ISSUED ON NOVEMBER 23, 2026

BRG CORPORATE FINANCE

Key Economic Data

October 2026

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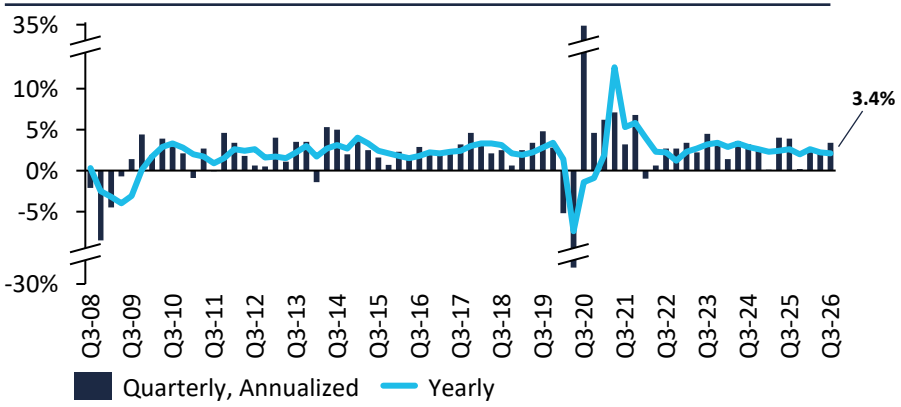
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GDP AND CONSUMER CONFIDENCE

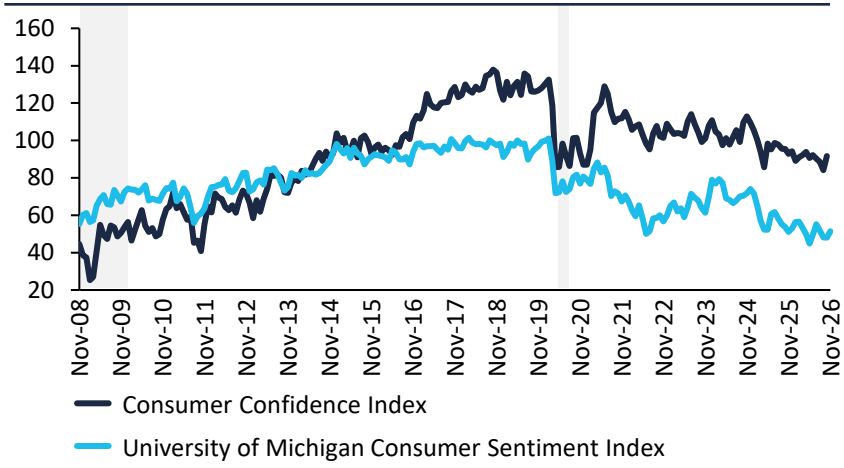
REAL GDP GROWTH



Source: US Department of Commerce

- Q3 ’26 GDP growth accelerated significantly in the advance estimate, exceeding expectations
  - Consumer spending growth was unchanged from Q2, above consensus
  - Investment growth jumped, on AI build-out
  - Government spending rebounded strongly, led by a significant rebound to federal nondefense
  - Trade deficit widened significantly on higher imports and a drop in exports
- Federal debt held outside the government hit 100% of GDP for the fiscal year ending in Sep ’26, highest level since 1946
- GDPNow projects slower GDP growth in Q4 ’26

CONSUMER CONFIDENCE



Shaded areas represent periods of recession
Source: Bloomberg Finance L.P., The Regents of the University of Michigan

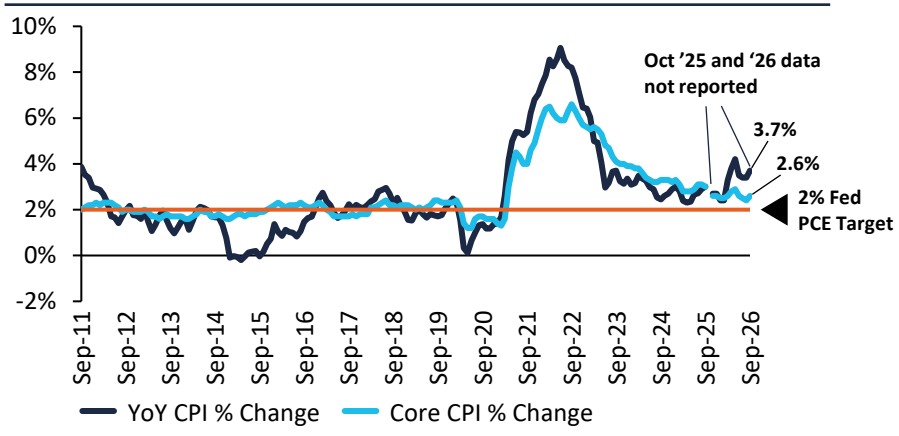
- Consumer Confidence Index rebounded unexpectedly to June levels in Oct ’26, following an upward revision to Sep ’26
  - Assessments of the present situation and future expectations improved
  - Despite the gains, consumers continue to report frustration with rising costs and plan less spending on services and durable goods over the next six months
- Final Nov ’26 Consumer Sentiment Index(1) rebounded, beating consensus; up YoY, but below its Feb ’26 level, before the start of the war with Iran
  - Short- and long-term business expectations improved after the midterms
  - 1-year inflation expectations plunged, and 5-year expectations ticked down

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(1) University of Michigan Consumer Sentiment Index

INFLATION AND REAL EARNINGS

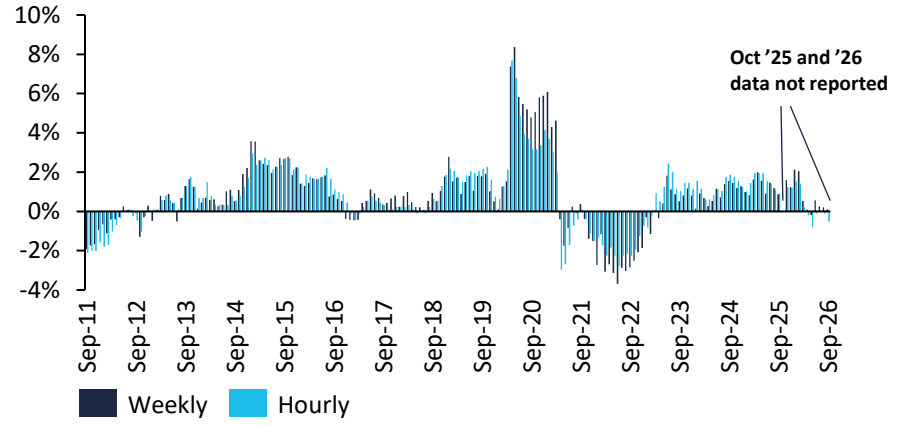
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- Oct '26 US consumer prices grew slower MoM, but still came in above consensus; BLS YoY results for most categories are not available due to last year's government shutdown
  - Energy price growth slowed significantly MoM
    - Gasoline price growth decelerated sharply MoM, but was up significantly YoY
  - Food prices posted their largest monthly gain in six months
- Core CPI growth matched Sep '26 and Aug '26 growth, slightly above expectations
  - Shelter price growth slowed MoM, transportation services growth accelerated MoM, while used vehicle prices plummeted MoM and YoY
- WSJ estimates that YoY inflation accelerated to 4%, while core inflation rose to 2.8%

YOY CHANGE IN REAL EARNINGS*



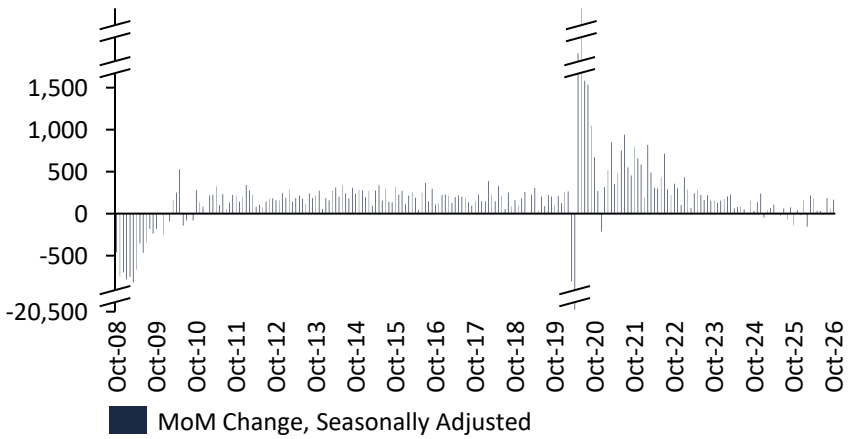
*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- Real average weekly earnings for production and nonsupervisory employees fell further MoM in Oct '26 as a shorter workweek outweighed a rebound in real hourly earnings
- YoY real earnings comparison is unavailable due to missing data from last year's government shutdown

EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

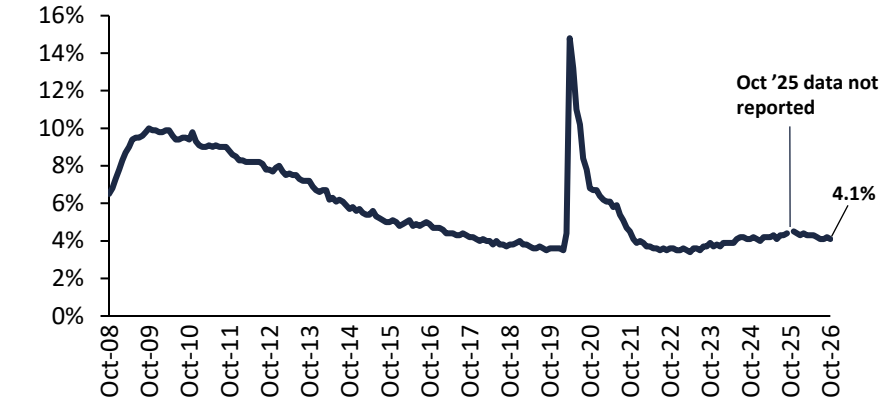
(in thousands)



Source: Bureau of Labor Statistics

- Oct ’26 nonfarm payroll growth accelerated sharply, well above consensus; prior two months were revised higher
- Private sector payroll growth accelerated, significantly above consensus
  - Service payroll growth jumped, led by professional and business services, healthcare, and transportation and warehousing; information jobs continued to decline
  - Goods producer payrolls eased as mining and construction fell, while manufacturing grew faster
- Oct ’26 government payrolls rebounded slightly, as state gains offset federal and local declines

UNEMPLOYMENT RATE



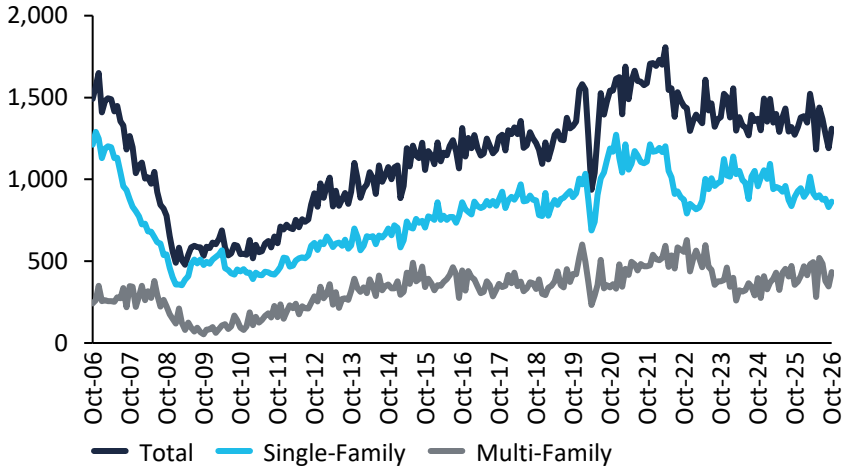
Source: Bureau of Labor Statistics

- The unemployment rate fell in Oct ’26, below consensus
  - Has been under 5% for over 5 years
- Participation rate ticked up to 61.9%

HOUSING

HOUSING STARTS (SAAR)

(in thousands)

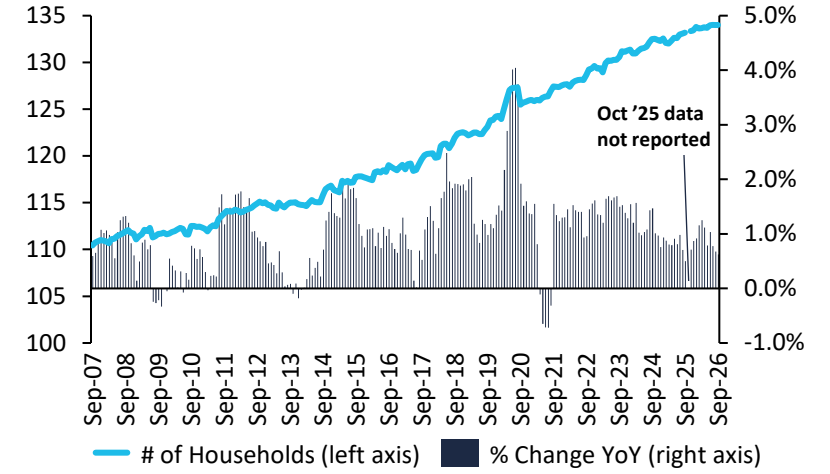


Source: US Department of Housing and Urban Development

- Housing Starts SAAR rose both MoM and YoY in Oct ’26, beating consensus
  - Single-family starts rebounded MoM, but fell YoY
  - Volatile multi-family starts rebounded sharply both MoM and YoY
- Case-Shiller 20-City Index(1) ticked up slightly MoM in Aug ’26
  - YoY growth accelerated, beating consensus
  - Despite another month of gains, home values fell in real terms for the 15th consecutive month

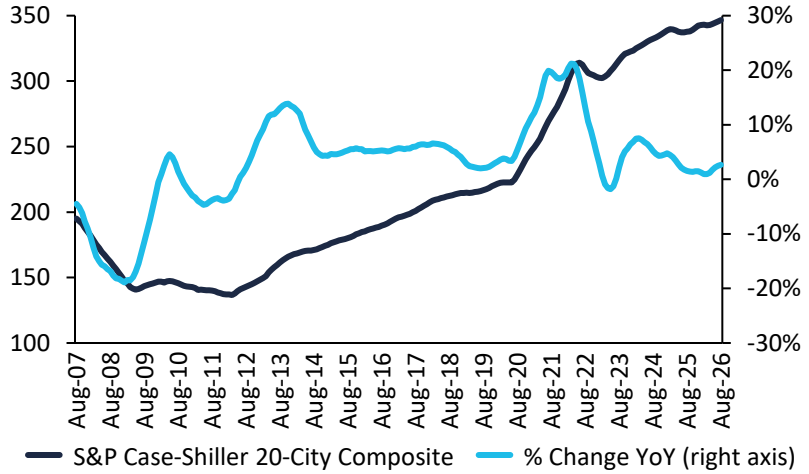
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)



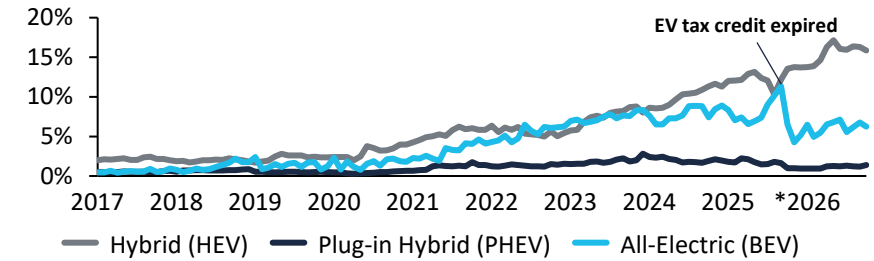
Source: S&P Global Market Intelligence

(1) *S&P Cotality Case-Shiller 20-City Composite Home Price Index, Seasonally Adjusted*

AUTO SALES AND PRODUCTION

- Oct ’26 US Light-Vehicle Sales (SAAR) fell both MoM and YoY, below consensus; unit sales ticked up MoM, and rose YoY
- Affordability remains a headwind, driven by higher interest rates and lower trade-in equity, despite lower transaction prices; manufacturers are trying to offset these challenges with higher incentives
- EV share of light vehicle sales fell to 7.6% in Oct ’26

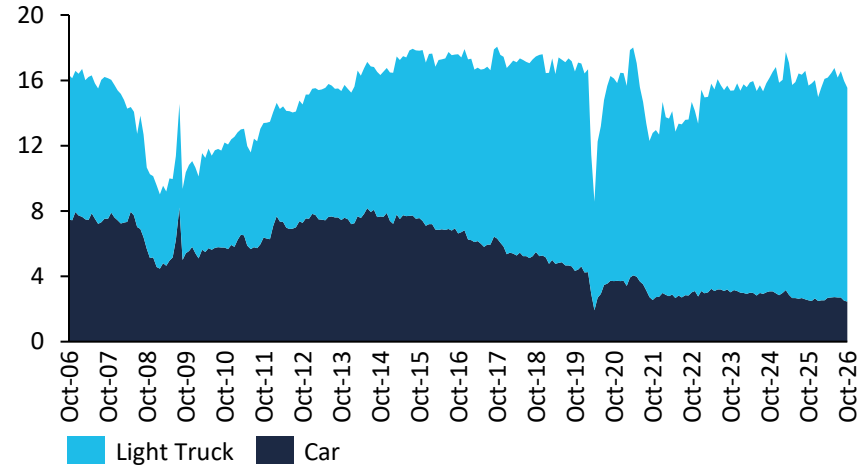
EVs AS % OF US AUTO SALES



Source: Argonne National Laboratory, Bureau of Economic Analysis *Through October 31, 2026

US LIGHT VEHICLE SALES (SAAR)

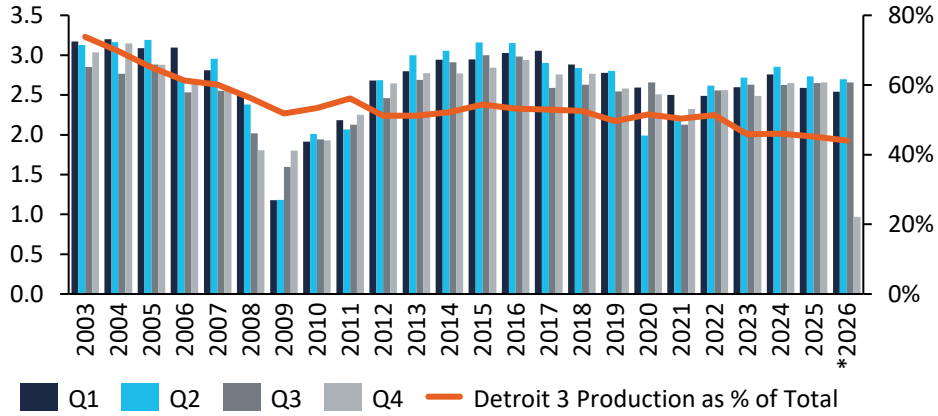
(in millions)



Source: Bureau of Economic Analysis

US AUTO PRODUCTION

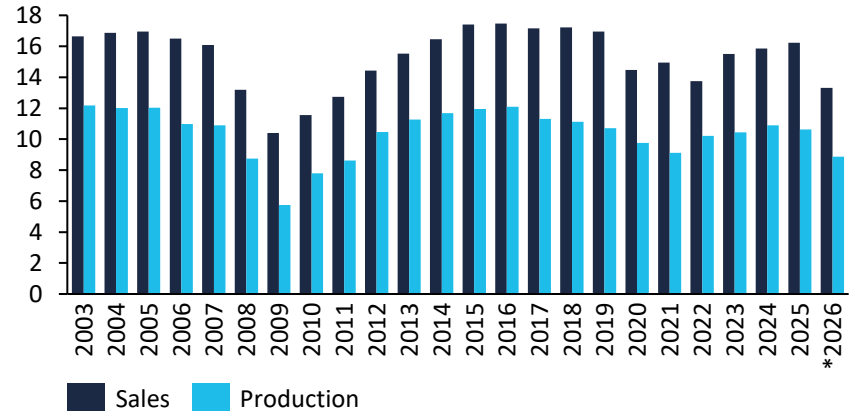
(in millions)



*Through October 31, 2026
Source: Automotive News

US AUTO SALES AND PRODUCTION

(in millions)



*Through October 31, 2026
Source: Bureau of Economic Analysis, Automotive News

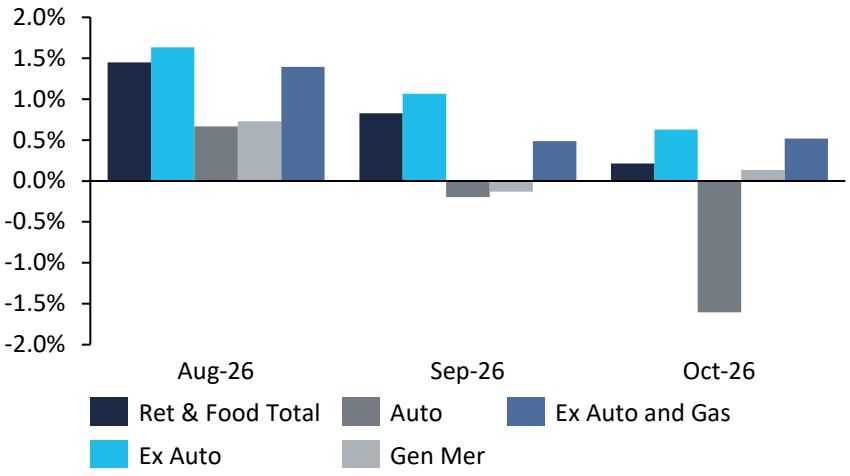
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RETAIL SALES

- US retail sales growth softened MoM in Oct ’26, in line with consensus
  - Falling auto sales led the slowdown, while gas station and nonstore sales rose
  - Sales growth excluding autos and gas was unchanged, beating consensus

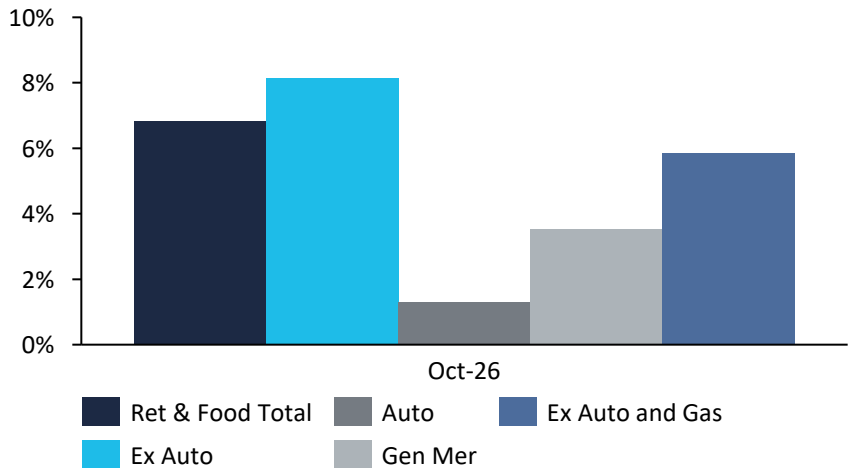
- Retail sales growth accelerated to 6.8% YoY
  - Gas station sales accelerated and remained at a high level
  - Excluding gas and auto, sales growth rose from Sep ’26
  - Nonstore sales growth accelerated

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

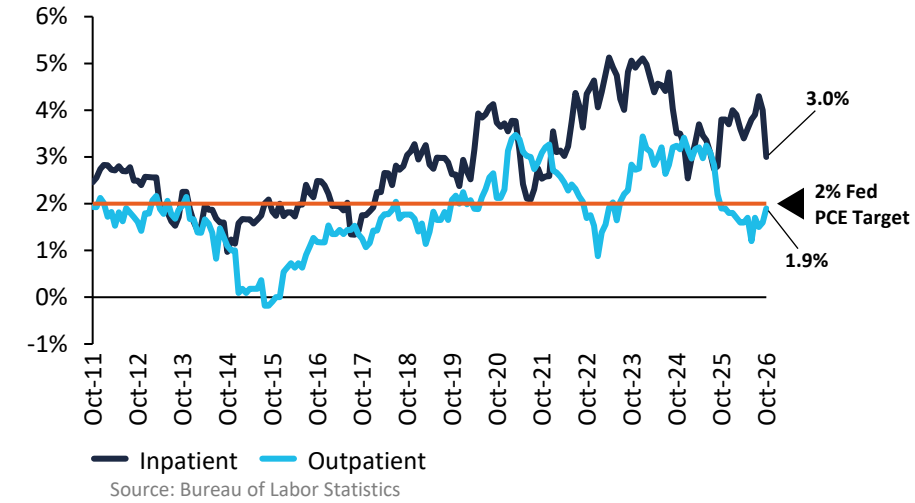
RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

HEALTHCARE

INPATIENT VS OUTPATIENT PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

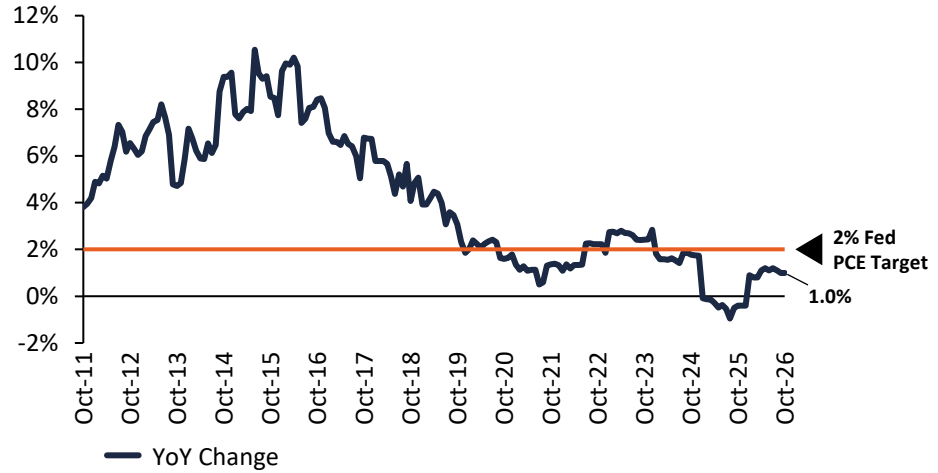
- Oct '26 PPI growth for inpatient care accelerated MoM, but slowed significantly YoY
  - Outpatient care PPI growth rebounded MoM and accelerated YoY
- PPI growth for medical equipment and supplies eased both MoM and YoY
- Pharmaceutical manufacturing PPI growth was unchanged both MoM and YoY

MEDICAL EQUIPMENT / SUPPLIES PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

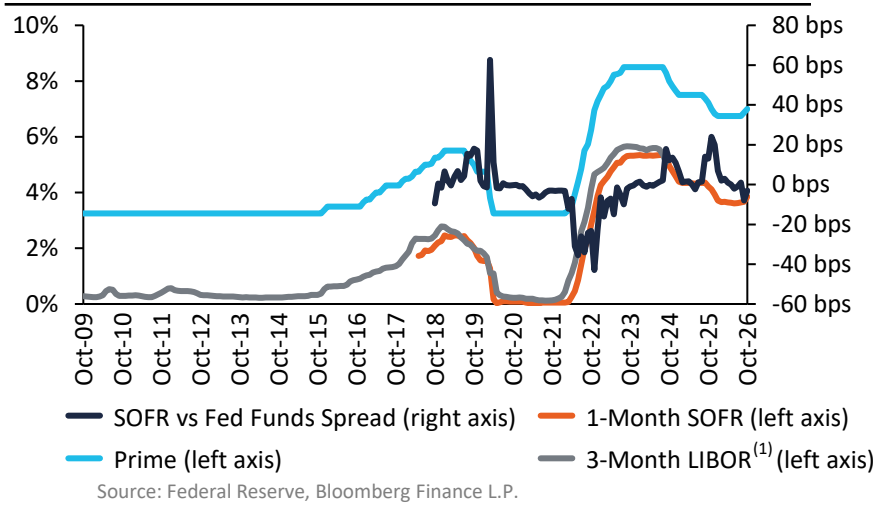
PHARMACEUTICAL PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

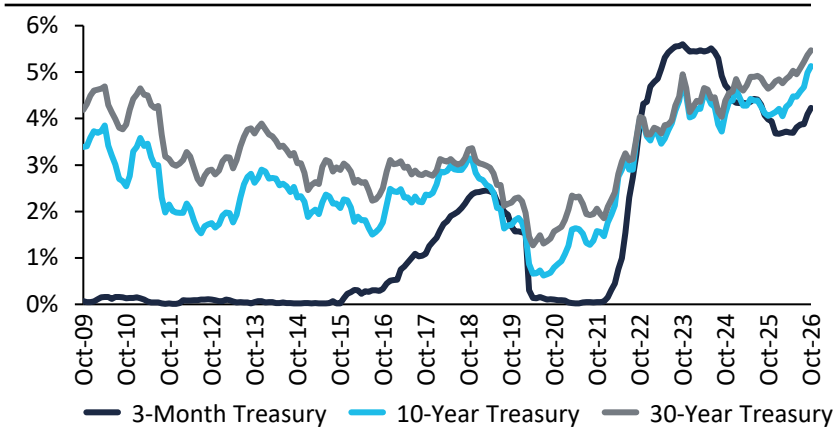
INTEREST RATES

INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

TREASURY YIELDS



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

- At the Oct ’26 meeting, the Fed held rates steady, at 3.75% - 4.00%, in line with expectations
  - Two officials dissented, favoring a rate hike
- The statement noted that economic activity is growing at a “strong” pace, up from “solid”; employment language was unchanged, and inflation was again noted to be “elevated”
- The statement added language that “the accumulation of more information” will guide the Committee to a “timely return” to its 2% inflation goal
- The minutes noted that the vast majority saw “upside risks” to inflation, while risks to the labor market were “broadly balanced”
- A rate hike is widely expected at the December meeting

	OCT-26	SEP-26	OCT-25	CHANGE FROM PRIOR MON.	CHANGE FROM YEAR AGO
Fed Funds	3.88%	3.75%	4.09%	0.13%	-0.21%
Prime	7.00%	6.87%	7.23%	0.13%	-0.23%
1-Month SOFR	3.85%	3.67%	4.22%	0.18%	-0.37%
3-Month Treasury	4.23%	4.09%	3.98%	0.14%	0.25%
10-Yr Treasury	5.13%	4.99%	4.06%	0.14%	1.07%
30-Yr Treasury	5.47%	5.37%	4.64%	0.10%	0.83%

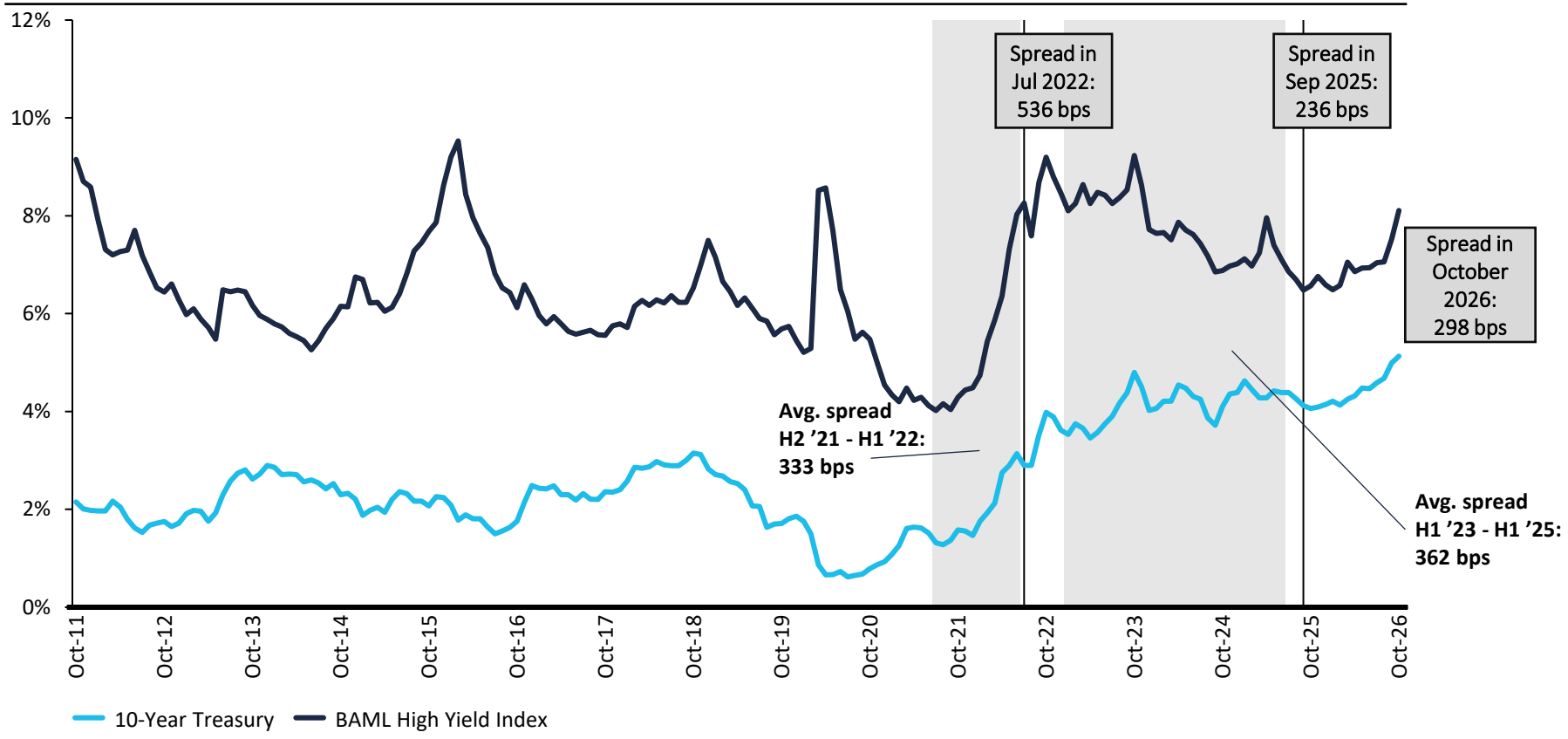
Note: Rates shown as monthly average rates
Source: Federal Reserve, Federal Reserve Bank of St. Louis, Bloomberg Finance L.P.

(1) *LIBOR rates are no longer published as of September 30, 2024*

HIGH YIELD INDEX

- The average High Yield vs. 10-Year Treasury spread widened significantly in Oct ’26

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

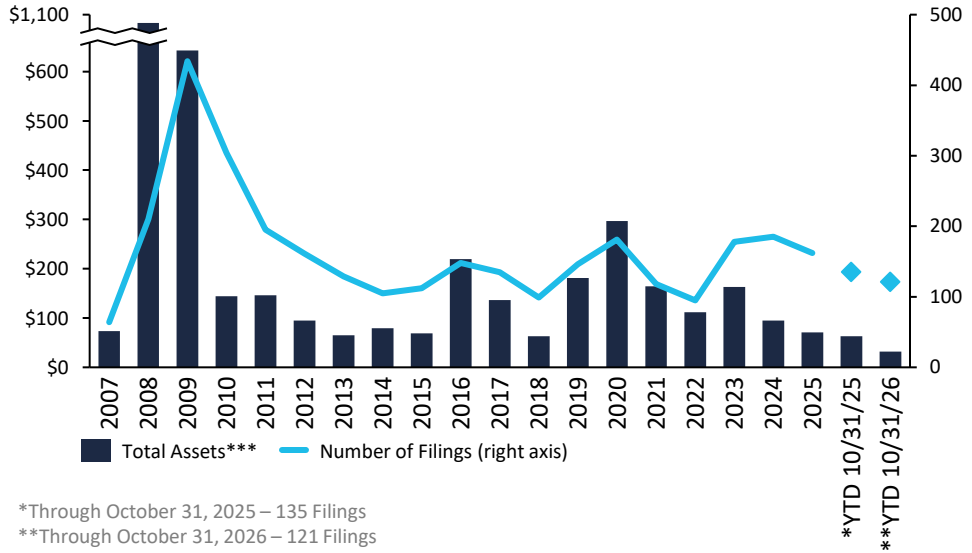
BANKRUPTCIES

US BANKRUPTCY FILINGS WITH ASSETS > $50 MILLION BY INDUSTRY					
INDUSTRY	OCT-26	SEP-26	YTD OCT-26	YTD OCT-25	TOTAL 2025
Real Estate	1	1	32	28	35
Energy / Coal	1	1	13	10	12
Technology	1	1	5	10	11
Media	1	1	5	3	4
Healthcare	1	-	15	18	21
Food	1	-	8	5	6
Telecommunication	1	-	3	5	5
Education	1	-	2	1	1
Transportation	-	2	5	3	4
Consumer / Household Prods	-	1	18	11	15
Financial Services	-	1	5	5	8
Manufacturing	-	-	4	4	5
Chemicals	-	-	2	4	4
Leisure	-	-	2	3	4
Services	-	-	1	4	5
Construction	-	-	1	4	4
Agriculture	-	-	-	6	6
Retail	-	-	-	6	6
Automotive	-	-	-	3	4
Metals	-	-	-	2	2
Non Profit Organizations	-	-	-	-	0
Other	-	-	-	-	0
Total	8	8	121	135	162

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

US BANKRUPTCIES WITH ASSETS OF $50M+

(USD in billions)



*Through October 31, 2025 – 135 Filings
**Through October 31, 2026 – 121 Filings
***As reported by Octus, 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: Octus, The Deal®, S&P Global Market Intelligence

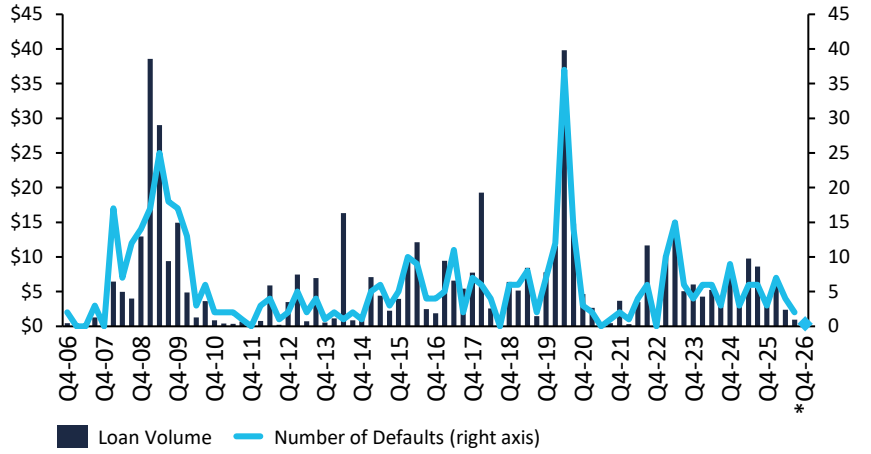
10 LARGEST CHAPTER 11 FILINGS IN OCTOBER 2026*					
COMPANY	FILING DATE	ASSETS ($ IN M)	LIABILITIES ($ IN M)	COURT	INDUSTRY
Getty Images Holdings, Inc.	10/21/2026	$1,000+	$1,000+	DE	Media
RiverStreet Networks	10/21/2026	100+	100+	EDVA	Telecommunication
Mirra-Access Holdings LLC	10/11/2026	100+	100+	MDFL	Healthcare
Highlands Community Charter	10/4/2026	100+	100+	EDCA	Education
Character Technologies Inc.	10/12/2026	50+	50+	DE	Technology
Travis Property Owner LLC	10/6/2026	50+	50+	NDTX	Real Estate
Museion Services LLC	10/14/2026	50+	10+	SDTX	Consumer Staples
NRF USA Inc.	10/9/2026	50+	10+	NDTX	Energy
Hunt Properties Jackson, GP	10/23/2026	40	17	WDTN	Real Estate
FitLab, Inc.	10/26/2026	10+	100+	DE	Consumer Products

* By assets reported by Octus, The Deal, and S&P Global Market Intelligence
Source: Octus, The Deal®, S&P Global Market Intelligence

PAYMENT DEFAULTS AND LMES[1]

INSTITUTIONAL LOAN DEFAULTS

(USD in billions)



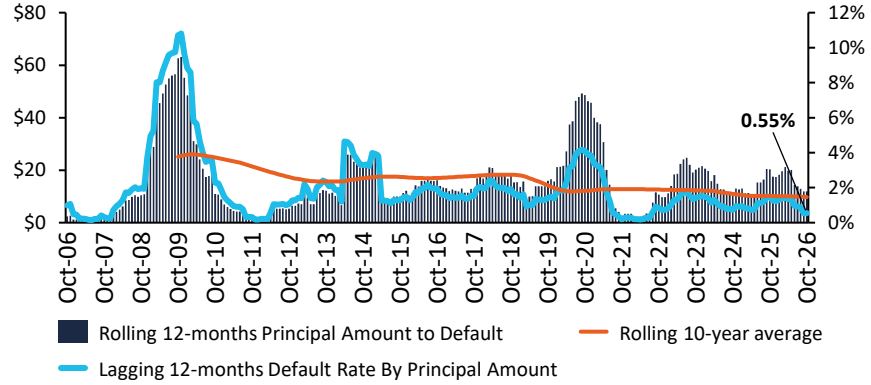
*Through October 31, 2026

Source: PitchBook | LCD

- 13 defaults YTD through Oct ’26 ($10.4B in volume) vs. 16 defaults YTD through Oct ’25 ($21.7B in volume)
- With no new defaults in the Index[2] or defaults rolling off the TTM calculation, the default rate:
  - By principal amount was unchanged at 0.55%
  - By number of issuers fell to 1.06%, with a six-month forecast of 1.75%
- The distress ratio of loans priced below 80 rose again MoM, its first reading above 8% since Jul ’20
- The three-month rolling downgrade-to-upgrade ratio improved further, to a 12-month low

DEFAULTS BY PRINCIPAL AMOUNT

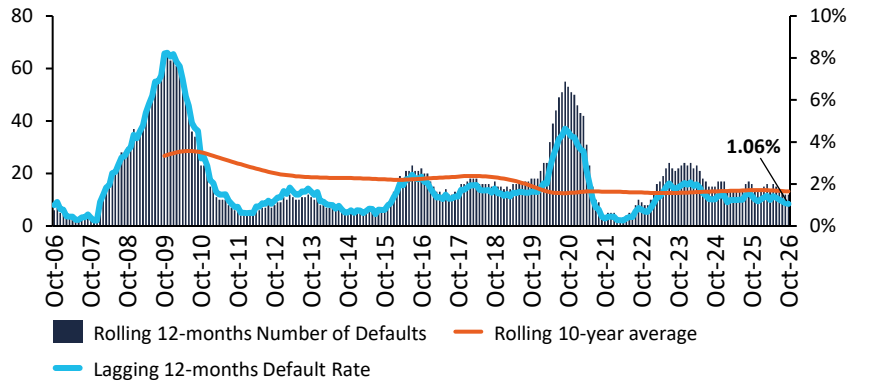
(USD in billions)



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

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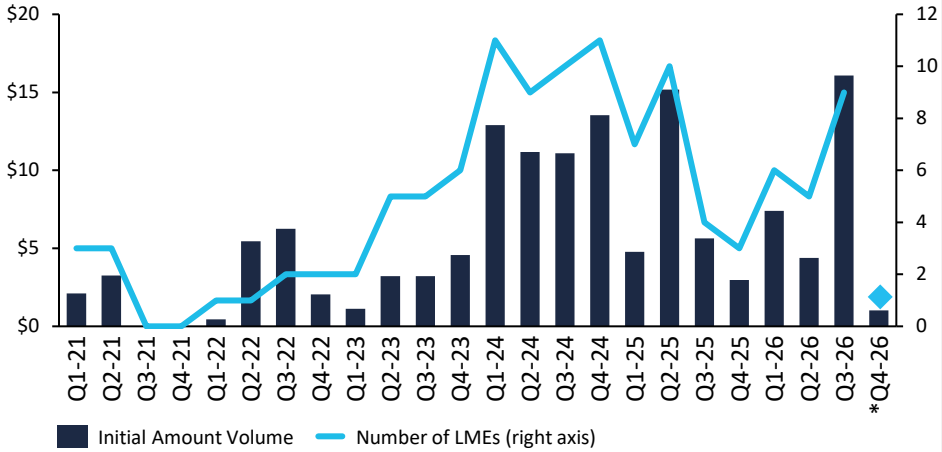
(1) Liability management exercise

(2) Morningstar LSTA US Leveraged Loan Index

PAYMENT DEFAULTS AND LMES (CONT'D)

LMES

(USD in billions)

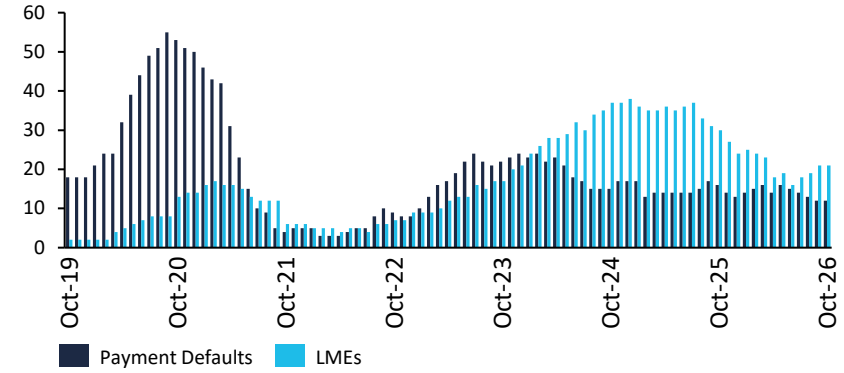


*Through October 31, 2026

Source: PitchBook | LCD

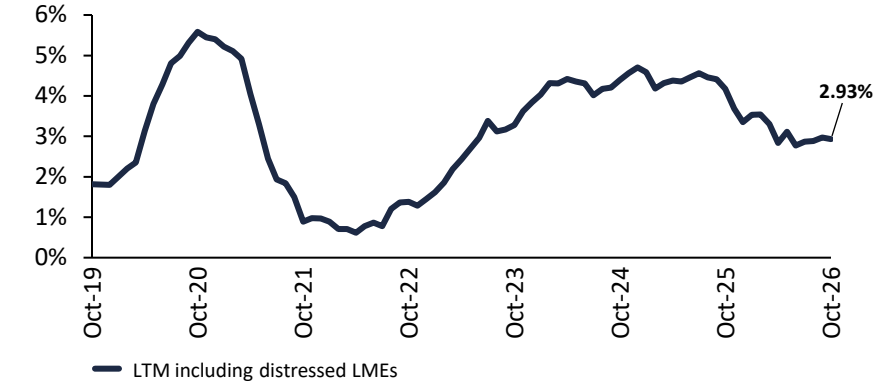
- 21 LMEs YTD through Oct '26 ($28.9B in volume) vs. 22 LMEs YTD through Oct '25 ($26.2B in volume)
- On a trailing 12-month basis:
  - LMEs outpaced payment defaults 21 to 12 in October
  - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate[(1)] by issuer count fell to 2.93%

PAYMENT DEFAULTS VS LMES: TTM COUNT



Source: PitchBook | LCD

DUAL TRACK DEFAULT RATE BY ISSUER COUNT



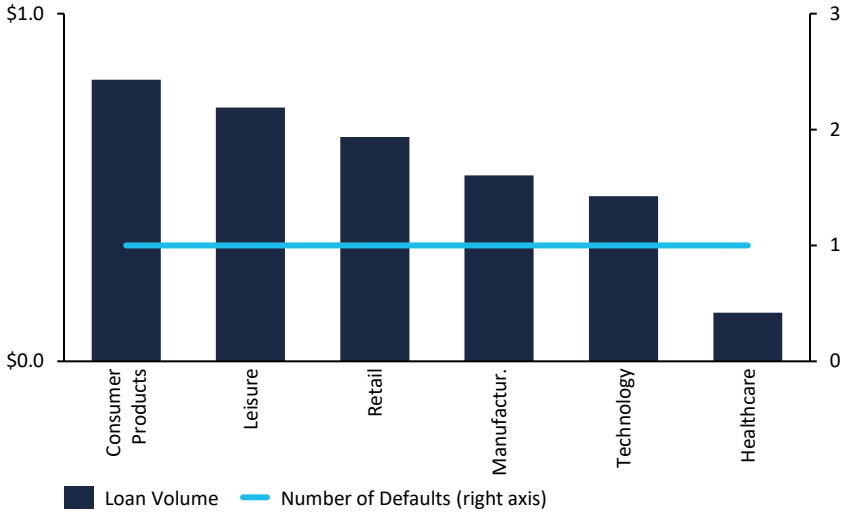
Source: PitchBook | LCD

(1) *Includes distressed liability management transactions that prompted a downgrade to 'D' or 'SD'*

PAYMENT DEFAULTS AND LMES (CONT'D)

DEFAULTS BY INDUSTRY FOR PAST SIX MONTHS

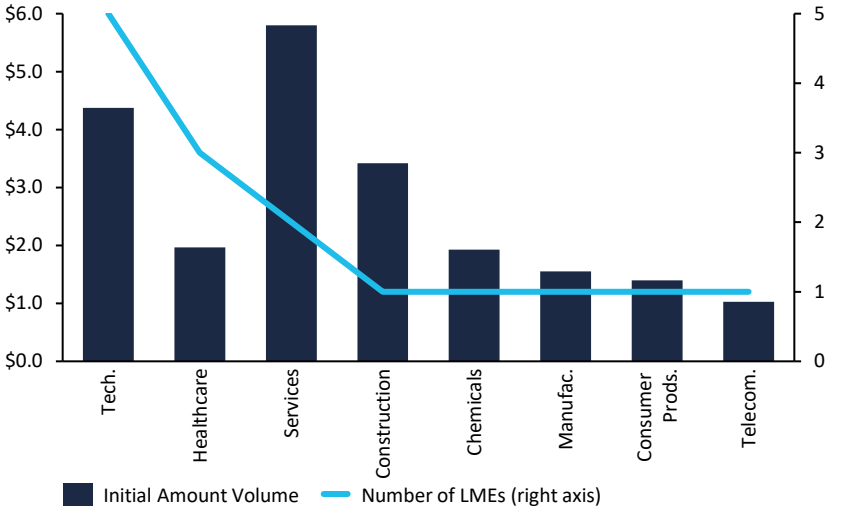
(USD in billions)



Source: PitchBook | LCD

LME BY INDUSTRY FOR PAST SIX MONTHS

(USD in billions)



Source: PitchBook | LCD

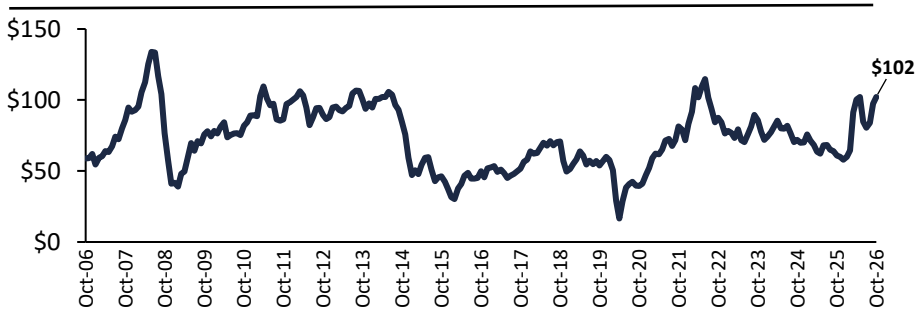
- **There were no new institutional defaults and one new LME in Oct '26**

LMES IN THE PAST MONTH COMPANY	INDUSTRY	DEAL DATE	LME DATE	INITIAL AMOUNT ($ IN MM)
Syniverse Corp.	Telecommunication	5/13/22	10/6/26	$ 1,025.0

COMMODITY PRICES

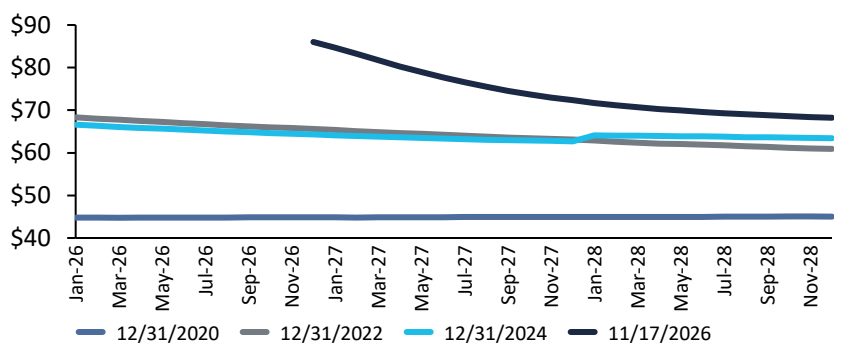
WTI CRUDE OIL PRICES(1)

(USD per barrel)



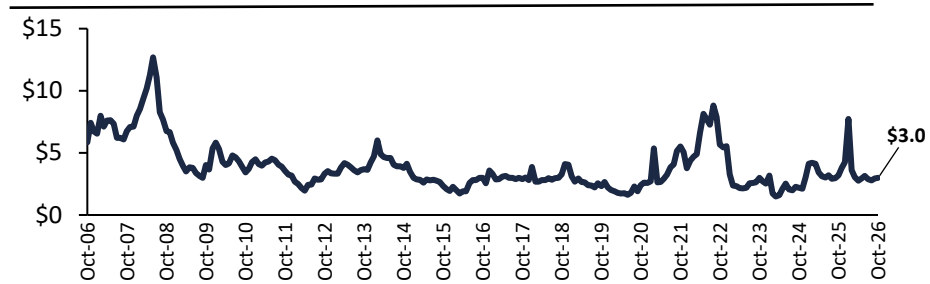
WTI CRUDE OIL FUTURES

(USD per barrel)



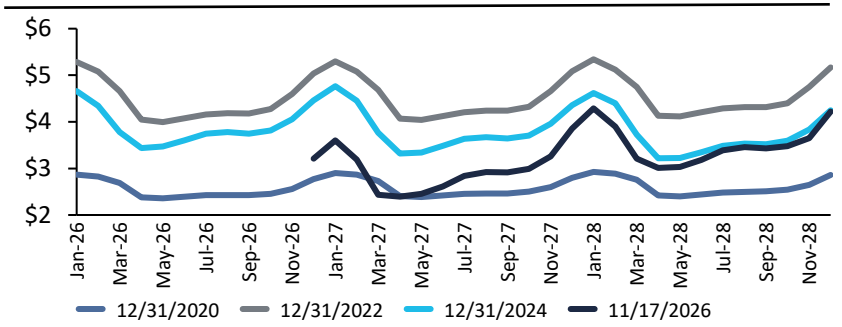
HENRY HUB NATURAL GAS PRICES(1)

(USD per MMBTU)



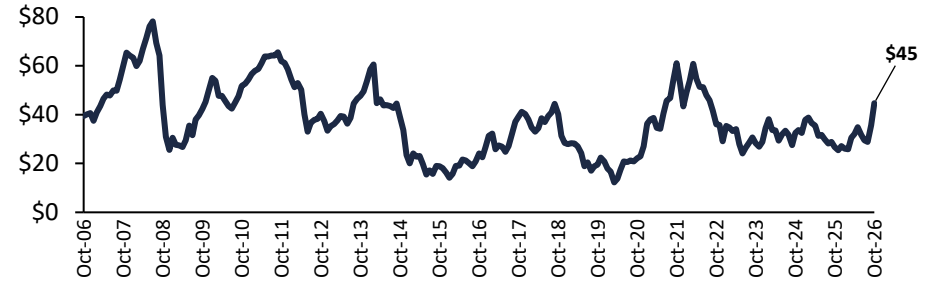
NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



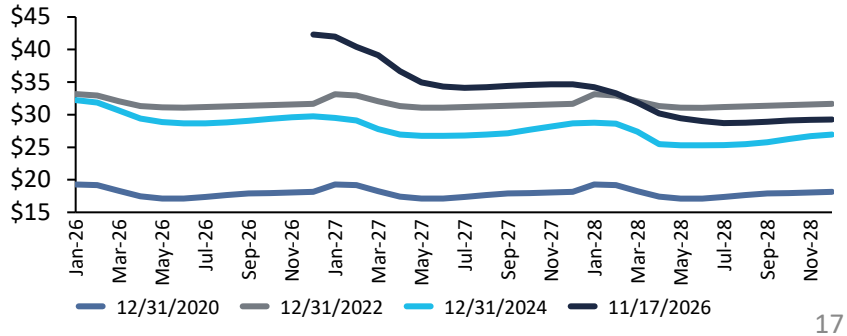
MONT BELVIEU NGL PRICES(1)

(USD per barrel)



MONT BELVIEU NGL FUTURES

(USD per barrel)



BRG

Source: Bloomberg Finance L.P.

(1) *Monthly Averages*

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