



# GLOBAL ETP FLOWS

## November 2023

**Flows surge:** November marked the highest inflow month for ETPs globally in 2023 so far, with \$127.5B added – almost double the prior month (\$66B) and the highest since December 2021's record \$155.7B.

**Equities and fixed income pick up:** equity flows rose to \$87.5B, the highest since December 2021, while fixed income (FI) flows rose to the highest level since October 2022, with \$38.8B added. Commodity flows remained negative with \$1.5B out.

**Credit in focus:** November saw a shift in FI allocations, with buying of credit ETPs surging – high yield had its largest inflow month on record (\$11.6B) and investment grade took its highest inflows since January (\$10.0B). Flows into rates, meanwhile, fell to the lowest level (\$4.3B) since January 2022.

### Merrily on high (yield)

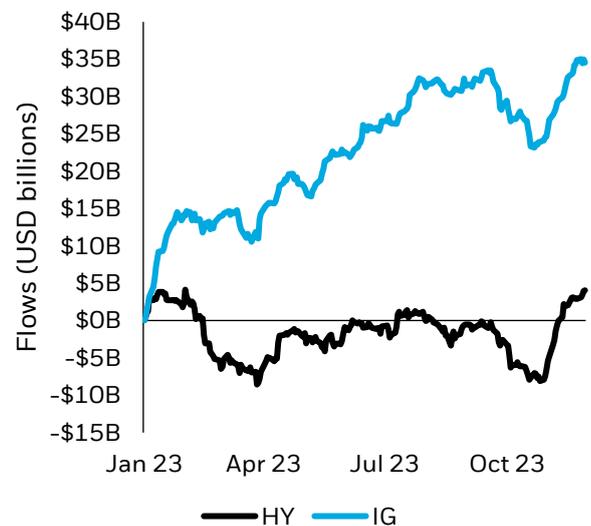
November marked the largest inflow month on record for high yield (HY) ETPs, with \$11.6B added globally. This eclipsed the previous record set in April 2020 (\$8.6B) and more than reversed the cumulative \$8.7B of outflows from August to October that preceded November's mammoth inflows. At the same time, investment grade (IG) flows rebounded to the highest level since January (\$10.0B), reversing the \$7.9B of outflows that came in September and October. Highlighting the risk-on trend across fixed income, rates flows fell to their lowest level since January 2022, with \$4.3B of buying (down from \$30.4B in October).

The HY inflows in November took the year-to-date total back into positive territory (\$4.0B) for only the third time this year. Conviction on HY has been lacklustre across 2023, with five inflow months and six outflow months so far – highlighting the flip-flopping that has characterised the exposure this year. In contrast, IG flows are at \$34.5B YTD, with the up-in-quality trade playing out across the year: IG has had only two outflow months in 2023 (September and October).

IG inflows in November were fairly evenly split across intermediate and long-term exposures, with blended maturity ETPs leading and a fourth month of outflows from short duration ETPs. In contrast, HY flows went almost entirely (94%) into blended maturity products.

### High yield sleighs

Cumulative flows into HY and IG ETPs, January-November 2023



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## Driving home (bias) for Christmas

In equities, the pickup in overall flows was driven by a threefold increase in US equity buying month-on-month to \$74.7B – the highest monthly inflows since December 2021. Emerging market (EM) equity flows returned to positive territory (\$4.0B), while Japanese equity ETPs saw their first outflow month since April and the largest on record, with \$5.1B out – almost entirely from APAC-listed ETPs.

Of the \$74.7B of US equity ETP inflows, 87% went into US-listed products, masking the pickup in EMEA-listed US equity ETP flows to \$8.1B – the highest monthly level on record. In line with the global trend, the vast majority of EMEA-listed flows went into broad market exposures, but also included \$0.5B into US tech ETPs – see more below.

EM equity flows also rose, with India notching up a ninth consecutive month of inflows (\$0.8B). In contrast to October's flows, however, the majority of buying came from international investors, with \$0.4B into EMEA-listed Indian equity ETPs – a monthly record – and \$0.3B into US-listed exposures.

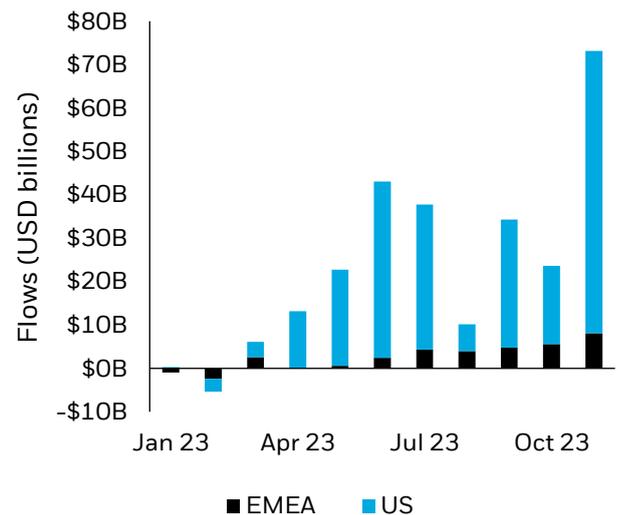
## Tech the halls

Tech's leadership of sector flows returned in November, with \$9.2B added, \$7.2B of which went into US tech exposures. This takes tech ETP flows to \$45.4B globally this year, making it by far the biggest sector allocation in 2023 and again following the up-in-quality approach we have seen play out across asset classes. This also came through in factor flows, with quality factor ETPs gathering a further \$3.3B of inflows, while value flows were flat in November and at their lowest level since May.

Elsewhere, financials recorded a first inflow month since July, with \$1.7B added in November. Flows into financials once again favoured US exposures, with European financials sector ETPs recording around \$0.3B of outflows – in line with the trend we have seen across the past few months.

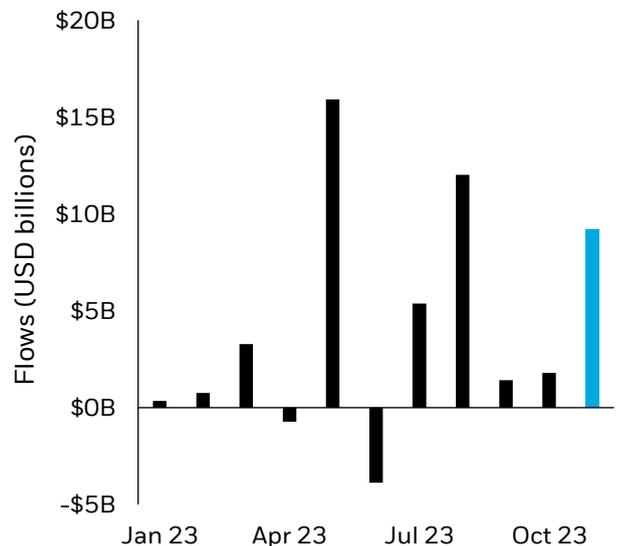
## Santa ClaUS is coming to town

Monthly flows into US equity ETPs by listing region, January–November 2023



## All AI want for Christmas is tech

Monthly flows into tech ETPs, January–November 2023



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