



Volume Analysis

# US ETF INFLOWS SURGE PAST \$500 BILLION THIS YEAR TO ECLIPSE 2020 RECORD



WORLD'S BIGGEST  
PENSION FUND  
(JAPAN) CUTS US  
BOND WEIGHTING  
BY RECORD  
AMOUNT

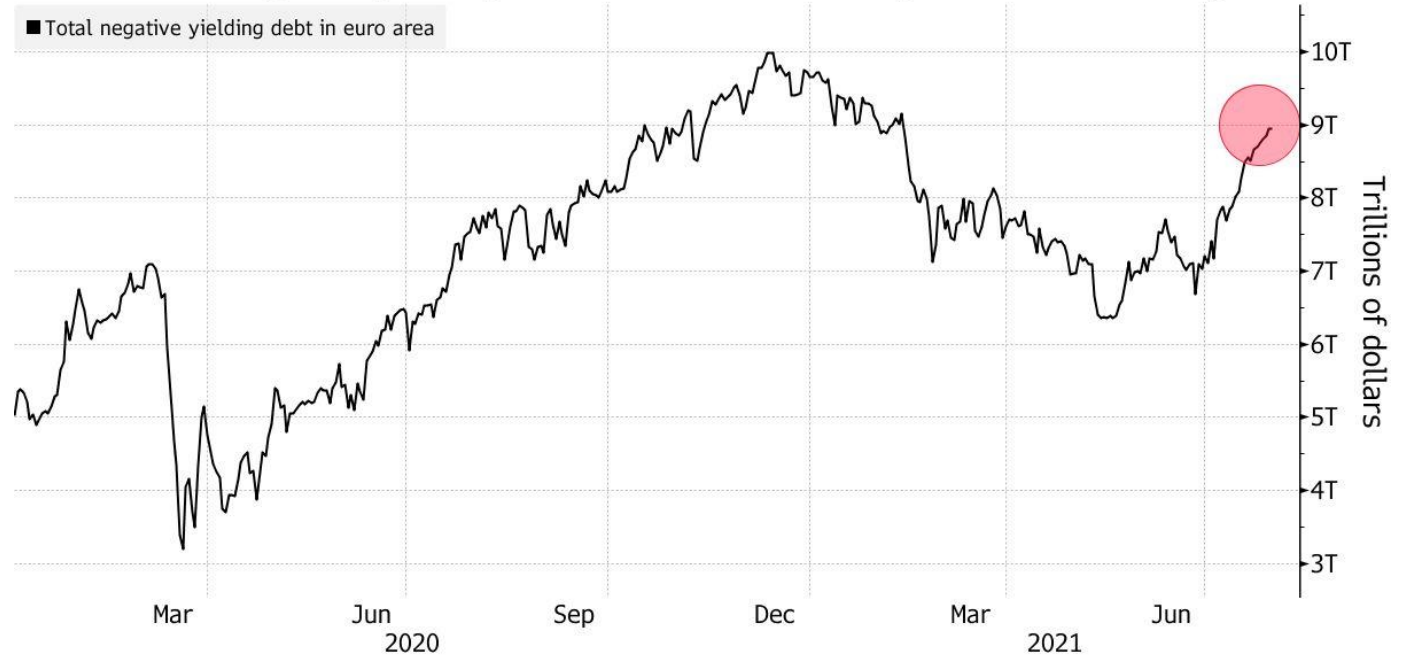
- ✓ The amount of negative-yielding debt in Europe is the highest since February at \$8.9 trillion. Stocks are yielding more than bonds which has only happened three times since the 1950's.
- ✓ US Technology Companies Profit Surge in Q2, 2021.
- ✓ US Senate to pass \$550 billion Infrastructure Bill.
- ✓ World's biggest pension fund aims to split its portfolio evenly between stocks and bonds.
- ✓ Share Buy Backs: providing investors with an expected shareholder yield of 3.9%. "This is a significant cross-asset valuation support for equities at a time when 10yr US bonds are yielding 1.19%."
- ✓ US ETF inflows pass \$500 billion 2021.

AMOUNT OF  
NEGATIVE-  
YIELDING DEBT IN  
EUROPE \$8.9  
TRILLION, NEAR A  
SIX-MONTH HIGH

## Negative Yield Is Increasing.

### Bubbling Sub-Zero

Total sum of negative yielding euro area debt is the highest since February



Source: Bloomberg

## Yield Gap Signals Buying Opportunity

WHEN STOCKS  
YIELD MORE THAN  
BONDS: 68%  
RETURN IN 2009  
AND 94% RETURN  
IN 2020

### Stocks Are Yielding More Than Bonds, Again What once seemed an epochal one-off is turning into a regular event



- ✓ Buying stocks the week following the peak between the 10-year Treasury and the S&P 500 dividend yield historically has been a good strategy.

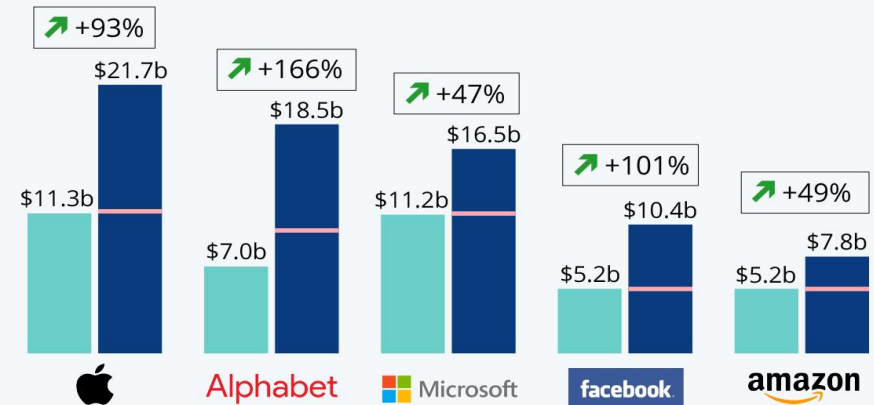
PROFITS SURGE IN  
Q2 2021 AS BIG  
TECHNOLOGY  
COMPANIES  
CONTINUE TO  
PROFIT FROM OUR  
USE OF  
TECHNOLOGY

## Technology Use Is Only Increasing.

### Tech Giants Crush Profit Records in Q2

Net income of selected tech companies in the second calendar quarter of 2021 vs. 2020

■ Q2 2020 ■ Q2 2021 — Previous Q2 record



Source: Company filings



statista

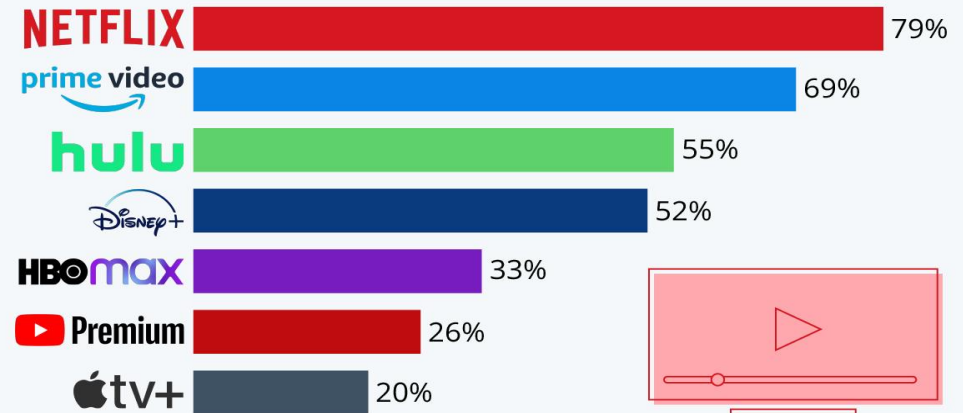
- ✓ The Rise in use of Technology due to COVID-19 lockdowns is here to stay.
- ✓ “Big Tech” companies continue to post huge profits, this will greatly increase investor confidence.

# WHERE AMERICANS GET THEIR STREAMING SERVICES

## US Streaming Overview.

### Where Americans Get Their Stream On

Share of paying online video users in the U.S. who paid for the following services in the past 12 months



Based on a survey of 3,843 paying online video users aged 18 to 64 in the U.S. conducted in three waves between July 2020 and June 2021

Source: Statista Global Consumer Survey



statista

- ✓ Streaming is one example of technology's acceptance.
- ✓ Streaming services continue with the gains made during lockdowns.

## Infrastructure Bill Moves Forward.

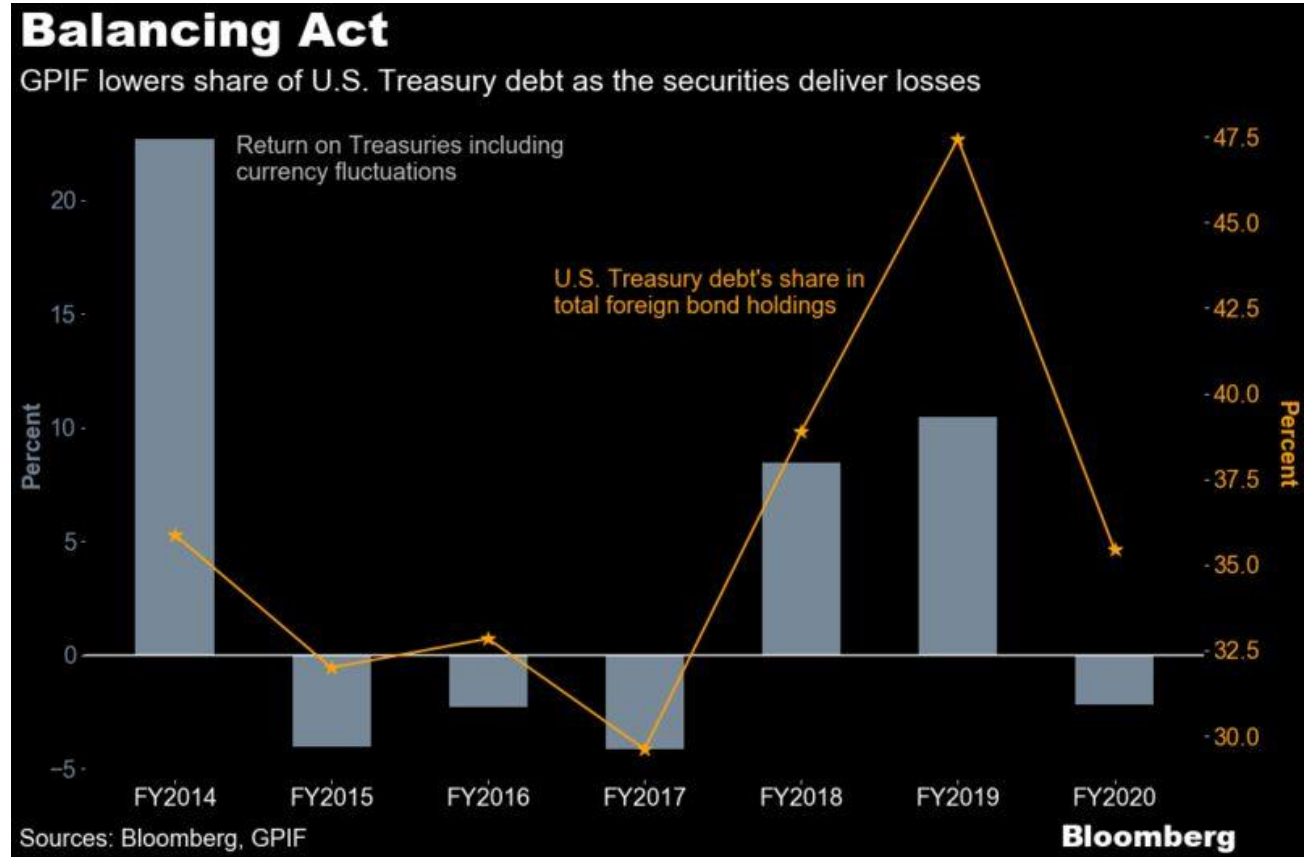
SENATE POISED TO  
DELIVER \$550  
BILLION  
INFRASTRUCTURE  
PACKAGE



- ✓ A badly needed infrastructure bill has been passed.
- ✓ Although less than expected, it will help support the economic recovery.

# WORLD'S BIGGEST PENSION FUND CUTS US BOND WEIGHTING

## Shift Towards Equities Increases

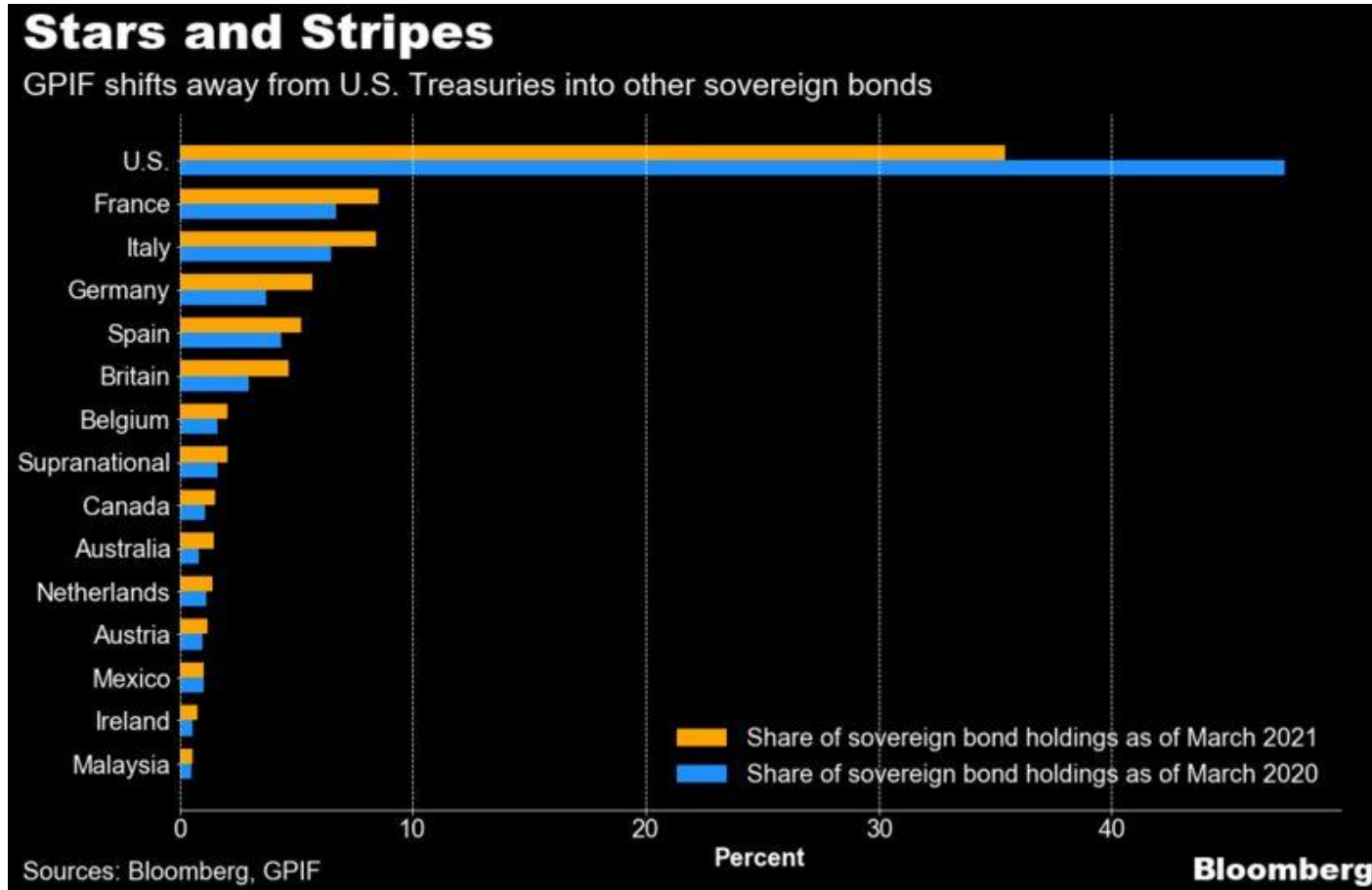


- ✓ Pension funds are increasing their weightings in equities vs bonds as equities continue to give much greater returns on investment.



## Bond Allocations Are Falling.

WORLD'S BIGGEST  
PENSION FUND  
AIMS TO SPLIT ITS  
PORTFOLIO EVENLY  
BETWEEN STOCKS  
AND BONDS

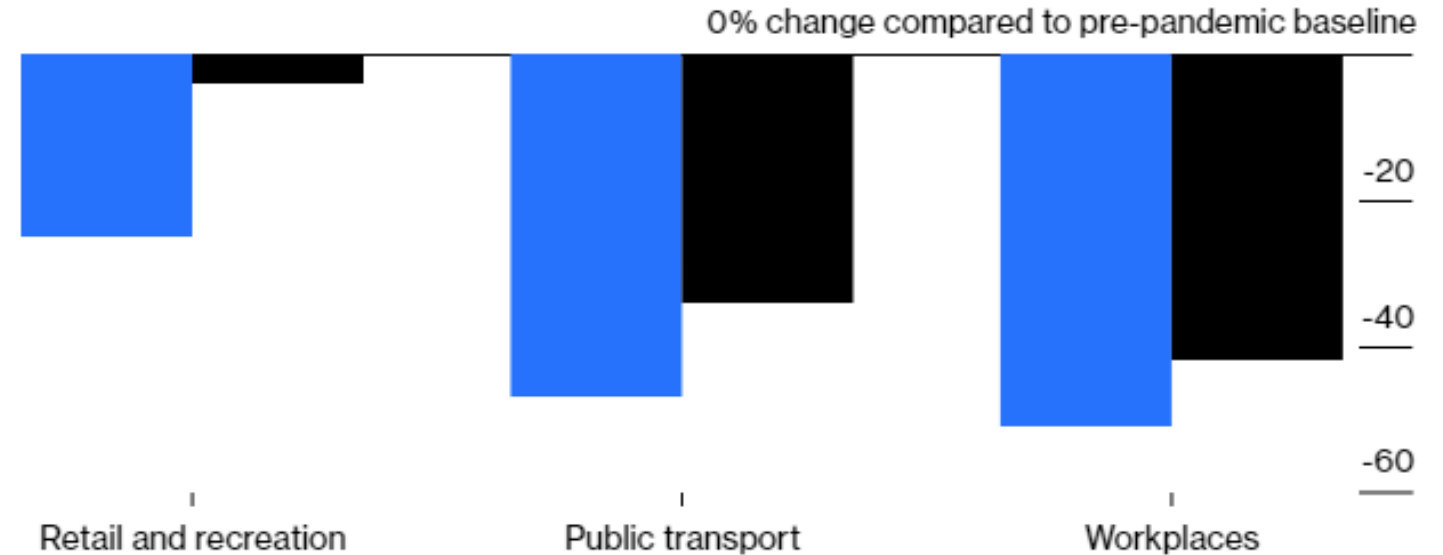


## U.K. "New Normal".

### Pent-Down Demand

Lifting Covid-19 restrictions has yet to fully offset the virus' impact on mobility

■ Greater London footfall ■ U.K. footfall



Source: Google Mobility Report for July 26

Note: Pre-pandemic baseline is the median value for the corresponding day of the week during Jan 3-Feb 6 2020.

UK STAY-AT-HOME  
RECOVERY COULD  
OUTLAST THE  
PANDEMIC

- ✓ U.K. is still far below pre pandemic levels of travel.
- ✓ This is due to the "new normal" effect of the increased use of technology.

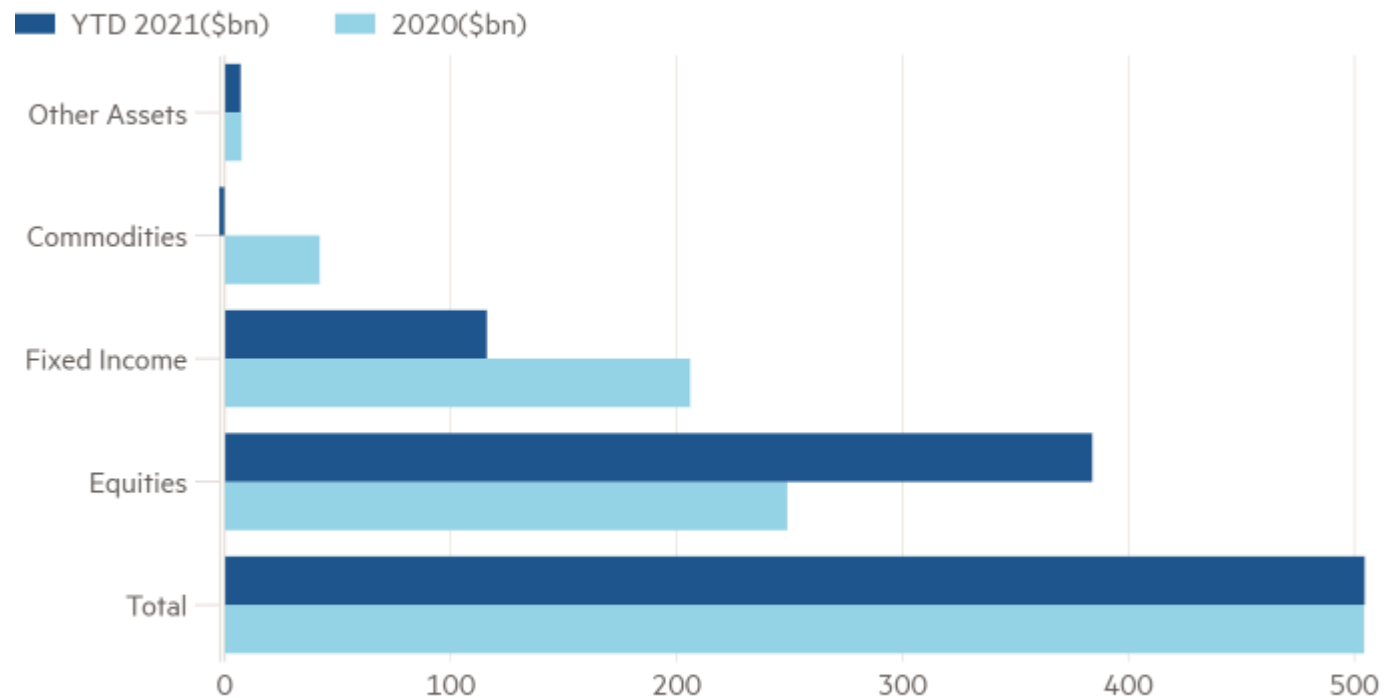
## UK STAY-AT-HOME RECOVERY COULD OUTLAST THE PANDEMIC

According to Office for National Statistics data public transport usage is only at 84%, despite road traffic being back to normal. Retail footfall is only at 75% of standard levels — suffering perhaps from a lack of office workers milling around in their lunchtimes. Credit and debit card spending is still 8% below February 2020 levels. Consumers are still hoarding: The savings ratio is at 20%, nearly three times the pre-pandemic level.

# US ETF INFLOWS SURGE PAST \$500 BILLION THIS YEAR TO ECLIPSE 2020 RECORD

## US listed ETFs surpass 2020's record inflows

Equity ETFs lead the record run in 2021



As of July 26, 2021

Source: CFRA

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