

By the numbers

Chart of the week (Jun. 12, 2026)



Cognitive dissonance is an environment of psychological discomfort someone experiences when they hold conflicting beliefs, values or behaviors. The discomfort arises from the human desire for consistency and harmony. When we consider the mosaic of the economy now, it is easy to see why this feeling of cognitive dissonance is widespread.

The conflict in Iran serves as a primary source of angst for many. Armed conflict is never ideal and its implications of this conflict, most directly seen by consumers at the gas pump, mean we may see and think about the it almost daily. Whether one agrees or disagrees with the basis for the conflict, we are all paying a price.

At the same time, much of the overall economic data seems to be improving even as the conflict continues. The last three employment reports, which coincide with the Iran conflict, show much better-than-expected gains in new jobs and a jobless rate that remains near generational lows. A big part of the story is corporate capital expenditure (capex). Most visibly, artificial intelligence (AI)-led capex has led to a boom in data centers and chip fabrication. However, recent data also shows increasing levels of capex in other industries, too. It is important to note that the policies that are leading to this increase in capex, tariffs and the One Big Beautiful Bill Act, had equally divided levels of support and objections. Despite the huge increase in energy prices, economic growth, as measured by gross domestic product (GDP), remains positive and corporate earnings have been nothing short of spectacular with further increases forecast in the coming quarters. Market based measures of potential stress from deteriorating credit conditions also indicate a benign outlook for growth going forward. And lastly, major domestic stock averages continue to move higher while setting multiple all-time records as they do so.

And yet, building on the “cost” of the conflict, recent measures of inflation are surging higher. Annualized rates of consumer prices are up over 4% and wholesale prices over 6%. While it is true that the Federal Reserve looks at “core” inflation, which strips out the more volatile measures of inflation like food and energy, consumers live in the real world. In this real world, overall price levels are much higher and budgets are getting squeezed. This is particularly true if one does not own their home or is not invested in financial assets, like stocks, as overall aggregate wage gains have not kept up with inflation since the onset of the pandemic.

Thinking about these aspects, is it any wonder that measures of consumer confidence and consumer sentiment do not paint a rosy picture. The human tendency to focus more on negative aspects than positive also helps explain the current malaise.

However, even within the measures of sentiment and confidence we see major differences. Our chart this week shows two widely followed measures which come out monthly, the Conference Board’s [Consumer Confidence Index](#) and the University of Michigan’s [Index of Consumer Sentiment](#). After tracking closely for several years, a wide gap has opened between the two. When looking at how the surveys are conducted and the areas of focus, this gap might be explainable. The Conference Board index is larger, surveying 3,000 households, and focuses on job market indicators. The University of Michigan survey is smaller, 500 households, and tends to focus more on consumer pocketbook items like gasoline prices. At present, it would seem companies are doing better than individuals. As long as that is the case, and inflation is a key reason why this difference exists, we might expect a continued gap between the two measures.

Consumer Confidence vs. Consumer Sentiment

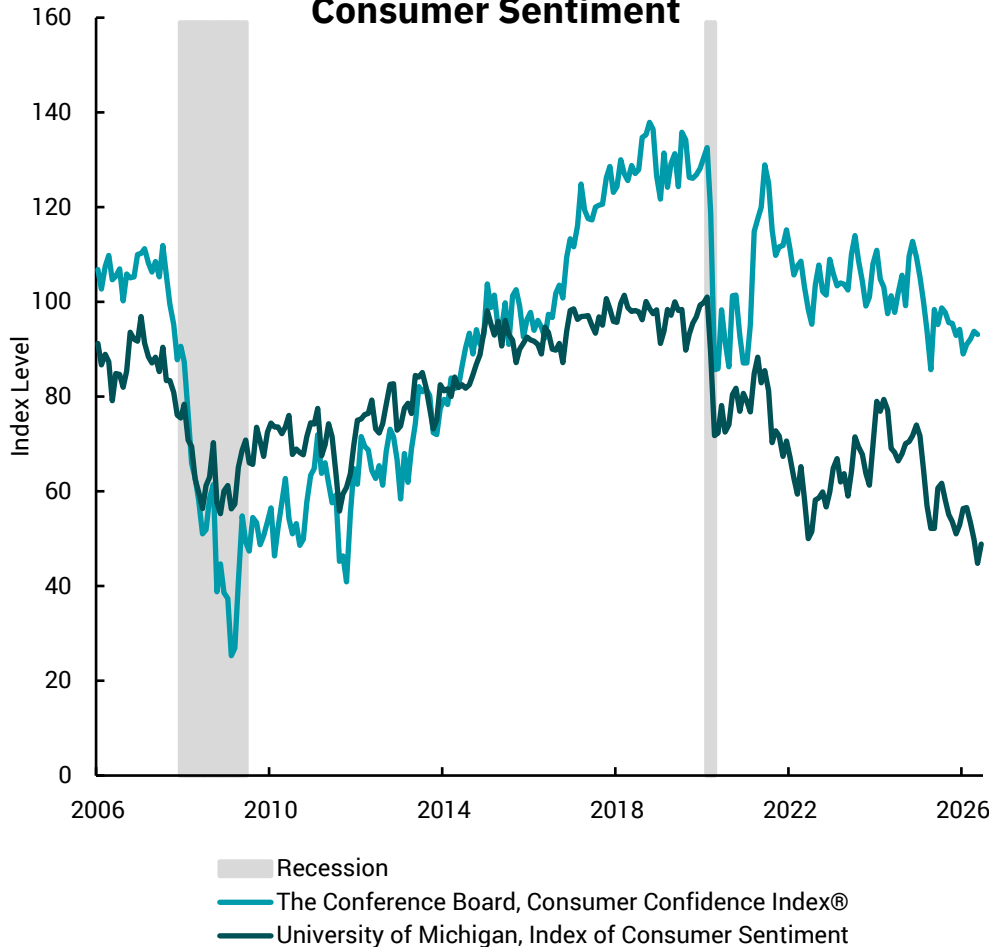


Chart data source: The Conference Board via Bloomberg, The University of Michigan. BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.

By the numbers



Commentary (Jun. 12, 2026)

Domestic equities

- U.S. stocks declined early in the week on economic data but rebounded later in the week as an end to the Iran conflict seemed near. Most U.S. indices were flat to slightly down for the week, but the Russell 2000 small-cap index was up over 3%.
- A stronger-than-expected May payroll report shifted Fed expectations from a rate cut to a rate hike this year. This pressured equity valuations, particularly for big tech names whose prices have surged on long-term growth expectations. The pressure cooled later in the week on hopes that a signed agreement with Iran would end the conflict which would likely lower energy prices and therefore inflation expectations and interest rates.
- Small-caps were resilient, appearing to be the recipient of capital shifting out of large-cap tech. Value sectors like financials, healthcare and REITs also outperformed, renewing interest in the “broadening-out” trade where money rotates out of AI-related names and into other parts of the market.
- All eyes were on the SpaceX IPO Friday. SPCX rose 25% on initial trading, giving it a market cap above \$2 trillion.

International equities

- Foreign-stock investors are navigating the challenges posed by the conflict in the Middle East and its effects on inflation and global central bank policies. However, news of a potential peace deal has improved investor sentiment, allowing the market to close the week on a positive note.
- Weaker stock prices in Japan and various European markets negatively impacted returns for developed markets. In key central bank announcements, Canada kept its policy rate unchanged at 2.25%. Policymakers are facing a dilemma between supporting a weakening economy and addressing rising inflation driven by energy prices. Meanwhile, the European Central Bank (ECB) increased rates by 0.25%, raising the rate to 2.25% to combat inflationary pressures stemming from the U.S.-Iran conflict.
- Emerging markets are experiencing increased volatility, with declines in Asian technology stocks due to concerns about the sustainability of the substantial gains in AI-related tech companies. Notably, China’s exports surged by 19.4% year-over-year, fueled by demand for hardware and advanced technology products linked to AI.

Bonds

- U.S. Treasury yields finished the week lower after the Trump administration announced that it was calling off a new round of airstrikes on Iran and a peace deal was close. According to senior officials, there is also evidence that the U.S. and Iran may sign an interim deal at the G7 Summit to reopen the Strait of Hormuz.
- Credit risk, as measured by the Markit CDX North American Investment Grade Index, initially rose but finished the week lower at 0.51%, with the index experiencing its biggest drop in three weeks on Thursday.
- The ECB raised its main policy rate for the first time since September 2023, with the deposit rate rising to 2.25% from 2%. The hike was aimed at curbing inflation with headline Eurozone inflation reaching 3.2% in May. Despite the ECB hiking policy rates, European bond yields finished the week mostly lower on hopes that oil prices would continue to fall with the U.S. and Iran moving closer to a peace deal. The Bank of Canada also held a policy meeting on Wednesday but decided to leave rates unchanged citing a soft domestic economy, excess supply and global pressures.

Economics

- Inflation accelerated in May as Wednesday’s Consumer Price Index (CPI) release showed a year-over-year increase of 4.2%. Energy was the primary driver, surging 23.5%. Core CPI, which excludes food and energy, increased modestly by 2.9%. The previous week’s Bureau of Labor Statics Employment Situation report showed hourly earnings growth at 3.4%, well below the headline CPI, meaning that real earnings declined over the period. Thursday’s Producer Price Index (PPI) climbed 6.5% in May, the largest year-over-year increase since 2022.
- The NFIB released its latest figures for the Small Business Optimism Index on Tuesday, with the index coming in at 95.3. This marked a slight decline from the prior reading of 95.9, which disappointed consensus expectations of a marginal increase to roughly 96. The decrease suggests concern among small businesses amid an uncertain economic environment.
- Tuesday’s NAR Existing Home Sales figures rose from a prior 4.04 million to 4.17 million, exceeding the consensus expectation of roughly 4.08 million. With mortgage rates rising, the upward surprise was a welcome development.

Weekly Market Update

For Week Ending June 12, 2026

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	51,202.26	0.7%	7.4%	21.2%
S&P 500 Index	7,431.46	0.7%	9.1%	24.4%
NASDAQ Composite	25,888.84	0.7%	11.7%	32.5%
S&P 400 Midcap Index	3,796.32	2.8%	15.5%	26.0%
S&P 600 Smallcap Index	1,744.69	4.3%	19.7%	34.4%
MSCI EAFE	11,548.60	1.0%	8.9%	20.2%
MSCI Emerging Markets	944.40	0.0%	23.2%	45.3%
Bloomberg US Agg	2,357.00	0.5%	0.3%	4.5%
Bloomberg Municipal 5 Yr	523.47	-0.1%	0.8%	4.1%
Bloomberg US Corporate	3,567.32	0.5%	0.6%	5.1%
Bloomberg Glb Agg ex US Hdg	615.36	0.2%	1.0%	2.1%
Bloomberg High Yield	2,964.37	0.4%	1.7%	7.0%
MSCI US REIT Index	2,755.16	2.3%	17.3%	18.1%
Bloomberg Commodity Index	331.33	-2.3%	19.9%	30.3%

	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	3.70%	3.71%	3.63%	4.36%
1-Year Treasury	3.84%	3.84%	3.47%	4.05%
2-Year Treasury	4.08%	4.15%	3.47%	3.91%
5-Year Treasury	4.21%	4.27%	3.73%	3.97%
7-Year Treasury	4.34%	4.39%	3.94%	4.15%
10-Year Treasury	4.48%	4.53%	4.17%	4.36%
30-Year Treasury	4.97%	5.00%	4.84%	4.84%

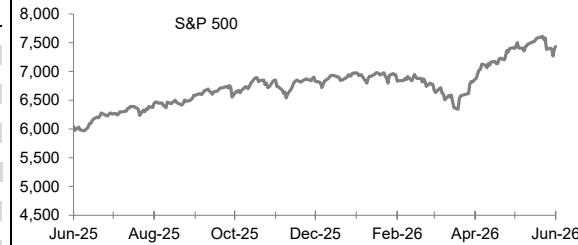
	Last Price/Yield	Prior Week	Year End	Year Ago
Consumer Rates				
30-Year Mortgage	6.56%	6.60%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.65%	3.63%	3.71%	4.28%

	Last Price	Prior Week	Year End	Year Ago
Commodities				
Gold (spot)	4,219.33	4,328.45	4,319.37	3,385.92
Crude Oil WTI	84.88	90.54	57.42	68.04
Gasoline	4.09	4.19	2.83	3.13
Natural Gas	3.12	3.23	3.69	3.49
Copper	6.45	6.28	5.68	4.84

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.85	21.96	5.94	1.56
S&P 500	20.43	25.26	5.65	1.19
S&P 500 Value	18.28	20.49	3.81	1.93
S&P 500 Growth	22.46	31.08	9.37	0.58
NASDAQ	24.86	34.86	7.74	0.68
S&P Midcap 400	17.13	19.00	2.97	1.57
S&P Smallcap 600	15.95	17.59	2.17	2.17
MSCI EAFE	15.40	17.40	2.26	3.00
MSCI Emerging Markets	11.22	17.49	2.44	2.37

Source: Bloomberg

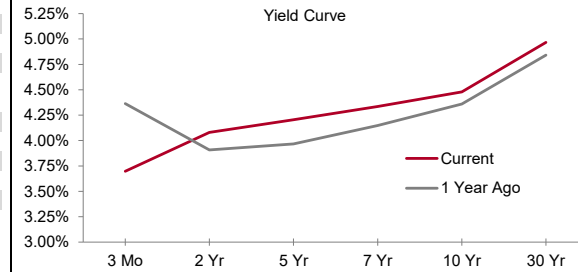
Equity Style



	1 Month*				Year to Date*		
	Value	Core	Growth		Value	Core	Growth
Large	1.81	0.54	-0.49	> 10%	8.38	9.13	9.76
Mid	4.94	3.77	2.69	0% - 10%	12.06	15.51	18.86
Small	6.60	5.84	5.08	< 0%	19.35	19.69	20.08

*S&P Indices

Fixed Income Style



	1 Month*				Year to Date*		
	Short	Interm.	Long		Short	Interm.	Long
Govt	0.17	0.11	1.09	> 10%	0.57	0.05	-0.33
Corp	0.33	0.31	1.42	0% - 10%	1.03	0.53	0.84
HY	0.46	0.60	0.89	< 0%	1.84	1.70	1.78

1-3 Yrs 1-10 Yrs +10 Yrs

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	3.3%	2.6%

	Last Release	Year Ago
Jobs		
Unemployment Rate (U3)	4.3%	4.3%
Broader Unemployment Rate (U6)	8.1%	7.8%
JOLT Survey (in millions)	7.62	7.10
Jobless Claims (000's)	229	246
Change in Non-Farm Payroll (000's)	172	13
Average Hourly Earnings (Y/Y % Change)	3.4%	4.0%

	Last Release	Year Ago
Consumer & Spending		
Consumer Confidence (Conf Board)	93.1	98.4
Consumer Spending (\$ Bil)	21,979	20,746
Consumer Credit (\$ Bil)	5,153	5,039
Retail Sales (\$ Bil)	757	722

	Last Release	Year Ago
Housing		
Housing Starts (000's)	1,465	1,400
Case-Shiller Home Price Index	329.94	327.76

	Last Release	Year Ago
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	24,153	23,548
Quarter over Quarter Change	1.6%	-0.6%
Year Over Year Change	2.6%	2.0%
ISM Manufacturing	54.00	48.60
Capacity Utilization	76.12	76.10
Markit US Composite PMI	51.50	53.00

	Last Release	Year Ago
U.S. General		
Leading Economic Indicators	97.4	99.1
Trade Weighted Dollar Index	120.1	121.0
EUR / USD	1.16	1.16
JPY / USD	160.24	143.48
CAD / USD	0.71	0.74
AUD / USD	0.70	0.65

S&P 500 Sector Returns

	1 Month	YTD
Energy	-0.20%	28.73%
Information Technology	1.65%	17.77%
Materials	-0.37%	13.99%
Industrials	1.08%	13.97%
Real Estate	1.68%	13.93%
Consumer Staples	-0.14%	11.43%
Utilities	-1.49%	5.09%
Communication Services	-6.14%	3.09%
Health Care	5.53%	-0.18%
Consumer Discretionary	-3.49%	-1.54%
Financials	3.50%	-2.05%

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