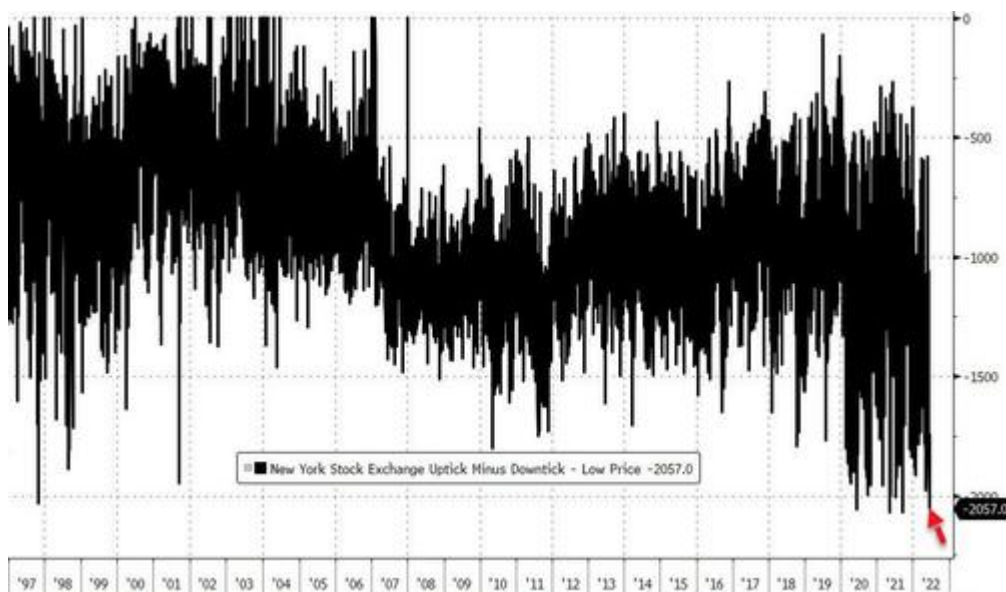




## Capitulation? Stocks Hit With 4th Largest 'Sell Program' In History This Morning

### Description

**USA:** The difference between upticks and downticks on the NYSE this morning hit a stunning -2,057. There have only been three other 'sell programs' of this size or larger in market history...



On the three prior events (6/11/20, 5/11/21, 9/20/21), the S&P bounced in the following days...



But, as the following chart shows, it's different this time – The Fed Balance Sheet is shrinking!!



In case you think this is the 'capitulation' moment, BofA suggests no...

**This is a list of “capitulation” levels in various FMS and other positioning indicators.**

**Table 1: The Capitulation Watch**  
Capitulation watch

	Dotcom Dec'00- Mar'01	GFC Jul-Oct'08	Euro Debt Crisis Nov'11- Apr'12	COVID Mar- Apr'20	Today	Extreme Bear Low
BofA FMS Cash % of AUM	8.0	5.4	5.3	5.9	5.6	✓
BofA FMS Stronger economy	-59	-65	-29	-49	-73	✓
BofA FMS Stronger profits	-52	-74	-41	-64	-72	✓
BofA FMS Higher short term rates	-77	-75	-9	-44	79	X
BofA FMS Equities net OW %	-	-45	-7	-27	-15	X
BofA FMS Bonds net OW %	-	26	-23	-13	-46	X
BofA Bull and Bear Indicator	-	0.0	0.0	0.0	0.2	✓
BofA Breadth Rule	-96%	-89%	-96%	-91%	-51%	✓
BofA GWIM equity AA (% AUM)	-	39%	48%	54%	63%	X
Equity flows (for every \$100 inflow, \$x outflow)	-	-113	-53	-61	-1	X
Total equity outflow (% AUM)	-	6.8%	2.6%	2.8%	0.1%	X

Source: BofA Global Fund Manager Survey, BofA Global Investment Strategy, EPFR

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*FMS indicators mostly are at capitulation levels...the one exception is short-term interest rates...normally at a "big low" investors universally expect central banks to panic and cut rates...in 2022 the central bank panic is in the other direction, hiking rates to desperately reverse their excess stimulus of 2020 & 2021.*

Put simply: **Equity flows are not near capitulation levels.**

by Tyler Durden

## Category

1. Economy-Business-Fin/Invest
2. Main

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