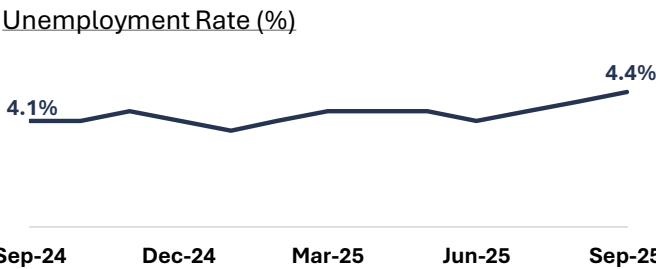


- **Economic indicators seem to be flattening**
- **Uncertainty increases as borrower performance is mixed**

Unemployment. “The unemployment rate, at 4.4 percent, changed little in September. Employment continued to trend up in health care, food services and drinking places, and social assistance. Job losses occurred in transportation and warehousing and in federal government.” ([BLS Sept Release](#))



[Note on Revised BLS Data Release Schedule](#)

- [Unemployment:](#) BLS will not publish an October 2025 Employment Situation news release. Establishment survey data from the Current Employment Statistics survey for October 2025 will be published with the November 2025 data.
- [Inflation:](#) BLS could not collect October 2025 reference period survey data due to a lapse in appropriations. BLS will publish the November 2025 CPI news release on December 18, 2025. This news release and database update will not include 1-month percent changes for November 2025 where the October 2025 data are missing. ([BLS Release](#))

Bridging the Gap: Large Cap Sponsors Moving Down-Market and the Dynamics with Lower Middle Market Lenders (Goulston & Storrs – Oct. 16th, 2025)

“However, as they bring large cap structuring expectations into this space, they face a fundamentally different lending environment. Lower middle market lenders (both institutional and private credit), who prioritize capital preservation and tighter controls, can conflict with sponsors’ expectations for flexibility, operational independence, and growth-oriented capital structures.”

[Goulston & Storrs Article](#)

Private Payrolls. “Private employers added jobs in October for the first time since July, but hiring was modest relative to what we reported earlier this year. Meanwhile, pay growth has been largely flat for more than a year, indicating that shifts in supply and demand are balanced.” (Nela Richardson, Chief Economist, ADP) ([ADP Release](#))

	Aug-25	Sep-25	Oct-25
Private Employment (MM)	134.6	134.5	134.6
MoM Change (000s)	-3	-29	+42k
Top Industry	Edu & Health	Edu & Health	Transp & Util
Top Chg	+18k	+32k	+47k
Bottom Industry	Mfg	Other Serv	Info Serv
Bottom Chg	-18k	-17k	-17k

Credit Ratings Activity. “Downgrades in October outnumbered upgrades for the first time since June, as investment-grade downgrades increased to their highest level since May...Since the start of 2025, the corporate sector with the greatest increase in negative bias has been autos...In contrast, homebuilders and real estate had the greatest increase in positive bias.” ([S&P Release](#))

S&P Global Ratings Activity

	Aug-25	Sep-25	Oct-25
Global Upgrades (UG)	34	42	28
Global Downgrades (DG)	31	40	33
UG:DG Ratio	1.1x	1.1x	0.8x

Sources: U.S. Bureau of Labor Statistics (BLS), ADP, Standard & Poor’s.

SBA Releases State-Level Analysis of Shutdown Impact on Small Business Lending (SBA – Oct. 21st, 2025)

“For fiscal year 2025 (FY25), the SBA guaranteed a record 84,400 loans, reaching \$45 billion in capital for Main Street. Each business day the shutdown continues, an estimated 320 small businesses nationwide are unable to access \$170 million in SBA-backed commercial loans, translating to \$2.5 billion which has been blocked from 4,800 small businesses so far over the course of the shutdown.”

[SBA Article](#)

Get the Monthly Market Recap
Subscribe

View More
Resources

Connect With a Member of
Our Team

EMB Advisory helps middle-market companies and sponsors secure and manage debt financing. EMB Advisory provides specialized and dedicated support before, during and after the transaction so leadership can make better-informed capital decisions and spend more time growing their business. EMB Advisory has supported over \$1.6 billion in debt financings to fund acquisitions, refinancings, shareholder dividends / buyouts and growth investments. Visit www.embadvisory.com to learn more.

Disclosure Information

Published on December 2nd, 2025.

These materials have been prepared by EMB Advisory (including its affiliates and subsidiaries) for informational purposes only and on a non-reliance basis and they are not intended to be, and should not be construed as, financial, legal, or other advice. The views and opinions expressed are the views and opinions of the authors. They are subject to change at any time.

In preparing these materials, EMB Advisory has assumed and relied upon the accuracy and completeness of any publicly available information and of any other information made available to EMB Advisory by any third parties. EMB Advisory has not assumed any responsibility for any independent verification of any of such information. Hyperlinks to third-party websites in this document are provided for reader convenience only. There can be no assurance that any trends discussed herein will continue. Unless otherwise noted, information included herein is presented as of the dates indicated. Subsequent developments may affect the information set out in this document and EMB Advisory assumes no responsibility for updating or revising these materials.

These materials may include certain statements regarding future conditions and events. These statements and the conditions and events they describe are inherently subject to uncertainty, and there can be no assurance that any of the future conditions or events described in these materials will be realized. EMB Advisory assumes no responsibility for the realization (or lack of realization) of any future conditions or events described in these materials.

No liability whatsoever is accepted and no representation, warranty or undertaking, express or implied, is or will be made by EMB Advisory or any of its affiliates for any information contained herein. Nothing herein shall constitute a commitment or undertaking on the part of EMB Advisory to provide any service. EMB Advisory shall have no duties or obligations in respect of these materials or other advice provided to you, except to the extent specifically set forth in an engagement or other written agreement, if any, that is entered into by EMB Advisory and you. By accepting this document each recipient agrees to be expressly bound by the foregoing limitations.