

ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR
▲ Rise Positive shift (from last month)

■ Stable No view

▼ Fall Negative shift (from last month)

IPE polled 61 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 72.

		EQUITIES					BOND PRICES				CURRENCIES		
Location		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	Neth	■	■	■	■	■	■	■	■	■	▲	▲	▲
AllianceBernstein	US/UK	▲	▲	■▼	■	■	▼↓	▼	▼↓	▼↓	■	■↑	▼↓
Allianz Global Investors	Ger/UK	■	■▼	▲	■	▲	▼	■	▼	▼	■↑	■	■↑
Amundi Asset Management	Fra	■	▲	▲	▲	■	▼	■	▼	▼	▲	▲	▲
Apo Asset Management	Ger	▲	▲	■▼	▲	▲↑	■↑	■	■↑	■↑	▼↓	■	▼↓
Bankhaus Lampe	Ger	-	■	-	-	-	▼	■	■	▲	▼	▲	▲
Bank J. Safra Sarasin	Swi	▲	▲	■▼	▲	▲	▼	■	▼	▼	▼↓	■↑	▼
Banque Profil de Gestion	Swi	▲↑	▲↑	▲↑	▲	▲↑	▼↓	■	▼↓	▼↓	■	▲↑	■
Bantleon Bank	Swi	▲	▲	▲	▲	-	▼	-	-	-	■	-	-
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	■	■
BNY Mellon Inv. Mngt. EMEA	UK	■	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
CIBC Asset Management	Can	▲	▲	▲	▲	▲	▼	■	▼	▼	▼↓	▼↓	▼↓
Columbia Threadneedle Inv.	US	■	■	■	■	■	■	■	■	■	■	■	■
Crédit Mutuel Asset Mngt.	Fra	▲	▲	■	■	-	■	■	■	■	▲	■	■
Currency Research Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
DWS Investment	Ger	■▼	■	▲	▲	■▼	▲	■	▲	▲↑	▲	▼	▲
Econopolis Wealth Management	Bel	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	▼
Edmond de Rothschild AM	Fra	▼↓	▲	■▼	▲	▲	▼	▼↓	▼	▼	▼	▼	▼
Erste Asset Management	At	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	■
Eurizon Capital	It	■▼	■▼	■▼	■▼	■▼	■↑	■↑	■↑	▼	■	■	■
Fideuram Intesa Sanpaolo	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	▼	▲	▼	▲	▲	▼	▼	■	▼	▼	▼	▼
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■	▼↓	▼↓	▼↓	▼	▼	▼	▼
Janus Henderson Investors	UK	■▼	▲	▲	▲	▲	▼	▼↓	▼	▼↓	■	■	■

		EQUITIES					BOND PRICES				CURRENCIES		
Location		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
La Française AM	Fra	■↓	▲↑	■	■↓	■	▲	■	■↓	■	▼	▼	▼
LGT Capital Partners	Swi	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲↑	■	■
Lyxor Asset Management	France	▲	▲	▲	■	▲	▼	■	■	▼	■	■	■
Mandarine Gestion	Fra	■	▲	■	▲	▲	▼	■	▼	▼	■	■	■
Manulife Investment Mngt.	US	▲	▲	▲	▲	▲	■	-	■	■	▼	■↑	▼
MEAG		■↓	■↓	■↓	■↓	■↓	■↑	■↑	■↑	■↑	■↓	■↓	■↓
Medical Strategy	Ger	▲	▲	▲	▲	▲	■	■	■	■	■	■	■
MFI Asset Management	Ger	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼↓	▼↓	▼↓
Morgan Stanley Inv. Mngt.	UK/US	■	▲	▲	▲	▲	▼	■	■	■	▼	▼	▼
Muzinich & Co.	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	▲	▲	▲	▲	▲	▼	■	■	■	▲	■	▲
PGIM Fixed Income	US	▲	▲	▲	▲	▲	▲	▲	▲	▲	▼	▼	▼
Pictet Asset Management	Swi	▼	■	▲	■	■	▲	■	■	■	■	■	▲
PineBridge Investments	US	▲	▲	▲↑	■↓	▲	▲↑	■	■	■	▼	■	■
Putnam Investments	US/UK	▲	▲	▲	▲	▲↑	■	■	■	■	▼↓	▼↓	▼↓
Russell Investments	US	▲	▲	▲	▲	▲	■↑	■	▼	▼	▼	■	■
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	■	■	▼	▲	■	▼	■	■	■↑	▼↓	▼↓	▼↓
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	▲	■↓	▲	▲	▼	■	▼	■↑	▼↓	▼	▼
Swiss Life Asset Managers	Swi	▲	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	▲	▲	■
Tokio Marine Asset Mngt.	Jap/UK	■↓	■	▲	■↓	■↓	■	■	■	■↑	■↓	■	■↓
Unigestion	Swi	▲	▲↑	▲	▲	▲↑	▼	▼	▼↓	▼↓	▲↑	▲↑	▲
Union Bancaire Privée	Swi	▲	▲	▲	▲	▲	▼	■	■↑	■	▼	▼	▼↓
Union Investment	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲↑	▲↑	■
Wells Fargo Asset Management	US/UK	■↓	■	■	■↓	■	▼	■	▼↓	■	■↑	■↑	■↑
% predicting rise (previous month)		60 [64]	74 [66]	62 [65]	66 [73]	67 [60]	10 [11]	4 [4]	7 [9]	5 [7]	23 [23]	19 [20]	14 [24]
% predicting stability (previous month)		32 [30]	21 [29]	32 [28]	31 [23]	29 [36]	23 [26]	68 [75]	43 [47]	42 [44]	35 [44]	56 [53]	46 [47]
% predicting fall (previous month)		8 [6]	5 [5]	6 [7]	3 [4]	4 [4]	67 [63]	28 [21]	50 [44]	53 [49]	42 [33]	25 [27]	40 [29]

Opinions start to diverge geographically

The UK experience with vaccination suggests that COVID-19 case numbers start falling when about half the population is immunised.

The US will soon reach that level. The EU is over the 30% mark while Japan is at 3%. Taking the BRIC countries as a proxy for emerging markets, Brazil scores 16%, while Russia and India have reached about 10%. China has not published its vaccination figures. Meanwhile, new strains remain a source of concern.

Political risk is still falling in importance. UK relations with the EU are still strained and Scottish independence remains an open question but neither issue has a material influence on financial sentiment.

Asset allocation

Net equity sentiment rose to new record levels again in the EU and the UK, while slightly declining in the US and Japan.

The EU stands to gain more from relaxing of COVID-19 restrictions, while the US is likely to end support measures sooner. On the margin, Japan's exports

to the US have a large influence on what the national economy looks like.

Net bond sentiment is negatively correlated and seeking ever-lower levels. The best explanation may be an increasing expectation of an interest-rate hike in the US, as reflected by net equity sentiment. While Japan analysts keep losing some of their faith in bonds, their net view remains an outlier. In the US, the neutral view on equities is slightly above the neutral view on bonds, which is unusual.

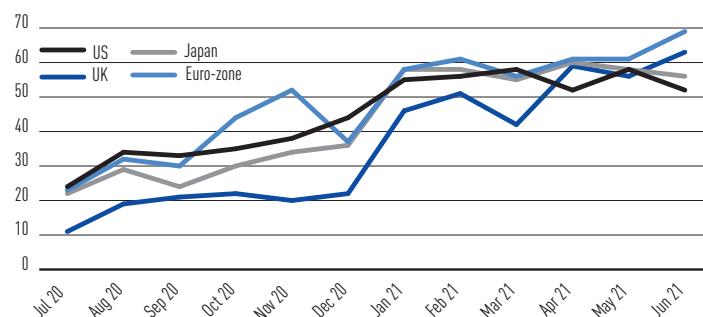
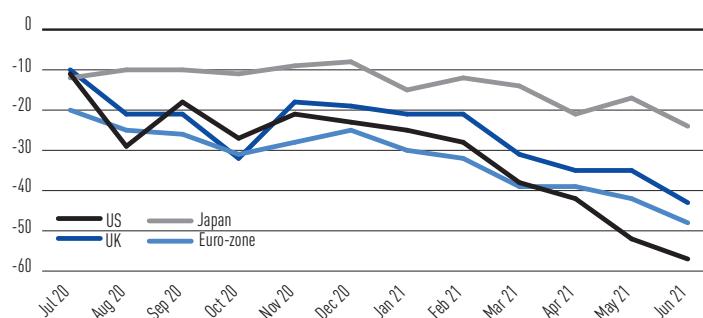
Country allocation

This month's figures generally seem to show the start of a split in opinions about the future.

The EU and UK continue to show unbridled optimism, while the US, followed by Japan, exhibit a more hesitant approach.

US net equity sentiment is stabilising at a level of about 50% while Japan scores slightly higher. Comparable figures for the EU and UK are still rising and currently well above 60%.

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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 70 and 71

