

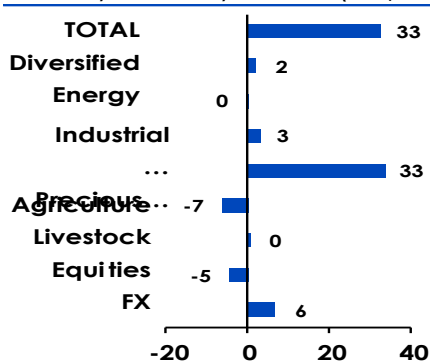
8 May 2018

# ETF Securities Weekly Flows Analysis

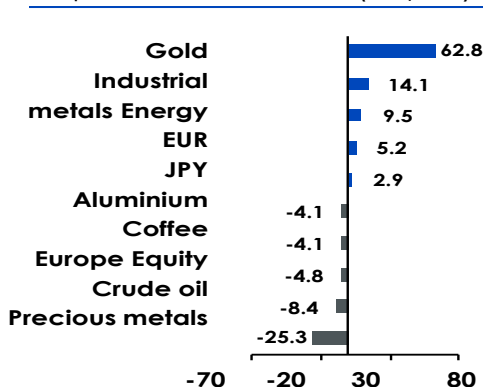
## Gold ETPs took the lion's share of flows amidst the ongoing risk-off environment

- **Gold ETP inflows took the lion's share of flows after a tepid jobs report and ongoing trade tensions.**
- **Profit-taking amongst investors resulted in outflows from crude oil ETPs as crude oil prices hit 4-year highs amid intensifying of rhetoric between US and Iran.**
- **Industrial metal basket ETPs drew in US\$14.1mn, attaining its highest level in 7 weeks.**

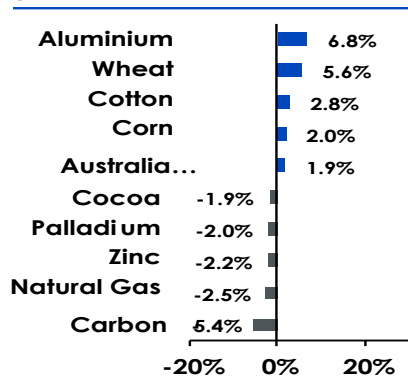
Weekly Flows by Sector (US\$m)



Top 5 Inflows/Outflows (US\$m)



Top 5 / Bottom 5 Performers



Source: ETF Securities  
 Note: see next page (\*)

**Note: All flow and AUM data in this report are based on ETF Securities ETP numbers to 4 May 2018 and are denominated in USD unless otherwise indicated. Investments may go up or down in value and you may lose some or all of the amount invested.**

**Past performance does not guarantee future results.**

Gold ETP inflows surged to their highest level at US\$62.8mn in 25 weeks after a tepid jobs report. Gold's weak price performance (-0.66 percent) last week is strongly tied to the strengthening US dollar (+1.12%). Gold prices were largely unchanged after a tepid labour market report. The unemployment rate drifted further below the Federal Reserve officials' estimates of levels sustainable in the long run owing to the drop in the participation rate. The report lacked fresh upward pressure on wages and inflation. That being said, the report is unlikely to derail the Fed from raising interest rates in June and embarking on additional two rate hikes in 2018. This is likely to weigh on gold prices in the future. However the uncertainty over the outcome of the US-China trade talks continue to lend buoyancy to gold prices and help offset the headwinds faced from the stronger US dollar. Precious metal basket ETPs suffered the worst outflows at US\$25.3mn in 23 weeks. Resonating a similar view, CFTC futures positioning data in the week to 1 May highlight that speculative market participants were significantly pessimistic as net long positions in gold were cut by 60%. In addition, net long positions in silver were converted to net short positions and net short positions in platinum are at the highest level since July 2017. As it stands, investors appear to be positioned too pessimistically and in the likely event that sentiment turns and short positions are covered, prices may reverse.

Outflows of US\$8.4mn from crude oil ETPs ensue for the fourth consecutive week amid intensifying of rhetoric between the US and Iran. In sharp contrast, energy basket ETPs received inflows of US\$9.5mn. Despite the rise in US oil production, production outages in Venezuela in conjunction with US president Trump's impending decision on the Iran sanctions, is shifting the balance of weights in favour of a tight oil market which is benefiting oil prices.

European equity ETPs suffered outflows, worth US\$4.8mn, for the fourth week in a row on the back of softer macro-economic data coupled with a mixed European corporate earnings in Q1 2018. European corporate earnings so far (70% reported) have presented a mixed picture, with an average earnings growth of 3.46%, missing consensus estimates, led by strength in energy, consumer services and technology while dragged behind by a weak performance among the financial sector. In addition to the softer macroeconomic backdrop, European earnings momentum has been slowing since February due to their high sensitivity to the Euro as they generate more than 55% of their revenues from overseas.

Industrial metal basket ETPs drew in US\$14.1mn, attaining its highest level in 7 weeks.