

Canada Catch-Up



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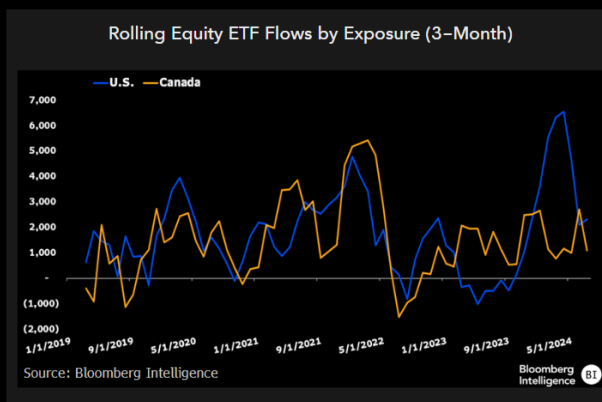
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Canadian ETF Flows Could Get Catch-Up Bump After Stocks Beat US

Canadian stocks have held up better than US peers in the past month, and ETF flows are starting to follow suit. A rotation into the Canadian market could prove a boon for domestic ETF issuers that are more focused on local exposures. (08/05/24)

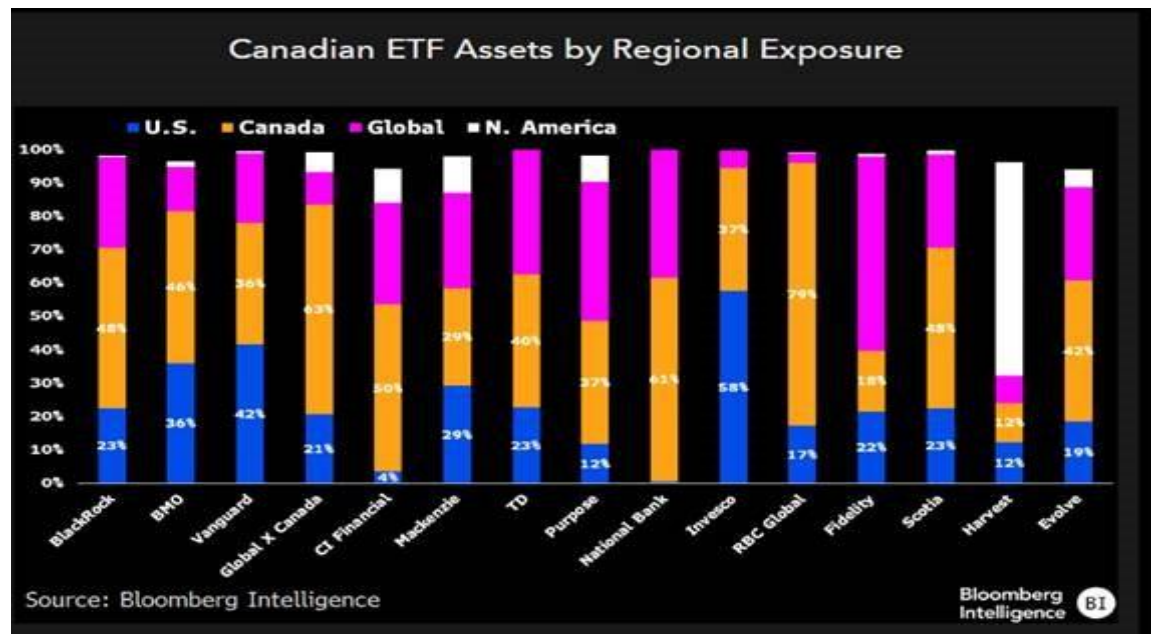
1. Equity Flows Could Shift to Canada From US

Canadian stocks have held up better than the S&P 500 Index over the past month, which might prompt Canadian investors to rotate back into local exposures. Year to date, flows to US-focused strategies are punching above their weight in Canada, with 32% of the flows against a 27% share of assets. This has been a global trend, with foreign markets more heavily allocated to US stocks this year, but a correction in the US could push more flows toward local exposures. (08/05/24)



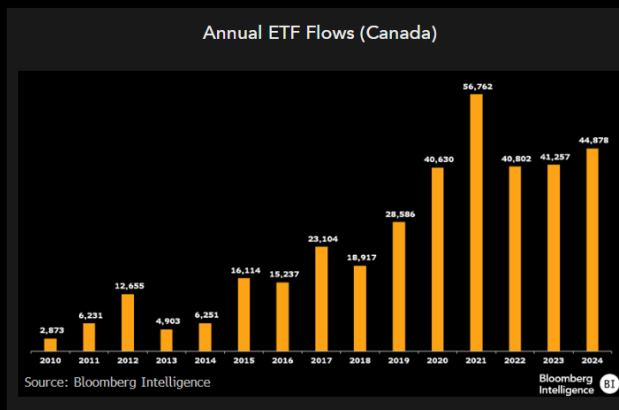
2. Local Issuers Could Benefit More From Rotation

A rotation into Canadian exposures could benefit that country's issuers the most given their domestic focus. Global X, CI Financial, National Bank of Canada and RBC are among issuers with the largest share of Canadian assets tied to Canada-targeted ETFs. US-based issuers offer Canadian exposures but tend to be tilted more toward US and global strategies. (08/05/24)



3. On Pace for Flow Record in Canadian ETFs 📧

Canada's ETF market has taken in \$44 billion year to date and will likely surpass 2021's record of \$56 billion. An acceleration of new launches and product innovation is helping to fuel the transition toward and growth of ETFs. (08/05/24)



TSX Hit Record High in July, Now a Question of Rally's Endurance 📧

Contributing Analysts [Gina Martin Adams](#) (Strategy)

The TSX was one of the world's best-performing markets in July, but continued gains hinge on a successful 2Q earnings season and metal spot prices staying elevated. Analysts expect TSX earnings to return to year-over-year growth for the first time since 3Q22 but have reduced their views in recent weeks, most significantly within the energy sector.

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4. Canada Lead May Hinge on Precious Metals Holding Up 📧

Contributing Analysts [Gina Martin Adams](#) (Strategy)

Read Research Note: [BI Equity Strategy: The Week in Charts, Aug. 2](#)

The TSX composite index rose 5.6% in July, reaching a new record above 23,000, yet any continued success could hinge on precious metals prices continuing to make new highs. The exchange historically has moved in tandem with precious metals. The index reached a previous peak in 1Q22 with rising precious metals prices, yet the equity rally was interrupted when metals began to fall. In May, the index broke a 1Q22 record within days of the Bloomberg precious metals index reaching decade-long highs. Precious metal spots have remained elevated since, propelling the index even more.

July marked the best one-month performance for the index since November, and its greatest one-month lead over the S&P 500 (450 bps) since September 2022. (08/02/24)

