



[Monthly AUM Changes](#) | [ETF Market Share – % AUM](#) | [Global ETF Canadian Equity Flows](#) | [Investment Strategy Breakdown](#) | [Canadian ETF Option Blocks](#)

Comments

- Further consolidation is afoot in the Canadian ETF space with last week's announcement that WisdomTree Asset Management Canada acquired the assets managed by Questrade Wealth management for an undisclosed sum. In our understanding, WisdomTree will become the asset manager for the 8 funds currently managed by Questrade (\$89mm in AUM) and, in turn, will receive preferential commission rates on WisdomTree's products on Questrade's discount brokerage platform. No financial terms were disclosed.
- We believe that some additional consolidation among smaller ETF players in Canada remains inevitable, as the profitability of asset management in the ETF world is partly determined by the manager's ability to access scale. The WisdomTree - Questrade transaction should also put to rest any concerns and speculation over WisdomTree's commitment to the Canadian market. Quite simply, why buy in a market you are looking to exit?
- Further outflows from the VanEck Market Vectors Gold Miners ETF (GDX) suggest a residual impact on the Canadian market, as sales of the ETF lead to sales in the underlying stock portfolio (which is heavily weighted to Canada). While these outflows themselves are in the rear view mirror, we believe that products such as GDX are broader indicators of market sentiment with respect to the Canadian market. In particular, we are encouraged that while we see that GDX flows may be heading south, the benchmark U.S. product for Canada exposure – iShares' MSCI Canada ETF (EWC) – appears to be gathering assets.
- We continue to refine our weekly publication, and draw your attention to our breakdown of Canadian ETF AUM amongst both indexers and discretionary managers. While indexed products dominate, we caution that much of what is classed as an index fund in Canada tracks a narrowly-defined benchmark, and many of the "index" products offered today stray far from indexing's market-cap-weighted roots.

Canadian ETF Summary

# ETFs Listed	Total AUM (\$B)	AUM 1 Wk Chg
622	\$132	-0.54%

Market Data	Week Ending 7/28/2017	Weekly % Change
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Equities

SPTSX Index		
S&P/TSX Index	15,129	-0.36%

VIXC Index		
S&P/TSX Volatility Index	12.58	6.88%

SPX Index		
S&P 500 Index	2,472	-0.02%

VIX Index		
S&P 500 Volatility Index	10.29	9.94%

Fixed Income

CAD Gov Bonds		
10yr CAD Gov Yield	2.03%	7.59%

US Gov Bonds		
10yr US Gov Yield	2.29%	2.32%

SPTSX Pref. Index		
TXPR Index	706	0.36%

Solactive CAD Pref.		
SOLADPRF Index	1,203	0.64%

Commodities

Crude Oil WTI		
Active NYMEX Contract	\$49.71	8.61%

Natural Gas		
Active NYMEX Contract	\$2.94	-0.68%

Gold Bullion		
Gold Spot (\$US)	\$1,269.65	1.16%

Product Launches & Announcements

Ticker	Announcements
None	

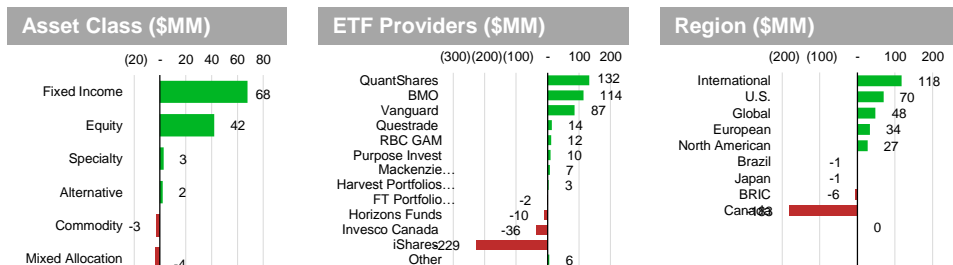
Weekly Fund Flows – Single Canadian ETFs (7/21/2017 – 7/28/2017)

Largest Inflows	% of AUM
QCD QuantShares Enhanced Core Cana	56,226,300 152.95%
XEG iShares S&P/TSX Capped Energy	48,364,150 5.32%
ZEB BMO S&P/TSX Equal Weight Banks	37,713,630 3.50%
QUS QuantShares Enhanced Core US E	36,218,000 101.14%
QEM QuantShares Enhanced Core Emer	22,377,506 220.0%
XBB iShares Core Canadian Universe	21,721,900 1.0%
ZWE BMO Europe High Dividend Cover	19,588,900 3.64%
QIE QuantShares Enhanced Core Inte	17,675,600 61.41%
XEF iShares Core MSCI EAFE IMI Ind	17,211,930 1.52%
XGD iShares S&P/TSX Global Gold In	16,886,690 2.27%

Largest Outflows	% of AUM
XIU iShares S&P/TSX 60 Index ETF	(330,016,180) 2.85%
PSB PowerShares 1-5 Year Laddered	(48,634,484) 5.48%
HXT Horizon S&P/TSX 60 Index ETF	(36,951,440) 2.93%
XFN iShares S&P/TSX Capped Financi	(35,514,000) 2.95%
HOU BetaPro Crude Oil 2x Daily Bul	(28,550,260) 9.40%
XSP iShares Core S&P 500 Index ETF	(19,713,220) 0.46%
ZAG BMO Aggregate Bond Index ETF	(14,137,590) 0.50%
CBO iShares 1-5 Year Laddered Corp	(13,064,160) 0.71%
HXE Horizons S&P/TSX Capped Energy	(12,964,690) 45.12%
ZLB BMO Low Volatility Canadian Eq	(8,804,030) 0.84%

Source: Bloomberg.

Weekly Fund Flows (7/21/2017 – 7/28/2017)



Source: Bloomberg.

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ETF Weekly

ETF Trading | Canada

August 1, 2017

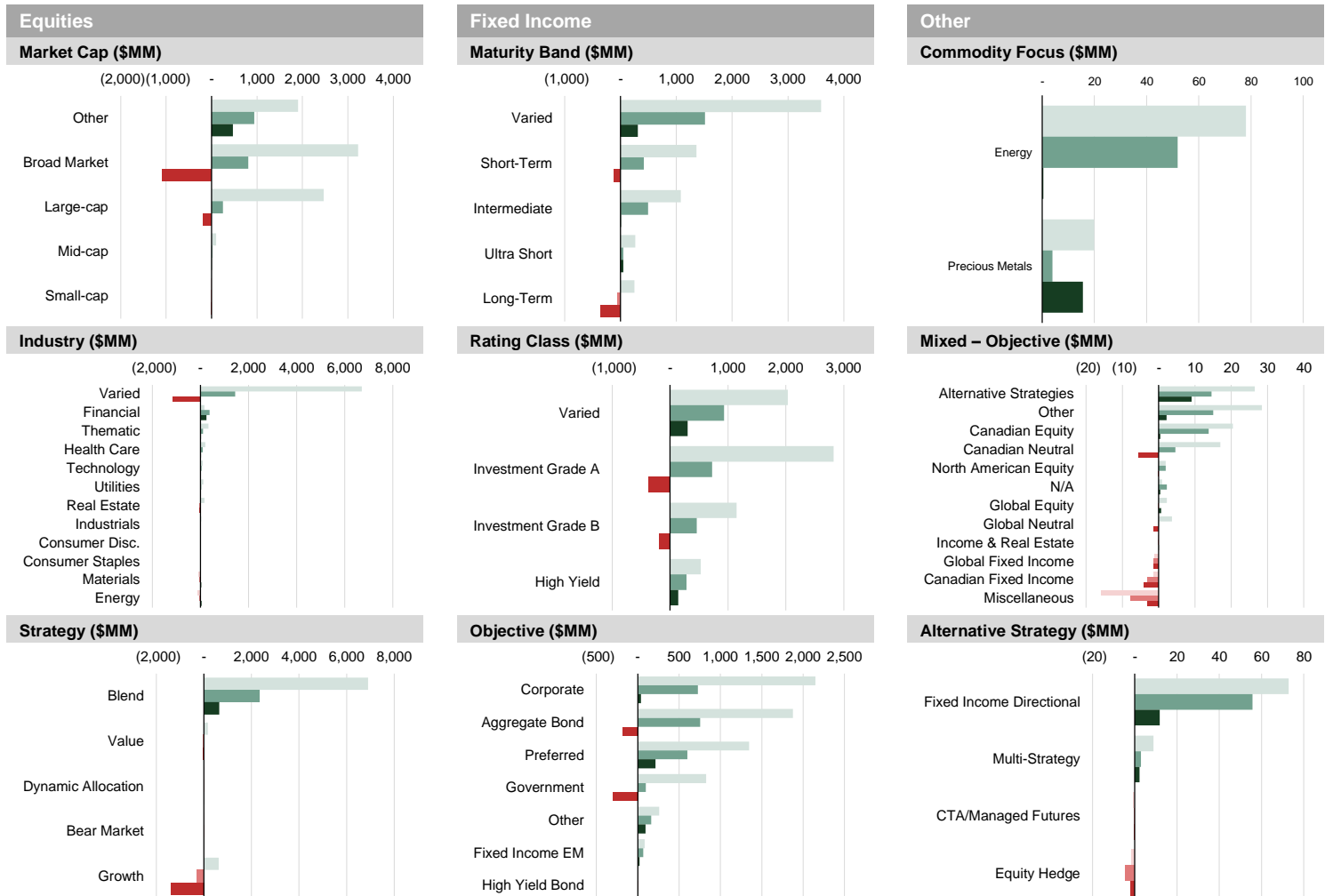
Monthly AUM Changes

■ 1-month AUM change since 6/28/2017
 ■ 3-month AUM change since 4/28/2017
 ■ 6-month AUM change since 1/27/2017

All ETFs



Asset Class Breakdown (in \$MM)

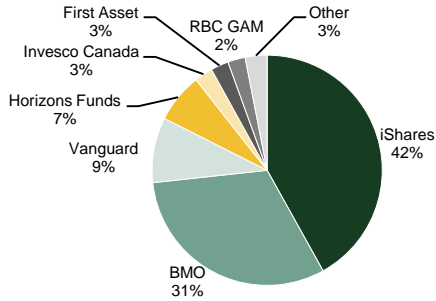


Source: Bloomberg.

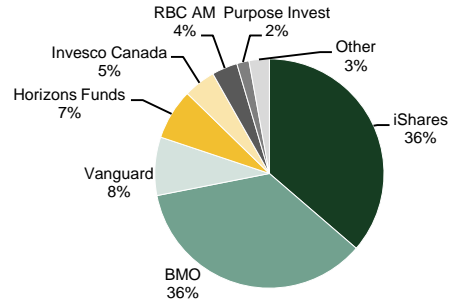
ETF Market Share – % AUM

As of 7/28/2017

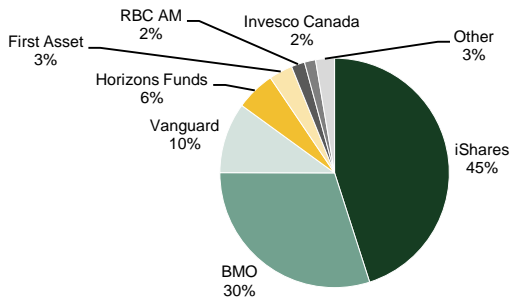
Overall



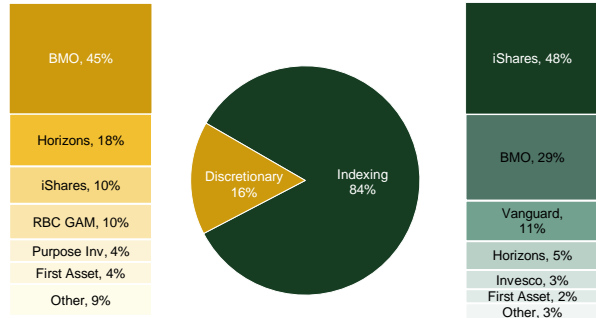
Fixed Income



Equity



Discretionary Strategy Indexing Strategy



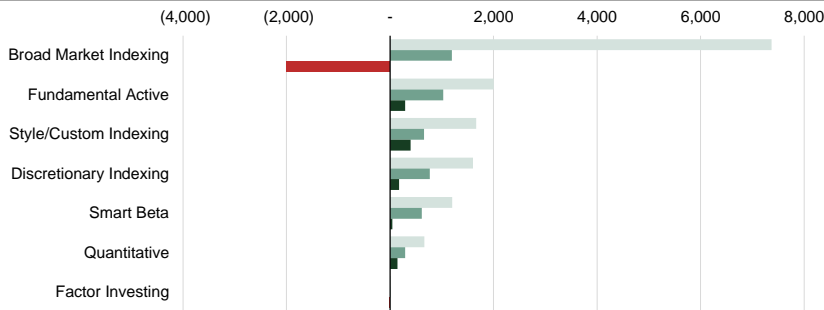
Source: Bloomberg.

Source: TD Securities Inc.

Investment Strategy Breakdown

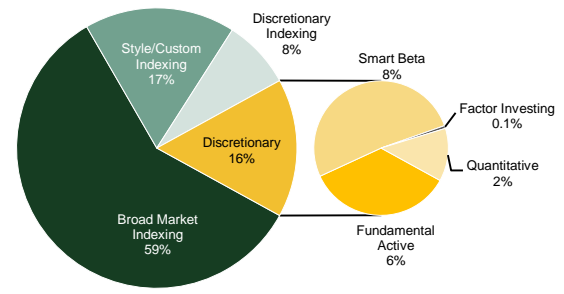
As of 7/28/2017

Monthly AUM Changes by Strategy (\$MM)



Source: Bloomberg.

Strategy Breakdown by AUM (\$MM) – Canadian ETFs

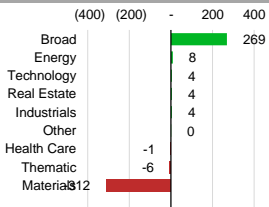


Source: TD Securities Inc.

Flows into Canadian Equities from Global ETFs (in CAD\$)

As of 7/28/2017

Global Flows by Industry (\$MM)



Largest Flows in Canadian Equities

ETF	Flow (CAD\$)	% of AUM
EWC iShares MSCI Canada ETF	\$103,358,992	2.66%
VEA Vanguard FTSE Developed Market	\$53,320,244	0.96%
D5BH db x-trackers MSCI CANADA INDE	\$41,629,426	9.43%
IXUS iShares Core MSCI Total Intern	\$19,448,034	3.54%
ACWX iShares MSCI ACWI ex US ETF	\$18,227,112	8.92%
IWRD iShares MSCI World UCITS ETF U	(3,040,559)	-0.01%
CAHEUA UBS ETF-MSCI Canada UCITS ETF	(3,568,270)	-26.04%
NFRA FlexShares STOXX Global Broad	(12,761,480)	-8.39%
VXUS Vanguard Total International S	(21,117,128)	-3.00%
GDX VanEck Vectors Gold Miners ETF	(317,018,918)	-6.06%

Source: Bloomberg. Note that the indicated flows are best estimates. Flows coming into Canada from global ETFs are calculated using the most recent weight of Canadian stocks within the global ETFs, their weekly fund flows in local currency, and the notional value of that flow in \$CAD using the corresponding exchange rate.



Canadian ETF Options Activity

As of 7/28/2017

Largest ETF Option Open Interest		Largest Weekly Listed ETF Option Block Trades				
Ticker	Open Interest (# Contracts)	Ticker	Name	# Contracts	Option Ticker	Volatility
XIU	1,209,252	ZEB	BMO S&P/TSX EQUAL BANKS INDE	20,061	ZEB CN 9/15/2017 \$28 Calls	11.2
ZEB	78,526	XIU	ISHARES S&P/TSX 60 INDEX ETF	10,000	XIU CN 9/15/2017 \$22.5 Puts	9.6
XEG	61,544	ZDM	BMO MSCI EAFE HEDGED TO CAD	10,000	ZDM CN 9/15/2017 \$21.25 Calls	9.3
XGD	42,878	XIU	ISHARES S&P/TSX 60 INDEX ETF	3,271	XIU CN 8/18/2017 \$21.5 Puts	16.0
ZCN	31,090	XIU	ISHARES S&P/TSX 60 INDEX ETF	3,166	XIU CN 8/18/2017 \$22.75 Calls	8.0
ZDM	25,040	XIU	ISHARES S&P/TSX 60 INDEX ETF	2,618	XIU CN 12/15/2017 \$20.5 Puts	18.7
ZUT	8,440	XIU	ISHARES S&P/TSX 60 INDEX ETF	2,509	XIU CN 9/15/2017 \$21 Puts	15.2
XSP	7,405	XEG	ISHARES S&P/TSX CAPPED ENERG	2,500	XEG CN 9/15/2017 \$11.75 Calls	18.4
ZPR	6,252	XEG	ISHARES S&P/TSX CAPPED ENERG	2,000	XEG CN 9/15/2017 \$12 Calls	18.0
XFN	5,817	XGD	ISHARES S&P/TSX GLOBAL GOLD	1,400	XGD CN 10/20/2017 \$13 Calls	25.7

Source: Montreal Exchange.

IMPORTANT DISCLOSURES

English: www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=en_CA

French: www.tdsecurities.com/tds/content/SalesTrading_Disclaimer?language=fr_CA