

## ASSET ALLOCATION

## IPE EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 86 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 108.

		EQUITIES					BOND PRICES				CURRENCIES		
Location		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	▲	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	■	▼↓	■
Arca Fondi	It	▼	■	▼	▼	▼	▼	■	■	▼	▼	■	■
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	■↓	▲	▲	■↓	▲↑	■↑	■↑	■↑	▼	▲	▲↑	▲
DNB Asset Management	Nor	▼	▼	▼	▼	▼	▲	▲	▲	▲	■	■	■
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		▼↓	▼↓	▼↓	▼↓	▼↓	▲↑	■↑	■↑	■↑	▼↓	■	■↓
Sycomore 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)		37 (47)	76 (84)	74 (77)	63 (68)	36 (41)	8 (11)	7 (6)	6 (7)	8 (8)	26 (41)	29 (47)	33 (42)
% predicting stability (previous month)		46 (37)	20 (11)	19 (14)	26 (22)	50 (46)	29 (21)	54 (53)	41 (38)	20 (20)	48 (39)	47 (40)	57 (45)
% predicting fall (previous month)		17 (16)	4 (5)	7 (9)	11 (10)	14 (13)	63 (68)	39 (41)	53 (55)	72 (72)	26 (20)	24 (13)	10 (13)

## ASSET ALLOCATION

## IPE EXPECTATIONS INDICATOR

## Overview

What does one expect to happen when positive sentiment declines across the board? This has not happened in the past three years. What we know is that near universal sentiment movements do not happen often. On only two other occasions in the past three years have all but one positive sentiment indicator declined.

## Bonds

Positive expectations for each bond denomination are now in single digits, meaning fewer than 10% of managers expect price increases/yield falls. As this has happened in only four survey periods in the past three years, let us add this to the list of rare sentiment readings this month. Only yen bond price sentiment increased in the survey period – out of all positive sentiment indicators – although this was by a single percentage point, which it is still the second-lowest positive reading of all positive indicators – sterling bond prices being the least expected to rise.

## Equities

Positive equity market sentiment declined across the board in the most

recent period. It declined most for US equities, and least for Japan, but declining positive sentiment was indeed universal. Negative sentiment did not universally increase as the proportion predicting declines in euro-zone and Japanese equities fell month on month. Euro-zone equities have been the most positively viewed of all geographies for the past 12 months.

## Currencies

While it has been in decline for most of the past three years, positive sentiment for dollar strength versus the yen, euro and pound has not collapsed as much as it did in the previous month, and the next largest decline was not even close. The proportion expecting strength versus the euro is at least at a three year low, and the same versus the yen. Whatever tiny threads of confidence in the dollar that had developed in the prior three months were clearly not created with any sort of conviction.

**PETER LAURELLI,**  
VICE-PRESIDENT, GLOBAL  
HEAD OF RESEARCH,  
EVESTMENT

NEGATIVE  
ON DOLLAR  
BONDS

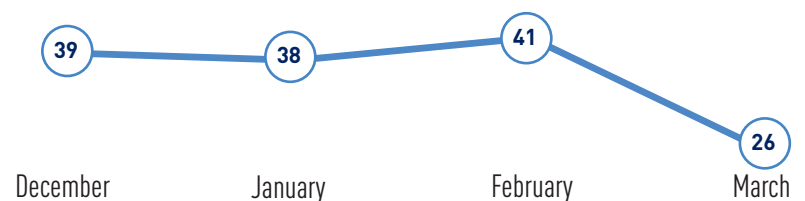
63%

## Neutral to negative on UK equities

14% Expecting fall

50% Expecting stability

36% Expecting rise

Dollar bulls versus the euro  
(positive sentiment, % of respondents)

## KEY FOR EXPECTATIONS GRAPHS BELOW



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 110-111.

