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News Release

UBS Investor Sentiment

Swiss investors are increasingly upbeat on the Swiss economy and markets, new UBS survey finds

Zurich, 25 July 2019 – Swiss high net worth individuals and business owners are taking an increasingly positive stance on the Swiss economy and stock market as equities continue to recover from their plunge last year, according to UBS Global Wealth Management's new quarterly Investor Sentiment survey.

Forty-nine percent of Swiss investors expressed optimism on the Swiss economy, up from 41% in the previous quarter. Forty-four percent also expressed optimism on the Swiss stock market, up from 36% in the quarter prior. UBS Global Wealth Management's Chief Investment Office (CIO) maintains a neutral stance on Swiss stocks.

By comparison, investors globally expressed similar levels of optimism on their domestic economies and stock markets compared with the previous quarter. Fifty-nine percent were optimistic on the domestic economy in the most recent quarter compared with 60% in the previous quarter. Overall, 55% of investors globally were optimistic on their domestic markets, compared with 56% in the quarter prior.

Nevertheless, Swiss investors remained much more reluctant to put money to work in the market, with 18% planning to invest more versus a global average of 46%. CIO recommends investors continue to put money to work in a diversified portfolio, holding a positive overall stance on stocks for the rest of 2019.

The survey, which polled more than 3,800 wealthy investors and entrepreneurs in 17 countries, shows Swiss investors rank rising healthcare costs as their top concern, with 44% of respondents seeing it as a major worry.

The global trade war was the second most prevalent top concern, as cited by 41% of respondents – up 14 percentage points quarter over quarter – and rising interest rates were the third most prevalent, as cited by 40% of respondents – up 31 percentage points quarter over quarter.

Swiss business owners also cited rising healthcare costs as their top concern, on 41% of respondents, with regulations second on 36% and taxes third on 33%. Swiss business owners' optimism on their domestic economy remained higher than for investors, with 52% of respondents expressing a positive view, although this represented a slight decline of 2 percentage points quarter over quarter.

Anton Simonet, Head of UBS Wealth Management Switzerland & Global FIM, says: "Swiss investors are still optimistic about both the global and the Swiss economy. Nonetheless, their more reserved investment approach reflects today's turbulent times. As we see client requirements changing rapidly, we will continue to support our clients in making successful investments."

Globally, sentiment also improved in the most recent quarter. The proportion of investors optimistic about the global economy remained unchanged on 51%, while the proportion of investors planning to invest more increased 4 percentage points, from 42% to 46%.

After the US, the region with the fastest-growing willingness to invest was the European Union, after the European Central Bank signaled it would consider fresh stimulus in response to the European economic slowdown. Some 47% of European respondents outside Switzerland said they planned to invest more, up 8 percentage points quarter over quarter.

About the survey

UBS surveyed 3,899 investors and business owners with at least \$1M in investable assets (for investors) or at least \$250k in annual revenue and at least one employee other than themselves (for business owners), from June 3 - July 6, 2019. The global sample was split across Brazil, China, Germany, Hong Kong, Indonesia, Italy, Japan, Malaysia, Mexico, Philippines, Singapore, Switzerland, Taiwan, Thailand, the UAE, the UK, and the US.

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