

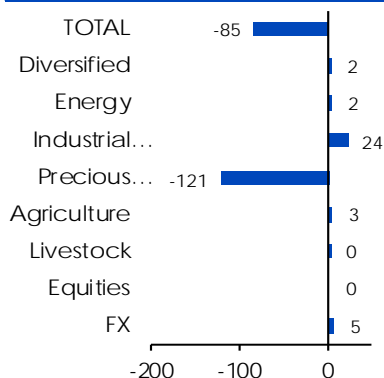
23 July 2018

# ETF Securities Weekly Flows Analysis

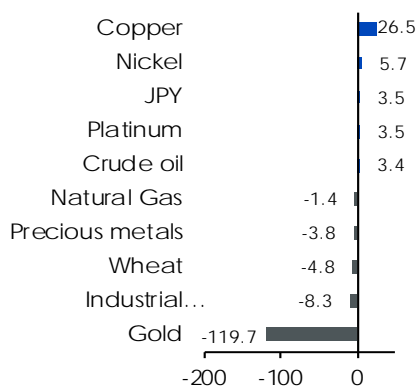
## Gold ETPs took the lion's share of outflows

- **Gold can't seem to find a floor**
- **Strong copper fundamentals appear to defy trade war threats**
- **Falling nickel prices continue to attract bargain hunters**

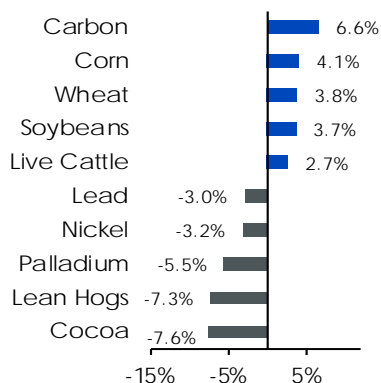
### Weekly Flows by Sector (US\$m)



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



### Top 5 / Bottom 5 Performers



Source: ETF Securities

Note: see next page (\*)

**Gold can't seem to find a floor.** Gold ETP outflows surged last week by US\$119.7mn, marking the third consecutive week of outflows as gold prices shed 0.81% last week, declining to US\$1231.1. We believe the testimony of Fed Chair Powell before the US Senate had a strong role to play in gold's weak price performance last week. As his optimistic outlook on the US economy cemented the Federal Reserve's (Fed) rate hike trajectory for the rest of 2018 supporting the US dollar higher. Since the start 2018, the stronger US dollar (up 3.17%) amidst the rising rate environment in the US, has underpinned the weakness of gold prices (down 6.62%). Last week, Larry Kudlow the US president's economic adviser, blamed the Chinese President Xi Jinping for stalling of trade dispute talks between the two nations. The Chinese Ministry of Foreign Affairs retaliated aggressively, by announcing that although it did not want a trade war, it was not afraid of one either. In the absence of any productive negotiation, the international trade wars seem to be intensifying and if this trend were to continue we expect inflation to accelerate at the cost of decelerating economic activity, which should favour gold. According to Commodity Futures Trading Commission (CFTC), net speculative positioning on gold futures are currently 1x standard deviation (as on 13 July 2018) below their 5-year average, highlighting the extent of the negative sentiment towards the yellow metal. We expect, gold prices to stage a recovery over the second half of this year.

**Strong copper fundamentals appear to defy trade war threats as copper ETP inflows worth US\$26.5mn rose to their highest level in 14 weeks.** Last week, Chinese economic growth slowed fractionally to 6.7% year-on-year compared to 6.8% last year. However monthly data reported by the National Bureau of Statistics (NBS) was mixed with industrial production and investment slowing but retail sales and house price growth higher. As a historically well-regarded barometer of world economic health, copper prices have been caught in the cross hairs of trade wars and slowing momentum from Chinese growth evident from the price slide over the past 6 consecutive weeks to US\$6122.5 (as on 20 July 2018). However optimism over the red metals' strong fundamentals helped overcome the negative sentiment emanating from the trade wars as inflows into copper ETPs rose over the past two weeks. Failing collective wage negotiations at BHP's Escondida mine, the world's largest copper mine, highlight the risks to copper's current supply levels. Discussions are set to continue as the current collective agreement expires at the end of the month. As both sides have stated their desire to reach an agreement, a strike is a less likely however prices are likely to remain on tender hooks until we reach an agreement.

**Nickel ETP inflows garner momentum for the fourth week in a row as bargain hunters chase falling prices.** Nickel prices suffered a sharp decline -3.18% last week with prices nearing a 3-month low on the back of news that the Chinese government is considering reducing incentives for buying electric cars from next year.

**Note: All flow and AUM data in this report are based on ETF Securities ETP numbers to 20 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

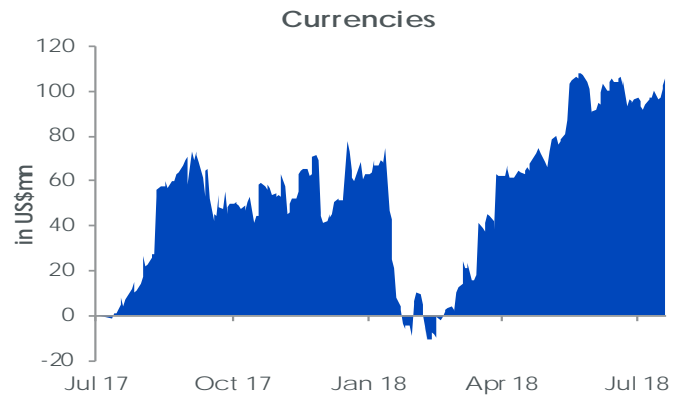
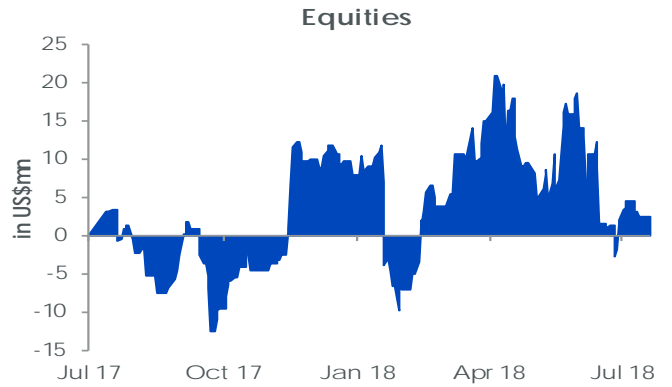
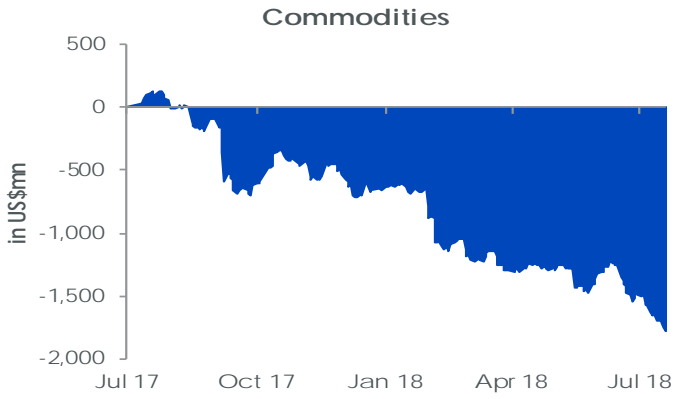
	ETP FLOWS (in US\$m)				ASSETS (in \$m)	PERFORMANCE (US\$)			
	-1 Week	-1 Month	YTD	-1 Year		-1 Week	-1 Month	YTD	-1 Year
<b>TOTAL</b>	<b>-85.0</b>	<b>-357.0</b>	<b>-1,094.8</b>	<b>-1,789.6</b>	<b>15,846</b>				
<b>Diversified</b>	<b>1.6</b>	<b>-3.8</b>	<b>-15.1</b>	<b>3.6</b>	<b>506</b>				
<b>Precious Metals</b>	<b>-121.1</b>	<b>-182.8</b>	<b>-743.5</b>	<b>-715.3</b>	<b>11,573</b>				
Basket	-3.8	-3.8	2.6	-14.3	139	-1.1%	-3.8%	-7.8%	-4.7%
Gold	-119.7	-195.9	-637.3	-501.3	10,117	-1.1%	-3.2%	-5.4%	-2.0%
Silver	-1.3	-2.0	-42.3	-136.0	936	-2.8%	-6.5%	-9.1%	-6.9%
Platinum	3.5	19.3	-39.4	-31.9	295	-0.9%	-5.0%	-11.4%	-12.5%
Palladium	0.2	-0.4	-27.0	-31.9	86	-5.5%	-6.7%	-15.8%	4.2%
<b>Energy</b>	<b>2.4</b>	<b>-16.2</b>	<b>-463.3</b>	<b>-1,178.3</b>	<b>1,353</b>				
Basket	0.6	0.7	22.9	44.3	124	-1.7%	-2.1%	5.7%	28.0%
Crude oil	3.4	-20.2	-470.9	-1,216.7	1,110	-2.7%	-2.5%	13.4%	57.9%
Natural Gas	-1.4	3.7	-12.5	9.8	78	0.2%	-6.5%	-9.2%	-21.8%
Heating Oil	-0.4	0.7	0.7	0.7	6.7	-1.4%	-1.1%	4.3%	40.5%
Gasoline	0.2	-1.4	-5.7	-19.3	27.8	-2.0%	0.0%	3.1%	31.0%
Carbon	0.0	0.2	2.1	2.9	7.1	6.6%	13.4%	101.4%	229.2%
<b>Industrial Metals</b>	<b>23.9</b>	<b>-179.5</b>	<b>19.0</b>	<b>-188.8</b>	<b>942</b>				
Basket	-8.3	-160.2	-127.7	-195.4	237	-0.8%	-9.5%	-12.7%	5.4%
Aluminium	-0.6	-18.9	-36.9	-39.2	99	0.2%	-6.7%	-9.5%	5.8%
Copper	26.5	-13.2	2.3	-87.9	241	-0.7%	-9.6%	-17.8%	-1.7%
Nickel	5.7	13.7	185.7	140.5	344	-3.2%	-11.5%	5.2%	39.6%
Zinc	0.8	0.9	-2.9	-3.7	18	0.2%	-11.4%	-21.6%	-4.8%
Tin	-0.4	-0.7	-1.5	-2.8	1.6	-1.4%	-4.3%	-1.5%	-2.0%
Lead	0.1	-1.0	-0.1	-0.3	2.2	-3.0%	-11.6%	-14.1%	-5.2%
<b>Agriculture</b>	<b>3.0</b>	<b>21.3</b>	<b>70.2</b>	<b>190.5</b>	<b>803</b>				
Basket	2.9	4.7	37.0	112.1	324	2.4%	-3.6%	-7.8%	-17.1%
Wheat	-4.8	-5.8	-20.8	10.7	129	3.8%	2.4%	10.6%	-14.3%
Corn	-0.1	1.6	18.1	5.1	64	4.1%	-3.0%	-4.9%	-18.5%
Soybeans	1.7	6.5	16.8	17.7	30	3.7%	-5.6%	-13.6%	-20.5%
Cotton	0.0	-5.4	6.8	7.8	24	-0.8%	2.2%	12.4%	28.8%
Coffee	1.8	12.0	41.3	73.6	132	0.7%	-5.3%	-16.6%	-26.7%
Sugar	0.8	7.0	35.2	35.0	63	1.5%	-10.3%	-28.1%	-27.1%
Soybean Oil	-0.1	-0.2	0.4	-0.6	2.6	0.5%	-4.6%	-17.2%	-20.5%
Cocoa	0.6	0.9	-64.7	-71.0	36	-7.6%	-7.6%	17.7%	13.9%
<b>Livestock</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.6</b>	<b>-3.0</b>	<b>7</b>				
Basket		-0.6	-0.2	-1.2	1.1	-0.3%	-2.4%	-9.1%	-12.6%
Lean Hogs	0.2	0.2	0.5	-1.4	4.2	-7.3%	-11.4%	-20.2%	-19.8%
Live Cattle		0.0	0.4	-0.4	2.1	2.7%	1.7%	-3.9%	-9.6%
<b>Equities</b>		<b>1.4</b>	<b>-5.3</b>	<b>3.3</b>	<b>120</b>				
US					0	0.0%	1.8%	5.9%	15.5%
Europe		0.3	-7.5	0.0	116	0.3%	0.6%	-0.1%	2.7%
Asia		1.1	2.2	3.3	4	-1.3%	-6.4%	-20.6%	-14.3%
Australia					0.0	0.4%	1.1%	5.5%	15.2%
<b>FX</b>	<b>5.0</b>	<b>3.0</b>	<b>42.6</b>	<b>98.5</b>	<b>541</b>				
G10	0.1	0.2	0.1	1.1	2.4				
USD	1.6	-17.0	-19.2	11.7	317	-0.2%	0.0%	2.6%	0.7%
CAD	0.3	0.0	0.6	0.1	3.9	0.0%	1.4%	-4.5%	-4.8%
EUR	3.1	0.2	70.7	118.1	473	0.3%	1.1%	-0.4%	1.7%
GBP	0.5	3.9	-13.8	-5.4	101	-0.8%	-1.1%	-0.4%	1.9%
CHF		-0.4	0.4	3.2	15.2	0.0%	-0.4%	0.5%	-4.6%
NOK		-1.9	-7.1	-1.6	12.3	0.0%	-0.4%	3.9%	-0.5%
SEK	0.4	2.0	-0.1	4.9	13.3	0.0%	-1.0%	-6.6%	-7.8%
JPY	3.5	18.6	55.9	95.4	131	0.0%	-0.8%	3.0%	0.7%
CNY	0.0	0.0	-0.1	-0.6	2.3	-1.2%	-3.5%	-1.3%	2.2%
INR			-0.1	-0.5	0.2	-0.3%	-0.6%	-4.0%	-5.0%
AUD	-0.4	-0.3	-2.7	-2.4	7.1	0.0%	-0.1%	-4.7%	-6.0%
NZD			0.0	0.0	1.4	0.2%	-0.6%	-1.9%	-7.1%
Commodity FX	0.8	0.8	0.6	-27.1	1.3				

(\*) All data as at 20 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

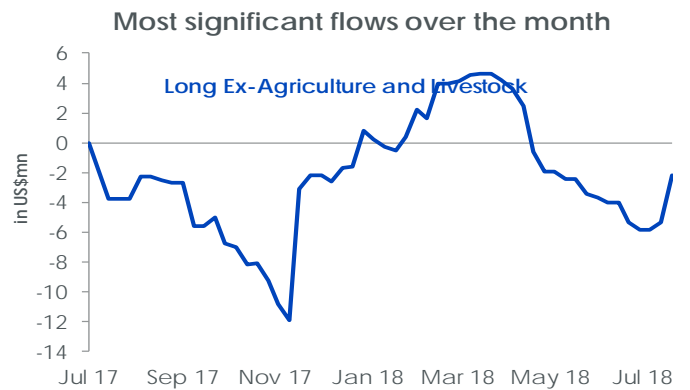
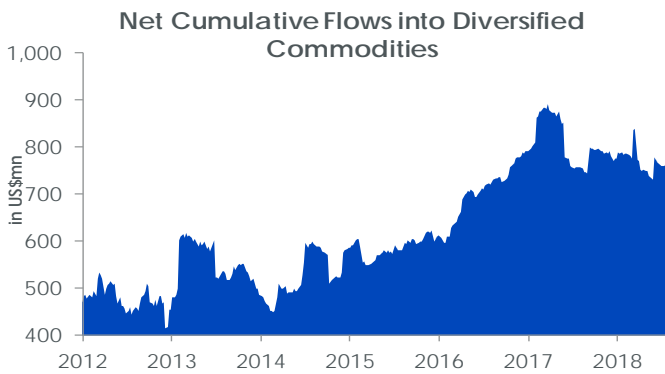
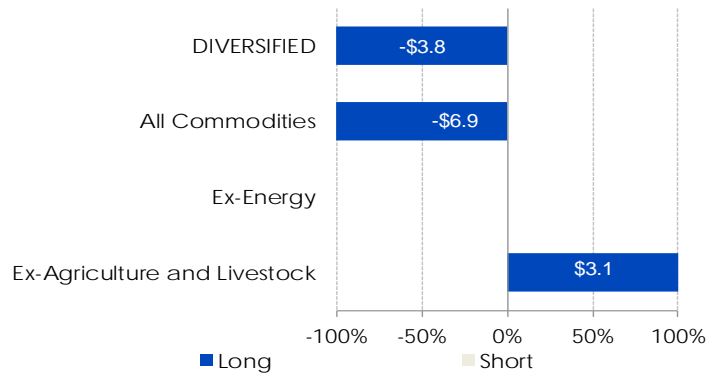
## Net Cumulative Flows by Asset Classes over the past year



## All Commodity ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Diversified	1.6	-3.8	-15.1	3.6	506
All Commodity	-1.5	-6.9	-11.9	2.3	419
Ex-Energy			-0.2	-0.3	1
Ex-Ags and Liv	3.1	3.1	-3.0	1.6	87

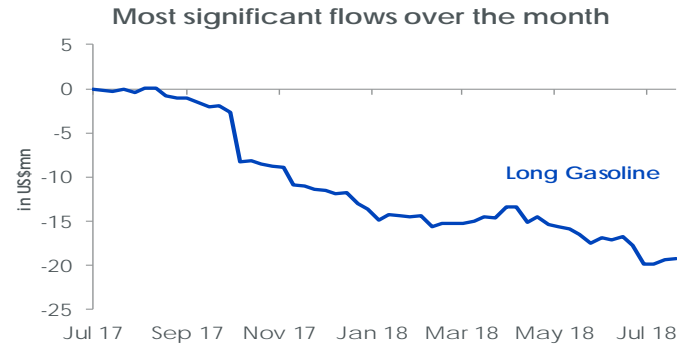
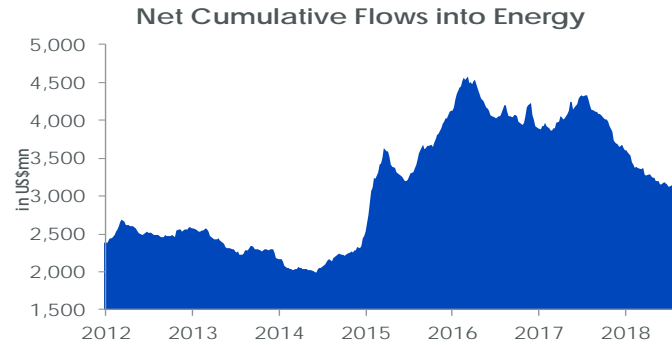
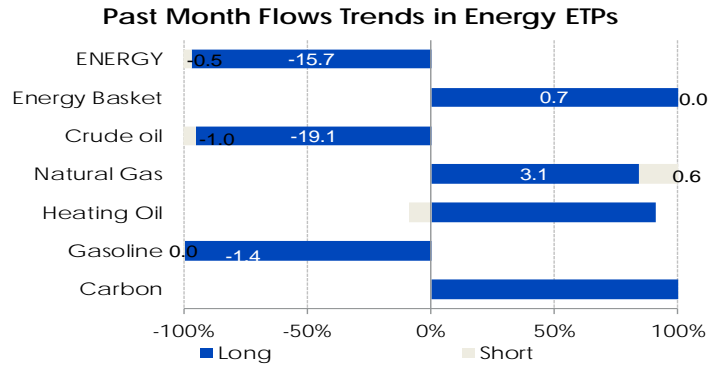
### Past Month Flows in Diversified ETPs



Source: ETF Securities

## Energy ETPs Flows Analysis

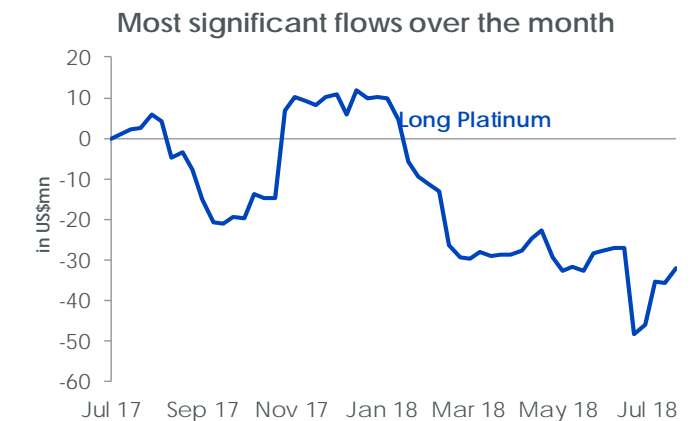
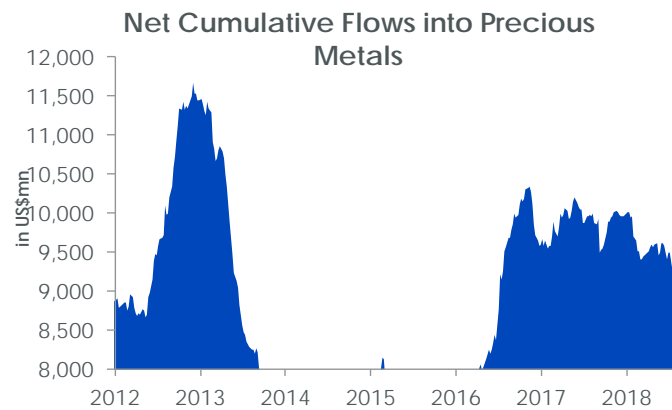
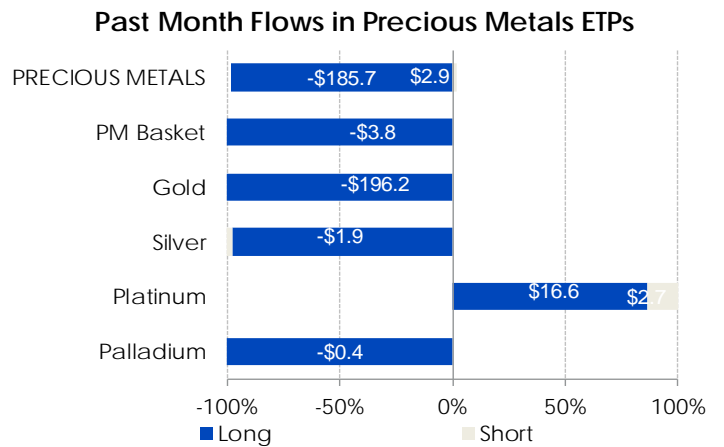
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Energy</b>	<b>2.4</b>	<b>-16.2</b>	<b>-463.3</b>	<b>-1,178.3</b>	<b>1,353</b>
Energy Basket	0.6	0.7	22.9	44.3	124
Crude oil	3.4	-20.2	-470.9	-1,216.7	1,110
Natural Gas	-1.4	3.7	-12.5	9.8	78
Heating Oil	-0.4	0.7	0.7	0.7	7
Gasoline	0.2	-1.4	-5.7	-19.3	28
Carbon	0.0	0.2	2.1	2.9	7



Source: ETF Securities

## Precious Metals ETPs Flows Analysis

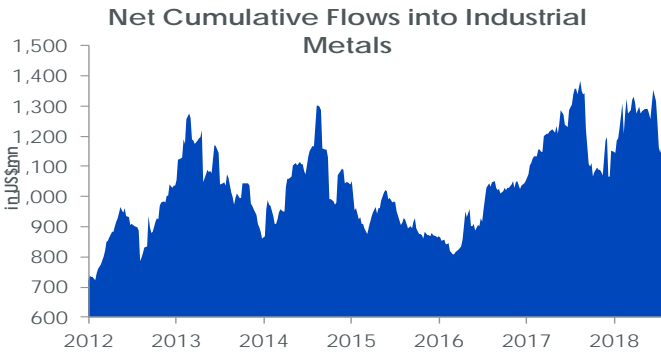
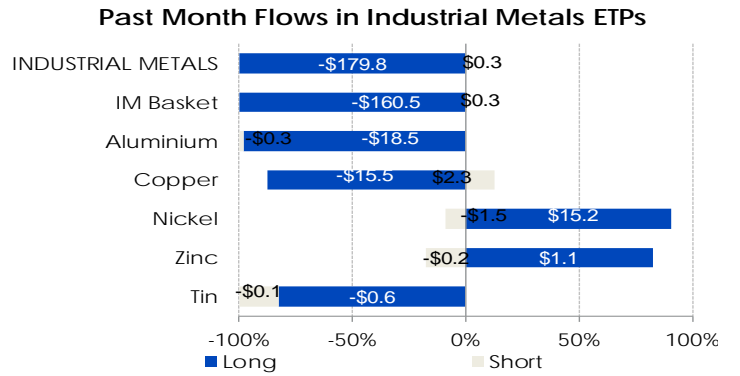
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Precious Metals</b>	<b>-121.1</b>	<b>-182.8</b>	<b>-743.5</b>	<b>-715.3</b>	<b>11,573</b>
PM Basket	-3.8	-3.8	2.6	-14.3	139
Gold	-119.7	-195.9	-637.3	-501.3	10,117
Silver	-1.3	-2.0	-42.3	-136.0	936
Platinum	3.5	19.3	-39.4	-31.9	295
Palladium	0.2	-0.4	-27.0	-31.9	86



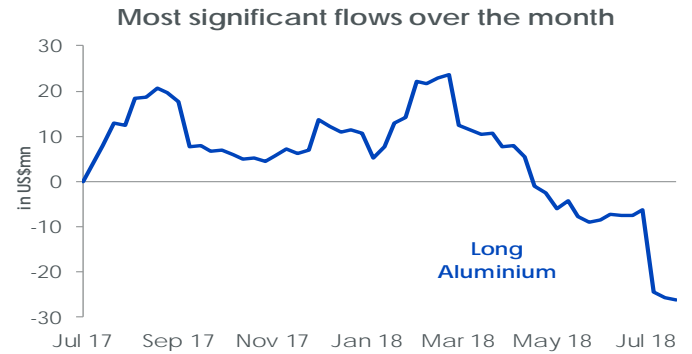
Source: ETF Securities

## Industrial Metals ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Industrial Metals</b>	<b>23.9</b>	<b>-179.5</b>	<b>19.0</b>	<b>-188.8</b>	<b>942</b>
IM Basket	-8.3	-160.2	-127.7	-195.4	237
Aluminium	-0.6	-18.9	-36.9	-39.2	99
Copper	26.5	-13.2	2.3	-87.9	241
Nickel	5.7	13.7	185.7	140.5	344
Zinc	0.8	0.9	-2.9	-3.7	18
Tin	-0.4	-0.7	-1.5	-2.8	2
Lead	0.1	-1.0	-0.1	-0.3	2

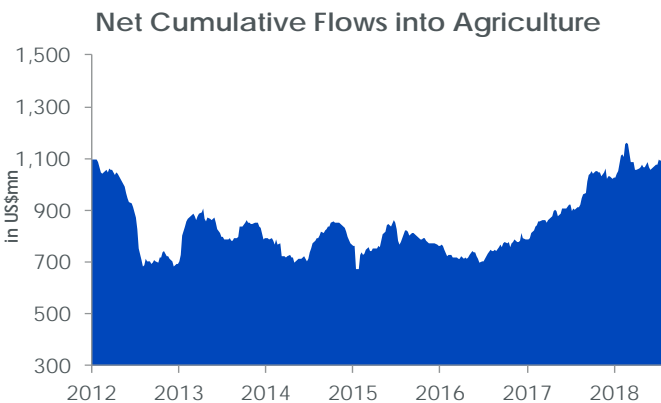
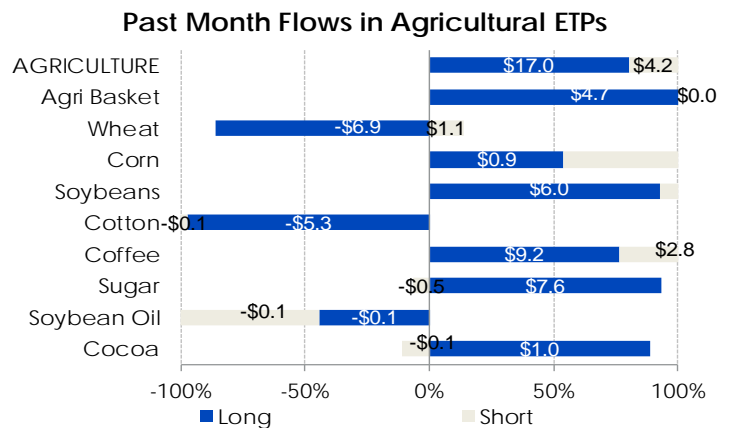


Source: ETF Securities

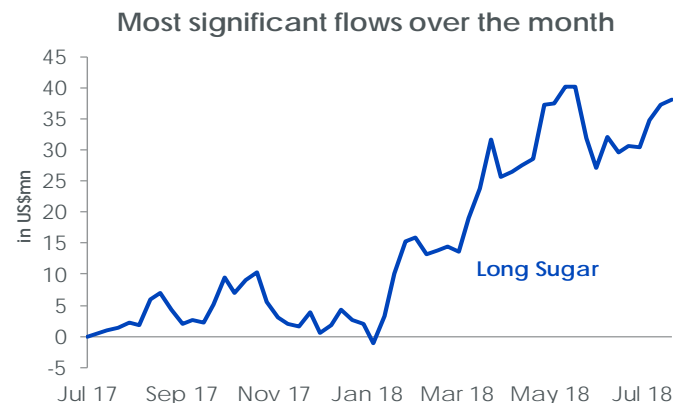


## Agriculture ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Agriculture</b>	<b>3.0</b>	<b>21.3</b>	<b>70.2</b>	<b>190.5</b>	<b>803</b>
Agri Basket	2.9	4.7	37.0	112.1	324
Wheat	-4.8	-5.8	-20.8	10.7	129
Corn	-0.1	1.6	18.1	5.1	64
Soybeans	1.7	6.5	16.8	17.7	30
Cotton	0.0	-5.4	6.8	7.8	24
Coffee	1.8	12.0	41.3	73.6	132
Sugar	0.8	7.0	35.2	35.0	63
Soybean Oil	-0.1	-0.2	0.4	-0.6	3
Cocoa	0.6	0.9	-64.7	-71.0	36

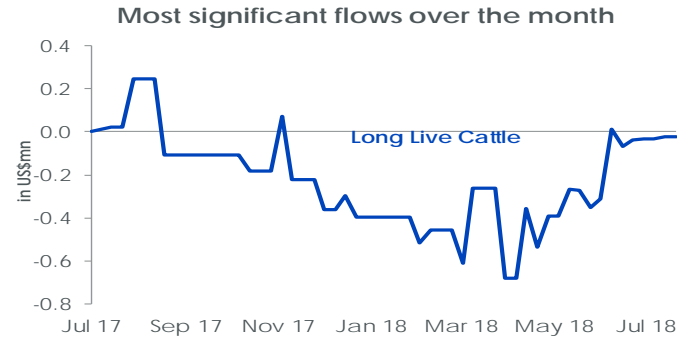
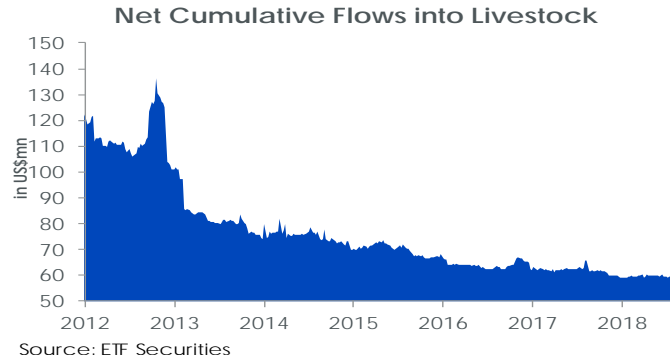
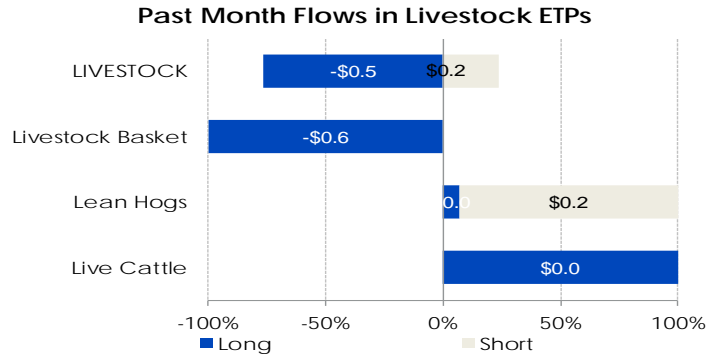


Source: ETF Securities



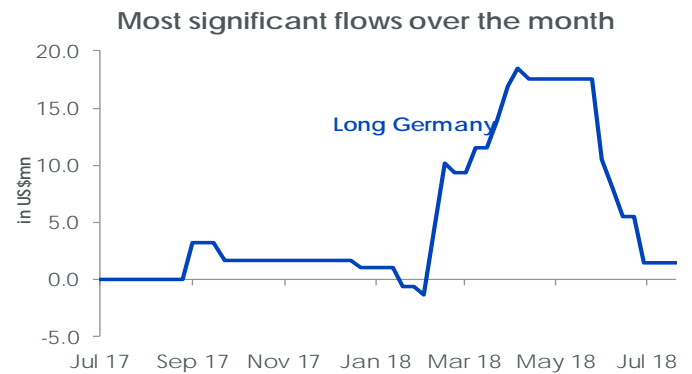
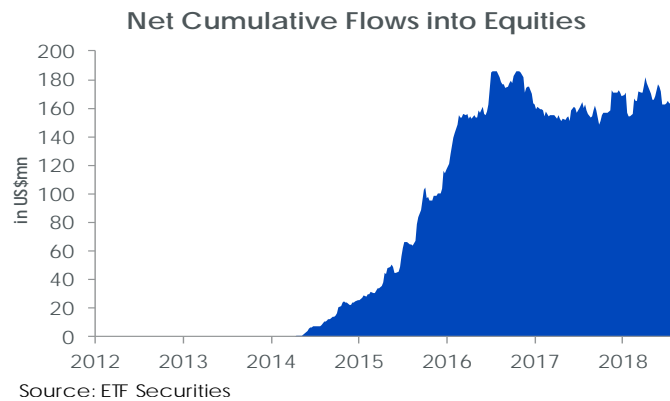
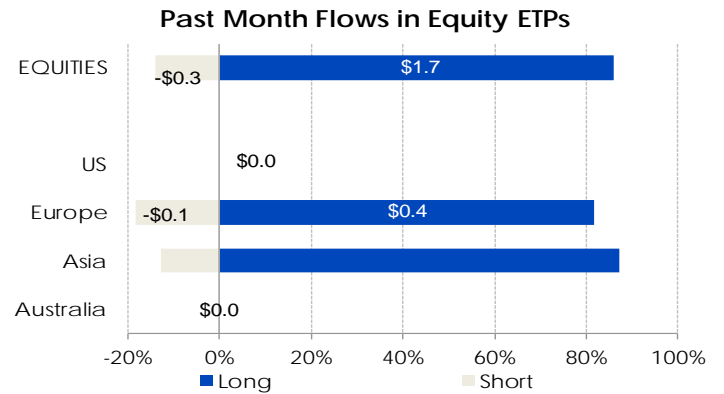
## Livestock ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Livestock</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.6</b>	<b>-3.0</b>	<b>7</b>
Livestock Basket		-0.6	-0.2	-1.2	1
Lean Hogs	0.2	0.2	0.5	-1.4	4
Live Cattle		0.0	0.4	-0.4	2



## Equity ETPs Flows Analysis

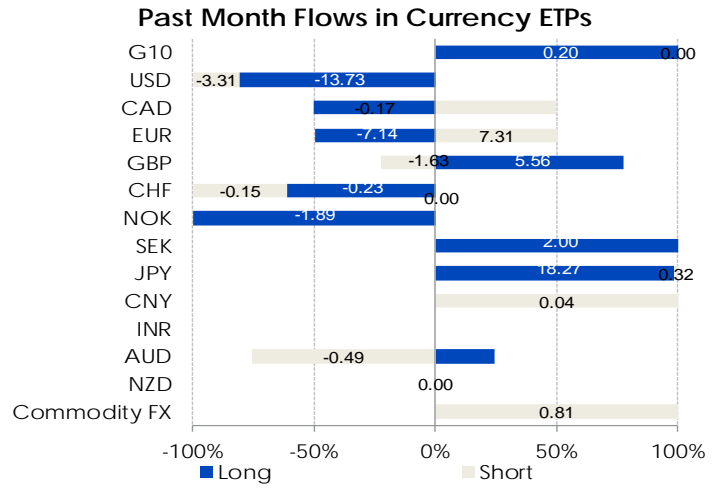
Region	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
<b>Region</b>	<b>0.0</b>	<b>1.4</b>	<b>-5.3</b>	<b>3.3</b>	<b>120</b>
US					
Europe		0.3	-7.5	0.0	116
Asia		1.1	2.2	3.3	4
Australia					



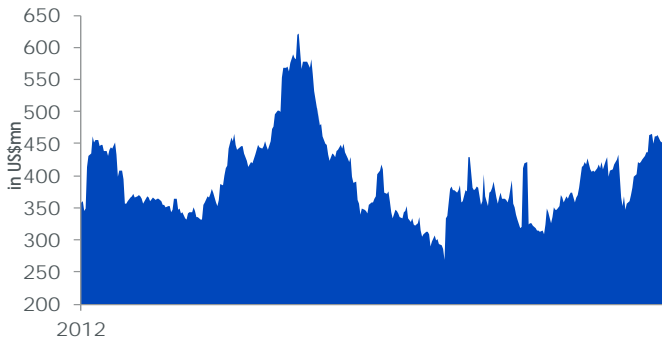
## Currency ETPs Flows Analysis

FX	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
FX	5.0	3.0	42.6	98.5	541
G10	0.1	0.2	0.1	1.1	2
USD	1.6	-17.0	-19.2	11.7	317
CAD	0.3	0.0	0.6	0.1	4
EUR	3.1	0.2	70.7	118.1	473
GBP	0.5	3.9	-13.8	-5.4	101
CHF		-0.4	0.4	3.2	15
NOK		-1.9	-7.1	-1.6	12
SEK	0.4	2.0	-0.1	4.9	13
JPY	3.5	18.6	55.9	95.4	131
CNY	0.0	0.0	-0.1	-0.6	2
INR			-0.1	-0.5	0
AUD	-0.4	-0.3	-2.7	-2.4	7
NZD			0.0	0.0	1
Commodity FX	0.8	0.8	0.6	-27.1	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



**Important Information**

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