

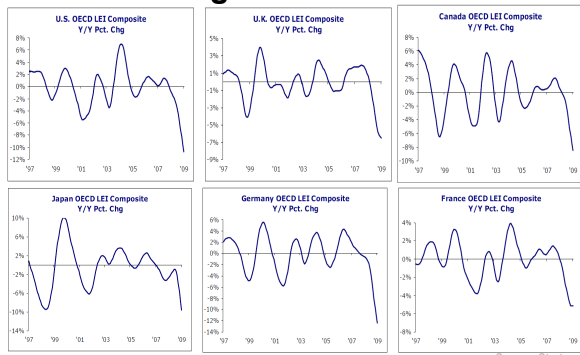
# Market Review

Wednesday - March 25, 2009

Quarter to Date Performance S&P 500  
-9.9% as of March 25, 2009

As we approach the end of the first quarter of 2009, it's a good time to take another look at market events and make some assessments about progress. The first 90 days have been packed with news, problems, and big Government programs intended to help the economy through a serious recession. The most recent of these is the Geithner plan, announced yesterday. The plan is intended to clean up bank balance sheets, by encouraging private investors to buy assets that are currently impeding the flow of credit to the economy. All of us hope it works. There is no doubt some of the issues contained in the plan make me wonder about just how successful, ultimately, it will be. The Public Private Investment Plan is voluntary and for it to work will require participation from both investors and banks. If it is successful, it will be an important step towards cleaning up banks' balance sheets. One of the major obstacles to longer term improvement in the equity market has been reached; we now at least have a plan. Below is a look at Leading Economic Indicators from around the world.

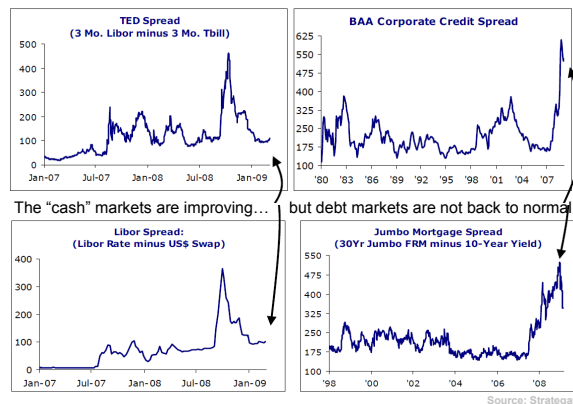
## World Leading Economic Indicators



Unfortunately, the world looks a lot like we do, still in a downward spiral. If these economic indicators do what they are advertised to do - tell us ahead of time what the economy is going to do - we still have some difficult economic times ahead of us.

While the U.S. economy continues to be under significant pressure, there are signs that on an individual, short term basis, some economic indicators are trying to stabilize. Below are four charts that point to both the improvement and the challenges.

## Short-term Spreads and Cash



Both the TED spread, and Libor spread are back to normal. You can clearly see the spike last fall, as the world's credit markets quit functioning and normally low and stable markets reached significant highs. The other two charts show that we still have credit related issues that are troubling the economy. BAA corporate bond spreads and jumbo mortgage spreads are off of their peaks of last fall, but are a long way from normal. I think that is a good way of



thinking about the credit markets in general: better but not normal yet.

Our outlook is for the rate of decline in overall U.S. GDP to gradually lessen as the year wears on, leading to flat GDP growth by the fourth quarter of 2009. The lagged impacts of significantly lower global short rates, lower oil prices, stimulus spending around the world and financial rescue plans, suggests finally, positive growth prospects in 2010.

Low utilization rates, well below capacity, should keep inflation low, or we could have even mild deflation. But an obvious consequence of massive government spending plans is that we simply reflate ourselves out of today's trouble, into a serious inflation problem down the road.

There is little hope for anything but miniscule yields in short term cash products. But having suffered through serious losses in the equity market over the last year, many investors are content to earn little but lose nothing, at least for the time being. The Treasury market has had its day in the sun, so looking for better opportunities in selected municipal bonds, mortgage backed securities and corporate bonds make sense today. I still lean to U.S. over international stocks, but emerging market equities are starting to become more attractive. While we probably touched a low in the U.S. equity market earlier this month, the stabilization process will take time. The key point currently seems to be that we are making progress to restore more confidence in both the credit and stock markets. While the process of unwinding over-leveraged consumer and financial companies' balance sheets will take time, the process is well under way.



Jim Huntzinger  
Chief Investment Officer  
BOK Financial Corporation

## **Disclosures**

The information in the report was prepared by Jim Huntzinger, Chief Investment Officer, BOK Financial Corporation. BOK Financial Corporation is a multi-bank financial holding company (NASDAQ:BOKF), offers trust and investment management services through its subsidiaries, Bank of Oklahoma, N.A., Bank of Texas, N.A., Bank of Albuquerque, N.A., Bank of Arkansas, N.A., Bank of Arizona, N.A., Colorado State Bank and Trust, N.A., Bank of Kansas City, N.A., and Southwest Trust Company, N.A, and investment advisory services through BOSCO, Inc., a dually registered broker-dealer and investment adviser, and Cavanal Hill Investment Management, Inc., a subsidiary of Bank of Oklahoma (each an "Investment Subsidiary") (collectively, "BOKF"). Distribution of this report 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 at this date and are subject to change without notice and are not a complete analysis of any sector, industry or security. The information provided in this presentation is not a solicitation for the investment management services of any Investment Subsidiary. This document does not constitute the recommendation of any Investment Subsidiary to meet the investment needs of any individual client. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. This report is not to be considered investment advice or a recommendation of any particular security, strategy or investment product, nor is it intended to provide personal investment advice. 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. This document contains forward-looking statements that are based on the author'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. The author's 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 and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what is expressed, implied, or forecasted in such forward-looking statements. The potential realization of these forward-looking statements is subject to a number of limitations and risks. BOKF does not undertake any obligation to update, amend, or clarify forward-looking statements, whether as a result of new information, future events or otherwise. The information provided in this presentation is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Investors should note that income from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. 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. Receipt and review of this research report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report.