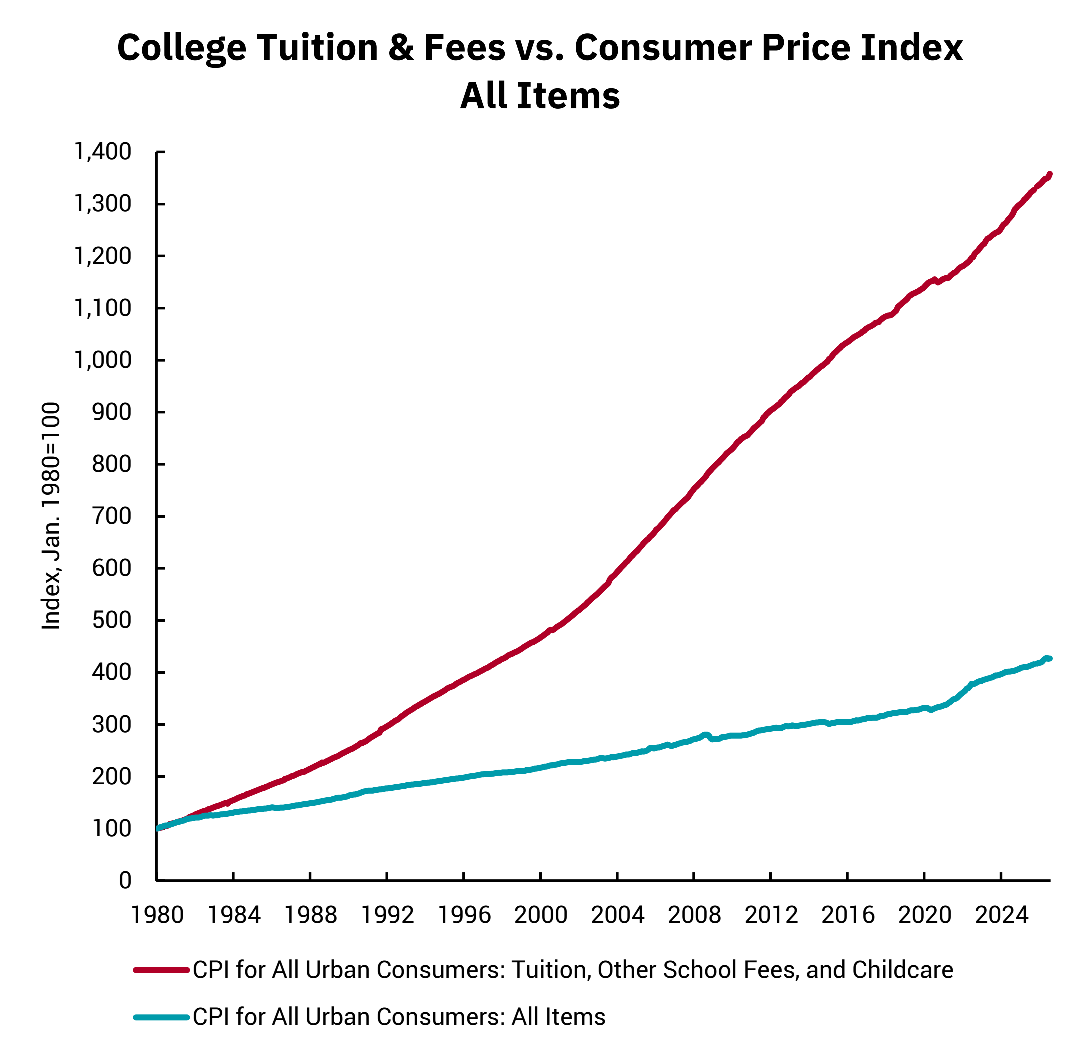
INVESTMENT MANAGEMENT

By the numbers

BOK FINANCIAL

Chart of the week (Aug. 21, 2026)



Schools are getting back into session. This week I get the opportunity once again to travel to my alma mater, Oklahoma State University, to present to their Student Managed Investment Fund class led by Professor Eric Sisneros. I highly value the opportunities I get to interact with college students at several universities across our footprint. For all the negative press one can find about the state of education and this generation of young people, getting on a college campus and presenting to advanced classes reminds me why I remain optimistic about the future. There are still plenty of ambitious, smart and enthusiastic students looking to make their mark.

At the same time, we know the cost of getting a college education is far different than it was when many of us went to school. The idea of being able to work a part-time job and pay the bills while attending school full-time seems a quaint and completely outdated concept…because it is. Our chart this week shows a graph from the Federal Reserve that looks at the cost of tuition, fees and childcare, compared to inflation, as measured by the headline Consumer Price Index (CPI). (In full disclosure, we tried to separate the childcare aspect, but this is the way the Fed presents their data.)

No wonder college students today feel they are behind the eight-ball by the time they get out of school. Not only can they not work to pay the bills while they are in school, they are also generally left with significant student loan debt that was taken out to afford the skyrocketing cost to go to college. In fairness, many colleges offer significant scholarships and grant assistance to alleviate some of the pain, but there is no doubt many students feel forced to take on debt to finish school. This is where the goal of “helping” students by providing access to loans has, in many cases, ended up hurting the students. Access to borrowed money allowed schools to increase tuition, and some poorly constructed incentive plans led to college financial officers recommending excessive levels of borrowing, when compared to the income potential for various degree programs. We also know this led to increasing support from “FNB Mom and Dad.” Student loan debt, which is 9% of the total outstanding consumer debt, is now approximately equal to auto loan debt levels and higher than overall credit card balances, which make up 7%.

Overall enrollment levels may begin to fall based on demographic changes, which show that the number of 17-year-olds entering our society is declining. As a result, the financial picture of many colleges and universities is declining. Some are responding by lowering tuition levels to spur additional enrollment. Others are leaning on foundation distributions, new fundraising or reducing degree programs to reduce costs. The fact remains that the cost of college grew way faster than inflation and wages. Like many students across the country, I am excited for the new school year and the pride we all feel in our alma maters. However, some level of change must happen going forward.

Chart data source: U.S. Bureau of Labor Statistics via FRED®.

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Commentary (Aug. 21, 2026)

Domestic equities

- U.S. stocks declined during the week with increased volatility driven by surging Treasury yields, rising commodity and inflation fears and disappointing retail earnings.
- Upward pressure on government bond yields heavily dented risk appetite throughout the week. Concerns over heavy government debt, the prospect of higher-for-longer interest rates and hawkish signals from the latest Federal Reserve meeting minutes, which revealed several officials were open to raising interest rates, weighed on stocks with high valuations and small caps.
- Market uncertainty also increased from escalating tensions between the U.S. and Iran, with the potential of introducing “economic warfare” and threats of harsher financial penalties. The standoff stoked fears of global energy supply disruptions, pushing crude oil prices back above $90 a barrel and increasing investor anxieties that rising inflation could lead to the Fed raising rates.
- Retail bellwether Walmart missed quarterly sales expectations, souring investor sentiment on the health of consumers as higher prices squeeze household spending.

Bonds

- U.S. Treasuries traded back and forth with yields initially falling on Wednesday after the U.S. Treasury announced that they would be doubling buybacks for 10- to 30-year debt to at least $4 billion per operation starting in September. However, this move was short lived, as rates bounced back towards the end of week, with most of the curve closing the week higher.
- The FOMC minutes from the July meeting confirmed growing concerns over inflation and increased division within the committee, with three members preferring a 0.25% hike in July. Chair Warsh also introduced discussions about shifting the number of FOMC meetings from eight to six per year.
- Lower quality credit appears under pressure as rates continue to move higher, with the yield-to-worst on the Bloomberg Caa High Yield Index reaching a new high just shy of 13%. Spreads have also been climbing, with the option adjusted spread on the index closing the week at 8.4%.
- The sales of Australian dollar bonds issued by foreign entities (Kangaroo bonds) have topped $64 billion so far in 2026, with issuance on track to beat last year’s record. The increase has largely been driven by AI spending needs.

International equities

- Foreign stock markets posted mixed results, as concerns over elevated inflation and mounting fiscal pressures drove higher yields in global bond markets. Additionally, the ongoing diplomatic gridlock in the Middle East conflict has kept oil prices elevated, which has negatively impacted investor sentiment.
- Developed markets struggled to capture much upward momentum as markets across Europe and the Pacific Rim delivered mixed results. Sweden's central bank maintained its policy rate at 1.75% but indicated that future rate increases are possible due to persistent inflation risks tied to higher energy prices. Switzerland and China completed negotiations on an updated free trade deal that nearly eliminates tariffs on Swiss exports.
- Performance was mixed across major emerging market countries, as AI-related technology stocks in Taiwan and South Korea remain volatile. Taiwan's export orders grew 61.9% year-over-year in July, surpassing the 59.4% increase in June. Notably, orders for information and communication products rose by 89.5% compared to last year, driven by AI-related demand.

Economics

- Wednesday's Weekly Petroleum Status Report from the Energy Information Administration (EIA) showed a commercial crude oil inventory increase of 4.4 million barrels week-over-week. This third consecutive weekly build was primarily driven by a sharp drop in exports alongside a recent pickup in imports.
- Also on Wednesday, minutes from the July FOMC meeting revealed that Federal Reserve officials need to see imminent progress on inflation to justify keeping interest rates unchanged. Warsh has signaled an intent to reduce the number of communications from the Fed, putting significantly greater importance on the specific data included within these meeting minutes.
- On Thursday, weekly initial jobless claims came in at 206,000, falling slightly below the previous week’s revised figure of 212,000 and the consensus estimate of 211,000. Despite potential summer volatility, the data continues to point toward a highly stable labor market.

Weekly Market Update

For Week Ending August 21, 2026

Markets

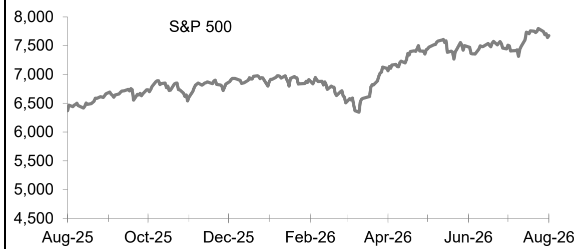
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	53,277.01	-0.8%	12.0%	20.9%
S&P 500 Index	7,674.37	-1.4%	12.9%	21.9%
NASDAQ Composite	26,180.46	-2.0%	13.1%	24.8%
S&P 400 Midcap Index	3,830.40	-2.4%	16.8%	22.5%
S&P 600 Smallcap Index	1,789.38	-2.1%	23.1%	30.8%
MSCI EAFE	12,104.76	-0.5%	14.1%	21.7%
MSCI Emerging Markets	952.19	1.2%	24.2%	38.9%
Bloomberg US Agg	2,340.79	-0.1%	-0.3%	2.5%
Bloomberg Municipal 5 Yr	523.54	-0.1%	0.8%	2.0%
Bloomberg US Corporate	3,523.15	-0.2%	-0.6%	2.2%
Bloomberg Glb Agg ex US Hdg	613.86	-0.2%	0.7%	1.9%
Bloomberg High Yield	2,985.69	-0.1%	2.4%	5.5%
MSCI US REIT Index	2,782.29	-0.4%	18.4%	20.3%
Bloomberg Commodity Index	362.20	3.8%	31.1%	44.4%

	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	3.79%	3.78%	3.63%	4.23%
1-Year Treasury	4.01%	3.96%	3.47%	3.95%
2-Year Treasury	4.24%	4.17%	3.47%	3.79%
5-Year Treasury	4.42%	4.36%	3.73%	3.86%
7-Year Treasury	4.57%	4.52%	3.94%	4.06%
10-Year Treasury	4.73%	4.69%	4.17%	4.33%
30-Year Treasury	5.27%	5.26%	4.84%	4.92%
Consumer Rates				
30-Year Mortgage	6.71%	6.76%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.65%	3.62%	3.71%	4.32%
Commodities				
Gold (spot)	4,603.07	4,376.40	4,319.37	3,338.71
Crude Oil WTI	87.06	82.40	57.42	63.52
Gasoline	4.10	4.07	2.83	3.14
Natural Gas	2.77	2.73	3.69	2.83
Copper	6.59	6.61	5.68	4.44

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.43	20.80	6.23	1.43
S&P 500	19.68	26.07	5.83	1.11
S&P 500 Value	18.35	19.94	3.90	1.76
S&P 500 Growth	20.78	31.91	9.63	0.56
NASDAQ	24.07	35.12	7.84	0.59
S&P Midcap 400	16.73	18.14	2.91	1.50
S&P Smallcap 600	15.43	16.96	2.17	2.11
MSCI EAFE	15.75	17.60	2.43	2.92
MSCI Emerging Markets	9.93	15.00	2.42	2.51

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	2.87	2.30	1.83
Mid	0.94	1.33	1.69
Small	0.77	0.42	0.05

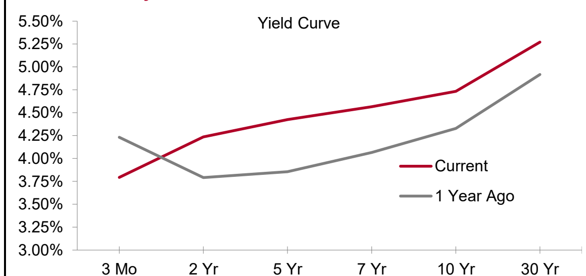
> 10% / 0% - 10% / <0%

*S&P Indices

Year to Date*

	Value	Core	Growth
Large	12.83	12.93	13.00
Mid	14.13	16.83	19.47
Small	22.48	23.10	23.74

Fixed Income Style



1 Month*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	0.43	0.26	-1.19
Corp	0.47	0.12	-1.16
HY	0.36	0.42	0.21

> 10% / 0% - 10% / <0%

Year to Date*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	1.12	0.19	-3.24
Corp	1.66	0.38	-2.79
HY	2.60	2.43	2.32

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)	206	233
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)	1,239	1,432
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	76.29	76.40
Markit US Composite PMI	56.00	54.60
U.S. General		
Leading Economic Indicators	99.5	100.6
Trade Weighted Dollar Index	118.9	120.6
EUR / USD	1.17	1.16
JPY / USD	158.95	148.37
CAD / USD	0.73	0.72
AUD / USD	0.72	0.64

S&P 500 Sector Returns

	1 Month	YTD
Energy	8.89%	44.05%
Information Technology	1.89%	20.35%
Materials	7.40%	18.10%
Industrials	0.87%	16.86%
Real Estate	-0.31%	14.51%
Health Care	8.96%	13.83%
Consumer Staples	1.59%	10.46%
Financials	2.47%	5.93%
Utilities	-4.83%	1.55%
Consumer Discretionary	2.71%	0.66%
Communication Services	-2.13%	0.23%

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