

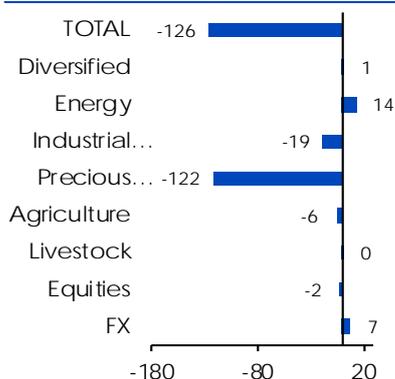
16 July 2018

ETF Securities Weekly Flows Analysis

Commodity ETPs face the onslaught of trade tensions

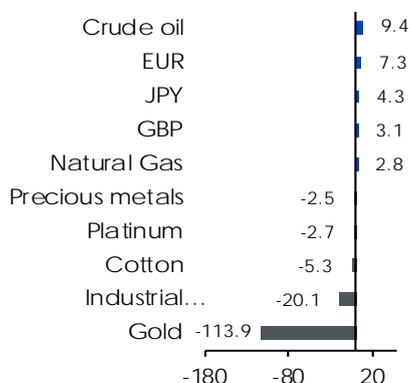
- **Gold ETP outflows widen, attaining its highest level in 8 weeks**
- **Intensification of trade wars causes industrial metal basket ETP outflows to continue for the fourth week in a row**
- **Bargain hunters appear to attract inflows into oil ETPs as crude oil prices decline**

Weekly Flows by Sector (US\$m)



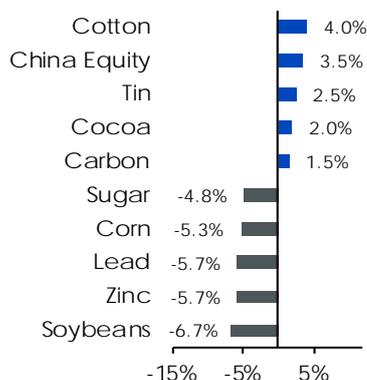
Gold ETP outflows widened to US\$113.9mn, attaining its highest level in 8 weeks. Gold prices extended its losses for a third week in a row, declining to US\$1252.6 last week. Since the start of the year, gold ETPs have witnessed outflows in 15 of the 28 weeks, amounting to US\$517mn worth of outflows, underpinning the negative sentiment towards the precious metal in a rising rate environment. Gold's recent performance appears to be out of sync with well-known macro triggers as it failed to benefit from higher US inflation data and heightened political risks. US inflation in June, released last week attained its highest level in almost 6½ years, causing real interest rates to decline further. Historically gold prices would gain on this news, as they yield no interest, providing a hedge against the loss of purchasing power. In addition, the trade spat between the US and China has failed to garner interest for gold, traditionally viewed as a safe harbour in times of uncertainty. We believe the stronger US dollar, amidst the current rate rising environment in the US has dominated negative sentiment thereby exerting selling pressure on gold prices. We expect to see a recovery in gold prices over the second half of this year.

Top 5 Inflows/Outflows (US\$m)



Intensification of trade wars causes industrial metal basket ETP outflows to continue for the fourth week in a row amounting to US\$20.1mn, albeit at a slower pace. Last week, the US administration published an additional list of Chinese products worth US\$200Bn that will be subjected to a further 10% tariffs effective from August 30th. The US administration is also embroiled in standoffs with the European Union, Mexico and Canada. Owing to its economically sensitive nature, industrial metal basket ETP outflows are reflecting the strain on the metal prices owing to the intensification of trade wars. The growing concern amongst investors is that the uncertainty around trade wars could derail global economic growth thereby impacting demand for industrial metals. While we cannot deny that the tit-for trade spat is triggering uncertainty, we expect to see a resolution to the trade deals before the November US midterm elections. Until then, we expect industrial metal prices to trade in a volatile range but long-term fundamentals to remain supportive.

Top 5 / Bottom 5 Performers



Inflows into crude oil ETPs stage a comeback rising to US\$9.4mn after three weeks of consecutive outflows, as bargain hunters appeared to chase falling crude oil prices. Brent crude oil prices staged its biggest daily loss in nearly 2½ years during the course of trading last week on fears of Libyan oil production returning to the market sooner than expected. This was triggered by news that oil terminals in the east of Libya that had been closed for four week will be resuming operations now that they have been returned to the state oil company NOC. The shut-in Libyan production restricted around 800,000 barrels of oil per day from the market, as Libyan oil is now expected to normalise, the market situation is likely to ease again. Bearish monthly reports from the Energy Information Agency (EIA) and the Organisation of Petroleum Exporting Countries (OPEC), both of which alluded to strong non-OPEC supply growth in 2019, also put further pressure on oil.

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

Note: All flow and AUM data in this report are based on ETF Securities ETP numbers to 13 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.

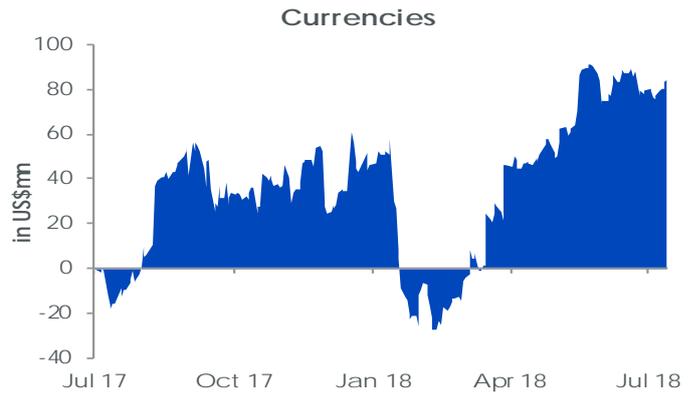
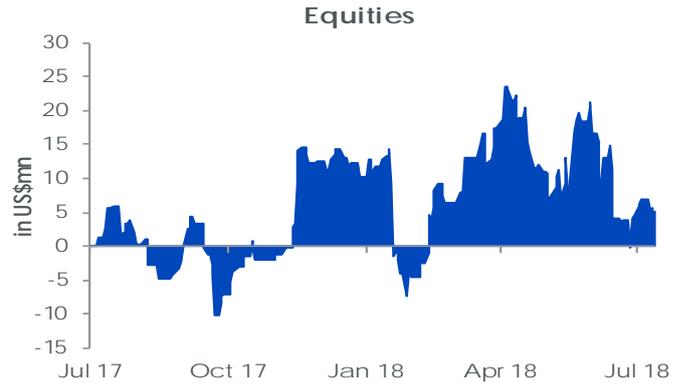
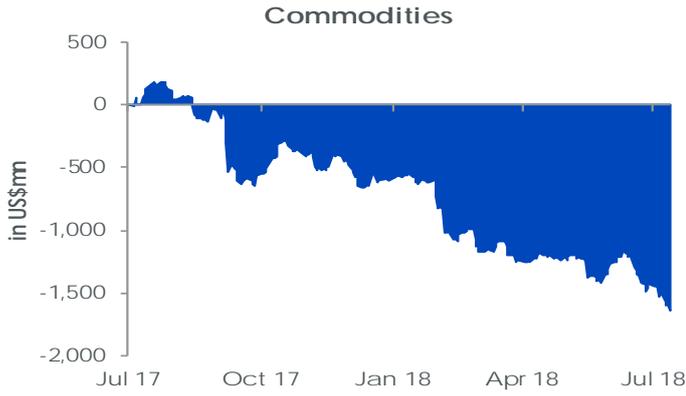
ETF Securities Commodity ETP Flow Trends

	ETP FLOWS (in US\$m)				ASSETS (in \$m)	PERFORMANCE (US\$)			
	-1 Week	-1 Month	YTD	-1 Year		-1 Week	-1 Month	YTD	-1 Year
TOTAL	-125.8	-444.7	-1,009.8	-1,690.8	16,106				
Diversified	0.8	-8.9	-16.7	3.4	506				
Precious Metals	-121.6	-218.2	-622.4	-593.1	11,839				
Basket	-2.5	-4.6	6.4	-16.0	145	-1.3%	-3.2%	-6.8%	-1.3%
Gold	-113.9	-99.4	-517.6	-392.1	10,346	-1.1%	-3.4%	-4.4%	0.5%
Silver	-1.4	-108.0	-41.0	-117.5	964	-1.2%	-8.2%	-6.5%	0.1%
Platinum	-2.7	-6.0	-43.0	-35.5	294	-0.8%	-7.5%	-10.6%	-9.9%
Palladium	-1.1	-0.1	-27.2	-32.0	91	-0.3%	-5.2%	-10.8%	9.2%
Energy	14.3	-17.5	-465.8	-1,186.4	1,381				
Basket	1.3	-5.8	22.3	42.6	126	-2.3%	1.4%	7.5%	28.9%
Crude oil	9.4	-13.1	-474.4	-1,225.1	1,134	-2.2%	3.3%	16.5%	59.3%
Natural Gas	2.8	2.4	-11.1	11.6	79	-3.6%	-8.8%	-9.3%	-22.1%
Heating Oil	0.4	1.1	1.1	1.0	7.1	-1.6%	2.2%	5.8%	42.6%
Gasoline	0.3	-2.4	-5.9	-19.3	28.3	-0.6%	4.2%	5.2%	33.8%
Carbon	0.1	0.2	2.1	2.8	6.7	1.5%	10.8%	88.9%	195.2%
Industrial Metals	-18.8	-214.8	-4.9	-194.7	933				
Basket	-20.1	-157.3	-119.4	-173.9	247	-2.2%	-11.0%	-12.0%	6.3%
Aluminium	-1.5	-18.8	-36.3	-33.7	100	-2.5%	-8.1%	-9.7%	4.7%
Copper	0.9	-43.8	-24.2	-114.4	216	-1.7%	-12.3%	-17.2%	0.2%
Nickel	2.2	8.0	180.0	133.5	350	0.2%	-8.1%	8.7%	43.4%
Zinc	0.2	-2.0	-3.8	-3.2	17	-5.7%	-16.2%	-21.7%	-6.1%
Tin	0.1	0.0	-1.1	-2.3	2.0	2.5%	-4.6%	-0.1%	1.9%
Lead	-0.6	-0.9	-0.1	-0.7	2.3	-5.7%	-8.5%	-11.5%	-5.7%
Agriculture	-5.6	26.4	67.2	185.0	784				
Basket	-0.9	0.5	34.1	105.6	313	-4.3%	-7.3%	-10.0%	-18.4%
Wheat	-1.8	0.3	-16.0	17.4	128	-3.5%	-3.2%	6.6%	-19.3%
Corn	1.1	3.1	18.1	5.5	61	-5.3%	-7.9%	-8.7%	-21.0%
Soybeans	1.5	6.9	15.1	16.1	27	-6.7%	-10.3%	-16.6%	-21.7%
Cotton	-5.3	-3.6	6.8	7.7	24	4.0%	-2.2%	13.3%	33.5%
Coffee	-2.0	13.6	39.5	71.0	128	-3.7%	-6.5%	-17.1%	-25.7%
Sugar	2.2	6.8	34.4	34.4	60	-4.8%	-11.2%	-29.2%	-27.6%
Soybean Oil	0.0	-0.1	0.5	-0.2	2.7	-3.6%	-6.2%	-17.6%	-19.5%
Cocoa	-0.2	-1.0	-65.4	-72.5	39	2.0%	-0.2%	27.4%	26.7%
Livestock	0.1	-0.7	0.5	-3.7	8				
Basket	-0.4	-0.4	-0.2	-1.2	1.1	-2.4%	-2.5%	-8.8%	-12.9%
Lean Hogs	0.1	-0.3	0.3	-2.1	4.4	-4.6%	-8.0%	-13.9%	-13.4%
Live Cattle	0.0	0.0	0.4	-0.4	2.0	-1.4%	0.1%	-6.5%	-12.9%
Equities	-2.0	-6.2	-5.3	-0.7	120				
US					0	1.4%	0.8%	5.7%	16.0%
Europe	-2.2	-7.3	-7.5	-4.1	116	0.5%	0.0%	-0.5%	0.7%
Asia	0.2	1.1	2.2	3.4	4	3.5%	-10.3%	-19.6%	-12.5%
Australia					0.0	-0.1%	2.6%	5.1%	14.0%
FX	6.9	-4.8	37.6	99.3	535				
G10	0.0	0.1	0.0	-4.1	2.3				
USD	-1.4	-21.4	-20.9	15.8	314	1.3%	0.4%	3.3%	0.0%
CAD	0.0	-0.3	0.2	-0.2	3.6	0.0%	0.2%	-4.5%	-3.9%
EUR	7.3	-5.8	67.6	121.4	469	-0.1%	1.1%	-0.8%	2.5%
GBP	3.1	3.5	-14.3	-9.0	101	0.1%	-0.3%	0.5%	0.9%
CHF		-0.4	0.4	3.3	15.2	0.0%	0.0%	0.5%	-4.2%
NOK		-1.9	-7.1	-2.4	12.4	0.0%	-0.1%	3.9%	0.8%
SEK	0.6	1.6	-0.5	4.5	12.9	0.0%	-2.0%	-6.6%	-8.1%
JPY	4.3	15.3	52.4	92.5	127	0.0%	-0.3%	3.0%	1.4%
CNY		0.0	-0.1	-0.6	2.3	0.1%	-3.0%	0.3%	3.1%
INR			-0.1	-0.5	0.2	0.9%	0.0%	-3.8%	-5.2%
AUD	0.0	-0.1	-2.3	-1.9	7.5	0.0%	-0.6%	-4.7%	-5.5%
NZD			0.0	0.0	1.4	-0.1%	-1.2%	-2.1%	-7.3%
Commodity FX			-0.2	-20.2	0.5				

(*) All data as at 13 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

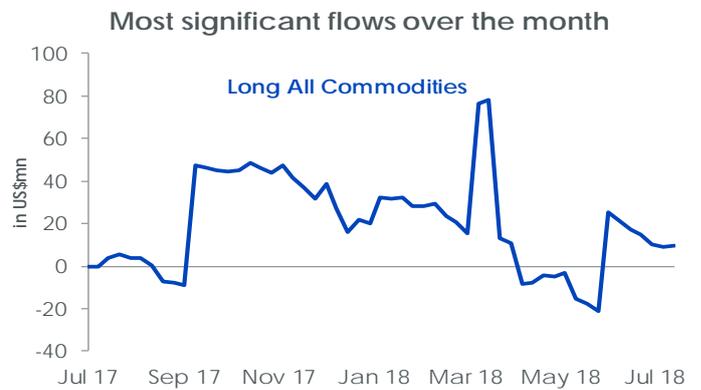
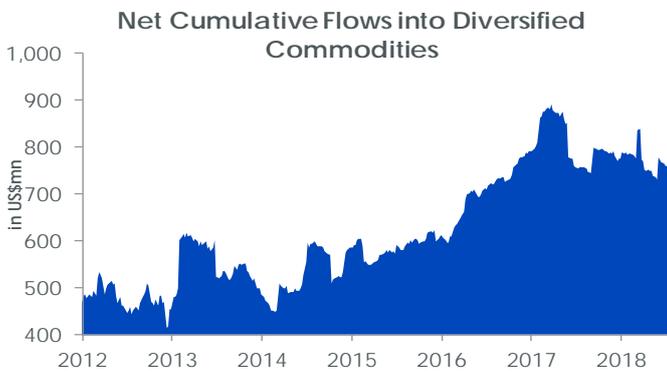
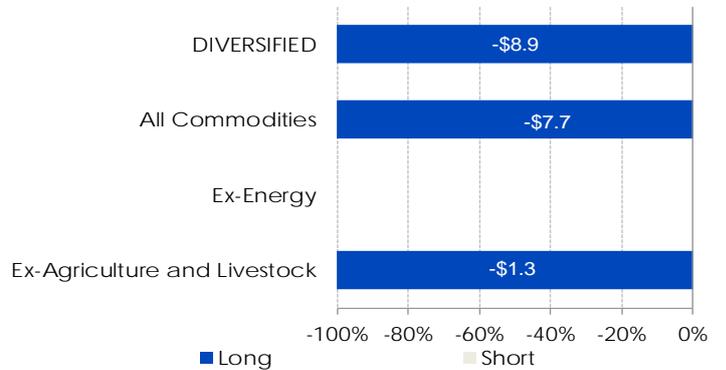
Net Cumulative Flows by Asset Classes over the past year



All Commodity ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Diversified	0.8	-8.9	-16.7	3.4	506
All Commodity	0.2	-7.7	-10.4	5.3	421
Ex-Energy			-0.2	-0.3	1
Ex-Ags and Liv	0.5	-1.3	-6.1	-1.6	85

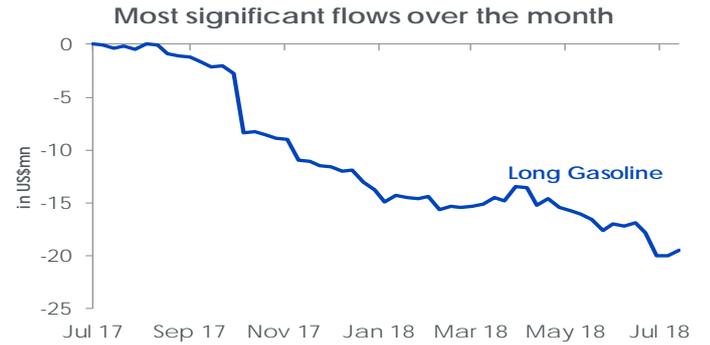
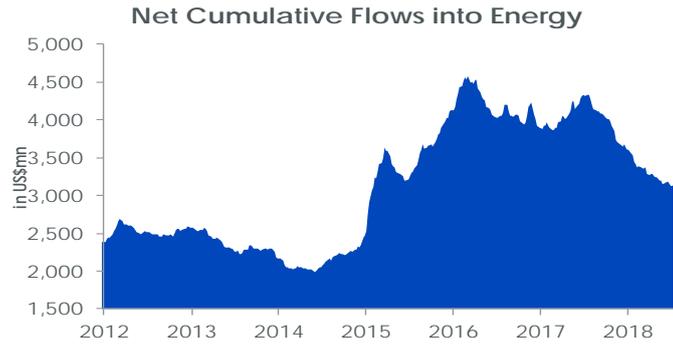
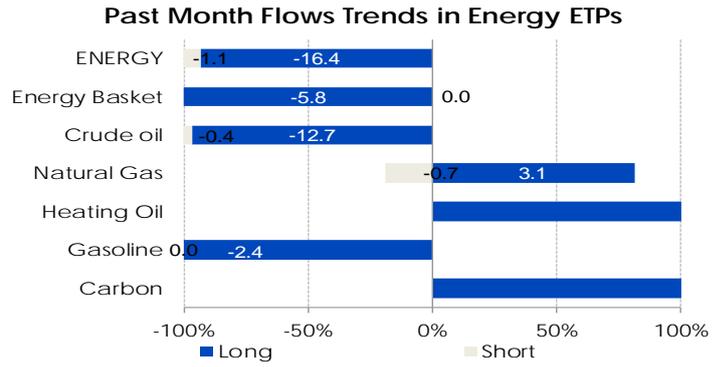
Past Month Flows in Diversified ETPs



Source: ETF Securities

Energy ETPs Flows Analysis

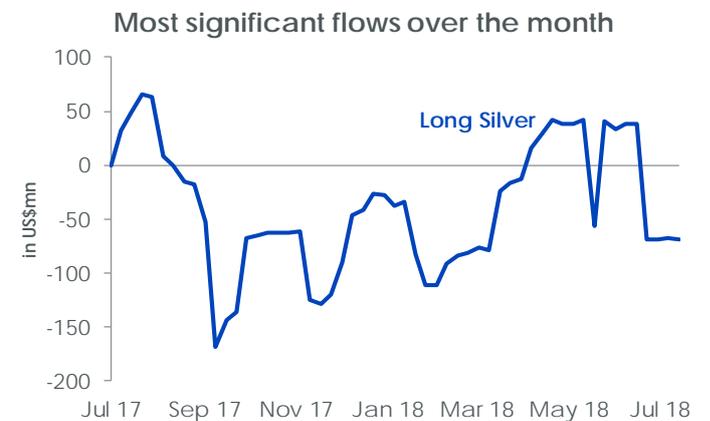
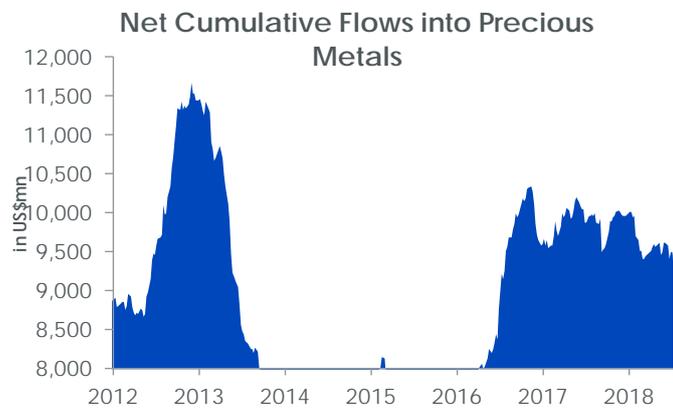
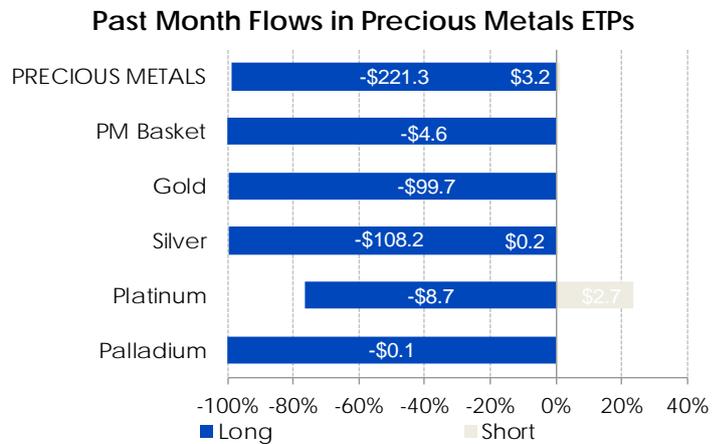
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Energy	14.3	-17.5	-465.8	-1,186.4	1,381
Energy Basket	1.3	-5.8	22.3	42.6	126
Crude oil	9.4	-13.1	-474.4	-1,225.1	1,134
Natural Gas	2.8	2.4	-11.1	11.6	79
Heating Oil	0.4	1.1	1.1	1.0	7
Gasoline	0.3	-2.4	-5.9	-19.3	28
Carbon	0.1	0.2	2.1	2.8	7



Source: ETF Securities

Precious Metals ETPs Flows Analysis

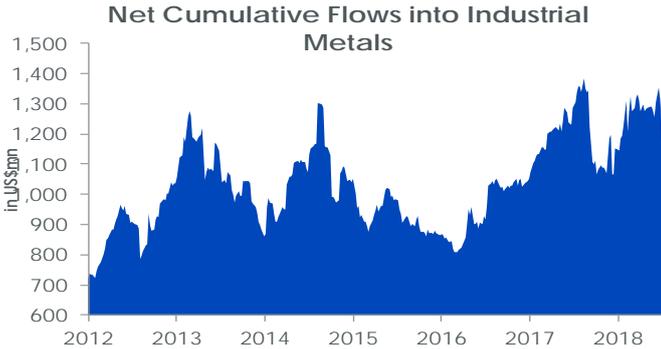
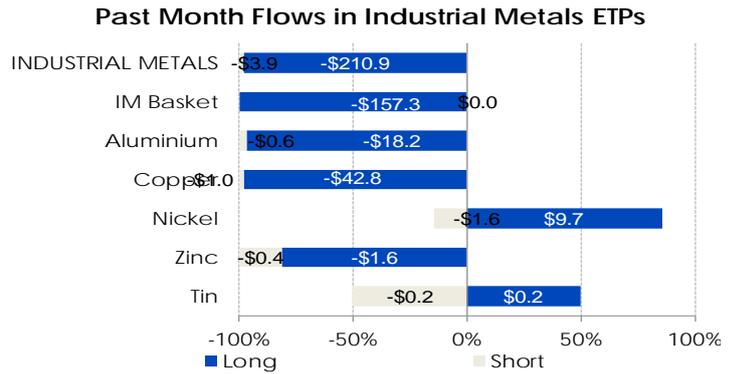
	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Precious Metals	-121.6	-218.2	-622.4	-593.1	11,839
PM Basket	-2.5	-4.6	6.4	-16.0	145
Gold	-113.9	-99.4	-517.6	-392.1	10,346
Silver	-1.4	-108.0	-41.0	-117.5	964
Platinum	-2.7	-6.0	-43.0	-35.5	294
Palladium	-1.1	-0.1	-27.2	-32.0	91



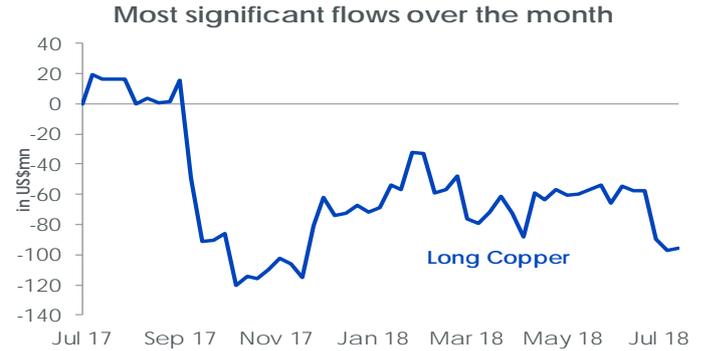
Source: ETF Securities

Industrial Metals ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Industrial Metals	-18.8	-214.8	-4.9	-194.7	933
IM Basket	-20.1	-157.3	-119.4	-173.9	247
Aluminium	-1.5	-18.8	-36.3	-33.7	100
Copper	0.9	-43.8	-24.2	-114.4	216
Nickel	2.2	8.0	180.0	133.5	350
Zinc	0.2	-2.0	-3.8	-3.2	17
Tin	0.1	0.0	-1.1	-2.3	2
Lead	-0.6	-0.9	-0.1	-0.7	2

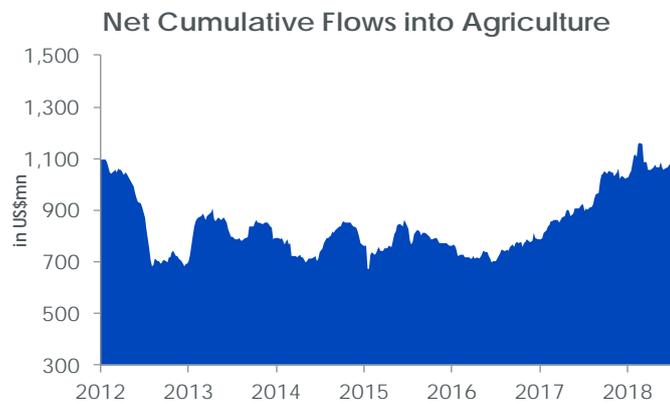
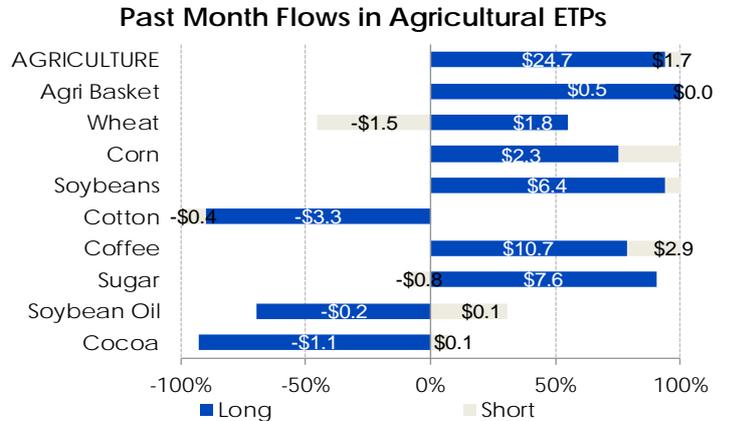


Source: ETF Securities

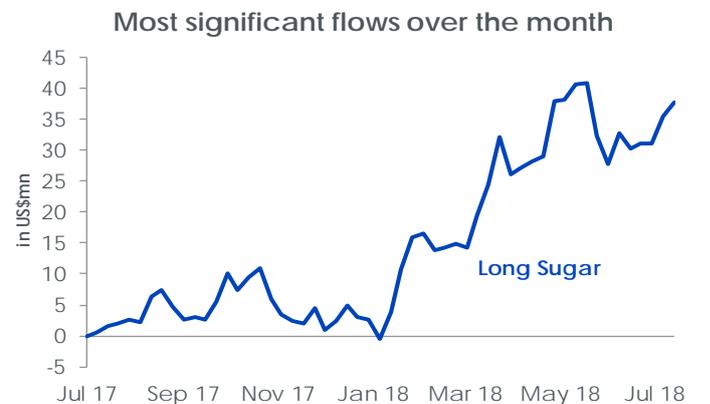


Agriculture ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Agriculture	-5.6	26.4	67.2	185.0	784
Agri Basket	-0.9	0.5	34.1	105.6	313
Wheat	-1.8	0.3	-16.0	17.4	128
Corn	1.1	3.1	18.1	5.5	61
Soybeans	1.5	6.9	15.1	16.1	27
Cotton	-5.3	-3.6	6.8	7.7	24
Coffee	-2.0	13.6	39.5	71.0	128
Sugar	2.2	6.8	34.4	34.4	60
Soybean Oil	0.0	-0.1	0.5	-0.2	3
Cocoa	-0.2	-1.0	-65.4	-72.5	39

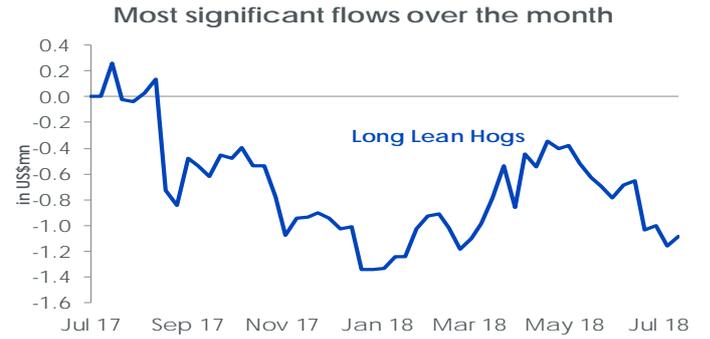
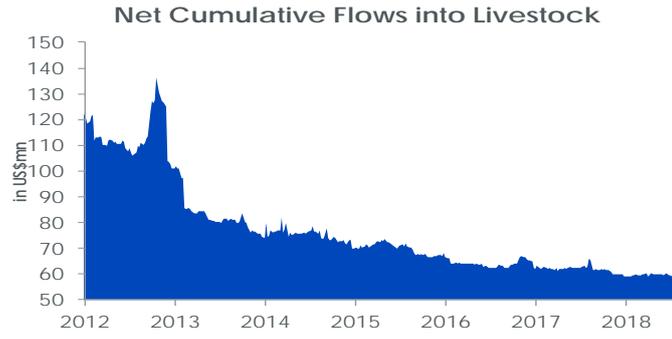
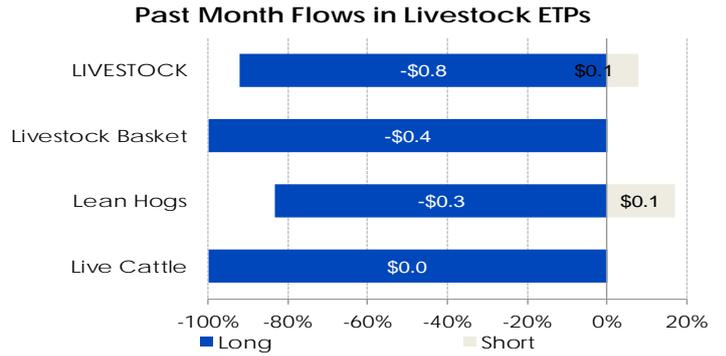


Source: FIF Securities



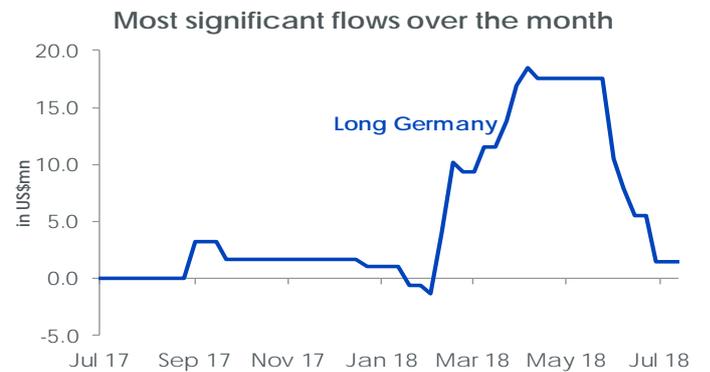
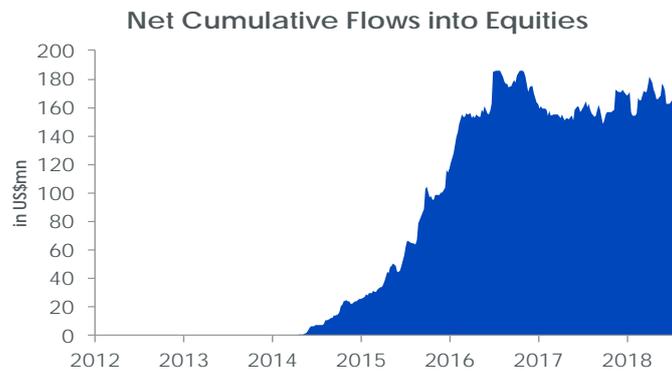
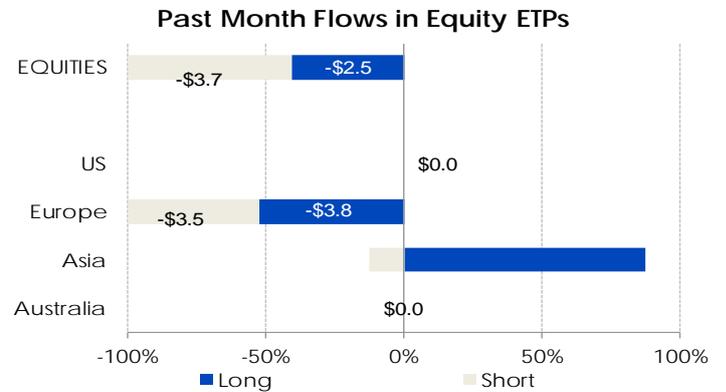
Livestock ETPs Flows Analysis

	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Livestock	0.1	-0.7	0.5	-3.7	8
Livestock Basket		-0.4	-0.2	-1.2	1
Lean Hogs	0.1	-0.3	0.3	-2.1	4
Live Cattle	0.0	0.0	0.4	-0.4	2



Equity ETPs Flows Analysis

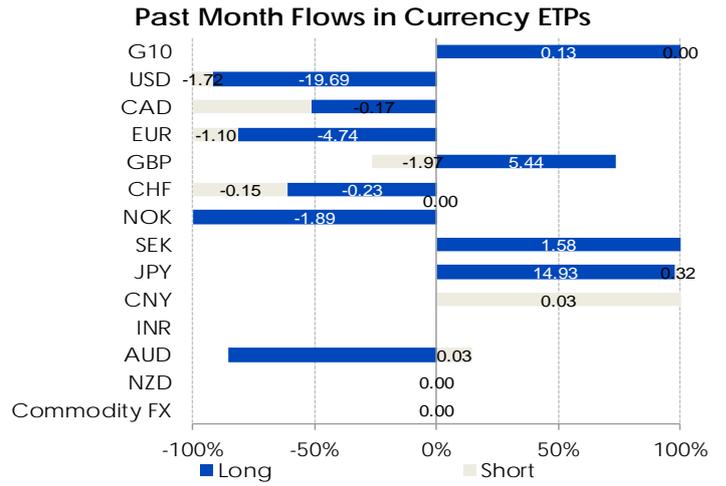
Region	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
Region	-2.0	-6.2	-5.3	-0.7	120
US					
Europe	-2.2	-7.3	-7.5	-4.1	116
Asia	0.2	1.1	2.2	3.4	4
Australia					



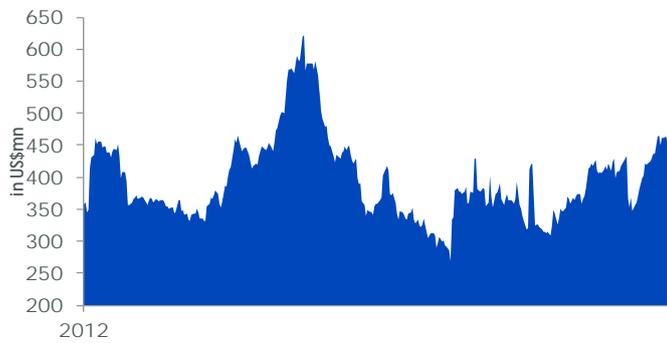
Currency ETPs Flows Analysis

FX	FLOWS (in \$m)				AUM (in \$m)
	-1 Week	-1 Month	YTD	-1 Year	
FX	6.9	-4.8	37.6	99.3	535
G10	0.0	0.1	0.0	-4.1	2
USD	-1.4	-21.4	-20.9	15.8	314
CAD	0.0	-0.3	0.2	-0.2	4
EUR	7.3	-5.8	67.6	121.4	469
GBP	3.1	3.5	-14.3	-9.0	101
CHF		-0.4	0.4	3.3	15
NOK		-1.9	-7.1	-2.4	12
SEK	0.6	1.6	-0.5	4.5	13
JPY	4.3	15.3	52.4	92.5	127
CNY		0.0	-0.1	-0.6	2
INR			-0.1	-0.5	0
AUD	0.0	-0.1	-2.3	-1.9	8
NZD			0.0	0.0	1
Commodity FX			-0.2	-20.2	1

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

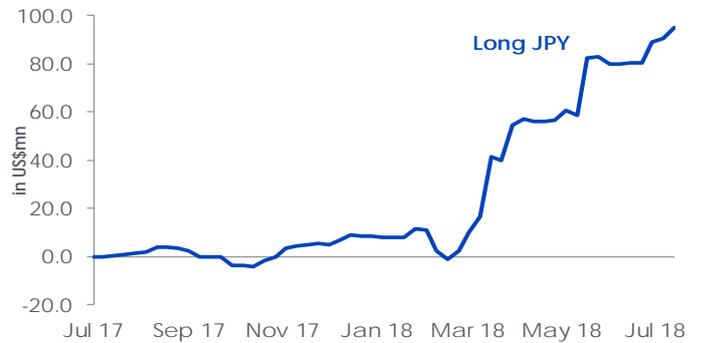


Net Cumulative Flows into Currencies



Source: ETF Securities

Most significant flows over the month



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