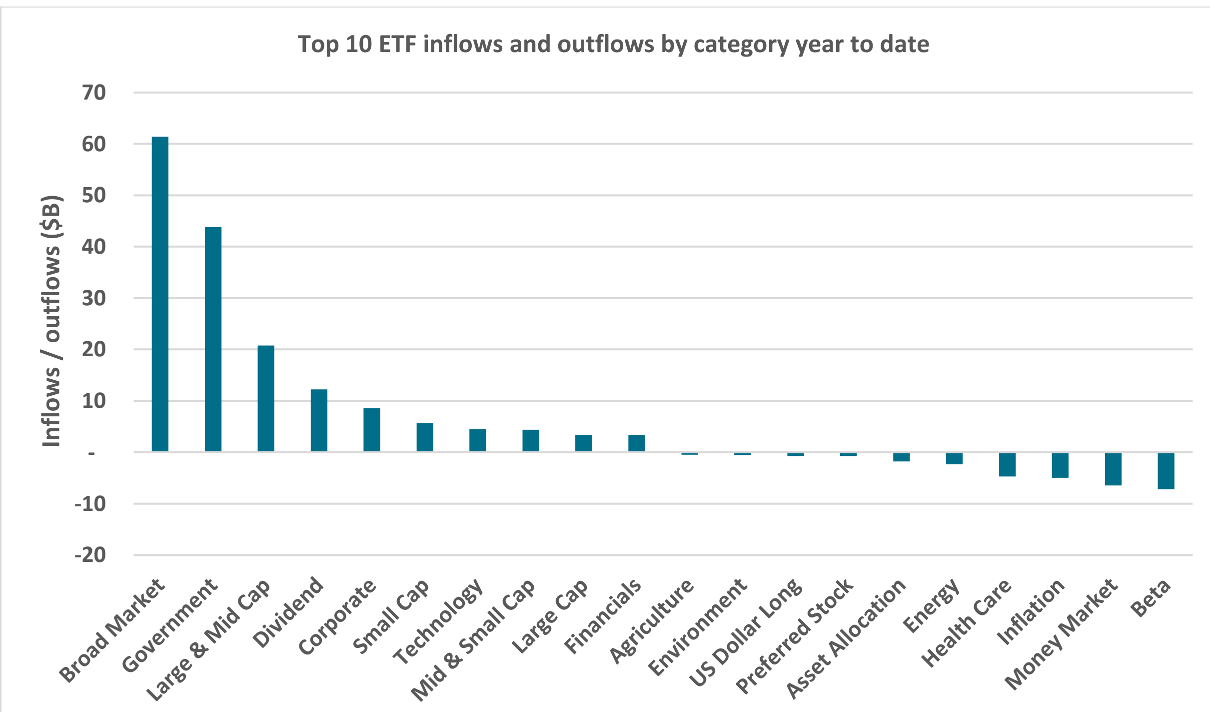
ETF flows, the winners and losers in volatile markets

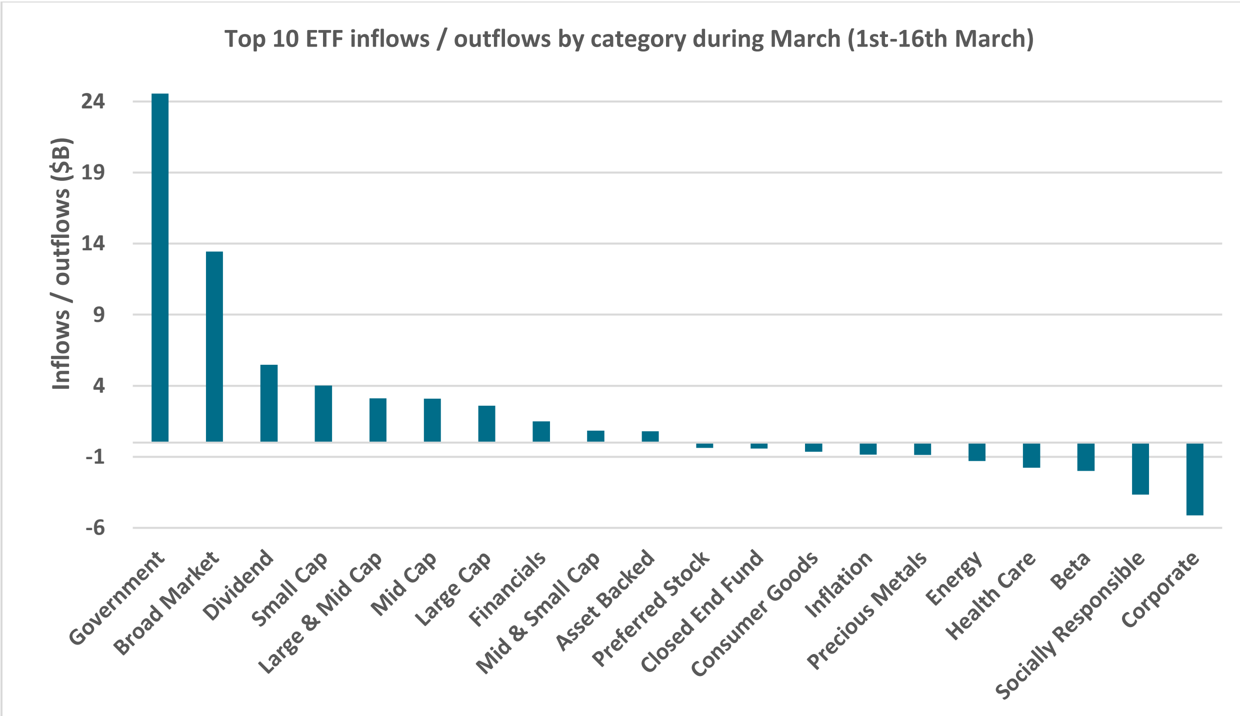
The recent volatility in financial markets is pushing ETF flows into higher quality assets

During 2023, managing market volatility has been at the forefront of investor strategy. Recent uncertainty instigated by the issues seen across the financial sector have led to a reallocation of investments across exchange traded funds. When examining the top inflows and outflows during 2023 so far (1st Jan – 16th March), the largest investor inflows can be seen across both broad market and government investments whilst the largest outflows have been from beta and money market funds.



A change in flows can be seen over the month of March as market volatility has increased. To 16th March 2023, ETF flows were recorded moving into the safety of high quality, short-dated treasury funds whilst moving out high yield and corporate bond funds. Due to the issues in the banking sector and the ongoing uncertainty surrounding inflation and interest rates, a reallocation towards lower duration, higher quality assets can be seen. Investment flows across money market funds have also turned positive (+$596M) over the month so far.

S&P Global
Market Intelligence



When looking across some of the most popular banking ETFs, over the past week, flows have been resilient, and U.S. regional banking ETFs have seen inflows. Combined flows into the SPDR S&P regional Banking ETF (KRE), iShares U.S. regional Banks ETF (IAT) and the Invesco KBW Regional Banking ETF (KBWR) have topped $2.27B.

All data provided via the S&P Global Market Intelligence Eclipse web-based GUI.

For more information on how to access this data set, please contact the sales team at: Global-EquitySalesSpecialists@spglobal.com

S&P Global
Market Intelligence