

The Flow Show

A Bear of Very Little Brain

Scores on the Doors: crypto 36.9%, stocks 13.5%, gold 7.1%, HY bonds 5.1%, IG bonds 3.0%, cash 2.0%, govt bonds 0.9%, US dollar -0.6%, commodities -8.7%, oil -14.9% YTD.

Zeitgeist: Me: "I'm never wrong". Wife: "You should explore that. My experience of you is you're always wrong".

The Biggest Picture: secular breakout of non-US stocks vs global fixed income (Chart 2) just as US dollar breaks below Mar'20 COVID high (Chart 5); neither risk-off SVB nor debt ceiling allowed US\$ to regain bull of '21/'22, and renewed bear as Fed says we ain't done shows Fed credibility on the ropes again; lower US\$ bullish "inflation assets," commodities, international stocks, particularly EM as China/India/Brazil ease policy in H2 (Chart 6).

Tale of the Tape: individual investor sentiment @ 19-month highs, melting up with frothy stocks as investors chase the bull; contrast with UW asset allocators eye-catching (Charts 3 & 4) but BofA FMS cash levels >5% say "pain trade" still up; we have missed surge in stocks but capitulation likely complete before July 20-30th FOMC/BoJ/ECB + Q2 EPS; upside risk = China stimulus, downside risk BoJ tightens & hawkish Fed-speak.

Chart 2: International Stocks relative to Global Bonds breaking out from 15-year trading range
International Stocks (MSCI ACWI ex-US) vs Global Bonds (GFIM Index)



Source: BofA Global Investment Strategy, Bloomberg

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More on page 2...

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Timestamp: 16 June 2023 01:39AM EDT

16 June 2023

Investment Strategy
Global

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Data
Analytics



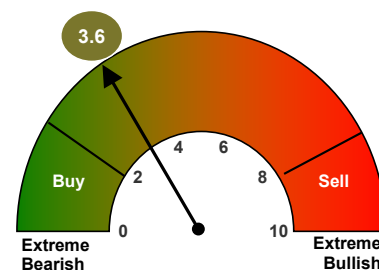
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Chart 1: BofA Bull & Bear Indicator
Rises to 3.6 from 3.5



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: \$22.3bn into stocks, \$6.7bn to bonds, \$0.5bn out of gold, big \$37.9bn outflow from cash (1st outflow in 8 weeks).

Flows to Know (Charts 16-18):

- EM bonds: 1st inflow in 6 weeks (\$0.2bn),
- Japan: biggest inflow in 12 weeks (\$2.2bn),
- US stocks: \$38bn inflows past 3 weeks = strongest momentum since Oct'22,
- US growth funds: biggest weekly inflow (\$5.1bn) since Dec'21,
- US value: 1st inflow in 13 weeks (\$4.3bn), ends longest outflow streak since Jun'19,
- US small cap: inflows continue (\$4.8bn), biggest since Jun'22,
- Tech: \$19bn inflows past 8 weeks = strongest momentum since Mar'21.

BofA Private Clients: \$3.1tn AUM...60.1% stocks, 21.5% bonds, 11.7% cash; private clients selling stocks into strength as equity allocation rises back above 60%; inflows to bonds continue; in ETFs big buying of Japanese stocks, selling bank loan, energy, TIPS.

BofA Bull & Bear Indicator: declines to 3.6 from 3.7, as slowing inflows to risky bonds offset bullish hedge funds & better credit technicals.

A Bear of Very Little Brain: bears like us have been wrong H1'23 because...

- **Goldilocks trumped Recession:** neither Q1 EPS/H2 GDP recession happened; nominal GDP remained super-charged by fiscal stimulus/war, labor market impervious to monetary policy in post-pandemic world (interesting comparison with 1920s after Spanish flu – Chart 8); bonds & growth stocks (both eviscerated by CPI 2% to 9% last year), have traded 9% to 3-4% this year (Chart 11);
- **No Credit Crunch:** March SVB/regional bank crisis threatened credit crunch but was deftly averted by Fed & US Treasury emergency liquidity program, there was no QT, no liquidity drain, quite the opposite;
- **AI Bull:** unanticipated event in H1 was not SVB but rather AI, indeed SVB like LTCM back in 1998 caused Fed easing and liquidity routed into the new secular growth theme of AI (then internet); Magnificent 7 (Chart 15) drove SPX from 3.8k to 4.2k, and breakout + new bull market...investors forced to play catch-up as hard landing risks evaporate.

Conviction: we see max SPX 100-150 points upside vs 300 points downside between now & Labor Day; we are not convinced we at start of brand, new shiny bull market...still feels more like combo of 2000 or 2008, big rally before big collapse. But until...

- Fed reintroduces fear via communication terminal rate going to 6% to crack embedded inflation (5% core CPI),
- US Treasury yields >4%, real rates to 2% signal financial conditions tightening,
- US unemployment rate >4% = signaling recession...

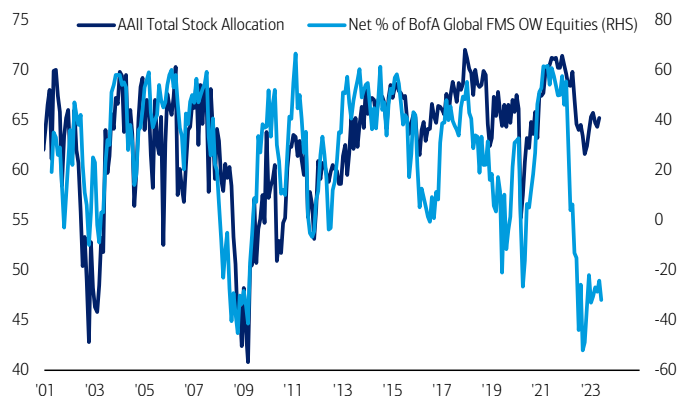
...credit spreads can remain low, equities elevated, and investors likely to chase via rotate from momentum to contrarian plays, from deflation to inflation assets, from DM to EM stocks, from no landing plays to hard landing plays...

- No landing plays...limited trading upside...Magnificent 7, SOX (Chart 7 – already discounting big recovery), Europe luxury, VIX, homebuilders, some industrials,

- Hard landing...higher trading upside: MOVE, REITs, CRE, banks, small cap, oil, China, EM stocks.

Chart 3: Asset allocators are underweight equities...

AAII Total Stock Allocation vs BofA FMS Net % OW Equities

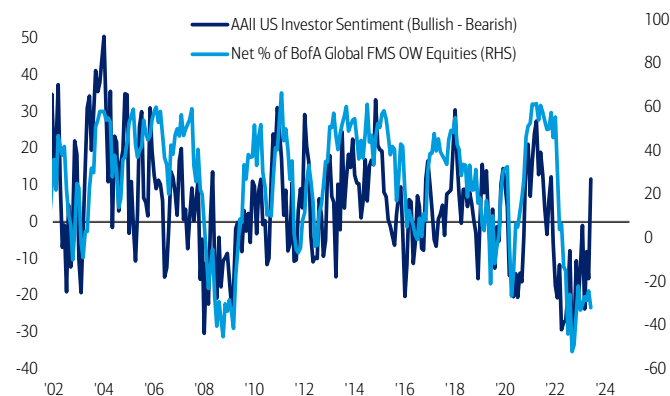


Source: BofA Global Investment Strategy, BofA Global Fund Manager Survey, Bloomberg; AII = American Association of Individual Investors

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Chart 4: ...while individual investor sentiment at 19-month highs

AAII Investor Sentiment vs BofA FMS Net % OW Equities



Source: BofA Global Investment Strategy, BofA Global Fund Manager Survey, Bloomberg; AII = American Association of Individual Investors

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Chart 5: US\$ near Mar'20 high...weaker \$ = bullish 'inflation assets'

US dollar spot price index (DXY)

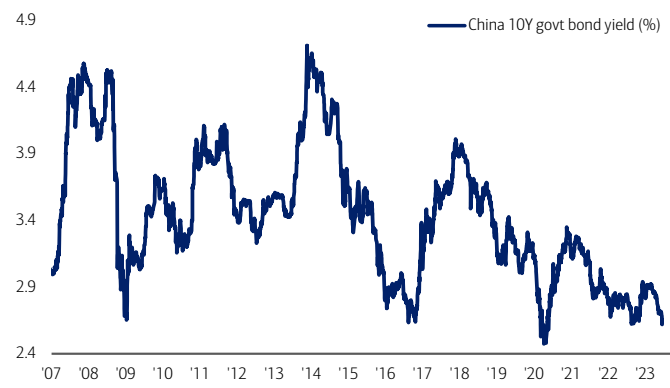


Source: BofA Global Investment Strategy, Bloomberg

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Chart 6: China's easing policy = boon for EM vs US

China 10-year government bond yield %



Source: BofA Global Investment Strategy, Bloomberg

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Chart 7: Semiconductors say 'no landing' but PMI says otherwise

ISM manufacturing PMI vs SOX Index

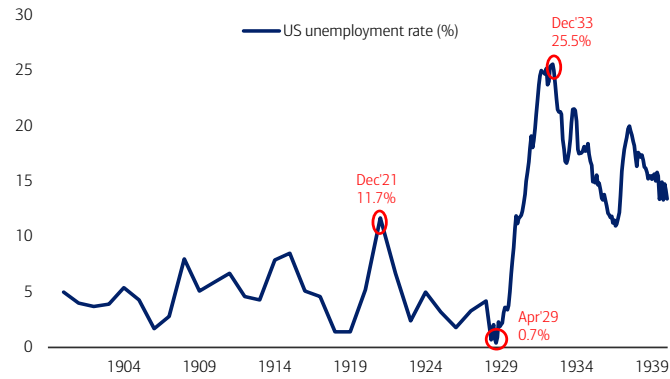


Source: BofA Global Investment Strategy, Bloomberg

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Chart 8: '20s Spanish flu era was also impervious to monetary policy

US unemployment rate since 1900



Source: BofA Global Investment Strategy, Haver, Global Financial Data

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Chart 9: US consumer savings rate only 4.1%, below 9% LT average...
US personal savings rate since 1929



Source: BofA Global Investment Strategy, Global Financial Data

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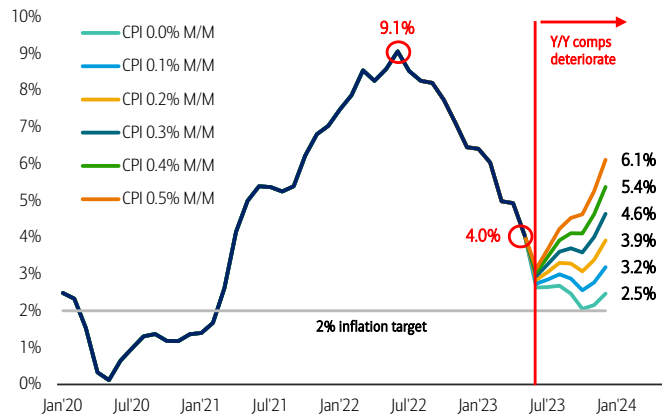
Chart 10: ...and same-store sales also suggest weakening consumer
Johnson Redbook Index Same Store Sales Weekly YoY



Source: BofA Global Investment Strategy, Bloomberg

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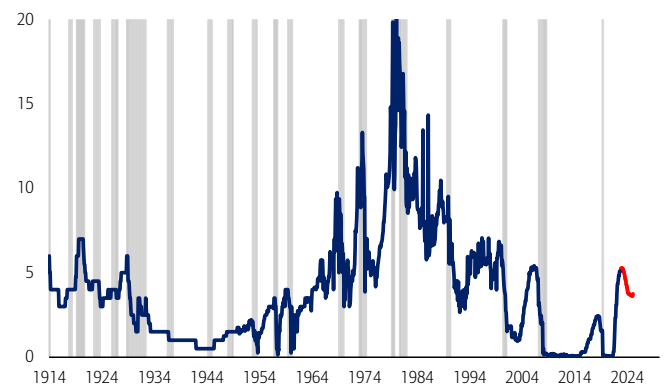
Chart 11: After July, Y/Y comps for inflation get tougher
US headline CPI – projected paths based on M/M prints



Source: BofA Global Investment Strategy, Bloomberg

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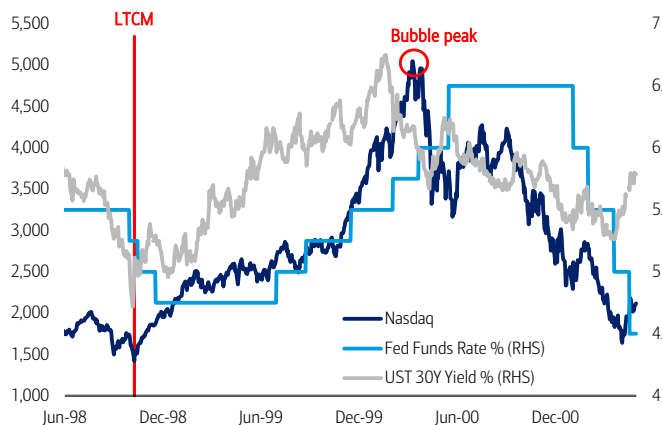
Chart 12: Fed credibility on the ropes again
Federal funds rate with latest market expectations through Dec'25



Source: BofA Global Investment Strategy, Global Financial Data

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Chart 13: The LTCM analog...rates rose until the bubble burst
Nasdaq, Fed funds rate & UST 30Y yield during Dotcom bubble



Source: BofA Global Investment Strategy, Bloomberg

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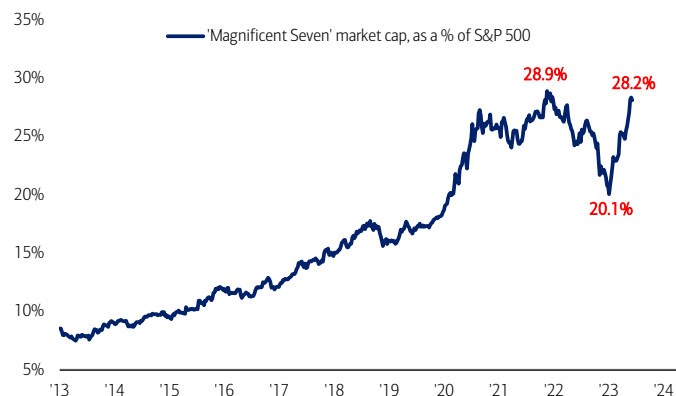
Chart 14: The 1970s analog
Dow Jones Industrial Average vs Fed



Source: BofA Global Investment Strategy, Bloomberg

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Chart 15: The 'Magnificent Seven' bubble
Magnificent Seven market cap as % of S&P 500

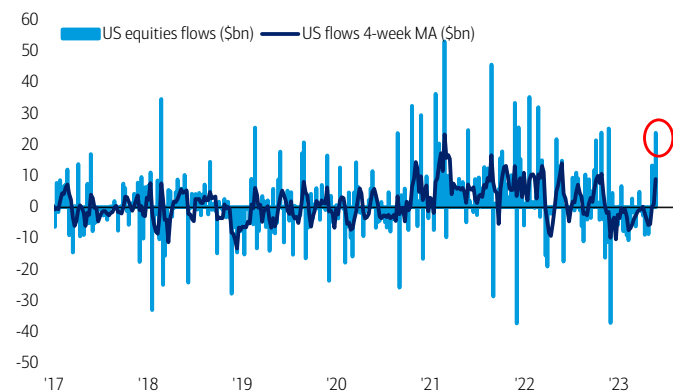


Source: BofA Global Investment Strategy, Bloomberg

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Chart 16: Big inflow to US equities

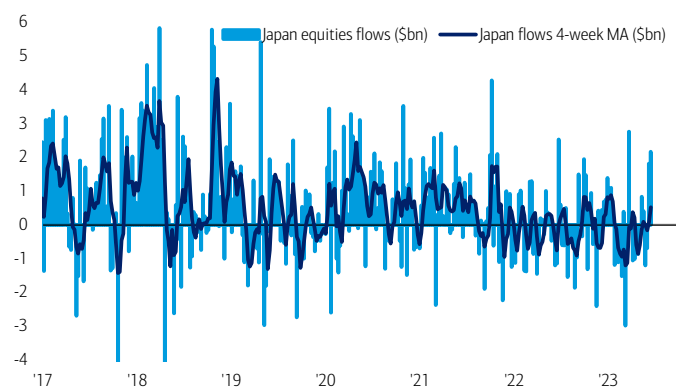
US equities fund flows



Source: BofA Global Investment Strategy, EPF

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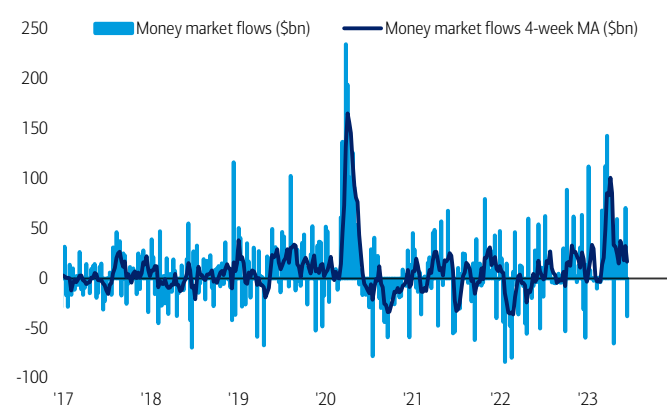
Chart 17: Largest inflow to Japan equities in 12 weeks
Japan equities fund flows



Source: BofA Global Investment Strategy, EPFR

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Chart 18: 1st outflow from cash in 8 weeks
Money market fund flows



Source: BofA Global Investment Strategy, EPFR

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Chart 19: History of bubbles
The great equity market crashes

Bubble	Index	Peak	Rise	Decline	Valuation at peak (P/E)	Bond yield	Policy rate	Speed of rise
Mississippi Co.	CAC All-Tradeable	01/1720	2955%	-95%	n/a	👉	👉	73%
South Sea Co.	South Sea Co.	06/1720	707%	-89%	n/a	👉	👉	188%
Roaring 20s	DJ Industrial Average	8/30/1929	101%	-89%	19	👉	👉	20%
Black Monday	DJ Industrial Average	8/21/1987	103%	-34%	19	👉	👉	20%
Japan 1980s	Nikkei 225	12/29/1989	72%	-59%	67	👉	👉	10%
Nasdaq Dot-com	Nasdaq 100	3/10/2000	189%	-76%	205	👉	👉	52%
US Homebuilders	DJ US Select Builders	7/22/2005	155%	-83%	12	👉	👉	29%
Saudi Arabia	Tadawul All-Share	2/28/2006	305%	-68%	123	👉	👉	22%
China	Shanghai Composite	10/1/2007	445%	-60%	49	👉	👉	37%
EM Technology	EMQQ Emerging Markets	1/26/2018	118%	-39%	100	👉	👉	23%
Tech Disruptors	ARKK	2/12/2021	351%	-81%	n/a	👉	👉	62%
Big Tech	NYSE FANG	11/4/2021	211%	-49%	37	👉	👉	15%
Cryptocurrency	Bitcoin	11/9/2021	1281%	-77%	n/a	👉	👉	49%
AI	NVDA & MSFT	-	173%	-	41	👉	👉	69%
Magnificent 7 US Tech	AAPL, MSFT, GOOGL, AMZN, NVDA, META, TSLA	-	96%	-	36	👉	👉	47%

Source: BofA Global Investment Strategy, Frehen (2012), Bloomberg, Global Financial Data;
rise & decline measured approx. 2 years from peak; speed of rise = % distance from 200-day moving average at peak

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Asset Class Flows (Table 1)

Equities: \$22.3bn inflow (\$34.7bn inflow to ETFs, \$12.4bn outflow from mutual funds).

Bonds: inflows past 12 weeks (\$6.7bn)

Precious metals: outflows past 3 weeks (\$0.5bn)

Fixed Income Flows (Chart 20)

IG bond inflows past 11 weeks (\$3.0bn)

HY Bond outflows resume (\$51mn)

EM Debt 1st inflow in 6 weeks (\$0.2bn)

Munis inflows past 2 weeks (\$37mn)

Govt/Tsy inflows past 18 weeks (\$3.6bn)

TIPS outflows past 42 weeks (\$0.6bn)

Bank loan inflows past 2 weeks (\$41mn)

Equity Flows (Table 2)

US: inflows past 3 weeks (\$23.8bn)

Japan: inflows past 2 weeks (\$2.2bn)

Europe: outflows past 14 weeks (\$2.4bn)

EM: inflows past 3 weeks (\$1.1bn)

By style: inflows **US large cap** (\$11.9bn), **US growth** (\$5.1bn), **US small cap** (\$4.8bn), **US value** (\$4.3bn).

By sector: inflows **tech** (\$3.9bn), **financials** (\$0.9bn), **consumer** (\$0.4bn), **real estate** (\$0.3bn); outflows **utilities** (\$8mn), **com svcs** (\$0.2bn), **healthcare** (\$0.7bn), **materials** (\$0.9bn), **energy** (\$0.9bn).

Table 1: Cumulative YTD flows by asset class

Global flows by asset class, \$mn

	Wk % AUM	YTD	YTD %AUM
Equities	0.1%	44,490	0.3%
ETFs	0.4%	162,541	2.2%
LO	-0.1%	-117,322	-1.4%
Bonds	0.1%	173,356	2.6%
Commodities	-0.2%	1,501	0.4%
Money-market	-0.5%	799,608	10.7%

*week of 06/14/2023: Source: EPFR Global

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Table 2: Net fund inflows to EM, outflows from DM YTD

Global equity flows by region

	Wk % AUM	YTD
Total Equities	0.1%	44,490
long-only funds	-0.1%	-117,322
ETFs	0.4%	162,541
Total EM	0.1%	63,596
Brazil	0.8%	-767
Russia	0.0%	-19
India	0.6%	2,446
China	0.5%	35,967
Total DM	0.1%	-19,106
US	0.3%	-30,711
Europe	-0.2%	-20,242
Japan	0.3%	-3,676
International	-0.1%	35,141

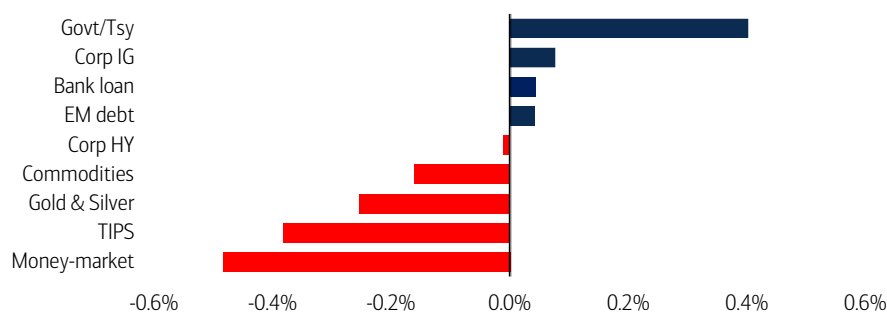
Total Equities = Total EM + Total DM

Source: EPFR Global

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Chart 20: FICC inflows to Treasuries, IG bonds, bank loan

Weekly FICC flows as a % AUM



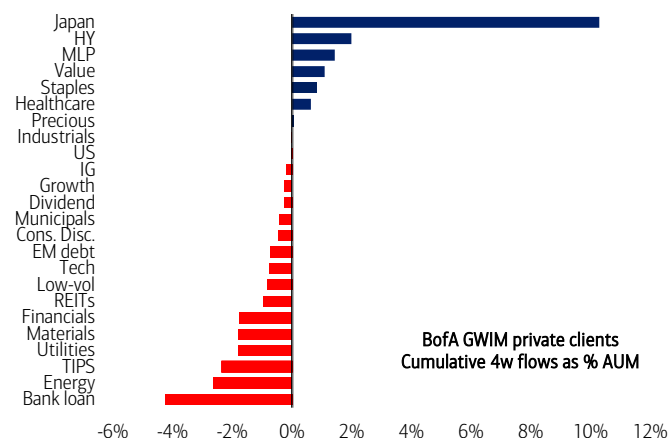
Source: EPFR Global

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BofA private client flows & allocations

Chart 21: GWIM clients buy Japan, sell bank loan past 4 wks

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

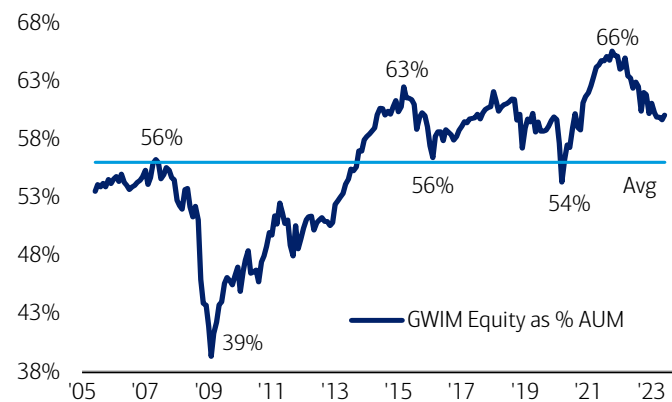


Source: BofA Global Investment Strategy

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Chart 22: GWIM equity allocation at 60%

BofA private client equity holdings as % of AUM

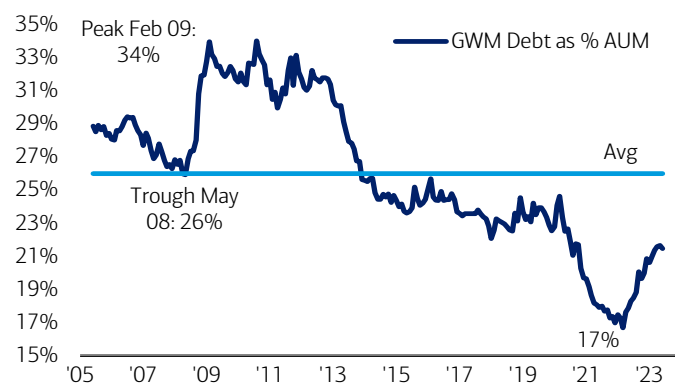


Source: BofA Global Investment Strategy

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Chart 23: GWIM debt allocation at 21%

BofA private client debt holdings as % of AUM

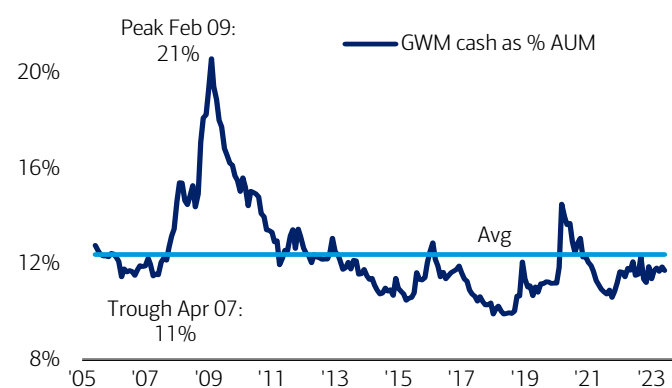


Source: BofA Global Investment Strategy

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Chart 24: GWIM cash allocation vs LT average

BofA private client cash holdings as % of AUM

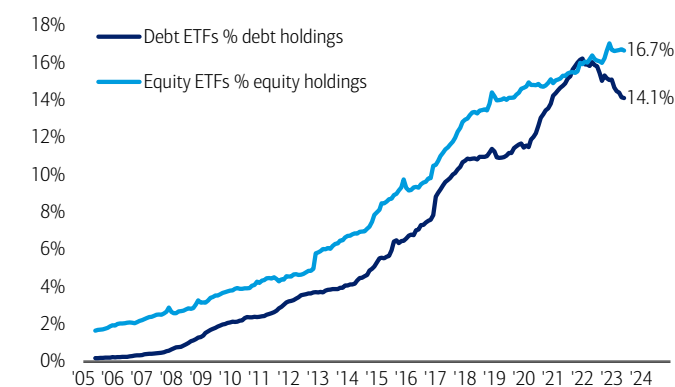


Source: BofA Global Investment Strategy

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Chart 25: GWIM ETF holdings as % of AUM

BofA private client ETF holdings as % of AUM



Source: BofA Global Investment Strategy

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Chart 26: 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. Cash & T-bills.

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The Asset Class Quilt of Total Returns

Chart 27: Commodities worst returning asset class YTD

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*
Commodities 58.2%	US Treasures 6.7%	Commodities 39.5%	MSCI EM 56.3%	REITS 32.0%	MSCI EM 34.5%	REITS 37.5%	MSCI EM 39.8%	US Treasures 14.0%	MSCI EM 79.0%	Gold 29.2%	US Treasures 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 14.8%
US Treasures 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 Treasures 0.8%	Global HY 14.8%	MSCI EAFE 25.9%	US Treasures 0.8%	REITS 27.4%	MSCI EM 18.8%	REITS 37.1%	Cash 1.5%	MSCI EAFE 13.4%
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 Treasures 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%	MSCI EM 7.3%
Cash 6.2%	Global HY 3.1%	US Treasures 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 Treasures -12.9%	Gold 6.5%
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 Treasures 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 HY -3.4%	MSCI EM 18.6%	MSCI EAFE 8.4%	Global HY 1.4%	Global HY -13.2%	Global HY 5.1%
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 Treasures 8.2%	Cash 0.0%	MSCI EAFE -13.9%	Global IG 2.9%
Global HY -5.8%	REITS -7.8%	REITS -2.4%	Gold 19.9%	Global IG 9.4%	Cash 3.1%	Global IG 7.2%	S&P 500 5.5%	Commodities -42.6%	Gold 25.0%	MSCI EAFE 8.2%	Commodities -2.6%	Gold 8.3%	Commodities -2.1%	Global HY -0.1%	Global HY -4.2%	REITS 1.3%	Global IG 9.3%	S&P 500 -4.3%	Global HY 13.7%	Global HY 8.0%	MSCI EM -2.3%	Global IG -16.7%	Cash 2.1%
S&P 500 -9.1%	S&P 500 -11.9%	MSCI EM -6.0%	Global IG 14.5%	Gold 4.6%	US Treasures 2.8%	Cash 4.9%	Cash 5.0%	MSCI EAFE -43.1%	Global IG 19.2%	Global IG 6.0%	REITS -9.4%	US Treasures 2.2%	MSCI EM -2.3%	MSCI EM -1.8%	Gold -10.4%	US Treasures 1.1%	Commodities 7.6%	Commodities -13.1%	Global IG 11.4%	Cash 0.5%	US Treasures -2.4%	S&P 500 -18.1%	REITS 1.6%
MSCI EAFE -14.0%	MSCI EAFE -21.2%	MSCI EAFE -15.7%	US Treasures 2.3%	US Treasures 3.5%	Global HY 1.5%	US Treasures 3.1%	Global HY 3.0%	REITS -50.2%	Cash 0.2%	US Treasures 5.9%	MSCI EAFE -11.7%	Cash 0.1%	US Treasures -3.3%	MSCI EAFE -4.5%	MSCI EM -14.9%	MSCI EAFE 1.0%	US Treasures 2.4%	MSCI EAFE -13.2%	US Treasures 7.0%	REITS -4.4%	Global IG -3.0%	MSCI EM -19.8%	US Treasures 1.6%
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 Treasures -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 -8.7%

Source: BofA Global Investment Strategy, Bloomberg. *2023 YTD

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BofA Rules & Tools

Table 3: 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) Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0	Contrarian	3.6	Neutral	1-3 months
BofA Global FMS Cash Indicator Buy when cash at or above 5.0%; Sell when cash at or below 4.0%	Contrarian	5.1%	Buy	4 weeks
BofA Global Breadth Rule Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages	Contrarian	40.0%	Neutral	3 months
BofA Global Flow Trading Rule Buy when outflows from global equities & HY > 1.0% AUM over 4wks; Sell when inflows > 1.0% AUM over 4wks	Contrarian	0.3%	Neutral	8 weeks
BofA EM Flow Trading Rule Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks	Contrarian	0.5%	Neutral	8 weeks
Macro				
BofA Global EPS Growth Model Model indicates trend in year-on-year change in 12-month forward global EPS growth.	Macro	-16%	EPS growth declining	6-12 months

 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 3.6, signal is Neutral.

Chart 28: BofA Bull & Bear Indicator

Declines to 3.6 from 3.7



Source: BofA Global Investment Strategy

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Table 4: BofA B&B Indicator

BofA Bull & Bear current component readings

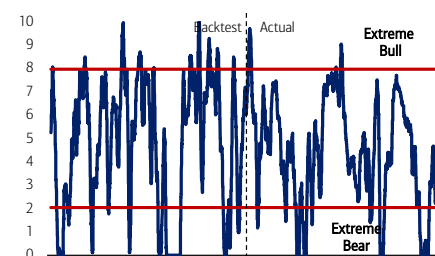
Components	Percentile	Sentiment
HF positioning	36%	Neutral
Credit mkt technicals	45%	Neutral
Equity market breadth	53%	Bullish
Equity flows	78%	V Bullish
Bond flows	37%	Neutral
LO positioning	6%	V Bearish

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

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Chart 29: 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.

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

2023 Cross-Asset Winners & Losers

Table 5: 2023 YTD ranked returns

Year-to-date ranked cross asset returns

Ranked Returns, USD-terms (2023)

Assets		Equities		Sectors		Fixed Income		FX vs. USD		Commodities	
1 Japan Equities	17.8%	1 Greece Equities	40.9%	1 ACWI Info Tech	35.8%	1 CCC HY	9.4%	1 Bitcoin	50.4%	1 Gold	7.1%
2 US Equities	15.0%	2 Mexico Equities	31.4%	2 ACWI Telecoms	25.3%	2 European HY	6.8%	2 Mexican peso	14.0%	2 Copper	1.7%
3 Europe Equities	14.2%	3 Taiwan Equities	23.7%	3 ACWI Cons. Discretionary	21.5%	3 US Corp HY	5.2%	3 Brazilian real	9.8%	3 Silver	0.3%
4 UK Equities	9.3%	4 Italy Equities	21.9%	4 ACWI Industrials	11.1%	4 EM Sovereign	3.1%	4 British pound	4.8%	4 Iron Ore	-3.4%
5 EM Equities	7.3%	5 Korea Equities	20.3%	5 ACWI Materials	4.1%	5 BBB IG	2.8%	5 Indonesian rupiah	4.5%	5 Commodities	-8.7%
6 Gold	7.1%	6 Germany Equities	19.5%	6 ACWI Consumer Staples	1.9%	6 EM Corporate	2.7%	6 Swiss franc	2.6%	6 Platinum	-8.7%
7 High Yield Bonds	5.1%	7 Spain Equities	19.2%	7 ACWI Financials	1.0%	7 US Corp IG	2.6%	7 Canadian dollar	1.7%	7 Brent Crude Oil	-14.8%
8 EM Sovereign Bonds	3.1%	8 Japan Equities	17.8%	8 ACWI Banks	-0.6%	8 30-year Treasury	2.4%	8 Euro	1.2%	8 WTI Crude Oil	-14.9%
9 Investment Grade Bonds	3.0%	9 Brazil Equities	17.7%	9 ACWI Healthcare	-1.3%	9 German Govt	2.3%	9 Indian rupee	0.8%		
10 Pacific Rim xJapan	2.3%	10 France Equities	17.4%	10 ACWI Utilities	-2.3%	10 3-Month Treasury Bills	2.0%	10 Taiwanese dollar	0.0%		
11 Government Bonds	0.9%	11 US Equities	15.0%	11 ACWI Real Estate	-4.6%	11 US Mortgage Master	1.8%	11 Singapore dollar	-0.1%		
12 US Dollar	-0.6%	12 Switzerland Equities	11.7%	12 ACWI Energy	-5.1%	12 TIPS	1.8%	12 Australian dollar	-0.3%		
13 Industrial Metals	-4.3%	13 UK Equities	9.3%			13 Treasury Master	1.6%	13 Korean won	-1.0%		
14 Oil	-14.9%	14 Canada Equities	7.1%			14 2-year Treasury	0.7%	14 NZ dollar	-2.2%		
		15 Australia Equities	4.8%			15 UK Govt	0.7%	15 Swedish krona	-2.7%		
		16 Portugal Equities	4.4%			16 Non-US IG Government	0.4%	16 Chinese renminbi	-3.7%		
		17 Singapore Equities	3.7%			17 Japan Govt	-2.9%	17 Japanese yen	-6.4%		
		18 India Equities	3.1%					18 South African rand	-7.1%		
		19 S. Africa Equities	0.2%					19 Norwegian krone	-7.9%		
		20 China Equities	-2.4%					20 Turkish lira	-20.6%		
		21 Hong Kong Equities	-4.9%								
		22 Turkey Equities	-16.4%								

Source: BofA Global Investment Strategy, Bloomberg, as of 14 Jun 2023.

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Table 6: The Overbought & Oversold

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

Ranked Deviation from 200-Day Moving Average, USD-terms (as of 14 Jun'23)

Assets		Equities		Sectors		Fixed Income		FX vs. USD		Commodities	
1 Japan Equities	13.9%	1 Greece Equities	30.8%	1 ACWI Info Tech	22.1%	1 CCC HY	5.3%	1 Mexican peso	10.3%	1 Silver	7.6%
2 US Equities	10.5%	2 Korea Equities	16.9%	2 ACWI Telecoms	14.6%	2 European HY	3.7%	2 Brazilian real	6.6%	2 Gold	5.8%
3 Europe Equities	9.7%	3 Taiwan Equities	16.5%	3 ACWI Cons. Discretionary	11.7%	3 EM Sovereign	3.4%	3 British pound	5.7%	3 Copper	0.4%
4 UK Equities	6.7%	4 Mexico Equities	16.5%	4 ACWI Industrials	9.3%	4 US Corp HY	3.4%	4 Swiss franc	4.1%	4 Iron Ore	-0.6%
5 EM Equities	6.4%	5 Italy Equities	14.3%	5 ACWI Materials	2.8%	5 EM Corporate	2.7%	5 Korean won	3.7%	5 Platinum	-1.8%
6 Gold	6.0%	6 Japan Equities	13.9%	6 ACWI Healthcare	2.0%	6 3-Month Treasury Bills	1.7%	6 Euro	3.2%	6 Brent Crude Oil	-11.5%
7 High Yield Bonds	4.0%	7 Brazil Equities	13.3%	7 ACWI Consumer Staples	1.6%	7 BBB IG	1.6%	7 Australian dollar	2.1%	7 WTI Crude Oil	-11.5%
8 EM Sov Bonds	3.4%	8 Germany Equities	13.1%	8 ACWI Financials	1.6%	8 US Corp IG	1.3%	8 Indonesian rupiah	2.1%	8 Natural Gas	-43.8%
9 Pacific Rim xJapan	2.6%	9 Spain Equities	12.0%	9 ACWI Banks	0.0%	9 Japan Govt	1.2%	9 Canadian dollar	1.8%		
10 Investment Grade Bonds	2.0%	10 France Equities	10.8%	10 ACWI Utilities	-0.4%	10 US Mortgage Master	0.8%	10 Singapore dollar	1.5%		
11 Government Bonds	0.4%	11 US Equities	10.5%	11 ACWI BioTechnology	-2.0%	11 Non-US IG Government	0.6%	11 NZ dollar	1.4%		
12 US Dollar	-2.5%	12 Switzerland Equities	7.8%	12 ACWI Energy	-2.4%	12 2-year Treasury	0.3%	12 Taiwanese dollar	0.5%		
13 Industrial Metals	-3.3%	13 UK Equities	6.7%	13 ACWI Real Estate	-4.8%	13 Treasury Master	0.3%	13 Russian ruble	0.0%		
14 Oil	-11.5%	14 Portugal Equities	6.4%			14 TIPS	0.2%	14 Indian rupee	0.0%		
		15 India Equities	3.8%			15 German Govt	-1.1%	15 Swedish krona	-0.8%		
		16 Canada Equities	3.5%			16 30-year Treasury	-1.5%	16 Japanese yen	-1.6%		
		17 Australia Equities	3.3%			17 UK Govt	-5.7%	17 Norwegian krone	-1.7%		
		18 Singapore Equities	2.3%					18 South African rand	-1.7%		
		19 S. Africa Equities	1.9%					19 Chinese renminbi	-2.3%		
		20 Hong Kong Equities	1.0%					20 Turkish lira	-19.1%		
		21 Russia Equities	0.0%					21 Argentine peso	-24.1%		
		22 China Equities	-0.2%								
		23 Turkey Equities	-3.6%								

Source: BofA Global Investment Strategy, Bloomberg, as of 14 Jun 2023.

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Acronyms

FMS – Fund Manager Survey

GWIM – Global Wealth and Investment Management

YCC – Yield Curve Control



QE – Quantitative Easing
 QT – Quantitative Tightening
 S&L – Savings & Loan
 MMF – Money Market Fund
 LTCM – Long-Term Capital Management

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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%

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