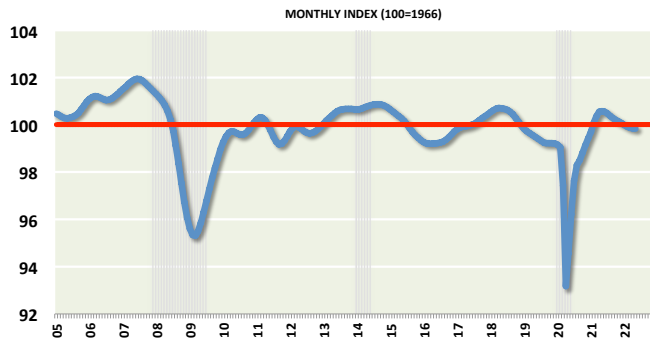




LEADING ECONOMIC INDICATORS AND CONSUMER CONFIDENCE

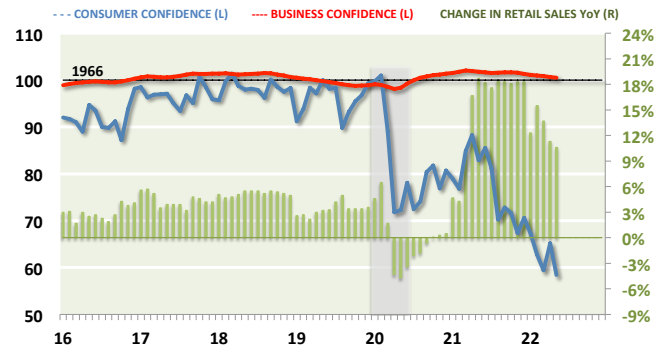
LEADING ECONOMIC INDICATORS

MONTHLY CHANGE IN CONSUMER OUTLOOK



CONSUMER & BUSINESS CONFIDENCE AND RETAIL SALES

MONTHLY CHANGE IN CONSUMER & BUSINESS OUTLOOK AND RETAIL SALES



	2021					2022									
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		
Economic Indicators (100=1966)															
Leading Economic Index	100.58	100.55	100.47	100.37	100.28	100.20	100.14	100.07	100.00	99.93	99.88	99.85	99.83		
Business Confidence Index	101.77	101.63	101.54	101.57	101.66	101.68	101.58	101.34	101.14	101.01	100.83	100.64	100.54		
Consumer Confidence Index	82.90	85.50	81.20	70.30	72.80	71.70	67.40	70.60	67.20	62.80	59.40	65.20	58.40		
Consumer Spending Behavior															
Change in Retail Sales	18.7%	18.2%	17.6%	18.5%	18.3%	18.1%	18.3%	18.3%	12.3%	15.5%	13.7%	11.3%	10.6%		
Change in Consumer Credit	7.6%	6.6%	4.5%	5.1%	6.6%	5.8%	8.8%	6.2%	4.1%	9.2%	12.7%	10.1%			
Purchasing Power															
Consumer Inflation (YoY)	5.4%	5.4%	5.4%	5.3%	5.4%	6.2%	6.8%	7.0%	7.5%	7.9%	8.5%	8.3%	8.6%		
Producer Inflation (YoY)	7.0%	7.6%	8.0%	8.4%	8.8%	8.9%	9.9%	10.0%	10.1%	10.4%	11.5%	10.9%	10.8%		

INDICATORS REPORT AND CU STRATEGY

(June 2022)..... The US leading economic index slipped again in May, suggesting the US business cycle remains on a weak growth trajectory heading into 2022. The LEI's growth has slowed, suggesting the economy may be facing capacity constraints and increasingly tight labor markets. Economic growth contracted -1.6% during the first quarter.

Strategically... The indices, consumer confidence and retail sales figures point to continued brisk transactional volume at the retail level. With consumer spending accounting for about two-thirds of the nation's GDP, current metrics suggest the economy continues to show stability. This will help support demand for products and services albeit weaker real estate financing. Share growth will retain its current pace of growth as average wages are keeping up with the current rate of consumer inflation.

Credit unions are encouraged to retain strong underwriting standards and keep marginal loan origination quality held in portfolio where B- or higher applications constituting at least 85% of holdings.