

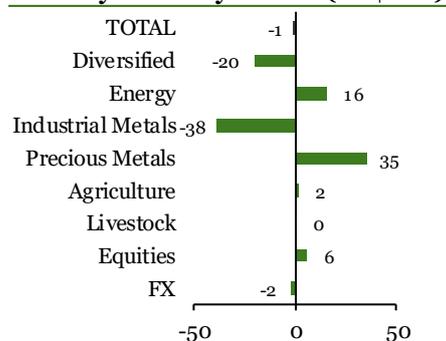
9 April 2018

# ETF Securities Weekly Flows Analysis

## Safe havens gain traction as trade war escalates

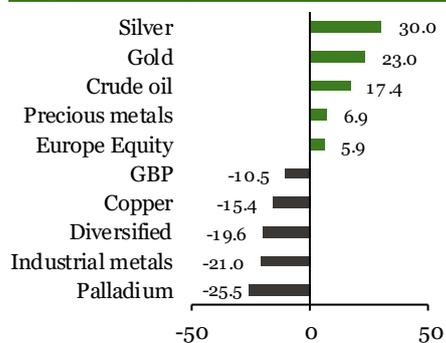
- **Safe haven demand drives US\$23.9mn into long gold ETPs and US\$28.1mn into long silver ETPs.**
- **Geopolitical risk led to US\$21mn outflows from industrial metals baskets.**
- **Long crude oil ETP inflows reach a seven-week high of US\$20.6mn.**

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



**Trade wars escalate.** When we [first reported on the US tariffs](#), the Chinese retaliation was very limited, but we noted that it did not preclude further action. Last week we saw China announce a 25% tariff on 106 US goods targeting roughly US\$50bn of imports (based on 2017 trade), matching the US's target of US\$50bn of Chinese imports into US. The tit-for-tat trade war has started. US President Trump then threatened a further set of tariffs on US\$100bn of Chinese imports. This does not bode well for cyclical assets. Trade wars rarely end up with anyone as a winner. White House's National Economic Council Director, Larry Kudlow's, efforts to assuage markets worked temporarily, but lacked credibility after Trump made his recent treats. China said it will counter US protectionism "to the end and at any cost" after Trump's threats, leaving little room to diffuse the impasse.

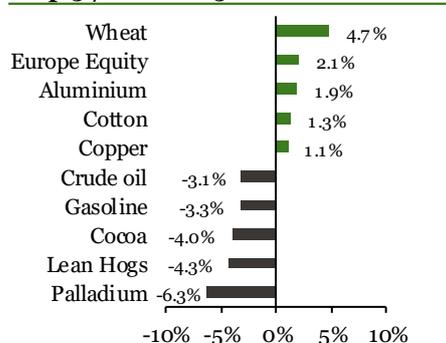
### Top 5 Inflows/Outflows (US\$mn)



### Safe haven demand drove US\$23.9mn into long gold ETPs, US\$28.1mn into long silver ETPs and US\$6.9mn into broad precious metal basket ETPs.

Inflows into gold have been over US\$20mn for three weeks running as safe havens appear to be back in demand. In the past ten weeks there has only been one week of outflows from silver (a minor \$2.6mn). In fact over the past (trailing) month, we have seen the highest inflows into silver since June 2017. Inflows into silver ETPs come as a sharp contrast to the investor sentiment in the silver futures market where net positioning is at its most negative ever. The escalation of a trade war adds to the political uncertainty following the [hiring a Iran/North Korea policy hawk](#) two weeks ago. With China being such an important broker of diplomacy between in the US and North Korea, antagonising the country appears risky a month before a potential meeting between Trump and North Korean leader Kim Jong-un. While gold prices have not appreciated meaningfully yet, the rising geopolitical risks could send its price substantially higher. Investors seem to be positioning in safe havens as a hedge against adverse outcomes. Friday's worse-than-expected labour market report provided a tailwind for gold as it reduces the need for the Federal Reserve to be hawkish.

### Top 5 / Bottom 5 Performers



### Geopolitical risk led to US\$21mn outflows from industrial metals baskets.

Outflows from industrial metals reached an eight-week high. Cyclical assets are likely to perform badly if global economic growth takes a hit from rising protectionism.

### Long crude oil ETP inflows reach a seven-week high of US\$20.6mn.

As crude oil prices fell 3.1% last week, investors bought long crude ETPs and took profits on their short oil ETP positions (US\$3.3mn). While investors were bargain-hunting, we think that better entry points could open up. At current prices, we expect US production of oil to continue to rise. In its May meeting we expect OPEC to begin discussing how to taper off its current production curbs in 2019. The treat of a trade war should also weigh on oil prices if global demand is dented. Demand expectations from International Energy Agency already look too optimistic. It is a hard to imagine demand continuing to grow at the pace we saw last year at higher prices.

Source: ETF Securities  
 Note: see next page (9)

**Note: All flow and AUM data in this report are based on ETF Securities ETP numbers to 6 April 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.**

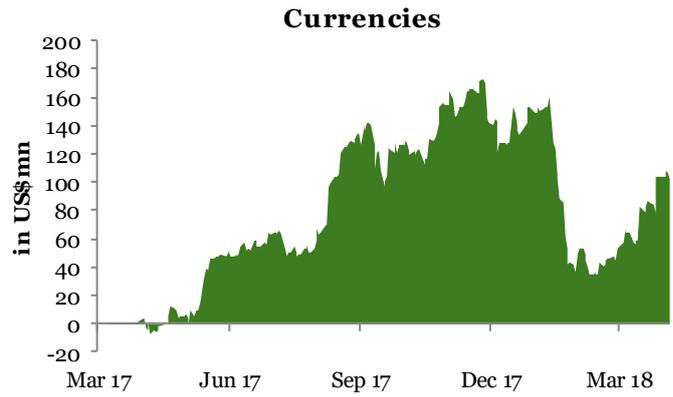
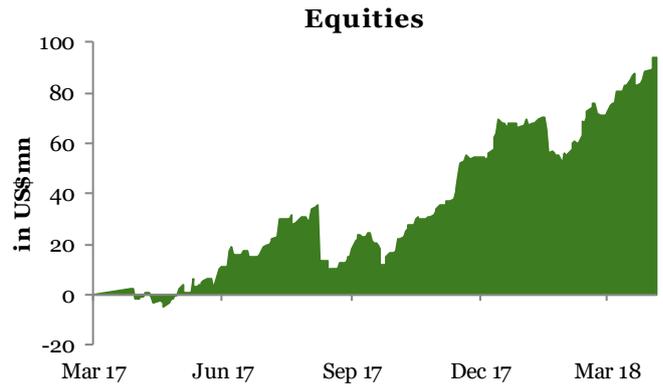
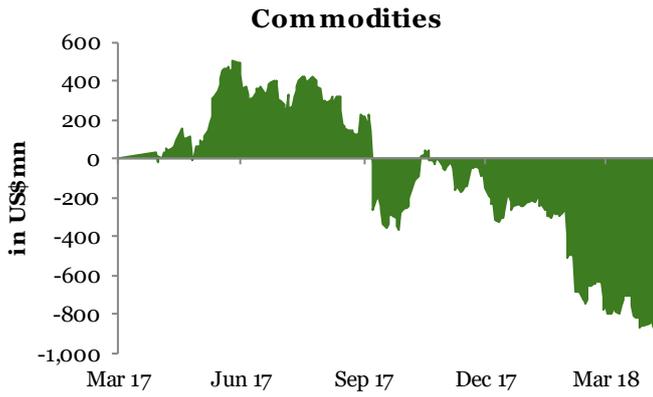
## ETF Securities Commodity ETP Flow Trends

	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>-1.2</b>	<b>-79.5</b>	<b>-629.0</b>	<b>-696.1</b>	<b>20,699</b>				
<b>Diversified</b>	<b>-19.6</b>	<b>-82.6</b>	<b>-25.3</b>	<b>-122.1</b>	<b>516</b>				
<b>Precious Metals</b>	<b>35.4</b>	<b>124.3</b>	<b>-430.2</b>	<b>-271.6</b>	<b>15,940</b>				
Basket	6.9	4.6	68.2	92.6	578	0.7%	0.1%	-0.2%	-0.2%
Gold	23.0	52.0	-432.5	-462.9	12,761	0.5%	0.8%	2.6%	4.7%
Silver	30.0	94.9	33.3	160.6	1,455	0.0%	-1.3%	-3.6%	-12.0%
Platinum	1.0	0.7	-80.5	0.3	845	-2.7%	-4.0%	-1.9%	-6.3%
Palladium	-25.5	-27.9	-18.7	-62.3	302	-6.3%	-7.7%	-14.0%	12.2%
<b>Energy</b>	<b>15.5</b>	<b>-77.3</b>	<b>-321.3</b>	<b>-752.1</b>	<b>1,357</b>				
Basket	-2.8	-14.6	-39.3	-19.3	59	-3.0%	0.8%	-1.4%	3.7%
Crude oil	17.4	-63.4	-275.2	-748.7	1,174	-3.1%	2.6%	1.8%	21.0%
Natural Gas	0.5	-2.1	-7.5	22.2	84	-1.2%	-2.1%	-8.2%	-31.7%
Heating Oil	0.2	1.0	0.4	0.4	5.9	-3.1%	3.6%	-3.7%	18.3%
Gasoline	0.1	1.6	0.1	-7.7	30.1	-3.3%	2.0%	-2.7%	10.1%
Carbon	0.2	0.2	0.2	1.1	4.0	-2.5%	16.1%	61.4%	199.9%
<b>Industrial Metals</b>	<b>-38.5</b>	<b>-13.0</b>	<b>126.9</b>	<b>57.4</b>	<b>1,101</b>				
Basket	-21.0	1.5	-55.1	-81.9	341	0.6%	-2.9%	-5.9%	12.6%
Aluminium	0.2	-3.2	-2.3	4.0	130	1.9%	-3.8%	-10.6%	1.0%
Copper	-15.4	-11.4	-17.0	-37.9	249	1.1%	-2.4%	-7.8%	12.1%
Nickel	-1.2	0.1	202.5	178.7	351	-0.3%	-4.4%	3.6%	27.5%
Zinc	0.2	1.9	0.7	-2.2	25	-1.3%	-1.2%	-2.4%	20.6%
Tin	-0.8	-1.2	-1.2	-2.2	2.1	-0.3%	-1.5%	5.5%	5.7%
Lead	-0.4	-0.6	-0.7	-1.0	2.0	-0.1%	0.9%	-3.6%	4.9%
<b>Agriculture</b>	<b>1.7</b>	<b>-89.4</b>	<b>32.0</b>	<b>182.9</b>	<b>843</b>				
Basket	-2.1	-88.2	31.5	82.4	358	0.7%	-1.0%	3.5%	-4.9%
Wheat	-1.1	1.1	-10.7	-10.5	135	4.7%	-3.4%	7.8%	-7.6%
Corn	2.3	2.4	13.2	9.3	68	0.2%	-0.5%	8.6%	-5.6%
Soybeans	1.8	0.5	7.1	11.5	26	-1.0%	-0.5%	6.4%	4.2%
Cotton	-0.1	0.1	-2.0	-4.2	13	1.3%	-2.3%	3.7%	12.9%
Coffee	0.6	5.3	20.5	85.8	128	-0.6%	-2.2%	-8.4%	-24.3%
Sugar	1.0	9.8	24.1	46.9	61	-0.1%	-3.8%	-18.2%	-29.8%
Soybean Oil	0.0	-0.6	-0.3	-0.5	2.4	-1.1%	-0.1%	-5.7%	-4.1%
Cocoa	-0.8	-20.0	-51.3	-38.0	52	-4.0%	-0.4%	27.8%	18.7%
<b>Livestock</b>	<b>0.3</b>	<b>-0.5</b>	<b>0.5</b>	<b>-2.7</b>	<b>7</b>				
Basket		-0.3	0.0	-1.1	1.3	-1.5%	-9.0%	-12.1%	-7.8%
Lean Hogs	0.3	0.2	0.8	-0.7	4.9	-4.3%	-5.5%	-14.8%	-5.3%
Live Cattle		-0.4	-0.3	-0.8	1.3	-0.2%	-10.5%	-10.9%	-9.1%
<b>Equities</b>	<b>5.9</b>	<b>13.4</b>	<b>28.2</b>	<b>93.4</b>	<b>280</b>				
US			-3.3	7.7	38	0.9%	-4.3%	0.1%	15.3%
Europe	5.9	12.2	24.2	72.8	193	2.1%	0.6%	-4.0%	-1.5%
Asia		-0.5	1.1	2.6	3	-1.6%	-5.6%	-3.3%	9.3%
Australia		1.7	6.2	10.3	44.9	0.3%	-2.8%	-3.4%	4.0%
<b>FX</b>	<b>-2.0</b>	<b>45.6</b>	<b>-39.8</b>	<b>118.6</b>	<b>655</b>				
G10	0.1	0.2	-0.1	-4.8	3.1				
USD	5.7	17.8	-65.0	54.4	456	0.6%	0.5%	-1.7%	-10.5%
CAD	0.1	0.4	0.7	0.9	4.1	0.6%	0.1%	-2.9%	2.6%
EUR	-2.9	55.6	27.2	162.5	548	-0.3%	-0.4%	0.8%	9.3%
GBP	-10.5	-11.5	-11.2	-6.0	127	0.4%	1.8%	2.4%	3.8%
CHF			1.0	1.0	16.6	-0.2%	-1.0%	-0.9%	-7.1%
NOK		-9.3	-5.7	5.1	14.4	0.3%	-0.4%	2.9%	-1.3%
SEK		-2.6	-7.3	-2.2	6.7	-0.4%	-2.0%	-5.0%	-4.1%
JPY	3.6	41.8	-13.9	33.2	101	-0.2%	0.4%	4.5%	-1.9%
CNY			-0.1	-0.8	2.7	-0.1%	0.6%	1.6%	3.9%
INR				-0.7	0.5	0.4%	0.2%	-3.6%	-8.0%
AUD		0.1	-2.3	-1.0	7.7	0.3%	-1.9%	-4.2%	-3.5%
NZD				-0.8	1.7	0.9%	0.2%	0.9%	-1.5%
Commodity FX	-0.1	-0.1	-0.3	-7.0	0.4				

(\*) All data as at 06 Apr 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

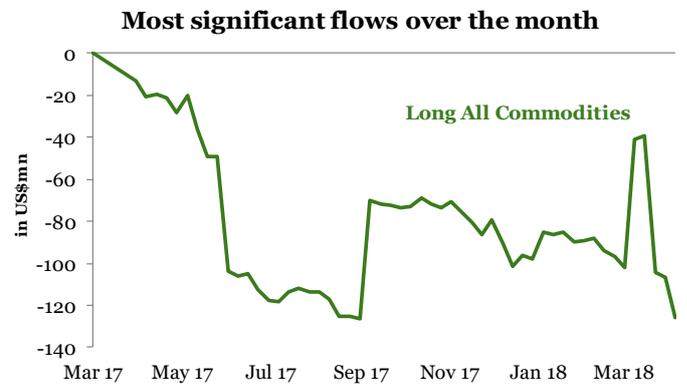
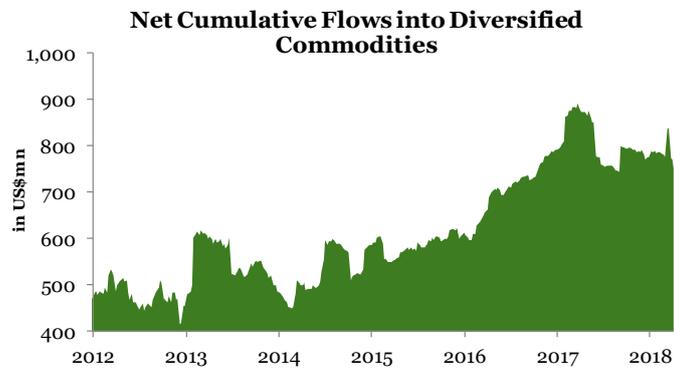
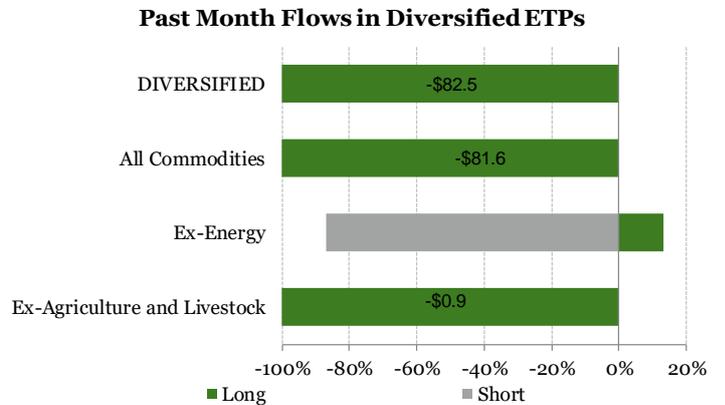
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## Net Cumulative Flows by Asset Classes over the past year



## All Commodity ETPs Flows Analysis

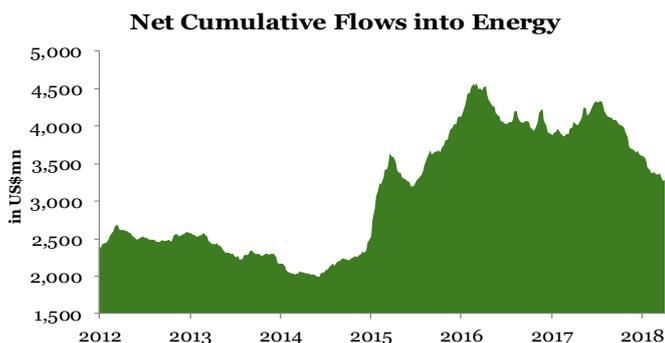
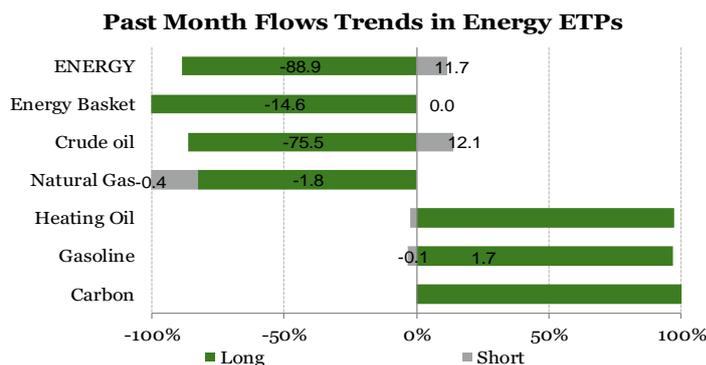
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Diversified</b>	<b>-19.6</b>	<b>-82.6</b>	<b>-25.3</b>	<b>-122.1</b>	<b>516</b>
All Commodities	-19.0	-81.6	-28.1	-105.1	422
Ex-Energy	-0.6	-0.9	2.8	-16.7	92



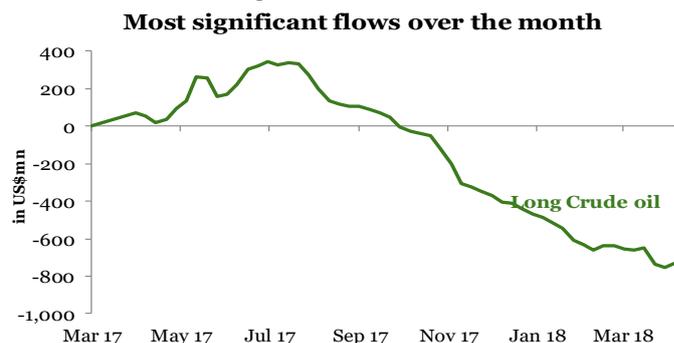
Source: ETF Securities

## Energy ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Energy</b>	<b>15.5</b>	<b>-77.3</b>	<b>-321.3</b>	<b>-752.1</b>	<b>1,357</b>
Energy Basket	-2.8	-14.6	-39.3	-19.3	59
Crude oil	17.4	-63.4	-275.2	-748.7	1,174
Natural Gas	0.5	-2.1	-7.5	22.2	84
Heating Oil	0.2	1.0	0.4	0.4	6
Gasoline	0.1	1.6	0.1	-7.7	30
Carbon	0.2	0.2	0.2	1.1	4

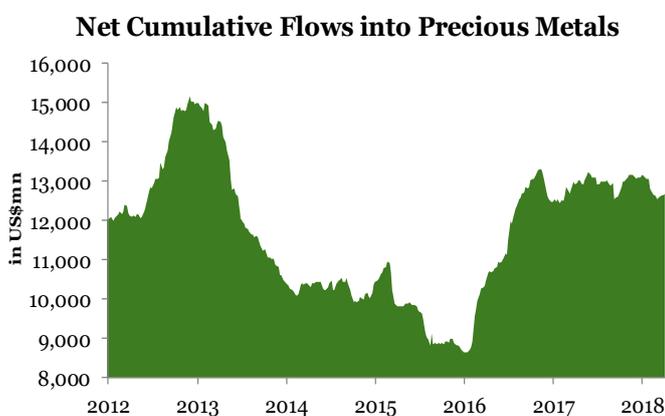
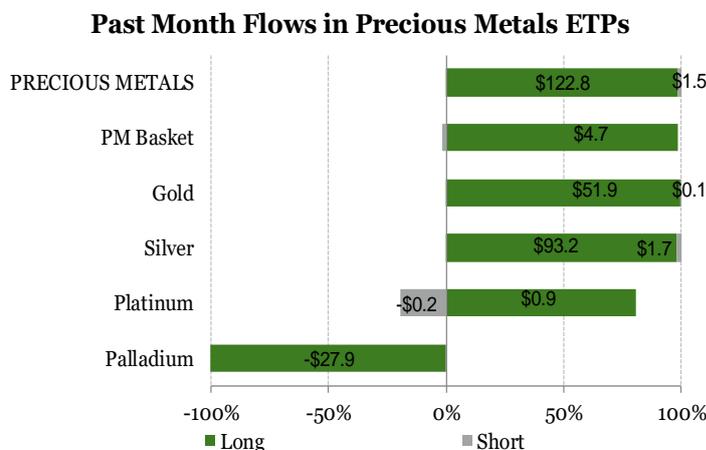


Source: ETF Securities

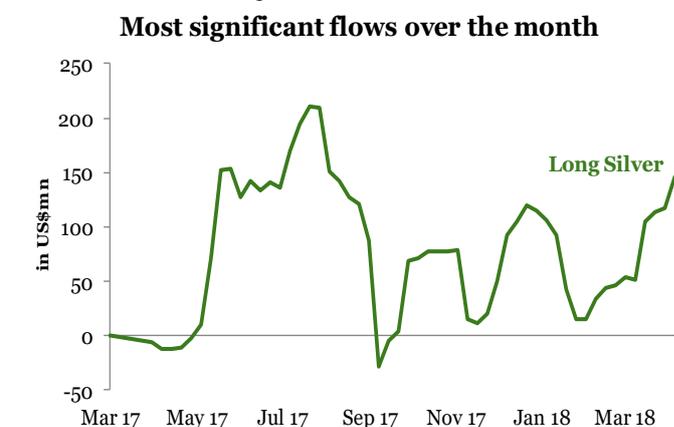


## Precious Metals ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Precious Metals</b>	<b>35.4</b>	<b>124.3</b>	<b>-430.2</b>	<b>-271.6</b>	<b>15,940</b>
PM Basket	6.9	4.6	68.2	92.6	578
Gold	23.0	52.0	-432.5	-462.9	12,761
Silver	30.0	94.9	33.3	160.6	1,455
Platinum	1.0	0.7	-80.5	0.3	845
Palladium	-25.5	-27.9	-18.7	-62.3	302

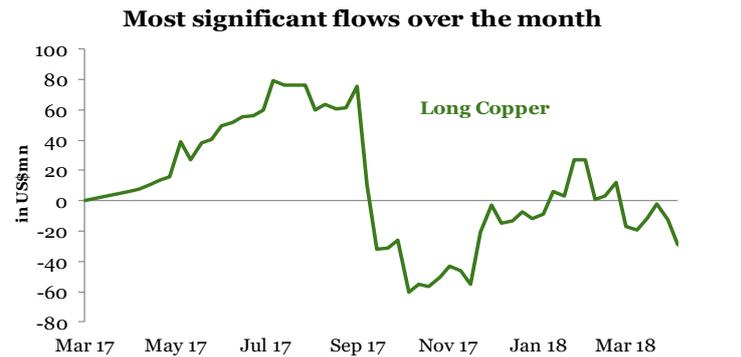
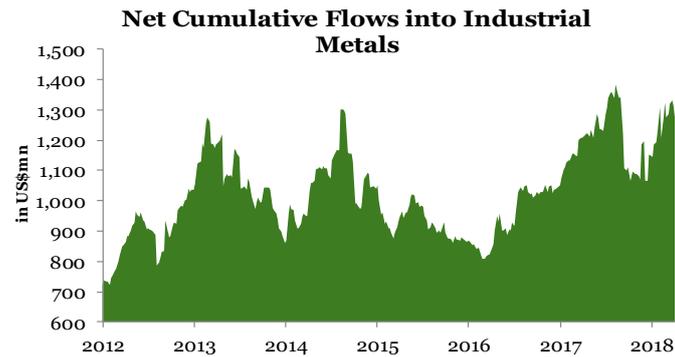
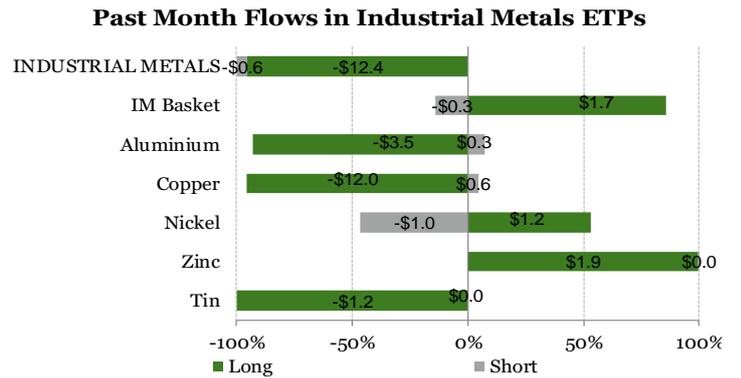


Source: ETF Securities



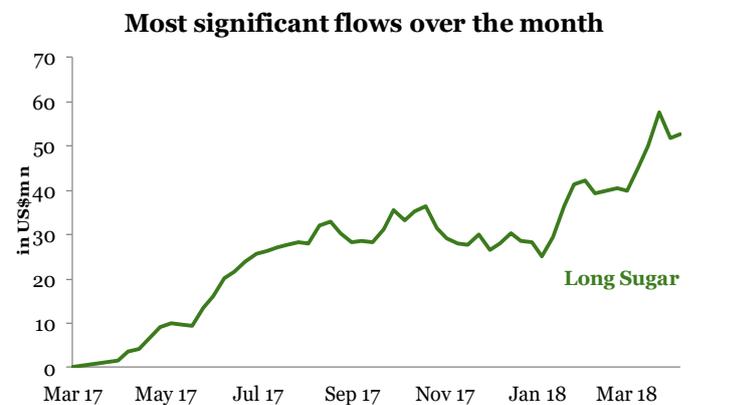
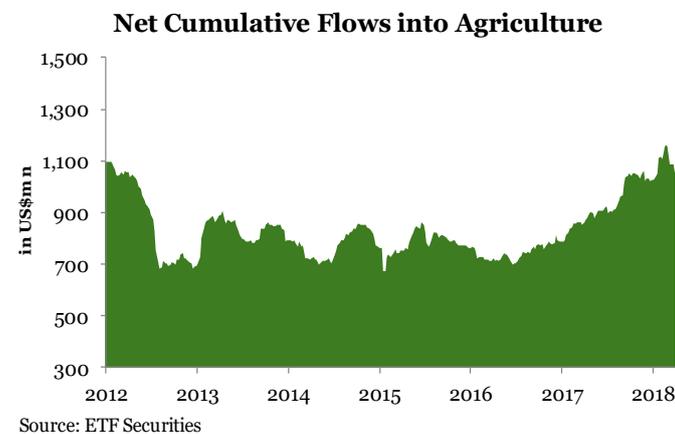
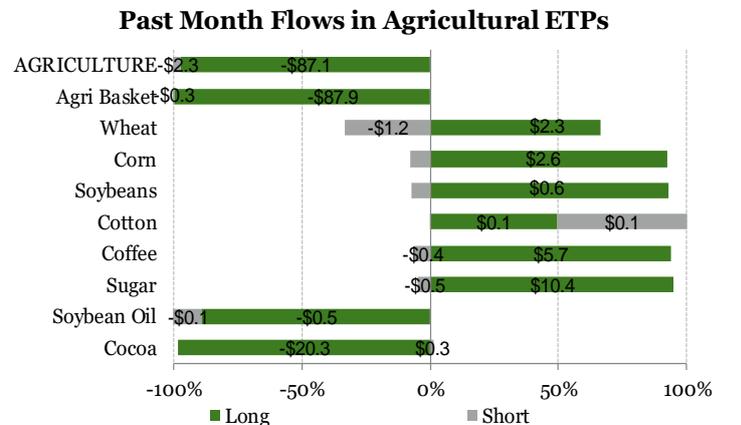
## Industrial Metals ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Industrial Metals</b>	<b>-38.5</b>	<b>-13.0</b>	<b>126.9</b>	<b>57.4</b>	<b>1,101</b>
IM Basket	-21.0	1.5	-55.1	-81.9	341
Aluminium	0.2	-3.2	-2.3	4.0	130
Copper	-15.4	-11.4	-17.0	-37.9	249
Nickel	-1.2	0.1	202.5	178.7	351
Zinc	0.2	1.9	0.7	-2.2	25
Tin	-0.8	-1.2	-1.2	-2.2	2
Lead	-0.4	-0.6	-0.7	-1.0	2



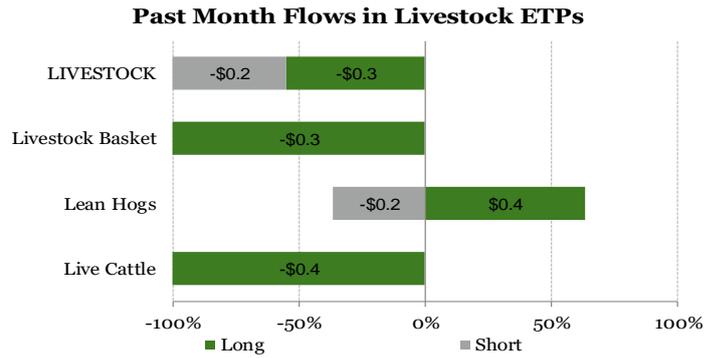
## Agriculture ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Agriculture</b>	<b>1.7</b>	<b>-89.4</b>	<b>32.0</b>	<b>182.9</b>	<b>843</b>
Agri Basket	-2.1	-88.2	31.5	82.4	358
Wheat	-1.1	1.1	-10.7	-10.5	135
Corn	2.3	2.4	13.2	9.3	68
Soybeans	1.8	0.5	7.1	11.5	26
Cotton	-0.1	0.1	-2.0	-4.2	13
Coffee	0.6	5.3	20.5	85.8	128
Sugar	1.0	9.8	24.1	46.9	61
Soybean Oil	0.0	-0.6	-0.3	-0.5	2
Cocoa	-0.8	-20.0	-51.3	-38.0	52

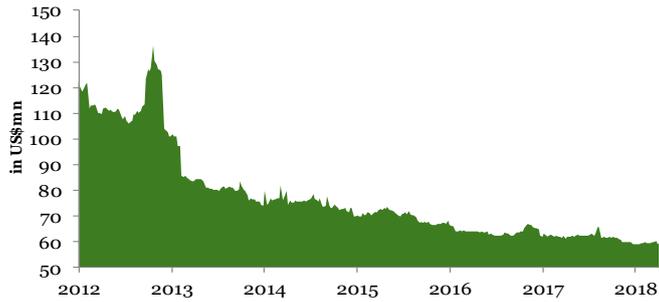


## Livestock ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Livestock</b>	<b>0.3</b>	<b>-0.5</b>	<b>0.5</b>	<b>-2.7</b>	<b>7</b>
Livestock Basket		-0.3	0.0	-1.1	1
Lean Hogs	0.3	0.2	0.8	-0.7	5
Live Cattle		-0.4	-0.3	-0.8	1

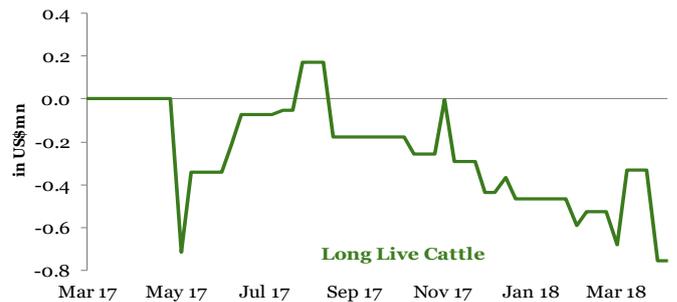


### Net Cumulative Flows into Livestock



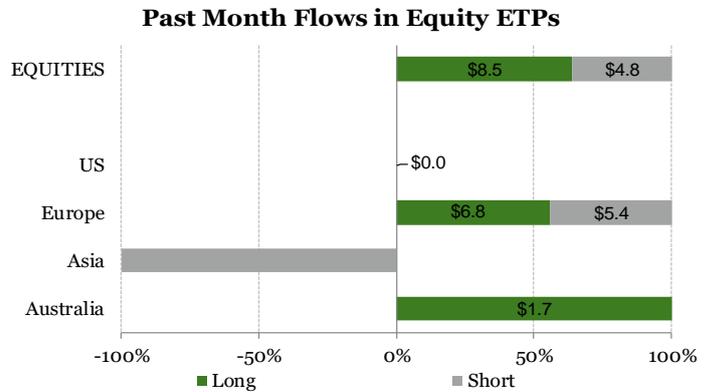
Source: ETF Securities

### Most significant flows over the month

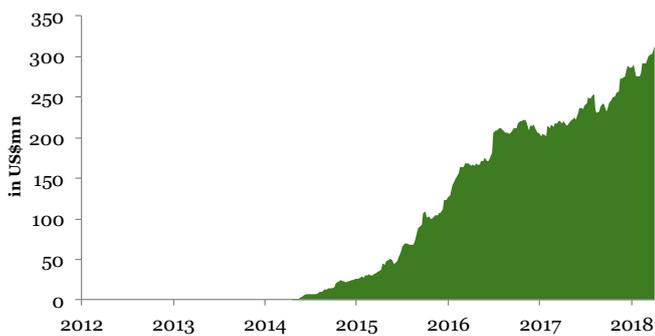


## Equity ETPs Flows Analysis

Region	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Region</b>	<b>5.9</b>	<b>13.4</b>	<b>28.2</b>	<b>93.4</b>	<b>280</b>
US			-3.3	7.7	38
Europe	5.9	12.2	24.2	72.8	193
Asia		-0.5	1.1	2.6	3
Australia		1.7	6.2	10.3	45

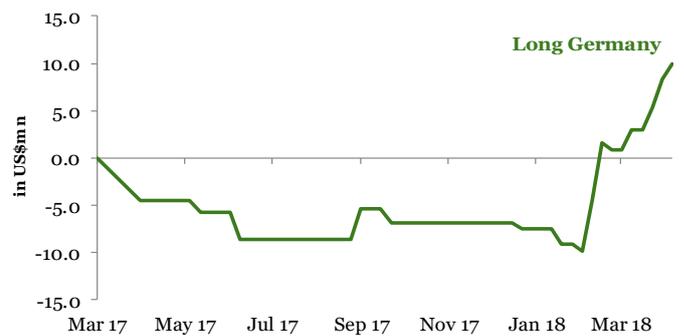


### Net Cumulative Flows into Equities



Source: ETF Securities

### Most significant flows over the month

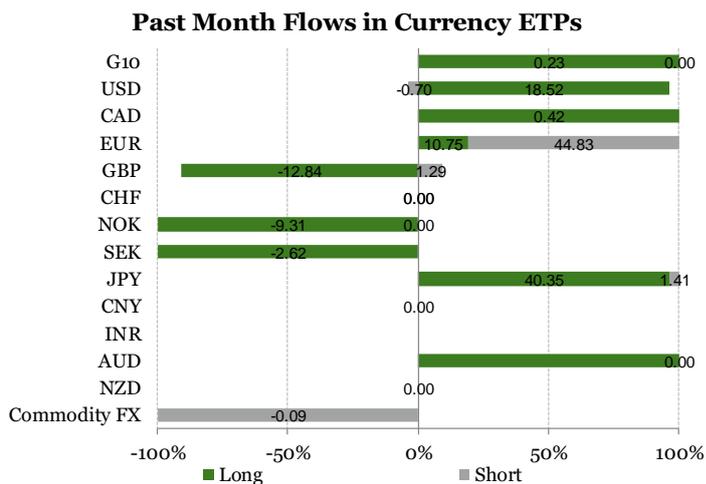


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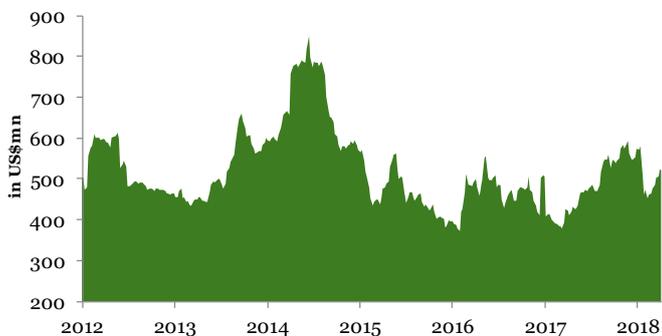
## Currency ETPs Flows Analysis

FX	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>FX</b>	<b>-2.0</b>	<b>45.6</b>	<b>-39.8</b>	<b>118.6</b>	<b>655</b>
G10	0.1	0.2	-0.1	-4.8	3
USD	5.7	17.8	-65.0	54.4	456
CAD	0.1	0.4	0.7	0.9	4
EUR	-2.9	55.6	27.2	162.5	548
GBP	-10.5	-11.5	-11.2	-6.0	127
CHF			1.0	1.0	17
NOK		-9.3	-5.7	5.1	14
SEK		-2.6	-7.3	-2.2	7
JPY	3.6	41.8	-13.9	33.2	101
CNY			-0.1	-0.8	3
INR				-0.7	1
AUD		0.1	-2.3	-1.0	8
NZD				-0.8	2
Commodity FX	-0.1	-0.1	-0.3	-7.0	0

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

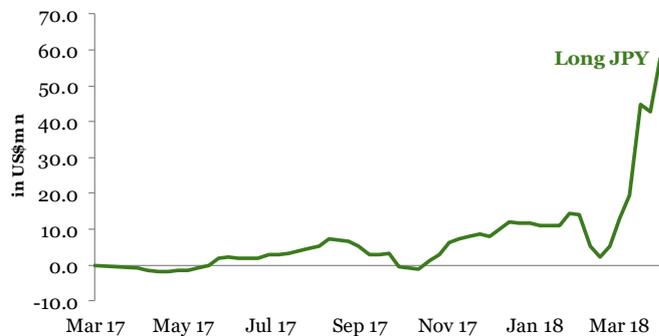


### Net Cumulative Flows into Currencies



Source: ETF Securities

### Most significant flows over the month



## Important Information

### General

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The  
intelligent  
alternative

ETF Securities (UK) Limited  
3 Lombard Street  
London  
EC3V 9AA  
United Kingdom

t +44 (0)207 448 4330  
f +44 (0)207 448 4366  
e [info@etfsecurities.com](mailto:info@etfsecurities.com)  
w [etfsecurities.com](http://etfsecurities.com)