



UBS ETF Capital Markets
Weekly Flow Update
(19th of August – 23rd of August)

Market Commentary

The MSCI World ended up 1.84% driven by Financials (2.04%), Information Technology (1.22%) and Consumer Discretionary (2.52%).

As the 2Q earnings season draws to a close, the reporting season saw EPS growth improving sequentially in both Europe and US to 3% and 10%, respectively, well above consensus estimates. Earnings beats improved in US but were a touch lower than the prior quarter in Europe. There was unfortunately a slightly more cautious tone around full-year outlook from firms. Cyclical were the laggards, pulling 2Q beats and FY24 EPS momentum lower, while a strong showing from Financials with consequent upgrades has helped offset some of the negative revisions.

In both Europe and the US, Financials delivered the most beats across the sectors whilst Energy lagged the market. Earnings growth was positive in the two regions together for the first time since 3Q 2022, helped by easier comps. Sales beats increased notably in Europe to above-average levels while US sales beats dropped to below-average levels. In contrast, as previously mentioned, earnings were the other way around indicating margin contraction in Europe.

Firms have turned slightly more cautious on the economic outlook after seeing improvement over the last couple of quarters. The more cautious view on the outlook has translated to fewer firms upgrading guidance than usual for SXXP. In fact, the net proportion of firms upgrading guidance has been the lowest since 2020. Yet companies have confidence in maintaining margins due to the possession of pricing power and implementing cost efficiency programs. Incrementally more firms are seeing disinflationary trends in input costs than those seeing inflationary trends. Companies continue to invest in capacity expansion and digital transformation drives to harness AI capabilities for client offerings and operational efficiency.

The FOMC minutes, released on Wednesday revealed that most Fed officials were strongly inclined toward a rate cut at their September meeting, with several even open to an immediate reduction in July. Although the Fed decided to keep rates unchanged in July, maintaining the federal funds rate at 5.25%-5.5%, the minutes highlighted that a rate cut in September is likely if economic data continues to meet expectations. Officials expressed growing concerns over a slowing labour market, confirmed by a significant downward revision of 818,000 jobs in the employment data for April 2023 to March 2024. This, coupled with increased confidence among “almost all participants” that inflation is nearing the Fed’s 2% target, has shifted the central bank’s focus more toward the employment side of its dual mandate.

The Eurozone Composite PMI rose to 51.2 in August from 50.2 in July, above consensus forecasts for 50.1. The service sector outcome was the most encouraging, with the index up from 51.9 to 53.3 (cons 51.7) (though France’s Olympic effect would have helped). The manufacturing index edged

down, from 45.8 to 45.6 (cons 45.8). The latter might have been worse, given the decline seen in France and Germany. Although the composite PMI rose, economic indicators, such as GDP and unemployment data, suggest that the Eurozone economy is slowing. Slow growth and continued disinflation in the services sector should allow the ECB to cut rates again this year. Markets expect another 50bps of rate cuts from the ECB in the rest of the year following the first cut in June.

Finally, BoJ Governor Ueda said on Friday that he remained resolved to raise interest rates if inflation stayed above the 2% target but warned that financial markets remained unstable. This echoes BoJ Deputy Governor Uchida's comment on the 7th of August that the BoJ will not hike rates when markets are unstable. July's inflation data point though sends a mix message as core inflation (ex-fresh food) accelerated from 2.6% y/y to 2.7%, but core-core inflation (ex-fresh food and fuel) slowed from 2.2% y/y to 1.9%. The latter is a key gauge of broader inflation trends for the BoJ, as it indicates demand-pull inflation.

Next week we have Nvidia earnings on Wednesday, US Conf. Board consumer confidence for August on Tuesday, US 2Q GDP annualised q/q on Thursday and US Personal income for July and University of Michigan Sentiment for August on Friday. In addition, there is ECB M3 money supply y/y for July on Wednesday and EU Consumer confidence for August & EU CPI for August on Friday.

- Monday: China medium-term lending facility operations; Germany IFO business climate; Nigeria GDP; Singapore industrial production and US durable goods.
- Tuesday: China industrial profits; Germany GDP; Hong Kong trade; Mexico international reserves, trade and US Conference Board consumer confidence.
- Wednesday: Australia CPI; Israel rate decision; Russia unemployment, industrial production and Sri Lanka trade.
- Thursday: Chile unemployment; Eurozone consumer confidence, new car registrations; Germany CPI; Spain CPI; Sweden GDP and US GDP, initial jobless claims, merchandise trade.
- Friday: Australia retail sales; Brazil unemployment; Canada GDP; Chile industrial production; Colombia unemployment; Czech Republic GDP; Eurozone CPI, unemployment; Finland GDP; France CPI, GDP; Germany unemployment; Hong Kong retail sales; India GDP; Italy unemployment, CPI; Japan unemployment, Tokyo CPI, industrial production, retail sales; New Zealand building permits; Poland CPI; South Africa trade balance; South Korea industrial production; Sri Lanka CPI and US personal income, spending, PCE price data; University of Michigan consumer sentiment.

UBS ETF - Top 5 Net Inflows	USD
Global Equities Sustainable (hedged)	35,849,878
Euro Treasury Bonds	27,450,879
Global Equities	16,512,053
Swiss Real Estate	15,345,074
EM Bonds	13,494,931
UBS ETF - Top 5 Net Outflows	USD
UK Equities (hedged)	-121,074,917
Asian Equities Sustainable	-24,381,632
US Equities SmartBeta	-17,057,014
US Equities	-10,355,851
Commodity	-8,637,717
UBS ETF - Top 5 Primary Market Creations	USD
UBS ETF (CH) – SMI® (CHF) A-dis	36,597,461
UBS (Irl) ETF plc – Global Gender Equality UCITS ETF (hedged to CHF) A-acc	33,720,845
UBS (Irl) ETF plc – MSCI ACWI ESG Universal Low Carbon Select UCITS ETF (USD) A-dis	31,925,340
UBS (Lux) Fund Solutions – Bloomberg EUR Treasury 1-10 UCITS ETF (EUR) A-dis	21,204,524
UBS (Irl) ETF plc – MSCI ACWI ESG Universal Low Carbon Select UCITS ETF (USD) A-dis	14,586,578
UBS ETF - Top 5 Primary Market Redemptions	USD
UBS (Lux) Fund Solutions – MSCI United Kingdom UCITS ETF (hedged to EUR) A-acc	-121,074,917
UBS ETF (CH) – SPI® (CHF) A-dis	-27,451,986
UBS (Lux) Fund Solutions – MSCI Pacific Socially Responsible UCITS ETF (USD) A-dis	-23,519,850
UBS (Irl) ETF plc – MSCI World Socially Responsible UCITS ETF (USD) A-acc	-21,654,100
UBS (Lux) Fund Solutions – MSCI World Socially Responsible UCITS ETF (USD) A-acc	-19,304,700

UBS ETF - Top 10 Secondary Market Trades	USD
UBS (Lux) Fund Solutions – MSCI Japan UCITS ETF (hedged to GBP) A-dis <i>Risk – Bloomberg RFQE</i>	-50,070,000
UBS ETF (CH) – SMI® (CHF) A-dis <i>Risk – Systematic Internaliser</i>	34,930,000
UBS (Irl) ETF plc – Global Gender Equality UCITS ETF (hedged to CHF) A-acc <i>NAV – Systematic Internaliser</i>	33,890,000
UBS ETF (CH) – SPI® (CHF) A-dis <i>NAV – Systematic Internaliser</i>	-30,290,000
UBS (Irl) ETF plc – MSCI World Socially Responsible UCITS ETF (USD) A-acc <i>NAV – Systematic Internaliser</i>	-26,470,000
UBS (Lux) Fund Solutions – MSCI Pacific Socially Responsible UCITS ETF (USD) A-dis <i>NAV – Systematic Internaliser</i>	-23,570,000
UBS (Irl) ETF plc – Solactive Global Pure Gold Miners UCITS ETF (USD) A-dis <i>Risk – Bloomberg RFQE</i>	-20,790,000
UBS (Lux) Fund Solutions – MSCI United Kingdom UCITS ETF (GBP) A-acc <i>NAV – Bloomberg RFQE</i>	-18,550,000
UBS (Irl) Fund Solutions plc – CMCI Composite SF UCITS ETF (USD) A-acc <i>NAV – Systematic Internaliser</i>	17,110,000
UBS (Irl) ETF plc – MSCI USA Socially Responsible UCITS ETF (hedged to GBP) A-dis <i>Risk – Bloomberg RFQE</i>	-13,070,000

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 2024. 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., 39, Rue du Colisée, 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 2024. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.