

Focus on Funds: ETFs Weathered March 2020 Market Stresses Well

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ICI's [in-depth analysis](#) of how funds fared during the extreme market stress in March 2020 includes a closer look at exchange-traded funds (ETFs). In the January 11, 2021, edition of *Focus on Funds*, ICI Senior Director of Financial and Industry Analysis Shelly Antoniewicz breaks down the findings.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: The global pandemic had a major impact on the financial markets in March 2020, so what was the experience of exchange-traded funds [ETFs] during that time? Shelly, you've taken a look at this. What are some of your key findings?

Shelly Antoniewicz, ICI senior director of industry and financial analysis: The ETF ecosystem proved resilient during the market volatility in March 2020; ETF shares traded smoothly and efficiently on the secondary market. Bid-ask spreads on ETFs widened but remained below or in line with those of the underlying securities in their portfolios. Liquidity providers for ETF shares continued to provide two-sided quotes and facilitate record amounts of volume in ETF shares.

In the primary market, authorized participants actually stepped in to facilitate a much higher level of creations and redemptions of ETF shares. We think that this evidence shows that ETFs were extremely resilient and provided price discovery and liquidity to investors during this very stressful period.

Additional Resources

- [COVID-19 Resource Center](#)
- [ICI Viewpoints: Regulated Funds: Supporting the Economy During the COVID-19 Crisis](#)
- [Quick Insight: Unprecedented Liquidity Demands Strained Financial Markets](#)
- [Quick Insight: Understanding Unusual US Treasury Market Behavior](#)
- [Quick Insight: Global Pandemic Led to Global Market Turbulence](#)

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