

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable - No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 84 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 104.

Location	EQUITIES					BOND PRICES				CURRENCIES		
	US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Aberdeen Standard Investments UK	■	▲	▲	▲	■	■	▲	■	▲	■	▼	■
ACTIAM Neth	■	■	■	■	■	▲↑	▲↑	▲↑	▲↑	■	■	■
AEGON Asset Management Neth	▲↑	▲↑	▲↑	▲↑	▲↑	▼↓	■	▼↓	▼↓	■	■	■
A.G. Bisset Associates US	▼↓	▼↓	▼↓	▼↓	▼↓	▲↑	▲↑	▲↑	▲↑	▼	▼	▼
AllianceBernstein UK	▼↓	■	▲	■	■↓	■↑	▼	■↑	■↑	▲	■	▲
Allianz Global Investors Ger/UK	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■↑
Amundi Fra	■	▲	▲	▲	■	▼	■	■	▼	▼↓	▼	▲
Apo Asset Management Ger	▲	▲	▲	▲	▲	▼	■↑	■↑	■↑	■	■	■
ASR Vermogensbeheer Neth	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Asset Management One Int. UK	▲	▲	■	▲	■	▼	■	▼	▼	■	▲	▲
AVANA Invest Ger	■	▲	▲	▲	■	■	■	▼	▼	■	▲	▲
AXA Investment Managers Fra	▲↑	▲	▲	▲	■	▼	▼	▼	▼	▼	▼	▲
Bankhaus Lampe Ger	-	-	-	-	-	▼	■	▼	▼	■	■	■
BankInvest Den	▼	▼	▼	▼	▼	▲	▲	▲	▲	▲	▲	▲
Bank Julius Baer & Co. Swi	▲↑	▲	▲	▲↑	▲↑	■	▲↑	■	▲↑	▼↓	▲	■
Bank J. Safra Sarasin Swi	■↓	■↓	■↓	▲	▼↓	▼	▼↓	▼	▼	▼↓	▼↓	■↓
BayernInvest Ger	▼↓	■↓	■↓	■↓	■	▼	■	▼↓	▼	▲	■	▲
Berenberg Quantitative AM Ger	▲	▲	■	▲	■	▼	▼	▼	▼	▼	■	■
BNP Paribas Asset Management Fra	▲↑	▲	▲	▲	▲↑	▼	▼	▼↓	▼	▼	▼	▼↓
BNY Mellon Asset Management UK	-	-	■	■	■	▼	▼	-	-	▲	■	■
CBL Asset Management Latvia	■	■	-	-	-	■	-	-	▼	▲	-	-
CM-CIC Asset Management Fra	■	▼↓	-	■	-	▲↑	▲↑	▲↑	▲↑	■	■	■
Columbia Threadneedle Inv. US	▼	▲	▲	▲	■	■	■	■	■	▼	■	■
CPR Asset Management Fra	▲↑	■	▲↑	▲↑	▼	■↑	■↑	■↑	■↑	▲	▼	▲↑
Credit Suisse Swi	■	▲	■↓	▲↑	■	■	■	▼	▼	▼↓	■	■↑
Degroof Petercam Asset Mngt. Bel	▼	▲	■	▼	■	▼	▼	▼	▼	■	■	■
DekaBank Ger	▲↑	▲↑	■	▲↑	■↑	▼	▼	▼	▼	■	■	■
Deutsche Asset Management Ger	■	▲	▲	▲↑	▲	▼↓	■	■	▼	▲	▲	▲
Dynagest Swi	-	-	-	-	-	▼	■	▼	▼	▲↑	▲↑	▲↑
Eagle Asset Management US	▲	▲	■↓	■↓	■↓	▼↓	▼	▼	▼↓	▲	▲	▲
Econopolis Bel	■	▲	▲	▲	▲	▼	▼↓	▼	▼	▲	▲	■
Edmond de Rothschild AM Fra	▼	▲	▲	▼	▼↓	■↑	■	■	▼	▲	■	■
Erste Asset Management At	■	■	▲	▲	■	▼	▼	▼	▼	■	▼	▲
Eurizon Capital It	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	▲	■
Federated Investors US	■	▲	▼	▲	▼	■	▲	■	■	▲	■	▲
Fideuram Investimenti It	■	▲	▲	▲	■	▼	■	▼	▼	■	▲	■
Fiera Capital Can	■	■	■	■	■	▼	▼	▼	▼	▼	▼	▼
Fonditel Spa	▲↑	▲	▲	▲	■	▼	■	■	▼	▼↓	■	■
Generali Investments Europe Ger/It	▲↑	▲↑	▲	▲	▲↑	▼	▼	▼	▼	▼↓	■	▼↓
GNB Gestao Activos Por	▲	▲	▲	▲	▲	■	■	■	■	▲	▲	■
Groupama Asset Management Fra	▲	▲	▲↑	▲	▲	■	■	■	▼↓	▲	▲	▲
Holberg Fondene Nor	▲↑	▲↑	▲↑	▲	■	▼	■	▼↓	▼↓	▲	■	▲↑
Invesco Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Investec Asset Management UK	▲	▲	▲	▲	▲	■	▼↓	▼↓	▼↓	▼	▼	▼

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
IPM Informed Portfolio Mngt.	Swe	▼	▲	▲↑	▼	▼↓	▼↓	▼	▼	▼	▲	▲↑	▲
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■↓	▼	■	■	▼	▲↑	▲↑	▲
Janus Henderson Investors	UK	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	■	■
La Française AM	Fra	▲	▲	▲	▲	■	■	■	■	▼	▼	▼	■
LGT Capital Partners	Swi	▲↑	▲	▲	▲	▲	▼	▼	▼	▼	■	▲	▲↑
Lyxor Asset Management	Fra	■	▲	▲	■	▼	▼	■	■	▼	■	■	■
Mandarine Gestion	Fra	■	▲	▲	■	■	▼	▼	■	▼	■	■	▲
Mapfre AM	Spa	▲	▲	▲	▲	■	■	■	▼	▼	▼	▼	▼
MEAG	Ger	▲	▲	▲	▲	▲	■	■	■	■	▼	▼	■
Metzler Investment	Ger	▲	▲	▲	■	▲	▼	■	▼	▼	■	■	■↓
MFI Asset Management	Ger	■	■↓	■	▲	■	■↑	■↑	■↑	■↑	▲↑	▲↑	▲↑
Mitsubishi UFJ Asset Mngt. (UK)	UK	■	■	■↓	▲	■↓	▼	▼↓	▼	▼	▼	■	■↓
Morgan Stanley Inv. Mngt.	UK/US	▼	■	▲	■	■	▲↑	■	▼	▼	▼	■	▲
Muzinich & Co.	UK	■↓	■↓	■↓	■↓	■↓	▼	▼↓	▼	▼	▲↑	▲↑	■↑
Natixis Asset Management	Fra	■	■↓	■↓	■↓	▼↓	▼	■↑	▼	▼	▲	▼	▲
NN Investment Partners	Neth	■	▲	▲	▲	■	▼	▼	▼	▼	■	▲	■
Northern Trust Asset Management US		▲	▲	▲	▲	▲	■	■	▲↑	▲↑	▲↑	■	▲↑
Nuveen TIAA Investments	US	▲	▲	■↓	▲	▲↑	■↑	■	▼	▼↓	■↓	■↓	■↓
Oddo BHF Asset Management	Ger	▲↑	▲	▲	■↓	▼	▼	■	■	▼	▼	▼	▲
OFI Asset Management	Fra	■	▲	▲↑	▲	■	■↑	■	■↑	■↑	■	■	■
Optiminvest	Swi	-	-	-	-	-	-	-	-	-	■	■	▲
PATRIZIA	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■
PGIM Fixed Income	UK	▲	▲	▲	▲	▲	▲	■↓	■↓	▲	▼	■	▼
Pictet Asset Management	Swi	▼	▲	▲	■	■	▲	▼	■	▼	■	■	■
PineBridge Investments	US	▲	▲	▲	■	■	▼	■	▼	▼↓	▼	▲	▲
Principal Global Investors	US	■↑	■↑	■↑	■↑	■↑	▼	▼	▼	▼	■↑	▼	■
Robeco	Neth	▲↑	▲↑	-	▲↑	■	▼	▼	▼	▼	■↑	■	■
Russell Investments	US	▲↑	▲↑	▲↑	▼	■	▼	■	■	■	■	■	■
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▼	■	▲	■	■	▼	■
SEB Investment Management	Den	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲
Stone Harbor Investment Partners US		▼	▼	▼	▼	▼	■↓	■	■	■	▲↑	▲↑	■
Sycamore Asset Management	Fra	■	▲	▲	▲	■	■	■	▼	■	▲	▲	■
Syz Asset Management	Swi	■	▲	▲	■	■↓	■	▼	■	▼	▼	▼	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼	▼	■	▼	▲	▲	-
UBS Asset Management	Swi/UK	▲↑	▲	▲	▲	▲	▲	■	■	■	▼	■	■
Union Bancaire Privée	Swi	■↓	▲	▲	▲	■	▼↓	■	▼↓	▼	▲↑	▲↑	■↓
Union Investment	Ger	■	▲	▲	■	■	▼	▼	■	▼	▼↓	■	■
VidaCaixa	Spa	■	▲	-	■	■	▲	■	■	▲	■	▼	▲
Wells Capital Management	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲↑	▲↑	■
Zürcher Kantonalbank	Swi	▲	■↓	▲	▲	■↓	▲↑	■	▲↑	■	■↓	■	▲
% predicting rise (previous month)		51 [37]	76 [76]	73 [74]	66 [63]	34 [36]	12 [8]	8 [7]	9 [6]	13 [8]	33 [26]	33 [29]	34 [33]
% predicting stability (previous month)		35 [46]	19 [20]	22 [19]	25 [26]	52 [50]	28 [29]	54 [54]	37 [41]	15 [20]	39 [48]	45 [47]	57 [57]
% predicting fall (previous month)		14 [17]	5 [4]	5 [7]	9 [11]	14 [14]	60 [63]	38 [39]	54 [53]	72 [72]	28 [26]	22 [24]	9 [10]

Overview

Well, that didn't last long. The influx of pessimism in the prior survey, at least in two or three key areas, has not carried over into the most recent survey period, but has in fact reversed meaningfully. For the remaining segments, much stayed the same, which is to say that pessimism did not continue to increase. Does this mean all is well? Perhaps, as managers also appear to be thinking, we shall have to wait and see.

Bonds

A deterioration in bond sentiment continues to be the majority expectation, with yen bonds being the only outlier. While this theme has become the norm, the expectation for euro bond prices to rise (yields to fall), rose to the highest level in 14 months. Positive sentiment on dollar bonds also jumped up to its highest level in 11 months. While these increases outpaced the increase in positive sentiment towards yen and sterling bond, they, too, saw an increase in optimism.

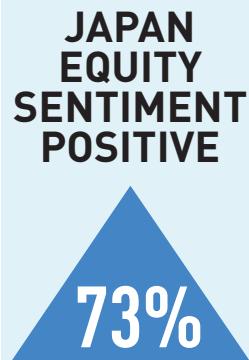
Equities

Last month, sentiment that US equities would decline increased sharply. Managers reacted to the US equity-market drawdown with optimism. At 51%, the proportion predicting a fall was the first clear majority in a year, and the increase from the prior survey was the largest month-on-month upward shift in 14 months. Other equity sentiments stayed in line, with the UK being the only market where a rise is not the majority sentiment.

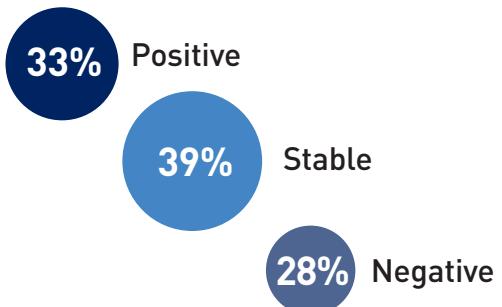
Currencies

Dollar strength remains the minority opinion and the expectation for a dollar rise increased against the other currencies in the survey. The magnitude of this positive swing was not noticeably large, and mostly came from the dollar/euro pair. There, rising dollar strength was a shift of sentiment primarily away from stability, and not from the camp expecting a fall. Surprisingly, that camp grew, too.

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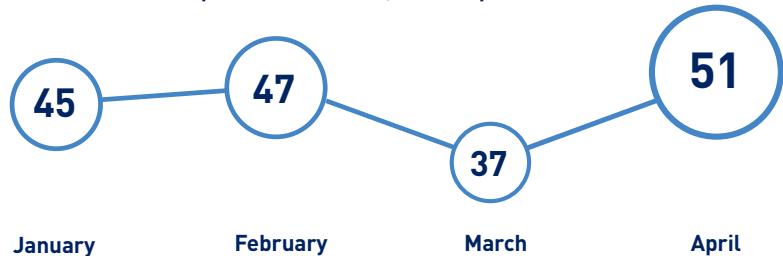


Divided sentiment on dollar/euro



US equity sentiment bounces back

(positive sentiment, % of respondents)



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 101 and 103.

