

# The BofA View Risks: Allocation, Asia, Approval

**Scores on the Doors:** bitcoin 11.3%, oil 8.0%, gold 6.8%, commods 5.7%, global stocks 3.9%, US stocks 1.2%, US\$ 0.7%, HY bonds 0.3%, IG 0.3%, govt bonds -0.1% YTD.

**Zeitgeist:** “When the market goes up, they should lower rates” Trump on the Fed.

**Zeitgeist:** “Only three certainties are death, taxes, and new highs in Japanese banks.”

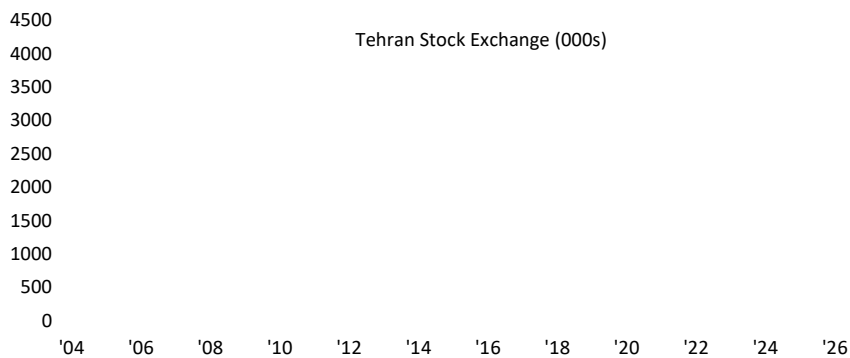
**Tale of the Tape:** Japan yen weakest vs. China renminbi since 1992 (Chart 6); biggest risk to max bull Q1 consensus = rapid appreciation of super-weak yen, Korea won, Taiwan dollar (BoJ hike, US QE, Japan-China geopolitics, bad hedging...) triggers global liquidity tightening as Asia capital outflows into US/EU/EM assets to recycle \$1.2tn current account surpluses reverse; watch for “JPY up, MOVE up” risk-off combo.

**The Price is Right:** “new world order = new world bull” as Trump drives global fiscal excess; stay long international stocks (Chart 3) as US exceptionalism positions rotate to global rebalancing (note \$1.6tn US equity inflow in 2020s vs. just \$0.4tn to global funds – Chart 4); China our favorite long as end of deflation catalyst for Japan & Europe bull markets shifts to China.

**The Biggest Picture:** Tehran stock exchange up 65% since Aug (Chart 2) but stable Saudi & Dubai markets (Chart 8) say “no revolution” imminent... good news as Iran 5% of global oil supply, 12% of oil reserves, and in 12 months after last Iran revolution (Jan 1979 Shah overthrow) oil price up 95%, gold price up 244%, UST bond yields up 149bps.

## Chart 2: Iran’s price action

Tehran Stock Exchange (000s)



Source: BofA Global Investment Strategy, GFD Finaeon

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More on page 2...

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Refer to important disclosures on page 11 to 13.

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Investment Strategy  
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## Chart 1: BofA Bull & Bear Indicator

Rises to 9.3 from 9.0



**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:** \$71.1bn to stocks, \$23.4bn to bonds, \$2.8bn to gold, \$0.7bn to crypto, \$62.1bn from cash.

**Flows to Know:**

- Stocks: big \$71.1bn inflow led by \$36.5bn to US & \$16.8bn to EM;
- China: \$8.5bn inflow, 10<sup>th</sup> highest since data started in 2002;
- Financials: \$3.3bn inflow = largest since Oct'25;
- Tech: \$5.4bn inflow, reversing 3 weeks of outflows;
- EM debt: \$2.2bn outflow (biggest 2-week outflow since May'22);
- Bank loans: \$1.4bn inflow, biggest since Jul'25.

**BofA Private Clients:** \$4.4tn AUM... 64.5% stocks (top of 39-65% historic range), 17.5% bonds (bottom of 17-34% range), 10.7% cash (bottom of 10-21% range); under-the-hood allocation to Magnificent 7 is 16% of AUM, International stocks 5%, Treasuries 4%, gold 0.6%; private client stock holdings rose 13% in '25 driven by price rather than share count (up <1%); past 4 weeks private clients buying Muni bonds, EM debt & REIT ETFs, selling Japan, bank loan & low volatility ETFs.

**BofA Bull & Bear Indicator:** up to 9.3 from 9.0, highest since Feb'18 (Chart 22) on strong global stock index breadth (89% ACWI indices trading >50 & 200dma), uber-bullish FMS positioning (record low 3.3% cash level), robust credit market technicals; past 24 years average 3-month return when B&B Indicator >9.3... ACWI flat, S&P500 - 1%; "old" B&B Indicator up to 7.5 from 7.2 (highest since Feb'21)... increase risk hedges as bull positioning extreme.

**BofA Fund Managers Survey:** Jan FMS to be released on 20<sup>th</sup>; [Dec FMS \(see report\)](#) showed global investor sentiment most bullish in past 4 years; Jan FMS showing further drop in record low 3.3% cash allocation, equity allocation rising from net 42% OW to >50% OW (i.e. +1SD vs. history), big jump in growth expectations from net 18% to >40% = max bull = case for hedge stock, credit, commodities via outright shorts grows.

**New Gold Bull:** new world order = new gold bull; short-term gold & especially silver v overbought short-term (why bitcoin playing catch-up)... silver 104% above 200-day moving average = most overbought since 1980 - Chart 9); but gold best performing asset of 2020s (Chart 11) on war, populism, end of globalization, fiscal excess, debt debasement (Fed & Trump set to add \$0.6tn of fresh QE liquidity in '26 via T-bill, MBS buying/reinvestment) catalysts... why gold outperforming bonds and US stocks past 4 years (Chart 10) and none reversing; always strong pullbacks in overbought bulls but case for higher allocation to gold (currently 0.6% for BofA private clients) intact; average price gain in 4 gold bull markets of past century ≈300%...i.e. gold peaks >6k (Table 2).

**New Small Bull:** rate/tax/tariff "cuts" & Fed/Trump/Gen Z "puts" why Oct 29<sup>th</sup> Fed rate cut & Nov 4<sup>th</sup> Trump election defeat triggered rotation to "debasement" (e.g., gold, Nikkei) and "liquidity" trades (e.g., space, robotics); we long "Main St boom" exposure (MDY MidCap, IJR Small-Cap, homebuilders, retail, transportation...), short "Wall St" exposure (MGC Mega Cap), and will remain so until...

1. US u-rate at 5% driven by corporate cost cuts, AI (note youth U-rate up from 4.5% to 8%), and failure of immigration restrictions to stop job losses (note huge drop in

<sup>1</sup> For more info see [BofA Bull & Bear Indicator revamp](#); we will continue to publish weekly updates on old Bull & Bear Indicator in the Flow Show till later in Q1'26.

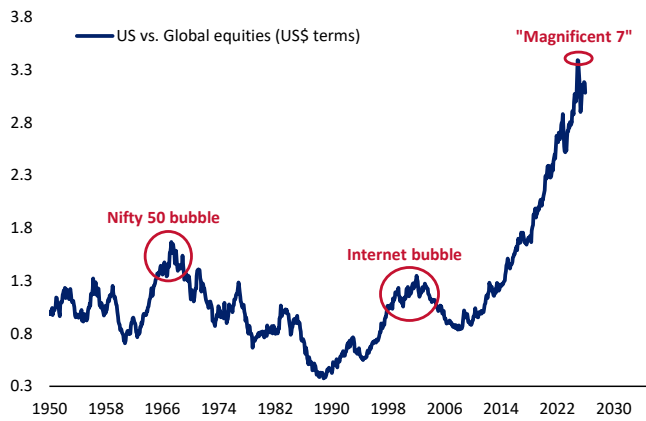


Canada immigration has not stopped unemployment rate up from 4.8% to 6.8% past 3 years – Chart 12); tax cuts saved not spent not positive cyclicals.

- Trump policy focus on affordability via big intervention to reduce price of money (Main St interest rates still very high – Table 1), price of energy, insurance, health care, and now high AI-driven price of electricity, fail to improve low Trump approval ratings (on Trump 44%, on economy 41%, on inflation 36%, per Real Clear Politics); note “Nixon Shock” of Aug 1971 freeze on prices and wages to improve cost of living did work... Nixon’s approval rose from 49% in Aug’71 to 62% by time of Nov 1972 re-election; but if Trump approval doesn’t improve by end-Q1, mid-term election risks grow and tougher for investors to remain long “Trump boom” cyclicals.

**Chart 3: US exceptionalism to global rebalancing**

US vs. Global equities (price relative, US\$ terms)

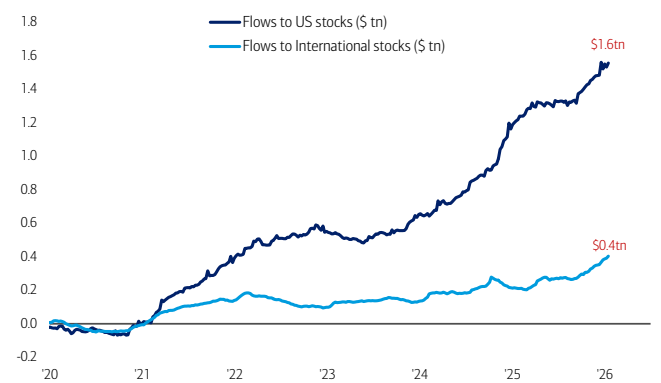


Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon

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**Chart 4: \$1.6tn US equity inflow in 2020s vs. just \$0.4tn to global**

Cumulative flows since 2020 to US & International stocks (\$tn)



Source: BofA Global Investment Strategy, EPFR

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**Chart 5: Japanese yen weakest vs Chinese renminbi since 1992**

Japanese yen/Chinese renminbi exchange rate

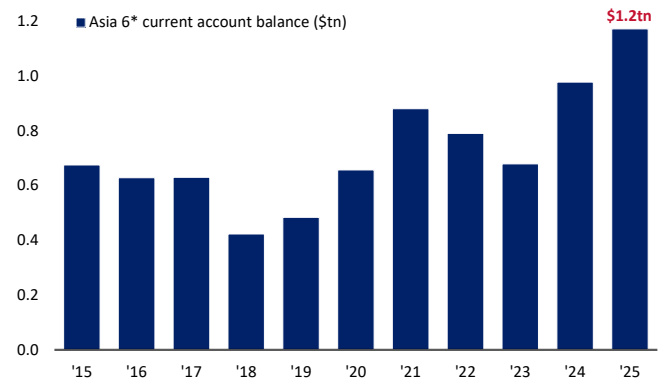


Source: BofA Global Investment Strategy, Bloomberg (JPY/CNY)

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**Chart 6: Asia 6\* have big \$1.2tn current account surplus**

Asia 6\* current account balance



Source: BofA Global Investment Strategy, IMF.

\*China, Japan, Taiwan, Korea, Hong Kong, Singapore

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### Chart 7: Big Asian exporters' holding of USTs at record-high \$2.2tn

UST holdings: China & Japan/Taiwan/Singapore/Hong Kong/Korea

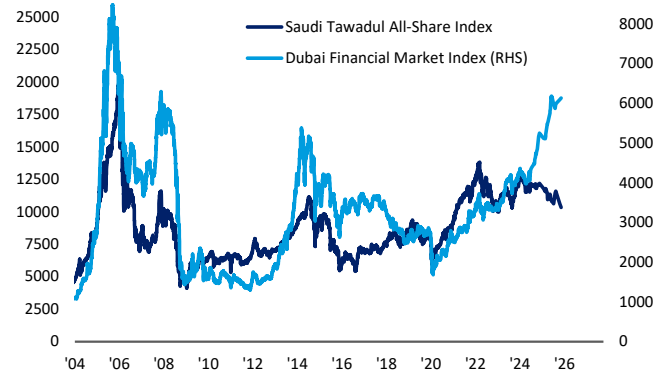


Source: BofA Global Investment Strategy, Bloomberg

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### Chart 8: Good news... Saudi & Dubai markets stable

Saudi Tadawul All-Share Index & Dubai Financial Market Index

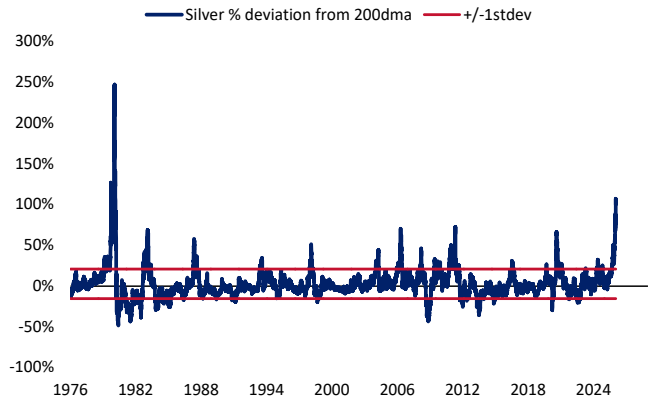


Source: BofA Global Investment Strategy, Bloomberg

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### Chart 9: Silver most overbought since 1980

Silver % deviation from 200-day moving average



Source: BofA Global Investment Strategy, Bloomberg

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### Chart 10: Gold outperforming stocks past 4 years

US equities vs. gold (log total returns, relative)

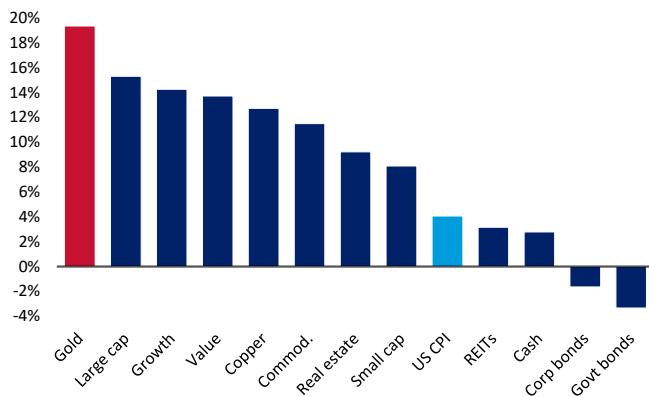


Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon

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### Chart 11: Gold best performing asset of 2020s

2020s annualized return by asset class



Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon

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### Table 1: Main St interest rates still v high

Nominal and real rates for Main St

Loan type	Nominal rate	Real rate
30-year mortgage	6.2%	3.5%
Small business line of credit	7.2%	4.5%
Used auto loan	7.4%	4.7%
Home equity line of credit	8.2%	5.5%
Small business loan	8.4%	5.7%
SBA loan	13.6%	10.9%
Credit card APR	19.7%	17.0%

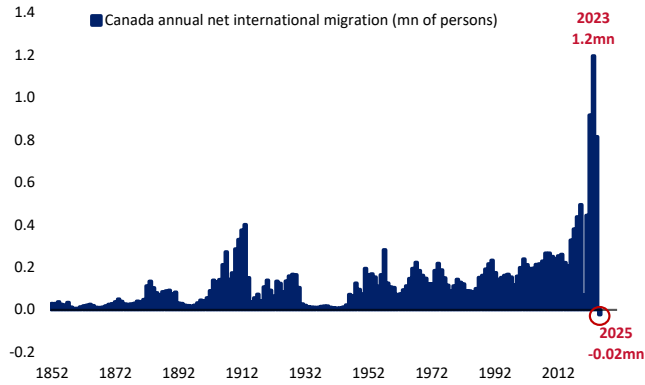
Source: BofA Global Investment Strategy, Bloomberg, Bankrate.com

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**Chart 12: Canada immigration drop hasn't stopped u-rate increase**

Canada annual net international migration (mn of persons)



Source: BofA Global Investment Strategy, Haver, Statistics Canada

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**Table 2: Average price gain in 4 gold bull markets of past century ≈300%... i.e. gold peaks >6k**

History of gold bull markets since 1970: length and price return for gold, US Treasuries, US dollar, S&P500 index

Gold bull markets (price change over period %)	Duration (months)	Gold trough-to-peak	Gold annualized	Treasuries annualized	US dollar annualized	S&P500 annualized
Jul'70-Dec'74	53	421%	38%	4%	-5%	-3%
Aug'76-Sep'80	49	541%	46%	3%	-5%	5%
Oct'08-Sep'12	47	145%	23%	4%	-2%	11%
Sep'18-Jul'20	22	66%	28%	3%	-1%	7%
Oct'22-Jan'26	39	183%	32%	3%	-4%	20%
Average 1970-2020	43	293%	34%	4%	-3%	5%

Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon

(\*) Annualized price return during period considered for gold spot price, US Treasuries, US dollar index, S&P500 index

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### Asset Class Flows (Table 3)

**Equities:** \$71.1bn inflow (\$79.3bn inflow to ETFs, \$8.5bn outflow from mutual funds)

**Bonds:** inflows past 38 weeks (\$23.4bn)

**Precious metals:** inflows past 10 weeks (\$2.8bn)

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

Global flows by asset class, \$mn

	Wk % AUM	YTD	YTD %AUM
Equities	0.3%	73,328	0.3%
ETFs	0.5%	84,071	0.5%
LO	-0.1%	-11,075	-0.1%
Bonds	0.3%	34,525	0.4%
Commodities	0.4%	7,499	0.7%
Money-market	-0.6%	86,375	0.8%

\*week ended 01/14/2026. Source: EPFR Global

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### Fixed Income Flows (Chart 13)

**IG Bond** inflows past 38 weeks (\$15.6bn)

**HY Bond** inflows past 8 weeks (\$0.2bn)

**EM Debt** outflows past 2 weeks (\$2.2bn)

**Munis** inflows past 2 weeks (\$2.9bn)

**Govt/Tsy** inflows past 2 weeks (\$3.4bn)

**TIPS** inflows resume (\$0.5bn)

**Bank loan** inflows past 4 weeks (\$1.4bn)

**Table 4: US equity inflows still dominating YTD**

Global equity flows by region, \$mn

	Wk % AUM	YTD
<b>Total Equities</b>	<b>0.3%</b>	<b>73,328</b>
long-only funds	-0.1%	-11,075
ETFs	0.5%	84,071
<b>Total EM</b>	<b>0.6%</b>	<b>19,456</b>
Brazil	1.5%	4
India	-0.3%	-321
China	0.9%	8,821
<b>Total DM</b>	<b>0.2%</b>	<b>53,872</b>
US	0.2%	17,567
Europe	0.1%	4,655
Japan	0.0%	-159
International	0.2%	30,766

Total Equities = Total EM + Total DM

Source: EPFR Global

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### Equity Flows (Table 4)

**US:** inflows resume (\$36.5bn)

**Japan:** inflows resume (\$15mn)

**Europe:** inflows past 5 weeks (\$2.4bn)

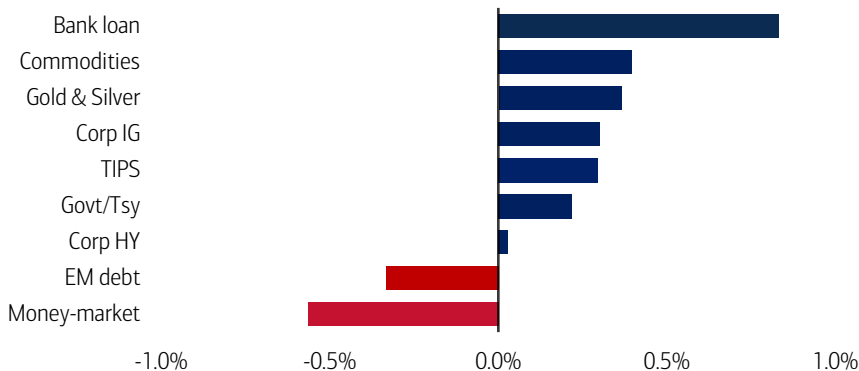
**EM:** inflows past 12 weeks (\$16.8bn)

**By style:** inflows **US large cap** (\$35.1bn); outflows **US value** (\$5.0bn), **US growth** (\$1.8bn), **US small cap** (\$1.5bn).

**By sector:** inflows **materials** (\$6.7bn), **tech** (\$5.4bn) **financials** (\$3.3bn), **com svcs** (\$1.6bn), **energy** (\$0.8bn), **consumer** (\$0.8bn), **healthcare** (\$0.3bn), **utilities** (\$0.1bn); outflows **real estate** (\$0.1bn).

**Chart 13: FICC inflows to bank loan, commodities, gold & silver**

Weekly FICC flows as a % AUM



Source: EPFR Global

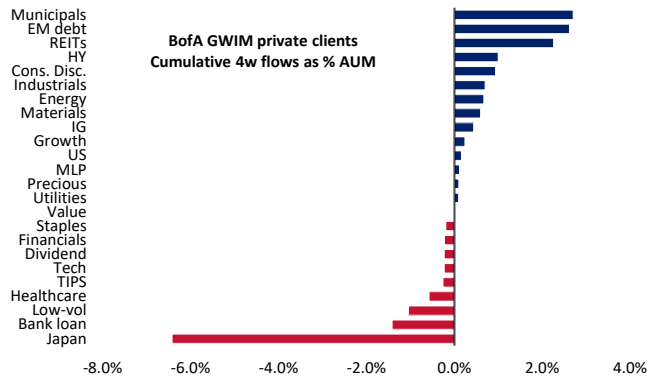
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# BofA private client flows & allocations

**Chart 14: Private clients bought munis, EM debt, and REITs ETFs**

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

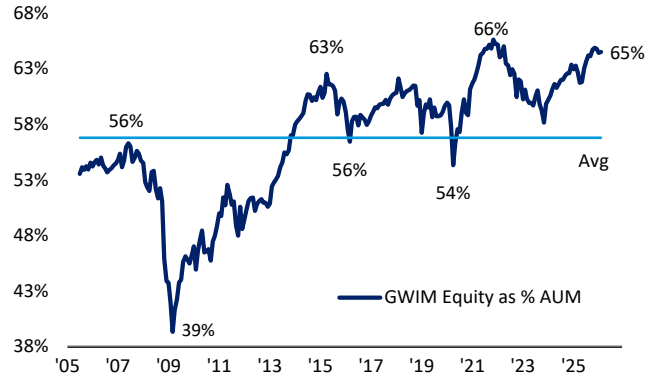


Source: BofA Global investment Strategy

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**Chart 15: GWIM equity allocation at 65%**

BofA private client equity holdings as % of AUM

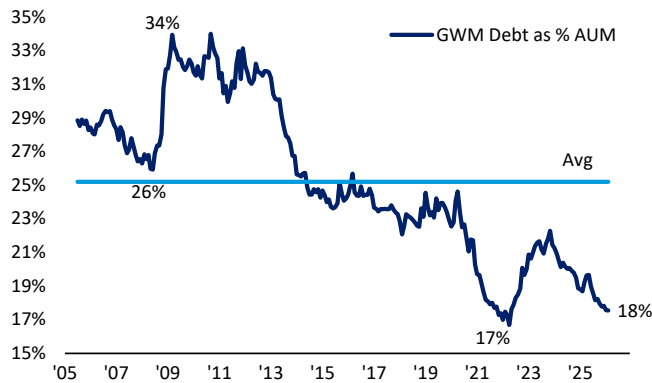


Source: BofA Global investment Strategy

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**Chart 16: GWIM debt allocation at 18%**

BofA private client debt holdings as % of AUM

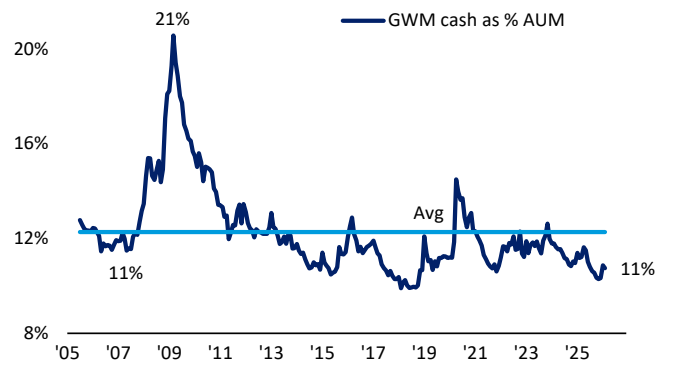


Source: BofA Global investment Strategy

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**Chart 17: GWIM cash allocation at 11%**

BofA private client cash holdings as % of AUM

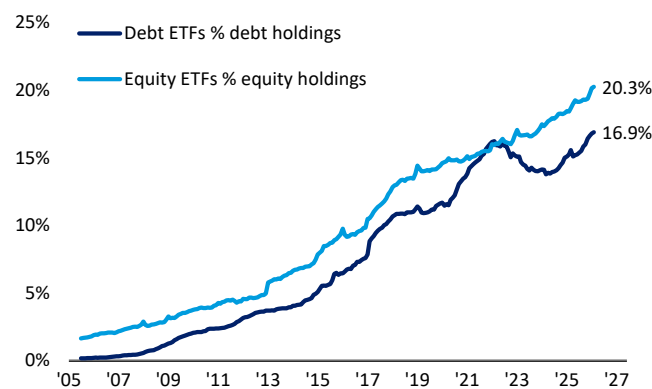


Source: BofA Global investment Strategy

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**Chart 18: GWIM equity ETFs 20%, debt ETFs 17% of AUM**

BofA private client ETF holdings as % of AUM

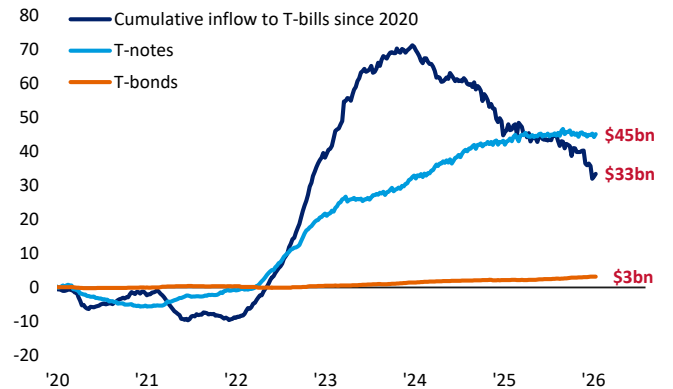


Source: BofA Global investment Strategy

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**Chart 19: \$45bn to T-notes vs \$33bn to T-bills since 2020**

BofA private client cumulative inflow to Treasuries since 2020 (\$ bn)



Source: BofA Global investment Strategy

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# The Asset Class Quilt of Total Returns

**Chart 20: Historical asset class performance by year**  
Ranked cross asset returns by year since 2000

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Commodities 58.2%	US Treasuries 6.7%	Commodities 39.5%	MSCI EM 56.3%	REITS 32.0%	MSCI EM 34.5%	REITS 37.5%	MSCI EM 39.8%	US Treasuries -14.0%	MSCI EM 79.0%	Gold 29.2%	US Treasuries 9.8%	REITS 23.8%	S&P 500 32.4%	S&P 500 13.7%	S&P 500 1.4%	Commodities 17.5%	MSCI EM 37.8%	Cash 1.8%	S&P 500 31.5%	Gold 24.8%	Commodities 46.3%	Commodities 31.1%	S&P 500 26.3%	Gold 26.7%	Gold 60.7%	Gold 7.5%
US Treasuries 13.4%	Global IG 4.6%	Gold 25.6%	MSCI EAFE 39.2%	Commodities 28.7%	Commodities 33.7%	MSCI EM 32.6%	Commodities 33.0%	Gold 4.3%	Global HY 62.0%	MSCI EM 19.2%	Gold 8.9%	Global HY 19.3%	MSCI EAFE 23.3%	REITS 11.7%	US Treasuries 0.8%	Global HY 14.8%	MSCI EAFE 25.9%	US Treasuries 0.8%	REITS 27.4%	MSCI EM 18.8%	REITS 37.1%	Cash 1.5%	MSCI EAFE 18.9%	S&P 500 25.0%	MSCI EM 32.0%	Commodities 5.7%
REITS 8.5%	Cash 4.4%	Global IG 14.9%	REITS 33.5%	MSCI EM 26.0%	Gold 17.8%	MSCI EAFE 26.9%	Gold 31.9%	Cash 2.1%	MSCI EAFE 32.5%	REITS 15.9%	Global IG 4.5%	MSCI EM 18.6%	Global HY 8.0%	US Treasuries 6.0%	Cash 0.1%	S&P 500 12.0%	S&P 500 22.0%	Gold -1.9%	MSCI EAFE 22.8%	S&P 500 18.4%	S&P 500 28.7%	Gold -0.8%	Global HY 13.4%	MSCI EM 8.0%	MSCI EAFE 29.0%	MSCI EM 5.4%
Cash 6.2%	Global HY 3.1%	US Treasuries 11.6%	Commodities 30.1%	MSCI EAFE 20.7%	MSCI EAFE 14.0%	Gold 23.2%	MSCI EAFE 11.6%	Global IG -8.3%	REITS 31.7%	S&P 500 15.1%	Global HY 2.6%	MSCI EAFE 17.9%	REITS 0.7%	Global IG 3.2%	MSCI EAFE -0.8%	MSCI EM 11.2%	Gold 12.9%	Global HY -3.3%	Commodities 20.1%	Global IG 10.3%	MSCI EAFE 11.9%	US Treasuries -12.9%	Gold 12.7%	Global HY 7.5%	S&P 500 18.5%	MSCI EAFE 3.4%
Global IG 3.1%	Gold -0.7%	Cash 1.8%	Global HY 30.7%	Global HY 12.4%	REITS 10.7%	S&P 500 15.8%	US Treasuries 9.1%	Global HY -27.9%	S&P 500 26.5%	Global HY 13.9%	S&P 500 2.1%	S&P 500 16.0%	Global IG 0.1%	Gold 0.1%	REITS -3.4%	Gold 8.6%	REITS 11.5%	Global IG -3.4%	MSCI EM 18.6%	MSCI EAFE 8.4%	Global HY 1.4%	Global HY -13.2%	REITS 11.3%	Commodities 5.5%	Global HY 9.9%	REITS 2.4%
Gold -5.4%	MSCI EM -2.4%	Global HY -1.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	Global HY 13.5%	Global IG 7.3%	S&P 500 -37.0%	Commodities 26.1%	Commodities 13.3%	Cash 0.1%	Global IG 11.1%	Cash 0.1%	Cash 0.0%	Global IG -3.8%	Global IG 4.3%	Global HY 10.2%	REITS -3.9%	Gold 17.9%	US Treasuries 8.2%	Cash 0.0%	MSCI EAFE -13.9%	MSCI EM 10.1%	Cash 5.3%	Global IG 9.8%	S&P 500 1.2%
Global HY -5.8%	REITS -7.8%	REITS -2.4%	Gold 19.9%	Global IG 9.4%	Cash 3.1%	Global IG 7.2%	S&P 500 5.5%	Commodities -42.6%	Gold 25.0%	MSCI EAFE 8.2%	Commodities -2.6%	Gold 8.3%	Commodities -2.1%	Global HY -0.1%	Global HY -4.2%	REITS 1.3%	Global IG 9.3%	S&P 500 -4.3%	Global HY 13.7%	Global HY 8.0%	MSCI EM -2.3%	Global IG -16.7%	Global IG 9.5%	MSCI EAFE 4.4%	US Treasuries 6.1%	US Treasuries 0.4%
S&P 500 -9.1%	S&P 500 -11.9%	MSCI EM -6.0%	Global IG 14.5%	Gold 4.6%	US Treasuries 2.8%	Cash 4.9%	Cash 5.0%	MSCI EAFE -43.1%	Global IG 19.2%	Global IG 6.0%	REITS -9.4%	US Treasuries 2.2%	MSCI EM -2.3%	MSCI EM -1.8%	Gold -10.4%	US Treasuries 1.1%	Commodities 7.6%	Commodities -13.1%	Global IG 11.4%	Cash 0.5%	US Treasuries -2.4%	S&P 500 -18.1%	Cash 5.1%	REITS 3.2%	Commodities 5.9%	Global HY 0.3%
MSCI EAFE -14.0%	MSCI EAFE -21.2%	MSCI EAFE -15.7%	US Treasuries 2.3%	US Treasuries 3.5%	Global HY 1.5%	US Treasuries 3.1%	Global HY 3.0%	REITS -50.2%	Cash 0.2%	US Treasuries 5.9%	MSCI EAFE -11.7%	Cash 0.1%	US Treasuries -3.3%	MSCI EAFE -4.5%	MSCI EM -14.9%	MSCI EAFE 1.0%	US Treasuries 2.4%	MSCI EAFE -13.2%	US Treasuries 7.0%	REITS -4.4%	Global IG -3.0%	MSCI EM -19.8%	US Treasuries 3.9%	Global IG 1.2%	Cash 4.0%	Global IG 0.3%
MSCI EM -30.8%	Commodities -21.4%	S&P 500 -22.1%	Cash 1.1%	Cash 1.3%	Global IG -3.0%	Commodities -0.2%	REITS -10.0%	MSCI EM -53.2%	US Treasuries -3.7%	Cash 0.1%	MSCI EM -18.2%	Commodities -0.3%	Gold -27.3%	Commodities -29.3%	Commodities -29.4%	Cash 0.3%	Cash 0.8%	MSCI EM -14.3%	Cash 2.2%	Commodities -15.0%	Gold -4.1%	REITS -25.2%	Commodities -3.5%	US Treasuries 0.5%	REITS 3.5%	Cash 0.1%

Source: BofA Global Investment Strategy, Bloomberg. \*2026 YTD

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# BofA Rules & Tools

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

Current reading of all BofA Global Investment Strategy Proprietary Indicators

Proprietary Indicators	Category	Current reading	Current signal	Duration of signal
<b>Contrarian</b>				
<b>BofA Bull &amp; Bear Indicator (B&amp;B)</b> Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0	Contrarian	9.3	Sell	1-3 months
<b>BofA Global FMS Cash Indicator</b> Buy when cash at or above 5.0%; Sell when cash at or below 4.0%	Contrarian	3.3%	Sell	4 weeks
<b>BofA Global Breadth Rule</b> Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages	Contrarian	88.6%	Neutral	3 months
<b>BofA Global Flow Trading Rule</b> Buy when outflows from global equities & HY > 1.0% AUM over 4wks; Sell when inflows > 1.0% AUM over 4wks	Contrarian	0.6%	Neutral	8 weeks
<b>BofA EM Flow Trading Rule</b> Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks	Contrarian	1.0%	Neutral	8 weeks
<b>Macro</b>				
<b>BofA Global EPS Growth Model</b> Model indicates trend in year-on-year change in 12-month forward global EPS growth.	Macro	9%	EPS growth rising	6-12 months

Source: BofA Global Investment Strategy. See a [guide to our trading models](#) and [BofA Bull & Bear Indicator revamp](#)

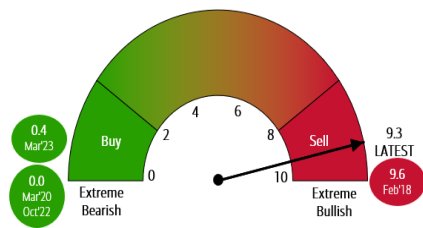
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## BofA Bull & Bear Indicator (B&B)

Our BofA Bull & Bear Indicator is at 9.3 signal which is Sell.

**Chart 21: New BofA Bull & Bear at 9.3**

Rises to 9.3 from 9.0



Source: BofA Global Investment Strategy  
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**Table 6: BofA B&B Indicator**

BofA Bull & Bear current component readings

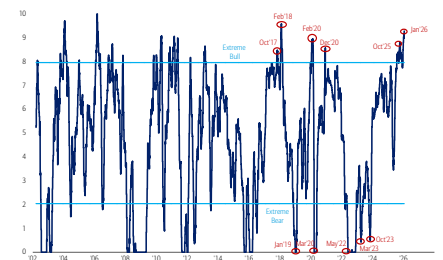
Components	Percentile	Sentiment
Hedge Fund Positioning	76%	Bullish
Equity Flow	87%	V Bullish
Bond Flow	79%	Bullish
Credit Market Technicals	79%	Bullish
Global Stock Index Breadth	90%	V Bullish
FMS Positioning	98%	V Bullish

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

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**Chart 22: BofA Bull & Bear Indicator at 9.3**

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.



# 2026 Cross-Asset Winners & Losers

**Table 7: 2026 YTD ranked returns**

Year-to-date cross asset returns in US dollar terms

Ranked Returns, USD-terms (YTD 2026)																	
Assets			Equities			Sectors			Fixed Income			FX vs. USD			Commodities		
1	Oil	8.0%	1	Türkiye Equities	11.9%	1	ACWI Materials	7.7%	1	30-year Treasury	1.2%	1	Bitcoin	11.3%	1	Silver	29.4%
2	Gold	6.8%	2	Korea Equities	11.1%	2	ACWI Industrials	6.0%	2	UK Govt	1.1%	2	Brazilian real	1.5%	2	Platinum	16.3%
3	Industrial Metals	6.7%	3	Greece Equities	7.7%	3	ACWI Energy	5.0%	3	CCC HY	0.8%	3	Mexican peso	1.2%	3	Brent Crude Oil	9.3%
4	Japan Equities	6.4%	4	Taiwan Equities	6.9%	4	ACWI Consumer Staples	3.3%	4	US Mortgage Master	0.7%	4	South African rand	0.9%	4	WTI Crude Oil	8.0%
5	EM Equities	5.4%	5	S. Africa Equities	6.7%	5	ACWI Real Estate	2.8%	5	BBB IG	0.6%	5	Norwegian krone	0.3%	5	Gold	6.8%
6	UK Equities	2.7%	6	Mexico Equities	6.6%	6	ACWI Healthcare	2.6%	6	US Corp IG	0.5%	6	Chinese renminbi	0.2%	6	Copper	6.2%
7	Europe Equities	2.6%	7	Japan Equities	6.4%	7	ACWI Cons. Discretionary	2.4%	7	US Corp HY	0.5%	7	Swedish krona	0.1%	7	Commodities	5.7%
8	Pacific Rim xJapan	1.8%	8	China Equities	5.9%	8	ACWI Telecoms	1.7%	8	TIPS	0.5%	8	Australian dollar	0.1%	8	Iron Ore	3.1%
9	US Equities	1.2%	9	Hong Kong Equities	5.7%	9	ACWI Utilities	1.6%	9	Treasury Master	0.4%	9	NZ dollar	-0.1%			
10	US Dollar	0.7%	10	Brazil Equities	3.7%	10	ACWI Banks	0.8%	10	EM Corporate	0.3%	10	Singapore dollar	-0.2%			
11	High Yield Bonds	0.3%	11	Portugal Equities	3.6%	11	ACWI Info Tech	0.5%	11	3-Month Treasury Bills	0.1%	11	British pound	-0.2%			
12	Investment Grade Bonds	0.3%	12	UK Equities	2.7%	12	ACWI Financials	0.3%	12	2-year Treasury	0.0%	12	Indian rupee	-0.5%			
13	Government Bonds	-0.1%	13	Canada Equities	2.2%	13	ACWI BioTechnology	-0.4%	13	European HY	-0.2%	13	Turkish lira	-0.5%			
14	EM Sovereign Bonds	-0.3%	14	Germany Equities	2.1%				14	German Govt	-0.2%	14	Taiwanese dollar	-0.6%			
			15	Singapore Equities	2.0%				15	EM Sovereign	-0.3%	15	Euro	-0.9%			
			16	Spain Equities	1.9%				16	Non-US IG Government	-0.5%	16	Swiss franc	-0.9%			
			17	France Equities	1.6%				17	Japan Govt	-1.7%	17	Indonesian rupiah	-1.0%			
			18	US Equities	1.2%							18	Japanese yen	-1.1%			
			19	Switzerland Equities	0.9%							19	Canadian dollar	-1.1%			
			20	Italy Equities	0.7%							20	Korean won	-1.6%			
			21	Australia Equities	0.5%												
			22	India Equities	-1.9%												

Source: BofA Global Investment Strategy, Bloomberg, as of 14 January 2026.

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**Table 8: The Overbought & Oversold**

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

Ranked Deviation from 200-Day Moving Average, USD-terms (as of 14 Jan '26)																	
Assets			Equities			Sectors			Fixed Income			FX vs. USD			Commodities		
1	Gold	25.1%	1	Korea Equities	45.4%	1	ACWI Materials	19.8%	1	EM Sovereign	4.2%	1	South African rand	7.1%	1	Silver	103.1%
2	Industrial Metals	25.0%	2	S. Africa Equities	31.2%	2	ACWI Banks	13.7%	2	US Mortgage Master	3.5%	2	Mexican peso	5.1%	2	Platinum	62.9%
3	EM Equities	16.4%	3	Taiwan Equities	25.3%	3	ACWI Telecoms	12.2%	3	US Corp HY	3.5%	3	Swedish krona	3.2%	3	Copper	28.0%
4	Japan Equities	14.6%	4	Spain Equities	20.5%	4	ACWI Industrials	11.5%	4	UK Govt	3.5%	4	Chinese renminbi	2.5%	4	Gold	25.3%
5	UK Equities	12.3%	5	Mexico Equities	20.5%	5	ACWI Healthcare	11.4%	5	BBB IG	3.2%	5	Australian dollar	2.4%	5	Iron Ore	5.6%
6	Europe Equities	11.1%	6	Brazil Equities	17.1%	6	ACWI Info Tech	11.3%	6	EM Corporate	3.1%	6	Brazilian real	1.8%	6	Brent Crude Oil	1.2%
7	US Equities	8.9%	7	Greece Equities	17.0%	7	ACWI Energy	9.4%	7	US Corp IG	3.0%	7	Norwegian krone	0.9%	7	WTI Crude Oil	-0.5%
8	Pacific Rim xJapan	5.9%	8	Canada Equities	15.5%	8	ACWI Financials	8.1%	8	CCC HY	2.9%	8	Swiss franc	0.7%	8	Natural Gas	-11.6%
9	EM Sov Bonds	4.2%	9	Türkiye Equities	15.2%	9	ACWI Cons. Discretionary	7.4%	9	European HY	2.1%	9	Euro	0.5%			
10	High Yield Bonds	3.4%	10	Japan Equities	14.6%	10	ACWI BioTechnology	7.4%	10	Treasury Master	2.0%	10	British pound	0.3%			
11	Investment Grade Bonds	2.6%	11	Hong Kong Equities	13.4%	11	ACWI Utilities	5.2%	11	30-year Treasury	1.9%	11	Singapore dollar	0.3%			
12	US Dollar	0.3%	12	UK Equities	12.3%	12	ACWI Consumer Staples	2.4%	12	TIPS	1.7%	12	Canadian dollar	-0.3%			
13	Government Bonds	0.0%	13	Italy Equities	12.1%	13	ACWI Real Estate	0.0%	13	2-year Treasury	1.6%	13	NZ dollar	-2.0%			
14	Oil	-0.5%	14	Switzerland Equities	10.2%				14	3-Month Treasury Bills	1.5%	14	Indonesian rupiah	-2.1%			
			15	China Equities	9.8%				15	German Govt	-0.2%	15	Indian rupee	-3.1%			
			16	Portugal Equities	9.5%				16	Non-US IG Government	-1.7%	16	Taiwanese dollar	-3.3%			
			17	US Equities	8.9%				17	Japan Govt	-3.2%	17	Korean won	-3.5%			
			18	Singapore Equities	7.7%							18	Turkish lira	-5.4%			
			19	France Equities	7.2%							19	Japanese yen	-5.8%			
			20	Germany Equities	5.8%							20	Argentine peso	-9.0%			
			21	Australia Equities	3.2%												
			22	India Equities	-0.4%												

Source: BofA Global Investment Strategy, Bloomberg, as of 14 January 2026.

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## Acronyms

FMS – Fund Manager Survey
GWIM – Global Wealth and Investment Management
MA – Moving average
MMF – Money Market Fund
FCI – Financial conditions index
AUM – Assets Under Management
U-rate – unemployment rate
RoW – Rest of World
CRFB – Committee for a Responsible Federal Budget

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R1</sup>
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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

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