Market Insights

Greater Phoenix Chamber

2027 Economic Outlook

10/1/2026

BOK FINANCIAL

BOK Financial Wealth Management

For more than a century and through various economic cycles, BOK Financial has been committed to delivering comprehensive Wealth Management products and services through diverse revenue streams. Today, the Wealth Management division serves individual and institutional clients globally from offices in 13 states.

Notable Highlights

- $129.3 billion in assets under management or in custody.
- $78.9 billion in fiduciary assets.
- ~$1 trillion in traded securities annually.*
- 1,000+ dedicated Wealth Management employees.
- Part of BOK Financial Corporation, a $53.8 billion regional financial services company.

Our Family of Brands

Wealth Management services are offered through our regional bank brands as well as the following affiliate companies, non-bank subsidiaries and separately identifiable departments:

- BOK Financial Advisors
- BOK Financial Capital Markets
- BOK Financial Private Wealth, Inc.
- BOK Financial Securities, Inc.
- Cavanal Hill Investment Management

*Numbers reflect 2025 data, but do not include Investment Banking.

BOK Financial Wealth Management

Comprehensive Service Offerings

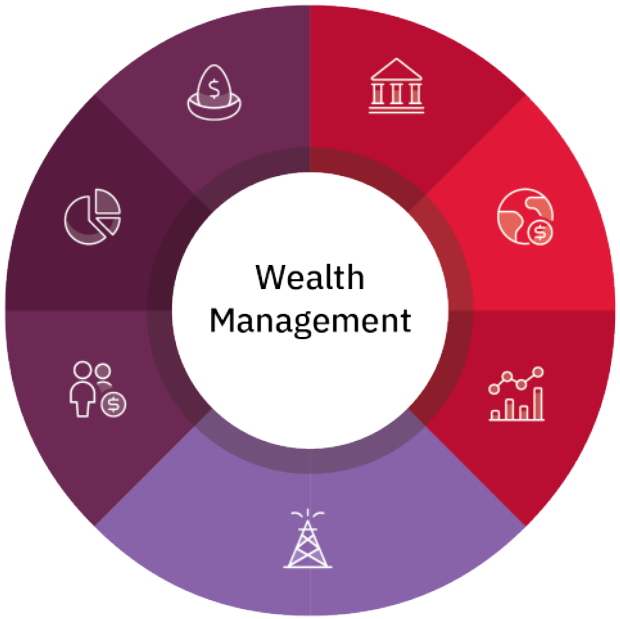
INDIVIDUAL & FAMILY SERVICES

Investments & Insurance
- Personal investing
- Life insurance
- Long term care

Private Wealth Management
- Private banking
- Trust & estate administration
- Investment management
- Investment advisory services
- Advisor trust services

Planning
- Financial planning
- Business transition services

Specialty Asset Management
- Mineral management
- Real estate management



INSTITUTIONAL CLIENT SERVICES

Retirement & Investments
- Institutional investment mgmt.
- Asset custody services
- Mineral management
- Retirement plan services

Hedging & risk management
- Energy hedging
- Agriculture hedging
- Interest rate services
- Foreign exchange risk mgmt.

Institutional sales & trading
- Institutional investing
- Public and corporate finance
- Mortgage hedging services
- Reinsurance services

Specialty Asset Management
- Mineral management
- Real estate management

CLIENTS WE SERVE

- High net-worth individuals and families
- Corporations
- Insurance companies
- Educational institutions
- Municipalities
- Endowments
- Not-for-profits
- Financial institutions
- Pension plans
- Foundations
- Philanthropic organizations
- Governmental entities
- Registered investment advisers
- Hospitals
- Tribal governments

Data s of 12/31/2025 unless otherwise noted. 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"). Securities, insurance, and advisory services offered through BOK Financial Securities, Inc., member FINRA/SIPC and an SEC registered investment adviser. Services may be offered under our trade name, BOK Financial Advisors. **INVESTMENT AND INSURANCE PRODUCTS ARE: NOT FDIC INSURED | NOT GUARANTEED BY THE BANK OR ITS AFFILIATES | NOT DEPOSITS | NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE.** BOK Financial® is a trademark of BOKF, NA. Member FDIC. Bank dealer services offered through BOK Financial Capital Markets, which operates as a separately identifiable department of BOKF, NA. BOKF, NA is the bank subsidiary of BOK Financial Corporation. Investment products are: **NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE**

BOK Financial Investment Management

Investment expertise. Competitive results.

Four centers of expertise. 72 experienced investment professionals. Collaborating as one team.

Strategic Investment Advisors
Investment advisory and consulting

Research and analytics that build the foundation for investment services offered by BOK Financial.

- Asset allocation research.
- Manager selection and due diligence.
- Outsourced CIO services.
- Investment consulting.
- Managed accounts.
- Multi-asset solutions.

Cavanal Hill Investment Management
Asset management

A registered investment advisor and subsidiary of BOKF, NA. Fundamental and quantitative research across the capital markets.

- Taxable fixed income.
- Tax-free fixed income.
- Cash management.
- Domestic equity.
- Energy.
- Opportunistic strategies.

Alternative Investments
Comprehensive alternative services

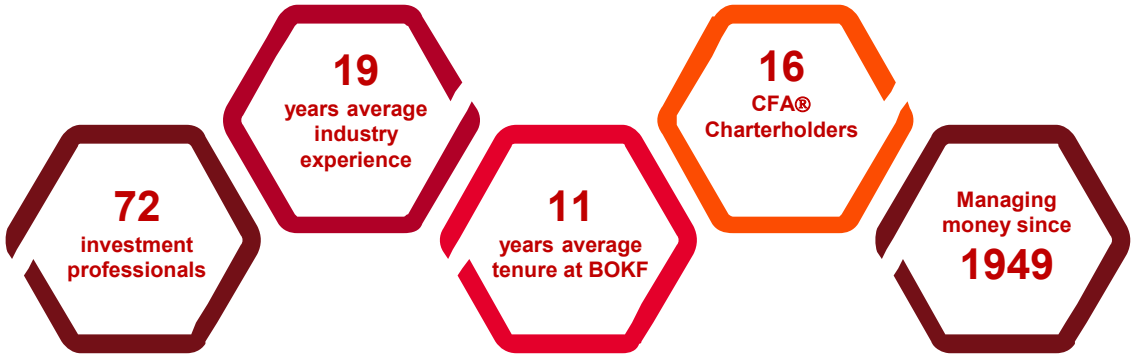
Provides access to a variety of non-traditional asset classes and strategies delivered through limited partnerships.

- Private equity.
- Real assets.
- Hedge funds.
- Semi-liquid or interval funds.
- Liquid alternatives.

Investment Management Communication

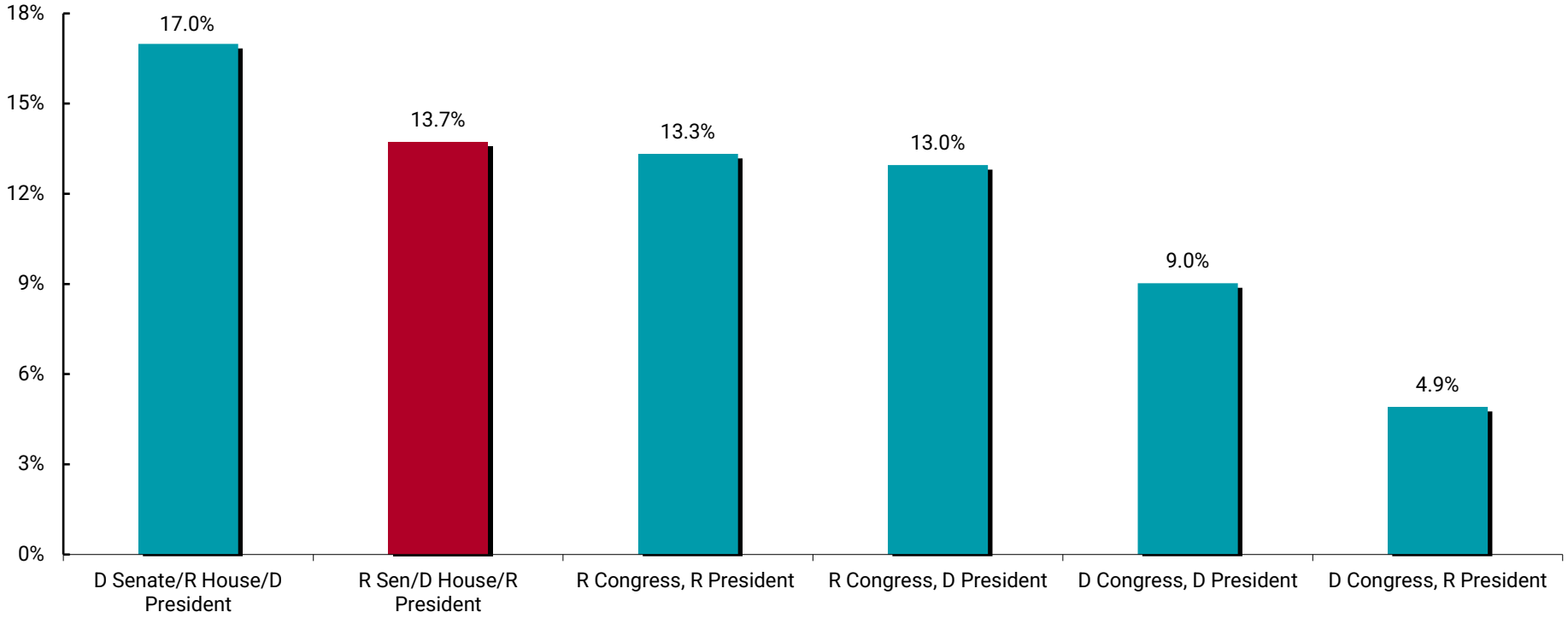
A dedicated team providing education and insight into the BOK Financial Investment Management process as well as current economic and market conditions for both internal and external audiences.

- Regular market commentary.
- Timely response to changing market conditions.



Mid-Terms-Party affiliation has mattered

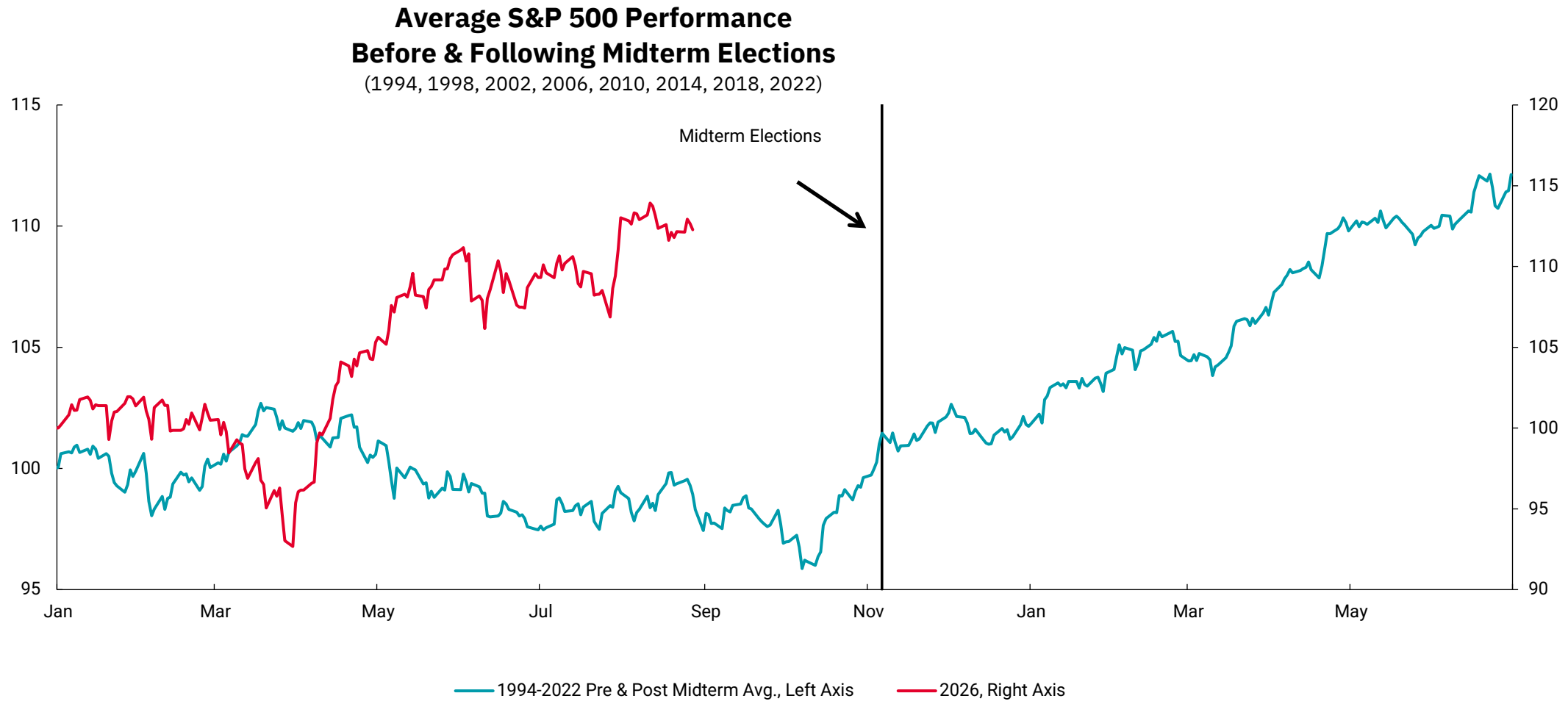
Partisan Control,
Avg. Annual S&P Performance
(1933-2025, Excl. 2001-02)



*Data excludes 2001-2002 due to Sen Jeffords changing party mid-2001

Source: Baird Strategas.

Average Market Performance



Source: Baird Strategas.

Key points

1. The labor market remains supportive of the U.S. consumer and, surprisingly, firmed during the Iran conflict. Labor market weakness is no longer a reason for lower rates.

2. Oil prices continue to be buffeted by developments in the conflict with Iran and distillates, like diesel, are boing impacted by the continued Russia/Ukraine war.

3. The Federal Reserve raised rates and indicated a bias towards additional rate increase over the balance of this year and into next year. The shift from the first of the year has been dramatic.

4. New Fed Chair Kevin Warsh has expressed a strong commitment to ”price stability” but concerns about higher supply and deficits are weighing on long-term rates in addition to a continued outlook for positive economic growth.

5. Earnings expectations for public companies are rising for 2026, 2027, and 2028. Equity market returns have broadened as more sectors of the economy participate in economic growth.

Base case outlook



Economy

The Iran conflict is reducing growth expectations, but its resolution would remove a headwind to growth. We do not see a recession.

Risks: Higher unemployment, geopolitical events and persistent higher tariffs.



Policy

Interest rates reflect a healthy economy with some residual inflation risks. Fiscal outlays are supportive to growth in 2026.

Risk: Unexpected difficulty financing the debt and inflation expectations increasing materially.



Markets

Credit spreads are not forecasting a recession, and the yield curve remains positive. Earnings estimates are increasing.

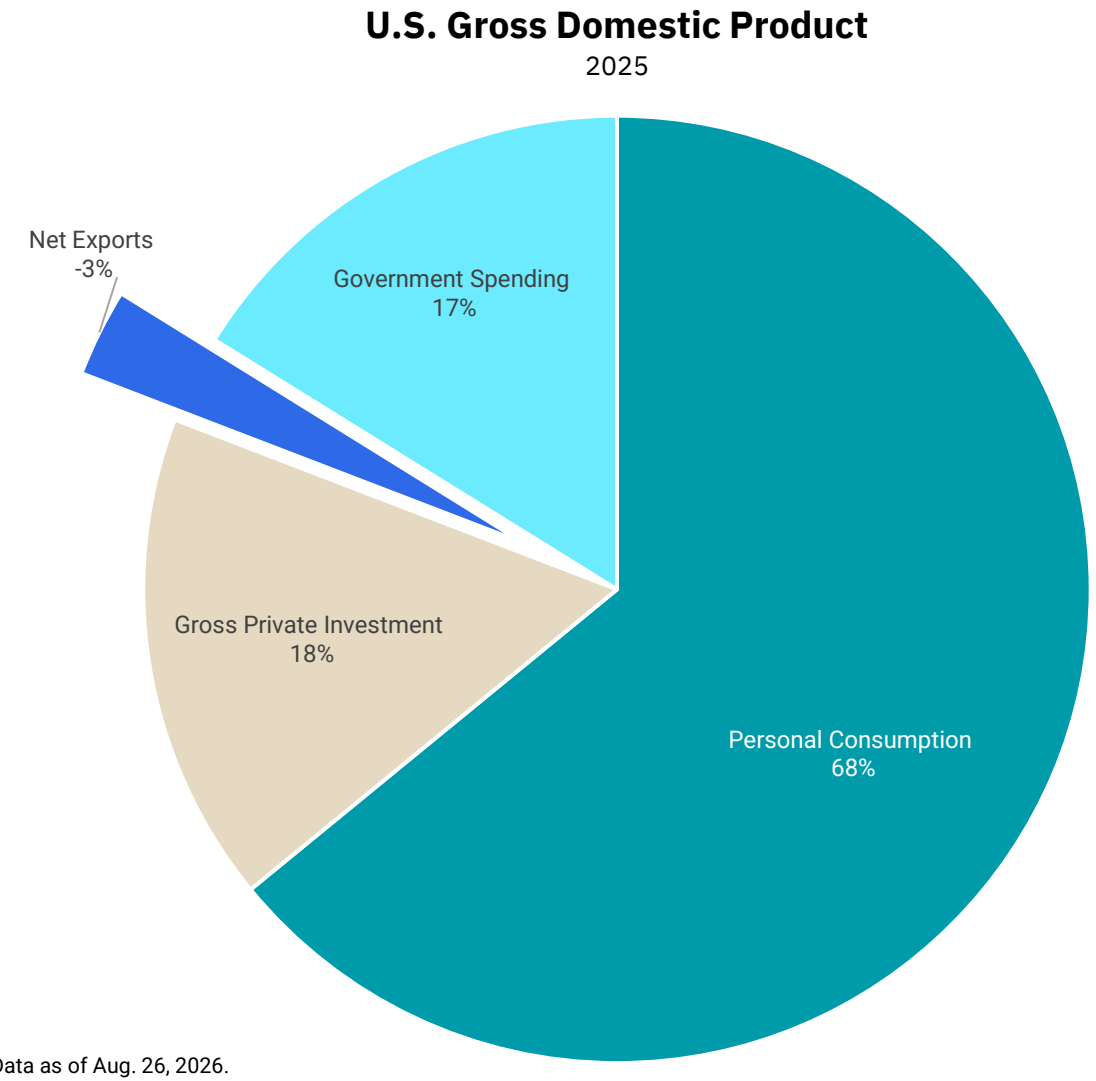
Risk: Sudden slowing in AI spending causes earnings to fall.



Domestic economy

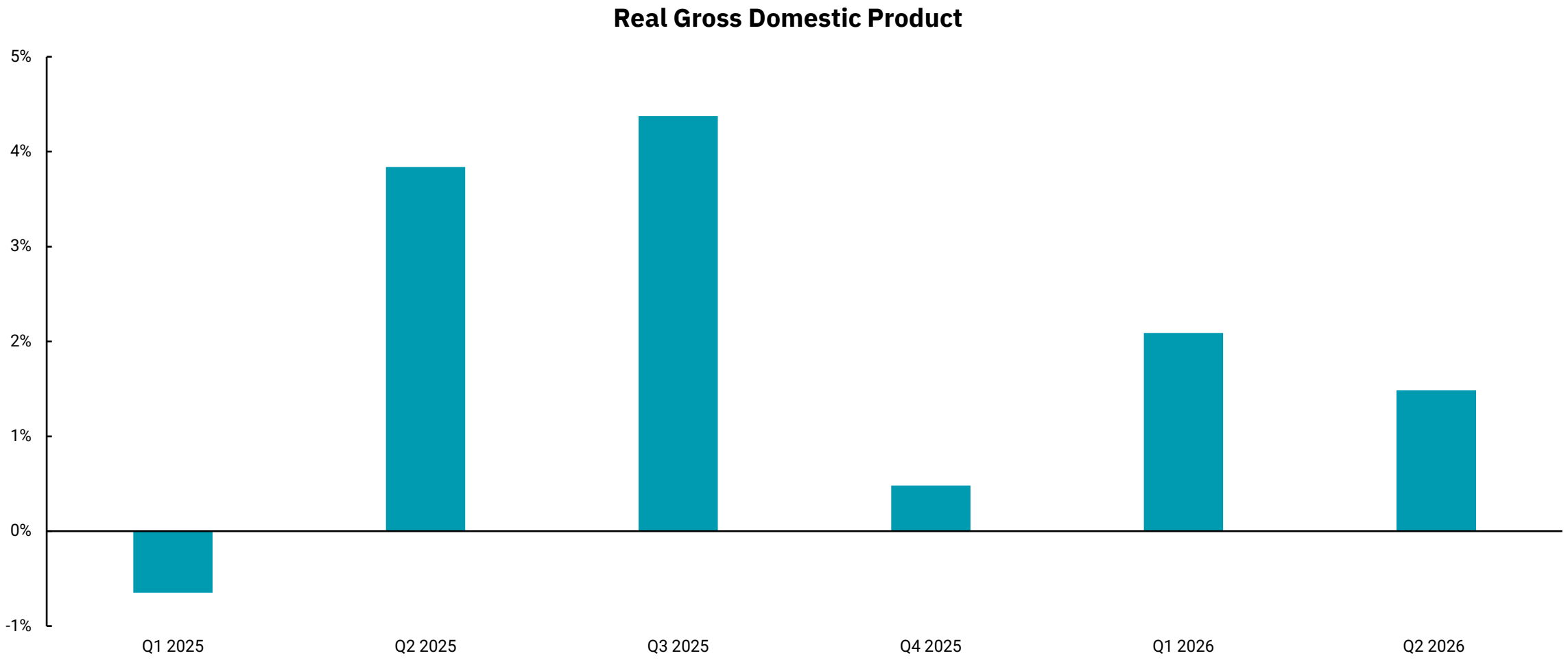
1. Consumers are holding firm.
2. Business investment is strong.
3. Government spending supporting growth.

GDP- The U.S. consumer dominates



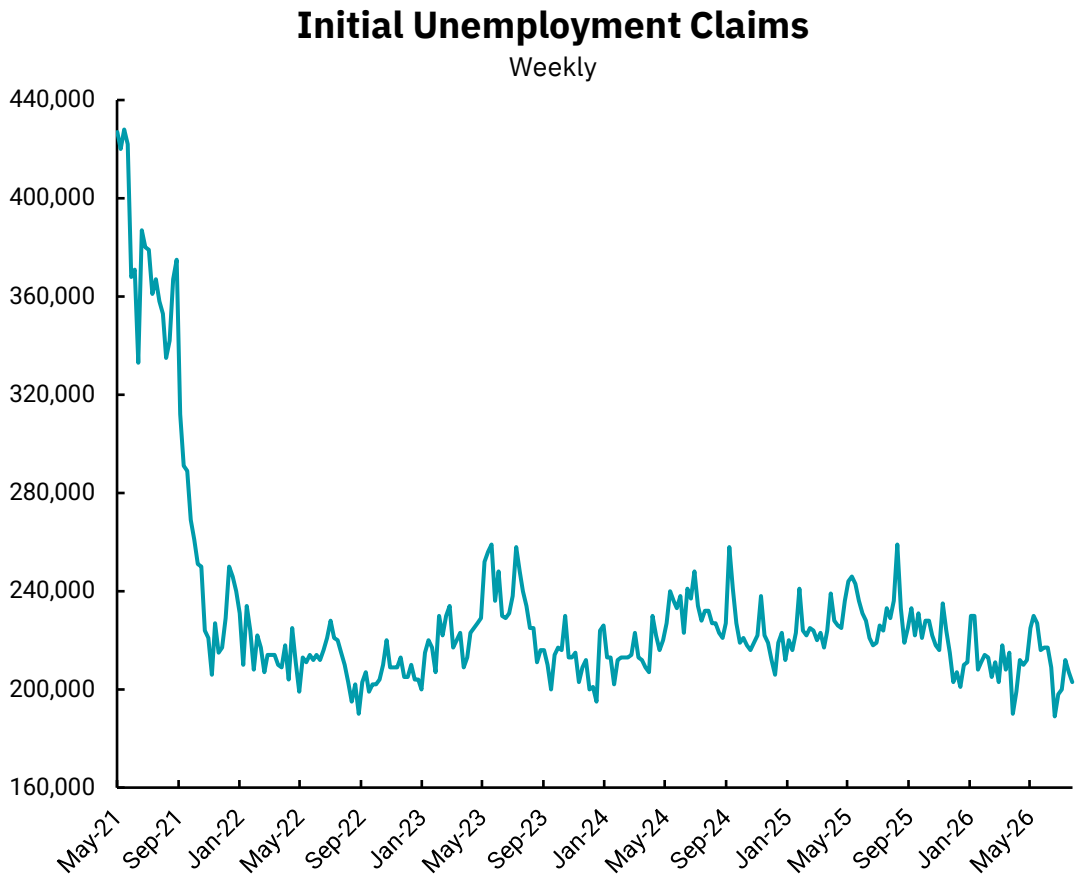
Source: U.S. Bureau of Economic Analysis via FRED®. Data as of Aug. 26, 2026.

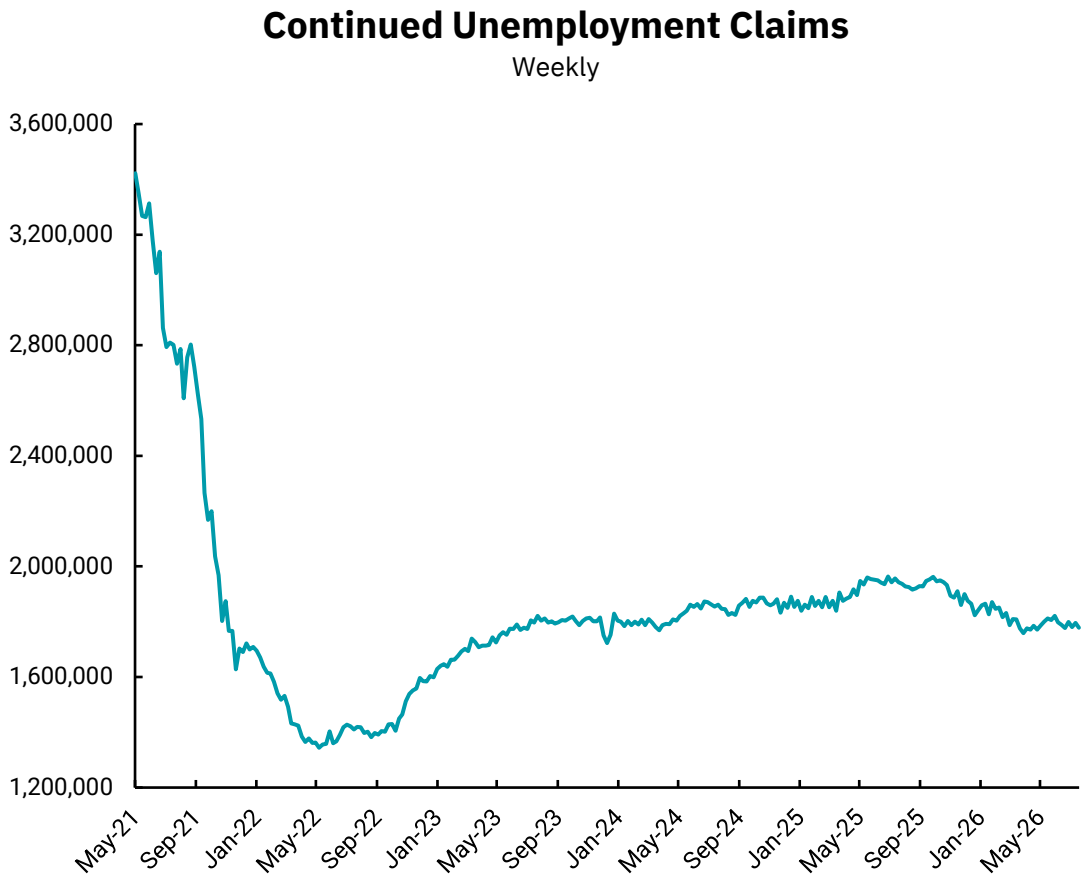
GDP- U.S. economic growth



Source: U.S. Bureau of Economic Analysis via FRED®. Data as of Aug. 26, 2026.

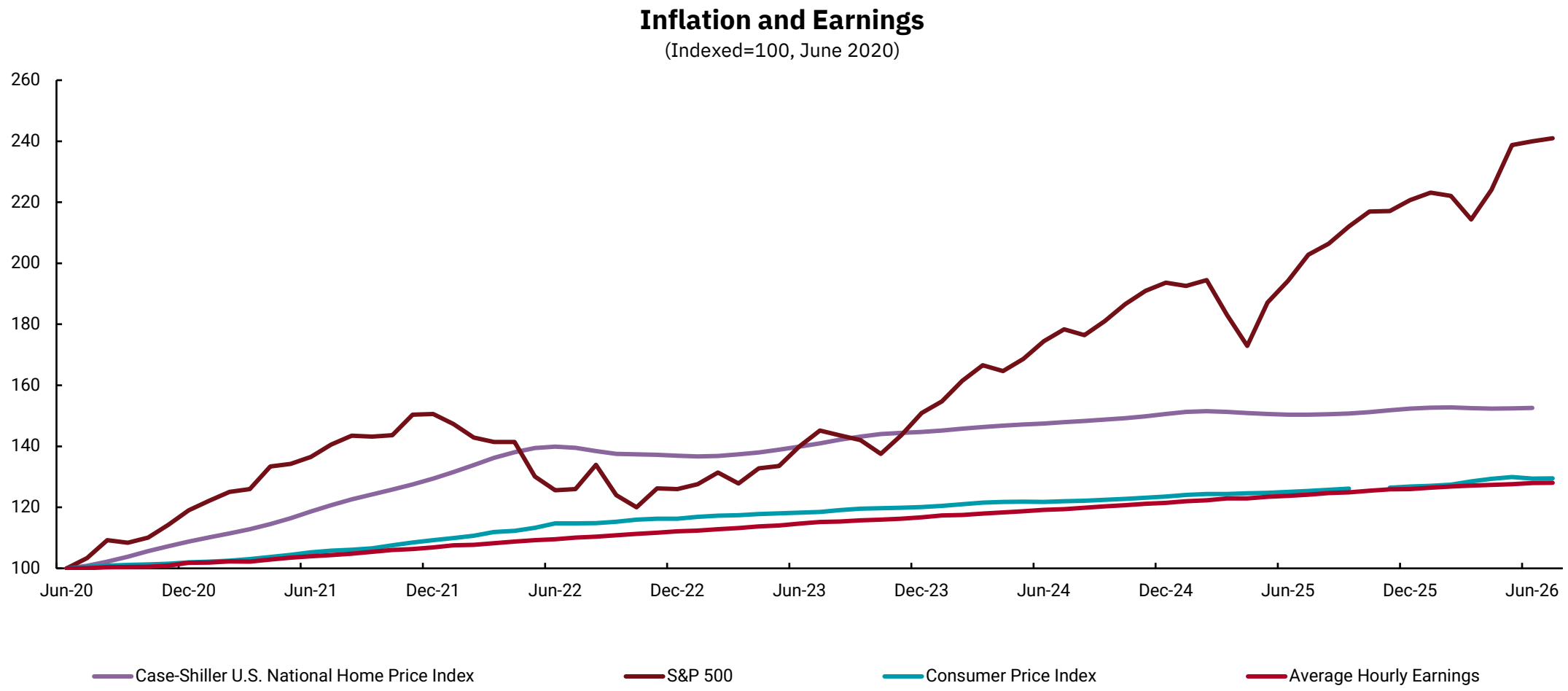
Consumer – Employment matters most





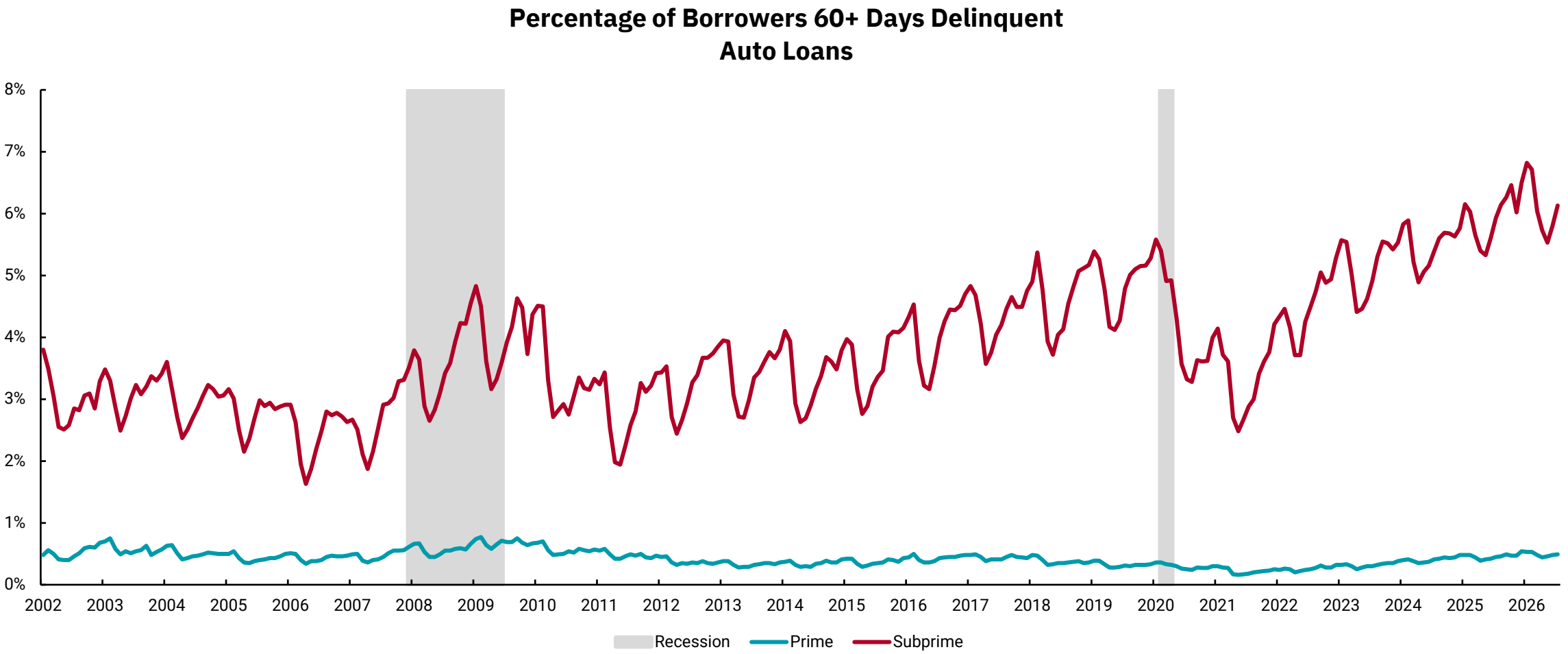
Source: U.S. Employment and Training Administration via FRED®. Data as of Aug. 27, 2026.

Consumer – K shaped recovery



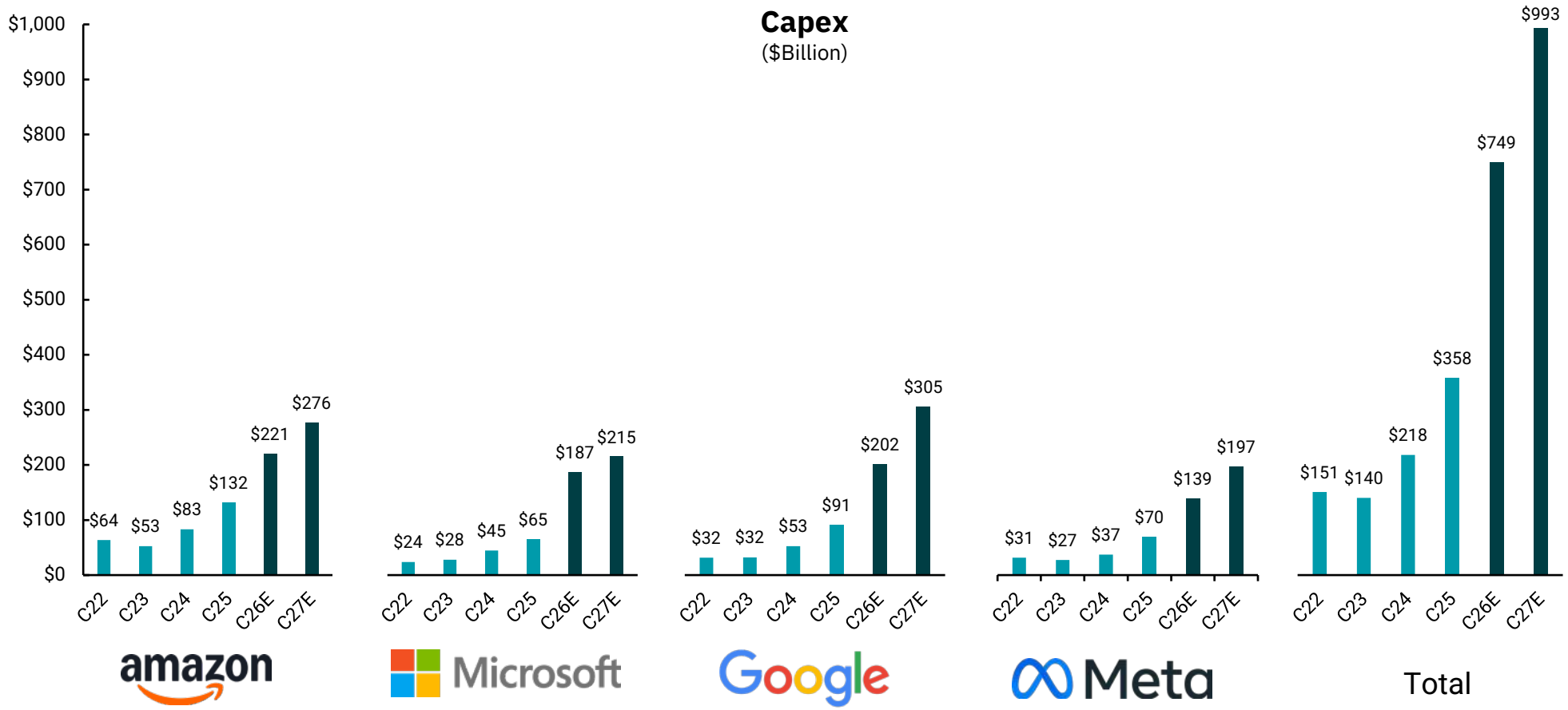
Source: S&P Dow Jones Indices LLC; U.S. Bureau of Labor Statistics via FRED®. Data as of Aug. 31, 2026.

Consumer – Varied levels of stress



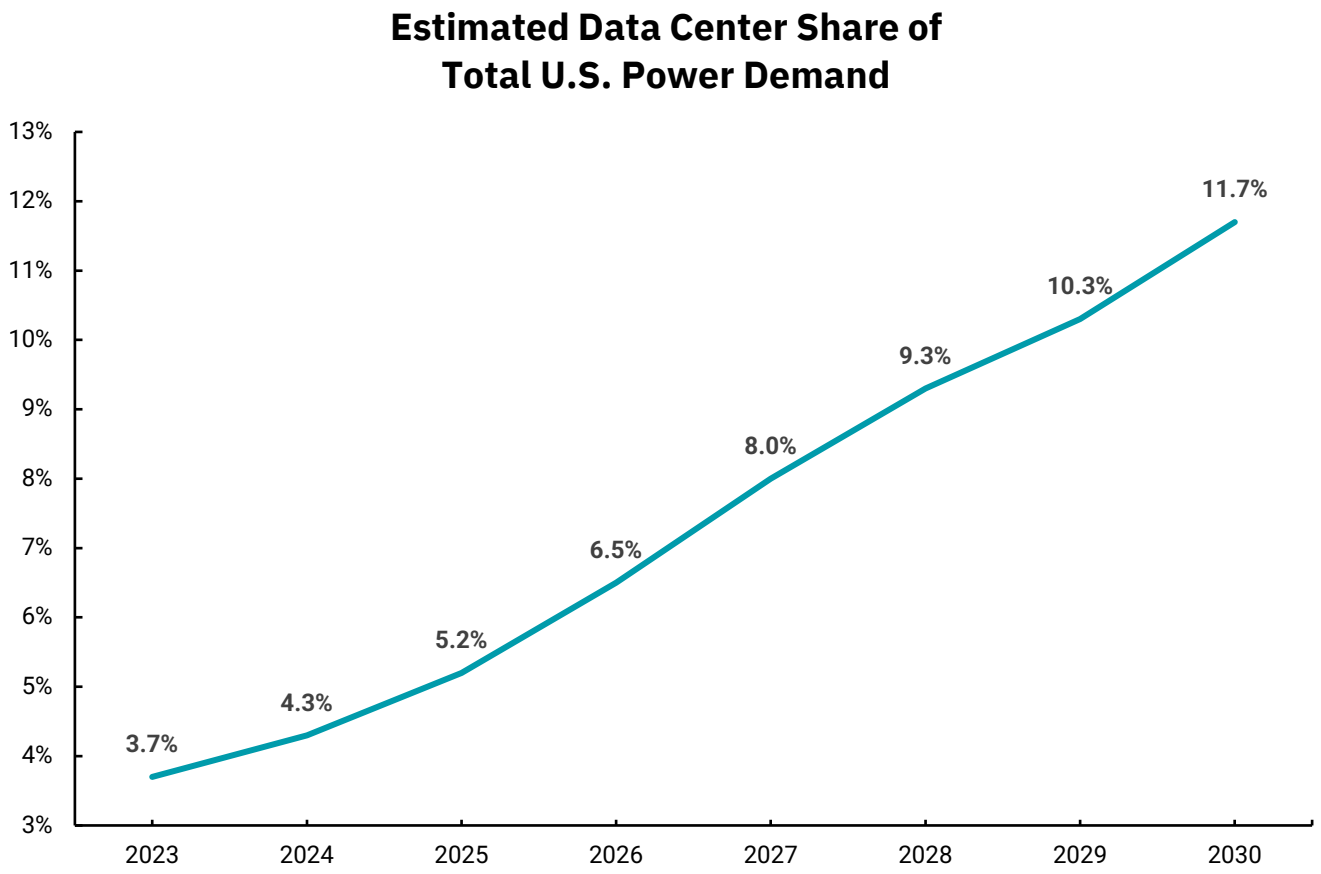
Source: Fitch Ratings. Data as of Aug. 31, 2026.

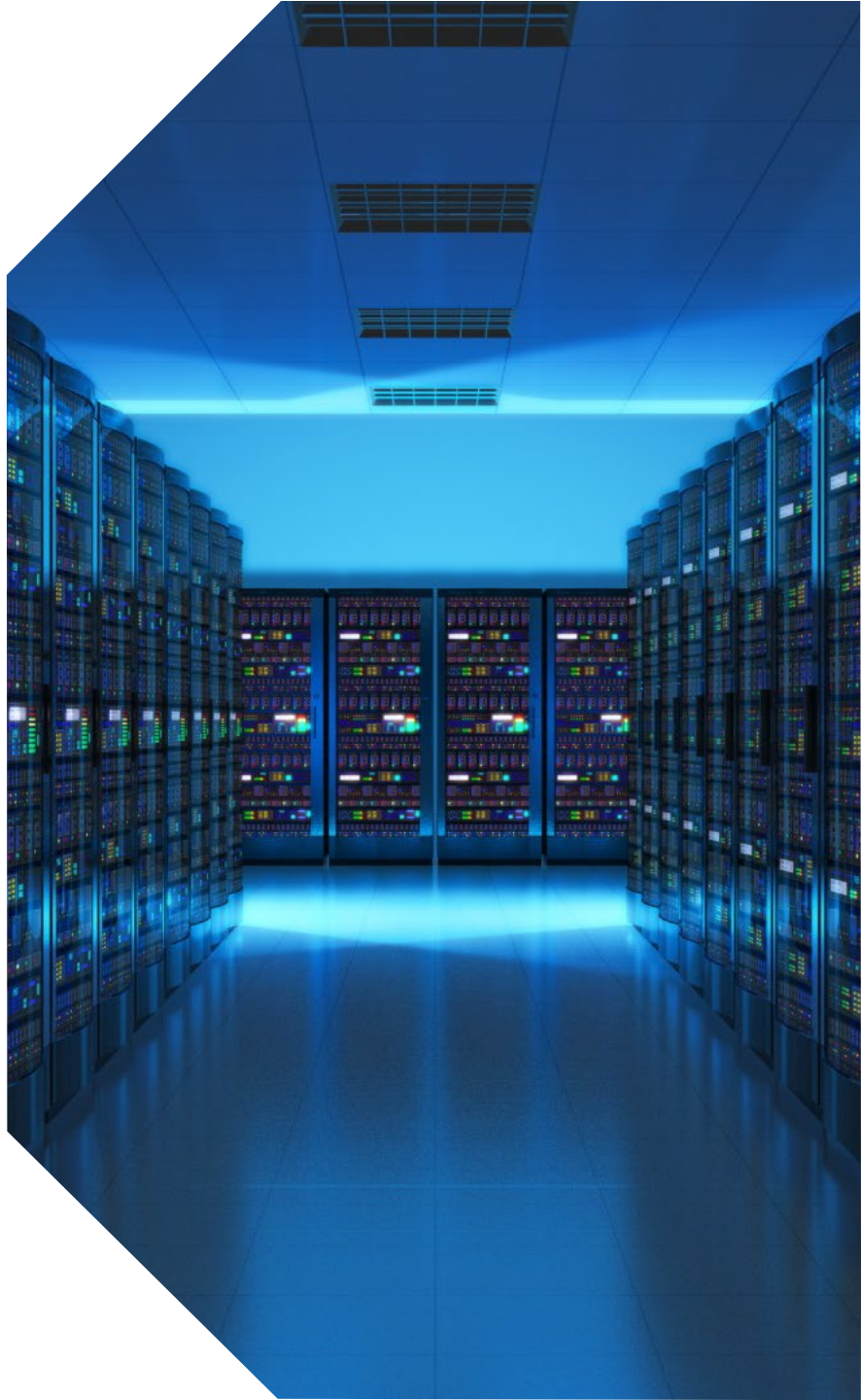
Business – An AI led investment boom



Source: Bloomberg.

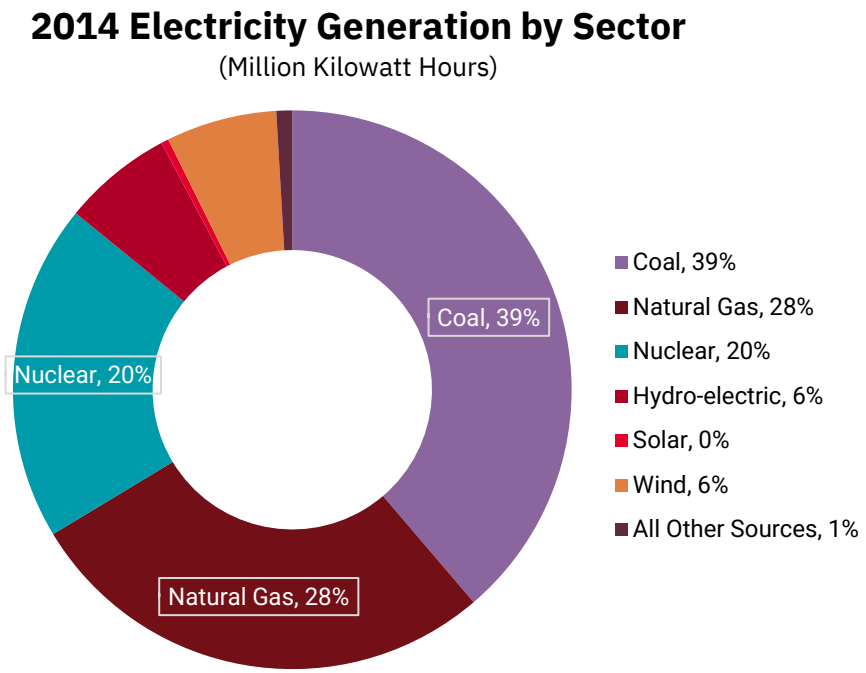
Business - Data centers may disrupt electricity demand

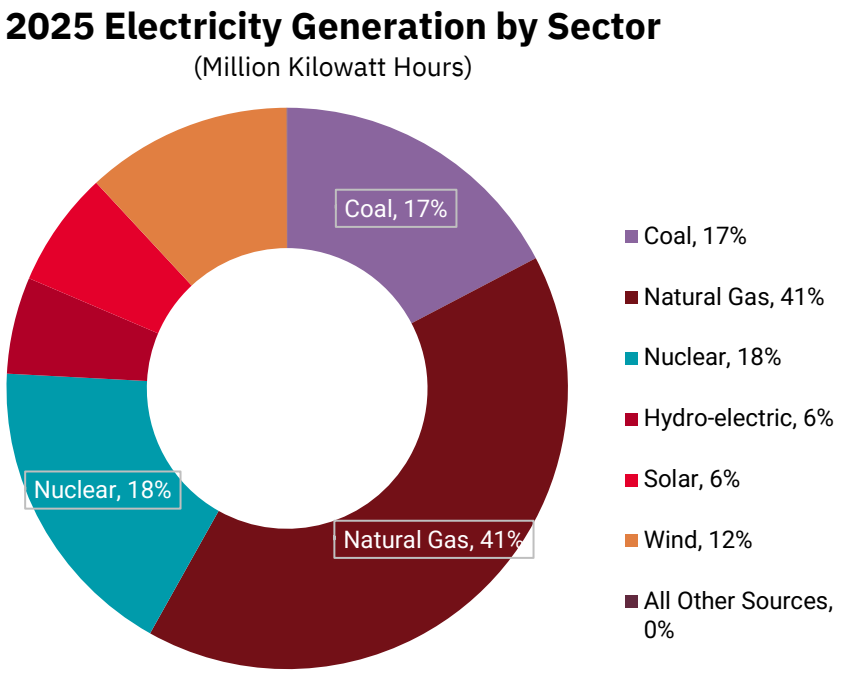




Source: Global Energy Perspective 2023,McKInsey, October 18, 2023; McKinsey analysis.
**https://www.deloitte.com/us/en/insights/industry/power-and-utilities/data-center-infrastructure-artificial-intelligence.html*

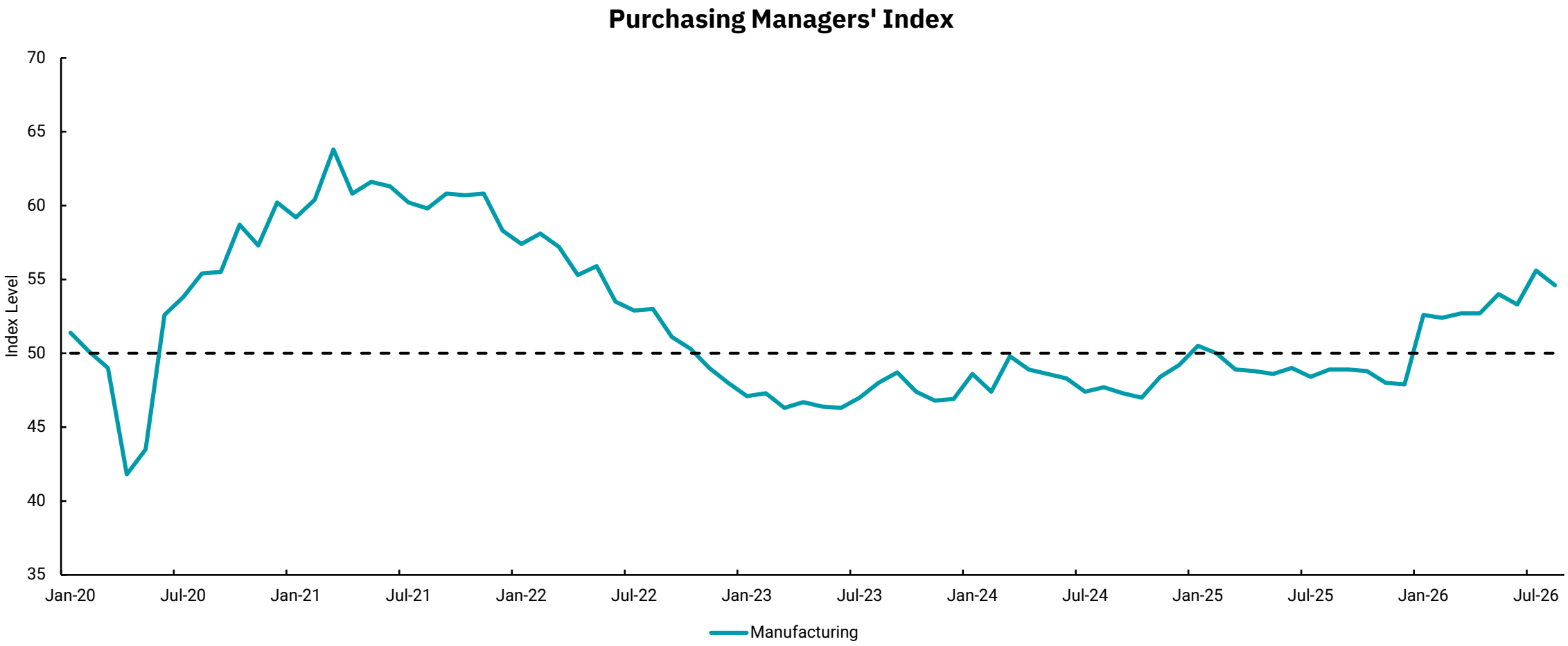
Business – Electricity supply sources





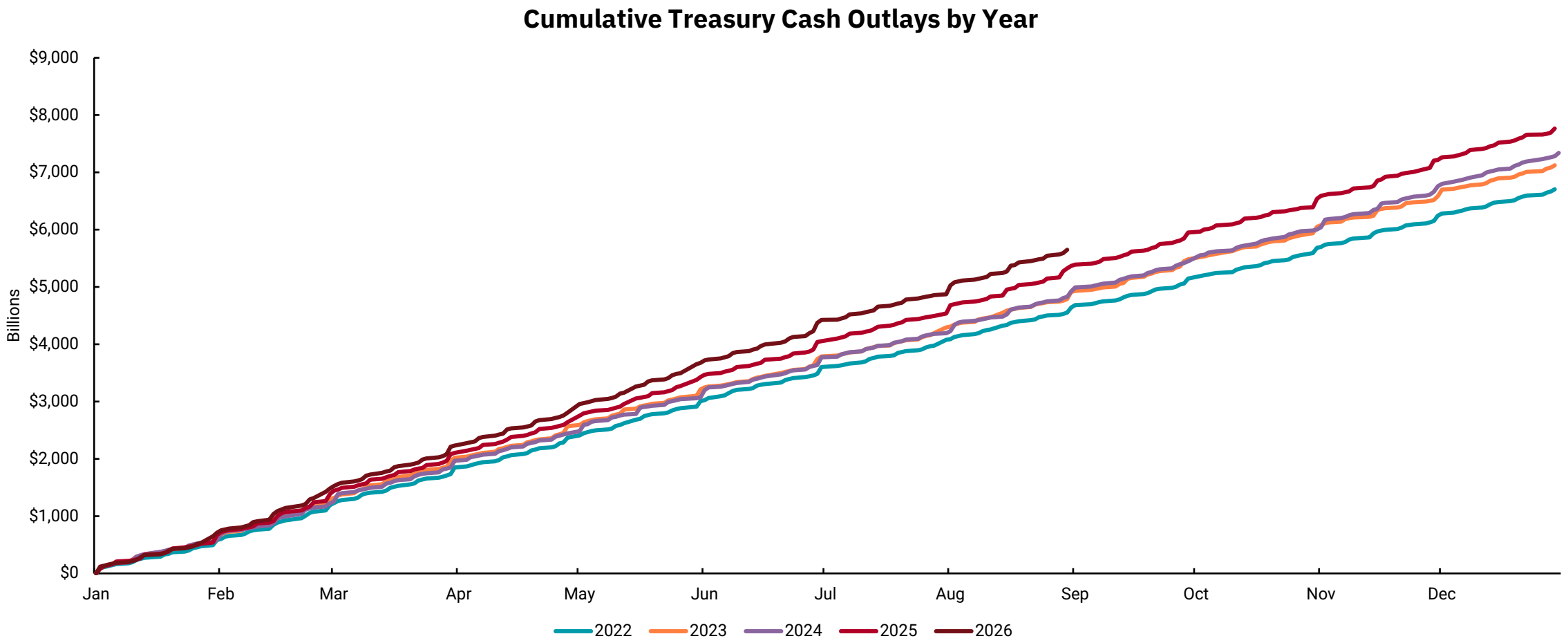
Source: U.S. Energy Information Administration.

Business – ISM now expansionary



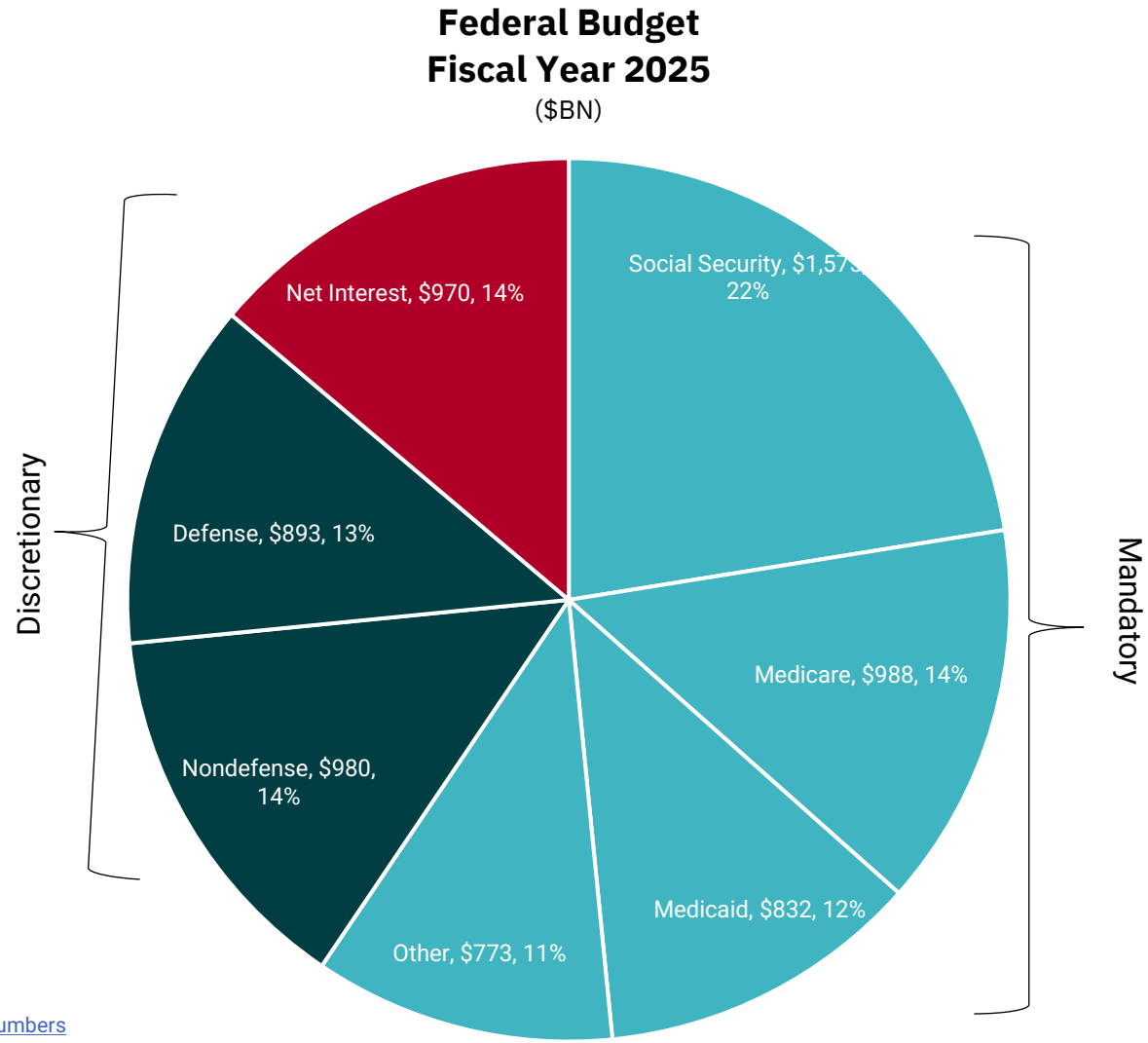
Source: Institute for Supply Management. Data as of Aug. 31, 2026.

Government – Aggregate federal spending is higher



Source: U.S. Department of the Treasury via The Hamilton Project. Data as of Aug. 31, 2026.

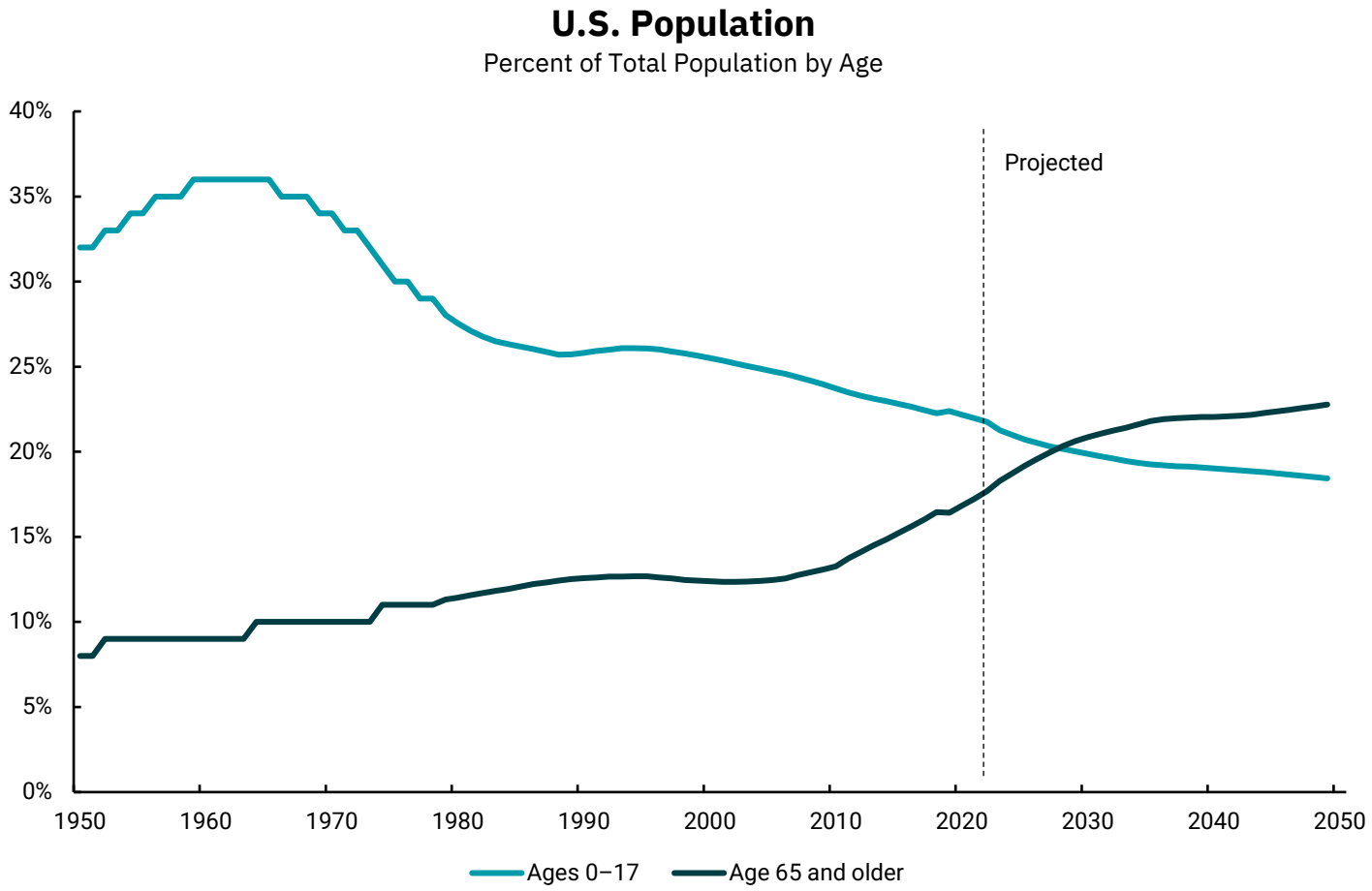
Government – Budget process makes reducing spending difficult

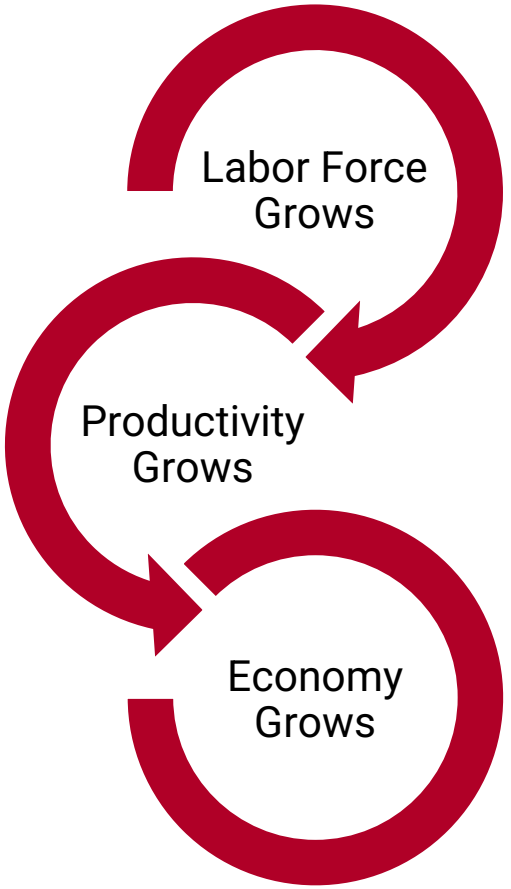


The Budget and Economic Outlook: 2026 to 2036 By the Numbers

Source: Congressional Budget Office. The Budget and Economic Outlook: 2026 to 2036, February 2026.

Government – We are an aging demographic

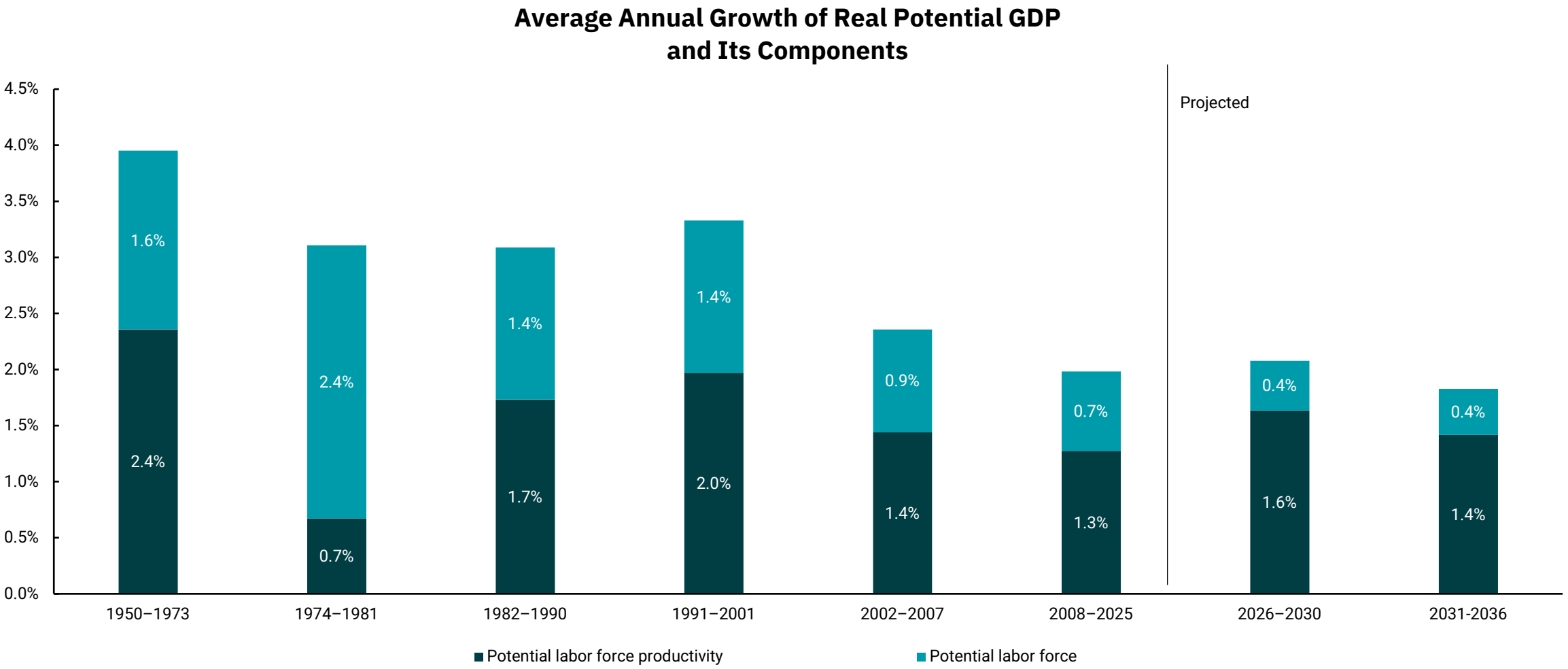




POP2 Children as a percentage of the population: Persons in selected age groups as a percentage of the total U.S. population and children ages 0–17 as a percentage of the dependent population, 1950–2023 and projected 2024–2050

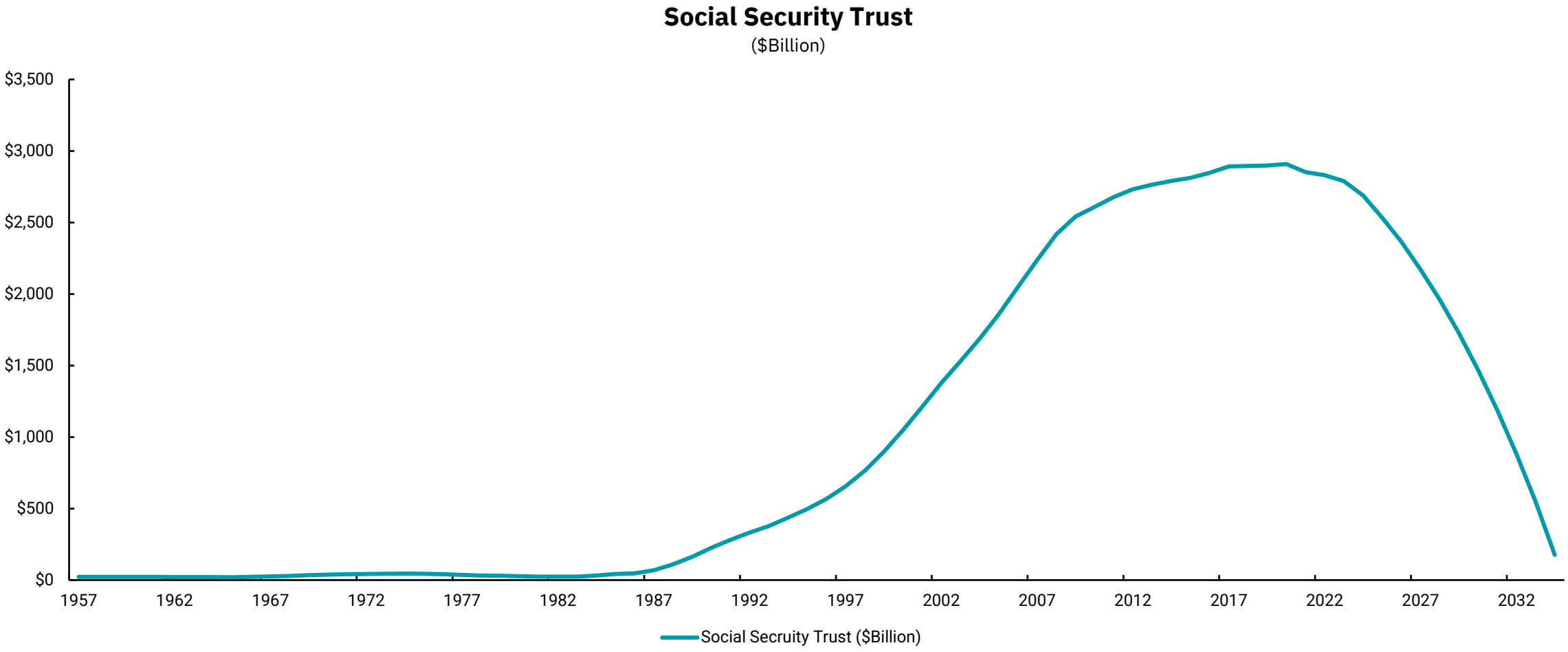
Source: childstats.gov, U.S. Census Bureau. The data for 2020 to 2023 are based on the population estimates released for July 1, 2023. Data beyond 2023 are derived from the national population projections released in November 2023.

Government – The quest for growth



Source: Congressional Budget Office, The Budget and Economic Outlook: 2026 to 2036.

Government – Social security changes are needed



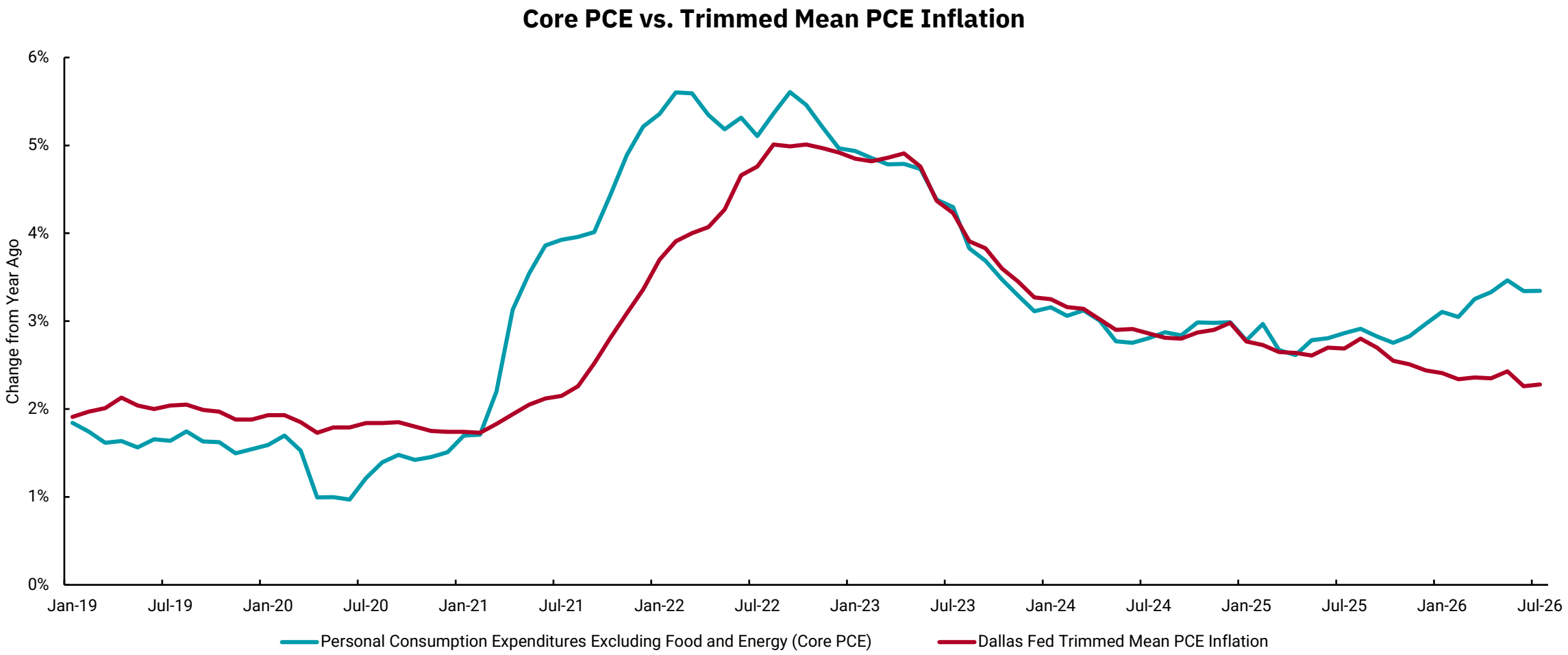
Source: Congressional Research Service, Social Security: The Trust Funds. Updated May 23, 2024.



Policy response

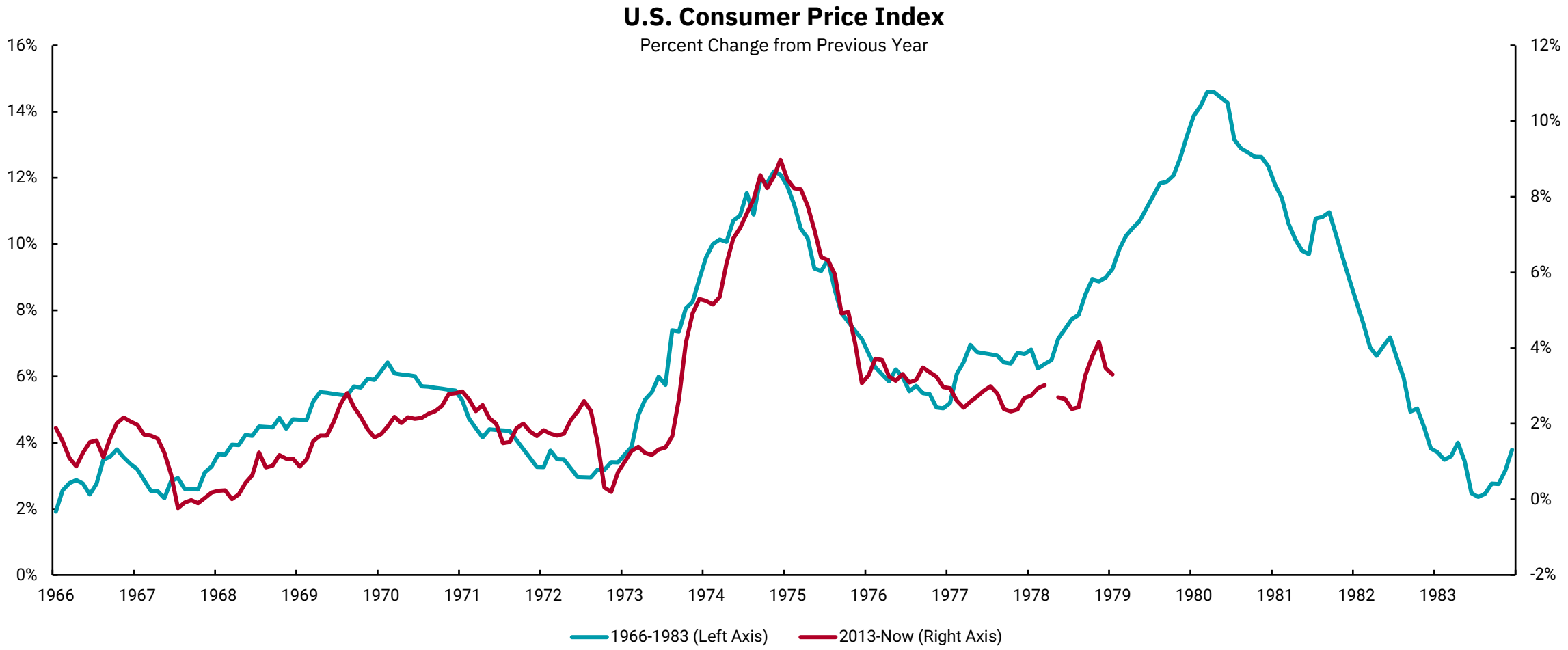
1. Core inflation remains above the Federal Reserve's 2% target.
2. Rate cuts now look less likely.
3. Future deficits are highly dependent on growth.

Inflation- How do we define it?



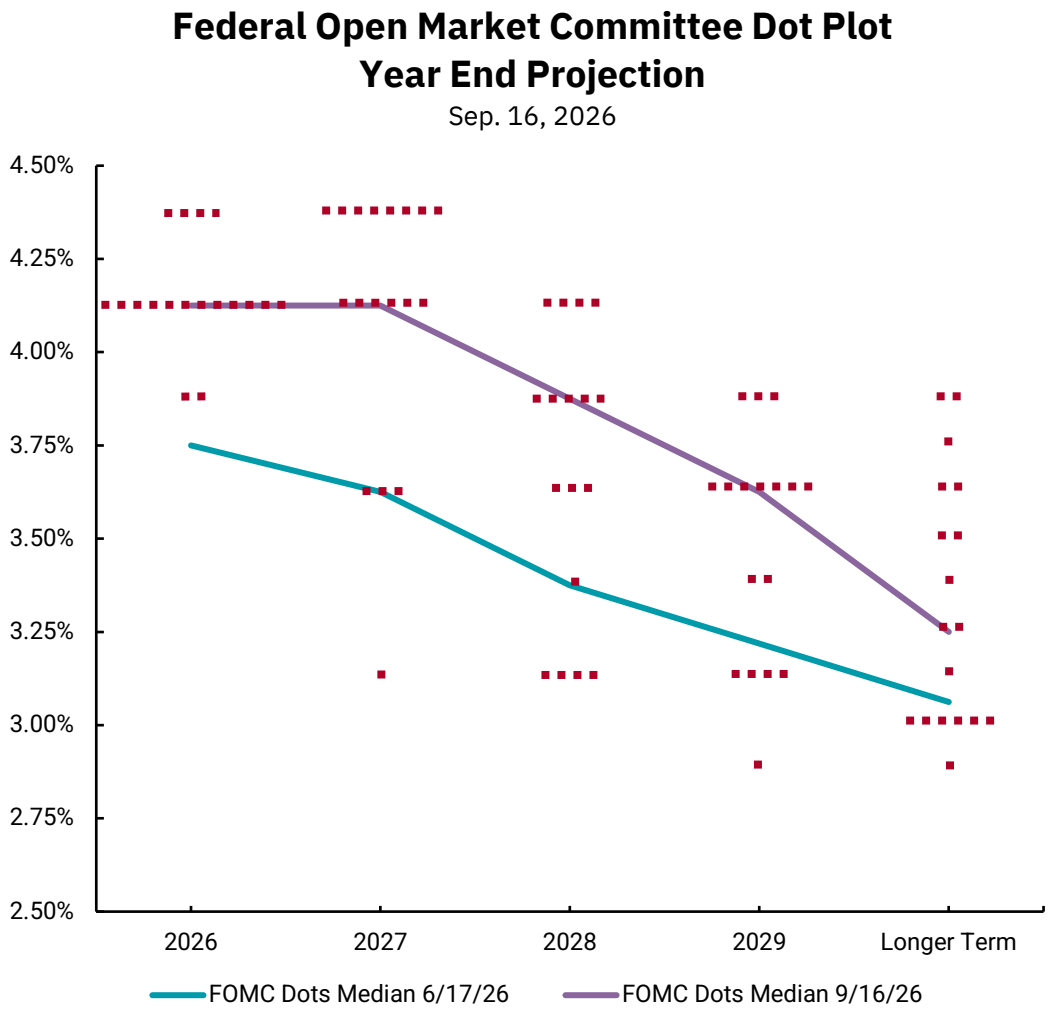
Source: U.S. Bureau of Economic Analysis via FRED®, Federal Reserve Bank of Dallas. Data as of Aug. 31, 2026.

Inflation - History is for waves of inflation



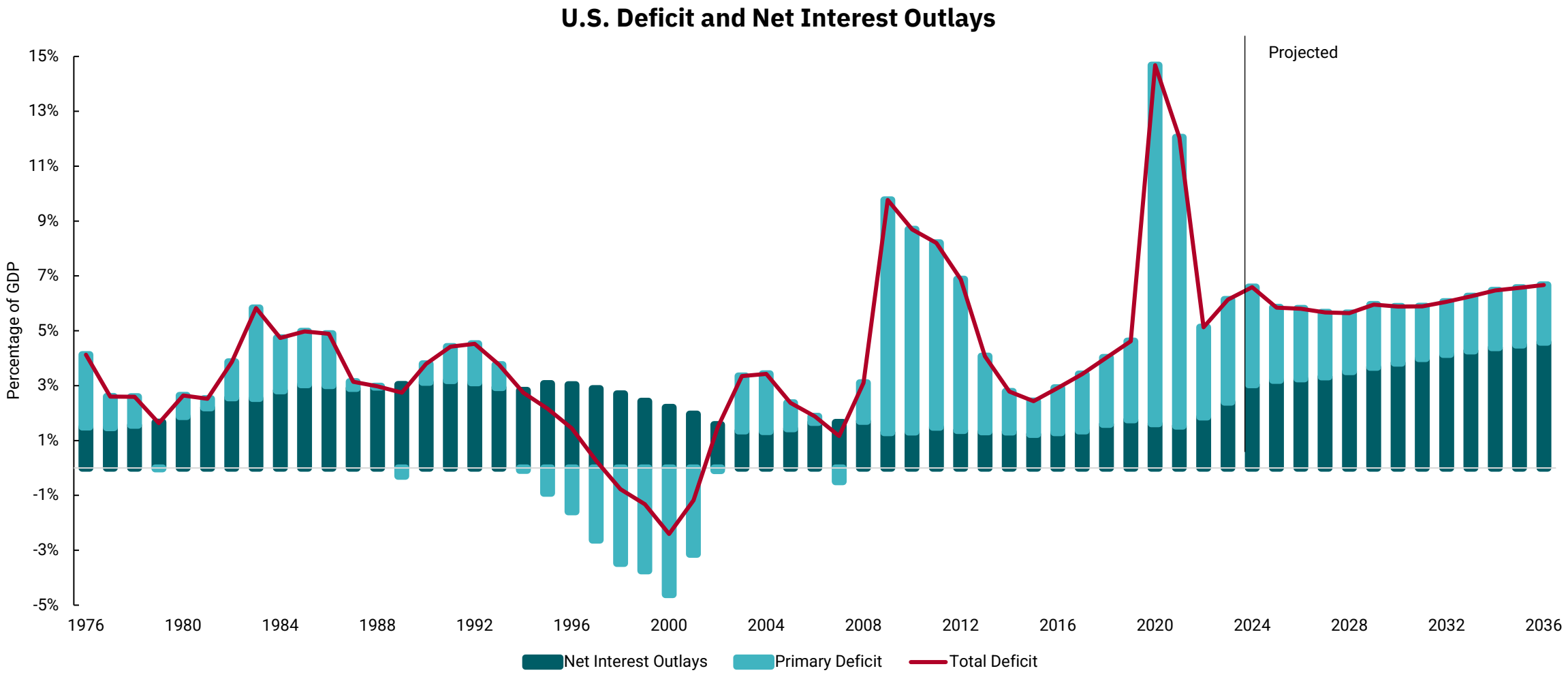
Source: U.S. Bureau of Labor Statistics via FRED®. *Data as of Aug. 12, 2026.*

Dot Plot- Interest rate outlooks from FOMC members



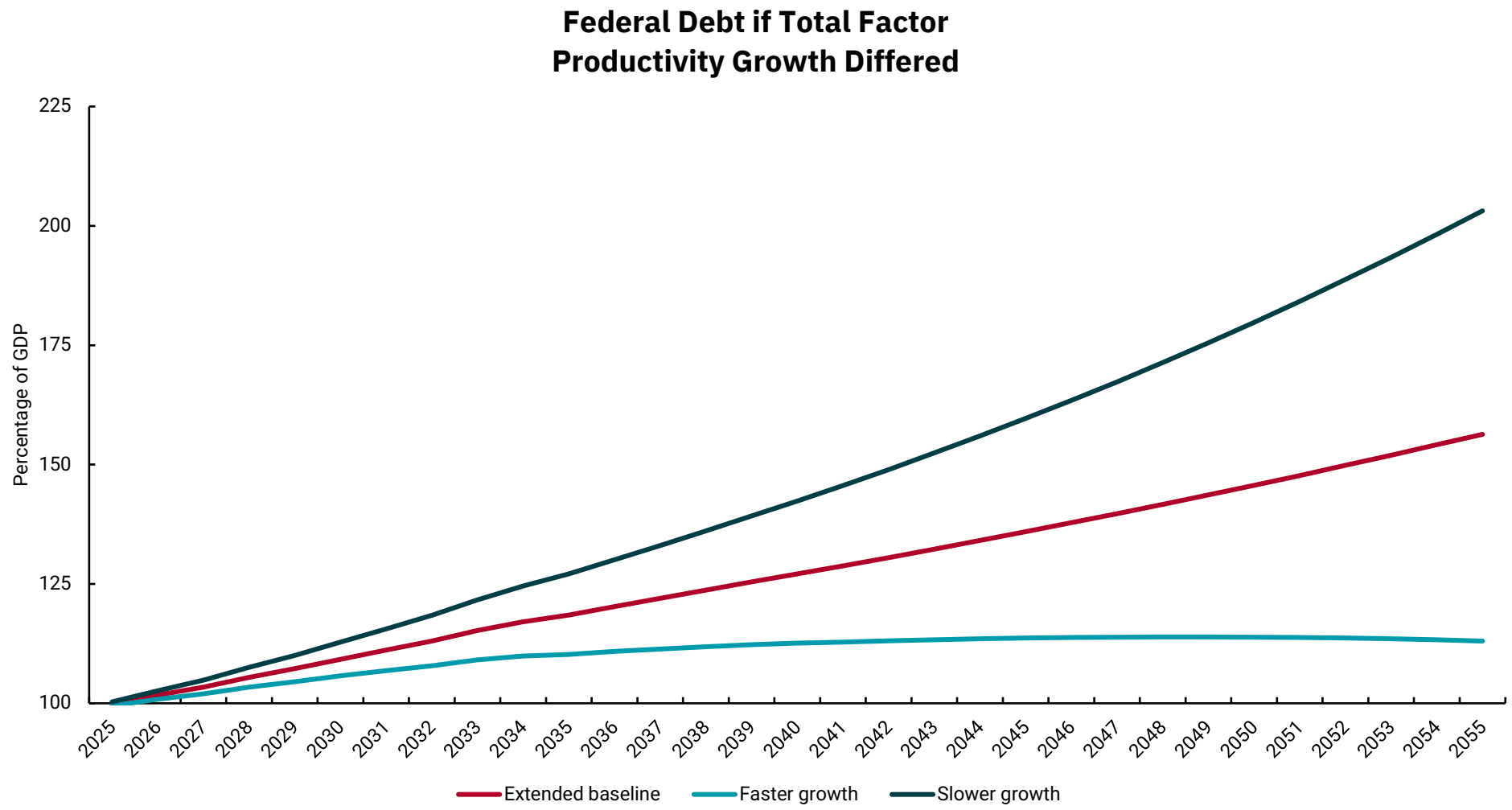
Source: Bloomberg. FOMC Dots Median data as of Sep. 16, 2026.

Baseline deficit forecast



Source: Congressional Budget Office. Data shown from CBO's February 2026 report, The Budget and Economic Outlook: 2026-2036.

Economic growth - The best path forward



Source: Congressional Budget Office. Data shown from CBO's May 2025 report, The Long-Term Budget Outlook Under Alternative Scenarios for the Economy and the Budget.



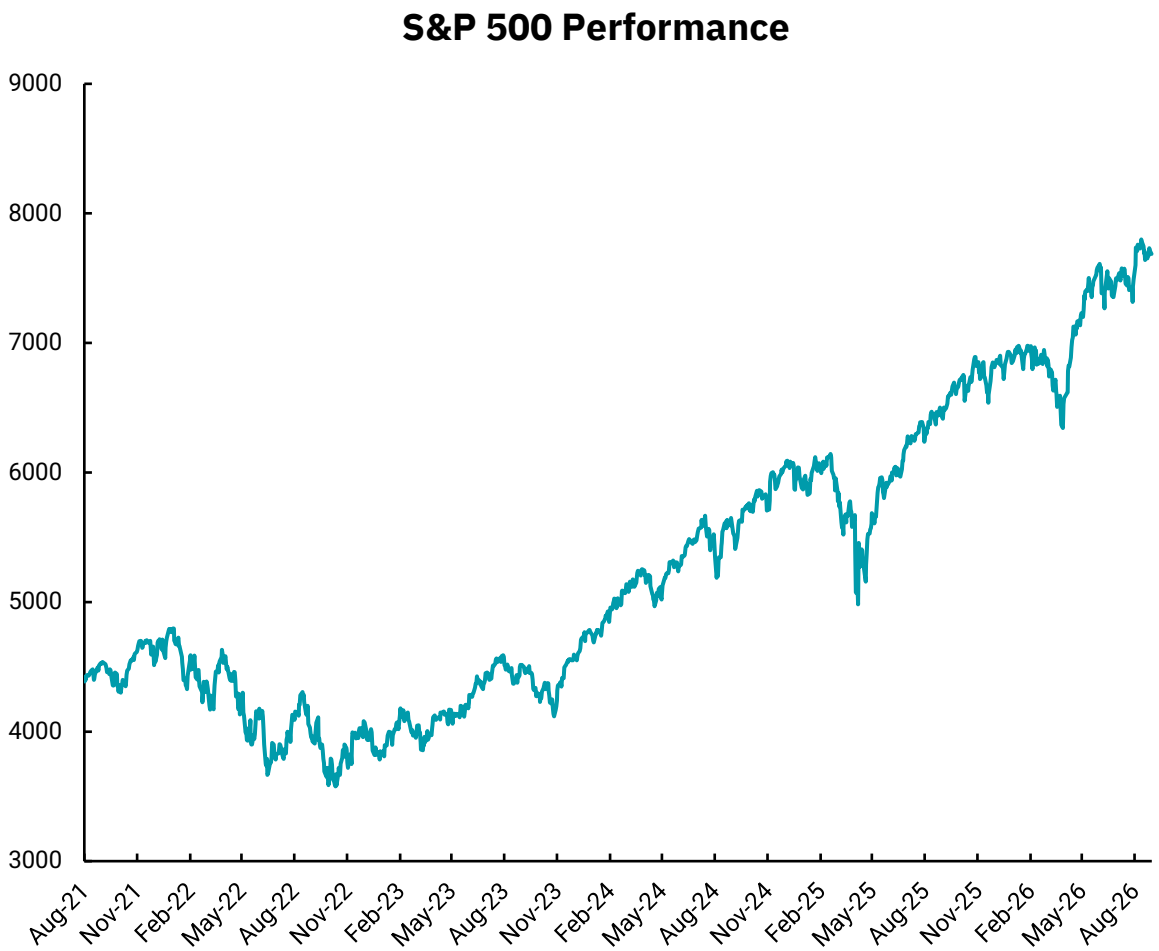
Market pulse

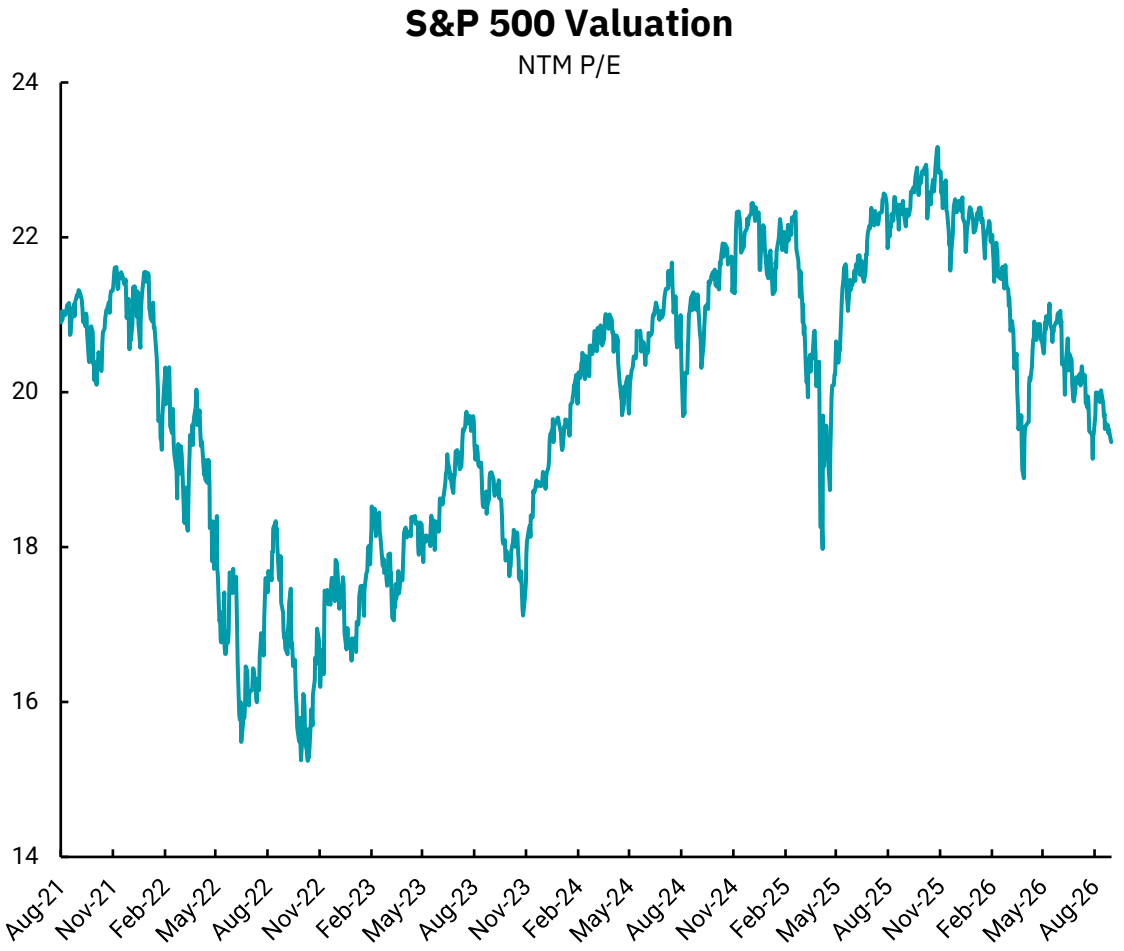
1. Valuations remain high by most every measure.

2. Corporate margins remain robust and performance is broadening.

3. Bond markets are showing positive real rates of return.

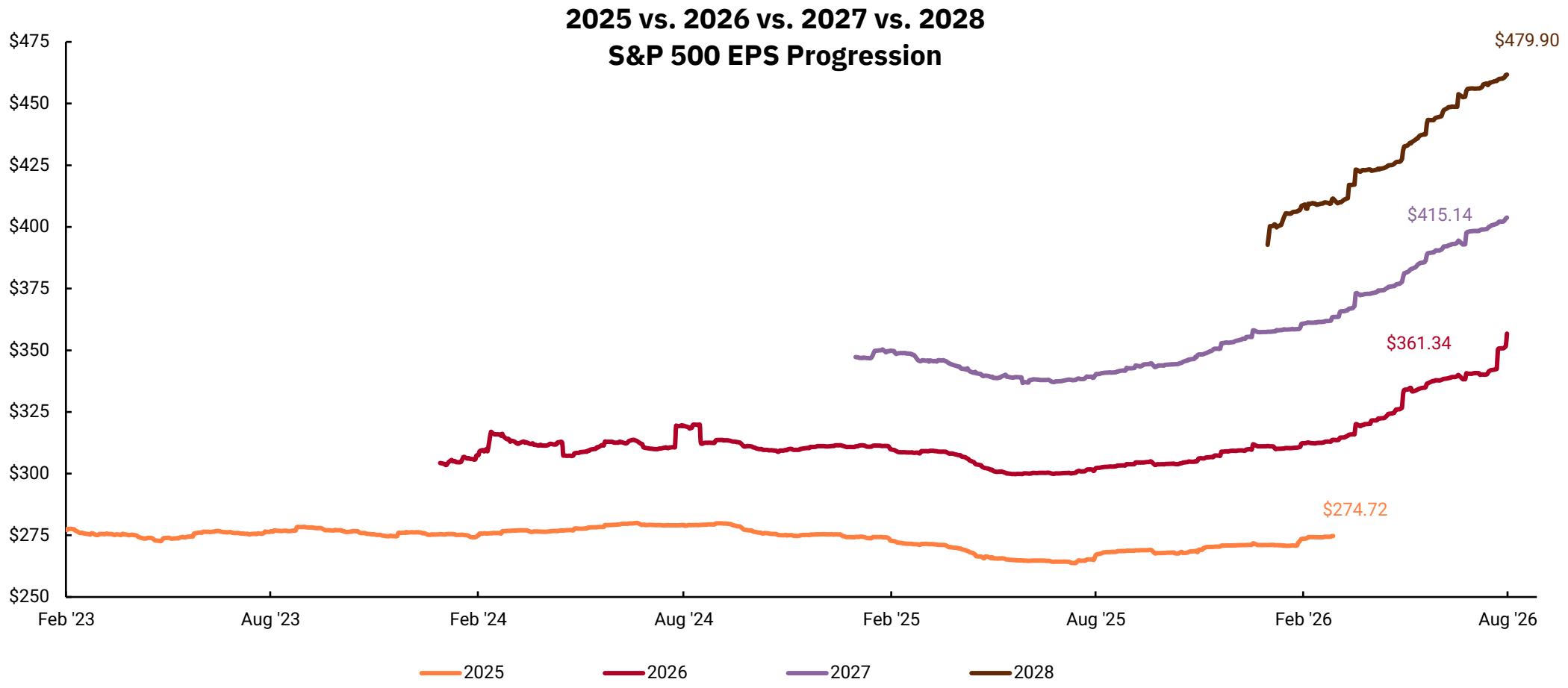
Market valuation





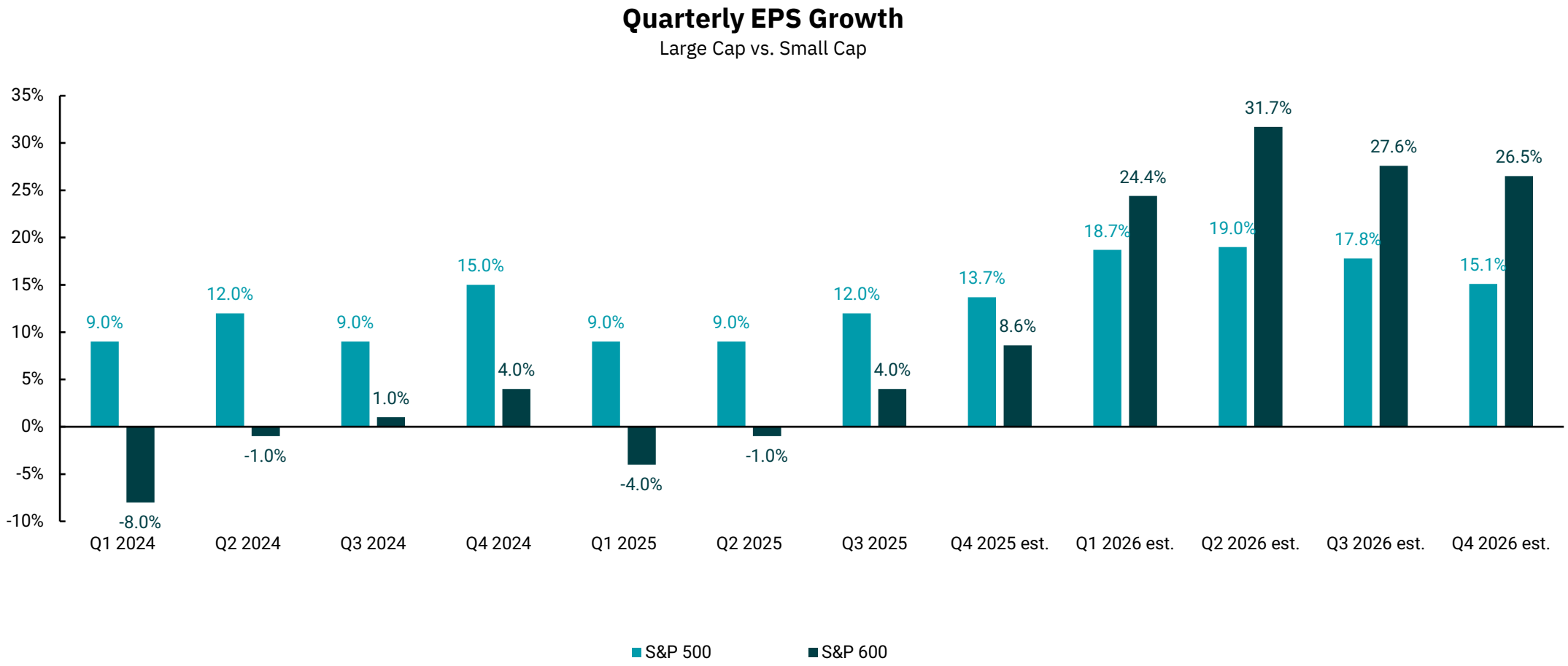
Source: Bloomberg. Data as of Aug. 31, 2026.

Corporate earnings remain strong



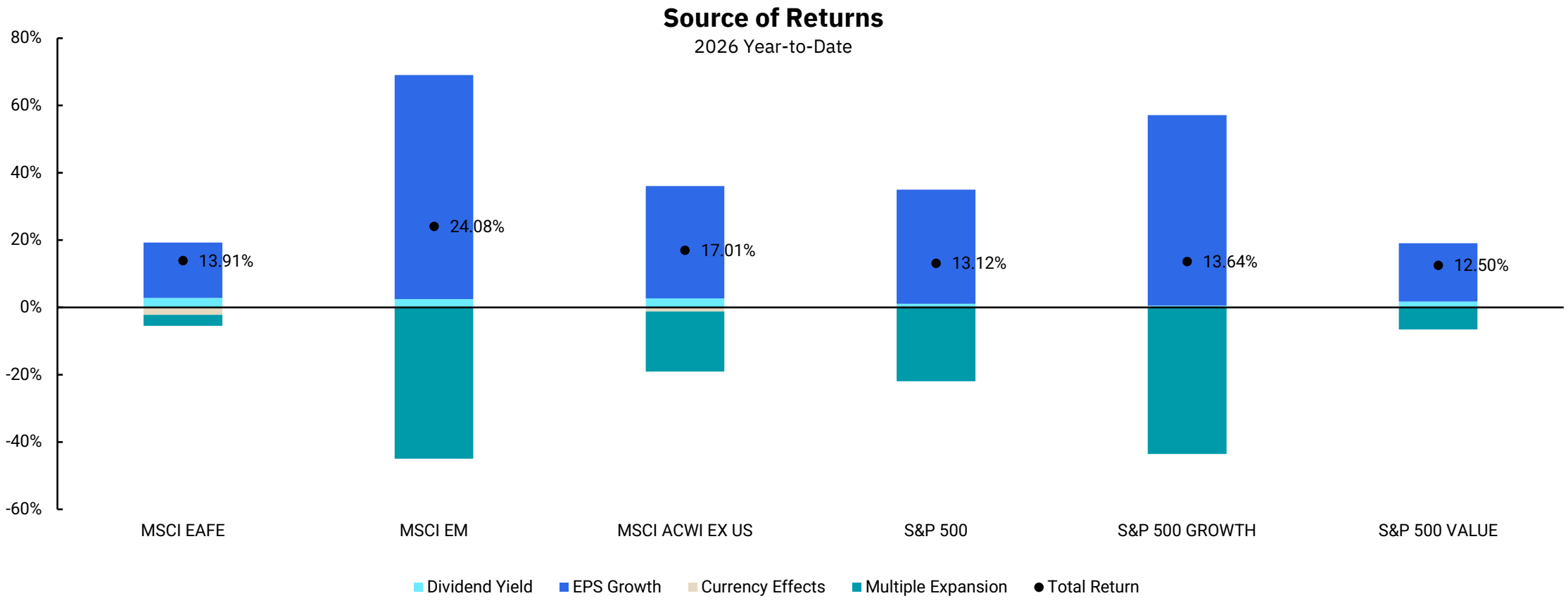
Source: Strategas, Factset. Data as of Aug. 28, 2026.

Earnings- Positive and Broadening



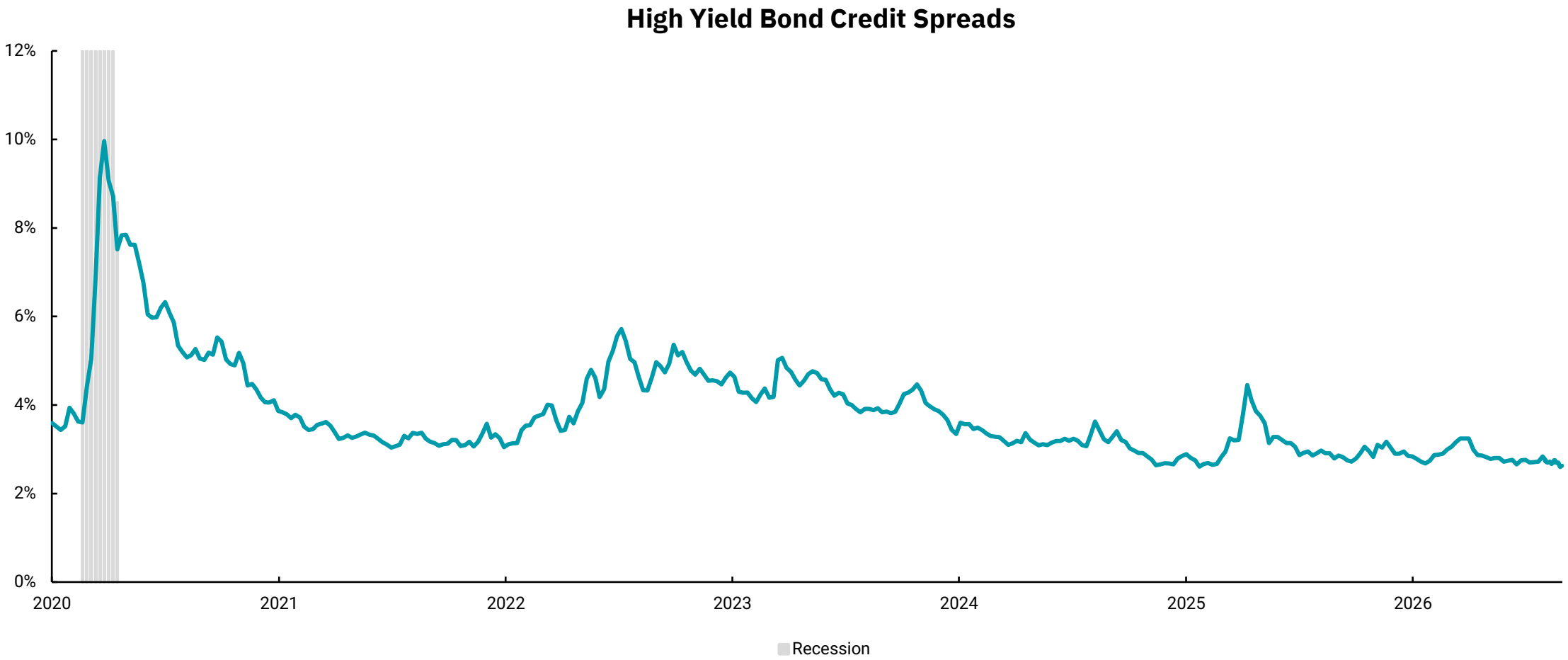
Source: Strategas.

Earnings help drive returns



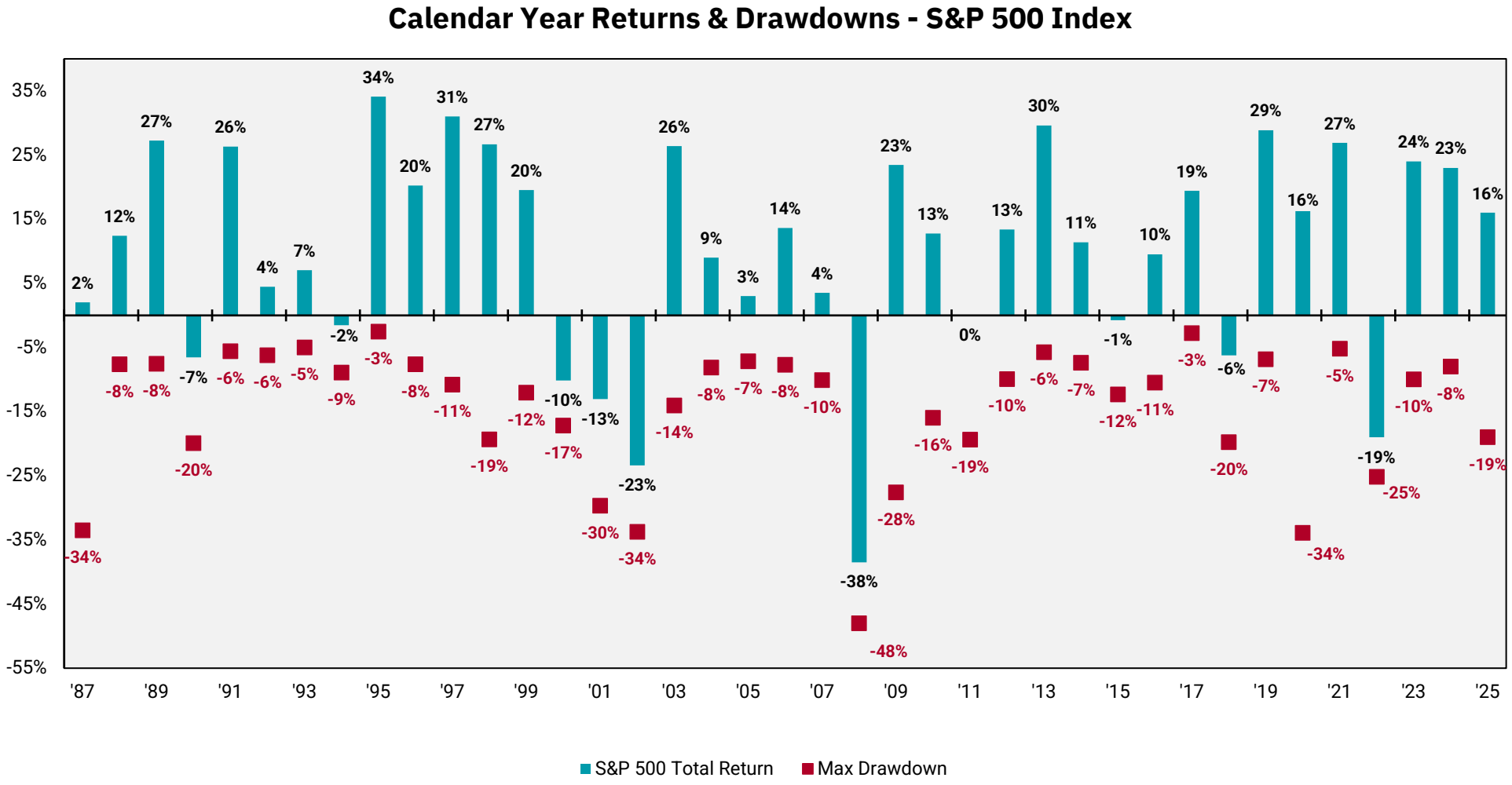
Multiple Expansion = Total Return YTD – Dividends - Currency Effects - Eps Growth
Currency Effects = Index Return YTD – Currency Hedged Index Return YTD
EPS Growth = Sell-side consensus estimate for 2026 EPS
Dividend Yield = BEst. Div Yld
Source: Bloomberg. *Data shown as of Aug. 31, 2026.*

Credit spreads – Not indicating recession, yet



Source: Federal Reserve Bank of St. Louis. Data shown as of Aug. 31, 2026.

The Value of Staying Invested



Source: Baird Strategas.

U.S. equity market outlook

1. The speed and durability of a resolution to the Iran conflict will be an important driver of energy prices, inflation and interest rates. An extended conflict could put expected company earnings growth at risk.

2. The economy is undergoing multiple transformational shifts including changing trade policies and the AI driven capex super-cycle. These initiatives should bolster growth through increased productivity and positively impact corporate earnings.

3. Equity valuations have retreated from recent high levels. While absolute multiples remain in the 20s, less cyclical earnings may warrant higher long-term valuations.

4. Earnings estimates for 2026 remain robust and, importantly, are broadening beyond the largest technology companies. This may mean the “average” stock in the S&P 500, as well as mid- and small-cap companies, could post positive relative performance.

U.S. fixed income outlook

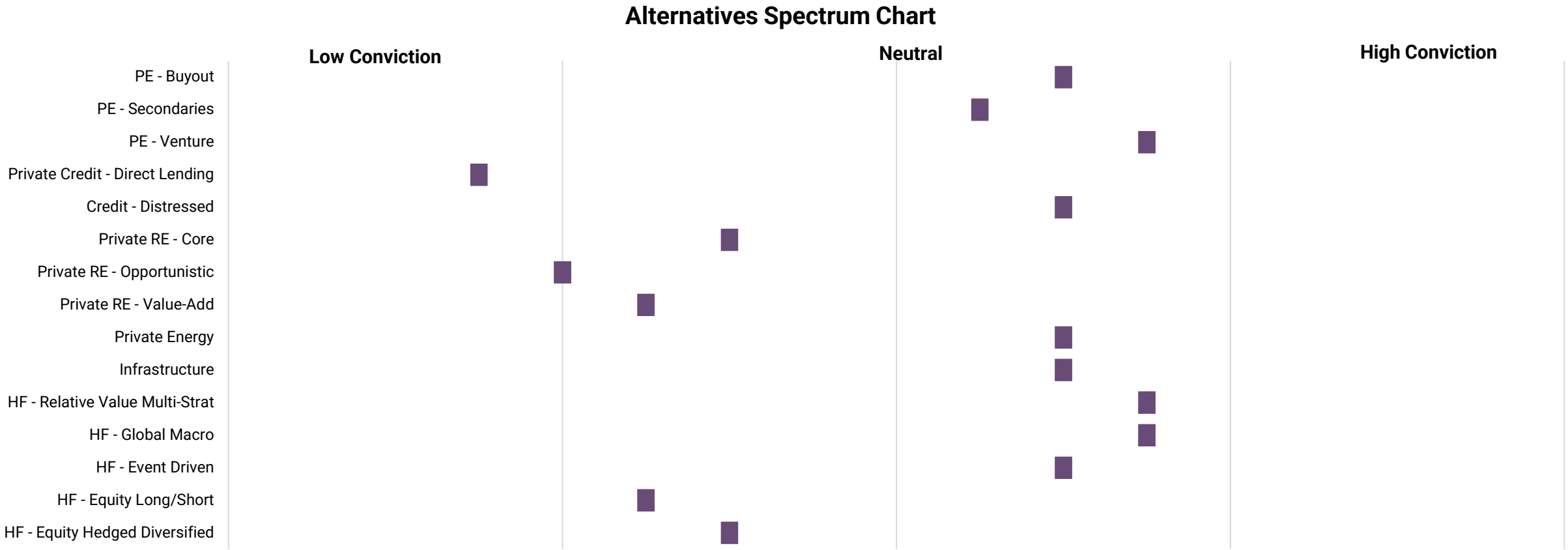
1. The new Fed Chair Kevin Warsh clearly stated a focus on getting inflation down as their top priority.

2. Since inflation has been above the Fed's target for over five years, this renewed focus has resulted in a shift towards the next rate move being higher.

3. Short-term inflation measures are moving with oil prices, but an increasing likelihood of even wider deficits and greater borrowing needs are playing a part in higher long-term yields even as longer-term inflation expectations remain well anchored.

4. The continued confidence in economic growth means corporate and mortgage spreads remain tight. We favor mortgages over corporates.

Alternatives: Our 2026 outlook



- Private equity secondaries opportunities are attractive due to the discount in value.
- Private lending is facing some significant challenges with negative sentiment as investor redemptions reaching all time highs with some funds.
- Private energy has been a great performer and future returns will be dependent on the strength of energy markets.
- The best performing sector for 2025 was venture capital and we expect this trend to continue in 2026 due to AI and venture's technology focus.

Broad market overview

Returns (%)	1 Mo.	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
Capital Markets						
DJ Industrial Average TR USD	1.47	11.79	18.62	17.29	10.56	13.53
NASDAQ 100 TR USD	4.24	17.14	26.61	24.77	14.46	21.04
Russell 3000 TR USD	2.74	13.37	20.10	20.62	11.80	14.84
S&P 500 (TR) (1970)	2.72	13.14	20.38	21.04	12.79	15.38
Domestic Large Cap Equities						
Russell 1000 TR USD	2.82	13.03	19.77	20.79	12.10	15.13
Russell 1000 Value TR USD	2.03	23.12	29.72	19.77	11.84	11.76
Russell 1000 Growth TR USD	3.73	4.06	10.82	21.10	11.88	17.95
Domestic Mid Cap Equities						
Russell Mid Cap TR USD	1.86	16.72	17.94	16.84	8.05	11.67
Russell Mid Cap Value TR USD	1.63	21.26	24.55	17.45	9.56	10.53
Russell Mid Cap Growth TR USD	2.55	2.91	-1.16	14.16	4.27	12.07
Domestic Small Cap Equities						
Russell 2000 TR USD	0.98	20.01	26.46	17.45	6.85	10.55
Russell 2000 Value TR USD	0.30	23.38	29.95	17.92	8.52	10.08
Russell 2000 Growth TR USD	1.64	16.91	23.25	17.01	5.04	10.66
International Equities						
MSCI EAFE NR USD	1.99	13.81	21.62	18.25	9.36	9.54
MSCI EAFE Value NR USD	1.45	17.61	28.49	23.79	14.55	10.48
MSCI EAFE Growth NR USD	2.55	10.02	14.89	12.83	4.21	8.34
MSCI ACWI Ex USA NR USD	2.57	17.01	27.35	20.22	9.37	9.65
MSCI EM NR USD	3.37	24.08	39.25	23.23	8.18	9.29
Cash & Fixed Income						
FTSE Treasury Bill 3 Mon USD	0.32	2.53	3.95	4.76	3.82	2.47
Bloomberg US Agg Bond TR USD	0.39	-0.31	1.89	4.08	-0.29	1.40
Bloomberg Gbl Agg Ex USD TR Hdg USD	-0.13	0.63	1.61	4.19	1.01	1.96
Bloomberg US Corporate High Yield TR USD	0.97	2.69	4.88	8.52	4.13	5.39
Alternatives						
MSCI US REIT GR USD	-3.00	16.65	16.00	12.19	4.27	5.95
Bloomberg Commodity TR USD	7.39	32.06	42.79	15.12	12.22	8.12

Source: Morningstar. Data shown as of Aug. 31, 2026.

Asset class quilt

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
21.31%	37.28%	3.17%	36.39%	38.49%	28.71%	-7.54%	42.68%	33.36%	33.57%	24.08%
17.34%	30.21%	0.01%	31.49%	19.96%	27.60%	-9.76%	26.29%	25.02%	31.22%	23.12%
17.13%	25.03%	-1.51%	30.54%	18.40%	25.16%	-11.19%	18.24%	15.34%	18.56%	20.01%
13.80%	21.83%	-2.08%	26.54%	18.31%	22.58%	-13.01%	17.23%	14.37%	17.88%	16.72%
11.96%	18.52%	-4.38%	25.52%	17.10%	14.82%	-14.45%	16.93%	11.54%	15.91%	13.81%
11.19%	14.65%	-8.27%	22.01%	7.82%	11.26%	-17.32%	13.44%	8.19%	12.81%	13.14%
7.08%	13.66%	-9.06%	18.44%	7.51%	5.28%	-18.11%	11.46%	7.50%	10.60%	4.06%
4.90%	7.50%	-11.01%	14.32%	7.11%	-1.40%	-20.09%	9.83%	4.97%	8.62%	2.69%
2.65%	3.54%	-13.79%	8.72%	3.94%	-1.54%	-20.44%	8.32%	3.82%	7.30%	0.63%
1.00%	2.48%	-14.58%	7.57%	2.80%	-2.54%	-29.14%	5.53%	1.25%	2.80%	-0.31%

Best Performing

Worst Performing

S&P 500

Large Cap Value

Large Cap Growth

Mid Cap Blend

Small Cap Blend

Foreign Bonds

Foreign Stocks

Emerging Markets

High Yield

Bonds

Source: Morningstar. Data shown as of Aug. 31, 2026.

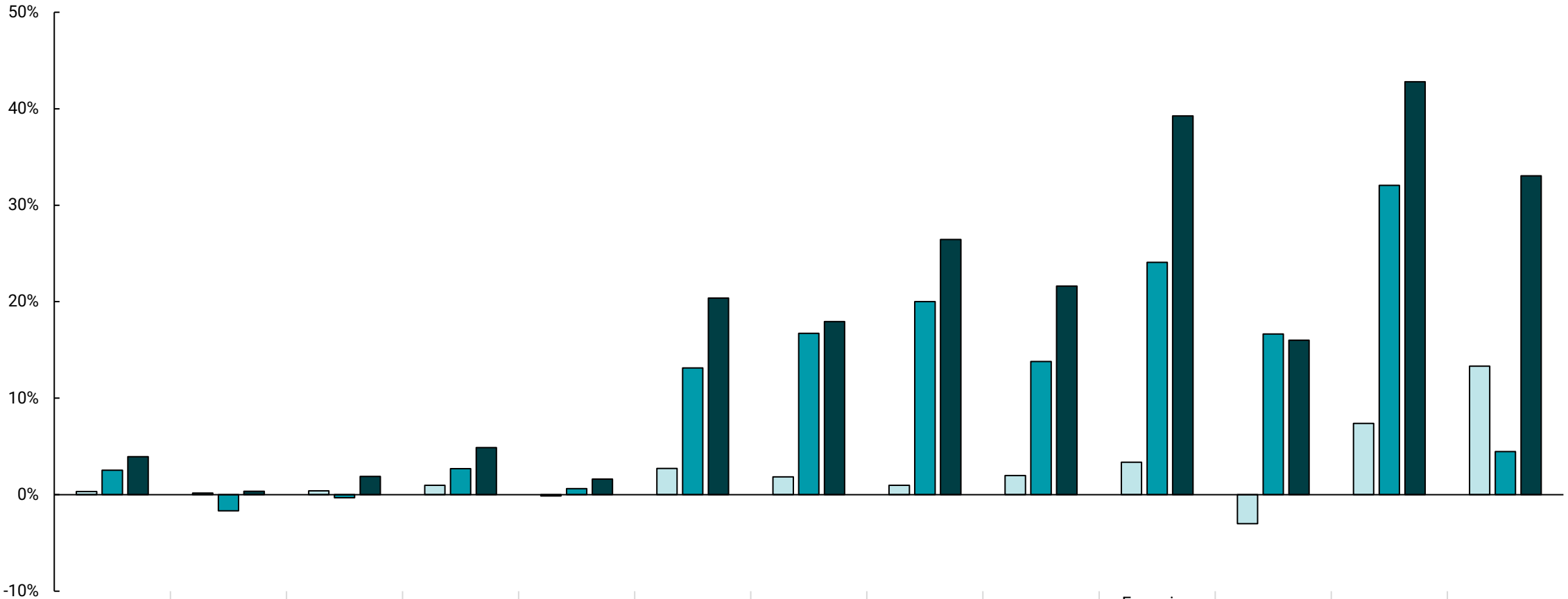
Equity returns across periods



Source: Morningstar. Returns in the style boxes are represented by the Russell indexes and the S&P 500 for the Large Cap Core space. Returns in the international boxes are represented by the MSCI ACWI Ex USA indexes. Boxes shown in red represent returns below 0%. Purple boxes represent returns between 0% and 10%. Returns above 10% are shown in violet.

Data shown as of Aug. 31, 2026.

Market summary



	Cash	10-Yr Treasury	US Agg Bonds	High Yield	Intl. Bonds	Large Cap	Mid Cap	Small Cap	Intl. Dev	Emerging Markets	REIT	Commodity	Gold
1 Month	0.32%	0.17%	0.39%	0.97%	-0.13%	2.72%	1.86%	0.98%	1.99%	3.37%	-3.00%	7.39%	13.32%
YTD	2.53%	-1.66%	-0.31%	2.69%	0.63%	13.14%	16.72%	20.01%	13.81%	24.08%	16.65%	32.06%	4.46%
1 Year	3.95%	0.36%	1.89%	4.88%	1.61%	20.38%	17.94%	26.46%	21.62%	39.25%	16.00%	42.79%	33.06%

Source: Morningstar. Data shown as of Aug. 31, 2026.

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