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## High demand for bond mutual funds is 'concerning': TrimTabs

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By Editorial Staff      Thu, Feb 1, 2018

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Demand for bond funds has exploded in January after moderating in November and December. Bond funds had negative returns in four of the past five months, and their popularity amid lackluster performance should concern contrarians, according to a release from TrimTabs, the investment research firm.

The inflow of \$38.2 billion into bond mutual funds (MFs) and ETFs this month through Thursday, January 25 is on track to be the highest since October 2009, driven by an estimated inflow of \$32.3 billion into bond MFs.

Global equity funds also saw dramatically accelerated inflows. The inflow of \$33.4 billion into global equity MFs and ETFs in January is on track to be the most since April 2015. As with bond funds, retail investors have been driving much of the buying. The estimated inflow of \$15.8 billion into global equity MFs this month is set to be the most since July 2015.

U.S. equity ETFs are drawing huge inflows for a fourth consecutive month. This month's inflow has reached \$30.0 billion. It is on track to be the most since December 2016. The inflow from October to January of \$112.0 billion is on track to be the second-highest four-month inflow on record.

Buying of U.S. equity ETFs this month has been offset by redemptions of \$22.2 billion from U.S. equity MFs, which are suffering a thirty-fifth consecutive monthly outflow.

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