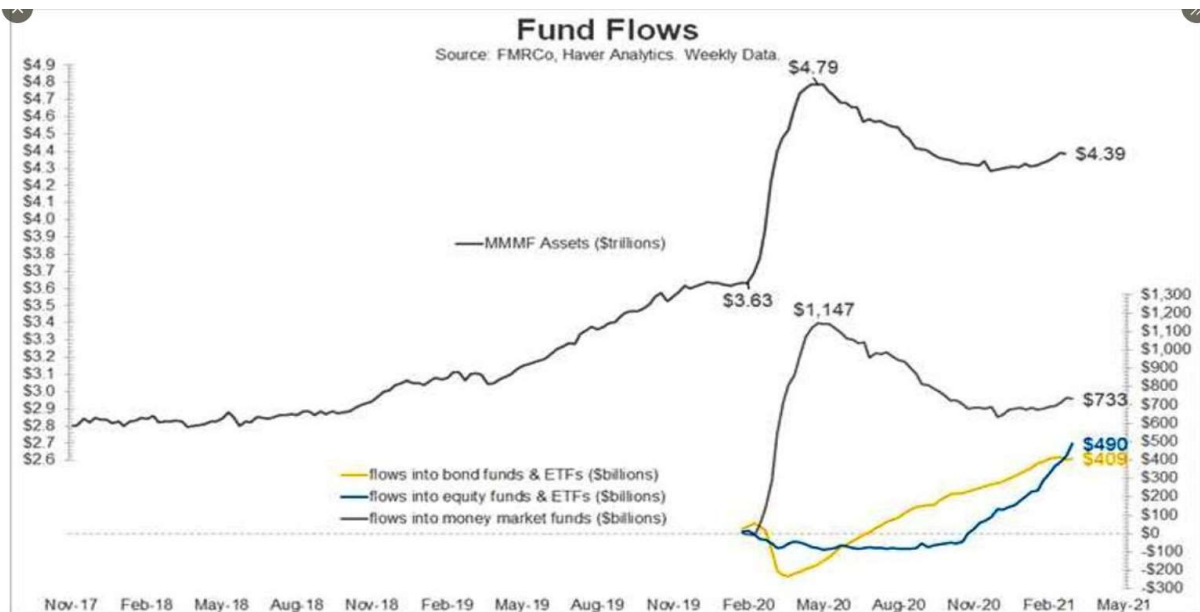


Exhibit 10: Spending on airlines, based on BAC aggregated card data

Aggregate spending on BAC credit and debit cards rose 45% in the last 1-year and 23% in the last 2-years for the 7-days ending 20 March, with accelerated spending on airlines, led by traditionalists:



Source: BAC internal data

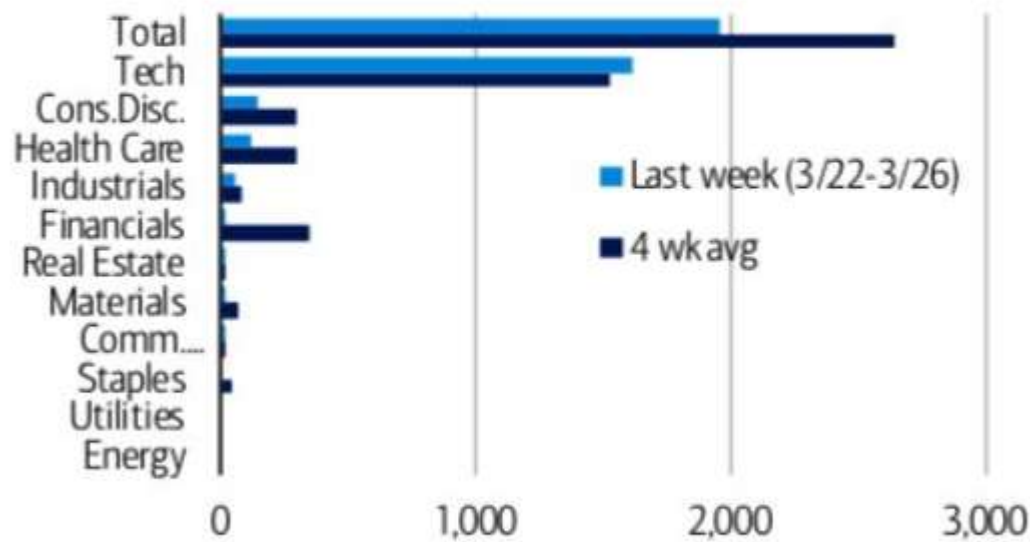


Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 03/21/2021. Past performance is no guarantee of future results.



Exhibit 43: Buybacks have been dominated by Tech, with near-record buybacks in each of the last six weeks

Buybacks by sector (\$ mn)



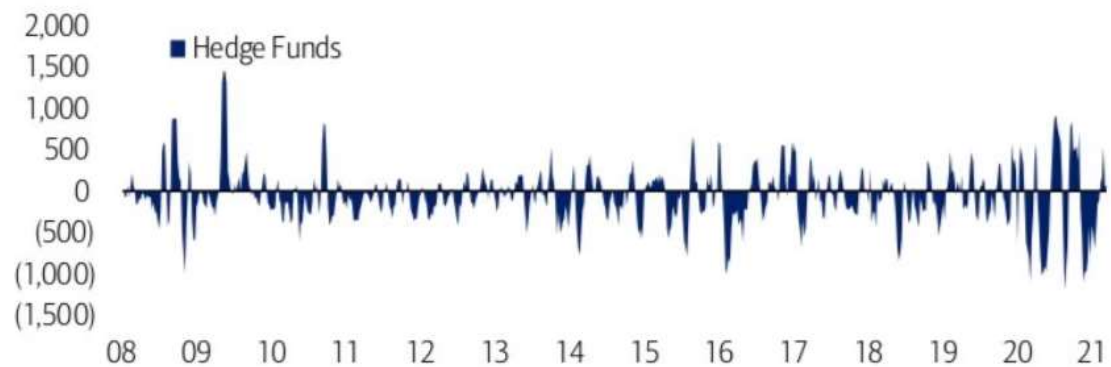
Source: BofA Securities

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Rolling four-week average trends by client type

Exhibit 29: Hedge Funds have been net buyers since late Feb. 2020

Net buys (4 wk. avg, \$ mn)

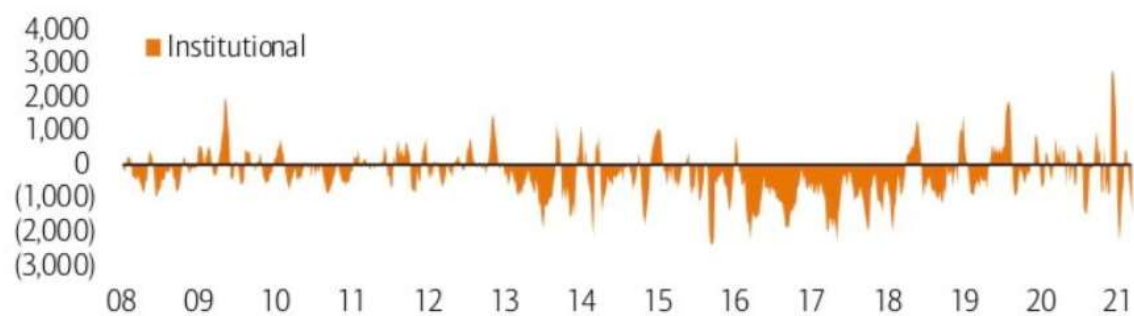


Source: BofA Securities

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Exhibit 30: Institutional clients have been net sellers since early March 2021

Net buys (4 wk. avg, \$ mn)

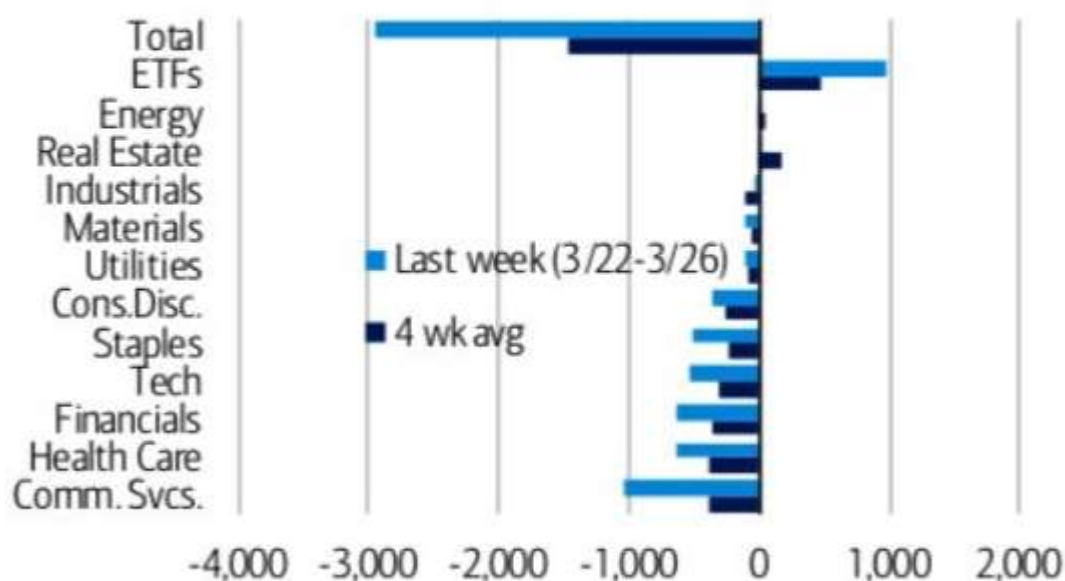


Source: BofA Securities

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Exhibit 39: Institutional largely sold stocks, led by Comm. Svcs., Health Care, and Fins

Net buys by sector (\$ mn)

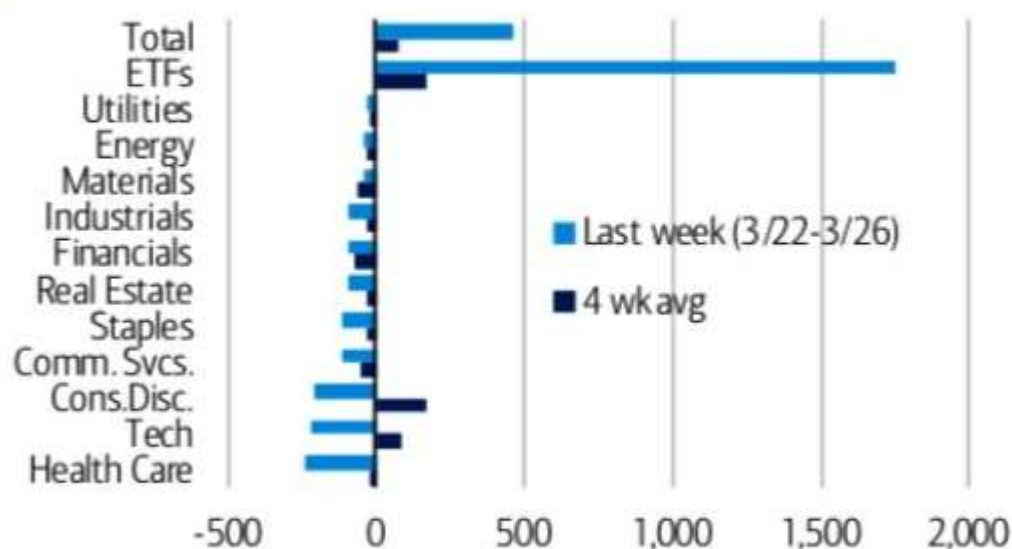


Source: BofA Securities

Sector & size flows by client type last week

Exhibit 37: Hedge funds largely bought ETFs last week (10th largest in history)

Net buys by sector (\$ mn)

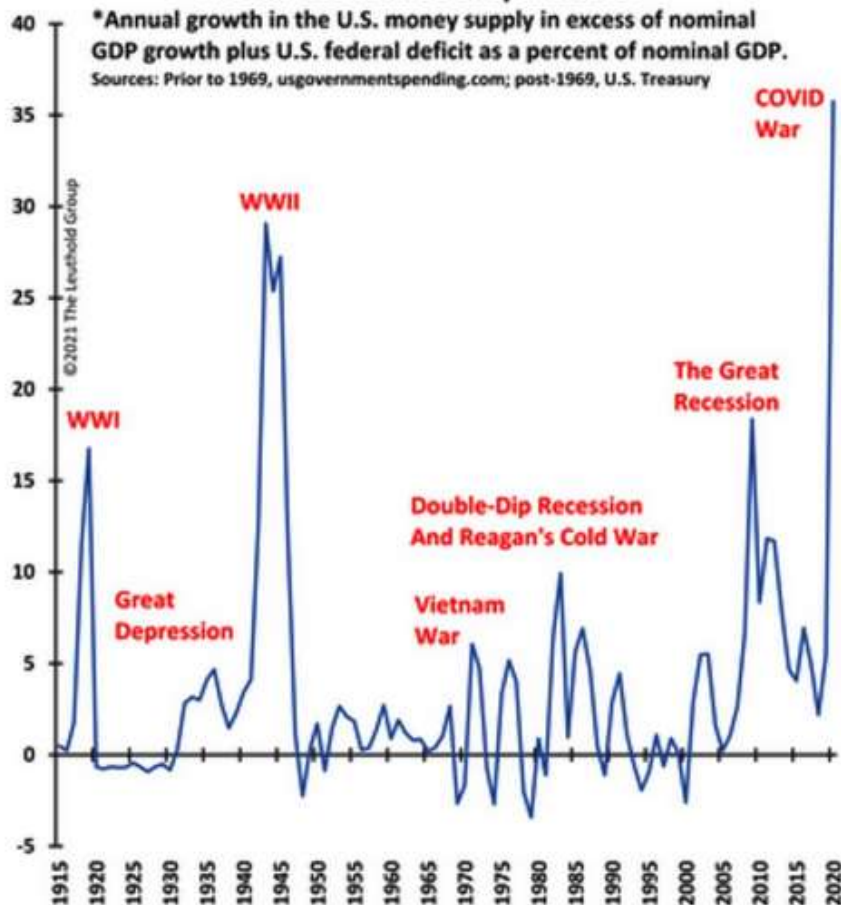


Source: BofA Securities

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Chart 1

The MF Economic Policy Indicator*



Because of extraordinarily accommodative monetary and fiscal policies, a complete synchronization of the global-economic expansion, unprecedented savings, substantial pent-up demand, a post-pandemic reopening, and a record-low inventory/GDP ratio, the U.S. economy is poised to run HOT!

Jefferies' 'uber crowded' stocks

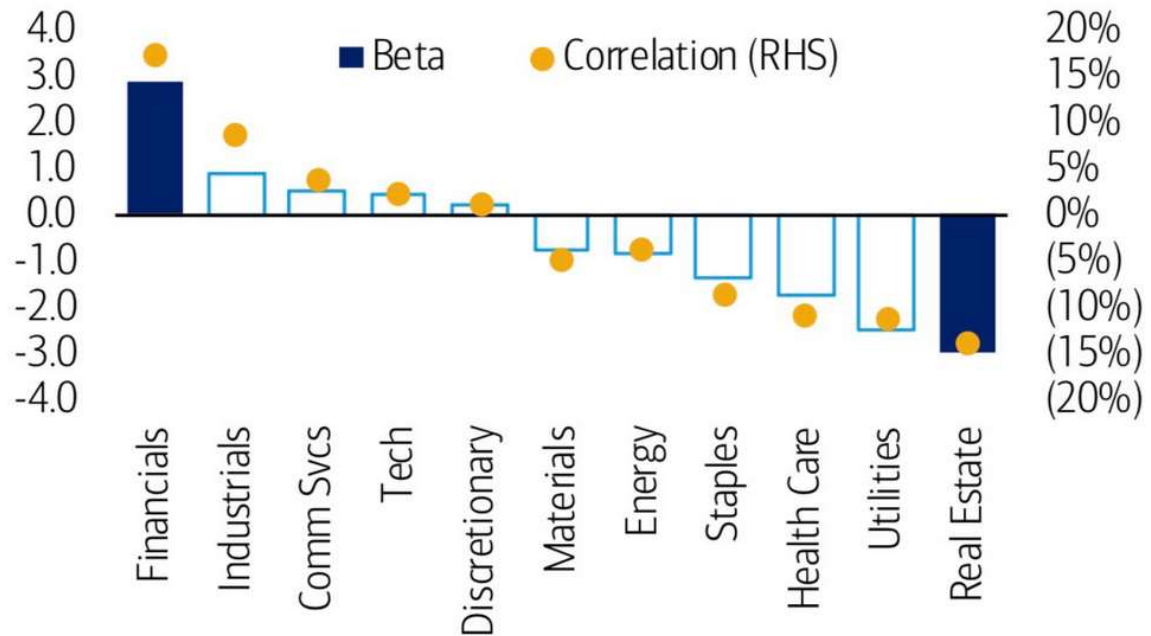
Loved by hedge funds and long-only

Ticker	Stock	Net long weight	% of all mutual funds
MSFT	Microsoft	4.4	29.8
AMZN	Amazon	3.8	22.9
FB	Facebook	3.1	22.7
GOOGL	Alphabet	2.5	22.9
NFLX	Netflix	1.8	12.8
BKNG	Booking Holdings	1.5	11.9
DIS	Disney	1.5	15.3
PYPL	PayPal	1.4	16.9
V	Visa	1.3	23.2

TMO	Thermo Fisher	1.2	15
ZTS	Zoetis	1.1	11.4
NOW	ServiceNow	1	13.1
ADBE	Adobe	1	18.5
TWLO	Twilio	0.9	11.1
RNG	Ring Central	0.9	10.2
LIN	Linde	0.8	10.1
ATVI	Activision Blizzard	0.8	12
QCOM	Qualcomm	0.8	14.7
MA	Mastercard	0.8	19.1

Exhibit 20: Higher rates: own Financials, avoid defensives

S&P 500 sectors' relative performance sensitivity to real rates (1997-present)



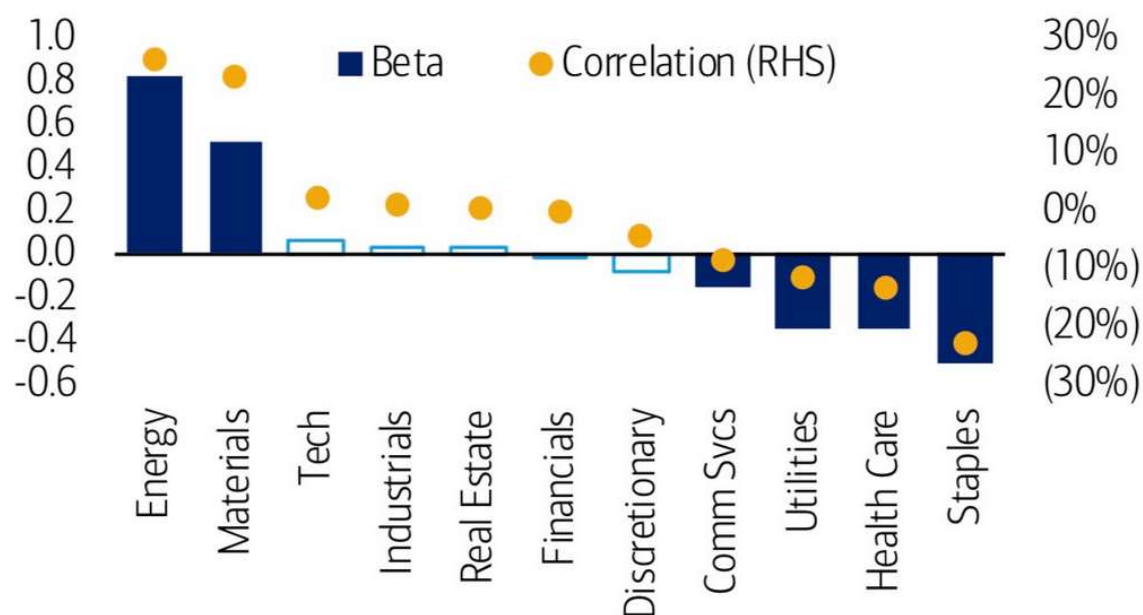
Source: Bloomberg, FactSet, BofA US Equity & Quant Strategy

Note: Empty bars indicate not statistically significant

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Exhibit 19: Inflation: own cyclicals, avoid defensives

Sectors' rel. perf. correlation (since '74) with our BofA Inflation Composite



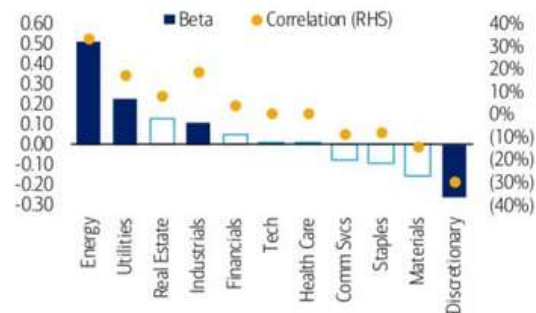
Source: Bloomberg, FactSet, BofA US Equity & Quant Strategy

Note: For a full description of our Inflation Composite, please see the Appendix in [Equity Strategy Theme Screens](#); Empty bars indicate not statistically significant

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Exhibit 17: Energy, Utilities and Industrials have historically benefitted from rising capex

S&P 500 sectors' relative performance sensitivity to S&P 500 capex growth (4Q85-present)



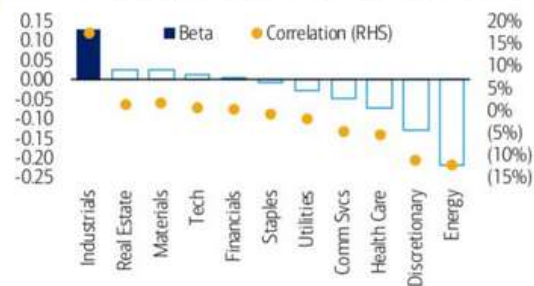
Source: FactSet, BofA US Equity & Quant Strategy
Note: Empty bars indicate not statistically significant

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Energy, Utilities and Industrials have historically outperformed in a rising capex environment, while Consumer Discretionary underperformed the most.

Exhibit 18: Industrials is the biggest beneficiary of GDP recovery

S&P 500 sectors' relative performance to real GDP growth (1979-present)



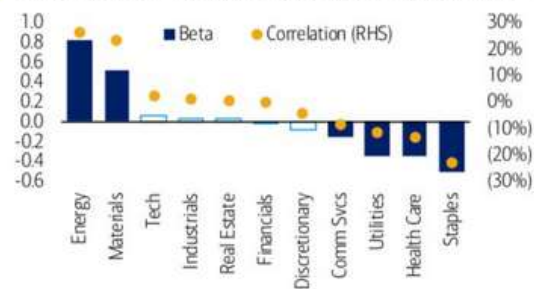
Source: Bloomberg, FactSet, BofA US Equity & Quant Strategy
Note: Empty bars indicate not statistically significant

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Industrials has been the biggest beneficiary of US GDP growth and is a direct beneficiary of an infrastructure bill.

Exhibit 19: Inflation: own cyclicals, avoid defensives

Sectors' rel. perf. correlation (since '74) with our BofA Inflation Composite



More fiscal spending will likely lead to higher inflation. Energy and Materials have historically been the winners in an inflationary environment, while defensives/bond-proxies have been the biggest laggards.

Exhibit 15: Biden's tax plan would translate to a 7% hit to S&P EPS

Estimated S&P 500 2022 earnings impact based on Biden's proposals

Sector	Total	Higher corp. tax rate	Higher GILTI tax	15% min. tax
Tech	-8.9%	-4.8%	-4.2%	0.0%
Health Care	-8.9%	-5.4%	-3.5%	0.0%
Cons. Disc.	-8.0%	-6.6%	-1.3%	0.0%
Financials	-7.3%	-6.1%	-1.2%	0.0%
Industrials	-7.2%	-5.3%	-1.8%	0.0%
Comm. Svcs.	-6.0%	-4.2%	-1.8%	0.0%
Materials	-5.1%	-3.4%	-1.7%	0.0%
Staples	-4.7%	-3.5%	-1.2%	0.0%
Energy	-1.4%	-1.4%	0.0%	0.0%
Real Estate	-1.3%	-0.6%	-0.7%	0.0%
S&P 500	-7.1%	-4.8%	-2.3%	0.0%

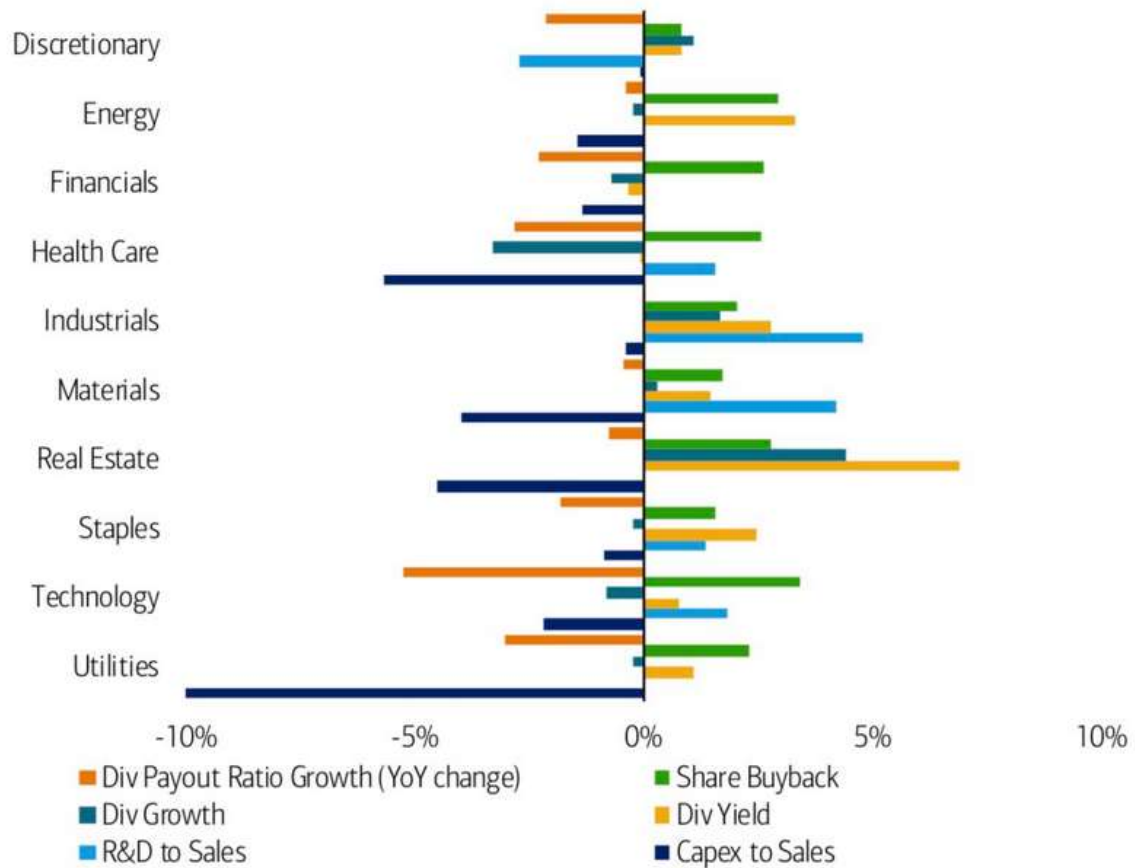
Source: BofA US Equity & Quant Strategy, Compustat

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What to buy if infrastructure heats up?

Chart 2: Don't buy the spenders, buy the companies that get the money

High capex has destroyed alpha in every sector



Source: Factset, BofA US Equity & US Quant Strategy

*Based on total return performance of top quartile of S&P 500 companies within each sector by each factor, relative to the equal-weighted total return of each sector. Dividend payout ratio growth excludes negative earners.

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S&P 500

SPX held 3800s support; next resistance 4065-4080

The breakout above the mid February downtrend line projects upside on the S&P 500 (SPX) to 4065-4080. The mid March high at 3984 offers initial resistance, but last week's new highs on the SPX advance-decline line and percentage of stocks above 200-day MAs ([Where the indicators stand: Breadth firms ahead of bullish April seasonality 28 March 2021](#)) are a leading indicator of new highs on the SPX. Last week's dip held support near the broken downtrend line, rising 50-day MA and 50% retracement of the March rally in the 3877-3853 range to keep the technicals firm and provide a measured move upside count to 4114. Additional supports: 3822 (61.8%), 3805-3789 (late February lows) and 3723-3694 (big support at the late January and early March lows).

2020 cup and handle targets 4270

The 2020 cup and handle pattern projects further upside to 4270 ([2021 Equity Technical Year Ahead](#)).

Chart 1: S&P 500 daily price chart with moving averages.

SPX: Last week's dip held support near the broken downtrend line, rising 50-day MA and 50% retracement of the March rally in the 3877-3853 range to keep the technicals firm with upside potential to beyond last week's peak at 3984 toward 4065-4080, 4114 (measured move) and then 4270 (cup and handle count).



Source: BofA Global Research, Bloomberg

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