

## SUMMARY & OVERVIEW

This note looks at results from publicly traded companies who report “off-cycle” to gain insights into what’s happening with the economy in the current quarter before the rest of publicly traded America reports results in the coming weeks. This is Part 2 of our 3Q25 update. [Part 1](#) was published two weeks ago.

Below is a list of 22 companies who report after the traditional end of earnings season (typically the 6-10 weeks after a calendar quarter end), along with relevant metrics from each. Notably, while there are more than 22 companies of reasonable size and scale who report “off-cycle,” we’ve chosen this set of 22 because all of them have fiscal and quarterly periods that end 2 months off the normal calendar cycle. This gives us 2/3 of the current calendar quarter instead of others who just report one month off-cycle (and thus would only give us 1/3 of the quarter). **Importantly, our set of 22 companies’ combined revenue growth has a ~95% correlation and a 90% R-Squared with the cumulative growth rate of US revenues for our larger publicly traded company model (which at this point consists of around 900 companies).** The off-cycle reporters therefore have solid directional predictive power for what’s to come from the rest of publicly traded companies in the coming weeks.

The bottom line takeaway from our off-cycle reporting group is that the economy likely weakened in 3Q, though perhaps not considerably. It may also be the case now that certain sectors of the economy (specifically those tied to AI) are driving outsized contributions to this growth, as both the median and average growth rates from our Off-Cycle group were the lowest they’ve been since 2Q24 (for context, in that quarter, the average, median and cumulative growth rates were 1.6%, 2.0% and

1.8% respectively, whereas for 3Q25, those figures are 1.7%, 2.3%, and 3.3% respectively). **ORCL, for example, whose business is meaningfully tied to AI now, contributed 57% of the Off-Cycle group’s growth this quarter, well above both the 21% and 36% in 1Q and 2Q.** That said, our Off-Cycle Reporting Group Diffusion Index still was at 50% this quarter, in-line with each of the last two quarters, so it certainly wasn’t *all* AI or Oracle contributing to growth in 3Q. It might be most fair then to say three things:

- First, that the economy weakened in aggregate in 3Q relative to 2Q or 1Q
- Second, that weakness would have been more pronounced were it not for AI
- Third, we weakened from a solid to decent level everywhere else away from AI, but not to a recessionary state

With datapoints from all of our 22 companies now in the Off-Cycle reporting set, *The Curb Economist’s (TCE) estimate for 3Q nominal GDP growth is 4.3% year-over-year (above our first-look estimate of 4.2% from a couple weeks ago).* This compares to closer to 6% in 2Q and 6.4% in 1Q.

## SOME NOTES ON METHODOLOGY

A couple quick notes on methodology before we continue. Because of differences in reporting dates throughout the year, we will not have all datapoints from all of our off-cycle reporters at the same time each quarter when we initially publish this note. Consequently, we’ll publish the *TCE Off-Cycle Reporters* note twice each quarter: once early in the current calendar quarter to provide a “first look” at last quarter’s GDP, and then again a few weeks later once we have datapoints from all of the companies in the off-cycle group.

Why not just wait and do the note once after we have all the data? Two reasons: first, because

waiting a few more weeks would push us into the regular corporate reporting season, and by that time we'll have a significantly greater amount of datapoints from companies who are on the "normal" calendar reporting cycle from which to make assessments about what happened in the economy the previous quarter. Thus, waiting sort of defeats the point of trying to use the off-cycle reporters to gain insights. After all, at some point, all forecasts can be improved by simply waiting for more datapoints.

Second, this approach would be futile if the datapoints from the subsets we get for the early look note didn't have good statistical value. But they do. Thus, while the "first look model" may not be as good as the full off-cycle model, it's still useful.

For clarity's sake then, our model is set up to adjust for differences in the subset of companies each quarter. **All statistics quoted in these notes are based on the datapoints from the companies we have data from only. Those companies are highlighted in grey below. In the second iteration of this note each quarter, this will become irrelevant since we'll have all the datapoints from the whole group.**

### 3Q25 OFF-CYCLE PUBLIC COMPANY DATA

Let's start with a table of companies in our Off-Cycle Reporting Group and the relevant metrics we're tracking from each of them. As noted above, the ones highlighted in grey are currently included in our analysis.

Ticker	Mkt Cap	Metric
ADBE	148,222	Americas Revenue
CCL	38,954	North Am Revs
CMC	6,627	North America Steel Group Revs
CTAS	77,777	Revenues
DRI	21,798	Revenue
FDS	10,859	Americas Revenue
FDX	56,490	Total U.S. Domestic Package Revenue
FUL	3,225	Americas Revenue
KBH	4,052	Total Revenues
KMX	6,441	Revenues
LEN	32,155	Revenues
LEVI	8,305	Americas Revenues
LNN	1,325	NorthAm Irrigation & Infrastructure Revs
MKC	18,404	Americas Revenues
MSM	4,856	Revenues
ORCL	777,297	Americas Revenues
PAYX	45,566	Revenues Ex. Float
SCS	1,908	US Revs
SNX	12,540	Americas Revenues
UNF	3,215	Revenues
WGO	1,146	Revenues
WOR	2,810	US Revenues

Source: Company Data and *The Curb Economist*

Now here is another table showing each company's correlation with our big model of publicly traded company US revenues (which currently consists of close to 900 firms). This can be useful for the reader because certain companies are much more predictive than others. Thus, while our off-cycle group in general has good predictive power, we can therefore use this table to make quicker judgments about the state of the economy even earlier in the off-cycle reporting season when specific companies report. Companies like LEVI, DRI, KMX and FUL, for example, all have good track records at predicting the US results of the rest of corporate America with correlations at, close to, or even above 80%.

Correlation with Big US Group		
ADBE		22.5%
CCL		-16.9%
CMC		72.7%
CTAS		61.5%
DRI		79.9%
FDS		43.7%
FDX		27.1%
FUL		88.2%
KBH		74.1%
KMX		78.1%
LEN		71.0%
LEVI		82.7%
LNN		32.5%
MKC		1.0%
MSM		56.5%
ORCL		24.7%
PAYX		66.2%
SCS		50.0%
SNX		68.4%
UNF		30.6%
WGO		66.8%
WOR		75.2%
2 Mo's Off Cycle Co's		94.9%

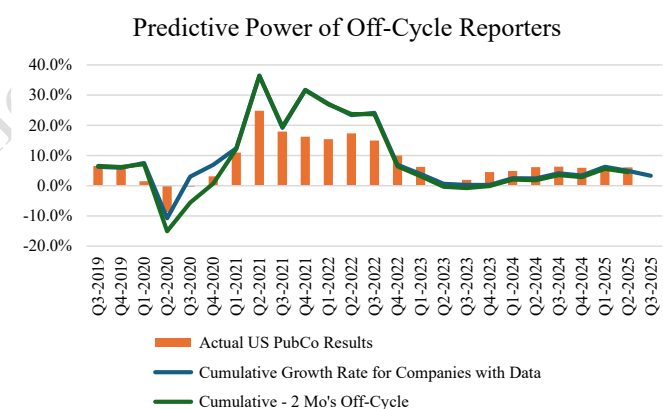
Source: Company Data and *The Curb Economist*

The next chart shows the historical trends between the relevant revenue metrics from our group of off-cycle reporters and the growth rates for our entire dataset of publicly traded companies. Recall here we're trying to estimate *US based revenues* in each case for the purpose of estimating US GDP / GNP. Again, the goal here is to try and show how the off-cycle reporters' growth rates compare to the broader set of publicly traded firms so that we can predict what happened in the previous calendar quarter before the rest of corporate America reports in the coming weeks.

As the chart shows, the directional trendline of the off-cycle reporters matches the US revenues from broader publicly traded America quite well, though the off-cycle group now seems to be undershooting broader US revenue growth, whereas for most of the last three years, the off-cycle reporters have grown faster. This quarter, the off-cycle reporting

group has reported cumulative 3.3% Y/Y revenue growth (similar to our last note), compared to 4.4% last quarter. This indicates a slowdown in growth from 2Q to 3Q.

It's also worth noting that in the below chart, there are two lines. One line shows the cumulative growth rate for *all* the off-cycle reporters, and the other is for just the subset we have so far. As you can tell, the lines are very much on top of each other with only small differences. As will become more relevant in a moment, the subset we have so far has actually overshoot the full off-cycle group in terms of growth. *Note that the lines are directly on-top of each other in every quarter's second edition of this note since at that point we have all data from all companies.*



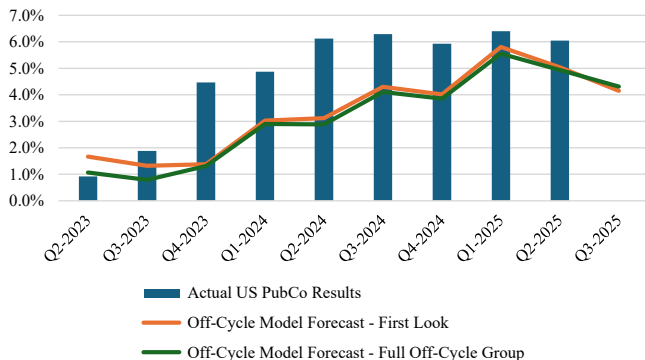
Source: Company Data and *The Curb Economist*

Importantly though, the 3.3% growth figure we have from our off-cycle subset so far does not represent our GDP or GNP forecast. **TCE's latest estimate for 3Q GDP is actually a bit higher at 4.3% (up from our first look estimate of 4.2%).** Backing out [TCE's latest estimate for core inflation](#) of around 1.4%, this results in real GDP growth year-over-year of almost 3% in the third quarter.

The next chart shows the model's forecasts using just the subset of data we have so far compared to the full off-cycle group. In both cases those models are trying to predict what US revenue growth will

be for our larger dataset (which as noted earlier currently consists of about 900 companies), which is the ultimate foundation for our GDP estimates. As you can tell from the chart, the models seem to be getting better over time, as both lines are getting increasingly close to the bars.

Predictive Power of Off-Cycle Reporters

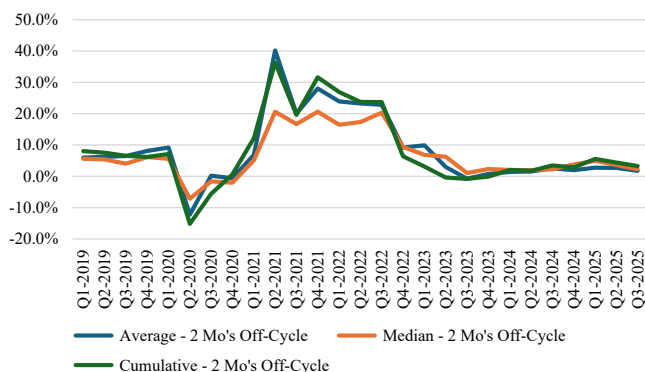


Source: Company Data and *The Curb Economist*

Now here is a chart of the off-cycle reporters average, median, and cumulative growth rates over time. We'll first show the chart going back to 1Q19, and then go from 1Q23 to try and cut out the extremes of COVID.

The first chart shows all three lines indicating slower growth in absolute terms than pre-COVID levels. It also shows that while the three lines look to be on top of each other, that isn't the case, with the differences more easily shown in the second version.

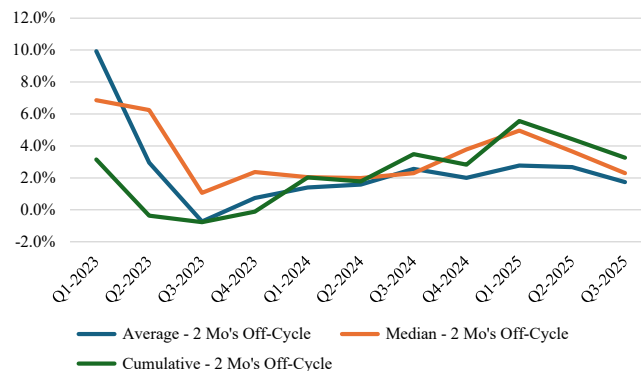
Off-Cycle Reporters - Avg, Med &amp; Cumulative Growth Rates



Source: Company Data and *The Curb Economist*

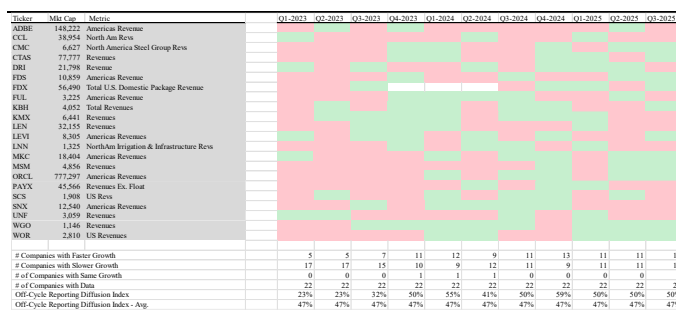
The second version of the chart shows both the average and medians growing more slowly than the cumulative figure for each of the last three quarters. This tells us that a few (large) companies are juicing growth for the whole group of late (such as ORCL).

Off-Cycle Reporters - Avg, Med &amp; Cumulative Growth Rates

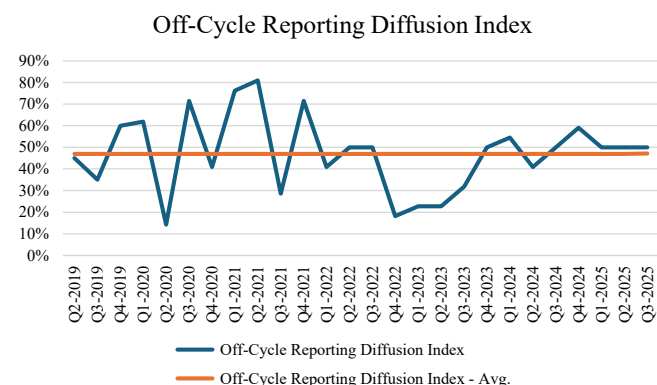


Source: Company Data and *The Curb Economist*

Let's now look at a heat map and chart for the companies in our off-cycle group to see how many are sequentially accelerating versus decelerating. By summing the accelerators and decelerators, we can create an "Off-Cycle Reporters Diffusion Index". This quarter, 11 of 22 companies saw their relevant revenue growth metric accelerate, and 11 saw their growth decelerate. This compares to the average since 2Q19 of 10.16 and 10.52, respectively. These figures result in the Diffusion Index coming in at 50% (above the 47% from our last note) compared to the 2Q19-1Q25 average of 47%. This metric indicates growth this quarter remained solid, albeit slower than 1Q and 2Q.



Source: Company Data and *The Curb Economist*



Source: Company Data and *The Curb Economist*

## CONCLUSION

Results from our Off-Cycle Reporting Group indicate that growth in 3Q slowed compared to 2Q and 1Q, but remained solid at over 4% in nominal terms (year-over-year) and over 3% in real terms. Now that earnings season is in full swing, watch for our [Gross National Income updates](#) to see if the rest of corporate America follows or deviates from our predictions from our Off-Cycle group.