INVESTMENT MANAGEMENT

By the numbers

Chart of the week (Jul. 10, 2026)

BOK FINANCIAL

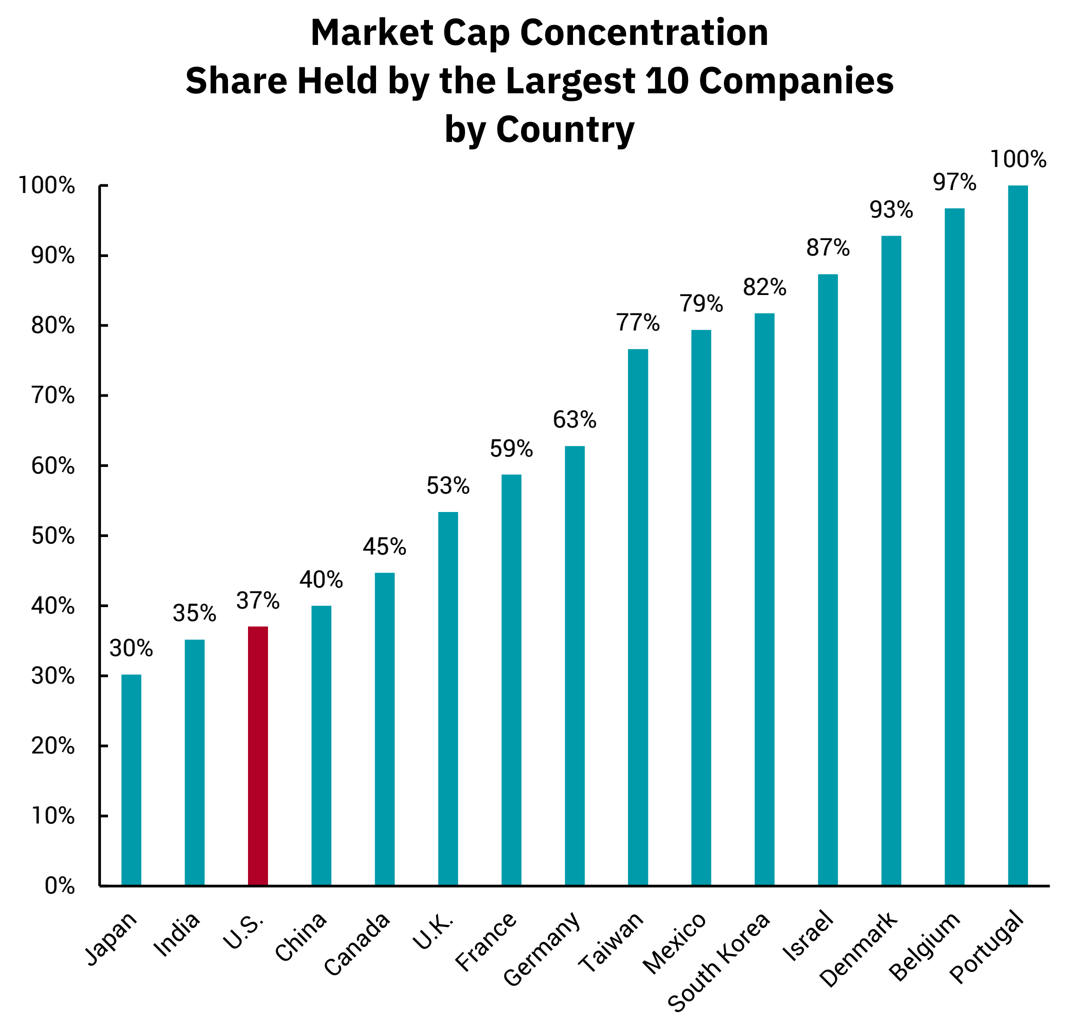
Market Cap Concentration
Share Held by the Largest 10 Companies
by Country

Chart data source: MSCI.

In recent years, massive breakthroughs in technological innovation and artificial intelligence (AI) have driven strong performance in a handful of mega-cap stocks. As a result, market concentration has become a prominent theme today, with the top 10 companies accounting for about 37% of the S&P 500 Index by market capitalization, at or near its highest level ever. Is this a concerning trend or a familiar pattern seen throughout market history?

Periods of higher stock market concentration have been a recurring theme of U.S. stock market history. For example, in the “Nifty-Fifty” era from the late 1960s through the early 1970s, investors favored a concentrated portfolio of blue-chip companies such as IBM and Coca-Cola. Similarly, during the Dot-Com era of the late 1990s, a few highly touted and high-growth internet companies captivated investors.

Right now, the top 10 companies driving current market concentration in the S&P 500 Index are among the best companies in the world. “Magnificent Seven” names like NVIDIA, Apple, Amazon and Microsoft are supported by substantial earnings, free cash flow and established business models with significant competitive advantages that are hard for potential competitors to displace.

And so, unlike some of the past periods of concentration driven by euphoric valuations, today’s leaders are driven by strong fundamentals. Over time, fundamentally sound companies are rewarded by investors, driving stock prices higher and leading to the eventual concentration we see in the index.

It can also be helpful to examine the S&P 500 Index concentration in a global context. Our chart this week shows how the U.S. stock market's concentration compares with other stock markets around the world. This might be surprising, but at 37%, the U.S. ranks among the lowest levels of equity market concentration in the world, with only Japan and India being lower. While there is no “normal” concentration level, smaller economies tend to have fewer public companies overall, which can result in a larger share of their market capitalization being concentrated in a handful of stocks.

While concentration in a few stocks is not inherently risky, it can magnify portfolio distress during market downturns. Stock market volatility can be especially elevated when market performance is driven by a small number of stocks and the factors driving their performance falter. For instance, in the current environment, some of the largest companies have excellent fundamentals but may have aggressive growth expectations priced in, which could pose a risk if future earnings growth falls short.

Elevated concentration is not unusual, and even at current levels, it is not too significant compared with other countries. However, diversification remains the only “free lunch” in investing. In an environment where a few stocks set the tone for the entire market, maintaining exposure across sectors, regions and styles is one of the few dependable ways to manage risk.

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Commentary (Jul. 10, 2026)

Domestic equities

- U.S stocks had mixed results during the week with the S&P 500 and Nasdaq Composite Index finishing higher and the Dow Jones Industrial Average and the Russell 2000 Index falling. Investors balanced geopolitical headlines, softer economic data and renewed strength in AI-related stocks.
- Renewed military strikes between the U.S. and Iran put upward pressure on energy prices during the week. Crude oil prices rose about 5% by mid-week but eased some toward the end of the week as diplomatic talks resumed.
- Weaker employment data surprised investors. While weaker job growth may seem negative, investors viewed it as reducing the risk of additional Fed tightening and improving the prospects for future rate cuts.
- South Korean memory-chip maker SK Hynix's American depository receipts debuted with a blockbuster $26.5 billion offering—the largest-ever U.S. share sale by a foreign company. The new listing offers American investors direct access to one of the hottest corners of financial markets this year. However, it comes at a precarious time, with shares of chip stocks swinging wildly lately as investors assess whether the AI trade has run too far.

International equities

- Foreign investor sentiment was muted for the week amid concerns about the re-escalation of the Middle East conflict and its potential impact on the global economy and central bank policy rates.
- Foreign developed markets struggled during the week as the largest markets across Europe stumbled. Weakness in technology stocks proved to be the largest headwind for the week. In key economic news, New Zealand's central bank raised its policy rate by 0.25% to 2.5% as it works to contain inflation. European inflation data were generally positive, as France, Denmark, Germany and Norway saw inflation remain stable or fall modestly, which could lead to lower policy rates if the recent trends continue.
- Emerging markets faltered as information technology stocks in Taiwan and South Korea fell. South Korea, the top-performing market this year, has dropped over 12% in July, but is still up over 80% year-to-date. Both Poland and Malaysia left their respective policy rates unchanged, as central banks remain concerned about the potential inflationary impact of higher oil prices. Mexico's annual inflation rate fell to 3.4%, its lowest level since 2020.

Bonds

- U.S. Treasury yields were higher for the week as Middle East tensions escalated following renewed air strikes and the reimposition of Iranian oil sanctions. On Friday, President Trump also announced that the cease fire with Iran is over, but diplomatic talks would continue. The Fed minutes showed that officials were split between rate hikes or cuts going forward.
- One-Year U.S. Zero Coupon Inflation Swaps briefly spiked higher on Wednesday, but finished the week lower, falling to their lowest level since September 2024.
- In international markets, Japanese government bond yields retreated from their recent highs after Japan's finance minister, Satsuki Katayama, called on pension funds, including the GPIF (the second-largest pension fund in the world), to invest in domestic assets. Brazilian government bonds also had a strong week after inflation data surprised to the downside paving the way for rate cuts from Brazil's central bank. The Royal Bank of Australia also announced a 0.25% rate hike, whereas Israel cut by 0.25% and Malysia and Poland left rates unchanged.

Economics

- On Wednesday, the May consumer credit was flat in May, with revolving credit contracting at a 4.7% annualized rate after a 10.4% surge in April. It was a sharp reversal, suggesting households may be reducing credit card spending.
- In energy, renewed U.S.-Iran hostilities put the Strait of Hormuz back in focus, sending WTI briefly above $76 before settling near $72. Wednesday's EIA report showed gasoline inventories fell for a second straight week ahead of peak summer demand.
- On Thursday, existing home sales fell 2.4% in June to a 4.09 million annualized pace and reversed May's five-month high. That's as the 30-year mortgage rate climbed to 6.49%, matching the highest monthly average since August 2025 per Freddie Mac. Even with softer demand, the median sale price rose to a record $440,600, marking the 36th consecutive month of year-over-year gains and underscoring the affordability squeeze on buyers.
- Initial jobless claims fell to 215,000 on Thursday, keeping the "low-hire, low-fire" labor market narrative intact even as June payroll growth cooled to 57,000 the week prior.

Weekly Market Update

For Week Ending July 10, 2026

Markets

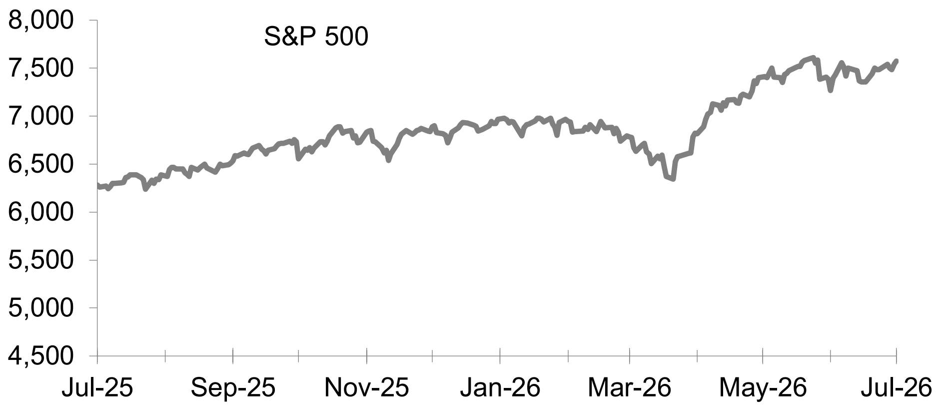
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	52,637.01	-0.5%	10.5%	19.9%
S&P 500 Index	7,575.39	1.3%	11.3%	22.0%
NASDAQ Composite	26,281.61	1.7%	13.4%	28.2%
S&P 400 Midcap Index	3,780.11	-0.6%	15.2%	19.8%
S&P 600 Smallcap Index	1,769.61	-0.7%	21.6%	29.3%
MSCI EAFE	11,641.11	-1.4%	9.8%	20.1%
MSCI Emerging Markets	932.88	-1.7%	21.7%	39.8%
Bloomberg US Agg	2,349.73	-0.4%	0.0%	3.6%
Bloomberg Municipal 5 Yr	524.57	-0.1%	1.0%	3.3%
Bloomberg US Corporate	3,548.19	-0.6%	0.1%	3.9%
Bloomberg Glb Agg ex US Hdg	615.75	-0.3%	1.0%	2.3%
Bloomberg High Yield	2,974.89	0.0%	2.1%	5.9%
MSCI US REIT Index	2,763.65	-0.8%	17.6%	20.1%
Bloomberg Commodity Index	325.64	3.1%	17.9%	27.8%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	3.75%	3.75%	3.75%	4.50%
3-Month Treasury	3.78%	3.75%	3.63%	4.35%
1-Year Treasury	4.05%	3.92%	3.47%	4.07%
2-Year Treasury	4.21%	4.14%	3.47%	3.87%
5-Year Treasury	4.30%	4.23%	3.73%	3.93%
7-Year Treasury	4.42%	4.35%	3.94%	4.12%
10-Year Treasury	4.56%	4.48%	4.17%	4.35%
30-Year Treasury	5.06%	4.99%	4.84%	4.87%
Consumer Rates				
30-Year Mortgage	6.58%	6.57%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.55%	3.64%	3.71%	4.31%
Commodities				
Gold (spot)	4,119.93	4,176.94	4,319.37	3,324.05
Crude Oil WTI	72.08	68.69	57.42	66.57
Gasoline	3.88	3.81	2.83	3.17
Natural Gas	2.94	3.20	3.69	3.34
Copper	6.23	6.11	5.68	5.55

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.90	22.55	6.10	1.47
S&P 500	20.35	25.74	5.76	1.13
S&P 500 Value	18.49	20.79	3.86	1.81
S&P 500 Growth	22.06	31.85	9.60	0.57
NASDAQ	25.02	35.12	7.87	0.60
S&P Midcap 400	16.81	18.82	2.96	1.53
S&P Smallcap 600	15.81	17.91	2.22	2.18
MSCI EAFE	15.84	17.90	2.31	2.89
MSCI Emerging Markets	10.75	17.73	2.47	2.44

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	3.01	4.34	5.47
Mid	3.03	2.98	2.96
Small	2.96	5.08	7.26

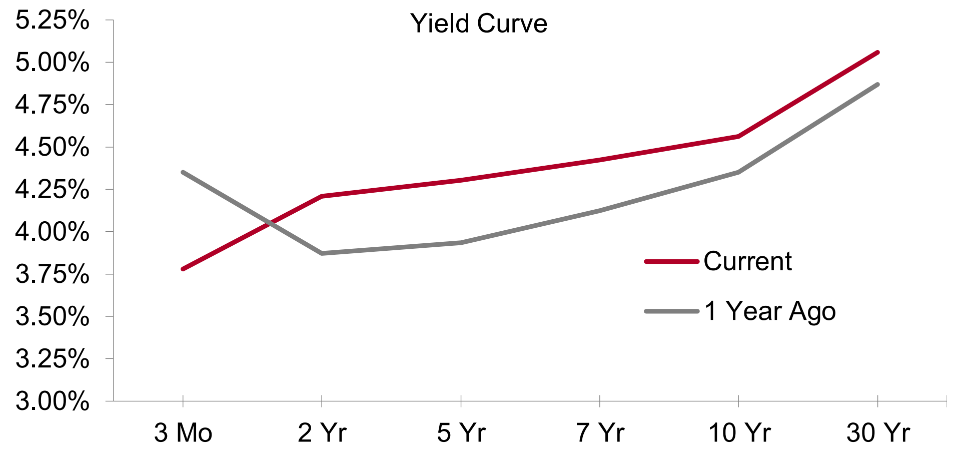
Year to Date*

	Value	Core	Growth
Large	9.64	11.34	12.78
Mid	12.22	15.16	18.03
Small	19.41	21.58	23.87

■ > 10%
■ 0% - 10%
■ <0%

*S&P Indices

Fixed Income Style



1 Month*

	Short	Interm.	Long
Govt	0.21	0.22	-0.02
Corp	0.27	0.24	-0.56
HY	0.58	0.77	1.92
	1-3 Yrs	1-10 Yrs	+10 Yrs

Year to Date*

	Short	Interm.	Long
Govt	0.66	0.04	-1.26
Corp	1.16	0.43	-0.66
HY	2.19	2.05	2.79
	1-3 Yrs	1-10 Yrs	+10 Yrs

■ > 10%
■ 0% - 10%
■ <0%

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	4.2%	2.4%
CPI Core Inflation	2.9%	2.8%
Personal Consumption Exp (PCE) Core	3.4%	2.8%
Jobs		
Unemployment Rate (U3)	4.2%	4.1%
Broader Unemployment Rate (U6)	7.9%	7.7%
JOLT Survey (in millions)	7.59	7.31
Jobless Claims (000's)	215	228
Change in Non-Farm Payroll (000's)	57	-20
Average Hourly Earnings (Y/Y % Change)	3.5%	3.9%
Consumer & Spending		
Consumer Confidence (Conf Board)	91.2	95.2
Consumer Spending ($ Bil)	22,060	20,755
Consumer Credit ($ Bil)	5,155	5,048
Retail Sales ($ Bil)	764	715
Housing		
Housing Starts (000's)	1,177	1,289
Case-Shiller Home Price Index	332.68	329.89
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	24,180	23,548
Quarter over Quarter Change	2.1%	-0.6%
Year Over Year Change	2.7%	2.0%
ISM Manufacturing	53.30	49.00
Capacity Utilization	76.17	75.89
Markit US Composite PMI	51.90	52.90
U.S. General		
Leading Economic Indicators	99.3	100.8
Trade Weighted Dollar Index	120.7	119.3
EUR / USD	1.14	1.17
JPY / USD	161.68	146.26
CAD / USD	0.71	0.73
AUD / USD	0.70	0.66

S&P 500 Sector Returns

	1 Month	YTD
Energy	-5.03%	23.88%
Information Technology	5.13%	19.82%
Industrials	7.50%	17.96%
Real Estate	-0.12%	12.77%
Materials	3.47%	12.17%
Consumer Staples	-2.07%	8.90%
Utilities	3.82%	7.82%
Communication Services	2.56%	5.02%
Health Care	5.73%	4.87%
Financials	7.06%	2.65%
Consumer Discretionary	3.62%	-0.37%

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