# Key highlights in May 2026

May confirmed the recovery in European ETP demand, with net flows remaining close to April's strong level and well above the March slowdown.

**Trading activity eased** compared with April, and more visibly versus the March spike, **but remained elevated** by historical standards. LIT and OTC volumes were broadly stable month-over-month, while RFQ volumes had their lowest print of the year so far.

In terms of flows, **fixed income** was the clear standout. **Net new money increased** from $10.2bn in April to $15.6bn in May, up around 54% MoM, accounting for roughly 35% of total monthly flows, well above the 19% AuM share of fixed income ETPs. While previous months were marked by exceptional demand for ultra-short ETFs, May showed a **broadening** of this **allocation pattern**, with **government** bonds, **corporate** bonds and **high yield** all attracting meaningful inflows as well.

Exhibit 1:
**European ETP markets at a glance**

**$3.8tn**
European ETPs AUM[1]
+16% YTD, +5% MOM

**+$46.5bn**
Net Fund Flows[2]
+$219bn YTD, +$0.4bn MOM

**+40 in May**
New ETF Fund Launches
(257 YTD)

**$468bn**
Trading Volume[2]

[1] End of May '26 | [2] In May '26

Exhibit 2:
**Monthly net flows by asset class ($bn)**

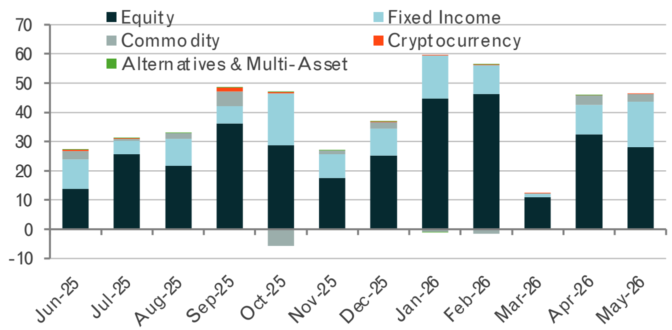



Exhibit 3:
**Monthly volume by trade category ($bn)**

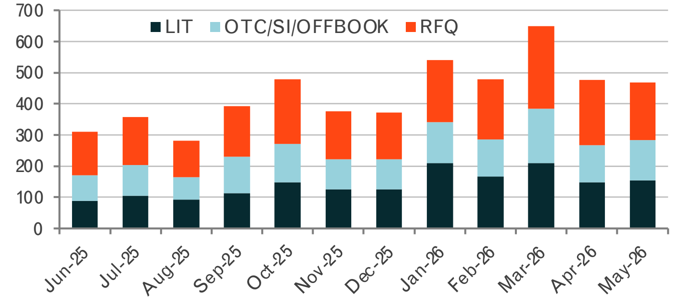



Exhibit 4:
**Cumulative net flows & AUM breakdown ($bn)**

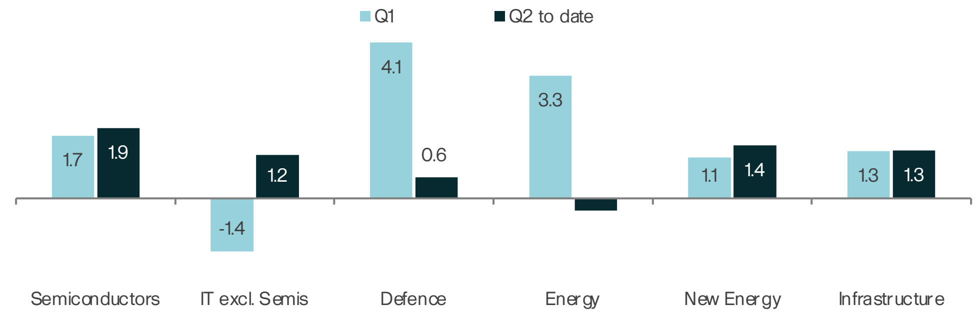
| Asset Class / Sector | Cum. Net Flows YTD | Net Flows Mar '26 | Net Flows Apr '26 | Net Flows May '26 | AUM May '26 | Flows YTD, % of AUM |
|---|---|---|---|---|---|---|
| Equity | 162.3 | 10.9 | 32.4 | 28.1 | 2,776.6 | 6% |
| Energy | 2.9 | 1.9 | -0.2 | -0.1 | 10.5 | 28% |
| Financials | -2.9 | -4.3 | -0.5 | -0.2 | 29.3 | -10% |
| Info. Tech. | 3.3 | 0.2 | 1.6 | 1.4 | 64.0 | 5% |
| Semiconductors | 3.5 | 0.5 | 0.6 | 1.3 | 16.4 | 21% |
| Disruptive Tech. | 7.3 | 0.8 | 1.7 | 1.3 | 66.3 | 11% |
| Defence | 4.7 | 1.0 | 0.5 | 0.0 | 23.3 | 20% |
| Fixed Income | 51.6 | 1.1 | 10.2 | 15.6 | 720.5 | 7% |
| Ultra-Short | 13.1 | 5.5 | 1.0 | 2.7 | 133.0 | 10% |
| Government | 20.5 | -0.6 | 4.7 | 4.9 | 238.3 | 9% |
| Corporate | 8.7 | -0.5 | 1.6 | 3.6 | 188.2 | 5% |
| High Yield | 0.6 | -3.3 | 0.8 | 1.3 | 45.6 | 1% |
| Commodity | 3.6 | 0.2 | 3.2 | 2.5 | 246.8 | 1% |
| Precious Metals | -2.0 | -0.7 | 3.0 | 0.3 | 209.6 | -1% |
| Energy | -0.2 | -0.5 | -0.3 | 0.0 | 3.9 | -5% |
| Broad | 2.1 | 0.6 | -0.4 | 0.5 | 19.8 | 11% |

# What's on our radar this month

2026 has already been highly eventful, with geopolitical tensions supporting Energy and Defence, while AI has remained the dominant investment theme. Against this backdrop, **ETFs** continue to serve as **tactical allocation tools** across an increasingly granular set of sectors and themes.

Looking at 2026 flow trends, three patterns stand out. **Defence and Energy dominated in Q1**, with much of the move driven by the market reaction to the Iran conflict. From **April**, however, **momentum faded**: Energy experienced outflows, while Defence attracted only limited additional demand. **IT** excluding Semiconductors followed the opposite path, with flows turning positive as the sector **recovered** from the February/March **sell-off**. Finally, **AI beneficiaries** stayed consistently in favour, with **sustained net new money** across Semiconductors, Infrastructure and New Energy, pointing to continued investor interest in the broader AI ecosystem, from chipmakers to enabling infrastructure and related energy themes such as clean energy, uranium and hydrogen.

Exhibith 5: **Net flows into selected thematic & sector ETFs ($bn)**



# Contact us:

**Pawel Janus, PhD**
Co Founder & CEO
p.janus@etfbook.com

**Jon Parsons**
Head of Solutions
j.parsons@etfbook.com

**James Leyland**
Head of Account Management
j.leyland@etfbook.com

**Davide Guberti, FRM**
Head of Data Analytics
d.guberti@etfbook.com

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