

2016: Leveraged oil ETFs reach record highs, while investors retreat to gold

Published 25 January 2017

In which direction did investors and traders predict the markets would move in 2016? Between [oil's climb from multi-year lows](#), to the uncertainty in equities, currencies and fixed income caused by [Brexit](#), [Trump](#) and the [Italian referendum](#), 2016 offered investors and traders plenty of opportunities to express their views.

Turnover data from our Boost range of products – which tracks in aggregate the short and long positions traders place across our products – has revealed what these views were. Here is where investors and traders placed their bets in 2016:

- Investors moved to exploit the dramatic recovery in oil, with turnover in Boost's range of leveraged oil ETFs hitting a record high of \$10bn in 2016.
- Turnover for Boost's leveraged long US Crude oil jumped from \$3.5bn in 2015 to \$9.9bn for 2016, with the majority of the inflows coming in the first six months of the year.
- Turnover on the long side was more than two times that on the short side across Boost's range of oil products, amidst an environment which saw the oil price recover off lows below \$26 a barrel at the start of January last year, to finish 2016 at \$54.
- Other commodities also attracted significant attention. Boost Gold ETPs turnover, in particular, trebled from \$194m in 2015 to \$661m, suggesting perhaps that traders were assuming political uncertainty would drive some investors into safe havens like gold.
- The majority of trades in gold were focused on the leveraged long side, with \$474m invested in long versus \$187m in short positions.
- Elsewhere, the data reveals that within fixed income markets investors turned against German bunds in 2016, with some \$54m of shorts placed via Boost's range, compared to almost no activity in leveraged long positions, amidst persistently low yields for the debt.
- Meanwhile, positioning around the US election saw monthly turnover for both long and short positions with a US equities spike in November of \$103m and \$43m respectively, helping take total turnover in Boost's S&P 500 products to \$777m last year. This was a more than ten-fold increase from the \$58m seen in 2015.

What's in store for 2017? Only time will tell. However, we know our researchers will have a keen eye on **Japan** (poised to perform?), **European markets** and the [impact of upcoming elections](#), as well as the **US** and whether [Trump's pro-growth agenda](#) will meet the expectations of all investors.

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