

US Economic Viewpoint

Jan jobs FAQs: The Super Bowl of jobs reports

Why does the Jan jobs report matter so much?

The labor market remains the key driver of Fed policy, and this month's Jan jobs report (on Feb 11) is shaping up to be an important release. Job growth has already slowed over the past year due to a labor supply shock from tighter immigration policies and softer demand tied to tariff uncertainty/AI adoption. The Jan report adds another complication. It includes annual revisions to prior data from the i) QCEW (Quarterly Census of Employment & Wages) based benchmark and ii) BLS's updated firm Birth-Death model.

What should we expect for the Jan jobs print?

We forecast Jan nonfarm payrolls to rise by a below consensus 45k and for the u-rate to hold at 4.4%. The weaker jobs forecast reflects expected downward revisions tied to the updated Birth-Death model. That aside, we think job growth was steady at about 75k.

How big will the annual revisions be this year?

Additionally, in the Jan jobs report, Apr '24 to Mar '25 payrolls will be benchmarked to align with the latest QCEW data. We estimate payrolls as of Mar '25 will be revised down by 800k-850k (65k-70k/month), still historically large but slightly smaller than the preliminary estimate of -911k. Most of the revisions should fall in 2H24, particularly in leisure & hospitality, trade & transportation and professional & business services.

Also, Apr '25 onwards, we think the updated firm Birth-Death model will lead to a 20-30k downward revision to monthly jobs. Finally, population control updates to the Household survey, normally part of the Jan print have been pushed to the Feb report.

What do the revisions tell us about the labor market?

If the downward revisions are modest and concentrated in 2H24, they should be less concerning for the Fed because policymakers are more focused on the recent outlook. The Fed has already been penciling in a 60k/month downward revision. Hence, this would further reinforce the Fed's optimism about the labor market. Also, the downward revision would indicate a lower breakeven job growth rate & high productivity, helping explain 2024's solid growth despite softer payrolls.

How will Fed pricing be impacted by the Jan jobs release?

Revisions of roughly 800k, especially if focused in 2H24 are unlikely to materially shift Fed policy as they broadly match what policymakers already expect. But larger downward revisions (1mn+) or clear evidence that job growth weakened meaningfully in early 2025 would skew risks in the dovish direction. The Jan u-rate will matter even more to the markets than payrolls. Given the ongoing labor demand and supply shocks, a meaningful u-rate move either way would provide a clear signal amid the noise of revisions.

What should we derive signal from in the Jan jobs release?

Cutting through the noise, we would see signal value in i) Movement in the Jan u-rate, up or down, ii) The size and timing of the benchmark revisions, especially if they are large and spill into early 2025 instead of being concentrated in 2H24 and iii) An outlier payroll print in Jan, especially if it is significantly weaker than the current breakeven estimate of 20k.

05 February 2026

Economics
United States

Shruti Mishra
US Economist
BofAS
+1 646 855 1040
smishra44@bofa.com

US Economics
BofAS

[See Team Page for List of Analysts](#)

U-rate: Unemployment Rate

LFPR: Labor Force Participation Rate

AHE: Average Hourly Earnings

PCE: Personal Consumption
Expenditure

NFP: Nonfarm Payrolls

QCEW: Quarterly Census of
Employment and Wages

HH: Household

NIPA: National Income and Product
Accounts

SA: Seasonally Adjusted

NSA: Non-Seasonally Adjusted

BLS Bureau of Labor Statistics

CES: Current Employment Statistics

BED: Business Employment Dynamics

Mo: Month

AI: Artificial Intelligence

BofA Securities does and seeks to do business with issuers 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.

Refer to important disclosures on page 9 to 10.

12931092

Timestamp: 05 February 2026 04:29AM EST

Jan jobs: the rundown

January nonfarm payrolls are likely to rise by a below consensus 45k (40k private). The weaker jobs forecast mainly reflects expected downward revisions linked to the BLS's (Bureau of Labor Statistics) annual update to their firm Birth-Death model.

Keeping the model change aside, we think underlying January job growth was steady at about 75k. Initial and continuing claims remained low in the survey week. Also, Winter Storm Fern was after the survey week of the January report. So, job growth in weather-sensitive sectors such as construction and leisure & hospitality was likely stable.

The unemployment rate should remain steady at 4.4%, with the labor force participation rate also unchanged at 62.4% after the one-tenth decline seen in both measures in December. This would likely further reinforce the Fed's optimism about the labor market, as signaled in the January FOMC (Federal Open Market Committee) meeting. Hours works and wage growth will likely be unchanged at 34.2 and 0.3% m/m, respectively. Income growth should remain supportive of consumption.

A lot of information in Jan: signal vs noise

Upcoming revisions in the Jan jobs release

In addition to the signal from the January payroll and u-rate rate print, like every year, we will also be watching for revisions to prior data based on the following: i) QCEW data-based benchmarking of the Establishment survey, ii) changes to the BLS's firm Birth-Death model and iii) seasonal factor updates. The Household (HH) survey population control updates are also usually incorporated as a part of the January jobs print. However, this year, the update has been delayed by a month.

Cutting through the noise

Based on QCEW data, we estimate that the downward revision to the level of payrolls as of Mar '25 could be around 800-850k (65-70k/ month), slightly better than the preliminary estimate of -911k (76k/month). The revisions are likely to be concentrated in 2H24. Additionally, we think the Birth-Death model and rescaling impact will lead to a 20-30k downward revision to monthly job growth from April 2025 onwards.

If the downward revisions are modest and concentrated in 2H24, they should be less concerning for the Fed because policymakers are more focused on the recent outlook. The Fed has already been penciling in a 60k/month downward revision. Hence, this would further reinforce the Fed's optimism about the labor market. Also, the downward revisions would indicate a lower breakeven job growth rate & high productivity, helping explain 2024's solid growth despite softer payrolls.

And when we do get the population updates to the HH survey in the Feb jobs report, there is a risk that the population estimates could skew the u-rate lower in February along with a downward shift in the levels of employment, unemployment and the labor force on account of slower population growth in 2025 due to lower net migration.

Cutting through the noise, we would see signal value in i) Movement in the Jan u-rate, up or down, ii) The size and timing of the benchmark revisions, especially if they are large and spill into early 2025 instead of being focused in 2H24 and iii) An outlier Jan payroll print, especially if it is significantly weaker than the current breakeven estimate of 20k.

The BLS announced on Monday that even if the government shutdown ended on Tuesday, as it ultimately did, it would still be unable to release the January jobs report this Friday. Typically, the agency needs only a couple of days to resume normal operations after a shutdown. Indeed, the BLS announced yesterday that they will be releasing the January jobs report on Feb 11.



Given the wide array of factors impacting each of these updates, below we answer some frequently asked client questions on each topic. We also detail out our estimate for the expected size of the revisions, along with implications for the labor market and the Fed.

FAQs: QCEW-based benchmark revisions

What is the QCEW? Is it better than the payroll survey?

The QCEW data represent approximately 95% of total employment and are compiled from state level unemployment insurance data that nearly all employers are required to file. This dataset is more accurate for estimating nonfarm payrolls than the Establishment survey, which samples about 120k businesses and government agencies (covering one-third of payroll employment) in the CES (Current Employment Statistics) survey.

But the problem is the QCEW data are published with a lag of about five months, while the payroll data are published in a timelier manner at a monthly frequency.

What is the annual QCEW based benchmark revision?

Each year with the release of the January employment report, the Establishment survey data are benchmarked by the BLS to reflect more complete counts of employment from the QCEW. Hence in February of this year along with the release of the January employment report, the payroll data from April 2024 to December 2025 will be subject to a benchmark revision by the BLS.

The data through March 2025 will be revised based on the QCEW. For the remaining nine months through December 2025 (referred to as the post benchmark period), the revisions will reflect i) rescaling of the level of payrolls to the revised baseline level for March, and ii) updated to the BLS's firm Birth-Death model.

Is this different from the preliminary benchmark revision?

Before the final revisions are released in February every year, a preliminary benchmark estimate of the QCEW-based revision is released by the BLS. Last year, this was released on September 9. This was based on QCEW data through the first quarter of 2025 and as mentioned above, gave a preliminary estimate for payroll data revision from April 2024 to March 2025.

The preliminary estimate suggested that nonfarm payrolls as of March 2025 will be revised down by 911k or roughly 0.6%, larger than the average revisions over the last ten years (0.2%, see: [US Watch: Time to hit the panic button on the labor market?](#)).

In the preliminary estimate, the BLS only shows estimated revisions to the level of payrolls in the month of March 2025 for the major sectors. The existing payroll series are not updated in this release. The payroll data are only updated when the final benchmark revision is issued.

What is our estimate for the final benchmark revision?

The main difference between the preliminary and final benchmark revisions comes from revisions to the QCEW data, specifically for the first quarter of the year.

Between the preliminary and final benchmark revision releases, the Q125 QCEW data were revised upward in December 2025, consistent with the pattern observed in recent years. However, this upward revision (104k) was lower than the average revision over the last few years (120-130k).

Based on this revised Q125 QCEW data, we estimate that the downward revision to the level of payrolls as of March 2025 could be around 800-850k or roughly 0.5-0.55% (about 65-70k/ month). We estimate this by comparing the ratio of nonfarm payrolls to QCEW employment for March 2025 with March 2024 (Exhibit 1).

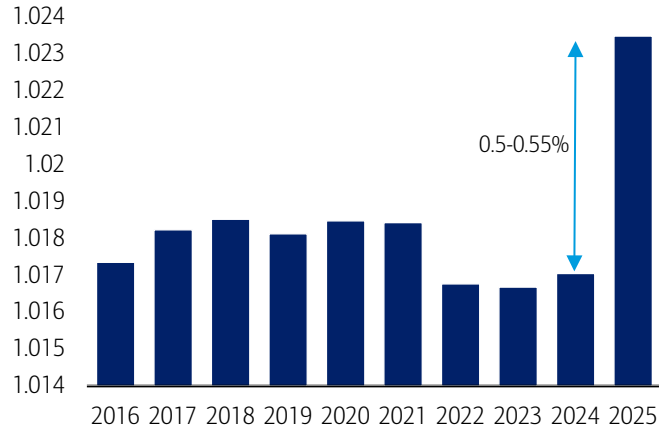
Although still historically large, the 800-850k downward revision is slightly better than the preliminary estimate of -911k or 0.6% (76k/ month). However, it's lower than the



decline in downward revision seen between the preliminary and the final estimates in the last few years (Exhibit 2). Indeed, in February 2025, the final benchmark revision for the level of payrolls as of March 2024 was -598k, much lower than the preliminary estimate of -818k.

Exhibit 1: The latest QCEW data suggest that the level of payrolls as of Mar '25 could be revised down by around 0.5-0.55% in the final print

Ratio of nonfarm payrolls to QCEW employment in the month of March (SA)

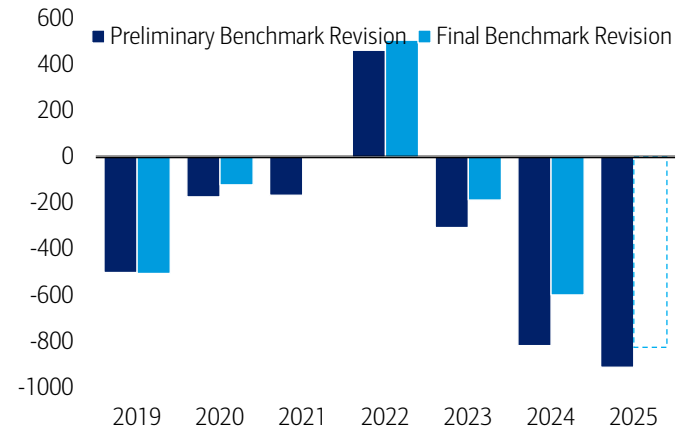


Source: BofA Global Research, BLS, Haver Analytics. Note: The difference between the Mar '25 and Mar '24 ratio is about 0.6% but it has been shaded down based on previous benchmark revisions. This exercise produces very similar estimates when done using non-seasonally adjusted NFP and QCEW data.

BofA GLOBAL RESEARCH

Exhibit 2: The preliminary benchmark revision estimate for Mar '25 was -911k. In the final release, we expect a -800-850k revision.

Annual Establishment survey benchmark revisions to nonfarm payrolls (NSA, thous)



Source: BLS. Note: The light blue dotted line shows our forecast for the final benchmark revision size from Apr '24 – Mar'25. Our estimate is 800-850k so, we have shown the mid-point (825k) in the chart.

BofA GLOBAL RESEARCH

Which sectors would the revisions be stemming from?

In addition to the size of the revisions, it would be interesting to know which sectors the downward revisions would be stemming from. Last year's preliminary benchmark estimate indicated that the bulk of the downward revisions were concentrated in trade, transportation & utilities, leisure & hospitality, and professional & business services. These sectors will again be central to evaluating the magnitude of the final revisions (Exhibit 3).

Leisure & hospitality, a key "catch up" sector in the post pandemic recovery, showed signs of softening in 2025, likely reflecting both tariff-related uncertainty and tighter labor supply due to more restrictive immigration policy. If the final benchmark reveals sizeable downward revisions through March 2025, it will imply that momentum in this sector had stalled even before the labor demand and supply shocks that materialized last year. That would suggest a more fragile underlying trend than previously assumed.

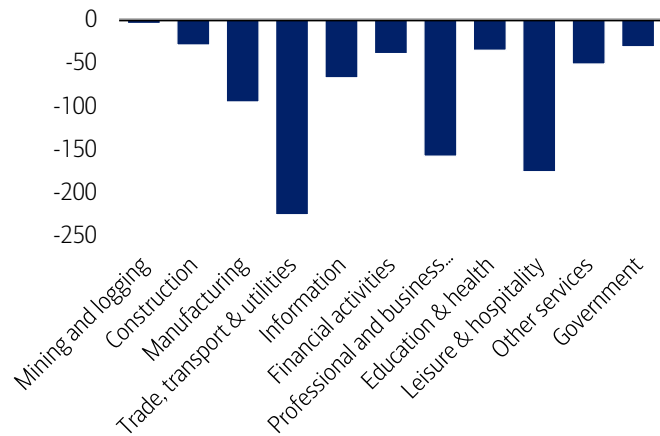
Trade, transportation & utilities also slowed noticeably in 2025, with four consecutive months of net job losses through December. This sector is also vulnerable to tariff-driven uncertainty. Should the benchmark revisions show downward adjustments through March 2025, it would point to an even more pronounced weakening than what the current data already signal.

Professional & business services has likewise experienced several months of job losses, though alongside accelerating wage growth. This pattern is consistent with a sector undergoing early, rapid adoption of AI, likely reducing demand for lower-pay roles. If the final benchmark shows downward revisions, it will indicate that the restructuring associated with AI adoption began earlier and progressed more deeply than reflected in the preliminary estimates.



Exhibit 3: The preliminary revision was driven by trade, transport & utilities, leisure & hospitality, professional & business services

Preliminary estimates of Feb'26 benchmark revisions to the level of payrolls as of March 2025, by sector (NSA, thous)

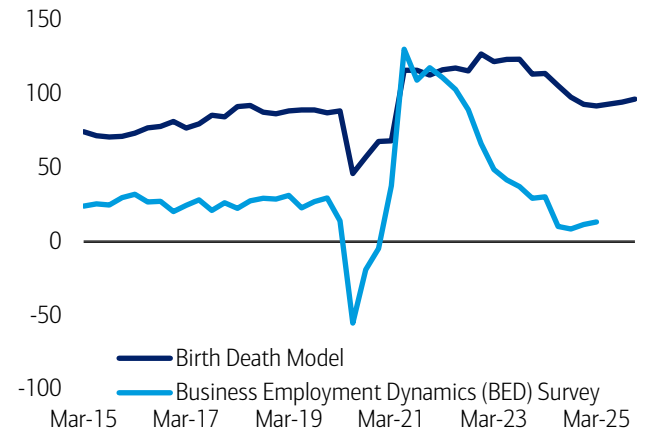


Source: BLS

BofA GLOBAL RESEARCH

Exhibit 4: BLS's Birth-Death model based net establishment change remains above pre-Covid levels, while BED survey measure is below

Net establishment change adjustment from the Birth-Death model and the BED survey (four quarter average, SA, thous)



Source: BLS, Haver Analytics

BofA GLOBAL RESEARCH

Does it matter which months get revised?

We can roughly back out how the revisions will be distributed across the period from April 2024 to March 2025 based on which months have the largest discrepancies between the QCEW and reported payrolls.

Our analysis suggests this markdown will be concentrated in 2H 2024. Payroll growth for 1Q 2025 will likely see relatively smaller revisions, and we think that should carry over to 2Q-4Q 2025.

If this is indeed the case and the sizeable downward revisions are more concentrated in in 2H 2024 as compared to 1Q 2025, then this would be slightly less concerning from the Fed's perspective. The Fed has already been penciling in a 60k downward revision to monthly jobs. Hence, this would further reinforce the Fed's optimism about the labor market, as signaled in the Jan FOMC meeting.

What does this mean for the Apr'24–Mar'25 labor market?

If the revisions are concentrated in 2H24, average job growth in that period could be about 70k, much lower than the current average pace of 160k. Given that the unemployment rate and other labor slack measures were largely stable in that period, this likely indicates a lower breakeven rate of job growth in 2024 of about 70-75k. This makes sense because immigration policy started to tighten during the Biden Administration in 2024 (see: [US Economic Viewpoint: Supply, supply, supply: Lower breakeven & full employment](#)).

FAQs: Birth-Death model-based revisions

Will the Apr–Dec'25 data also be revised?

Revisions to April-December 2025, the post benchmark period which is more important from the Fed's perspective will reflect two factors: i) rescaling, based on the revised level of March 2025 payrolls, ii) revisions to the BLS's firm Birth-Death model. April-December 2025 payrolls will not be revised based on the QCEW until 2027.

Last year, despite 598k (50k/month) in downward revisions for March 2024, the birth-death model and rescaling effect only led to a small 10-15k/month downward revision to the post benchmark period in 2024. In 2025, we expect the post benchmark period to be revised down by about 20-30k/month on account of the Birth-Death model and the rescaling impact.



Also, given that the QCEW revisions until March 2025 are expected to be modest (65-70k/month), that could imply a substantially weaker labor market in the more recent months as well. Even if the QCEW based revision to the more recent months happens only in 2027, a dovish argument could be made that it will almost inevitably be a modest downward revision.

What is the Birth-Death model and why does BLS use it?

The Establishment survey applies a Birth-Death model adjustment to account for net employment changes from new business formations (births) and closures (deaths) that are not yet captured in the monthly sample in the CES based Establishment survey for payrolls. This is because new firms enter the survey with a lag and failing firms can drop out quickly. This is intended to prevent undercounting in expansions and overcounting in downturns.

To compensate for this unavoidable lag, the BLS adjusts its monthly employment estimates using a two-part procedure: first, it imputes continued employment to firms that have disappeared from the sample (offsetting missing job gains from births), and second, it applies a time series model trained on five years of historical QCEW microdata to estimate the residual net effect of business openings and closings.

Why did BLS change the Birth-Death model methodology?

Post pandemic business dynamics produced unusually large forecast errors, as firm creation and closures shifted sharply. To improve accuracy, the BLS temporarily adjusted the model from April through October 2024 by incorporating current sample-based employment growth, making the adjustment more responsive to current labor market conditions.

With the release of the December 2025 jobs report, the BLS has announced that this current sample informed approach will be adopted permanently starting with the January 2026 employment report.

What is our estimate for the Birth-Death model revision?

Business formation has cooled materially from post pandemic highs, while closures and survival rates have risen amid tighter financial conditions and slower growth. The historically trained model likely overstates the job gains from net new businesses.

Indeed, as seen in Exhibit 4, net establishment birth-death adjustment from the BLS's Birth-Death model, despite slowing down in the last year continues to be above pre-pandemic levels. However, data on firm openings and closures from the Business Employment Dynamics (BED) Survey suggest that net establishment change is now running below its pre-pandemic levels.

Using real time survey signals as part of the new methodology should lower the Birth-Death model contribution to job gains, particularly in a cooling labor market. Hence, incorporating the difference from pre-pandemic levels, we estimate a 20-30k downward revision to monthly payroll growth starting April 2025 due to the updated Birth-Death model.

What does this mean for the Apr-Dec'25 labor market?

If our estimate for the Birth-Death model-based revision is correct, payroll growth was likely running close to zero on average in the April-December 2025 period. In this period, the unemployment rate went up about two tenths. This is consistent with our lower breakeven job growth rate estimate of roughly 20k on account of tighter immigration policies implemented in 2025.

Do these revisions imply anything for the u-rate?

No. The u-rate comes from the Household survey, which is unaffected by QCEW or the Birth-Death model. But if the revisions to job growth in recent months are substantially



larger than our expectations, then the unemployment rate, which is a lagging indicator, could rise even further than our current 4.5% forecast for 1H 2026.

What are the implications for other data and productivity?

Per our understanding, the payroll revisions have already been reflected in the annual GDP and NIPA (National Income and Product Accounts) revisions from last fall.

High productivity (potentially due to AI) can explain why despite soft payrolls in 2024, real final sales (GDP growth ex trade and inventories) were close to 3%. Also, in 2025 and going forward, stronger productivity growth gives a buffer to potential GDP growth against the impact of a negative labor supply shock due to tighter immigration policy.

FAQs: Seasonality and population control-based revisions

Will seasonal adjustment factors also be updated?

Yes, with the release of the January jobs report, the BLS will update the seasonal adjustment factors for the Establishment survey as it does every year. These revisions will affect all seasonally adjusted Establishment survey data back to January 2021. Post-pandemic hiring and layoff patterns have shifted structurally, making it likely that seasonal factors will require continued recalibration.

The Household survey seasonal factors were updated last month, when the December employment report was released. That update resulted in the unemployment rate being revised up by one-tenth in February, May, and July, and revised down in November.

Given this precedent, revisions to the Establishment survey seasonal factors may also cluster in particular months, especially around turning points such as June/September (summer transitions) or December/January (holiday season) where post-pandemic changes (like more online shopping requiring fewer workers hired during a more spread-out holiday season) caused historical seasonal patterns to shift.

Is residual seasonality still at play in January?

We have fielded some questions on the potential for residual seasonality to boost employment in January. Post pandemic, January has lower layoffs after the holiday season, so, seasonal factors in January should be less favorable now. Seasonal factors have been gradually catching up to this.

Recent data show the adjustment has likely largely caught up. Indeed, in 2024, January job growth actually came in below the average pace for the rest of the year, and in 2025, while still somewhat elevated, the January gain was smaller than in 2023 (Exhibit 5), indicating diminishing residual seasonality. So, we don't think residual seasonality will provide a significant boost to January payrolls in 2026.

Will the HH survey data also be revised in the Jan report?

The BLS typically incorporates new population estimates into the Household survey with the January jobs report. This year, however, the agency has announced that the updated population controls will instead be introduced with the February jobs report which will be released in March, likely reflecting delays stemming from last year's shutdown.

These revisions will apply only on a go forward basis, which means there will be level shifts in measures such as household employment, unemployment, and the labor force in February. As a result, monthly changes in these variables for February should be interpreted with caution.

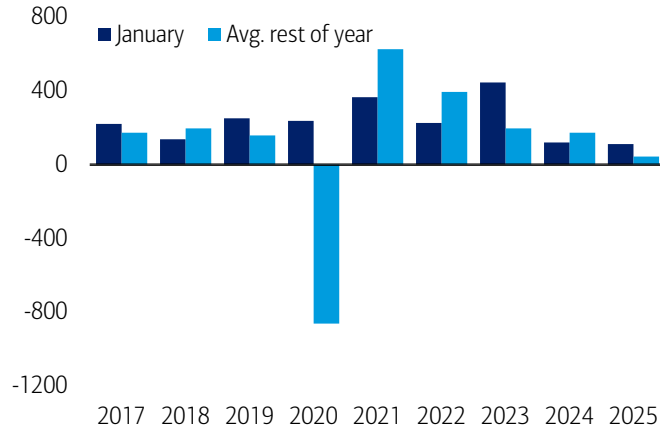
We expect the population update to produce downward revisions. Census Bureau estimates for July 2024 to July 2025 show U.S. population growth running at roughly half the prior year's pace due to lower net migration. So, we expect a reduction in the labor force and household employment & unemployment levels in February.



The good news is that key ratios, the unemployment rate, labor force participation rate and employment to population ratio are usually largely unaffected. Last year, the population control added a tenth each to the unemployment rate and participation rate. So, this year, there is a risk that the population estimates could skew these ratios lower in February.

Exhibit 5: In Jan'24, job growth came in below the average pace for the rest of the year, and in 2025, the Jan gain was smaller than in 2023

Change in nonfarm payrolls (m/m, SA, thous)



Source: BLS, Haver Analytics

BofA GLOBAL RESEARCH

How will Fed pricing be impacted by the release?

Revisions of around 800k from the benchmark updates, especially if they are concentrated in 2H24, are unlikely to move the needle on Fed policy, since the Fed is already penciling in a 60k markdown to recent monthly job growth. But larger revisions (~1mn) could trigger a dovish response as they would imply the labor market had nearly stalled in early 2025. Also, if the Birth-Death model related revisions in the post April 2025 period are sizeable, this could generate a more significant market response.

The Jan u-rate will matter even more to the markets than payrolls. Given the ongoing labor demand and supply shocks, a meaningful u-rate move either way would provide a clearer signal amid the noise of revisions.



Disclosures

Important Disclosures

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Individuals identified as economists do not function as research analysts under U.S. law and reports prepared by them are not research reports under applicable U.S. rules and regulations.

Macroeconomic analysis is considered investment research for purposes of distribution in the U.K. under the rules of the Financial Conduct Authority.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by the Financial Sector Conduct Authority; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofam.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Zurich): Bank of America Europe Designated Activity Company, Zurich Branch, regulated by the Swiss Financial Market Supervisory Authority FINMA, the ECB and CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority. This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information 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. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities. This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute,



investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2026 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. This document and its content is provided solely for informational purposes and cannot be used for training or developing artificial intelligence (AI) models or as an input in any AI application (collectively, an AI tool). Any attempt to utilize this document or any of its content in connection with an AI tool without explicit written permission from BofA Global Research is strictly prohibited. BofA Global Research utilizes AI, including machine learning and other technologies, to enhance the services we provide to our clients. These technologies assist our analysts in various aspects of their work, including but not limited to data analysis, content extraction, content creation, data aggregation and summarization and identifying relevant information from diverse sources. All AI-driven processes are subject to review by BofA Global Research employees. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to sustainability in this material is limited as discussed herein and is not intended to provide a comprehensive view on any sustainability claim with respect to any issuer or security.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.



Research Analysts

Aditya Bhave
US Economist
BofAS
aditya.bhave@bofa.com

Stephen Juneau
US Economist
BofAS
stephen.juneau@bofa.com

Shruti Mishra
US Economist
BofAS
smishra44@bofa.com

