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Ten ETFs that Don't Exist, But Should

The ETF industry has expanded by leaps and bounds in recent years, with new issuers entering the arena and countless new product launches that offer investors the ability to gain exposure to various geographic regions and investment styles. The first ETFs were essentially “plain vanilla” products that mirrored widely-followed equity benchmarks. Today, the vast majority of ETF assets is still invested in these more traditional funds, but numerous more exotic products are gaining in popularity. Enhanced index ETFs, actively-managed ETFs, long/short ETFs, and leveraged ETFs are just a few of the innovations that have been embraced by investors.

Some contend that the ETF industry is nearing a saturation point, noting that dozens of funds have struggled to attract a sufficient asset base and could be in danger of closing. We think quite the opposite. Although investor demand is difficult to predict, here’s a look at ten ETF strategies we’d like to see hit the market

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8. Automotive ETF

The global automotive industry has been hammered by the recent economic downturn, and the U.S. market will likely **never be the same** again. But the fact that the prospects for the industry are less than bright doesn’t necessarily mean the stocks won’t be popular. During the recent “crisis” financial sector ETFs were frequently among the most heavily-traded, as sharp rises and declines presented opportunities for big short term profits.

A global automotive ETF comprised of both manufacturers and their suppliers could be a big hit. This type of ETF likely wouldn’t appeal to the buy-and-holder, but could become a popular fund among investors with a more immediate time horizon. The release of monthly sales figures would ensure consistent days of heavy trading, and the

volatility of the underlying stocks would be irresistible for speculators.

PowerShares currently offers a Global Progressive Transportation Portfolio ([PTRP](#)) that invests in sustainable transportation-related companies.

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