

# The Alternate Opinion

Quantitative & Alternates

Global Liquidity Tracker: Historic high redemption from US Technology funds. EM inflows showing some fatigue after 5-weeks.

## Historic high redemption from US Technology funds. EM inflows showing some fatigue after 5-weeks.

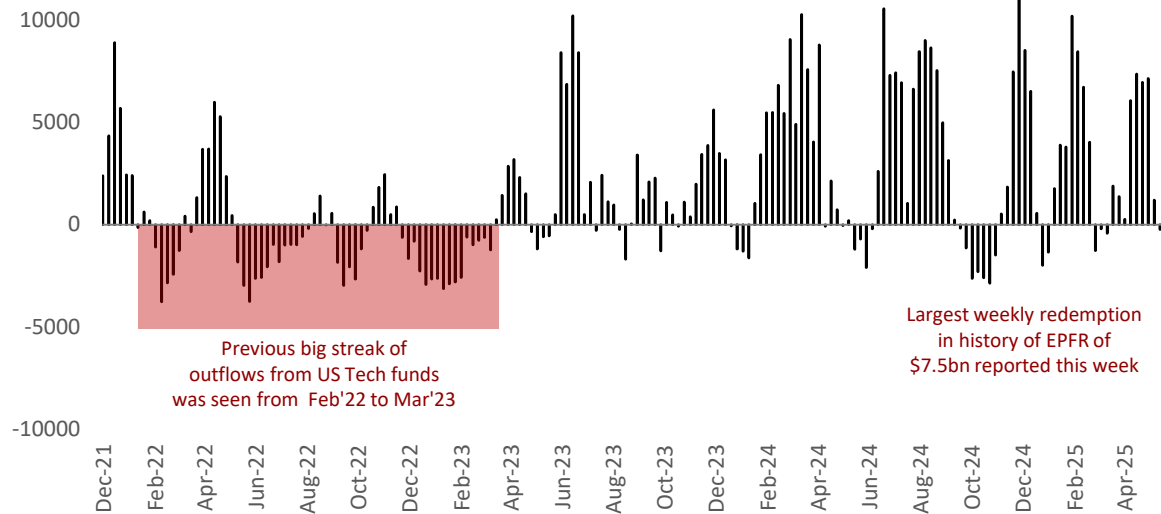
Foreign flows into the U.S. has slowed to \$2bn this week, following a strong five-week streak that averaged \$6bn per week. Despite the deceleration, the overall trend in foreign flows remains positive. Meanwhile, U.S. domestic funds have experienced outflows in seven of the past nine weeks, totaling \$20bn. *Notably, U.S. Technology funds saw a record-high weekly redemption of \$7.5bn*—comparable to the heavy outflows observed between Feb'22 & Mar'23, when the Nasdaq index fell by 38%.

Emerging markets (EMs), which had seen strong inflows on the back of improving bilateral trade, are now showing signs of exhaustion after a four-week rally. Foreign flows turned negative this week for Taiwan (after 5 weeks), S.Korea (after 4 weeks), Hong Kong (after 11 weeks) and India (after 5 weeks). However, domestic flows in both India & Taiwan remain strong.

India recorded a minor foreign outflow of \$8mn this week—the first in five weeks—largely due to pressure from broader GEM and AXJ funds, which saw outflows of \$120mn and \$72mn respectively. At the same time, India-focused funds continued to attract capital for a sixth week, with inflows of \$158mn after \$100mn in the previous week. Most of these inflows were directed toward ETFs. *Over the last six weeks, India-dedicated funds received a total of \$1.38bn—\$1bn into ETFs and \$370mn into large-cap active funds.* U.S.-based funds remain the dominant source of these inflows. Meanwhile, Japan-focused funds resumed slower outflows after a three-week pause.

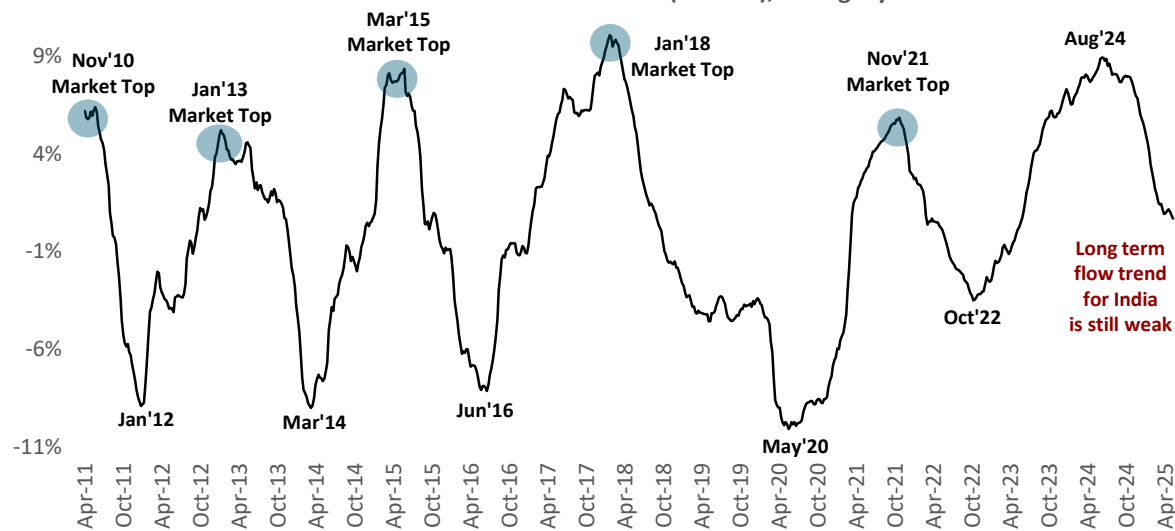
Gold funds, which have seen steady inflows totaling \$71bn since Jan'25, have witnessed \$14bn in outflows over past 4 weeks. Conversely, Junk bond funds have attracted \$11bn over past 4 weeks, after \$34bn in redemptions since Mar'25. *These trends suggest a renewed investor shift toward risk-on assets.*

Flows into DM- Technology Funds, Sum of 4-weeks (\$mn)



Source: EPFR, Elara Securities, Research, Bloomberg, Capital Line, ACE MF

India Allocation + Dedicated Flows (% AUM), rolling 1 year



Source: EPFR, Elara Securities, Research, Bloomberg, Capital Line, ACE MF 2

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