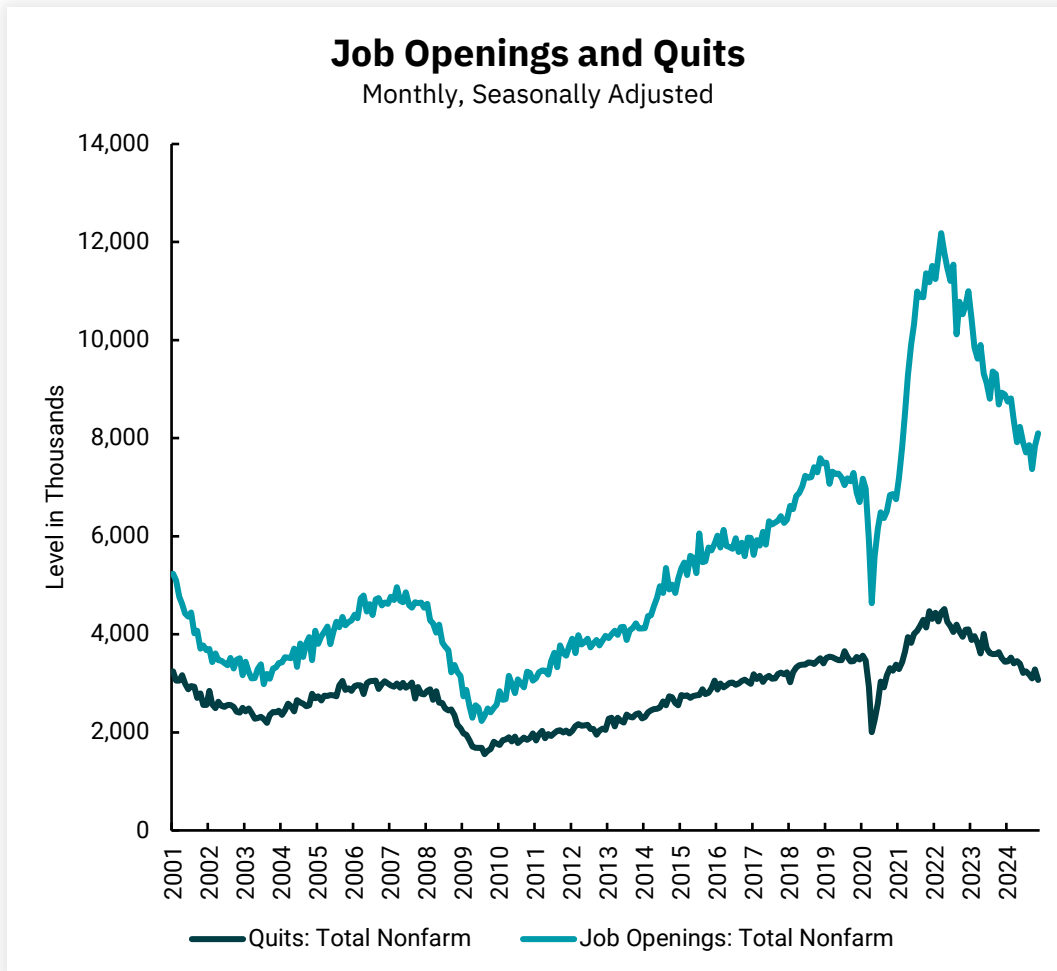


# Weekly market update



## Chart of the week (Jan. 10, 2025)



The first full week of January 2025 was capped off by a [December employment report](#) that exceeded almost every expectation. The measure of new jobs, nonfarm payrolls, was expected to be around 175,000 yet was reported at 256,000. There were very slight downward revisions to the last two months' numbers but, net those, the number of new jobs was still significantly higher than expectations. Along with the steady labor force participation rate, the increase in jobs led to a decline in the headline unemployment rate (U-3) to 4.1%. While more volatile, the U-6 unemployment rate also fell, coming down 0.3% to 7.5% from 7.8%. The only part of the report that did not exceed expectations, thankfully, was average hourly earnings (AHE), which were reported up 0.3%, a 3.9% annualized rate, after a series of reports at 4%.

This week's chart shows another part of the jobs data we get the first week of each month. In this case we are looking at the [Job Opening and Labor Turnover Survey \(JOLTS\)](#) and highlighting the number of job openings as well as the number of job quits. In both regards, we see a job market that is becoming more balanced. Normally as the number of open jobs declines, the quit rate slows, and companies see slower turnover rates. This is also tied to an environment where wage pressures tend to recede, allowing that part of inflation to fall.

Yet a close review of the open jobs numbers in this week's chart reveals a bit of a reversal as open jobs jumped higher. When taken in conjunction with the stronger labor report from the Department of Labor, the markets are now wondering how much, if any, the Federal Reserve really needs to lower rates from here. We have mentioned before that even as the Fed has begun lowering short-term rates, longer-term rates have been floating higher.

After the jobs data release Friday morning, we have seen longer-term rates move up again, and stock prices are declining. Does this mean the employment data was bad for the economy? In short, no. In fact, the chances of a recession are lower now than before the report, as a strong job market is vitally important to supporting the U.S. consumer. However, the math of asset valuation is another story. And the high multiples on domestic stocks are at risk from higher interest rates.

# Weekly market update



## Commentary (Jan. 10, 2025)

### Domestic Equities

- U.S. stocks fell for the week as hopes for future interest rate cuts dimmed on strong economic data. A better-than-expected jobs report out Friday nearly eliminated expectations for a January rate cut. Stocks fell sharply on the news, with interest rate-sensitive small caps hit the hardest.
- Insurance stocks have been hit hard on reports the Los Angeles wildfires could be the costliest disaster in U.S. history.
- There were some bright spots in the market from earnings reports. Delta Airlines reported record profits, driving airline stocks higher. The Walgreens Boots Alliance gained 20% after reporting a smaller-than-expected quarterly earnings drop.
- Constellation Energy struck a deal to buy Calpine, which would combine two of the biggest power generators amid surging demand for electricity. Power producers have soared over the past year, with AI driving rising power demand.

### Bonds

- U.S. Treasury yields moved higher on stronger employment data and rising prices, as indicated by the December ISM Non-Manufacturing survey. Fed minutes from the December FOMC meeting also painted a more hawkish outlook for further rate cuts, putting additional upward pressure on yields. As of the end of the week, market expectations for additional rate cuts dropped to 1.1 cuts through end of 2025.
- Inflation expectations, as indicated by U.S. inflation breakevens, made multi-month highs. In particular, the two-year U.S. breakeven inflation rate exceeded 2.7%.
- In international markets, developed market rates moved higher, led by weakness at the long-end of the curve. Most notably, long-term U.K. and Japanese sovereign yields made multi-year new highs.

### International Equities

- Foreign stocks faltered during the week as persistent inflation concerns and uncertainty around the impact of U.S. President-elect Donald Trump's plans for tariffs continue to weigh on investor sentiment.
- Developed markets were mixed this week with pockets of strength, but weakness in Japanese stocks hurt overall returns. New eurozone inflation data showed that prices rose 2.4% higher over the last year, above the European Central Bank's (ECB) target. However, the market still expects the ECB to maintain its policy easing bias in 2025 to support the region's weakening economic outlook.
- Emerging markets stumbled during the week and have fallen over 10% since reaching a high in October 2024. Asian stocks struggled this week as Chinese stocks continue to languish amid lingering concerns about its economy. Sentiment suffered as the Biden administration announced additional restrictions on exporting AI chips to China.

### Economics

- On Wednesday, jobless claims came in at 201,000, below expectations for 216,000. This followed last week's reading of 211,000, also below consensus estimates.
- On Friday, the employment release for December showed 256,000 jobs were added for the month. As a result, the unemployment rate fell to 4.1%. This was the second month-over-month increase following October's muted reading. Markets saw this report as being strong enough to reduce the number of interest rate cuts by the Fed in 2025.
- This week, the Consumer Price Index (CPI) will be released on Wednesday. Investors will be watching this for potential clues on the path of interest rates. Some components of the CPI report have been "sticky" and could make it harder for the Fed to lower rates.

## Weekly Market Update

For Week Ending January 10, 2025

### Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
<b>Capital Markets</b>				
Dow Jones Industrial Avg	41,938.45	-1.8%	-1.4%	13.3%
S&P 500 Index	5,827.04	-1.9%	-0.9%	23.5%
NASDAQ Composite	19,161.63	-2.3%	-0.8%	28.9%
S&P 400 Midcap Index	3,099.47	-1.7%	-0.7%	15.0%
S&P 600 Smallcap Index	1,381.94	-2.8%	-1.8%	9.7%
MSCI EAFE	8,023.00	-0.4%	-0.7%	4.3%
MSCI Emerging Markets	564.52	-1.5%	-1.6%	9.4%
Bloomberg US Agg	2,167.06	-0.9%	-1.0%	1.2%
Bloomberg Municipal 5 Yr	493.93	-0.3%	-0.1%	1.3%
Bloomberg US Corporate	3,253.32	-1.0%	-1.1%	2.0%
Bloomberg Glb Agg ex US Hdg	588.47	-0.6%	-0.7%	4.8%
Bloomberg High Yield	2,684.09	-0.3%	0.0%	8.7%
MSCI US REIT Index	2,225.93	-4.1%	-3.7%	3.8%
Bloomberg Commodity Index	247.92	4.1%	3.9%	10.6%

	Last Price/Yield	Prior Week	Year End	Year Ago
<b>Key Rates</b>				
Fed Funds Target	4.50%	4.50%	4.50%	5.50%
3-Month Treasury	4.32%	4.29%	4.31%	5.37%
1-Year Treasury	4.21%	4.17%	4.14%	4.82%
2-Year Treasury	4.38%	4.28%	4.24%	4.36%
5-Year Treasury	4.57%	4.41%	4.38%	3.97%
7-Year Treasury	4.67%	4.51%	4.48%	4.00%
10-Year Treasury	4.76%	4.60%	4.57%	4.03%
30-Year Treasury	4.95%	4.81%	4.78%	4.20%

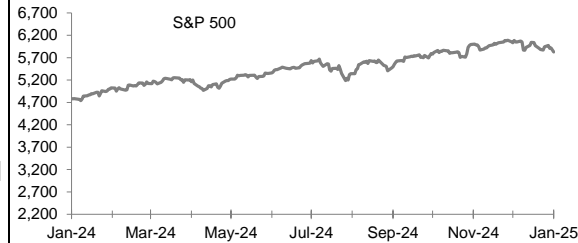
	Last Price/Yield	Prior Week	Year End	Year Ago
<b>Consumer Rates</b>				
30-Year Mortgage	7.08%	7.26%	7.28%	5.83%
Prime Rate	8.25%	8.25%	8.25%	9.25%
SOFR	4.30%	4.31%	4.49%	5.31%

	Last Price	Prior Week	Year End	Year Ago
<b>Commodities</b>				
Gold (spot)	2,689.76	2,640.22	2,624.50	2,024.41
Crude Oil WTI	76.57	73.96	71.72	71.37
Gasoline	3.06	3.06	3.06	3.08
Natural Gas	3.99	3.35	3.63	3.04
Copper	4.30	4.07	4.03	3.78

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
<b>Index Characteristics</b>				
Dow Jones Industrial Avg	19.61	21.40	5.10	1.66
S&P 500	21.43	24.44	5.06	1.33
S&P 500 Value	17.83	17.91	2.81	2.02
S&P 500 Growth	27.33	33.78	11.89	0.66
NASDAQ	28.19	36.27	7.05	0.68
S&P Midcap 400	16.09	17.32	2.55	1.71
S&P Smallcap 600	15.99	17.40	1.89	2.36
MSCI EAFE	14.24	13.76	1.77	3.18
MSCI Emerging Markets	11.77	13.21	1.67	2.85

Source: Bloomberg

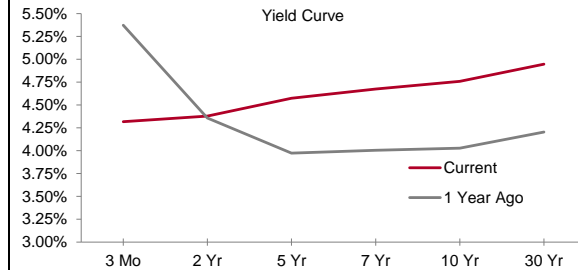
### Equity Style



1 Month*			Year to Date*		
Value	Core	Growth	Value	Core	Growth
<b>Large</b>					
-5.37	-3.35	-1.85	-1.41	-0.89	-0.24
<b>Mid</b>					
-5.55	-5.70	-5.83	-1.15	-0.66	-0.18
<b>Small</b>					
-8.02	-7.85	-7.72	-2.62	-1.84	-1.09

\*S&P Indices

### Fixed Income Style



1 Month*			Year to Date*		
Short	Interm.	Long	Short	Interm.	Long
<b>Govt</b>					
-0.07	-1.14	-7.11	-0.13	-0.51	-2.30
<b>Corp</b>					
-0.13	-1.57	-6.31	-0.10	-0.63	-2.07
<b>HY</b>					
0.10	-0.77	-2.58	0.21	0.03	0.17

1-3 Yrs 1-10 Yrs +10 Yrs

### Economic Data

	Last Release	Year Ago
<b>Inflation</b>		
CPI Headline Inflation	2.7%	3.1%
CPI Core Inflation	3.3%	4.0%
Personal Consumption Exp (PCE) Core	2.8%	3.2%

	Last Release	Year Ago
<b>Jobs</b>		
Unemployment Rate (U3)	4.1%	3.8%
Broader Unemployment Rate (U6)	7.5%	7.2%
JOLT Survey (in millions)	8.10	8.93
Jobless Claims (000's)	201	198
Change in Non-Farm Payroll (000's)	256	290
Average Hourly Earnings (Y/Y % Change)	3.9%	4.3%

	Last Release	Year Ago
<b>Consumer &amp; Spending</b>		
Consumer Confidence (Conf Board)	104.7	108.0
Consumer Spending (\$ Bil)	20,195	19,151
Consumer Credit (\$ Bil)	5,102	5,017
Retail Sales (\$ Bil)	725	698

	Last Release	Year Ago
<b>Housing</b>		
Housing Starts (000's)	1,289	1,510
Case-Shiller Home Price Index	324.22	312.96

	Last Release	Year Ago
<b>U.S. Productivity</b>		
Real Gross Domestic Product (\$ Bil)	23,400	22,781
Quarter over Quarter Change	3.1%	4.4%
Year Over Year Change	2.7%	3.2%
ISM Manufacturing	49.30	47.10
Capacity Utilization	76.80	78.42
Markit US Composite PMI	55.40	50.90

	Last Release	Year Ago
<b>U.S. General</b>		
Leading Economic Indicators	99.7	103.3
Trade Weighted Dollar Index	129.7	120.0
EUR / USD	1.02	1.10
JPY / USD	157.73	145.76
CAD / USD	0.69	0.75
AUD / USD	0.61	0.67

### S&P 500 Sector Returns

	1 Month	YTD
Energy	-1.67%	2.86%
Health Care	-2.59%	1.55%
Communication Services	-0.95%	0.86%
Utilities	-2.37%	-0.10%
Industrials	-4.99%	-0.28%
Materials	-7.89%	-0.93%
Consumer Discretionary	-4.32%	-1.23%
Information Technology	-2.14%	-1.71%
Financials	-4.32%	-2.04%
Consumer Staples	-6.42%	-2.20%
Real Estate	-8.24%	-3.70%

© 2025 BOK Financial Corp. Services provided by BOKF, NA, Member FDIC. BOKF, NA is the banking subsidiary of BOK Financial Corporation. BOK Financial Corporation (BOKF) offers wealth management and trust services through various affiliate companies and non-bank subsidiaries including advisory services offered by BOKF, NA and its subsidiary Cavanaugh Hill Investment Management, Inc., an SEC registered investment adviser. BOKF offers additional investment services and products through its subsidiary BOK Financial Securities, Inc., a broker/dealer, member FINRA/SIPC, and an SEC registered investment adviser and BOK Financial Private Wealth, Inc., also an SEC registered investment adviser. The information in the report was prepared by (SIA) Strategic Investment Advisors of BOKF, NA which is a division of BOK Financial Corporation.

This report is not to be considered a recommendation of any particular security, strategy or investment product, nor is it intended to provide personal investment advice. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. The information provided in this presentation is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed in this report and should understand that statements regarding future prospects may not be realized. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed.

Investments are not insured by the FDIC and are not guaranteed by any bank or bank affiliate. Investments are subject to risks, including the possible loss of the principal amount invested. This report may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF. Any unauthorized use or disclosure is prohibited.

# Disclosures

---



The information provided herein was prepared by the Investment Management team of BOKF, NA. BOKF, NA is the bank subsidiary of BOK Financial Corporation (BOKF), a financial services holding company (NASDAQ:BOKF). BOKF offers trust and wealth management services through its subsidiaries including BOKF, NA (and its banking divisions Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, and BOK Financial) and investment advisory services through its non-bank subsidiaries, Cavanal Hill Investment Management, Inc., and BOK Financial Private Wealth, Inc., each an SEC registered investment adviser, and BOK Financial Securities, Inc., also an SEC registered investment adviser and registered broker/dealer, member FINRA/SIPC (each an "Investment Affiliate") (collectively, "BOKF"). Distribution of this document is intended for informational purposes. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the author(s) as of the date prepared and are subject to change without notice and are not a complete analysis of any sector, industry, or security regardless of the date on which the reader may receive or access the information. The information provided is intended to be educational in nature and not advice relative to any investment or portfolio offered through an Investment Affiliate, and does not constitute any form of regulated financial, legal, or tax advice, or other regulated financial service. The content provided herein is not a solicitation for the investment management services of any Investment Affiliate, nor is it intended to constitute a recommendation for, or advice to, any specific person on behalf of any Investment Affiliate, as it does not take into account the financial objectives, situation, or needs of any specific person. This information is provided on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of said content, any risks associated therewith, and any related legal, tax, accounting, or other material considerations. Recipients should not solely rely on this material in making any future investment decision. To the extent that the recipient has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, they are encouraged to consult with a qualified lawyer, accountant, or financial professional.

This document may contain forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates, and projections, the securities and credit markets and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events and are inherently forward-looking statements. These statements are not guarantees of future performance. Likewise, past performance is not a guarantee of future results. This content is prepared for the use of the Investment Affiliates and their clients and prospective clients, and may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of BOKF or BOKF, NA. Any unauthorized use or disclosure is prohibited. Receipt and review of this document constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein. This report should not be distributed without the attached disclosures, and is considered incomplete if the disclosures are not attached.

\*This chart is for illustrative purposes only and not indicative of any actual investment.

Asset allocation, diversification, and rebalancing do not ensure a profit or protect against loss in declining markets. Investing involves risks, including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender. 2025 BOKF, NA.

**INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT GUARANTEED BY THE BANK OR ITS AFFILIATES | NOT DEPOSITS | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE**