

UBS Investor Sentiment

Mixed news, mixed views

Investors balance recession concerns with improving stock market outlook



Key findings

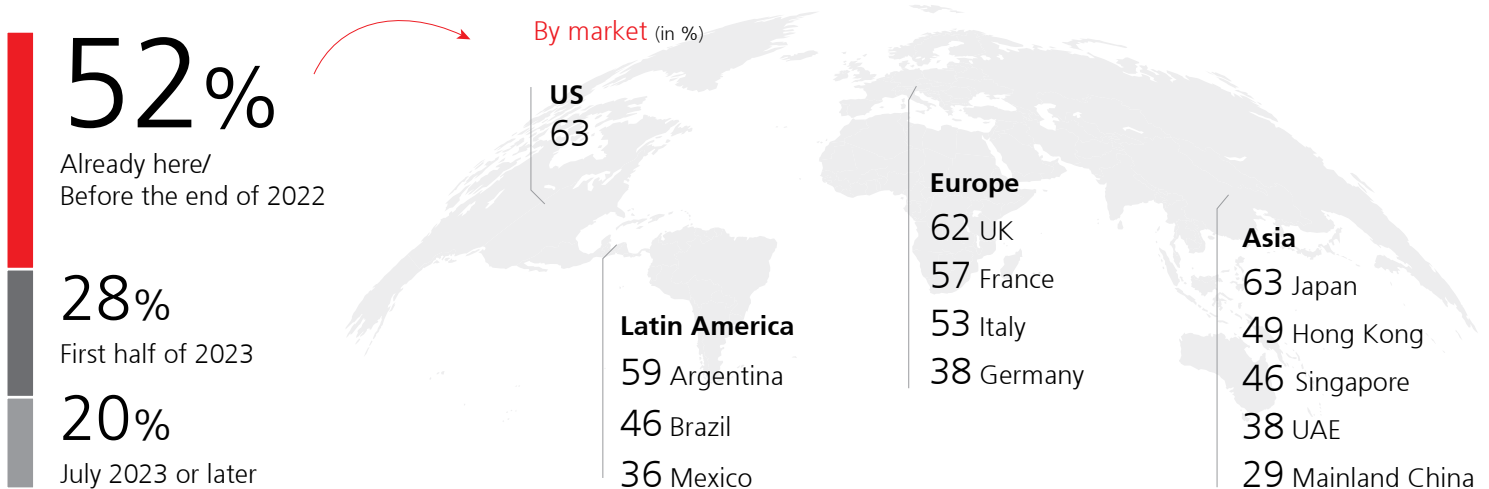
Recession rising | Most investors expect a recession by year end

Diverse approaches | Investors weigh stocks, cash and borrowing

Market outlook | Strong demand gives hope for better months ahead

Recession

Investors expect a recession soon



Mixed reactions to current environment

Top investor concerns: inflation, geopolitics and recession*



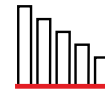
55%

Inflation (-2)



55%

Geopolitical risk (-1)
(e.g., Russia/Ukraine)



54%

Recession in my market (+5)

*Changes since August 2022.

Investors expect higher inflation in 2023 ...

62% Increase

19% Stay the same

19% Decrease

... and half have already cut spending



48%

are reducing spending

Investors think interest rates will go up in 2023 ...

69% say rates will increase

... and they plan to take action if interest rates increase in the next few months

38% Add to cash

31% Add alternatives

31% Adjust sector allocations

Investors have mixed plans for borrowing

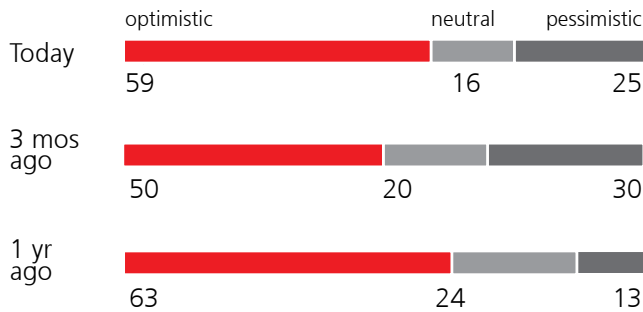
25% Borrow money now before rates increase further

26% Wait until rates are lower to borrow money

49% No current need for borrowing

Outlook and investments

Short-term stock market outlook begins to recover, though pessimism remains (in %)



Some investors see reasons for optimism



46% Continuing strong demand for goods and services

43% Return to normal after COVID-19

41% Company earnings remain strong

Some investors see opportunity in the current market*

% more likely to invest in current environment



34%

Stocks in my region (+6)



30%

Gold (-1)



30%

Bonds in my region (+4)



29%

Real estate (+1)

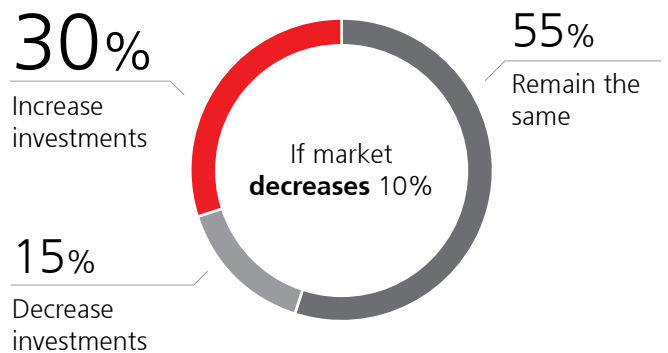
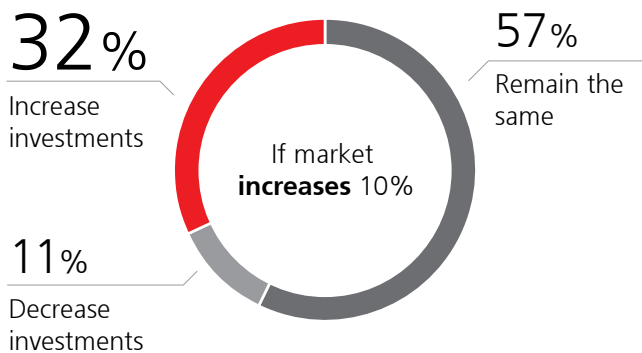


28%

Oil (Unchanged)

*Changes since August 2022.

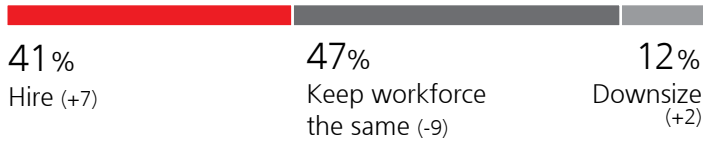
Many investors poised to act on market moves in the next few months



Business owners

Despite recession fears, business owners continue to fill post-COVID labor gaps ...*

+29 **Net hiring**¹ (+5)



+28 **Net investing**² (+1)

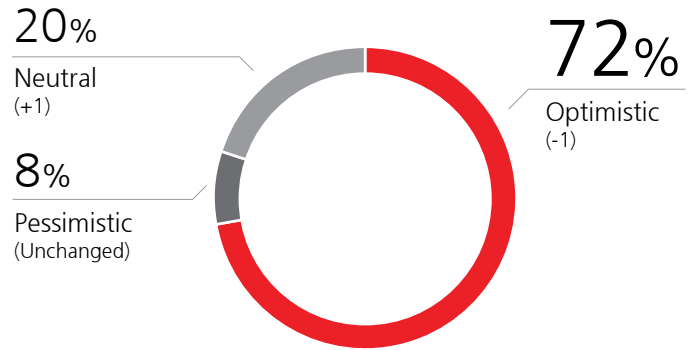


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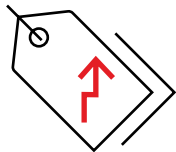
1 Hire minus downsize

2 Invest more minus invest less

... and are still optimistic about their business for the next 12 months*



However, recession and rising costs are top concerns



57%
Recession in my market

54%
Rising materials costs

54%
Wage inflation

54%
Geopolitical risk

53%
Rising interest rates

How business owners are addressing higher costs



46% Buying from lower cost providers

45% Increasing prices

Are you ready for what comes next? **Talk to a UBS Advisor.**

About the survey: UBS surveyed 2,913 investors and 1,198 business owners with at least \$1M in investable assets (for investors) or at least \$1M in annual revenue and at least one employee other than themselves (for business owners), from September 28 – October 17, 2022. The global sample was split across 14 markets: Argentina, Brazil, Mainland China, France, Germany, Hong Kong, Italy, Japan, Mexico, Singapore, Switzerland, the UAE, the UK and the US. For the August results, UBS surveyed 2,864 investors and 1,129 business owners globally from June 29 – July 19, 2022. For the previous year results, UBS surveyed 3,004 investors and 1,202 business owners globally from September 28 – October 18, 2021.

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