



UBS ETF Capital Markets  
Weekly Flow Update  
(November 28 – December 2)

#### Market Commentary

MSCI World in USD ended the week up 1.12% on the back of strong performances in Communication Services, Consumer Discretionary and Materials offset by a weaker performance in the Energy sector.

On Friday the US Labor Department published the November Payrolls report which showed nonfarm payrolls increasing by 263,000, above consensus expectations of 200,000 but still the slowest job growth since April 2021. The unemployment rate was steady at 3.7% but labour force participation rate ticked down to 62.1%, the third decline in a row. Worryingly average hourly earnings jumped by 0.6% mom against expectations of 0.3%, and October was revised up to 0.5% (from 0.4%). The rise in average hourly earnings in Friday's data is far too high to be compatible with the Fed's implicit 2% inflation target and the declining labour force participation rate is also discouraging. Even though inflation is slowing from its peak it may not be acceptable to the Fed because of rapid wage growth therefore perhaps forcing the Fed to hike further than the market expected peak of 5% and keep rates higher for longer.

During the week Powell did speak at the Brookings Institution and was less hawkish than investors feared giving further impetus to a rally that has lifted the S&P 500 by around 13% from its October low. Hopes of less aggressive Fed policy, along with investor flows and positioning, have driven the market rebound, and Powell did not push back against it. Powell acknowledged that several of the major drivers of inflation—including production bottlenecks and goods price inflation—are easing. Although housing services inflation is likely to continue rising in the coming months, it should also begin to fall "later next year." However, he did note that the US labour market shows "only tentative signs of rebalancing," and wage growth remains "well above the levels that would be consistent with 2% inflation over time (confirmed by the Payrolls report)."

Oil continues to be a hot topic of conversation. It has been weaker in recent weeks amid mounting growth concerns in China and the rest of the world. Brent crude is now nearly 11% lower than its recent high in early November, and almost 32% lower than the peak it reached in March, shortly after the war in Ukraine began. Nevertheless, there are still some positive drivers as first inventories continue to be low due to selling from the strategic petroleum reserves of OECD countries. Second the European ban on Russian crude is set to come into force on today. Many are sceptical of the EU plan to cap the price paid for Russian oil (and Russia has stated it would not sell to countries adhering to the cap) so it is probably Russian oil production may fall. Third while OPEC+ did not cut production at its meeting over the weekend the group remains cautious and aims to keep the oil market in balance.

This week is busy with multiple rate announcements by various central banks on Wednesday. Brazil and Chile -- two of the earliest and most aggressive central banks to hike -- are expected to stay on

hold, while both Canada and Australia raise. Economists are split on whether Canada will slow again to 25 or raise another 50 bps.

- Monday: US factory orders, durable goods orders, ISM services index; Colombia, Turkey CPI; Kazakhstan rate decision.
- Tuesday: US trade; Japan household spending; Australia, Chile rate decision; South Africa GDP.
- Wednesday: US MBA mortgage applications; Brazil, Canada, India, Peru, Poland rate decisions; Euro zone, Australia GDP; Germany, Australia industrial output.
- Thursday: US initial jobless claims; Japan GDP, Balance of Payments; Mexico CPI; Saudi Arabia GDP.
- Friday: US PPI, wholesale inventories, University of Michigan consumer sentiment; China, Brazil, Russia, Greece CPI; China PPI, aggregate financing, money supply, new yuan loans.

| <b>UBS ETF - Top 5 Net Inflows</b>                                                          | <b>USD</b>  |
|---------------------------------------------------------------------------------------------|-------------|
| European Equities                                                                           | 158,043,451 |
| European Equities Sustainable                                                               | 111,015,688 |
| EM Bonds                                                                                    | 70,878,365  |
| Euro Corporate Bonds Sustainable                                                            | 34,177,348  |
| US Equities                                                                                 | 30,951,572  |
|                                                                                             |             |
| <b>UBS ETF - Top 5 Net Outflows</b>                                                         | <b>USD</b>  |
| EM Equities Sustainable                                                                     | -52,337,996 |
| European Equities SmartBeta (Value)                                                         | -50,998,115 |
| US Corporate Bonds                                                                          | -48,450,875 |
| Global Equities Sustainable (hedged)                                                        | -42,956,007 |
| Swiss Equities                                                                              | -39,892,876 |
|                                                                                             |             |
| <b>UBS ETF - Top 5 Primary Market Creations</b>                                             | <b>USD</b>  |
| UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (EUR) A-acc                                   | 156,068,965 |
| UBS (Lux) Fund Solutions – MSCI EMU Socially Responsible UCITS ETF (EUR) A-acc              | 82,605,360  |
| UBS (Lux) Fund Solutions – J.P. Morgan USD EM IG ESG Diversified Bond UCITS ETF (USD) A-acc | 64,901,100  |
| UBS (Irl) ETF plc – MSCI USA UCITS ETF (USD) A-acc                                          | 64,000,720  |
| UBS (Lux) Fund Solutions – MSCI Canada UCITS ETF (CAD) A-acc                                | 32,397,952  |
|                                                                                             |             |
| <b>UBS ETF - Top 5 Primary Market Redemptions</b>                                           | <b>USD</b>  |
| UBS (Lux) Fund Solutions – MSCI EMU Value UCITS ETF (EUR) A-acc                             | -50,998,115 |
| UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates UCITS ETF (USD) A-dis             | -49,164,390 |
| UBS (Lux) Fund Solutions – MSCI Emerging Markets Socially Responsible UCITS ETF (USD) A-dis | -42,926,760 |
| UBS (Irl) ETF plc – MSCI USA hedged to EUR UCITS ETF (EUR) A-acc                            | -27,141,730 |
| UBS (Lux) Fund Solutions – MSCI World Socially Responsible UCITS ETF (USD) A-acc            | -26,244,035 |

| <b>UBS ETF - Top 10 Secondary Market Trades</b>                                                                                        | <b>USD</b>  |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| UBS (Lux) Fund Solutions – MSCI EMU UCITS ETF (EUR) A-acc<br><i>NAV – Systematic Internaliser</i>                                      | 172,270,000 |
| UBS (Lux) Fund Solutions – MSCI EMU Socially Responsible UCITS ETF (EUR) A-acc<br><i>NAV – Systematic Internaliser</i>                 | 79,190,000  |
| UBS (Lux) Fund Solutions – MSCI Emerging Markets Socially Responsible UCITS<br>ETF (USD) A-dis<br><i>NAV – Systematic Internaliser</i> | -53,280,000 |
| UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates UCITS ETF (hedged to<br>EUR) A-acc<br><i>Risk – Tradeweb</i>                 | -48,830,000 |
| UBS (Lux) Fund Solutions – Bloomberg US Liquid Corporates UCITS ETF (hedged to<br>EUR) A-acc<br><i>Risk – Bloomberg RFQE</i>           | -38,580,000 |
| UBS (Lux) Fund Solutions – MSCI World Socially Responsible UCITS ETF (USD) A-<br>acc<br><i>Risk – Tradeweb</i>                         | -30,020,000 |
| UBS ETF (CH) – SMI® (CHF) A-dis<br><i>Risk – Systematic Internaliser</i>                                                               | -29,860,000 |
| UBS (Irl) ETF plc – MSCI USA hedged to EUR UCITS ETF (EUR) A-acc<br><i>Risk – Bloomberg RFQE</i>                                       | -27,750,000 |
| UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (USD) A-acc<br><i>Risk – Tradeweb</i>                                            | 26,600,000  |
| UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (USD) A-acc<br><i>Risk – Tradeweb</i>                                            | -24,470,000 |

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