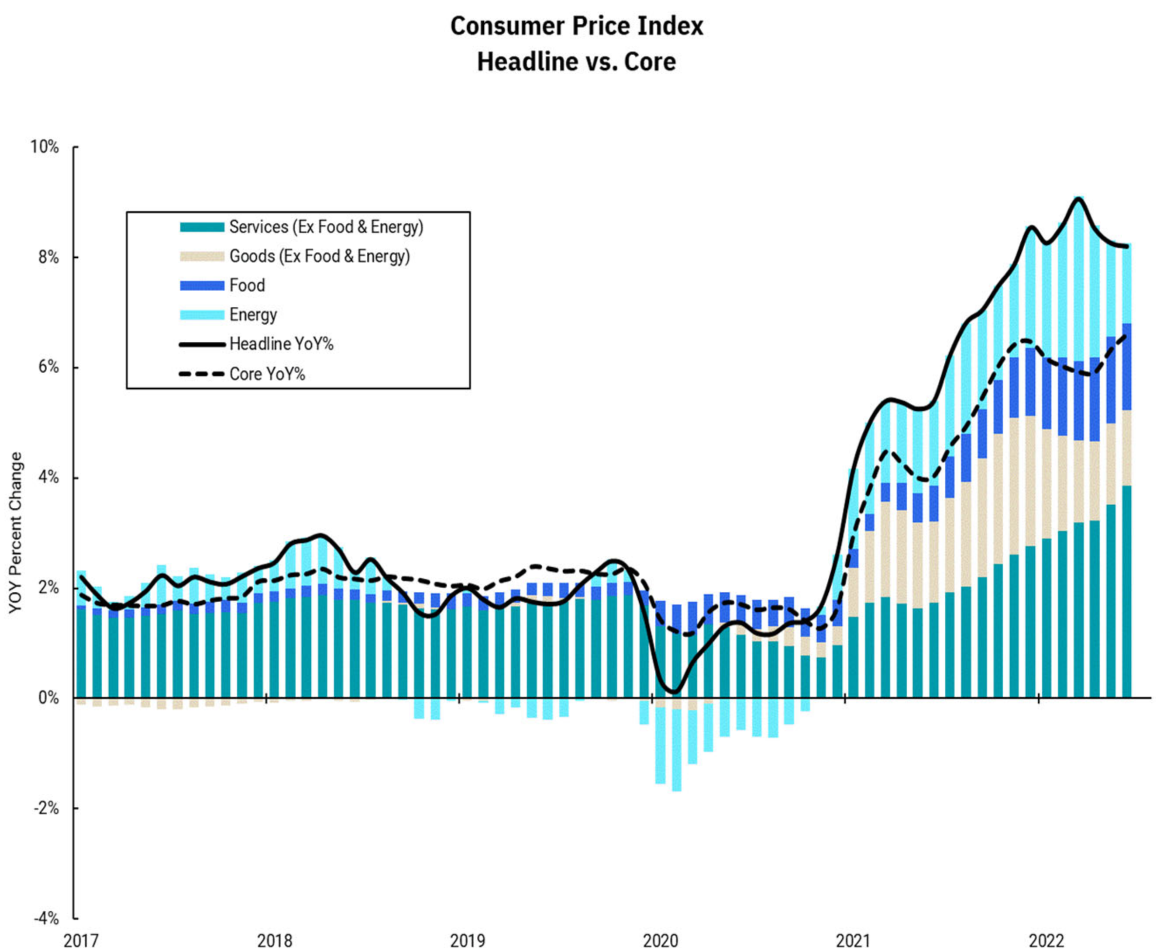
INVESTMENT MANAGEMENT

Weekly market update

Chart of the week (Oct. 14, 2022)



The inflation numbers reported this week did nothing to discourage the Fed from thinking they need to continue aggressively raising rates for the next few months.

While this week's chart focuses on the Consumer Price Index (CPI), the Producer Price Index (PPI) would be similar. In both cases, we see some relief as the headline rate of inflation has slowed month-over-month and declined on a year-over-year basis, but the core rate of inflation continues to accelerate as rents and wages remain hot.

To be sure, both measures are still far above the Fed's goal of 2%, but the more important of the two is core inflation. Recent measures of strength in the labor market continue to have the Fed on edge about inflation becoming ingrained in longer-term expectations, leading the market to now expect another 0.75% increase in rates in November and a better than 50/50 chance of a 0.75% hike in December. Before the CPI release, the market was building in a 0.50% increase in December and another 0.25% in early 2023.

We should begin to see some relief in the cyclical areas of inflation, including some commodity markets and areas such as used cars, where prices have declined. However, rents are still in an uptrend and wage pressures are still evident. The Fed has committed to "stay at it" until they see clear evidence inflation is retreating towards their 2% target. Currently, there is scant evidence that we are close to seeing such a trend.

As the Fed raises rates and shrinks its balance sheet, the economic and market risks are elevated. Our outlook remains on the cautious side while maintaining our long-term optimism on the U.S. economy.

Source: Bloomberg

BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.

Weekly market update

Commentary (Oct. 14, 2022)

Domestic Equities

- The S&P 500 Index reached new year-to-date lows this week, and closed the week with negative returns.
- Equity indices fell at the start of the week through Thursday morning and accelerated to the downside after the latest Consumer Price Index (CPI) report showed inflation rose more than expected. Then stocks surged to finish Thursday with gains. The move was likely driven by short covering. The gains were erased Friday morning.
- Earnings season kicked off this week with big banks reporting mixed results. JP Morgan and Wells Fargo reported better-than-expected revenue. Morgan Stanly missed expectations and reported a year-to-year decline in revenue, primarily on a decline in investment banking. While increasing interest rates are good for banks' net interest margin, it also slows loan growth.

Bonds

- U.S. Treasury yields moved higher across the curve following hotter-than-expected inflation data, with the font-end experiencing the biggest jump in yields. The 2-year to 10-year part of the curve inverted further, falling below -0.5%, its lowest level since the early 1980s. Negative sentiment across the Treasury market was further compounded by weak auctions results, with yields stopping above market expectations at the 3-, 10- and 30-year auctions.
- Investment grade corporate spreads were higher for the week, with option-adjusted spread on the ICE BofA U.S. Corporate Index exceeding 1.70%, a new high for the year.
- U.K. Gilt yields fell following news the Bank of England would be purchasing additional bonds and the British government would be scrapping part of its tax cuts that initially triggered the recent volatility.

International Equities

- Investors faced another volatile week as they grapple with a renewed risk-off sentiment amid concerns about global central bank policy-tightening efforts and their impact on the global economy.
- Foreign developed markets endured another volatile week driven by bearish economic data and erratic shifts in global currencies. Markets in the Asia-Pacific region were hit the hardest, with some markets dropping over 4%. U.K. stocks found some support after the country’s administration reportedly may abandon portions of its tax-cutting agenda.
- Emerging markets reversed some of last week’s gains as markets in Asia, Eastern Europe and Latin America all fell. The biggest losses came from Asia after the U.S. Commerce Department unveiled regulations that limit the sale of semiconductors and chip-making equipment to Chinese customers, sending Chinese stocks lower.

Economics

- The Bureau of Labor Statistics (BLS) reported the Consumer Price Index (CPI-U) rose 0.4% in September and 8.2% over the prior 12 months. Most of the increase was due to rising prices in shelter, food and medical care indexes. Core CPI (excludes food and energy) rose 0.6% in the month and 6.6% over the prior 12 months.
- Additionally, the BLS reported the Producer Price Index (PPI) for final demand rose 0.4% in September. The increase was equally distributed across goods and services.
- The Census Bureau reported monthly retail sales were unchanged in September at $684 billion. Across subcategories, spending on autos declined but was offset by increased spending on general merchandise.
- Industrial production will be released on Tuesday, housing starts on Wednesday, and existing home sales on Thursday.

BOK Financial® is a trademark of BOKF, NA. Member FDIC. Equal Housing Lender.

Weekly Market Update

For Week Ending October 14, 2022

Markets

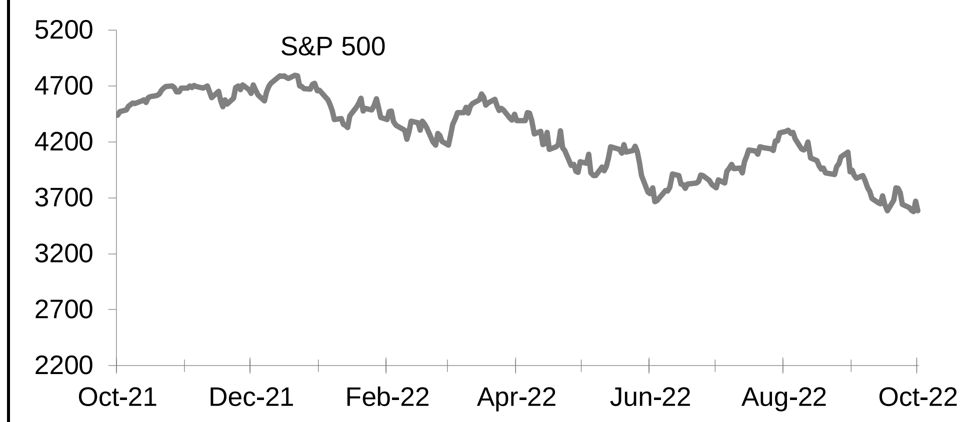
	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	29,634.83	1.2%	-17.1%	-13.4%
S&P 500 Index	3,583.07	-1.5%	-23.9%	-18.0%
NASDAQ	10,321.39	-3.1%	-33.6%	-29.8%
S&P 400 Midcap Index	2,245.21	-0.9%	-20.0%	-17.0%
S&P 600 Smallcap Index	1,091.05	-0.2%	-21.3%	-19.2%
MSCI EAFE	5,642.37	-1.3%	-26.3%	-25.0%
MSCI Emerging Markets	436.90	-3.8%	-28.0%	-29.7%
Bloomberg US Agg	1,982.10	-1.2%	-15.8%	-15.9%
Bloomberg Municipal 5 Yr	457.11	0.1%	-7.6%	-7.5%
Bloomberg US Corporate	2,821.86	-1.6%	-19.9%	-19.9%
Bloomberg Glb Agg ex US Hdg	515.34	-0.6%	-10.8%	-10.7%
Bloomberg High Yield	2,104.66	-1.1%	-14.5%	-13.7%
MSCI US REIT Index	1,752.56	-1.0%	-31.7%	-24.8%
Bloomberg Commodity Index	245.57	-2.9%	15.9%	10.1%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	3.25%	3.25%	0.25%	0.25%
3-Month Treasury	3.70%	3.33%	0.06%	0.04%
1-Year Treasury	4.46%	4.22%	0.39%	0.09%
2-Year Treasury	4.50%	4.31%	0.73%	0.36%
5-Year Treasury	4.27%	4.14%	1.26%	1.05%
7-Year Treasury	4.16%	4.03%	1.44%	1.34%
10-Year Treasury	4.02%	3.88%	1.52%	1.51%
30-Year Treasury	3.99%	3.84%	1.90%	2.01%
Consumer Rates				
1-Year CD	5.34%	5.07%	0.57%	0.20%
30-Year Mortgage	7.20%	7.04%	3.27%	3.20%
Prime Rate	6.25%	6.25%	3.25%	3.25%
3-Month LIBOR	4.19%	3.91%	0.21%	0.12%
Commodities				
Gold	1,644.47	1,694.82	1,829.20	1,795.87
Crude Oil (WTI)	85.61	92.64	72.78	73.22
Gasoline	4.03	3.91	3.38	3.36
Natural Gas	6.45	6.75	3.64	4.21
Copper	3.42	3.39	4.43	4.50

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	15.87	16.34	3.96	2.35
S&P 500	16.00	17.58	3.60	1.83
S&P 500 Value	13.94	15.36	2.57	2.53
S&P 500 Growth	19.11	20.88	6.41	1.07
NASDAQ	13.84	14.76	3.40	2.32
S&P Midcap 400	12.20	13.47	2.08	1.85
S&P Smallcap 600	11.89	13.21	1.64	1.61
MSCI EAFE	11.36	11.68	1.40	3.72
MSCI Emerging Markets	10.51	9.62	1.30	3.66

Source: Bloomberg

Equity Style



1 Month*

	Value	Core	Growth
Large	-7.02	-9.09	-11.25
Mid	-7.21	-7.37	-7.55
Small	-5.55	-5.95	-6.40

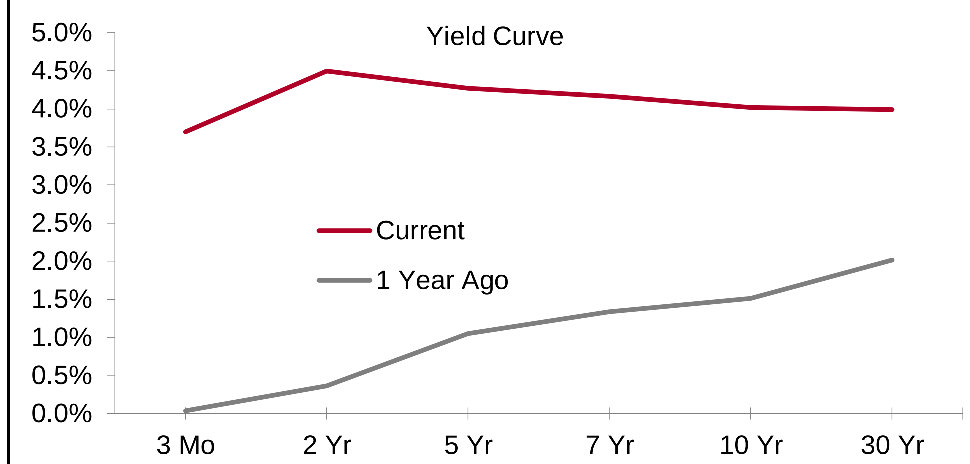
Year to Date*

	Value	Core	Growth
Large	-15.04	-23.88	-31.79
Mid	-15.46	-20.01	-24.48
Small	-17.23	-21.26	-25.23

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

*S&P Indices

Fixed Income Style



1 Month*

	Short	Interm.	Long
Govt	-0.95	-2.14	-8.06
Corp	-1.44	-5.53	-9.03
HY	-1.82	-3.62	-7.22

Year to Date*

	Short	Interm.	Long
Govt	-4.83	-9.31	-31.12
Corp	-5.10	-20.19	-31.18
HY	-6.51	-13.81	-26.34

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

*Bloomberg Barclays Indices.

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	8.2%	5.4%
CPI Core Inflation	6.6%	4.0%
Personal Consumption Exp (PCE) Core	4.9%	3.9%
Jobs		
Unemployment Rate (U3)	3.5%	4.7%
Broader Unemployment Rate (U6)	6.7%	8.5%
JOLT Survey (in millions)	10.05	10.63
Jobless Claims (000's)	228	317
Change in Non-Farm Payroll (000's)	263	424
Average Hourly Earnings (Y/Y % Change)	5.0%	4.8%
Consumer & Spending		
Consumer Confidence (Conf Board)	108.0	109.8
Consumer Spending ($ Bil)	17,470	16,146
Consumer Credit ($ Bil)	4,680	4,332
Retail Sales ($ Bil)	684	632
Housing		
Housing Starts (000's)	1,575	1,576
Case-Shiller Home Price Index	307.45	265.57
U.S. Productivity		
Real Gross Domestic Product ($ Bil)	19,895	19,544
Quarter over Quarter Change	-0.6%	7.0%
Year Over Year Change	1.8%	12.5%
ISM Manufacturing	50.90	60.50
Capacity Utilization	79.96	78.23
Markit US Composite PMI	49.50	55.00
U.S. General		
Leading Economic Indicators	116.2	117.4
Trade Weighted Dollar Index	127.4	114.2
EUR / USD	0.97	1.16
JPY / USD	147.12	113.68
CAD / USD	0.72	0.81
AUD / USD	0.62	0.74

S&P 500 Sector Returns

	1 Month	YTD
Energy	-1.22%	50.33%
Consumer Staples	-5.42%	-10.87%
Health Care	-2.30%	-11.16%
Utilities	-18.47%	-11.32%
Industrials	-7.57%	-18.90%
Financials	-6.42%	-19.54%
Materials	-8.71%	-23.56%
Information Technology	-11.66%	-32.54%
Real Estate	-17.48%	-33.41%
Consumer Discretionary	-15.19%	-33.51%
Communication Services	-9.65%	-39.15%

© 2022 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.

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. 2022 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