

Morning Meeting Notes

QuickNotes

Morning Call

US EQUITIES RESEARCH

Initiations & Reinstatements

[Tenaris](#) | NEUTRAL | TS US | Mkt Cap:USD18,699mn | Joseph Charuy
Strengths well understood – reinstate at Neutral

- Reinstate at Neutral with a PO of US\$40 /EUR 18. Strongest balance sheet in the subsector with highest cash return 2024e.
- Buybacks are a positive 'value over volume' signal but lack support 2025 absent the creation of a formal payout policy.
- Prefer VK (Buy). TEN is more expensive on a 2025e FCF/dividend yield basis and has fewer re-rating catalysts ahead.

Rating Changes

[Celanese](#) | UNDERPERFORM | CE US | Mkt Cap:USD16,122mn | Salvator Tiano

Shares running ahead of themselves, downgrade to Underperform

- We are downgrading Celanese shares to Underperform as we see CE's valuation as stretched following a strong 2023 rally
- We see risks to acetyl margins from capacity additions for both acetic acid and vinyl acetate monomer in the near-term
- We see a harder path to continued earnings growth beyond 2024 as acquisition synergies and the Clear Lake, TX expansion lapse

[Dow](#) | BUY | DOW US | Mkt Cap:USD37,434mn | Steve Byrne

Upgrading to Buy as we move towards an upcycle for petrochemicals

- We are upgrading Dow to Buy, as we believe earnings have troughed and out Petchem Sentiment indicator moved positive
- We project Dow's EBITDA growth from 2023-25 to be nearly 50%, as many of its chemical chains improve and destocking reverses
- We raise our EBITDA multiple to 8.5x from 8.0x, based on our view that 2023 was the trough. Our PO moves to \$60

16 January 2024

Equity
United States

Investor Support
BofAS

Today's Events: Economic Indicators

N/A

Table of Contents

| | |
|------------------------------|----------|
| Initiations & Reinstatements | 1 |
| Rating Changes | 1 |
| PO Raised | 3 |
| PO Lowered | Error! |
| | Bookmark |
| | not |
| | defined. |
| Buy Reiterations | 9 |
| Macro & Strategy | 11 |

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.

DuPont | UNDERPERFORM | DD US | Mkt Cap:USD32,481mn | Steve Byrne
Fairly valued with PFAS litigation risks, Downgrading to Underperform

- We are raising our PO for DuPont from \$78 to \$80 based on an unchanged 13X EBITDA multiple, but we downgrade to Underperform
- Many investors view DuPont's PFAS liabilities as having been addressed, but we see risk from continued litigation/news flow
- We raised our 2024 EPS estimate for DuPont based on a modest recovery in housing and electronics

Ecolab Inc | NEUTRAL | ECL US | Mkt Cap:USD56,720mn | Steve Byrne
Robust earnings growth from pricing and water mgmt, Upgrade to Neutral

- We upgrade ECL to Neutral from U/P given near-term earnings from pricing and deflation, as well as long-term drivers in Water
- Given the recent track record of high earnings growth from pricing, we increase our 2024 EPS estimate
- Given the favorable service model, we adjust our valuation multiple to include specialty chems and business services comps

FMC | UNDERPERFORM | FMC US | Mkt Cap:USD7,294mn | Steve Byrne
Cautious about earnings recovery, Downgrading to Underperform

- FMC's volume losses in 2023 more than offset the volume gains in 2021-22, leading to our concerns about the 2024 recovery
- With cautious inventory rebuilds globally, we are concerned about aggressive price actions within a more competitive outlook
- We lower our PO to \$57 from \$60 based on an unchanged 10x EBITDA multiple, and we downgrade FMC to Underperform

OMEGA Healthcare | NEUTRAL | OHI US | Mkt Cap:USD7,842mn | Joshua Dennerlein

Downgrading to Neutral as tenant issues linger, capping near term upside

- Downgrading to Neutral and lowering income rating to same/lower, lowering PO to \$31.
- The December operator update highlighted contractual rent deficiencies lasting longer than we expected.
- We are revising our growth prospects in the medium term given expectation for choppy acquisition volumes.

Ventas Inc. | BUY | VTR US | Mkt Cap:USD19,971mn | Jeffrey Spector
Upgrading to Buy on external growth opportunities

- We are upgrading VTR to Buy from Neutral and increasing our PO to \$53 from \$48.
- Our upgrade reflects our view that VTR's strong core growth will flow to the bottom line in 2024 and 2025.
- We expect acceleration in external growth and are positive on the Kindred and Brookdale 2025 lease expirations.

[Wabtec](#) | BUY | WAB US | Mkt Cap:USD23,120mn | Ken Hoexter

Year Ahead 2024: Signs of demand base, bonus at idiosyncratic names, UNP top pick

- Year Ahead 2024 - Signs of demand base building as BofA proprietary Truck Shipper Survey above 50 for 8 of past 13 issues
- Seek early cycle, quality operators, idiosyncratic oppty. Top UNP, Focus CSX/CP/NSC/KNX/JBHT/XPO/SAIA/ODFL/FDX/RXO. Upgr WAB
- 2024 Themes: (1) Spot rate gains (2) Rail vol growth (3) LTL pricing holds ... (6) ILA contract expiry (7) Red Sea Diversion

PO Raised

[Aflac](#) | BUY | AFL US | Mkt Cap:USD48,352mn | Joshua Shanker

4Q23 Earnings Preview: orderly 1/1 renewals as reinsurers remain disciplined

- We continue to believe personal auto and reinsurance segments offer the most attractive opportunities within our coverage.
- We expect insurers to report modest catastrophe losses for the quarter, but earthquake events in 1Q24 could be of interest.
- Interest rate trends could offer credit reprieve to Life Insurers while lowering fiduciary income for Brokers into 2024.

[ArcBest](#) | UNDERPERFORM | ARCB US | Mkt Cap:USD2,956mn | Ken Hoexter

Year Ahead 2024: Signs of demand base, bonus at idiosyncratic names, UNP top pick

- Year Ahead 2024 - Signs of demand base building as BofA proprietary Truck Shipper Survey above 50 for 8 of past 13 issues
- Seek early cycle, quality operators, idiosyncratic oppty. Top UNP, Focus CSX/CP/NSC/KNX/JBHT/XPO/SAIA/ODFL/FDX/RXO. Upgr WAB



- 2024 Themes: (1) Spot rate gains (2) Rail vol growth (3) LTL pricing holds ... (6) ILA contract expiry (7) Red Sea Diversion

[Assurant](#) | BUY | AIZ US | Mkt Cap:USD8,659mn | Grace Carter

4Q23 SMid-cap P&C preview

- Given few major domestic weather events, we expect below-average 4Q23E catastrophe losses.
- Personal lines margins should show YoY improvement, while commercial casualty loss costs remain under scrutiny.
- Lower expected investment yields weigh on our out-year EPS forecasts.

[BRP Group, Inc.](#) | BUY | BRP US | Mkt Cap:USD1,556mn | Joshua Shanker

4Q23 Earnings Preview: orderly 1/1 renewals as reinsurers remain disciplined

- We continue to believe personal auto and reinsurance segments offer the most attractive opportunities within our coverage.
- We expect insurers to report modest catastrophe losses for the quarter, but earthquake events in 1Q24 could be of interest.
- Interest rate trends could offer credit reprieve to Life Insurers while lowering fiduciary income for Brokers into 2024.

[C.H. Robinson](#) | UNDERPERFORM | CHRW US | Mkt Cap:USD10,416mn | Ken

Hoexter

Year Ahead 2024: Signs of demand base, bonus at idiosyncratic names, UNP top pick

- Year Ahead 2024 - Signs of demand base building as BofA proprietary Truck Shipper Survey above 50 for 8 of past 13 issues
- Seek early cycle, quality operators, idiosyncratic oppty. Top UNP, Focus CSX/CP/NSC/KNX/JBHT/XPO/SAIA/ODFL/FDX/RXO. Upgr WAB
- 2024 Themes: (1) Spot rate gains (2) Rail vol growth (3) LTL pricing holds ... (6) ILA contract expiry (7) Red Sea Diversion

[Cincinnati](#) | BUY | CINF US | Mkt Cap:USD16,847mn | Grace Carter

4Q23 SMid-cap P&C preview

- Given few major domestic weather events, we expect below-average 4Q23E catastrophe losses.
- Personal lines margins should show YoY improvement, while commercial casualty loss costs remain under scrutiny.
- Lower expected investment yields weigh on our out-year EPS forecasts.

[Entergy Corp.](#) | BUY | ETR US | Mkt Cap:USD21,888mn | Paul Zimbardo**One of the best regulated opportunities continues to look strong: Reiterate Buy**

- Reiterate Buy as a top idea for 2024. ETR's outlook has improved, a contrast to setbacks for many regulated utility peers.
- Louisiana FRP extension the most important regulatory proceeding. We are cautiously optimistic on a reasonable outcome.
- Balance sheet improving and Moody's negative outlook should be removed after 4Q23 earnings with credit metrics improving.

[Knight-Swift](#) | BUY | KNX US | Mkt Cap:USD8,794mn | Ken Hoexter**Year Ahead 2024: Signs of demand base, bonus at idiosyncratic names, UNP top pick**

- Year Ahead 2024 - Signs of demand base building as BofA proprietary Truck Shipper Survey above 50 for 8 of past 13 issues
- Seek early cycle, quality operators, idiosyncratic oppty. Top UNP, Focus CSX/CP/NSC/KNX/JBHT/XPO/SAIA/ODFL/FDX/RXO. Upgr WAB
- 2024 Themes: (1) Spot rate gains (2) Rail vol growth (3) LTL pricing holds ... (6) ILA contract expiry (7) Red Sea Diversion



[The Hanover](#) | NEUTRAL | THG US | Mkt Cap:USD4,396mn | Grace Carter
4Q23 SMid-cap P&C preview

- Given few major domestic weather events, we expect below-average 4Q23E catastrophe losses.
- Personal lines margins should show YoY improvement, while commercial casualty loss costs remain under scrutiny.

- Lower expected investment yields weigh on our out-year EPS forecasts.

[The Hartford](#) | **BUY** | **HIG US** | **Mkt Cap:USD24,711mn** | **Joshua Shanker**
4Q23 Earnings Preview: orderly 1/1 renewals as reinsurers remain disciplined

- We continue to believe personal auto and reinsurance segments offer the most attractive opportunities within our coverage.
- We expect insurers to report modest catastrophe losses for the quarter, but earthquake events in 1Q24 could be of interest.
- Interest rate trends could offer credit reprieve to Life Insurers while lowering fiduciary income for Brokers into 2024.



Significant EPS Change

[Rio Tinto Plc](#) | BUY | RIO US | Mkt Cap:USD112,024mn | Jason Fairclough
2023 production in line, focus turns to FY23 earnings and dividends

- Rio Tinto (RIO) reported 2023 production in line with expectations while production guidance for 2024 is also unchanged.
- We increase our FY23e EBITDA by 4% mainly reflecting higher realised iron ore and aluminium prices in 4Q23.
- 2024 unit cost guidance will be provided with the FY23 results due 21 February 2024. Reiterate Buy and 8,000 GBp/sh PO.

Buy Reiterations

Health Care

[Zoetis Inc.](#) | BUY | ZTS US | Mkt Cap:USD92,428mn | Michael Ryskin

Animal Health

- We hosted an investor booth tour at VMX, the Companion Animal industry's largest conference (key for ZTS, IDXX, ELAN, etc)
- Our conversations with mgmt teams, vets, and other industry participants left us incrementally more positive on the AH space
- Key topics included innovation (namely Librela and inVue), competition, pricing power, & outlook for end-market trends in '24

[HealthEquity](#) | BUY | HQY US | Mkt Cap:USD6,298mn | Allen Lutz

Updating model build for new cash maturity schedule

- We update our custodial cash model to reflect the newly disclosed cash maturity schedule w/ a built in lever of conservatism
- We have more conviction that HQY will be able to raise custodial cash yields through at least FY27
- Maintain our Buy rating and \$85 PO on c.17x CY24 EV/EBITDA (c17.5x prior)

[UnitedHealth Grp](#) | BUY | UNH US | Mkt Cap:USD488,133mn | Kevin

Fischbeck

Fischbeck Focus: Reviewing the state of Medicare Advantage

- The Q4 MLR miss was smaller than the headline, and there is some solid reasoning behind UNH's bullish 2024 tone.
- Given depressed trend in MA post-COVID, mispricing risk was high in 2023, but should be lower in 2024.
- Market over-penalizing group given degree of difficulty. MA still a good sector. Updating ests, rolling out 2026. Reit Buy.

Industrials

[Eaton Corp PLC](#) | BUY | ETN US | Mkt Cap:USD104,688mn | Andrew Obin

Industrials/Multi-Industry

- Artificial intelligence adoption likely to increase electricity consumption at data centers, driving further grid investment.
- US electrical demand to be boosted by electric vehicle adoption, heat pump adoption, and data center growth.
- Stocks with electrical grid exposure are Buy-rated ETN, GE, and AZPN and data center exposure are Buy-rated ETN and VRT.

[Delta Air](#) | BUY | DAL US | Mkt Cap:USD24,754mn | Andrew Didora

4Q23 earnings review: stock reaction creates opportunity

- DAL shares fell -9% post-4Q23 earnings, our take was that all guidance metrics were reasonable and in line with expectations
- We only tweak our forecasts and continue to estimate strong free cash generation of \$3.5B in 2024 and \$4.0B in 2025
- We view the weakness as an opportunity and maintain our Buy rating and \$50 price objective



Information Technology

[HP Inc.](#) | BUY | HPQ US | Mkt Cap:USD29,460mn | Wamsi Mohan

Takeaways from Management meetings at CES 2024

- We hosted an investor meeting at CES 2024 with President of Personal Systems Alex Cho and IR Maureen Leavitt at HPQ
- Improving trajectory in the PS business comes from normalizing inventory and mix shift to higher value segments
- AI PCs as another driver for upside in 2025. Reiterate Buy. FCF to improve from trough levels in 2023

[Dell Inc.](#) | BUY | DELL US | Mkt Cap:USD59,245mn | Wamsi Mohan

Takeaways from Management meetings at CES

- We hosted investor meetings at CES 2024 in Las Vegas with Paul Frantz and Zak Broderick from investor relations at Dell
- AI is driving an uptick in ISG. DELL will see the benefit from growth in training servers initially and inferencing over time
- CSG should see benefit over time as AI adoption at the edge drives richer configurations

Macro & Strategy

[ESG from A to Z](#) | Panos Seretis

EU & US Transition CAPEX investment opportunities

- EU's sustainable finance package and higher carbon prices can accelerate transition investing.
- Green bonds issuance has increased 12% yoy, driven by increasing focus on transition related projects.
- 14 stocks with Net-Zero targets, lower carbon emissions, strong fundamentals, U/W by ESG funds and green capex projects.

[LatAm Fund Manager Survey](#) | David Beker

Starting 2024 on a positive tone

- 63% see Ibov >140k at the end of 2024 (up from 48% last month). Two-thirds plan to increase equity allocation in the next 6M.
- Cash levels at lowest level since Feb-22. Investors like FIN, UTI and CDS. Allocation to commodities remains low.
- MX elections should increase volatility, but participants have a neutral view on MX asset prices.

[Global Fund Manager Survey](#) | Michael Hartnett

My Herd is my Bond

- Big optimism on rate cuts & soft landing but FMS cash up from 4.5% to 4.8% as bond optimism tempered
- Rotation out of bonds, banks into cash, REITs; largest OW US stocks since Dec'21; 1st OW small over large cap since Jun'21
- Contrarian longs: China, Europe, banks, energy, low-quality; contrarian shorts: bonds, US, Magnificent Seven

[ESG Matters - Global](#) | Kay Hope

2023 labeled bond issuance: in charts

- Issuance of labeled bonds rose 7% in 2023 to \$828bn; we chart issuance by label, issuer type, geography and currency.
- Green bonds were 59% of labeled issuance. Issuance from sovereigns and financials increased most in 2023.
- 41% of 2023 labeled bonds were in euros, but new deals from Japan, S. Korea and Hong Kong are altering the currency mix.



[US Equity Strategy & US Derivatives Research](#) | Savita Subramanian**Navigating Earnings with Options**

- Ahead of this week's US earnings reports, we provide screens to help navigate the announcements with options
- The screens rank stocks reporting this week by how cheap or expensive it is to position for an earnings surprise with options

[FX Viewpoint](#) | Vadim Iaralov**Hedging a potential USD bounce in Q1**

- Short USD for 2024 may be consensus and short; we discuss reasons for and ways to hedge risk of a USD bounce in Q1.
- We see equity-driven USD rally as more likely than rates-driven; hedge with cheap 3m USD risk reversals vs cyclical G10 FX.
- USD gains may also come from non-US data weakness. Canada & Sweden are most vulnerable in G10. Calendar spread is preferred.

[Global Rates Watch](#) | Global Rates Research**Central bank balance sheet monitor update**

- We monitor the balance sheet of the Fed, ECB, BoE, BoJ, RBA, and BoC
- We detail the latest usage of programmes implemented by each central bank
- We provide forecasts for the balance sheet of each central bank

[Liquid Insight](#) | Global Rates & Currencies Research**Thinking the unthinkable: what if no central bank cuts rates this year?**

- No rate cuts this year unrealistic, but implications relevant in market pricing aggressive cuts without much differentiation.
- Likely positive for USD, EUR, CHF vs. NOK, AUD, JPY. Impact depends on difference from current market pricing.
- We remain bearish on USD this year on expectations of rate cuts in soft landing, but see choppy path given market pricing.

[Emerging Insight](#) | GEMs FI Strategy & Economics**Will China export deflation to the world?**

- Despite falling CPI, PPI and export prices, we believe the concern that China is exporting deflation to RoW is overdone.
- Lower prices from China not a game changer for DM inflation dynamics, but a silver lining given still high inflation.
- China can at most export goods deflation but not overall deflation, as the latter would be determined by monetary policy.

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 | Error! Reference source not found. |
|-------------------|---|--|------------------------------------|
| 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; BofA 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.