

ISSUED ON AUGUST 25, 2025

BRG CORPORATE FINANCE

Key Economic Data

July 2025

This report may not be reproduced or redistributed without the written consent of BRG



INTELLIGENCE THAT WORKS

DISCLAIMER

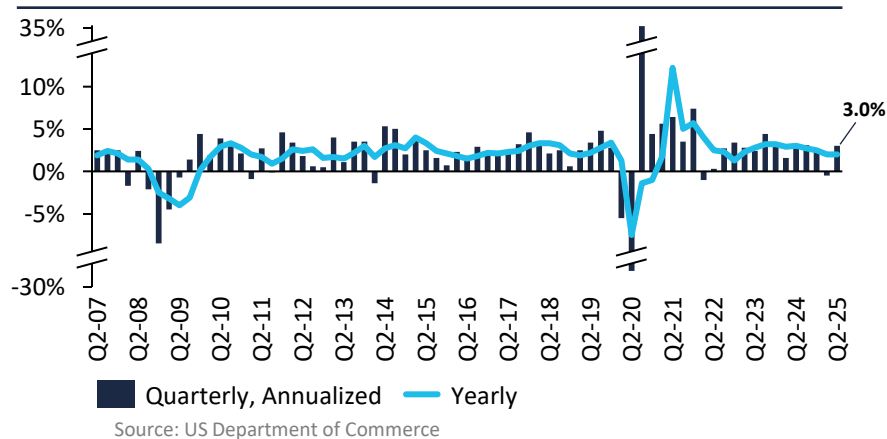
This report may not be reproduced or redistributed without the written consent of BRG. In no event shall any party be entitled to rely on this report for any purpose. The recipient will rely on its own analysis and review to make any business or other decision. Although reasonable and customary steps have been taken to generate an accurate report, BRG does not warrant or guarantee the accuracy, reliability, timeliness, or completeness of the information presented in this report and assumes no liability or responsibility for any error or omission in such content. The contents of this report are provided on a “for information only” basis. This report does not constitute or contain any legal opinion or advice, nor does it constitute or contain any fairness, investment, or accounting opinion or advice. BRG does not assume any responsibility, obligation, or liability to any party to which this report is disclosed or otherwise made available.

TABLE OF CONTENTS

1. GDP AND CONSUMER CONFIDENCE	4
2. INFLATION AND REAL EARNINGS	5
3. EMPLOYMENT	6
4. HOUSING	7
5. AUTO SALES AND PRODUCTION	8
6. RETAIL SALES	9
7. INTEREST RATES	10
8. HIGH YIELD INDEX	11
9. BANKRUPTCIES	12
10. PAYMENT DEFAULTS AND LMES	13
11. COMMODITY PRICES	16

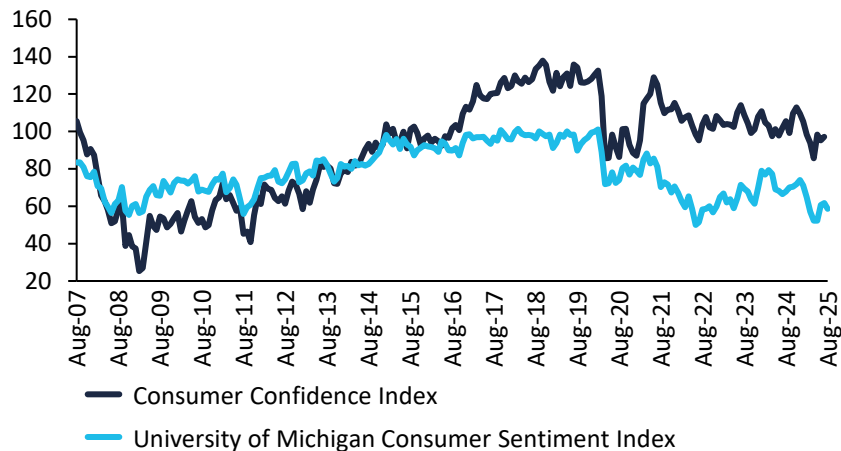
GDP AND CONSUMER CONFIDENCE

REAL GDP GROWTH



- Q2 '25 GDP rebounded (first estimate), beating expectations
 - Trade deficit improved significantly on shrinking imports
 - Consumer spending increased, but remained lower than past quarters
 - Gross investment plummeted after prior quarter's surge
 - Government spending rebounded, as state and local gained, while federal decline eased from Q1
- The economy grew at a solid rate in Q2, but preliminary forecasts indicate slowing growth for Q3

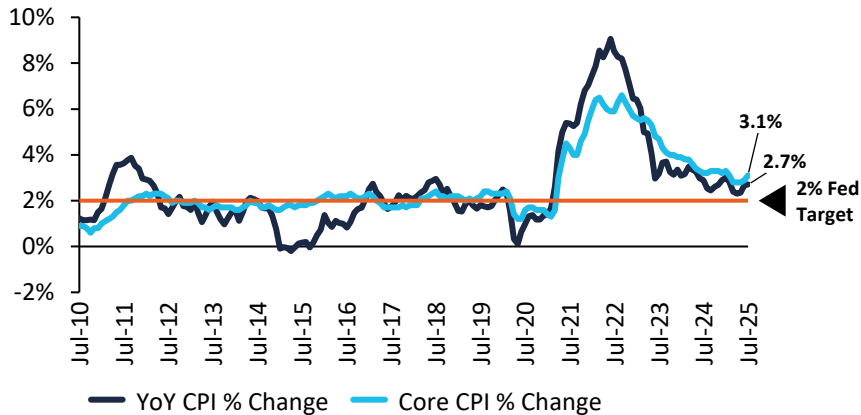
CONSUMER CONFIDENCE



- Consumer Confidence Index increased, above expectations
 - Expectations for future business conditions, employment, and income all improved, but remained at levels that suggest a recession ahead
 - Tariffs and inflation remained top concerns for the present; views of current job availability declined to the lowest level since Mar '21
- Consumer Sentiment Index⁽¹⁾ fell in Aug '25, below consensus
 - The decline was driven by rising worries about inflation; buying conditions for durables plunged to the lowest level in a year
 - 1-year and 5-year inflation expectations worsened after two and three consecutive months of improvement, respectively, but remain below the highs seen in April / May

INFLATION AND REAL EARNINGS

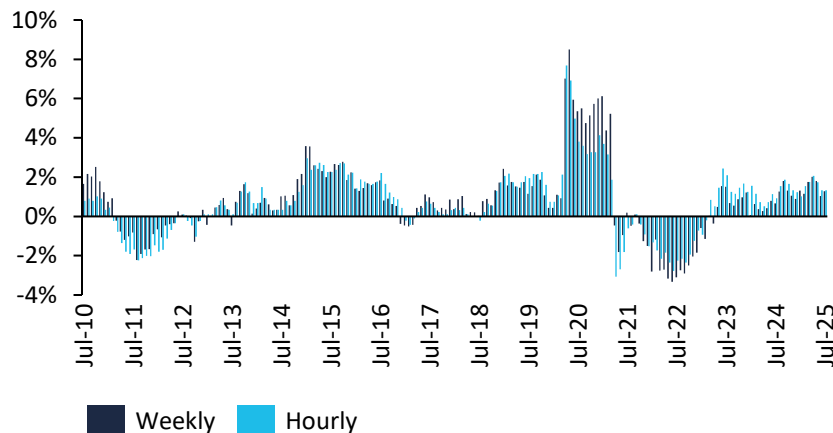
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- US consumer price growth eased MoM, in-line with consensus, but remained unchanged YoY, below expectations
 - Food prices were flat MoM as grocery prices declined; YoY price growth eased
 - Energy prices fell both MoM and YoY
- Core CPI growth ticked up MoM, in-line with consensus, and increased YoY, above consensus
- Prices in key consumer categories – such as shelter, energy, and groceries – either stabilized or declined, while less essential categories experienced accelerated price growth

YOY CHANGE IN REAL EARNINGS*



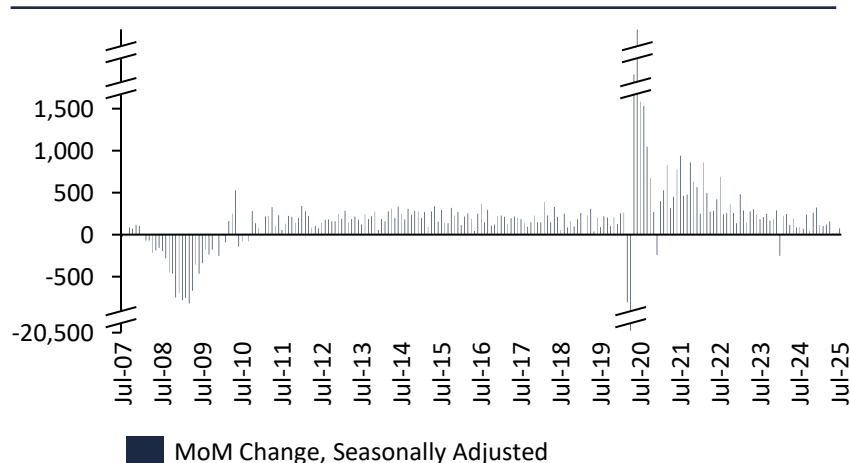
*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- Real average weekly earnings for production and nonsupervisory employees rebounded MoM, after an upward revision to the prior month
 - Due to an increase to the average workweek and real average hourly earnings
- YoY, real average weekly earnings growth increased

EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

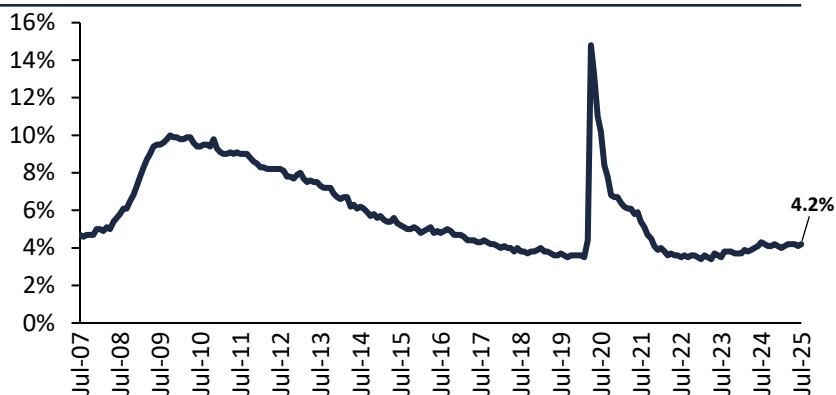
(in thousands)



Source: Bureau of Labor Statistics

- Jul '25 nonfarm payrolls growth accelerated, but well below consensus, after substantial downward revisions to the prior two months
- Private sector payrolls increased, below consensus
 - Service provider growth expanded with healthcare and social assistance adding jobs, while professional services and wholesale trade shed jobs; retail trade added jobs after two consecutive months of declines
 - Goods producer payrolls fell as manufacturing and mining declined, while construction slowed slightly
- Government payrolls fell, as federal and local payrolls declined, partially offset by slowing state

UNEMPLOYMENT RATE



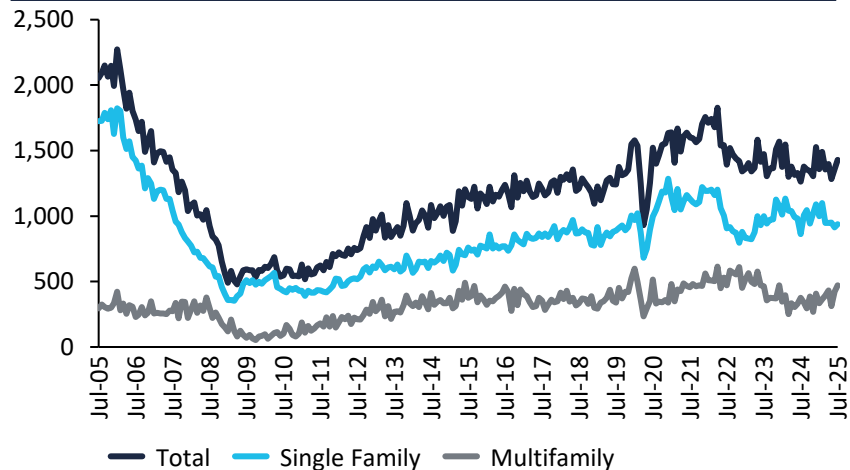
Source: Bureau of Labor Statistics

- The unemployment rate increased slightly in Jul '25, in-line with expectations
- Participation rate ticked down to 62.2%, the lowest level since Nov '22

HOUSING

HOUSING STARTS (SAAR)

(in thousands)

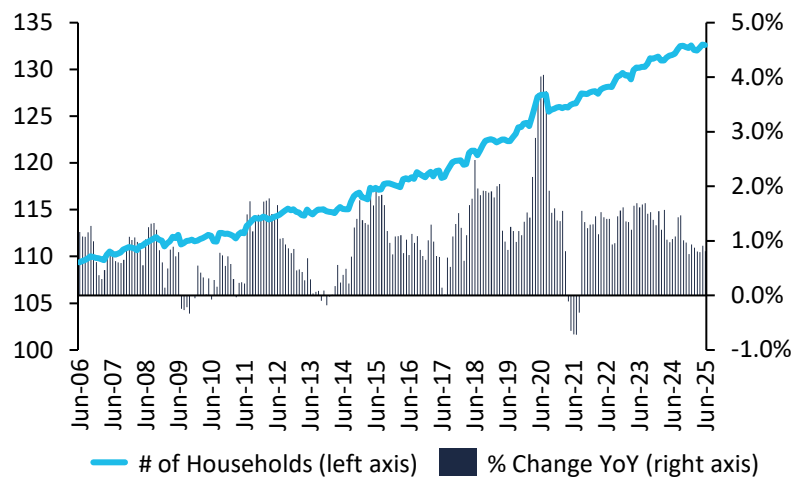


Source: US Department of Housing and Urban Development

- Housing Starts SAAR rose MoM, above consensus, and jumped YoY
 - Volatile multi-family starts drove the overall growth, as they surged both MoM and YoY
 - Single-family starts rose, despite a decline in builder sentiment
- Case Shiller 20-City Index⁽¹⁾ declined MoM for the third consecutive month
 - YoY growth slowed to the lowest level since Aug '23, below consensus
 - The slowdown reflects a market recalibration due to tighter financial conditions, subdued transaction volumes, and increasingly local dynamics

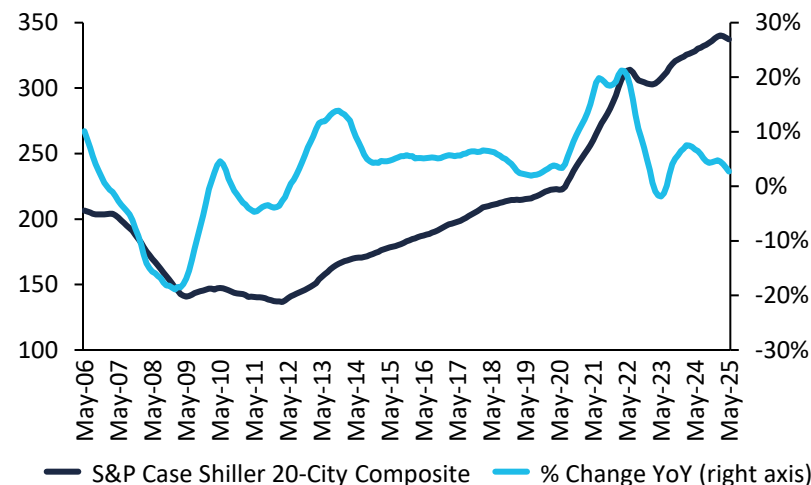
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)

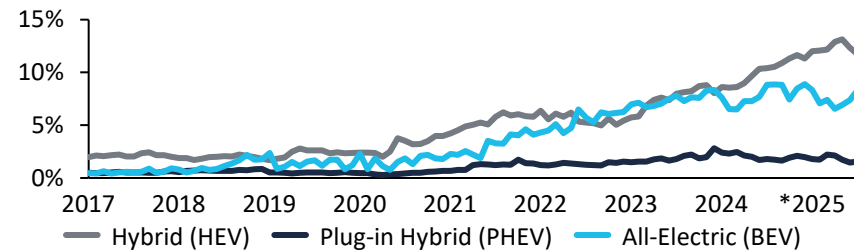


Source: S&P Global Market Intelligence

AUTO SALES AND PRODUCTION

- Jul '25 US Light-Vehicle Sales (SAAR) increased MoM, well above consensus as dealer incentives jumped from the month prior; unit sales increased both MoM and YoY
- Average monthly finance payments reached a record level for the month of July as transaction prices continued to grow
- EV retail share increased to 9.9%, while hybrid share fell to 13.3%

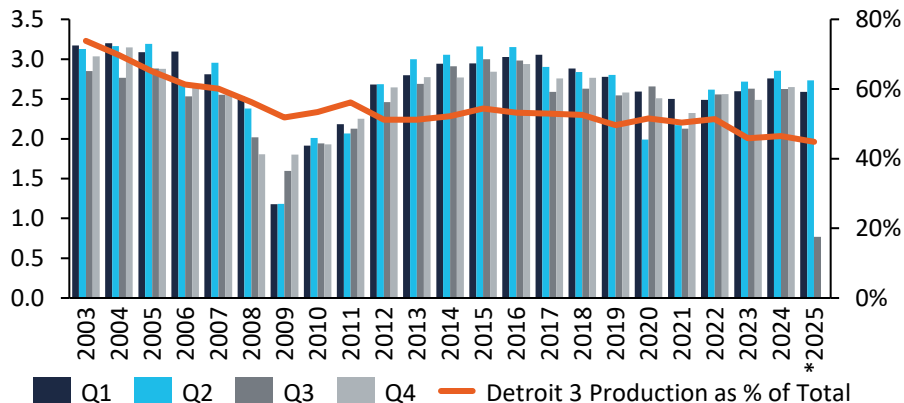
EV'S AS % OF US AUTO SALES



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

US AUTO PRODUCTION

(in millions)

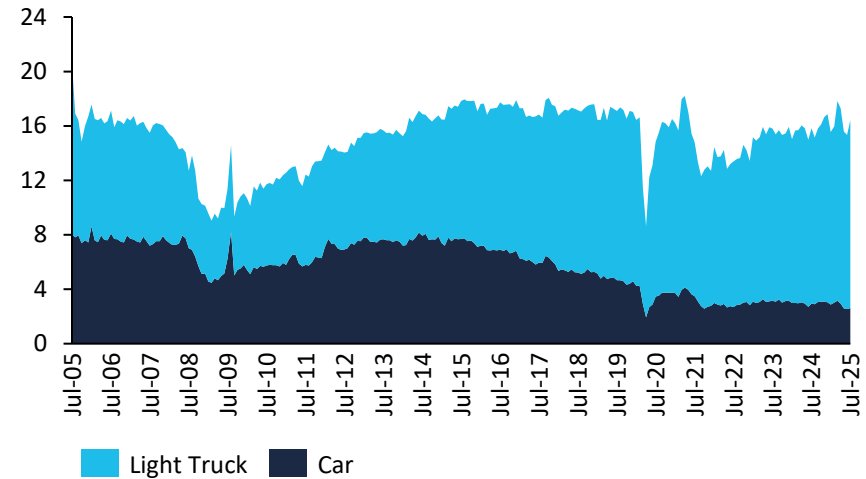


*Through July 31, 2025

Source: Automotive News

US LIGHT VEHICLE SALES (SAAR)

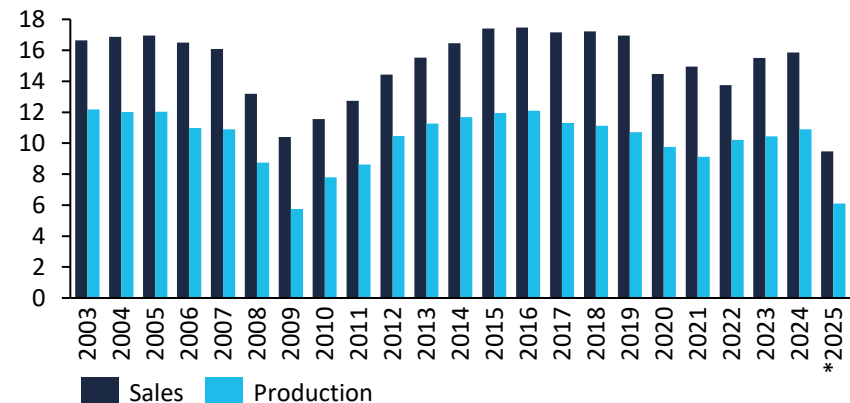
(in millions)



Source: Bureau of Economic Analysis

US AUTO SALES AND PRODUCTION

(in millions)



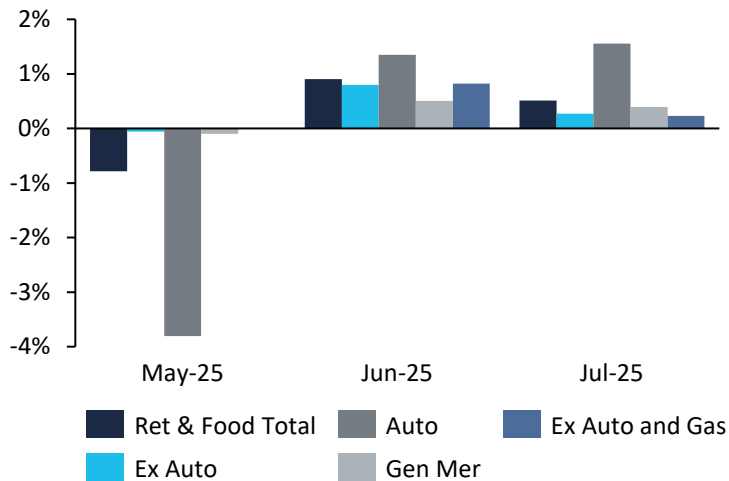
*Through July 31, 2025

Source: Bureau of Economic Analysis, Automotive News

RETAIL SALES

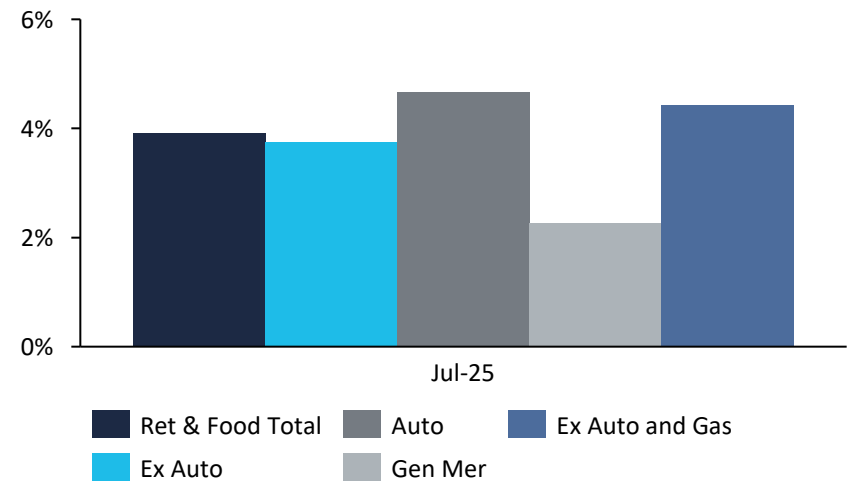
- US retail sales eased MoM in Jul '25, in-line with expectations, after an upward revision in Jun '25
 - The increase was primarily driven by auto sales
 - Nonstore retailers, the second largest share of retail sales, increased MoM
 - Other categories experiencing gains were furniture, grocery, and sporting goods stores, partially offset by declines to building material, electronics, and miscellaneous retailer stores
- On a year-over-year basis, retail sales rose 3.9%
 - Excluding gas and auto, sales gained 4.4% YoY
 - Nonstore sales rose 8.0% YoY, while department store sales fell 0.8% YoY

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

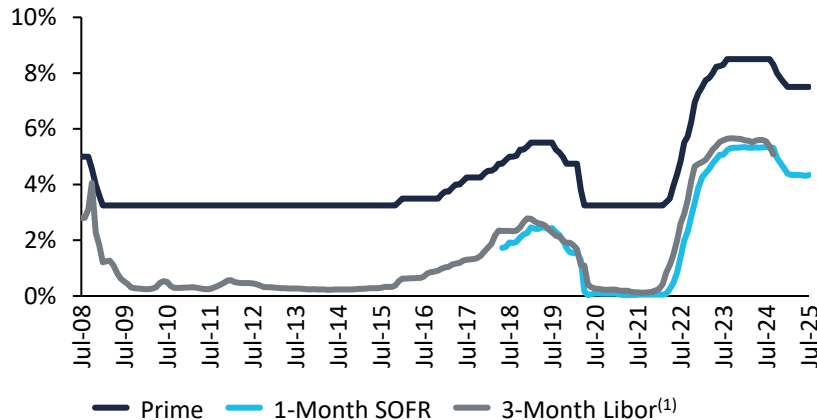
RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

INTEREST RATES

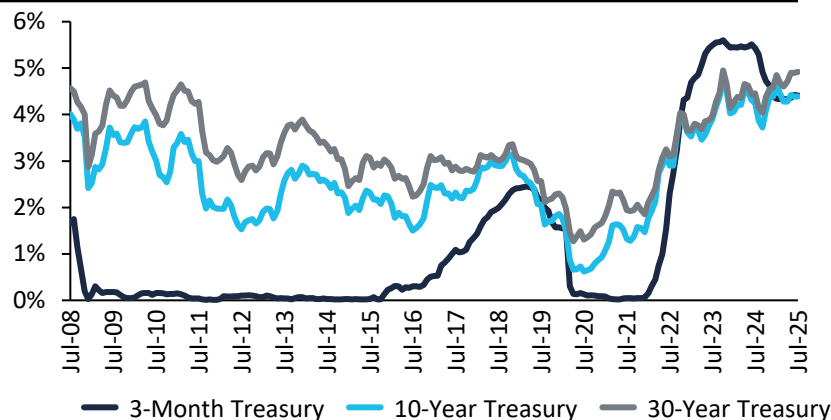
INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

- Fed officials left rates unchanged at the July meeting, at 4.25% - 4.50%, in-line with expectations
 - Two board governors dissented, preferring a 25 bps cut; first time a vote had two governor dissents since 1993
- The Committee noted that uncertainty about the economic outlook remains elevated, and removed language about diminished economic uncertainty from the prior statement
- The unemployment rate “remains low,” labor market conditions “remain solid,” and inflation “remains somewhat elevated”
 - The minutes note that the majority of officials are more worried about higher inflation than weaker employment

TREASURY YIELDS



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

	JUL-25	JUN-25	JUL-24	CHANGE FROM	
				PRIOR MON.	YEAR AGO
Prime	7.50%	7.50%	8.50%	0.00%	-1.00%
1-Month SOFR	4.34%	4.31%	5.34%	0.04%	-1.00%
3-Month Treasury	4.41%	4.42%	5.43%	-0.01%	-1.02%
10-Yr Treasury	4.39%	4.39%	4.25%	0.00%	0.14%
30-Yr Treasury	4.92%	4.90%	4.46%	0.02%	0.46%

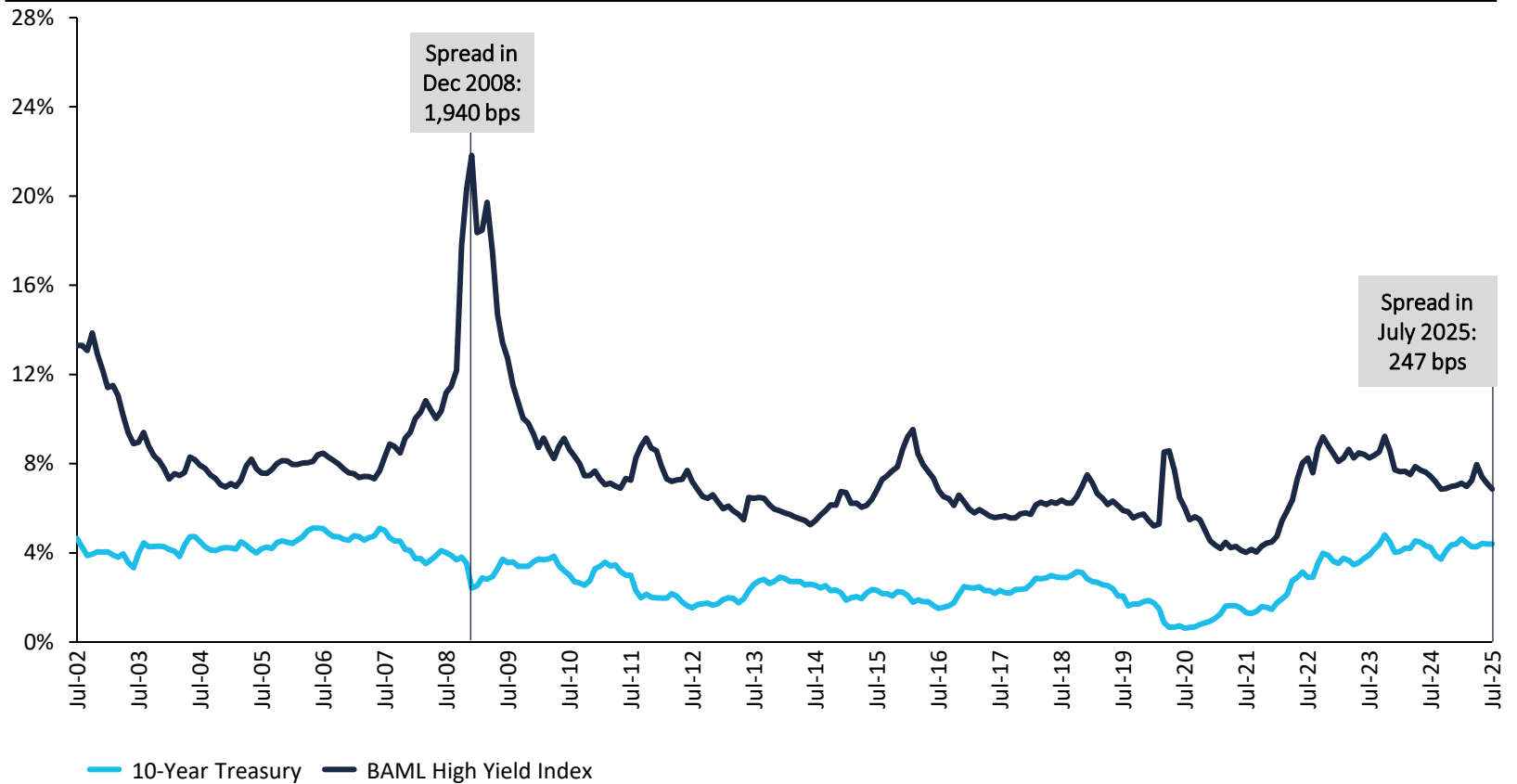
Note: Rates shown as monthly average rates

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

HIGH YIELD INDEX

- The High Yield vs. 10-Year Treasury spread contracted further in Jul '25

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

BANKRUPTCIES

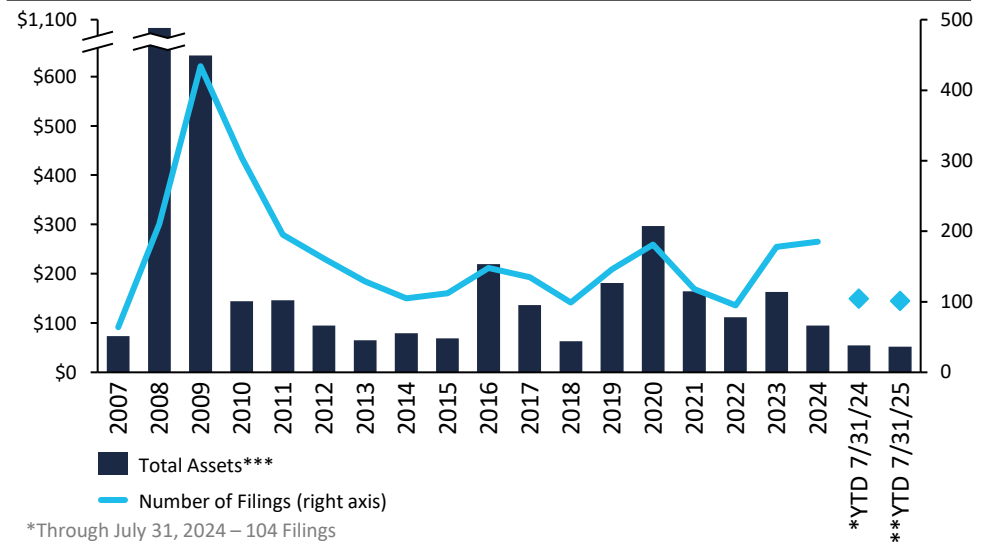
US BANKRUPTCY FILINGS WITH ASSETS > \$50 MILLION BY INDUSTRY

INDUSTRY	JUL-25	JUN-25	YTD JUL-25	YTD JUL-24	TOTAL 2024
Real Estate	4	2	20	22	36
Consumer / Household Prods	3	1	9	6	14
Healthcare	3	1	8	16	22
Media	2	-	2	2	2
Energy / Coal	1	4	15	6	16
Financial Services	1	2	8	3	10
Services	1	1	5	4	5
Technology	1	-	3	10	13
Automotive	-	1	7	1	8
Education	-	1	4	1	3
Telecommunication	-	-	6	2	4
Food	-	-	3	4	9
Agriculture	-	-	3	1	1
Transportation	-	-	2	7	13
Chemicals	-	-	2	-	-
Retail	-	-	1	6	9
Construction	-	-	1	4	7
Manufacturing	-	-	1	3	5
Leisure	-	-	1	1	3
Non Profit Organizations	-	-	-	3	3
Metals	-	-	-	2	2
Advisory	-	-	-	-	-
Business Communication	-	-	-	-	-
Government	-	-	-	-	-
Internet	-	-	-	-	-
Research and Development	-	-	-	-	-
Textiles	-	-	-	-	-
Total	16	13	101	104	185

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

US BANKRUPTCIES WITH ASSETS > \$50M

(USD in billions)



10 LARGEST CHAPTER 11 FILINGS IN JULY 2025*

COMPANY	FILING DATE	ASSETS (\$ IN M)	LIABILITIES (\$ IN M)	COURT	INDUSTRY
Desktop Metal, Inc.	7/28/2025	\$ 1,000	\$ 1,000	SDTX	Technology
LifeScan Global Corporation	7/15/2025	1,000	1,000	SDTX	Healthcare
Del Monte Foods Corporation	7/1/2025	1,000	1,000	NJ	Consumer Products
Linqto Texas, LLC	7/7/2025	500	500	SDTX	Financial Services
FCI Sand Operations LLC	7/30/2025	100	100	NDTX	Energy
RunitOneTime Texas LLC, d/b/a Maverick Gaming	7/14/2025	100	100	SDTX	Casinos & Gaming
IG Design Group Americas, Inc.	7/3/2025	100	100	SDTX	Consumer Products
Merit Street Media Inc.	7/2/2025	100	100	NDTX	Media
Quentin Izel Bessent	7/15/2025	100	10	MDFL	Real Estate
Valves and Controls US Inc.	7/25/2025	50	100	DE	Consumer Products

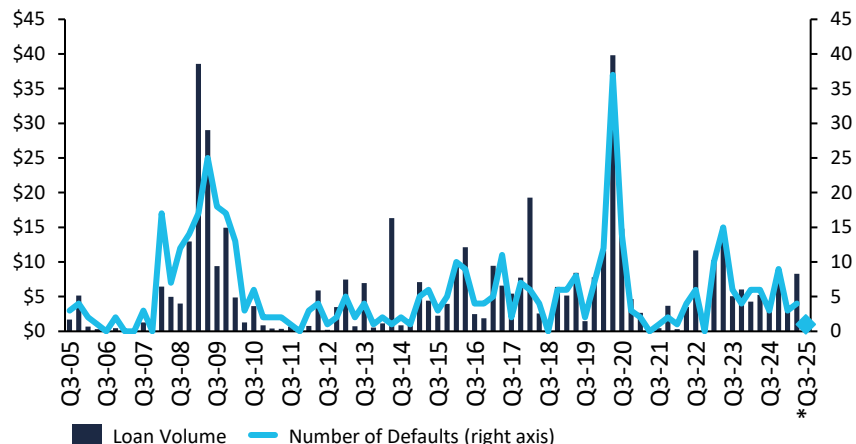
* By assets reported by The Deal and S&P Global Market Intelligence

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

PAYMENT DEFAULTS AND LMES⁽¹⁾

INSTITUTIONAL LOAN DEFAULTS

(USD in billions)

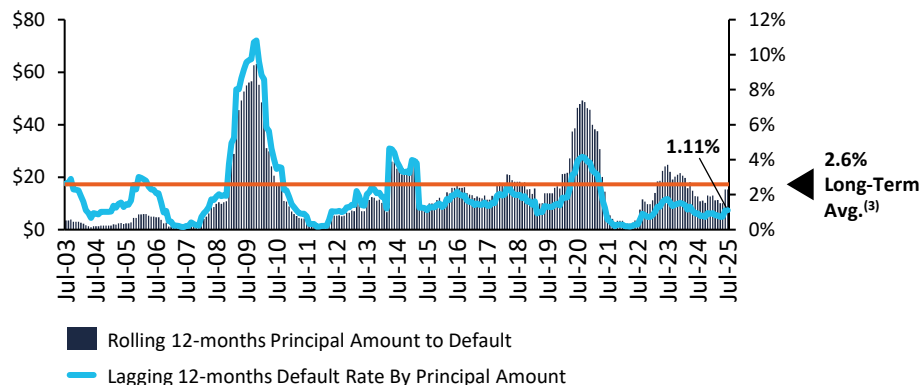


*Through July 31, 2025
Source: PitchBook | LCD

- 8 defaults YTD through Jul '25 (\$12.1B in volume) vs. 13 defaults YTD through Jul '24 (\$10.3B in volume)
- With 1 new default in the Index⁽²⁾ and 1 default rolling off the TTM calculation, the default rate:
 - By principal amount remained unchanged at 1.11%
 - By number of issuers held steady at 1.25%
- The distress ratio of loans priced below 80 fell for the fourth consecutive month, reaching a three-year low
- The three-month rolling downgrade-to-upgrade ratio rebounded, after worsening significantly the month prior

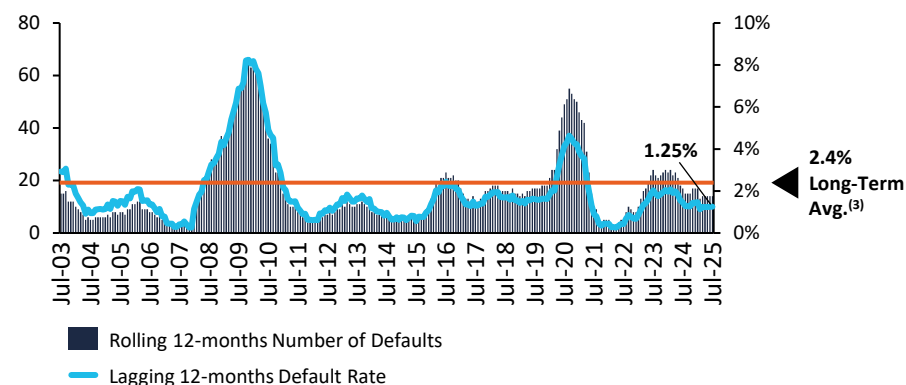
DEFAULTS BY PRINCIPAL AMOUNT

(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

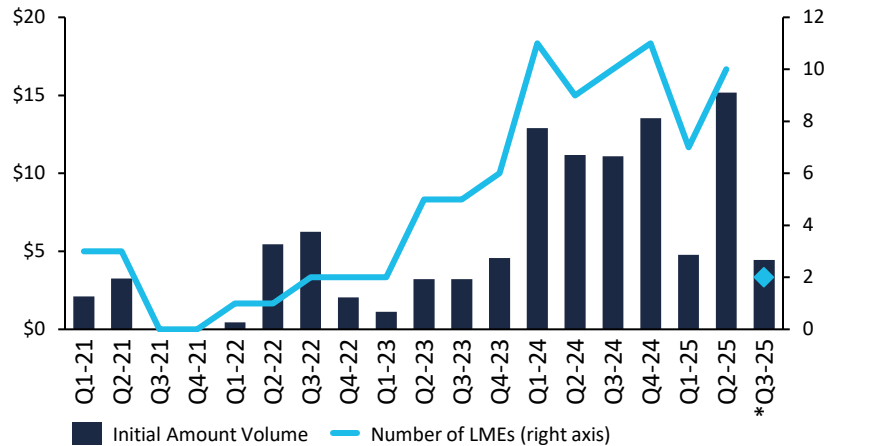


Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

PAYMENT DEFAULTS AND LMEs (CONT'D)

LMEs

(USD in billions)

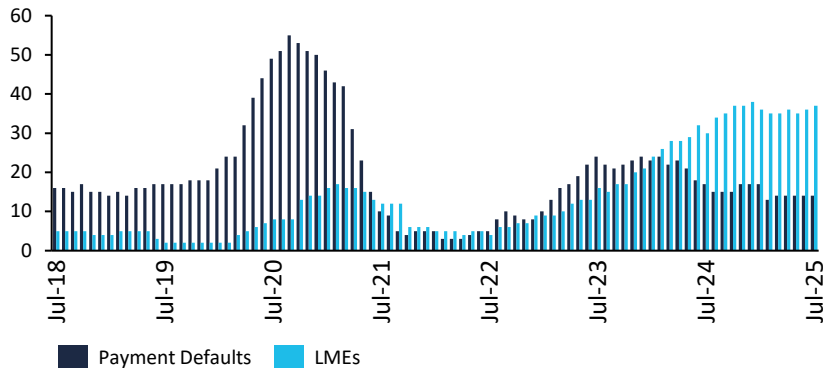


*Through July 31, 2025
Source: PitchBook | LCD

- 19 LMEs YTD through Jul '25 (\$24.4B in volume) vs. 20 LMEs YTD through Jul '24 (\$24.1B in volume)
- On a trailing 12-month basis, LMEs outpaced payment defaults 37 to 14 in July
 - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate⁽¹⁾ by issuer count rose to 4.56%

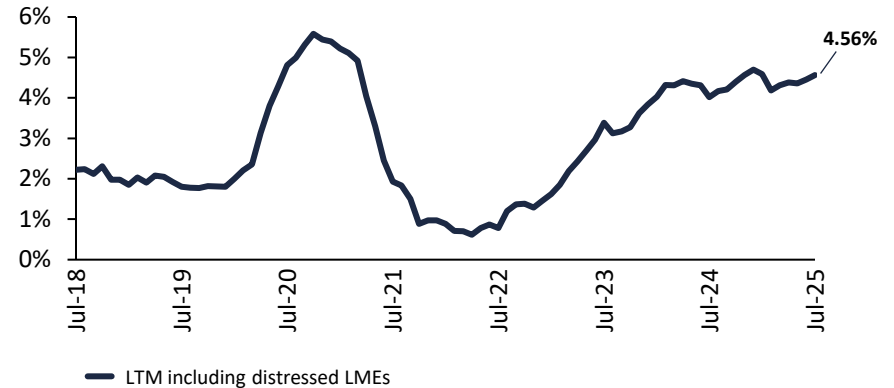
PAYMENT DEFAULTS VS LMEs: TTM COUNT

(USD in billions)



*Through July 31, 2025
Source: PitchBook | LCD

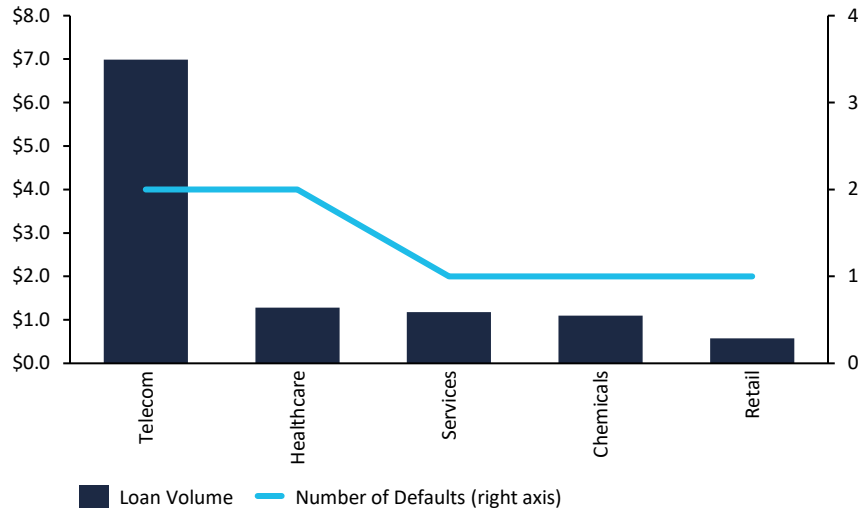
DUAL TRACK DEFAULT RATE BY ISSUER COUNT



*Through July 31, 2025
Source: PitchBook | LCD

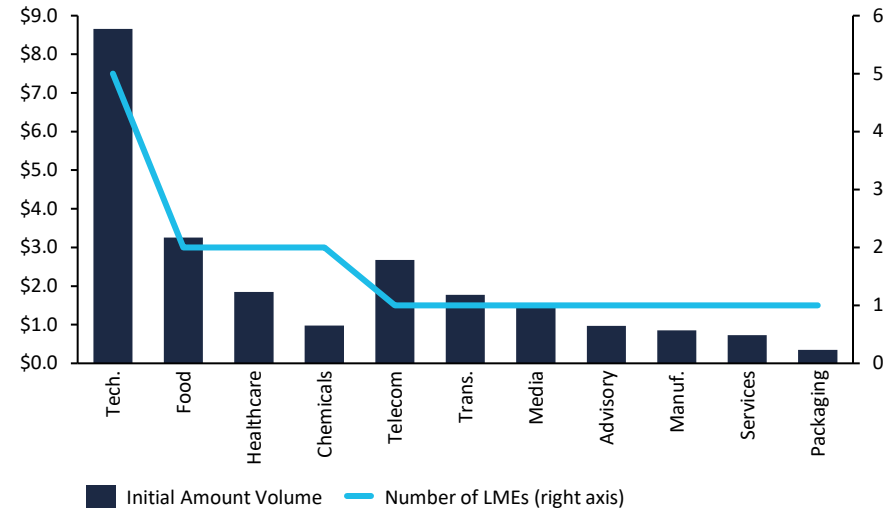
PAYMENT DEFAULTS AND LMEs (CONT'D)

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 was 1 new institutional default and 2 new LMEs in Jul '25

INSTITUTIONAL DEFAULTS IN THE PAST MONTH			DEFAULT DATE	FILING DATE	INITIAL AMOUNT (\$ IN MM)	INITIAL INST'L AMOUNT (\$ IN MM)
COMPANY	INDUSTRY	DEAL DATE				
Lifescan Global	Healthcare	5/19/23	7/16/25	7/15/25	\$ 1,008.8	\$ 1,008.8

LMEs IN THE PAST MONTH			LME DATE	INITIAL AMOUNT (\$ IN MM)
COMPANY	INDUSTRY	DEAL DATE		
Radiate Holdco	Telecommunications	10/22/21	7/3/25	\$ 2,680.0
Cubic	Transportation	5/25/21	7/31/25	1,775.0

COMMODITY PRICES

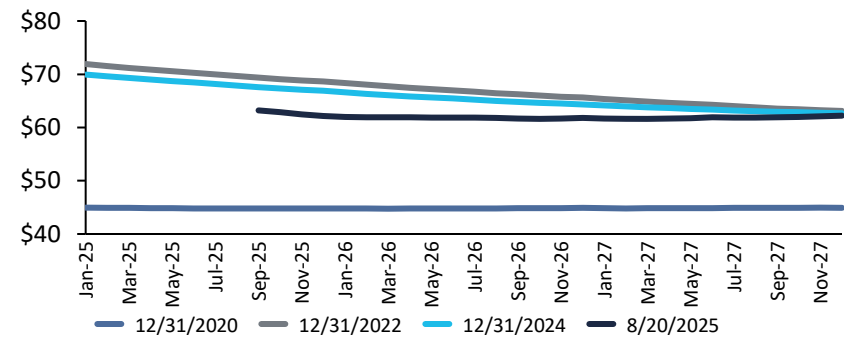
WTI CRUDE OIL PRICES⁽¹⁾

(USD per barrel)



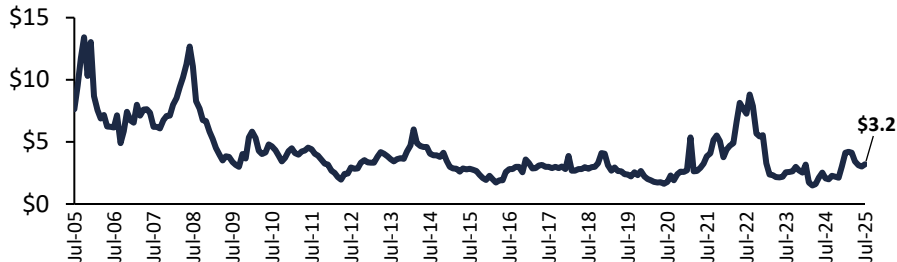
WTI CRUDE OIL FUTURES

(USD per barrel)



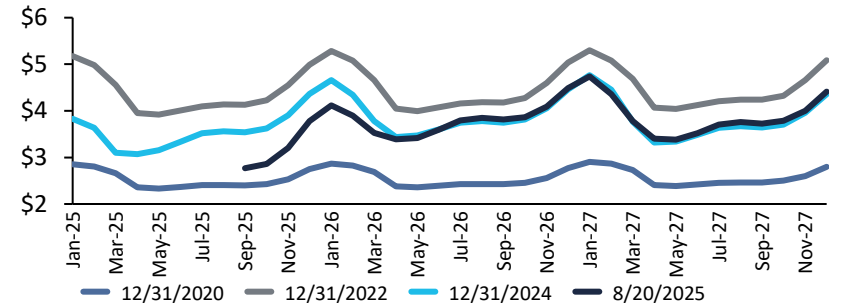
HENRY HUB NATURAL GAS PRICES⁽¹⁾

(USD per MMBTU)



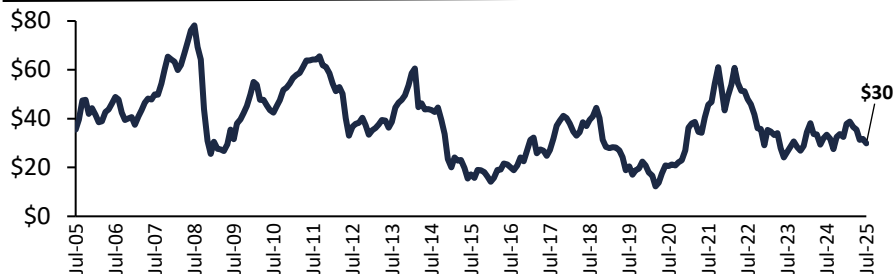
NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



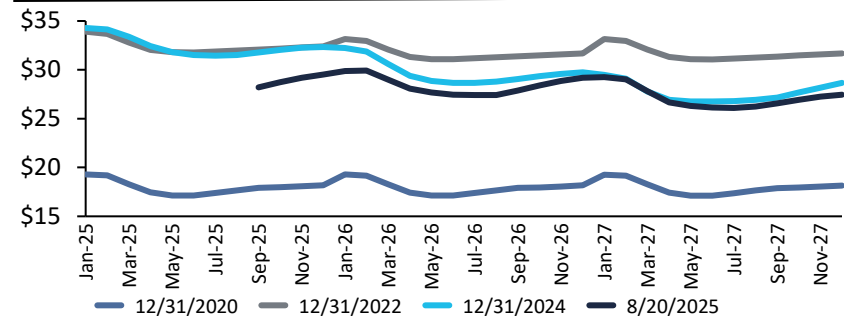
MONT BELVIEU NGL PRICES⁽¹⁾

(USD per barrel)



MONT BELVIEU NGL FUTURES

(USD per barrel)



Copyright © 2025, S&P Global Market Intelligence (and its affiliates, as applicable).

Disclaimer Notice:

Reproduction of any information, data or material, including ratings (“Content”) in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers (“Content Providers”) do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

