

By the numbers

Chart of the week (Jun. 26, 2026)



The concept of a “K-shaped” recovery has been getting a lot of attention lately—and rightfully so. We would note, however, that a “K-shaped” economy is not new. In fact, a “K-shaped” economy is not a bug of a capitalistic economy; it is a feature. There have always been a range of economic outcomes for participants within capitalism, and not surprisingly, as those achieving a higher level of income drive a larger portion of economic growth.

Our chart this week shows the percentage of personal outlays for the top 20% of income earners versus the bottom 80% of income earners. Note that while the early part of this chart shows periods when the bottom 80% were responsible for a bigger portion of outlays than the top 20%, that does not mean that we didn’t have a “K-shaped” economy at that time. The top 20% were still responsible for an outsized level of overall spending. What has changed over the time frame, however, is the degree to which the top 20% differ from the bottom 80%. There are multiple ways we can show a similar trend. Data from the Bureau of Labor Statistics (BLS) show that labor share of national income has been steadily declining for the last 40 years. The offset to this is expanding corporate margins. Neither of these series is a straight line, of course, but the trend is clear.

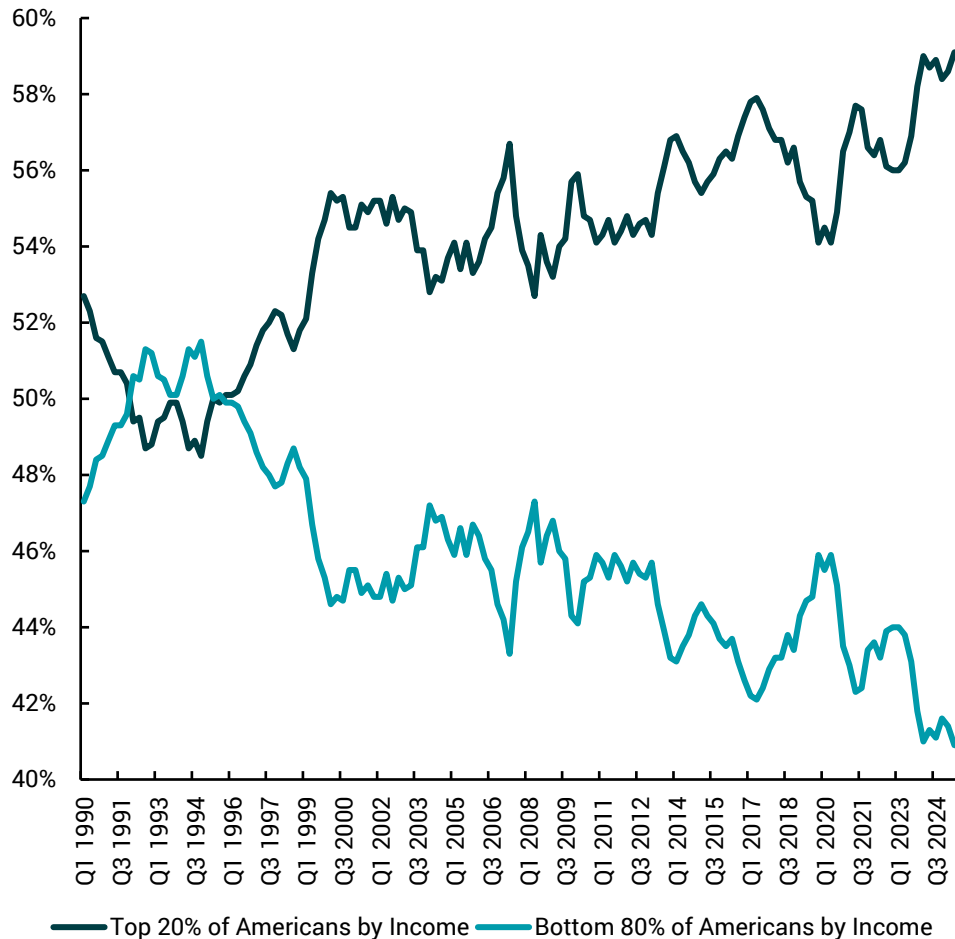
We can see the impact on consumers if we look at data on debt delinquencies by income quartile or credit score. Lower-income cohorts and borrowers with lower credit scores are currently delinquent on car loans at a rate higher than during the financial crisis when unemployment was 10%! Recall that the current unemployment rate is 4.3%. At the same time, borrowers with higher income and higher credit scores are seeing delinquency rates at or lower than historic averages.

The inflation surge that the U.S. experienced during the pandemic would seem to be a primary culprit in the continuation of these trends. Aggregate wage gains have not kept up with aggregate price increases resulting in a loss of spending power for all wage earners. However, owners of financial assets, like homes and equities, have seen their net worth rise much more rapidly than the rate of inflation. This has not only acted as a cushion to higher inflation, but it also resulted in net worth gains for the top 20%, who own roughly 80% of all the financial assets in this country. The numbers are even tougher for the bottom 50% of wage earners who own less than 5% of total financial assets.

Is it any surprise, then, to see a rise in ideas and election results built around more equal outcomes for consumers? It isn’t the uneven outcomes per se, but likely the dominance, or spread, between the top 20% and everyone else that is the cause of these levels of angst. If we go back to the early parts of this chart when the spread was smaller, we would see lower deficits, lower levels of government spending and reduced levels of economic “financialization.”

That’s not to say the government cannot or should not play a part in how we reverse this trend, but the part it plays might be different than it was in the past. A good first step is to get inflation back down to the Federal Reserve’s 2% target and new Fed Chair Kevin Warsh’s commitment to do so was a welcome development.

Personal Outlays by Income Group



Note: Data uses four-quarter moving averages.
 Chart data source: Federal Reserve Board, Bureau of Economic Analysis, Census, Moody’s Analytics, via CNBC.
 BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.

By the numbers



Commentary (Jun. 26, 2026)

Domestic equities

- Markets were volatile during the week with a major sell-off in the technology sector and a cautious reaction to persistent inflation data. The S&P 500 and the Nasdaq Composite index were negative for the week.
- Investors are growing impatient with the high costs of artificial intelligence (AI) development compared to immediate profit gains. AI stock valuations have been flying high for several years, built mainly on the technology's promise, not bottom-line profit growth. Most of the Mag 7 stocks are in correction territory, falling at least 10% from their recent highs.
- The FTSE Russell indices underwent their semi-annual rebalancing on Friday, which will impact \$6 trillion of active and passive assets under management benchmarked to the major Russell indices. Over 40 companies are set to move from the Russell 2000 small-cap index to the Russell 1000 large-cap index. The Russell 2000 index is up over 20% year-to-date, and many of its best performers are the ones likely to graduate.

Bonds

- U.S. Treasury yields were lower for the week on lower oil prices and traders hoping that the worst of the inflation shock may be over with Core Personal Consumption Expenditures (PCE) inflation rising less than expected month-over-month in May. This also translated into lower rate-hike expectations, with Fed Fund futures pricing in 1.2-hikes through the end of 2026.
- Fannie Mae and Freddie Mac are taking more interest rate risks, with the duration gaps in each of their portfolios rising over one year. The government backed companies have added more than \$135 billion to their retained balances over the last year, as part of President Trump's push to ease housing costs.
- The yield on One-Year Zero Coupon Inflation Swaps made a new low, with the index ending the week at 2.09%, almost 0.10% below December 2025 lows.
- Apollo Global Management Inc. announced that it is limiting withdrawal from its largest non-traded private credit fund, Apollo Debt Solutions. In particular, the fund capped withdrawals at 5% of outstanding shares after investors asked to redeem 16.8%.

International equities

- Investor sentiment toward foreign stock markets improved following the reopening of the Strait of Hormuz, sending oil prices lower and easing concerns about the trajectory of global inflation.
- Key markets within Europe and the Pacific struggled to gain upward momentum, weighed down by concerns over technology stock valuations and lackluster economic data. In Canada, the annual inflation rate in May rose to a 29-month high of 3.2%, largely driven by higher energy prices. The new data could influence their central bank's future interest-rate decisions.
- On Friday, Asian technology stocks fell amid a broad sell-off in semiconductor and AI-related companies. This decline was triggered by Microsoft and Apple increasing prices on some of their most popular products, raising concerns that higher component costs might dampen device demand and eventually slow the memory chip rally that has fueled much of the AI trade. Mexico's central bank held its benchmark interest rate steady at 6.5% and signaled it will keep it at this level for longer as it monitors inflation and economic growth trends.

Economics

- On Thursday, the U.S. Bureau of Economic Analysis (BEA) reported its third and final gross domestic product (GDP) estimate for the first quarter, with a seasonally and inflation-adjusted GDP growth of 2.1%. The upward revision from the prior estimate of 1.6% was driven largely by a downward revision of imports, which are subtracted from GDP. A 0.5% upward revision at the third estimate stage is unusually large.
- The BEA reported on Thursday that Core PCE, the Fed's preferred inflation gauge, increased 3.4% year-over-year in May from 3.3% in April, its highest level since October 2023 and well above the Fed's 2% target rate.
- Thursday's initial jobless claims totaled 215,000 for the week, lower than the previous 227,000, and remain consistent with a strong labor market.
- On Friday, the University of Michigan released its final June reading for the Consumer Sentiment Index, which rose roughly 10% from May. Falling gas prices were the primary driver of the climb in the index.

Weekly Market Update

For Week Ending June 26, 2026

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	51,876.11	0.6%	8.8%	21.6%
S&P 500 Index	7,354.02	-1.9%	8.0%	21.2%
NASDAQ Composite	25,297.62	-4.6%	9.2%	26.2%
S&P 400 Midcap Index	3,816.30	0.7%	16.2%	25.0%
S&P 600 Smallcap Index	1,797.26	3.1%	23.4%	37.0%
MSCI EAFE	11,486.11	-1.3%	8.3%	20.3%
MSCI Emerging Markets	939.86	-4.4%	22.6%	41.7%
Bloomberg US Agg	2,371.96	0.5%	1.0%	4.3%
Bloomberg Municipal 5 Yr	524.52	0.0%	1.0%	3.8%
Bloomberg US Corporate	3,587.20	0.4%	1.2%	5.0%
Bloomberg Glb Agg ex US Hdq	619.51	0.5%	1.6%	2.7%
Bloomberg High Yield	2,965.49	-0.1%	1.7%	6.0%
MSCI US REIT Index	2,802.81	4.6%	19.3%	23.2%
Bloomberg Commodity Index	315.29	-3.0%	14.1%	24.6%

	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	3.74%	3.74%	3.63%	4.31%
1-Year Treasury	3.91%	3.97%	3.47%	3.96%
2-Year Treasury	4.09%	4.18%	3.47%	3.72%
5-Year Treasury	4.13%	4.23%	3.73%	3.80%
7-Year Treasury	4.24%	4.34%	3.94%	3.99%
10-Year Treasury	4.37%	4.45%	4.17%	4.24%
30-Year Treasury	4.86%	4.90%	4.84%	4.80%

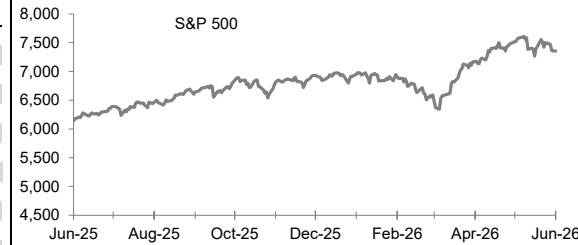
	Last Price/Yield	Prior Week	Year End	Year Ago
Consumer Rates				
30-Year Mortgage	6.56%	6.56%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.63%	3.62%	3.71%	4.40%

	Last Price	Prior Week	Year End	Year Ago
Commodities				
Gold (spot)	4,088.74	4,155.71	4,319.37	3,327.92
Crude Oil WTI	69.23	76.60	57.42	65.24
Gasoline	3.88	3.95	2.83	3.21
Natural Gas	3.23	3.23	3.69	3.26
Copper	6.14	6.39	5.68	5.07

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.98	22.25	6.01	1.54
S&P 500	19.90	25.00	5.59	1.17
S&P 500 Value	18.25	20.45	3.80	1.85
S&P 500 Growth	21.57	30.84	9.29	0.59
NASDAQ	24.37	34.02	7.56	0.64
S&P Midcap 400	17.08	19.10	2.99	1.45
S&P Smallcap 600	15.99	18.10	2.24	2.12
MSCI EAFE	15.90	17.88	2.31	2.89
MSCI Emerging Markets	11.64	18.47	2.57	2.25

Source: Bloomberg

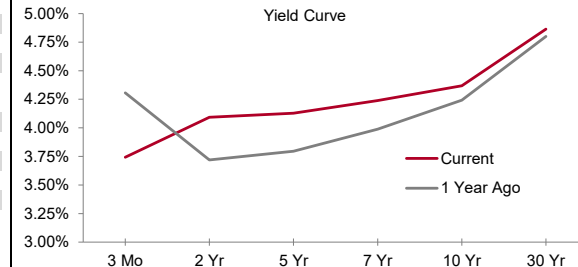
Equity Style



1 Month*			Year to Date*			
Value	Core	Growth	Value	Core	Growth	
Large	-0.06	-2.09	-3.73	7.85	8.04	8.20
Mid	3.87	2.52	1.29	12.88	16.18	19.39
Small	5.05	6.12	7.22	21.21	23.36	25.63

*S&P Indices

Fixed Income Style



1 Month*			Year to Date*			
Short	Interm.	Long	Short	Interm.	Long	
Govt	0.27	0.52	2.75	0.72	0.45	1.41
Corp	0.36	0.61	1.75	1.21	0.94	1.72
HY	0.21	0.32	1.05	1.90	1.73	2.35

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	3.4%	2.8%

	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)	215	236
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)	22,060	20,755
Consumer Credit (\$ Bil)	5,153	5,039
Retail Sales (\$ Bil)	764	715

	Last Release	Year Ago
Housing		
Housing Starts (000's)	1,177	1,289
Case-Shiller Home Price Index	329.94	327.76

	Last Release	Year Ago
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	24,180	23,548
Quarter over Quarter Change	2.1%	-0.6%
Year Over Year Change	2.7%	2.0%
ISM Manufacturing	54.00	48.60
Capacity Utilization	76.17	75.89
Markit US Composite PMI	52.20	52.90

	Last Release	Year Ago
U.S. General		
Leading Economic Indicators	99.3	100.8
Trade Weighted Dollar Index	120.4	120.7
EUR / USD	1.14	1.17
JPY / USD	161.74	144.42
CAD / USD	0.70	0.73
AUD / USD	0.69	0.65

S&P 500 Sector Returns

	1 Month	YTD
Energy	-6.46%	21.17%
Industrials	4.30%	17.58%
Information Technology	-4.63%	14.84%
Real Estate	1.93%	14.70%
Materials	1.27%	13.45%
Consumer Staples	0.89%	10.12%
Utilities	2.64%	9.83%
Health Care	8.65%	4.65%
Financials	3.81%	-1.17%
Communication Services	-11.37%	-2.26%
Consumer Discretionary	-5.97%	-3.43%

© 2026 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 Cavanel 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. 2026 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