EQUIPMENT LEASING & FINANCE ASSOCIATION



U.S. Equipment & Software

Investment Momentum Monitor

November 2026



The Equipment Leasing & Finance Association (ELFA) is the leading trade association for the $1.5 trillion U.S. equipment finance industry. We are the voice of an industry that provides the vital capital needed for businesses to acquire equipment and drive economic growth. Our diverse membership includes financial services companies, manufacturers, and service providers dedicated to financing capital goods. Through our work, we advance and promote the equipment leasing and finance industry to empower businesses and solve the most pressing challenges facing our sector.

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U.S. Equipment & Software Investment Momentum Monitor
About the Forecasts

Business leaders require actionable forward-looking intelligence to make strategic decisions. Accordingly, the Equipment Leasing & Finance Association commissioned Keybridge LLC to develop a series of custom leading indicators for the equipment sector. Published monthly, the "U.S. Equipment & Software Investment Momentum Monitor" consists of indices for the seven equipment and software investment verticals listed below. These indices are designed to identify turning points in their respective investment cycles with an approximate 5–8-month lead time.

The Momentum Monitor is based on Keybridge's extensive research which shows that not all movements in economic data are reliable signals of future economic trends. Keybridge has operationalized its research by constructing indices, each comprised of 15–20 high-frequency indicators. These indicators undergo rigorous testing to determine the optimal thresholds at which their short-term fluctuations are economically meaningful. In simpler terms, the Momentum Monitor sifts out the "noise" in the data and identifies the dominant trends. As a result, each Momentum Monitor index is statistically optimized to signal turning points in the investment cycle without giving false readings of shifts in momentum.

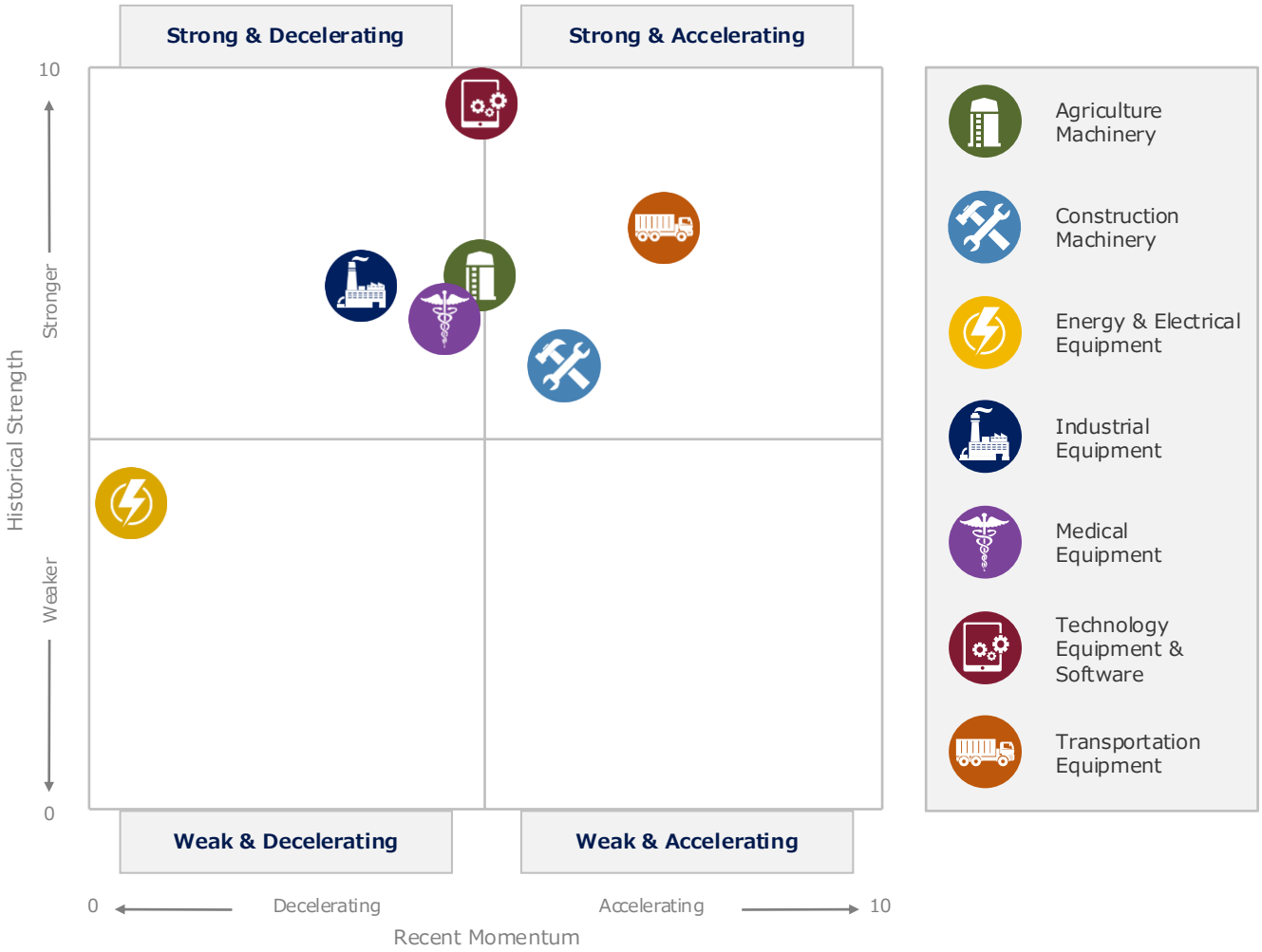
The Momentum Monitor covers seven equipment and software verticals as defined by the U.S. Department of Commerce. Collectively, these verticals represent more than 90% of total equipment and software investment as of 2025.

U.S. Equipment & Software Investment Momentum Monitor – 7 Verticals

1) Agriculture Machinery
2) Construction Machinery
3) Energy & Electrical Equipment
4) Industrial Equipment
5) Medical Equipment
6) Technology Equipment & Software
7) Transportation Equipment

U.S. Equipment & Software Investment Momentum Monitor
November 2026

Momentum Monitor Sector Matrix



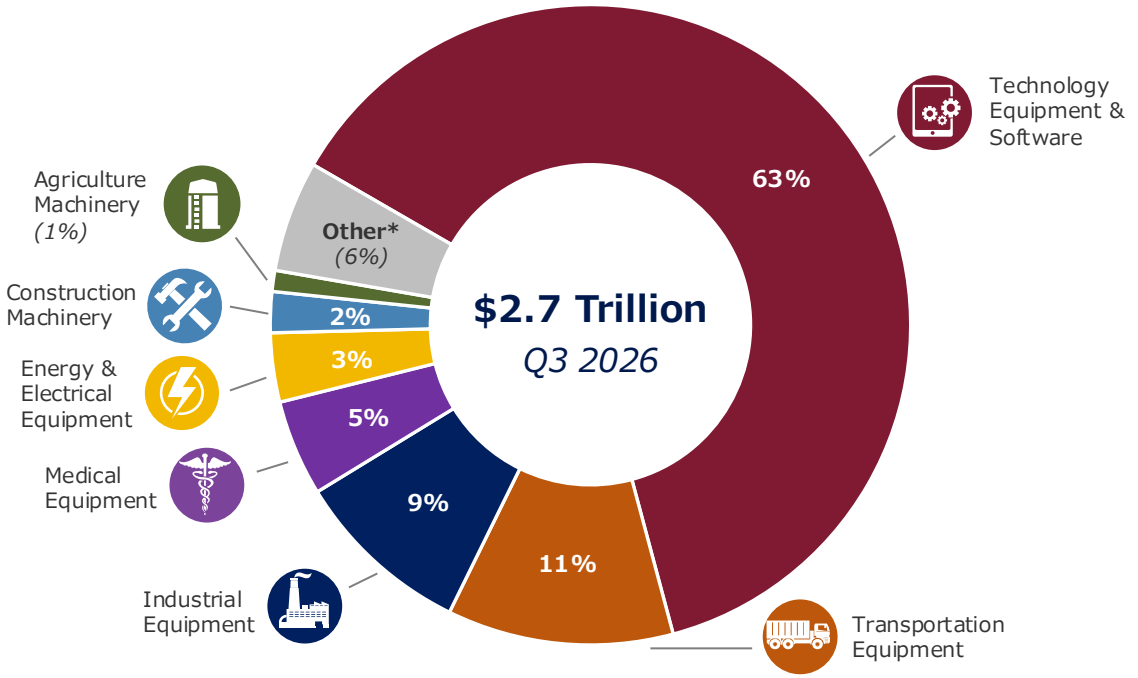
The matrix above summarizes the current values of each of the seven Equipment & Software Investment Momentum Indices based on two factors:

- "**Recent Momentum**" (vertical axis) represents an indicator's movement in the past month relative to its average movement over the previous three months. Ratings closer to "0" represent an indicator that is decelerating, while ratings closer to "10" represent an indicator that is accelerating.
- "**Historical Strength**" (horizontal axis) represents an indicator's strength over the last three months relative to its typical level over the last two decades. Ratings closer to "0" represent an indicator that is historically weak, while ratings closer to "10" represent an indicator that is historically strong.

The matrix is comprised of four quadrants, which correspond to a vertical's recent momentum and historical strength readings. If a vertical is located in the top-left quadrant, its current reading is higher than average, but positive movement has slowed (and perhaps reversed) in recent months — suggesting that Y/Y investment growth may fall over the next two quarters. Conversely, if a vertical is located in the bottom-right quadrant, its current reading is lower than average, but recent movement shows promise — suggesting that Y/Y investment growth may rise over the next two quarters.

U.S. Equipment & Software Investment Momentum Monitor

Definitions and Distribution of Investment by Vertical



**Other includes furniture and fixtures, office equipment, service industry machinery, nonmedical instruments, and other miscellaneous items.*
Note: Percentages may not sum to 100% due to rounding.

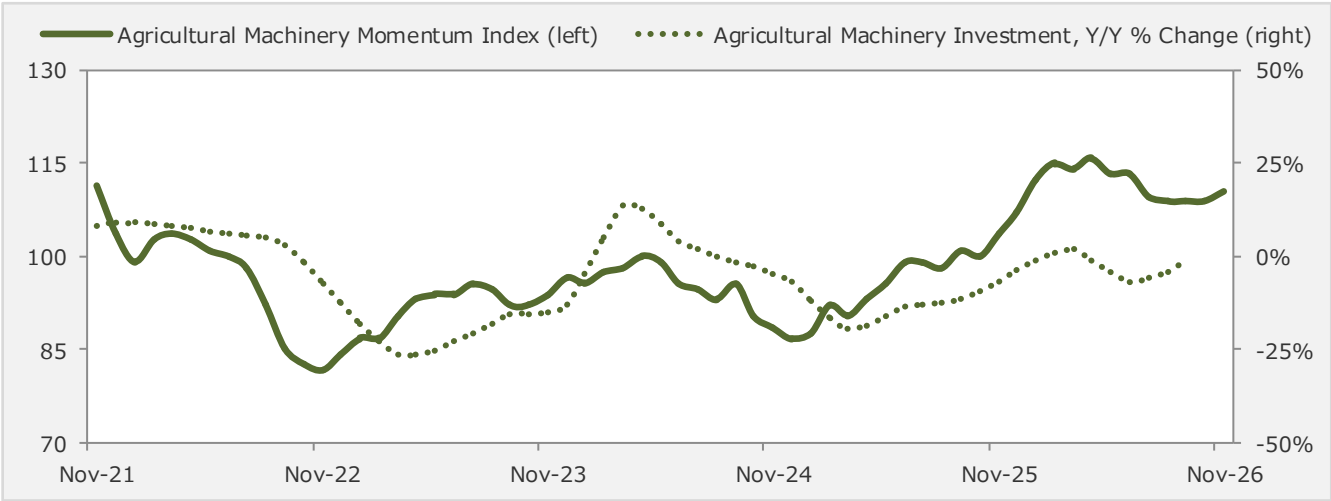
Agriculture Machinery	Agricultural machinery includes farm machinery and equipment, farm-type (power take-off hp) wheel tractors, and other agricultural equipment.
Construction Equipment	Construction machinery includes mixers, pavers, and related equipment, tractor shovel loaders, graders, rollers, compactors, and forklifts.
Energy & Electrical Equipment	Energy and electrical equipment includes (1) mining and oilfield machinery and (2) electrical transmission, distribution, and industrial apparatus such as generators, electric power transformers, switchgear and board apparatus, and semiconductor power conversion apparatus.
Industrial Equipment	Industrial equipment includes fabricated metal products, engines and turbines (including steam engines and internal combustion engines), metalworking machinery, special industry machinery, general industrial equipment, and materials handling equipment.
Medical Equipment	Medical equipment includes medical imaging equipment, electronic medical equipment, surgical and medical instruments, dental equipment and supplies, irradiation apparatus, and electromedical apparatus.
Technological Equipment & Software	Technology equipment includes (1) communications equipment such as data networking equipment, telephone apparatus, and navigation & guidance systems; (2) computers, including host and multiuser mainframe computers and servers, portable computers, personal computers and workstations, storage devices, terminals, and peripheral equipment, displays, and printers; and (3) software, including prepackaged and customized software.
Transportation Equipment	Transportation equipment includes light trucks (including utility vehicles), other trucks, buses, and truck trailers, autos, aircraft, ships and boats, and railroad equipment.

Source: U.S. Bureau of Economic Analysis, National Income and Product Accounts. Data are seasonally adjusted and annualized.

U.S. Equipment & Software Investment Momentum Monitor

Agricultural Machinery

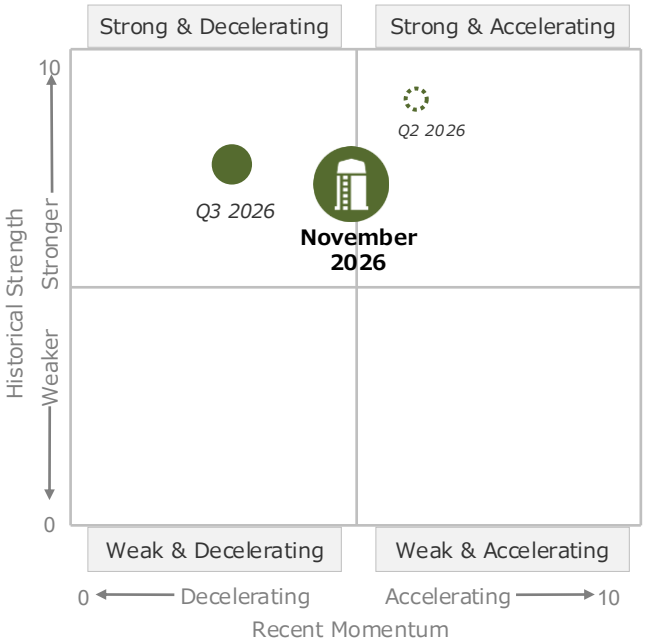
Investment in Agricultural Machinery surged 25.5% (annualized) in Q3 2026 and is down 1.4% from last year. The Agricultural Machinery Momentum Index grew from 108.8 (revised) in October to 110.5 in November. An increase in the industrial production of agriculture, construction, and mining machinery (+3.1% M/M in September) and a higher closing price for USD/CNY futures drove the uptick. The Index's current position suggests that annual growth in agricultural machinery investment is likely to improve over the next two quarters.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**-1.4%**
Investment Growth *(Q/Q, SAAR)*	**+25.5%**
Vertical Investment *(SAAR)*	**$28.3 Billion**
Share of Total E&S Investment	**1.1%**

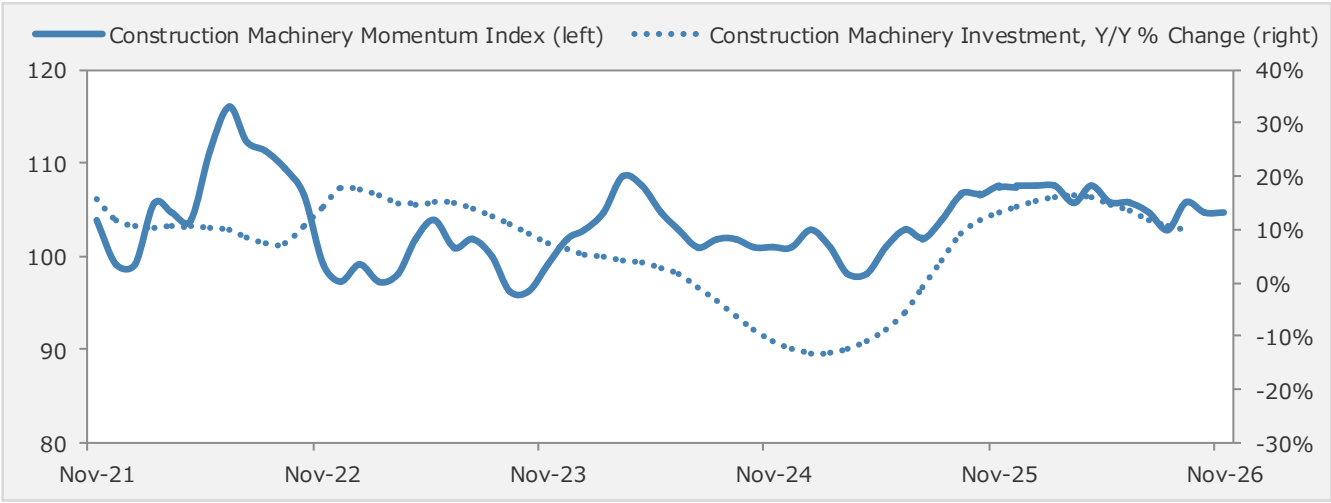
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Construction Machinery

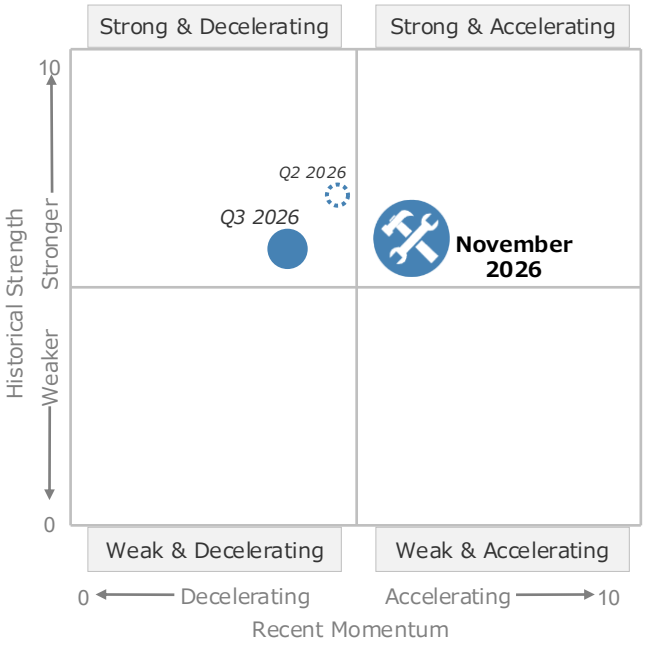
Investment in Construction Machinery jumped 20.9% (annualized) in Q3 2026 and is up 9.8% from one year ago. The Construction Machinery Momentum Index held steady at 104.7 in November, unchanged from October (revised). The Index's increase was primarily driven by a 5.5% M/M increase in multifamily housing permits. Overall, the Index suggests that annual investment in construction machinery should hold steady or strengthen moderately over the next two quarters.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**+9.8%**
Investment Growth *(Q/Q, SAAR)*	**+20.9%**
Vertical Investment *(SAAR)*	**$55.0 Billion**
Share of Total Investment	**2.1%**

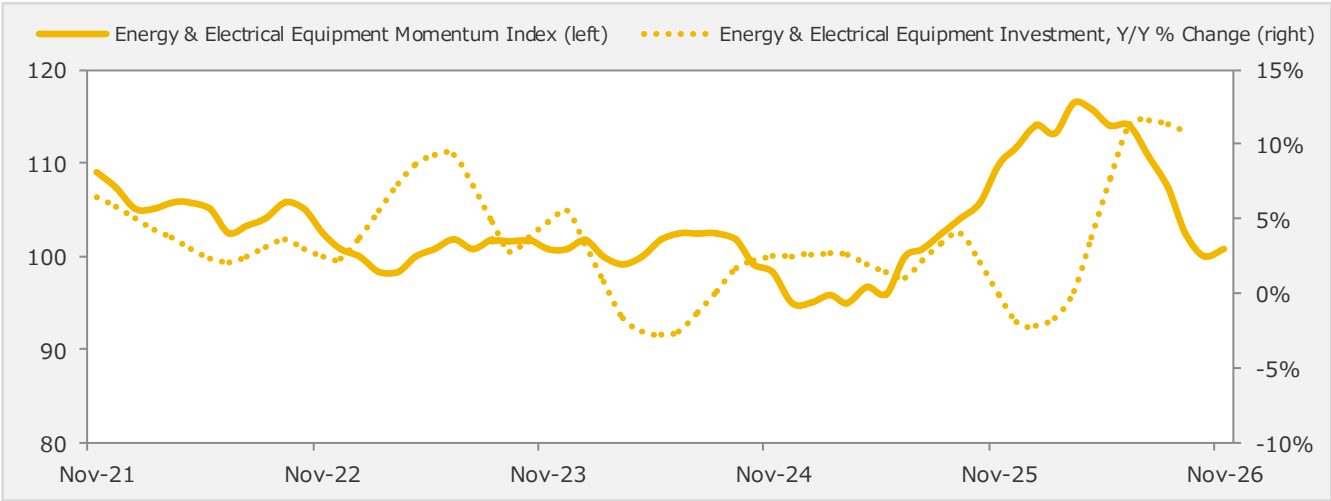
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Energy & Electrical Equipment

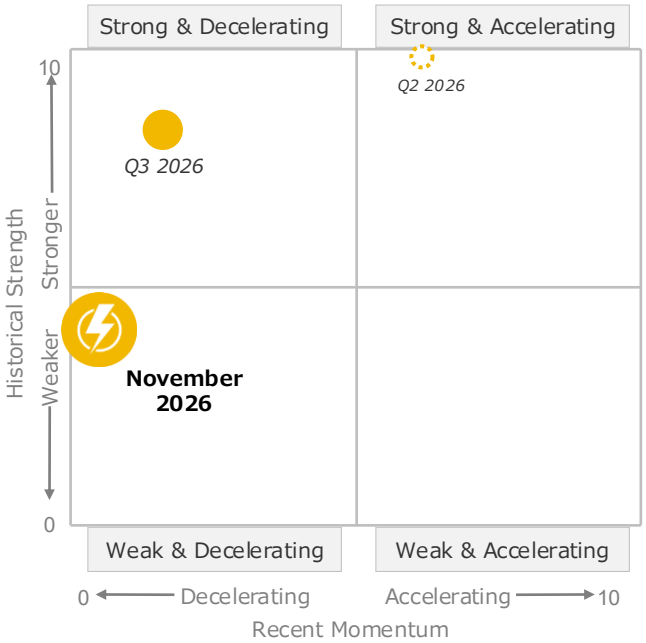
Investment in Energy & Electrical Equipment improved 9.2% (annualized) in Q3 2026 and is up 10.8% compared to last year. The Energy & Electrical Momentum Index ticked up slightly from 100.0 in October (revised) to 100.8 in November. Higher industrial production of mining, oil, and gas field machinery (+3% M/M in September), wind power generation (+4.5% M/M in August), and diesel fuel prices (+70% Y/Y in October) lifted the Index, more than offsetting a decline in production capacity of power and gas utilities. The Index's current position suggests that annual growth in energy and electrical equipment investment will likely slow over the next two quarters.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**+10.8%**
Investment Growth *(Q/Q, SAAR)*	**+9.2%**
Vertical Investment *(SAAR)*	**$92.8 Billion**
Share of Total Investment	**3.5%**

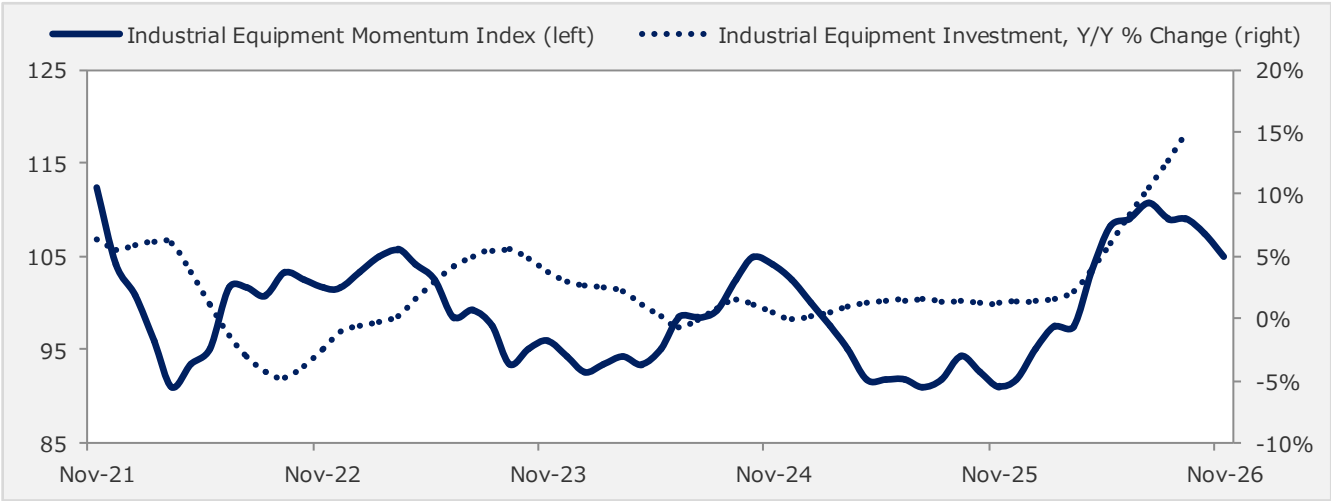
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Industrial Equipment

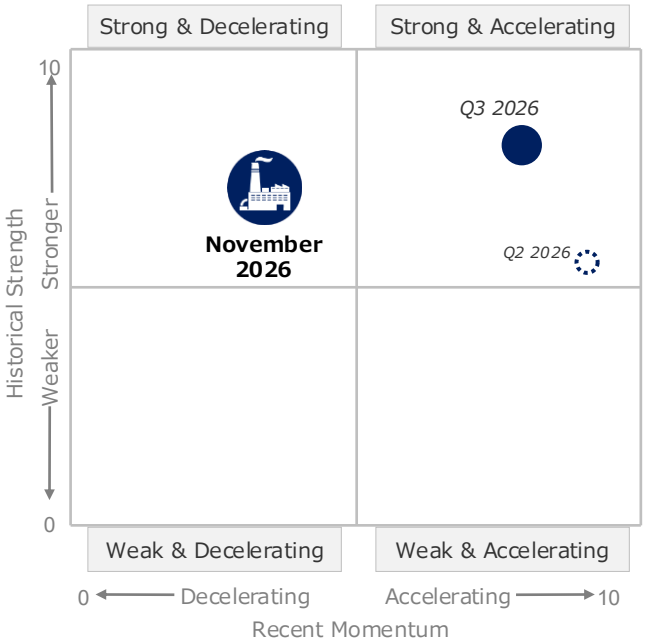
Investment in Industrial Equipment soared 31.6% (annualized) in Q3 2026 and is now 14.9% above its year-ago level. The Industrial Equipment Momentum Index dropped from 107.4 (revised) in October to 104.9 in November. A decline in the S&P 500 Industrials Index (-1.4% M/M in October) drove the November drop, offsetting slight gains in manufacturing employment (+19,000 jobs in October) and imports of materials handling equipment (+6.1% M/M in September). A recent downturn in Index readings suggest that annual growth in industrial equipment investment could be nearing a peak and may begin to slow over the next six months.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**+14.9%**
Investment Growth *(Q/Q, SAAR)*	**+31.6%**
Vertical Investment *(SAAR)*	**$239.6 Billion**
Share of Total Investment	**9.0%**

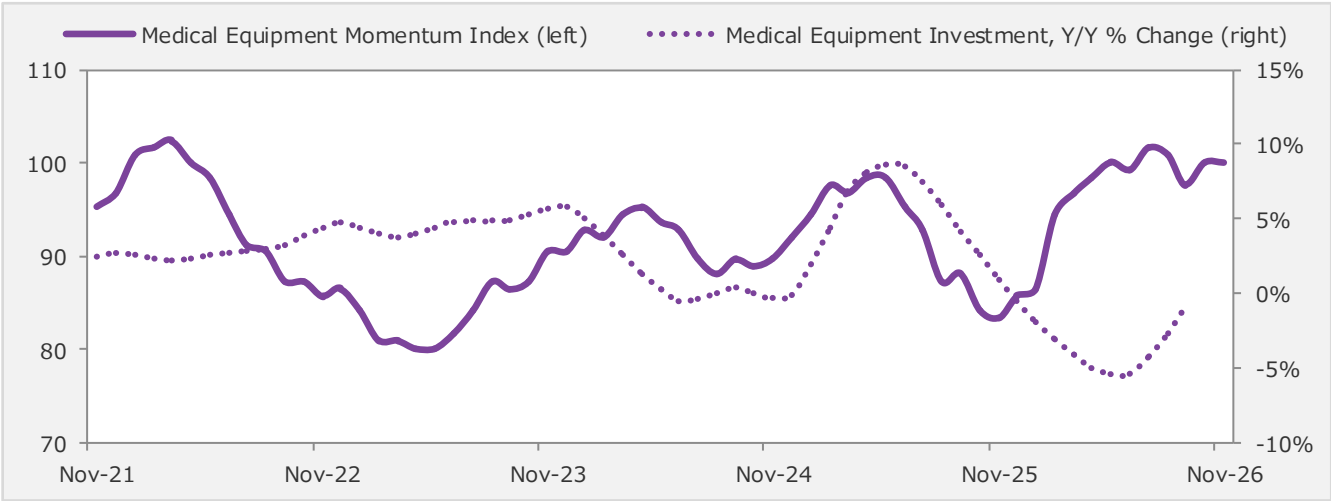
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Medical Equipment

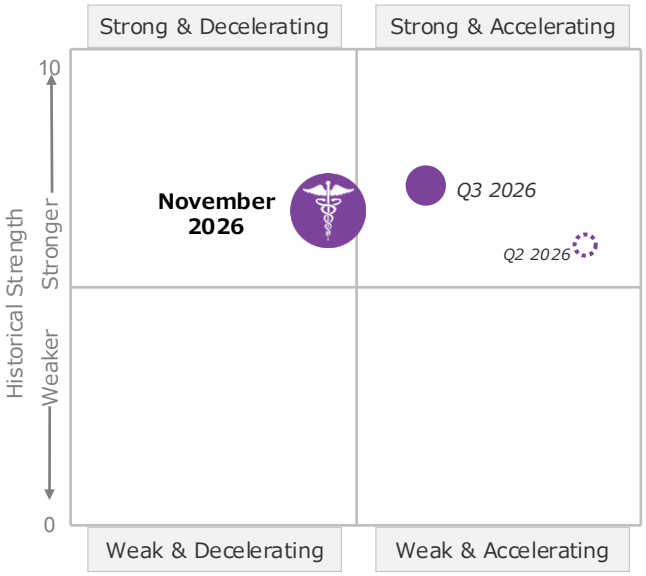
Investment in Medical Equipment rose 8.7% (annualized) in Q3 2026 but remains 0.9% below its year-ago level. The Medical Equipment Momentum Index held steady at 100.0 (revised) from October to November. A 3.6% month-over-month decline in the industrial production of medical equipment in September counterbalanced year-over-year gains in hourly earnings in health and education (+1.9% Y/Y in October) and consumer spending on medical products (+8.0% Y/Y in September). The Index's current level suggests that year-over-year growth in medical equipment investment may hold steady or slow moderately over the next two quarters.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**-0.9%**
Investment Growth *(Q/Q, SAAR)*	**+8.7%**
Vertical Investment *(SAAR)*	**$129.1 Billion**
Share of Total Investment	**4.9%**

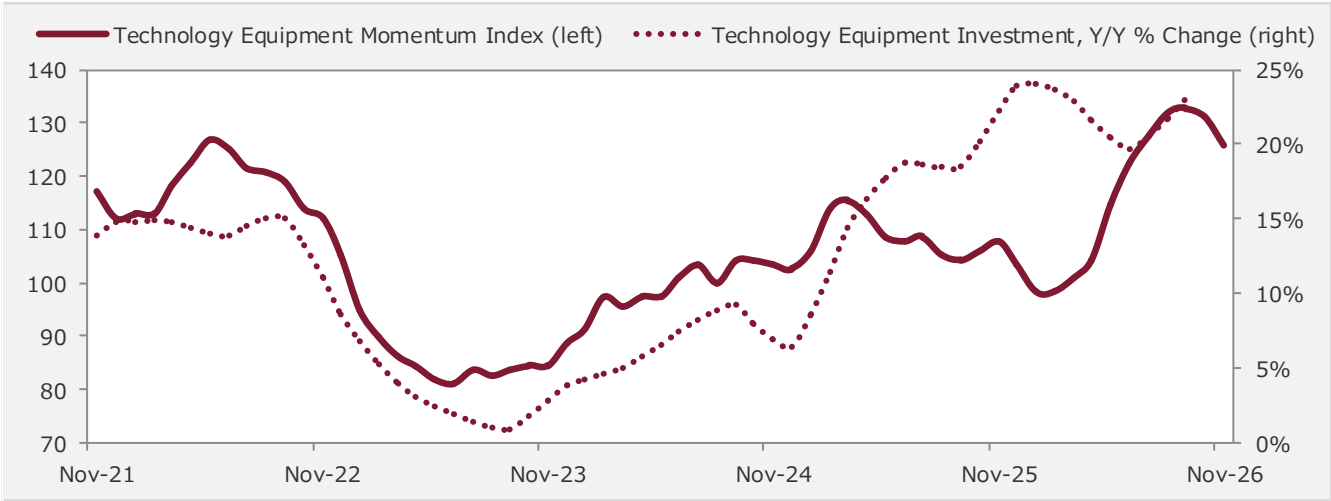
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Technology Equipment & Software

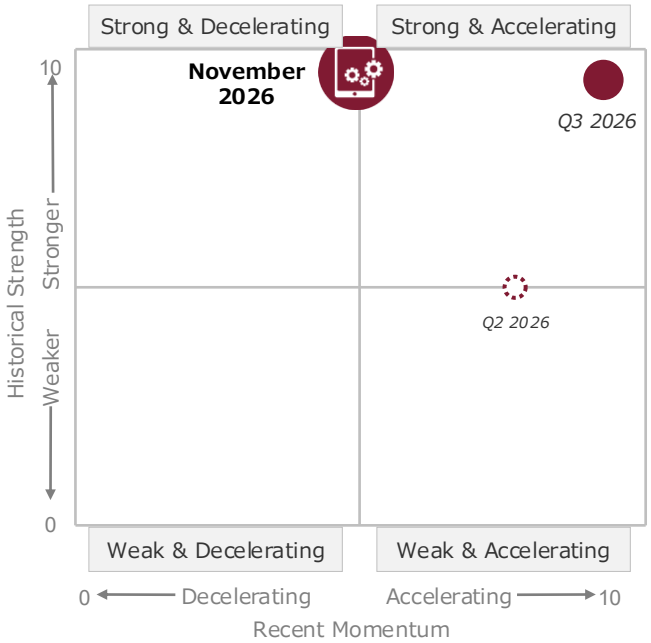
Investment in Technology Equipment & Software jumped 23% (annualized) in Q3 2026 and is 23% above its year-ago level. The Technology Equipment & Software Momentum Index eased from 131.0 (revised) in October to 125.9 in November. Momentum slowed due to a recent pullback in the S&P 500 Information Technology Index and a slowdown in shipments of communication equipment, offsetting a 12% Y/Y increase in shipments of consumer goods in September. Despite this month's slippage, the Index remains elevated, pointing to continued solid annual growth in technology equipment & software over the next two quarters.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**+23.0%**
Investment Growth *(Q/Q, SAAR)*	**+22.7%**
Vertical Investment *(SAAR)*	**$1.7 Trillion**
Share of Total Investment	**62.5%**

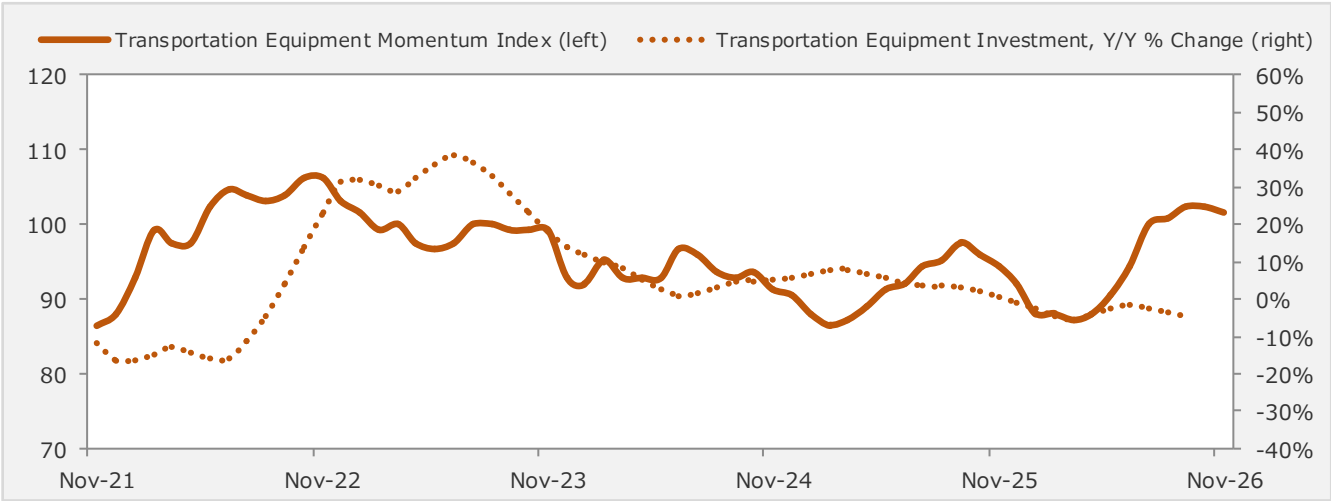
Current and Previous Readings



U.S. Equipment & Software Investment Momentum Monitor

Transportation Equipment

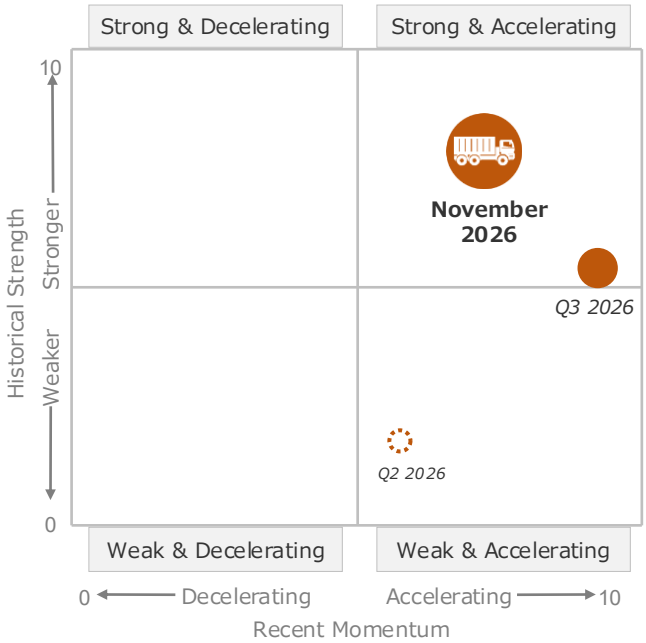
Investment in Transportation Equipment fell 7.9% (annualized) in Q3 2026 and is down 4.6% on an annual basis. The Transportation Equipment Momentum Index ticked down from 102.4 (revised) in October to 101.6 in November. A 3.5-pt M/M decline in capacity utilization of automobile & light duty motor vehicles in September weighed on the Index, offsetting a 10% M/M increase in computer and electronic products exports in the same month. Despite slightly easing from a few months ago, the Index remains strong by historical standards and continues to point to stronger annual growth in transportation equipment investment over the next six months.



Summary of Current Conditions

Historical Strength of Vertical Momentum	
Historical Strength of Investment Growth	
Investment Growth *(Y/Y)*	**-4.6%**
Investment Growth *(Q/Q, SAAR)*	**-7.9%**
Vertical Investment *(SAAR)*	**$304.0 Billion**
Share of Total Investment	**11.4%**

Current and Previous Readings



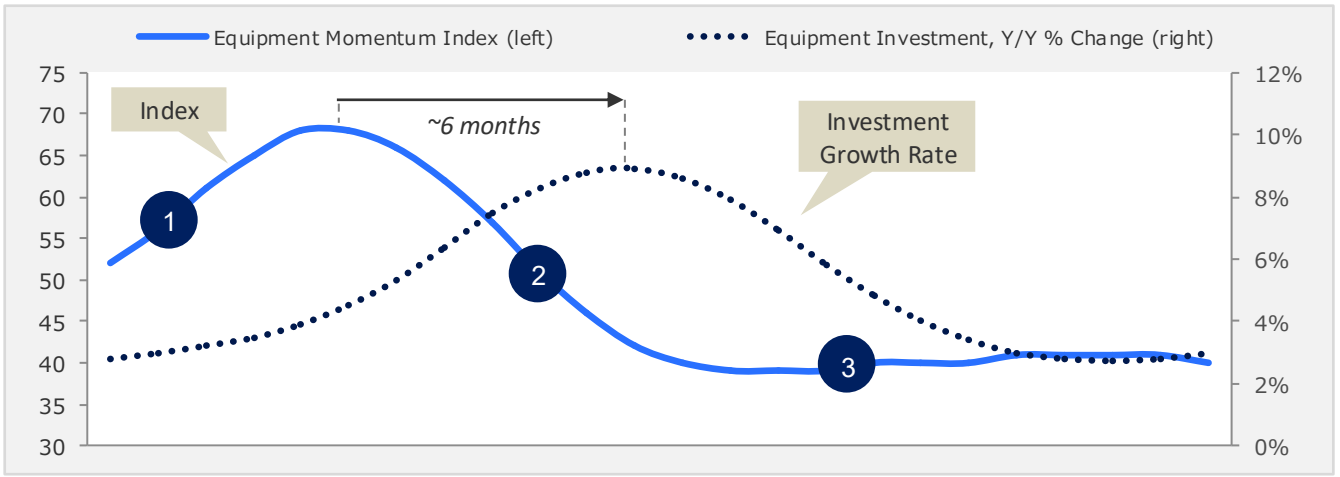
U.S. Equipment & Software Investment Momentum Monitor
How to Read the Monitors

Each Momentum Monitor index signals the direction and magnitude of expected growth in equipment investment over the next six months. It is important to note that index values do not correspond to specific growth rates. Instead, the Momentum Monitor indices should be interpreted within the context of prior index readings and investment growth. For example, there are several simple rules to follow when examining the latest index values:

1. At point 1, the Index is **increasing** and signals that **investment is likely to accelerate** over the next six months. Notice in the chart below that the bold blue line (the Index) peaks first, followed by investment growth (the dotted dark blue line).

2. At point 2, the Index is **decreasing** and signals that **investment is likely to decelerate/weaken** over the next six months. However, given that investment growth is roughly 8% Y/Y at point 2 (as denoted by the right axis), growth will likely remain positive.

3. At point 3, the Index is **relatively flat** and signals that **no significant change in investment** over the next six months.



To help the reader interpret the latest Momentum Monitor signals, a summary report for each equipment vertical follows a specific template:

(1) The first sentence reports the latest annual growth rate for investment in a given equipment vertical, providing context for interpreting the Index's near-term growth signal.

(2) The second sentence conveys the Index's current reading compared to recent readings.

(3) The third sentence describes recent movements in key indicators that influenced the Index's latest reading. In many cases, certain indicators will contribute positively to the Index while others will detract from it — the Index reading reflects these offsetting impacts.

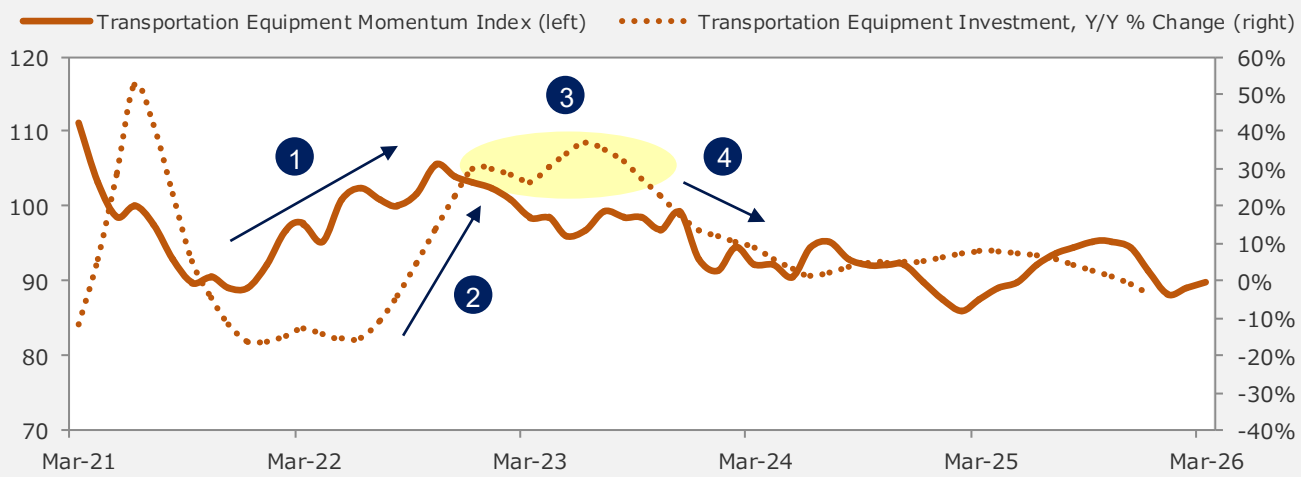
(4) The fourth sentence provides a directional forecast for year-over-year investment growth over the next two quarters based on the Index's recent movement and historical strength.

U.S. Equipment & Software Investment Momentum Monitor

How to Use the Monitors

The Momentum Monitor is designed to provide an accurate and reliable signal of turning points in the investment cycle for seven equipment verticals, making it a valuable leading indicator for the equipment finance industry. ELFA members can use forward-looking Momentum Monitor data to assess their portfolios against likely future trends in equipment investment activity. In practice, this could mean setting more aggressive growth targets for specific types of equipment during times of relative strength or tempering expectations and scaling back or delaying expansion plans during times of relative weakness. Firms that read the Momentum Monitor each month and use it to inform their strategic planning will be better positioned to quickly adapt to changing market conditions as they emerge.

For example, the May 2022 Momentum Index for Transportation Equipment pointed to improving growth in annual transportation equipment investment over the next six months. A predication that turned out to be accurate, as investment went from -16% Y/Y in May 2022 to a peak of 37% Y/Y in June 2023.



1. Starting in late 2021, the Transportation Equipment Momentum Index climbed even as annual investment remained in contraction (-16% Y/Y), peaking in October 2022.

2. The Index's rise preceded a sizeable improvement in investment beginning in Q3 2022, with annual growth reaching 30% by the end of the year.

3. Annual investment growth remained strong for nearly a full year, but the Index peaked in October 2022 and declined steadily through May 2023. This signaled early that the market would soon cool.

4. As predicted by the Index, Y/Y investment growth began to slow in the spring of 2023 and fell to the 3–6% range over the next year.

Importantly, the Momentum Monitor is most powerful when paired with complementary data sources. Broad indicators like GDP provide context for overall business conditions while sector-specific data like ELFA's CapEx Finance Index (CFI) and Monthly Confidence Index (MCI-EFI) can support or temper expectations set by the Monitors. The CFI, in particular, has been shown to be a leading indicator for economic forecasting. Used together, these tools help ELFA members interpret current market conditions, anticipate near-turn upswings and downswings, and ultimately make better business decisions using economic data.

ELFA

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