

# Bank & Credit Union Compendium

## Quarterly U.S. Bank & Credit Union Industry Review

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### Executive Briefing

- The Q1 2026 bank reporting season reinforced a constructive earnings outlook, with confidence shifting toward volume growth, fee income, and positive operating leverage.
- Bank balance sheets remain in good shape, supported by strong capital and liquidity, while credit continues to normalize rather than deteriorate sharply.
- The economic backdrop remains resilient, but the path of rates is still unsettled, with inflation, energy prices, and geopolitical developments shaping whether the Federal Reserve (Fed) eases further or stays on hold.

### Bank & Credit Union Compendium Fast Facts

- **Bank & Credit Union health as barometer for the economy.** The *Bank & Credit Union Compendium* is a new quarterly report from LPL Research designed to capture and track industry, regulatory, and market data from domestic banks and credit unions. The key performance indicators (KPIs) in this report are intended to provide signals on the health of the economy and Corporate America.
- **The report will be published approximately 60 days after the end of every calendar quarter.** The reporting schedule is based on the release of consolidated quarterly FDIC “Call Report” data, which is released approximately 55 days after the close of the calendar quarter.
- **What is a “compendium”?** A compendium is a concise collection or summary of information on a particular subject, bringing key facts, ideas, or works together in one organized place.

### Key Takeaways from First Quarter 2026 Earnings Season

First-quarter 2026 (Q1 '26) earnings reports from public banks generally reinforced a constructive view, though the drivers were somewhat different across the industry. Results were broadly ahead of expectations, supported by stronger loan growth, resilient fee income, benign credit, and continued capital return, while net interest income and deposit trends remained more mixed. Large money-center banks benefited most clearly from strong capital markets activity, payments, and other fee-heavy businesses, whereas supra-regionals and smaller regionals were more dependent on core spread income, deposit pricing, and traditional loan growth. Commercial and industrial lending was a notable bright spot across much of the group, and credit quality remained stable, overall, with normalization in consumer and commercial metrics still looking measured rather than problematic. The one nuance to note from Q1 '26 reporting is that it was not a clean margin-recovery story, as many banks still faced pressure from deposit competition, and reported mixed net interest margin performance. However, at the industry level, those headwinds were more than offset by better volumes, solid fee income, and positive operating leverage.

### Updates to 2026 Outlooks and Looking Ahead to Q2

Following Q1 '26 results, the overall trend in 2026 outlooks was modestly positive, with management teams and analysts generally becoming more comfortable with the earnings path for the balance of the year. Full-year analyst earnings expectations have continued to edge upwards, with Russell 3000 Banks Index 2026 EPS estimates currently

reflecting ~12% year-over-year (yoy) growth. Coming into Q1 '26 reporting season (early April), according to Bloomberg consensus estimates, analysts expected ~10% growth and expected ~8.5% growth coming into the year. Looking into Q2 '26, the sector setup appears favorable but still uneven by business mix. Larger banks remain positioned to benefit from strong trading, investment banking, and payments activity, while regionals and smaller banks remain more sensitive to deposit costs, funding competition, and the pace of core margin stabilization. Analysts currently expect ~11% yoy growth in Q2 '26, slightly higher than expectations coming into Q1 '26 earnings season, and up from ~9% coming into the year. Proposed changes to capital rules are also directionally supportive for the industry and could improve capital flexibility over time, with the relative benefit likely more meaningful for many non-money-center institutions than for the largest globally systemic banks. Taking it all together, the early read-through for Q2 '26 is for continued modest loan growth, manageable credit, controlled expenses, and a generally constructive earnings backdrop, albeit with deposit trends and funding costs still the key variables to watch.

## Bank and Credit Union Health Assessment

**U.S. banks and savings institutions entered 2026 with solid fundamentals, and Q1 '26 reporting generally reinforced that view.** Across the large cap banks, earnings were broadly better than expected, helped by healthy loan growth, strong fee income, and resilient credit trends, even as net interest income and deposit dynamics remained mixed. Capital levels also remained strong. CET1 (Common Equity Tier 1 Capital / Risk-Weighted Assets) ratios generally stayed comfortably above regulatory minimums, though they drifted modestly lower in some cases as balance sheets expanded and share repurchases accelerated. Overall, the tone of the quarter was not one of stress, but of a sector still earning well through a less favorable rate backdrop.

**The most notable positive from Q1 '26 was better balance sheet growth, particularly in commercial and industrial lending.** Industry and company data pointed to the strongest annual loan growth in several quarters, driven by Commercial & Industrial (C&I) loans, lending to non-depository financial institutions (primarily investment managers, i.e., private equity and credit managers), securities-related financing, and selected commercial real estate categories. That said, loan growth outpaced deposit growth in many cases, which is healthy from a demand perspective but keeps the focus on funding costs, deposit betas, and competition from higher-yielding alternatives. Net interest margins were still mixed across the group, suggesting the quarter was more about volume growth and fee strength than a clean spread recovery.

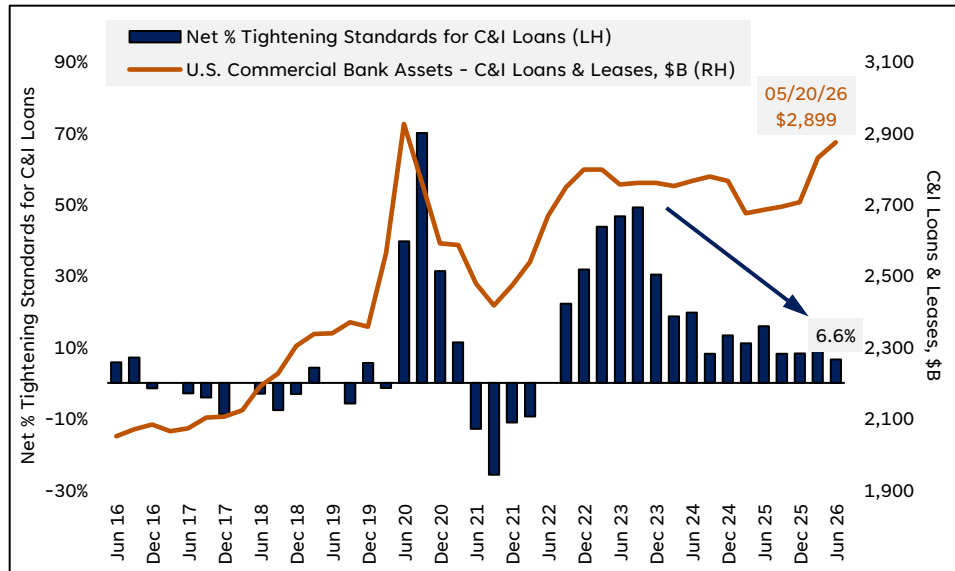
**Credit quality remained generally favorable.** Asset quality metrics continue to normalize from unusually benign post-pandemic levels, but the deterioration has been measured rather than alarming. Nonperforming assets were mostly stable to modestly better in Q1 '26, reserve ratios were mixed but broadly steady, and net charge-offs remained manageable relative to long-term history. Consumer credit is showing more normalization than stress, with weaker pockets in cards and some consumer categories still worth watching, while commercial real estate and private credit-related exposures remain the most common areas of investor concern. Importantly, there was little evidence in Q1 '26 of a broad-based credit event emerging across the industry.

**All said, the industry appears to be in good health and reasonably well positioned for the balance of 2026, though the watch list remains familiar.** On the macro side, the main questions are whether softer growth, persistent inflation, or a slower to non-existent Fed easing path keep pressure on funding costs and margins. On the micro side, investors continue to monitor commercial real estate refinancing risk, private credit and nonbank linkages, and the possibility that rapid loan growth eventually creates more funding or credit friction. Even so, Q1 '26 showed that banks are still benefiting from diversified revenue streams, disciplined expense management, robust capital, and the ability to return capital while supporting client activity.

## Banking and Lending Economic Indicators

### Commercial & Industrial (C&I) Lending Standards Remain Somewhat Tight, Loans Are Growing at a Healthy Pace, Up ~7.0% Year over Year

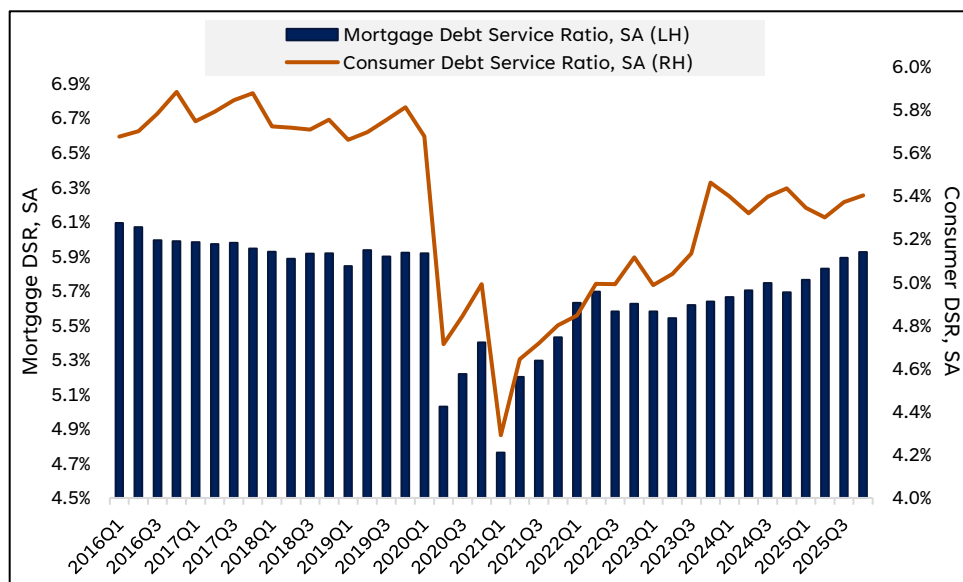
Exhibit 1: U.S. commercial bank construction and industrial loans & leases (\$ billions) & net % of respondents tightening standards for C&I loans



Source: LPL Research, Bloomberg, Federal Reserve Loan Survey 06/01/26

### Mortgage Debt Service Ratios (DSR) Have Climbed Back to Pre-Pandemic Levels, While Consumer (Non-Mortgage) DSRs Stable and Remain Below 2015–19 Levels

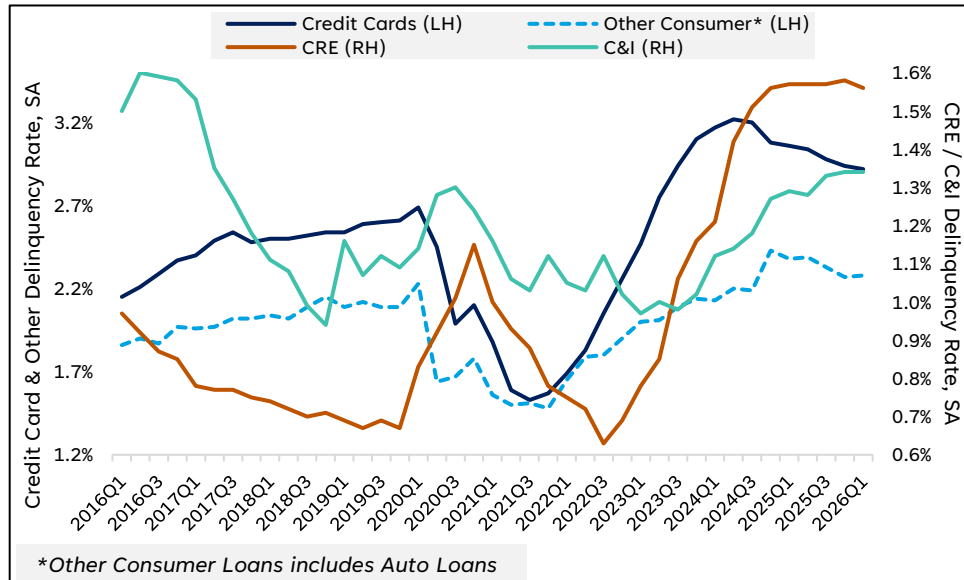
Exhibit 2: Household debt service ratios (DSR), seasonally adjusted (SA)



Source: LPL Research, Bloomberg, Federal Reserve Board 06/01/26

### Credit Card and “Other Consumer” (Includes Auto) Loan Delinquencies Have Come Down Recently, While C&I Delinquencies Are Slightly Higher

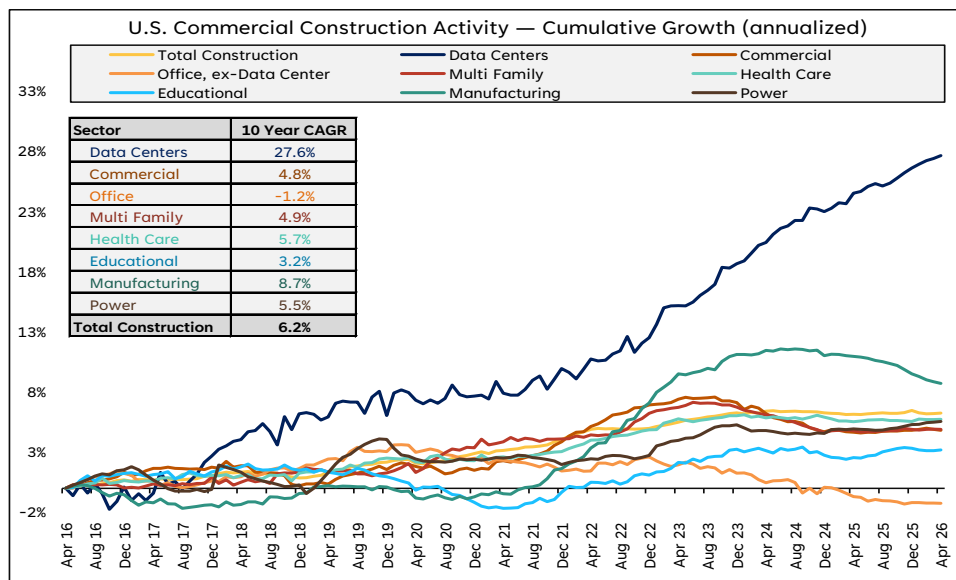
Exhibit 3: Delinquency rates: Credit card, other consumer, commercial real estate (CRE), and commercial & industrial (C&I) loans, seasonally adjusted (SA)



Source: LPL Research, Bloomberg, Federal Reserve Board 06/01/2026

### Commercial Construction Activity Growth Dominated by Data Centers

Exhibit 4: U.S. commercial construction activity—cumulative growth (annualized)

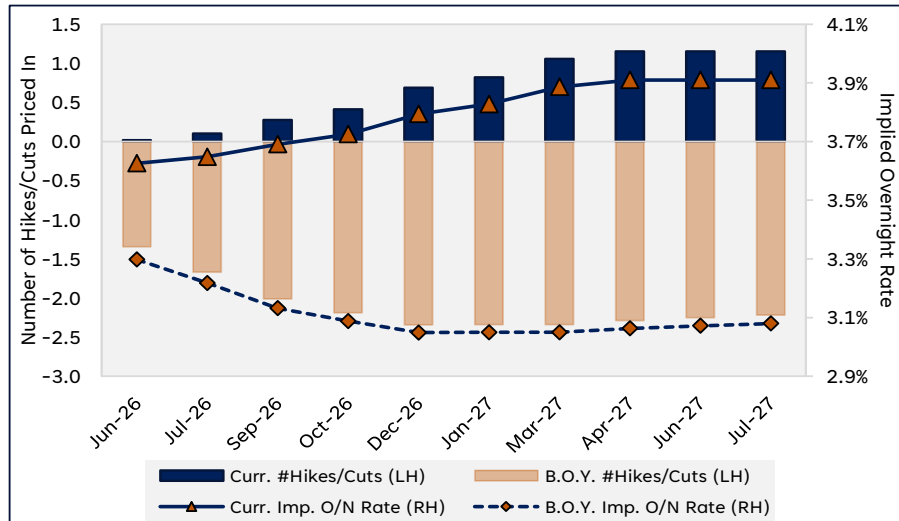


Source: LPL Research, Bloomberg, U.S. Census Bureau 06/01/26

## Interest Rate Monitor: Yield Curve Spreads and FOMC Expectations

### Expectations From the Beginning of Year For Two Rate Cuts in 2026 Have Reversed, With the Market Now Pricing in a Small Likelihood of a Hike

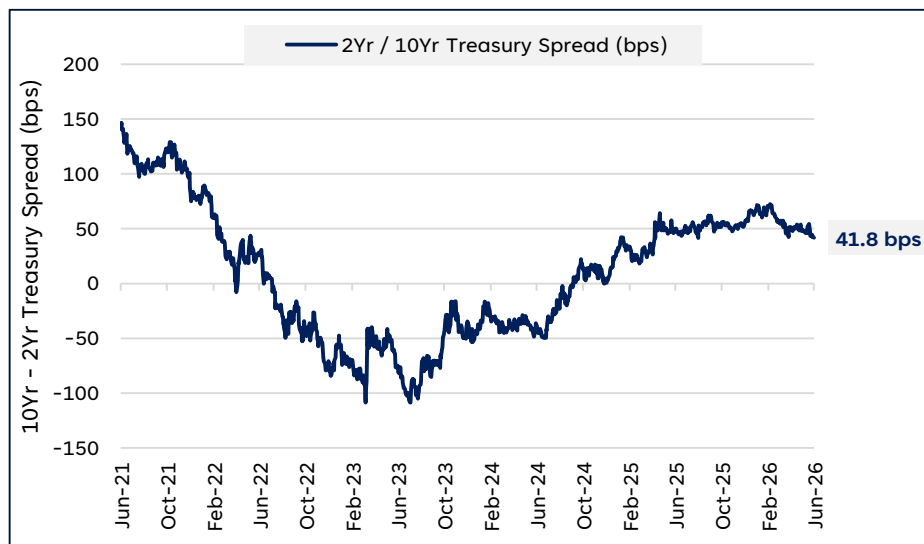
Exhibit 5: Fed futures market implied Federal Open Market Committee (FOMC) rate hikes and cuts & implied overnight rates, current and beginning of year (B.O.Y.)



Source: LPL Research, Bloomberg, 06/01/26 (Curr. = Current, B.O.Y. = Beginning of year)  
Past performance is no guarantee of future results.

### FOMC Expectations Have Led to Declines in Treasury Spreads (10 Year Yields Minus 2 Year Yields), Down ~14bps From March Highs

Exhibit 6: 10-year Treasury yield minus 2-year Treasury yield spread (bps)



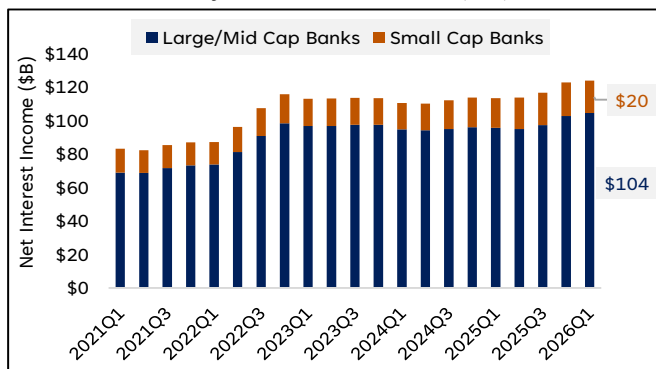
Source: LPL Research, Bloomberg, 06/01/26  
Past performance is no guarantee of future results.

## Public Bank Equities: Quarterly Bank Key Performance Indicators (KPIs)

- Key bank industry performance indicators sourced from index aggregations or company filings and aggregated at index weighted averages.
- Data in the following “Public Bank Equities” sections are sourced from approximately 270 U.S. banks that are publicly traded and constituents in the Russell 3000 Index. These banks collectively hold 79% of the total assets of FDIC-Insured institutions, and 64% of total deposits.
- In many of the exhibits in the “Public Bank Equities” sections, we segment the public banks as follows:
  - Large & mid cap banks in the Russell 1000 Banks Index (approximately 34 institutions, holding 69% of total banks assets and 55% of deposits), and
  - Small cap banks in the Russell 2000 Banks Index (approximately 236 institutions, holding 9% of total banks assets and 10% of deposits).
- Data on the entire 4,000+ universe of U.S. FDIC-insured depository institutions, sourced from the FDIC “Quarterly Call Report” is presented in the **US Bank Industry Data (FDIC “Call Report” and QBP)** section.

### Net Interest Income (NII) for Russell 1000 Banks and Russell 2000 Banks

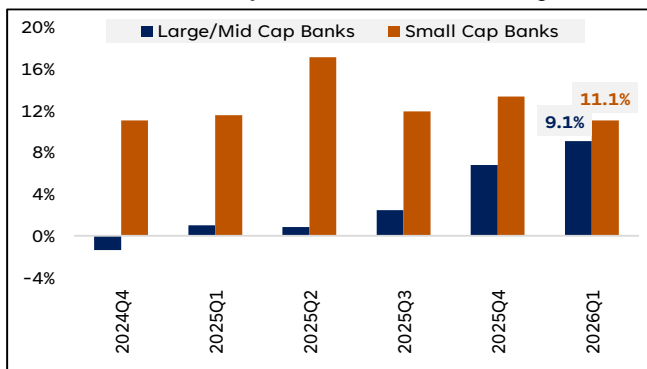
Exhibit 7: Quarterly net interest income (NII) trend



Source: LPL Research, Bloomberg 06/01/26

### Quarterly Net Interest Income (NII) Growth for Russell 1000 Banks and Russell 2000 Banks

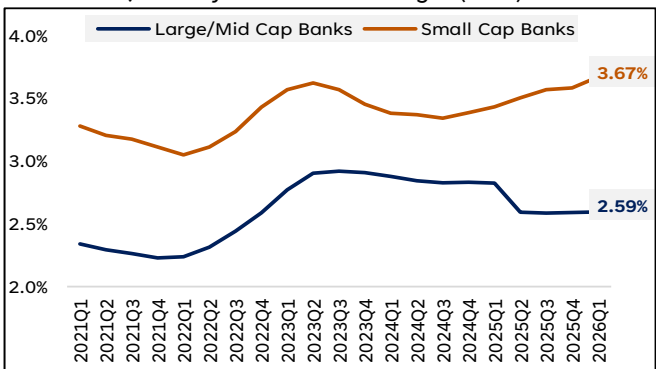
Exhibit 8: Year-over-year net interest income growth



Source: LPL Research, Bloomberg 06/01/26

### Net Interest Margin (NIM) Trends for Russell 1000 Banks and Russell 2000 Banks

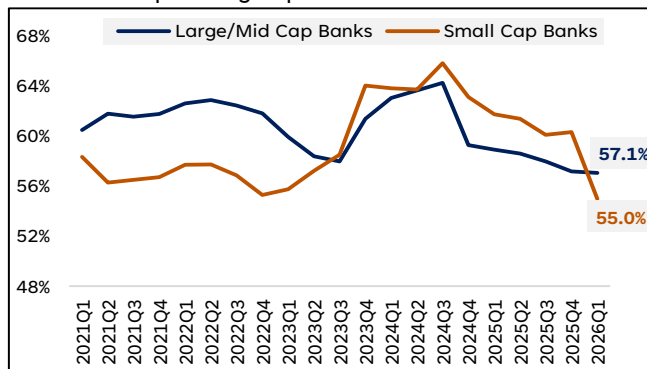
Exhibit 9: Quarterly net interest margin (NIM) trend



Source: LPL Research, Bloomberg 06/01/26

### Quarterly Efficiency Ratios (Wtd. Avg.) for Russell 1000 Banks and Russell 2000 Banks

Exhibit 10: Operating expenses as % revenues trend

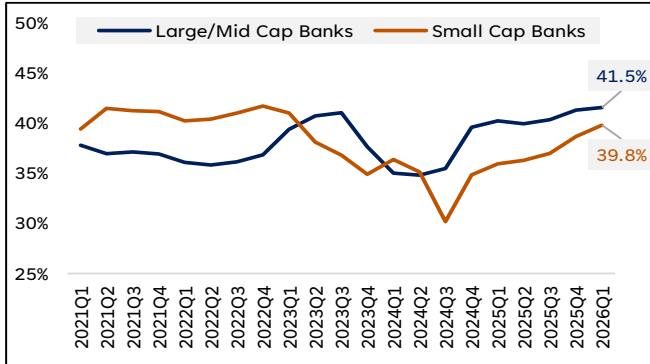


Source: LPL Research, Bloomberg 06/01/26

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### Pre-Provision net Revenue (PPNR) Margin for Russell 1000 and Russell 2000 Banks

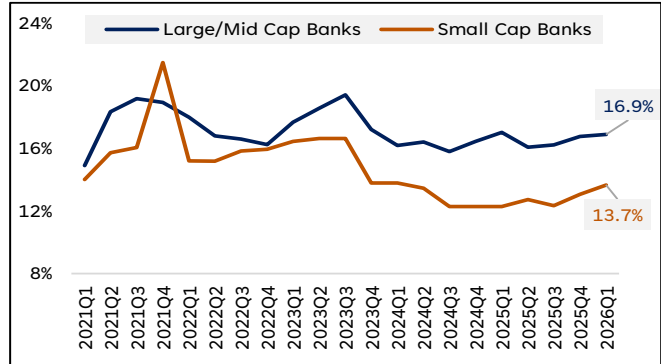
Exhibit 11: PPNR margin quarterly trends



Source: LPL Research, Bloomberg 06/01/26

### Return on Tangible Common Equity (ROTCE) For Russell 1000 & Russell 2000 Banks

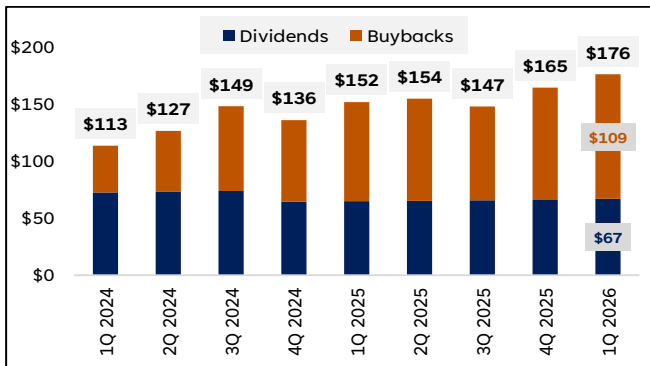
Exhibit 12: Index level ROTCE trend



Source: LPL Research, Bloomberg 06/01/26

### Capital Return (Buybacks + Dividends) Trend For Russell 3000 Banks

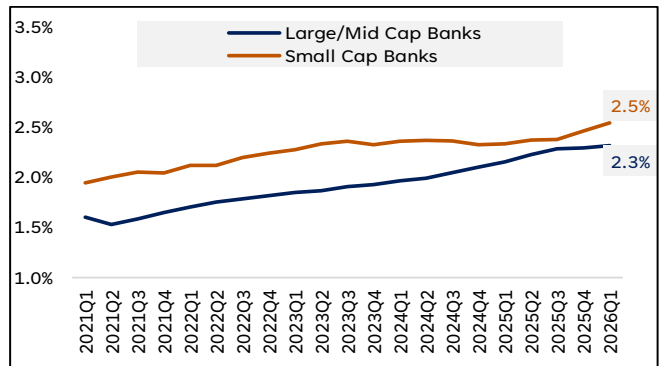
Exhibit 13: Quarterly capital returns, index aggregated



Source: LPL Research, Bloomberg 06/01/26

### Dividend Yields For Russell 1000 & Russell 2000 Banks

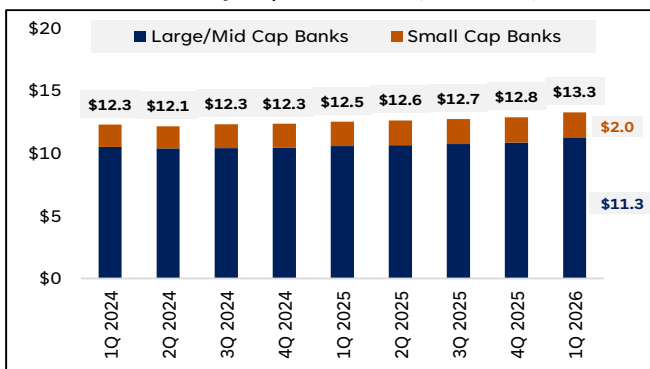
Exhibit 14: Trailing 12-month index dividend yields



Source: LPL Research, Bloomberg 06/01/26

### Customer Deposit Trends for Russell 1000 & Russell 2000 Banks

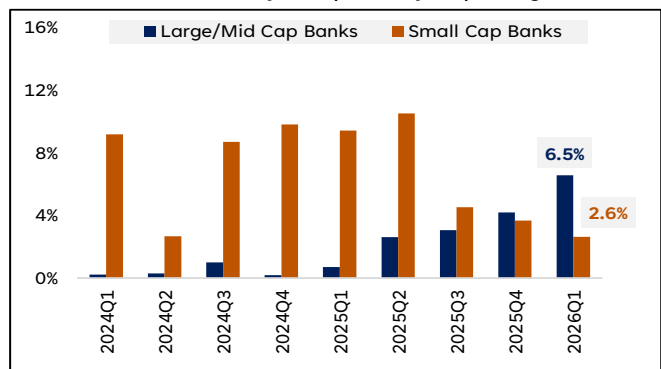
Exhibit 15: Quarterly deposit trends (\$ trillions)



Source: LPL Research, Bloomberg 06/01/26

### Quarterly Customer Deposit Growth Trends for Russell 1000 & Russell 2000 Banks

Exhibit 16: Year-over-year quarterly deposit growth

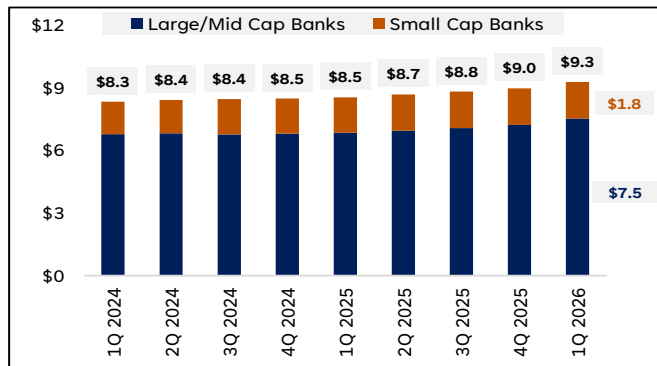


Source: LPL Research, Bloomberg 06/01/26

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### Quarterly Loan Trends for Russell 1000 & Russell 2000 Banks

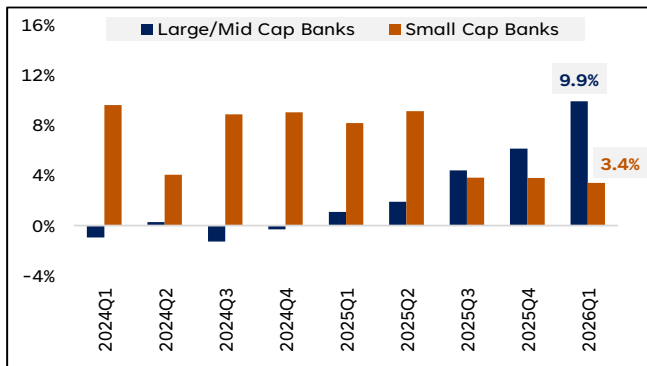
Exhibit 17: Quarterly loan trends (\$ trillions)



Source: LPL Research, Bloomberg 06/01/26

### Quarterly Loan Growth Trends for Russell 1000 & Russell 2000 Banks

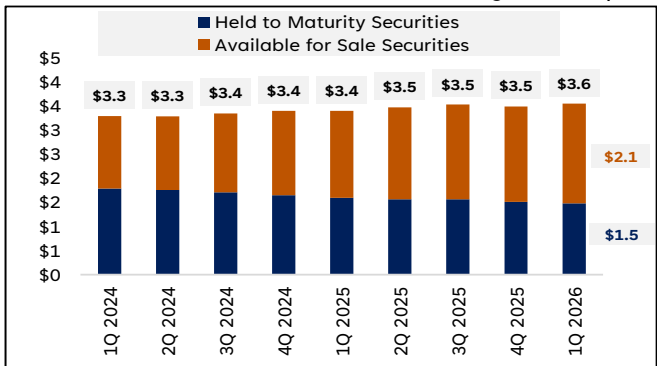
Exhibit 18: Year-over-year quarterly loan growth



Source: LPL Research, Bloomberg 06/01/26

### Balance Sheet Securities for Russell 1000 (Large/Mid Cap) Banks, Quarterly Trend

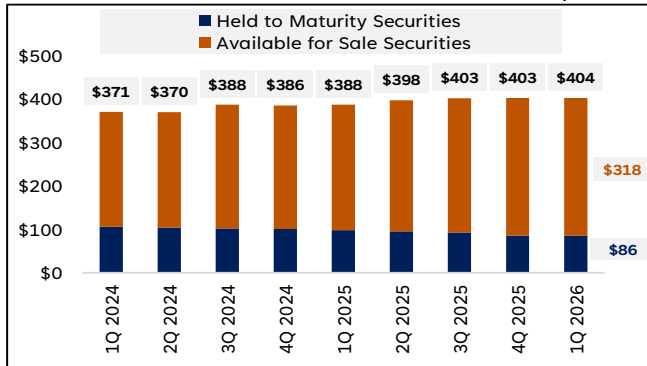
Exhibit 19: Securities on balance sheet, large/mid caps



Source: LPL Research, Bloomberg 06/01/26

### Balance Sheet Securities for Russell 2000 (Small Cap) Banks, Quarterly Trend

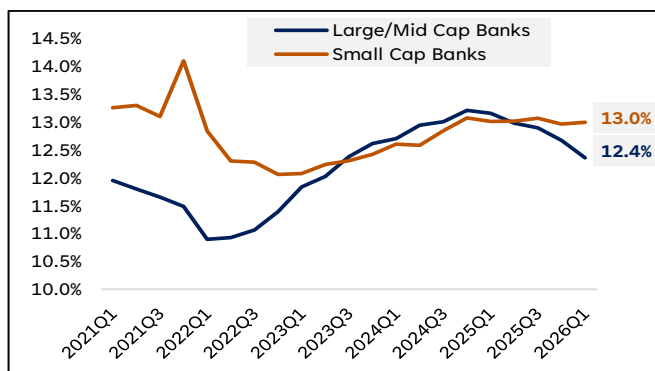
Exhibit 20: Securities on balance sheet, small caps



Source: LPL Research, Bloomberg 06/01/26

### Tier 1 Common Equity (CET1) Capital Ratios for Russell 1000 & Russell 2000 Banks

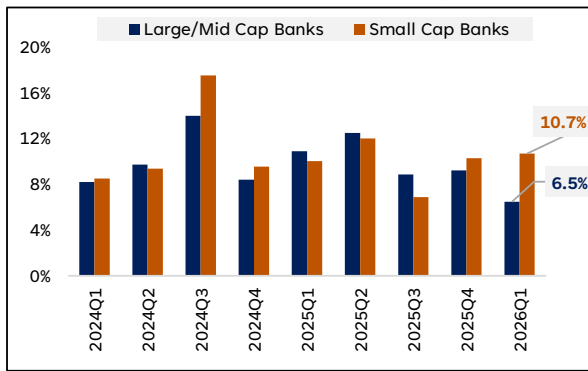
Exhibit 21: Quarterly CET1 ratio (%), quarterly trend



Source: LPL Research, Bloomberg 06/01/26

### YoY Growth for Tangible Book Value per Share for Russell 1000 & Russell 2000 Banks

Exhibit 22: Index tangible book value per share growth



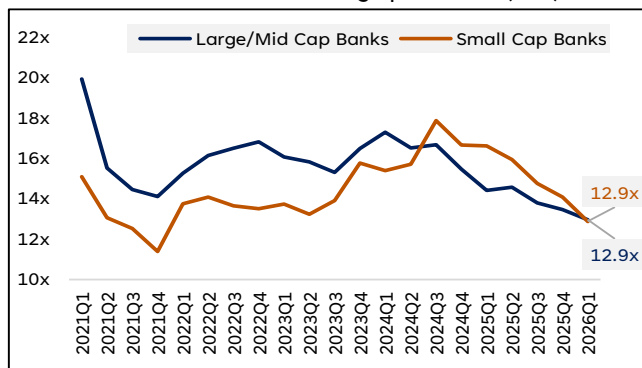
Source: LPL Research, Bloomberg 06/01/26

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## Public Bank Equities: Quarterly Bank Index Valuations

### Price to Trailing 12-month Earnings Ratio

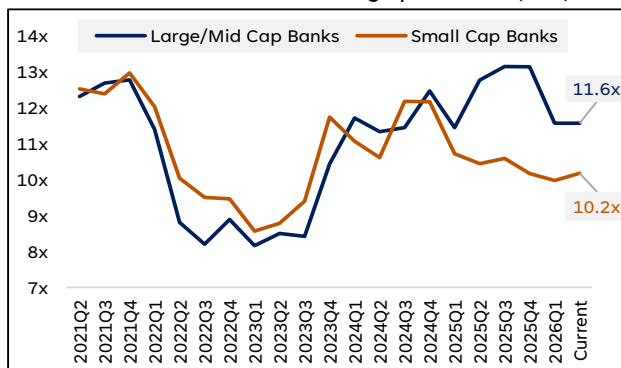
Exhibit 23: Price to TTM earnings per share (P/E)



Source: LPL Research, Bloomberg 06/01/26

### Price to Est. Forward 12-month Earnings Ratio

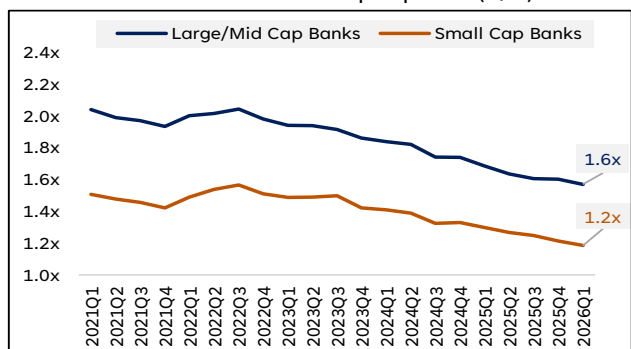
Exhibit 24: Price to NTM earnings per share (P/E)



Source: LPL Research, Bloomberg 06/01/26

### Price to Book Value/share, Reported

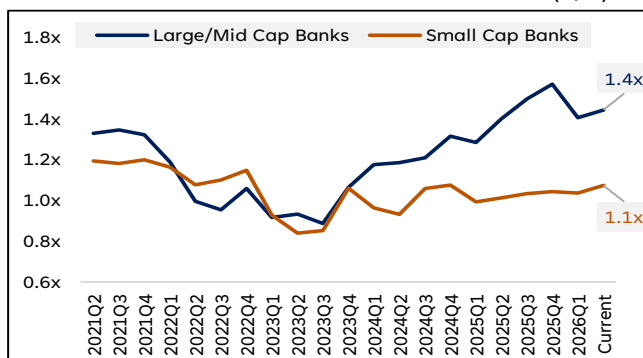
Exhibit 25: Price to book value per share (P/B)



Source: LPL Research, Bloomberg 06/01/26

### Price to Book, Forward 12-month (Consensus)

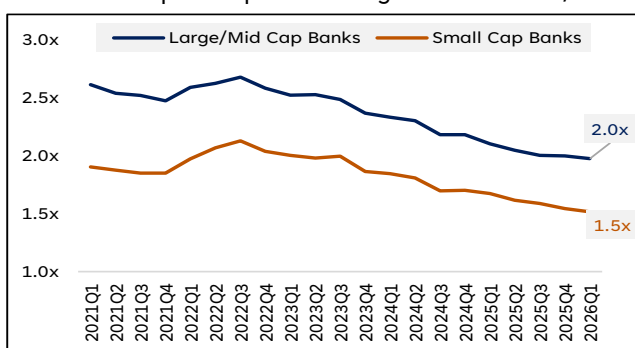
Exhibit 26: Price to consensus NTM book value (P/B)



Source: LPL Research, Bloomberg 06/01/26

### Price to Tangible Book Value/share (P/TB), Reported

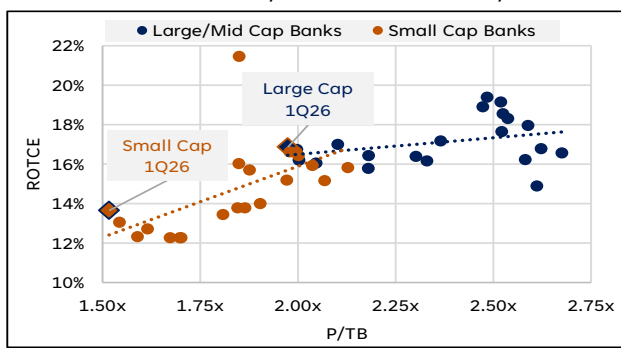
Exhibit 27: Reported price to tangible book value/share



Source: LPL Research, Bloomberg 06/01/26

### Return on Tangible Common Equity (ROTCE) vs. Price / Tangible Book (P/TB), Reported

Exhibit 28: ROTCE vs P/TB for Russell 1000/2000 Banks



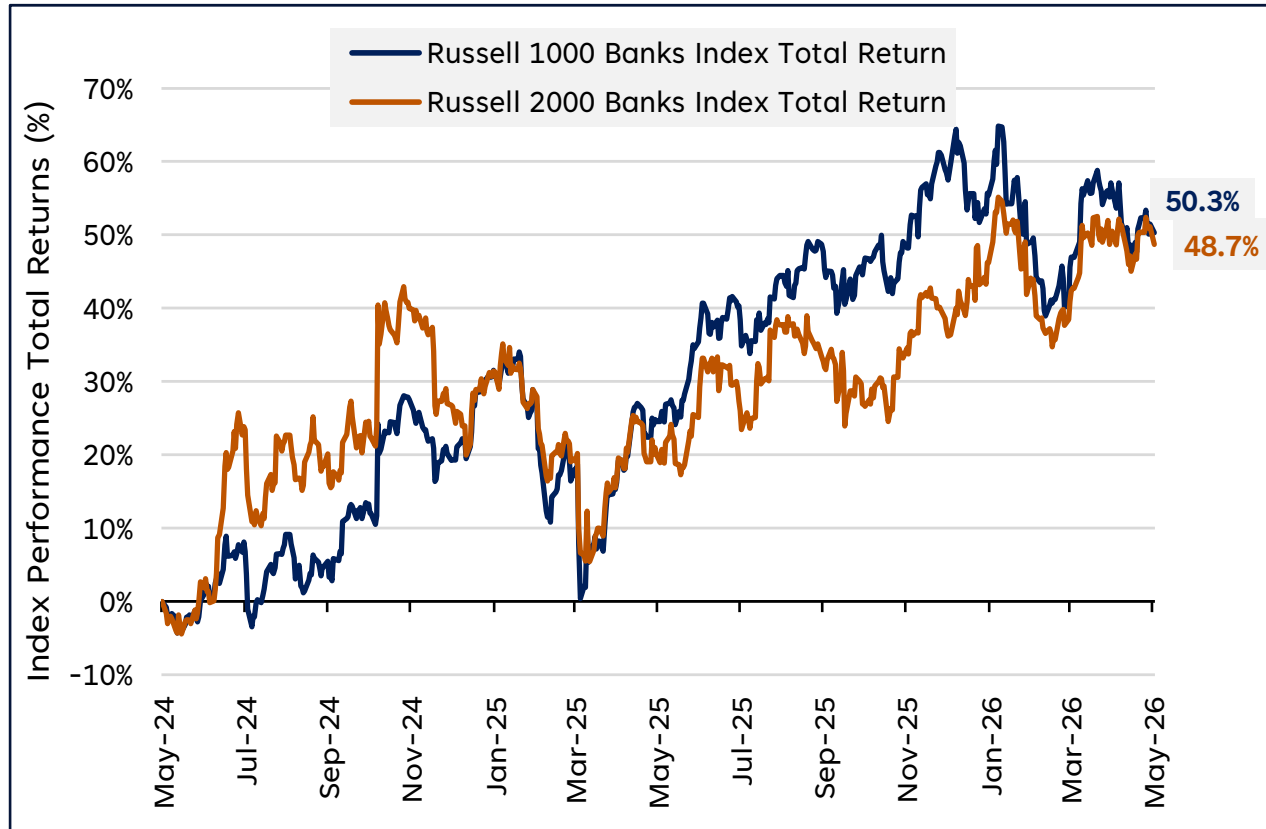
Source: LPL Research, Bloomberg 06/01/26

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## Public Bank Equities: Large/Mid and Small Cap Bank Index Performance

### Large/Mid Cap Banks Have Slightly Outperformed Small Cap Banks Over the Last Two Years

Exhibit 29: Russell 1000 and 2000 Banks Index total returns (trailing 2 years)



Source: LPL Research, Bloomberg 06/01/26

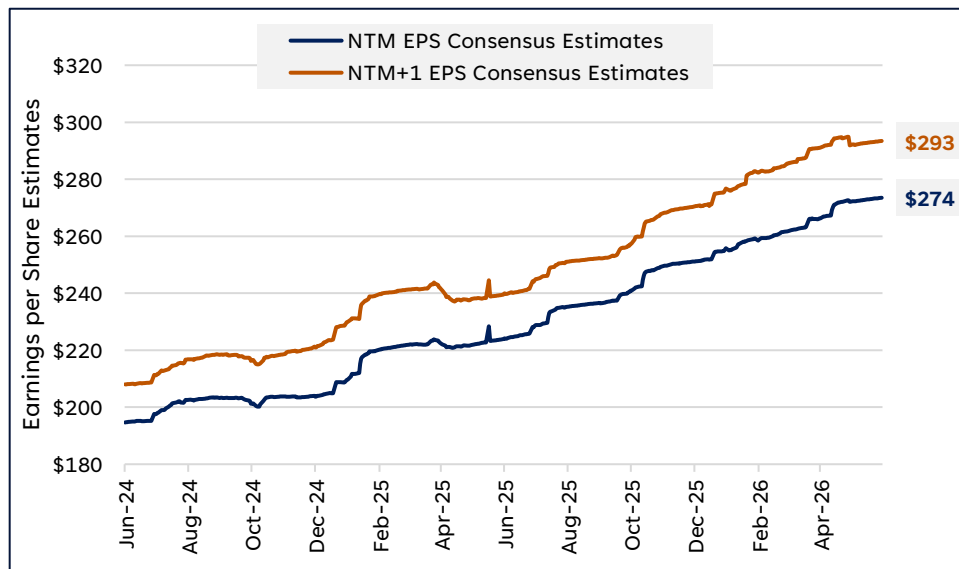
Data is from May 31, 2024 to June 1, 2026

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## Public Bank Equities: Consensus Estimate Revisions

Large/Mid Cap Bank Consensus EPS Estimates Have Trended Steadily Higher, Implying 9.4% Year-Over-Year Growth in the Next 12 Months (NTM) and Another 7.3% in the Following 12 Months (NTM+1)

Exhibit 30: Russell 1000 Banks Index consensus EPS estimates

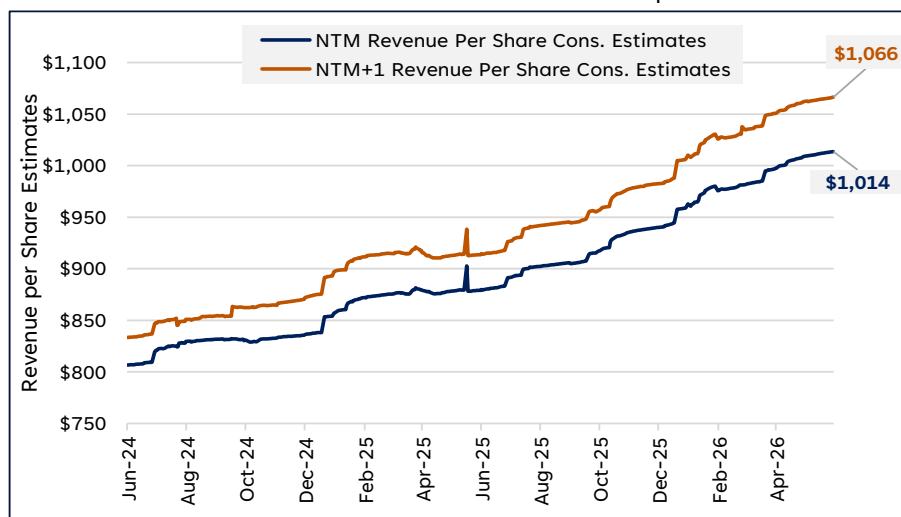


Source: LPL Research, Bloomberg 06/01/26

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Large/Mid Cap Bank Consensus Revenue Per Share Estimates Imply 7.0% and 5.2% Year-Over-Year Growth in the Next 12 Months (NTM) and the Following 12 Months (NTM+1)

Exhibit 31: Russell 1000 Banks Index consensus revenue per share estimates

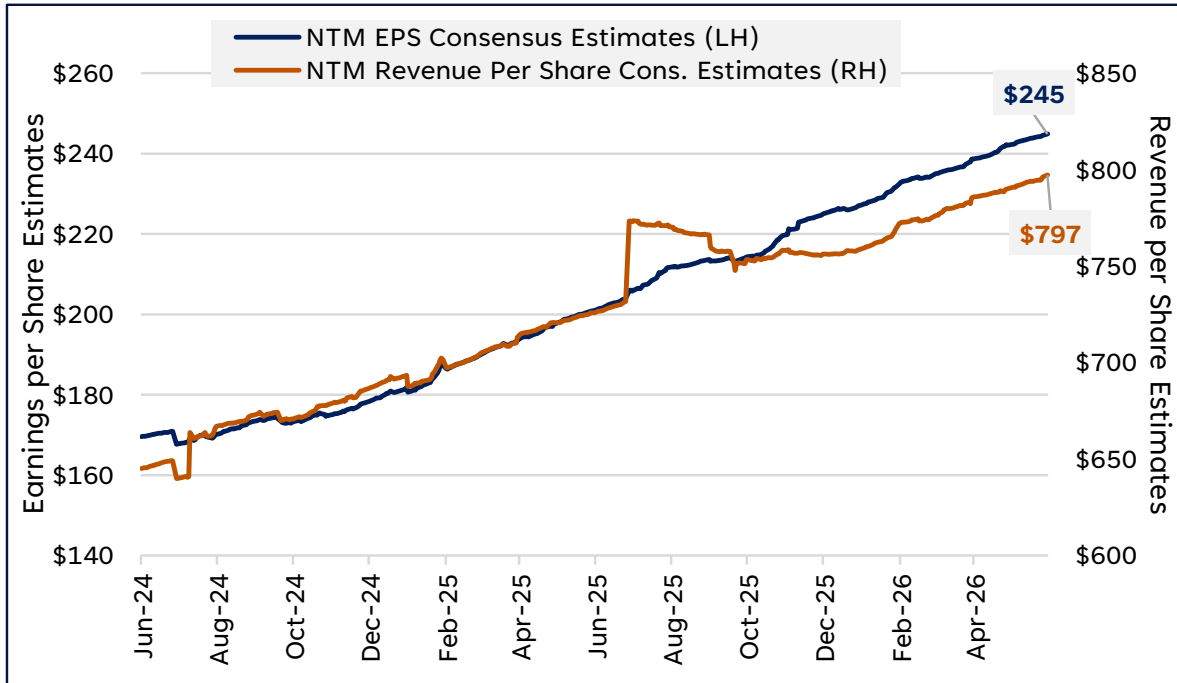


Source: LPL Research, Bloomberg 06/01/26

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**Small Cap Bank Consensus Earnings Estimates Imply 11.4% Year-Over-Year Growth in the Next 12 Months (NTM), While Revenue Is Expected To See No Growth in Next 12 Months**

Exhibit 32: Russell 2000 Banks Index consensus EPS and revenue per share estimate revisions



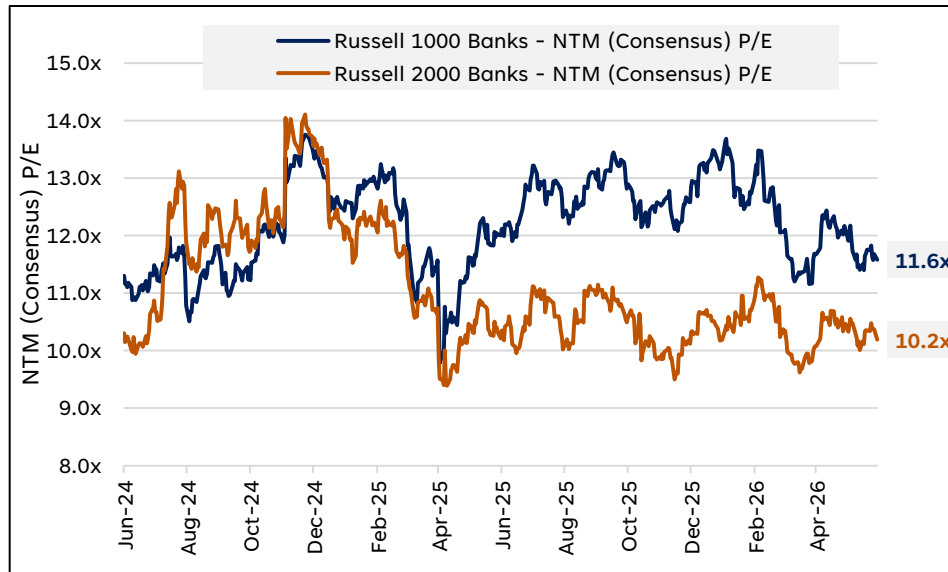
Source: LPL Research, Bloomberg 06/01/26

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## Public Bank Equities: Consensus Valuation Multiples and Returns

Despite Earnings Estimates Largely Rising, Year-to-Date Weakness in Bank Equities Have Driven P/E Multiples Below Two-Year Averages of 12.5x (Large Caps) and 11.5x (Small Caps)

Exhibit 33: Russell 1000 and 2000 Banks Index price / NTM EPS estimates (P/E)

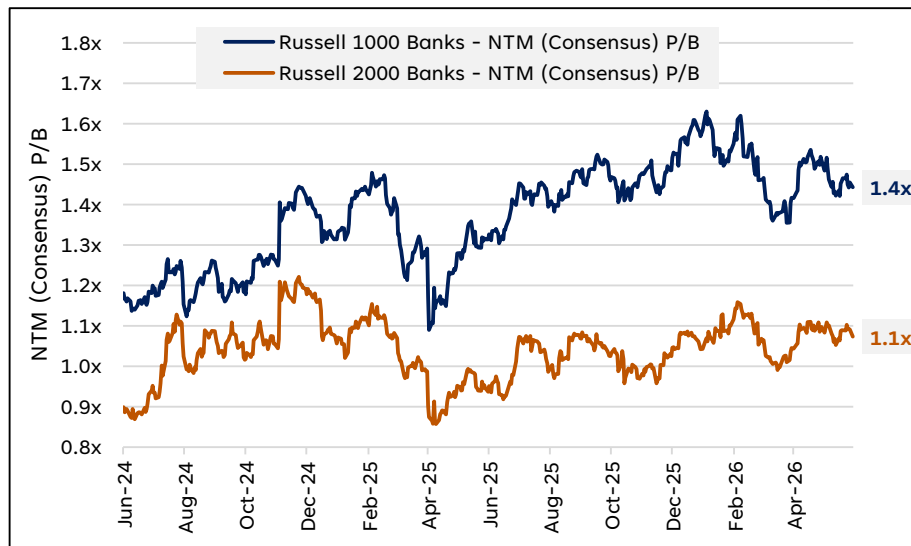


Source: LPL Research, Bloomberg 06/01/26

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Price to Book (P/B) Multiples Have Declined Year-to-Date As Well, to Levels Roughly in Line With Two Year Averages of 1.4x (Large Caps) and 1.1x (Small Caps)

Exhibit 34: Russell 1000 and 2000 Banks Index Price / NTM Book Value per Share Estimates (P/B)

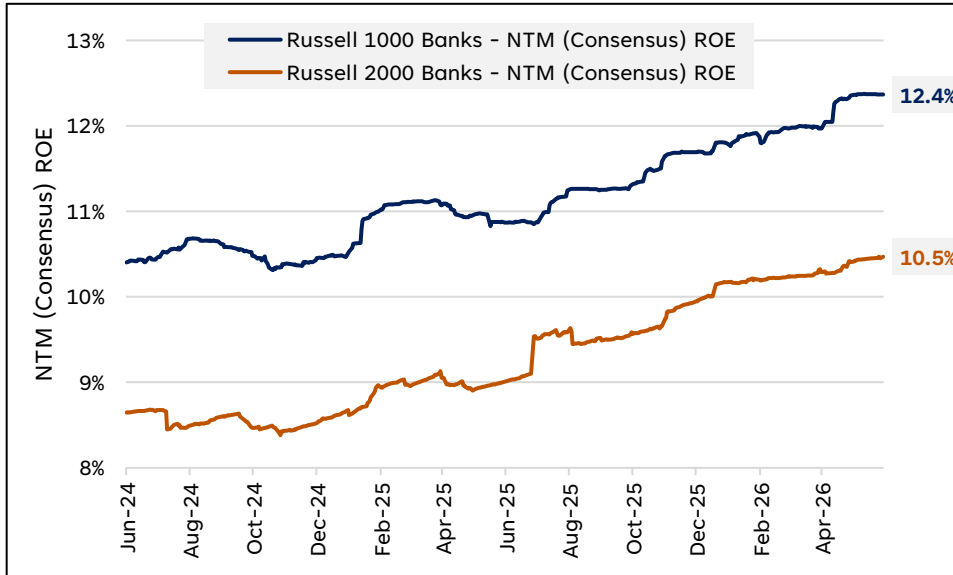


Source: LPL Research, Bloomberg 06/01/26

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### Return on Equity (ROE) Estimates Have Climbed Higher on Normalizing Rate Environment

Exhibit 35: Russell 1000 & 2000 Banks Index next-12-month return on equity estimates

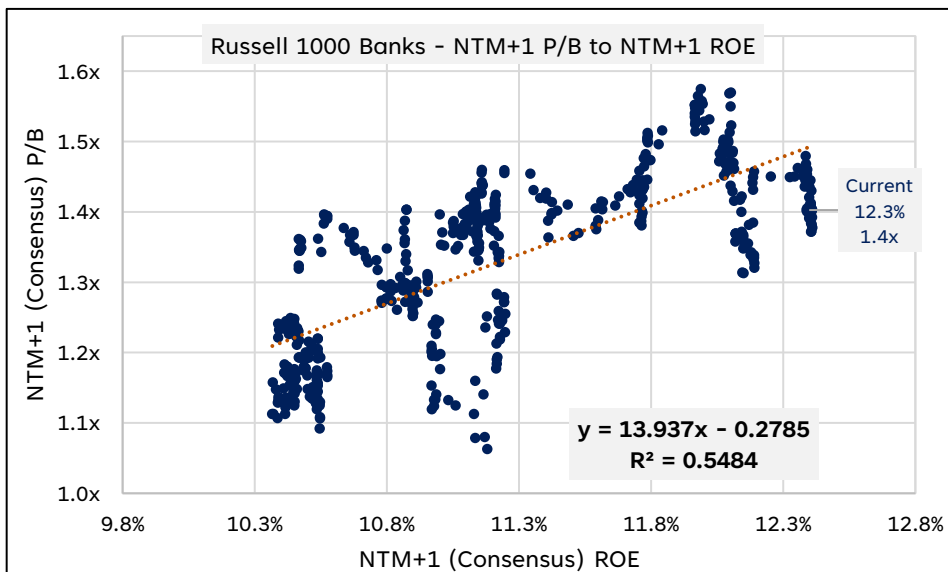


Source: LPL Research, Bloomberg 06/01/26

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### The Linear Regression of Bank Index Valuations and Bank Index Return on Equity (ROE) Estimates Imply Current Bank Valuation Multiples Are Fair, if Somewhat Discounted, at 1.36x P/B Current vs. Regression Implied 1.44x P/B

Exhibit 36: Russell 1000 Banks Index NTM+1 P/B and NTM+1 ROE Estimates



Source: LPL Research, Bloomberg 06/01/26

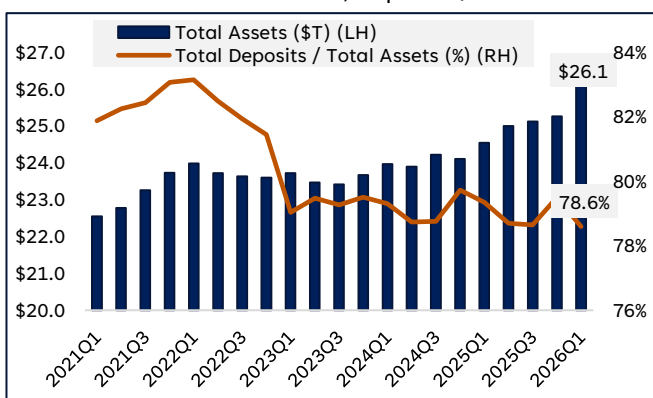
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## U.S. Bank Industry Data (FDIC “Call Report” and QBP)

- Data in following exhibits are sourced from the FDIC’s The Quarterly Banking Profile (QBP), which aggregates data from every depository institution’s “Call Report” filing with the FDIC. This data provides an overview of the aggregate financial condition of FDIC-insured institutions. The report includes data on bank earnings, loan and deposit activity, asset quality, and returns. There are ~4,300 banks included in the data.
- The QBP and data from individual “Call Reports” is published about 55 days after the end of the quarter — around late May, late August, late November, and late February.

### Total Bank Assets & Deposits as % of Assets

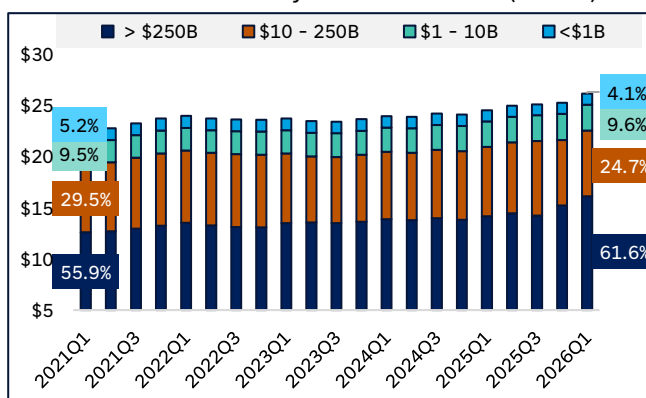
Exhibit 37: Total bank assets, deposits / assets



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Quarterly Bank Assets by Asset Size Cohort\*

Exhibit 38: Bank assets by bank size cohort (assets)

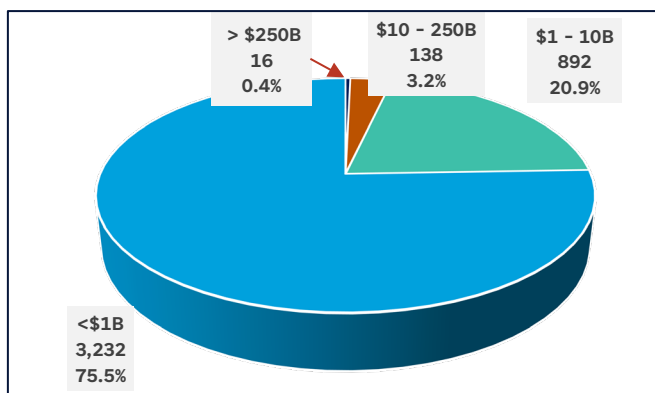


Source: LPL Research, FDIC, Bloomberg 06/01/26

\*Note: The FDIC reporting provides certain data metrics broken down by bank size cohorts, measured by total assets.

### Total Institutions by Size Cohort

Exhibit 39: Total institutions by size cohort (assets)

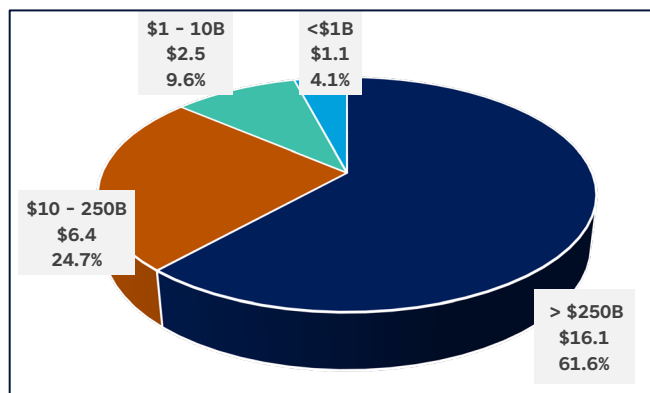


Source: LPL Research, FDIC, Bloomberg 06/01/26

\*Note: The FDIC reporting provides certain data metrics broken down by bank size cohorts, measured by total assets.

### Total Assets by Size Cohort

Exhibit 40: Total assets by bank size cohort (assets)

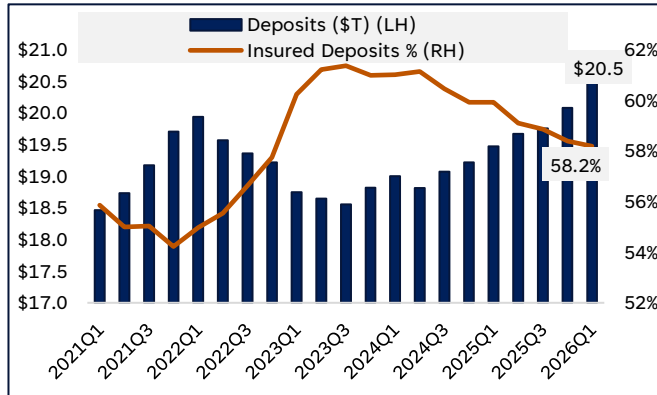


Source: LPL Research, FDIC, Bloomberg 06/01/26

\*Note: The FDIC reporting provides certain data metrics broken down by bank size cohorts, measured by total assets.

### Quarterly Deposits and % of Deposits Insured

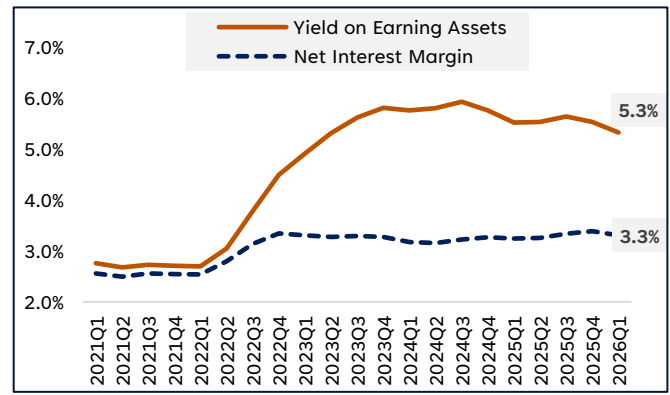
Exhibit 41: Total deposits & insured deposit % of total



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Net Interest Margin & Yield on Earning Assets

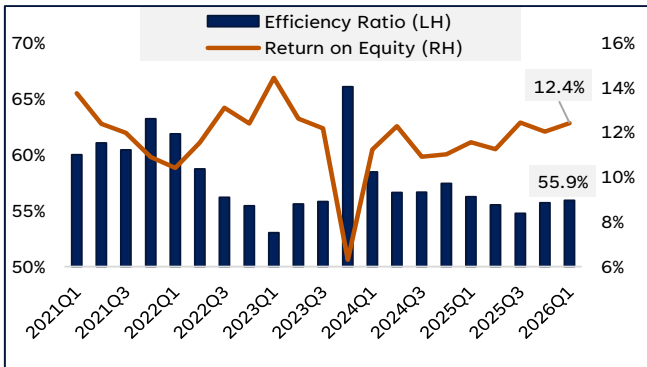
Exhibit 42: Net interest margin & yield on earning assets



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Quarterly Efficiency Ratios and ROE

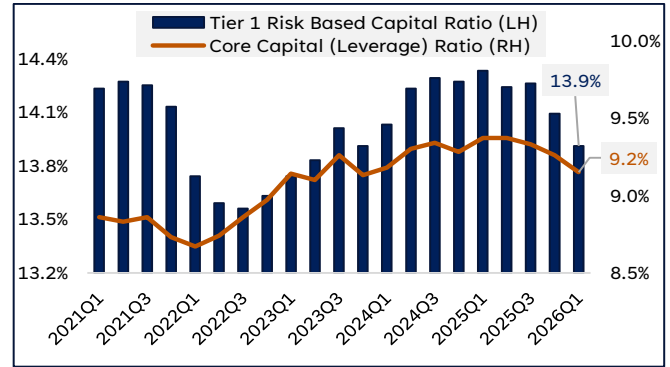
Exhibit 43: Efficiency ratio & return on equity (ROE)



Source: LPL Research, FDIC, Bloomberg 06/01/26

### CET1 Capital Ratio and Core Capital Ratios

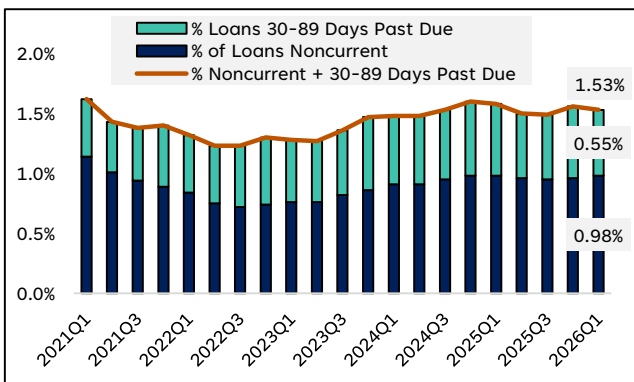
Exhibit 44: CET1 ratio & core capital (leverage) ratio



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Noncurrent and 30-89 Days Past Due Loans

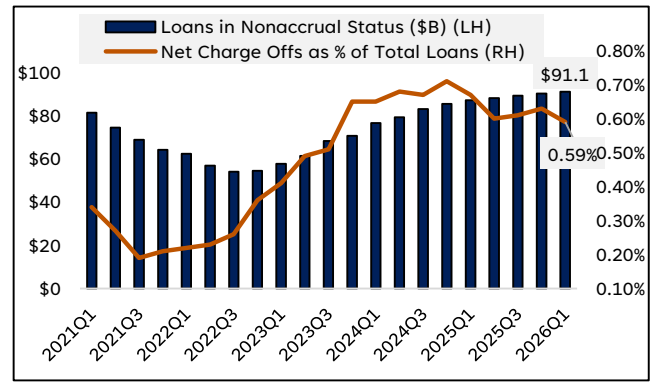
Exhibit 45: % of noncurrent and 30-89 days past due



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Charge-Offs as % of Loans

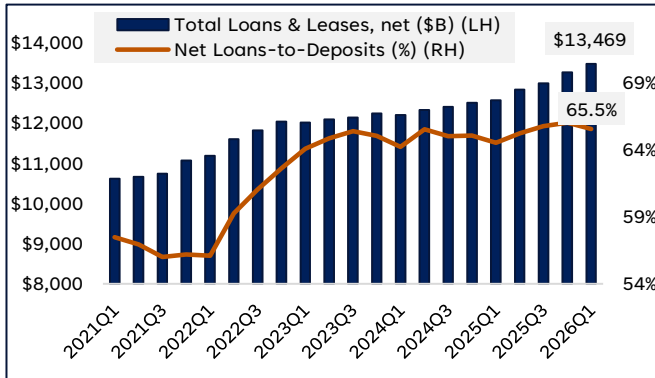
Exhibit 46: Nonaccrual loans (\$B) & charge-offs (%)



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Loan Growth and Loan to Deposit Ratio

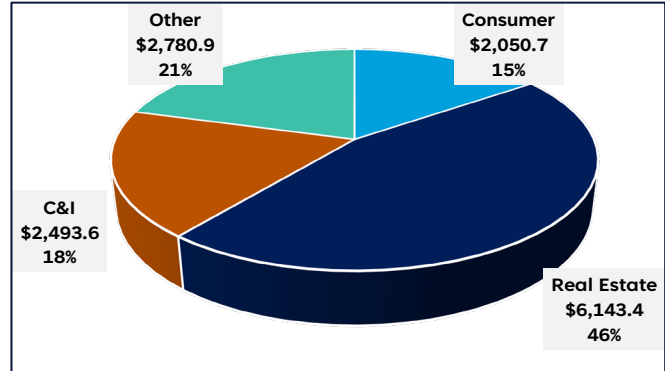
Exhibit 47: Total loans & loans to deposit %



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Total Loans, net by Loan Type

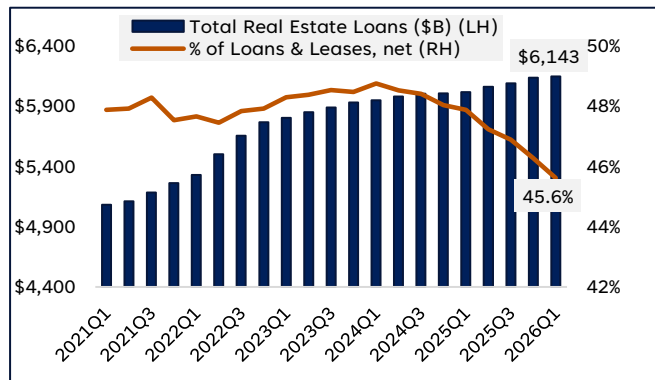
Exhibit 48: Total loans & leases, net by loan type



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Real Estate Loans

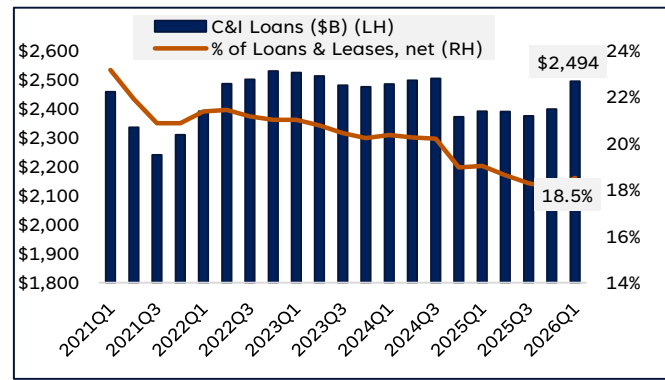
Exhibit 49: Real estate loans & % of total loans, net



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Commercial & Industrial Loans

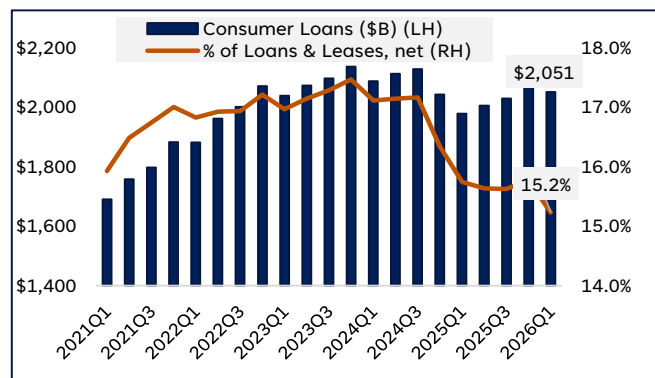
Exhibit 50: C&I loans & % of total loans, net



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Consumer Loans

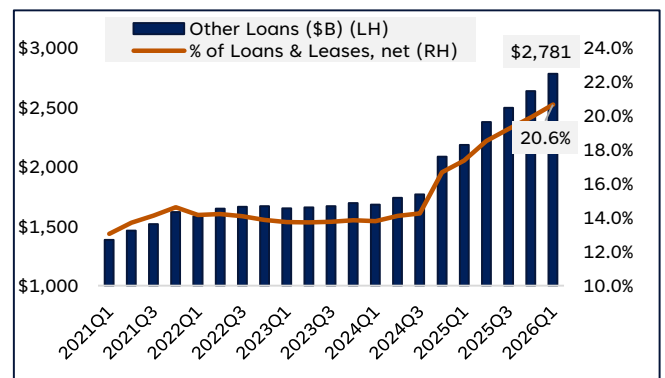
Exhibit 51: Consumer loans & % of total loans, net



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Other Loans (Primarily Loans to Non-Depository Financial Institutions)

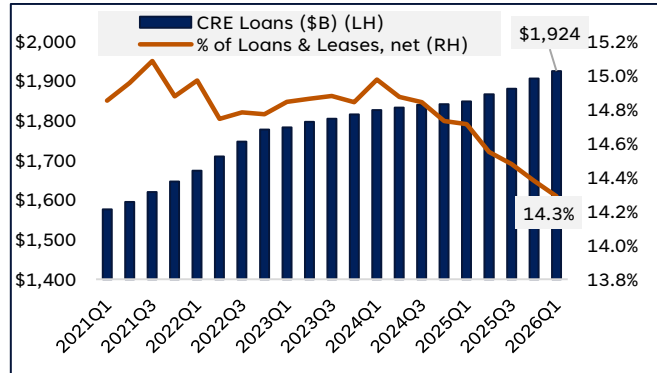
Exhibit 52: Other loans & % of total loans, net



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Commercial Real Estate (CRE) Loans

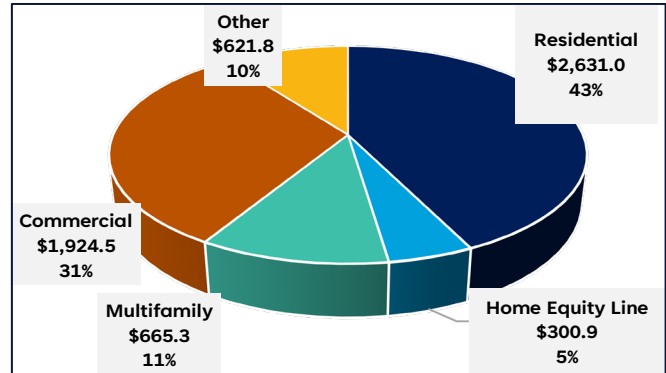
Exhibit 53: CRE loans & % of total loans, net



Source: LPL Research, FDIC, Bloomberg 06/01/26

### Total Real Estate Loans, by Type

Exhibit 54: Real estate loans by segment



Source: LPL Research, FDIC, Bloomberg 06/01/26

## LPL Research Economic Forecasts

- LPL Research’s current economic forecast highlights are as follows:
  - 2026 real GDP growth of 2.0% year over year
  - 2026 core Consumer Price Index (core inflation) growth of 2.7% year over year
  - One 0.25% rate cut from the FOMC, with the fed funds rate ending the year at 3.5% (upper bound)
- The below forecasts are as of May 13, 2026, and were published in the [May publication of LPL Research’s “Economic Navigator”](#). Please refer to future monthly editions for updated forecasts.

### Forecasts Imply 2026 Will Be a Pivotal Year

Exhibit 55: Historical economic data and LPL Research forecasts (gray shaded sections)

|  | 2025  |       |       |       | 2026  |       |       |       | 2024  | 2025  | 2026  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    |       |       |       |
| <b>Growth</b>                                      |       |       |       |       |       |       |       |       |       |       |       |
| Nominal GDP (Y/Y %)                                | 4.6   | 4.6   | 5.4   | 5.4   | 6.0   | 6.4   | 5.8   | 4.6   | 5.3   | 5.0   | 5.7   |
| Real GDP (Yr/Yr %)                                 | 2.0   | 2.1   | 2.3   | 2.0   | 2.7   | 2.2   | 1.5   | 1.7   | 2.8   | 2.1   | 2.0   |
| Real GDP (Q/Q Annualized)                          | -0.7  | 3.8   | 4.4   | 0.5   | 2.0   | 1.8   | 1.6   | 2.0   |       |       |       |
| Consumer Spending                                  | 0.6   | 2.5   | 3.5   | 1.9   | 1.6   | 1.5   | 1.9   | 1.8   | 2.9   | 2.6   | 1.8   |
| Government Spending                                | -1.0  | -0.1  | 2.2   | -5.6  | 4.4   | 1.0   | 1.1   | 0.9   | 3.8   | 1.1   | 0.9   |
| Private Investment                                 | 23.3  | -13.8 | 0     | 2.3   | 8.7   | 6.8   | 5.9   | 6.5   | 3.0   | 1.9   | 2.7   |
| Exports  | 0.2   | -1.8  | 9.6   | -3.3  | 12.9  | -3.7  | 2.1   | 3.8   | 3.6   | 1.6   | 2.0   |
| Imports  | 38    | -29.3 | -4.4  | -1.0  | 21.4  | 1.9   | 3.8   | 3.2   | 5.8   | 2.7   | -1.5  |
| Real Final Sales to Domestic Purchasers (Q/Q Ann.) | 1.4   | 2.4   | 2.8   | 0.6   | 2.8   | 2.1   | 1.9   | 2.0   | 3.1   | 2.4   | 2.2   |
| <b>Business Sector</b>                             |       |       |       |       |       |       |       |       |       |       |       |
| Nonfarm Productivity (Q/Q Annualized)              | -0.9  | 4.2   | 5.2   | 1.6   | 0.8   | 1.6   | 5.1   | 2.9   | 2.9   | 2.2   | 2.5   |
| Corporate Profits After Taxes (Yr/Yr %)            | 7.5   | 4.8   | 10.8  | 10.2  | 8.1   | 7.9   | 4.2   | 3.9   | 3.9   | 8.4   | 5.5   |
| Industrial Production (Yr/Yr %)                    | 0.7   | 0.5   | 1.7   | 1.6   | 1.2   | 1.1   | 0.9   | 1.2   | -0.6  | 1.1   | 1.06  |
| <b>Consumer</b>                                    |       |       |       |       |       |       |       |       |       |       |       |
| Real disposable income (Yr/Yr %)                   | 2.0   | 1.8   | 1.8   | 1.3   | 1.1   | 1.6   | 1.8   | 2.2   | 2.9   | 1.7   | 1.7   |
| Retail Sales (Yr/Yr %)                             | 4.5   | 4.3   | 4.4   | 3.0   | 3.7   | 3.7   | 3.5   | 3.9   | 2.6   | 4.0   | 3.7   |
| Retail Sales Ex-Autos (Yr/Yr %)                    | 4.3   | 3.9   | 4.2   | 3.7   | 4.5   | 3.8   | 3.3   | 3.2   | 2.8   | 4.0   | 3.7   |
| Consumer Confidence                                | 99.8  | 93.1  | 97.4  | 94.2  | 90.7  | 88.0  | 95.0  | 98.0  | 104.5 | 96.1  | 92.9  |
| Light Vehicle Sales (Mil. Units, SAAR)             | 16.4  | 16.2  | 16.5  | 15.7  | 15.4  | 15.1  | 15.8  | 16.1  | 15.9  | 16.2  | 15.6  |
| <b>Jobs &amp; Housing</b>                          |       |       |       |       |       |       |       |       |       |       |       |
| Unemployment rate (%)                              | 4.1   | 4.2   | 4.3   | 4.5   | 4.3   | 4.5   | 4.6   | 4.5   | 4.0   | 4.3   | 4.5   |
| Nonfarm Payroll (Change in Thousands)              | 61    | 101   | 70    | -116  | 205   | 175   | 155   | 180   | 1459  | 29    | 179   |
| Housing Starts (Mil. Units)                        | 1.40  | 1.35  | 1.35  | 1.32  | 1.41  | 1.33  | 1.37  | 1.38  | 1.37  | 1.36  | 1.4   |
| Existing Home Sales (Annualized, Millions)         | 4.08  | 4.01  | 4.04  | 4.16  | 4.04  | 3.99  | 4.15  | 4.18  | 4.06  | 4.07  | 4.09  |
| <b>Inflation, Annual</b>                           |       |       |       |       |       |       |       |       |       |       |       |
| Consumer Price Index (CPI)                         | 2.7   | 2.5   | 2.9   | 2.7   | 2.7   | 3.2   | 2.9   | 3.0   | 3.0   | 2.7   | 3.1   |
| Core CPI   | 3.1   | 2.8   | 3.1   | 2.7   | 2.5   | 2.6   | 2.4   | 2.5   | 3.3   | 2.9   | 2.7   |
| PCE Inflation                                      | 2.6   | 2.4   | 2.7   | 2.8   | 3.1   | 3.2   | 2.7   | 2.6   | 2.6   | 2.6   | 3.0   |
| Core PCE Inflation                                 | 2.8   | 2.7   | 2.9   | 2.9   | 3.1   | 2.8   | 2.5   | 2.3   | 2.9   | 2.8   | 2.8   |
| Brent Crude Spot Price (Average, \$)               | 75.81 | 68.01 | 68.97 | 63.63 | 80.21 | 98.00 | 85.00 | 78.00 | 79.86 | 68.19 | 85.30 |
| <b>Rates</b>                                       |       |       |       |       |       |       |       |       |       |       |       |
| Fed Funds (% Upper Bound, Period End)              | 4.50  | 4.50  | 4.25  | 3.75  | 3.75  | 3.75  | 3.50  | 3.50  | 4.50  | 4.25  | 3.63  |
| Mortgage Rates (30-year Fixed, Period End)         | 6.79  | 6.77  | 6.39  | 6.27  | 6.56  | 6.10  | 6.10  | 5.90  | 6.49  | 6.60  | 6.165 |

Source: LPL Research, Federal Reserve Bank of Philadelphia, Bloomberg 05/13/26

Disclosures: Past performance is no guarantee of future results. Forecasts may not materialize as predicted and are subject to change. Shaded areas are forecasts and are subject to change as additional data is published.

### Important Disclosures

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Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Russell 1000 Index consists of the 1,000 largest securities in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. It is a large-cap, market-oriented index and is highly correlated with the S&P 500 Index.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

Established in 1984, the Russell 3000 index measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market.

The PE ratio (price-to-earnings ratio) is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher PE ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with lower PE ratio.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Earnings per share is generally considered to be the single most important variable in determining a share's price. It is also a major component used to calculate the price-to-earnings valuation ratio.

All index data from Bloomberg.

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