

# iShares®

by BlackRock

## Contact details:

[EII EMEA Investment Strategy](#)

All figures in USD

## Global ETP Flows April 2020

**Inflows into global ETPs increased to \$68.6B in April amid a broad recovery in risk sentiment, as a return to positive buying in fixed income offset a drop off in equity buying. Commodity ETP flows built upon last month's record inflows to notch up a huge \$21.4B, surpassing the previous monthly inflow record by almost \$10B.**

### Key themes in April:

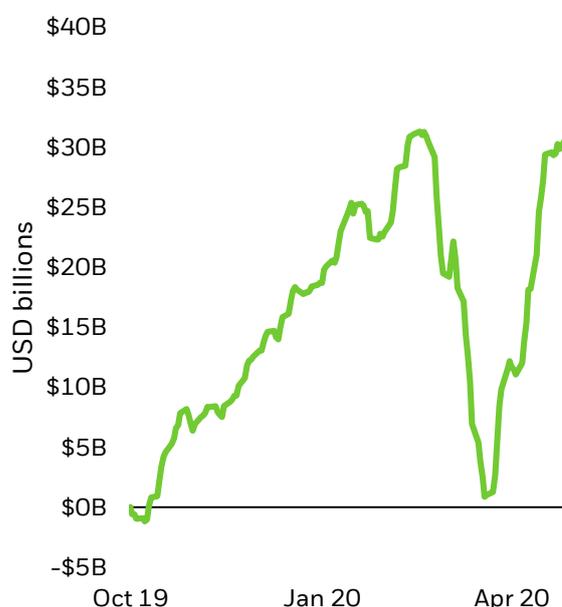
- 1. Taking all the credit:** record buying in investment grade (IG) and high yield (HY)
- 2. Doubling down on health:** unprecedented flows for the healthcare sector
- 3. Oil's well that ends well?:** records build upon records for commodities

### 1. Taking all the credit

- **Following on from the positive flow momentum in the last two weeks of March,** inflows into credit in April continued to set monthly inflow records for both HY (+\$8.4B) and IG (+\$13.3B).
- **Inflows into IG surpassed the previous monthly record set in January 2019,** and more than made up for the \$7.1B of outflows in March. Buying was overwhelmingly into US IG, which made up 72% of inflows into IG, while eurozone IG inflows accounted for \$3.3B.
- **In HY, the US tilt is even more prevalent while eurozone HY flows are still lagging, with inflows into US HY accounting for 96% of the record \$8.4B added in April.** While eurozone HY inflows returned to positive territory with \$0.4B added in April, we haven't seen a return of the \$2.3B that flowed out during volatile markets (21 Feb-20-March).

### A BIG month

Cumulative flows into global credit (IG and HY) ETPs, October 2019-April 2020



**Source:** Unless otherwise stated all data is sourced from the BlackRock Global ETP Landscape (a BlackRock tool that sources data from BlackRock and Markit) at 30 April 2020. Past flows into global ETPs are not a guide to current or future flows and should not be the sole factor of consideration when selecting a product. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation to, offer or solicitation to buy or sell any financial instrument or product or to adopt any investment strategy. Investment in the products mentioned in this document may not be suitable for all investors. BlackRock has not considered the suitability of any product against your individual needs and risk tolerance.

## 2. Doubling down on health

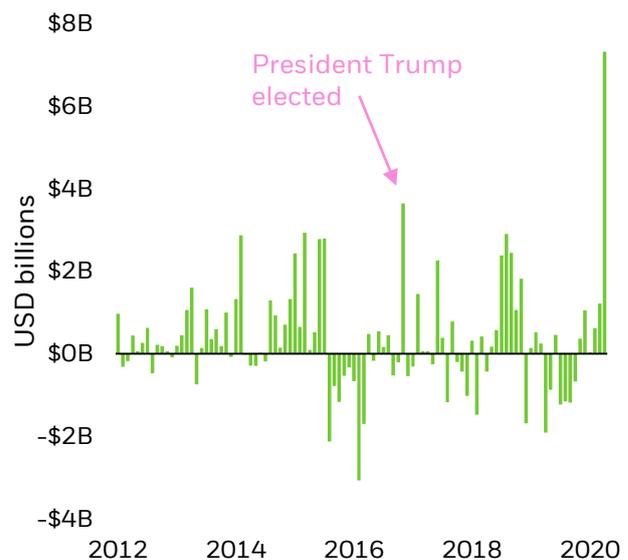
- **At a sector level, healthcare ETPs notched up \$7.3B of inflows in April, the largest monthly inflow on record**, beating the previous record set in November 2016 when President Trump was elected (+\$3.6B). These inflows come amid increasing focus on the sector in the current pandemic, as attention on medical device production and pharmaceutical innovation has offered investors two rationales for investing in the sector. Buying in healthcare was overwhelmingly into US equity healthcare ETPs (+\$6.1B), although buying in European healthcare did hit \$0.5B (yet another record).
- **Despite the largest weekly inflow into US equity ETPs since September 2019 (+\$17.7B) at the start of the month**, flows into the exposure dropped off into the end of the month as investors de-risked out of equity ETPs on the whole, leaving the figure at \$18.3B.
- **Outflows continued from EM equities (-\$9.8B), which have now been sold for eight out of the past 12 months**. The outflows were across the board, in contrast to March, when buying in single country ETPs – particularly those exposed to Asia – offset selling out of broad EM equity products, leading to muted net outflows of \$1.1B. A reversal of sentiment led to flows out of China, Brazil and South Korean equity ETPs, while selling out of broad EM equity slowed but remained negative at -\$4.8B.

## 3. Oil's well that ends well?

- **Record buying of commodity ETPs in April** can almost entirely be split by inflows into gold and crude oil ETPs, both of which hit their highest monthly inflows on record.
- **Inflows into US and APAC-listed crude oil ETPs made up the majority of inflows**, increasing 1.5x and 1.9x on March's flows respectively. Buying in EMEA-listed products rose substantially to \$2.3B in April, an increase of 3.3x March's figure.
- **Gold flows similarly shone with \$9.2B added in April, up from \$7.7B in March**. Buying was consistent across the whole month. While March flows were tilted towards EMEA-listed ETPs, 80% of the buying in gold in April went into US-listed products (+\$7.3B). Buying in EMEA-listed ETPs fell to \$1.5B, following the bumper \$4.2B added in March.

## Doubling down on health

Monthly flows into healthcare ETPs, January 2012-April 2020



## A well oiled machine

Cumulative flows into commodities ETPs, January 2012-April 2020



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