

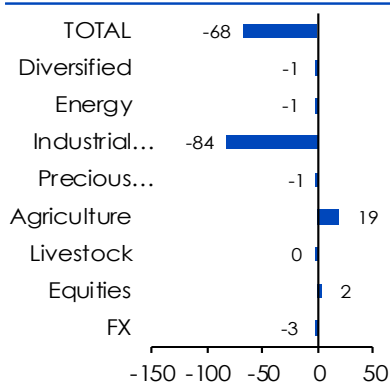
9 July 2018

# ETF Securities Weekly Flows Analysis

## Industrial metal ETP flows face the brunt of trade wars

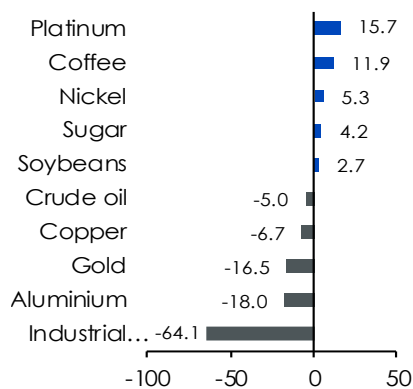
- **Platinum ETPs garnered its strongest inflows in 37 weeks buoyed by strong US vehicle sales and EU trade tariff negotiations**
- **Caught in the cross hairs of trade wars, industrial metal basket ETPs extend outflows for the 3<sup>rd</sup> week in a row**
- **Inflows into coffee ETPs surge to their highest level since September 2013 after the global coffee deficit was revised higher**

### Weekly Flows by Sector (US\$m)



**Inflows into platinum ETPs staged a comeback last week, rising to US\$15.7mn attaining its highest level in 37 weeks.** Bargain-hunters appeared to drive inflows into platinum ETPs after their prices dropped below the US\$800 per troy ounce mark, sliding to their lowest level since December 2008 last week. From a fundamental standpoint, the platinum market is expected to see another year of surplus this year, dampening sentiment towards the metal. However platinum's price discount appears excessive as its discount compared to gold has widened to a record high US\$440 and to its sister metal palladium at US\$140 per troy ounce last week. Owing to their high usage in auto catalysts, platinum prices are likely to catch a tailwind from strong US vehicle sales, that rose 4.8% year-on-year as reported last week by Ward's Automotive Group. Added to that, the EU is considering signing a multilateral agreement with other major car exporters in the US, South Korea and Japan to cut import tariffs on cars according to newspaper reports. If the agreement comes to fruition, it should help thwart the risk of lower demand for platinum from the trade dispute widening its scope to include cars.

### Top 5 Inflows/Outflows (US\$m)



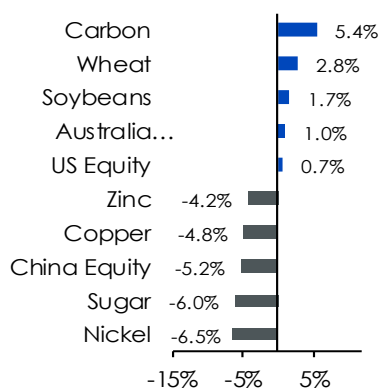
**Outflows from gold ETPs rose US\$16.5mn last week reversing the prior week's trend of inflows as the strong US jobs report took centre stage.** Gold prices came under pressure towards the end of last week as the US added more jobs than expected in June according to the latest payrolls report, keeping the Federal Reserve on track with its rate hike path this year. While we would expect the escalating trade wars to bolster gold prices, in reality its historically safe haven appeal has been dwindling for most of this year under the weight of the stronger US dollar.

**The further escalation of trade wars between US and China weighed on sentiment as broad industrial metal basket ETPs faced redemptions worth US\$64.1mn last week for the third week in a row.** US import tariffs on US\$34bn of Chinese goods went into effect last week and a retaliation of the same order is expected to follow from China on US based goods. Unfortunately its not over yet, as US tariffs on another US\$16bn of imports from China is expected to be implemented soon. In addition to the higher uncertainty created by trade wars, the risk of a spiralling conflict between the US and China is threatening to derail global economic growth. Being pro-cyclical in nature, industrial metals ETPs outflows are resonating the apparent uncertainty amongst investors. Despite strong fundamentals for most metal markets, until some form of negotiated solution is reached, we expect the trade frictions to dampen prices further. **Aluminium ETPs suffered outflows worth US\$18mn falling to its lowest level since June 2016.**

The risk of a shutdown of the mining industry in the Philippines, known as the world's second largest nickel ore supplier, owing to environmental reasons helped **nickel ETPs attract the second week of inflows worth US\$5.3mn.**

**Coffee ETPs attracted the highest inflows worth US\$11.9mn since September 2013 after its deficit was revised higher by the International Coffee organisation (ICO).** Arabica coffee prices jumped 4.54% on Friday last week, posting its highest daily increase since June 23, 2017. The price rise was driven by ICO's upward revision of the estimate of the global coffee deficit to 1.4mn bags from 254,000 bags for 2017-18 season after being in a surplus in 2016-17 season.

### 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 6 July 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.**

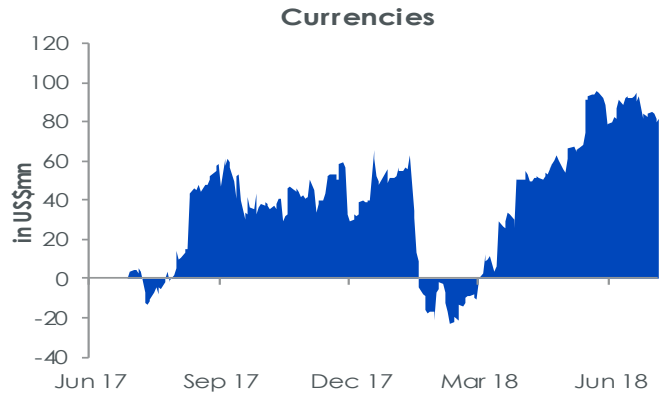
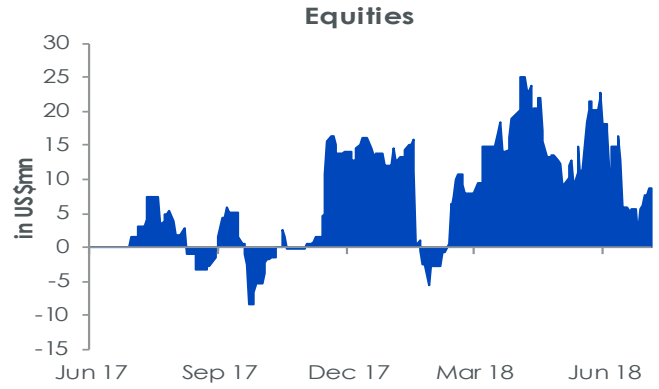
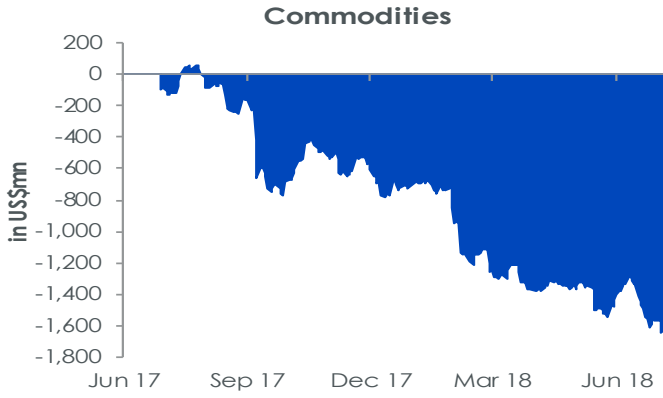
## ETF Securities Commodity ETP Flow Trends

	ETP FLOWS (in US\$m)				ASSETS (in \$m)	PERFORMANCE (US\$)			
	-1 Week	-1 Month	YTD	-1 Year		-1 Week	-1 Month	YTD	-1 Year
<b>TOTAL</b>	<b>-68.5</b>	<b>-305.1</b>	<b>-884.1</b>	<b>-1,427.7</b>	<b>16,470</b>				
<b>Diversified</b>	<b>-1.2</b>	<b>-13.6</b>	<b>-17.5</b>	<b>3.3</b>	<b>520</b>				
<b>Precious Metals</b>	<b>-0.5</b>	<b>-134.3</b>	<b>-500.8</b>	<b>-379.0</b>	<b>12,097</b>				
Basket	-1.3	-3.2	8.9	-9.5	149	-0.1%	-3.7%	-5.6%	1.9%
Gold	-16.5	-20.9	-403.6	-208.6	10,578	0.4%	-3.3%	-3.4%	2.9%
Silver	1.5	-107.6	-39.6	-99.7	978	-0.2%	-4.4%	-5.4%	0.5%
Platinum	15.7	-3.4	-40.3	-30.3	299	-1.5%	-7.0%	-9.8%	-8.5%
Palladium		0.8	-26.1	-30.9	92	-0.6%	-6.7%	-10.5%	13.0%
<b>Energy</b>	<b>-1.5</b>	<b>-43.4</b>	<b>-480.1</b>	<b>-1,186.4</b>	<b>1,399</b>				
Basket	0.9	-5.9	21.0	43.4	127	-2.1%	2.4%	10.0%	37.7%
Crude oil	-5.0	-34.5	-483.7	-1,221.7	1,150	-2.7%	1.3%	19.1%	70.4%
Natural Gas	1.8	-1.3	-13.8	8.3	80	-2.6%	-1.2%	-5.9%	-16.0%
Heating Oil	0.7	0.7	0.7	0.6	6.8	-1.8%	0.2%	7.5%	51.4%
Gasoline	0.2	-2.6	-6.2	-19.8	28.6	-2.0%	0.2%	5.9%	39.3%
Carbon	0.1	0.2	2.0	2.7	6.4	5.4%	-1.0%	86.2%	196.7%
<b>Industrial Metals</b>	<b>-83.7</b>	<b>-142.3</b>	<b>13.9</b>	<b>-144.4</b>	<b>964</b>				
Basket	-64.1	-87.7	-99.3	-129.8	273	-4.4%	-12.5%	-10.0%	10.3%
Aluminium	-18.0	-17.8	-34.8	-24.3	104	-2.6%	-9.6%	-7.4%	7.1%
Copper	-6.7	-36.4	-25.1	-118.3	218	-4.8%	-14.9%	-15.8%	3.6%
Nickel	5.3	3.8	177.8	133.9	347	-6.5%	-9.7%	8.5%	53.6%
Zinc	-0.1	-5.3	-4.0	-2.7	17	-4.2%	-14.4%	-17.0%	-0.8%
Tin		-0.4	-1.1	-2.3	1.9	-2.1%	-8.8%	-2.5%	0.6%
Lead	0.0	1.5	0.5	-0.9	3.0	-3.3%	-5.4%	-6.2%	0.7%
<b>Agriculture</b>	<b>18.6</b>	<b>37.7</b>	<b>72.7</b>	<b>199.1</b>	<b>824</b>				
Basket	1.3	3.9	35.1	106.0	328	0.5%	-7.0%	-6.0%	-16.4%
Wheat	-1.3	1.3	-14.2	19.1	136	2.8%	-3.9%	10.4%	-20.1%
Corn	0.5	1.9	17.0	6.6	63	0.2%	-6.8%	-3.6%	-20.1%
Soybeans	2.7	6.0	13.6	16.5	28	1.7%	-9.6%	-10.6%	-17.2%
Cotton	-0.7	2.2	12.2	13.3	28	0.6%	-8.9%	9.0%	24.5%
Coffee	11.9	19.5	41.6	72.2	137	-0.9%	-4.4%	-14.0%	-20.0%
Sugar	4.2	4.1	32.2	33.5	63	-6.0%	-8.1%	-25.6%	-23.2%
Soybean Oil	0.1	-0.3	0.5	-0.1	2.8	-0.9%	-5.6%	-14.6%	-15.6%
Cocoa	-0.1	-1.0	-65.2	-68.1	38	-1.9%	1.8%	24.9%	27.1%
<b>Livestock</b>	<b>-0.2</b>	<b>-0.8</b>	<b>0.3</b>	<b>-3.6</b>	<b>8</b>				
Basket		-0.4	-0.2	-1.2	1.1	-0.6%	-0.2%	-6.6%	-10.2%
Lean Hogs	-0.2	-0.3	0.2	-1.9	4.5	-1.3%	-2.1%	-9.8%	-13.1%
Live Cattle		0.0	0.4	-0.4	2.1	-0.3%	0.6%	-5.1%	-8.9%
<b>Equities</b>	<b>2.4</b>	<b>-2.8</b>	<b>-3.3</b>	<b>5.6</b>	<b>123</b>				
US					0	0.7%	-1.4%	3.4%	15.0%
Europe	1.7	-3.8	-5.3	2.4	120	0.6%	0.2%	-1.3%	1.5%
Asia	0.7	1.0	2.0	3.3	4	-5.2%	-14.8%	-22.7%	-15.0%
Australia					0.0	1.0%	3.5%	5.1%	15.3%
<b>FX</b>	<b>-2.5</b>	<b>-5.6</b>	<b>30.7</b>	<b>77.7</b>	<b>535</b>				
G10		0.1	0.0	-4.2	2.2				
USD	-3.7	-14.8	-19.5	0.0	320	-0.2%	0.8%	2.3%	-1.8%
CAD		-0.2	0.3	-0.2	3.6	0.0%	-1.3%	-4.5%	-2.4%
EUR	-4.5	-7.2	60.3	108.7	468	0.0%	0.4%	-0.9%	2.0%
GBP	1.7	0.6	-17.4	-11.2	99	0.0%	-0.3%	0.3%	1.7%
CHF	-0.4	-0.5	0.4	3.3	15.3	0.0%	0.1%	0.5%	-4.8%
NOK	-0.3	-1.6	-7.1	-1.4	12.6	0.0%	0.0%	3.9%	1.9%
SEK	0.4	1.7	-1.1	3.9	12.5	0.0%	-1.7%	-6.6%	-7.6%
JPY	1.7	10.8	48.1	79.9	125	0.0%	-0.8%	3.0%	2.3%
CNY	0.0	0.0	-0.1	-0.6	2.3	-0.3%	-2.3%	0.5%	2.9%
INR			-0.1	-0.5	0.2	-0.7%	-0.6%	-4.5%	-6.4%
AUD		-0.1	-2.3	-1.9	7.5	0.0%	-1.7%	-4.7%	-3.7%
NZD			0.0	0.0	1.4	0.5%	-1.2%	-2.0%	-7.3%
Commodity FX			-0.2	-20.6	0.5				

(\*) All data as at 06 Jul 18, based on ETF Securities global Commodity ETP flows and assets. In FX due to being pair trades there is double counting. Price performance is based on NAV data for commodities, indices for Bonds & Equities, Trade weighted indices for FX

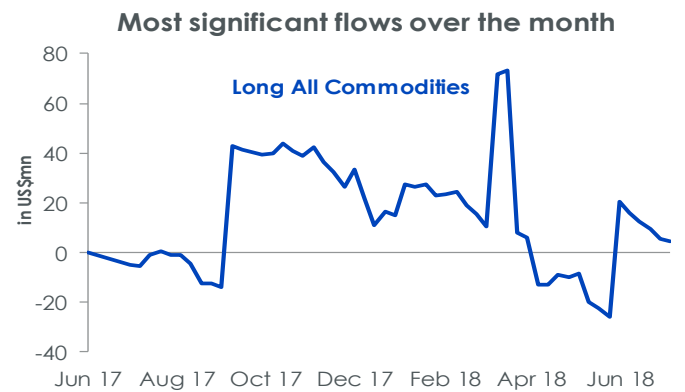
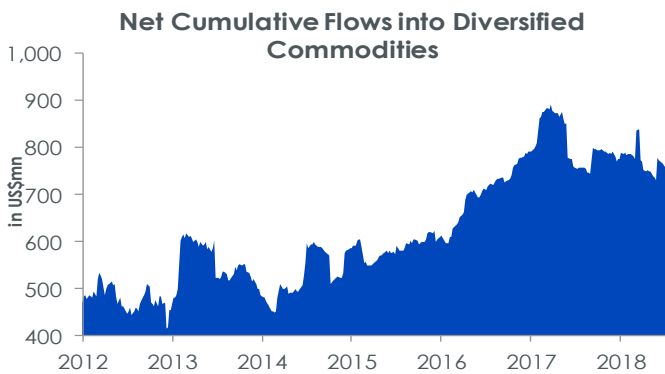
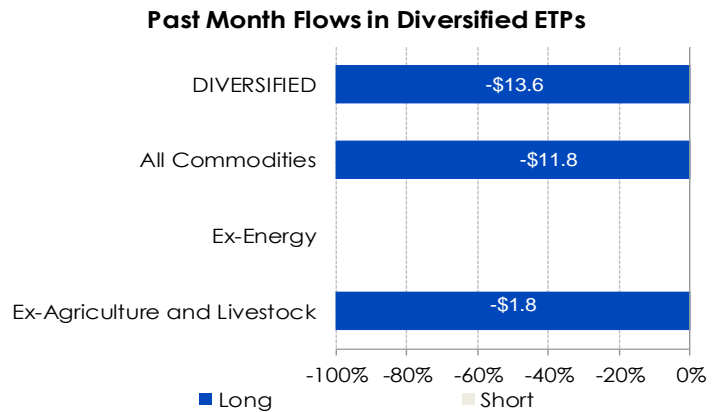
Source: ETF Securities, Bloomberg

### Net Cumulative Flows by Asset Classes over the past year



### All Commodity ETPs Flows Analysis

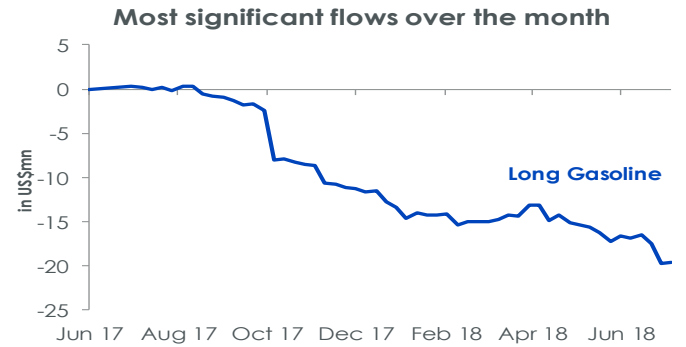
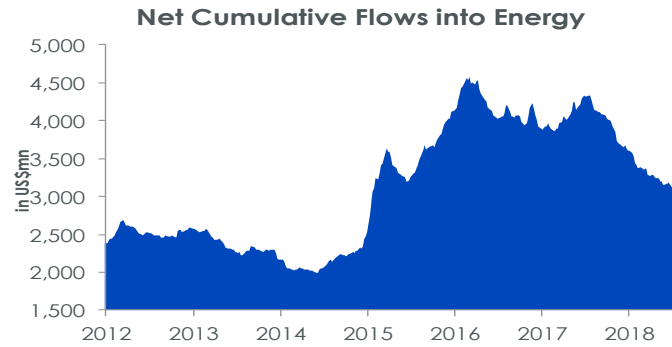
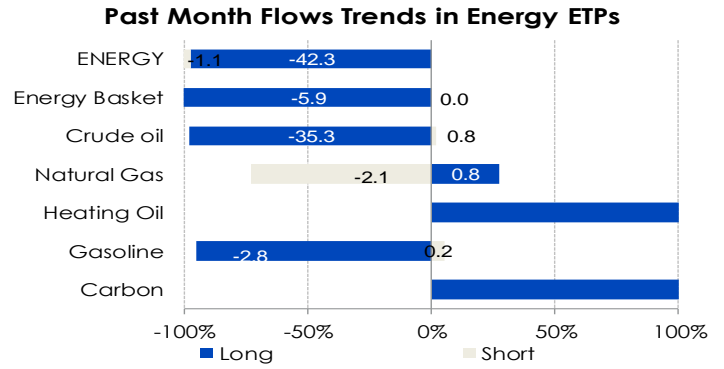
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Diversified</b>	<b>-1.2</b>	<b>-13.6</b>	<b>-17.5</b>	<b>3.3</b>	<b>520</b>
All Commodity	-1.2	-11.8	-10.6	9.4	433
Ex-Energy			-0.2	-0.3	1
Ex-Ags and Liv		-1.8	-6.6	-5.8	86



Source: FIF Securities

## Energy ETPs Flows Analysis

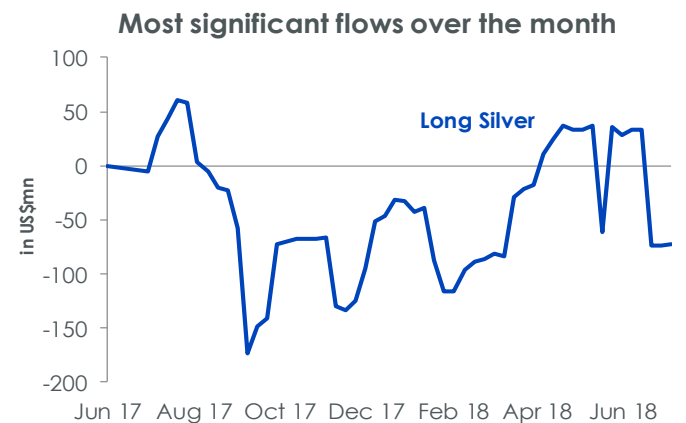
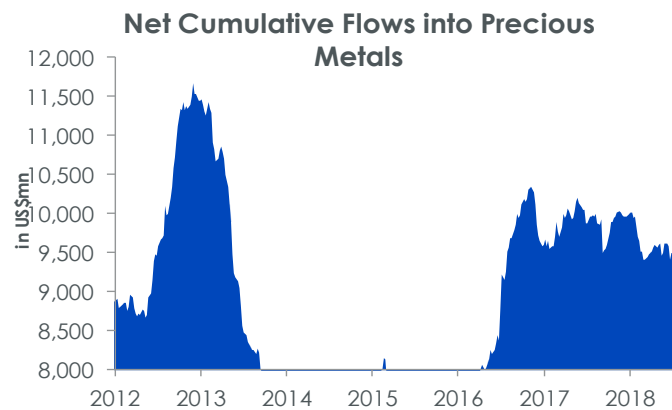
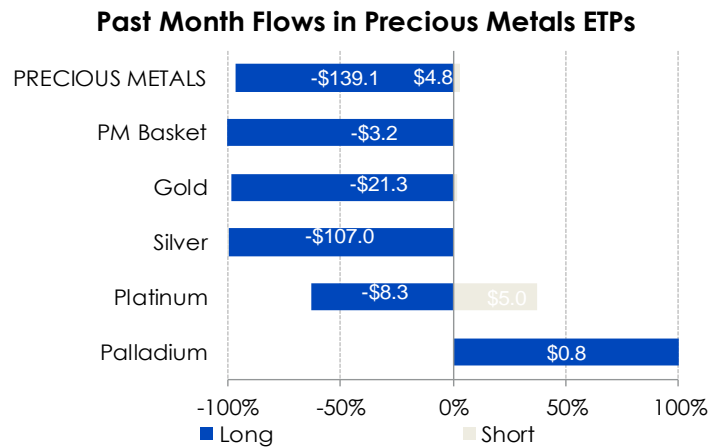
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Energy</b>	<b>-1.5</b>	<b>-43.4</b>	<b>-480.1</b>	<b>-1,186.4</b>	<b>1,399</b>
Energy Basket	0.9	-5.9	21.0	43.4	127
Crude oil	-5.0	-34.5	-483.7	-1,221.7	1,150
Natural Gas	1.8	-1.3	-13.8	8.3	80
Heating Oil	0.7	0.7	0.7	0.6	7
Gasoline	0.2	-2.6	-6.2	-19.8	29
Carbon	0.1	0.2	2.0	2.7	6



Source: FIF Securities

## Precious Metals ETPs Flows Analysis

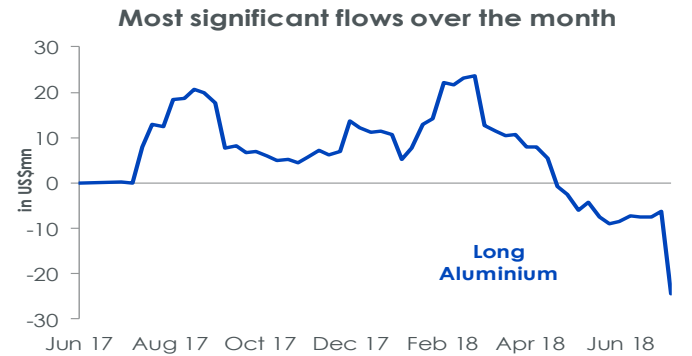
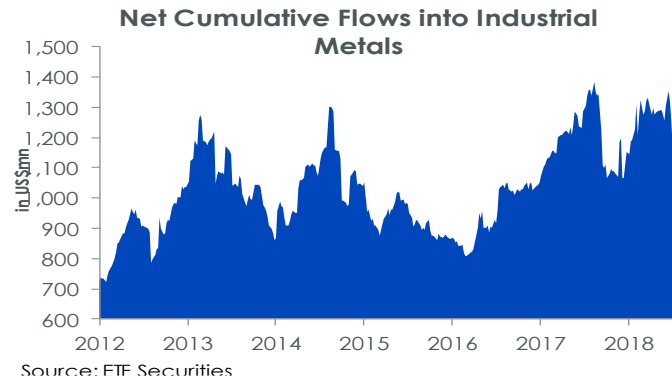
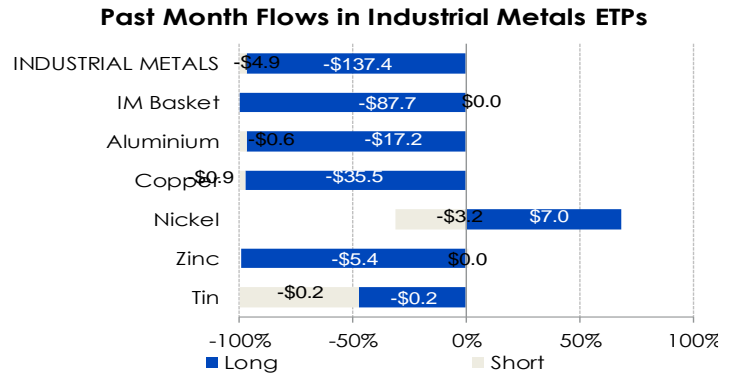
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Precious Metals</b>	<b>-0.5</b>	<b>-134.3</b>	<b>-500.8</b>	<b>-379.0</b>	<b>12,097</b>
PM Basket	-1.3	-3.2	8.9	-9.5	149
Gold	-16.5	-20.9	-403.6	-208.6	10,578
Silver	1.5	-107.6	-39.6	-99.7	978
Platinum	15.7	-3.4	-40.3	-30.3	299
Palladium		0.8	-26.1	-30.9	92



Source: FIF Securities

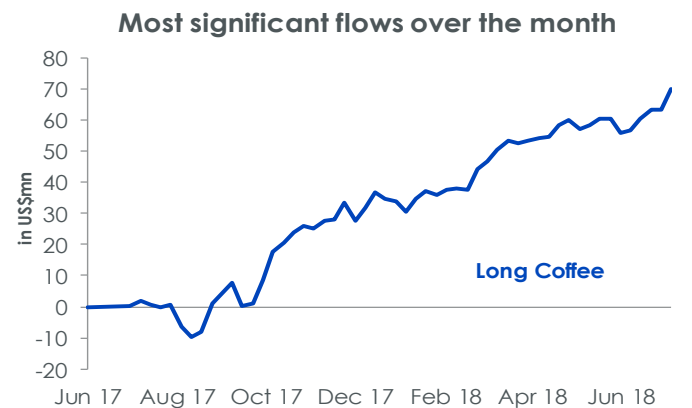
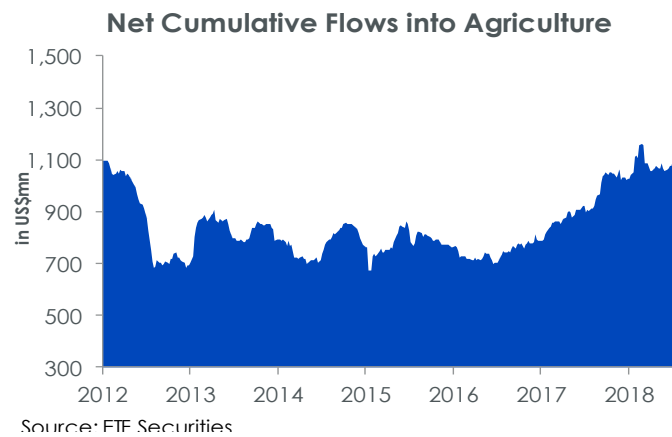
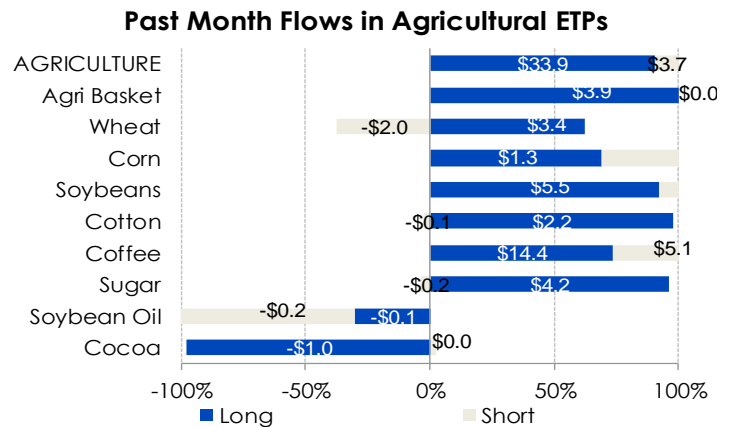
## Industrial Metals ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Industrial Metals</b>	<b>-83.7</b>	<b>-142.3</b>	<b>13.9</b>	<b>-144.4</b>	<b>964</b>
IM Basket	-64.1	-87.7	-99.3	-129.8	273
Aluminium	-18.0	-17.8	-34.8	-24.3	104
Copper	-6.7	-36.4	-25.1	-118.3	218
Nickel	5.3	3.8	177.8	133.9	347
Zinc	-0.1	-5.3	-4.0	-2.7	17
Tin		-0.4	-1.1	-2.3	2
Lead	0.0	1.5	0.5	-0.9	3



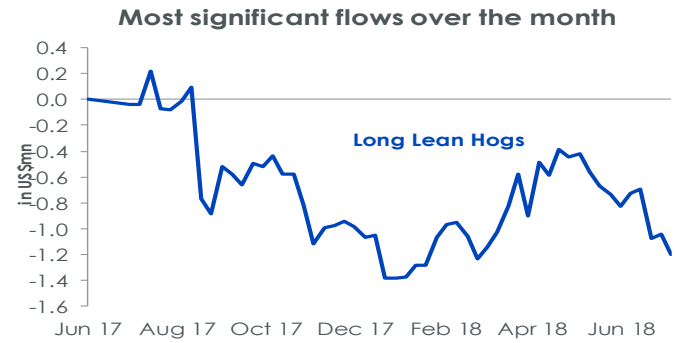
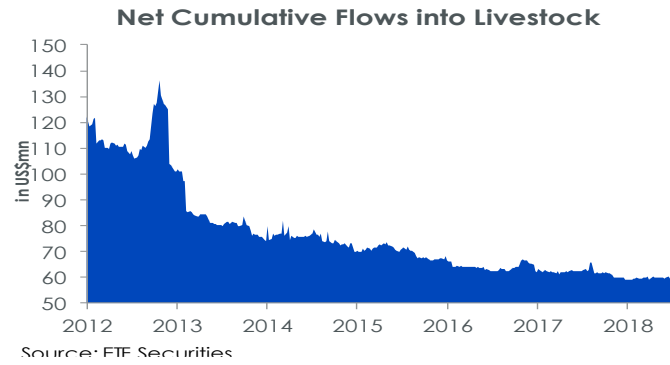
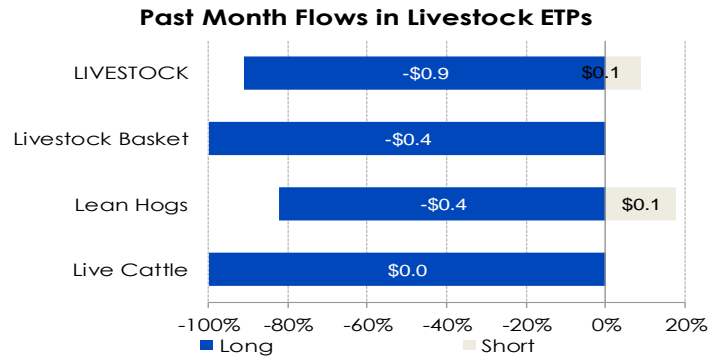
## Agriculture ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Agriculture</b>	<b>18.6</b>	<b>37.7</b>	<b>72.7</b>	<b>199.1</b>	<b>824</b>
Agri Basket	1.3	3.9	35.1	106.0	328
Wheat	-1.3	1.3	-14.2	19.1	136
Corn	0.5	1.9	17.0	6.6	63
Soybeans	2.7	6.0	13.6	16.5	28
Cotton	-0.7	2.2	12.2	13.3	28
Coffee	11.9	19.5	41.6	72.2	137
Sugar	4.2	4.1	32.2	33.5	63
Soybean Oil	0.1	-0.3	0.5	-0.1	3
Cocoa	-0.1	-1.0	-65.2	-68.1	38



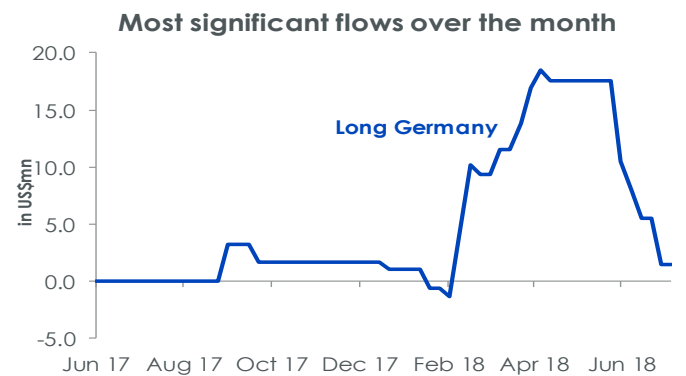
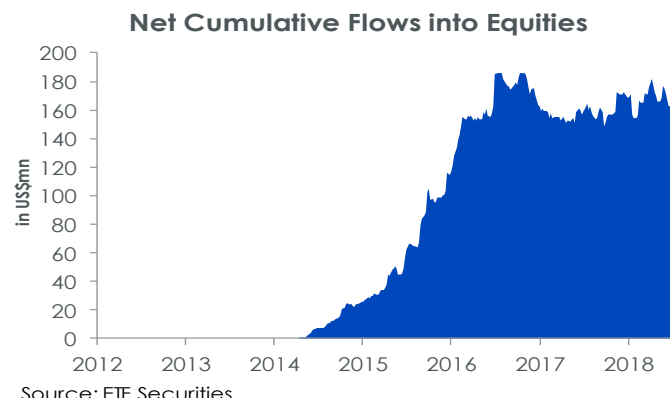
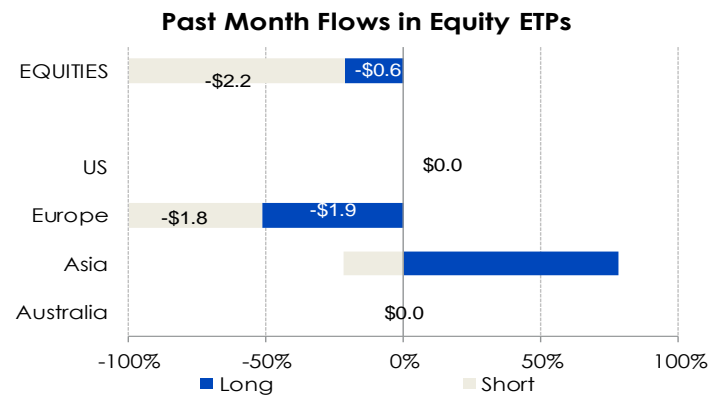
## Livestock ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Livestock</b>	<b>-0.2</b>	<b>-0.8</b>	<b>0.3</b>	<b>-3.6</b>	<b>8</b>
Livestock Basket		-0.4	-0.2	-1.2	1
Lean Hogs	-0.2	-0.3	0.2	-1.9	5
Live Cattle		0.0	0.4	-0.4	2



## Equity ETPs Flows Analysis

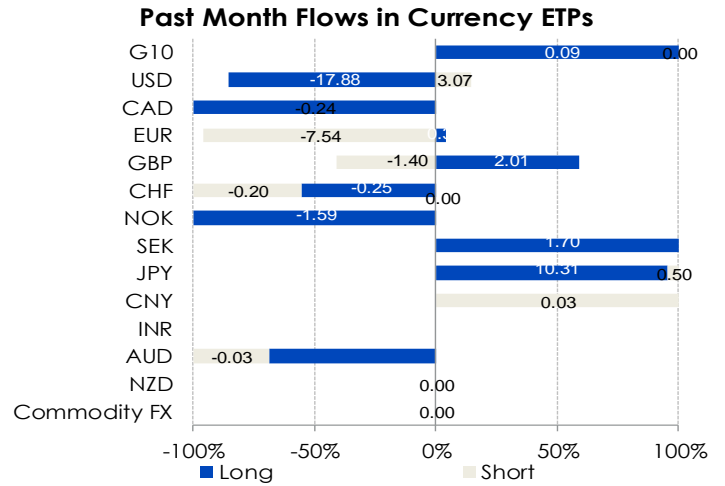
Region	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Region</b>	<b>2.4</b>	<b>-2.8</b>	<b>-3.3</b>	<b>5.6</b>	<b>123</b>
US					
Europe	1.7	-3.8	-5.3	2.4	120
Asia	0.7	1.0	2.0	3.3	4
Australia					



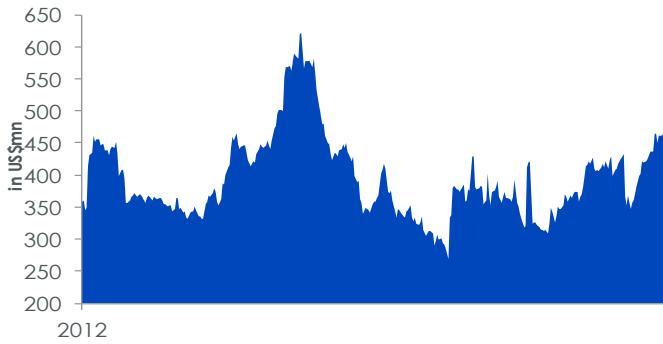
## Currency ETPs Flows Analysis

FX	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
	<b>-2.5</b>	<b>-5.6</b>	<b>30.7</b>	<b>77.7</b>	<b>535</b>
G10		0.1	0.0	-4.2	2
USD	-3.7	-14.8	-19.5	0.0	320
CAD		-0.2	0.3	-0.2	4
EUR	-4.5	-7.2	60.3	108.7	468
GBP	1.7	0.6	-17.4	-11.2	99
CHF	-0.4	-0.5	0.4	3.3	15
NOK	-0.3	-1.6	-7.1	-1.4	13
SEK	0.4	1.7	-1.1	3.9	13
JPY	1.7	10.8	48.1	79.9	125
CNY	0.0	0.0	-0.1	-0.6	2
INR			-0.1	-0.5	0
AUD		-0.1	-2.3	-1.9	8
NZD			0.0	0.0	1
Commodity FX			-0.2	-20.6	1

n.b. Due to each currency being a pair, there is double counting in the flow data



### Net Cumulative Flows into Currencies



Source: ETF Securities

### Most significant flows over the month



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