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Market Index Report

NDA activity signals deal recovery heading into 2026

Q1 | 2026



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Executive Summary

Private markets deal activity is recovering. Ontra's first-of-its-kind Market Index gives private markets professionals a reliable, forward-looking preview of trends like this months in advance. Non-disclosure agreements, executed at the very start of every transaction, signal early intent before deal closings appear in the data. Ontra processes over 1,000 NDAs daily across our customers, providing us with an extensive NDA dataset. The Market Index is built on this foundation.

The Market Index draws on our proprietary dataset across more than 150 firms, including many of the world's largest asset managers, and demonstrates a strong positive correlation between NDA volume and closed deal volume three months later. After a sharp disruption following the April 2025 "Liberation Day" tariff announcement, NDA volumes steadily recovered through Q3 and Q4, and our model now projects Q1 2026 deal volume will finish just 5% below the same period last year.

Key findings from our inaugural report include:

1

The Liberation Day shock was brief, not structural

NDA volume dropped 30% YoY in April 2025 before steadily recovering. By Q4, volumes were essentially flat versus the prior year.

2

Smaller firms were hit harder but recovered just as fast

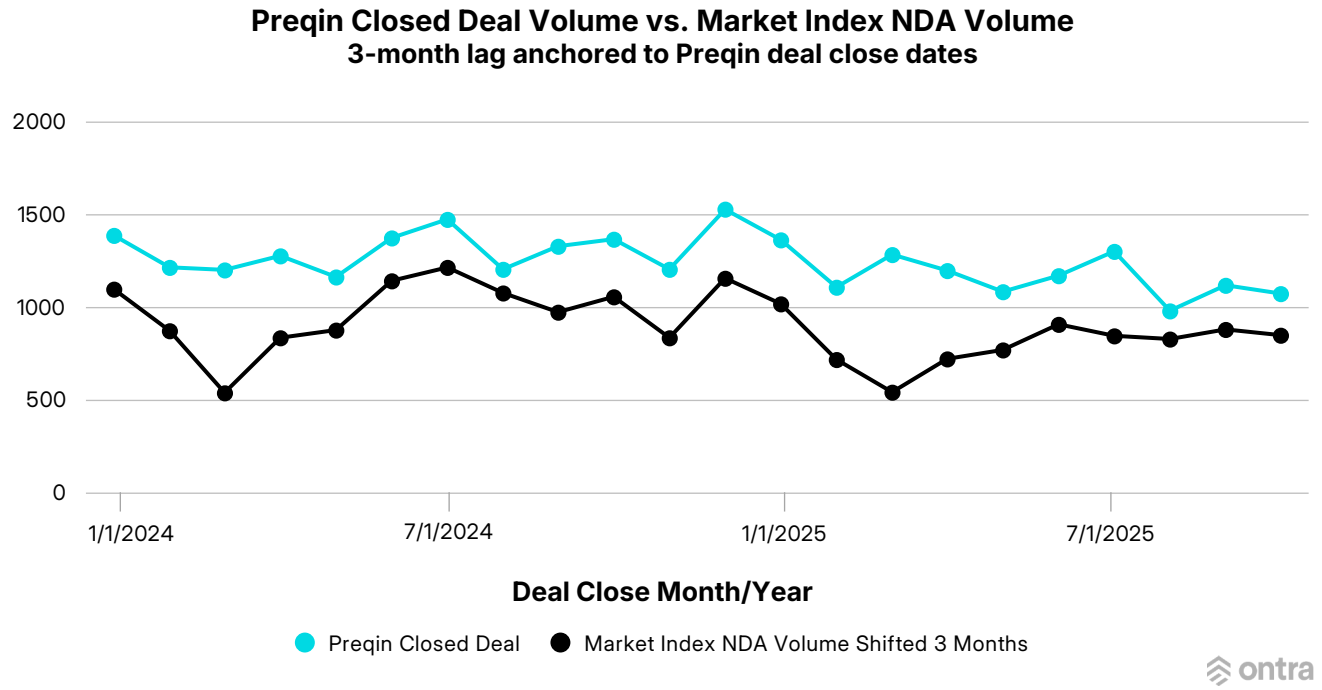
Firms in the bottom 80% of NDA volume saw a steeper drop than larger peers (30% vs. 15%), yet recovered to similar levels by July — a sign of broad market resilience.

3

Q1 2026 deal volume is projected within 5% of last year

The NDA recovery through Q4 2025 points to a sustained rebound in deal closings heading into the new year.

Strong Correlation Between NDA and Deal Volumes



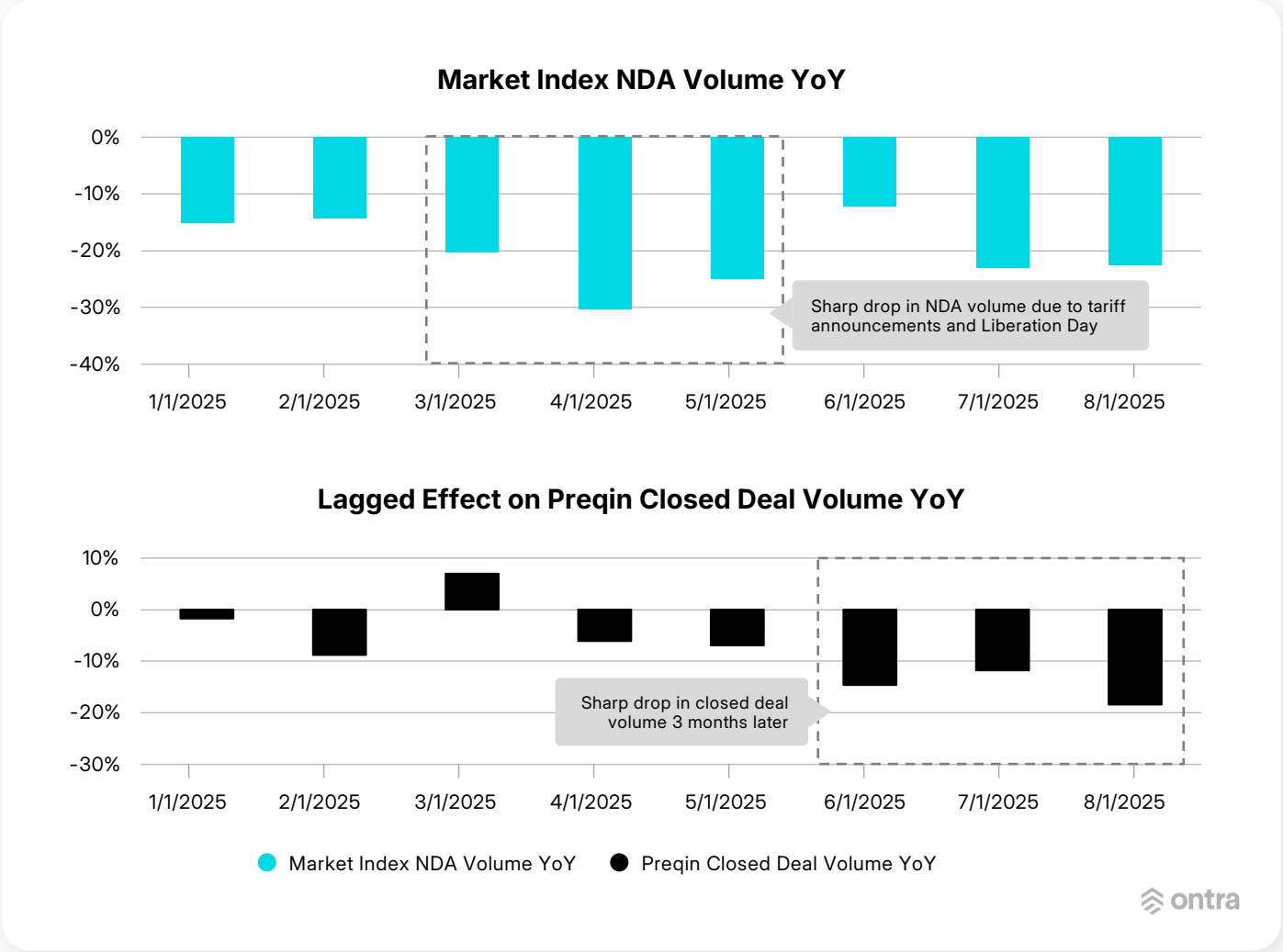
Using Preqin closed deal volume data from January 2023 through October 2025, we identified a strong positive correlation (r=0.634) between NDA and historical closed deal volumes. Given Ontra's expansive NDA dataset, the Ontra Market Index is the only leading indicator of private markets deal activity. Our proprietary buy-side NDA volume data can signal market shifts 90 days before they appear in deal closing data.

All private markets transactions begin with NDAs, which are the formal record of deal intent, making them a reliable leading indicator. We found the correlation between NDA and deal volumes to be strongest with a 3-month lag, reflecting the nature of the post-NDA process. After NDA execution, deal teams must work through the due diligence process, which can take six weeks to several months, depending on deal complexity.

The volume and breadth of Ontra's coverage across the private markets ecosystem make our NDA dataset uniquely positioned to surface early deal signals. Ontra's Contract Automation, an AI-powered contract negotiation solution, handles several hundred thousand NDAs and joinders each year across sponsors, advisers, and counterparties. Our NDA dataset captures deal activity at an early stage and across a broad swath of the market.

> **Ontra Market Index NDA volume shows a strong correlation (r = 0.634) with deal closings 90 days later, becoming a valuable leading indicator of private markets deal activity.[1]**

The Market Index Captured the Liberation Day Shock

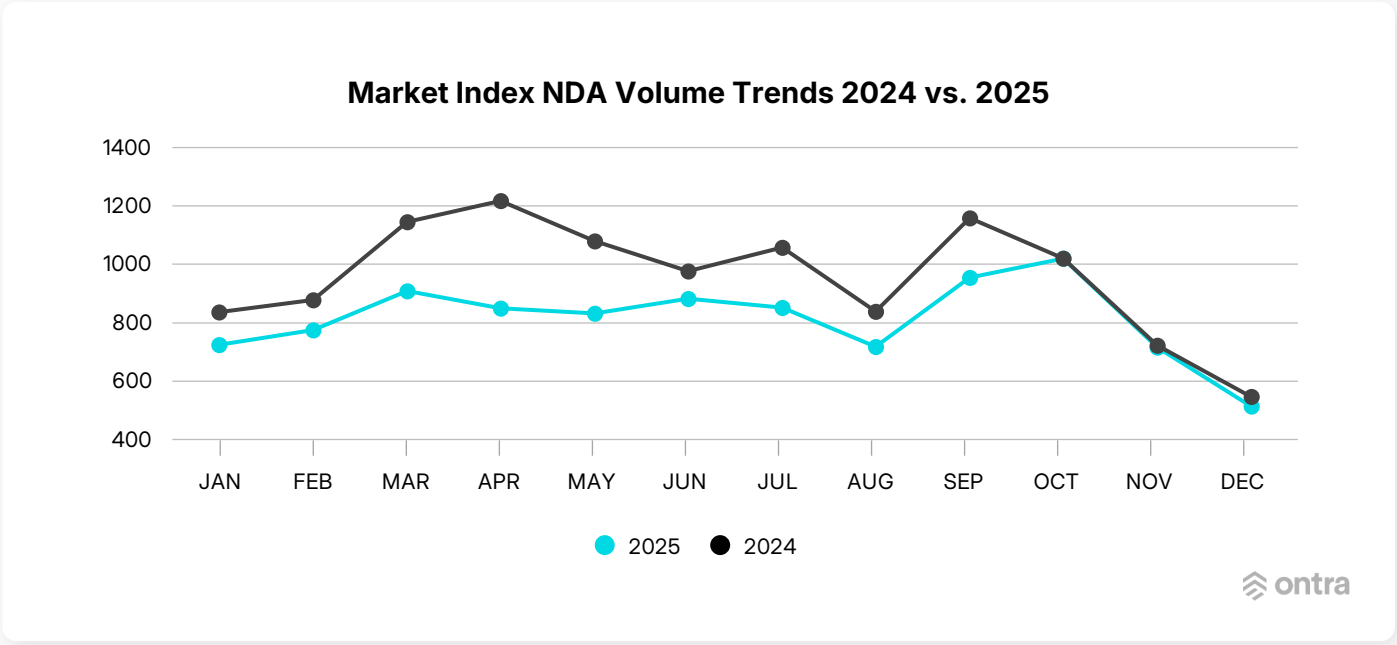


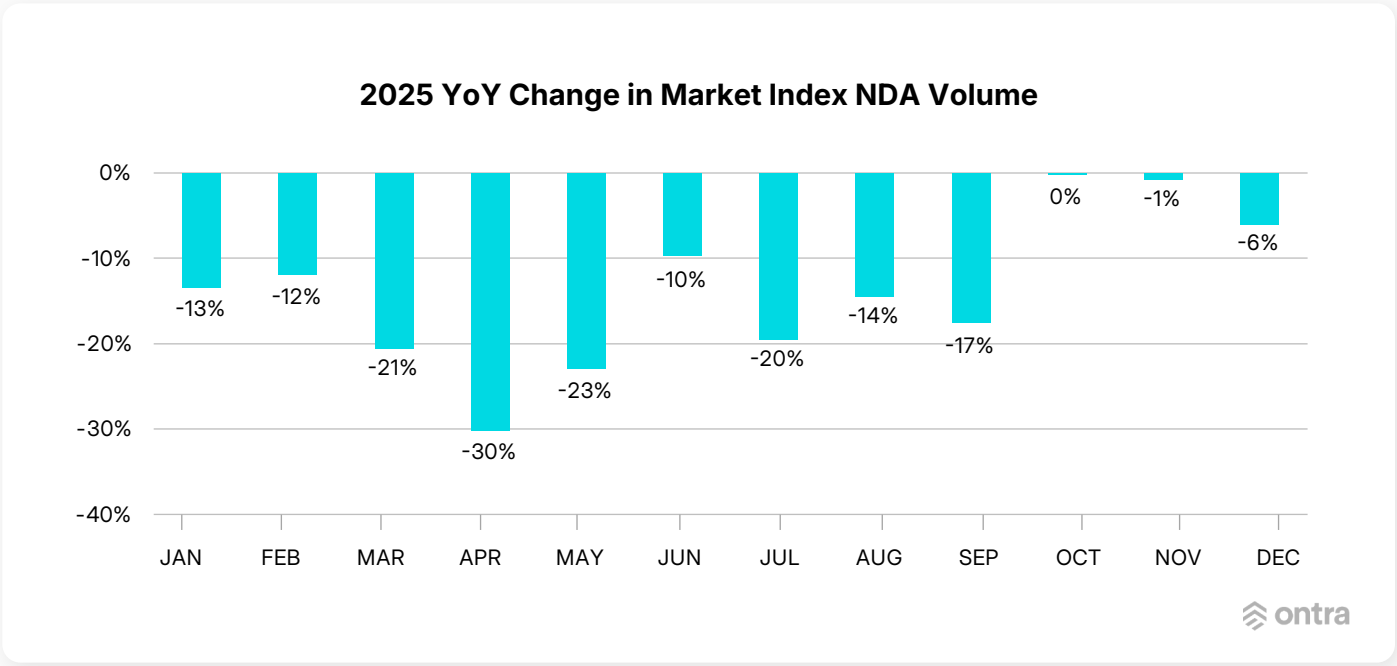
The sharp decline in NDA volume in April (-30% YoY) and the subsequent plunge in closed deals in June demonstrate the Market Index's ability to anticipate shifts in deal activity.

Tariff announcements in early 2025, beginning with the "Fair and Reciprocal" trade plan, introduced volatility into an otherwise optimistic environment.[2] The markets felt the greatest impact after the April 2, "Liberation Day" tariff announcement, a universal 10% tariff on all imported goods along with additional tariffs on numerous nations.[3]

Liberation Day triggered a stock market plunge, and April 3 closed as the worst one-day loss in five years.[4] There were immediate fears of a recession, and fund managers hit the pause button on deals amid concerns that tariffs could dramatically alter the financial profiles of affected businesses. In PwC's *May 2025 Pulse Survey*, 30% of executives said they had put deals on hold due to the new tariff policies.[5]

Low 2025 NDA Volumes, But Activity Recovered by Q4



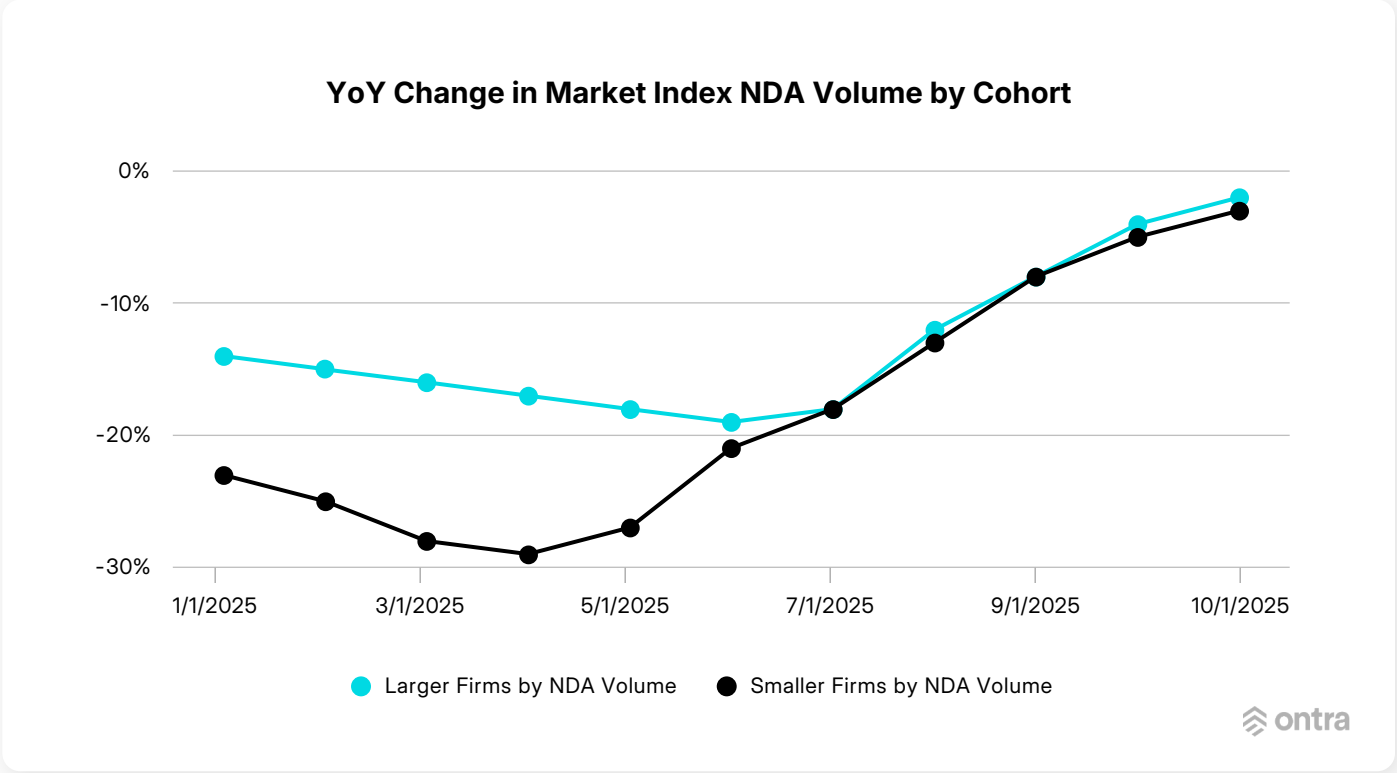


Based on the Market Index NDA volume trends comparing 2025 to 2024, NDA volume in Q1 remained well below 2024 levels. Although NDA volume reached a YoY low in April following the Liberation Day announcement, the negative impact of market volatility on NDA volume diminished through Q2, with June ending only 10% down from the prior year.

Tariff concerns triggered a brief pause, but not a structural shift. Fund managers found clarity and moved forward. The 2024 vs. 2025 comparison shows the Market Index NDA volume improved from August to October. Compared to the year before, October ended with a 0% YoY change. Overall, Q4 2025 was remarkably similar to Q4 2024, experiencing a typical seasonal decline in NDA activity.

The Market Index clearly highlights seasonal patterns. It shows the typical Q4 slowdown in new deal origination with decision-makers at both GPs and their target companies busy with annual reporting, budget planning, and portfolio valuations. The recurring summer lull and subsequent acceleration in the fall are also visible.

A Story of Resilience: Smaller Firms Hit Hardest by Tariffs Recovered



The Market Index uncovered two different troughs and recovery paths based on a firm's typical NDA volume. Twenty percent of firms in the Market Index processed over half of the Index's total NDA volume and were some of the largest firms in the Index.

NDA volume separated into cohorts suggests market conditions hit smaller firms harder than larger firms. The bottom 80% of firms by volume (the smaller firms) saw a more severe drop of 30% in NDA processing YoY by April 2025. The large firms saw a drop of only 15%.

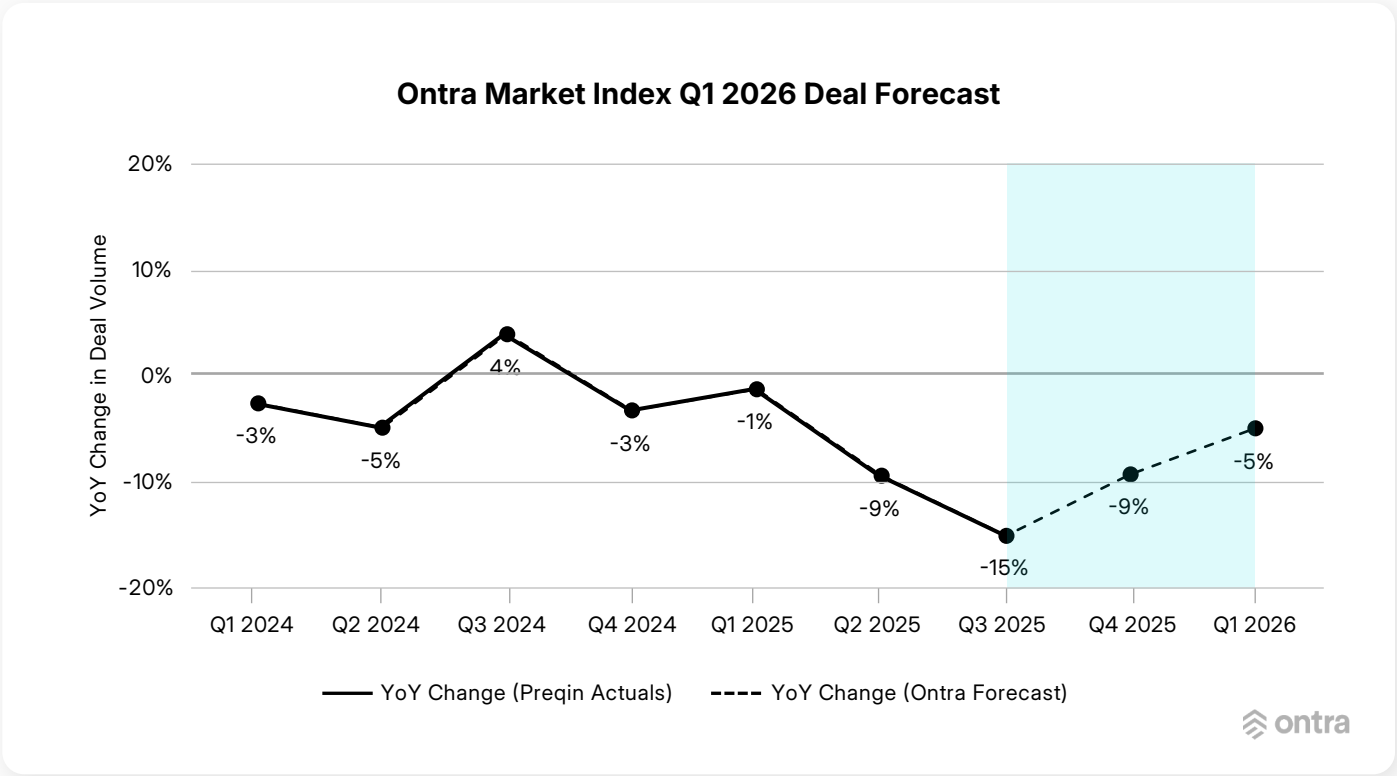
The recovery, though, is what is most interesting. Despite a deeper dip in NDA processing, the smaller firms recovered equally well after April. These firms steadily overcame market uncertainty, regaining equal footing with the larger firms, compared to the previous year, by July.

Larger firms are better capitalized and have a larger network of investors and creditors, so their resilience is hardly surprising. But as the Ontra Market Index demonstrates, smaller firms displayed remarkable resilience despite lacking the same balance sheet depth and credit relationships as the larger firms.

Q1 2026 Forecast: Deal Volume to Reach Within 5% of Prior Year

Given the strong correlation between the Ontra Market Index and historical deal closings three months later, we used a linear regression model to forecast future deal volume. As more Q4 2025 deal data comes in, we expect the industry recovery to strengthen through Q4 2025 and into Q1 2026. The promising signs in the fall will turn into a sustained recovery.

This forecast aligns with sentiment among fund managers, which continues to improve, supported by rising confidence across dealmaking and exits.[6] Deal volumes have, however, not yet surpassed previous levels, and we project Q1 2026 deal volume will be 5% below Q1 2025. While sentiment remains firmly positive, expectations have become more cautious after a year marked by extreme volatility.[7]



Stay Tuned: Ontra Market Index Updates Incoming

2025 NDA volume data points to a resilient close to the year. Q1 2026 deal volume is projected to finish only 5% below the same period last year, representing a meaningful recovery following a 15% quarterly YoY decline in Q3 2025. That said, the outlook is not without risk. Inflationary pressure, geopolitical tensions, U.S. midterm elections, and the continued evolution of tariff policy could all influence deal activity in the months ahead. These are precisely the kinds of shifts the Ontra Market Index is designed to detect early.

In a market that has historically relied on lagging indicators, we believe the Index fills a meaningful gap. As we expand account coverage and refine our methodology, each subsequent edition will deliver a sharper signal, a broader historical context, and deeper analysis across firm size, strategy, and geography. We will publish updates throughout 2026 and invite private markets professionals to follow along as the data develops.

Methodology

We performed a comprehensive correlation analysis, testing over 1,000 Ontra firms across six time lags to determine the correlation between each firm's buy-side NDA and inbound joinder volume and subsequent deal closing volume. Through multi-period stability testing, we validated the firms' correlations with deal activity across overlapping time windows. We validated accounts across five overlapping 12-month time windows, each shifted by 6 months. The current Ontra Market Index includes over 150 firms. Those with the strongest verified correlation are fully weighted, while the remaining firms are partially weighted within the Market Index. Accounts with a verified correlation of r>0.25 across ≥75% of time periods are fully weighted.

[1] The correlation holds with greater than 99% statistical confidence.
[2] https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-announces-fair-and-reciprocal-plan-on-trade/
[3] https://www.whitehouse.gov/presidential-actions/2025/04/modifying-reciprocal-tariff-rates-to-reflect-trading-partner-retaliation-and-alignment/
[4] https://www.bloomberg.com/news/newsletters/2025-04-03/tariff-obliteration-day-for-wall-street-follows-trump-s-liberation-day
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1,000+	9/10	96%	2M+
customers worldwide	top PEI-ranked firms globally	customer retention rate*	contracts processed

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**Average retention across customers who have used an Ontra platform solution for at least a year as of Dec. 2025*

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