

## 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	▲	■	■	▲	▼	■	▼	▼	▼	■	■
Baloise Asset Management	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	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■

		EQUITIES					BOND PRICES				CURRENCIES		
	Location	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/UK	▲↑	■↓	▲	▲↑	■↑	▼	■	▼↓	■↑	▼↓	▼↓	▼↓
% predicting rise (previous month)		54 (48)	49 (48)	57 (51)	48 (44)	27 (29)	22 (25)	10 (9)	10 (15)	11 (13)	18 (19)	20 (22)	24 (30)
% predicting stability (previous month)		26 (30)	39 (37)	27 (37)	33 (38)	52 (48)	26 (27)	66 (67)	44 (40)	26 (22)	45 (46)	51 (54)	45 (44)
% predicting fall (previous month)		20 (22)	12 (15)	16 (12)	19 (18)	21 (23)	52 (48)	24 (24)	46 (45)	63 (65)	37 (35)	29 (24)	31 (26)

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Bonds

Last month, bond price sentiment either crept back to multi-year highs in the case of dollar bonds, or moved steadily upwards from a multi-year low, albeit nowhere near its periodic high in the case of euro-denominated bonds. This upward movement in sentiment stalled in the current survey period as positive expectations decreased for all bond denominations, except for yen bonds where it increased by just 1 percentage point.

Equities

Equity sentiment has seen anything but slow shifts in recent months. In the US there has been a prolonged pause in positive sentiment, which effectively preceded some very difficult months of either losses or large directional swings in the most recent month. In the euro-zone, these swings had been of rapidly declining expectations. As with bond price sentiment, manager sentiment has reversed. The short, sharp negative

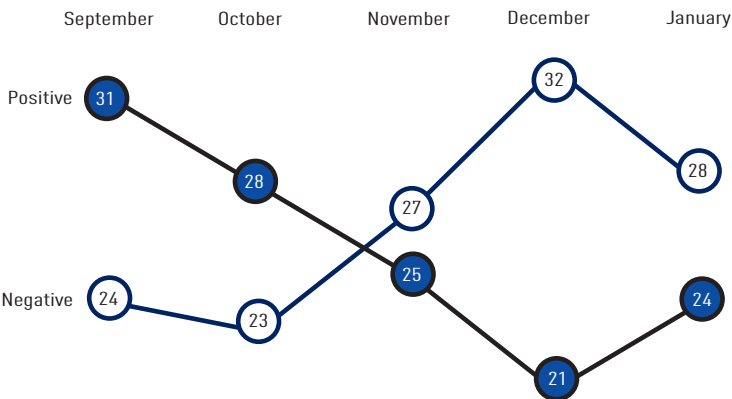
trend towards the US reversed; the euro-zone slide reversed (slightly); and with UK sentiment, while not turning positive, managers are apparently waiting to see how recent Brexit developments pan out. For equity sentiment, this has been a period of apparent relief.

Currencies

We noted in the prior period that a meaningful event had occurred. This was not a trend shift but a moment where the persistent trend of cumulative expectations for dollar weakness and dollar strength crossed paths with net expectations for dollar strength now negative. Unlike the shifts in bonds and equities, this trend has continued to deepen in the current period as fewer expected the dollar to rise and more expected it to fall.

PETER LAURELLI,  
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Net dollar bearishness continues (%)



Net expectations for dollar outlook versus euro, yen and sterling

Yen bonds: stability persists



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

