

ASSET ALLOCATION

IPE QUEST EXPECTATIONS INDICATOR

▲ **Rise** ↑ Positive shift (from last month)

■ **Stable** – No view

▼ **Fall** ↓ Negative shift (from last month)

IPE polled 64 asset managers this month on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. A summary of the survey appears on page 96.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	Neth	▲↑	▲↑	▲↑	▲↑	▲↑	■	■	■	■	▼	▼	▲↑
Aegon Asset Management	Neth	■	■	■	■	■	■	■	■	■	▼	■	■
A.G. Bisset Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
AllianceBernstein	US/UK	▲↑	▼↓	■↓	▼↓	▲	▲↑	▲↑	■↓	■↓	■↓	■↓	■↓
Allianz Global Investors	Ger/UK	■	▲	■↓	▲↑	■	■	■	■	■	▼	■	■↓
Amundi	Fra	▼	▲↑	■	■	▼	▼	▼	▼	▼	▼	▼	▼
Apo Asset Management	Ger	▲	▲	▲	▲	■↓	▲↑	■	▲↑	■	■	■	■
Bankhaus Lampe	Ger	–	–	–	–	–	▼	■	▲↑	■	■	■↓	▲
Bank Julius Baer & Co.	Swi	■↓	▲	▼↓	▲	▲	▼	■	▼	▼	▼	▲↑	▲↑
Bank J. Safra Sarasin	Swi	▲	▲↑	▲	▲	■↓	▼↓	■	▼	▼	■↑	■↑	▲↑
Banque Profil de Gestion	Swi	▼↓	▼↓	▼↓	▼↓	▼↓	▲↑	■	▲↑	■	▼	▼	■↑
Bantleon Bank	Swi	▲	▲	▲	▲	–	▼↓	–	–	▼↓	▼↓	–	–
BayernInvest	Ger	■↓	▲	▲	▲	▲↑	▼	■	■	▼	▼↓	■	■
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	■	▼↓
BNP Paribas Asset Management	Fra	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▲
BNY Mellon Inv. Mngt. EMEA	UK	▲	▼	■	▼	■	■↑	■	■	▼	■	■	■
CBL Asset Management	Lat	▼	▼	–	–	–	▲↑	–	–	■	▲↑	–	–
Columbia Threadneedle Inv.	US	▲↑	■	■↓	▲	▼↓	■	■↑	■	■	▲	▲	▼
Crédit Mutuel Asset Mngt.	Fra	■	■	■	■	–	■	■	–	■	▼	■	■
DWS Investment	Ger	■	■	▲↑	■↓	▲	■	■	▼	■	▲	■	▲↑
Eagle Asset Management	US	▲	■	■	■	■	▲↑	■	▼↓	▲↑	▼↓	■	■
Econopolis Wealth Management	Bel	▼	▼	▼	▼	▼	■	■	■	■	▼	▼	▼
Edmond de Rothschild AM	Fra	▼↓	■	■	▲	■	▲	■	■	■	▼	▼	▼
Erste Asset Management	At	▲	▲	▲	▲	▲	▼	■	▼	■	▼	▼	▼
Eurizon Capital	It	▲	▲	▲	▲	▲	■	■	■	▼	▲	▼	■
Fonditel	Spa	■	■	■	■	■	▼↓	▼↓	▼↓	▼	■↑	▼↓	▲↑
Franklin Templeton Multi-Asset	UK	▲	▼	▼	▼	▲	■	▲	■	▲	■	■	■
Generali Investments Europe	Ger/It	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	■↓	■↓	■↓	■↓	▲↑	▲↑	▲↑
Graphene Investments	Fra	■	■↑	■	▲↑	■↑	–	–	–	–	■	■	▲
Groupama Asset Management	Fra	■	■↓	■	–	–	■	–	–	■	■	■	–
IPM Informed Portfolio Mngt.	Swe	▼	▲	▼↓	▲	▲↑	▲	▼	■↑	▼	▼	▼	▼

		EQUITIES					BOND PRICES				CURRENCIES		
	Location	US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Irish Life Investment Managers	Ire	▲	▲	■↑	▲↑	■	▲↑	■	■	▲↑	▼	▼	▼
Janus Henderson Investors	UK	▲↑	▲↑	▲↑	▲↑	▲↑	■	■	■	■	▼↓	■↑	■
La Française AM	Fra	▲↑	▲	■	■↓	■	■	■	■	■	▼↓	■	■
LGT Capital Partners	Swi	▲	■	▲	▼	■	▼	▼	▼	▼	▲	▼	■
Lyxor Asset Management	Fra	■	▲	■	▲↑	■	■↑	■	■	■	■	■	▼↓
Mandarine Gestion	Fra	■	▲	■	■	■	■	■	■	■	▼	■	▲
MEAG		▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼↓	▼	■	▼
MFI Asset Management	Ger	▼↓	▼↓	▼↓	▼↓	▼↓	■↑	■↑	■↑	■↑	▼	▼	▼↓
Morgan Stanley Inv. Mngt.	UK/US	▲	■	■	■	■	▼	■	■	■	▼	▼	▼
Muzinich & Co.	UK	-	-	-	-	-	▲↑	■	■	■	▼↓	▼↓	▲
Ninety One	UK	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	▼
NN Investment Partners	Neth	▲	▲	▲	■	■	■	■	■	■	■	■	■
Northern Trust Asset Mngt.	US	▲↑	▼↓	▼↓	▲	▼↓	■↓	▲	■↓	■↓	■	■	▲
Nuveen	US	■↓	■↓	■↓	■↓	■↓	■↑	■↑	■↑	■↑	■↓	■	■↓
Oddo BHF Asset Management	Ger	■	▲	▲	▲	▲↑	■↑	■	■	■↑	▼	▼	■
OFI Asset Management	Fra	■	■	■	■	■	■	■	■	■	■	■	■
Ostrum Asset Management	Fra	▼	■↑	■↑	▲↑	▼	■	■	■	■	▲↑	■↑	■
Patrizia	Ger	■	■	■	■	■	▼	■	■	■	▼	▼	▼
Pictet Asset Management	Swi	■	▲	■	■	■	▲	■	■	■	■↓	■	■
PineBridge Investments	US	▲	▲	■	■	■	■	■	■	■	▼	▼↓	■
Putnam Investments	US/UK	▼↓	■↑	■↑	■↑	■↑	▼↓	▼↓	▼↓	▼↓	▲↑	■	■
Russell Investments	US	▲	▲	▲	▲	▲	▼	■	▼	▼	▼↓	▼	▼
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	▲	▼	■	▲	■	▼	■	■	■	▼	▼	▼
Stone Harbor Inv. Partners	US	▼	■	■	■	▼	■	■	■	■	▼	▼	■
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	■	■	▲	▲	■	■	■	■	▲	▼	■
Swiss Life Asset Managers	Swi	■	■	■	■	■	■↑	■	■↑	■↑	▼↓	▼↓	■↓
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	■↓	▼	■	■	▼	■	■	■
Unigestion	Swi	▲	▲	▲	▲	▲	■	■	■	■	▲	▲	▲
Union Bancaire Privée	Swi	▲	▲	▲↑	▲	▲	▼	■	▼	▼	▼	▼	■
Union Investment Institutional	Ger	▲	▲	▲	▲	▲	■	■	■	■	▼	■	▼
Wells Fargo Asset Management	US/UK	▲	▲	▲	■↓	▲	■	■	▲	▲	▼	▼	▲
% predicting rise (previous month)		52 (51)	48 (50)	38 (42)	52 (49)	38 (38)	17 (10)	5 (5)	8 (11)	6 (8)	15 (21)	8 (9)	21 (23)
% predicting stability (previous month)		29 (32)	34 (32)	48 (45)	33 (38)	45 (43)	48 (51)	80 (80)	63 (57)	62 (59)	27 (28)	47 (49)	48 (49)
% predicting fall (previous month)		19 (17)	18 (18)	14 (13)	15 (13)	17 (19)	35 (39)	15 (15)	29 (32)	32 (33)	58 (51)	45 (42)	31 (28)

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IPE QUEST EXPECTATIONS INDICATOR

Waiting for elections

US COVID-19 figures are receding, to the extent that Brazil has taken over as the world's worst managed country. A number of western European countries are experiencing a minor rebound, likely because of holiday travel. India has suffered a high death toll but this is partly a reflect of its huge population.

Traders and analysts are on holidays, so the market is now driven by political risk, rather than COVID-19. Political risk can be boiled down to the US Presidential elections. Uncertainty is diminishing and Biden is still ahead in the polls. The market is almost taking a Biden victory for granted. This would mean a more rational financial and budget policy, better managed international relations and trade and a generous economic aid package, which, coupled with trust in the Fed would mean a sharp recovery. Economists are predicting a long drawn out recession or worse. There is money to be made in that gap.

Asset allocation

Net equity sentiment is stable, everyone knows when the US elections are coming. In investment markets, the neutral vote has fallen to the level of

bonds or lower. Analysts are sure of themselves.

Tracking net bond sentiment is akin to watching grass grow. Everybody agrees on a level of -25% and stable uncertainty. So, where do analysts think the money is coming from?

Country allocation

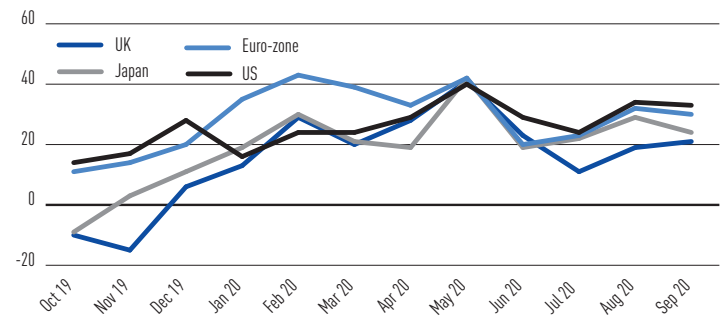
The gap between net sentiment on US equity and bonds is large and stable. Net US equity sentiment remains at about 30%, while net US bond sentiment is sitting pretty at -20%. Everybody agrees on the near future.

Net EU equity and bond sentiment is stable. UK net equity sentiment is still at a lower level, but stable, while UK net bond sentiment is synchronised with the EU and the US. The EU trade agreement seems a forgotten issue. This will change after the summer holidays.

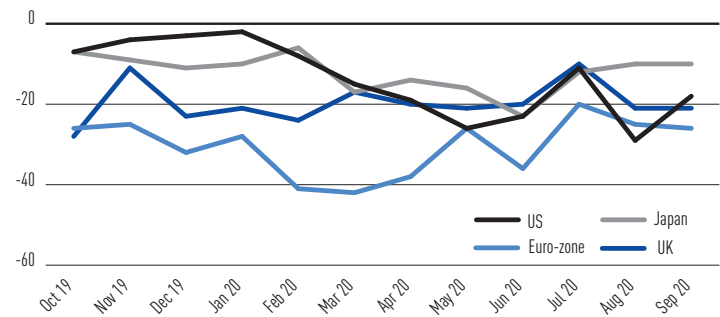
Japan's net equity sentiment is the same as the UK. Hong Kong remains an issue, but economically, it does not impact Japan as the EU trade agreement does the UK.

PETER KRANEVELD,
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Net sentiment equities



Net sentiment bonds



KEY FOR EXPECTATIONS GRAPHS

■ % of managers expecting rise

■ % of managers expecting stability

■ % of managers expecting fall

Each month, IPE polls asset managers on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. For more details see pages 94 and 95

