

CIBC Institutional ETF Services

CANADIAN ETF WEEKLY RECAP (CETFA use only)



September 21, 2026

Canadian ETF inflows remained resilient at \$4.6B, edging up from \$4.5B the prior week. Investors continued to look abroad, with net U.S., international and global equity flows exceeding Canadian equities for a third consecutive week, while fixed income inflows surged to \$1.79B, the strongest weekly bond demand since mid-February and the second highest weekly total of 2026.

Regulatory momentum and market data this week point to an ETF landscape that is both expanding and increasingly scrutinized. The OSC completed 177 exemptive relief applications in fiscal 2026 (Mar 31), including notable novel approvals around crypto sub-custody flexibility and expanded single-issuer ETF eligibility across ten additional countries. But the real headline is the growth story: ETF AUM jumped 41% year over year to \$771.1 billion (Mar 31), with market share climbing to 23% from 19%, coming straight out of conventional mutual funds' pocket (down to 75% from 79%). It's not just flows into existing products either, alternative ETFs now make up a third of all new fund launches. That growth is drawing closer regulatory attention, with proposed insider reporting amendments and new guidance on foreign-listed ETF marketing both signalling potential tighter oversight ahead.

Turning from product innovation to portfolio construction, "Direct Indexing Slow to Catch On in Canada" notes that 83% of U.S. advisors already use or plan to use direct indexing, a trend largely attributed to tax-loss harvesting advantages that are reportedly less accessible under Canada's adjusted cost base rules. With the Canadian market still described as pre-critical-mass, ETFs appear to retain a durable structural advantage in Canada for now.

Weekly Canadian ETF Flows Recap – Canadian ETF inflows remained resilient at \$4.6B, edging up from \$4.5B the prior week, though the composition of flows shifted meaningfully toward fixed income. Bond ETFs attracted \$1.79B, representing 39% of total inflows versus 16% the previous week, marking the largest change in investor allocations week-over-week. Despite the increase in demand for fixed income, investors continued allocating

\$2.2B to equities, with flows concentrated in U.S., international and asset-allocation strategies. QQQX.U (+\$536MM) led all equity inflows, followed by XEQT (+\$192MM), XSP (+\$151MM), XEF (+\$139MM), and XTOT (+\$101MM), highlighting continued demand for diversified global equity exposure. A notable theme within equities was the divergence between traditional and corporate-class index strategies, as investors withdrew capital from HXS (-\$537MM) and HXT (-\$48MM) while adding to broad-market index ETFs elsewhere. Fixed income demand was led by HBB (+\$1.1B) and XBB (+\$150MM), with investors also adding to short-duration and floating-rate strategies. Elsewhere, multi-asset ETF inflows remained steady at \$227MM, commodity inflows stayed positive at \$146MM led by gold bullion ETFs, and alternative ETF flows slowed to \$6MM. The Canadian ETF market also welcomed six new ETF launches, including offerings from Brompton, CI, Ninepoint and TD Asset Management.

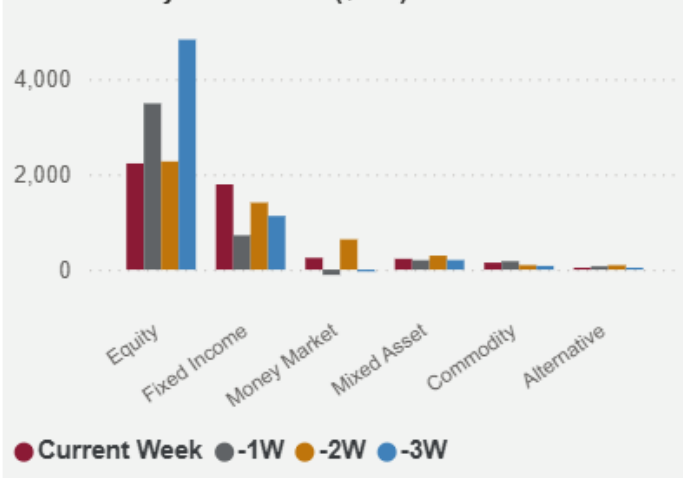
Fund Flow Highlights - Please see report for additional information

Net Weekly Flows (\$MM)	YTD Net ETF Flows (\$MM)	ETF Volume Traded	ETF AUM (\$MM)
4,644	182,758	952,363,552	1,056,538

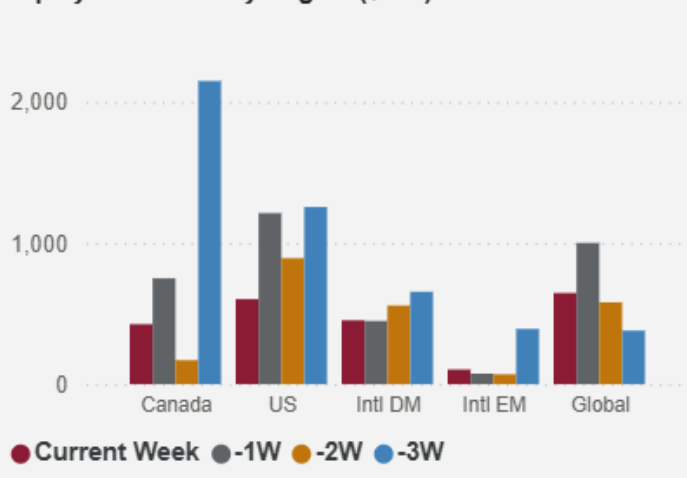
Largest ETF Blocks in Canada

Date	Ticker	Fund Name	Quantity	Price	Value (\$MM)
September 15	HBB	Global X Canadian Select Universe Bond Index Cor...	13,601,500	\$49.3600	\$671.37
September 15	HXS	Global X S&P 500 Index Corporate Class ETF	5,886,463	\$109.3762	\$643.84
September 15	HBB	Global X Canadian Select Universe Bond Index Cor...	6,493,598	\$49.3700	\$320.59
September 18	ZAG	BMO Aggregate Bond Index ETF	19,357,015	\$13.4220	\$259.81
September 17	QQQX.U	Global X Nasdaq-100 Index ETF	6,210,000	\$31.7148	\$196.95
September 15	QQQX.U	Global X Nasdaq-100 Index ETF	5,643,000	\$31.9121	\$180.08
September 14	XSP	iShares Core S&P 500 Index ETF CAD- Hedged	2,309,742	\$76.4600	\$176.60
September 18	XSP	iShares Core S&P 500 Index ETF CAD- Hedged	2,000,000	\$76.7000	\$153.40
September 18	ZEB	BMO Equal Weight Banks Index ETF	2,000,000	\$75.3272	\$150.65
September 15	XIC	iShares Core S&P/TSX Capped Composite Index E...	2,631,579	\$57.1652	\$150.43

Fund Flow by Asset Class (\$MM)



Equity ETF Flows by Region (\$MM)



New ETFs in Canada - Current Week

Ticker	Fund Name	Fund Asset Class	Strategy	Geography
CMIG	CI Munro International Growth Equity Fund	Equity	Active	Intl DM
CMIG/U	CI Munro International Growth Equity Fund	Equity	Active	Intl DM
EDHI	NINEPOINT ENHANCED AEROSPACE AND DEFENSE HIGH...	Equity	Thematic	Global
SPLT/U	Brompton Split Corp Preferred Share ETF	Fixed Income	Preferred	Canada
TQID	TD Q International Dividend ETF	Equity	Quant	International
USHI	NINEPOINT ENHANCED US EQUITY HIGHSHARES ETF	Equity	Active	US

ETF Industry News and Developments Recap – Regulatory momentum, market data, and industry commentary this week all point to an ETF landscape that is both expanding and increasingly scrutinized. In "OSC Staff Notice 81-741, *Investment Management Division Annual Summary Report*," the OSC reported 177 exemptive relief applications completed in fiscal 2026, including novel approvals for crypto sub-custody flexibility, international inter-fund trading, and expanded single-issuer ETF eligibility across ten additional countries, alongside ETF AUM growth of 41% year over year to \$771.1 billion and market share gains to 23% from 19%, driven almost entirely by genuine flows rather than market performance, and at the expense of mutual fund outflows. New product innovation is accelerating too, with alternative ETFs (crypto, leveraged, CLO, and single-issuer) now representing a third of new fund launches, even as regulators simultaneously tighten oversight through proposed insider reporting amendments, a foreign-listed ETF marketing crackdown, and a proposed chargeback ban, while quietly advancing the Long-Term Asset Fund project as a potential first-mover opportunity for issuers. Turning from product innovation to portfolio construction, "*Direct Indexing Slow to Catch On in Canada*" examines a parallel trend reshaping U.S. wealth management, noting that 83% of U.S. advisors now use or plan to use direct indexing, primarily due to tax loss harvesting advantages unavailable under Canada's adjusted cost base rules; despite two notable domestic launches from Envestnet's QRG Capital Management and Wealthsimple, FTSE Russell concedes the market remains pre-critical-mass, suggesting ETFs retain a durable structural advantage in Canada for now. Finally, as these product and portfolio shifts unfold, "*The Last Mile of Total Cost Reporting, Part 1*" turns to the client-facing side of the industry, warning that Total Cost Reporting will expose embedded fund costs (MER, TER, and fund expense ratio) directly on client statements starting early 2027, potentially making reported costs appear to double overnight; the article argues that advisor communication readiness, not data infrastructure, will determine whether firms convert this disclosure shift into a trust-building opportunity or a wave of confused, anxious client calls.

Global ETF Product Filings Recap – In **Canada**, filings were limited but barbelled, with Manulife bringing a subadvised global growth mandate to market (MGLO CN) while LongPoint added four 2X single-stock ETFs on AI and semiconductor names, ANTU CN, SNDU CN, SKHU CN and TSMU CN, including exposure tied to private company Anthropic. In the **U.S.**, two themes carry read-through: legacy active managers moving into the ETF wrapper via share classes and mutual-fund conversions, and AI exposure extending beyond equities into data-centre debt and power infrastructure, alongside leveraged products filed ahead of IPOs and private-company exposure to Anthropic, OpenAI and SpaceX. **Europe** saw no thematic filings, with activity centred on distribution and retirement infrastructure, including BlackRock's nine-vintage iShares LifePath UCITS ETFs range targeting a \$4tn U.S. category where early mover Amundi has gathered only about €24m.

CIBC Economics: The Week Ahead – In **Canada**, July retail trade data may add to evidence of slowing growth following the Q2 rebound. Governor Macklem is expected to maintain a hawkish tone amid rising energy prices, though previous concerns about inflation did not ultimately lead to rate hikes. While a rate increase will likely be considered at the Bank of Canada's October meeting, the Bank is expected to wait for further evidence on economic conditions, particularly following U.S. tariff increases in August. In the **U.S.**, ex-transport durable goods orders likely supported by AI-related spending. Fed speakers are unlikely to significantly impact markets, as another rate hike remains likely and subsequent policy decisions will depend on evolving conditions, including developments in the Persian Gulf. The key market event is expected to be President Xi's meeting with President Trump, where AI and trade issues are likely to be discussed.

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