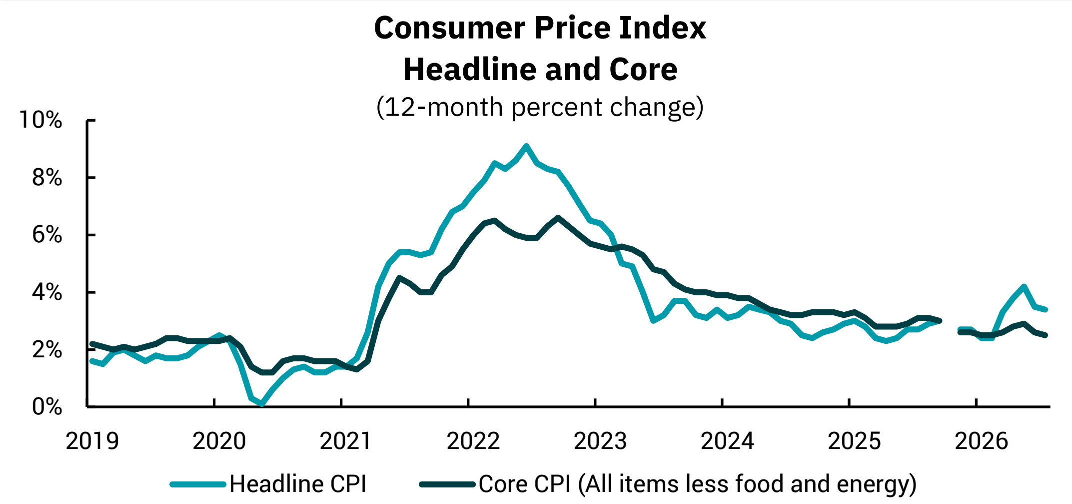
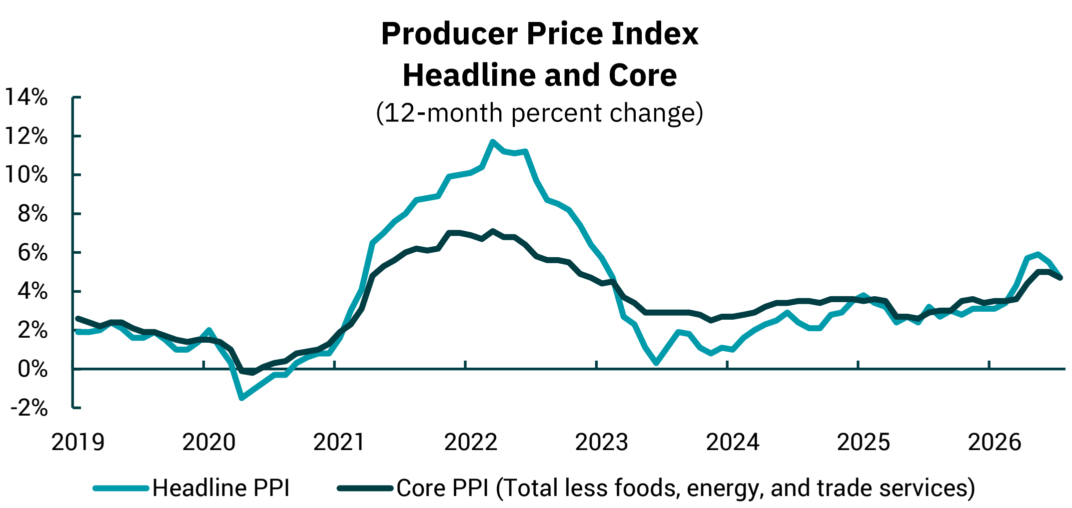
INVESTMENT MANAGEMENT

By the numbers

Chart of the week (Aug. 14, 2026)





The first week of this month's data releases was heavy on the employment side of the Federal Reserve's dual mandate. The following week, the data was heavy on the inflation side of the mandate. Just as with the employment data, the inflation data provided a mixed picture. The employment market is no longer a reason for the Fed to lower rates, as it was late last year and into the first quarter of 2026, but it is not calling for higher rates either. Similarly, the last two months of inflation data may provide a reason for the Fed to hold rates steady, but there is enough "sticky" inflation to support the Fed's tightening bias.

For the second month in a row, the Consumer Price Index (CPI) and Producer Price Index (PPI) showed somewhat less inflationary pressure than expected. Our charts this week show this progress but also highlight the extended period, going on six years now, that inflation has exceeded the Fed's 2% target. New Fed Chair Kevin Warsh has explicitly confirmed that this target is still in place and the primary driving factor behind the Fed's thought process.

Our charts also show that this "improvement" follows a recent move higher in inflation, driven largely by higher energy prices primarily resulting from the conflict in Iran. While we feel the administration is moving towards a resolution with Iran, the rhetoric and actions from both sides suggest that tensions are likely to persist and higher energy prices might be less transitory than hoped. The bottom line, however, is that inflation's progress toward the Fed's 2% target has been painfully slow and risks for inflation may be skewed to the upside going forward.

This isn't all bad, as the economy continues to grow. We're increasingly seeing the effects of AI-related capital spending and broader business investment driven by tariffs and incentives within the One Big Beautiful Bill Act (OBBBA). Yet this growth is causing upward price pressures across many markets as demand for commodities and skilled labor push costs higher. At the same time, the continued moderation in shelter costs, slower home price appreciation and cooling rents are offsetting some of these pressures.

The Fed now has to consider the push and pull of these factors, along with the idea that, at some point, the improved productivity of implementing AI across broad parts of our economy may be a disinflationary force. Thinking about the timing and impact of these changes is very difficult and is leading to differing opinions within the Federal Open Market Committee (FOMC). There were three dissents at the last meeting, with those members voting for higher rates rather than maintaining the current policy stance. This month's labor and inflation data supports the votes to stay stable, but another set of labor and inflation reports will be released before the next FOMC meeting. We will all be watching that data very closely.

Chart data source: U.S. Bureau of Labor Statistics.

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By the numbers

BOK FINANCIAL

Commentary (Aug. 14, 2026)

Domestic equities

- U.S. stock indices moved mostly higher during the week driven by cooling inflation data, steady corporate earnings and evolving geopolitical tensions. The S&P 500 Index closed at a record high of 7,800 on Thursday.
- CPI and PPI data came in cooler than expected, indicating that inflation is moderating and boosting investor confidence that the Fed will hold off on rising interest rates in September.
- Strong corporate earnings particularly among companies tied to AI infrastructure spending, continued to drive the market higher. Tech giants Alphabet and Amazon recognized large earning gains from revaluing their private equity stake in SpaceX and Anthropic. For investors, it's hard to tell real earnings from one-off gains.
- Attacks on oil tankers in the Strait of Hormuz drove oil prices higher during the week. Negotiations between the U.S. and Iran appear to have stalled. Oil refiners Marathon Petroleum and Valero Energy have posted some of the largest gains for the week as the price of refined fuels is rising faster than the price of crude, leading to spectacular profit margins.

Bonds

- U.S. Treasury yields were mostly lower on weaker-than-expected inflation and retail sales data. Federal Reserve rate-hike expectations also fell for a second week, with the market not pricing in a full hike until March 2027.
- High-yield bonds rallied for a second week, driving yields to a four-week low as more evidence of benign inflation data eased pressure for Fed rate hikes this year.
- The Securities and Exchange Commission (SEC) announced that it is exempting certain data center bonds from key securitization rules, making it easier for data center owners to sell asset-backed securities.
- In international markets, the centra banks of Australia and Norway left policy rates unchanged, citing that inflation remains above their targets. The yield on the 10-Year Chinese Government Bond also fell to its lowest level since June 2025 as the People's Bank of China increased demand for government bonds by boosting liquidity through overnight reverse repos.

International equities

- Foreign stock investors are closely following diplomatic efforts to reopen the Strait of Hormuz amid persistent threats, while digesting global inflation data to refine their outlooks on the global economy.
- Stock markets across Europe delivered mixed results during the week, although gains in semiconductor stocks were a notable highlight. Australia's central bank held its policy rate at 4.35%, following three rate hikes earlier this year. Policymakers remain concerned about elevated inflation and indicated that further rate increases could be possible later this year.
- Emerging markets advanced during the week driven by strong performance from technology stocks within South Korea and Taiwan. Semiconductor and hardware companies continue to benefit from robust demand for AI-related infrastructure. In Brazil, annual inflation rose 4.44%, which was largely in line with market expectations. More importantly, this new data falls within the central bank's target range, potentially leading to further policy rate cuts if inflation continues to ease.

Economics

- On Wednesday, the Energy Information Administration (EIA) Weekly Petroleum Status Report revealed that commercial crude oil inventories increased by 17.4 million barrels week-over-week. This buildup was primarily driven by a drop in U.S. exports alongside an increase in crude imports.
- On Thursday, initial weekly jobless claims came in at 209,000, ticking slightly higher than the previous week's revised figure of 200,000 and landing just above the consensus estimate of 203,000. While initial filings have trended marginally higher over the past few weeks, the readings continue to reflect a broadly resilient and stable labor market.
- On Friday, retail sales unexpectedly slumped by 0.6% month-over-month, falling sharply below June's revised 0.2% expansion and missing the consensus estimate for a modest 0.1% gain. Non-store (online) retailers experienced the steepest contraction, falling 2.2%, a decline partly distorted by Amazon Prime Day shifting entirely into late June this year. However, high fuel costs and deteriorating consumer sentiment indicate that economic unease is weighing on household budgets.

Weekly Market Update

For Week Ending August 14, 2026

Markets

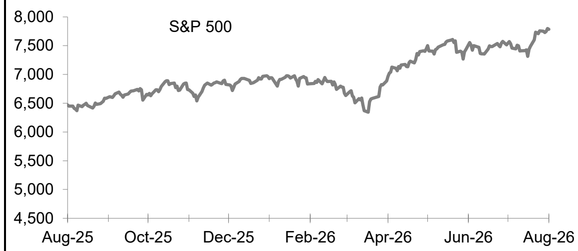
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	53,732.41	-0.5%	12.8%	21.6%
S&P 500 Index	7,785.76	0.4%	14.5%	21.8%
NASDAQ Composite	26,729.16	0.2%	15.4%	23.9%
S&P 400 Midcap Index	3,926.98	1.1%	19.7%	24.8%
S&P 600 Smallcap Index	1,828.28	1.0%	25.7%	32.4%
MSCI EAFE	12,170.46	0.6%	14.8%	23.0%
MSCI Emerging Markets	940.53	2.7%	22.7%	36.2%
Bloomberg US Agg	2,343.23	-0.1%	-0.2%	2.4%
Bloomberg Municipal 5 Yr	524.32	0.2%	0.9%	2.2%
Bloomberg US Corporate	3,528.54	-0.3%	-0.5%	2.0%
Bloomberg Glb Agg ex US Hdg	614.93	-0.2%	0.9%	1.7%
Bloomberg High Yield	2,990.07	0.1%	2.6%	5.5%
MSCI US REIT Index	2,792.44	0.1%	18.9%	22.6%
Bloomberg Commodity Index	348.80	2.8%	26.3%	40.6%

	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	3.78%	3.79%	3.63%	4.21%
1-Year Treasury	3.96%	3.99%	3.47%	3.89%
2-Year Treasury	4.17%	4.20%	3.47%	3.73%
5-Year Treasury	4.36%	4.35%	3.73%	3.81%
7-Year Treasury	4.52%	4.49%	3.94%	4.02%
10-Year Treasury	4.69%	4.65%	4.17%	4.28%
30-Year Treasury	5.26%	5.20%	4.84%	4.87%
Consumer Rates				
30-Year Mortgage	6.74%	6.78%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.62%	3.62%	3.71%	4.34%
Commodities				
Gold (spot)	4,376.40	4,341.56	4,319.37	3,335.39
Crude Oil WTI	82.40	78.18	57.42	63.96
Gasoline	4.07	4.02	2.83	3.15
Natural Gas	2.73	2.66	3.69	2.84
Copper	6.61	6.59	5.68	4.48

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.69	20.99	6.28	1.42
S&P 500	20.06	26.46	5.92	1.09
S&P 500 Value	18.57	21.50	3.99	1.74
S&P 500 Growth	21.56	32.92	9.92	0.54
NASDAQ	24.54	35.89	8.00	0.58
S&P Midcap 400	17.13	18.58	2.98	1.46
S&P Smallcap 600	15.85	17.40	2.22	2.06
MSCI EAFE	15.97	17.76	2.45	2.88
MSCI Emerging Markets	10.09	14.92	2.44	2.49

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	3.60	3.29	3.03
Mid	3.25	4.05	4.80
Small	3.92	3.50	3.06

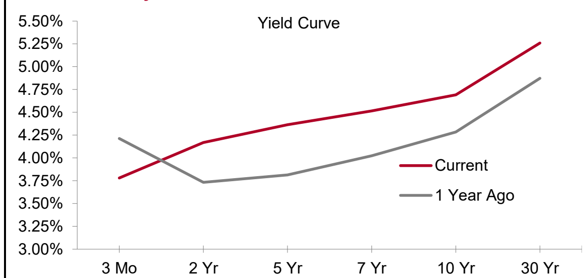
> 10%
0% - 10%
<0%

Year to Date*

	Value	Core	Growth
Large	13.28	14.52	15.57
Mid	16.19	19.74	23.21
Small	24.49	25.72	27.01

*S&P Indices

Fixed Income Style



1 Month*

	Short	Interm.	Long
Govt	0.40	0.24	-1.68
Corp	0.47	0.18	-1.44
HY	0.51	0.58	0.43
	1-3 Yrs	1-10 Yrs	+10 Yrs

> 10%
0% - 10%
<0%

Year to Date*

	Short	Interm.	Long
Govt	1.13	0.30	-3.28
Corp	1.67	0.54	-2.64
HY	2.71	2.58	2.83
	1-3 Yrs	1-10 Yrs	+10 Yrs

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.4%	2.7%
CPI Core Inflation	2.5%	3.1%
Personal Consumption Exp (PCE) Core	3.3%	2.8%
Jobs		
Unemployment Rate (U3)	4.1%	4.3%
Broader Unemployment Rate (U6)	7.9%	7.9%
JOLT Survey (in millions)	7.36	7.20
Jobless Claims (000's)	209	224
Change in Non-Farm Payroll (000's)	-23	64
Average Hourly Earnings (Y/Y % Change)	3.2%	4.0%
Consumer & Spending		
Consumer Confidence (Conf Board)	90.8	98.7
Consumer Spending ($ Bil)	22,184	20,868
Consumer Credit ($ Bil)	5,167	5,044
Retail Sales ($ Bil)	764	727
Housing		
Housing Starts (000's)	1,427	1,379
Case-Shiller Home Price Index	335.10	331.41
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	24,271	23,771
Quarter over Quarter Change	1.5%	3.8%
Year Over Year Change	2.1%	2.1%
ISM Manufacturing	55.60	48.40
Capacity Utilization	76.09	76.18
Markit US Composite PMI	54.50	55.10
U.S. General		
Leading Economic Indicators	99.1	100.5
Trade Weighted Dollar Index	119.1	120.5
EUR / USD	1.16	1.16
JPY / USD	159.32	147.76
CAD / USD	0.72	0.72
AUD / USD	0.71	0.65

S&P 500 Sector Returns

	1 Month	YTD
Energy	9.10%	39.94%
Information Technology	4.62%	24.30%
Industrials	3.40%	20.93%
Materials	3.43%	15.39%
Real Estate	1.90%	15.01%
Consumer Staples	3.21%	11.51%
Health Care	5.80%	9.10%
Financials	3.58%	7.19%
Utilities	-3.00%	5.23%
Communication Services	-3.30%	1.70%
Consumer Discretionary	2.03%	0.89%

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