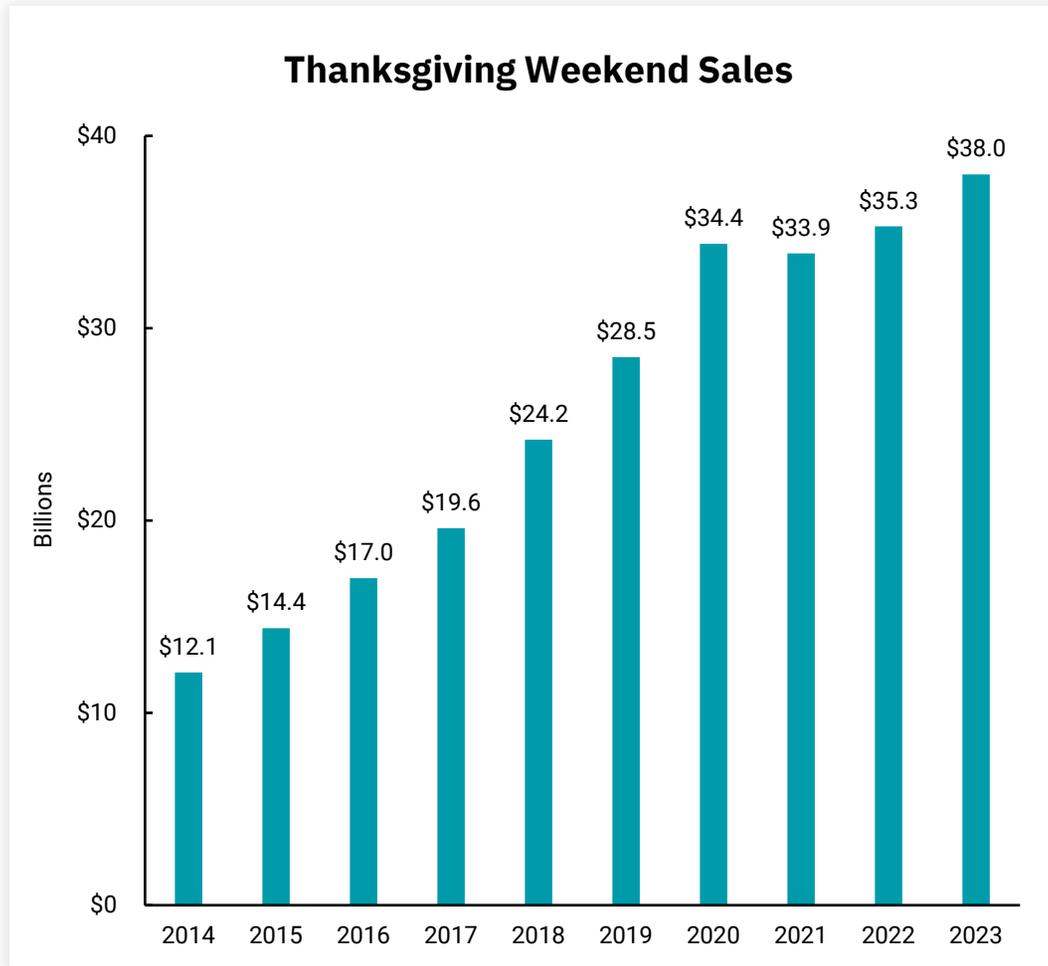


Weekly market update



Chart of the week (Dec. 01, 2023)



As we recently discussed, the definition of "Black Friday" seems to be changing as sale prices now begin showing up before Thanksgiving. However, the few days after the holiday, including "cyber Monday," remain important as a marker for consumer spending. On that front, this year's post-Thanksgiving spending indicates the U.S. consumer is still supporting economic growth.

Overall, our outlook is for an increase in holiday spending this year. Some of that is due to inflation, as retail sales are reported nominally without subtracting inflation. This means that higher holiday sales might not mean a higher volume of goods purchased. Instead, we are spending more to get the same, or even less, in goods and services due to inflation.

There were a couple of other interesting trends within the overall sales data. First, the ratio of online sales continues to increase. It seems some consumers would rather not fight the crowds at stores to try and snag a limited number of "hot sale" items (the author of this commentary might be amongst that group). Second, we are seeing a material increase, some 30% above last year, in "buy-now-pay-later" (BNPL) sales. This trend could be because more and more merchants are offering this option, which can provide some cost savings versus using high-interest rate credit cards. Still, it could also be another sign of the increasing level of stress on the average consumer. Credit card balances recently crossed \$1 trillion, and overall consumer debt levels are elevated. The strong job market continues to support consumers, while wage gains have slowed, inflation rates have eased, and some prices, like gasoline, are lower. Still, the aggregate level of inflation over the last three years exceeds the average wage gain, and consumers have pulled down savings to maintain spending levels.

A recent article by CNBC highlighted a trend they called "Doom Spending." The article notes a survey by Intuit Credit Karma, which indicated 96% of Americans are concerned about the current state of the economy, and the fact that over a quarter of respondents continue to spend despite economic and geopolitical concerns. Indeed, the level of spending sets U.S. consumers apart from those in many other economies, but the use of revolving credit or delayed repayment options could be a limiting factor on spending as we enter 2024. If it is, economic growth next year may suffer from the current spending spree.

However, we should acknowledge that economists have been calling for the death of the U.S. consumer for years. As long as the job market remains firm and inflation continues to ease, the outlook for positive growth in 2024 remains intact.

Weekly market update



Commentary (Dec. 01, 2023)

Domestic Equities

- November was the best month of the year for U.S. equities. The tech-heavy NASDAQ Composite Index resumed leadership up over 10% after declining for the previous three months. Participation was broad, with the S&P Growth, Value, Mid and Small-Cap Indices all up between 8-10%. Energy was the only negative sector for the month, down less than 1%.
- December tends to be a good month for stocks. Historically, it has been the best month of the year for the Russell 2000 Index, and returns have averaged positively for the S&P 500 since 1928.
- Fed Chair Powell noted on Friday that inflation is moving in the right direction and that recent progress has given the central bank the flexibility to move forward carefully. His comments added fuel to the market rally into the first day of December trading. The Dow and S&P 500 Indices both reached new 2023 highs.

Bonds

- U.S. Treasury yields continued to move lower after several Federal Reserve officials signaled they are comfortable keeping rates steady at the upcoming FOMC meeting due to the recent downward move in inflation data. Jerome Powell also echoed this sentiment on Friday during his speech at Spellman College. However, the Fed Chair pushed back on expectations that the FOMC will cut rates in the first half of next year. As of the end of the week, markets were pricing in two cuts in the first half of 2024.
- The broad investment-grade market was positive for the week, as measured by the Bloomberg US Aggregate Bond Index, with both lower rates and narrowing spreads adding to returns.
- In corporate credit, spreads narrowed across the market, but investment-grade corporate bonds continued to outperform high-yield and leverage loans due to the sector's longer duration.

International Equities

- Global investor sentiment remains positive as stock markets around the world delivered solid gains in November.
- Stocks across foreign developed markets moved higher, with modest gains across the European and Pacific regions. Investors received mixed economic news as France's economy unexpectedly contracted by 0.1% during the third quarter. On a positive note, eurozone inflation came in at 2.4% on an annual basis, which suggests that pressures from rising prices are easing.
- Emerging markets inched higher this week and rose 8% during November, the strongest month since January. Both Brazil and Mexico saw unemployment rates improve in October. The strong labor markets have strengthened consumer confidence, driving economic growth through stronger demand for goods and services.

Economics

- The Bureau of Economic Analysis (BEA) reported personal incomes rose by \$57 billion in October, an increase of 0.24% from the prior month. Personal consumption expenditures (PCE) increased by \$44 billion, due to a rise in spending on services as spending on goods declined in the month. The personal savings rate increased to 3.8%, up slightly from the prior month.
- Additionally, the BEA reported that the PCE inflation rate was unchanged during the month, and core PCE inflation, which excludes food and energy, increased 0.2%.
- Finally, the BEA revised third-quarter gross domestic product higher, to an annualized rate of 5.2%, up from the initial estimate of 4.9%.
- The Census Bureau reported retail sales declined 0.1% in October, reversing a 0.9% increase in September.

Weekly Market Update

For Week Ending December 01, 2023

Markets

	Last Price	Change From Prior Week	Change From Year End	Change From Year Ago
Capital Markets				
Dow Jones Industrial Avg	36,245.50	2.6%	11.7%	7.7%
S&P 500 Index	4,594.63	0.8%	21.5%	14.6%
NASDAQ	14,305.03	0.4%	37.8%	25.7%
S&P 400 Midcap Index	2,625.58	2.6%	9.7%	3.9%
S&P 600 Smallcap Index	1,204.52	2.7%	5.9%	-1.0%
MSCI EAFE	7,410.75	0.4%	12.6%	9.7%
MSCI Emerging Markets	511.17	0.2%	5.2%	3.0%
Bloomberg US Agg	2,100.11	2.0%	2.5%	1.0%
Bloomberg Municipal 5 Yr	482.07	1.1%	2.9%	3.0%
Bloomberg US Corporate	3,113.96	2.3%	4.9%	3.2%
Bloomberg Glb Agg ex US Hdg	551.58	1.2%	5.8%	3.3%
Bloomberg High Yield	2,398.54	1.3%	9.7%	8.1%
MSCI US REIT Index	2,011.66	4.6%	5.1%	-0.1%
Bloomberg Commodity Index	231.96	0.2%	-5.7%	-8.0%

	Last Price/Yield	Prior Week	Year End	Year Ago
Key Rates				
Fed Funds Target	5.50%	5.50%	4.50%	4.00%
3-Month Treasury	5.35%	5.39%	4.34%	4.27%
1-Year Treasury	5.00%	5.26%	4.69%	4.62%
2-Year Treasury	4.54%	4.95%	4.43%	4.23%
5-Year Treasury	4.12%	4.49%	4.00%	3.66%
7-Year Treasury	4.20%	4.51%	3.97%	3.59%
10-Year Treasury	4.20%	4.47%	3.87%	3.50%
30-Year Treasury	4.39%	4.60%	3.96%	3.60%

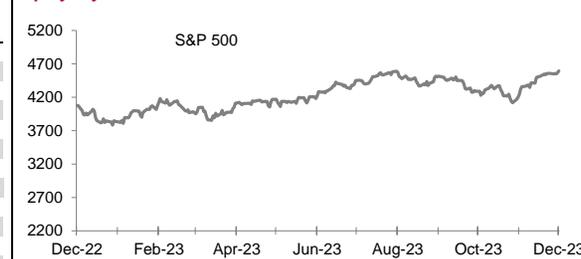
	Last Price/Yield	Prior Week	Year End	Year Ago
Consumer Rates				
30-Year Mortgage	7.48%	7.81%	6.66%	5.83%
Prime Rate	9.25%	9.25%	8.25%	7.75%
SOFR	5.39%	5.32%	4.77%	3.82%

	Last Price	Prior Week	Year End	Year Ago
Commodities				
Gold	2,072.22	2,000.82	1,824.02	1,803.10
Crude Oil (WTI)	74.07	75.54	80.26	77.42
Gasoline	3.25	3.26	3.21	3.45
Natural Gas	2.81	3.00	4.48	6.19
Copper	3.93	3.83	3.81	3.80

	P/E Forward	P/E Trailing	Price to Book	Current Div Yield
Index Characteristics				
Dow Jones Industrial Avg	19.93	20.22	4.65	1.97
S&P 500	20.64	20.75	4.31	1.53
S&P 500 Value	18.03	18.03	2.86	1.94
S&P 500 Growth	23.49	23.45	7.35	1.21
NASDAQ	29.99	33.62	5.73	0.82
S&P Midcap 400	15.67	15.09	2.27	2.04
S&P Smallcap 600	15.09	12.93	1.62	1.89
MSCI EAFE	13.45	13.36	1.67	3.35
MSCI Emerging Markets	11.38	13.31	1.55	3.22

Source: Bloomberg

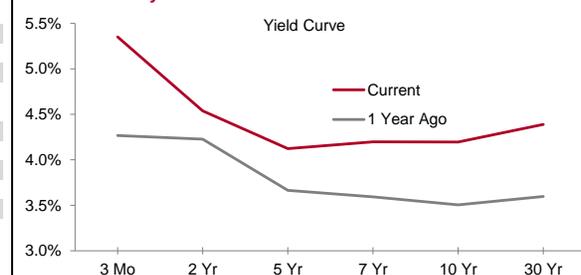
Equity Style



1 Month*			Year to Date*				
	Value	Core	Growth		Value	Core	Growth
Large	9.59	8.64	7.86	> 10%	16.84	21.51	25.80
Mid	12.03	10.45	9.05	0% - 10%	7.54	9.69	11.70
Small	12.03	10.90	9.62	< 0%	4.62	5.87	6.86

*S&P Indices

Fixed Income Style



1 Month*			Year to Date*				
	Short	Interm.	Long		Short	Interm.	Long
Govt	1.11	2.18	8.73	> 10%	3.43	2.71	-3.49
Corp	1.55	3.66	10.58	0% - 10%	4.37	4.91	4.85
HY	2.58	4.36	8.72	< 0%	9.67	9.73	10.09

1-3 Yrs 1-10 Yrs +10 Yrs

Economic Data

	Last Release	Year Ago
Inflation		
CPI Headline Inflation	3.2%	7.7%
CPI Core Inflation	4.0%	6.3%
Personal Consumption Exp (PCE) Core	3.5%	5.3%

	Last Release	Year Ago
Jobs		
Unemployment Rate (U3)	3.9%	3.7%
Broader Unemployment Rate (U6)	7.2%	6.7%
JOLT Survey (in millions)	9.55	10.85
Jobless Claims (000's)	218	213
Change in Non-Farm Payroll (000's)	150	324
Average Hourly Earnings (Y/Y % Change)	4.1%	4.9%

	Last Release	Year Ago
Consumer & Spending		
Consumer Confidence (Conf Board)	102.0	101.4
Consumer Spending (\$ Bil)	18,865	17,915
Consumer Credit (\$ Bil)	4,976	4,807
Retail Sales (\$ Bil)	705	688

	Last Release	Year Ago
Housing		
Housing Starts (000's)	1,372	1,432
Case-Shiller Home Price Index	312.31	300.50

	Last Release	Year Ago
U.S. Productivity		
Real Gross Domestic Product (\$ Bil)	22,506	21,851
Quarter over Quarter Change	5.2%	2.7%
Year Over Year Change	3.0%	1.7%
ISM Manufacturing	46.70	49.00
Capacity Utilization	78.90	80.64
Markit US Composite PMI	50.70	46.40

	Last Release	Year Ago
U.S. General		
Leading Economic Indicators	103.9	112.5
Trade Weighted Dollar Index	120.7	123.5
EUR / USD	1.09	1.05
JPY / USD	146.82	135.33
CAD / USD	0.74	0.74
AUD / USD	0.67	0.68

S&P 500 Sector Returns

	1 Month	YTD
Information Technology	10.76%	52.28%
Communication Services	5.64%	48.32%
Consumer Discretionary	10.75%	35.94%
Industrials	10.16%	12.12%
Material	9.51%	8.89%
Financials	11.03%	7.18%
Real Estate	14.25%	5.54%
Energy	-0.20%	-0.83%
Consumer Staples	4.50%	-1.73%
Health Care	5.63%	-1.77%
Utilities	5.33%	-7.69%

© 2023 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. 2023 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