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## As S&P 500 rises, so do U.S. equity inflows: TrimTabs

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By Editor Test     Sun, Jul 21, 2013

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TrimTabs Investment Research reported today that U.S. equity mutual funds and exchange-traded funds have received \$34.4 billion in July through Wednesday, July 17. This month's inflow is already the second-highest on record.

"The 'great rotation' so many pundits have been expecting may finally be getting underway," said David Santschi, Chief Executive Officer of TrimTabs. "Since the start of June, U.S. equity funds have taken in \$34.2 billion, while bond funds have lost \$77.3 billion."

In a research note, TrimTabs explained that global equity funds were also receiving plenty of fresh cash. Global equity mutual funds and exchange-traded funds have taken in \$9.2 billion in July.

"The strong enthusiasm for equities should give contrarians pause," said Santschi. "Four of the ten largest inflows into U.S. equity funds occurred at the peak of the technology bubble in early 2000."

TrimTabs also reported that outflows from bond funds have slowed dramatically. Bond mutual funds and exchange-traded funds have redeemed \$9.4 billion in July after losing a record \$67.9 billion in June.

"The mere suggestion that the Fed would take away the liquidity punchbowl in the future prompted investors to dump bonds at a record pace," said Santschi. "While selling has subsided this month, what will happen when the Fed does more than just talk?"

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