

IPE MARKET OUTLOOK

INVESTMENT MANAGER EXPECTATIONS INDICATOR

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

IPE polls 91 asset managers each month on their 6-12 month views on regional equities, global bonds and currency pairs as shown below. A summary of the survey appears on page 84.

		EQUITIES					BOND PRICES				CURRENCIES		
Location		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	■	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	▼	▼	▼
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 Bank	Ger	■↓	▲↑	▲↑	▲↑	■	▼↓	▼	■↑	▼↓	■↑	■	▲↑
BNP Paribas Investment Partners	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	■	▲	▼	▲	▼	■	▲	■	■	▲	■	▲
Fiera Capital	Can	■	■	■	■	■	▼	▼	▼	▼	▼	▼	▼
First Private Investment Mngt.	Ger	■	▲	▲	■	■	■	▲	■	▲	■	▲	■
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	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
LocalTapiola Asset Management	Fin	■	▲	▼	▼	■	■	■	■	■	■	■	■
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 Group	Neth	▲↑	▲	▲	▲	▲↑	▼	▼↓	▼↓	▼↓	▲	▲↑	▲
Russell Investments	US	▲↑	▲	▲↑	■	■	▼	■	■	■	▲	▲	▲↑
Sal. Oppenheim	Ger	■↓	▲	▲	▲	▼↓	▼	■	▲↑	▼	▲	■↓	▼↓
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	■	▲	▲	■	▲↑	■	▼↓	■	▼	▼↓	■↓	■
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)		30 (30)	75 (78)	60 (57)	54 (54)	29 (29)	10 (12)	4 (6)	12 (11)	10 (12)	37 (39)	38 (41)	43 (35)
% predicting stability (previous month)		48 (47)	18 (16)	30 (33)	34 (34)	48 (52)	30 (27)	65 (65)	44 (43)	26 (21)	39 (38)	43 (42)	44 (48)
% predicting fall (previous month)		22 (23)	7 (6)	10 (10)	12 (12)	23 (19)	60 (61)	31 (29)	44 (46)	64 (67)	24 (23)	19 (17)	13 (17)

IPE MARKET OUTLOOK

INVESTMENT MANAGER EXPECTATIONS INDICATOR

Overview

Despite rising geopolitical tensions, there was no corresponding rise in negative sentiment in the most recent survey period. That does not mean there were no changes in sentiment trends; only that shifts were mostly slight. Perhaps it is important to put quiet times in perspective, however. Just as an ocean's tidal shift can occur almost imperceptibly, the power behind the change can be immense.

Bonds

A 15-month downtrend of expectations that euro-denominated bond prices would fall (yields would rise) appears to have slackened somewhat with a fourth consecutive floor in that negative sentiment. Expectations for US-dollar bond prices to fall have also declined slightly for four consecutive months. Elsewhere, sterling bond price sentiment is rebounding more sharply, while Japanese bond price sentiment continues to bounce along a generally unchanged, albeit negative range. In comparison with the survey results for equities, the slow but growing anticipation for continuing lower yields from managers is interesting.

Equities

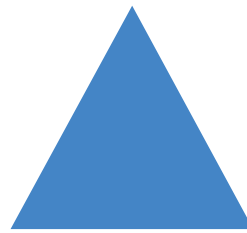
Positive sentiment towards euro-zone equities has levelled off. Positive expectations for Japanese equity markets have also levelled off, and the (albeit short-lived) positive expectations for UK equity markets to rise have disappeared. However, sentiment in favour of rising US markets, which had repeated its pre-Trump freefall six months ago, stopped in the most recent period. It is worth noting that managers are least enthusiastic toward rising US equities compared with other markets, with the exception of UK markets.

Currencies

There was one notable, dramatic move in sentiment in the most recent period. Managers have reduced negative and stable expectations in favour of rising expectations that the dollar would strengthen versus sterling. This is a meaningful shift as sentiment towards stability between the pair rose over the past three months and in other pairs, expectations of dollar strength continued to weaken.

PETER LAURELLI,
VICE-PRESIDENT, GLOBAL
HEAD OF RESEARCH,
EVESTMENT

75%
MANAGERS
REMAIN
POSITIVE ON
EURO
EQUITIES



KEY FOR EXPECTATIONS GRAPHS BELOW

■ % of managers expecting rise
■ % of managers expecting stability
■ % of managers expecting fall

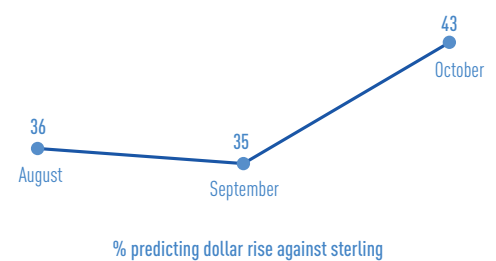
64%

Negative
on dollar
bonds (yields
will rise)

60%

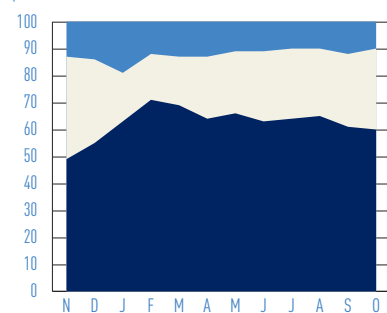
Negative
on euro
bonds (yields
will rise)

Managers more positive on dollar against sterling

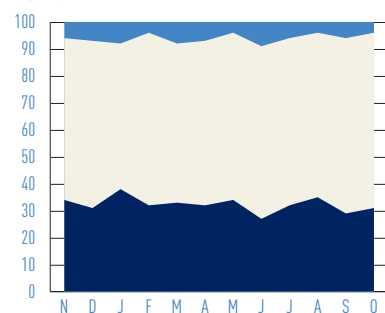


IPE polls over 90 asset managers each month on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. Survey results appear on pages 82 and 83. This month 91 managers took part

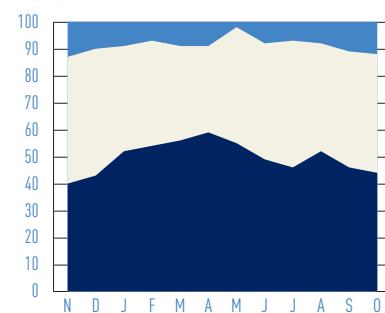
\$ BONDS



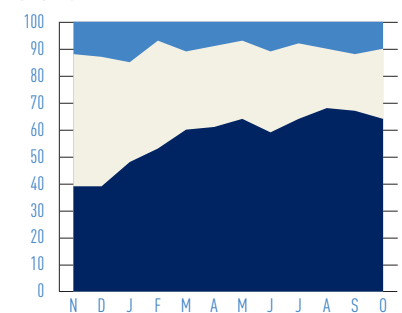
¥ BONDS



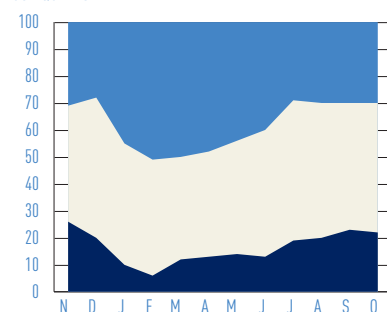
£ BONDS



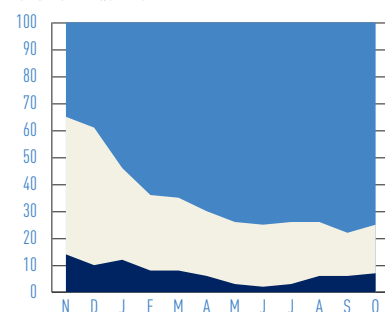
€ BONDS



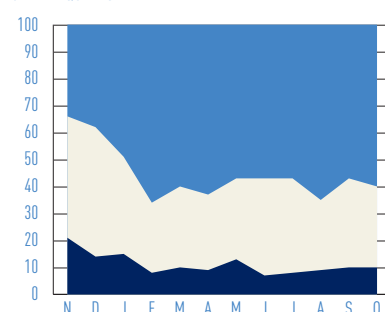
US EQUITIES



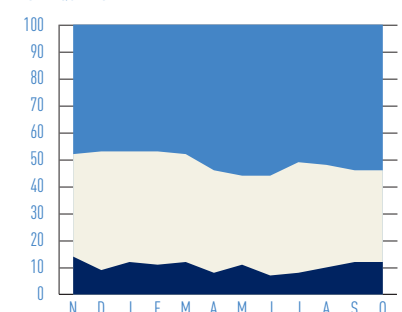
EURO-ZONE EQUITIES



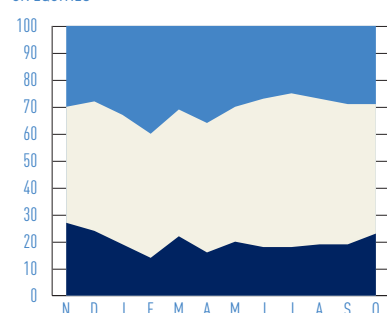
JAPAN EQUITIES



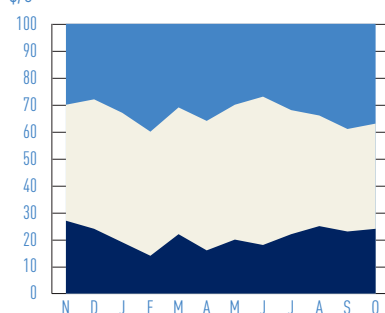
ASIA EQUITIES



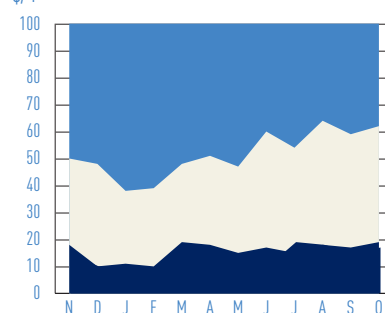
UK EQUITIES



\$/€



\$/¥



\$/£

