



UBS ETF Capital Markets
Weekly Flow Update
(4th of December – 8th of December)

Market Commentary

MSCI World in USD ended the week up 0.23% with the index being driven upwards by Information Technology (0.61%), Consumer Discretionary (1.12%) and Communication Services (1.27%) offset by weakness in Energy (-3.08%).

It was a busy week for US economic data. On Tuesday, the October reading for the US Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS) was published. It declined unexpectedly to 8.7m from downwardly revised 9.4m in September (-7.4%). This compares to economists' forecasts of 9.3m and is the lowest number of openings since March 2021. The health care & social assistance, and leisure & hospitality industries experienced the largest reduction in job openings. Additionally, the ratio of openings to unemployed workers declined to 1.34:1 from a peak above 2:1, and quit rates remained unchanged at 2.3%. This indicates a better balance between supply and demand for labour. This ratio is a key indicator for the Fed, which is hoping softer labour market conditions will help bring inflation down toward its 2% target.

On Friday US Non-Farm Payrolls were released. Non-farm payrolls increased 199k last month following a 150k advance in October. Job growth was driven by healthcare (+93k) and government (+50k), as well as returning workers following strike settlements in the auto (+30k) and entertainment (+17k) industries. Other categories showed tepid growth or outright declines, such as retail. The unemployment rate fell to 3.7%, down from 3.9% in October, and the labour force participation rate also ticked up to 62.8%, matching the post-pandemic high. Average hourly earnings increased by 0.4% m/m and hours worked ticked up to 34.4. Combined, all of this has positive implications for labour income.

Despite the weaker JOLTS data, the NFP report suggests that considerable strength remains in the labour market and this could impact the Fed's messaging at next week's FOMC meeting. FOMC officials are widely expected to keep borrowing costs at the highest level in two decades when they meet next week. Powell has repeatedly pushed back against growing bets of rate cuts early next year, stressing that policymakers will move cautiously but retain the option to hike again. To complicate matters further CPI data for November will be released on the first day of the meeting. Given that the market is already pricing in a lot of rate cuts in 2024, one expects the FOMC to avoid sounding overly dovish.

The University of Michigan index of sentiment improved markedly in early December with the index climbing to a four-month high and topping all forecasts. From the report it also seems consumers have pared back short-run inflation expectations to the lowest level since 2021 (only 3.1% compared to expectations of 4.3%) and longer-term expectations also receded (2.8% versus expectations of 3.1%).

On Thursday, top BoJ officials hinted that an end to ultra-easy monetary policy might come sooner than expected. BoJ Governor Ueda said that the management of monetary policy would become “even more challenging from the year-end and heading into next year.” Meanwhile, Deputy Governor Himino said households could benefit from higher interest rates, while any harm to companies would likely be limited. The remarks contributed to a roughly 12bps rise in the yield on 10-year JGBs from 0.63% to 0.75%. An earlier-than-expected BoJ policy shift would bode well USDJPY with the currency pair falling over 2% on Thursday. Markets are now implying a roughly 35% chance that the central bank will end its negative interest rate policy at the next policy meeting on the 19th of December. However, markets are not expecting a major spillover to global markets as Japan's rates rise. Japan looks like an outlier in tightening policy, with most other major central banks moving toward easing as economic growth slows.

Next week, we see the key market moving events as US core CPI m/m for November published on Tuesday (BBG Cons: 0.3%); the FOMC decision on Wednesday (BBG Cons of 5.5%, no change); ECB rate decision (BBG Cons of 4.0%, no change) and BoE rate decision (BBG Cons of 5.25%, no change) on Thursday and Europe Preliminary PMIs for December on Friday.

- Monday: Japan M2 money stock, Kenya GDP, Malaysia industrial production, New Zealand home sales, Turkey industrial production, current account and Ukraine GDP.
- Tuesday: Australia consumer confidence, Brazil CPI, Germany ZEW survey expectations, India CPI, industrial production, Japan PPI, Mexico industrial production, Pakistan rate decision, Philippines trade, Russia trade, South Africa manufacturing production, UK jobless claims, unemployment and US CPI.
- Wednesday: Brazil rate decision, Eurozone industrial production, India trade, Israel trade, Mexico international reserves, New Zealand food prices, Russia GDP, South Africa retail sales, CPI, South Korea jobless rate, UK industrial production and US PPI, FOMC rate decision.
- Thursday: Argentina CPI, Australia unemployment, Eurozone ECB rate decision, India wholesale prices, Japan machinery orders, industrial production, Mexico rate decision, New Zealand GDP, Norway rate decision, Peru rate decision, Philippines rate decision, Saudi Arabia CPI, Spain CPI, Switzerland rate decision, Taiwan rate decision, UK BOE rate decision, US initial jobless claims, retail sales, business inventories and Ukraine rate decision.
- Friday: Argentina GDP, Canada housing starts, existing home sales, China 1-yr MLF rate and volume, property prices, retail sales, industrial production, jobless rate, Colombia industrial production, retail sales, Eurozone S&P Global Manufacturing PMI, S&P Global Services PMI, France S&P Global Manufacturing PMI, CPI, Germany S&P Global / BME Manufacturing PMI, Indonesia trade, Israel CPI, Italy trade, CPI, Japan tertiary index, New Zealand PMI, Nigeria CPI, Philippines overseas remittances, Poland CPI, Russia rate decision, Sri Lanka GDP, UK S&P Global / CIPS Manufacturing PMI and US industrial production, Empire manufacturing, cross-border investment.

UBS ETF - Top 5 Net Inflows	USD
US Corporate Bonds	1,141,393,895
European Equities (hedged)	133,954,826
Global Equities Sustainable	102,667,000
EM Equities	100,417,000
European Equities	92,526,759
UBS ETF - Top 5 Net Outflows	USD
Sustainable Development Bank Bonds	-205,161,300
Canadian Equities	-115,870,965
US Equities Sustainable (hedged)	-40,948,392
UK Equities Sustainable	-39,398,661
US Equities Sustainable	-30,077,981
UBS ETF - Top 5 Primary Market Creations	USD
UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates 1-5 Year UCITS ETF (USD) A-dis	412,341,000
UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates 1-5 Year UCITS ETF (USD) A-acc	383,966,600
UBS (Lux) Fund Solutions – MSCI Emerging Markets UCITS ETF (USD) A-acc	100,417,000
UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates 1-5 Year UCITS ETF (USD) A-acc	94,019,625
UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (hedged to USD) A-acc	79,210,000
UBS ETF - Top 5 Primary Market Redemptions	USD
UBS (Lux) Fund Solutions – Sustainable Development Bank Bonds UCITS ETF (USD) A-acc	-205,161,300
UBS (Lux) Fund Solutions – MSCI Canada UCITS ETF (CAD) A-dis	-115,592,509
UBS (Irl) ETF plc – MSCI United Kingdom IMI Socially Responsible UCITS ETF (GBP) A-dis	-36,061,357
UBS (Irl) ETF plc – Factor MSCI USA Quality ESG UCITS ETF (hedged to EUR) A-acc	-21,405,321
UBS (Irl) Fund Solutions plc – CMCI ex-Agriculture SF UCITS ETF (USD) A-acc	-19,476,470

UBS ETF - Top 10 Secondary Market Trades	USD
UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates 1-5 Year UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	139,700,000
UBS (Lux) Fund Solutions – MSCI Canada UCITS ETF (CAD) A-dis <i>NAV – Systematic Internaliser</i>	-115,500,000
UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (hedged to USD) A-acc <i>NAV – Tradeweb</i>	79,700,000
UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates 1-5 Year UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	70,300,000
UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (hedged to CHF) A-acc <i>NAV – Tradeweb</i>	57,010,000
UBS (Irl) ETF plc – MSCI ACWI ESG Universal Low Carbon Select UCITS ETF (USD) A-dis <i>Risk – Tradeweb</i>	55,130,000
UBS (Irl) ETF plc – MSCI United Kingdom IMI Socially Responsible UCITS ETF (GBP) A-dis <i>Risk – Systematic Internaliser</i>	-51,720,000
UBS (Lux) Fund Solutions – MSCI Japan UCITS ETF (hedged to USD) A-acc <i>NAV – Tradeweb</i>	48,110,000
UBS (Irl) Fund Solutions plc – CMCI Composite SF UCITS ETF (USD) A-acc <i>Risk – Tradeweb</i>	36,810,000
UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (EUR) A-acc <i>NAV – Tradeweb</i>	34,630,000

UBS ETF Capital Markets

Group e-mail: ol-etf-cm@ubs.com

Pravin Bagree CFA

Head of UBS ETF Capital Markets | pravin.bagree@ubs.com | +41 44 235 19 08

Giorgio Cescato

UBS ETF Capital Markets Specialist | giorgio.cescato@ubs.com | +41 44 234 54 85

Gianandrea Grassi

UBS ETF Capital Markets Specialist | gianandrea.grassi@ubs.com | +41 44 234 53 45

[Click here for more information on UBS ETFs](#)

© UBS 2023. All rights reserved.

For marketing and information purposes by UBS.

Issuer UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland

E-mails can involve SUBSTANTIAL RISKS, e.g. lack of confidentiality, potential manipulation of contents and/or sender's address, incorrect recipient (misdirection), viruses etc. UBS assumes no responsibility for any loss or damage resulting from the use of e-mails. The recipient is aware of the inherent risks of use of emails and accepts them, in particular the disclosure of the banking relationship or of confidential data connected thereto to third parties.

UBS may evaluate and analyse the use of email in connection with this newsletter to create profiles. These are used by UBS and its group entities particularly to be able to provide their clients with individual advice, tailor made offers and information about UBS products as well as for market research, marketing and risk management purposes.

Privacy statement

For professional clients / qualified investors only.

The benchmark is the intellectual property of the index provider. The Share Class is not sponsored or endorsed by the index provider. Please refer to the Fund's prospectus or supplement for the full disclaimer.

Before investing in a product please read the latest prospectus and key information document carefully and thoroughly. Any decision to invest should take into account all the characteristics or objectives of the fund as described in its prospectus, or similar legal documentation. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. Members of the UBS Group may have a position in and may make a purchase and / or sale of any of the securities or other financial instruments mentioned in this document. Units of UBS funds mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors and may not be offered, sold or delivered in the United States. The information mentioned herein is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not a reliable indicator of future results. The calculated performance takes all costs on the fund level into consideration (ongoing costs). The entry and exit costs, which would have a negative impact on the performance, are not taken into consideration. If whole or part of the total costs to be paid is different from your reference currency, the costs may increase or decrease as a result of currency and exchange rate fluctuations.

Commissions and costs have a negative impact on the investment and on the expected returns. If the currency of a financial product or financial service is different from your reference currency, the return can increase or decrease as a result of currency and exchange rate fluctuations. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. Future performance is subject to taxation which

depends on the personal situation of each investor and which may change in the future. The details and opinions contained in this document are provided by UBS without any guarantee or warranty and are for the recipient's personal use and information purposes only. This document may not be reproduced, redistributed or republished for any purpose without the written permission of UBS Asset Management Switzerland AG or a local affiliated company. Source for all data and charts (if not indicated otherwise): UBS Asset Management

This document contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to our future business development. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. More explanations of financial terms can be found at ubs.com/am-glossary

Austria: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge UBS Fund Management (Luxembourg) S.A. and online at ubs.com/etf.

Belgium: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS 18th floor, Amstelplein 1, 1096 HA Amsterdam and online at ubs.com/funds.

Cyprus: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from [UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg / UBS Fund Management (Ireland) Limited, 1st Floor, College Park House, South Frederick Street, Dublin 2, Ireland] and online at ubs.com/funds.

Denmark: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, 11153 Stockholm or from UBS Europe SE, Denmark Branch, filial af UBS Europe SE, Sankt Annae Plads 13, 1 TH, 1250 Copenhagen, Denmark and online at ubs.com/funds.

Finland: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

France: Copies of the prospectus, key information documents (KID), articles of association, management regulations and the annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS (France) S.A., 69, boulevard Haussmann, 75008 Paris (388 368 110 RCS Paris) and online at ubs.com/etf.

Germany: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at www.ubs.com/deutschlandfonds.

Greece: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from [UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg / UBS Fund Management (Ireland) Limited, 1st Floor, College Park House, South Frederick Street, Dublin 2, Ireland] and online at ubs.com/funds.

Hungary: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from securities broker (forgalmazó): OTP Bank Nyrt., or from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland and online at ubs.com/funds.

Israel: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

Italy: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports may be obtained in a language required by the local applicable law free of charge from UBS Asset Management (Italia) – SGR S.p.A., Via del Vecchio Politecnico, n. 3, 20121 Milano (MI), Italy and online at ubs.com/funds.

Ireland: The prospectuses, supplements, key information documents (KID), the memorandum and articles of association as well as annual and semi-annual reports of UBS ETF may be obtained in a language required by the local applicable law free of charge for UBS ETFs plc and UBS (Irl) ETF plc from State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland and online at ubs.com/etf.

Liechtenstein: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at ubs.com/funds.

Luxembourg: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A., 33A Avenue J.F. Kennedy, L-1855 Luxembourg and online at ubs.com/etf.

Malta: Prospectuses, key information documents (KID), the articles of association and the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg and online at ubs.com/funds.

Netherlands: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) SA or on the internet at ubs.com/funds.

Norway: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

Portugal: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from Best – Banco Electrónico de Serviço Total, S.A. Praça Marquês de Pombal, 3A - 3º 1250-161 Lisboa, Portugal or from UBS Europe SE, Luxembourg Branch, P.O. Box 2, L-2010 Luxembourg and online at ubs.com/etf. For more information on the distribution of UBS funds, in particular the applicable tax regime, please consult the Supplementary Information Memorandum for Portugal, available free of charge from the placing agent.

Spain: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Europe SE, sucursal en España, MARÍA DE MOLINA Nº 4, E-28006 MADRID and online at ubs.com/funds.

Sweden: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at ubs.com/funds.

Switzerland: Prospectuses, key information document, the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland or from UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel.

United Kingdom: Prospectuses, key investor information documents (KIID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available free of charge from UBS Asset Management (UK) Ltd, 5 Broadgate, London, EC2M 2QS. The fund documentation is available free of charge in English and, where relevant, in one of the local language(s) where the fund is registered and online at ubs.com/funds. [UBS funds make use of the Temporary Permissions Regime allowing EEA-domiciled funds to be distributed in the UK for a limited period until full authorisation is obtained. For reporting fund status, please visit the HMRC's website. The protections offered by the UK's regulatory system, and compensation under the Financial Services Compensation Scheme, will not be available. The document has not been prepared in line with the Financial Conduct Authority requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

A summary of investor rights in English can be found online at: ubs.com/funds.

© UBS 2023. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.