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# News Release

## **UBS Investor Sentiment survey: Investors eye stocks and real assets in anticipation of rising inflation**

- **Global investors believe inflation will accelerate over the next 12 months and plan to adjust portfolios accordingly**
- **Business owners see the benefits of sustainability practices, with 61% believing it could generate more revenue**
- **Cybersecurity is the top concern for global investors, ahead of politics, climate change, tax changes, and COVID-19**

**Zurich/New York, July 21, 2021** – Almost half of investors believe inflation will accelerate over the next 12 months and plan to adjust their portfolios accordingly by buying more stocks and real assets, according to UBS's quarterly Investor Sentiment survey of individual investors and business owners globally.

Specifically, the survey found that 35% of investors plan to add stocks, 33% plan to add precious metals, 32% plan to add sustainable investments, and 32% are planning to add real estate. While inflation is a concern, global investor optimism remains high on their own region's economy for the next 12 months (70%) and stock market performance over the next six months (67%).

**Tom Naratil, President of UBS Americas and Co-President of UBS Global Wealth Management**, said: "Though we expect the recent rise in inflation to ease, the outlook for inflation remains uncertain and therefore building inflation protection into portfolios is an appropriate step for investors to be taking now. This includes investing in commodities, private market infrastructure, and stocks with pricing power, as these areas tend to perform better in an inflationary environment and will help to preserve purchasing power over the long term."

**Iqbal Khan, President of UBS Europe, Middle East and Africa and Co-President of UBS Global Wealth Management**, said: "The Delta variant is leading to renewed worries about lockdowns, inflation has proven to be higher and longer lasting than many – among them the Fed – thought, and US/China tensions are resurfacing. It's no wonder that we see some nervousness and uncertainty amongst investors, particularly in the US and Asia. Our view is that there will be no return to national lockdowns and we'll see inflation recede in the second half, meaning the Fed won't need to withdraw stimulus. This should be positive for the re-opening of economies, recovery trades and many of the secular growth winners."

While investors remain optimistic, their top concern is cybersecurity (50%), closely followed by their country's politics (49%) and climate change (49%). Concerns about tax changes (48%) and COVID-19 (47%) have eased since investors were last surveyed in the first quarter of 2021.

Business owner optimism remained high, but is down slightly by three percentage points, with 77% optimistic about their own business over the next 12 months. As a result, plans to hire are also down with 35% planning to

actively hire versus 33% last quarter. Fifty three percent of business owners plan to keep their workforce the same. Forty-two percent plan to invest more in their business versus 47% that plan to invest the same, showing signs of stability.

Business owners see an array of potential benefits in sustainability over the next three years. Sixty-one percent believe sustainability could generate more revenue, 57% believe it could improve client relationships and 55% believe it could do the same for employee relationships. Still, 51% think it will increase costs.

### **United States**

Looking ahead, US investors are the most optimistic on their region's economy (69%). At the same time, US investors believe inflation will accelerate over the next 12 months (57%), more than any other region.

### **Latin America**

Though other regions have higher scores, Latin American investors are optimistic on their region's economy over the next 12 months (67%), and optimism has increased 7% since 1Q21. Thirty-nine percent of investors expect inflation to accelerate over the next 12 months, the second lowest number globally.

### **Europe (ex. Switzerland)**

A majority of European investors outside of Switzerland remain optimistic on their region's economy over the next 12 months (75%) – the highest figure among the five regions surveyed. Forty-eight percent of investors believe inflation will accelerate over the next 12 months.

### **Switzerland**

Swiss investors have increasingly become more optimistic on their region's economy (74%) – a 17% increase over the last quarter. Forty-six percent believe inflation will accelerate over the next 12 months.

### **Asia**

Sixty-six percent of Asian investors are optimistic on their region's economy over the next 12 months. Only 38% of Asian investors believe that inflation will accelerate over the next 12 months.

**For more information and to view the report, visit: [ubs.com/investor-sentiment](https://ubs.com/investor-sentiment)**

## **Notes to Editors**

### **About the survey**

For this edition, UBS surveyed 2,999 investors and 1,201 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 June 23 – July 12, 2021. The global sample was split across 15 markets: Argentina, Brazil, Mainland China, France, Germany, Hong Kong, Italy, Japan, Mexico, Russia, Singapore, Switzerland, the UAE, the UK and the US.

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