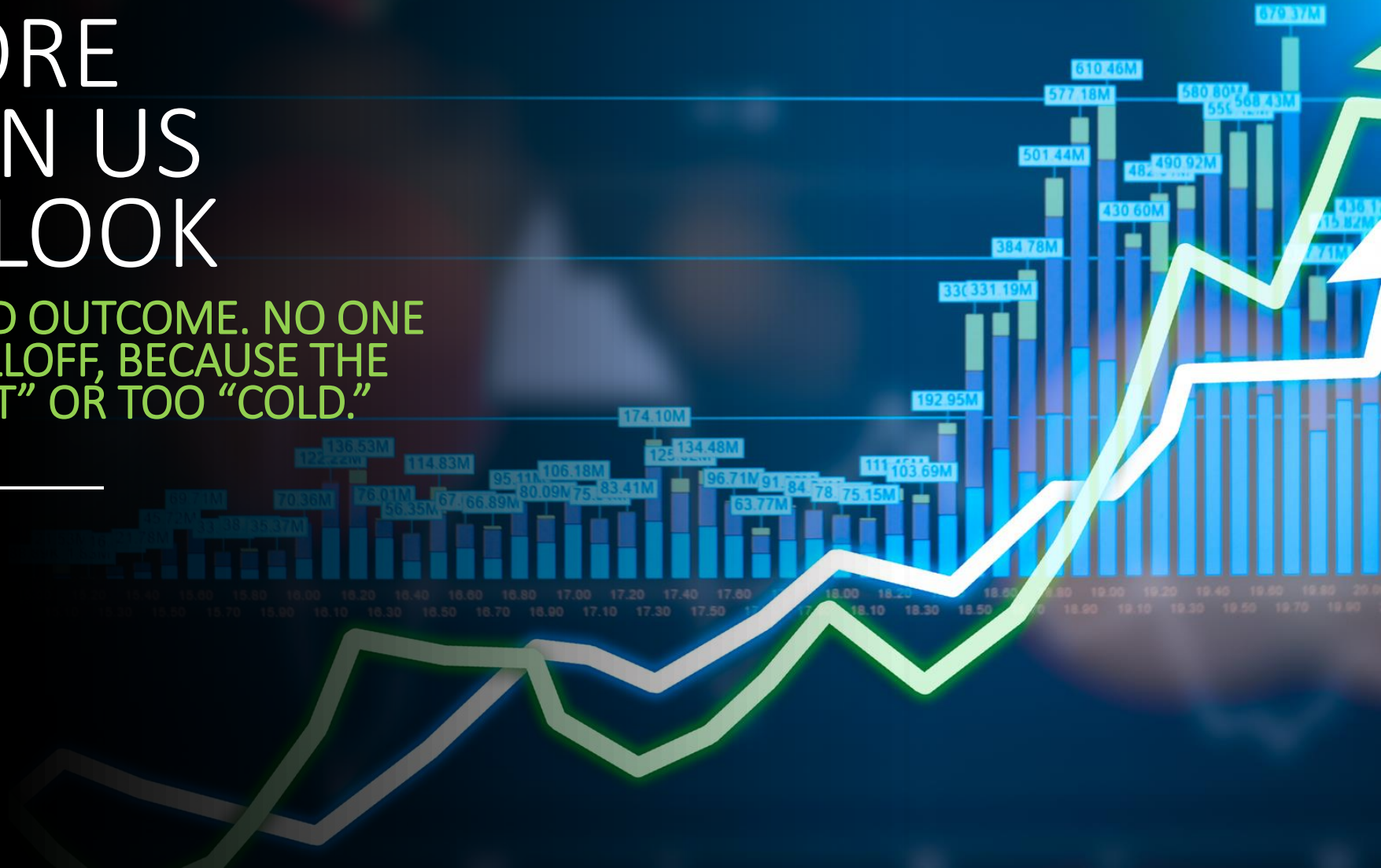




Volume Analysis

INVESTMENT BANKS BECOME MORE CAUTIOUS ON US EQUITY OUTLOOK

AND THAT'S A REALLY GOOD OUTCOME. NO ONE IS PREDICTING A SHARP SELLOFF, BECAUSE THE MARKETS AREN'T TOO "HOT" OR TOO "COLD."



OPINIONS ARE
MIXED BUT
INVESTORS WILL
BUY EQUITIES
BECAUSE ALL
OTHER
INVESTMENT
OPPORTUNITIES
ARE WORSE

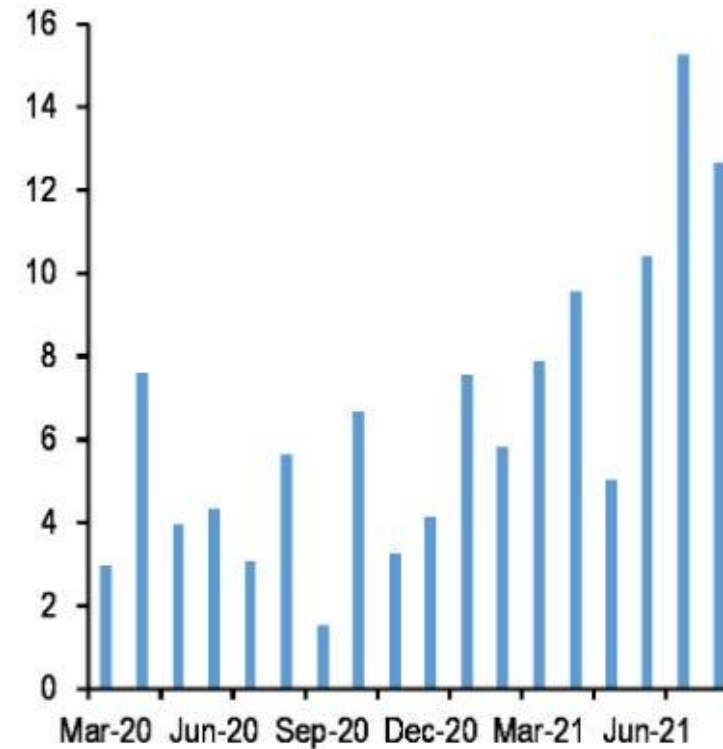
- ✓ Spreading delta virus strain, flagging global growth recovery or moves by central banks to exit pandemic stimulus all pose risks according to Goldman Sachs Group Inc., Morgan Stanley and Citigroup Inc.
- ✓ “Retail investors have been buying stocks and equity funds at such a steady and strong pace that makes an equity correction look rather unlikely.” JP Morgan.
- ✓ Q4, 2021 BlackRock. “We remain optimistic on the medium-term outlook for US stocks.”
- ✓ “If there is a new negative development, it could generate growth shocks that lead to rapid de-risking.” Goldman Sachs Portfolio Strategy.
- ✓ Goldman Sachs strategists indicate the near-term global growth optimism will allow the market to “relax,” fueling further advances in US equities.

RETAIL INVESTORS
HAVE PUT ALMOST
\$30 BILLION INTO
US EQUITIES IN
JULY & AUGUST.
“EQUITY
CORRECTION IS
UNLIKELY.”
JPMORGAN

Large Inflows Into Equities Continue.

Figure 1: Estimated retail flow into US equities and ETFs – by month

\$bn per month, constructed by our colleagues in Global Quantitative and Derivatives research, “A (Sub)Penny Saved: Tracking Retail Trading Activity in US Equities and ETFs”, January 2021, Peng Cheng et al).



Source: J.P. Morgan Global Quantitative and Derivatives Strategy

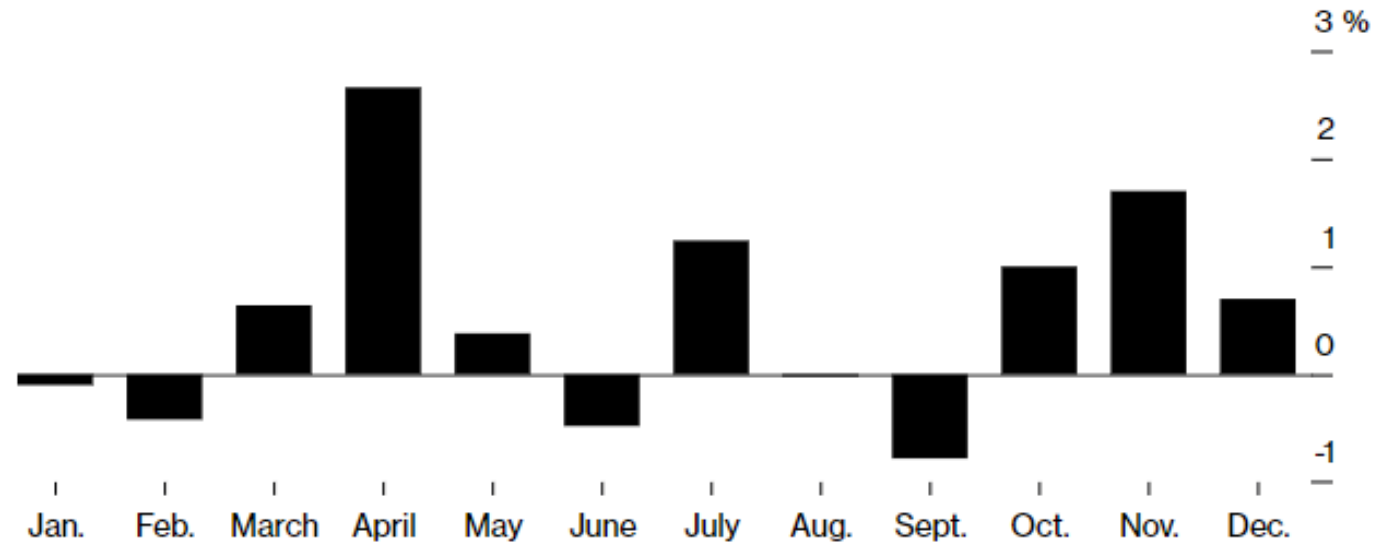
SEPTEMBER IS THE WORST MONTH OF A YEAR FOR STOCKS IN THE LAST TWO DECADES.

SEPTEMBER IS ALMOST OVER ALREADY

September Is Historically A Tough Month for Stocks

Seasonal Headwind

September is the worst month of a year for stocks in last two decades

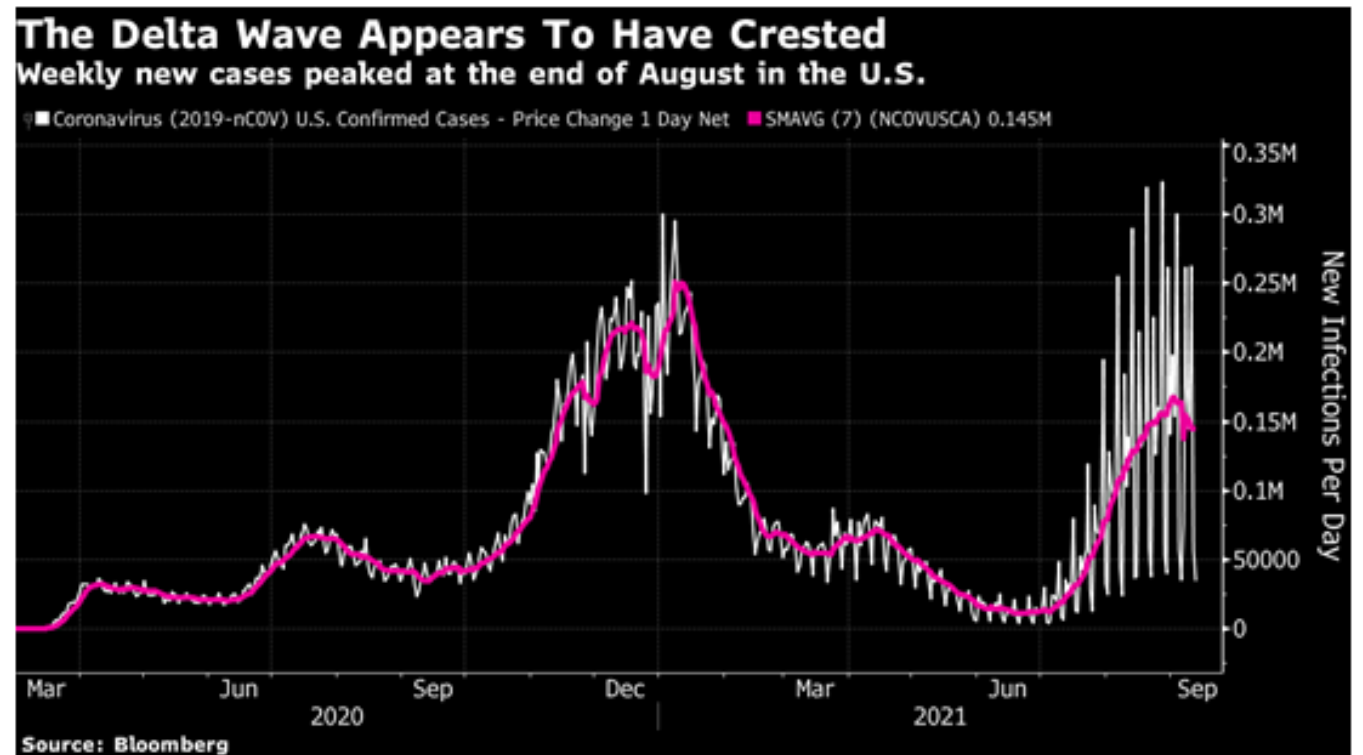


Source: Bloomberg
S&P 500's average monthly change

- ✓ Historically, September price drops have signalled buying opportunities for the October, November December rebound.

THE DELTA WAVE
APPEARS TO HAVE
PEAKED IN THE
USA

The Delta Variant Seems To Have Peaked In The U.S.



- ✓ A slowing virus will bring employees back to work.

GOLDMAN
STRATEGISTS
INDICATE THE NEAR-
TERM GLOBAL
GROWTH OPTIMISM
WILL ALLOW THE
MARKET TO
“RELAX,” FUELING
FURTHER ADVANCES
IN US EQUITIES

Goldman Believes Equities Will Rise Further.



- ✓ Moderating economic growth keeps the Fed on hold.
- ✓ Low rates are positive for equities.

US CORPORATE
DEBT TO EQUITY IS
CURRENTLY VERY
LOW WHICH COULD
LEAD TO BUYBACKS

Corporate Balance Sheets Look Strong.

Figure 7: US corporate debt to equity is currently very low

Non-financial debt as a share of equity (25%) is currently at the low end of historical range.



Note: Companies have significant additional liabilities including trade payables.

Source: Federal Reserve, BofA Global Research

- ✓ Corporate debt as a percentage of equity valuation is low.

BUYBACKS REMAIN
POPULAR WITH
INVESTORS AND
CORPORATIONS IN
THE US

Corporate Buybacks Help Lift The S&P.



- ✓ Corporations are using cash to buy back stocks.
- ✓ These buybacks help support equity prices.

US 10 YEAR
TREASURY YIELD
1.319% IS NOT
SHOWING
CONCERNS OF
INFLATION

10 Year Bond Yield Remains Low

1.319% ▼ -0.022

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

+ Comparison

1D Display Studies Settings Add Chat



- ✓ Equities remain more attractive in terms of return on investment.

Disclaimer



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