

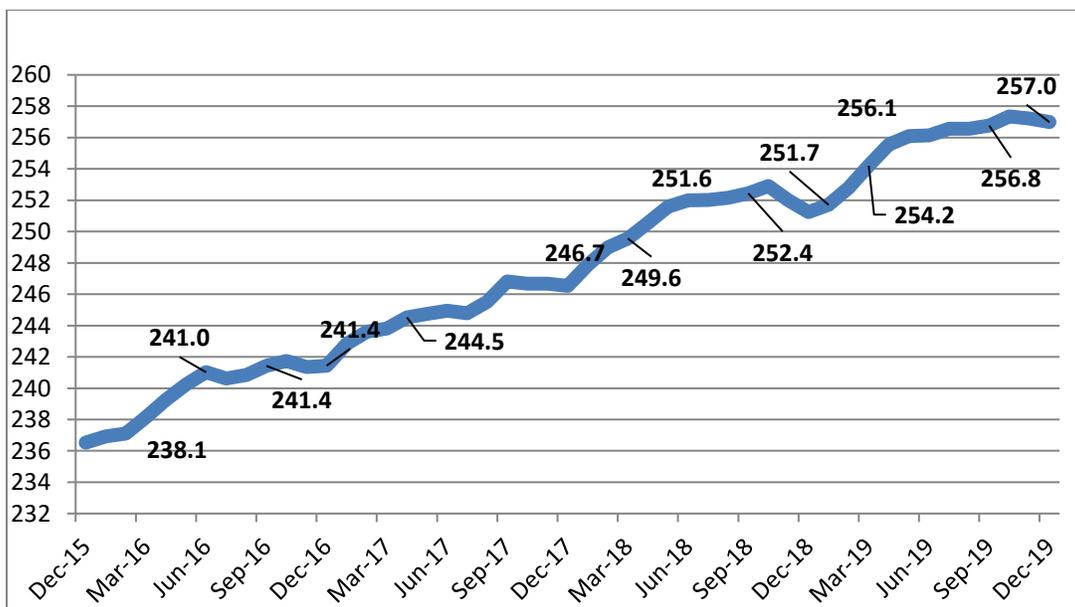
Executive Summary

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by American consumers for goods and services. The Consumer Price Index is measured by the U.S. Bureau of Labor and Statistics and reported monthly and is often used as a measure for cost of living and economic conditions. The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments.

The fourth quarter average Consumer Price Index (U.S. City Average) increased to 257.2 from its 256.6 level last quarter. Monthly CPI has generally been trending upwards since November 2016 but experienced a 1.7 point decline between October and December 2018 and has declined 0.4 points since October 2019. With the exception of the fourth quarter of 2018, quarterly CPI average has been trending upwards since the fourth quarter of 2015, when the index was at 237.2.

The yearly levels keep trending upwards, as well: 2019 annual average CPI rose to 255.7, compared to the 2018 average of 251.1 and 2017 average of 245.1. In an effort to encourage continued economic expansion, especially after experiencing slower growth between the second and third quarters, the Federal Open Market Committee voted to lower the target range for the federal funds rate over the summer for the first time since 2015, dropping it even further in mid-September and again in October. Despite this effort, 2019 monthly inflation rates consistently stayed below the 2% level, with the exception of November and December, when compared to the prior year. Nevertheless, 2018's end-of-year slump allowed for a robust 2.3% annual inflation rate for 2019, calculated as the growth rate in CPI between December 2018 and December 2019.

U.S. Consumer Price Index December 2015 – December 2019



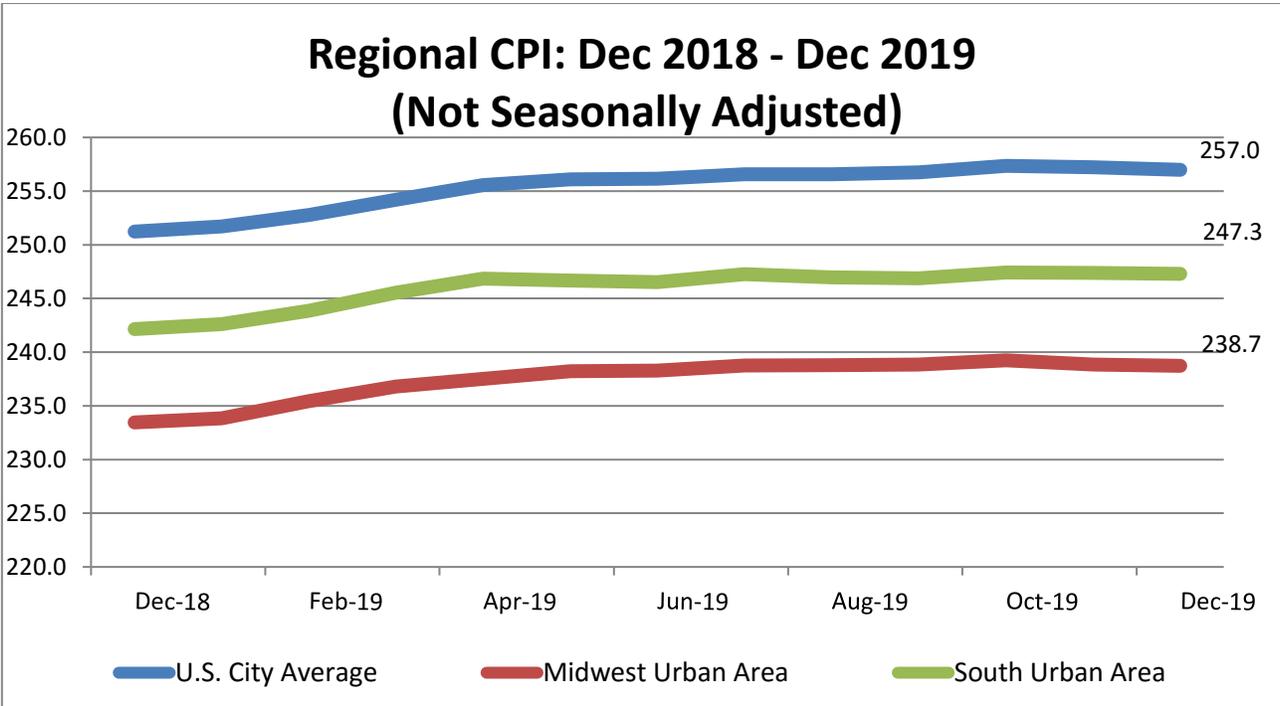
U.S. City Average Not Seasonally Adjusted – Dec. 2019 – 257.0

Regional Consumer Price Index

Oklahoma is the most northwestern state in the Southern region, as defined by the Bureau of Labor Statistics. Oklahoma shares many characteristics with the Midwest region, given that it is in such close proximity. The South region is comprised of: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The Midwest region is comprised of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The Midwest and the South Urban Areas' CPIs increased by 2.26% and 2.12%, respectively, over the 12-month period, compared to the national CPI increase of 2.29%.

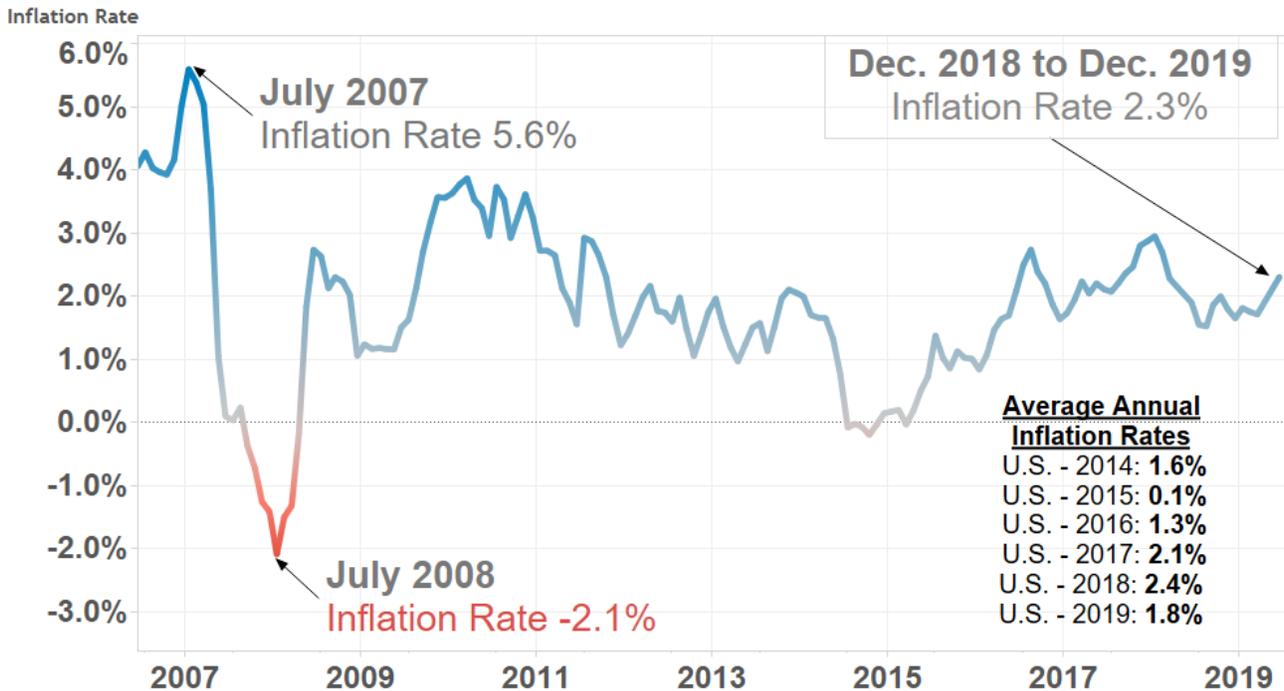
The graph below shows a 12-month moving average for the U.S., as well as the South and Midwest Regions.



12-Month Moving Average: **U.S.** – 255.7, **Midwest Urban Area** – 237.8, **South Urban Area** – 246.3

Inflation Rate (Year-over-Year)

The inflation rate is a measure of the rise in the general price levels of goods and services over a period of time. The chief measure of price inflation is the percentage change in the Consumer Price Index.



Observations

From late 2015 to the present, the U.S. has not seen any deflation, but, perhaps sensing a looming economic downturn, the Federal Open Market Committee cut interest rates at the end of July for the first time since 2008 and cut rates again in mid-September and October. The three 25-basis-point cuts were made with the goal of further stimulating economic activity, despite previous statements that interest rates were expected to remain the same through 2021. Nevertheless, the traditional target of two-percent inflation was only hit three times in 2019—in April, November and December. This is partly due to the way in which rates are calculated, described by the methodology below. At the end of 2018, CPI dipped, causing inflation rates for November and December 2019 to be elevated.

Methodology

The graph above illustrates year-over-year inflation levels using the U.S. City Average measure of the CPI. For example, the December 2019 inflation level of 2.3% was calculated by comparing the CPI of the preceding December (2018) to the December 2019 figure.

Consumer Price Index - All Urban Consumers - Not Seasonally Adjusted- All Items														Annual Average YTD	Inflation Rate YOY
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	2.7%	
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	3.4%	
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	3.2%	
2007	202.4	203.5	205.4	206.7	207.9	208.4	208.3	207.9	208.5	208.9	210.2	210.0	207.3	2.9%	
2008	211.1	211.7	213.5	214.8	216.6	218.8	220.0	219.1	218.8	216.6	212.4	210.2	215.3	3.8%	
2009	211.1	212.2	212.7	213.2	213.9	215.7	215.4	215.8	216.0	216.2	216.3	215.9	214.5	-0.4%	
2010	216.7	216.7	217.6	218.0	218.2	218.0	218.0	218.3	218.4	218.7	218.8	219.2	218.1	1.6%	
2011	220.2	221.3	223.5	224.9	226.0	225.7	225.9	226.5	226.9	226.4	226.2	225.7	224.9	3.2%	
2012	226.7	227.7	229.4	230.1	229.8	229.5	229.1	230.4	231.4	231.3	230.2	229.6	229.6	2.1%	
2013	230.3	232.2	232.8	232.5	232.9	233.5	233.6	233.9	234.1	233.5	233.1	233.0	233.0	1.5%	
2014	233.9	234.8	236.3	237.1	237.9	238.3	238.3	237.9	238.0	237.4	236.2	234.8	236.7	1.6%	
2015 U.S. City Average	233.7	234.7	236.1	236.6	237.8	238.6	238.7	238.3	237.9	237.8	237.3	236.5	237.0	0.1%	
2015 Midwest Urban Area	221.5	222.3	223.6	223.8	224.7	225.9	225.9	225.8	225.2	225.1	224.0	222.7	224.2	-0.5%	
2015 South Urban Area	226.9	227.9	229.3	230.0	230.9	232.0	231.7	231.3	230.9	230.9	230.4	229.6	230.1	-0.2%	
2016 U.S. City Average	236.9	237.1	238.1	239.3	240.2	241.0	240.6	240.9	241.4	241.7	241.4	241.4	240.0	1.3%	
2016 Midwest Urban Area	223.3	223.2	224.6	225.6	226.5	227.8	226.8	227.1	227.6	227.4	226.7	226.8	226.1	0.8%	
2016 South Urban Area	229.5	229.6	231.0	232.0	232.9	233.8	233.3	233.5	234.1	234.3	234.0	234.2	232.7	1.1%	
2017 U.S. City Average	242.8	243.6	243.8	244.5	244.7	245.0	244.8	245.5	246.8	246.7	246.7	246.5	245.1	2.1%	
2017 Midwest Urban Area	228.3	228.6	228.8	229.7	229.7	229.8	229.8	230.4	231.0	230.7	231.1	230.5	229.9	1.7%	
2017 South Urban Area	235.5	236.1	236.2	236.7	236.8	237.3	236.9	237.9	239.6	239.1	238.9	238.5	237.5	2.0%	
2018 U.S. City Average	247.9	249.0	249.6	250.5	251.6	252.0	252.01	252.1	252.4	252.9	252.0	251.2	251.1	2.4%	
2018 Midwest Urban Area	232.0	232.5	232.9	233.9	235.1	235.5	235.3	235.3	235.5	235.7	234.3	233.5	234.2	1.9%	
2018 South Urban Area	239.8	241.1	241.6	242.5	243.3	243.8	243.8	243.6	243.6	244.2	243.5	242.2	242.6	2.2%	
2019 U.S. City Average	251.7	252.8	254.2	255.5	256.1	256.1	256.6	256.6	256.8	257.4	257.2	257.0	255.7	1.8%	
2019 Midwest Urban Area	233.8	235.4	236.8	237.5	238.2	238.3	238.8	238.8	238.8	239.2	238.9	238.7	237.8	1.5%	
2019 South Urban Area	242.6	243.9	245.6	246.8	246.7	246.5	247.3	247.0	246.9	247.4	247.4	247.3	246.3	1.5%	

The table above, All Items Consumer Price Index for All Urban Consumers (CPI-U) is the Bureau of Labor Statistics' broadest and most comprehensive index. The base index year is 1982-1984 = 100. Source: U.S. Bureau of Labor Statistics, www.bls.gov/data