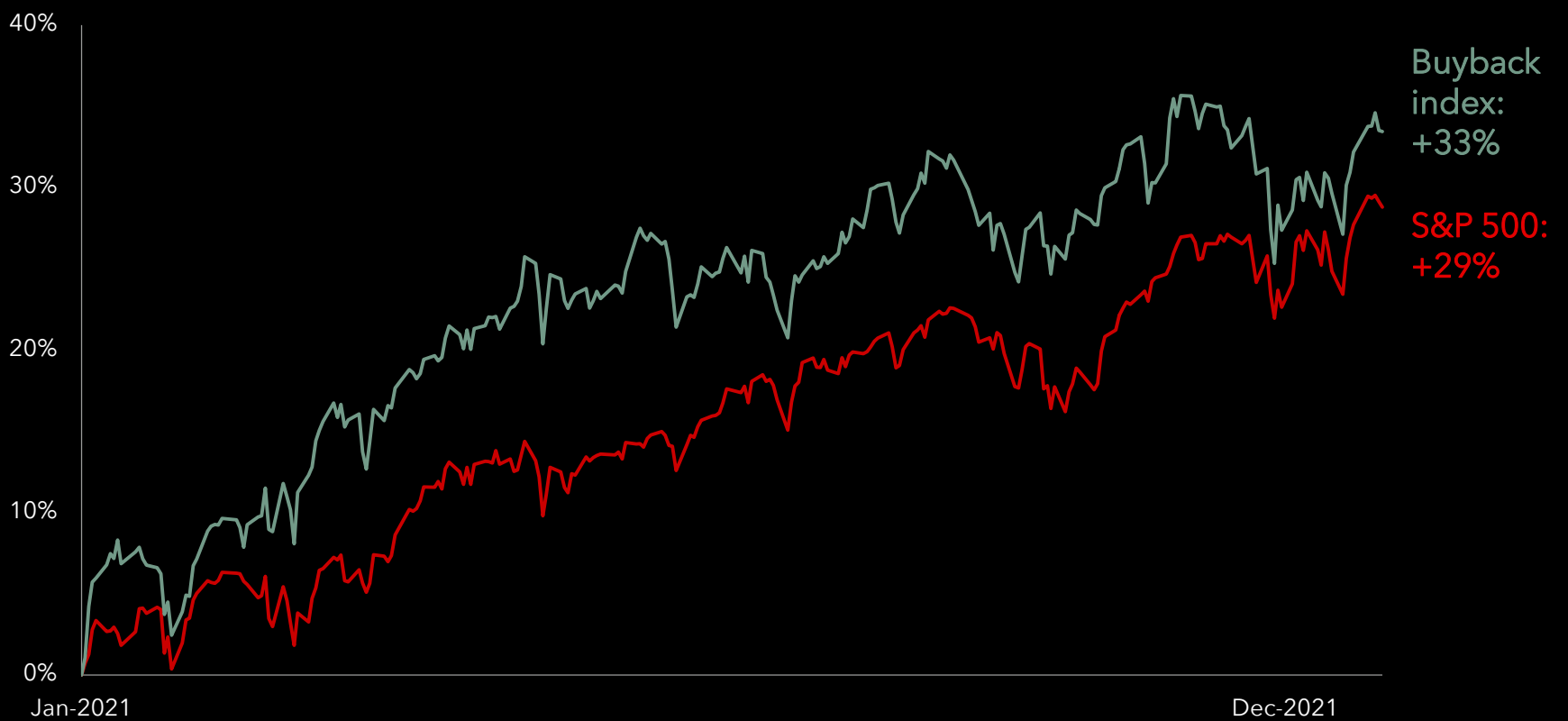


Chart of the Day

S&P 500 companies repurchased a record \$235 bn of stock in Q3, a 20% Q/Q increase. Activity remained highly concentrated with the top 20 purchasers accounting for over 50% of volume (vs. 45% avg. pre-COVID). Tech and financial sectors recorded the largest share of buybacks at 28% and 26%, respectively. We expect the rapid pace of buybacks to continue in 2022 given high cash flow and CEO confidence readings. Small market corrections may also create opportunities for buying.

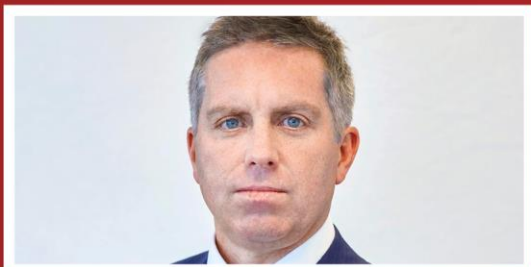
Regulatory headwinds loom on the horizon but we do not expect them to materially impact buyback volumes. In mid-December, the SEC proposed greater disclosure requirements on buybacks, including rationale and criteria. In February, Congress will consider a 1% excise tax on stock buybacks as part of a possible \$300-700bn soft infrastructure package.

US companies that repurchased shares outperformed the S&P 500 index in 2021



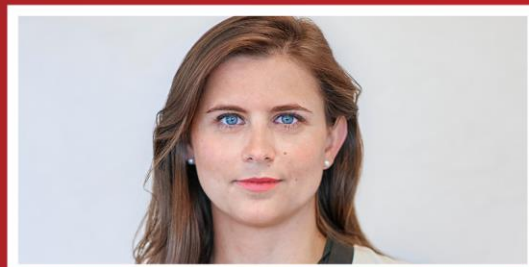
Source: (1) Cannon Advisors. Koyfin. Bloomberg. Data through year-end 2021. Buyback index is Invesco Buyback achievers ETF.

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