

Daily Packet: 2026-05-21 to 2026-05-22

Trading_and_investment_papers plus Daily Shot when available.

WINDOW PDFS

6

CHART EXTRACTS

18

TOP CHARTS

1

DAILY SHOT

skipped

Bottom line: This packet is the one-stop morning read: curated chart evidence first, Daily Shot context second, and source links at the end.

Top Charts

1. JPM IRAN Position for an imminent deal sell Oils Buy Airports: Oil stress is feeding rates, while equities are looking through it

Page 7 | JPM IRAN Position for an imminent deal sell Oils Buy Airports

What it says: JPM IRAN Position for an imminent deal sell Oils Buy Airports: 7 Ian Mitchell - Specialist Sales - European Energy AC (44-20) 7134-1356 ian.e.mitchell@jpmorgan.com J.P. Morgan Securities plc Europe Specialist Sales 22 May 2026 J P M O R G A N European Oil & Gas Research: Integrations : Matt Lofting matthew.lofting@jpmor...

Worldview update: The cleaner market signal is the cross-asset divergence: oil stress has mattered for rates, but equities are already looking through it. That calm is fragile if energy pressure starts feeding inflation or growth expectations again.

Portfolio/use: Track Brent, rates, and equity correlation together; use oil/rates stress as the warning light rather than treating headlines in isolation.

European Oil & Gas Research:

Integrates: Matt Lofting mattthew.lofting@jpmorgan.com+44 207 134 6301
E&P and OFS : Alejandra Magana alejandra.x.magana@jpmchase.com+44 203 493 8031
Integrates: Tianyu Wu tianyu.wu@jpmorgan.com+44 203 493 1281
Integrates: Eduardo Aparicio eduardo.f.huizingaaparcio@jpmorgan.com+44 203 936 820

European Energy Corporate Access

Alison Wheway: alison.l.wheway@jpmorgan.com +44 207 134 1317

US Energy Trading

Pierre Napert-Frenette pierre.napert-frenette@jpmorgan.com+1-212-622-2034

US Oil & Gas Research:

Integrates Oils, E&P & OFS: Arun Jayaram arun.jayaram@jpmorgan.com+1 212 622 8541
Refiners & Small Cap E&P : Zach Parham zach.parham@jpmorgan.com+1 212 622 5837
Energy Infrastructure: Jeremy Tonet jeremy.b.tonet@jpmorgan.com +1 212 622 4915

Asia Energy, Mining & Materials Trading

Thorsten Ackermann thorsten.ackermann@jpmorgan.com +852 2800 8835

Asia/LatAm/EM Oil & Gas Research:

Asia/China Oils: Parsley Ong parsley.rh.ong@jpmorgan.com+65 6882 8578
China Oil Field Services Lei Mu lei.mu@jpmorgan.com +86 186 0048 6816
Australia Oils Nick Morgan nicholas.morgan@jpmorgan.com +61 423 446 064
Latam Oils: Rodolfo Angele, CFA rodolfo.r.angele@jpmorgan.com . (55-11) 4950-3888
S.African Oils: Alex Comer alex.r.comer@jpmorgan.com+44 207 134 5945
Indian Oils: Sanjay Mookim sanjay.mookim@jpmorgan.com+91 22 6157 3600
Indonesia Energy Arnanto Janouri arnanto.januri@jpmorgan.com +62 529 18047

Global Commodities

Oil Commodity Research: Natasha Kaneva natasha.kaneva@jpmorgan.com+1 212 834 1375
US Gas Commodity Research: Nina Fahy nina.fahy@jpmchase.com +1 212 270 4483
EU Gas Commodity Research: Otar Dgebuadze otar.dgebuadze@jpmorgan.com+44 203 493 8246

Disclaimers:

If you have any questions, please contact [Millie Cook](#).

J.P. Morgan events are by invitation only and invitations are non-transferable.

This research analyst meeting will be charged for in accordance with the research pricing we have agreed with you. If you have any questions in this regard, please contact your normal J.P. Morgan representative. If you consider the facilitation component of this event a non-monetary benefit, please contact your normal J.P. Morgan sales advisor to discuss making a payment for this service which is unbundled from any research payment.

All materials and information shared with you is, unless otherwise indicated to you, proprietary and confidential to J.P. Morgan. You are hereby notified that any disclosure, dissemination, copying, distribution, or use of the information provided to you, in whole or in part, other than as expressly permitted by J.P. Morgan, is STRICTLY PROHIBITED. You are permitted to disclose the materials and information to your officers and employees on a need to know basis. Should you have any questions regarding this, please contact your usual J.P. Morgan contact. For further information please visit <https://www.jpmorgan.com/pages/disclosures/materialsdisclaimer>.

© 2025 JPMorgan Chase & Co. All rights reserved. J.P. Morgan is a marketing name for businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide. JPMorgan Chase Bank N.A. (member of FDIC), J.P. Morgan Securities LLC (member of FINRA, NYSE and SIPC), J.P. Morgan Securities plc (member of the London Stock Exchange and authorized by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority and the PRA) and J.P. Morgan SE (authorised by the BaFin and regulated by the BaFin, the German Central Bank and the European



Daily Shot

Daily Shot skipped: Daily Shot credentials are not configured.

Additional Chart Selection

Derivatives Strategy en 1659103

3 additional extracted charts

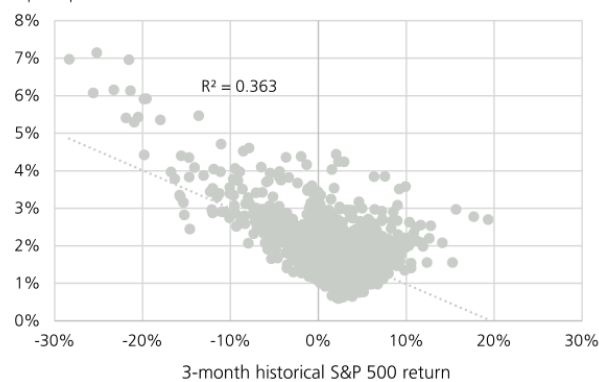
Chart 1

Page 2 | vector-cluster | score 0.701

between the option premium or at-the-money, three-month calls and returns for the S&P 500 index over the previous three months.

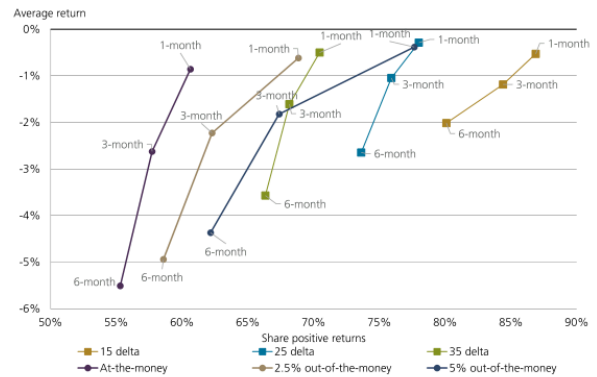
Figure 2 - Negative correlation between equity returns and option premium

Comparison between option premium of three-month, at-the-money calls and subsequent three-month S&P 500 return



Source: Bloomberg, UBS, as of May 2026.

returns across different striking methodologies, i.e., fixed strike and fixed delta.



Source: Bloomberg, UBS, as of May 2026. Note that past performance is not a reliable indicator of future results, please see the back-test disclaimer at the end of this document. Performance includes a bid-ask approximation, but not additional costs.

In terms of option striking we believe a defensive approach is relatively more attractive, especially for investors considering systematic single stock option overlays. For shorter-dated options, such as one-month and three-month

Chart 2

Derivatives Strategy

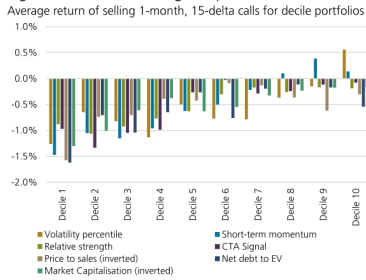
In search of the good calls

Our research shows that there are statistical metrics that can help investors identify stocks which are relatively appealing for call overwriting strategies. Short-dated price momentum and implied volatility are some of the key metrics. In our analysis we focus on 1-month, 15-delta calls.

Stocks that have performed strongly in the recent past, are likely to exhibit mean reversion according to our analysis. This means that in the short-term, i.e., over a 1- to 3-months' time horizon, the best performing stocks are less likely to exhibit a continuation of the recent strong performance. This is in line with previous empirical finance research. Selling calls on recent outperformers is, on average, a better strategy than selling calls on underperformers. Price momentum can be calculated in different ways, e.g., via short-term price performance, relative-strength metrics or other technical indicators. In our view, an aggregate of different metrics is typically the most robust approach.

Volatility metrics have historically also shown some predictive power in identifying suitable stocks for call overwriting. We compare a stock's current implied volatility to its own 1-year history. Stocks with relatively elevated volatility typically are more attractive candidates for option selling structures. However, this varies across volatility regimes. Especially, during periods of very high volatility this relationship is less strong. Fig. 4 compares average returns by decile portfolios across a selection of different explanatory variables.

Figure 4 - Factors driving call performance



Source: Bloomberg, UBS, as of May 2026. Note that past performance is not a reliable indicator of future results, please see the back-test disclaimer at the end of this document. Performance includes a bid-ask approximation, but not additional costs.

Next to price momentum and volatility metrics we see value in considering other parameters, such as valuation metrics. We think that by including a combination of fundamental metrics, which we call the hype factor, call overwriting

strategies can be further improved. We use two variables to determine the hype factor: price-to-sales ratio and the net-debt to Enterprise value.

In our view, selling call options on stocks with a high price-to-sales ratio is particularly unattractive, and vice versa. There is an intuitive explanation in our view. Stocks with a high price-to-sales ratio are typically high growth stocks, with relatively optimistic projections about future growth potential. However, they are also more likely to exhibit strong upward moves making selling calls relatively less attractive even if volatility is high and short-term price momentum is positive.

A similar case can be made for net-debt to enterprise value. Stocks with relatively low debt levels compared to company value likewise tend to be high growth companies and may either fall or gain in value significantly. Again, in such cases, selling calls is less attractive compared to selling calls on stocks with relatively high levels of debt to company valuation.

Lastly, selling call options on stocks with high market capitalization is typically less profitable than selling calls on relatively smaller companies. Note that, since our universe consists only of stocks in the MSCI World Index and excludes companies with a market capitalization below USD 5bn, the investable universe is already artificially restricted, with a tilt toward global mid- and large-cap stocks. We see two drivers that may support this finding. First, the trend toward indexed investment may have supported more flows into the largest companies, supporting outperformance over time, as suggested by recent financial research. Second, the gain in popularity of overwriting strategies may make upside calls on the largest single stock names relatively unattractive, whereas there is more room for active selection in the smaller large-cap stocks.

Lastly, it is important to remember that trading a stock, and an option on the stock, is not the same thing. In essence, the best performing stock may not be the most attractive one on which to buy an option on, and vice versa. While there is a strong, positive correlation between the performance of a stock and a long position in a call option, an investor who either buys or sells an option is also exposed to the implied volatility used to price the option. Hence, an option investor trades both the underlying price and the volatility, which makes option investing—and selecting interesting underlying to buy or sell options—fundamentally different than identifying attractive or unattractive stocks for outright long positions. Option investors therefore require additional tools and research in order to make informed decisions.

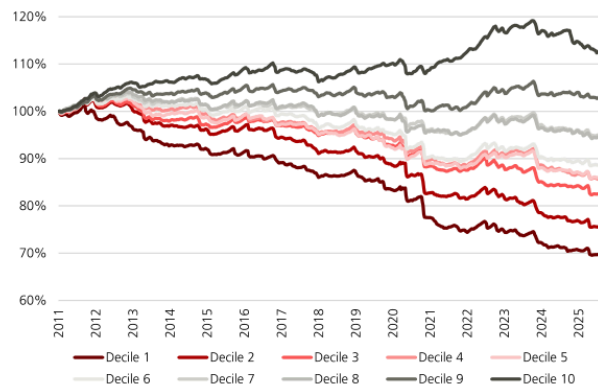
Chart 3

Page 4 | vector-cluster | score 0.774

are held to expiry. The simulation incorporates a bid-ask approximation based on the volatility of the stock, but no management fee. Our results reveal a pronounced performance gradient: higher decile portfolios, representing stocks with more attractive factor profiles, consistently deliver superior returns. These findings underscore the value of factor-based stock selection in enhancing the effectiveness of call overwriting strategies.

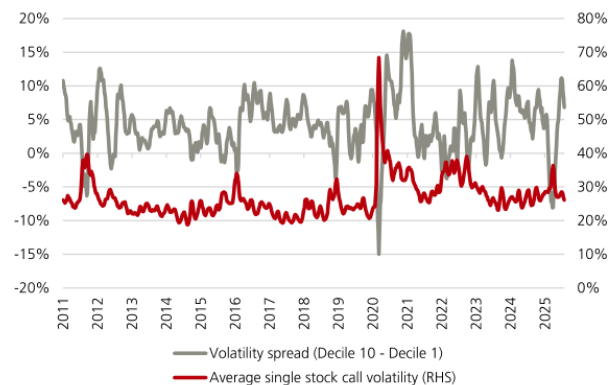
Figure 5 - Factor model produces good split

Cumulative returns of selling systematic call options (for 1-month 15-delta options). Decile 1 relates to 10% of stocks scoring the worst, decile 10 stock scoring the best.



Source: Bloomberg, UBS, as of May 2026. Note that past performance is not a reliable indicator of future results, please see the back-test disclaimer at the end of this document.

and 10 compared to average single stock implied volatility, measured across full universe for 1-month, at-the-money calls.



Source: Bloomberg, UBS, as of May 2026. Note that past performance is not a reliable indicator of future results, please see the back-test disclaimer at the end of this document. Performance includes a bid-ask approximation, but not additional costs.

Figure 6 displays the outcome. In periods of high volatility, such as during the market sell-offs, the selection would tilt away from high volatility stocks, as illustrated by the difference in average volatility of the 10% of stocks that score the highest and 10% of stocks which score the lowest. The difference is typically positive, especially when markets are calm, highlighting a tilt toward high volatility stocks. This relationship, however, changes during periods of severe market stress, such as during the drawdown in

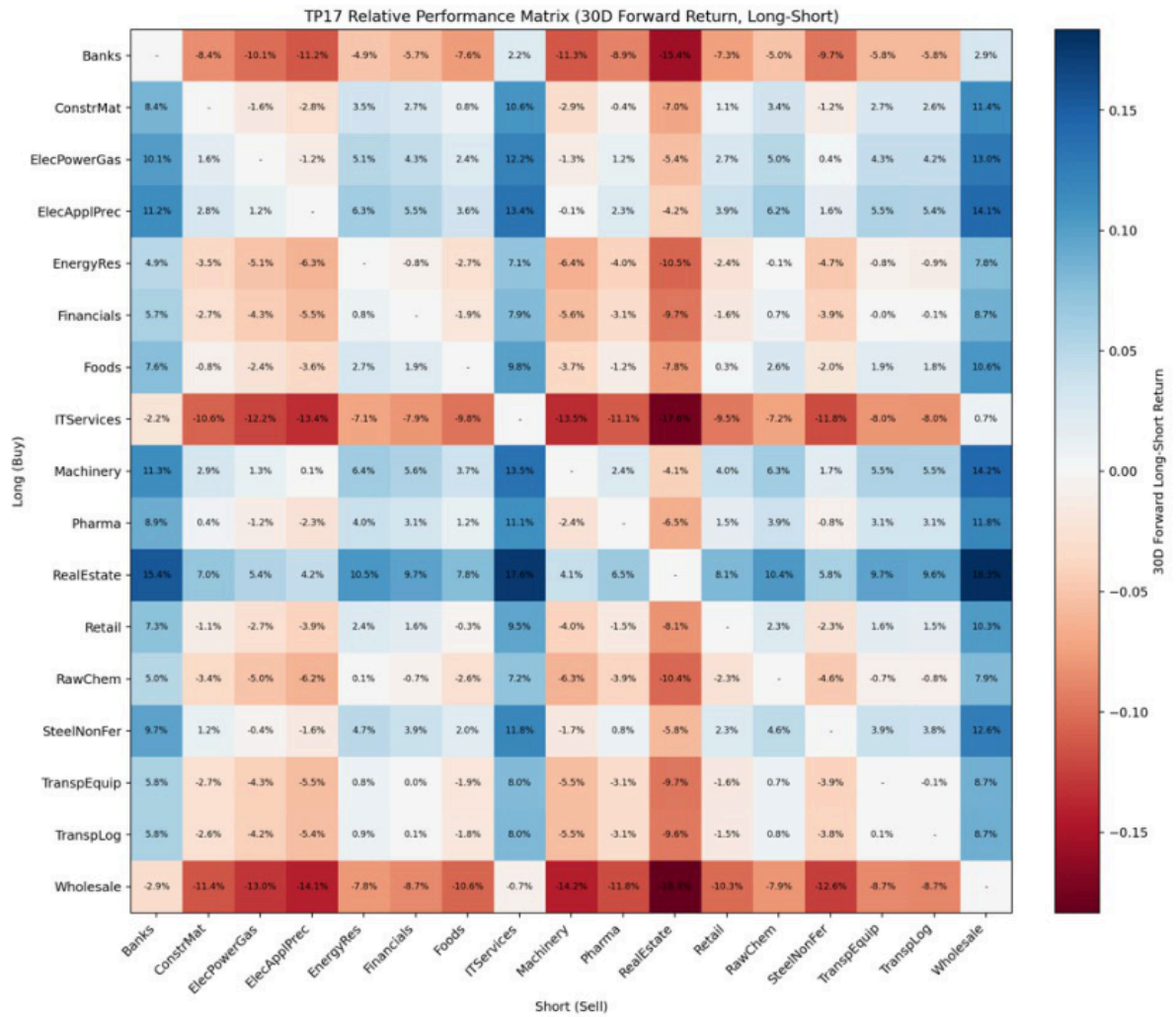
JPM Japan Quant Strategy Beta x Momentum reversal Backlash against

3 additional extracted charts

Chart 1

Page 6 | image-block | score 0.605

trading company sectors

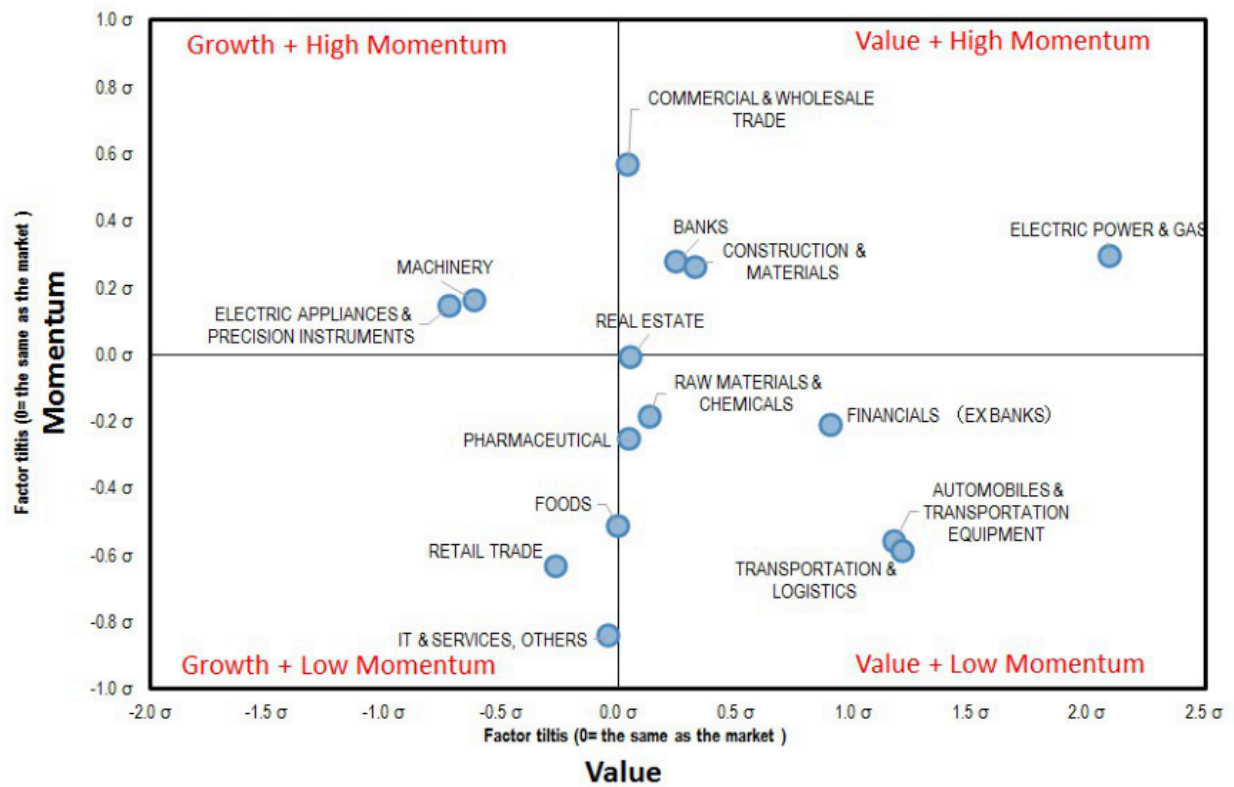


Source: Bloomberg Finance L.P., J.P. Morgan Global Markets Strategy

Chart 2

Page 10 | image-block | score 0.682

to Construction and Materials)



Source: Bloomberg Finance L.P., J.P. Morgan Global Markets Strategy

Chart 3

(three-month cumulative basis) with most recent share price.

Code	Name (LONG Top)	Sector (SECT)	YTD Return (%)	P/B	P/E	Div. Yield (%)	Trend Followers position score						Price	P/B/Gain (M/3 months)			Acc. return %			Fundamentals							
							3M	6M	9M	12M	18M	24M		30M	36M	42M	48M	54M	60M	Q1P	Breakdown	Delta	60D	90D	12M	18M	24M
8377	HOKURIKU FINANCIAL (8377)	Banks	7.2-23.1	2.3	100%		0.2	Mom	0.2	Mom	0.5	Mom	789	6,514	Gain	5,665	9%	2.6%	8.1%	4.9%	1.4	54.1	12.7	1.1	18.8	2.1	0%
1942	KANENKO CO LTD (1942)	Construction	1.1-1.1-2	2.9	83%		-0.2	Rev	-0.2	Rev	-0.5	Rev	1,250	6,088	Gain	6,378	-5%	-15.2%	-0.9%	-9.0%	0.8	50.8	17.7	3.1	18.8	2.1	0%
2954	KOKIA HOLDINGS (2954)	Electric Appliances	9.0-7.4-4.3	2.8	100%		0.1	Mom	0.4	Mom	1.2	Mom	26,021	51,200	Gain	27,520	90%	1.6%	56.7%	149.5%	2.0	103.1	6.7	20.0	51.9	N/A	82%
5765	MITSUBISHI KINOKUNIJI (5765)	Nonferrous Metals	23.1-13.4-4.4	2.8	100%		0.2	Mom	0.6	Mom	0.7	Mom	2,547	44,360	Gain	33,854	31%	-19.2%	18.8%	41.9%	1.5	81.1	20.5	4.2	24.5	0.6	47%
7187	MEBURI FINANCIAL (7187)	Banks	13.4-5.8-5.5	2.8	100%		0.1	Mom	0.2	Mom	0.4	Mom	1,312	1,386	Gain	1,274	9%	1.4%	8.1%	5.0%	1.3	45.7	13.0	1.2	8.2	2.9	-
6383	DAIFUKU CO LTD (6383)	Machinery	4.5-3-3.4	2.8	99%		-0.2	Rev	0.2	Mom	0.1	Mom	2,982	6,748	Gain	6,170	9%	-12.9%	5.3%	6.7%	1.3	50.5	28.0	5.4	19.0	1.2	73%
5333	NGK CORP (5333)	Glass & Ceramics Products	20.0-20.7-7.7	2.3	100%		0.1	Mom	0.6	Mom	0.5	Mom	1,594	5,456	Gain	4,483	21%	-4.8%	20.1%	26.3%	1.1	45.7	19.0	1.9	7.8	1.9	78%
8359	HACHIJUJI MACHINO (8359)	Banks	25.6-6.1-15.6	2.3	100%		0.2	Mom	0.2	Mom	0.6	Mom	1,158	2,301	Gain	2,085	10%	-2.4%	13.0%	10.0%	1.1	54.8	14.5	0.9	8.1	2.8	0%
8334	QUINNA BANK LTD (8334)	Banks	15.3-3.5-5.9	2.3	99%		0.1	Mom	-0.1	Rev	0.4	Mom	814	2,309	Gain	2,135	8%	5.4%	8.0%	4.7%	1.2	59.9	13.8	1.4	10.0	3.0	0%
6503	MITSUBI ELEC CORP (6503)	Electric Appliances	22.1-15.2-12.1	2.1	99%		0.0	Rev	0.2	Mom	0.3	Mom	12,145	5,747	Gain	5,800	-1%	-11.1%	-4.7%	-1.8%	1.3	47.5	23.9	2.6	9.7	1.0	48%
5802	SUMITOMO ELEC INC (5802)	Nonferrous Metals	23.9-9.1-13.1	2.1	100%		0.0	Mom	0.2	Mom	0.3	Mom	6,398	10,525	Gain	6,659	22%	-17.8%	2.2%	8.0%	1.6	84.1	25.3	3.0	14.7	0.4	82%
5803	FUJIKURA LTD (5803)	Nonferrous Metals	16.1-15.5-12.1	2.1	96%		-0.2	Rev	0.3	Mom	0.2	Mom	7,624	4,395	Gain	5,310	-19%	-43.3%	-27.1%	12.5%	1.9	107.5	33.7	12.7	32.5	0.9	77%
4004	RESONAC HOLDINGS (4004)	Chemicals	95.0-26.1-15.1	2.1	100%		0.1	Mom	0.5	Mom	0.9	Mom	2,942	15,910	Gain	12,174	31%	-10.7%	19.4%	41.8%	1.5	78.3	23.7	4.1	5.3	0.4	57%
6856	HORIBA LTD (6856)	Electric Appliances	76.7-10.2-15.4	1.9	100%		-0.2	Mom	0.7	Mom	0.6	Mom	1,041	24,845	Gain	21,142	17%	1.4%	16.5%	28.0%	1.3	43.7	21.6	3.0	11.6	2.0	77%
5831	SHIZUKA FINANCIAL (5831)	Banks	35.3-10.2-12.1	1.9	100%		0.2	Mom	0.3	Mom	0.4	Mom	1,724	2,972	Gain	2,824	9%	2.7%	8.0%	4.7%	1.1	49.2	15.0	1.3	7.5	3.3	0%
9072	NIKKON HOLDINGS (9072)	Land Transportation	10.1-11.1-18.1	1.9	97%		0.1	Mom	0.0	Mom	-0.2	Rev	730	5,772	Gain	4,381	32%	8.5%	17.8%	-18.8%	0.5	67.7	35.5	2.8	7.6	1.9	18%
4062	BIDEN CO LTD (4062)	Electric Appliances	62.4-8.2-21.1	1.9	100%		0.2	Mom	0.4	Mom	0.5	Mom	4,406	15,640	Gain	10,710	46%	-8.2%	48.1%	70.8%	1.6	92.7	66.3	7.9	12.2	0.2	64%
1417	MARUMI ONE CORP (1417)	Construction	11.0-27.1-17.1	1.9	96%		0.0	Rev	0.3	Mom	-0.2	Rev	281	3,846	Gain	2,887	-1%	-7.2%	-1.2%	-1.1%	0.8	34.2	13.4	1.2	8.6	2.5	-
1923	SHIMIZU CORP (1923)	Construction	2.8-11.1-19.1	1.9	88%		-0.3	Rev	-0.1	Rev	-0.6	Rev	1,880	2,596	Gain	3,046	-15%	-17.0%	-4.4%	-24.8%	0.9	60.9	12.8	1.8	13.8	3.0	0%
5844	KYOTO FINANCIAL (5844)	Banks	51.1-28.4-24.0	1.8	94%		0.1	Mom	0.2	Mom	0.3	Mom	1,321	4,385	Gain	4,194	5%	-2.2%	12.8%	1.2	47.8	17.8	1.1	8.7	2.4	0%	
7186	YOKOHAMA FINANCIAL (7186)	Banks	7.7-13.3-28.2	1.7	100%		0.1	Mom	0.4	Mom	0.4	Mom	1,892	1,653	Gain	1,535	8%	2.2%	12.7%	-2.7%	1.3	47.8	14.6	1.3	7.9	2.8	0%
1951	EKED GROUP INC (1951)	Construction	24.2-24.1-16.2	1.7	95%		-0.2	Rev	0.1	Mom	0.0	Mom	573	2,785	Gain	2,840	-2%	-8.4%	-1.1%	-3.2%	0.6	30.0	15.8	1.7	8.4	2.9	0%
7327	HIROSHI HOLDINGS (7327)	Banks	75.4-10.3-29.2	1.7	94%		0.2	Mom	0.2	Mom	0.4	Mom	621	2,068	Gain	1,879	10%	1.6%	12.4%	7.5%	1.2	43.0	12.2	1.1	8.1	3.4	0%
6971	KYOCERA CORP (6971)	Electric Appliances	155.7-18.3-27.4	1.7	100%		0.2	Mom	0.5	Mom	0.7	Mom	4,412	2,921	Gain	2,648	10%	1.4%	6.7%	10.0%	0.9	35.2	30.1	1.2	4.3	1.9	71%
8630	SONOHO HOLDINGS (8630)	Insurance	86.4-12.3-26.2	1.7	91%		0.2	Mom	0.4	Mom	0.4	Mom	5,828	6,238	Gain	5,935	5%	2.9%	5.9%	5.7%	1.2	35.9	10.7	1.1	13.7	3.2	50%
8411	MIZUHO FINANCIAL (8411)	Banks	43.2-22.2-26.2	1.7	99%		0.1	Mom	0.0	Mom	0.2	Mom	17,056	6,982	Gain	6,825	2%	-17.0%	-21.8%	11.5%	1.7	94.6	22.3	4.8	15.6	0.5	40%
4188	TOYO DAIGI KODYO (4188)	Chemicals	37.1-11.2-26.2	1.7	100%		0.1	Mom	0.2	Mom	0.1	Mom	1,271	6,644	Gain	6,262	20%	-11.7%	6.4%	7.7%	1.5	72.6	28.3	5.1	17.3	0.8	80%
8754	ANITSU CORP (8754)	Electric Appliances	47.3-18.3-27.2	1.7	100%		0.0	Mom	0.2	Mom	0.2	Mom	885	4,381	Gain	2,868	46%	4.8%	19.8%	67.8%	1.0	63.0	38.8	4.3	9.1	1.1	58%
8308	RESONA HOLDINGS (8308)	Banks	72.1-19.1-21.2	1.7	99%		0.1	Mom	0.0	Rev	0.3	Mom	4,880	2,029	Gain	1,870	9%	-1.1%	6.0%	2.4%	1.3	51.1	14.5	1.6	9.2	1.8	0%
5334	NITERRA CO LTD (5334)	Glass & Ceramics Products	99.3-15.3-30.3	1.6	100%		0.0	Mom	0.1	Mom	0.5	Mom	1,882	6,348	Gain	7,885	19%	-3.6%	7.0%	19.9%	1.1	46.4	18.4	2.4	15.7	2.2	81%
3016	JX ADVANCED META (3016)	Nonferrous Metals	53.3-11.1-14.2	1.6	93%		-0.3	Rev	0.1	Mom	0.2	Mom	3,309	3,779	Gain	4,020	-8%	-19.7%	-21.8%	11.5%	1.7	94.6	22.3	4.8	15.6	0.5	40%
3326	MITSUBISHI UFJ (3326)	Banks	55.3-14.2-12.2	1.6	94%		0.1	Mom	0.1	Mom	0.3	Mom	35,659	3,020	Gain	2,658	9%	3.5%	7.0%	3.0%	1.3	38.5	13.4	1.5	11.3	3.2	-
9147	NIPPON EXPRESS (9147)	Land Transportation	180.1-12.1-19.3	1.6	99%		-0.2	Rev	0.2	Mom	0.6	Mom	1,171	4,918	Gain	3,879	24%	10.4%	25.2%	21.3%	0.6	31.8	19.3	1.4	0.7	2.1	40%
1721	COMSYS HOLDINGS (1721)	Construction	61.8-10.1-32.4	1.6	100%		0.1	Mom	0.4	Mom	0.2	Mom	634	5,370	Gain	5,455	-2%	-5.4%	-3.4%	-2.9%	0.7	37.9	16.1	1.5	8.4	2.5	0%
8752	FANASONS HOLDING (8752)	Electric Appliances	67.4-12.1-23.3	1.6	99%		-0.1	Rev	0.1	Mom	0.3	Mom	7,872	3,207	Gain	2,810	14%	-2.1%	6.2%	27.7%	1.0	44.7	18.3	1.4	3.8	1.7	58%
9015	TOYOTA TSUSHO (9015)	Wholesale Trade	14.2-26.1-34.2	1.6	90%		0.0	Mom	0.0	Rev	-0.4	Rev	7,183	6,763	Gain	6,488	4%	-8.8%	7.1%	0.4%	1.3	56.1	16.0	2.3	12.8	1.8	71%
8716	SIFU (8716)	Banks	88.0-10.1-11.2	1.6	95%		0.2	Mom	0.4	Mom	0.3	Mom	22,312	5,802	Gain	5,683	4%	0.9%	7.9%	-1.4%	1.2	40.7	12.4	1.4	10.4	2.3	-
8050	CANON MARKETING (8050)	Wholesale Trade	49.4-15.1-43.3	1.5	92%		0.1	Mom	0.1	Mom	0.1	Mom	834	3,754	Gain	3,579	5%	-0.5%	4.0%	9.8%	0.7	25.8	17.2	2.0	11.7	2.3	0%
6981	MURATA MFG CO (6981)	Electric Appliances	268.1-100.1-71.9	1.5	100%		0.3	Mom	0.5	Mom	1.1	Mom	12,100	1,984	Gain	4,454	38%	1.2%	28.1%	67.7%	1.3	64.1	35.0	4.1	8.8	1.1	92%
8309	SUMITOMO MITSUI (8309)	Banks	92.7-12.1-19.4	1.5	99%		0.2	Mom	0.3	Mom	0.9	Mom	3,943	5,643	Gain	5,410	4%	-0.2%	8.8%	2.9%	1.2	38.8	11.1	1.1	9.5	0.8	34%
4628	TATTO HOLDINGS (4628)	Chemicals	3.1-25.1-33.1	1.5	82%		-0.1	Rev	-0.2	Rev	-0.9	Rev	983	4,815	Gain	5,252	-2%	0.9%	0.2%	-19.8%	0.6	37.3	22.1	4.6	22.0	1.7	80%
4272	NIPPON KAWAKU (4272)	Chemicals	58.1-15.1-10.4	1.5	100%		0.1	Mom	0.6	Mom	0.1	Mom	325	2,000	Gain	1,842	10%	-8.9%	14.0%	5.4%	0.6	50.2	13.4	1.1	9.0	3.3	57%
8341	77 BANK LTD (8341)	Banks	18.1-13.4-44.4	1.5	64%		0.0	Mom	-0.4	Rev	-0.4	Rev	742	3,226	Gain	3,066	5%	1.6%	5.1%	-3.5%	1.2	44.7	11.9	1.0	8.5	3.2	-
3105	NISHINHO (3105)	Electric Appliances	104.5-10.6-44.4	1.5	99%		0.0	Mom	0.0	Mom	0.3	Mom	388	2,293	Gain	1,685	36%	-5.2%									

Chart 1

[Accessible version](#)

BofA GLOBAL RESEARCH



The Flow Show

Ground Control to Major TAM

Scores on the Doors: oil 70.4%, international stocks 10.1%, US stocks 8.8%, gold 4.4%, cash 1.4%, HY bonds 1.0%, US\$ 0.9%, IG -0.4%, govt bonds -1.6%, bitcoin -11.7% YTD.

Zeitgeist: "Everyone is now convinced that equities are the best inflation hedge."

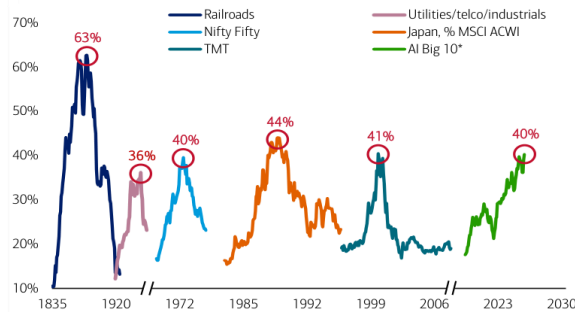
The Biggest Picture: strong price action, retail mania, slumping vol...so bubbly; add mega IPOs to AI big boys and market concentration easily surpasses (~48%) bubbles of roaring '20s, Nifty 50 '70s, Japan '80s, TMT '90s (Chart 2 - but not railroads in 1880s); surge in bond yields how booms/bubbles end...why bond vigilantes on maneuvers; yield tells...XBI to \$120 = yield to melt-up, XRT>\$85 = bond shock delayed.

The Price is Right: Asia tech advancing sharply, Asia exporting inflation (Korea export prices for semis up 148% YoY, DRAMS up 223% YoY - Chart 9); yet Korean won flirting with 30-year lows, Japan yen with 35-year lows, Indonesian rupiah & Indian rupee collapsing to record lows (Charts 3-4); surging global cost of capital cracking periphery of risk (plus housing, consumer, PE) and EM always where the big risk-offs start.

Tale of the Tape: BofA Bull & Bear Indicator hits 8.0...sell-signal for risk assets triggered; consensus max bullish on Positioning & Profits, plus yields breaking up suggests some profit taking here; but no one cutting longs in stocks before historic IPOs and big top Policy tightening will come after CPI hits 4-5% in coming months (Table 2).

Chart 2: The history of stock market bubble concentration

The bubble history of stock market concentration measured as % of US market cap



Source: BofA Global Investment Strategy, GFD Finaeon, Bloomberg. Note: Japan is measured as % of MSCI ACWI, all others as % of US stock market. *AI Big 10* = Magnificent 7 + Broadcom, AMD, Micron.

BofA GLOBAL RESEARCH

More on page 2...

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial

22 May 2026

Investment Strategy
Global



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

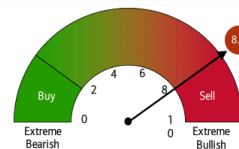
Anya Shelekhin
Investment Strategist
BofAS
+1 646 855 3753
anya.shelekhin@bofa.com

Myung-Jee Jung
Investment Strategist
BofAS
+1 646 855 0389
myung-jee.jung@bofa.com

Jessica Guo
Investment Strategist
BofAS
+1 646 855 0033
jessica.guo@bofa.com

Chart 1: BofA Bull & Bear Indicator

Up to 8.0 from 7.8



Source: BofA Global Investment Strategy. The indicator identified above as the BofA Bull & Bear Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.

BofA GLOBAL RESEARCH

Chart 2

BofA GLOBAL RESEARCH

Asset Class Flows (Table 3)

Equities: \$2.4bn inflow (\$20.6bn to ETFs, \$18.1bn from mutual funds)

Bonds: inflows past 56 weeks (\$30.5bn)

Precious metals: outflows resume (\$1.1bn)

Fixed Income Flows (Chart 13)

IG Bond inflows past 7 weeks (\$13.3bn)

HY Bond inflows past 2 weeks (\$0.3bn)

EM Debt inflows past 6 weeks (\$2.2bn)

Munis inflows past 5 weeks (\$2.6bn)

Govt/Tsy inflows past 4 weeks (\$10.8bn)

TIPS inflows past 16 weeks (\$1.0bn)

Bank loan inflows past 8 weeks (\$0.8bn)

Equity Flows (Table 4)

US: inflows past 8 weeks (\$9.5bn)

Japan: outflows resume (\$4.4bn)

Europe: outflows past 6 weeks (\$2.3bn)

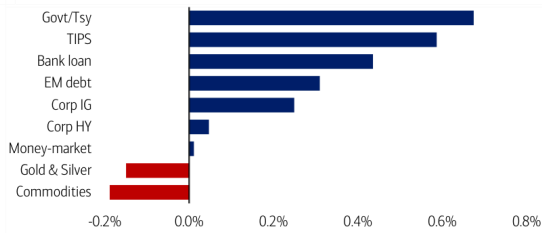
EM: outflows past 6 weeks (\$7.9bn)

By style: inflows **US large cap** (\$7.3bn), **US value** (\$1.4bn), outflows **US small cap** (\$2.6bn), **US growth** (\$4.8bn).

By sector: inflows **tech** (\$9.0bn), **consumer** (\$0.6bn), **com svcs** (\$0.4bn), **energy** (\$0.3bn), **real estate** (\$0.1bn), outflows **utilities** (\$0.1bn), **hcare** (\$0.2bn), **materials** (\$1.8bn), **financials** (\$2.4bn).

Chart 13: FICC inflows to Treasuries, TIPS, bank loan

Weekly FICC flows as a % AUM



Source: BofA Global Investment Strategy, EPFR Global

BofA GLOBAL RESEARCH

Table 3: Cumulative YTD flows by asset class

Global flows by asset class, \$mn

	Wk % AUM	YTD	YTD %AUM
Equities	0.0%	360,999	1.3%
ETFs	0.1%	554,508	3.4%
LO	-0.1%	-193,883	-1.6%
Bonds	0.3%	331,245	3.5%
Commodities	-0.2%	27,780	2.7%
Money-market	0.0%	245,758	2.2%

*week ended 05/20/2026. Source: EPFR Global

BofA GLOBAL RESEARCH

Table 4: Big YTD inflows to DM stocks

Global equity flows by region, \$mn

	Wk % AUM	YTD
Total Equities	0.0%	360,999
long-only funds	-0.1%	-193,883
ETFs	0.1%	554,508
Total EM	-0.3%	-87,404
Brazil	0.2%	4,973
India	-0.2%	-6,608
China	-1.5%	-194,891
Total DM	0.0%	448,403
US	0.1%	175,504
Europe	-0.1%	-2,319
Japan	-0.4%	20,028
International	0.1%	239,133

Total Equities = Total EM + Total DM

Source: EPFR Global

BofA GLOBAL RESEARCH



Chart 3

Page 9 | page-fallback | score 1.000

BofA GLOBAL RESEARCH

BofA Rules & Tools

Table 5: BofA Global Investment Strategy Proprietary Indicators
Current reading of all BofA Global Investment Strategy Proprietary Indicators

Proprietary Indicators	Category	Current reading	Current signal	Duration of signal
Contrarian				
BofA Bull & Bear Indicator (B&B) Sell when investor sentiment > 8.0; Buy when investor sentiment < 2.0	Contrarian	8.0	Sell	1-3 months
BofA Global FMS Cash Indicator Buy when cash at or above 5.0%; Sell when cash at or below 4.0%	Contrarian	3.9%	Sell	4 weeks
BofA Global Breadth Rule Buy when net 88% of markets in MSCI ACWI trading below 200-day moving & 50-day moving averages	Contrarian	50.0%	Neutral	3 months
BofA Global Flow Trading Rule Buy when outflows from global equities & HY > 1.0% AUM over 4wks; Sell when inflows > 1.0% AUM over 4wks	Contrarian	0.4%	Neutral	8 weeks
BofA EM Flow Trading Rule Buy when outflows from EM equities > 3.0% of AUM; Sell when inflows > 1.5% of AUM over 4 wks	Contrarian	-1.8%	Neutral	8 weeks
Macro				
BofA Global EPS Growth Model Model indicates trend in year-on-year change in 12-month forward global EPS growth.	Macro	9%	EPS growth rising	6-12 months

Source: BofA Global Investment Strategy. See Global Investment Strategy: Rules & Tools, 12 November 2020 and BofA Bull & Bear Indicator revamp reports

BofA GLOBAL RESEARCH

BofA Bull & Bear Indicator (B&B)

Our BofA Bull & Bear Indicator is at 8.0... signal is Sell.

Chart 21: BofA Bull & Bear at 8.0
Up to 8.0 from 7.8



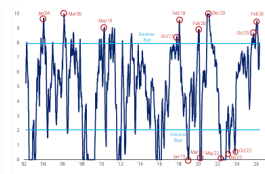
Source: BofA Global Investment Strategy
BofA GLOBAL RESEARCH

Table 6: BofA B&B Indicator
BofA Bull & Bear current component readings

Components	Percentile	Sentiment
Hedge Fund Positioning	75%	Bullish
Equity Flow	53%	Neutral
Bond Flow	74%	Bullish
Credit Market Technicals	74%	Bullish
Global Stock Index Breadth	74%	Bullish
FMS Positioning	95%	V Bullish

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

Chart 22: BofA Bull & Bear Indicator at 8.0
BofA Bull & Bear Indicator since 2002



Source: BofA Global Investment Strategy, EPFR Global, FMS, CFTC, MSCI
BofA GLOBAL RESEARCH

Disclaimer: The indicators identified above as the BofA Bull & Bear Indicator, MVP Model, BofA Global Breadth Rule, BofA EM Flow Trading Rule, BofA Global Flow Trading Rule, BofA Global FMS Macro Indicator, BofA Global FMS Cash Rule, Global Wave, Sell-Side Indicator, and Global Financial Stress Indicator are intended to be indicative metrics only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These indicators were not created to act as a benchmark.
The analysis of the BofA Bull & Bear Indicator in this report is back-tested and does not represent the actual performance of any account or fund. Back-tested performance depicts the hypothetical back-tested performance of a particular strategy over the time period indicated. In future periods, market and economic conditions will differ and the same strategy will not necessarily produce the same results. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. In fact, there are frequently sharp differences between back-tested returns and the actual results realized in the actual management of a portfolio. Back-tested performance results are created by applying an investment strategy or methodology to historical data and attempts to give an indication as to how a strategy might have performed during a certain period in the past if the product had been in existence during such time. Back-tested results have inherent limitations including the fact that they are calculated with the full benefit of hindsight, which allows the security selection methodology to be adjusted to maximize the returns. Further, the results shown do not reflect actual trading or the impact that material economic and market factors might have had on a portfolio manager's decision-making under actual circumstances. Back-tested returns do not reflect advisory fees, trading costs, or other fees or expenses.



GSX Global Reflections

3 additional extracted charts

Chart 1

Page 4 | image-block | score 0.689

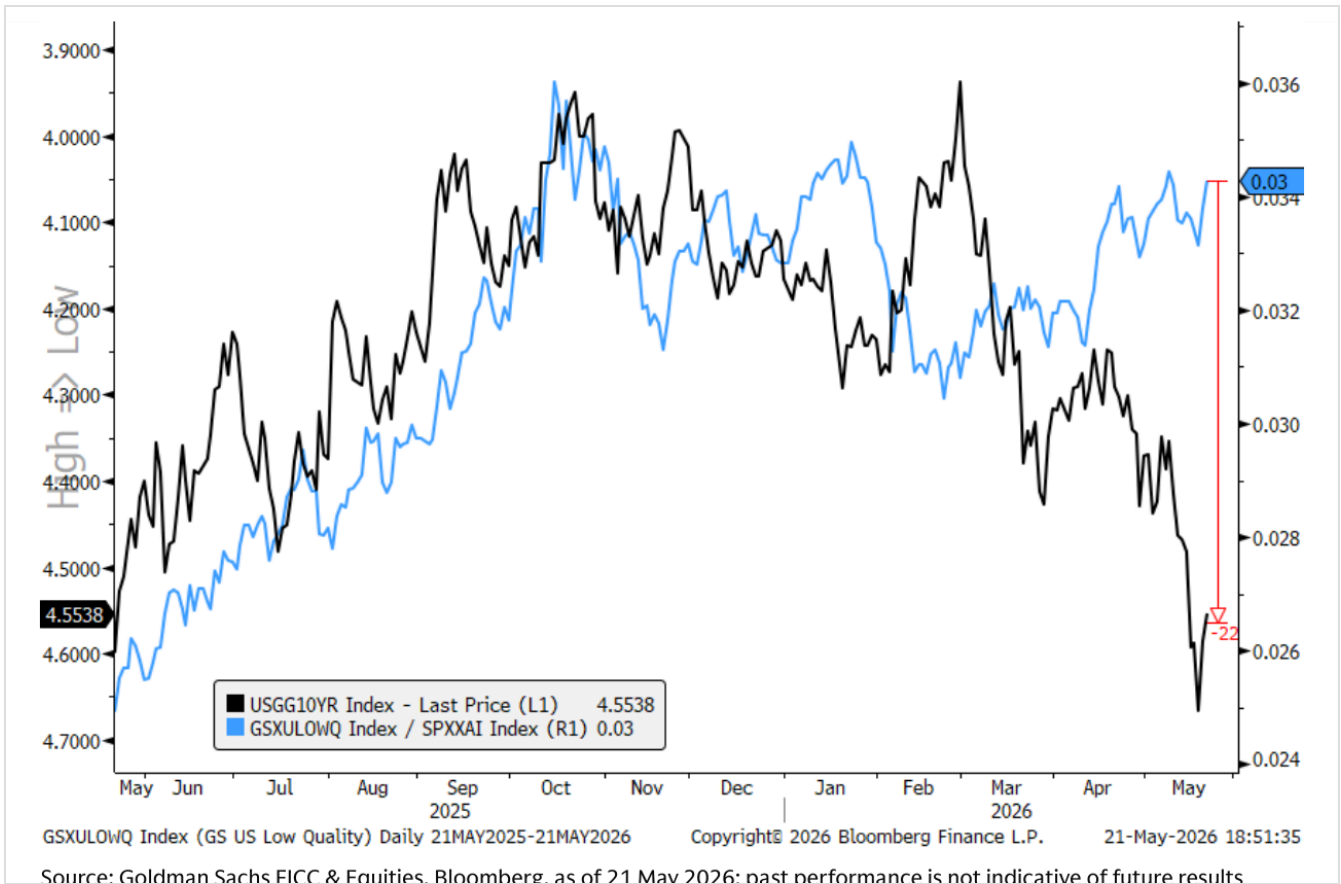


Chart 2

Page 6 | image-block | score 0.714

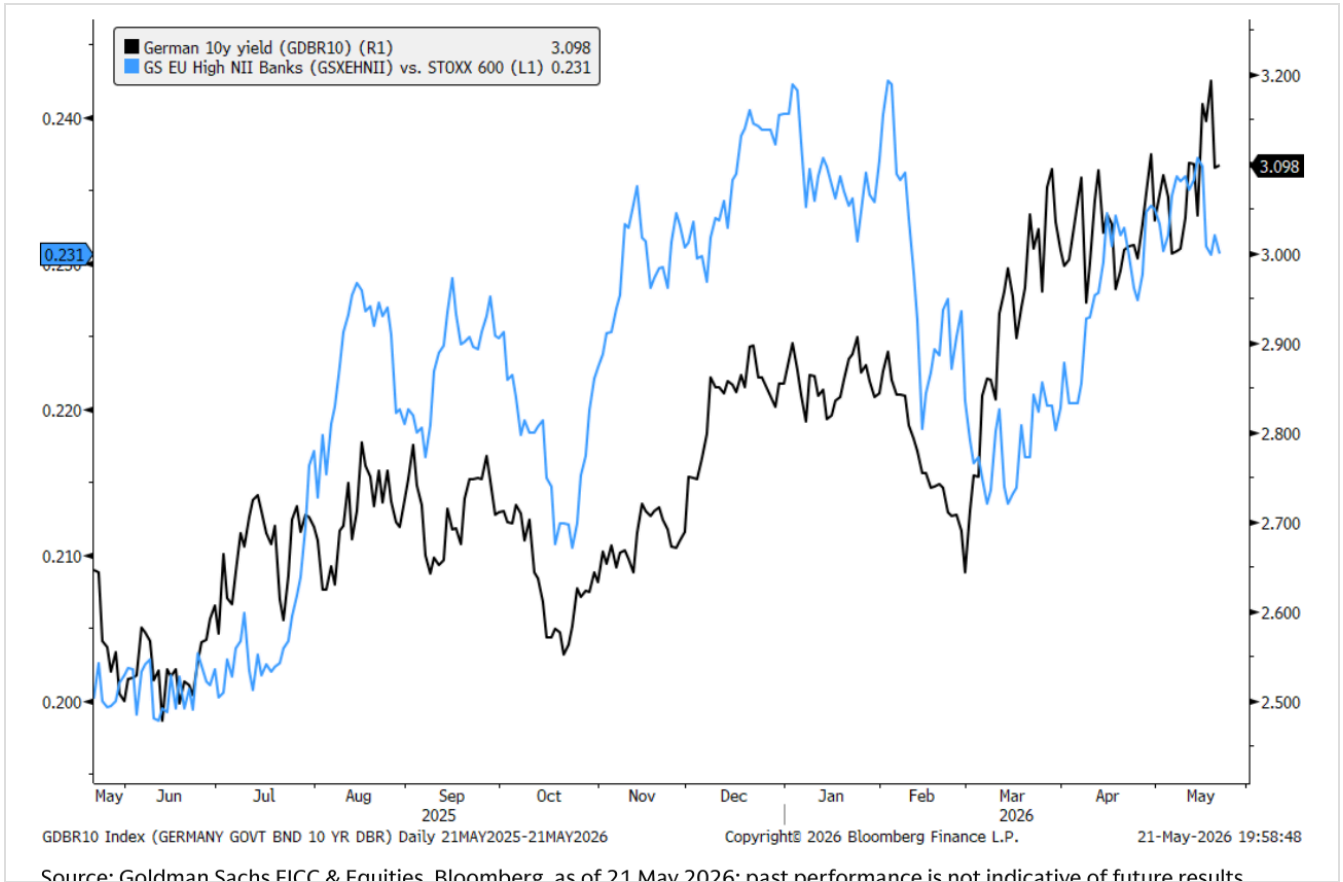


Chart 3

Page 8 | image-block | score 0.714



SocGen Albert Edwards Global Strategy Weekly Nothing to see here

3 additional extracted charts

Chart 1

The reason I know what 'Bond King' Bill Gross was saying in June 2007 is that I had dug out my hard copy of the Global Strategy Weekly from 13 June 2007 entitled *Is the Ice Age over?*

When I got to work this morning, I spotted an email from John Authers saying he was revisiting his 17 June 2007 article, and it had the "This is the big one" quote from me predicting imminent Armageddon (*quelle surprise*). As it happened, on this occasion I was correct, not because it was the end of the Ice Age downtrend in bond yields that summer, but because yields had risen high enough to burst the liquidity-fuelled bubbles that had propped up the economy until that point.

Rereading that 13 June 2007 Global Strategy Weekly is like taking a trip down memory lane (I have them going back to the 1997 Asian crisis, so there are lots more memories I can rekindle). There are notable similarities between now and then, including the unwinding of rate-cut expectations, an upward drift in real yields and a very sanguine view on the resilience of US consumers despite the unfolding sub-prime crisis.

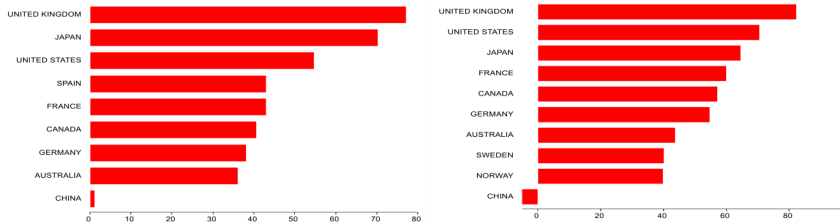
In particular, I noted the following sentence from my June 2007 report, "The US bond market has made a bet on the US consumer shrugging off a housing crash and record gasoline prices". The same is true now. The high gasoline price is remarkably similar, and instead of shrugging off a housing crash, the US consumer is currently shrugging off a 'crash' in employment growth driven by AI. But as I pointed out back then, the market can be spectacularly wrong about cyclical resilience, as it was in 2007 and also ahead of the 1990 recession.

I'm writing more than usual, as I feel we veteran strategists and economists have memories that are now proving invaluable in these febrile times. Anyway, that's what I told Bloomberg Odd Lots hosts Tracy Alloway and Joe Weisenthal, who recently interviewed me on-camera. We had a wide-ranging discussion about the current situation and why I expect a return to double-digit inflation as well as how an uber-bear like me survives working in a sell-side house. It's only my third on-camera interview in 15 years, and I didn't do one for the 20 years before that, so I think that this might be a new trend for me. You can find the Bloomberg video [here](#) and the podcasts [here](#) (I do apologise in advance for my shocking choice of shirt).

Where was I? Ah yes, ranting about surging Gilt yields. I've updated the charts showing rising yields in the major bonds since the start of the US/Iran war. I was surprised Japan and even the US are catching up with the UK, especially at the very long end of the curve.

Bp rise in 30y bond yields since start of US/Iran war (27/2/26)...

... and 10y



Source: Datastream

We know what's going on in the US because commentators are fixated on US treasuries – and rightly so. But what on earth is going on in Japan? The chart below shows that yields from 10y onwards have gone parabolic, to the point that 10y yields have moved decisively above the equity dividend yield – for the first time since November 2007, the month the US plunged into deep recession (there seem to be a lot of unnerving comparisons with 2007 coming thick and fast).

Chart 2

Page 2 | vector-cluster | score 0.565

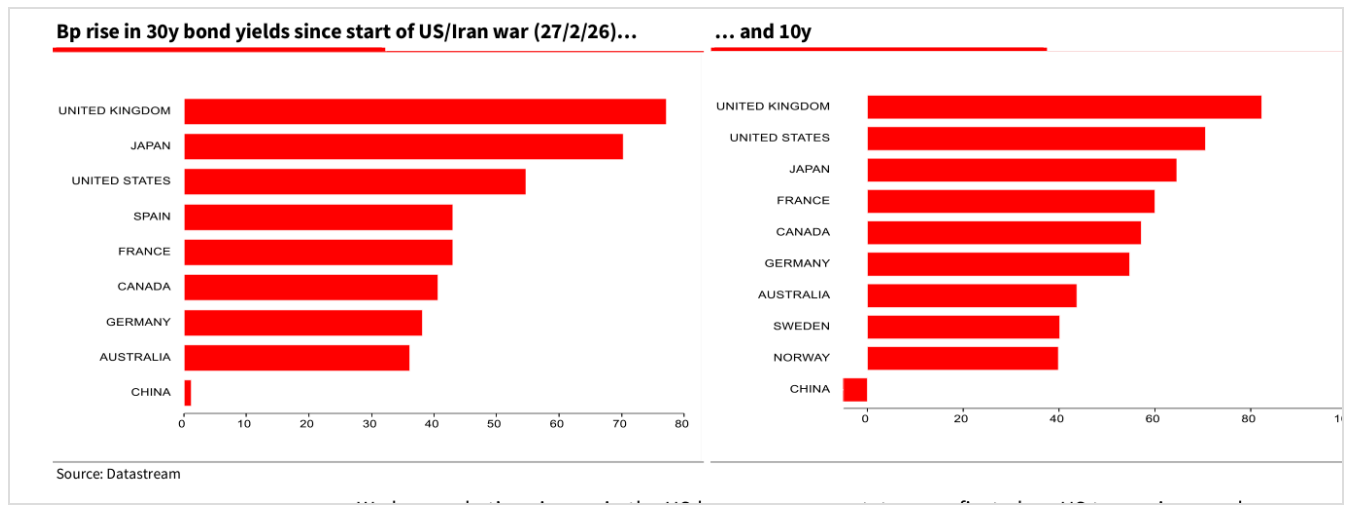
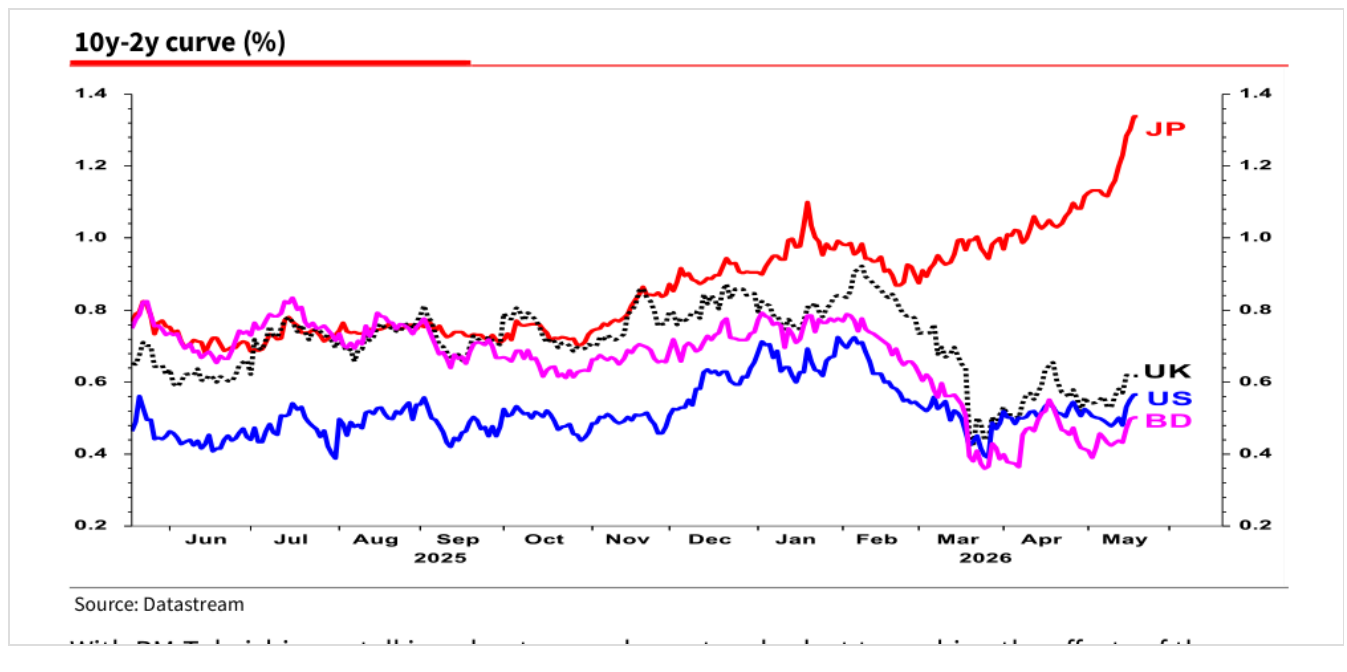


Chart 3

Page 4 | vector-cluster | score 0.583



JPM IRAN Position for an imminent deal sell Oils Buy Airports

2 additional extracted charts

Chart 2

Page 8 | page-fallback | score 0.712

Ian Mitchell - Specialist Sales - European Energy ☎ (+44-20) 7134-1356
ian.e.mitchell@jpmorgan.com
J.P. Morgan Securities plc

Europe Specialist Sales
JPM | Energy - Position for an
imminent Iran deal, sell Oils / Buy
Infra
22 May 2026

J.P.Morgan

Central Bank) are principal subsidiaries of JPMorgan Chase & Co. For legal entity and regulatory disclosures, visit: www.jpmorgan.com/disclosures. For additional regulatory disclosures, please consult: www.jpmorgan.com/disclosures.
This communication is intended for institutional clients only. Do not forward to any non-institutional clients.

You are receiving this email because you are a client of J.P. Morgan. If you would like to stop receiving the Energy Sector Specialist Commentary please email Ian Mitchell at ian.e.mitchell@jpmorgan.com.

This material has been prepared by personnel in the Sales & Trading Department and may include non-independent research (investment recommendations) which, for the purposes of MiFID 2 compliance, may also constitute a marketing communication. As such, this material has not been prepared in accordance with legal requirements designed to promote the independence of Investment Research, including but not limited to the prohibition on dealing ahead of the dissemination of Investment Research. It is not a product of J.P. Morgan's Research Department. It is not a research report, investment research or independent research and is not intended as such. This material is subject to the disclosures available at the following site <http://www.jpmorgan.com/pages/disclosures/materialdisclaimer>. The location of the natural person that produced this/these recommendation(s) (the Recommendation(s)) is set out in their signature block. Where the natural person that produced this Recommendation(s) is located in EMEA the legal person involved in the production of the Recommendation is J.P. Morgan Securities plc (JPMS plc) a firm authorised by the Prudential Regulation Authority (the PRA) and regulated by the PRA and the Financial Conduct Authority (the FCA). Where the natural person that produced this Recommendation(s) is located in the United States the legal person involved in the production of the Recommendation is J.P. Morgan Securities LLC (JPMS LLC) a firm registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB).

Where the Recommendation(s) are jointly produced by natural persons located in EMEA and the United States, the legal persons involved in the production of the Recommendation will be both JPMS plc and JPMS LLC together. Where you are an APAC or EMEA ex-EEA client, this Recommendation(s) is distributed to you by JPMS plc. Where you are a client based in the EEA, this Recommendation(s) is distributed to you by J.P. Morgan SE (JPM SE). JPM SE is authorised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - 'BaFin') and regulated by the BaFin, the German Central Bank and the European Central Bank. Where you are a client based in the United States, this Recommendation(s) is distributed to you by JPMS LLC, JPMS plc, JPM SE and JPMS LLC (together J.P. Morgan) may not be licensed in your home jurisdiction; please refer to the Regulatory Disclosures section of <https://www.jpmorgan.com/pages/disclosures> for important information. Clients should contact their salespersons at, and execute transactions through, a J.P. Morgan entity qualified or authorised in their home jurisdiction except to the extent governing law permits otherwise. Unless stated otherwise in the body of the Recommendation(s), no material sources, valuation, methodology or proprietary models were used to produce the Recommendation(s). J.P. Morgan has no obligation to update the Recommendation(s). The validity period for the Recommendation(s) is short term, it will last only as long as the market conditions at the time of dissemination. Any dates and times stated in the Recommendation(s) may not be precise or exact and should be used for guidance only. Unless stated otherwise in the Recommendation(s), the date and time of dissemination are the date and time this email is sent (or where this email was forwarded to you, the date and time of the original email) and the date and time of dissemination is also the date and time of production.

J.P. Morgan may today, or in the future, do business that could give rise to an interest or conflict of interest concerning any issuer(s) or financial instrument(s) to which the Recommendation(s) directly or indirectly relates. Please visit [Disclosure of the proportion of "buy", "hold" and "sell" recommendations and the proportion of issuers to which J.P. Morgan has supplied material services of an investment firm](#) for important disclosures relating to the Recommendation(s).

For details on how the Recommendation(s) varies from previous recommendations sent by the author of this/these Recommendation(s) please refer to [Disclosure of J.P. Morgan's 12 month history of investment recommendations](#) where a list of all the recommendations produced by the author of this/these Recommendation(s) in the last 12 months can be found.

The Recommendation(s) has been prepared in accordance with J.P. Morgan's policies for managing conflicts of interest which is available at the following link <https://www.jpmorgan.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-co-policy.pdf> this policy describes the effective internal, organization and administrative arrangements J.P. Morgan has in place for the prevention and avoidance of conflicts of interest. The remuneration of the both the legal and natural persons involved in the production of the Recommendation(s) may be directly or indirectly tied to trading fees or other client revenue, JPMS plc or any member of the J.P. Morgan group receives.

MAR Disclosure site: https://markets.jpmorgan.com/disclosures/Market_Abuse_Regime
J.P. Morgan events are by invitation only and invitations are non-transferable.

This expert event will be charged for in accordance with the research pricing we have agreed with you. If you have any questions in this regard, please contact your normal J.P. Morgan representative. If you consider the facilitation component of this event a non-monetary benefit, please contact your normal J.P. Morgan sales advisor to discuss making a payment for this service which is unbundled from any research payment.

All materials and information shared with you are, unless otherwise indicated to you, proprietary and confidential to J.P. Morgan. You are hereby notified that any disclosure, dissemination, copying, distribution, or use of the information provided to you, in whole or in part, other than as expressly permitted by J.P. Morgan, is STRICTLY PROHIBITED. You are permitted to disclose the materials and information to your officers and employees on a need to know basis. Should you have any questions regarding this, please contact your usual J.P. Morgan contact.

Where an external expert or other industry professional speaks at a J.P. Morgan event, the views expressed by such expert or professional at the J.P. Morgan event, are the views of such speaker only and neither J.P. Morgan nor any company that has sourced the speaker on behalf of J.P. Morgan, takes any responsibility for the content provided by the speaker at the event.

For further information in respect of non-research content please visit: <https://www.jpmorgan.com/pages/disclosures/materialdisclaimer>.

For disclosures and disclaimers in respect of research content please visit: <https://www.jpmm.com/research/disclosures>.

© 2025 JPMorgan Chase & Co. All rights reserved. J.P. Morgan is a marketing name for businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide. JPMorgan Chase Bank N.A. (member of FDIC), J.P. Morgan Securities LLC (member of FINRA, NYSE and SIPC), J.P. Morgan Securities plc (member of the London Stock Exchange and authorized by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority and the PRA) and J.P. Morgan SE (authorised by the BaFin and regulated by the BaFin, the German Central Bank and the European Central Bank) are principal subsidiaries of JPMorgan Chase & Co. For legal entity and regulatory disclosures, visit: www.jpmorgan.com/disclosures. For additional regulatory disclosures, please consult: www.jpmorgan.com/disclosures.

8



Sources

[Chart report PDF](#)