



## ETF Market Flows Analysis

*data as of end April 2023*

**Global exchange-traded funds (ETFs) in-flows were €42.7bn in April, almost flat on the previous month and a slower than average month.**

Like March, investors favoured fixed income, which gained €22.1bn while equities added €15.5bn. Inflows in the US ETFs market remained subdued at €31.7bn while they reached €10.4bn in Europe and were slightly negative in Asia (APAC).

Overall, the most popular strategy was world equity indices which gained €8.1bn this month. US high-yield bonds were the second most popular strategy adding €5.2bn. Large value strategies recorded the largest outflows of €2.2bn.

The market data indicates that despite low volatility levels, investors lack direction and are uncertain how to invest. The greater popularity of fixed income compared with equities in both the US ETFs market (€14.4bn versus €12.7bn) and in Europe (€6.4bn versus €3.9bn) indicates a preference for less risky assets.

### European Flows – Monthly Overview

#### Equities

In April, European UCITS equity ETFs gathered €3.9bn inflows with world indices being the most popular strategy gaining €2.3bn.

Emerging market strategies continued their first quarter popularity adding €1.1bn this month. Since the beginning of the year, EM ETFs attracted half of the total equity allocations notably reflecting the lower valuations in the region as well as the lower correlation with DM equities. This month investors also added €0.8bn to Japanese strategies.

Bucking the trend of the last three months, however, was the popularity of European equity strategies with investors withdrawing €0.8bn from this asset class.

As witnessed in March, investors continued to favour technology stocks (+€0.3bn). ETFs with exposure to US financials stocks were also popular also (+€0.6bn). Reflecting global trends, investors withdrew €0.4bn from value ETFs.

European UCITS equity ETFs integrating ESG criteria gained €2.1bn. Investors allocated €0.9bn to ESG world indices, representing 40% of total ESG equity allocations this month. Investors also added €0.6bn to ESG strategies both in EM and Japan. Finally, investors withdrew €0.4bn from ESG European equities.

## Fixed Income

In-flows in European UCITS Fixed Income ETFs were at €6.4bn in April.

As in March, European investors favoured government bonds with this asset class gaining €3.3bn. Investors favoured US dollar denominated debt (+€2.2bn). These in-flows were roughly divided between long and short maturities highlighting a dichotomy in investors' convictions. Those investors adding to short maturities are looking to limit duration due to worries about interest-rate risk while those adding to long maturities are probably concerned about the possibility of a US recession.

Investors added €2.4bn to investment-grade corporate debt with €1.8bn added to European-denominated debt. In contrast to government debt, investors added all of this to all maturity broad indices.

Investors allocated €0.9bn to ESG Fixed Income ETFs with IG corporate and government bonds strategies attracting €0.3bn each. Allocations to ESG fixed income strategies were much lower than for equities, perhaps reflecting the greater popularity of government bonds where it is harder to integrate ESG characteristics.

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Source: Bloomberg Finance LP - Amundi ETF

Net flows calculations presented in this document are based on European primary market data, over the latest business week. Amundi ETF Internal Database - each of the database is allocated by Amundi AM to a classification based on its underlying exposure

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**Information reputed exact as of April 2023 with data as at end of April 2023.**

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