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ETF EDGE

YOUR CANADIAN ETF SNAPSHOT: WEEK ENDING FEBRUARY 9

Yield Yuck-O-Meter: HISA ETF Yield Tracker

After OSFI's (Canada's banking regulator) review and [final word](#) on the capital treatment of HISA (cash-like) ETF deposits, we decided to track how yields in these funds are changing. Please note the following:

- OSFI's deadline for banks to treat deposits into HISA ETFs as wholesale was **January 31, 2024**.
- We calculate accrued yield based on NAV, not on stated distribution yields – thus below yields are net.
- The 5-day calculated period is from **February 5th to February 9th**.
- We consider only cash ETFs holding CAD yielding accounts – any cash ETFs investing in USD accounts are excluded.
 - Note, NSAV allocates less than 45% of its portfolio to banks' HISAs.

Cash-like ETF Ticker	5-Day Avg. Yield	Premium/Disc. vs. BoC (5.0%)	1-Month Avg. Yield	Diff vs. 1mo Avg	Avg. 5-day Pre-OSFI	Diff vs. Avg. Pre-OSFI
CASH	4.83%	Discount	4.87%	-0.04%	5.29%	-0.46%
CSAV	4.70%	Discount	4.78%	-0.09%	5.15%	-0.45%
HISA	4.95%	Discount	4.90%	0.05%	5.28%	-0.33%
HSAV	4.88%	Discount	4.92%	-0.05%	5.27%	-0.39%
NSAV	4.79%	Discount	5.31%	-0.52%	5.43%	-0.64%
PSA	4.90%	Discount	4.91%	-0.01%	5.29%	-0.39%

Notable Weekly Market News

- 2024 is shaping up as a good year for ETF inflows. Investors [added a net \\$29.5B to U.S.-listed ETFs](#) during January. Flows of \$17.4B for fixed income ETFs were particularly strong during the month.
 - [Gold ETFs, however, start 2024 with the left foot](#). Global physically backed gold ETFs began 2024 with US\$2.8B outflows in Jan, stretching losing streak to eight months. This was equivalent to a 51t reduction in global holdings, to 3,175t by the end of January.

- **China: tale of two investors.**

- *Record amount of Chinese money is flowing into overseas equities* as investors seek a way out of the sagging local stock market. Inflows into onshore ETFs that track foreign benchmarks ex. HK reached \$2B in Jan – biggest monthly tally going back to late 2020.
- Meanwhile, the Chinese government stepped up its efforts to stem a rout with a string of policy announcements *including a state fund's vow to boost stock ETF purchases*, likely encouraging more funds to buy ETFs.

- BlackRock and Fidelity's spot Bitcoin ETFs have *tallied more assets in their first month of trading than any ETF launched in the US over the last 30 years*. Of 5,535 "newborn" ETFs launched over the last 30 years, only two have acquired over \$3B in assets in the first month.

Last Week's Canadian ETF Market Summary (Detailed stats in attached PDF)

Canadian ETF Weekly Snapshot

40

ETF Providers
(+5% YoY)

1369

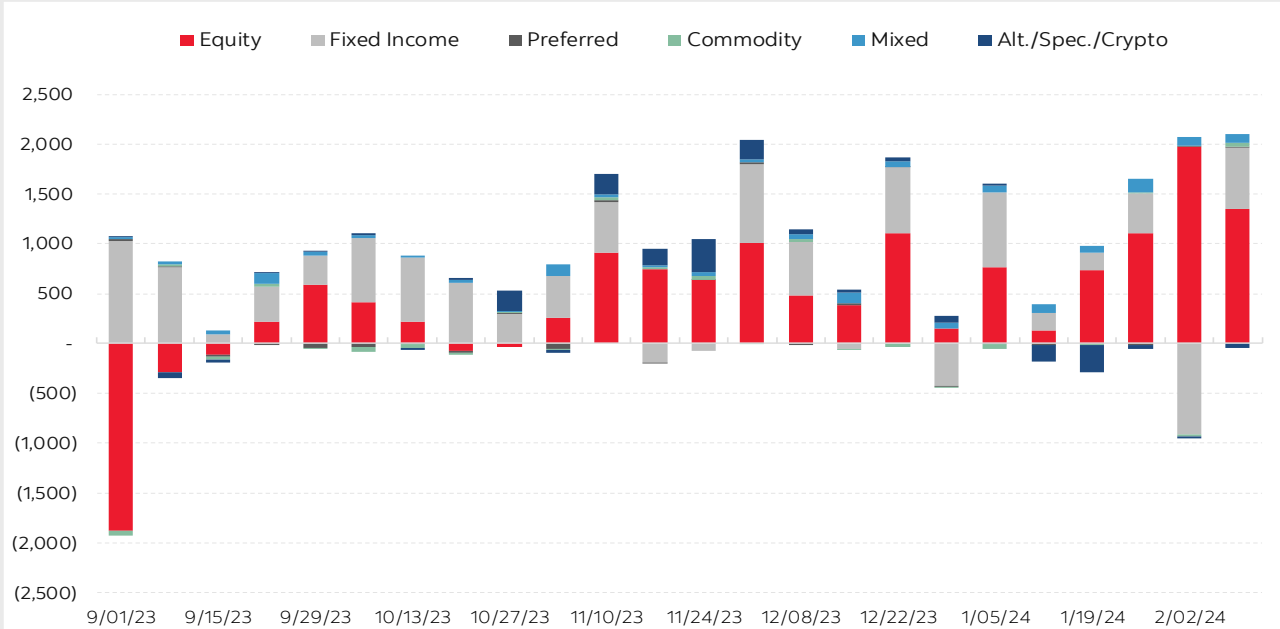
ETFs
(+14% YoY)

\$430B

CAD AUM
(+20% YoY)

\$12.3B

Traded
(Last Week)

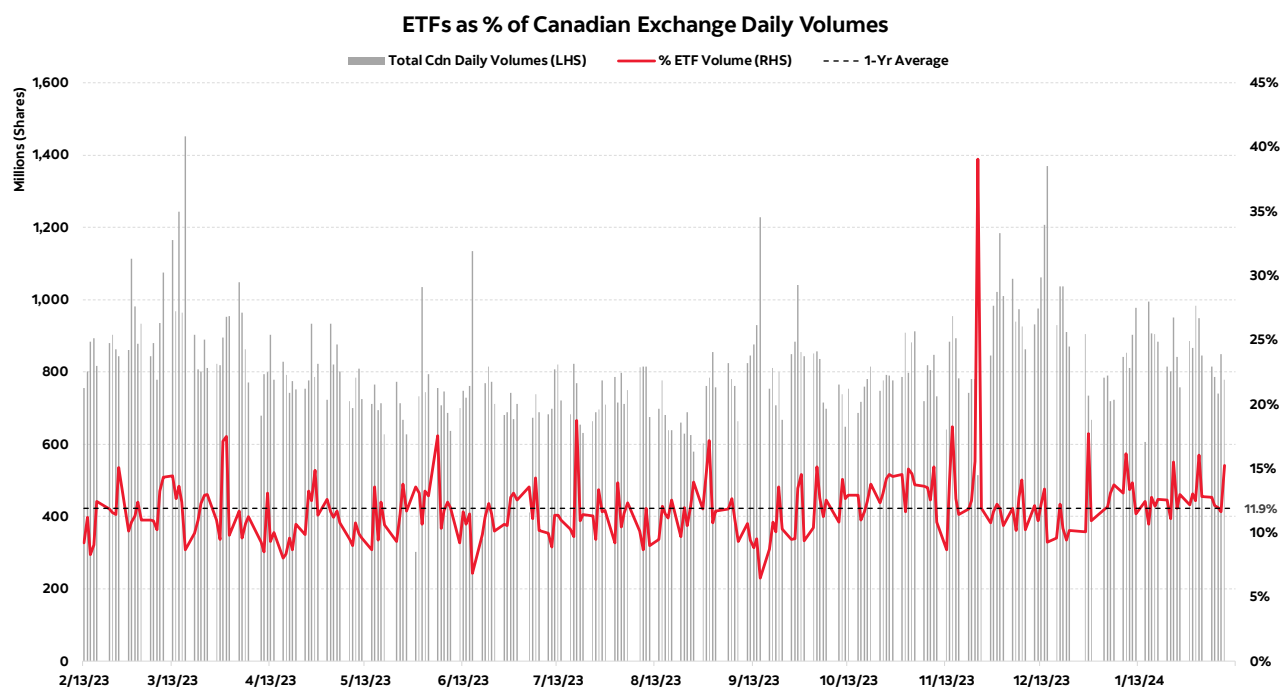


Source: Scotiabank ETF Services Estimates, Bloomberg Finance L.P.

Data is specific to Canadian-listed ETFs only

Weekly Creation/Redemption by Asset Class

	\$ Traded (CAD M)	Short Int (% of SO)	AUM (CAD M)	Net C/R (CAD M)	Net C/R (% AUM)		
					1-Week	1-Month	1-Year
Equity	7,757.3	0.9%	273,882	1,354.3	0.5%	2.0%	10.3%
Fixed Income	2,145.2	0.3%	100,644	807.1	0.8%	0.5%	20.4%
Mixed Allocation	285.3	0.1%	15,799	85.6	0.5%	2.6%	19.3%
Commodity	579.2	1.9%	2,578	43.6	1.7%	0.8%	-4.7%
Preferreds	93.6	1.2%	6,152	5.4	0.1%	-0.2%	-5.4%
Specialty/Alternative	98.6	0.5%	3,008	-14.0	-0.5%	-1.5%	4.1%
Cryptocurrency	265.1	0.5%	4,830	-24.7	-0.6%	-8.3%	18.7%
Cash	1,047.5	0.6%	22,952	-199.7	-0.9%	-0.8%	36.4%
Total	12,271.8	0.6%	429,845	2,057.7	0.5%	1.3%	13.8%



New ETF Products

Weekly New ETF Launches		
Approval Date	Fund Manager	ETF
February 6, 2023	Fidelity Investments Canada	Fidelity Global Value Long/Short ETF (FGLS)
February 6, 2023	Fidelity Investments Canada	Fidelity Long/Short Alternative ETF (FLSA)
February 6, 2023	Fidelity Investments Canada	Fidelity Market Neutral Alternative ETF (FMNA)
February 6, 2023	Fidelity Investments Canada	Fidelity All-American Equity ETF (FCAM)
February 6, 2023	Fidelity Investments Canada	Fidelity All-Canadian Equity ETF (FCCA)
February 6, 2023	Fidelity Investments Canada	Fidelity All-International Equity ETF (FCIN)
February 6, 2023	Fidelity Investments Canada	Fidelity Canadian Long/Short Alternative Fund (FCLS)
February 7, 2023	Hamilton ETFs	Hamilton U.S. Financials Yield Maximizer ETF (FMAX)

February 7, 2023	Hamilton ETFs	Hamilton Healthcare Yield Maximizer ETF (LMAX)
February 7, 2023	Hamilton ETFs	Hamilton Gold Producer Yield Maximizer ETF (AMAX)
February 7, 2023	Hamilton ETFs	Hamilton Energy Yield Maximizer ETF (EMAX)

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