

## The Flow Show

## A Short History of Bubbles

**Scores on the Doors:** crypto 16.3%, oil 7.0%, US dollar 3.3%, commod 2.8%, stocks 2.6%, cash 0.6%, HY bonds -0.3%, IG bonds -2.3%, gold -3.9%, gov bonds -4.0% YTD.

**The Price is Right:** credit the “glue” of any bull market...IG bond spreads tight-as-a-drum, close to post-Covid lows of 86bps (despite record \$310bn issuance); but equity bull so narrow...top 5 stocks = 75% of S&P500 YTD gain, top 3 tech stocks = 90% of tech sector YTD gain, US equity “breadth” currently worst since Mar’09 (Chart 2).

**Tale of the Tape:** new consensus “all-weather” asset classes are corporate bonds & tech stocks...inflows to both on course for blowout years...YTD annualized \$0.5tn to IG bonds, \$85bn to tech sector funds – Charts 4 & 5).

**The Biggest Picture:** long, illustrious bubble history...South Sea, Mississippi monopolies of 1710s, Dow in Roaring 1920s, gold in inflationary ‘70s, Japan in ‘80s, internet in ‘90s, China 2000s, Great Bond Bubble 2014-20, crypto, FAANG, tech disruptor derivatives; no two bubbles alike (try blowing a couple yourself) but similarities to gauge Magnificent 7 today are catalyst, price, valuation & “price of money” (see Table 1, page 2 for more).

**Table 1: A Short History of Bubbles**

Bubbles in Price, Velocity, Valuation, Yield

Bubble	Peak	Rise	Decline	Velocity	Valuation	Yield
Mississippi Co.	1720	2955%	-95%	73%	n/a	↑
South Sea Co.	1720	707%	-89%	188%	n/a	↑
Roaring 20s	1929	153%	-53%	21%	19x	↑
Nifty Fifty	1972	153%	-53%	9%	54x	→
Gold	1980	428%	-65%	142%	n/a	↑
Black Monday	1987	111%	-41%	21%	19x	↑
Japan	1989	149%	-64%	12%	67x	↑
Dotcom	2000	192%	-73%	55%	65x	↑
Saudi Arabia	2006	316%	-67%	28%	124x	↑
China	2007	513%	-73%	37%	53x	↑
Govt bonds	2020	+\$18.4tn	-\$18.3tn	33%	n/a	→
Tech Disruptors	2021	384%	-82%	62%	n/a	↑
FAANG	2021	229%	-49%	15%	60x	↑
Crypto	2021	1662%	-78%	49%	n/a	↑
Magnificent 7	-	139%	-	20%	45x	↑

**Source:** BofA Global Investment Strategy, Frehen (2012), Bloomberg, Global Financial Data, Refinitiv Datastream; velocity: price vs 200dma (%) at peak; valuation: trailing P/E; yield: direction of bond yields 3-6 months prior to peak.

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More on page 2...

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Refer to important disclosures on page 9 to 11.

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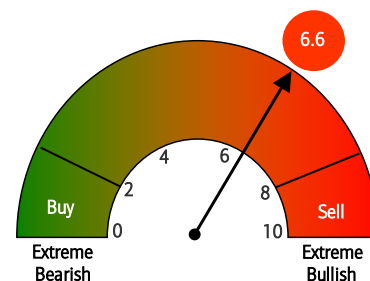
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**Chart 1: BofA Bull & Bear Indicator**

Down to 6.6 from 6.8



**Source:** BofA Global Investment Strategy The indicator identified above as the BofA Bull & Bear Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.

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**Weekly Flows:** \$16.1bn to stocks, \$11.6bn to bonds, \$0.6bn from gold, \$18.4bn from cash.

**Flows to Know:**

- Cash: largest outflow in 8 weeks (\$18.4bn);
- IG bonds: 16<sup>th</sup> straight week of inflows (\$10.3bn past week);
- Equities: largest 4-week inflow (\$59.5bn) since Feb'22;
- Tech funds: 6<sup>th</sup> straight week of inflows (\$2.3bn past week);
- Consumer funds: largest outflow since Dec'20 (\$1.3bn);
- Materials funds: largest inflow since Apr'22 (\$1.6bn).

**BofA Private Clients:** \$3.4tn AUM...60.9% stocks, 20.8% bonds, 11.6% cash; private clients reducing cash (cash & T-bills 14.4% of AUM, lowest in 8 months), extending duration (5<sup>th</sup> largest weekly inflow ever to T-notes), not chasing stocks (outflows 5 of past 7 weeks); ETF flows buying TIPS, Japan, EM debt, selling bank loans, dividend & HY.

**BofA Bull & Bear Indicator:** dips to 6.6 from 6.8 on lower equity market breadth and S&P500 & oil hedging; bigger picture is positioning bullish... BofA Global FMS cash levels [plunge from 4.8% to 4.2% in Feb](#) & \$60bn equity inflows past 4 weeks; catalysts for BofA Bull & Bear Indicator to hit "sell signal" coming weeks...EM debt inflows, EM equity inflows ≈\$10bn, less SPX hedging, breadth improves via 10% China/HK rally.

**A Short History of Bubbles:** quick & dirty comps vs today's Magnificent 7...

- Catalyst: bubbles driven by technological innovation, new geographical sources of growth, and very crucially central bank easing; AI bubble was kick-started by Fed response to SVB and ChatGPT...just as Plaza Accord kick-started Japan, LTCM the internet, 9/11 the housing bubble of 2000s, COVID (\$30tn of policy stimulus) crypto and so on; even Mississippi and South Sea Company bubbles caused by amendment to English usury laws in 1714 which forbade lending rates over 5% as UK & France needed to borrow to finance ceaseless war...no different today;
- Price: bubbles (obvs) mean huge trough-to-peak asset gains; 140% gain in Magnificent 7 past 12 months closing in on 180% rise in Dow Jones in 1920s & 150% for both Nifty 50 in '70s & Japan stocks in '80s, but not quite 190% gain of internet bubble (everyone's fave comparison) nor 230% surge in FAANG stocks from COVID lows; note exponential price gains ("velocity" or big deviation from moving averages) another classic bubble symbol...Magnificent 7 currently 20% above 200dma vs the 30% "oversold" metric of 9 equity manias covered in Table 2;
- Valuation: trailing PE for Magnificent 7 currently 45x...it ain't cheap but true that bubble highs have seen dafter valuations... 54x for Nifty Fifty, 67x for peak Nikkei in '89, 65x for Nasdaq Composite in 2000 (and staggering 205x for Nasdaq 100), 60x in 2021 for peak FAANG;
- Bonds: direction of bond yields key bubble metric as "abnormality" of bubble infects other assets & economy; in 12 of 14 observed bubbles, bond yields rising as bubble peaks/pops; tightening financial conditions via policy or rising real rates (if central banks have no backbone) the constant catalyst for the "pop"...4% real rates popped internet bubble, 2% popped Chinese stock bubble, 3% popped subprime, surge in real rates from -100bps to +150bps in '21/'22 popped bitcoin, FAANG, ARKK; given significantly higher levels global debt today versus history 10-year real rates, currently 2%, likely need to rise to 2.5-3% to end AI, Magnificent 7 mania.

**Table 2: A Short History of Bubbles**

History and characteristics of bubbles

Bubble	Index	Start	Peak	Rise	Decline	Velocity	Duration (years)	Valuation (P/E)	Bond yield	Policy rate
Mississippi Co.	CAC All-Tradable	7/31/1718	1/31/1720	2955%	-95%	73%	1.5	n/a	👆	👆
South Sea Co.	South Sea Co.	2/2/1720	6/25/1720	707%	-89%	188%	0.4	n/a	👆	👆
Roaring 20s	Dow Jones	3/30/1926	9/3/1929	153%	-53%	21%	3.4	19x	👆	👆
Nifty Fifty	Blue-chip NY SE stocks	9/30/1966	12/31/1972	153%	-53%	9%	6.3	54x	👉	👉
Gold	Gold (\$/oz)	4/27/1978	1/21/1980	428%	-65%	142%	1.7	n/a	👆	👆
Black Monday	Dow Jones	9/20/1985	8/25/1987	111%	-41%	21%	1.9	19x	👆	👆
Japan	Nikkei 225	10/23/1986	12/29/1989	149%	-64%	12%	3.2	67x	👆	👆
Dotcom	Nasdaq	9/23/1998	3/10/2000	192%	-73%	55%	1.5	65x	👆	👆
Saudi Arabia	Tadawul	5/27/2004	2/26/2006	316%	-67%	28%	1.8	124x	👆	👆
China	Shanghai	6/6/2005	10/16/2007	513%	-73%	37%	2.4	53x	👉	👉
Govt bonds	Negative-yielding debt	7/31/2014	12/11/2020	+\$18.4tn	-\$18.3tn	33%	6.4	n/a	👉	👉
Tech Disruptors	ARKK	3/18/2020	2/16/2021	384%	-82%	62%	0.9	n/a	👆	👉
FAANG	NY SE FANG	3/18/2020	11/4/2021	229%	-49%	15%	1.6	60x	👆	👉
Crypto	Bitcoin	3/13/2020	11/10/2021	1662%	-78%	49%	1.7	n/a	👆	👉
<b>Magnificent 7</b>	<b>Magnificent 7</b>	<b>12/28/2022</b>	<b>-</b>	<b>139%</b>	<b>-</b>	<b>20%</b>	<b>1.1</b>	<b>45x</b>	👆	👉

**Source:** BofA Global Investment Strategy, Frehen (2012), Bloomberg, Global Financial Data, Refinitiv Datastream; velocity: price vs 200dma (%) at peak; valuation: trailing P/E; yield: direction of bond yields 3-6 months prior to peak.

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**Chart 2: Worst equity market “breadth” since Mar’09**

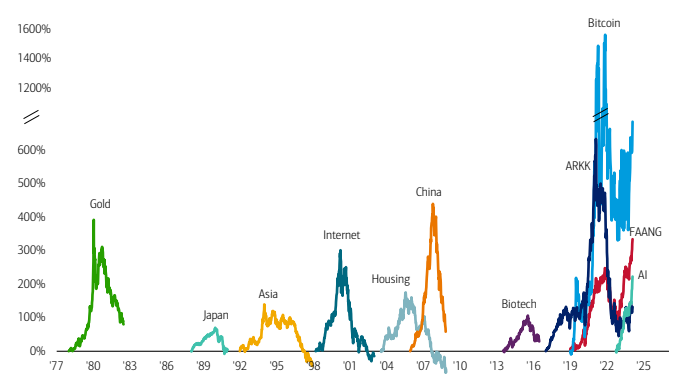
S&amp;P 500 vs S&amp;P 500 Equal-Weight (relative price)

**Source:** BofA Global Investment Strategy, Bloomberg

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**Chart 3: AI “baby bubble” maturing**

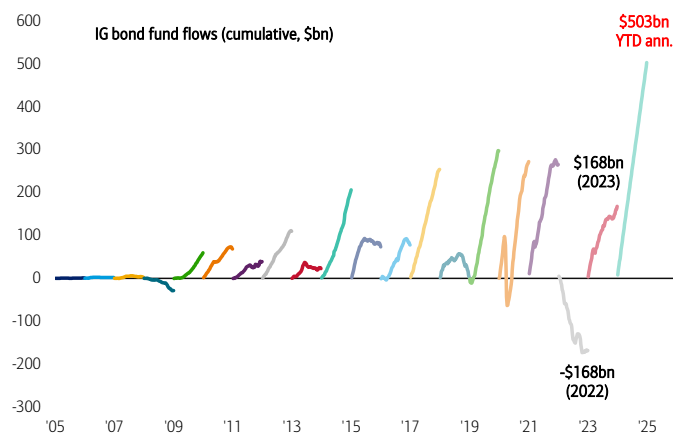
History of asset bubbles

**Source:** BofA Global Investment Strategy, Bloomberg

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**Chart 4: Inflows to IG bonds on course for \$0.5tn in '24**

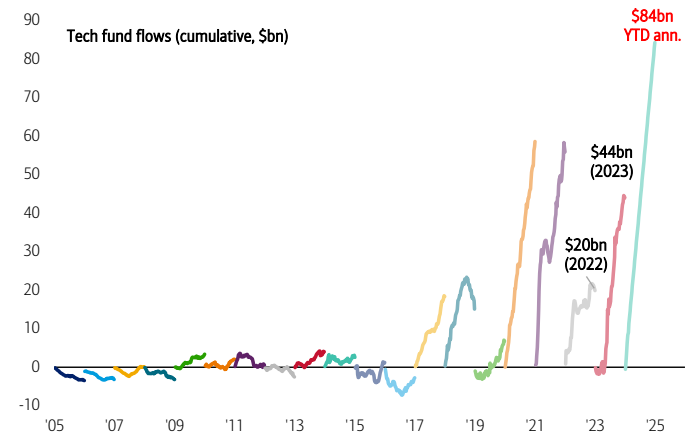
IG bond fund flows (annual cumulative, \$bn)

**Source:** BofA Global Investment Strategy, EPFR (2024 YTD annualized)

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**Chart 5: Inflows to tech on course for ~\$85bn in '24**

Tech fund flows (annual cumulative, \$bn)

**Source:** BofA Global Investment Strategy, EPFR (2024 YTD annualized)

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## Asset Class Flows (Table 3)

**Equities:** \$16.1bn inflow (\$21.3bn inflow to ETFs, \$5.3bn outflow from mutual funds)

**Bonds:** inflows past 8 weeks (\$11.6bn)

**Precious metals:** outflows past 2 weeks (\$0.6bn)

## Fixed Income Flows (Chart 6)

**IG Bond** inflows past 16 weeks (\$10.3bn)

**HY Bond** inflows past 6 weeks (\$0.5bn)

**EM Debt** outflows resume (\$0.6bn)

**Munis** inflows past 6 weeks (\$3mn)

**Govt/Tsy** 1<sup>st</sup> inflow in 3 weeks (\$0.7bn)

**TIPS** outflows past 2 weeks (\$52mn)

**Bank loan** inflows past 2 weeks (\$0.3bn)

## Equity Flows (Table 4)

**US:** largest inflow in 7 weeks (\$11.0bn)

**Japan:** inflows past 5 weeks (\$0.9bn)

**Europe:** outflows past 7 weeks (\$0.8bn)

**EM:** inflows past 11 weeks (\$3.1bn)

By style: inflow **US large cap** (\$9.7bn), **US small cap** (\$2.3bn); outflows **US growth** (\$1.5bn), **US value** (\$1.7bn).

By sector: inflows **tech** (\$2.3bn), **materials** (\$1.6bn), **real estate** (\$0.1bn), **com svcs** (\$28mn); outflows **financials** (\$0.2bn), **utilities** (\$0.3bn), **healthcare** (\$0.3bn), **energy** (\$1.4bn), **consumer** (\$1.4bn).

**Table 3: Cumulative YTD flows by asset class**

Global flows by asset class, \$mn

	Wk % AUM	YTD	YTD %AUM
Equities	0.1%	59,047	0.3%
ETFs	0.2%	114,742	1.3%
LO	-0.1%	-55,641	-0.6%
Bonds	0.2%	83,710	1.2%
Commodities	0.5%	-1,766	-0.5%
Money-market	-0.2%	192,807	2.3%

\*week of 02/14/2024: Source: EPFR Global

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**Table 4: EM equity inflows outpacing DM equity inflows YTD**

Global equity flows by region, \$mn

	Wk % AUM	YTD
<b>Total Equities</b>	<b>0.1%</b>	<b>59,047</b>
long-only funds	-0.1%	-55,641
ETFs	0.2%	114,742
<b>Total EM</b>	<b>0.2%</b>	<b>51,256</b>
Brazil	-0.9%	-486
Russia	0.0%	-3
India	1.0%	4,084
China	0.8%	47,161
<b>Total DM</b>	<b>0.1%</b>	<b>7,792</b>
US	0.1%	788
Europe	-0.1%	-7,781
Japan	0.1%	5,148
International	0.0%	10,959

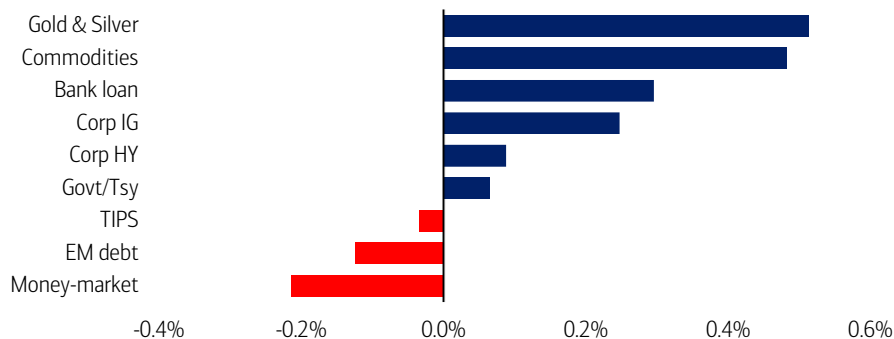
Total Equities = Total EM + Total DM

Source: EPFR Global

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**Chart 6: FICC inflows to gold, commodities, bank loan & IG**

Weekly FICC flows as a % AUM



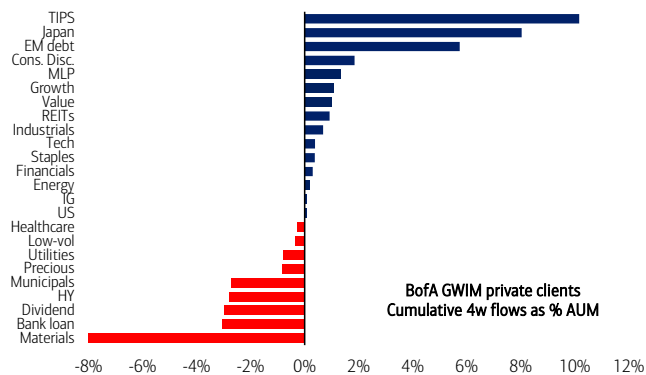
Source: EPFR Global

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# BofA private client flows & allocations

**Chart 7: Private clients bought TIPS, Japan, EM debt**

BofA private clients 4-week ETF flows as % of AUM

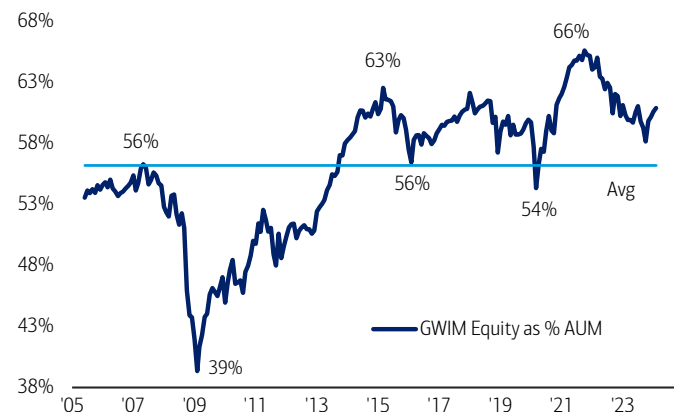


Source: BofA Global investment Strategy

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**Chart 8: GWIM equity allocation at 60%**

BofA private client equity holdings as % of AUM

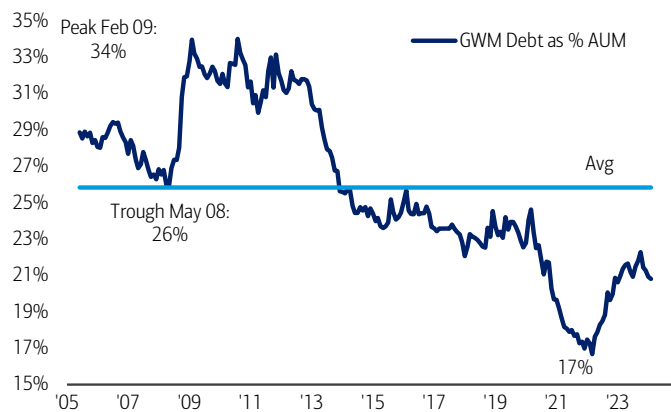


Source: BofA Global investment Strategy

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**Chart 9: GWIM debt allocation at 21%**

BofA private client debt holdings as % of AUM

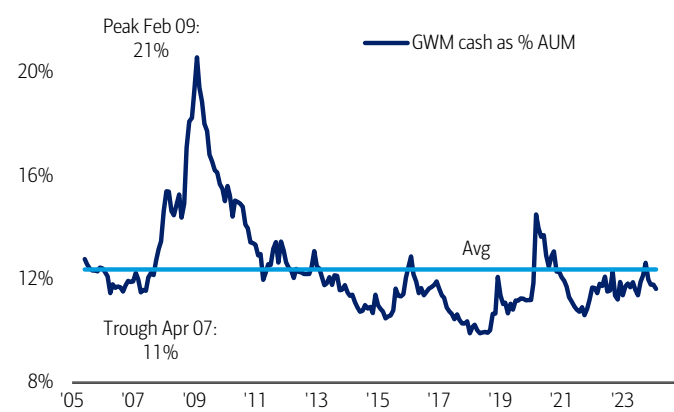


Source: BofA Global Investment Strategy

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**Chart 10: GWIM cash allocation vs LT average**

BofA private client cash holdings as % of AUM

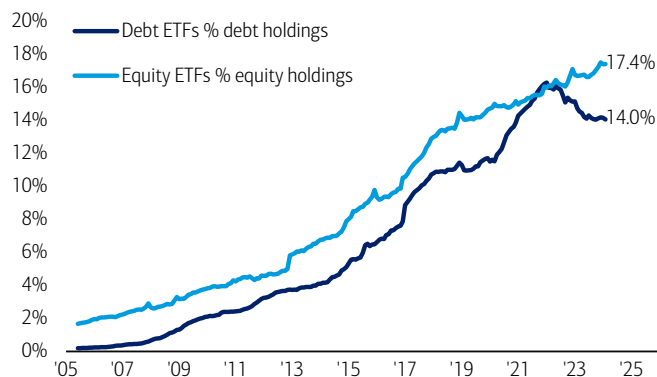


Source: BofA Global Investment Strategy

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**Chart 11: GWIM ETF holdings as % of AUM**

BofA private client ETF holdings as % of AUM



Source: BofA Global Investment Strategy

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**Chart 12: GWIM top 10 stocks for 1-year SPX beta**

1-yr S&amp;P 500 beta for top 10 stocks held by BofA private clients



Source: BofA Global Investment Strategy

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# The Asset Class Quilt of Total Returns

**Chart 13: S&P 500 the best performing asset of 2023, and the best performer thus far of 2024**  
Ranked cross asset returns by year since 2000

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Commodities 58.2%	US Treasuries 6.7%	Commodities 39.5%	MSCI EM 56.3%	REITS 32.0%	MSCI EM 34.5%	REITS 37.5%	MSCI EM 39.8%	US Treasuries 14.0%	MSCI EM 79.0%	Gold 29.2%	US Treasuries 9.8%	REITS 23.8%	S&P 500 32.4%	S&P 500 13.7%	S&P 500 1.4%	Commodities 17.5%	MSCI EM 37.8%	Cash 1.8%	S&P 500 31.5%	Gold 24.8%	Commodities 46.3%	Commodities 31.1%	S&P 500 26.3%	S&P 500 5.3%
US Treasuries 13.4%	Global IG 4.6%	Gold 25.6%	MSCI EAFE 39.2%	Commodities 28.7%	Commodities 33.7%	MSCI EM 32.6%	Commodities 33.0%	Gold 4.3%	Global HY 62.0%	MSCI EM 19.2%	Gold 8.9%	Global HY 19.3%	MSCI EAFE 23.3%	REITS 11.7%	US Treasuries 0.8%	Global HY 14.8%	MSCI EAFE 25.9%	US Treasuries 0.8%	REITS 27.4%	MSCI EM 18.8%	REITS 37.1%	Cash 1.5%	MSCI EAFE 18.9%	Commodities 2.8%
REITS 8.5%	Cash 4.4%	Global IG 14.9%	REITS 33.5%	MSCI EM 26.0%	Gold 17.8%	MSCI EAFE 26.9%	Gold 31.9%	Cash 2.1%	MSCI EAFE 32.5%	REITS 15.9%	Global IG 4.5%	MSCI EM 18.6%	Global HY 8.0%	US Treasuries 6.0%	Cash 0.1%	S&P 500 12.0%	S&P 500 22.0%	Gold -1.9%	MSCI EAFE 22.8%	S&P 500 18.4%	S&P 500 28.7%	Gold -0.8%	Global HY 13.4%	Cash 0.6%
Cash 6.2%	Global HY 3.1%	US Treasuries 11.6%	Commodities 30.1%	MSCI EAFE 20.7%	MSCI EAFE 14.0%	Gold 23.2%	MSCI EAFE 11.6%	Global IG -8.3%	REITS 31.7%	S&P 500 15.1%	Global HY 2.6%	MSCI EAFE 17.9%	REITS 0.7%	Global IG 3.2%	MSCI EAFE -0.8%	MSCI EM 11.2%	Gold 12.9%	Global HY -3.3%	Commodities 20.1%	Global IG 10.3%	MSCI EAFE 11.9%	US Treasuries -12.9%	Gold 12.7%	Global HY -0.3%
Global IG 3.1%	Gold -0.7%	Cash 1.8%	Global HY 30.7%	Global HY 12.4%	REITS 10.7%	S&P 500 15.8%	US Treasuries 9.1%	Global HY -27.9%	S&P 500 26.5%	Global HY 13.9%	S&P 500 2.1%	S&P 500 16.0%	Global IG 0.1%	Gold 0.1%	REITS -3.4%	Gold 8.6%	REITS 11.5%	Global IG -3.4%	MSCI EM 18.6%	MSCI EAFE 8.4%	Global HY 1.4%	Global HY -13.2%	REITS 11.3%	MSCI EAFE -0.8%
Gold -5.4%	MSCI EM -2.4%	Global HY -1.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	Global HY 13.5%	Global IG 7.3%	S&P 500 -37.0%	Commodities 26.1%	Commodities 13.3%	Cash 0.1%	Global IG 11.1%	Cash 0.1%	Cash 0.0%	Global IG -3.8%	Global IG 4.3%	Global HY 10.2%	REITS -3.9%	Gold 17.9%	US Treasuries 8.2%	Cash 0.0%	MSCI EAFE -13.9%	MSCI EM 10.1%	US Treasuries -1.9%
Global HY -5.8%	REITS -7.8%	REITS -2.4%	Gold 19.9%	Global IG 9.4%	Cash 3.1%	Global IG 7.2%	S&P 500 5.5%	Commodities -42.6%	Gold 25.0%	MSCI EAFE 8.2%	Commodities -2.6%	Gold 8.3%	Commodities -2.1%	Global HY -0.1%	Global HY -4.2%	REITS 1.3%	Global IG 9.3%	S&P 500 -4.3%	Global HY 13.7%	Global HY 8.0%	MSCI EM -2.3%	Global IG -16.7%	Global IG 9.5%	Global IG -2.3%
S&P 500 -9.1%	S&P 500 -11.9%	MSCI EM -6.0%	Global IG 14.5%	Gold 4.6%	US Treasuries 2.8%	Cash 4.9%	Cash 5.0%	MSCI EAFE -43.1%	Global IG 19.2%	Global IG 6.0%	REITS -9.4%	US Treasuries 2.2%	MSCI EM -2.3%	MSCI EM -1.8%	Gold -10.4%	US Treasuries 1.1%	Commodities 7.6%	Commodities -13.1%	Global IG 11.4%	Cash 0.5%	US Treasuries -2.4%	S&P 500 -18.1%	Cash 5.1%	MSCI EM -2.3%
MSCI EAFE -14.0%	MSCI EAFE -21.2%	MSCI EAFE -15.7%	US Treasuries 2.3%	US Treasuries 3.5%	Global HY 1.5%	US Treasuries 3.1%	Global HY 3.0%	REITS -50.2%	Cash 0.2%	US Treasuries 5.9%	MSCI EAFE -11.7%	Cash 0.1%	US Treasuries -3.3%	MSCI EAFE -4.5%	MSCI EM -14.9%	MSCI EAFE 1.0%	US Treasuries 2.4%	MSCI EAFE -13.2%	US Treasuries 7.0%	REITS -4.4%	Global IG -3.0%	MSCI EM -19.8%	US Treasuries 3.9%	Gold -2.9%
MSCI EM -30.6%	Commodities -21.4%	S&P 500 -22.1%	Cash 1.1%	Cash 1.3%	Global IG -3.0%	Commodities -0.2%	REITS -10.0%	MSCI EM -53.2%	US Treasuries -3.7%	Cash 0.1%	MSCI EM -18.2%	Commodities -0.3%	Gold -27.3%	Commodities -29.3%	Commodities -29.4%	Cash 0.3%	Cash 0.8%	MSCI EM -14.3%	Cash 2.2%	Commodities -15.0%	Gold -4.1%	REITS -25.2%	Commodities -3.5%	REITS -6.0%

Source: BofA Global Investment Strategy, Bloomberg. \*2024 YTD

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# BofA Rules & Tools

**Table 5: BofA Global Investment Strategy Proprietary Indicators**

Current reading of all BofA Global Investment Strategy Proprietary Indicators

Proprietary Indicators	Category	Current reading	Current signal	Duration of signal
<b>Contrarian</b>				
<b>BofA Bull &amp; Bear Indicator (B&amp;B)</b>	Contrarian	6.6	Neutral	1-3 months
Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0				
<b>BofA Global FMS Cash Indicator</b>	Contrarian	4.2%	Neutral	4 weeks
Buy when cash at or above 5.0%; Sell when cash at or below 4.0%				
<b>BofA Global Breadth Rule</b>	Contrarian	28.9%	Neutral	3 months
Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages				
<b>BofA Global Flow Trading Rule</b>	Contrarian	0.6%	Neutral	8 weeks
Buy when outflows from global equities & HY > 1.0% AUM over 4wks; Sell when inflows > 1.0% AUM over 4wks				
<b>BofA EM Flow Trading Rule</b>	Contrarian	2.8%	Sell	8 weeks
Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks				
<b>Macro</b>				
<b>BofA Global EPS Growth Model</b>	Macro	8%	EPS growth rising	6-12 months
Model indicates trend in year-on-year change in 12-month forward global EPS growth.				

 Source: BofA Global Investment Strategy/ For a [guide to our trading models](#)

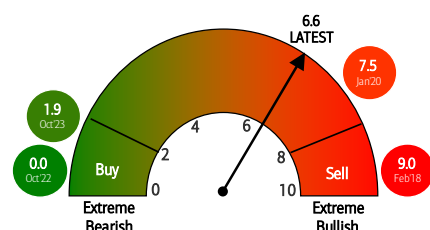
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## BofA Bull & Bear Indicator (B&B)

Our BofA Bull &amp; Bear Indicator is at 6.6 signal is Neutral.

**Chart 14: BofA Bull & Bear Indicator**

Down to 6.6 from 6.8



Source: BofA Global Investment Strategy

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**Table 6: Table 5: BofA B&B Indicator**

BofA Bull &amp; Bear current component readings

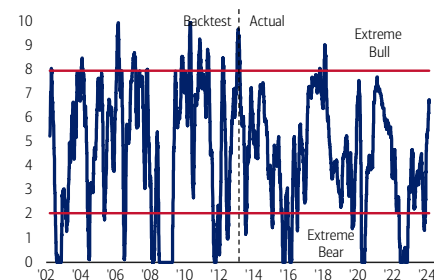
Components	Percentile	Sentiment
HF positioning	50%	Neutral
Credit mkt technicals	70%	Bullish
Equity market breadth	69%	Bullish
Equity flows	96%	V. Bullish
Bond flows	59%	Bullish
LO positioning	32%	Neutral

Source: BofA Global Investment Strategy, Bloomberg, EPFR Global, Lipper FMI, Global FMS, CFTC, MSCI

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**Chart 15: BofA Bull & Bear Indicator**

BofA Bull &amp; Bear Indicator since 2002



Source: BofA Global Investment Strategy, EPFR Global, FMS, CFTC, MSCI

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Disclaimer: The indicators identified above as the BofA Bull & Bear Indicator, MVP Model, BofA Global Breadth Rule, BofA EM Flow Trading Rule, BofA Global Flow Trading Rule, BofA Global FMS Macro Indicator, BofA Global FMS Cash Rule, Global Wave, Sell-Side Indicator, and Global Financial Stress Indicator are intended to be indicative metrics only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These indicators were not created to act as a benchmark.

The analysis of the BofA Bull & Bear Indicator in this report is back-tested and does not represent the actual performance of any account or fund. Back-tested performance depicts the hypothetical back-tested performance of a particular strategy over the time period indicated. In future periods, market and economic conditions will differ and the same strategy will not necessarily produce the same results. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. In fact, there are frequently sharp differences between back-tested returns and the actual results realized in the actual management of a portfolio. Back-tested performance results are created by applying an investment strategy or methodology to historical data and attempts to give an indication as to how a strategy might have performed during a certain period in the past if the product had been in existence during such time. Back-tested results have inherent limitations including the fact that they are calculated with the full benefit of hindsight, which allows the security selection methodology to be adjusted to maximize the returns. Further, the results shown do not reflect actual trading or the impact that material economic and market factors might have had on a portfolio manager's decision-making under actual circumstances. Back-tested returns do not reflect advisory fees, trading costs, or other fees or expenses.



# 2024 Cross-Asset Winners & Losers

**Table 7: 2024 YTD ranked returns**

Year-to-date ranked cross asset returns

**Ranked Returns, USD-terms (2024)**

Assets		Equities		Sectors		Fixed Income		FX vs. USD		Commodities	
1 Oil	7.0%	1 Turkey Equities	15.0%	1 ACWI Telecoms	7.9%	1 3-Month Treasury Bills	0.6%	1 Bitcoin	23.5%	1 WTI Crude Oil	7.0%
2 US Equities	5.0%	2 Greece Equities	7.9%	2 ACWI Info Tech	7.7%	2 2-year Treasury	-0.1%	2 Indian rupee	0.2%	2 Brent Crude Oil	5.9%
3 Japan Equities	3.4%	3 US Equities	5.0%	3 ACWI Healthcare	3.6%	3 US Corp HY	-0.2%	3 Mexican peso	-0.7%	3 Commodities	2.8%
4 US Dollar	3.3%	4 India Equities	4.0%	4 ACWI Industrials	1.4%	4 EM Corporate	-0.3%	4 Indonesian rupiah	-1.3%	4 Gold	-3.9%
5 High Yield Bonds	-0.3%	5 Japan Equities	3.4%	5 ACWI Cons. Discretionary	1.3%	5 CCC HY	-0.4%	5 British pound	-1.3%	5 Copper	-4.5%
6 Europe Equities	-1.5%	6 Italy Equities	0.9%	6 ACWI Financials	1.1%	6 TIPS	-1.2%	6 Chinese renminbi	-1.3%	6 Iron Ore	-5.9%
7 Investment Grade Bonds	-2.3%	7 Taiwan Equities	0.1%	7 ACWI BioTechnology	-0.3%	7 BBB IG	-1.4%	7 Taiwanese dollar	-2.1%	7 Silver	-7.1%
8 EM Equities	-2.3%	8 Mexico Equities	-1.3%	8 ACWI Consumer Staples	-0.9%	8 US Corp IG	-1.6%	8 Singapore dollar	-2.1%	8 Platinum	-9.8%
9 EM Sovereign Bonds	-2.4%	9 France Equities	-1.3%	9 ACWI Banks	-0.9%	9 Treasury Master	-1.9%	9 Canadian dollar	-2.2%		
10 UK Equities	-3.5%	10 Germany Equities	-2.0%	10 ACWI Energy	-1.4%	10 US Mortgage Master	-2.1%	10 Brazilian real	-2.3%		
11 Gold	-3.9%	11 Canada Equities	-2.5%	11 ACWI Utilities	-6.0%	11 European HY	-2.2%	11 Euro	-2.8%		
12 Government Bonds	-4.0%	12 UK Equities	-3.5%	12 ACWI Real Estate	-6.3%	12 EM Sovereign	-2.4%	12 Korean won	-3.5%		
13 Industrial Metals	-5.6%	13 Spain Equities	-4.2%	13 ACWI Materials	-7.3%	13 German Govt	-4.9%	13 South African rand	-3.6%		
14 Pacific Rim xJapan	-5.6%	14 Switzerland Equities	-4.3%			14 UK Govt	-5.4%	14 NZ dollar	-3.7%		
		15 Singapore Equities	-4.4%			15 Non-US IG Government	-5.7%	15 Norwegian krone	-3.9%		
		16 Korea Equities	-5.0%			16 30-year Treasury	-5.7%	16 Turkish lira	-4.0%		
		17 Australia Equities	-5.2%			17 Japan Govt	-7.2%	17 Swedish krona	-4.3%		
		18 Brazil Equities	-6.7%					18 Australian dollar	-4.7%		
		19 China Equities	-6.8%					19 Swiss franc	-5.0%		
		20 Hong Kong Equities	-7.7%					20 Japanese yen	-6.3%		
		21 S. Africa Equities	-10.1%								
		22 Portugal Equities	-14.8%								

Source: BofA Global Investment Strategy, Bloomberg, as of 14 Feb 2024.

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**Table 8: The Overbought & Oversold**

Ranked deviation from 200-day moving averages in US dollar terms

**Ranked Deviation from 200-Day Moving Average, USD-terms**

Assets		Equities		Sectors		Fixed Income		FX vs. USD		Commodities	
1 US Equities	12.2%	1 India Equities	14.4%	1 ACWI Info Tech	17.1%	1 CCC HY	6.1%	1 Swedish krona	1.4%	1 Iron Ore	5.0%
2 Japan Equities	8.6%	2 Greece Equities	13.0%	2 ACWI Telecoms	13.5%	2 European HY	5.3%	2 Mexican peso	1.2%	2 Gold	1.2%
3 High Yield Bonds	5.2%	3 Turkey Equities	12.3%	3 ACWI Industrials	9.1%	3 US Corp HY	5.1%	3 Norwegian krone	0.7%	3 Brent Crude Oil	-0.3%
4 Europe Equities	4.7%	4 US Equities	12.2%	4 ACWI Financials	9.1%	4 EM Corporate	3.8%	4 Taiwanese dollar	0.5%	4 WTI Crude Oil	-1.1%
5 EM Sov Bonds	3.8%	5 Mexico Equities	9.6%	5 ACWI Banks	7.6%	5 EM Sovereign	3.8%	5 NZ dollar	0.1%	5 Copper	-2.3%
6 Investment Grade Bonds	2.9%	6 Italy Equities	9.5%	6 ACWI Cons. Discretionary	6.8%	6 BBB IG	3.7%	6 Chinese renminbi	0.1%	6 Silver	-4.3%
7 EM Equities	2.5%	7 Taiwan Equities	9.4%	7 ACWI Healthcare	6.4%	7 US Corp IG	3.2%	7 British pound	0.0%	7 Platinum	-4.4%
8 Pacific Rim xJapan	1.5%	8 Japan Equities	8.6%	8 ACWI BioTechnology	5.6%	8 UK Govt	2.3%	8 Russian ruble	0.0%	8 Natural Gas	-39.8%
9 UK Equities	1.4%	9 Brazil Equities	5.3%	9 ACWI Energy	-0.1%	9 3-Month Treasury Bills	2.0%	9 Singapore dollar	-0.1%		
10 Gold	1.3%	10 Canada Equities	5.1%	10 ACWI Real Estate	-0.1%	10 German Govt	1.7%	10 Indian rupee	-0.2%		
11 US Dollar	1.0%	11 Australia Equities	5.0%	11 ACWI Consumer Staples	-0.2%	11 US Mortgage Master	1.7%	11 Swiss franc	-0.2%		
12 Government Bonds	0.0%	12 Germany Equities	4.3%	12 ACWI Materials	-0.5%	12 2-year Treasury	1.6%	12 Canadian dollar	-0.5%		
13 Oil	-1.1%	13 France Equities	3.9%	13 ACWI Utilities	-3.0%	13 Treasury Master	1.0%	13 Euro	-0.9%		
14 Industrial Metals	-1.6%	14 Spain Equities	3.9%			14 TIPS	0.9%	14 Australian dollar	-1.1%		
		15 Korea Equities	3.4%			15 Non-US IG Government	-0.8%	15 Brazilian real	-1.1%		
		16 UK Equities	1.4%			16 Japan Govt	-1.0%	16 Korean won	-1.4%		
		17 Switzerland Equities	0.7%			17 30-year Treasury	-1.4%	17 South African rand	-1.4%		
		18 Russia Equities	0.0%					18 Indonesian rupiah	-1.5%		
		19 Singapore Equities	-0.5%					19 Japanese yen	-3.6%		
		20 S. Africa Equities	-3.0%					20 Turkish lira	-11.9%		
		21 Portugal Equities	-8.2%					21 Argentine peso	-48.8%		
		22 Hong Kong Equities	-8.4%								
		23 China Equities	-10.0%								

Source: BofA Global Investment Strategy, Bloomberg, as of 14 Feb 2024.

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## Acronyms

FMS – Fund Manager Survey  
 GWIM – Global Wealth and Investment Management  
 MMF – Money Market Fund  
 YCC – Yield Curve Control  
 QE – Quantitative Easing  
 QT – Quantitative Tightening  
 S&L – Savings & Loan  
 FCI – Financial conditions index  
 AUM – Assets Under Management  
 U-rate – unemployment rate  
 n.b. – “nota bene”...Latin for “pay attention to”

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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R1</sup> Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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