

The Flow Show

“Lads, it’s the Fed”

Scores on the Doors: crypto 2.9%, US dollar 1.0%, cash 0.1%, HY bonds -0.4%, oil -0.4%, stocks -0.5%, commodities -0.6%, IG -1.1%, gov bonds -1.7%, gold -2.1% YTD.

Diary: 69 days until 1st Fed cut, 82 ‘til US national debt up another \$1tn (to \$35tn), 172 ‘til US yield curve inverted longest period since pre-‘29 crash, 299 ‘til US election.

Zeitgeist: “Lads, it’s the Fed”...investor paraphrasing former Man United manager Sir Alex Ferguson’s infamous 3-word “Lads, it’s Tottenham” pre-match team talk, reflecting the widespread belief that Spurs (like Fed) crumbles under first sign of pressure.

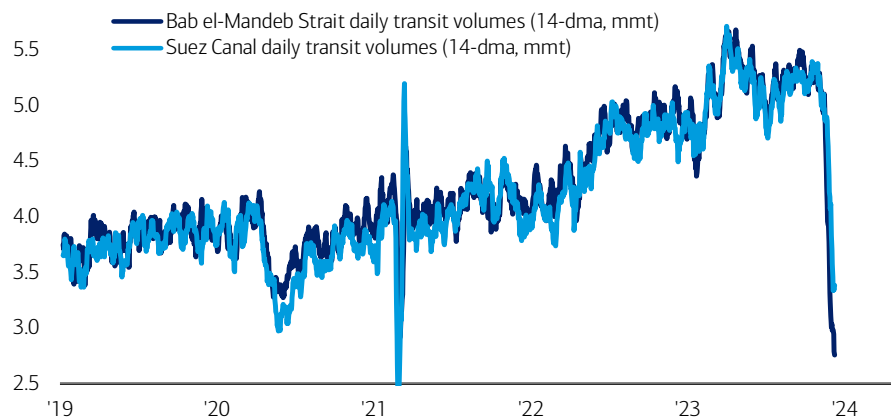
The Price is Right: only 5x in last 90yrs has Fed cut rates with core CPI (3.9%) > U-rate (3.7%), cuts triggered by war (1942) or recession (1969, 1974, 1980, 1981), but neither in 2024...why Wall St soooo risk-on...at least until weak US\$ (DXY <100) says “policy mistake” or US labor market transitions to redundancies (-ve payroll).

Tale of the Tape: Nikkei @ 34-year high on weak yen, easy BoJ, rising Japan EPS/GPS at expense of labor (Charts 4-6); Nikkei like crypto, gold, EM...inflation/US\$ debasement hedge; travel the world...US\$ overvalued...why EM disconnecting from China deflation (stocks & yields @ multi-year lows...n.b. Taiwan election potential bear-clearing event).

The Biggest Picture: geopolitics inflationary...transit volumes through Red Sea/Suez Canal down 35-45% past 4 weeks (Chart 2); Red Sea 12% world trade, 30% container traffic)...global freight rates up 120% past 6 weeks (Chart 3). *More on page 2...*

Chart 2: Geopolitics

Daily transit volumes at Red Sea maritime chokepoints (14-dma, million metric tons)



Source: BofA Global Investment Strategy, Bloomberg. MMT = million metric tons

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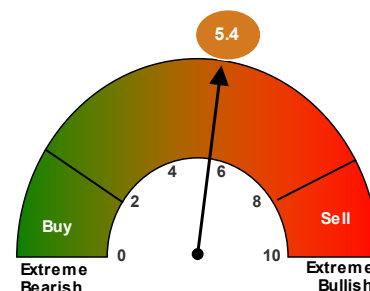
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Chart 1: BofA Bull & Bear Indicator

Rises to 5.4 from 5.3



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: \$39.7bn to cash, \$13.9bn to bonds, \$1.2bn from gold and \$7.1bn from stocks.

Flows to Know: love for cash, IG, tech, and a little love for REITs too...

- Cash: \$163bn inflows first 2 weeks of '24 = strongest start to year on record (Chart 12);
- Bonds: largest inflow since Apr'23 (\$13.9bn – Chart 13);
- Treasuries: largest outflow in 3 weeks (\$1.1bn)...investors selling USTs in 6 of past 10 weeks (\$6.1bn outflow);
- IG bonds: largest inflow since Sep'20 (\$13.1bn – Chart 15);
- Tech: largest inflow past 19 weeks (\$2.3bn);
- REITs: largest inflow since Jun'22 (\$0.5bn – Chart 14);
- Utilities: largest inflow in 14 weeks (\$0.4bn);
- Materials: 1st inflow past 8 weeks, largest since Feb'23 (\$1.1bn).

BofA Private Clients: \$3.3tn AUM...59.9% stocks, 21.4% bonds, 12.0% cash; private clients buying EM debt, bank loans, HY bond ETFs...hunt for yield but not in Treasuries...biggest outflows from T-bills since Oct'23 & T-notes since Jul'23.

BofA Bull & Bear Indicator: up to 5.4 from 5.3, highest since Nov'21, on strong equity breadth (BofA Breadth Rule @ 65-80% past few weeks), bullish LO positioning (FMS cash 4.5% from 5.3%); BofA Bull & Bear Indicator needs FMS cash levels @ 4%, equity inflows >\$8bn per week, EM debt inflows coming weeks to signal "extreme bullishness."

Flow of Funds: crude Flow of Funds analysis (central banks, bond issuance, stock buybacks, fund flows) shows \$3.6tn surge in '21, \$4.5tn drain past 2 years (Table 1); in 2024 central bank + bond issuance drain of \$2.6tn offset by \$0.9tn buybacks but requires big reduction in MMFs AUM and/or surge in stock & bond inflows for full offset.

3 investors: "bubble bulls," "breadth bulls," "bond bulls" (Fed pivot means no "bust bears").

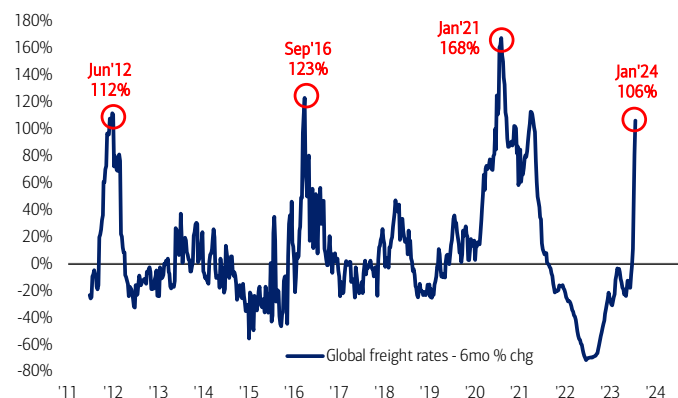
Bubble: minority but growing...election drives policy panic (80% of world market cap, 60% GDP, 40% pop heads to polls in '24); bond yields rise on all-hands-on-deck stimulus (easy Fed, weaker US\$, US encourages more domestic oil/global oil supply to reduce gasoline prices...); AI utopia drives speculative upside in Magnificent 7 & other monopolies; 4% real yields popped internet bubble, 3% popped subprime, 2½% almost popped US Treasuries (Chart 11)...bubbly until real rates back above 2½%.

Breadth: most popular view..."sellers strike" in monopolistic Magnificent 7 continues but "buyers strike" in leverage ends as lower bond yields & soft landing boost retail, REITs, banks, small cap, China; mean reversion in abnormal outperformance of large-cap growth vs value (33ppt in '23 – Chart 7) & vs small-cap growth (24ppt – Chart 8) boosts small/large, value/growth.

Bonds: #2 in popularity...we like bonds (shorter-duration given policy risk), as well as bullion (the US dollar will weaken); case for bonds...equity-like returns without equity-like risk...handy at a time when "soft landing" slam-dunk consensus, and world growth so dependent on US consumer...in 3 largest economies in world in past 5 years...core retail sales +27% in US, flat in Germany, -5% in Japan & core capital goods orders flat in US, -11% in Germany, -13% in Japan (Charts 9 & 10).

Chart 3: Geopolitics...freight rates up 120% past 6 weeks

Global freight rates-6 month % change

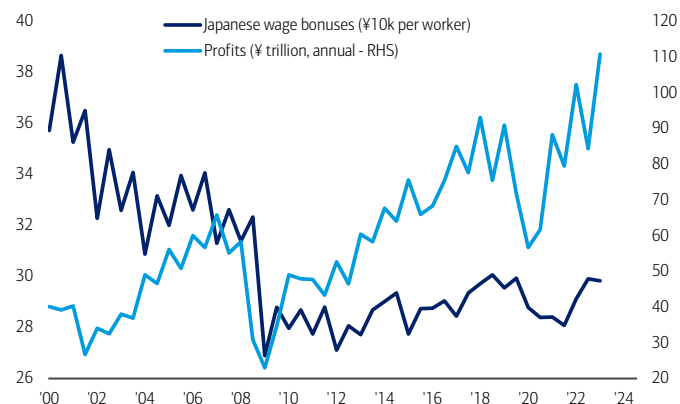


Source: BofA Global Investment Strategy, Bloomberg

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Chart 4: Japanese profits rising at expense of labor

Japanese wage bonuses vs profits



Source: Suttle Economics, Bloomberg, Japan Ministry of Finance

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Chart 5: Japan dislocates from deflationary China stock market

MSCI China vs MSCI Japan (US\$)

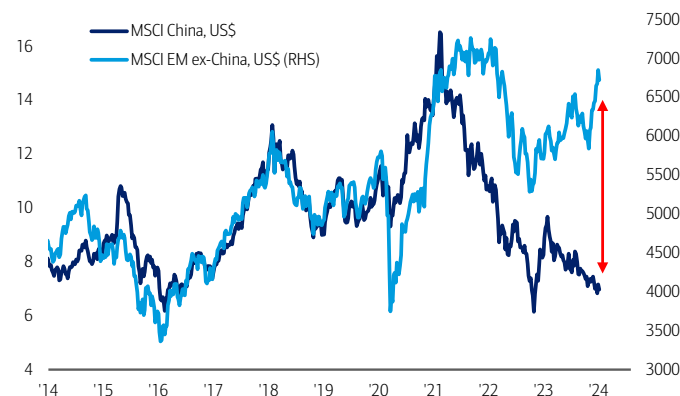


Source: BofA Global Investment Strategy, Bloomberg

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Chart 6: China stocks down, but EM stocks ex-China rally

MSCI China vs MSCI EM ex-China (US\$)



Source: BofA Global Investment Strategy, Bloomberg

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Table 1: Wall St Flow of Funds

Financial markets flow of funds

Liquidity sources/drains (\$ tn)*	2021	2022	2023	2024
Central banks	4.3	-1.1	-1.6	-0.3
US Treasury (supply of Treasuries to the public)	-2	-1	-0.9	-1.8
US corporates (supply of bonds to the public)	-0.6	-0.3	-0.5	-0.5
Stock buybacks	0.9	0.9	0.8	0.9**
Inflows to equity funds	0.9	0.2	0.2	tbd
Inflows to bond funds	0.5	-0.3	0.3	tbd
Money market funds (MMFs) assets YoY change	-0.4	0.0	-1.2	tbd
Net flows of funds	3.6	-1.6	-2.9	-1.8

*an estimate <0 indicates a source of liquidity drain

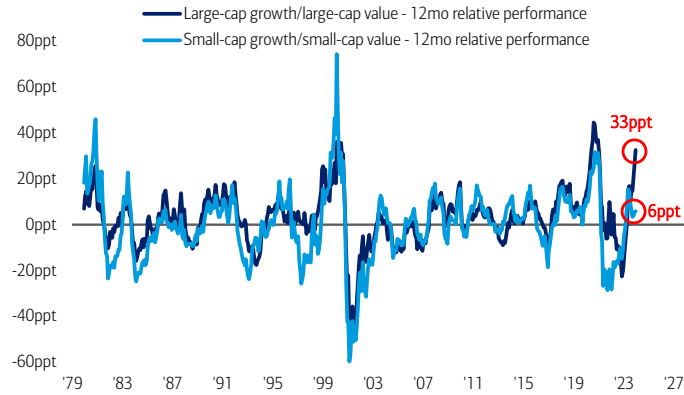
**average of 2021-2023

Source: BofA Global Investment Strategy, Haver, Bloomberg, EPFR

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Chart 7: Abnormal outperformance of large cap growth vs value...

Large-cap growth/large-cap value vs Small-cap growth/small-cap value

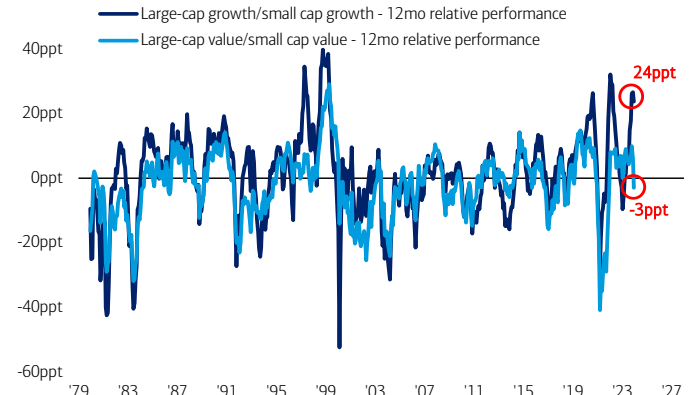


Source: BofA Global Investment Strategy, Bloomberg

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Chart 8: ...and vs small cap growth

Large-cap growth/small-cap growth vs Large-cap value/small-cap value

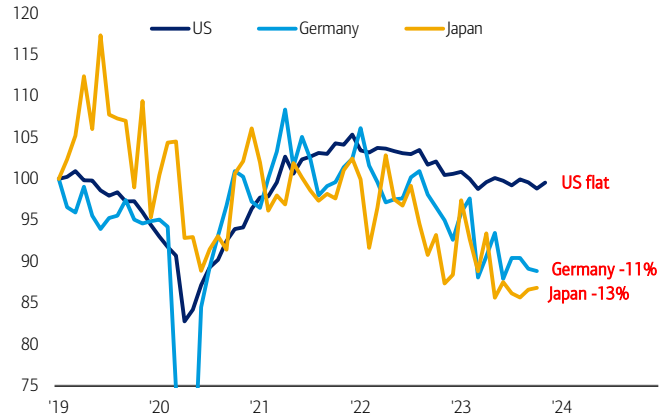


Source: BofA Global Investment Strategy, Bloomberg

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Chart 9: US/Germany/Japan capex trends

G3 real core capital goods order volume (indexed to Jan'19)

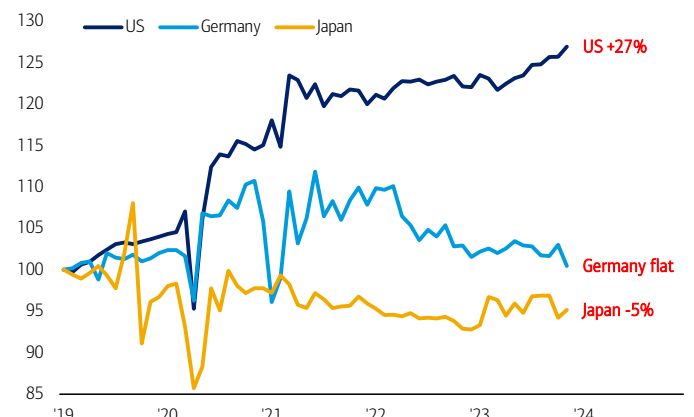


Source: Suttle Economics, Bloomberg, U.S. Census Bureau

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Chart 10: ... US/Germany/Japan consumer trends

G3 real core retail sales (indexed to Jan'19)

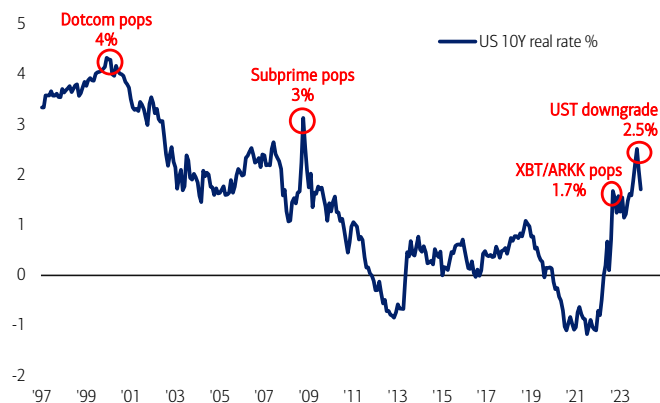


Source: Suttle Economics

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Chart 11: Higher real rates required to pop US Treasuries

US 10-year real rate %

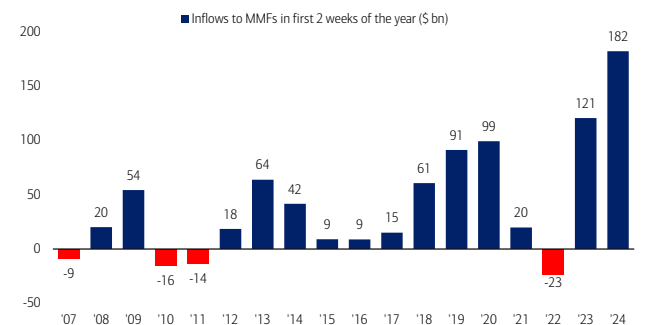


Source: BofA Global Investment Strategy, Bloomberg (GTII10 Govt)

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Chart 12: Record start to the year for inflows to MMFs

Cumulative inflow to MMFs in first 2 weeks of the year (\$bn)

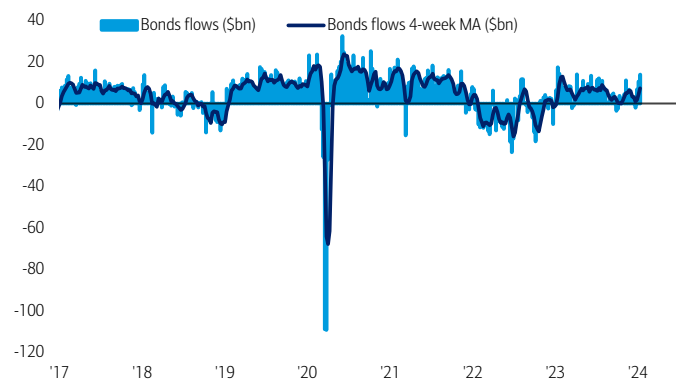


Source: BofA Global Investment Strategy, EPFR

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Chart 13: Largest inflow to bonds since Apr'23

Inflows to bonds: weekly vs 4-week moving average

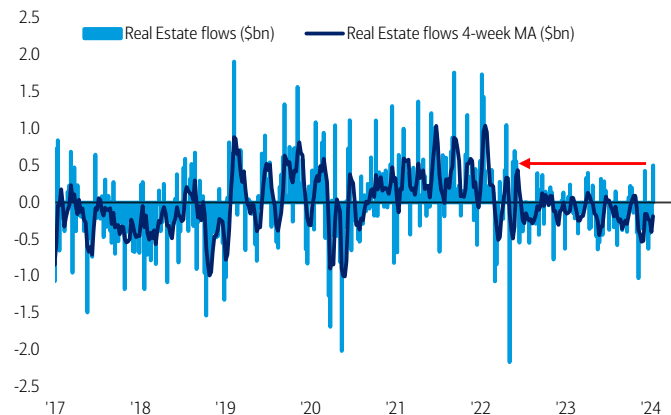


Source: BofA Global Investment Strategy, EPFR

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Chart 14: Largest inflow to real estate funds since Jun'22

Inflows to real estate: weekly vs 4-week moving average

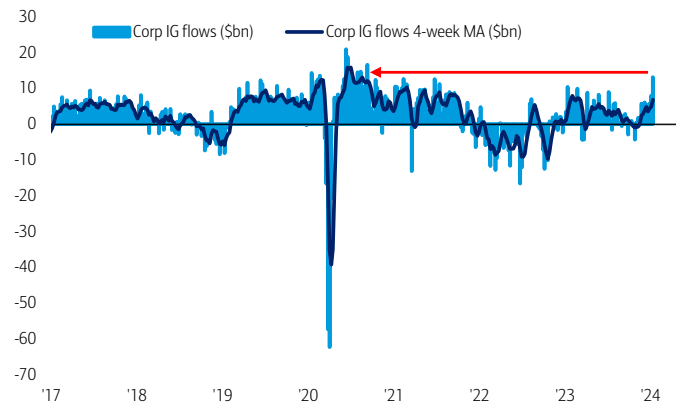


Source: BofA Global Investment Strategy, EPFR

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Chart 15: Largest inflow to IG bonds since Sep'20

Inflows to IG bonds: weekly vs 4-week moving average



Source: BofA Global Investment Strategy, EPFR

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Asset Class Flows (Table 2)

Equities: \$7.1bn outflow (\$1.1bn inflow to ETFs, \$8.2bn outflow from mutual funds)

Bonds: inflows past 3 weeks (\$13.9bn)

Precious metals: outflows past 3 weeks (\$1.2bn)

Fixed Income Flows (Chart 19)

IG Bond inflows past 11 weeks (\$13.1bn)

HY Bond first outflow in 11 weeks (\$1.4bn)

EM Debt outflows resume (\$0.6bn)

Munis inflows resume (\$0.2bn)

Govt/Tsy outflows resume (\$1.1bn)

TIPS outflows resume (\$0.3bn)

Bank loan inflows resume (\$0.2bn)

Equity Flows (Table 3)

US: 1st outflow in 3 weeks (\$8.8bn)

Japan: 1st outflow in 3 weeks (\$0.4bn)

Europe: outflows past 2 weeks (\$0.9bn)

EM: inflows past 6 weeks (\$2.3bn)

By style: outflows **US small cap** (\$0.9bn), **US value** (\$1.8bn), **US growth** (\$3.3bn), **US large cap** (\$8.0bn).

By sector: inflows **tech** (\$2.3bn), **materials** (\$1.1bn), **real estate** (\$0.5bn), **healthcare** (\$0.4bn), **utilities** (\$0.4bn); outflows **com svcs** (\$0.2bn), **financials** (\$0.3bn), **energy** (\$0.5bn), **consumer** (\$0.7bn).

Table 2: Cumulative YTD flows by asset class

Global flows by asset class, \$mn

	Wk % AUM	YTD	YTD %AUM
Equities	0.0%	517	0.0%
ETFs	0.0%	14,286	0.2%
LO	-0.1%	-13,788	-0.2%
Bonds	0.2%	24,532	0.3%
Commodities	-0.2%	-1,577	-0.4%
Money-market	0.5%	162,790	1.9%

*week of 01/10/2024: **Source:** EPFR Global

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Table 3: EM equity inflows > DM equity inflows YTD

Global equity flows by region

	Wk % AUM	YTD
Total Equities	0.0%	517
long-only funds	-0.1%	-13,788
ETFs	0.0%	14,286
Total EM	0.2%	6,024
Brazil	-0.3%	-20
Russia	0.0%	-45
India	0.5%	16,182
China	0.4%	80,199
Total DM	-0.1%	-5,506
US	-0.1%	-4,924
Europe	-0.1%	-1,759
Japan	-0.1%	-319
International	0.0%	31,876

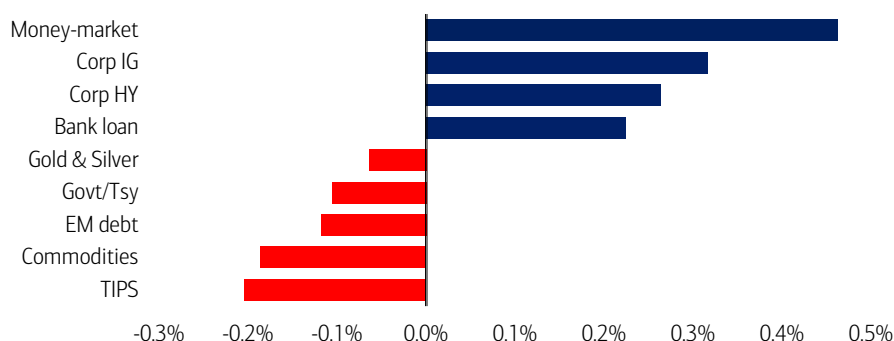
Total Equities = Total EM + Total DM

Source: EPFR Global

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Chart 16: FICC inflows to money markets, IG, HY bonds

Weekly FICC flows as a % AUM



Source: EPFR Global

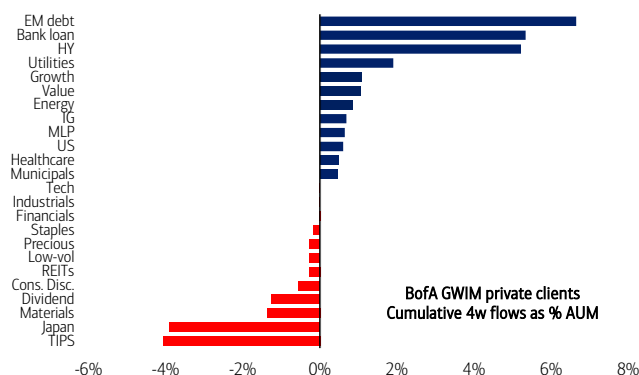
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BofA private client flows & allocations

Chart 17: Private clients bought EM debt, bank loan & HY ETFs

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

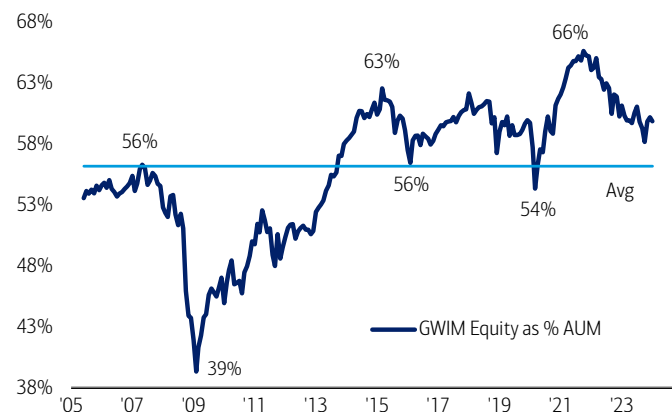


Source: BofA Global Investment Strategy

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Chart 18: GWIM equity allocation at 60%

BofA private client equity holdings as % of AUM

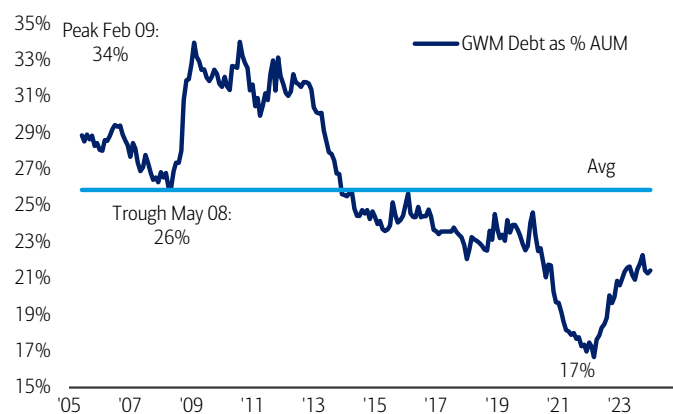


Source: BofA Global Investment Strategy

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Chart 19: GWIM debt allocation at 21%

BofA private client debt holdings as % of AUM

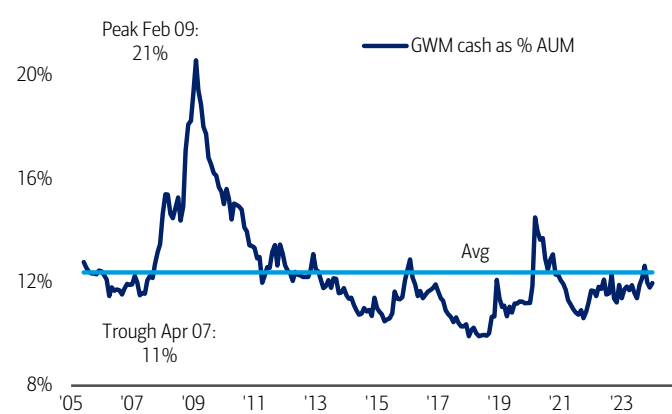


Source: BofA Global Investment Strategy

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Chart 20: GWIM cash allocation vs LT average

BofA private client cash holdings as % of AUM

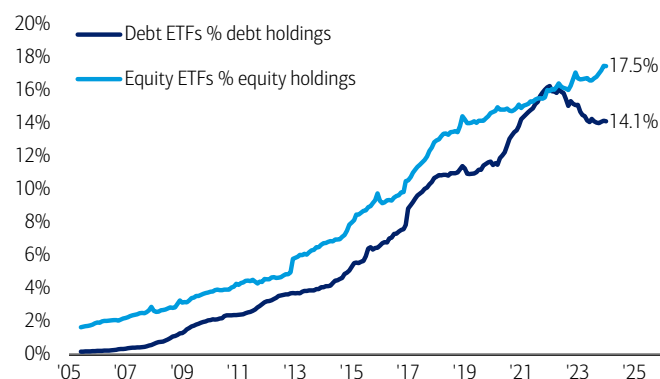


Source: BofA Global Investment Strategy

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Chart 21: GWIM ETF holdings as % of AUM

BofA private client ETF holdings as % of AUM



Source: BofA Global Investment Strategy

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Chart 22: GWIM top 10 stocks for 1-year SPX beta

1-yr S&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 23: S&P 500 was the best performing asset of 2023

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 0.3%
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%	Cash 0.1%
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%	Global HY -0.4%
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%	Commodities -0.6%
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%	US Treasuries -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%	Global IG -1.1%
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%	REITS -1.2%
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 EAFE -1.2%
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 -1.9%
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%	MSCI EM -3.4%

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

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BofA Rules & Tools

Table 4: 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
Contrarian				
BofA Bull & Bear Indicator (B&B)	Contrarian	5.4	Neutral	1-3 months
Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0				
BofA Global FMS Cash Indicator	Contrarian	4.5%	Neutral	4 weeks
Buy when cash at or above 5.0%; Sell when cash at or below 4.0%				
BofA Global Breadth Rule	Contrarian	68.9%	Neutral	3 months
Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages				
BofA Global Flow Trading Rule	Contrarian	0.3%	Neutral	8 weeks
Buy when outflows from global equities & HY > 1.0% AUM over 4wks; Sell when inflows > 1.0% AUM over 4wks				
BofA EM Flow Trading Rule	Contrarian	0.7%	Neutral	8 weeks
Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks				
Macro				
BofA Global EPS Growth Model	Macro	-17%	EPS growth declining	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 & Bear Indicator is at 5.4 signal is Neutral.

Chart 24: BofA Bull & Bear Indicator

Rises to 5.4 from 5.3



Source: BofA Global Investment Strategy

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Table 5: Table 5: BofA B&B Indicator

BofA Bull & Bear current component readings

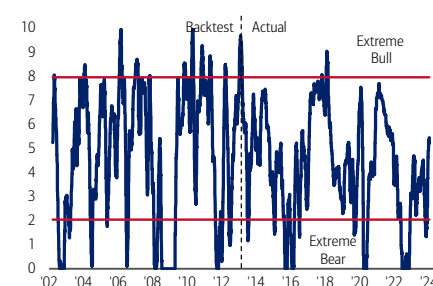
Components	Percentile	Sentiment
HF positioning	61%	Bullish
Credit mkt technicals	64%	Bullish
Equity market breadth	81%	V. Bullish
Equity flows	60%	Bullish
Bond flows	61%	Bullish
LO positioning	26%	Neutral

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

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Chart 25: BofA Bull & Bear Indicator

BofA Bull & 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.

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2024 Cross-Asset Winners & Losers

Table 6: 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 US Dollar	1.0%	1 Türkiye Equities	5.0%	1 ACWI BioTechnology	3.6%	1 3-Month Treasury Bills	0.1%	1 Bitcoin	9.6%	1 Natural Gas	20.9%
2 US Equities	0.2%	2 Greece Equities	4.0%	2 ACWI Healthcare	3.1%	2 2-year Treasury	-0.1%	2 Indian rupee	0.2%	2 Iron Ore	2.2%
3 Japan Equities	0.1%	3 India Equities	0.5%	3 ACWI Utilities	1.1%	3 US Corp HY	-0.4%	3 British pound	0.1%	3 Brent Crude Oil	-0.3%
4 High Yield Bonds	-0.4%	4 US Equities	0.2%	4 ACWI Telecoms	1.0%	4 TIPS	-0.6%	4 Mexican peso	0.0%	4 WTI Crude Oil	-0.4%
5 Oil	-0.4%	5 Italy Equities	0.2%	5 ACWI Consumer Staples	0.0%	5 European HY	-0.6%	5 Euro	-0.6%	5 Commodities	-0.6%
6 UK Equities	-0.9%	6 Japan Equities	0.1%	6 ACWI Banks	-0.6%	6 BBB IG	-0.6%	6 Brazilian real	-0.7%	6 Gold	-2.1%
7 Investment Grade Bonds	-1.1%	7 Portugal Equities	-0.2%	7 ACWI Financials	-0.7%	7 EM Corporate	-0.6%	7 Singapore dollar	-0.8%	7 Copper	-2.5%
8 Europe Equities	-1.2%	8 Switzerland Equities	-0.4%	8 ACWI Info Tech	-1.0%	8 US Corp IG	-0.7%	8 Chinese renminbi	-1.0%	8 Silver	-4.2%
9 Government Bonds	-1.7%	9 Spain Equities	-0.5%	9 ACWI Industrials	-1.6%	9 Treasury Master	-0.8%	9 Canadian dollar	-1.0%		
10 EM Sovereign Bonds	-1.9%	10 UK Equities	-0.9%	10 ACWI Cons. Discretionary	-1.7%	10 CCC HY	-0.9%	10 Swiss franc	-1.1%		
11 Gold	-2.1%	11 Canada Equities	-1.1%	11 ACWI Real Estate	-1.7%	11 US Mortgage Master	-1.0%	11 Indonesian rupiah	-1.1%		
12 EM Equities	-3.4%	12 Germany Equities	-1.4%	12 ACWI Energy	-2.2%	12 EM Sovereign	-1.9%	12 Taiwanese dollar	-1.3%		
13 Pacific Rim x Japan	-3.9%	13 France Equities	-2.2%	13 ACWI Materials	-4.3%	13 German Govt	-2.0%	13 NZ dollar	-1.5%		
14 Industrial Metals	-4.0%	14 Brazil Equities	-2.9%			14 Non-US IG Government	-2.4%	14 Turkish lira	-1.5%		
		15 Singapore Equities	-3.2%			15 UK Govt	-2.4%	15 Swedish krona	-1.5%		
		16 Australia Equities	-3.4%			16 30-year Treasury	-2.6%	16 Australian dollar	-1.6%		
		17 Mexico Equities	-3.8%			17 Japan Govt	-2.8%	17 Norwegian krone	-1.7%		
		18 Taiwan Equities	-4.1%					18 South African rand	-1.8%		
		19 China Equities	-5.4%					19 Korean won	-2.4%		
		20 Hong Kong Equities	-6.3%					20 Japanese yen	-3.2%		
		21 S. Africa Equities	-7.1%								
		22 Korea Equities	-7.3%								

Source: BofA Global Investment Strategy, Bloomberg, as of 10 Jan 2024.

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Table 7: 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	9.7%	1 India Equities	14.1%	1 ACWI Info Tech	11.5%	1 CCC HY	7.1%	1 Swiss franc	4.3%	1 Iron Ore	16.3%
2 Japan Equities	7.2%	2 Brazil Equities	12.7%	2 ACWI BioTechnology	10.5%	2 US Corp HY	6.0%	2 Swedish krona	4.2%	2 Natural Gas	14.7%
3 High Yield Bonds	6.3%	3 Greece Equities	12.5%	3 ACWI Banks	9.4%	3 European HY	5.8%	3 Norwegian krone	3.1%	3 Gold	3.2%
4 Europe Equities	5.5%	4 Italy Equities	10.7%	4 ACWI Financials	8.9%	4 BBB IG	5.1%	4 Mexican peso	2.5%	4 Copper	-0.9%
5 EM Sov Bonds	5.1%	5 US Equities	9.7%	5 ACWI Telecoms	8.9%	5 EM Sovereign	5.1%	5 NZ dollar	2.3%	5 Silver	-2.7%
6 Investment Grade Bonds	4.6%	6 Spain Equities	9.1%	6 ACWI Industrials	7.5%	6 US Corp IG	4.5%	6 Australian dollar	1.8%	6 Platinum	-4.2%
7 UK Equities	4.2%	7 Mexico Equities	8.4%	7 ACWI Healthcare	6.3%	7 EM Corporate	4.1%	7 British pound	1.6%	7 Brent Crude Oil	-6.3%
8 Gold	3.1%	8 Australia Equities	7.8%	8 ACWI Cons. Discretionary	5.2%	8 UK Govt	3.9%	8 Euro	1.2%	8 WTI Crude Oil	-8.2%
9 Pacific Rim x Japan	3.1%	9 Canada Equities	7.4%	9 ACWI Utilities	3.3%	9 US Mortgage Master	3.0%	9 Singapore dollar	1.1%		
10 Government Bonds	2.1%	10 Japan Equities	7.2%	10 ACWI Materials	2.4%	10 German Govt	2.7%	10 Taiwanese dollar	0.9%		
11 EM Equities	1.8%	11 Taiwan Equities	6.9%	11 ACWI Consumer Staples	0.0%	11 Non-US IG Government	2.2%	11 Canadian dollar	0.7%		
12 Industrial Metals	-0.7%	12 Portugal Equities	6.7%	12 ACWI Energy	-0.7%	12 Treasury Master	2.1%	12 Brazilian real	0.7%		
13 US Dollar	-1.0%	13 Germany Equities	5.4%	13 ACWI Real Estate	-0.7%	13 3-Month Treasury Bills	2.0%	13 South African rand	0.0%		
14 Oil	-8.2%	14 Switzerland Equities	5.0%			14 2-year Treasury	1.9%	14 Russian ruble	0.0%		
		15 Türkiye Equities	4.3%			15 TIPS	1.5%	15 Chinese renminbi	-0.1%		
		16 UK Equities	4.2%			16 30-year Treasury	0.8%	16 Korean won	-0.3%		
		17 France Equities	3.1%			17 Japan Govt	-0.1%	17 Indian rupee	-0.4%		
		18 Korea Equities	1.3%					18 Japanese yen	-1.6%		
		19 Russia Equities	0.0%					19 Indonesian rupiah	-2.1%		
		20 Singapore Equities	-0.1%					20 Turkish lira	-14.2%		
		21 S. Africa Equities	-0.6%					21 Argentine peso	-56.9%		
		22 Hong Kong Equities	-9.6%								
		23 China Equities	-10.9%								

Source: BofA Global Investment Strategy, Bloomberg, as of 10 Jan'24.

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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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