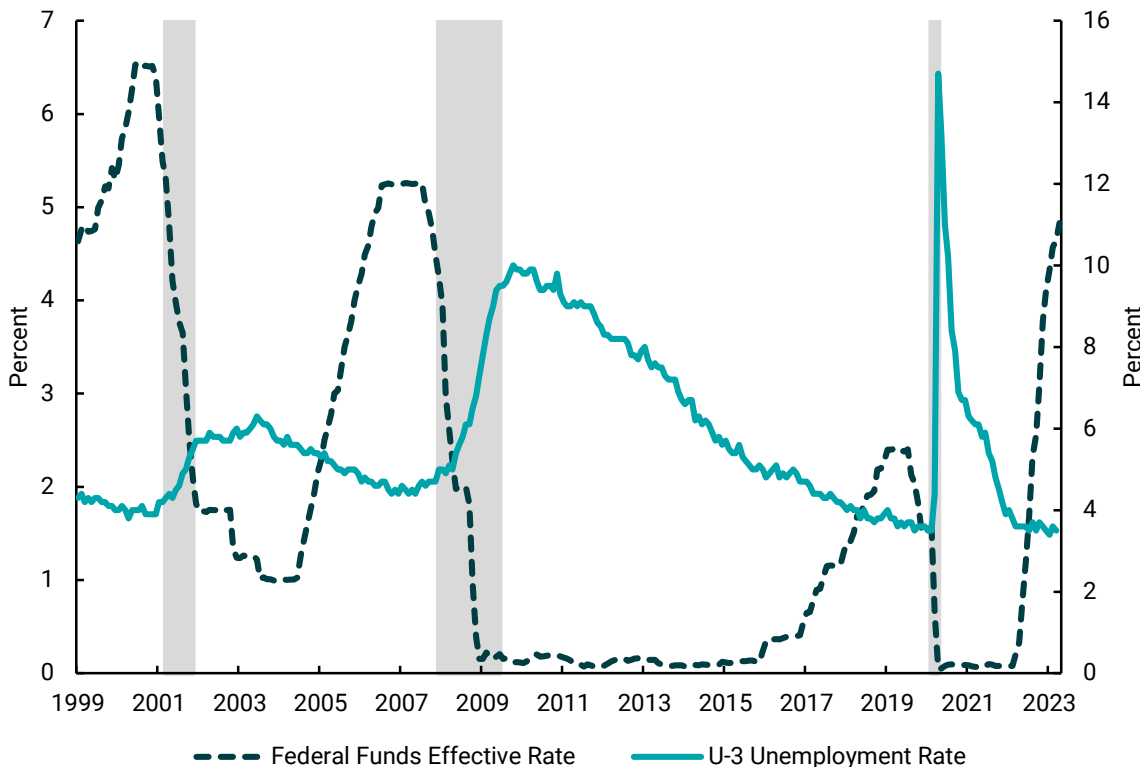


Weekly market update



Chart of the week (May 5, 2023)

Fed Funds Rate and U-3 Unemployment Rate



The Federal Reserve voted unanimously to increase rates again at their May meeting by 0.25%, taking the Fed Funds target to its highest level since 2006 at 5-5.25%. Despite recent turmoil in the banking sector and some signs of economic weakness, their concerns about inflation led them to make this additional rate hike.

The good news is that inflation has been declining, especially at the headline level. However, we know the Fed pays the most attention to core inflation, which has been receding more slowly and now exceeds the headline measure in the CPI (Consumer Price Index) and PCE (Personal Consumption Expenditures Price Index). The trend is still lower, but an imbalanced labor market is a key reason the Fed remains concerned about longer-term inflation levels.

This week's chart was a bit of a study to see if the labor market has reacted to higher rates from the Fed in the past. After all, interest rates and quantitative tightening are the primary tools that the Fed uses to implement monetary policy. We did not overlay the Fed's balance sheet in the chart, as that only became a tool during the financial crisis. Still, we can assume that the growth, and now decline, in the size of the Fed's balance sheet has some influence over economic activity.

Looking at the chart, we can see periods of Fed tightening followed by gray bars, representing recessions, where unemployment rises. This could lead us to conclude that higher rates do, in fact, begin to affect the unemployment rate and the economy, with the Fed eventually lowering rates as unemployment rises and economic activity slows. We might also interpret this as a tendency for the Fed to "over-tighten" and then have to reverse course and ease aggressively to avoid too much economic weakness and an overshoot of unemployment rising too far.

The Fed's tools are blunt instruments within the economy. Past periods of inflation at the levels we saw last summer give valid reasons for the Fed to be cautious to avoid a repeat of the late 70s and early 80s. But the chart also reveals the risk of the Fed having to reverse course dependent on the economic outcome of their tightening cycle.

Weekly market update



Commentary (May 5, 2023)

Domestic Equities

- U.S. equities declined early in the week on interest rate and banking system concerns, then rallied on positive earnings and jobs reports at the end of the week, finishing the week with minor losses.
- Earnings season was in full swing this week, with about 75% of companies that have reported so far beating earnings and sales estimates.
- Apple beat expectations and rose sharply at the end of the week. With over \$2.6 trillion in market-cap, Apple has a major influence on both the S&P 500 and NASDAQ indices.

Bonds

- It was a busy week for central banks globally. The Federal Reserve, Royal Bank of Australia, European Central Bank, Hong Kong Monetary Authority and Norges Bank all hiked policy rates by 0.25%.
- On Monday, Treasury Secretary Janet Yellen announced that she expects the U.S. to no longer be able to pay all of its outstanding obligations by as early as June 1st unless a debt ceiling bill is passed, with Treasury bill yields spiking higher on the news.
- U.S. Treasuries were mixed for the week, with yields at the front end of the curve moving higher along with the rise in policy rates. Yields around the belly of the curve moved lower in a flight to safety.
- Corporate credit was negative, with funding stress in the banking sector causing de-risking across the sector. Hybrid securities also came under pressure, with the S&P Preferred Stock Index reaching a new low for the year.

International Equities

- Global investors remained cautious this week to fully digest all of the monetary policy changes from key central banks, along with a deluge of economic data and quarterly corporate earnings announcements.
- Foreign developed markets delivered mixed results as stocks across Europe faltered while Japanese stocks moved higher. Underlying inflation in the eurozone eased for the first time in 10 months as core inflation rose 5.6% from a year ago.
- Emerging markets struggled to find momentum this week as markets across Eastern Europe and Latin America stumbled while Asian markets rose. China's manufacturing activity unexpectedly fell in April, putting pressure on policymakers to find ways to boost its economy amid weakening global economic growth.

Economics

- The Bureau of Labor Statistics reported total non-farm payroll rose by 253,000, totaling 156 million, and the unemployment rate (U-3) fell to 3.4%. Most of the monthly increase in jobs occurred in professional and business services, health care, and leisure and hospitality.
- The March Job Openings and Labor Turnover Summary (JOLTS) indicated job openings fell for the third consecutive month to 9.6 million. Separations were 5.9 million, an increase of 100,000 from the prior month.
- The trade deficit in March decreased to -\$64.2 billion from -\$70.6 billion in February, due to exports increasing while imports slightly declined.
- Initial claims for unemployment were 242,000 for the week ending April 29, an increase of 13,000 from the prior week.
- CPI (the Consumer Price Index) will be released on Wednesday.

Weekly Market Update

For Week Ending May 05, 2023

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	33,674.38	-1.2%	2.3%	4.3%
S&P 500 Index	4,136.25	-0.8%	8.3%	1.5%
NASDAQ	12,235.41	0.1%	17.2%	0.2%
S&P 400 Midcap Index	2,461.10	-1.2%	1.8%	-0.4%
S&P 600 Smallcap Index	1,138.97	-0.8%	-1.1%	-5.2%
MSCI EAFE	7,353.87	0.2%	11.7%	10.7%
MSCI Emerging Markets	502.12	0.5%	3.3%	-4.5%
Bloomberg US Agg	2,121.07	-0.1%	3.5%	0.2%
Bloomberg Municipal 5 Yr	476.69	0.2%	1.7%	3.5%
Bloomberg US Corporate	3,077.51	-0.6%	3.7%	0.8%
Bloomberg Glb Agg ex US Hdg	538.92	0.1%	3.3%	-0.5%
Bloomberg High Yield	2,277.97	-0.4%	4.2%	1.4%
MSCI US REIT Index	1,984.28	0.4%	3.6%	-12.7%
Bloomberg Commodity Index	228.19	-1.2%	-7.2%	-19.4%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	5.25%	5.00%	4.50%	1.00%
3-Month Treasury	5.20%	5.03%	4.34%	0.81%
1-Year Treasury	4.72%	4.74%	4.69%	2.01%
2-Year Treasury	3.91%	4.01%	4.43%	2.70%
5-Year Treasury	3.41%	3.48%	4.00%	3.01%
7-Year Treasury	3.41%	3.46%	3.97%	3.06%
10-Year Treasury	3.44%	3.42%	3.87%	3.04%
30-Year Treasury	3.75%	3.67%	3.96%	3.12%

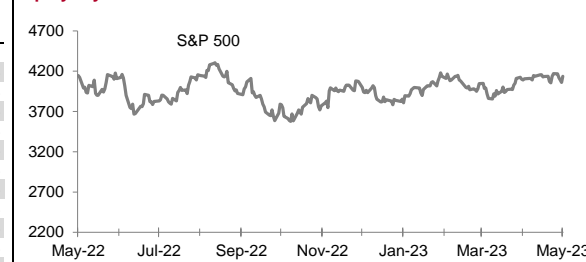
	Last Price/Yield	Prior Week	Year End	Year Ago
Consumer Rates				
30-Year Mortgage	6.83%	6.85%	6.66%	5.48%
Prime Rate	9.00%	8.75%	8.25%	4.75%
3-Month LIBOR	5.34%	5.30%	4.77%	1.37%

	Last Price	Prior Week	Year End	Year Ago
Commodities				
Gold	2,016.79	1,990.00	1,824.02	1,877.18
Crude Oil (WTI)	71.34	76.78	80.26	89.41
Gasoline	3.71	3.77	3.20	4.29
Natural Gas	2.14	2.41	4.48	4.91
Copper	3.88	3.89	3.81	4.31

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	17.78	18.85	4.37	2.16
S&P 500	18.96	18.58	3.97	1.70
S&P 500 Value	17.03	16.94	2.61	2.15
S&P 500 Growth	21.02	19.55	6.65	1.36
NASDAQ	16.65	15.31	3.65	2.29
S&P Midcap 400	14.33	12.28	2.21	2.17
S&P Smallcap 600	14.14	12.49	1.66	1.93
MSCI EAFE	13.31	14.03	1.79	3.37
MSCI Emerging Markets	12.53	11.80	1.58	3.16

Source: Bloomberg

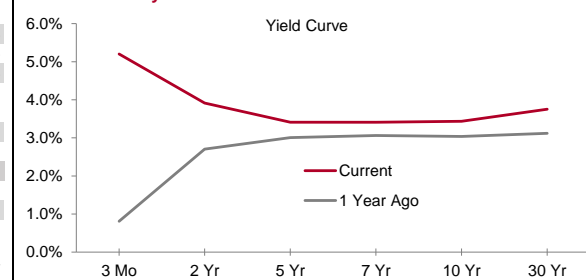
Equity Style



1 Month*			Year to Date*		
Value	Core	Growth	Value	Core	Growth
Large 1.07	1.21	1.34	Large 5.42	8.31	10.97
Mid 0.21	0.47	0.72	Mid -0.16	1.80	3.66
Small -1.34	-0.85	-0.37	Small -1.10	-1.05	-1.01

*S&P Indices

Fixed Income Style



1 Month*			Year to Date*		
Short	Interm.	Long	Short	Interm.	Long
Govt 0.06	0.01	-2.50	Govt 2.13	3.14	5.67
Corp 0.13	-0.88	-2.09	Corp 1.90	4.19	4.67
HY 0.61	0.61	-0.51	HY 3.76	4.22	3.74

*Bloomberg Indices.

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	5.0%	8.5%
CPI Core Inflation	5.6%	6.5%
Personal Consumption Exp (PCE) Core	4.6%	5.4%

	Last Release	Year Ago
Jobs		
Unemployment Rate (U3)	3.4%	3.6%
Broader Unemployment Rate (U6)	6.6%	7.0%
JOLT Survey (in millions)	9.59	12.03
Jobless Claims (000's)	242	218
Change in Non-Farm Payroll (000's)	253	254
Average Hourly Earnings (Y/Y % Change)	4.4%	5.8%

	Last Release	Year Ago
Consumer & Spending		
Consumer Confidence (Conf Board)	101.3	108.6
Consumer Spending (\$ Bil)	18,104	17,054
Consumer Credit (\$ Bil)	4,851	4,522
Retail Sales (\$ Bil)	683	667

	Last Release	Year Ago
Housing		
Housing Starts (000's)	1,420	1,716
Case-Shiller Home Price Index	293.17	287.29

	Last Release	Year Ago
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	20,236	19,924
Quarter over Quarter Change	1.1%	-1.6%
Year Over Year Change	1.6%	3.7%
ISM Manufacturing	47.10	55.90
Capacity Utilization	79.80	80.52
Markit US Composite PMI	53.40	56.00

	Last Release	Year Ago
U.S. General		
Leading Economic Indicators	108.4	117.6
Trade Weighted Dollar Index	119.6	120.1
EUR / USD	1.10	1.05
JPY / USD	134.80	130.20
CAD / USD	0.75	0.78
AUD / USD	0.67	0.71

S&P 500 Sector Returns

	1 Month	YTD
Information Technology	2.92%	23.13%
Communication Services	0.74%	22.19%
Consumer Discretionary	1.77%	14.64%
Consumer Staples	2.35%	4.06%
Materials	-0.19%	3.00%
Real Estate	1.62%	2.10%
Industrials	1.76%	1.77%
Health Care	0.31%	-1.28%
Utilities	-0.38%	-1.34%
Financials	1.36%	-5.10%
Energy	-6.95%	-7.24%

© 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 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. 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