

## 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 88.

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	▲↑	▲	■	▲	■	▼	▼	▼	▼	▼	■	▼↓
Bankhaus Lampe Ger	-	-	-	-	-	▼	■	▼	▼	■↑	■	■
BankInvest Den	▼↓	▼↓	▼↓	▼↓	▼	▲	■	■	■	▼↓	■↓	■↓
Bank Julius Baer & Co. Swi	▼↓	▼↓	▼↓	▼↓	▼	▲↑	▲↑	▲↑	▲↑	▲	▼	▲
Bank J. Safra Sarasin Swi	▲	▲	▲	▲	■	▼	▼	▼	▼	▼	▲↑	■
BayernInvest Ger	▼	■	■	■	■	▼	■	■	▼	■↓	■	■↓
Berenberg Wealth & Asset Mngt. 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	▲↑	▲	■	▲	■	▼	▼	▼	▼	■	▲	■
DWS Ger	▲	▲	▲	▲	■	▼	■	▼	▼	■↓	■	■↓
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	▲	▲	▲	▲	▲	▼	▲	▲	▲	▼	▼	■

		EQUITIES					BOND PRICES				CURRENCIES		
Location		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	▼↓	▼↓	▼↓	▼↓	▼↓	■↑	■	■	■↑	■↓	▼↓	▲
NN Investment Partners	Neth	■	▲	▲	▲	■	▼	▼	▼	▼	■	▲	■
Northern Trust Asset Management US	US	▲	▲	▲	▲	▲	■	■	■	■	■↓	▲	■↓
Nuveen TIAA Investments	US	▲	▲	▲↑	▲	■↓	▼↓	■	▼	■↑	■	■	■
Oddo BHF Asset Management	Ger	▲	▲	▲	-	■↑	▼	■	■	▼	■↑	▲	▲
OFI Asset Management	Fra	■	▲	■	▲	■	■	■	■	■	■	■	■
Optiminвест	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 Asset Management	Den	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲
Stone Harbor Investment Partners US	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 Fargo Asset Management	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼↓	▼↓	▼↓
Zürcher Kantonalbank	Swi	▲	■	▲	■↓	■	▼↓	■	■↓	■↓	▲↑	■	■↓
% predicting rise (previous month)		55 [52]	73 [78]	65 [68]	59 [63]	37 [34]	13 [13]	5 [3]	9 [6]	8 [8]	27 [29]	29 [29]	26 [27]
% predicting stability (previous month)		30 [36]	21 [19]	27 [27]	29 [28]	51 [51]	28 [29]	57 [60]	38 [40]	22 [20]	43 [35]	44 [46]	58 [52]
% predicting fall (previous month)		15 [12]	6 [3]	8 [5]	12 [9]	12 [15]	59 [58]	38 [37]	53 [54]	70 [72]	30 [36]	27 [25]	16 [21]

**Overview**

Unlike autumn where change is evident, the shift to summer is less dramatic. One day the air feels different than before, and before you know it, the chill in the nights has left, and a new season officially arrives. With relatively few meaningful shifts evident on the surface among manager expectations recently, change has been harder to recognise, but it does seem the nights are getting warmer. As often in high summer, storms – in the form of volatility – may be on the horizon.

**Bonds**

The cumulative difference across all denominations between the proportions of managers predicting bond prices to rise and bond prices to fall has been around the same low level since May 2017. Over the past months, this 'bottom' has seen expectations for dollar bond prices to fall consistently decline since the beginning of 2017. So, too, there are greater expectations of rising prices. A reminder here: divergent expectations can be a sign of volatility.

**Equities**

Among equity markets, the picture is different. Euro-zone, Japan and Asia equity sentiment declined a little, while the UK increased and sentiment in the US was virtually unchanged. As with the divergent expectations for dollar-denominated bonds, static US equity sentiment was the result of an increase in both positive and negative expectations. That makes two signs of volatility for US markets.

**Currencies**

Among currencies, there was a marginal move lower in cumulative expectations for dollar strength, but the largest shift was toward stability – versus the euro and sterling at least. On the surface, across each asset class, we have an image that appears little changed, but within the sentiment the temperature is becoming noticeably different.

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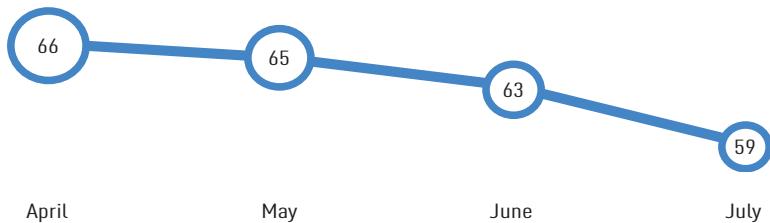
**EURO EQUITY BULLS**

73%

70%

**EURO BOND BEARS****Asian equity sentiment declines**

Positive sentiment (%)



## 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 86 and 87

