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<http://www.etftrends.com/2007/10/why-the-spikes-.html>

Why the Spikes in ETF Trading Volumes?

October 27, 2007 by Tom Lydon

We received a question the other day from an exchange traded fund (ETF) investor who asked: "I am curious if you know what causes the spikes in volume in relatively low-volume ETFs. For example, today **PowerShares Dynamic Semiconductors (PSI)** spiked to nearly 2,000% of its average trading volume. Normally it trades in the hundreds of thousands of shares, but today it traded 3 million shares. I saw a similar spike in **Powershares WilderHill Clean Energy (PBW)** ETF on Oct. 18 when it traded close to 3 million shares. What's going on with these funds and why the spikes?"

As you can see from the chart below, there's definitely a large increase in trading volume from the other day. Sometimes large advisers, institutions or hedge funds want to come in and take positions (either buying or selling) in certain sectors, and they find its easier to do this through ETFs. This looks like one of those cases.

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