

# The Flow Show

## Rock the Geopolitics

**Scores on the Doors:** oil 16.2%, gold 14.6%, commodities 11.8%, international stocks 8.8%, govt bonds 1.4%, IG 1.4%, HY 1.1%, cash 0.5%, US 0.2%, US\$ 0.4%, bitcoin 23.6% YTD.

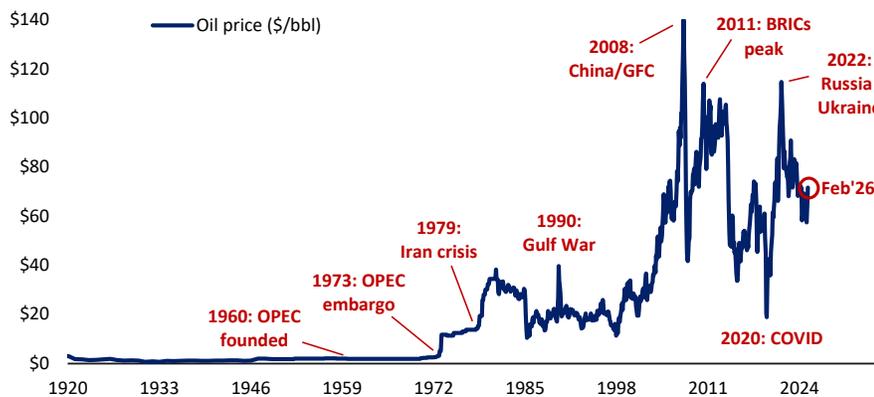
**Tale of the Tape:** stocks traded AI leaders only in '25, trading AI leaders and laggards... long "builders" (semis/materials) short "spenders" (Mag7), long "adopters" (banks) short "disrupted" (software); once market cap of laggards exceeds market cap of leaders no good for SPX; contrarian "long staples long energy" barbell has bested consensus "long tech long banks" barbell YTD... tech, telcos, financials = 56% of SPX so key 200dma levels for financials XLF \$53, tech (XLK \$135), telcos (XLC \$111) must hold to prevent SPX flush.

**The Price is Right:** oil best performing asset in '26 on US Iran; following geopolitical shocks in past 90 years oil best performer over 3 months (up 18%), then gold (6%) US stocks (4%); in 6 months after geopolitical shocks gold keeps outperforming (up 19%), stocks stall, while oil reverses all gains – Table 1); Rock the Geopolitics = trade oil, own gold.

**The Biggest Picture:** positioning (extreme bull) & profits (consensus = boom) both say "sell" stocks & credit; policy (tax & rate cuts) says "buy any dip"; two exogenous shocks needed to boost risk assets from current lofty level are regime change in Middle East to secure abundant future oil supply and collapse oil price (Chart ) & Trump China trade deal in April to reduce tariffs and improve Trump approval rating (new low 42%) driven by affordability frustration (inflation approval 35%)

### Chart The history of oil price since 1920

Oil price since 1920 (\$/bbl)



Source: BofA Global Investment Strategy, Bloomberg, BP statistical review

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Investment Strategy  
Global

BofA  
Data  
Analytics



**Michael Hartnett**  
Investment Strategist  
BofAS  
+1 646 855 1508  
michael.hartnett@bofa.com

**Elyas Galou**  
Investment Strategist  
BofASE (France)  
+33 1 8770 0087  
elyas.galou@bofa.com

**Anya Shelekhin**  
Investment Strategist  
BofAS  
+1 646 855 3753  
anya.shelekhin@bofa.com

**Myung Jee Jung**  
Investment Strategist  
BofAS  
+1 646 855 0  
myung.jee.jung@bofa.com

### Chart : BofA Bull & Bear Indicator

Falls to 9. from 9.



**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:** \$35.2bn to stocks, \$26.4bn to bonds, \$23.8bn to cash, \$1.4 from gold (largest outflow in 4 months), \$0.8bn from crypto.

**Flows to Know:**

- TIPS: largest 3-week inflow since Mar'22 (\$2.2bn);
- International equities: record 4-week inflow (\$64.6bn – Chart 6);
- Korea equities: largest 6-week inflow ever (\$17.7bn);
- Financials: largest 2-week outflow in 9 weeks (\$0.8bn).

**Big Flow to Know:** in 2026, for every \$100 of inflows to global equity funds, US stocks have accounted for \$26, their lowest share since 2020 (Chart 5); the US share peaked in 2022 at \$92, was \$73 in 2024 and fell to \$45 in 2025; US exceptionalism theme ending with lower relative inflows to US assets, not outflows from US assets.

**BofA Private Clients:** \$4.3tn AUM..., 64.3% stocks, 18.0% bonds, 10.5% cash; biggest equity ETF inflow in 8 weeks; inflow to T-notes (2-10 years) vs outflows from T-bills (<1 year) and T-bonds (20-30 years); in ETFs past 4 weeks, private clients buying Japan, EM debt, municipals and selling bank loan, utilities, and REITs.

**BofA Bull & Bear Indicator:** falls from 9.5 to 9.4; Bull & Bear Indicator reads “extreme bull”, near highest since Jan'18 on sustained inflows to global stock ETFs & tech funds, strong global stock index breadth (75% of ACWI markets trading >50 & 200dma), bullish BofA Global FMS positioning (e.g., cash levels 3.4%) partially offset by outflows from EM debt, hedge funds turning net long VIX futures; Bull & Bear Indicator moved to >9.5 on Feb 3rd... only 3 times past 25 years (Jan'04, Mar'06, Jan'18)... median “max drawdown” in following 3 months was ACWI -4.3%, S&P500 -5.5%, Nasdaq -8.6% (Table 2); “old” BofA Bull & Bear Indicator at 6.1 (Chart 3)... note the historic data shows very close comparison between old & new series... recent divergence reflects greed in new data inputs on flows, hedge funds, credit technicals, specifically inflows to global stock ETFs, tech funds, and recent hedge fund longs on gold futures; this primer reveals all: [BofA Bull & Bear Indicator revamp 11 December 2025](#).

**Table 1: History of geopolitical events and assets markets**

Geopolitics and cross-asset returns

| Event                          | Start date | Periodic returns by asset class (%) |             |             |             |             |              |              |             |             |             |
|--------------------------------|------------|-------------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|
|                                |            | Treasury                            |             | US stocks   |             | Gold        |              | Oil          |             | Copper      |             |
|                                |            | 3m                                  | 6m          | 3m          | 6m          | 3m          | 6m           | 3m           | 6m          | 3m          | 6m          |
| Germany annexes Czechoslovakia | 3/15/1939  | 3.5%                                | 1.7%        | -8.9%       | -10.6%      | -           | -            | -            | -           | -11.1%      | 6.7%        |
| WWII                           | 9/1/1939   | -3.2%                               | -2.7%       | 12.3%       | 9.3%        | -           | -            | -            | -           | 16.3%       | 7.0%        |
| Germany attacks France         | 5/9/1940   | -0.3%                               | 1.2%        | -17.4%      | -12.2%      | -           | -            | -            | -           | -2.7%       | 8.6%        |
| Pearl Harbor                   | 12/7/1941  | 1.6%                                | 1.5%        | -4.3%       | -11.5%      | -           | -            | -            | -           | -           | -           |
| Korean War                     | 6/25/1950  | -0.2%                               | 0.5%        | 7.2%        | 10.3%       | -           | -            | -            | -           | -           | -           |
| Cuban Missile Crisis           | 10/16/1962 | 0.6%                                | 2.0%        | 14.0%       | 21.8%       | -           | -            | -            | -           | -           | -           |
| Six-Day War                    | 6/5/1967   | -0.4%                               | -0.6%       | 6.7%        | 7.4%        | -           | -            | -            | -           | -           | -           |
| Yom Kippur War                 | 10/6/1973  | -2.1%                               | -4.1%       | -15.9%      | -14.7%      | 20.3%       | 75.9%        | -            | -           | 13.5%       | 13.5%       |
| Overthrow of Iran Shah         | 1/16/1979  | -0.7%                               | -0.8%       | 1.8%        | 2.4%        | 5.1%        | 34.3%        | 43.1%        | 124.6%      | 28.2%       | 12.1%       |
| Iranian hostage crisis         | 11/4/1979  | 3.2%                                | 1.8%        | 15.8%       | 4.9%        | 81.5%       | 37.5%        | 44.5%        | 55.6%       | 41.3%       | -2.2%       |
| Gulf War                       | 8/2/1990   | -0.6%                               | 3.7%        | -10.5%      | 2.2%        | -0.1%       | -3.9%        | 57.5%        | -8.6%       | -10.8%      | -16.5%      |
| 9/11 Attacks                   | 9/11/2001  | 2.4%                                | 2.4%        | 4.6%        | 4.2%        | -5.2%       | 2.3%         | -38.4%       | -18.4%      | 4.9%        | 13.3%       |
| Iraq War                       | 3/19/2003  | 2.3%                                | 7.7%        | 12.3%       | 14.8%       | 7.1%        | 11.5%        | -1.8%        | -4.0%       | 1.0%        | 6.3%        |
| Russia-Ukraine War             | 2/24/2022  | -4.0%                               | -9.1%       | -3.7%       | -8.5%       | -4.5%       | -9.4%        | 18.5%        | 0.3%        | -6.3%       | -18.3%      |
| Israel-Hamas War               | 10/7/2023  | 1.0%                                | 5.6%        | 10.9%       | 17.2%       | 13.0%       | 26.3%        | -6.9%        | 7.8%        | 5.8%        | 16.6%       |
| <b>Median</b>                  |            | <b>-0.2%</b>                        | <b>1.5%</b> | <b>4.6%</b> | <b>4.2%</b> | <b>6.1%</b> | <b>18.9%</b> | <b>18.5%</b> | <b>0.3%</b> | <b>4.9%</b> | <b>7.0%</b> |

Source: BofA Global Investment Strategy, GFD Finaon, Bloomberg. Note red and green highlighting denotes moves greater than +1/-1 st dev vs historical average for corresponding asset.

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**Table 2: Past episodes of extreme greed followed by stocks down**

Max 3-month drawdown after BofA Bull & Bear Indicator above 9.5

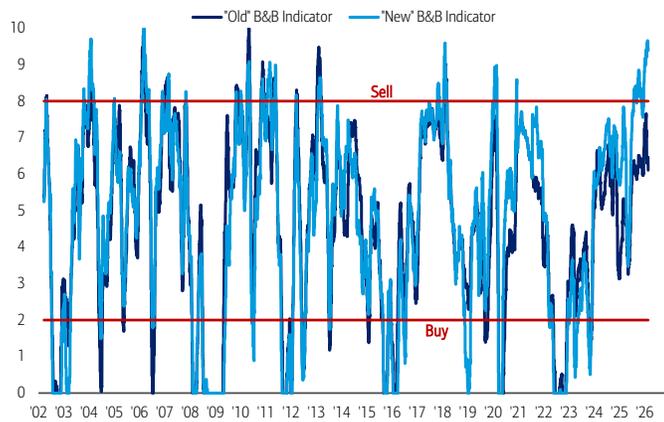
| B&B rises >9.5 for 1st time on...                      | B&B Indicator | 3-month max drawdown |              |                  |
|--|---------------|----------------------|--------------|------------------|
|  |               | MSCI ACWI Index      | S&P500 Index | Nasdaq Composite |
| 21 Jan'04  | 9.7           | -4.3%                | -5.5%        | -11.7%           |
| 1 Mar'06   | 10.0          | -1.0%                | -1.5%        | -6.7%            |
| 31 Jan'18  | 9.6           | -7.8%                | -8.6%        | -8.6%            |
| 3 Feb'26   | 9.6           | -1.6%*               | -1.7%*       | -3.1%*           |
| <b>Median price return B&amp;B &gt;9.5 (2002-2025)</b> |               | <b>-4.3%</b>         | <b>-5.5%</b> | <b>-8.6%</b>     |

Source: BofA Global Investment Strategy, Bloomberg. \* Performance since 3 Feb 2026

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**Chart 3: Comparison of "new" & "old" BofA Bull & Bear Indicator**

New vs. old BofA Bull & Bear Indicator

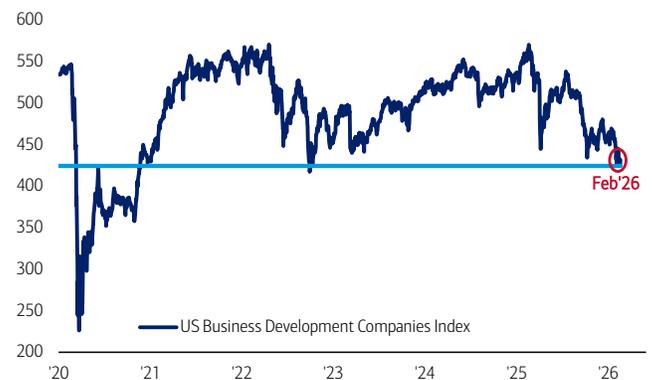


Source: BofA Global Investment Strategy, ICE Data Indices LLC, Bloomberg, EPFR, Global Fund Manager Survey

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**Chart 4: Price collapse of Wall St longs vs. Wall St shorts**

US Business Development Companies Index (MVBDC)



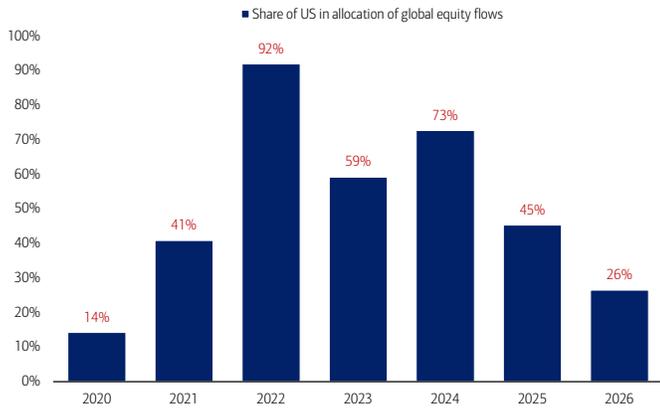
Source: BofA Global Investment Strategy, Bloomberg

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**Chart 5: Lower relative inflows to US assets**

Share of US in allocation of global equity flows

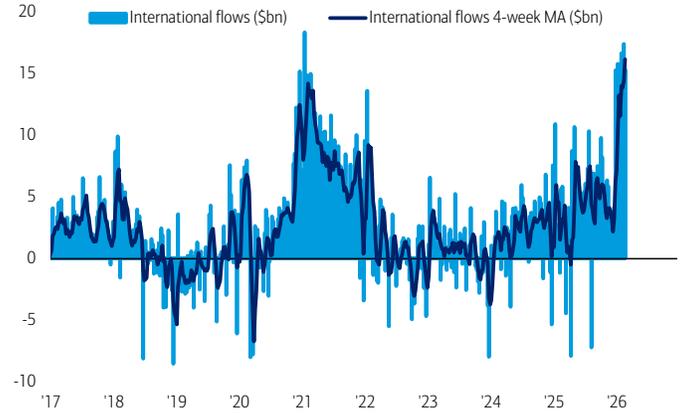


Source: BofA Global Investment Strategy, EPFR

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**Chart 6: Biggest 4-week inflow to global equity funds on record**

Flows to International\* equity funds (\$ bn): weekly vs 4-week MA



Source: BofA Global Investment Strategy, BEPFR

\*International = DM equity funds excluding funds with focus on North America, Europe, Japan, Australia, New Zealand

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## Asset Class Flows (Table 1)

**Equities:** \$35.2bn inflow (\$36.7bn inflow to ETFs, \$1.5bn outflow from mutual funds)

**Bonds:** inflows past 43 weeks (\$26.4bn)

**Precious metals:** \$1.4bn outflow

## Fixed Income Flows (Chart 16)

**IG Bond** inflows past 43 weeks (\$14.0bn)

**HY Bond** inflows past 13 weeks (\$0.7bn)

**EM Debt** inflows past 2 weeks (\$3.5bn)

**Munis** inflows past 7 weeks (\$1.5bn)

**Govt/Tsy** inflows past 3 weeks (\$5.7bn)

**TIPS** inflows past 3 weeks (\$0.2bn)

**Bank loan** inflows past 9 weeks (\$0.4bn)

## Equity Flows (Table 2)

**US:** inflows past 4 weeks (\$9.6bn)

**Japan:** inflows past 2 weeks (\$2.4bn)

**Europe:** inflows past 3 weeks (\$3.0bn)

**EM:** inflows past 3 weeks (\$3.6bn)

**By style:** inflows **US large cap** (\$7.7bn), **US value** (\$1.5bn), **US small cap** (\$0.1bn), outflows **US growth** (\$4.2bn)

**By sector:** inflows **materials** (\$0.4bn), **tech** (\$0.4bn), **energy** (\$0.4bn), **utils** (\$0.3bn), **real estate** (\$0.2bn), outflows **healthcare** (\$0.9bn), **consumer** (\$0.5bn), **financials** (\$0.3bn), **telcos** (\$0.1bn).

## Table 3: Cumulative YTD flows by asset class

Global flows by asset class, \$mn

|              | Wk % AUM | YTD     | YTD %AUM |
|--------------|----------|---------|----------|
| Equities     | 0.1%     | 130,783 | 0.5%     |
| ETFs         | 0.2%     | 171,217 | 1.1%     |
| LO           | 0.0%     | -40,729 | -0.3%    |
| Bonds        | 0.3%     | 141,639 | 1.5%     |
| Commodities  | -0.1%    | 20,873  | 2.0%     |
| Money-market | 0.2%     | 222,587 | 2.0%     |

\*week ended 02/18/2026: Source: EPFR Global

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## Table 4: Big EM equity outflows YTD

Global equity flows by region, \$mn

|                       | Wk % AUM    | YTD            |
|-----------------------|-------------|----------------|
| <b>Total Equities</b> | <b>0.1%</b> | <b>130,783</b> |
| long-only funds       | 0.0%        | -40,729        |
| ETFs                  | 0.2%        | 171,217        |
| <b>Total EM</b>       | <b>0.1%</b> | <b>-37,612</b> |
| Brazil                | 1.0%        | 2,393          |
| India                 | 0.0%        | -704           |
| China                 | -0.5%       | -109,117       |
| <b>Total DM</b>       | <b>0.1%</b> | <b>168,395</b> |
| US                    | 0.1%        | 34,613         |
| Europe                | 0.1%        | 14,863         |
| Japan                 | 0.2%        | 6,428          |
| International         | 0.2%        | 103,897        |

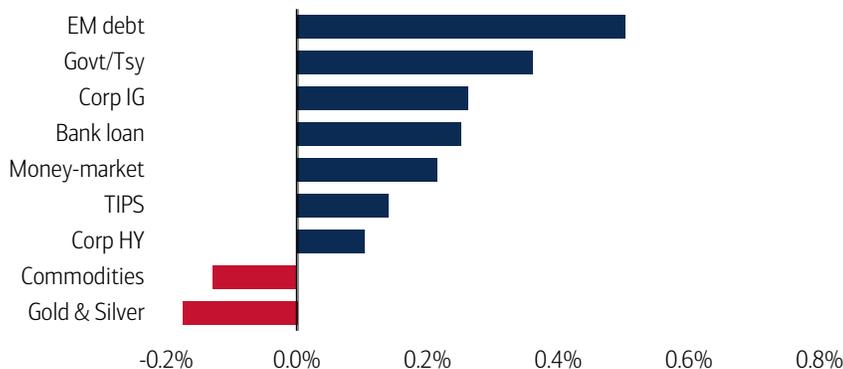
Total Equities = Total EM + Total DM

Source: EPFR Global

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## Chart 7: FICC inflows to EM debt, USTs, Corp IG

Weekly FICC flows as a % AUM



Source: EPFR Global

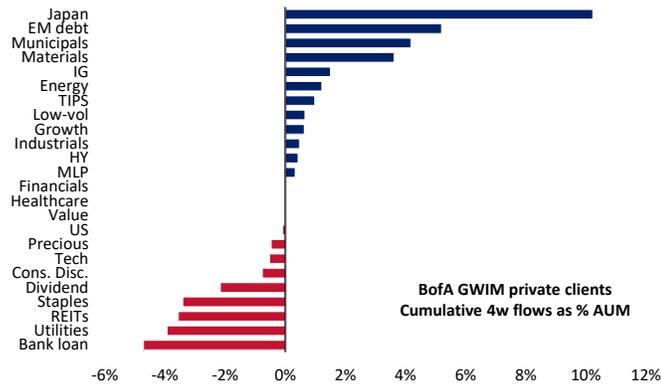
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# BofA private client flows & allocations<sup>1</sup>

**Chart 8: Private clients bought Japan, EM debt, munis**

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



Source: BofA Global investment Strategy

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**Chart 9: GWIM equity allocation at 64%**

BofA private client equity holdings as % of AUM



Source: BofA Global investment Strategy

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**Chart 10: GWIM debt allocation at 18%**

BofA private client debt holdings as % of AUM

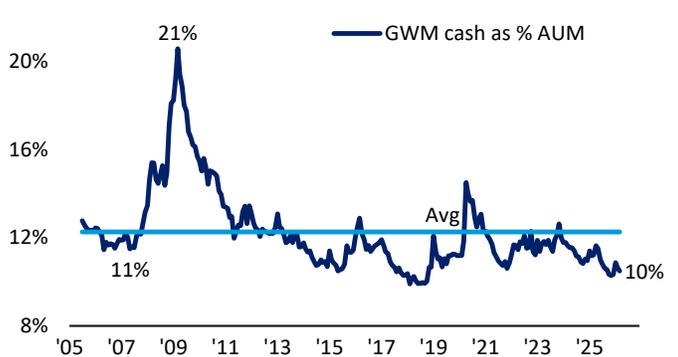


Source: BofA Global investment Strategy

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**Chart 11: GWIM cash allocation at 10%**

BofA private client cash holdings as % of AUM

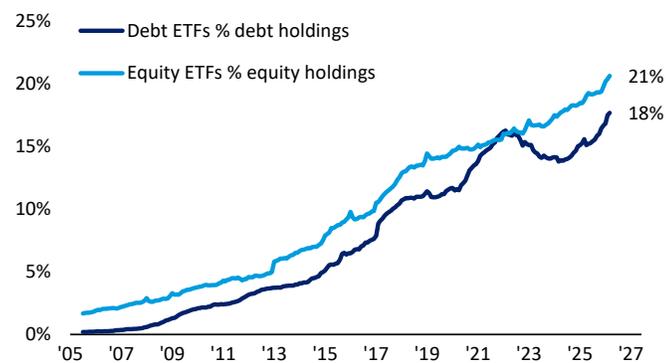


Source: BofA Global investment Strategy

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**Chart 12: GWIM equity ETFs 20%, debt ETFs 18% of AUM**

BofA private client ETF holdings as % of AUM

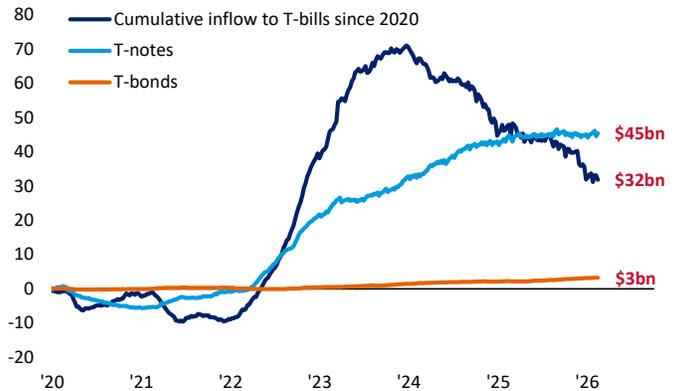


Source: BofA Global investment Strategy

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**Chart 13: \$45bn to T-notes vs \$32bn 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 14: Historical asset class performance by year**  
 Ranked cross asset returns by year

|               | 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 15.6%         |
| 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%      | MSCI EM 11.2%      |
| 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 16.6%      | 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%    | Commodities 10.3%  |
| 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%      | REITS 8.8%         |
| 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%     | MSCI EAFE 8.7%     |
| 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%     | Global IG 1.6%     |
| 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 EAFE -2.3%     | Global IG -16.7%     | Global IG 9.5%     | MSCI EAFE 4.4%     | US Treasuries 6.1% | US Treasuries 1.2% |
| S&P 500       | -9.1%  | S&P 500 -11.9%     | MSCI EM -6.0%       | Global IG 14.5%    | Gold 4.6%          | US Treasuries 2.8% | Cash 4.9%          | Cash 5.0%          | MSCI EAFE -43.1%    | Global IG 19.2%     | Global IG 6.0%     | REITS -9.4%        | US Treasuries 2.2% | MSCI EM -2.3%       | MSCI EM -1.8%      | Gold -10.4%        | US Treasuries 1.1% | Commodities 7.6%   | Commodities -13.1% | Global IG 11.4%    | Cash 0.5%          | US Treasuries -2.4% | S&P 500 -18.1%       | Cash 5.1%          | REITS 3.2%         | Commodities 5.9%   | Global HY 1.2%     |
| MSCI EAFE     | -14.0% | MSCI EAFE -21.2%   | MSCI EAFE -15.7%    | US Treasuries 2.3% | US Treasuries 3.5% | Global HY 1.5%     | US Treasuries 3.1% | Global HY 3.0%     | REITS -50.2%        | Cash 0.2%           | US Treasuries 5.9% | MSCI EAFE -11.7%   | Cash 0.1%          | US Treasuries -3.3% | MSCI EAFE -4.5%    | MSCI EM -14.9%     | MSCI EAFE 1.0%     | US Treasuries 2.4% | MSCI EAFE -13.2%   | US Treasuries 7.0% | REITS -4.4%        | Global IG -3.0%     | MSCI EM -19.8%       | US Treasuries 3.9% | Global IG 1.2%     | Cash 4.0%          | S&P 500 0.7%       |
| MSCI EM       | -30.6% | Commodities -21.4% | S&P 500 -22.1%      | Cash 1.1%          | Cash 1.3%          | Global IG -3.0%    | Commodities -0.2%  | REITS -10.0%       | MSCI EM -53.2%      | US Treasuries -3.7% | Cash 0.1%          | MSCI EM -18.2%     | Commodities -0.3%  | Gold -27.3%         | Commodities -29.3% | Commodities -29.4% | Cash 0.3%          | Cash 0.8%          | MSCI EM -14.3%     | Cash 2.2%          | Commodities -15.0% | Gold -4.1%          | REITS -25.2%         | Commodities -3.5%  | US Treasuries 0.5% | REITS 3.5%         | Cash 0.5%          |

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

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<sup>1</sup>Flows data from the Wealth Management division of Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) presented herein represents the investments and trading activity associated with all self-directed, advisor-assisted, and fully managed wealth management relationships, as well as 401(k) plan and employee stock purchase plan accounts custodied through MLPF&S.

# 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><br>Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0                         | Contrarian | 9.4             | Sell              | 1-3 months         |
| <b>BofA Global FMS Cash Indicator</b><br>Buy when cash at or above 5.0%; Sell when cash at or below 4.0%   | Contrarian | 3.4%            | Sell              | 4 weeks            |
| <b>BofA Global Breadth Rule</b><br>Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages                | Contrarian | 75.0%           | Neutral           | 3 months           |
| <b>BofA Global Flow Trading Rule</b><br>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><br>Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks                 | Contrarian | -0.6%           | Neutral           | 8 weeks            |
| <b>Macro</b>   |            |                 |                   |                    |
| <b>BofA Global EPS Growth Model</b><br>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](#)

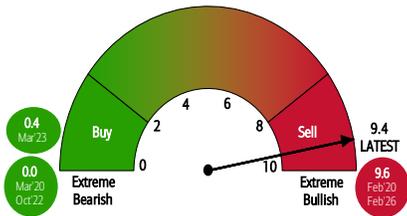
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## BofA Bull & Bear Indicator (B&B)

Our BofA Bull & Bear Indicator is at 9.4 signal which is Sell.

**Chart 15: BofA Bull & Bear at 9.4**

Falls to 9.4 from 9.5



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

BofA Bull & Bear current component readings

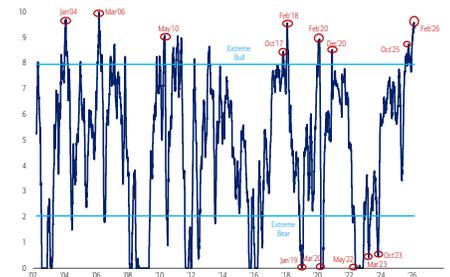
| Components                 | Percentile | Sentiment |
|----------------------------|------------|-----------|
| Hedge Fund Positioning     | 66%        | Neutral   |
| Equity Flow                | 79%        | Bullish   |
| Bond Flow                  | 54%        | Neutral   |
| Credit Market Technicals   | 79%        | Bullish   |
| Global Stock Index Breadth | 98%        | V Bullish |
| FMS Positioning            | 100%       | V Bullish |

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

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**Chart 16: BofA Bull & Bear Indicator at 9.4**

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 Gold                    | 14.9% | 1 Korea Equities        | 34.9% | 1 ACWI Energy               | 17.7% | 1 30-year Treasury        | 2.9% | 1 Norwegian krone    | 5.8%   | 1 Brent Crude Oil | 15.6% |
| 2 Oil                     | 13.5% | 2 Türkiye Equities      | 25.9% | 2 ACWI Materials            | 15.2% | 2 Non-US IG Government    | 2.1% | 2 Australian dollar  | 5.5%   | 2 Gold            | 14.9% |
| 3 Japan Equities          | 13.3% | 3 Brazil Equities       | 19.7% | 3 ACWI Industrials          | 12.7% | 3 UK Govt                 | 1.9% | 3 Mexican peso       | 4.7%   | 3 WTI Crude Oil   | 13.5% |
| 4 EM Equities             | 11.2% | 4 Taiwan Equities       | 18.2% | 4 ACWI Consumer Staples     | 10.9% | 4 German Govt             | 1.8% | 4 Brazilian real     | 4.6%   | 4 Commodities     | 10.3% |
| 5 Pacific Rim xJapan      | 9.8%  | 5 Mexico Equities       | 16.2% | 5 ACWI Real Estate          | 8.9%  | 5 EM Sovereign            | 1.8% | 5 NZ dollar          | 3.6%   | 5 Silver          | 9.9%  |
| 6 UK Equities             | 8.7%  | 6 Japan Equities        | 13.3% | 6 ACWI Utilities            | 8.7%  | 6 European HY             | 1.5% | 6 South African rand | 3.1%   | 6 Platinum        | 3.9%  |
| 7 Europe Equities         | 7.0%  | 7 Greece Equities       | 11.6% | 7 ACWI Banks                | 5.7%  | 7 US Mortgage Master      | 1.5% | 7 Swiss franc        | 2.5%   | 7 Copper          | 3.0%  |
| 8 Industrial Metals       | 4.1%  | 8 Australia Equities    | 11.3% | 8 ACWI BioTechnology        | 4.9%  | 8 Japan Govt              | 1.4% | 8 Swedish krona      | 1.9%   | 8 Iron Ore        | 0.1%  |
| 9 EM Sovereign Bonds      | 1.8%  | 9 Portugal Equities     | 11.1% | 9 ACWI Healthcare           | 3.4%  | 9 BBB IG                  | 1.4% | 9 Singapore dollar   | 1.5%   |                   |       |
| 10 Government Bonds       | 1.7%  | 10 S. Africa Equities   | 10.6% | 10 ACWI Financials          | 1.1%  | 10 US Corp IG             | 1.4% | 10 Japanese yen      | 1.2%   |                   |       |
| 11 Investment Grade Bonds | 1.5%  | 11 Hong Kong Equities   | 9.8%  | 11 ACWI Info Tech           | 0.1%  | 11 EM Corporate           | 1.2% | 11 Chinese renminbi  | 1.2%   |                   |       |
| 12 High Yield Bonds       | 1.2%  | 12 UK Equities          | 8.7%  | 12 ACWI Cons. Discretionary | -2.6% | 12 Treasury Master        | 1.2% | 12 Euro              | 0.3%   |                   |       |
| 13 US Equities            | 0.5%  | 13 Switzerland Equities | 6.9%  | 13 ACWI Telecoms            | -2.8% | 13 TIPS                   | 1.2% | 13 Canadian dollar   | 0.2%   |                   |       |
| 14 US Dollar              | -0.6% | 14 Spain Equities       | 5.4%  |                             |       | 14 US Corp HY             | 0.9% | 14 British pound     | 0.1%   |                   |       |
|                           |       | 15 Canada Equities      | 4.9%  |                             |       | 15 2-year Treasury        | 0.5% | 15 Taiwanese dollar  | -0.3%  |                   |       |
|                           |       | 16 France Equities      | 4.7%  |                             |       | 16 3-Month Treasury Bills | 0.4% | 16 Korean won        | -0.3%  |                   |       |
|                           |       | 17 Singapore Equities   | 4.5%  |                             |       | 17 CCC HY                 | 0.2% | 17 Indian rupee      | -0.9%  |                   |       |
|                           |       | 18 Germany Equities     | 4.1%  |                             |       |                           |      | 18 Indonesian rupiah | -1.1%  |                   |       |
|                           |       | 19 Italy Equities       | 3.7%  |                             |       |                           |      | 19 Turkish lira      | -1.8%  |                   |       |
|                           |       | 20 China Equities       | 0.8%  |                             |       |                           |      | 20 Bitcoin           | -24.4% |                   |       |
|                           |       | 21 US Equities          | 0.5%  |                             |       |                           |      |                      |        |                   |       |
|                           |       | 22 India Equities       | -1.5% |                             |       |                           |      |                      |        |                   |       |

Source: BofA Global Investment Strategy, Bloomberg, as of 18 February 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 18 February '26)**

| Assets               |       | Equities                |       | Sectors                     |       | Fixed Income              |       | FX vs. USD           |       | Commodities       |        |
|----------------------|-------|-------------------------|-------|-----------------------------|-------|---------------------------|-------|----------------------|-------|-------------------|--------|
| 1 Gold               | 27.5% | 1 Korea Equities        | 58.4% | 1 ACWI Materials            | 22.8% | 1 EM Sovereign            | 5.0%  | 1 South African rand | 7.4%  | 1 Silver          | 49.3%  |
| 2 Japan Equities     | 17.9% | 2 Taiwan Equities       | 29.3% | 2 ACWI Energy               | 19.1% | 2 US Mortgage Master      | 3.5%  | 2 Mexican peso       | 7.0%  | 2 Platinum        | 30.6%  |
| 3 EM Equities        | 17.7% | 3 Brazil Equities       | 28.2% | 3 ACWI Industrials          | 14.8% | 3 30-year Treasury        | 3.3%  | 3 Australian dollar  | 6.8%  | 3 Gold            | 27.7%  |
| 4 Industrial Metals  | 17.1% | 4 S. Africa Equities    | 27.4% | 4 ACWI Banks                | 14.7% | 4 UK Govt                 | 3.1%  | 4 Norwegian krone    | 5.4%  | 4 Copper          | 19.0%  |
| 5 UK Equities        | 15.2% | 5 Mexico Equities       | 25.0% | 5 ACWI Utilities            | 10.5% | 5 EM Corporate            | 3.1%  | 5 Swedish krona      | 4.1%  | 5 Brent Crude Oil | 6.5%   |
| 6 Europe Equities    | 12.6% | 6 Türkiye Equities      | 24.6% | 6 ACWI BioTechnology        | 10.4% | 6 BBB IG                  | 3.0%  | 6 Brazilian real     | 3.7%  | 6 WTI Crude Oil   | 4.3%   |
| 7 Pacific Rim xJapan | 11.2% | 7 Spain Equities        | 19.0% | 7 ACWI Healthcare           | 10.1% | 7 US Corp IG              | 2.9%  | 7 Swiss franc        | 3.5%  | 7 Iron Ore        | 1.9%   |
| 8 US Equities        | 5.1%  | 8 Japan Equities        | 17.9% | 8 ACWI Consumer Staples     | 9.1%  | 8 US Corp HY              | 2.9%  | 8 Chinese renminbi   | 2.9%  | 8 Natural Gas     | -16.5% |
| 9 EM Sov Bonds       | 5.0%  | 9 UK Equities           | 15.2% | 9 ACWI Info Tech            | 6.6%  | 9 Treasury Master         | 2.4%  | 9 NZ dollar          | 1.6%  |                   |        |
| 10 Oil               | 4.3%  | 10 Greece Equities      | 14.9% | 10 ACWI Financials          | 6.5%  | 10 TIPS                   | 1.9%  | 10 Singapore dollar  | 1.6%  |                   |        |
| 11 High Yield Bonds  | 3.1%  | 11 Canada Equities      | 14.3% | 11 ACWI Telecoms            | 3.6%  | 11 European HY            | 1.8%  | 11 Euro              | 1.2%  |                   |        |
| 12 IG Bonds          | 3.0%  | 12 Switzerland Equities | 14.0% | 12 ACWI Cons. Discretionary | 0.2%  | 12 2-year Treasury        | 1.6%  | 12 Canadian dollar   | 0.9%  |                   |        |
| 13 Government Bonds  | 1.6%  | 13 Portugal Equities    | 13.1% | 13 ACWI Real Estate         | 0.0%  | 13 3-Month Treasury Bills | 1.4%  | 13 British pound     | 0.4%  |                   |        |
| 14 US Dollar         | -0.8% | 14 Hong Kong Equities   | 13.0% |                             |       | 14 CCC HY                 | 1.2%  | 14 Korean won        | -1.9% |                   |        |
|                      |       | 15 Australia Equities   | 11.8% |                             |       | 15 Non-US IG govt         | 0.9%  | 15 Indonesian rupiah | -2.1% |                   |        |
|                      |       | 16 Italy Equities       | 11.4% |                             |       | 16 German Govt            | 0.5%  | 16 Indian rupee      | -2.7% |                   |        |
|                      |       | 17 France Equities      | 8.3%  |                             |       | 17 Japan Govt             | -1.8% | 17 Japanese yen      | -2.7% |                   |        |
|                      |       | 18 Singapore Equities   | 7.3%  |                             |       |                           |       | 18 Argentine peso    | -2.7% |                   |        |
|                      |       | 19 Germany Equities     | 6.1%  |                             |       |                           |       | 19 Taiwanese dollar  | -3.0% |                   |        |
|                      |       | 20 US Equities          | 5.1%  |                             |       |                           |       | 20 Turkish lira      | -5.2% |                   |        |
|                      |       | 21 China Equities       | 1.9%  |                             |       |                           |       |                      |       |                   |        |
|                      |       | 22 India Equities       | -0.2% |                             |       |                           |       |                      |       |                   |        |

Source: BofA Global Investment Strategy, Bloomberg, as of 18 February 2026

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## Acronyms

FMS – Fund Manager Survey

GWIM – Global Wealth and Investment Management

MA – Moving average

AUM – Assets Under Management

# Disclosures

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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> |
|-------------------|---|--|
| Buy               | ≥ 10%   | ≤ 70%  |
| 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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