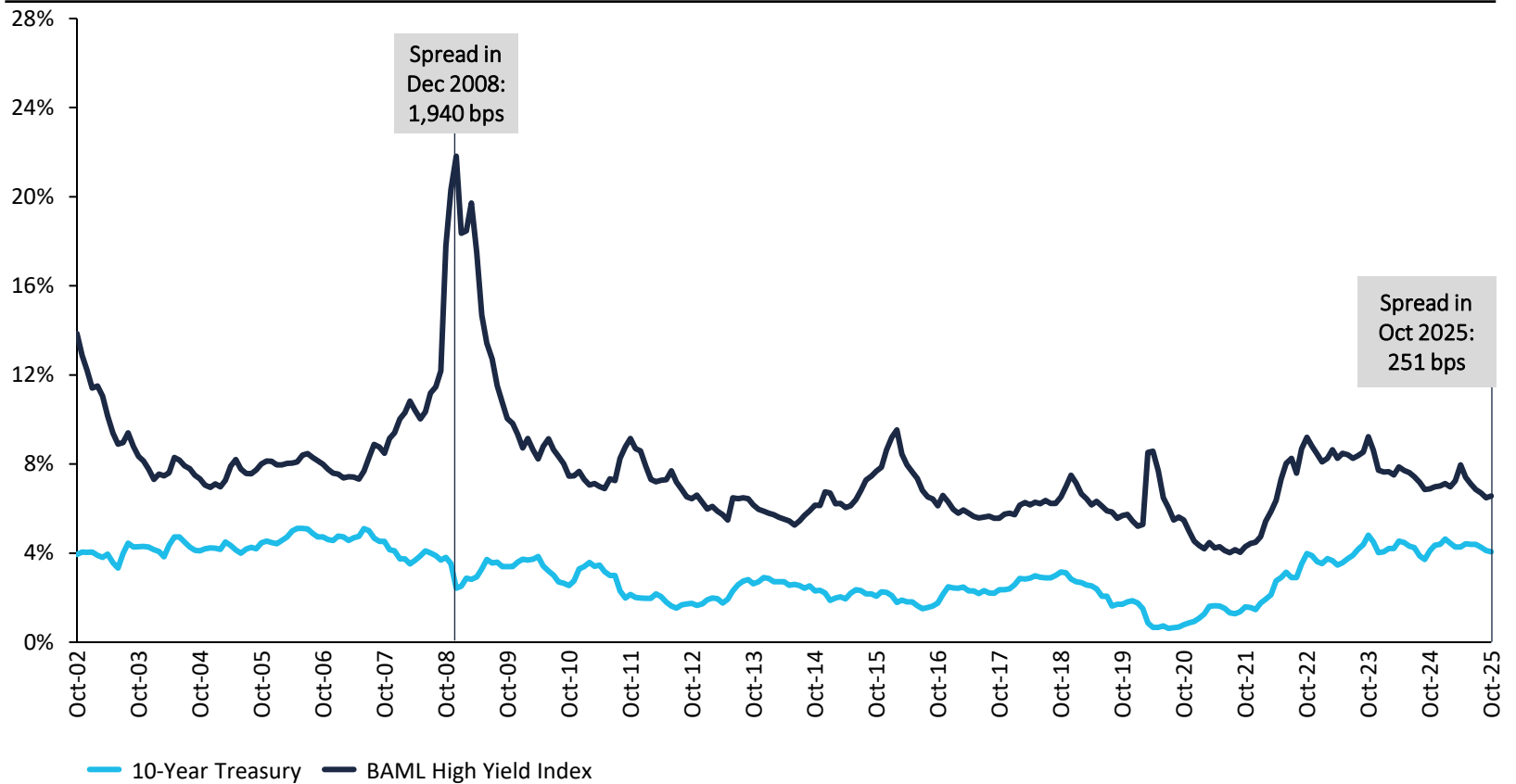
Note: Rates shown as monthly average rates

Source: Federal Reserve, Federal Reserve Bank of St. Louis, Bloomberg Finance L.P.

HIGH YIELD INDEX

- The High Yield vs. 10-Year Treasury spread widened in Oct '25

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

BANKRUPTCIES

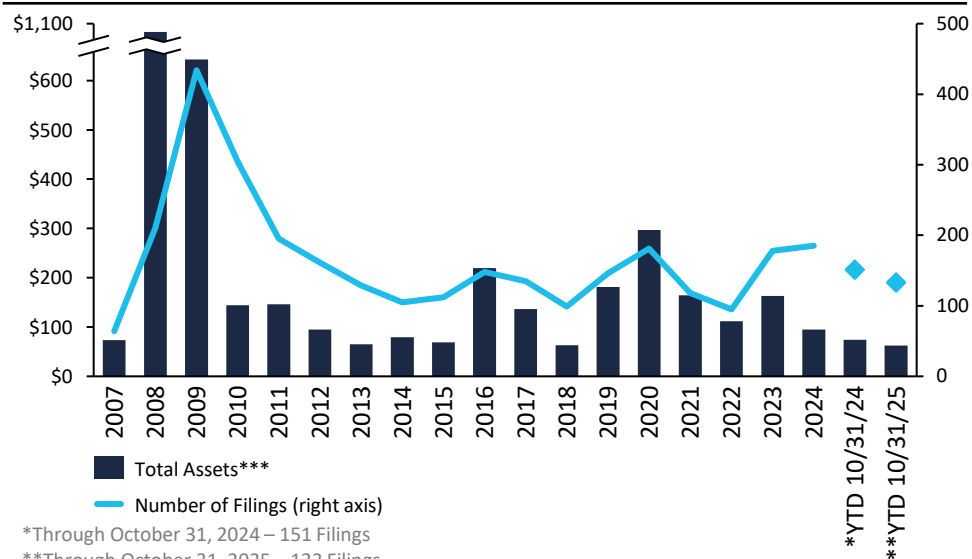
US BANKRUPTCY FILINGS WITH ASSETS > \$50 MILLION BY INDUSTRY

INDUSTRY	OCT-25	SEP-25	YTD OCT-25	YTD OCT-24	TOTAL 2024
Real Estate	4	1	28	32	36
Construction	1	2	4	4	7
Financial Services	1	-	9	7	10
Services	1	-	6	5	5
Consumer / Household Prods	-	3	14	13	14
Healthcare	-	1	11	20	22
Automotive	-	1	8	4	8
Technology	-	1	4	10	13
Chemicals	-	1	3	-	-
Energy / Coal	-	-	18	12	16
Telecommunication	-	-	6	4	4
Education	-	-	4	3	3
Food	-	-	4	6	9
Transportation	-	-	3	10	13
Media	-	-	3	2	2
Agriculture	-	-	3	1	1
Manufacturing	-	-	2	4	5
Metals	-	-	1	2	2
Retail	-	-	1	8	9
Leisure	-	-	1	1	3
Non Profit Organizations	-	-	-	3	3
Advisory	-	-	-	-	-
Business Communication	-	-	-	-	-
Government	-	-	-	-	-
Internet	-	-	-	-	-
Research and Development	-	-	-	-	-
Textiles	-	-	-	-	-
Total	7	10	133	151	185

Source: The Deal®, S&P Global Market Intelligence

US BANKRUPTCIES WITH ASSETS > \$50M

(USD in billions)



*Through October 31, 2024 – 151 Filings

**Through October 31, 2025 – 133 Filings

***As reported by The Deal and S&P Global Market Intelligence - may be understated due to the lack of reporting for certain companies and ranges of values provided for others

Source: The Deal®, S&P Global Market Intelligence

10 LARGEST CHAPTER 11 FILINGS IN OCTOBER 2025*

COMPANY	FILING DATE	ASSETS (\$ IN M)	LIABILITIES (\$ IN M)	COURT	INDUSTRY
Office Properties Income Trust	10/30/2025	\$ 1,000	\$ 1,000	SDTX	Real Estate
Ambipar Emergency Response (NYSE: AMBI)	10/20/2025	1,000	1,000	SDTX	Services
Hudson 1701/1706 LLC	10/22/2025	100	100	DE	Real Estate
PrimaLend Capital Partners, LP	10/22/2025	100	100	NDTX	Financial Services
Groff Tractor Holdings	10/14/2025	100	100	NDTX	Construction
Breakers Mezz I LLC	10/2/2025	100	50	CDCA	Real Estate
Bellaviva at Whispering Hills LLC	10/16/2025	50	10	MDFL	Real Estate
Dorado Putt PR, LLC	10/29/2025	40	22	PR	Consumer Products
Greg Beeche Logistics LLC	10/24/2025	21	17	NDNY	Construction
The Diocese of Alexandria	10/31/2025	10	100	WDLA	Non-Profit

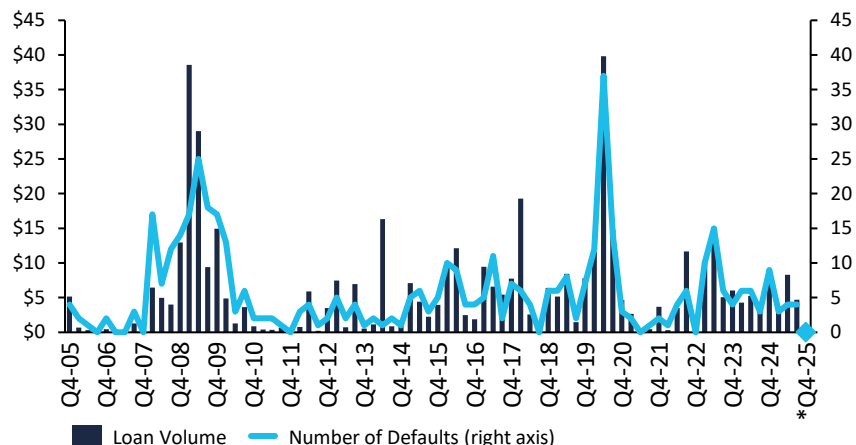
* By assets reported by The Deal and S&P Global Market Intelligence

Source: The Deal®, S&P Global Market Intelligence

PAYMENT DEFAULTS AND LMES⁽¹⁾

INSTITUTIONAL LOAN DEFAULTS

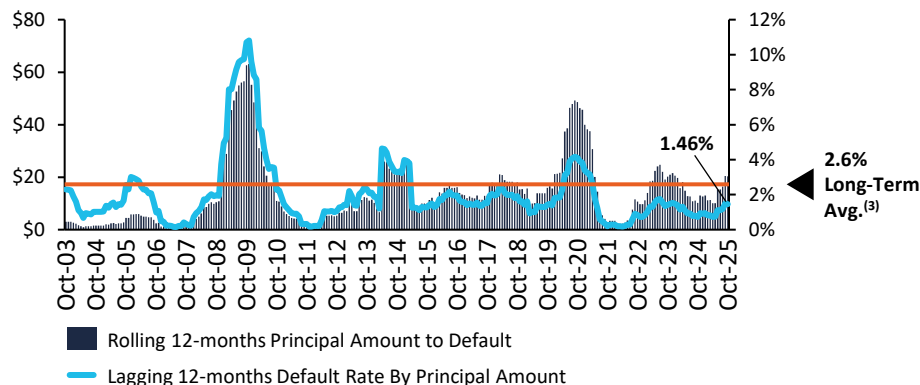
(USD in billions)



- 11 defaults YTD through Oct '25 (\$15.8B in volume) vs. 18 defaults YTD through Oct '24 (\$15.3B in volume)
- With no new defaults in the Index⁽²⁾ and 1 default rolling off the TTM calculation, the default rate:
 - By principal amount ticked down to 1.46%
 - By number of issuers dipped slightly to 1.45%
- The distress ratio of loans priced below 80 jumped
- The three-month rolling downgrade-to-upgrade ratio worsened, but remains well below the recent peak of 4.69x in Feb '25

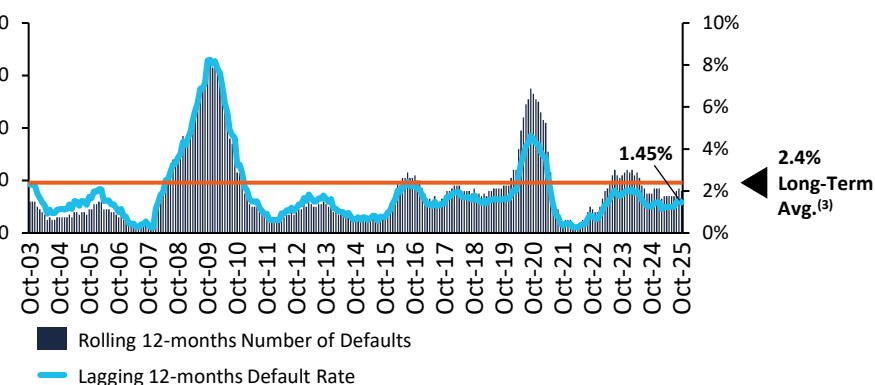
DEFAULTS BY PRINCIPAL AMOUNT

(USD in billions)



Default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the beginning of the twelve-month period
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

DEFAULTS BY NUMBER OF ISSUERS



Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

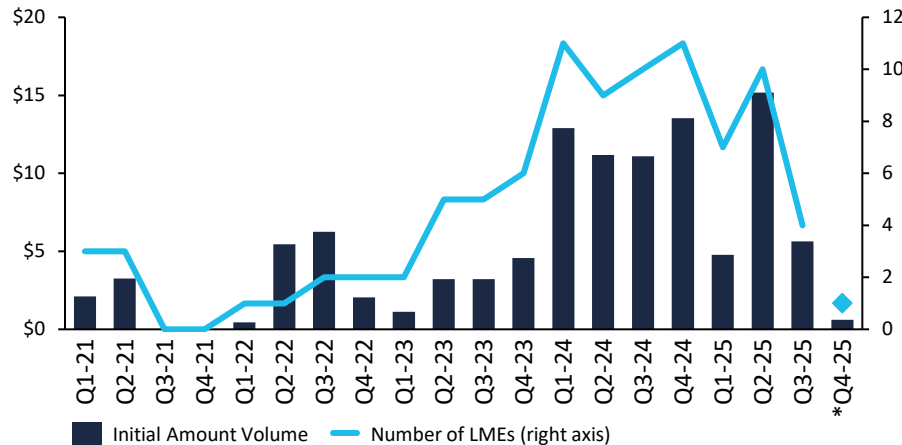


- (1) Liability management exercise
(2) Morningstar LSTA US Leveraged Loan Index
(3) Since 1998

PAYMENT DEFAULTS AND LMEs (CONT'D)

LMEs

(USD in billions)



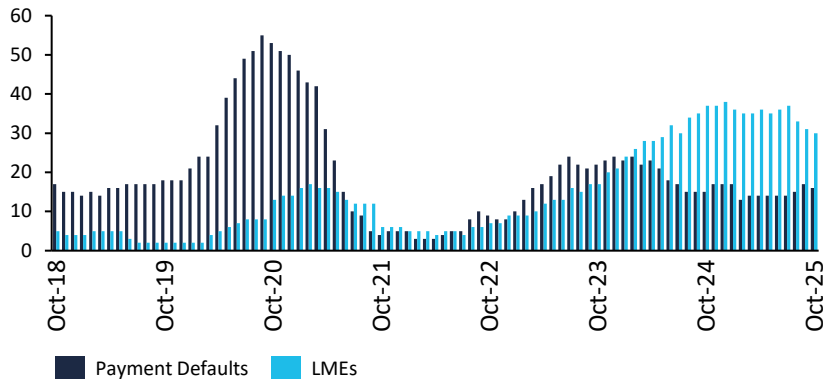
*Through October 31, 2025

Source: PitchBook | LCD

- 22 LMEs YTD through Oct '25 (\$26.2B in volume) vs. 32 LMEs YTD through Oct '24 (\$35.2B in volume)
- On a trailing 12-month basis:
 - LMEs outpaced payment defaults 30 to 16 in October
 - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate⁽¹⁾ by issuer count fell to 4.17%

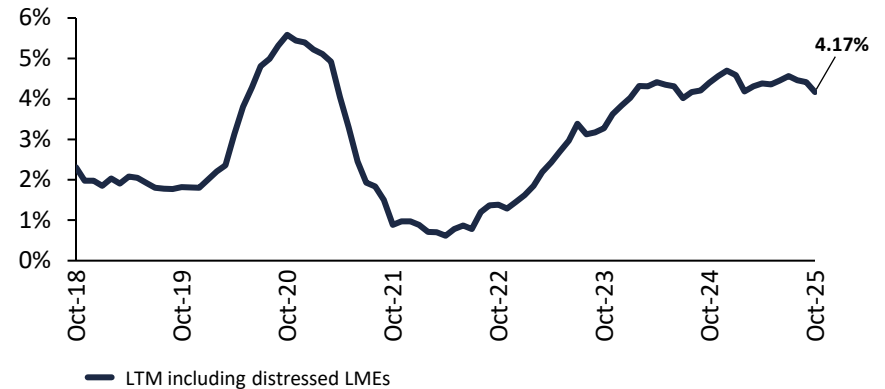
PAYMENT DEFAULTS VS LMEs: TTM COUNT

(USD in billions)



Source: PitchBook | LCD

DUAL TRACK DEFAULT RATE BY ISSUER COUNT

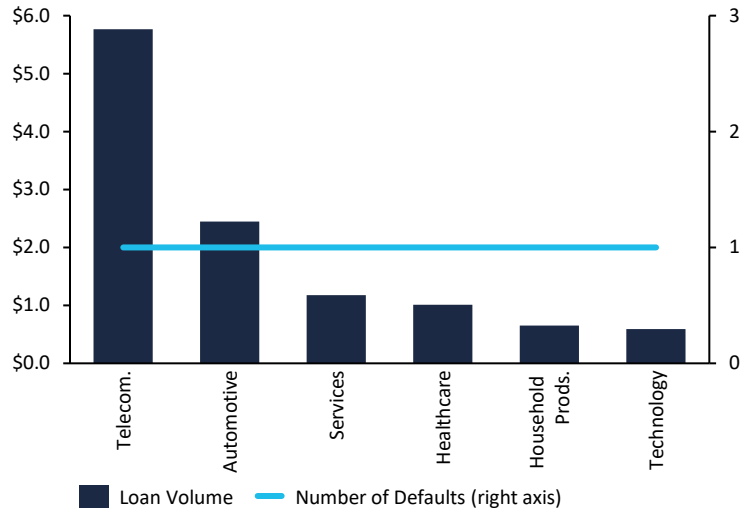


Source: PitchBook | LCD

PAYMENT DEFAULTS AND LMEs (CONT'D)

DEFAULTS BY INDUSTRY FOR PAST SIX MONTHS

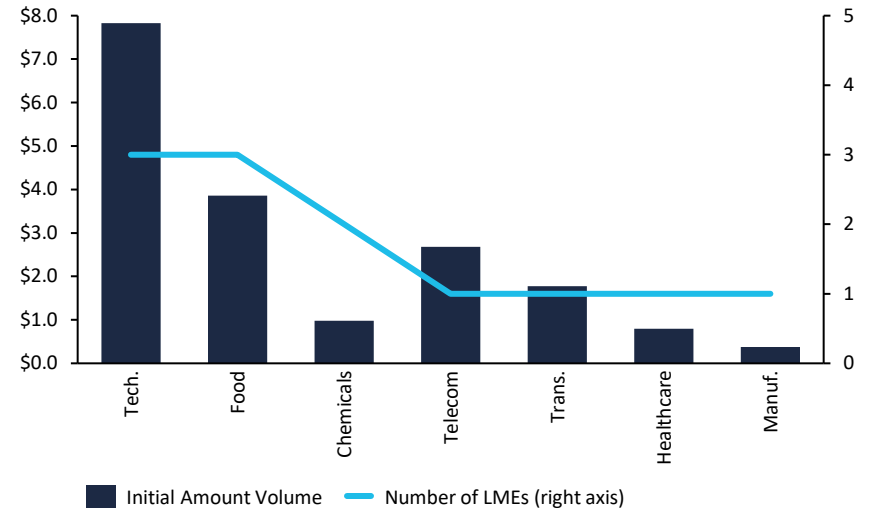
(USD in billions)



Source: PitchBook | LCD

LME BY INDUSTRY FOR PAST SIX MONTHS

(USD in billions)



Source: PitchBook | LCD

- There were no new institutional defaults and 1 new LME in Oct '25

LMEs IN THE PAST MONTH			LME	INITIAL AMOUNT
COMPANY	INDUSTRY	DEAL DATE	DATE	(\$ IN MM)
Florida Food Products Inc	Food	10/18/21	10/17/25	\$ 605.0

COMMODITY PRICES

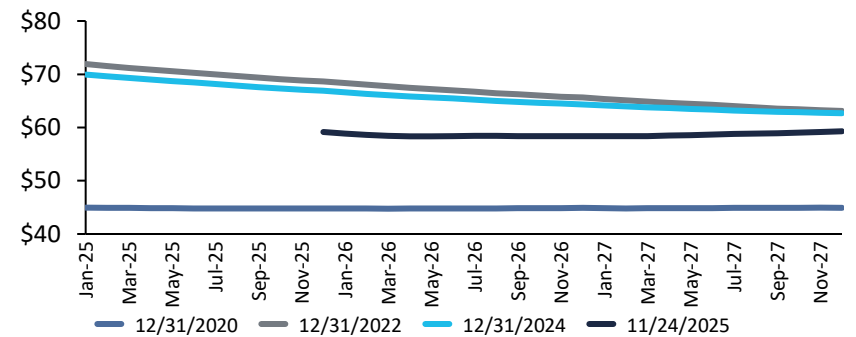
WTI CRUDE OIL PRICES⁽¹⁾

(USD per barrel)



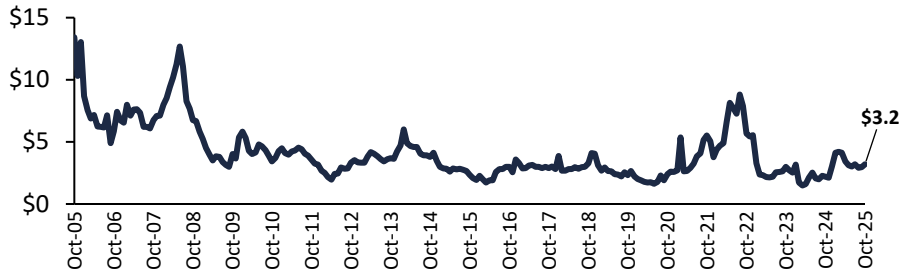
WTI CRUDE OIL FUTURES

(USD per barrel)



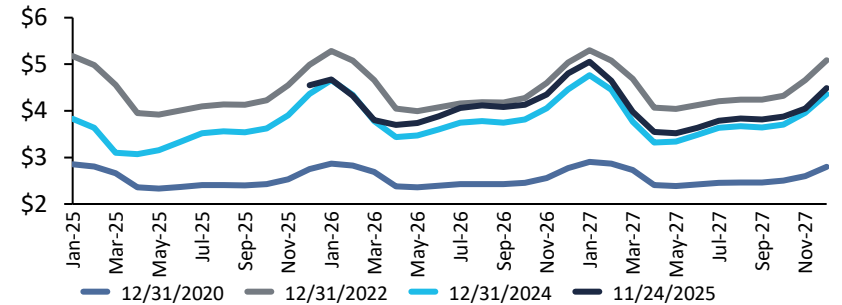
HENRY HUB NATURAL GAS PRICES⁽¹⁾

(USD per MMBTU)



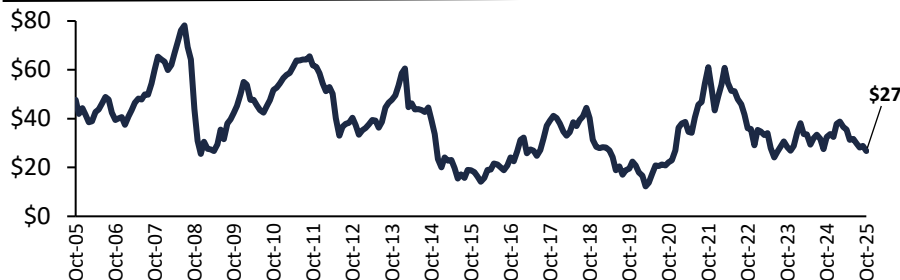
NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



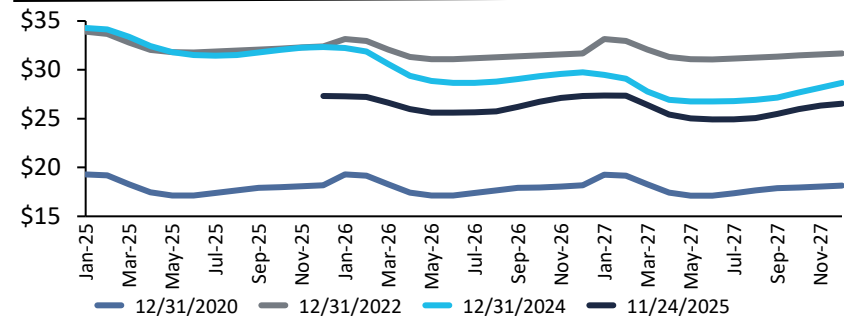
MONT BELVIEU NGL PRICES⁽¹⁾

(USD per barrel)



MONT BELVIEU NGL FUTURES

(USD per barrel)



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