

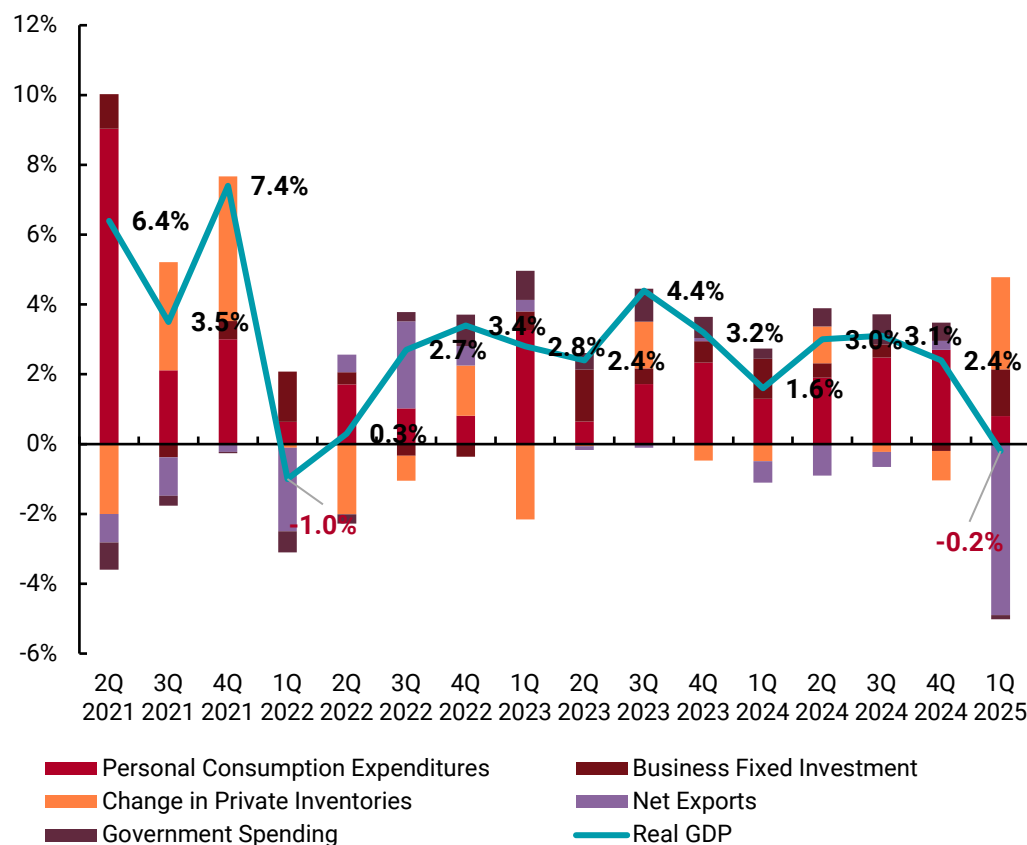
Weekly market update

Chart of the week (May 30, 2025)



Contributors to Real GDP Growth

Seasonally Adjusted at Annual Rates



In the scheme of economic data, the Bureau of Economic Analysis' report on [gross domestic product \(GDP\)](#) is of somewhat lesser importance. That's not because it doesn't have depth; in fact, it is one of the more comprehensive data points released. However, it is a lagging report and is subject to multiple revisions before being finalized, some three months after the end of the reporting quarter. In other words, it is generally old news.

Sometimes, though, as in the first quarter of this year, we can see the impact of shifts within the economy, which can give us some idea of what things might look like going forward. The high-change environment in which we find ourselves has led to behavioral changes for companies and consumers, and we can clearly see them in the [Q1 2025 GDP](#) report.

Our chart comes after our first revision to the number. Initially reported as a decline of 0.3%, the revised number now stands at a decline of 0.2%. Although not a huge change, the impacts of policy changes, primarily related to trade, remain clear. The Bureau of Economic Analysis' report allows us to see not just the overall growth rate or decline of the broad economy but also to peer into what makes up the final number. And in the first quarter, this gets interesting.

Most of the data makes sense in terms of whether they are a positive or negative component of GDP. Consumer spending, government spending and business investment are areas we watch not just for growth or contraction, but also for changes in the direction. Of these, personal consumption expenditures, or consumer spending, is the most important, as most of the U.S. economy is based on such activity.

The more interesting, and maybe puzzling, part of the first quarter is "net exports." As companies looked to avoid then-potential, now-real, tariffs, they imported a lot. Negative net exports detract from GDP, and so this surge in imports reduced first-quarter GDP by a whopping 4.9%. The offset to this increase in imports is often a combination of consumer buying more goods, and companies increasing inventories. Indeed, inventories did grow and added 2.6% to first-quarter growth.

The net result is a slightly negative overall reading, but this is not a reflection of a reduction in overall activity. With another revision yet to come, we do not know exactly where first-quarter GDP will end up, but we can see the impact of policy changes on the behavior of businesses and consumers.

Weekly market update

Commentary (May 30, 2025)



Domestic Equities

- After the tariff turmoil in April, May brought mostly better news for U.S. trade relations with the U.K. and the European Union. The White House had been making some progress with China, although at the end of the month, negotiations appeared to be stalled out.
- Large-cap U.S. equities have returned to levels close to where they started the year, although still below all-time highs. Small-caps were also positive for the month but remain down over 7% year-to-date.
- Growth stocks outperformed value for the month, but value remains ahead year-to-date. The tech sector has recovered all of its year-to-date losses. Health care was the only sector with negative returns for the month.
- The Federal Reserve's preferred measure of inflation slowed more than expected in April. Still, some consumers remain mostly gloomy about the economy. The University of Michigan's survey of consumer sentiment remained unchanged from last month. However, the Consumer Confidence Index came in at 98.0, exceeding the previous reading of 86.0.

Bonds

- U.S. Treasury yields fell on easing trade tensions and weaker-than-expected inflation data. The drop in rates was led by the long end of the curve, with the yield on the 30-year finishing the week back below 5%.
- Spreads on agency mortgage-backed securities tightened following news that the U.S. plans to retain guarantees and an oversight role for Fannie Mae and Freddie Mac as the Trump administration looks to pursue public offerings for both institutions.
- The central banks of New Zealand, South Korea and South Africa cut policy rates, with all three institutions citing growth concerns. Further rate cuts are expected later this year should economic conditions continue to disappoint.
- Long-term Japanese bonds (JGBs) yields retreated from multi-decade highs, but JGBs still offer a sizable yield pick-up over U.S. Treasuries on an FX-hedged basis for dollar-based investors.

International Equities

- Foreign markets struggled to capture much upward momentum as legal battles over U.S. tariff policies are creating confusion about the economic outlook, weighing on investor sentiment.
- Developed markets rose this week, with most markets posting positive returns. In key economic news, Germany's annual inflation hit 2.1% in May, approaching the European Central Bank's 2% target. New Zealand cut its policy rate by 0.25% to 3.25% to support its economy.
- Emerging markets struggled to gain traction this week as the never-ending shifts in U.S. tariff policy hurt investor sentiment. India's economy grew faster than expected last quarter. Its GDP rose by 7.4% over the previous year ending in March. The growth outlook in Asia's third-largest economy remains positive due to strong domestic consumption and a relatively low dependence on exports, which cushions the blow from the U.S. administration's erratic trade policy.

Economics

- On Tuesday, the Consumer Confidence Index came in at 98.0, exceeding the previous reading of 86.0 and consensus estimates of 87.3. This marked the first monthly increase since November 2024 and the largest single-month gain since March 2021. Some economists attribute the improvement to the recent rollback in tariffs.
- On Thursday, jobless claims rose to 240,000 for the week, slightly above consensus estimates of 230,000 and the previous week's revised figure of 226,000. Continuing claims reached 1.92 million, the highest level since 2021. Despite the uptick, the labor market remains broadly stable.
- On Friday, the Personal Income and Outlays report showed a 2.1% increase in the year-over-year Personal Consumption Expenditures Price Index. This was a positive development, indicating that inflation has remained contained despite recent tariff adjustments.
- The monthly Employment Report for May will be released on Friday.

Weekly Market Update

For Week Ending May 30, 2025

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	42,270.07	1.7%	0.1%	12.9%
S&P 500 Index	5,911.69	1.9%	1.1%	14.4%
NASDAQ Composite	19,113.77	2.0%	-0.7%	15.0%
S&P 400 Midcap Index	3,001.38	0.8%	-3.3%	3.3%
S&P 600 Smallcap Index	1,284.30	1.4%	-8.2%	-0.7%
MSCI EAFE	9,445.13	0.9%	16.9%	14.1%
MSCI Emerging Markets	623.98	-1.1%	8.7%	12.1%
Bloomberg US Agg	2,242.58	0.9%	2.4%	5.8%
Bloomberg Municipal 5 Yr	501.23	0.4%	1.3%	4.4%
Bloomberg US Corporate	3,363.90	1.1%	2.3%	6.1%
Bloomberg Glb Agg ex US Hdg	600.34	0.5%	1.3%	6.5%
Bloomberg High Yield	2,755.03	0.7%	2.7%	9.5%
MSCI US REIT Index	2,312.97	3.0%	0.1%	13.4%
Bloomberg Commodity Index	245.89	-2.6%	3.0%	0.7%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	4.50%	4.50%	4.50%	5.50%
3-Month Treasury	4.33%	4.33%	4.31%	5.41%
1-Year Treasury	4.10%	4.12%	4.14%	5.19%
2-Year Treasury	3.90%	3.99%	4.24%	4.92%
5-Year Treasury	3.96%	4.08%	4.38%	4.57%
7-Year Treasury	4.17%	4.28%	4.48%	4.56%
10-Year Treasury	4.40%	4.51%	4.57%	4.55%
30-Year Treasury	4.93%	5.04%	4.78%	4.68%

Consumer Rates				
30-Year Mortgage	6.95%	6.91%	7.28%	5.83%
Prime Rate	8.25%	8.25%	8.25%	9.25%
SOFR	4.35%	4.26%	4.49%	5.33%

Commodities				
Gold (spot)	3,289.25	3,357.51	2,624.50	2,343.07
Crude Oil WTI	60.79	61.53	71.72	77.91
Gasoline	3.15	3.19	3.06	3.56
Natural Gas	3.45	3.33	3.63	2.57
Copper	4.68	4.81	4.03	4.66

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	19.86	21.33	5.33	1.74
S&P 500	21.58	23.27	5.00	1.38
S&P 500 Value	17.86	18.74	3.27	2.15
S&P 500 Growth	26.57	29.70	9.42	0.69
NASDAQ	27.04	31.58	6.73	0.74
S&P Midcap 400	16.23	16.34	2.46	1.81
S&P Smallcap 600	15.18	15.61	1.74	2.65
MSCI EAFE	15.17	16.30	2.06	3.13
MSCI Emerging Markets	12.36	14.56	1.88	2.84

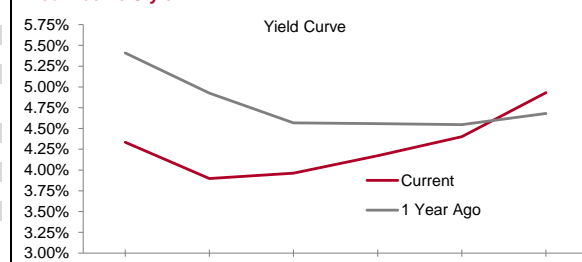
Equity Style



1 Month*			Year to Date*		
Value	Core	Growth	Value	Core	Growth
Large					
3.01	6.29	9.41	-0.39	1.06	2.37
Mid					
4.54	5.40	6.20	-3.72	-3.26	-2.84
Small					
4.37	5.23	6.04	-11.46	-8.18	-4.91

*S&P Indices

Fixed Income Style



1 Month*			Year to Date*		
Short	Interm.	Long	Short	Interm.	Long
Govt					
-0.23	-0.56	-2.86	2.21	3.00	0.57
Corp					
0.17	0.20	-0.46	2.38	3.07	0.60
HY					
1.29	1.67	2.17	3.16	2.70	1.40

1-3 Yrs 1-10 Yrs +10 Yrs

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	2.3%	3.4%
CPI Core Inflation	2.8%	3.6%
Personal Consumption Exp (PCE) Core	2.5%	2.9%

Jobs		
Unemployment Rate (U3)	4.2%	3.9%
Broader Unemployment Rate (U6)	7.8%	7.4%
JOLT Survey (in millions)	7.19	8.09
Jobless Claims (000's)	240	221
Change in Non-Farm Payroll (000's)	177	118
Average Hourly Earnings (Y/Y % Change)	3.8%	4.0%

Consumer & Spending		
Consumer Confidence (Conf Board)	98.0	101.3
Consumer Spending (\$ Bil)	20,670	19,603
Consumer Credit (\$ Bil)	5,007	5,049
Retail Sales (\$ Bil)	724	689

Housing		
Housing Starts (000's)	1,361	1,385
Case-Shiller Home Price Index	327.68	316.99

U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	23,528	23,054
Quarter over Quarter Change	-0.2%	1.6%
Year Over Year Change	2.1%	2.9%
ISM Manufacturing	48.70	48.80
Capacity Utilization	77.74	77.66
Markit US Composite PMI	52.10	54.50

U.S. General		
Leading Economic Indicators	99.4	103.5
Trade Weighted Dollar Index	121.7	122.1
EUR / USD	1.13	1.08
JPY / USD	144.02	156.82
CAD / USD	0.73	0.73
AUD / USD	0.64	0.66

S&P 500 Sector Returns

	1 Month	YTD
Utilities	3.83%	9.07%
Industrials	8.83%	8.83%
Consumer Staples	1.81%	8.45%
Financials	4.43%	5.86%
Materials	3.03%	3.63%
Communication Services	9.63%	3.59%
Real Estate	0.99%	3.35%
Information Technology	10.89%	-1.57%
Health Care	-5.55%	-3.10%
Energy	0.99%	-3.88%
Consumer Discretionary	9.44%	-5.96%

Source: Bloomberg

© 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 Cavanah 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