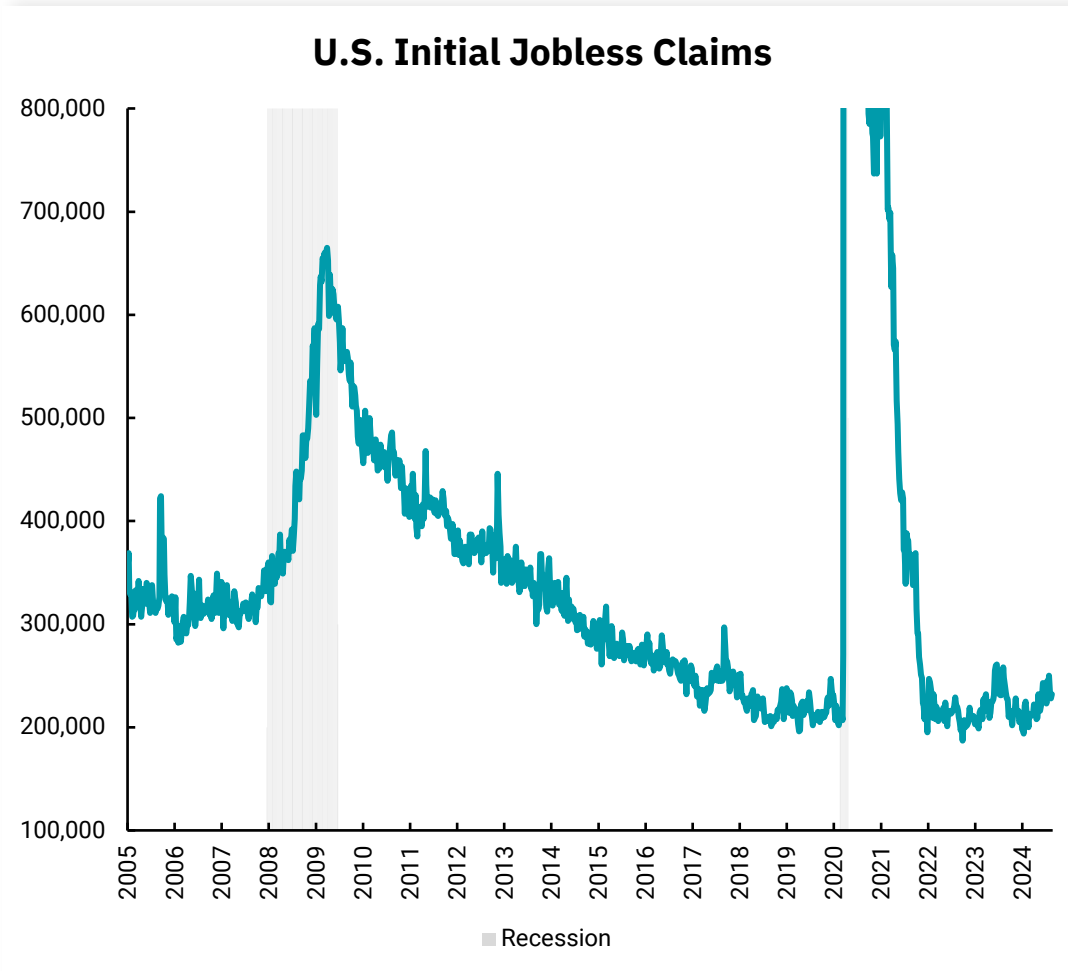


Weekly market update



Chart of the week (Aug. 23, 2024)



As the Federal Reserve considers the future path of interest rates, the labor market will loom large in the discussion. Of course, full employment is one of their two mandates, with price stability being the other. In some ways, the labor market cuts across both mandates as an economy with a healthy labor market is a growing economy. However, at the same time, an economy with a hot labor market is probably dealing with increasing price pressures, as wages play a key role in longer-term inflation expectations.

The weekly jobless claims report is the timeliest measure of the labor market's health. Although there is the risk of week-to-week variability from issues like strikes or even weather, such a frequent view can reveal trends as they develop, giving us clues about what to expect in the all-important monthly labor report from the Department of Labor (DOL).

Much as in the DOL report, our periods of risk are when the weekly jobless claims begin to trend higher, slowly at first but then at an accelerating rate. This is the environment in which we may find ourselves now. Looking at the right side of this week's chart, we can see that the trend of initial jobless claims is moving higher. This is occurring as the headline unemployment rate is increasing to 4.3%, according to the DOL labor report. Yet we can also see that weekly jobless claims increased last year but then receded as economic growth improved in the third and fourth quarters of 2023. And so, we would not want to sound alarm bells just yet.

This data all will put Fed Chair Powell's recent comments at the Jackson Hole Wyoming Economic Conference under the microscope, as it appears that the Fed is setting the table for a September rate cut. This move is understandable, as inflation is declining (although not at the Fed's 2% target) and the labor market is becoming more balanced as open jobs decline and quit rates subside. Altogether, this should provide the level of confidence that the Fed needs to begin recalibrating policy.

Thankfully, economic growth, in aggregate, remains positive. However, there are enough signs of consumer stress and labor market changes to give the Fed room to lower rates.

Weekly market update



Commentary (Aug. 23, 2024)

Domestic Equities

- U.S. stocks were about flat for the week until Friday morning, when Fed Chair Powell's remarks at Jackson Hole sparked a rally. His message could not have been clearer: "The time has come" for rate cuts. Powell noted that he has increasing confidence that inflation is returning to target levels and that he is now more concerned about supporting employment.
- All U.S. equities rallied on Friday. The tech-heavy Nasdaq Composite Index outpaced the S&P 500 Index for the day, and the Russell 2000 Index jumped over 3%.
- A few positive earnings reports out on Friday also helped boost sentiment. Cloud software provider Workday unveiled a strong long-term outlook, and Ross Stores (a lower-end retailer) and CAVA restaurants showed stronger-than-expected revenue growth and profits.

Bonds

- U.S. Treasury yields were lower for the week on estimates that jobs data will be revised lower for the preceding 12 months and confirmation from Fed Chair Powell that "the time has come for policy adjustment," setting the stage for lower rates in September.
- Spreads on agency mortgage-backed securities made a new low for the year, with the option-adjusted spread on the Bloomberg U.S. MBS Index finishing the week just shy of 0.40%.
- As per ICI, money market fund assets reached a new high at \$6.24 trillion after receiving over \$100 billion in net flows month-to-date.
- In international markets, European bonds rallied on a weaker U.S. dollar and more subdued manufacturing and inflation data. Additionally, the Riksbank cut rates for a second time this year on slowing inflation data.

International Equities

- Foreign markets rose as investors focused on digesting policy actions from global central banks while looking for cues from Fed Chair Powell's speech that U.S. rate cuts would start in September.
- Foreign developed markets rallied as European markets maintained their momentum, advancing for the third consecutive week. Investors welcomed positive inflation news as Canada's inflation rate fell to a 40-month low of 2.5% in July. Meanwhile, data from Japan showed the country's headline inflation to be at 2.8%, unchanged from the previous month.
- Emerging markets moved higher as gains in markets across Asia lifted returns. Mexican stocks survived a volatile week as the country's retail sales numbers unexpectedly contracted nearly 4%. At the same time, the peso continues to weaken over concerns about political reforms supported by the country's president.

Economics

- On Friday, Fed Chair Powell clearly stated that the Fed intends to cut policy rates soon. This decision comes as the Fed "[does] not welcome further cooling in labor market conditions."
- Jobless claims from last week were revised higher, to 228,000 from 227,000. This week's number came in at 232,000, which was lower than the consensus of 234,000.
- New home sales rose 10.6% month-over-month to 739,000. This was the highest reading since May 2023 and continued a trend of rising home sales since the low in 2022.
- Consumer Confidence will come out on Tuesday and Consumer Sentiment on Friday.

Weekly Market Update

For Week Ending August 23, 2024

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	41,175.08	1.3%	10.6%	21.8%
S&P 500 Index	5,634.61	1.5%	19.2%	28.9%
NASDAQ Composite	17,877.79	1.4%	19.7%	31.3%
S&P 400 Midcap Index	3,096.25	2.9%	12.4%	21.2%
S&P 600 Smallcap Index	1,412.16	3.1%	8.3%	19.3%
MSCI EAFE	8,662.35	2.8%	11.3%	20.4%
MSCI Emerging Markets	585.08	0.7%	9.6%	16.4%
Bloomberg US Agg	2,239.80	0.7%	3.6%	8.6%
Bloomberg Municipal 5 Yr	495.99	0.5%	1.5%	5.2%
Bloomberg US Corporate	3,353.28	0.8%	4.1%	10.8%
Bloomberg Glb Agg ex US Hdg	583.62	0.3%	3.3%	8.1%
Bloomberg High Yield	2,630.46	0.7%	6.1%	13.3%
MSCI US REIT Index	2,388.99	3.6%	11.1%	21.3%
Bloomberg Commodity Index	229.24	0.9%	1.2%	-2.7%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	5.50%	5.50%	5.50%	5.50%
3-Month Treasury	5.13%	5.21%	5.33%	5.44%
1-Year Treasury	4.37%	4.48%	4.76%	5.36%
2-Year Treasury	3.92%	4.05%	4.25%	4.97%
5-Year Treasury	3.65%	3.76%	3.85%	4.37%
7-Year Treasury	3.70%	3.79%	3.88%	4.30%
10-Year Treasury	3.80%	3.88%	3.88%	4.19%
30-Year Treasury	4.09%	4.14%	4.03%	4.27%

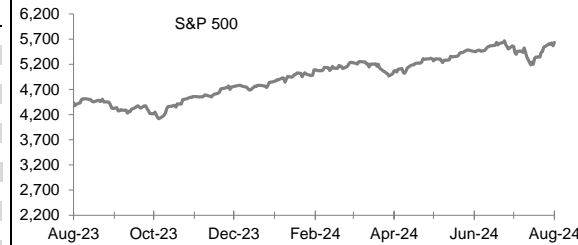
	Last Price/Yield	Prior Week	Year End	Year Ago
Consumer Rates				
30-Year Mortgage	6.84%	6.93%	6.99%	5.83%
Prime Rate	9.25%	9.25%	9.25%	9.25%
SOFR	5.33%	5.32%	5.38%	5.30%

	Last Price	Prior Week	Year End	Year Ago
Commodities				
Gold	2,512.59	2,508.01	2,062.98	1,915.48
Crude Oil (WTI)	74.83	75.54	71.65	74.94
Gasoline	3.36	3.42	3.12	3.84
Natural Gas	2.02	2.12	2.33	3.34
Copper	4.25	4.18	3.89	3.88

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	20.56	21.60	5.29	1.81
S&P 500	23.20	24.73	5.10	1.37
S&P 500 Value	17.64	18.01	2.88	2.37
S&P 500 Growth	29.64	33.52	11.52	0.68
NASDAQ	33.38	35.73	6.98	0.75
S&P Midcap 400	17.50	17.45	2.60	1.72
S&P Smallcap 600	16.44	16.52	1.86	2.59
MSCI EAFE	14.86	15.84	1.98	3.16
MSCI Emerging Markets	13.03	14.95	1.81	2.86

Source: Bloomberg

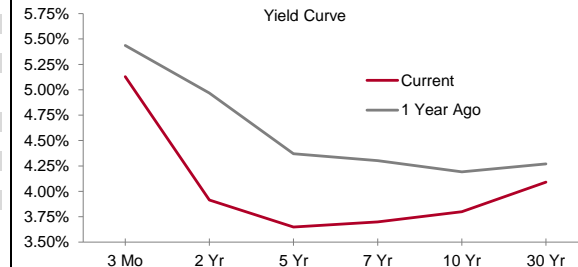
Equity Style



1 Month*				Year to Date*			
	Value	Core	Growth		Value	Core	Growth
Large	3.30	1.55	0.40	> 10%	12.44	19.20	25.45
Mid	2.37	1.36	0.44	0% - 10%	8.30	12.39	16.27
Small	0.54	0.23	-0.09	< 0%	4.91	8.33	11.72

*S&P Indices

Fixed Income Style



1 Month*				Year to Date*			
	Short	Interm.	Long		Short	Interm.	Long
Govt	1.33	2.16	6.18	> 10%	3.29	3.38	2.08
Corp	1.35	2.36	5.21	0% - 10%	4.08	4.56	3.19
HY	1.34	1.66	4.61	< 0%	6.17	6.08	5.51

1-3 Yrs 1-10 Yrs +10 Yrs

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	2.9%	3.2%
CPI Core Inflation	3.2%	4.7%
Personal Consumption Exp (PCE) Core	2.6%	4.3%

	Last Release	Year Ago
Jobs		
Unemployment Rate (U3)	4.3%	3.5%
Broader Unemployment Rate (U6)	7.8%	6.7%
JOLT Survey (in millions)	8.18	9.13
Jobless Claims (000's)	232	241
Change in Non-Farm Payroll (000's)	114	184
Average Hourly Earnings (YY % Change)	3.6%	4.7%

	Last Release	Year Ago
Consumer & Spending		
Consumer Confidence (Conf Board)	100.3	114.0
Consumer Spending (\$ Bil)	19,444	18,485
Consumer Credit (\$ Bil)	5,078	4,986
Retail Sales (\$ Bil)	710	691

	Last Release	Year Ago
Housing		
Housing Starts (000's)	1,238	1,473
Case-Shiller Home Price Index	323.48	305.34

	Last Release	Year Ago
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	22,919	22,225
Quarter over Quarter Change	2.8%	2.1%
Year Over Year Change	3.1%	2.4%
ISM Manufacturing	46.80	46.50
Capacity Utilization	77.85	78.99
Markit US Composite PMI	54.10	50.20

	Last Release	Year Ago
U.S. General		
Leading Economic Indicators	100.4	105.9
Trade Weighted Dollar Index	122.7	120.7
EUR / USD	1.12	1.09
JPY / USD	144.37	144.84
CAD / USD	0.74	0.74
AUD / USD	0.68	0.65

S&P 500 Sector Returns

	1 Month	YTD
Communication Services	-0.23%	29.05%
Information Technology	-0.57%	23.97%
Utilities	7.35%	21.13%
Financials	2.92%	19.06%
Consumer Staples	5.21%	16.72%
Health Care	4.64%	15.04%
Industrials	2.69%	14.31%
Energy	6.27%	10.25%
Real Estate	0.43%	10.22%
Materials	2.24%	9.38%
Consumer Discretionary	-1.39%	6.55%

© 2024 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 Cavanaugh 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. 2024 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