

INDEX STRATEGY

FTSE Global Equity Index Series Rebalancing Review and Flow Implications (June 2026) - Final Update

What Happened? FTSE Russell announced the final amendment to its review results for its Global Equity Index Series (GEIS) after market close on June 5, following the release of initial indicative results on May 22, with **implementation scheduled after market close on Friday, June 19** (or June 18 for China/HK and Taiwan due to a public/exchange holiday).

Proforma Changes: For the **FTSE Developed/Emerging (All World)** Index (Large + Mid Cap), there are **2/15 additions and 3/2 deletions**, respectively. In the **FTSE Developed/Emerging All Cap** Index (Large + Mid + Small Cap), there are **10/17 additions and 7/6 deletions** (Exhibit 1). We note that the June quarter is typically a minor adjustment period for the FTSE GEIS, mainly reflecting corporate actions such as IPOs and spin-offs, as well as changes in shares and free float.

Index Implications: The proforma index cap is estimated at US\$31.7 trillion for the FTSE Developed All Cap ex-US Index (+0.1%) and US\$11.7 trillion for the EM All Cap Index (+0.4%), with index weight adjustments of 0.9% and 0.8%, respectively.

Market Implications: The FTSE rebalancing (covering GEIS, China, and Taiwan Index Series) is expected to trigger over **US\$34bn/US\$23bn in gross two-way trading flows across APAC/EM markets**, respectively, with **net passive inflows at +US\$4.1bn/+US\$0.9bn**. Within Asia Pacific markets, **Japan (+US\$2.4bn)** and **China/Hong Kong (+US\$1.2bn)** are expected to see the largest net inflows (Exhibit 3), while **Indonesia (-US\$400mn)** and **Thailand (-US\$300mn)** may face the greatest selling pressure (Exhibit 4).

Sector Implications: Within Asia Pacific, Tech H/W & Semis, Capital Goods, Chemicals & other Materials, and Banks are expected to see the largest passive inflows (US\$500–1,600mn each). In contrast, Energy, Autos, Consumer Staples, and Transportation are likely to experience the largest outflows (-US\$100–350mn each).

Historical vs. Current Patterns: The relative performance of FTSE GEIS additions versus deletions has generally underperformed following the release of the initial indicative results. Historical patterns suggest further moderate outperformance, albeit along a volatile path. (Exhibit 5)

We highlight index and sector changes in the individual market/region sections, along with the **stocks with the largest flow implications** (Exhibit 2).

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