

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.

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	▲	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	■	▼↓	■
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]

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,
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NEGATIVE ON DOLLAR BONDS

63%

Neutral to negative on UK equities

14% Expecting fall

50%

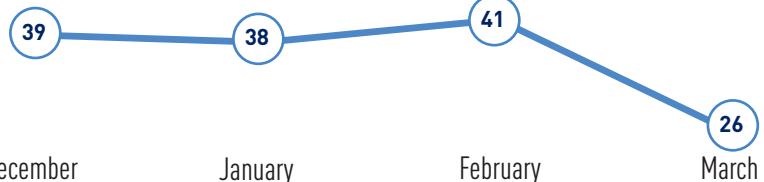
Expecting stability

36%

Expecting rise

Dollar bulls versus the euro

(positive sentiment, % of respondents)



KEY FOR EXPECTIONS GRAPHS BELOW

■ % 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 110-111.

