

ASSET ALLOCATION

INVESTMENT MANAGER EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable - No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 87 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 84.

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	▲	▲	▲	▲	▲	■	▼	▼	▼↓	▼	▼	▼

		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	▲	▲	▲	▲	▲↑	▼	■	▼	▼	▲	▲	▲
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	▲	▲	▲	■	■	▼	■	■	■	▲	■	■
Sal. Oppenheim	Ger	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
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)		47 (45)	84 (88)	77 (76)	68 (65)	41 (35)	11 (9)	6 (7)	7 (12)	8 (9)	41 (38)	47 (40)	42 (39)
% predicting stability (previous month)		37 (40)	11 (8)	14 (20)	22 (25)	46 (53)	21 (24)	53 (61)	38 (39)	20 (19)	39 (40)	40 (38)	45 (45)
% predicting fall (previous month)		16 (15)	5 (4)	9 (4)	10 (10)	13 (12)	68 (67)	41 (32)	55 (49)	72 (72)	20 (22)	13 (22)	13 (16)

Overview

Given the similarities between the February 2018 and February 2017 expectations surveys, it may be appropriate to wish everyone a 'happy same year'. This is not to be taken lightly. Nor is it meant to overlook that while responses may look similar, there are no guarantees global markets will not change or even break in 2018.

Bonds

Bond sentiment once again tested its low point after bouncing back somewhat in the previous survey. While the net of positive versus negative sentiment has bottomed out, not all geographies experienced a net negative shift. Only the US saw an increase in positive sentiment, but it also saw an increase in negative sentiment. Stability is the victim of differing directional views.

Equities

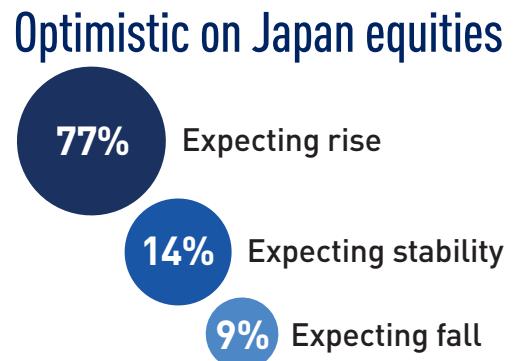
There have been many 'moments' where it appeared that positive sentiment towards equities was at risk. I'm not sure now is one of those moments, but behind the numbers lie

key points. While the cumulative difference of each region's positive versus negative sentiment was essentially flat (increases for US, Asia and UK, and a decline for the euro-zone), in each group either the expectation for stability decreased, or the expectation for decline increased. So while the top-line sentiment appears the same, new threads of uncertainty appear to be woven.

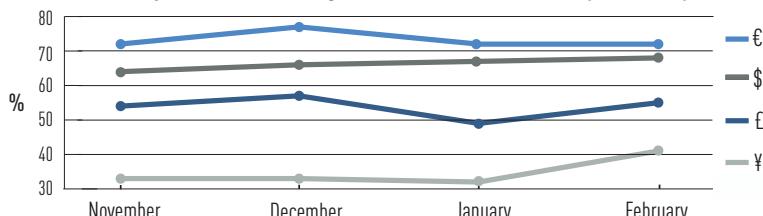
Currencies

The deterioration of sentiment on US dollar strength has seen moments, and we may be seeing another one now. Sentiment does not wholly shift in a month or two, which is why the state of sentiment on the surface looks like last year, but seeing a higher proportion predicting a rise in the dollar against each currency, particularly the yen, is like noticing there's something different about your favourite sweater that's served you so well. You can't quite put your finger on it – but if only threads could talk.

**PETER LAURELLI,
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**Negative bond sentiment**

% of respondents with negative outlook on bonds, by currency



KEY FOR EXPECTATIONS 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 86-87.

