

This material is neither intended to be distributed to Mainland China investors nor to provide securities investment consultancy services within the territory of Mainland China. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan.

## Flows & Liquidity

Financial conditions impulse remains positive

- 
- **Our proxy for the financial conditions impulse remains positive, posing some upside risks for growth and inflation.**
  - **The PBoC has been more contrarian than other central banks in terms of gold purchases.**
  - **SEC' Wells notice to Robinhood should not pose an obstacle to an eventual spot ethereum ETF approval.**

- 
- After the release this week of the Fed's senior loan officer survey, along with the ECB's bank lending survey that was released a few weeks ago, financial conditions have again featured in our conversations. After the significant decline in respondents reporting a tightening in lending standards in both the US and the Euro area in the 1Q24 surveys, the latest survey suggested a modest tightening for the US in 2Q and a continued modest decline to close to zero for the euro area.

### Global Markets Strategy

**Nikolaos Panigirtzoglou** <sup>AC</sup>

(44-20) 7134-7815

nikolaos.panigirtzoglou@jpmorgan.com

J.P. Morgan Securities plc

**Mika Inkinen**

(44-20) 7742 6565

mika.j.inkinen@jpmorgan.com

J.P. Morgan Securities plc

**Mayur Yeole**

(91 22) 6157 3872

mayur.yeole@jpmchase.com

J.P. Morgan India Private Limited

**Krutik P Mehta**

(91-22) 6157-5016

krutik.mehta@jpmchase.com

J.P. Morgan India Private Limited

**See page 24 for analyst certification and important disclosures.**

J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

**Figure 1: Net percentage of banks reporting tightening standards for US C&I loans to large and middle-market firms and Euro area loans to all enterprises**



Source: Federal Reserve, ECB, J.P. Morgan.

- What about financial conditions more broadly? In order to look at this, we update the financial conditions framework (see e.g. F&L, Sep 2016) built on a paper by Kasman and Mackie, Aug 2008, on quantifying the impact of financial market developments and monetary policy actions on economic activity. They drew on a methodology described in the IMF paper “A US financial conditions index: putting credit where credit is due” by A. Swiston, who estimated the impact of changes in six financial variables on the level of GDP after one to two years. The six financial variables are: 12-month changes in the 3-month short rate, the yield on investment grade corporate bonds, and the spread of high yield corporates over that of high grade, as well as 12-month real equity returns and the 12-month change in the real FX rate and bank lending standards for businesses as reported in loan officer surveys.
- This financial conditions indicator is depicted in Figure 2 for the US and the Euro area. It shows that financial conditions steadily improved from their peak tightening in 2H22 to a net loosening by 4Q23. Moreover, this has been a broad-based improvement as the effect of past yield rises has faded, equity returns turned from a headwind to a tailwind and lending surveys have eased back significantly from their previous peaks. Based on quarter-to-date data for 2Q24 on 12-month changes to rates, spreads, returns as well as the 2Q24 lending surveys, this positive impulse from financial conditions appears to have continued.

**Figure 2: Change in financial conditions in the US and Euro area**

Positive (negative) numbers represent easing (tightening) in financial conditions.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Figure 3: US and Euro area financial conditions indicators**

This table is based on IMF working paper 08/161 – “A US financial conditions index: putting credit where credit is due”, by Andrew Swiston. HY spreads are measured relative to the yield on HG debt. Bank lending standards only cover C&I lending. The level shows each financial variable as at 4Q22 and 2Q23. For yields the level is the 12-month change in basis points; for real equity returns and the real exchange rate the moves are 12-month % changes; for bank lending standards it is the %pt change in the % of banks tightening standards for C&I loans. The impact is the effect on the level of GDP of these moves in financial variables after one year.

	US				Euro area			
	4Q22	2Q24	4Q22	2Q24	4Q22	2Q24	4Q22	2Q24
	Change	Impact	Change	Impact	Change	Impact	Change	Impact
3m rate (bp)	456	-2.4	4	0.0	270	-1.4	21	-0.1
HG yield (bp)	267	-2.2	15	-0.1	303	-2.9	-25	0.2
HY spread (bp)	185	-0.5	-105	0.3	176	-0.5	-70	0.2
Real eq return (%)	-23	-0.9	19	0.7	-24	-0.9	11	0.4
Real fx rate (%)	4.4	-0.3	1.4	-0.1	20.0	-1.3	3.1	-0.2
Loan officer survey	57.3	-2.1	-30.4	1.1	18.4	-0.7	-23.9	0.9
Total		-8.4		1.9		-7.5		1.4

Source: Bloomberg Finance L.P., J.P. Morgan.

- As we have noted previously, the methodology in the IMF paper estimated that the impact from a tightening in financial conditions on GDP typically takes between one and two years to be fully felt. While this suggests that the effect of previous tightening should be fading over time, and will increasingly be offset by the loosening that has taken place in 4Q23 and the first half of 2024. While in 2H23 central banks had pointed to tighter financial conditions substituting for further rate hikes, they appear to have largely de-prioritised financial conditions as they shifted to a tailwind. But this shift may have contributed to the positive inflation surprises since the turn of the year in the US. And to the extent they have, the catch-up in euro area financial conditions could mean that while the ECB is determined to start an easing cycle in June it could be challenged over further cuts in 2H24.
- To look at the relationship between financial conditions and growth, Figure 4 shows the financial conditions indi-

indicator for the US along with y/y real GDP growth and Figure 5 shows the same for the Euro area. Looking at the relationship around the time of the financial crisis, the trough in the financial conditions index (i.e. peak tightening) preceded the trough in y/y real GDP growth by around 2 quarters, while in 2022 the financial conditions trough in 3Q22 was followed by a trough in y/y real GDP growth by one quarter. For the euro area, the 2008 trough in financial conditions occurred one quarter before the trough in real GDP growth, while the trough (peak tightening) in end-2011 preceded a trough in real GDP growth by more than a year. In the current conjuncture, the trough in financial conditions in 4Q22 was followed by a trough in real GDP growth after four quarters.

Figure 4: Financial conditions index and y/y real GDP growth for the US



Source: Bloomberg Finance L.P., J.P Morgan.

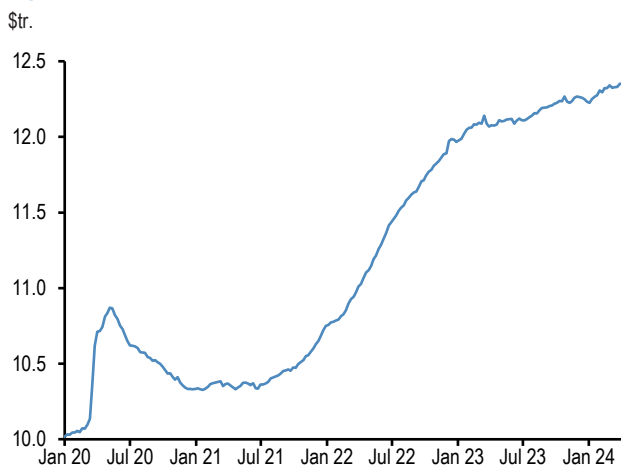
Figure 5: Financial conditions index and y/y real GDP growth for the Euro area



Source: Bloomberg Finance L.P., J.P Morgan.

after pausing for around a quarter in the aftermath of the SVB crisis, loan growth resumed from mid-July, paused again around year end before picking up from the first week of January. Since then, loan growth has averaged an annualized pace of around \$460bn. As we have argued previously, this growth is at least in part due to the liquidity offset from the declining use of the Fed's ON RRP facility that more than offset the rebuild of the TGA and the balance sheet contraction largely due to QT and helped avert a more protracted contraction in bank liquidity that would have weighed on lending growth. However, with much of the ON RRP facility having been unwound, loan growth at the YTD annualized pace is likely required just to offset the effect of ongoing QT. Indeed, in the euro area where QT and maturing TLTRO's have seen a contraction in reserves in the absence of an offset, loan growth has been largely flat since November 2022 (Figure 7). The level of outstanding loans in the euro area remains below its November 2022 level, though data for the first three months of the year suggests some signs of recovery with annualized loan growth of close to €135bn.

Figure 6: US commercial banks' loans and leases



Source: Federal Reserve, J.P Morgan.

- What about the quantity side? To look at how credit creation has evolved, we turn first to bank lending activity. Figure 6 shows outstanding loans and leases on bank balance sheets from the Fed's H.8 release, and suggests that,

**Figure 7: Euro area bank lending to non-banks excluding general government**



Source: ECB, J.P. Morgan.

- Another source of credit creation is through net issuance of debt securities. Figure 8 shows the monthly net issuance of US HG bonds for 2024 to-date, as well as for 2023 and the average for the previous five years. The significant strength of net issuance in January and February saw 1Q24 net issuance reach around \$310bn, the second strongest quarter since 2000 after 2Q20, though there appears to have been some front-loading of issuance as the pattern for the first four months is surprisingly similar to 2023 with a drop-off in the pace in March and April. Similarly, net issuance in Euro HG bonds has been similarly strong at around €109bn YTD, compared to 2023 issuance of €128bn ([European Credit Weekly](#), May 3rd), suggesting that while loan growth has remained muted credit growth via capital market issuance has been strong.

**Figure 8: Monthly net issuance of US HG bonds**



Source: Dealogic, J.P. Morgan.

- In all, the above suggests the financial conditions impulse remains positive, posing some upside risks for growth and

inflation.

**The PBoC has been more contrarian than other central banks in terms of gold purchases**

- This week's release on China's FX reserves revealed further slowing in gold purchases by the PBoC in April. Figure 9 shows that April saw the lowest monthly gold purchases since the PBoC started buying gold in November 2022. April reflects the second month in row the PBoC slowed its gold purchases considerably, perhaps in response to rising gold prices, thus pointing to contrarian behavior.

**Figure 9: Monthly gold purchases by the PBoC**



Source: Bloomberg Finance L.P., J.P. Morgan.

- In fact, by looking at quarterly flows in Figure 10, it looks like the PBoC has been more contrarian than other central banks in terms of gold purchases. While the PBoC slowed its gold purchases considerably in Q1, other central banks stepped up. And further back, looking at the correlation between quarterly gold purchases and quarterly gold price changes since Q4 2022, this correlation stood at -42% for China vs -34% for other central banks ex China.

08 May 2024

**Figure 10: Quarterly gold purchases by the PBoC vs other central banks**



Source: World Gold Council, Bloomberg Finance L.P., J.P. Morgan.

- The high overall gold purchases by central banks in Q1 have once again perturbed the historical sensitivity of gold prices to real bond yields. This is shown by the abnormally high residuals in Figure 11. These residuals are based on a linear regression of quarterly changes in the XAUEUR price to quarterly changes in the 10y real UST yield. We use the gold price in euro terms (i.e. XAUEUR) rather than dollar terms to adjust for changes in the price of dollar. As with other commodities, dollar is the settlement currency for gold and thus the gold price tends to be inversely related to dollar changes. One can see that the quarterly gold price change had been a lot higher in Q1 2024 (by around €200) than what the rise in the 10y real UST yield would typically imply. The typical sensitivity in the regression of Figure 11 is that each 100bp rise in the 10y real UST yield results to €209 decline in the price of gold and vice versa.

**Figure 11: Residual from regressing quarterly changes of the XAUEUR price to quarterly changes in the 10y real UST yield**



Source: Bloomberg Finance L.P., J.P. Morgan.

- There is little doubt that the pace of central bank purchases is key to gauging the future trajectory for gold prices. Indeed, the importance of central bank gold purchases has risen since the pandemic as shown by the correlation table of Figure 12. While before the pandemic gold ETF flows was the demand component exhibiting the highest correlation with gold prices, and thus the most important flow to watch, after the pandemic it has been central bank flows showing the highest correlation with gold.

**Figure 12: Correlation between changes in (adjusted) gold prices with changes in gold demand**

Correlation between changes in gold prices adjusted for dollar and real yield changes (i.e. the residuals of the regression in Figure 3) to quarterly changes of various demand components.

Correlation with regression residuals	Pre-pandemic	Post-pandemic
Jewellery fabrication	-0.24	-0.29
Technology	0.04	-0.29
Total bar and coin	-0.07	-0.13
ETFs & similar products	0.37	-0.01
Central banks & other inst.	-0.35	0.46
OTC and other	0.04	-0.14

Source: World Gold Council, J.P. Morgan.

- The fading of gold ETFs as an important demand indicator likely reflects a structural shift by private investors such as individuals and family offices away from physical gold ETFs to bars and coins. Privacy and tangibility have become a more important consideration for private investors since the pandemic and physical gold ETFs have a disadvantage in this respect relative to holding bars and coins. ETF transactions are recorded and their holdings are registered, thus lacking privacy and anonymity. And in a hypothetical catastrophic scenario for which investors are trying to hedge by buying gold, holding a paper certifi-

icate of gold ownership via an ETF, subjected to counterparty risk, looks less attractive and less safe than tangible gold stored privately. Indeed, at the same time as selling gold ETFs, private investors and individuals have been buying bars and coins in a rather strong and steady manner since the pandemic. And at \$250bn cumulatively since Q3 2020 these bar and coin purchases have more than outweighed gold ETF sales (-\$45bn) and have even outpaced the \$175bn of gold purchases by central banks over the same period as shown in Figure 13.

**Figure 13: Cumulative gold flows by private investors and central banks**



Source: World Gold Council, Bloomberg Finance L.P., J.P. Morgan.

- With demand for bars and coins by both private investors and by central banks remaining on an uptrend as implied by Figure 13, it is likely that gold price changes would continue to outpace those implied by real bond yields/dollar changes (i.e. the residuals in Figure 11. would be positive most of the time) .
- For additional JPM research on gold see recent reports from our colleague Greg Shearer from our Commodities Research team.

**SEC’ Wells notice to Robinhood should not pose an obstacle to an eventual spot ethereum ETF approval**

- The recent Wells notice by the SEC to retail trading platform Robinhood for unregistered security offerings, took markets by surprise. This is because Robinhood is more of a traditional trading platform with a smaller crypto trading share and a rather conservative approach towards listing and delisting of crypto tokens on its platform. Robinhood doesn’t offer staking products in order to be more compliant with the regulator. And Robinhood was prompt enough to delist three major crypto tokens (Cardano, Polygon , Solana) that were alleged to be securities by the

SEC in its lawsuit against crypto exchanges such as Coinbase and Binance last year.

- However, Robinhood still offers trading on another 13 crypto tokens outside bitcoin and ethereum, and the SEC appears to consider all crypto tokens outside bitcoin and ethereum as securities. This perhaps is how the Wells notice against Robinhood should be seen, as a continued attempt by the SEC to reinforce its position that all crypto tokens outside bitcoin and ethereum should be classified as securities. In our mind, via continued notices and lawsuits against crypto exchanges including those with smaller crypto business such as Robinhood, it appears that the SEC aims at influencing US policy makers and legislators, who at some point would need to pass legislation on how the crypto industry should be regulated in the US. And the Wells notice against Uniswap and Metamask (behind which is Consensus) makes it clear that decentralized platforms are not exempted from the SEC’s objective to eventually supervise most of the crypto industry.
- In our opinion, it does not look like the Wells notice should pose an obstacle to an eventual approval by the SEC of spot ethereum ETFs, although perhaps not as soon as this month . The template is likely to be similar to bitcoin: with futures based ethereum ETFs already approved, the SEC ( if it denies the approval of spot ethereum ETFs) is likely to face a legal challenge and eventually lose.
- The lack of approval of spot ethereum ETFs this month is unlikely to be a huge disappointment by markets. In general, markets do not expect an approval by this month as implied by the significant discount to NAV of the Grayscale Ethereum Trust ETHE in Figure 14.

**Figure 14: Premium/Discount to NAV for the Grayscale ethereum trust ETHE**



Source: Bloomberg Finance L.P., J.P. Morgan.

## Appendix

**Chart A1: Global equity & bond fund flows**

\$bn per year of Net Sales, i.e. includes net new sales + reinvested dividends for Mutual Funds and ETFs globally, i.e. for funds domiciled both inside and outside the US. Flows come from ICI (worldwide data up to Q4'23). Data since then are a combination of monthly and weekly data from Lipper, EPFR and ETF flows from Bloomberg Finance L.P.



Source: ICI, EPFR, Lipper, Bloomberg Finance L.P., J.P. Morgan.

**Table A1: Flow Monitor**

\$bn per week. The first two rows include Mutual Fund and ETF flows globally, i.e. flows for funds domiciled both inside and outside the US (source: EPFR). The last four rows only include funds domiciled in the US. International Equity funds are equity funds domiciled in the US that invest outside the US (source: ICI and Bloomberg Finance L.P.).

MF & ETF Flows	1-May	4 wk avg	13 wk avg	2024 avg
All Equity	9.83	-3.8	8.0	7.4
All Bond	4.64	7.0	10.8	10.5
US Equity	-5.80	-14.5	-4.9	-6.0
US Bonds	3.57	1.6	8.4	8.1
Non-US Equity	15.63	10.7	12.8	13.4
Non-US Bonds	1.07	5.4	2.5	2.4
US Taxable Bonds	3.13	2.1	2.7	3.7
US Municipal Bonds	0.19	0.2	0.0	0.0
US HG Bonds	1.12	1.8	5.1	5.0
US HY Bonds	0.19	-0.7	-0.1	0.3
US MMFs	14.34	-34.1	-1.3	6.3
UCITS Flows	Feb-24	3 mth avg	2023 avg	2024 avg
Euro MMFs	-15.67	16.17	15.63	7.04
Euro Equities	12.75	5.1	0.6	6.2
Euro Bonds	36.95	30.6	12.3	35.9

Source: ICI, EPFR, EFAMA, Bloomberg Finance L.P., and J.P. Morgan.

**Chart A2: Fund flow indicator**

**Difference between flows into Equity and Bond funds:** \$bn per week. Difference between flows into Equity vs. Bond funds in \$bn per week. Flows include Mutual Fund and ETF flows globally, i.e. funds domiciled both inside and outside the US (source: EPFR). The thin blue line shows the 4-week average of difference between Equity and Bond fund flows. Dotted lines depict  $\pm 1$  StDev of the blue line. The thick black line shows a smoothed version of the same series. The smoothing is done using a Hodrick-Prescott filter with a Lambda parameter of 100.



Source: EPFR, J.P. Morgan.

**Table A2: Trading turnover monitor**

Volumes are monthly and Turnover ratio is annualised (monthly trading volume annualised divided by the amount outstanding). UST Cash is primary dealer transactions in all US government securities. UST futures are from Bloomberg Finance L.P. JGBs are OTC volumes in all Japanese government securities. Bunds, Gold, Oil and Copper are futures. Gold includes Gold ETFs. Min-Max chart is based on Turnover ratio. For Bunds and Commodities, futures trading volumes are used while the outstanding amount is proxied by open interest. The diamond reflects the latest turnover observation. The thin blue line marks the distance between the min and max for the complete time series since Jan-2005 onwards. Y/Y change is change in YTD notional volumes over the same period last year.

As of Apr-24	MIN	MAX	Turnover ratio	Vol (tr)	y/y chng
<b>Equities</b>					
EM Equity*			0.8	\$0.9	16%
DM Equity*			1.2	\$8.4	12%
<b>Govt Bonds</b>					
UST cash			14.7	\$18.2	23%
UST futures			0.8	\$15.9	21%
JGBs*			43.9	¥4,124	14%
Bund futures			1.5	€6.9	21%
<b>Credit</b>					
US HG			1.1	\$0.7	25%
US HY			0.7	\$0.1	9%
US Convertibles			2.6	\$0.0	11%
<b>Commodities</b>					
Gold			56.1	\$1.5	24%
Oil			98.2	\$2.9	-28%
Copper			2.1	\$0.7	16%
<b>Digital Assets</b>					
CME Bitcoin			106.5	\$0.065	206%
CME Ethereum			178.1	\$0.011	68%

\* Data with one month lag

Source: Bloomberg Finance L.P., Federal Reserve, Trace, Japan Securities Dealer Association, WFE, J.P. Morgan.

## ETF Flow Monitor (as of 8th May)

**Chart A3: Global Cross Asset ETF Flows**

Cumulative flow into ETFs as a % of AUM



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A4: Bond ETF Flows**

Cumulative flow into bond ETFs as a % of AUM



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A5: Global Equity ETF Flows**

Cumulative flow into global equity ETFs as a % of AUM

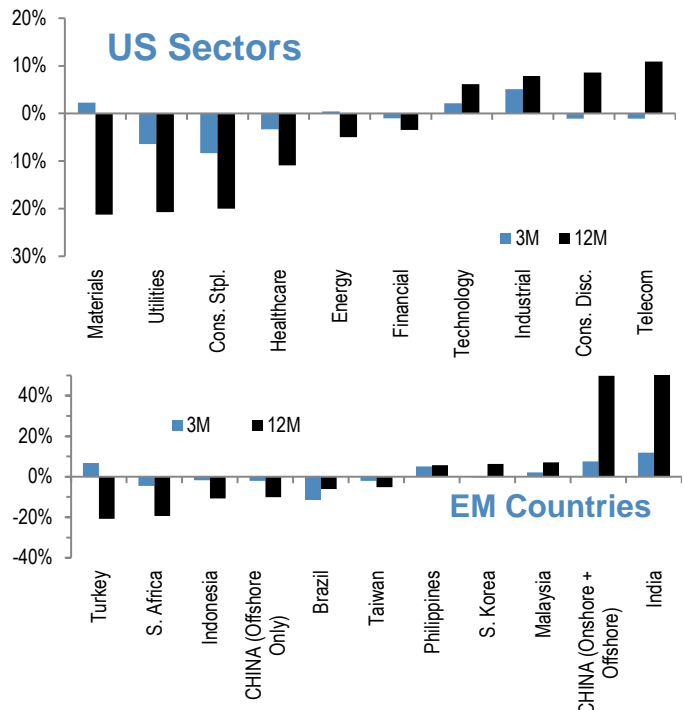


Source: Bloomberg Finance L.P., J.P. Morgan.

Note: We include ETFs with AUM > \$200mn in all the flow monitor charts. Chart A5 exclude China On-shore (A-share) ETFs from EM and in Japan. We subtract the BoJ buying of ETFs.

**Chart A6: Equity Sectoral and Regional ETF Flows**

Rolling 3-month and 12-month change in cumulative flows as a % of AUM. Both sorted by 12-month change



Source: Bloomberg Finance L.P., J.P. Morgan.



08 May 2024

## Short Interest Monitor

**Chart A7: Short interest on the EEM and EMB US ETF**

Short Interest as a % share of share outstanding.



Source: S3, J.P. Morgan

**Chart A9: Short interest on the SPY and QQQ US ETF**

Short Interest as a % share of share outstanding. Last obs is for 3rd May 2024.



Source: S3, J.P. Morgan

**Chart A8: Short interest on the LQD and HYG US ETF**

Short Interest as a % share of share outstanding.



Source: S3, J.P. Morgan

**Chart A10: S&P500 sector short interest**

Short interest as a % of shares outstanding based on z-scores. A strategy which overweights the S&P500 sectors with the highest short interest z-score (as % of shares o/s) vs. those with the lowest, produced an information ratio of 0.7 with a success rate of 56% (see F&L, Jun 28,2013 for more details).



Source: NYSE, Bloomberg Finance L.P., J.P. Morgan

## Chart A11a: Cross Asset Volatility Monitor 3m ATM Implied Volatility (1y history) as of 7th May-2024

This table shows the richness/cheapness of current three-month implied volatility levels (red dot) against their one-year historical range (thin blue bar) and the ratio to current realised volatility. Assets with implied volatility outside their 25th/75th percentile range (thick blue bar) are highlighted. The implied-to-realised volatility ratio uses 3-month implied volatilities and 1-month (around 21 trading days) realised volatilities for each asset.

Asset	Current	Low	Low date	High	High date	Upside	Downside	Implied/realized volatility
S&P 500	13%	12%	23-Jan-24	19%	27-Oct-23	6%	1%	0.84x
EuroSTOXX	13%	12%	27-Feb-24	19%	20-Oct-23	7%	1%	1.00x
Nikkei 225	18%	15%	12-May-23	21%	26-Oct-23	3%	3%	0.84x
Hang Seng	22%	20%	14-Jun-23	25%	21-Aug-23	3%	3%	0.99x
MSCI EM	14%	11%	28-Mar-24	32%	26-Jan-24	18%	3%	0.75x
Gold	14%	10%	27-Feb-24	17%	15-Apr-24	3%	4%	0.82x
Oil (brent)	22%	22%	27-Mar-24	41%	13-Oct-23	17%	2%	0.94x
Copper	24%	15%	01-Mar-24	26%	25-May-23	2%	9%	1.05x
BB commodity index	14%	13%	16-Feb-24	18%	31-May-23	4%	1%	1.26x
EUR/USD	6%	5%	13-Mar-24	8%	20-Oct-23	2%	1%	0.94x
USD/NOK	10%	10%	29-Mar-24	14%	14-Aug-23	3%	1%	1.01x
USD/JPY	9%	8%	27-Feb-24	11%	15-Dec-23	2%	2%	0.86x
GBP/USD	7%	6%	13-Mar-24	9%	21-Jun-23	2%	1%	0.92x
USD/CHF	7%	6%	13-Mar-24	8%	10-May-23	2%	1%	0.96x
10y US swaps	99%	93%	28-Mar-24	135%	20-Oct-23	36%	7%	1.03x
10y Eur swaps	82%	74%	28-Mar-24	109%	10-Oct-23	27%	8%	0.98x
CDX IG	41%	37%	20-Mar-24	54%	09-May-23	13%	4%	1.25x
CDX HY	36%	32%	27-Mar-24	49%	09-May-23	13%	4%	1.36x
iTraxx	44%	37%	22-Nov-23	56%	09-May-23	12%	6%	1.31x
iTraxx X/O	41%	32%	22-Nov-23	50%	09-May-23	10%	9%	1.32x

Source: J.P. Morgan, Bloomberg Finance L.P.

Note: Swaps volatility is 3m 10y payer ATM implied annualized BP vol and credit volatility is 3m 5y on-the-run ATM spread volatility. MSCI EM, Gold, Oil, Copper, BB Commodity Index and Treasury futures are 3m implied vol from Bloomberg.

### Definitions:

Current:	Latest available closing level (06-May-24)
Low:	Lowest closing level in the last 1y
Low date:	Date the lowest closing level was reached (or the first time it was reached in the case of several identical low closing levels)
High:	Highest closing level in the last 1y
High date:	Date the highest closing level was reached (or the first time it was reached in the case of several identical high closing levels)
Graph:	Shows the current level and the 25th/75th percentile relative to the 1y high/low
Upside:	Implied return/volatility percentage points from current level up to the High (note: return is calculated as simple difference for spread products)
Upside (σ):	Upside in terms of standard deviations (Upside / Current 1y realized volatility)
Downside:	Implied return/volatility percentage points from current level down to the Low (note: return calculated as simple difference for spread products)
Downside (σ):	Downside in terms of standard deviations (Downside / Current 1y realized volatility)
Implied/realized volatility:	Current 3m implied volatility / current realized 3m volatility

08 May 2024

**Chart A11b: Option skew monitor**

Skew is the difference between the implied volatility of out-of-the-money (OTM) call options and put options. A positive skew implies more demand for calls than puts and a negative skew, higher demand for puts than calls. It can therefore be seen as an indicator of risk perception in that a highly negative skew inequities is indicative of a bearish view. The chart shows z-score of the skew, i.e. the skew minus a rolling 2-year avg skew divided by a rolling two-year standard deviation of the skew. A negative skew on iTraxx Main means investors favour buying protection, i.e. a short risk position. A positive skew for the Bund reflects a long duration view, also a short risk position.



Source: J.P. Morgan.

**Chart A11c: Equity-Bond metric map**

**Explanation of Equity - Bond metric map:** Each of the five axes corresponds to a key indicator for markets. The position of the blue line on each axis shows how far the current observation is from the extremes at either end of the scale. For example, a reading at the centre for value would mean that risky assets are the most expensive they have ever been while a reading at the other end of the axis would mean they are the cheapest they have ever been. Overall, the larger the blue area within the pentagon, the better for the risky markets. All variables are expressed as the percentile of the distribution that the observation falls into. I.e. a reading in the middle of the axis means that the observation falls exactly at the median of all historical observations. **Value:** The slope of the risk-return trade-off line calculated across USTs, US HG and HY corporate bonds and US equities(see GMOS p. 6, Loeys et al, Jul 6 2011 for more details). **Positions:** Difference between net spec positions on US equities and intermediate sector UST. See Chart A13. **Flow momentum:** The difference between flows into equity funds (incl. ETFs) and flows into bond funds. Chart A1. We then smooth this using a Hodrick-Prescott filter with a lambda parameter of 100. We then take the weekly change in this smoothed series as shown in Chart A1. **Economic momentum:** The 2-month change in the global manufacturing PMI. (See REVISITING: Using the Global PMI as trading signal, Nikolaos Panigirtzoglou, Jan 2012). **Equity price momentum:** The 6-month change in the S&P500 equity index. As of 3rd May 24.



Source: Bloomberg Finance L.P., J.P. Morgan.

## Spec position monitor

### Chart A12: Weekly Spec Position Monitor

Net spec positions are proxied by the number of long contracts minus the number of short contracts using the speculative category of the Commitments of Traders reports (as reported by CFTC). To proxy for speculative investors for equity and US Treasury bond futures positions we use Asset managers and leveraged funds (see Chart A13), whereas for other assets we use the legacy Non-Commercial category. This net position is then converted to a dollar amount by multiplying by the contract size and then the corresponding futures price. We then scale the net positions by open interest. The chart shows the z-score of these net positions. US rates is a duration-weighted composite of the individual UST futures contracts excluding the Eurodollar contract.



Source: Bloomberg Finance L.P., CFTC, J.P. Morgan

### Chart A13: Positions in US equity futures by Asset managers and Leveraged funds

CFTC positions in US equity futures by Leveraged funds and Asset managers (as a % of open interest). It is an aggregate of the S&P500, DowJones, NASDAQ and their Mini futures contracts.



Source: CFTC, Bloomberg Finance L.P. and J.P. Morgan

### Chart A14: Spec position indicator on Risky vs. Safe currencies

Difference between net spec positions on risky & safe currencies. Net spec position is calculated in USD across 5 'risky' and 3 'safe' currencies (safe currencies also include Gold). These positions are then scaled by open interest and we take an average of 'risky' and 'safe' assets to create two series. The chart is then simply the difference between the "risky" and "safe" series. The final series shown in the chart below is demeaned using data since 2006. The risky currencies are: AUD, NZD, CAD, RUB, MXN and BRL. The safe currencies are: JPY, CHF and Gold.



Source: Bloomberg Finance L.P., CFTC, J.P. Morgan.

### Chart A15: Spec position indicator on US equity futures vs. intermediate sector UST futures

Difference between net spec positions on US equity futures vs. intermediate sector UST futures. This indicator is derived by the difference between total CFTC positions in US equity futures by Asset managers + Leveraged Funds scaled by open interest minus the Asset managers + Leveraged Funds spec position on intermediate sector UST futures (i.e. all UST futures duration weighted ex ED and ex 2Y UST futures) also scaled by open interest.



Source: CFTC, Bloomberg Finance L.P. and J.P. Morgan

## Mutual fund and hedge fund betas

**Chart A16: 21-day rolling beta of 20 biggest active US bond mutual fund managers with respect to the US Agg Bond Index**

The dotted line shows the average beta since 2013.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A17: 21-day rolling beta of 20 biggest active Euro bond mutual fund managers with respect to the Euro Agg Bond Index**

The dotted line shows the average beta since 2013.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A18: Performance of various type of investors**

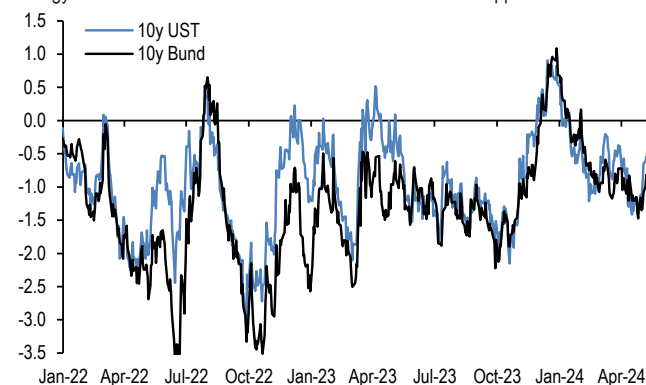
The table depicts the performance of various types of investors in % as of 6th May 2024.

Date	2017	2018	2019	2020	2021	2022	2023	2024
<b>Investors</b>								
Equity L/S	11.5%	-4.8%	12.6%	13.4%	9.3%	-7.0%	11.3%	5.8%
Macro ex-CTAs	0.9%	-2.0%	5.6%	4.9%	4.3%	11.5%	1.3%	4.8%
CTAs	1.7%	-3.7%	7.1%	1.2%	8.8%	14.7%	-2.5%	11.1%
Risk Parity Funds	13.5%	-6.5%	18.4%	3.5%	4.7%	-18.6%	6.0%	2.2%
US Balanced MFs	14.0%	-4.9%	20.1%	13.2%	14.4%	-13.0%	13.8%	4.1%
<b>Benchmark</b>								
MSCI AC World	24.0%	-9.4%	26.6%	16.3%	16.4%	-18.4%	22.2%	7.3%
Barclays Global Agg	3.0%	1.8%	8.2%	5.6%	-2.5%	-11.2%	7.1%	-0.7%
60 US Equity : 40 US Bonds	14.3%	-1.9%	22.2%	13.3%	14.8%	-15.4%	18.6%	5.1%
S&P Riskparity Vol 10	10.4%	-4.3%	22.8%	11.5%	12.8%	-16.2%	15.0%	4.4%

Source: Bloomberg Finance L.P., HFR, Pivotal Path, J.P. Morgan.

**Chart A19: Momentum signals for 10Y UST and 10Y Bunds**

Average z-score of Short- and Long-term momentum signal in our Trend Following Strategy framework shown in Tables A3 and A4 below in the Appendix



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A20: Momentum signals for S&P500**

Average z-score of Short- and Long-term momentum signal in our Trend Following Strategy framework shown in Tables A3 and A4 below in the Appendix.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A21: Equity beta of US Balanced Mutual funds and Risk Parity funds**

Rolling 21-day equity beta based on a bivariate regression of the daily returns of our Balanced Mutual fund and Risk Parity fund return indices to the daily returns of the S&P 500 and BarCap US Agg indices. Given that these funds invest in both equities and bonds we believe that the bivariate regression will be more suitable for these funds. Our risk parity index consists of 25 daily reporting Risk Parity funds. Our Balanced Mutual fund index includes the top 20 US-based active funds by assets and that have existed since 2006. Our Balanced Mutual fund index has a total AUM of \$700bn, which is around half of the total AUM of \$1.5tr of US based Balanced funds which we believe to be a good proxy of the overall industry. It excludes tracker funds and funds with a low tracking error. Dotted lines are average since 2015.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A22: Equity beta of monthly reporting Equity Long/Short hedge funds**

Proxied by the ratio of the monthly performance of Pivotal Path Asset-Weighted Equity Hedge fund index divided by the monthly performance of MSCI ACWorld Index.



Source: Bloomberg Finance L.P., Pivotal Path, J.P. Morgan

**Chart A23: USD exposure of currency hedge funds**

The net spec position in the USD as reported by the CFTC. Spec is the non-commercial category from the CFTC.



Source: CFTC, Barclay, Datastream, Bloomberg Finance L.P., J.P. Morgan.

## CTAs – Trend following investors’ momentum indicators

**Table A3: Simple return momentum trading rules across various commodities**

Optimal lookback period of each momentum strategy combined with a mean reversion indicator that turns signal neutral when momentum z-score more than 1.5 standard deviations above or below mean, and a filter that turns neutral when the z-score is low (below 0.05 and above -0.05) to avoid excessive trading. Lookbacks, current signals and z-scores are shown for shorter-term and longer-term momentum separately, along with performance of a combined signal. Annualized return, volatility and information ratio of the signal; current signal; and z-score of the current return over the relevant lookback period; data from 1999 onward.

		Lookback (moving avg, days)	Annualized return (%)	Vol (%)	IR	Current signal	Time since last change (days)	Z-score	% Change of return index from its moving average
WTI	short	21				-1	6	-0.8	-5.0%
	long	42	7.7	22.6	0.34	1	38	0.1	2.1%
Brent	short	84				1	63	0.1	0.8%
	long	462	6.4	21.6	0.30	1	39	0.1	3.3%
Unleaded gas	short	105				1	64	0.1	0.7%
	long	504	4.6	23.7	0.20	1	64	0.2	6.1%
Heat Oil	short	63				-1	14	-0.6	-6.4%
	long	483	6.1	21.8	0.28	0	4	0.0	0.5%
Gasoil	short	63				-1	13	-0.6	-5.8%
	long	483	9.2	20.7	0.45	1	85	0.2	6.6%
Nat gas	short	105				-1	50	-0.2	-3.9%
	long	378	17.9	35.4	0.50	-1	51	-0.9	-28.5%
EU emission allowances	short	42				1	12	1.0	10.3%
	long	483	12.2	30.2	0.41	-1	146	-0.4	-15.0%
Gold	short	21				-1	5	-0.4	-1.2%
	long	483	3.4	10.5	0.33	1	11	1.3	14.5%
Silver	short	10				1	1	0.3	0.9%
	long	462	5.2	18.9	0.28	1	46	0.6	13.7%
Palladium	short	42				-1	9	-0.4	-3.7%
	long	273	13.7	22.7	0.61	-1	407	-0.7	-16.8%
Platinum	short	105				1	6	0.6	5.0%
	long	273	5.5	18.1	0.30	1	0	0.2	2.4%
Aluminium	short	105				1	8	1.1	8.9%
	long	357	5.4	15.2	0.35	1	24	0.4	6.2%
Copper	short	147				1	48	1.1	14.2%
	long	399	8.5	17.4	0.49	1	41	0.6	14.0%
Lead	short	126				1	23	0.4	4.8%
	long	357	2.0	19.8	0.10	1	13	0.2	4.3%
Nickel	short	42				1	24	0.7	6.0%
	long	336	13.2	23.5	0.56	-1	313	-0.3	-8.1%
Zinc	short	126				1	24	1.3	14.5%
	long	399	9.6	20.0	0.48	1	18	0.4	8.5%
Wheat	short	168				1	2	0.5	6.1%
	long	294	3.8	23.6	0.16	-1	114	-0.2	-2.7%
Kansas wheat	short	147				1	9	0.7	8.3%
	long	483	8.4	21.1	0.40	-1	43	-0.7	-14.4%
Corn	short	63				1	4	0.6	4.5%
	long	399	7.9	17.0	0.46	-1	204	-0.8	-15.1%
Soybeans	short	42				1	3	0.8	4.4%
	long	231	5.8	14.7	0.40	-1	100	-0.4	-5.2%
Cotton	short	168				-1	22	-0.8	-11.8%
	long	483	5.1	18.8	0.27	-1	23	-0.5	-12.8%
Sugar	short	63				-1	22	-0.6	-5.3%
	long	252	7.4	21.8	0.34	-1	68	-0.7	-13.5%
Coffee	short	63				0	0	0.0	-0.2%
	long	273	5.7	23.3	0.24	1	5	0.8	14.8%
Cocoa*	short	10				-1	0	-1.9	-6.5%
	long	10	5.0	28.3	0.18	-1	0	-1.9	-6.5%

\* For cocoa, uses only short-term momentum and a z-score threshold of 3 rather than 1.5 as for other contracts.

Source: Bloomberg Finance L.P., J.P. Morgan calculations.

**Table A4: Simple return momentum trading rules across international equity indices, bond futures and FX**

Optimal lookback period of each momentum strategy combined with a mean reversion indicator that turns signal neutral when momentum z-score more than 1.5 standard deviations above or below mean, and a filter that turns neutral when the z-score is low (below 0.05 and above -0.05) to avoid excessive trading. Lookbacks, current signals and z-scores are shown for shorter-term and longer-term momentum separately, along with performance of a combined signal. Annualized return, volatility and information ratio of the signal; current signal; and z-score of the current return over the relevant lookback period; data from 1999 onward.

		Lookback (moving avg, days)	Annualized return (%)	Vol (%)	IR	Current signal	Time since last change (days)	Z-score	% Change of return index from its moving average
S&P 500	short	84				1	3	0.6	2.9%
	long	357	7.1	11.9	0.59	0	1	1.6	17.2%
Nasdaq 100	short	84				1	2	0.3	2.0%
	long	462	8.2	14.8	0.55	1	17	1.4	27.3%
Nikkei	short	84				1	7	0.3	2.1%
	long	294	4.0	14.4	0.27	1	15	1.3	17.0%
FTSE 100	short	168				0	0	1.5	9.9%
	long	462	4.7	12.1	0.39	1	401	1.3	13.6%
Eurostoxx 50	short	168				1	22	1.2	11.0%
	long	315	4.7	15.6	0.30	1	135	1.2	14.7%
MSCI EM	short	42				1	7	0.6	2.9%
	long	336	13.0	11.4	1.14	1	75	0.6	9.2%
2Y USTs	short	252				-1	80	-0.8	-1.0%
	long	420	1.1	1.1	0.97	-1	126	-1.0	-1.8%
5Y USTs	short	252				-1	67	-0.6	-1.6%
	long	420	2.0	3.1	0.64	-1	134	-0.8	-2.8%
10Y USTs	short	42				-1	7	-0.2	-0.3%
	long	504	2.4	3.7	0.63	-1	123	-0.9	-4.7%
2Y Schatz	short	189				0	67	-2.7	-2.1%
	long	504	0.6	0.9	0.71	0	262	-3.1	-4.5%
5y Bobl	short	84				-1	1	-1.2	-1.3%
	long	483	1.6	2.0	0.78	0	15	-1.5	-4.8%
10y Bund	short	84				-1	7	-0.7	-1.3%
	long	483	2.7	3.7	0.73	-1	116	-1.0	-4.9%
10Y JGB	short	126				-1	19	-0.5	-0.5%
	long	273	1.0	2.1	0.49	-1	18	-0.2	-0.3%
10Y Gilts	short	105				-1	2	-0.8	-2.1%
	long	399	2.0	4.4	0.45	-1	110	-0.9	-4.9%
Euro	short	42				-1	33	-0.4	-0.8%
	long	273	3.1	6.2	0.50	-1	178	-0.7	-4.2%
Yen	short	21				-1	1	-0.4	-0.6%
	long	462	3.6	6.3	0.57	0	80	-2.0	-16.4%
Sterling	short	168				-1	33	-0.4	-1.9%
	long	294	2.2	7.1	0.31	-1	41	-0.6	-3.5%
AUD	short	42				1	2	0.1	0.4%
	long	420	4.1	7.7	0.53	-1	406	-0.5	-5.2%
CAD	short	168				-1	90	-0.8	-3.1%
	long	504	0.9	6.0	0.15	-1	496	-1.1	-7.1%

Source: Bloomberg Finance L.P., J.P. Morgan calculations.

## Corporate Activity

**Chart A24: G4 non-financial corporate capex and cash flow as % of GDP**

% of GDP, G4 includes the US, the UK, the Euro area and Japan. Last observation as of Q4 2023.



Source: ECB, BOJ, BOE, Federal Reserve flow of funds, J.P. Morgan.

**Chart A25: G4 non-financial corporate sector net debt and equity issuance**

\$tr per quarter, G4 includes the US, the UK, the Euro area and Japan. Last observation as of Q4 2023.



Source: ECB, BOJ, BOE, Federal Reserve flow of funds, J.P. Morgan.

**Chart A26: Global M&A and LBO**

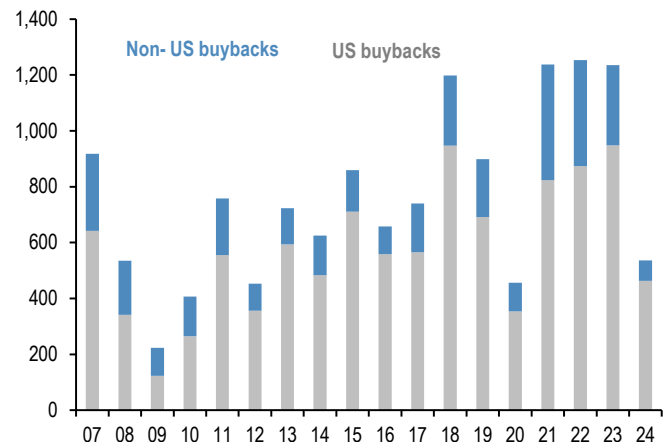
\$tr. M&A and LBOs are announced.



Source: Dealogic, J.P. Morgan.

**Chart A27: US and non-US share buyback**

\$bn, are as of Apr'24. Buybacks are announced.



Source: Bloomberg Finance L.P., Thomson Reuters, J.P. Morgan



## Pension fund and insurance company flows

**Chart A28: G4 pension funds and insurance companies equity and bond flows**

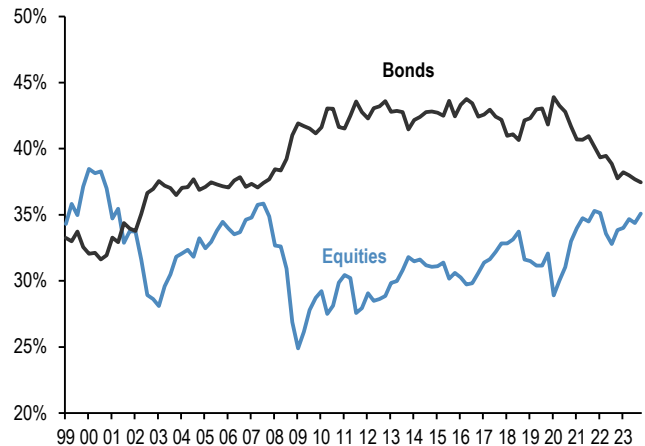
Equity and bond buying in \$bn per quarter. G4 includes the US, the UK, Euro area and Japan. Last observation is Q4 2023.



Source: ECB, BOJ, BOE, Federal Reserve flow of funds, J.P. Morgan.

**Chart A29: G4 pension funds and insurance companies equity and bond levels**

Equity and bond as % of total assets per quarter. G4 includes the US, the UK, Euro area and Japan. Last observation is Q4 2023.



Source: ECB, BOJ, BOE, Federal Reserve flow of funds., J.P. Morgan

**Chart A30: Pension fund deficits**

US\$bn. For US, funded status of the 100 largest corporate defined benefit pension plans, from Milliman. For UK, funded status of the defined benefit schemes eligible for entry to the Pension Protection Fund, converted to US\$at today's exchange rates. Last obs. is Mar'24 for US & UK.



Source: Milliman, UK Pension Protection Fund, J.P. Morgan.

**Chart A31: G4 pension funds and insurance companies cash and alternatives levels**

Cash and alternative investments as % of total assets per quarter. G4 includes the US, the UK, Euro area and Japan. Last observation is Q4 2023.



Source: ECB, BOJ, BOE, Federal Reserve flow of funds, J.P. Morgan.

## Credit Creation

**Chart A32: Credit creation in the US, Japan and Euro area**

Rolling sum of 4-quarter credit creation as % of GDP. Credit creation includes both bank loans as well as net debt issuance by non-financial corporations and households. Last obs. is Q4'23 for US, Japan, & Euro Area.



Source: Fed, ECB, BoJ, Bloomberg Finance L.P., and J.P. Morgan calculations.

**Chart A33: Credit creation in EM**

Rolling sum of 4-quarter credit creation as % of GDP. Credit creation includes both bank loans as well as net debt issuance by non-financial corporations and households. Last obs. is for Q3'23.



Source: G4 Central banks FoF, BIS, ICI, Barcap, Bloomberg Finance L.P., IMF, and J.P.Morgan calculation

**Chart A34: Monthly net issuance of US HG bonds**

\$bn. May 2024.



Source: Dealogic, J.P. Morgan

**Table A5: Equity and Bond issuance**

\$bn. Equity supply and corporate announcements are based on announced deals, not completed. M&A is announced deal value and buybacks are announced transactions. Y/Y change is change in YTD announcements over the same period last year.

Equity Supply	3-May	4 wk avg	13 wk avg	y/y chng
Global IPOs	5.2	3.4	2.3	-16%
Secondary Offerings	2.7	4.2	7.6	14%
<b>Corporate announcements</b>				
M&A - Global	41.6	61.2	72.0	31%
- US Target	17.9	22.1	36.6	64%
- Non-US Target	23.7	39.1	35.3	6%
<b>Net bond issuance</b>				
	Feb-24	3 mth avg	YTD avg	y/y chng
USD	129	172	207	97%
Non-USD	2	44	133	-44%

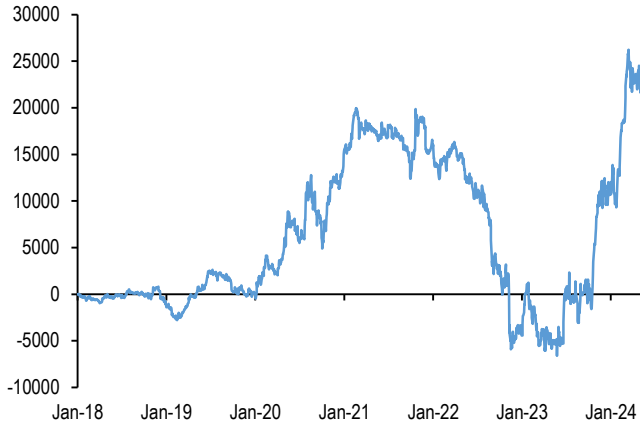
Source: Bloomberg Finance L.P., Dealogic, Thomson Reuters, J.P. Morgan.

08 May 2024

## Bitcoin monitor

**Chart A35: Our Bitcoin position proxy based on open interest in CME Bitcoin futures contracts**

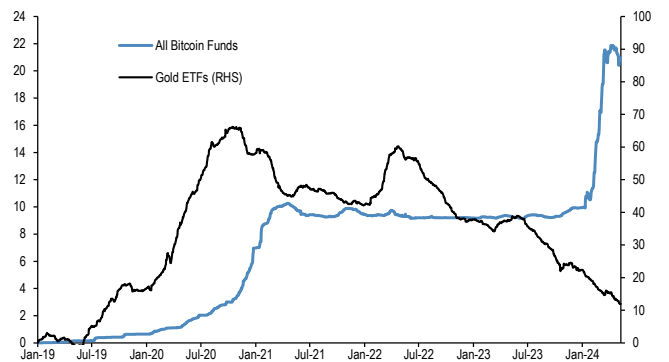
In number of contracts. Last obs. for 7<sup>th</sup> May 2024.



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A36: Cumulative Flows in all Bitcoin funds and Gold ETF holdings**

Both the y-axis in \$bn.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A37: Ratio of Bitcoin market price to production cost**

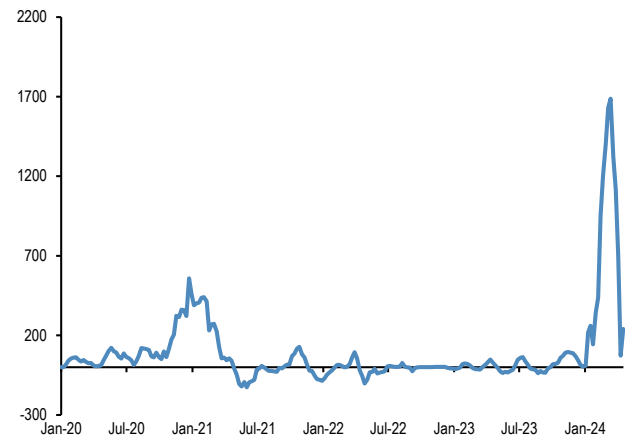
Based on the cost of production approach following Hayes (2018).



Source: Bitinfocharts, J.P. Morgan

**Chart A38: Flow pace into publicly-listed Bitcoin funds including Bitcoin ETFs**

\$mm per week, 4-week rolling average flow.

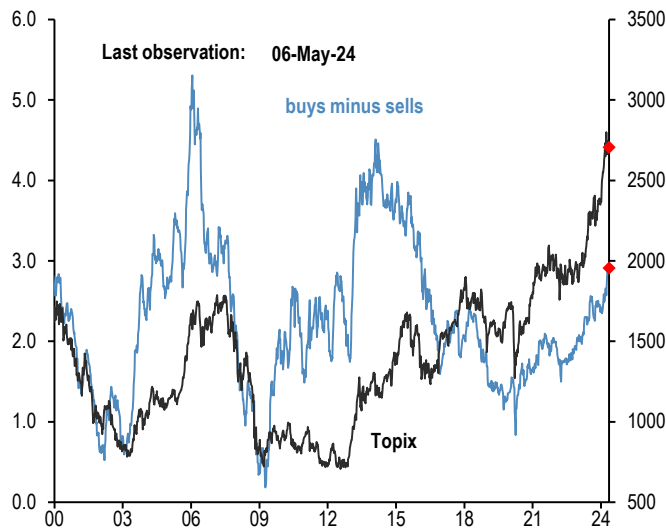


Source: Bloomberg Finance L.P., J.P. Morgan.

## Japanese flows and positions

**Chart A39: Tokyo Stock Exchange margin trading: total buys minus total sells**

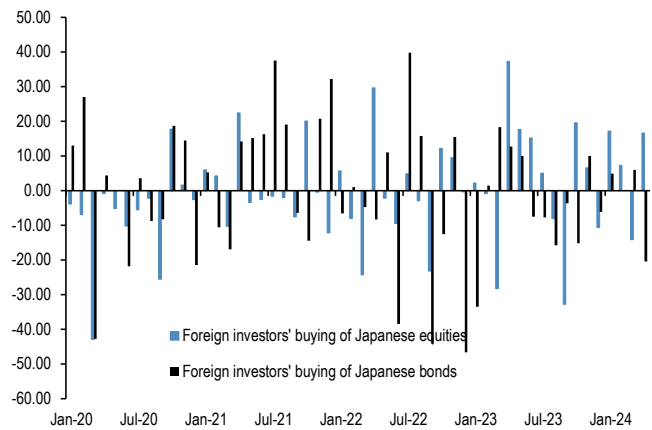
In bn of shares. Topix on right axis.



Source: Tokyo Stock Exchange, Bloomberg Finance L.P., J.P. Morgan.

**Chart A40: Monthly net purchases of Japanese bonds and Japanese equities by foreign residents**

\$bn, Last weekly obs. is for 26th Apr' 24.



Source: Japan MoF, Bloomberg Finance L.P., and J.P. Morgan.

**Chart A41: Monthly net purchases of foreign bonds and foreign equities by Japanese residents**

\$bn, Last weekly obs. is for 26th Apr' 24.



Source: Japan MoF, Bloomberg Finance L.P., and J.P. Morgan.

**Chart A42: Overseas CFTC spec positions**

CFTC spec positions are in \$bn. For Nikkei we use CFTC positions in Nikkei futures (USD & JPY) by Leveraged funds and Asset managers.



Source: Bloomberg Finance L.P., CFTC, J.P. Morgan calculations.

## Commodity flows and positions

**Chart A43: Gold spec positions**

\$bn. CFTC net long minus short position in futures for the Managed Money category.



Source: CFTC, Bloomberg Finance L.P., J.P. Morgan.

**Chart A44: Gold ETFs**

Mn troy oz. Physical gold held by all gold ETFs globally.



Source: Bloomberg Finance L.P., J.P. Morgan.

**Chart A45: Oil spec positions**

Net spec positions divided by open interest. CFTC futures positions for WTI and Brent are net long minus short for the Managed Money category.



Source: CFTC, Bloomberg Finance L.P., J.P. Morgan.

**Chart A46: Energy ETF flows**

Cumulative energy ETFs flow as a % of AUM. MLP refers to the Alerian MLP ETF.



Source: CFTC, Bloomberg Finance L.P., J.P. Morgan.

## Corporate FX hedging proxies

**Chart A47: Average beta of Eurostoxx 50 companies and Eurostoxx Small-Cap to trade-weighted EUR**

Rolling 26 weeks average betas based on a bivariate regression of the weekly returns of individual stocks in the Eurostoxx 50 index to the weekly returns of the MSCI AC World and JPM EUR Nominal broad effective exchange rate (NEER).



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A48: Average beta of S&P500 companies to trade-weighted US dollar**

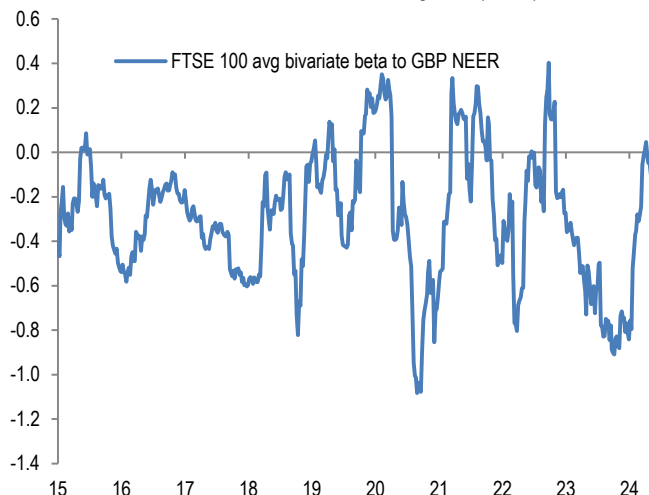
Rolling 26 weeks average betas based on a bivariate regression of the weekly returns of stocks in the S&P500 index to the weekly returns of the MSCI AC World and JPM USD Nominal broad effective exchange rate (NEER).



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A49: Average beta of FTSE 100 companies to trade-weighted GBP**

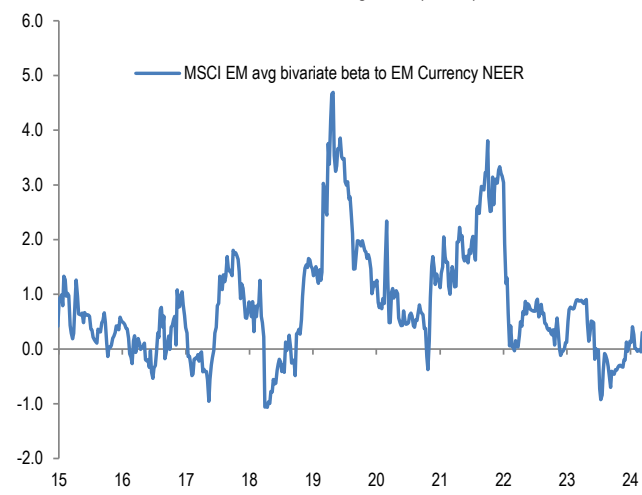
Rolling 26 weeks average betas based on a bivariate regression of the weekly returns of individual stocks in the FTSE 100 index to the weekly returns of the MSCI AC World and JPM GBP Nominal broad effective exchange rate (NEER).



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A50: Average beta of MSCI EM companies to trade-weighted EM Currency Index**

Rolling 26 weeks average betas based on a bivariate regression of the weekly returns of individual stocks in the MSCI EM index to the weekly returns of the MSCI AC World and JPM EM Nominal broad effective exchange rate (NEER).



Source: Bloomberg Finance L.P., J.P. Morgan

## Non-Bank investors' implied allocations

**Chart A51: Implied equity allocation by non-bank investors globally**

Global equities as % total holdings of equities/bonds/M2 by non-bank investors. Dotted lines are averages.



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A52: Implied bond allocation by non-bank investors globally**

Global bonds as % total holdings of equities/bonds/M2 by non-bank investors. Dotted lines are averages.



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A53: Implied cash allocation by non-bank investors globally**

Global cash held by non-bank investors as % total holdings of equities/bonds/M2 by non-bank investors. Dotted lines are averages.



Source: Bloomberg Finance L.P., J.P. Morgan

**Chart A54: Implied commodity allocation by non-bank investors globally**

Proxied by the open interest of commodity futures ex gold as % of the stock of equities, bonds and cash held by non-bank investors globally.



Source: Bloomberg Finance L.P., J.P. Morgan

**Analyst Certification:** The Research Analyst(s) denoted by an “AC” on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an “AC” on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst’s personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst’s compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst’s analysis was made in good faith and that the views reflect the Research Analyst’s own opinion, without undue influence or intervention.

All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

**Important Disclosures**

**Company-Specific Disclosures:** Important disclosures, including price charts and credit opinion history tables, are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting <https://www.jpmm.com/research/disclosures>, calling 1-800-477-0406, or e-mailing [research.disclosure.inquiries@jpmorgan.com](mailto:research.disclosure.inquiries@jpmorgan.com) with your request.

**Explanation of Equity Research Ratings, Designations and Analyst(s) Coverage Universe:**

J.P. Morgan uses the following rating system: Overweight (over the duration of the price target indicated in this report, we expect this stock will outperform the average total return of the stocks in the Research Analyst’s, or the Research Analyst’s team’s, coverage universe); Neutral (over the duration of the price target indicated in this report, we expect this stock will perform in line with the average total return of the stocks in the Research Analyst’s, or the Research Analyst’s team’s, coverage universe); and Underweight (over the duration of the price target indicated in this report, we expect this stock will underperform the average total return of the stocks in the Research Analyst’s, or the Research Analyst’s team’s, coverage universe. NR is Not Rated. In this case, J.P. Morgan has removed the rating and, if applicable, the price target, for this stock because of either a lack of a sufficient fundamental basis or for legal, regulatory or policy reasons. The previous rating and, if applicable, the price target, no longer should be relied upon. An NR designation is not a recommendation or a rating. In our Asia (ex-Australia and ex-India) and U.K. small- and mid-cap Equity Research, each stock’s expected total return is compared to the expected total return of a benchmark country market index, not to those Research Analysts’ coverage universe. If it does not appear in the Important Disclosures section of this report, the certifying Research Analyst’s coverage universe can be found on J.P. Morgan’s Research website, <https://www.jpmm.com>.

**J.P. Morgan Equity Research Ratings Distribution, as of April 06, 2024**

	Overweight (buy)	Neutral (hold)	Underweight (sell)
J.P. Morgan Global Equity Research Coverage*	48%	39%	14%
IB clients**	49%	45%	35%
JPMS Equity Research Coverage*	46%	42%	12%
IB clients**	70%	66%	52%

\*Please note that the percentages may not add to 100% because of rounding.

\*\*Percentage of subject companies within each of the "buy," "hold" and "sell" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.

For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. Please note that stocks with an NR designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

**Equity Valuation and Risks:** For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company-specific research report at <http://www.jpmm.com>, contact the primary analyst or your J.P. Morgan representative, or email [research.disclosure.inquiries@jpmorgan.com](mailto:research.disclosure.inquiries@jpmorgan.com). For material information about the proprietary models used, please see the Summary of Financials in company-specific research reports and the Company Tearsheets, which are available to download on the company pages of our client website, <http://www.jpmm.com>. This report also sets out within it the material underlying assumptions used.

A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of <http://www.jpmm.com> where you can also search by analyst name, sector or financial instrument.

**Analysts' Compensation:** The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

**Registration of non-US Analysts:** Unless otherwise noted, the non-US analysts listed on the front of this report are employees of non-US affiliates of J.P. Morgan Securities LLC, may not be registered as research analysts under FINRA rules, may not be associated persons of J.P. Morgan Securities LLC, and may not be subject to FINRA Rule 2241 or 2242 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.



## Other Disclosures

---

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

**UK MIFID FICC research unbundling exemption:** UK clients should refer to [UK MIFID Research Unbundling exemption](#) for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

All research material made available to clients are simultaneously available on our client website, J.P. Morgan Markets, unless specifically permitted by relevant laws. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research material available on a particular stock, please contact your sales representative.

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Any digital or crypto assets discussed in this research report are subject to a rapidly changing regulatory landscape. For relevant regulatory advisories on crypto assets, including bitcoin and ether, please see <https://www.jpmorgan.com/disclosures/cryptoasset-disclosure>.

An analyst listed on the front cover has personal holdings in digital or crypto assets.

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

**Exchange-Traded Funds (ETFs):** J.P. Morgan Securities LLC ("JPMS") acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

**Options and Futures related research:** If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit <https://www.theocc.com/components/docs/riskstoc.pdf> for a copy of the Option Clearing Corporation's Characteristics and Risks of Standardized Options or [http://www.finra.org/sites/default/files/Security\\_Futures\\_Risk\\_Disclosure\\_Statement\\_2018.pdf](http://www.finra.org/sites/default/files/Security_Futures_Risk_Disclosure_Statement_2018.pdf) for a copy of the Security Futures Risk Disclosure Statement.

**Changes to Interbank Offered Rates (IBORs) and other benchmark rates:** Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: [https://www.jpmorgan.com/global/disclosures/interbank\\_offered\\_rates](https://www.jpmorgan.com/global/disclosures/interbank_offered_rates)

**Private Bank Clients:** Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries ("J.P. Morgan Private Bank"), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

**Legal entity responsible for the production and distribution of research:** The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of this research. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below, this material has been distributed by the legal entity responsible for production. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has distributed this research material.

### Legal Entities Disclosures and Country-/Region-Specific Disclosures:

**Argentina:** JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina ("BCRA" - Central Bank of Argentina) and Comisión Nacional de Valores ("CNV" - Argentinian Securities Commission - ALYC y AN Integral N°51). **Australia:** J.P. Morgan Securities Australia Limited ("JPMSAL") (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting <https://www.jpmm.com/research/disclosures>. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation

sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia's Research Independence Policy which can be found at the following link: [J.P. Morgan Australia - Research Independence Policy](#). **Brazil:** Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / [ouvidoria.jp.morgan@jpmorgan.com](mailto:ouvidoria.jp.morgan@jpmorgan.com). **Canada:** J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc. **Chile:** Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile. **China:** J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business. **Dubai International Financial Centre (DIFC):** JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules. **European Economic Area (EEA):** Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE ("JPM SE"), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions ("EEA professional investors"). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons. **Hong Kong:** J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited. **India:** J.P. Morgan India Private Limited (Corporate Identity Number - U67120MH1992FTC068724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a 'Research Analyst' having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: <http://www.jpiml.com>. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/ Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Spurthi Gadamsetty; [spurthi.gadamsetty@jpmchase.com](mailto:spurthi.gadamsetty@jpmchase.com); +912261573225. Grievance Officer: Ramprasadh K, [jpiml.research.feedback@jpmorgan.com](mailto:jpiml.research.feedback@jpmorgan.com); +912261573000.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Indonesia:** PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK). **Korea:** J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch. **Japan:** JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan. **Malaysia:** This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia. **Mexico:** J.P. Morgan Casa de Bolsa, S.A. de C.V. and J.P. Morgan Grupo Financiero are members of the Mexican Stock Exchange and are authorized to act as a broker dealer by the National Banking and Securities Exchange Commission. **New Zealand:** This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008. **Philippines:** J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission. **Singapore:** This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MCI (P) 030/08/2023 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA). This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material. **South Africa:**

J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA). **Taiwan:** J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material. **Thailand:** This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission, and its registered address is 3rd Floor, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500. **UK:** Unless specified to the contrary, research is distributed in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. JPMS plc is registered in England & Wales No. 2711006, Registered Office 25 Bank Street, London, E14 5JP. This material is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any persons to whom this communication may otherwise lawfully be made; all such persons being referred to as "UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. Research issued by JPMS plc has been prepared in accordance with JPMS plc's policy for prevention and avoidance of conflicts of interest related to the production of Research which can be found at the following link: [J.P. Morgan EMEA - Research Independence Policy](#). U.S.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

**General:** Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. J.P. Morgan accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

**Confidentiality and Security Notice:** This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase &

Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: <https://www.jpmorgan.com/disclosures/email>

**MSCI:** Certain information herein (“Information”) is reproduced by permission of MSCI Inc., its affiliates and information providers (“MSCI”) ©2024. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to [msci.com/disclaimer](https://www.msci.com/disclaimer)

Sustainalytics: Certain information, data, analyses and opinions contained herein are reproduced by permission of Sustainalytics and: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>. ©2024 Sustainalytics. All Rights Reserved.

"Other Disclosures" last revised April 06, 2024.

---

**Copyright 2024 JPMorgan Chase & Co. All rights reserved. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan. It is strictly prohibited to use or share without prior written consent from J.P. Morgan any research material received from J.P. Morgan or an authorized third-party (“J.P. Morgan Data”) in any third-party artificial intelligence (“AI”) systems or models when such J.P. Morgan Data is accessible by a third-party. It is permissible to use J.P. Morgan Data for internal business purposes only in an AI system or model that protects the confidentiality of J.P. Morgan Data so as to prevent any and all access to or use of such J.P. Morgan Data by any third-party.**

Completed 08 May 2024 08:57 PM BST

Disseminated 08 May 2024 08:57 PM BST