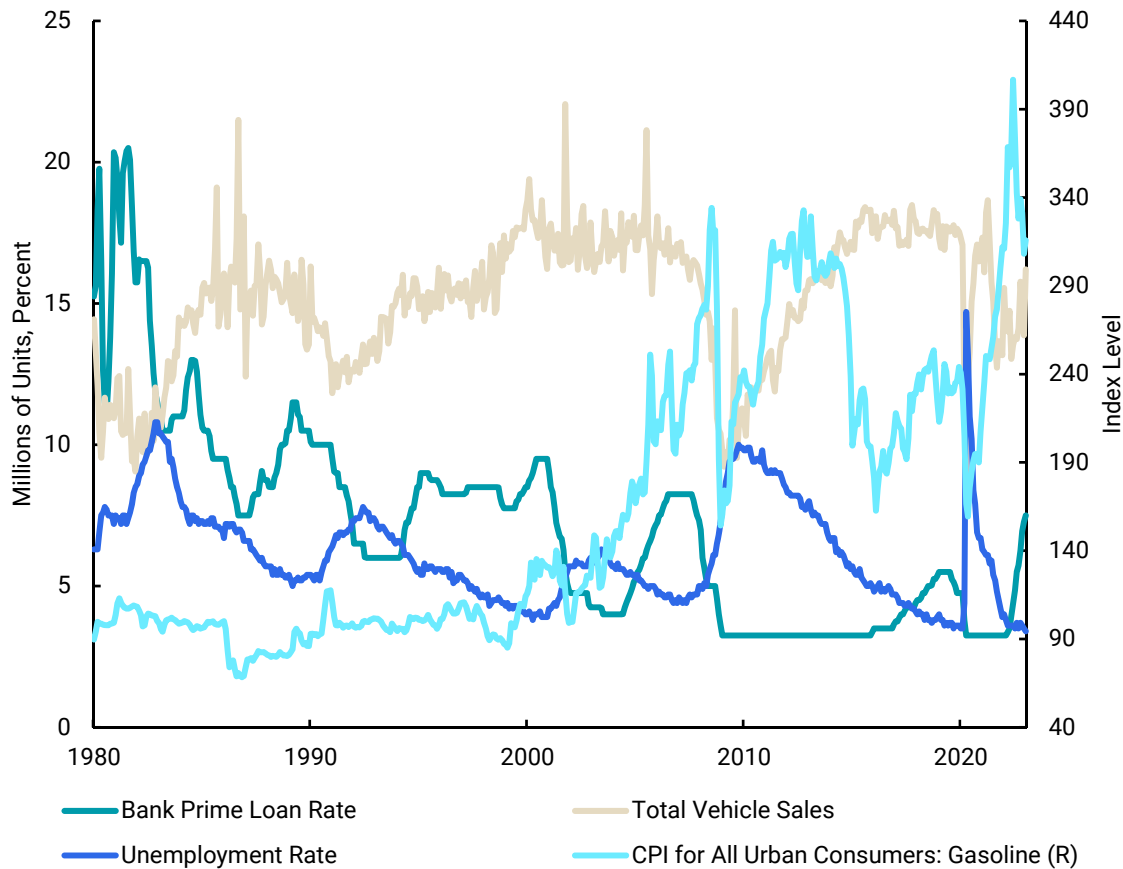


# Weekly market update



## Chart of the week (Feb. 24, 2023)

**Economic Fluctuations**



The U.S. economy is a complex system, which makes attempts to forecast or control outcomes exceedingly difficult. While we know Fed monetary policy and fiscal action from Congress have an impact; accurately predicting how people will react to financial inputs is a continual learning process, even with history acting as a guide.

If we get down to basics, the Federal Reserve uses interest rates to try to influence demand, lowering rates to spur demand and raising rates to slow demand. We can see the impact of this policy most directly within markets where consumers borrow money often, think housing and autos. As the cost of money goes up, consumers are able to buy less. Interest rates are one factor impacting vehicle sales. However, it's not the only one, as they also can be impacted by the overall level of employment within the economy.

And it's not just vehicle sales that are impacted by the level of employment. Over time, the domestic economy has evolved to be driven more by consumer spending and less by outright goods production. This means another important variable in the economy overall is employment. This explains the Fed's focus on our current robust employment market as a source of inflationary pressure. It would be easier if the various inputs interacted in the same way all the time and by the same amount. Since they don't, we are always considering a range of outcomes within our forecasts. And the Federal Reserve does the same.

# Weekly market update



## Commentary (Feb. 24, 2023)

### Domestic Equities

- U.S. equities declined sharply this week as consumers continued spending and inflation pushed higher.
- The personal-consumption expenditure index (PCE) is the Fed's preferred inflation gauge, and their goal is to get it down to a 2% annual increase. PCE rose 5.4% in January, which was higher than the month before. The rate had been declining in previous months, and this shift alarmed investors and caused a selloff in stocks at the end of the week.
- Leading the selloff was Boeing, which reported a delay in deliveries due to a documentation issue. Carvana and Opendoor also declined sharply after reporting wider-than-expected quarterly losses. The tech-heavy Nasdaq Index declined more than the S&P 500 Index.

### Bonds

- U.S. Treasury yields initially fell but finished the week higher following a stronger-than-expected increase in January's personal consumption expenditures index (PCE).
- The Fed minutes released on Wednesday confirmed that most of the FOMC members believed it appropriate to downshift the pace of hikes to 0.25% in February, with only a few officials preferring a 0.50% hike. Although U.S. Treasury yields initially fell following the release, the market response was fairly muted, with the statement sounding somewhat stale given the reacceleration in inflation data following the meeting.
- In international markets, European sovereign bond yields continued to move higher, with the yield on the German 10-year bond reaching its highest level in over a decade. Additionally, the central bank of New Zealand hiked its policy rate by 0.50% to 4.75%.

### International Equities

- Investor sentiment remains fragile over concerns that central banks will continue to hike interest rates due to persistent inflation and signs that economies are proving to be reasonably resilient.
- Foreign developed markets struggled this week with weakness across European and Pacific Rim markets. Stocks in Germany fell as the country's fourth-quarter GDP contracted more than expected as declines in capital spending and consumer spending hurt its economy.
- Emerging markets fell for the fourth straight week as most markets across Asia, Latin America and Eastern Europe struggled to gain traction. Investors remain concerned about rising geopolitical tensions between the U.S. and China as the U.S. expands the number of military personnel to help train Taiwanese military forces, which agitated China.

### Economics

- The Bureau of Economic Analysis (BEA) reported that consumer spending (PCE) rebounded in January, rising \$313 billion to \$18 trillion as a seasonally adjusted annualized rate (SAAR). This is the highest monthly increase since March 2021 and reverses two consecutive monthly declines. The increase was broad-based as spending increased in both durable and non-durable goods as well as services. Additionally, the price level of consumer spending increased 0.60% in the month.
- The BEA also reported personal income rose 0.60% in January, totaling \$23 trillion SAAR. Most of the increase was due to higher employee compensation in private industries. The personal savings rate rose to 3.9%, an increase of 0.70%.
- The BEA revised fourth-quarter GDP to 2.7%, down slightly from the first estimate of 2.9%.

## Weekly Market Update

For Week Ending February 24, 2023

### Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
<b>Capital Markets</b>				
Dow Jones Industrial Avg	32,816.92	-3.0%	-0.7%	0.9%
S&P 500 Index	3,970.04	-2.7%	3.7%	-5.9%
NASDAQ	11,394.94	-3.3%	9.0%	-14.7%
S&P 400 Midcap Index	2,600.68	-2.4%	7.2%	2.1%
S&P 600 Smallcap Index	1,247.72	-2.7%	8.0%	-1.1%
MSCI EAFE	6,904.30	-2.4%	4.9%	-0.8%
MSCI Emerging Markets	494.40	-2.7%	1.7%	-13.4%
Bloomberg US Agg	2,052.11	-0.9%	0.2%	-9.1%
Bloomberg Municipal 5 Yr	468.84	-0.4%	0.0%	-2.5%
Bloomberg US Corporate	2,982.67	-1.0%	0.5%	-9.5%
Bloomberg Gbl Agg ex US Hdg	526.46	-0.3%	1.0%	-6.5%
Bloomberg High Yield	2,229.71	-0.2%	2.0%	-5.0%
MSCI US REIT Index	2,019.25	-3.1%	5.5%	-11.7%
Bloomberg Commodity Index	231.72	-0.8%	-5.8%	-5.9%

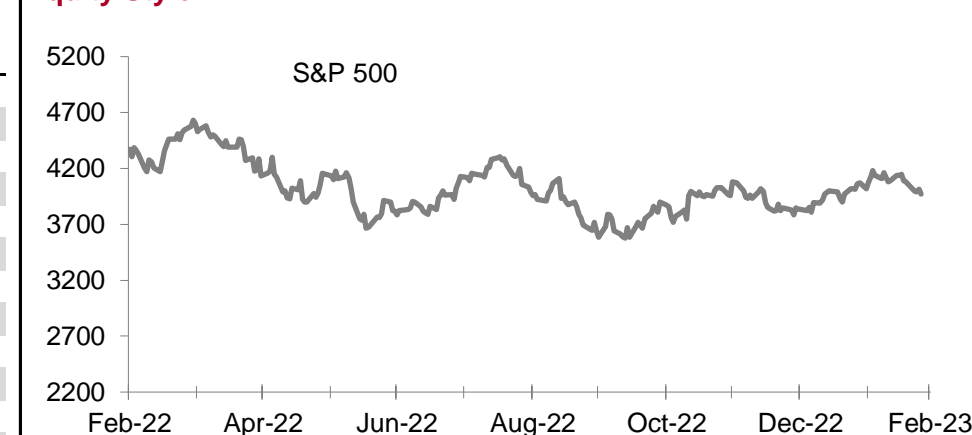
	Last Price/Yield	Prior Week	Year End	Year Ago
<b>Key Rates</b>				
Fed Funds Target	4.75%	4.75%	4.50%	0.25%
3-Month Treasury	4.78%	4.79%	4.34%	0.30%
1-Year Treasury	4.99%	4.97%	4.69%	1.06%
2-Year Treasury	4.81%	4.62%	4.43%	1.58%
5-Year Treasury	4.22%	4.03%	4.00%	1.86%
7-Year Treasury	4.11%	3.94%	3.97%	1.95%
10-Year Treasury	3.94%	3.81%	3.87%	1.96%
30-Year Treasury	3.93%	3.87%	3.96%	2.28%

	Last Price/Yield	Prior Week	Year End	Year Ago
<b>Consumer Rates</b>				
30-Year Mortgage	7.02%	6.83%	6.66%	4.25%
Prime Rate	8.50%	8.50%	8.25%	4.00%
3-Month LIBOR	4.95%	4.92%	4.77%	0.51%

	Last Price	Prior Week	Year End	Year Ago
<b>Commodities</b>				
Gold	1,811.04	1,842.36	1,824.02	1,903.89
Crude Oil (WTI)	76.32	76.55	80.26	78.90
Gasoline	3.49	3.50	3.20	3.62
Natural Gas	2.55	2.35	4.48	3.58
Copper	3.95	4.11	3.81	4.40

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
<b>Index Characteristics</b>				
Dow Jones Industrial Avg	17.40	18.73	4.36	2.25
S&P 500	18.03	17.84	3.92	1.77
S&P 500 Value	16.82	17.10	2.72	2.15
S&P 500 Growth	19.31	18.59	6.62	1.43
NASDAQ	16.64	15.18	3.78	2.37
S&P Midcap 400	15.17	12.96	2.33	2.02
S&P Smallcap 600	14.70	12.88	1.89	1.77
MSCI EAFE	12.89	13.37	1.69	3.45
MSCI Emerging Markets	12.19	10.45	1.48	3.79

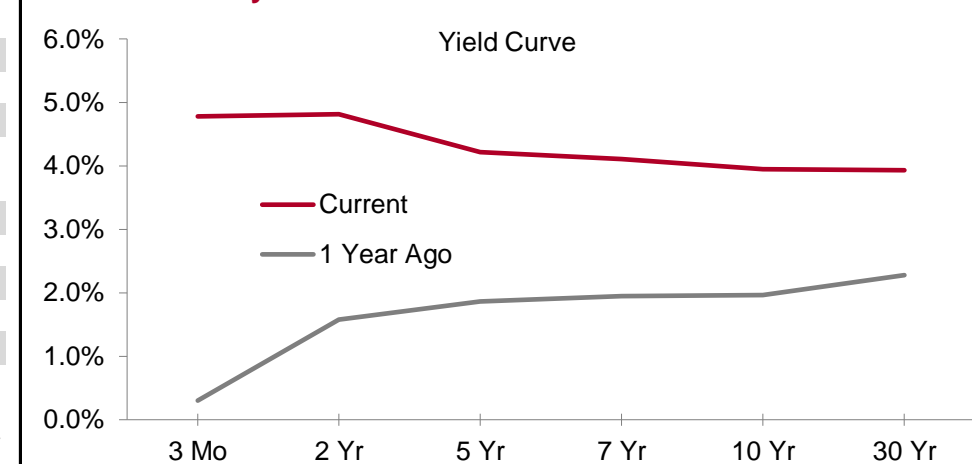
### Equity Style



	1 Month*				Year to Date*		
	Value	Core	Growth		Value	Core	Growth
Large	-1.42	-1.00	-0.61	> 10%	3.78	3.65	3.54
Mid	0.16	0.88	1.59	0% - 10%	8.13	7.21	6.28
Small	1.67	1.38	1.10	< 0%	9.84	7.98	6.26

\*S&P Indices

### Fixed Income Style



	1 Month*				Year to Date*		
	Short	Interm.	Long		Short	Interm.	Long
Govt	-0.78	-1.95	-5.48	> 10%	-0.11	-0.36	0.71
Corp	-0.62	-3.48	-5.64	0% - 10%	0.23	0.54	0.84
HY	0.02	-1.59	-3.00	< 0%	2.30	2.01	1.67

\*Bloomberg Indices.

### Economic Data

	Last Release	Year Ago
<b>Inflation</b>		
CPI Headline Inflation	6.4%	7.5%
CPI Core Inflation	5.6%	6.0%
Personal Consumption Exp (PCE) Core	4.7%	5.2%

	Last Release	Year Ago
<b>Jobs</b>		
Unemployment Rate (U3)	3.4%	4.0%
Broader Unemployment Rate (U6)	6.6%	7.1%
JOLT Survey (in millions)	11.01	11.45
Jobless Claims (000's)	192	198
Change in Non-Farm Payroll (000's)	517	364
Average Hourly Earnings (Y/Y % Change)	4.4%	5.7%

	Last Release	Year Ago
<b>Consumer &amp; Spending</b>		
Consumer Confidence (Conf Board)	107.1	111.1
Consumer Spending (\$ Bil)	18,051	16,726
Consumer Credit (\$ Bil)	4,776	4,431
Retail Sales (\$ Bil)	697	655

	Last Release	Year Ago
<b>Housing</b>		
Housing Starts (000's)	1,309	1,666
Case-Shiller Home Price Index	297.29	276.07

	Last Release	Year Ago
<b>U.S. Productivity</b>		
Real Gross Domestic Product (\$ Bil)	20,188	20,006
Quarter over Quarter Change	2.7%	7.0%
Year Over Year Change	0.9%	5.7%
ISM Manufacturing	47.40	57.60
Capacity Utilization	78.28	78.94
Markit US Composite PMI	50.20	55.90

	Last Release	Year Ago
<b>U.S. General</b>		
Leading Economic Indicators	110.3	117.2
Trade Weighted Dollar Index	120.5	114.7
EUR / USD	1.05	1.12
JPY / USD	136.48	115.53
CAD / USD	0.73	0.78
AUD / USD	0.67	0.72

### S&P 500 Sector Returns

	1 Month	YTD
Consumer Discretionary	2.03%	11.33%
Information Technology	1.33%	9.37%
Communication Services	-3.69%	8.43%
Materials	-2.28%	4.55%
Financials	-0.37%	4.19%
Real Estate	-3.47%	3.18%
Industrials	-0.50%	2.06%
Consumer Staples	-0.63%	-2.45%
Energy	-6.25%	-3.42%
Health Care	-3.74%	-5.41%
Utilities	-4.29%	-5.53%

Source: Bloomberg

© 2023 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 Cavanal 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.



---

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. 2023 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**