

Market Outlook IPE Investment Manager Expectations Indicator

- ▲ Rise ↑ Positive shift (from last month)
 ■ Stable – No view
 ▼ Fall ↓ Negative shift (from last month)

The IPE Investment Manager Expectations Indicator represents the results of a regular monthly survey of asset managers with one or more European segregated mandates. The 6-12 month views of the 93 respondents to this month's questionnaire for equities, bonds and currencies are shown below and on page 16. For aggregated results and a commentary see page 17.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Aberdeen Asset Management	UK	▲	▼	▲	■	▼	■	■	▼	▼	▼	▼	▼
ACT Currency Partner	Swi	▼	▼	▼	▼↓	▼	▼	▼	▼	▼	■↓	▼↓	▼
ACTIAM	Neth	■	■	■	■	■	▼↓	▼↓	▼↓	▼↓	▲↑	▲	▲
AEGON Asset Management	Neth	▲↑	■	▲↑	■	■	▼↓	■	■	■	▲	▲↑	▲↑
A.G. Bisset Associates	US	■↓	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
Allianz Global Investors	Ger/UK	▲↑	▲	▲↑	■	■	▼	▼↓	▼	▼	▲	▲	■↓
Amundi	Fra	■↓	▲	▲	■	■	▼	■	■	■	▲	▲	▲
Apo Asset Management	Ger	▲	■↓	▲↑	■↓	■	▲	▲	▲	▲	▼↓	▲↑	■↓
ASR Vermogensbeheer	Neth	▲↑	▲↑	▲↑	▲↑	▲↑	▼	▼	▼	▼	■	■	■
Asset Management One International	UK	▲	■	■↓	▲↑	■	▼	■↑	■↑	■↑	■↓	■↓	▲
AVANA Invest	Ger	■	▲	▲	▲	▲	▼	■↑	▼	▼	■	▲	■
AXA Investment Managers	Fra	■↓	▼↓	▼	■↓	■	▼↓	■	▼↓	▼↓	■	▲	▲↑
Bankhaus Lampe	Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	■	■
BankInvest	Den	■	▲	▲↑	■↓	▼	▲	■	■	■	▲	▲	▲
Bank Degroof Petercam	Bel	■	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Bank Julius Baer & Co.	Swi	▲	■	■↑	■↓	▲	■↓	■	■↓	■↓	▲	▲	▲
Bank J. Safra Sarasin	Swi	▲↑	■	▲	▼	▲↑	▼	■	▼	▼↓	▲	■	▲
Barings	UK	■↑	▲↑	▲	▼↓	■↑	■↑	■↑	■↑	■↑	■	■↓	■
BayernInvest	Ger	■	▲↑	▲↑	▲↑	▲↑	▼	■↑	▼	■↑	▲	■	▲
Berenberg Bank	Ger	▲	▲	▲	▲	▲	▼	■	▼↓	▼	▲	▲	■↓
BNP Paribas Investment Partners	Fra	▲	▲	▲	▲	▲	▼	▼↓	▼	▼	▲	▲	▲
BNY Mellon Asset Management	UK	-	■	▼	■	▲	▼	▼	-	-	▲	■	■
Candriam Investors Group	Lux	▲↑	▲↑	▲↑	▲	▲↑	▼	▼	▼↓	▼	■	▲	▲
CBL Asset Management	Latvia	■↑	▼	-	-	-	▲	-	-	■	▲	-	-
CM-CIC Asset Management	Fra	▲↑	▲	■↑	-	■	■	▼	-	▲	▲↑	▼↓	▼
Columbia Threadneedle Investments	US	■	■	▲	■↓	■	■	■	■	■	▲	▲	▲
CPR Asset Management	Fra	■	▲↑	▲	▲↑	▼↓	▼	■↓	▼	▼	■↓	▲	▲
Credit Suisse	Swi	■	■	■	▲	■	■	■	■	■	▲	▼	■
DekaBank	Ger	■	▲	▼	■↓	■↓	▼	▼	▼	▼	▲	▲	▲
Deutsche Asset & Wealth 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	■	▲	▼	▲	▼	■	▲	■	■	▲	■	▲
First Private Investment Management	Ger	■↓	▲	▲	▲	■	■↑	■	▲↑	■	▲	▲	▲
Fonditel	Spa	▲	■	▲↑	▲↑	■	▼	■	▼↓	▼	▲	▲	▲↑
Generali Investments Europe	Ger/It	■↑	▲↑	▲↑	■↑	▲↑	▼	■	▼	▼	■↓	▲	▲
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	■	■	■	■	▲	▲	■↓
Groupama Asset Management	Fra	▲	▲	▲	■↓	■↓	▲	▲↑	■	■↓	■↓	■↓	-
Henderson Global Investors	UK	■	■	■	■	■	▼	■↑	▼	▼	■↓	■↓	■↓
Holberg Fondene	Nor	▲	▼↓	■↓	▲	▼↓	▼	■	▼	■	▲	▲	▲
Invesco	Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■

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	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Investec Asset Management	UK	▲	▲	▲	▲	▲	▼	▼↓	▼	▼	▲↑	▲	■↑
IPM Informed Portfolio Management	Swe	▼	▲	■	▼↓	■↑	▲	■↓	▼	■	▲↑	▲↑	■
Irish Life Investment Managers	Ire	▲	■	▲	▼	▼	▼	▼↓	▼↓	▲	▲	▲	
La Française AM	Fra	▼↓	▲	■↓	■	▼	■↓	■	■	▼↓	■↑	■↑	▼
Landesbank Baden-Württemberg	Ger	■	■	■	■	■	▼	■	■	■	■	▼	▼
Legal & General Investment Mngt.	UK	▲	▲	▲	▲	▲	■	■	■	■	▲	▲	■
LGT Capital Partners	Swi	▲	▲	▲↑	▲↑	▲	▼	▼	▼	▼	▲	▲	▲
LocalTapiola Asset Management	Fin	■↓	■↑	■↓	■	■	▲↑	■↑	■↑	■↑	▲	▲	▲
Lombard Odier Asset Management	Swi	■	■	■	■	■	▼	■	■	■	■	■	▼
Lyxor Asset Management	Fra	■	▲	■	■	▼	▼↓	■	■	■	▲	▲	▲
Mandarine Gestion	Fra	▲↑	▲↑	▲	■	■	▼	■	▼	▼	■	▲	▲
MEAG	Ger	▲↑	▲↑	▲↑	▲↑	■↑	▼↓	■↓	▼↓	▼↓	▼↓	■↓	▼↓
Metzler Investment	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	▲
MFI Asset Management	Ger	▲↑	▲↑	▲↑	▲↑	▲↑	▼	■↑	■↑	■↑	▲	▲	▲
Mitsubishi UFJ Asset Management (UK)	UK	▲	▲	▲	▲	▲	■↑	■↑	▼	▼	▲↑	▲	▼
Morgan Stanley Investment Mngt.	UK/US	■	▲↑	▲↑	■↑	▲↑	▲	■↓	▲↑	▲	▲↑	▲↑	▲↑
Muzinich & Co.	UK	▲	▲↑	▲↑	■↑	■↑	▼	■	▼	▼↓	▲	▲	▲
Natixis Asset Management	Fra	▲↑	■↓	■↑	▲↑	■↑	▲	■	▲↑	▼	▲	▲	▼↓
NN Investment Partners	Neth	■↓	▲	▲	▲	▲	▼	▼	■	▼	▲	▲	▲
Nomura Asset Management	Sing	■	▲	▲	▼	▲	▼	▼	▼	▼	▲	▲	▲
Northern Trust Asset Management	US	▲	▲	▲	▲	▲	▼↓	■	▲	■↓	■	▼↓	■
Oddo Meriten Asset Management	Ger	▲	▲	▲	■	■↑	▼	■	■↓	▼↓	▲	▲	▲
OFI Asset Management	Fra	▲↑	▲	▲↑	▲↑	■	▼↓	■	■	▼↓	▲	▲	■
Optiminvest	Swi	-	-	-	-	-	-	-	-	-	▼	▼	▼
Ostrica	Neth	▲	■	■	▲	▲	▼	■	■	▲	■	▼	▲
PATRIZIA	Ger	■	■	■	■	■	▼↓	■	■	■	▲	▲	▲
PGIM Fixed Income	UK	■↓	■↓	■↓	■↓	■↓	■	■	■	■	■	■	■
Pictet Asset Management	Swi	■	■	▲	■↓	▲	▲	▼	▼	▼	■	■	■
PineBridge Investments	US	▲	▼	▲	■	■	▼	▲	■	▲	▲	▲	■↓
Pioneer Investments	It	■	■	▲	■	■	▼	▼	■	■	▲	▲	■
Principal Global Investors	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲↑	▲	■↑
Robeco Group	Neth	■	▲	▲	■	■	▼	■	▼	■	▲	▲	▲
Rogge Global Partners	UK	-	-	-	-	-	▼	▼	▼	■	▲	▲	■
Russell Investments	US	■	▲	▲	▼	■↑	▼	■	■↑	■	▲	▲	▲
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲↑	■	■	▲↑	■
SEB Investment Management	Den	▼	■	▼↓	▼	▼↓	▼↓	▼↓	▼↓	■↓	▲	▲	■↓
Standard Life Investments	UK	■	■	■	■	■	▼	▼	■	■	▼	■	■
Stone Harbor Investment Partners	US	▲	▲	■	■	■	■	■	■	■	▲	▲	■
Swiss Life Asset Management	Swi	▲↑	▲↑	▲↑	▲↑	■	▼↓	▼↓	■↓	▼↓	▲	▲	▲
Sycomore Asset Management	Fra	▼↓	▼↓	▼↓	▼↓	▼↓	▼	▼	■	▼↓	■	■	■
Syz Asset Management	Swi	■	▲	▲↑	■↓	■	■	■	■	■	▼↓	■	▼↓
TIAA	US	▲↑	▲	■	▲	■	▼	■	■	▼	■	■	■
UBS Global Asset Management	Swi/UK	■	▲	▲	▲	▲↑	▲	■	■	▼	▲	■	■↓
Union Bancaire Privée	Swi	▲	▲↑	▲	■↓	■	▼	■	▼	■↑	▲	▲	■↓
Union Investment	Ger	▲↑	▲↑	▲↑	▲↑	▲↑	▼	■	▼	▼	▲	▲	▲
Wells Capital Management	US	▼	▲↑	▲↑	▼	▼	▼	■↑	▼	▼	▼↓	■↓	■
Woodman Asset Management	Swi	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	■	▲
Zürcher Kantonalbank	Swi	■↓	▲	▲	■↓	▲	▼	■↑	▲	▲↑	▲	▲↑	▲
% predicting rise (previous month)		51 (45)	64 (54)	66 (49)	47 (47)	40 (33)	12 (19)	4 (8)	7 (9)	7 (15)	62 (63)	61 (62)	49 (58)
% predicting stability (previous month)		43 (45)	28 (34)	26 (36)	42 (41)	46 (48)	17 (18)	64 (54)	39 (39)	40 (37)	29 (30)	29 (27)	38 (30)
% predicting fall (previous month)		6 (10)	8 (12)	8 (15)	11 (12)	14 (19)	71 (63)	32 (38)	54 (52)	53 (48)	9 (7)	10 (11)	13 (12)

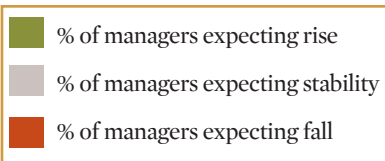
Market Outlook

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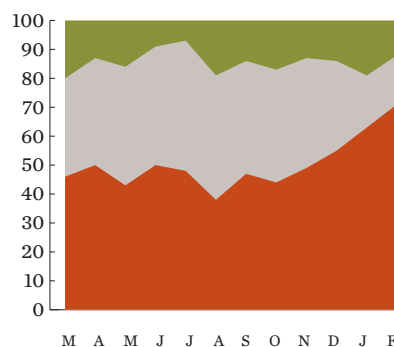
Summary of managers' expectations (pages 15 and 16)

Commentary by

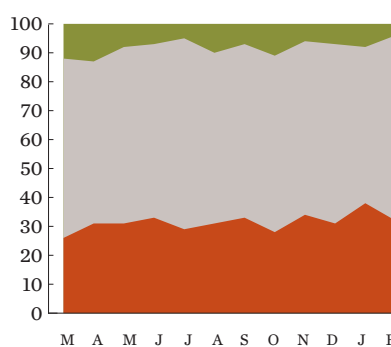
Peter Laurelli, Vice-president, global head of research, eVestment



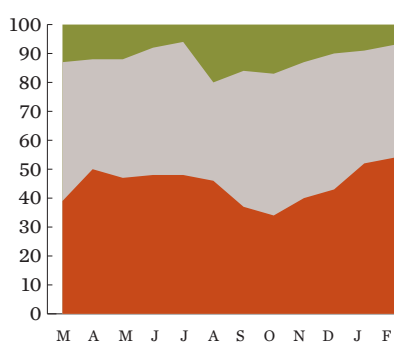
\$ Bonds



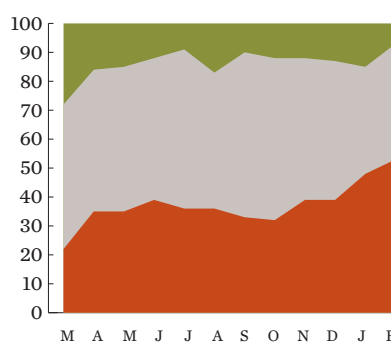
¥ Bonds



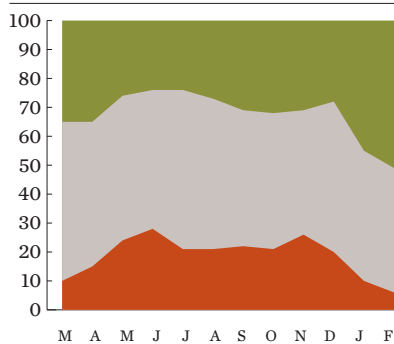
£ Bonds



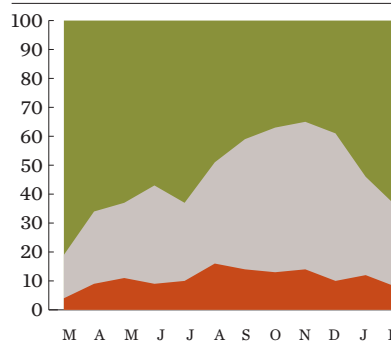
€ Bonds



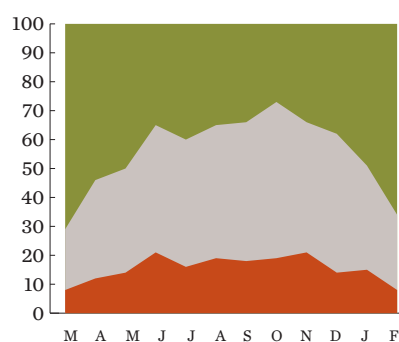
US equities



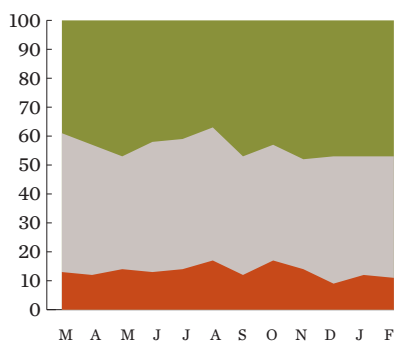
Euro-zone equities



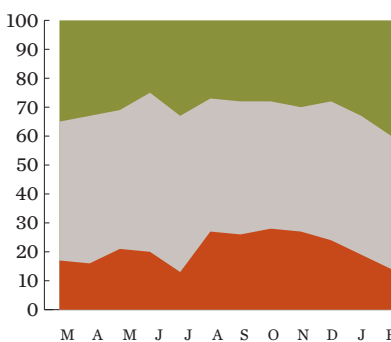
Japan equities



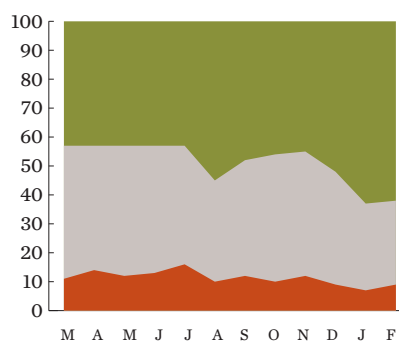
Asia equities



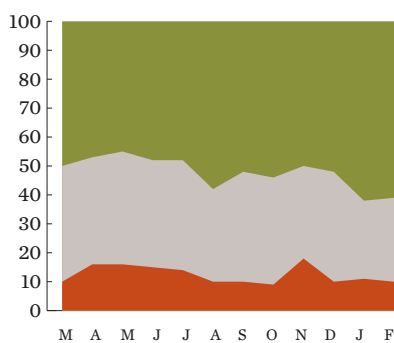
UK equities



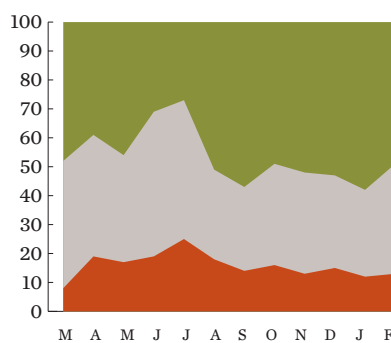
\$/€



\$/¥



\$/£



Overview

With two full months of post-US election information to sift through, shifts in manager expectations have been as extreme as some reactions to, and rhetoric from, our newest world leader. Even more so than the prior month, the conviction that there will be movements in certain asset classes is surprisingly high. Expectations are not always the best predictor of future outcomes, but when they are universally in-line we have to wonder: is it plausible we can all be right? What we have learned in the past four months is that certainty can be fleeting.

Bonds

We can all rest assured. Yen, sterling and euro bond prices are probably not going to rise. At no other time in the last two years has the cumulative difference between expectations of rising and falling prices been as great as the recent survey period. That is not the most interesting part, however. While everyone is leaning more towards yen, sterling and euro bond prices falling than any other point in two years, a greater portion believes US bond prices will fall than any of the other currency denominations. This is somewhat convoluted, but essentially the belief is that bond prices are universally going down, and we should expect more volatility in that process for US denominated bonds than other currencies.

Equities

The last time expectations for US equities to rise were this much greater than expectations of decline was in March 2015. After moving sideways for a couple of months after that time, US equities entered a drawdown from which it took more than a year to recover. What is concerning is that only two months earlier there was almost parity between those expecting a rise versus a fall, and in the middle of 2016 the sentiment was tilted toward a decline. So, we have shifted from expectation of a decline in June to strong expectations of gains, at a level last seen followed by a prolonged drawdown.

Currencies

The certainty in currency markets could not be as assured as the others, right? Well, almost. Dollar strength is still believed to be the norm against the euro and the yen, but while still the majority, it is less sure the dollar will continue to strengthen versus the pound.