



# BlackRock Global ETP Landscape

Monthly Snapshot | November 2018



# Summary

## November Global ETP flows powered by Fixed Income

- Global ETPs collected \$56.5bn in November - the best month since January of this year - propelled by Fixed Income and strength across most equity categories with the exception of European Equities.
- Fixed Income gathered \$18.7bn - the highest month since June 2017 - led by U.S. Treasury funds with \$9.1bn and then diversified across several other fund categories amid tighter financial conditions including higher interest rates, a stronger dollar and more volatile stock markets.
- U.S. Equity inflows accelerated to \$19.0bn - nearly five times last month's total - boosted by solid U.S. corporate earnings and strong U.S. economic growth.
- Emerging Markets (EM) Equities had a second month of robust inflows with \$10.3bn split between Broad Multi-Country funds and Single-Country funds led by China Equities with \$2.4bn as investors consider the agreement to delay the imposition of new U.S. tariffs for 90 days.
- Europe Equities shed (\$2.3bn) – the ninth consecutive month of outflows - against the backdrop of relatively muted earnings growth, weak economic momentum and political uncertainty.

## BlackRock ETP Research

A cross-regional team analyzing global markets to deliver insights on the intersection of investment trends and ETP flows

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# Global ETP Highlights

Global ETPs collected \$56.5bn in November - the best month since January of this year - propelled by **Fixed Income** and strength across most equity categories with the exception of **European Equities**. Year-to-date flows scaled to \$447.5bn, well behind last year's pace through November of \$594.1bn.

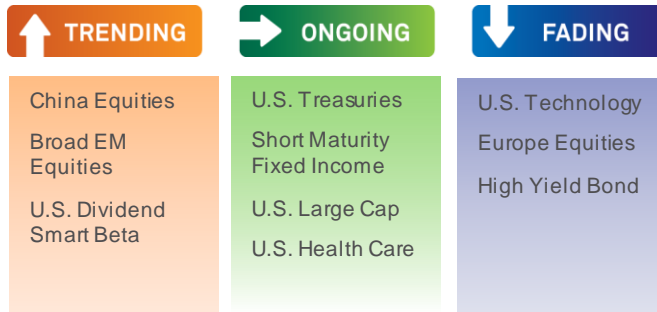
**Fixed Income** gathered \$18.7bn, the highest month since June 2017 amid rising interest rates. **U.S. Treasury** fund flows remained strong, bringing in \$9.1bn focused in **Short Maturity** funds with \$7.5bn. **Short Maturity** funds across all fixed income categories took in \$11.3bn amid tighter financial conditions including higher interest rates, a stronger dollar and more volatile stock markets. Within Blended Maturities, Broad Multi-Sector funds took in \$2.4bn. **High Yield Bond** funds had outflows for the third consecutive month with (\$1.0bn).

**U.S. Equity** inflows accelerated to \$19.0bn, nearly five times last month's total, boosted by solid corporate earnings and strong economic growth. Flows were focused in **Large Cap** with \$12.9bn, **Dividend Smart Beta** with \$3.9 and **Mid Cap** with \$2.6bn. Sector funds were marked by rotations into **Health Care** \$1.8bn and **Consumer Staples** \$0.7bn offset by outflows from **Technology** (\$2.5bn), **Financials** (\$1.8bn) and **Industrials** (\$1.5bn).

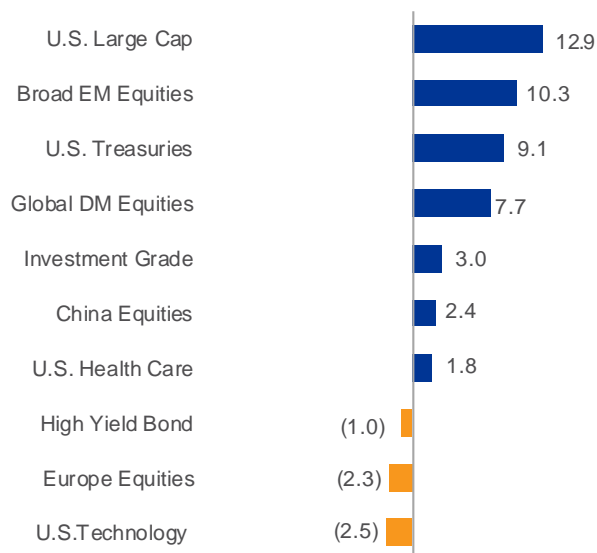
**Emerging Markets (EM) Equities** had a second month of robust inflows with \$10.3bn split between Broad Multi-Country funds and Single-Country funds led by China Equities with \$2.4bn.

**Europe Equities** shed (\$2.3bn) – the ninth consecutive month of outflows - against the backdrop of relatively muted earnings growth, weak economic momentum and political uncertainty. November outflows were focused in **UK and EMU exposures** as the Brexit draft deal moves toward a vote by UK lawmakers.

## Key investment themes/ ETP flow trends

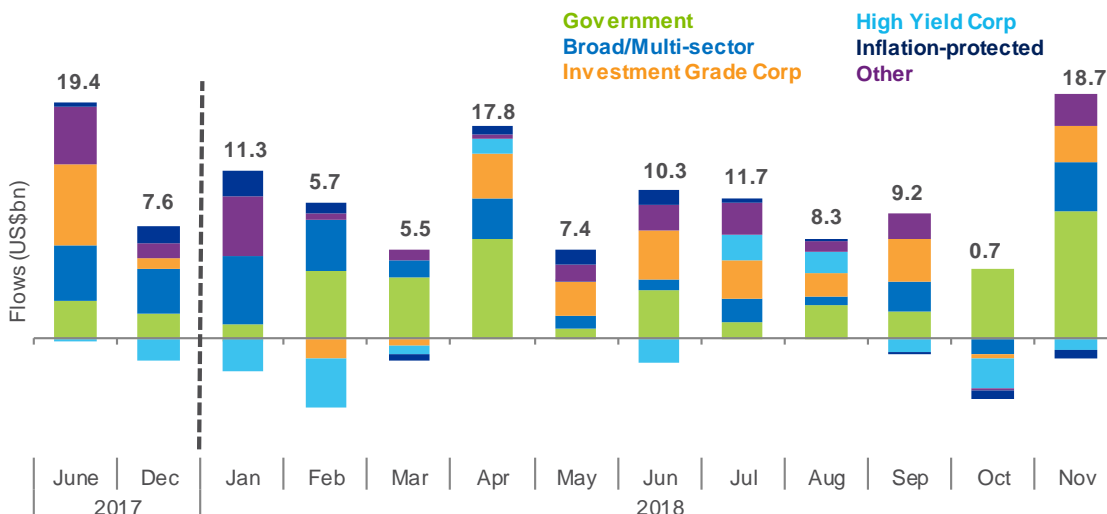


## Global ETP November Flows \$bn - Selected Exposures



### Spotlight on Fixed Income ETPs<sup>1</sup>

As investors consider the prospect of rising rates, Fixed Income ETPs gathered a robust \$18.7bn, the highest month since June 2017



# Year-to-date Overview

## RESULTS AT A GLANCE<sup>1</sup>

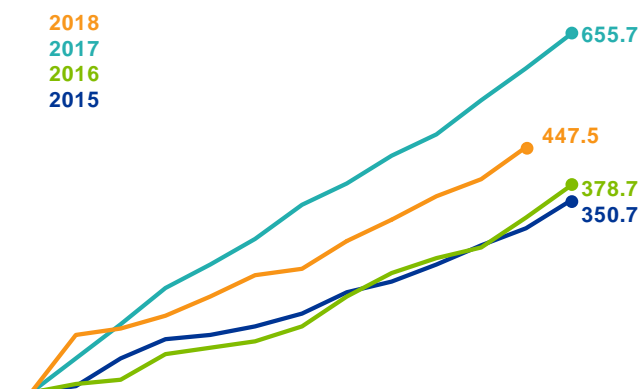
(US\$bn)	Nov 2018	Nov 2017	Dec 2017
Monthly flows	56.5	58.7	64.1
Year-to-date flows	447.5	594.1	655.7
Assets	5,046	4,754	4,822
# of ETPs	7,782	6,340	5,993

## SMART BETA FLOWS BY TYPE<sup>1</sup>

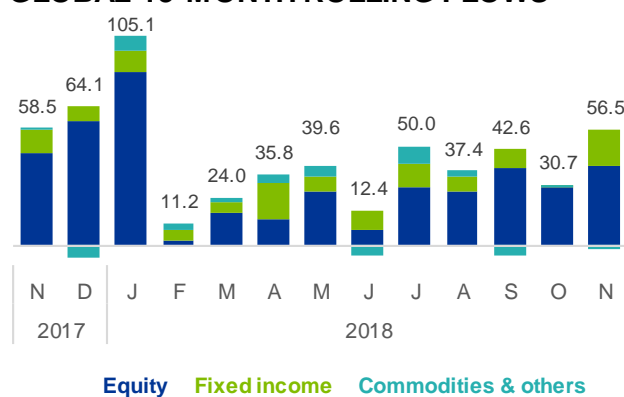
(US\$bn)	Nov 2018 Flows	2018 YTD Flows	Current Assets
Dividend	3.9	9.9	201
Multi-Factor	0.5	15.9	88
Low Volatility	3.2	8.1	65
Equal Weight	(1.9)	0.7	51
Single Factor	1.2	9.3	51
Fixed Income	(0.2)	(0.6)	9
<b>Grand Total</b>	<b>6.7</b>	<b>43.2</b>	<b>466</b>

## CUMULATIVE ETP FLOWS<sup>1</sup>

Year-to-date flows: \$447.5bn

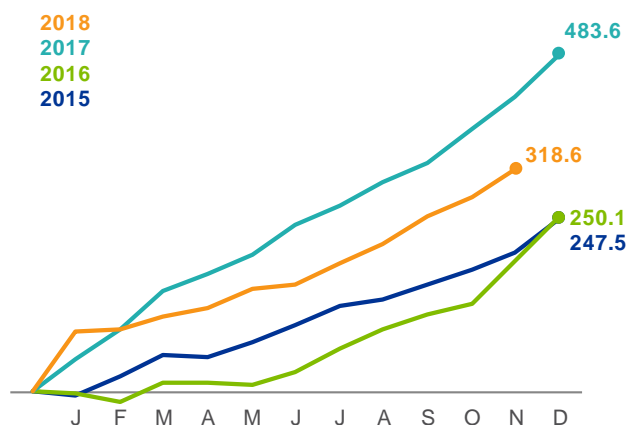


## GLOBAL 13-MONTH ROLLING FLOWS<sup>1</sup>



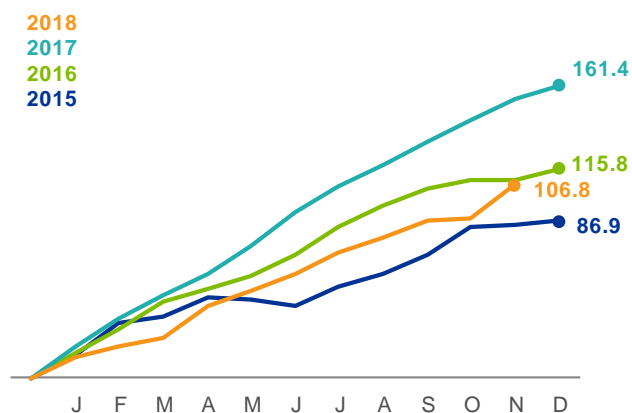
## CUMULATIVE EQUITY ETP FLOWS<sup>1</sup>

Year-to-date flows: \$318.6bn



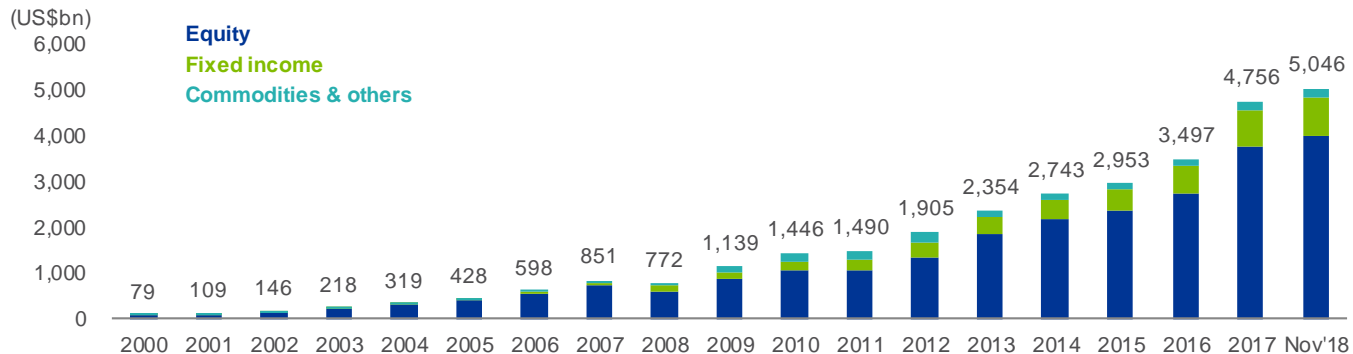
## CUMULATIVE FIXED INCOME ETP FLOWS<sup>1</sup>

Year-to-date flows: \$106.8bn



# Year-to-date Overview (cont'd)

## GLOBAL ETP ASSETS<sup>1</sup>



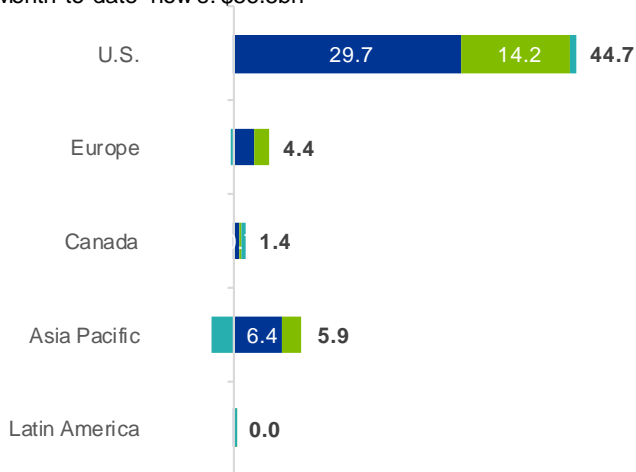
## ETP Assets and Flows By Listing Region

### ASSETS BY LISTING REGION<sup>1</sup>

(US\$bn)	Equity	Fixed Income	Commodity & others	Total
<b>U.S.</b>	2,880	613	82	3,576
<b>Europe</b>	553	186	70	809
<b>Canada</b>	84	33	5	122
<b>Asia Pacific</b>	463	23	47	532
<b>Latin America</b>	8	0	0	8
<b>Total</b>	<b>3,988</b>	<b>855</b>	<b>204</b>	<b>5,046</b>

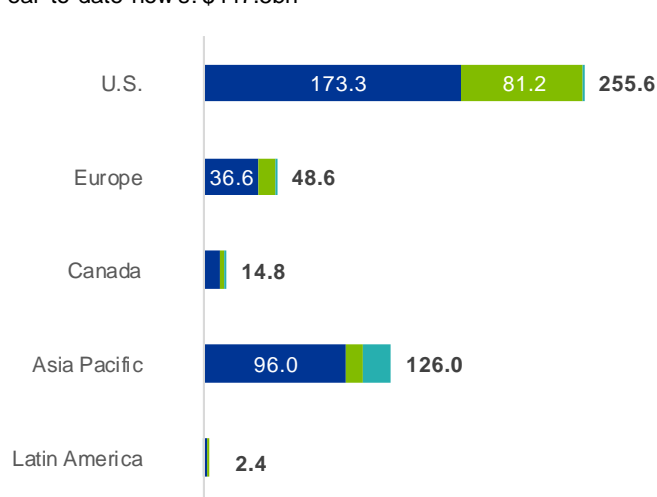
### MONTH-TO-DATE FLOWS BY LISTING REGION<sup>1</sup>

Month-to-date flows: \$56.5bn



### YEAR-TO-DATE FLOWS BY LISTING REGION<sup>1</sup>

Year-to-date flows: \$447.5bn



Equity Fixed Income Commodities & others

# ETP Assets and Flows by Exposure<sup>1</sup>

(US\$bn)		November Flows	2018 YTD Flows	Current Assets	
Equity	U.S.	19.0	143.5	2,316	
	Broad Developed Markets	7.7	72.0	557	
	Asia-Pacific	3.5	61.0	429	
	Europe	(2.3)	(16.7)	269	
	Canada	1.4	5.3	44	
	<b>Developed Equity</b>	<b>29.2</b>	<b>265.1</b>	<b>3,615</b>	
	Single Country	5.1	36.4	162	
	Broad	5.2	16.3	202	
	Regional	0.0	0.8	9	
	Emerging Markets Equity	<b>10.3</b>	<b>53.5</b>	<b>372</b>	
	<b>Equity Total</b>	<b>39.5</b>	<b>318.6</b>	<b>3,988</b>	
	Fixed Income	Investment Grade Corp	3.0	19.7	225
		High Yield Corp	(1.0)	(8.6)	57
Broad		2.4	15.8	143	
U.S. Treasury		9.1	43.3	115	
Sovereign		1.5	4.5	51	
Municipal		1.0	4.2	36	
Emerging Markets Debt		1.8	9.5	57	
Other Fixed Income		1.0	18.4	172	
<b>Fixed Income Total</b>	<b>18.7</b>	<b>106.8</b>	<b>855</b>		
Commodities	Gold	0.9	1.8	90	
	Crude oil	1.4	(2.4)	7	
	Silver	(0.0)	0.2	8	
	Agriculture	(0.1)	(0.1)	3	
	Other Precious Metals	(0.0)	(0.4)	3	
	Other Commodities	(0.8)	(0.8)	21	
	<b>Commodities Total</b>	<b>1.3</b>	<b>(1.7)</b>	<b>131</b>	
Other	<b>Other Total</b>	<b>(3.1)</b>	<b>23.8</b>	<b>72</b>	
<b>Grand Total</b>		<b>56.5</b>	<b>447.5</b>	<b>5,046</b>	

# Endnotes

The ETP (or exchange traded product) category encompasses any portfolio exposure security that trades intra-day on an exchange. The data for this report are captured from a number of sources by BlackRock, including provider websites, fund prospectuses, provider press releases, provider surveys, Bloomberg, the National Stock Exchange, Strategic Insight Simfund, and Wind. All amounts are reported in US dollars. Flows are derived using daily net asset values and shares outstanding using the most recent data we can capture at month-end. For products with cross-listings, we attribute net flows and assets to the primary listings. Product level information is aggregated by provider, asset class, exposure, and listing region to produce the various analyses in the report.

1. Data is as of November 30, 2018 for all regions. Global ETP flows and assets are sourced using Markit, as well as BlackRock internal sources. Flows for the years between 2010 and 2015 are sourced from Bloomberg as well as BlackRock internal sources. Flows for years prior to 2010 are sourced from Strategic Insights Simfund. Month to date and Year to date flows by Listing Region exclude Middle East and Africa. Asset classifications are assigned by BlackRock based on product definitions from provider websites and product prospectuses. Other static product information is obtained from provider websites, product prospectuses, provider press releases, and provider surveys. Market returns are sourced from Bloomberg.

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<sup>1</sup> Based on \$6.44 trillion in AUM as of 9/30/18

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