

UBS Investor Sentiment

Balancing act

US investors weigh recession and election concerns with improving stock market outlook



Key findings

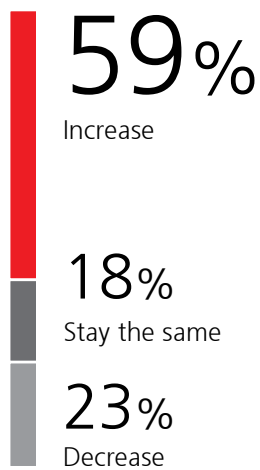
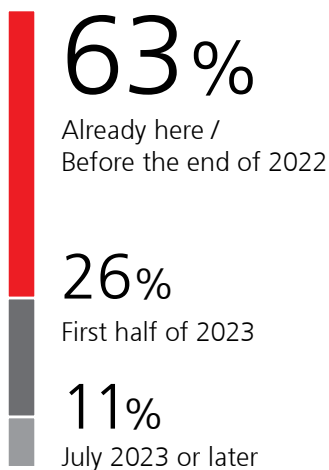
Recession at hand | Most investors expect a recession before year end

Election priorities | Economy is top of mind

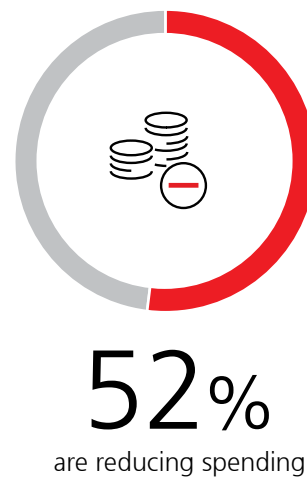
Not hiring | Business owners cut back on hiring

Recession

Investors expect a recession soon ... and higher inflation in 2023



Half have already cut spending



Election

The economy is top of mind for upcoming mid-term elections



83%
The economy

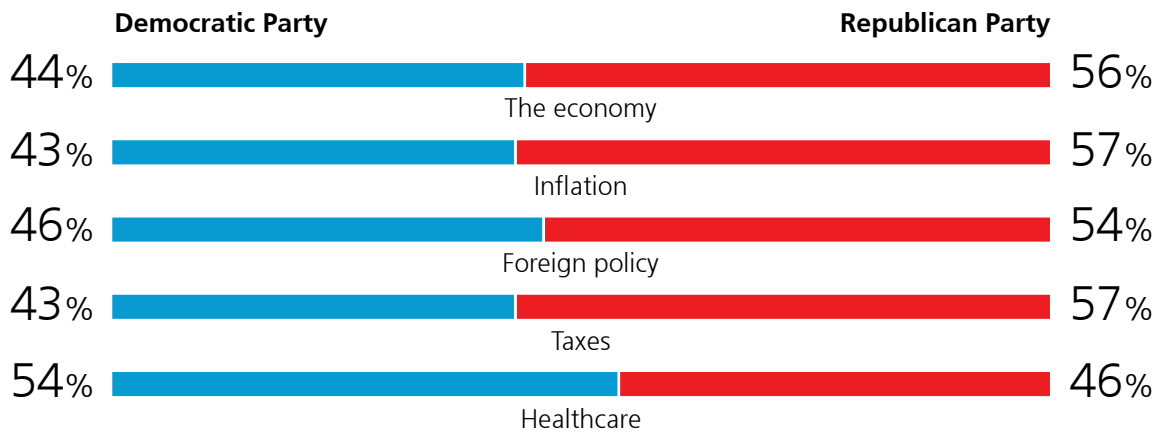
80%
Inflation

73%
Foreign policy

73%
Taxes

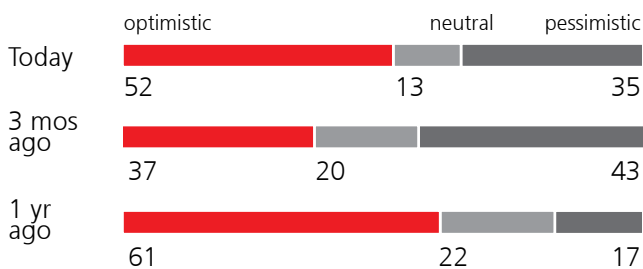
72%
Healthcare

Investors prefer Republicans on most top issues



Market outlook

Short-term stock market outlook begins to recover, though pessimism remains (in %)



Some investors see reasons for market optimism



49% Continuing strong demand for goods and services

42% Employment remains high

42% Return to normal after COVID-19

Politics and inflation are top investor concerns



64%
Politics

63%
Inflation

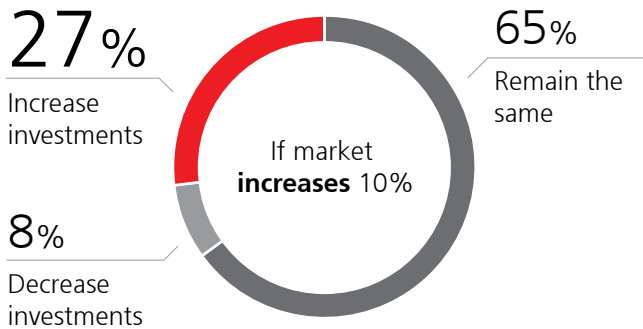
56%
Risk of recession

56%
National debt

54%
Geopolitical risk
(e.g., Russia/Ukraine)

Mixed reactions to current environment

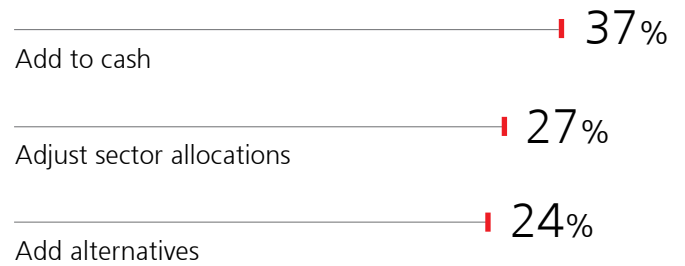
Many investors poised to act on market moves in the next few months



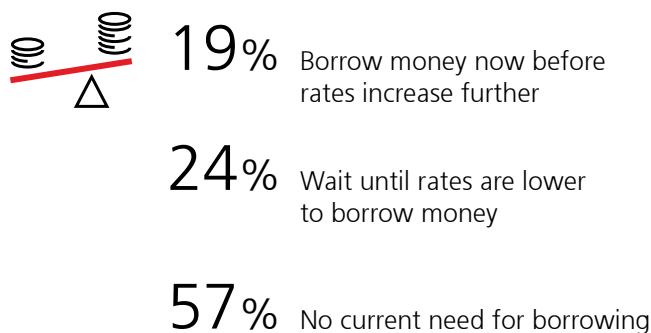
Investors think interest rates will go up further in 2023 ...



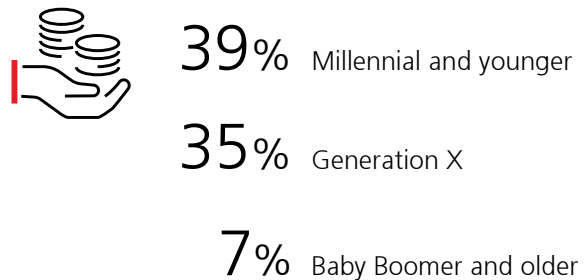
... and some plan to take action if interest rates increase in the next few months



Investors have mixed plans for borrowing

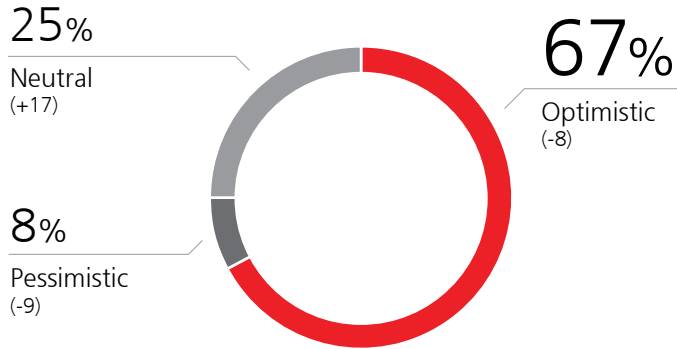


Younger investors are more likely to borrow sooner (% who would borrow now)



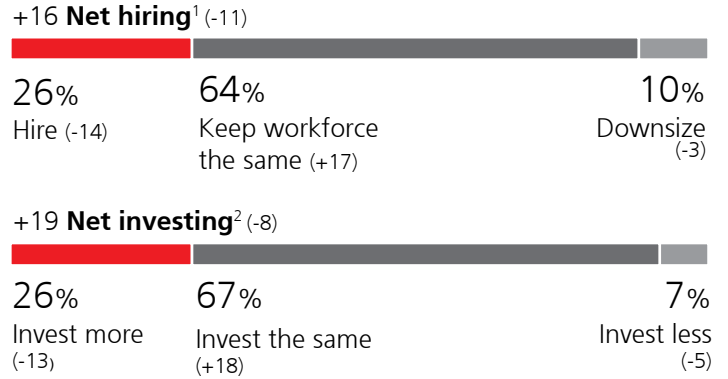
Business owners

Amid recession fears, business owners' optimism drops for their business in the next 12 months ...*



*Changes since August 2022.

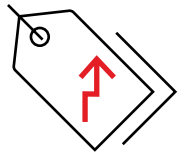
... and they are cutting back on hiring and business investment plans*



1 Hire minus downsize

2 Invest more minus invest less

Recession, rising costs are top concerns



64%
Recession

63%
Rising interest rates

63%
Rising healthcare costs

63%
Business tax increases

60%
Wage inflation

How business owners are addressing higher costs



44% Increasing prices

39% Buying from lower cost providers

Are you ready for what comes next? **Talk to a UBS Advisor.**

About the survey: UBS surveyed 900 investors and 500 business owners in the US with at least \$1M in investable assets (for investors) or at least \$1M in annual revenue and at least one employee other than themselves (for business owners), from October 4 – 17, 2022. For the August results, UBS surveyed 899 investors and 498 business owners in the US, from July 5 – 19, 2022. For the previous year results, UBS surveyed 900 investors and 500 business owners in the US, from September 28 – October 18, 2021.

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