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**BRG CORPORATE FINANCE**

# Key Economic Data

June 2025

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**INTELLIGENCE THAT WORKS**

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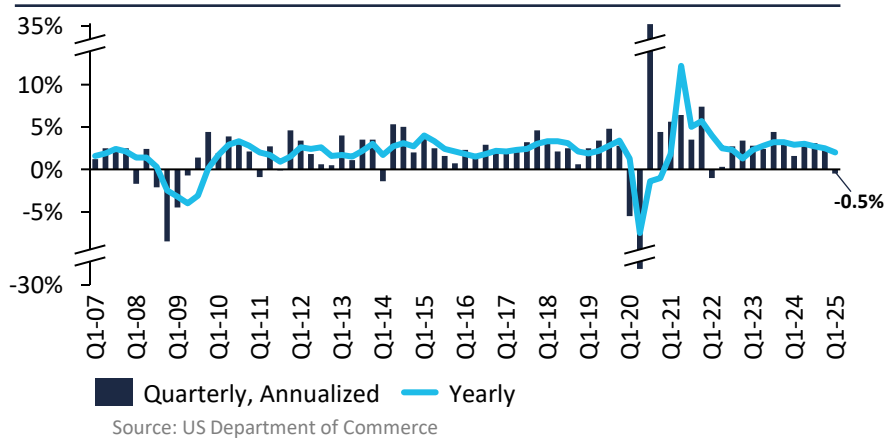
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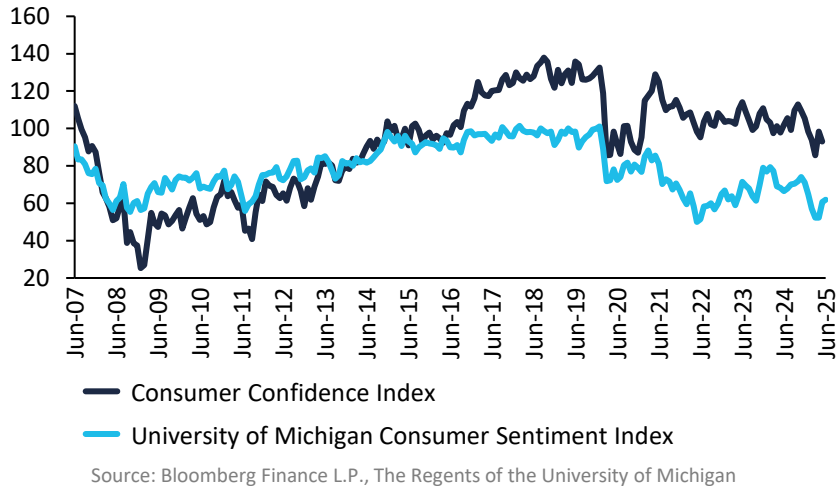
## GDP AND CONSUMER CONFIDENCE

### REAL GDP GROWTH



- Q1 '25 GDP was revised down in the 3<sup>rd</sup> estimate, below consensus
  - Personal consumption was revised down, as spending on services was lower than previously thought
  - Net exports and gross investment were revised down
  - Government spending was revised up slightly
- Some economists worry that low consumer spending could slow Q2 results

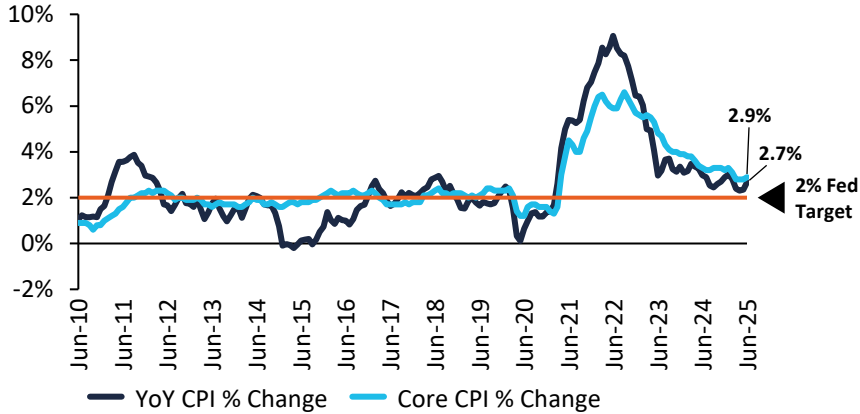
### CONSUMER CONFIDENCE



- Consumer Confidence Index fell, well below expectations
  - Tariffs remained a top concern
  - Purchasing plans for vehicles remained at the highest level since Dec '24, while purchasing plans for homes declined
- Consumer Sentiment Index<sup>(1)</sup> increased in Jul '25, above consensus
  - 1-year inflation expectations fell for the second month in a row, and 5-year expectations declined as well for the third consecutive month, both to the lowest level since Feb '25, but still above Dec '24 levels
  - Sentiment is still down ~16% since Dec '24

# INFLATION AND REAL EARNINGS

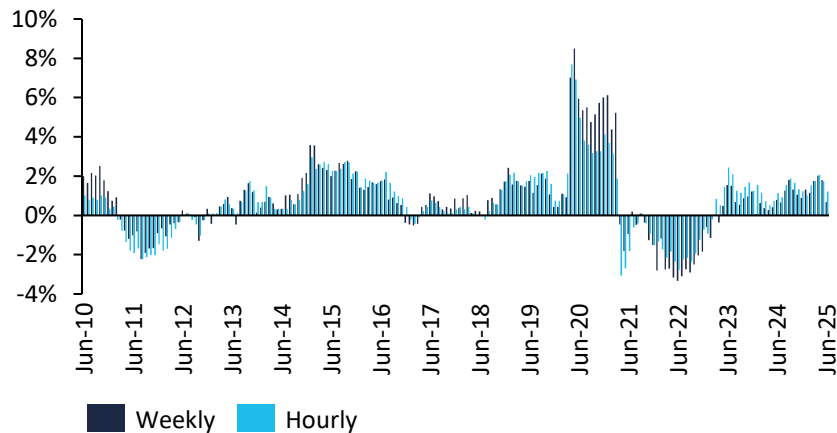
## INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- US consumer price growth accelerated MoM, in-line with expectations, and sped up YoY, above expectations
  - Food price growth was the same as month prior, but increased YoY
  - Energy prices rebounded MoM, but were down YoY
- Core CPI growth ticked up MoM, below consensus, and increased slightly YoY, in-line with consensus
- June price growth could be the start of expected inflationary effects related to higher tariffs

## YOY CHANGE IN REAL EARNINGS\*



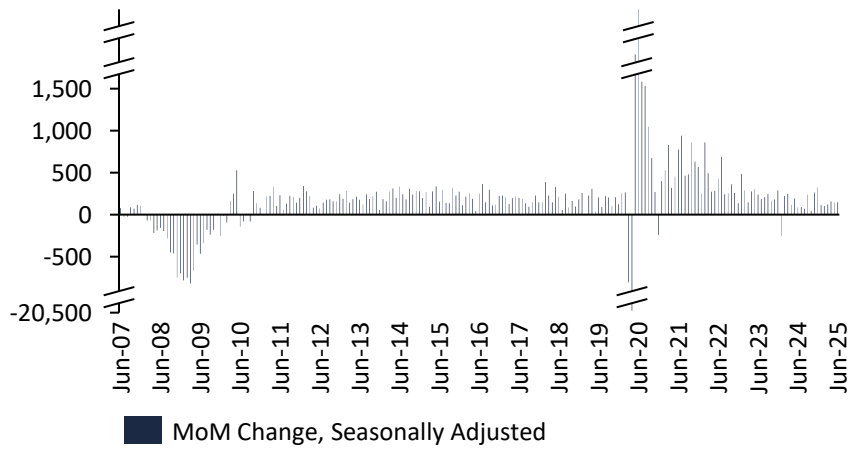
\*For production and nonsupervisory employees  
Source: Bureau of Labor Statistics

- Real average weekly earnings for production and nonsupervisory employees fell MoM, after a downward revision to the prior month
  - Due to a decrease in the average workweek
- YoY, real average weekly earnings growth eased

## EMPLOYMENT

### NONFARM PAYROLL EMPLOYMENT

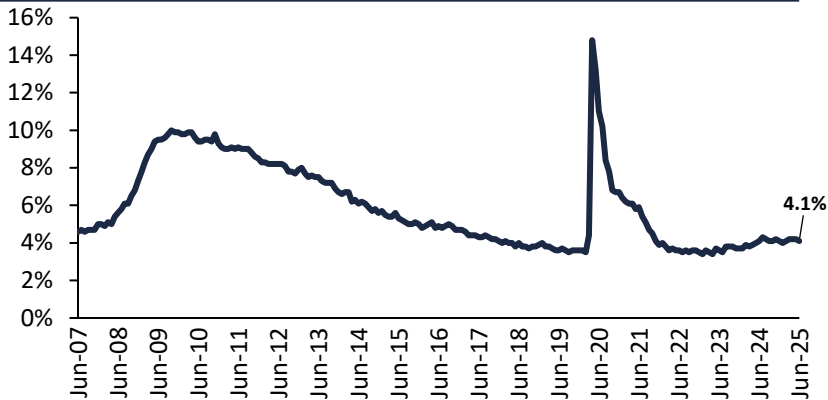
(in thousands)



Source: Bureau of Labor Statistics

- Jun '25 nonfarm payrolls growth increased, above consensus, after upward revisions to the prior two months
- Private sector payrolls slowed, well below consensus
  - Service provider growth eased with healthcare and leisure adding jobs, while wholesale trade and professional services shed jobs
  - Goods producer payrolls increased as construction accelerated, partially offset by declines to manufacturing and mining (second monthly decline)
- Government payroll growth increased, driven by a surge to state and local education payrolls, partially offset by another federal decline

### UNEMPLOYMENT RATE



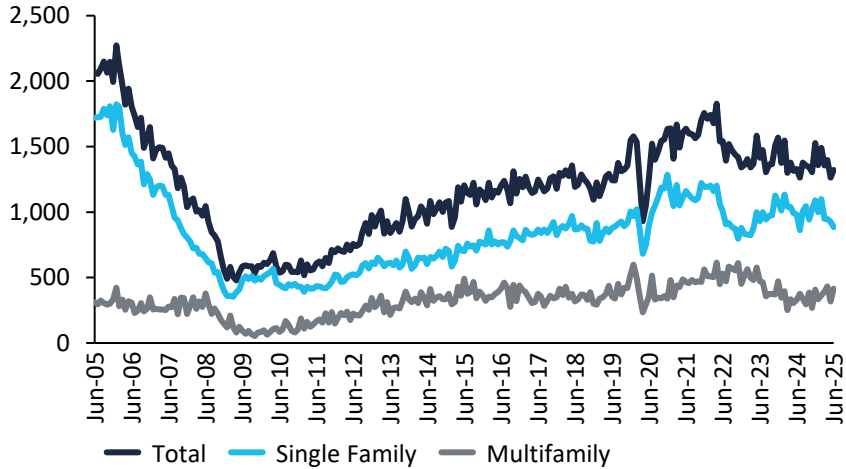
Source: Bureau of Labor Statistics

- The unemployment rate decreased slightly in Jun '25, below expectations
- Participation rate ticked down to 62.3%, the lowest level since Dec '22

# HOUSING

## HOUSING STARTS (SAAR)

(in thousands)

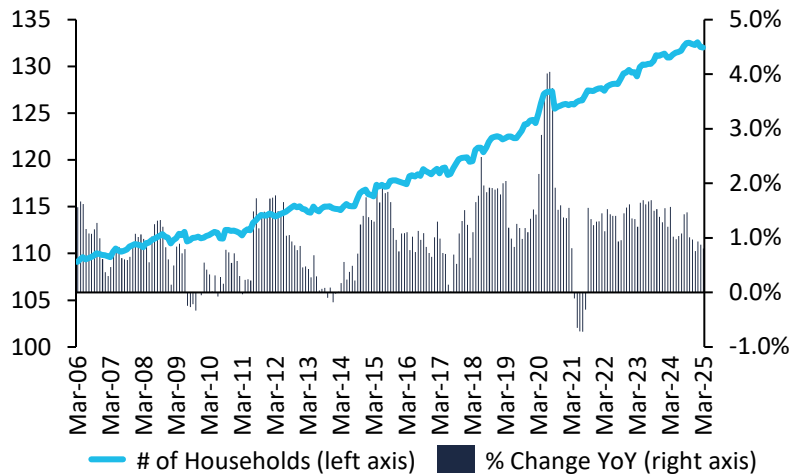


Source: US Department of Housing and Urban Development

- Housing Starts SAAR rose MoM, above consensus, but fell slightly YoY
  - Single-family starts plunged to the lowest level since Jul '24, as weak buyer demand led to an increased supply of homes on the market, with inventory at 2007 levels
  - Volatile multi-family starts had a large rebound both MoM and YoY
- Case Shiller 20-City Index<sup>(1)</sup> declined MoM for the second consecutive month
  - YoY growth slowed, below consensus
  - The era of broad-based, rapid price appreciation may be over, as inventory levels continue to grow and mortgage rates remain elevated

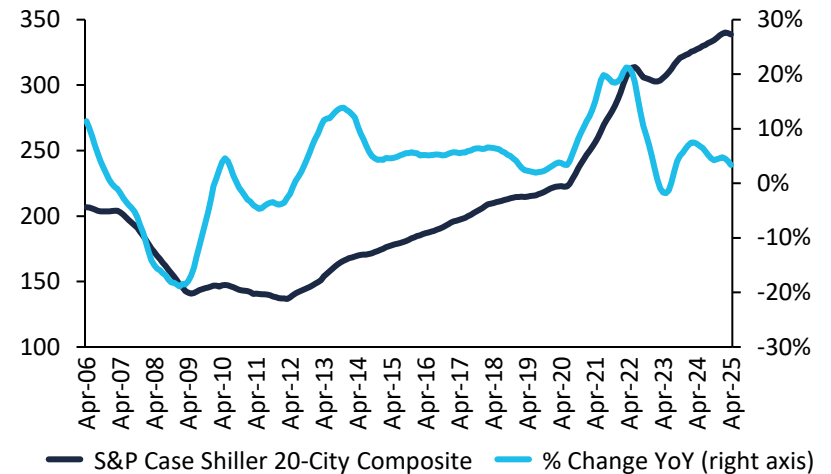
## HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

## HOUSING PRICES (SEASONALLY ADJUSTED)

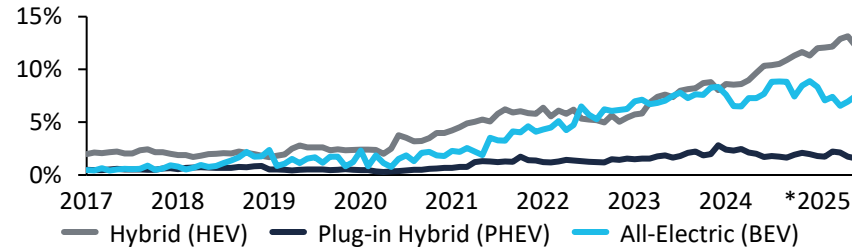


Source: S&P Global Market Intelligence

# AUTO SALES AND PRODUCTION

- Jun '25 US Light-Vehicle Sales (SAAR) slowed MoM, below consensus, as purchases to get ahead of tariffs are now over; unit sales decreased both MoM and YoY
- Average monthly finance payments reached a record level for the month of June as transaction prices continued to grow
- Hybrid retail share increased 3.8% YoY, setting a monthly record for June; EV share fell 1.9% YoY, but sales are expected to rise in months ahead, before the September EV tax credit removal

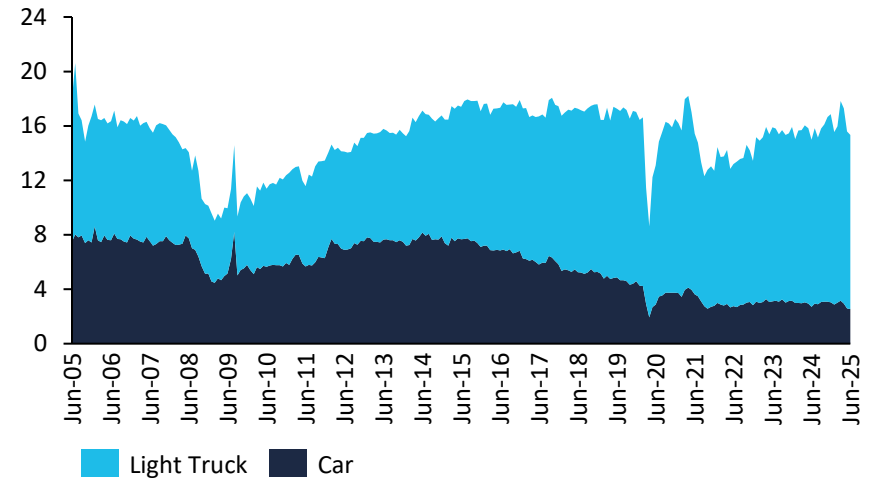
## EV'S AS % OF US AUTO SALES



Source: Argonne National Laboratory, Bureau of Economic Analysis \*Through June 30, 2025

## US LIGHT VEHICLE SALES (SAAR)

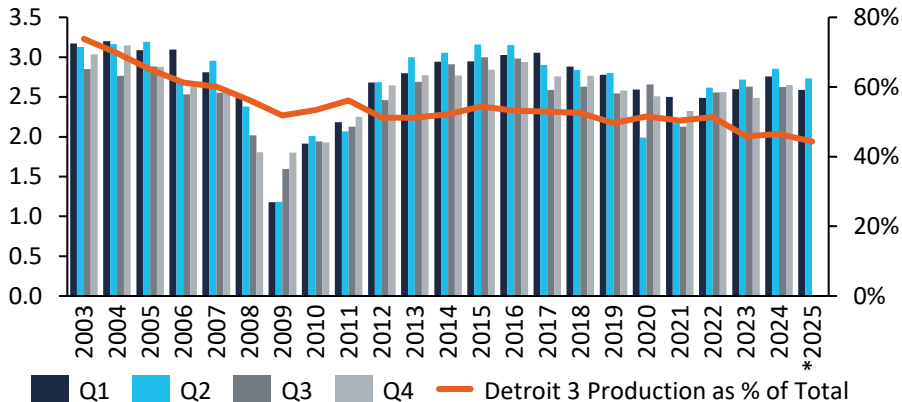
(in millions)



Source: Bureau of Economic Analysis

## US AUTO PRODUCTION

(in millions)

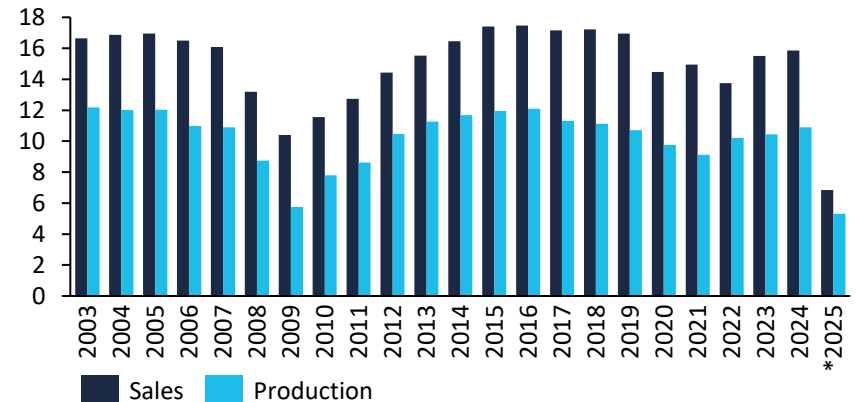


\*Through June 30, 2025

Source: Automotive News

## US AUTO SALES AND PRODUCTION

(in millions)



\*Through June 30, 2025

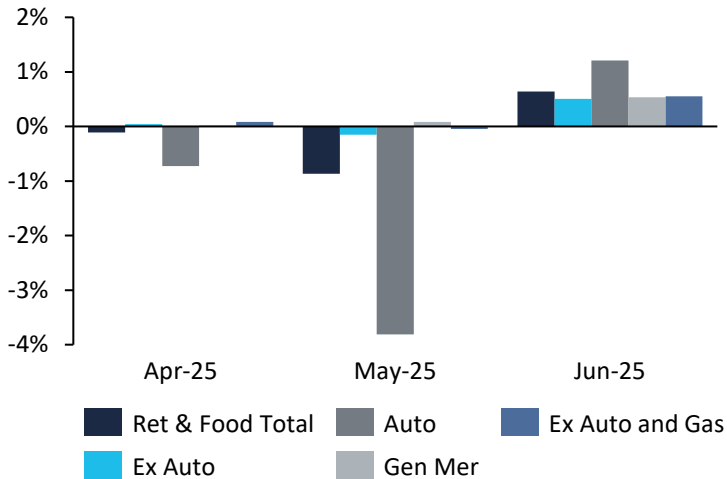
Source: Bureau of Economic Analysis, Automotive News



## RETAIL SALES

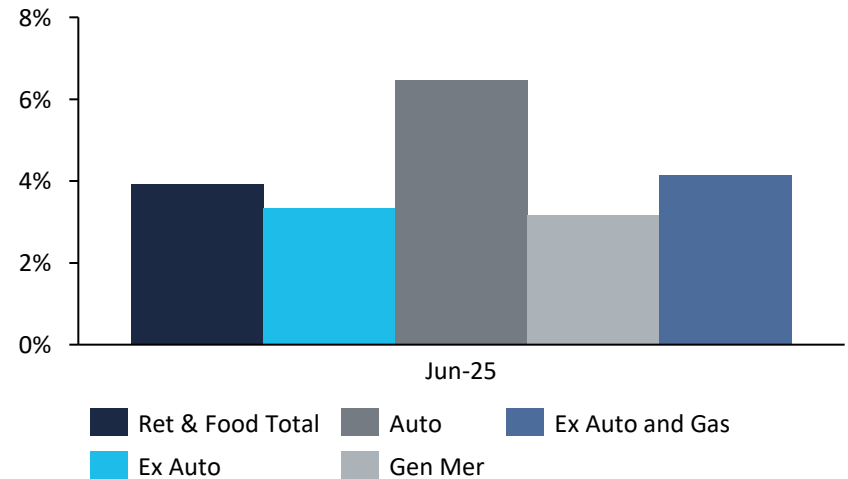
- US retail sales rebounded MoM in Jun '25, well above expectations
  - Auto sales increased MoM
  - Nonstore retailers, the second largest share of retail sales, increased MoM
  - Other categories experiencing small gains were restaurants, building material, clothing, and miscellaneous retailer stores, partially offset by small declines to home furnishing, electronics, and department stores
  
- On a year-over-year basis, retail sales rose 3.9%
  - Excluding gas and auto, sales gained 4.1% YoY
  - Nonstore sales rose 4.5% YoY, while department store sales fell 3.6% YoY

**RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)**



Source: US Census Bureau

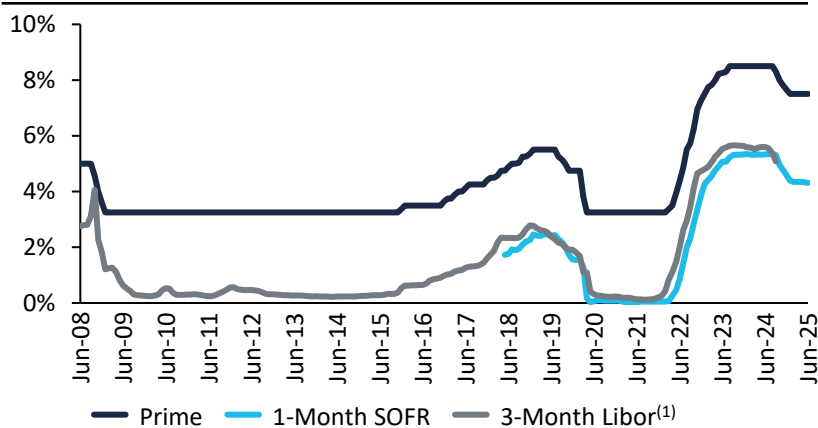
**RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)**



Source: US Census Bureau

## INTEREST RATES

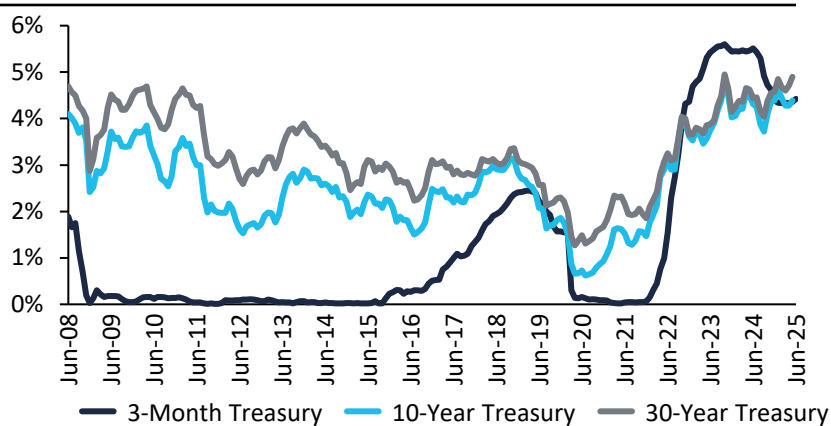
### INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

- Fed officials left rates unchanged at the June meeting, at 4.25% - 4.50%, in-line with expectations
  - Participants noted that overall uncertainty had diminished since the prior meeting
- According to the meeting minutes, economic growth was deemed solid, the unemployment rate low, and inflation remained somewhat elevated, but had come down
  - Participants also noted that increased tariffs will likely put upward pressure on prices; however, uncertainty remained regarding the related timing, size, and duration
- Two rate cuts are still expected throughout both late 2025 and 2026; most participants expect cuts later in the year, except for two who support a July cut

### TREASURY YIELDS



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

	JUN-25	MAY-25	JUN-24	CHANGE FROM	
				PRIOR MON.	YEAR AGO
Prime	7.50%	7.50%	8.50%	0.00%	-1.00%
1-Month SOFR	4.31%	4.33%	5.33%	-0.03%	-1.03%
3-Month Treasury	4.42%	4.36%	5.51%	0.06%	-1.09%
10-Yr Treasury	4.39%	4.42%	4.31%	-0.03%	0.08%
30-Yr Treasury	4.90%	4.90%	4.44%	0.00%	0.46%

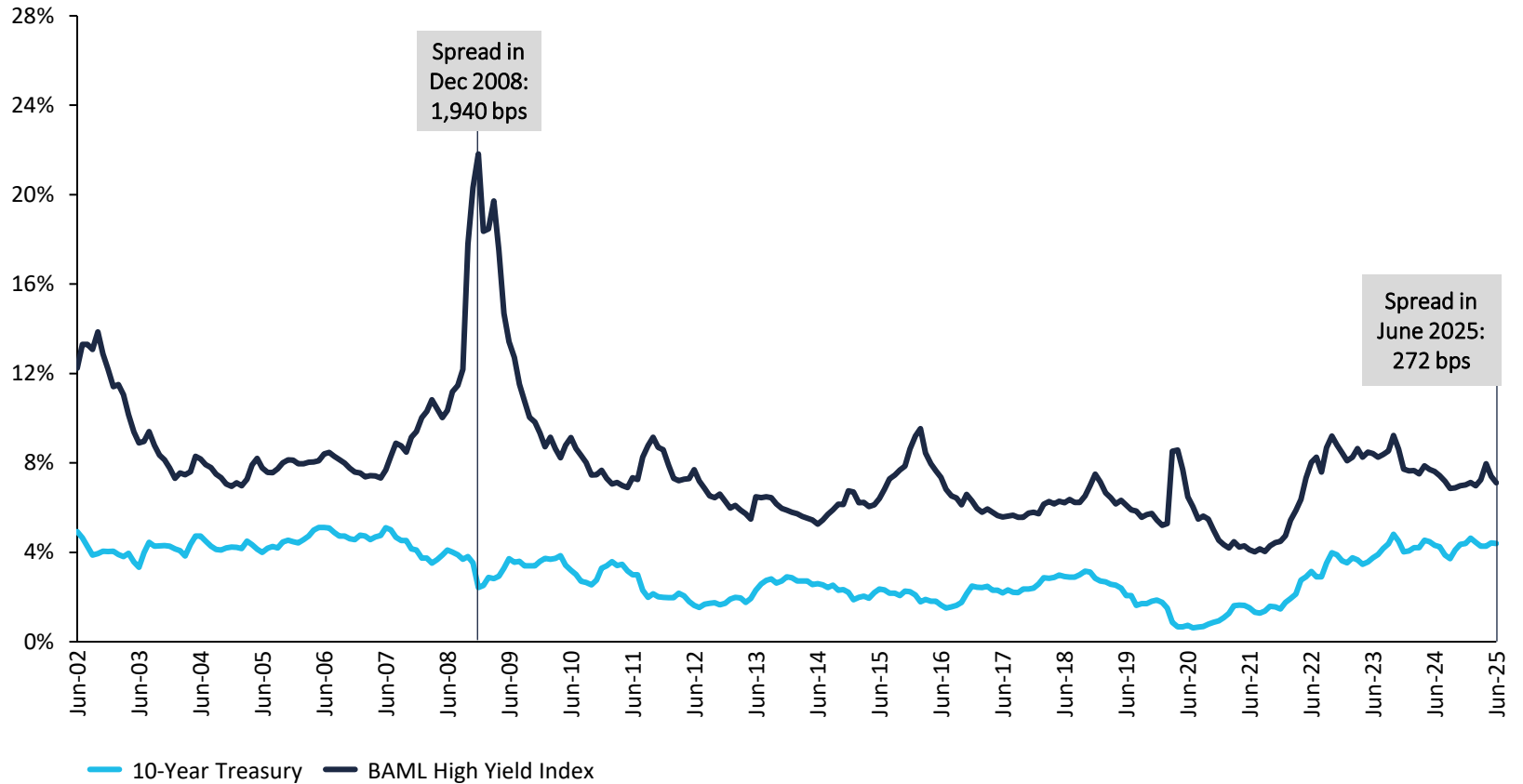
Note: Rates shown as monthly average rates

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 in Jun '25

### HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

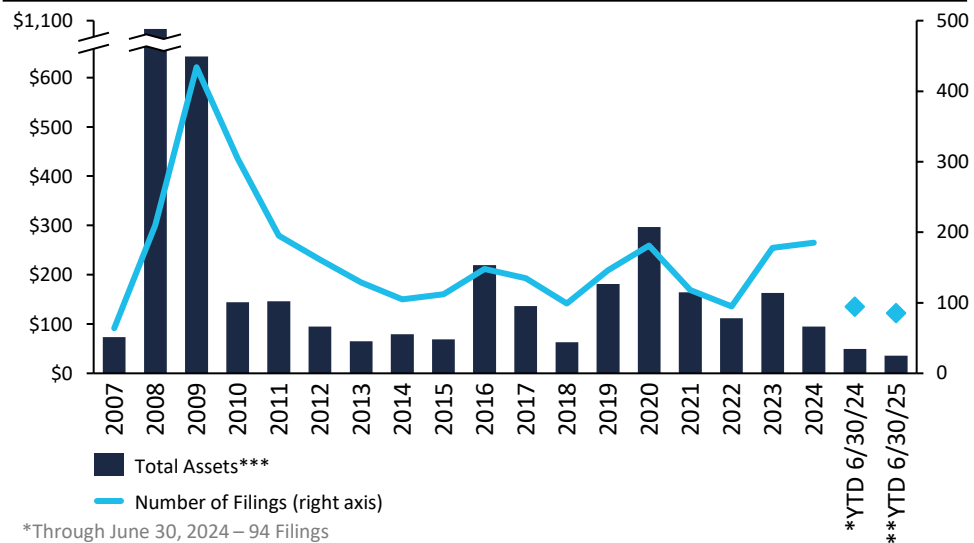
# BANKRUPTCIES

US BANKRUPTCY FILINGS WITH ASSETS > \$50 MILLION BY INDUSTRY					
INDUSTRY	YTD		YTD		TOTAL 2024
	JUN-25	MAY-25	JUN-25	JUN-24	
Energy / Coal	4	2	14	5	16
Real Estate	2	5	16	21	36
Financial Services	2	-	7	3	10
Healthcare	1	2	5	15	22
Services	1	2	4	4	5
Consumer / Household Prods	1	1	5	6	14
Automotive	1	-	7	1	8
Education	1	-	4	-	3
Telecommunication	-	2	6	2	4
Technology	-	1	3	9	13
Food	-	1	3	2	9
Agriculture	-	1	3	1	1
Transportation	-	1	2	7	13
Chemicals	-	-	2	-	-
Retail	-	-	1	5	9
Construction	-	-	1	3	7
Manufacturing	-	-	1	2	5
Leisure	-	-	1	1	3
Non Profit Organizations	-	-	-	3	3
Media	-	-	-	2	2
Metals	-	-	-	2	2
Advisory	-	-	-	-	-
Business Communication	-	-	-	-	-
Government	-	-	-	-	-
Internet	-	-	-	-	-
Research and Development	-	-	-	-	-
Textiles	-	-	-	-	-
<b>Total</b>	<b>13</b>	<b>18</b>	<b>85</b>	<b>94</b>	<b>185</b>

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

## US BANKRUPTCIES WITH ASSETS > \$50M

(USD in billions)



\*Through June 30, 2024 – 94 Filings

\*\*Through June 30, 2025 – 85 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 JUNE 2025\*

COMPANY	FILING DATE	ASSETS (\$ IN M)	LIABILITIES (\$ IN M)	COURT	INDUSTRY
Wolfspeed Inc. (NYSE: WOLF)	6/30/2025	\$ 7,574	\$ 6,743	SDTX	Semiconductors
At Home Group Inc.	6/16/2025	1,000	1,000	DE	Consumer Products
Marelli Automotive Lighting USA LLC	6/11/2025	1,000	1,000	DE	Automotive
Sunnova Energy International Inc. (NYSE: NOVA)	6/8/2025	1,000	1,000	SDTX	Utilities
Mosaic Sustainable Finance Corp.	6/6/2025	1,000	1,000	SDTX	Financial Services
Meyer Burger (Holding) Corp.	6/25/2025	100	500	DE	Semiconductors
Higher Ground Education Inc.	6/17/2025	100	100	NDTX	Education Services
Powin, LLC	6/10/2025	100	100	NJ	Industrials
George Allen Weiss	6/4/2025	100	100	SDFL	Financial Services
Zen JV, LLC d/b/a Career Builder	6/24/2025	50	100	DE	Professional Services

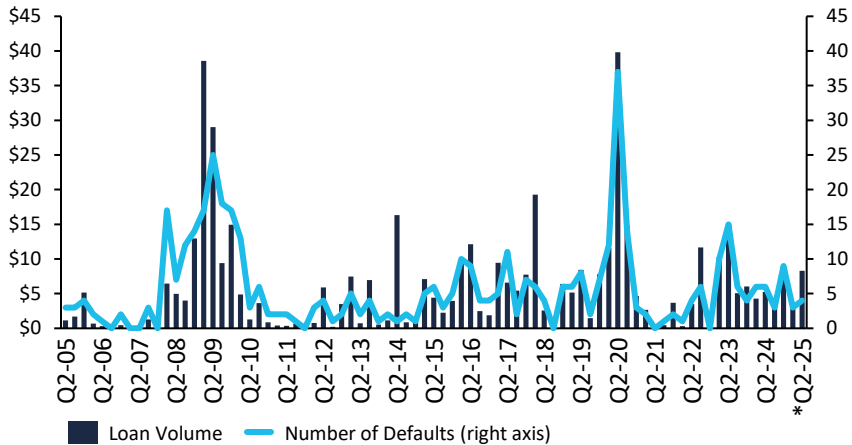
\* By assets reported by The Deal and S&P Global Market Intelligence

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

# DEFAULTS

## INSTITUTIONAL LOAN DEFAULTS

(USD in billions)

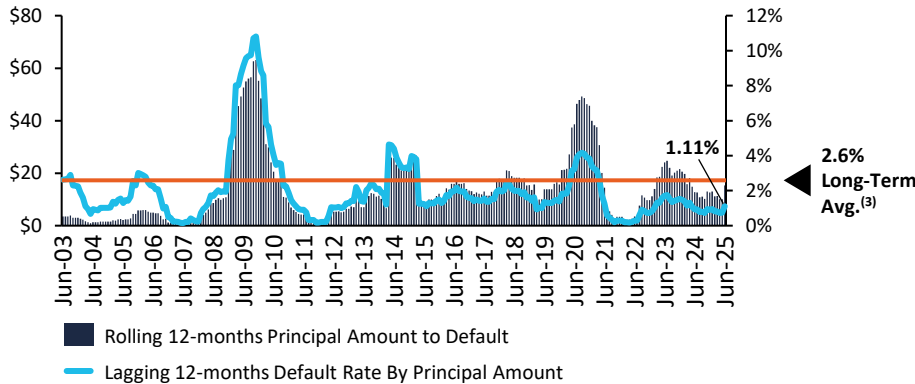


\*Through June 30, 2025  
Source: PitchBook | LCD

- 7 defaults YTD through Jun '25 (\$11.1B in volume) vs. 13 defaults YTD through Jun '24 (\$10.3B in volume)
- With 1 new default in the Index<sup>(1)</sup> and 1 default rolling off the TTM calculation, the default rate:
  - By principal amount jumped to 1.11%
  - By number of issuers ticked up to 1.25%
- The dual track default rate<sup>(2)</sup> by issuer count rose to 4.46%
- The three-month rolling downgrade-to-upgrade ratio worsened in Jun '25, but stayed below the Feb '25 peak

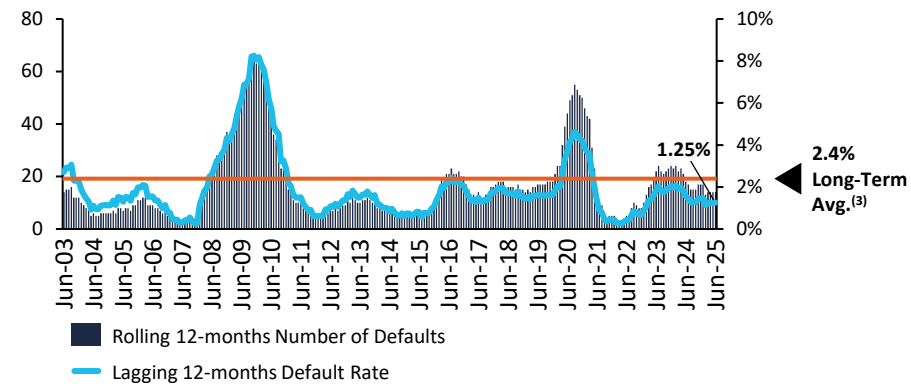
## DEFAULTS BY PRINCIPAL AMOUNT

(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



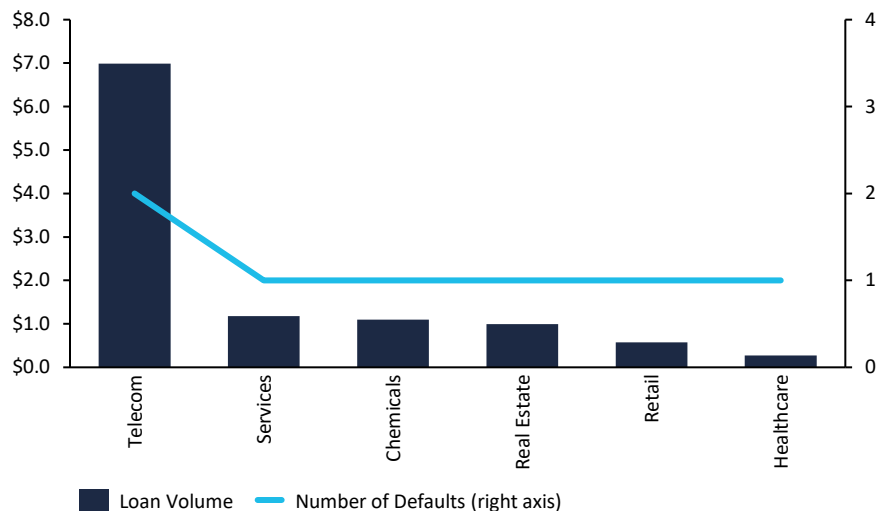
Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period  
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index



(1) Morningstar LSTA US Leveraged Loan Index  
(2) Includes issuers conducting distressed liability management transactions and the Morningstar LSTA US Leveraged Loan Index  
(3) Since 1998

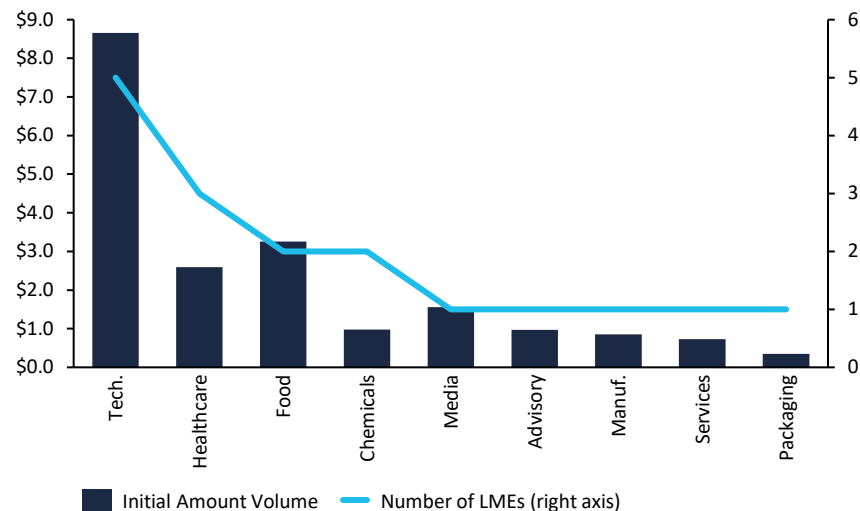
## DEFAULTS (CONT'D)

**DEFAULTS BY INDUSTRY FOR PAST SIX MONTHS** (USD in billions)



Source: PitchBook | LCD

**LME<sup>(1)</sup> BY INDUSTRY FOR PAST SIX MONTHS** (USD in billions)



Source: PitchBook | LCD

- There was 1 new institutional default and 3 new LMEs in Jun '25

INSTITUTIONAL DEFAULTS IN THE PAST MONTH			DEFAULT	FILING	INITIAL AMOUNT	INITIAL INST'L AMOUNT
COMPANY	INDUSTRY	DEAL DATE	DATE	DATE	(\$ IN MM)	(\$ IN MM)
Altice France S.A.	Telecom	3/16/17	6/10/25		\$ 5,768.0	\$ 5,768.0

LMEs IN THE PAST MONTH			LME	INITIAL AMOUNT
COMPANY	INDUSTRY	DEAL DATE	DATE	(\$ IN MM)
Quest/One Identity	Technology	2/1/22	6/4/25	\$ 3,575.0
WellPet	Food	12/21/20	6/6/25	985.0
Eastman Tire Additives	Chemicals	11/1/21	6/2/25	475.0

# COMMODITY PRICES

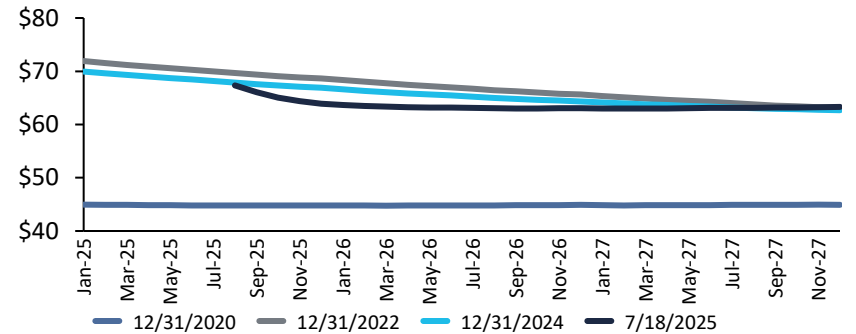
## WTI CRUDE OIL PRICES<sup>(1)</sup>

(USD per barrel)



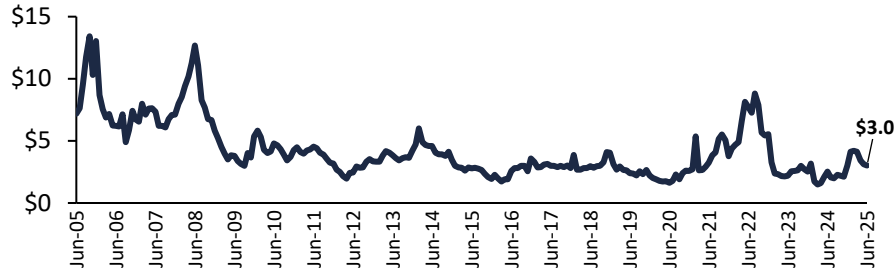
## WTI CRUDE OIL FUTURES

(USD per barrel)



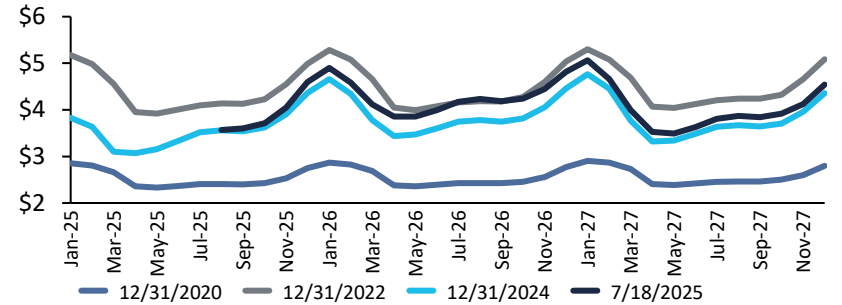
## HENRY HUB NATURAL GAS PRICES<sup>(1)</sup>

(USD per MMBTU)



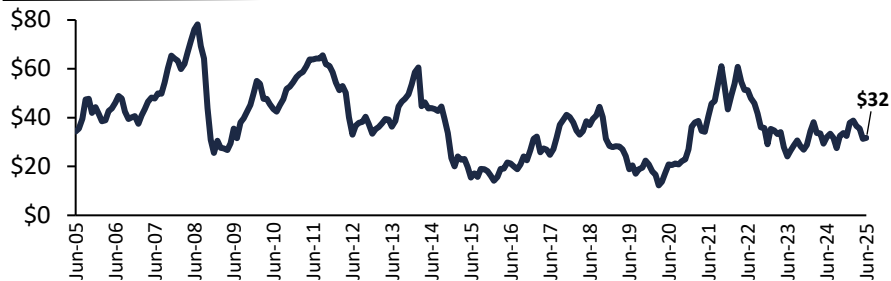
## NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



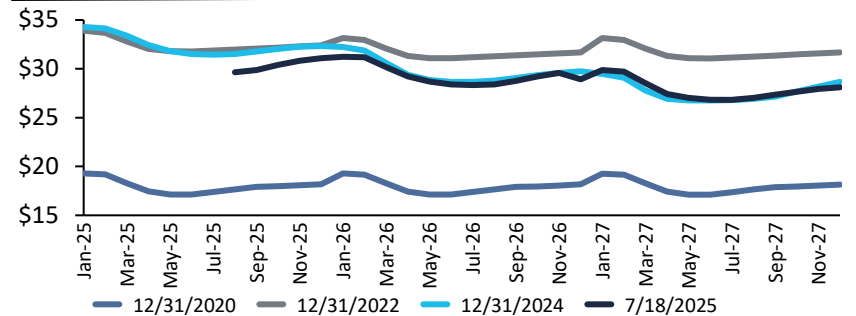
## MONT BELVIEU NGL PRICES<sup>(1)</sup>

(USD per barrel)



## MONT BELVIEU NGL FUTURES

(USD per barrel)



Source: Bloomberg Finance L.P.

(1) Monthly Averages

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