

Morning Meeting Notes

QuickNotes

Morning Call

US EQUITIES RESEARCH

Initiations & Reinstatements

[Amer Sports](#) | BUY | AS US | Mkt Cap:USD7,852mn | Lorraine Hutchinson

Sporting a good look; Initiate at Buy

- We are initiating coverage on Amer Sports with a Buy rating and \$18 PO; we view Arc'teryx as the crown jewel in the portfolio
- China strategy is a key competitive advantage; Amer has benefitted from Anta's expertise in real estate, tech, and branding
- We think a valuation of 15.5x EV/EBITDA is compelling given our forecast for sales/EBITDA 3yr CAGR of 13%/20%, respectively

[Asana](#) | BUY | ASAN US | Mkt Cap:USD3,979mn | Michael Funk

Cautious on intensifying enterprise competition; initiating with U/P

- We initiate coverage of Smartsheet (SMAR) with an Underperform rating and \$45 PO, implying 4.6x CY2025E EV/Revenue.
- Competition is set to intensify in SMAR's core market (enterprises), likely muting market/wallet share capture going forward.
- We see less opportunity for revenue acceleration and view the risk-reward profiles of category peers more favorably.

[Monday.com](#) | BUY | MNDY US | Mkt Cap:USD9,925mn | Michael Funk

Cautious on intensifying enterprise competition; initiating with U/P

- We initiate coverage of Smartsheet (SMAR) with an Underperform rating and \$45 PO, implying 4.6x CY2025E EV/Revenue.
- Competition is set to intensify in SMAR's core market (enterprises), likely muting market/wallet share capture going forward.
- We see less opportunity for revenue acceleration and view the risk-reward profiles of category peers more favorably.

26 February 2024

Equity
United StatesInvestor Support
BofAS

Today's Events: Economic Indicators

1. 10:00 New Home Sales

Table of Contents

US EQUITIES RESEARCH	1
Initiations & Reinstatements	1
Rating Changes	2
PO Raised	2
PO Lowered	4
Significant EPS Change	5
Buy Reiterations	7
Macro & Strategy	9
Credit	10

QuickNotes is a list of today's Global Research activities. Please use the links to read the full Research report before making investment decisions. The reports also contain important disclosures.

[Smartsheet](#) | UNDERPERFORM | SMAR US | Mkt Cap:USD5,819mn | Michael Funk

Cautious on intensifying enterprise competition; initiating with U/P

- We initiate coverage of Smartsheet (SMAR) with an Underperform rating and \$45 PO, implying 4.6x CY2025E EV/Revenue.
- Competition is set to intensify in SMAR's core market (enterprises), likely muting market/wallet share capture going forward.
- We see less opportunity for revenue acceleration and view the risk-reward profiles of category peers more favorably.

[Super Micro](#) | BUY | SMCI US | Mkt Cap:USD48,103mn | Ruplu Bhattacharya
Nvidia earnings showcases surging demand for accelerated computing

- Nvidia's F4Q24 earnings highlighted a surging demand for accelerated computing which we see as positive for Super Micro
- Nvidia expects demand for accelerated computing to remain strong in C24, C25 and beyond
- SMCI is seeing strong rev growth which requires higher working capital. It announced pricing of \$1.5bn of convertible notes

Rating Changes

[Fomento Econ. Mex.](#) | NEUTRAL | FMX US | Mkt Cap:USD42,520mn | Robert Ford Aguilar

Lowering to Neutral on wage & competitive concerns; multiple LT opps

- Lowering from Buy to Neutral, price objective from Ps280 to Ps245, trimming earnings estimates.
- Decelerating same store sales and expense pressure limit proximity EBIT growth to 1%.
- Operating pressures appear likely to intensify in 2024 given 20% minimum wage increases. Capital allocation concerns return.

PO Raised

[EastGroup](#) | BUY | EGP US | Mkt Cap:USD8,630mn | Jeffrey Spector
4Q23 Quarterly: Another solid quarter; 2024 guidance implies healthy growth

- Solid 4Q with 2 beats & 3 meets. 2024 guidance implies healthy growth for our Buy-rated REITs and we see risk to the upside.
- Transaction volumes are expected to increase in 2024 and we see EGP, PLD and REXR as best positioned to be opportunistic.
- See inside for comparative analysis on each company's operating metrics, balance sheet, valuation, guidance and more.

Elastic | BUY | ESTC US | Mkt Cap:USD12,914mn | Koji Ikeda**Previews: ESTC – Focus is Cloud; GTLB – FY25 revenue guide could be tricky**

- ESTC F3Q preview: Cloud growth is key. Bar likely high, similar net-new revs in F3Q as F2Q implies 34% growth vs 28% Street
- GTLB F4Q preview: Checks good, positive for demand. FY25 rev guide tricky, if 25% (like FY24 start), its below 27% Street
- Recent infra stock results. Average revenue beat 3%, average stock reaction 9%. But missed guides underperformed peers

Hyatt Hotels | BUY | H US | Mkt Cap:USD23,577mn | Shaun Kelley**Q4 Earnings Recap: Leisure is back (or at least above a low expectation)**

- Hyatt, several Lodging REITs and leisure companies all reported beats last week
- Hyatt sold UVC which investors viewed positively as it simplifies the business and is multiple accretive
- Lodging REIT outlooks were in-line with our expectations; timeshare and PLYA see healthy leisure demand indicators ahead

Rocket Companies | UNDERPERFORM | RKT US | Mkt Cap:USD22,792mn |**Mihir Bhatia****Slowly turning the corner but valuation keeps us cautious**

- RKT reported 4Q Adj. Revs/EPS of \$885M/\$0.00, ahead of BofAe/consensus at \$788M/(\$0.05) / \$768M/(\$0.05)
- RKT is optimistic about '24 margins and market size. Also touted AI investments driving underwriting / servicing efficiencies
- We view valuation as high given cyclical earnings, competition, and prior execution. Reiterate Underperform.



[TechnipFMC plc](#) | BUY | FTI US | Mkt Cap:USD9,375mn | Saurabh Pant
Sustainable order strength to yield solid profitability and FCF growth

- We think FTI's updated Subsea order outlook of \$30bn in 2023A-25E allows for 10%/28% CAGR for Revenue/Adj. EBITDA in 2023-26E
- FTI is benefiting from its integrated, customer-centric approach in greenfield, brownfield as well as subsea services market
- Raise 2024E/25E Adj. EBITDA 1%/ 1% to \$1.25/\$1.63bn; reit. Buy on strong earnings growth, cash returns, attractive valuation

PO Lowered

[American Homes 4Rent](#) | BUY | AMH US | Mkt Cap:USD14,633mn | Jeffrey Spector

Residential earnings recap week 3: AMH, INVH, KW, SUI, VRE

- Within resi REITs, we are most positive on the SFR sub-sector. We believe AMH is better positioned than INVH going forward.
- We remain positive on the outlook for MH, RV and Marinas. SUI's simplification plan is a step in the right direction.
- We remain concerned on KW's dividend sustainability. VRE continues to execute on its value creation plan.

[Americold Realty Tr](#) | BUY | COLD US | Mkt Cap:USD7,311mn | Joshua Dennerlein

COLD 4Q23 earnings recap

- Core business remains robust. On an absolute basis, the initial 2024 guide points to strong core growth & earnings growth.
- Removing COLD from Spector's top picks given the difficulty in understanding the moving pieces within its business segments.

[Crown Holdings](#) | BUY | CCK US | Mkt Cap:USD9,193mn | George Staphos
Post 4Q, CCK looks undervalued. Expect increased investor interest

- Review CCK, its bizs, SOTP valuation following disappointing 4Q commentary. We see CCK as undervalued and recovering to \$89.
- Interest should increase given val'n, CCK's portfolio. Transit doing fine, seems valued below 10x mult we'd ascribe, while...
- ..."other" non-bev units (Aerosol, Machinery, Tinplate) impacted 4Q & 2024 guide, as did unabsorbed fixed costs in Euro Bev.

[LXP Industrial Trust](#) | UNDERPERFORM | LXP US | Mkt Cap:USD2,535mn |**Camille Bonnel****4Q23 Quarterly: Another solid quarter; 2024 guidance implies healthy growth**

- Solid 4Q with 2 beats & 3 meets. 2024 guidance implies healthy growth for our Buy-rated REITs and we see risk to the upside.
- Transaction volumes are expected to increase in 2024 and we see EGP, PLD and REXR as best positioned to be opportunistic.
- See inside for comparative analysis on each company's operating metrics, balance sheet, valuation, guidance and more.

[MINISO](#) | BUY | MNSO US | Mkt Cap:USD5,794mn | Lucy Yu**Solid finish to 2023; growth likely to normalize in 2024, but still strong**

- Expect solid finish to 2023 in Dec qtr: 50% YoY revenue growth and 17% reported non-GAAP NPM (flat QoQ or 2ppt YoY).
- We largely maintain our estimates, but lower PO by 7% to USD29.0/HKD56.9 on a lower target multiple given sector de-rating.
- Recent pullback provides particularly attractive opportunity. Stock trading at 14x CY24E P/E for 20% EPS CAGR.

[Rexford](#) | BUY | REXR US | Mkt Cap:USD11,386mn | Camille Bonnel**4Q23 Quarterly: Another solid quarter; 2024 guidance implies healthy growth**

- Solid 4Q with 2 beats & 3 meets. 2024 guidance implies healthy growth for our Buy-rated REITs and we see risk to the upside.
- Transaction volumes are expected to increase in 2024 and we see EGP, PLD and REXR as best positioned to be opportunistic.
- See inside for comparative analysis on each company's operating metrics, balance sheet, valuation, guidance and more.

[Warner Bros.](#) | BUY | WBD US | Mkt Cap:USD20,845mn | Jessica Reif Ehrlich
Resetting the bar

- WBD 4Q performance reflects the challenging environment as the business continues to be impacted by various factors.
- We reduce our CY24E EBITDA to \$9.88bn (from \$10.75bn) to reflect the choppy (albeit improving) ad market and weaker Studios.
- We reiterate our Buy rating and lower our PO to \$14 (from \$17) based on an EV/EBITDA multiple of 7x CY24E estimates.

Significant EPS Change**[Bloomin Brands](#) | NEUTRAL | BLMN US | Mkt Cap:USD2,521mn | Sara Senatore****Restaurants Weekly: EPS cheat sheet – DPZ, PTLO, CBRL, SG, BLMN**

- W/e 2/23: Restaurants outperform; WING and TXRH lead.
- This week's chart of the week is an earnings cheat sheet for DPZ, PTLO, CBRL, PZZA, SG.



[Caesars Ent](#) | NEUTRAL | CZR US | Mkt Cap:USD9,009mn | Shaun Kelley**4Q23 Earning Review: Regionals holding in, Vegas outperforms**

- With Caesars Entertainment, Churchill Downs, and VICI Properties reporting , we are nearing the end of Q4 US Gaming earnings
- We have seen 6 beats, and 4 misses, with RRR and WYNN reacting the best following and PENN and MGM lagging
- Key themes 1) regionals better than feared, 2) Las Vegas demand remains healthy, 3) Online is robust despite outcomes in Q4

[DiamondRock](#) | UNDERPERFORM | DRH US | Mkt Cap:USD1,956mn | Dany**Asad****Q4 Earnings Recap: Leisure is back (or at least above a low expectation)**

- Hyatt, several Lodging REITs and leisure companies all reported beats last week
- Hyatt sold UVC which investors viewed positively as it simplifies the business and is multiple accretive
- Lodging REIT outlooks were in-line with our expectations; timeshare and PLYA see healthy leisure demand indicators ahead

[Takeda Pharm.](#) | BUY | TAK US | Mkt Cap:USD46,741mn | Koichi Mamegano**Maintain Buy: guidance conservative; new drug development progressing well**

- We revise forecasts post-3Q to reflect new drug progress and higher costs. Leave PO at ¥5,000 and reiterate Buy
- We forecast FY3/24 Core OP of ¥1,068.5bn. The FY3/24 impact of the Vyvanse patent expiry was less than expected.

- PoC was confirmed for TAK-861 and Ph3 is planned to start in 1H FY3/25. Several candidates were approved in the US.

Buy Reiterations

Consumer Staples

[Monster Beverage](#) | BUY | MNST US | Mkt Cap:USD58,613mn | Peter Galbo Bank Shots to MNST from CSD earnings thus far

- MNST is scheduled to report 4Q23 earnings results after mkt. close on Wednesday, Feb. 28th, in this "bank shots" report we..
- provide read across from other carbonated soft drink (CSD) companies which have reported earnings so far this cycle.
- Topline results have been solid and commentary has been encouraging which can potentially portend well for MNST.



Financials

[Morgan Stanley](#) | BUY | MS US | Mkt Cap:USD153,367mn | Ebrahim Poonawala

BofA Securities 2024 Financial Services Conference: Takeaways

- Head of Wealth Management Jed Finn outlined two key areas of focus: 1) path to advice 2) scaled and differentiated platform
- Street watching for whether mgmt. can deliver superior growth in less conducive macro-backdrops, despite intense competition
- Morgan Stanley indexed to the right macro themes. Strong execution, regulatory relief, macro should drive outperformance

[OneMain Holdings](#) | BUY | OMF US | Mkt Cap:USD5,572mn | Mihir Bhatia

BofA Securities 2024 Financials Conference: Takeaways

- This week we hosted OneMain's CEO, Doug Shulman, for a fireside chat and investor meetings at BofA's Financials Conference.
- The company reiterated its medium-term target on loan growth despite the tighter credit posture.
- Management remains confident in its credit guide given underwriting actions and demand for loans remains positive.

Materials

[The Mosaic Company](#) | BUY | MOS US | Mkt Cap:USD10,662mn | Steve Byrne

Lunch with Mosaic's new CEO reinforced our constructive outlook, even with potash

- We met with MOS's senior mgmt, reinforcing our constructive outlook for '24 with strength in P and a potential recovery in K
- We estimate 10mt of phosphate and potash applications did not occur in '22-'23. Depleted soil nutrients will need replacement
- Mosaic is making targeted high-growth investments and share repurchases. Our PO is unchanged at \$49

Real Estate

[American Tower](#) | BUY | AMT US | Mkt Cap:USD84,386mn | David Barden

4Q23 heads up: AMT reporting tomorrow, 2/27, BMO; call at 8:30am ET

- AMT is due to report 4Q23 earnings and host its conference call on Tuesday, February 27, BMO

- We have updated our model to reflect the Argentinian Peso and Nigerian Naira currency devaluation that began recently
- AMT is our top tower pick for its holistic domestic MLA contracts, INTL/data center exposure, and peer leading AFFO/sh growth

Macro & Strategy

[US Rates Watch](#) | US Rates Research

Fund flows continue to chase yield

- Positioning indicators still generally point to net longs that have room to be covered across CTAs and speculative investors
- However, US total return fund excess performance continues to point to underweights
- Fund inflows remain strong to chase higher yields, reflecting a dip buying sentiment from investors

[Liquid Insight](#) | Global Rates & Currencies Research

The difficult last inflation mile

- Will the US economy slow? Will G10 inflation continue to drop in 2024? Baseline yes for both but risks and uncertain timing.
- Reasons economy performed well to fade, but red flags from sticky inflation and all-time low unemployment.
- USD weaker if US slows, inflation drops, Fed cuts; stronger if US resilient, inflation stuck. Elections adds to uncertainty.

[What's priced in](#) | Claudio Irigoyen

BOI will likely remain on hold this week; NBH to cut

- Israel's BOI will likely keep the rate on hold at 4.50% on February 26. The market is pricing 53bp of cuts over the next 6m.
- We forecast Hungary's NBH will likely cut 100bp on February 27. The market is pricing 326bp of cuts over the next 6m.

[Global Macro Watch](#) | Global Economics Rates & FX

Known Unknowns Feb 26 – Mar 1

- US: PCE, GDP (4Q S). Eurozone: CPI, Core CPI, confidence indicators. Australia, Germany, Japan, CPI. Canada GDP.



- RBNZ rates meeting. Several central bank speakers including the Fed, ECB, BoE, BoJ, Riksbank.
- EM: policy rate in Israel, Hungary and DomRep. CPI in Brazil, Indonesia. China PMI. GDP in Poland, India, Türkiye and Brazil

[Systematic Flows Monitor](#) | **Global Equity Derivatives Rsch**

CTAs see gains on equity longs; Introducing SPX option gamma flows

- NEW: SPX option gamma positioning; delta-hedgers materially long SPX gamma & could help support equities in a shallow decline
- CTA equity longs remain stretched and are helping CTAs generate positive returns. Trend follower bond shorts growing
- SPX equity vol control strategies may be forced to unwind leverage on the back of Thursday's large up move

Credit

[Credit Market Strategist](#) | **Yuri Seliger**

What's working

- After adjusting for \$ prices and composition the IG index is at 34th percentile since 2021, 21bps off the 2021 tights.
- Although spread tightening likely overshoot in Feb, we look for spreads to remain near the tight end of 100 - 120bps range.
- Trades that worked in February still have more room to run, for both financials over industrials and BBBs over single-As.

Disclosures

Important Disclosures

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} 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.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Other Important Disclosures

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Information:

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofam.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security



discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.