



UBS ETF Capital Markets
Weekly Flow Update
(11th of September – 15th of September)

Market Commentary

MSCI World in USD ended the week up 0.44% with the index being driven upwards by Utilities (2.41%), Financials (2.35%) and Materials (1.84%) offset by weakness in Information Technology (-2.31%).

This week was dominated by US CPI on Wednesday, ECB rate decision on Thursday and Chinese economic data announced on Friday.

US inflation accelerated in August, with CPI rising by 0.6% mom – the fastest pace since June 2022 driven by a 10.6% mom jump in gasoline prices. That followed two straight months of headline inflation at 0.2%. Even the core rate of inflation, excluding food and energy, rose slightly mom to 0.3% from 0.2% in each of the prior two months, slightly above consensus forecasts. In yoy terms, headline inflation was 3.7%, increasing for the second month in a row, while core inflation slowed to 4.3% yoy, maintaining its downward trend.

More than two-thirds of the rise in the headline number was driven by shelter, which was up 7.3% yoy. Excluding shelter, the inflation rate was a subdued 1.9% yoy. Shelter prices were up 0.3% mom, the smallest increase since March 2021. Data on new rental agreements suggests that shelter inflation will continue to slow in the months ahead, helping to bring down the overall inflation rate. Two notable items on the upside were auto insurance, up 2.4% mom and 19.1% yoy, and airfares, which rebounded 4.9% mom after steep declines in previous months. On the downside, hotel stays were down 3.6% mom, and used cars fell 1.2% mom. Slowing inflation and the softening labour market should give the Fed no incentive to raise rates at the upcoming FOMC meeting on 20th September. However, given that inflation is still far above its 2% target, the November meeting could still be in play.

On Thursday, the ECB raised its deposit rate by 25bps to 4%. The ECB delivered the tenth, and what markets expect will be the last, consecutive rate hike at its September meeting. The ECB staff projections acknowledged a weaker outlook for economic growth, a widely expected shift given the recent run of weaker-than-expected data releases. However, forecasts for inflation were lifted for this year and next, so the decision to hike shows that concerns over rising prices trump those presented by the slowing economy. Due to the general dovish tone of the announcement and acknowledged risks to the downside in terms of economic growth, the EUR did not find any support despite the decision to hike to be 50/50 according to interest rate swaps.

To round off the week, China's August activity data mostly beat expectations. August retail sales bounced to a 3-month high of 4.6% yoy (consensus: 3%) from 2.5% in July led by services and durable goods. Catering remained resilient, albeit at a slightly slower pace of 12.4% yoy (vs. 15.8% in July), amid the summer travel rush. Auto sales growth turned positive to 1.1% yoy, from -1.5% yoy

in July, thanks to local government subsidies and auto dealers' price promotions. Housing-related items (i.e., construction materials and household appliances) remained in negative territory, except for furniture. August Industrial Production growth jumped to a 4-month high of 4.5% yoy (consensus: 3.9%) from 3.7% yoy in July, with recovering sequential momentum (0.5% mom vs. 0% in July). The acceleration was driven by autos, raw materials and the tech sector. On the negative side, Fixed-Asset Investment growth inched down further to a 32-month low of 3.2% yoy (consensus: 3.3%) in Jan–Aug from 3.4% yoy in Jan–Jul, with the property sector the main driver. More meaningful policy support since late August including two key property easing policies to lower down payments and existing mortgage rates have helped but more measures like structural reform on local government debt are needed to boost market confidence for the longer term.

Central banks and flash PMIs will dominate the news flow next week. The Fed, the BoE, the SNB, the BoJ, Norges Bank, and Sweden's Riksbank will have policy-setting meetings. While the Fed will be the clear focus next week, the calendar for emerging markets is also packed with central bank meetings in Brazil, South Africa, Taiwan, the Philippines, Indonesia, and Turkey. The tightening cycle should be largely over in emerging markets (Turkey being an exception) and the bias should shift toward interest rate cuts in the coming months.

- Monday: Canada housing starts, Singapore trade and US cross-border investment.
- Tuesday: Argentina GDP, Canada CPI, Colombia trade, Eurozone CPI, Hong Kong jobless rate, Israel unemployment, GDP, Malaysia trade, Mexico international reserves, Philippines balance of payments and US housing starts.
- Wednesday: Argentina unemployment, Brazil rate decision, China loan prime rates, Eurozone new car registrations, Japan trade, South Africa retail sales, CPI, Taiwan export orders, UK CPI and US rate decision.
- Thursday: Argentina trade, Eurozone consumer confidence, Hong Kong CPI, Indonesia rate decision, Israel industrial production, New Zealand GDP, Norway rate decision, Philippines rate decision, South Africa rate decision, Spain trade, Sweden rate decision, Switzerland rate decision, Taiwan rate decision, Turkey rate decision, UK rate decision and US leading index, initial jobless claims, existing home sales.
- Friday: Australia Judo Bank Australia Composite PMI, Manufacturing PMI, Services PMI, Canada retail sales, Eurozone S&P Global Eurozone Manufacturing PMI, S&P Global Eurozone Services PMI, France S&P Global France Manufacturing PMI, Germany S&P Global / BME Germany Manufacturing PMI, Japan BOJ rate decision, CPI, Jibun Bank Japan Composite PMI, Manufacturing PMI, Services PMI, Malaysia CPI, New Zealand trade, Spain GDP, Taiwan jobless rate, UK S&P Global / CIPS UK Manufacturing PMI and US S&P Global Manufacturing PMI.

UBS ETF - Top 5 Net Inflows	USD
Swiss Equities Sustainable	62,064,429
Commodity	15,487,231
Fixed Income Japan	10,608,647
Commodity (hedged)	9,980,898
Global Equities	7,580,645
UBS ETF - Top 5 Net Outflows	USD
Global Equities Sustainable	-27,272,133
Swiss Equities	-24,243,704
S&P Dividend Aristocrats ESG Elite	-11,918,140
Global Equities (hedged)	-7,482,221
European Equities SmartBeta (Value)	-7,062,176
UBS ETF - Top 5 Primary Market Creations	USD
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis	74,976,880
UBS ETF (CH) – MSCI Switzerland IMI Socially Responsible (CHF) A-acc	40,939,877
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis	26,271,420
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis	26,241,908
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc	16,370,013
UBS ETF - Top 5 Primary Market Redemptions	USD
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis	-89,407,691
UBS ETF (CH) – SPI® (CHF) A-dis	-63,548,600
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis	-29,854,776
UBS (Irl) ETF plc – Global Gender Equality UCITS ETF (USD) A-acc	-17,746,520
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis	-12,772,527

UBS ETF - Top 10 Secondary Market Trades	USD
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	-52,470,000
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc <i>Bloomberg RFQE – Risk</i>	29,190,000
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	-24,770,000
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	24,710,000
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	-18,110,000
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	18,000,000
UBS (Irl) ETF plc – Global Gender Equality UCITS ETF (USD) A-acc <i>Tradeweb – Risk</i>	-17,470,000
UBS (Lux) Fund Solutions – Bloomberg MSCI Euro Area Liquid Corporates Sustainable UCITS ETF (EUR) A-acc <i>Bloomberg RFQE – Risk</i>	14,570,000
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	-13,350,000
UBS (Irl) ETF plc – MSCI USA Value UCITS ETF (USD) A-dis <i>Tradeweb – Risk</i>	13,080,000

UBS ETF Capital Markets

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