

By the numbers

Chart of the week (Oct. 16, 2026)



Recent inflation data confirmed that price pressures remain from both the perspectives of the [Consumer Price Index](#) (CPI) and the [Producer Price Index](#) (PPI). However, our chart this week focuses just on CPI, where inflation came in hotter than expected at both the headline and core levels.

We were all expecting headline inflation to move higher, as energy prices continue to be elevated and pressures in oil distillates—like gasoline, jet fuel and especially diesel—result in higher prices for consumers and businesses alike.

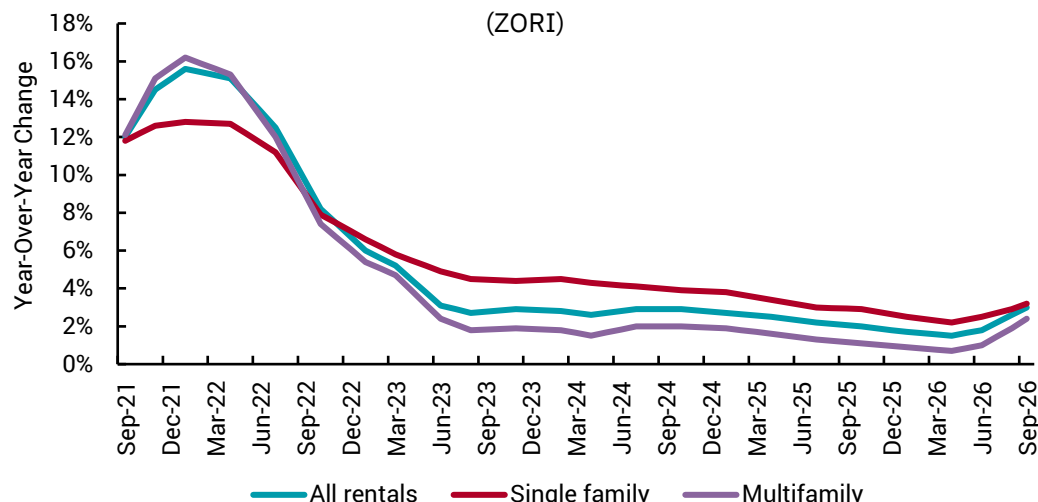
The bigger surprise in the CPI data was the core rate being unexpectedly higher. A key part of the declining trend in core inflation has been moderating shelter costs. In fact, within the core measures of CPI, shelter makes up roughly one-third of the price index. A major part of this measure is a survey question to consumers on “owners’ equivalent rent,” which is determined by homeowners being the price for which they would rent their home. Obviously, this method of measurement is impacted by any number of factors, but home values are key amongst them. In short, as home values increase, the imputed rent homeowners might expect tend to move higher. Conversely, declining home value might lead to lower expected rents. Since this is a survey question and most consumers don’t value their homes monthly, changes in the absolute levels and the direction of those changes tend to happen slowly and lag what might be happening in the open market.

One way to see this is to look at private indexes like the [Zillow Observed Rent Index](#), shown in the top chart. You can see that actual rents moved up further and faster than the shelter component of CPI and also reversed lower faster and sooner. This is important, as one of the reasons why the Fed had believed that core inflation would continue to moderate is that trends in the shelter component were moving lower. Lower real-time rents, along with moderating home price appreciation, could indicate the trend continues. However, in the last couple of months, there has been a shift in real-time rents, which is prompting the overall trend of inflation to be reassessed, along with whether the Fed can “wait” to see more inflation data. After the release of the most recent CPI data, rates moved higher and the chances of a Fed rate increase in October rose.

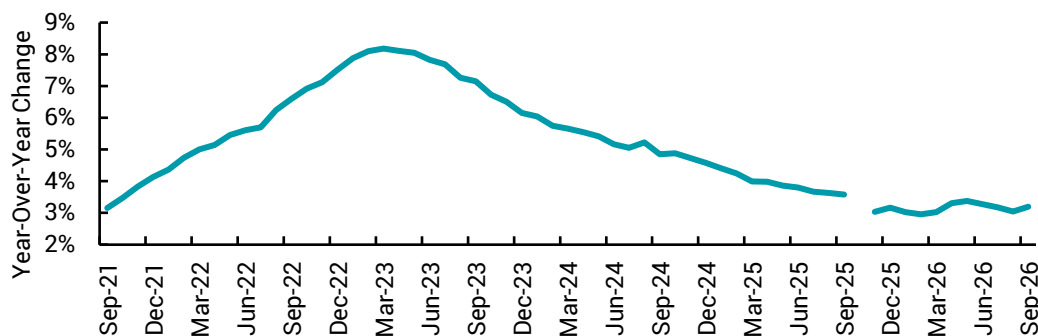
This all put the market on notice as the PPI data came out Thursday. It was another hot release, and one could have reasonably expected rates to move even higher and chances of a Fed move to increase again. Instead, rates were lower, as concerns about growth, particularly within the artificial intelligence (AI) ecosphere, overshadowed increasing price pressures. We will explore the relationship between inflation, growth and bond yields in our next release.

Zillow Observed Rent Index

(ZORI)



Consumer Price Index: Shelter U.S. All City Average



By the numbers

Commentary (Oct. 16, 2026)



Domestic equities

- U.S. stocks were mostly negative for the week, driven by a sharp rotation out of technology stocks, hotter-than-expected inflation data and the kickoff of the third-quarter corporate earnings season.
- The tech-heavy Nasdaq Composite Index underperformed for the week as a global rout hit AI stocks. Rising interest rates are driving mounting worries over the high levels of debt accumulated by the firms funding the massive AI infrastructure buildout. U.S. semiconductor names slumped following news of rapid progress from a Chinese competitor.
- The Dow Jones Industrial Average saw positive returns for the week, capitalizing on a prominent market rotation away from highly valued growth sectors and into more defensive sectors like financials, healthcare and consumer staples. Major U.S. banks kicked off earnings season with mixed results, but improved forward guidance is driving those stocks higher.
- Odds of an October Fed rate hike rose mid-week on the hotter-than-expected CPI report, then declined later in the week after Chairman Warsh did not indicate a rate hike was eminent in a speech on Friday.

Bonds

- The U.S. Treasury curve flattened, with longer-term bonds surging in a flight to safety as global semiconductor stocks continued to sell off, exacerbating AI financing concerns. Following a rise in core and headline CPI for September, Fed rate-hike expectations initially jumped but finished the week only marginally higher with the market pricing in only one more hike for 2026.
- CoreWeave's \$1.25-billion junk-rated bonds due in 2032 briefly dipped below 77 cents on the dollar Wednesday on growing concerns over the company's large debt load, rising borrowing cost and high cash burn rate. CoreWeave's slump spotlights the growing burden of debt behind AI boom.
- Money market fund flows fell \$40 billion for the week, as of Oct. 14. Flows for the sector currently sit at around 1.5% for the year, compared to a 7.8% increase in 2025. This deceleration, coupled with uncertainty over the path of interest rates, has caused many money market mutual funds to shorten weighted average maturities and to favor floating rate securities over T-Bills. This also comes at a time when T-Bill issuance is surging, which together has contributed to the front-end of the U.S. Treasury curve cheapening.

International equities

- The International Monetary Fund upgraded its global growth estimate to 3.1%, despite concerns that energy market disruptions from Middle East tensions may prove more persistent than expected.
- Within developed markets, European stocks rose during the week as strong earnings expectations across the region bolstered investor sentiment. In Britain, the economy unexpectedly grew 2.1% in August on an annual basis, exceeding expectations. Economists estimate that as much as one third of the U.K.'s economic growth is due to AI-related spending.
- Emerging markets continue to face headwinds as Asian technology stocks plummeted amid worries that the massive buildout of AI infrastructure has outrun companies' ability to earn a competitive return on their investments. Indonesia's market plunged after MSCI warned that the country's emerging-market status was in jeopardy, raising the prospect of its removal from global indexes and stoking fears of foreign capital flight. MSCI also warned that Turkey's emerging-market status was also at risk.

Economics

- On Wednesday, the Consumer Price Index (CPI) rose 3.7% year-over-year, matching market expectations. Core CPI, which excludes food and energy costs, came in at 2.6%, exceeding the 2.5% consensus estimate. This upside surprise in core inflation reinforces expectations that the Federal Reserve will maintain a hawkish stance and continue hiking interest rates.
- On Thursday, the Producer Price Index (PPI) surged to 6.3% year-over-year, finishing significantly higher than the 5.4% consensus forecast. Because the PPI measures the costs producers pay, it often serves as a leading indicator for consumer inflation, reaffirming that price pressures are likely to remain sticky in the months ahead.
- Also on Thursday, initial jobless claims edged up to 199,000, roughly in line with expectations and holding close to previous readings. Despite broader concerns over elevated interest rates and inflation, these low claims continue to signal a highly resilient labor market.
- Monthly retail sales figures also beat market expectations, underscoring consumer resilience in the face of rising household costs.

Weekly Market Update

For Week Ending October 16, 2026

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	52,002.41	0.7%	9.5%	15.0%
S&P 500 Index	7,659.44	-1.9%	12.9%	16.9%
NASDAQ Composite	26,140.03	-4.5%	13.0%	16.5%
S&P 400 Midcap Index	3,615.78	-1.4%	10.5%	13.9%
S&P 600 Smallcap Index	1,653.50	-1.2%	14.1%	17.0%
MSCI EAFE	11,691.30	1.4%	10.2%	14.1%
MSCI Emerging Markets	899.49	-5.1%	17.3%	19.9%
Bloomberg US Agg	2,310.65	0.9%	-1.6%	-1.7%
Bloomberg Municipal 5 Yr	515.30	0.9%	-0.8%	-0.5%
Bloomberg US Corporate	3,480.54	0.9%	-1.8%	-2.0%
Bloomberg Glb Agg ex US Hdg	612.92	0.5%	0.6%	0.3%
Bloomberg High Yield	2,914.41	-0.3%	0.0%	1.4%
MSCI US REIT Index	2,593.45	1.0%	10.4%	8.9%
Bloomberg Commodity Index	374.52	0.4%	35.6%	41.0%

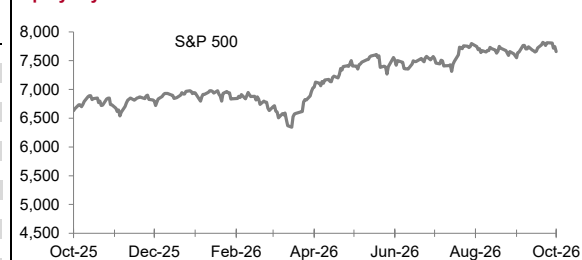
	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	4.00%	4.00%	3.75%	4.25%
3-Month Treasury	4.16%	4.14%	3.63%	3.93%
1-Year Treasury	4.41%	4.44%	3.47%	3.54%
2-Year Treasury	4.71%	4.79%	3.47%	3.42%
5-Year Treasury	4.87%	5.02%	3.73%	3.55%
7-Year Treasury	4.97%	5.13%	3.94%	3.74%
10-Year Treasury	5.07%	5.24%	4.17%	3.97%
30-Year Treasury	5.42%	5.60%	4.84%	4.58%

Consumer Rates				
30-Year Mortgage	7.49%	7.48%	6.25%	5.83%
BOKF National Prime Rate	7.75%	7.75%	7.50%	8.00%
SOFR	3.88%	3.87%	3.71%	4.30%

Commodities				
Gold	4,165.58	4,194.24	4,319.37	4,326.58
Crude Oil WTI	101.41	91.85	57.42	57.46
Gasoline	4.31	4.37	2.83	3.05
Natural Gas	3.12	3.22	3.69	2.94
Copper	6.57	6.69	5.68	5.00

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	19.74	19.26	5.75	1.48
S&P 500	18.70	23.34	5.60	1.13
S&P 500 Value	17.72	19.90	3.90	1.78
S&P 500 Growth	19.60	27.33	8.83	0.57
NASDAQ	22.45	30.16	7.48	0.60
S&P Midcap 400	14.93	17.08	2.74	1.67
S&P Smallcap 600	13.61	15.79	2.01	2.66
MSCI EAFE	14.99	16.90	2.32	2.87
MSCI Emerging Markets	8.99	14.27	2.29	2.70

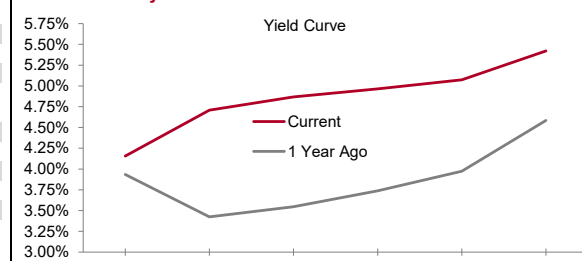
Equity Style



1 Month*				Year to Date*			
Value	Core	Growth		Value	Core	Growth	
Large	1.87	1.50	1.21	Large	12.53	12.89	13.22
	-0.31	-0.57	-0.85		8.82	10.52	12.13
	-2.49	-2.50	-2.54		14.59	14.05	13.43
Mid				Mid			
Small				Small			

*S&P Indices

Fixed Income Style



1 Month*				Year to Date*			
Short	Interm.	Long		Short	Interm.	Long	
Govt	0.44	0.35	-0.61	Govt	0.96	-0.62	-4.98
	0.34	0.04	-1.02		1.49	-0.65	-4.35
	-0.64	-1.55	-8.94		1.71	0.15	-7.89
Corp				Corp			
HY				HY			

1-3 Yrs 1-10 Yrs +10 Yrs

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.7%	3.0%
CPI Core Inflation	2.6%	3.0%
Personal Consumption Exp (PCE) Core	3.0%	2.9%

Jobs		
Unemployment Rate (U3)	4.2%	4.4%
Broader Unemployment Rate (U6)	7.6%	8.1%
JOLT Survey (in millions)	7.08	6.92
Jobless Claims (000's)	199	222
Change in Non-Farm Payroll (000's)	29	76
Average Hourly Earnings (Y/Y % Change)	3.0%	3.8%

Consumer & Spending		
Consumer Confidence (Conf Board)	81.9	95.6
Consumer Spending (\$ Bil)	22,309	21,029
Consumer Credit (\$ Bil)	5,197	5,059
Retail Sales (\$ Bil)	745	701

Housing		
Housing Starts (000's)	1,275	1,291
Case-Shiller Home Price Index	337.31	330.92

U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	24,408	23,885
Quarter over Quarter Change	2.2%	4.0%
Year Over Year Change	2.2%	2.4%
ISM Manufacturing	54.50	48.90
Capacity Utilization	76.85	76.05
Markit US Composite PMI	58.40	53.90

U.S. General		
Leading Economic Indicators	99.5	100.2
Trade Weighted Dollar Index	121.6	121.1
EUR / USD	1.12	1.17
JPY / USD	158.02	150.43
CAD / USD	0.71	0.71
AUD / USD	0.69	0.65

S&P 500 Sector Returns

	1 Month	YTD
Energy	7.47%	55.90%
Information Technology	0.66%	22.10%
Consumer Staples	6.80%	15.73%
Health Care	5.74%	15.63%
Materials	2.20%	13.77%
Industrials	-0.25%	9.09%
Real Estate	-0.68%	8.23%
Communication Services	-0.42%	3.34%
Financials	-0.39%	2.67%
Utilities	2.93%	1.04%
Consumer Discretionary	1.87%	-3.57%

Source: Bloomberg

© 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 Cavanal 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