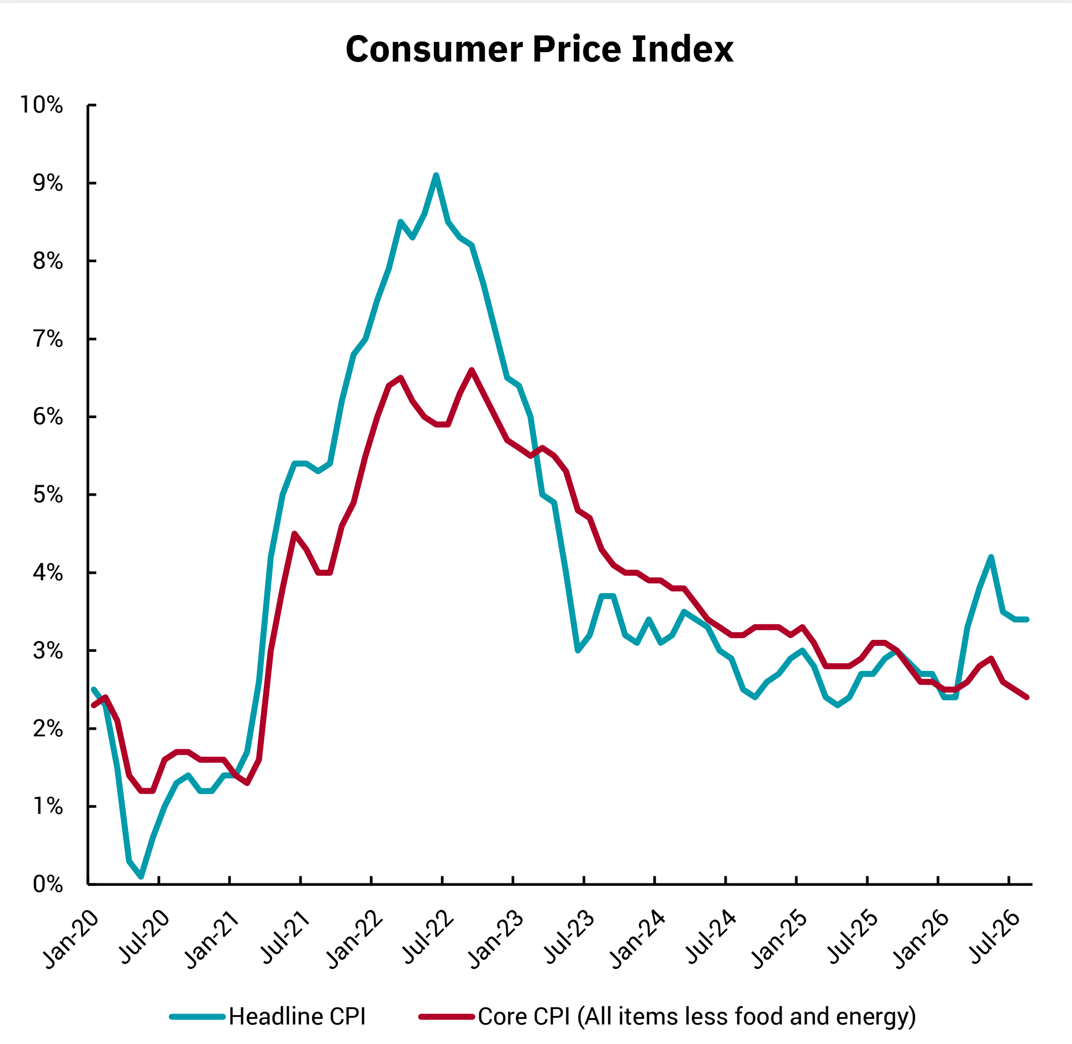
INVESTMENT MANAGEMENT

By the numbers

Chart of the week (Sep. 11, 2026)



The good news is that Consumer Price Index (CPI) inflation measures did not get worse, but they also did not improve enough to reduce the chances of the Federal Open Market Committee (FOMC) raising rates at its Sep. 15-16 meeting. As of this writing, the chances of an increase now sit at over 90%. After Chair Warsh's recent comments on needing to see substantial evidence of an improving inflation trend, this expectation is not surprising.

The ongoing, in fact intensifying, nature of the conflict in Iran along with the Russia/Ukraine war have led to not only higher oil prices, but even bigger increases across distillates like gasoline, kerosene (jet fuel), and especially diesel. The average price of a gallon of gasoline in the U.S. is now above $4 and diesel fuel is over $5 a gallon. Despite the Fed removing food and energy from its "core" inflation calculations, market participants know that extended periods of higher energy prices eventually bleed into core measures as energy is such a key part of the production and distribution network. Expectations of an end to the conflict with Iran this summer are fading fast as military strikes increase and are broadening to include new areas of attack. Recent comments by the administration indicate fighting through the midterm elections is possible. Beyond the political implications of higher energy prices and inflation, U.S. consumers continue to feel the pinch of the aggregate inflation in place since the onset of the pandemic.

Additionally, President Trump's recent statement about sending a $5,000 "dividend" check if Republicans maintain control of the House of Representatives and the Senate will not help if the idea is to lower inflation. Estimates are that this action would cost over $1 trillion. Meanwhile, fiscal spending is already at levels that are resulting in unsustainable annual budget deficits and a national debt level exceeding $40 trillion ($34 trillion held by the public). We are now spending almost 20% of government revenues on interest expense and, given today's issuance schedule and interest rates, that share is likely to rise. Historically, we have seen some move towards a level of fiscal restraint when spending on interest exceeded 14%; however, that seems unlikely today.

All of this is not to sound overly negative. Part of the reason inflation remains stubbornly high is U.S. growth is strong, driven by massive capital investment in artificial intelligence (AI) and other industries. Yet, in a nod to the uneven nature of who is benefiting, consumer sentiment levels fell in the most recent University of Michigan survey. We do not expect a rate increase, or even two increases, to materially change the course of the capex boom we are in, but higher rates will impact consumer budgets that are already stretched thin.

Altogether, the Federal Reserve is in a tough spot. Political pressure to lower rates might be leading to a stronger bias to raise rates to assert FOMC independence and credibility. And while there is a case to be made to keep rates steady, we would anticipate an increase at the next meeting. How that occurs, unanimously or with dissents, might influence our views of what comes next.

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

INVESTMENT MANAGEMENT

By the numbers

BOK FINANCIAL

Commentary (Sep. 11, 2026)

Domestic equities

- U.S. stocks faced downward pressure during the week driven by a mix of geopolitical tensions, surging oil prices and anticipation surrounding monetary policy. Institutional sentiment is also being framed by historical patterns as September tends to be the worst-performing calendar month for U.S. stocks.
- Early in the week of Sep. 6, the ongoing conflict with Iran sharply escalated, further disrupting shipping in the Strait of Hormuz. Global benchmarks Brent and West Texas Intermediate crude both surged past $100 per barrel, dragging heavily on the broader equity market while boosting energy stocks.
- The jump in crude intensified concerns that inflation will remain persistently sticky and push interest rates higher. Higher rates pressured growth valuations and consumer-sensitive sectors.
- Stocks staged a rally on Friday as CPI data came out in-line with expectations. However, the "super-core" inflation reading excluding housing and energy came in hot, rising 0.5% for the month, which increased rate-hike expectations at the September Fed meeting.

Bonds

- U.S. Treasury yields were higher for the week, driven largely by rising inflation expectations, leading to an uptick in Federal Reserve rate-hike expectations. The European Central Bank's decision to hike policy rates on Thursday and the U.S. Treasury's debt buyback program underwhelming markets also put upward pressure on U.S. rates. Fed fund futures ended the week pricing an 88% probability that the FOMC will hike rates at its meeting Sep. 15-16.
- U.S. credit spreads narrowed across the investment-grade market, while high-yield spreads were essentially flat.
- Global rates were broadly higher on rising energy and commodity prices with sovereign bond yields from more important dependent countries leading the move higher. The ECB decision to hike policy rates by 0.25% also put upward pressure on yields across bond markets. President Lagarde refused to validate the path of further policy tightening during the ECB's post meeting press conference, but markets ended the week assigning a 78% probability that the central bank would hike again in October.

International equities

- Investor sentiment across foreign stock markets remains fragile as inflation and interest rate worries weighed on markets after Brent crude prices jumped to their highest level since May due to escalating Middle East tensions.
- Foreign developed markets struggled during the week as a spike in energy prices raised inflation fears, pushing up government bond yields in Europe, Canda and Pacific Rim countries. As expected, the European Central Bank (ECB) raised its policy rate by 0.25% to 2.5%, its second increase this year. Policymakers remain concerned about the uncertain outlook as signs point to higher inflation and slower economic growth, which could weigh on stock prices.
- Emerging market returns and volatility continue to be driven by a few AI-related semiconductor companies in South Korea and Taiwan, which are experiencing strong demand for their products. In Mexico, the annual inflation rate accelerated 3.26% in August, breaking a four-month streak of declines. With a 3% inflation target, the country's central bank is unlikely to lower its policy rate further this year.

Economics

- On Thursday, the Producer Price Index (PPI) showed a year-over-year increase of 5.4%, slightly ahead of forecasts for 5.3% and last month's reading of 4.8%. Excluding food and energy, Core PPI increased 4.6% year-over-year. PPI serves as a leading indicator of price increases that could be passed on to consumers.
- Also on Thursday, existing home sales showed a month-over-month decline of 2.0%. This was the slowest reading since June 2025 and reflects slower buying activity due to the recent spike in mortgage rates.
- On Friday, the August report for the Consumer Price Index (CPI) showed a year-over-year increase of 3.4%. Core CPI, excluding food and energy, increased 2.4% year-over-year. Both figures were in line with estimates. While energy had a meaningful impact on CPI, services and shelter costs also continue to climb.
- This week, the Federal Reserve will hold its September policy meeting. A decision on interest rates will be released on Wednesday, followed by a press conference.

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Weekly Market Update

For Week Ending September 11, 2026

Markets

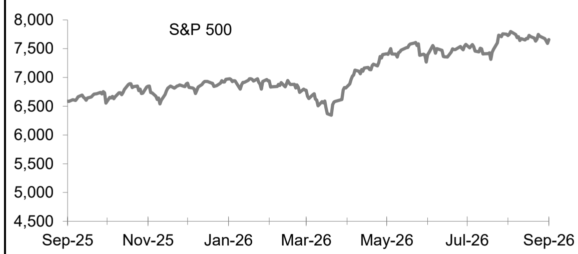
Capital Markets	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Dow Jones Industrial Avg	52,573.29	-1.6%	10.6%	15.9%
S&P 500 Index	7,656.98	-0.8%	12.8%	17.6%
NASDAQ Composite	26,333.04	-0.6%	13.8%	20.2%
S&P 400 Midcap Index	3,714.14	-1.8%	13.4%	13.4%
S&P 600 Smallcap Index	1,726.18	-2.2%	18.9%	20.1%
MSCI EAFE	11,931.60	-1.4%	12.5%	18.6%
MSCI Emerging Markets	952.93	-0.2%	24.3%	33.9%
Bloomberg US Agg	2,315.23	-1.0%	-1.4%	-0.7%
Bloomberg Municipal 5 Yr	517.34	-0.8%	-0.4%	-0.4%
Bloomberg US Corporate	3,491.32	-0.9%	-1.5%	-1.1%
Bloomberg Glb Agg ex US Hdg	608.95	-0.7%	-0.1%	0.5%
Bloomberg High Yield	2,973.16	-0.5%	2.0%	3.5%
MSCI US REIT Index	2,677.31	-1.2%	14.0%	11.3%
Bloomberg Commodity Index	375.18	1.7%	35.8%	46.2%

Key Rates	Last Price/Yield	Prior Week	Year End	Year Ago
Fed Funds Target	3.75%	3.75%	3.75%	4.50%
3-Month Treasury	4.00%	3.84%	3.63%	4.02%
1-Year Treasury	4.32%	4.11%	3.47%	3.62%
2-Year Treasury	4.63%	4.37%	3.47%	3.54%
5-Year Treasury	4.78%	4.54%	3.73%	3.60%
7-Year Treasury	4.87%	4.65%	3.94%	3.77%
10-Year Treasury	4.97%	4.78%	4.17%	4.02%
30-Year Treasury	5.35%	5.24%	4.84%	4.65%
Consumer Rates				
30-Year Mortgage	6.81%	6.76%	6.25%	5.83%
BOKF National Prime Rate	7.50%	7.50%	7.50%	8.25%
SOFR	3.62%	3.65%	3.71%	4.41%
Commodities				
Gold	4,349.08	4,429.98	4,319.37	3,634.07
Crude Oil WTI	100.05	91.48	57.42	62.37
Gasoline	4.31	4.15	2.83	3.19
Natural Gas	2.83	2.98	3.69	2.93
Copper	6.47	6.60	5.68	4.59

Index Characteristics	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Dow Jones Industrial Avg	19.99	19.47	5.81	1.46
S&P 500	19.21	23.34	5.60	1.12
S&P 500 Value	17.95	19.68	3.86	1.78
S&P 500 Growth	20.07	27.16	8.78	0.57
NASDAQ	23.40	30.82	7.53	0.59
S&P Midcap 400	15.98	17.55	2.81	1.54
S&P Smallcap 600	14.79	16.38	2.09	2.16
MSCI EAFE	15.16	17.39	2.40	2.86
MSCI Emerging Markets	9.92	15.35	2.46	2.53

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	-0.42	-0.79	-1.11
Mid	-3.41	-4.22	-4.97
Small	-2.75	-4.13	-5.56

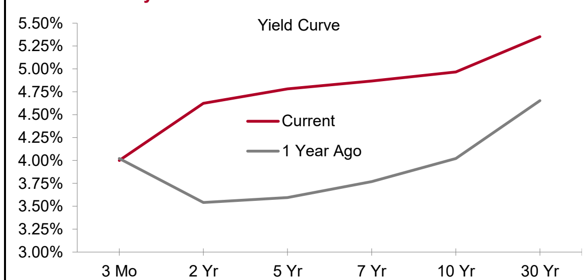
Legend: > 10% · 0% - 10% · <0%

Year to Date*

	Value	Core	Growth
Large	11.98	12.75	13.40
Mid	11.27	13.36	15.40
Small	19.19	18.87	18.51

*S&P Indices

Fixed Income Style



1 Month*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	-0.35	-0.89	-1.26
Corp	-0.30	-0.96	-1.04
HY	-0.07	-0.32	-0.92

Legend: > 10% · 0% - 10% · <0%

Year to Date*

	Short (1-3 Yrs)	Interm. (1-10 Yrs)	Long (+10 Yrs)
Govt	0.64	-0.76	-4.40
Corp	1.24	-0.56	-3.59
HY	2.50	2.01	1.62

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.4%	2.9%
CPI Core Inflation	2.4%	3.1%
Personal Consumption Exp (PCE) Core	3.3%	2.9%
Jobs		
Unemployment Rate (U3)	4.1%	4.3%
Broader Unemployment Rate (U6)	7.7%	8.1%
JOLT Survey (in millions)	7.27	7.09
Jobless Claims (000's)	206	259
Change in Non-Farm Payroll (000's)	162	-70
Average Hourly Earnings (Y/Y % Change)	3.1%	4.0%
Consumer & Spending		
Consumer Confidence (Conf Board)	89.4	97.8
Consumer Spending ($ Bil)	22,250	21,007
Consumer Credit ($ Bil)	5,186	5,056
Retail Sales ($ Bil)	764	727
Housing		
Housing Starts (000's)	1,239	1,432
Case-Shiller Home Price Index	336.66	331.61
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	24,270	23,771
Quarter over Quarter Change	1.5%	3.8%
Year Over Year Change	2.1%	2.1%
ISM Manufacturing	54.60	48.90
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	118.1	120.8
EUR / USD	1.16	1.17
JPY / USD	153.61	147.21
CAD / USD	0.72	0.72
AUD / USD	0.72	0.67

S&P 500 Sector Returns

	1 Month	YTD
Energy	6.93%	47.43%
Information Technology	1.07%	23.65%
Materials	-3.54%	12.86%
Industrials	-7.17%	11.80%
Real Estate	-1.15%	10.53%
Consumer Staples	-1.34%	8.36%
Health Care	-1.55%	7.84%
Financials	-0.99%	5.48%
Communication Services	1.24%	2.45%
Utilities	-2.84%	0.66%
Consumer Discretionary	-4.81%	-2.53%

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