

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 116.

	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	▲	■	■	▲	■	▼	■	▼	▼	▼	■	■
Baloise Group	Swi	▼↓	▼↓	▼	▼	▼	▲↑	■	▲	▲↑	▼↓	-	-
Bankhaus Lampe	Ger	-	-	-	-	-	▼	■	▼	▼	▼	▼	▼
BankInvest	Den	■	▲	▲	▲	▼	■	■	▼	▼	▲	▲	▲
Bank Julius Baer & Co.	Swi	▲	▲	▲↑	▲	▲	▼↓	■	▼	▼↓	▼↓	▼↓	▼↓
Bank J. Safra Sarasin	Swi	■↓	▼↓	■	▼↓	▼↓	■↑	■	▼	▼	▼	▼↓	▼
Banque Profil de Gestion	Swi	■↓	■↓	■↓	■	■	■↑	■	■↑	■↑	■	■↓	▲
BayernInvest	Ger	■↑	▲↑	■	▼↓	■	■↓	■↑	■	▼	▲↑	■	▲↑
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	▲↑	■	▼↓	▼	▼	▼	▼
BNP Paribas Asset Management	Fra	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
BNY Mellon Asset Management	UK	-	-	-	■	-	▼	▼	-	-	-	■	■
Carmignac	Fra	▲	▲	▲	▲	■	▲	▲	▲	▲	■	▲	■
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	▼	■	▼↓	-	-	■↑	▼↓	▼	▼	▼	■	▼
DWS Investment	Ger	▲	▲↑	▲↑	▲	▲↑	▼	▼	▼	▼	■	■	■
Eagle Asset Management	US	▲	■	■	▲↑	■	■	■	▼↓	▼↓	▲↑	▲↑	▲↑
Econopolis Wealth Management	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	▲	▲	▲↑	▲↑	■	▲	■	■	▲↑	■	■↑	■
Invesco	Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Investec Asset Management	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	▼	■	■	■	■	■	▼	▼	▼	■↑	■↑	▲↑
MEAG	Ger	■	▲	▲	■	▲	■	■	▼	▼	■	■	■
Metzler Investment	Ger	■↓	▲	■↓	■	▲	■	■↑	■↑	■↑	■	■	▲
MFI Asset Management	Ger	▼↓	■	▼↓	■↓	▼↓	▲↑	▲	▲↑	▲	▲↑	▲↑	▲
Mitsubishi UFJ Asset Mngt. (UK)	UK	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼↓	-
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	■	■	■	■	■	■	■	■	▼↓	■	■	■
Optiminvest	Swi	-	-	-	-	-	-	-	-	-	■	■	▲
Ostrum Asset Management	Fra	▼	▼	■	■↑	▼	▼	■	▼	■↑	▼↓	▼↓	▲
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	Swe	▲	▲	▲	▲	▲	▼	■	■	■	▲	▲	▲
Stone Harbor Investment Partners	US	▼	■	■	■	■	▲↑	▼	■↑	▼	▼	■	■↓
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	■↓	■	▲	■	▼↓	■	■	▼↓	▲	▼↓	■↓
Sycomore Asset Management	Fra	■	■	▲	▼	■	▼	■	■	▼	▼	■	▼
Syz Asset Management	Swi	▲	▲	▲	▲↑	■	■↑	■↑	■↑	■↑	▼↓	▼↓	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	-
Unigestion	Swi	▲	▼	▲↑	▲↑	▼↓	■	■	▼	▼	■	▲	■
Union Bancaire Privée	Swi	▲	▲	▲	▲	▲↑	▼	■	▼	▼	▼↓	■	▼↓
Union Investment Institutional	Ger	■↓	■↓	■↓	■↓	■	▼	▼	■	▼	▼	■	■
VidaCaixa	Spa	■	▲	-	■	■	▲	■	■	▲	■	▼	▲
Wells Fargo Asset Management	US	■↓	▲	▲	■↓	▼↓	▼	■↑	▲↑	▼	■↑	▲↑	▲↑
% predicting rise (previous month)		48 (57)	48 (53)	51 (54)	44 (44)	29 (27)	25 (20)	9 (6)	15 (7)	13 (11)	19 (22)	22 (27)	30 (27)
% predicting stability (previous month)		30 (27)	37 (40)	37 (41)	38 (46)	48 (59)	27 (27)	67 (63)	40 (44)	22 (24)	46 (47)	54 (52)	44 (43)
% predicting fall (previous month)		22 (16)	15 (7)	12 (5)	18 (10)	23 (14)	48 (53)	24 (31)	45 (49)	65 (65)	35 (31)	24 (21)	26 (30)

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

At times we aim to find the mountains within the molehills of manager expectation shifts. In our defence, any curvature is worthy of recognition. Sometimes, changes (or lack thereof) come along that are worth diving into. In the prior survey, it was the four-month lack of change within the high sentiment toward US equity markets to rise that was significant. During the current period, hyperbole aside, change has come.

Bonds

It has been over two years since sentiment towards all bond prices shifted as positively as they did in the most recent survey. The US bond sentiment differential (positive minus negative) is nearing its multi-year high. The yen bond price differential has surpassed its highs, and even the sterling differential increased the most in two years. The two-year time frame is important, as it covers the period following the Brexit vote.

Equities

It is not often that sentiment toward equity markets falls as much, but given the last time it happened was

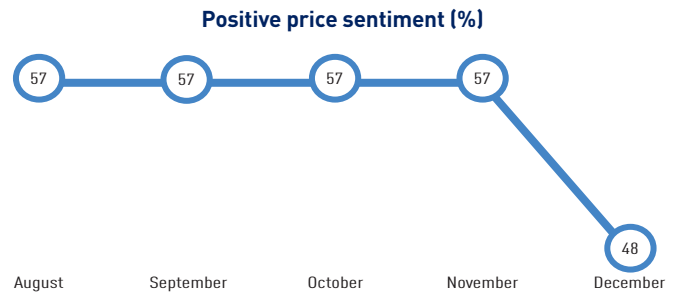
also in 2018 could either make my point false, or highlight why a year 2018 has been. US equity sentiment has not only jumped once by a multi-year high, but also crashed twice by similar amounts. In between it all, it also stayed the same for four months. The significance of the downward shifts in sentiment is most recently rivalled by 2015.

Currencies

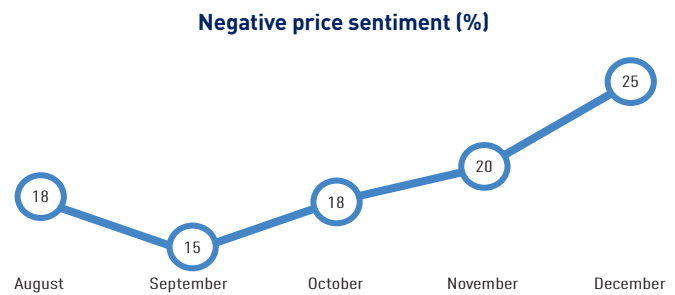
The trends coming from currency pairs have not deviated over the long-term, but a shift has happened. The sum of expectations for dollar strength versus euro, yen and sterling has been in decline, and the expectations for the dollar to weaken has risen, but the net of the two had remained positive, meaning expectations were ultimately for dollar strength. Those lines crossed in the most recent survey pushing net sentiment toward the dollar into negative territory for the first time in a long time.

**PETER LAURELLI,
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US equity sentiment takes a drop...



...while US bond sentiment rises



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 114 and 115

