

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 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	■↓	▲	▲	▲	▼	▼	▼	▼	■	■↑	■
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	▲	▲	▲	▲	▼↓	▲↑	▲↑	▲↑	▼	▼	■↑

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		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		▲	▲	▲	▲	▲	■	■	■	■	▲	▲↑	▲
Nuveen TIAA Investments	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 Asset 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 Fargo Asset Management	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Zürcher Kantonalbank	Swi	▲	■	▲	▲	■	▲↑	■	▲↑	■	■↓	■	▲
% predicting rise (previous month)		52 (53)	78 (78)	68 (65)	63 (65)	34 (34)	13 (12)	3 (5)	6 (2)	8 (6)	29 (27)	29 (28)	27 (32)
% predicting stability (previous month)		36 (34)	19 (18)	27 (31)	28 (26)	51 (52)	29 (27)	60 (55)	40 (35)	20 (20)	35 (39)	46 (44)	52 (54)
% predicting fall (previous month)		12 (13)	3 (4)	5 (4)	9 (9)	15 (14)	58 (61)	37 (40)	54 (63)	72 (74)	36 (34)	25 (28)	21 (14)

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

Overview

This month's IPE Expectations Indicator poll sees no change in some areas, some change in others, and a continuation of a long-term trend, which is, in itself, both a change and not a change.

Bonds

The shifts in expectation for bonds across all denominations were mostly positive. For each of the four currencies there was a fall in negative sentiment, and in all other than yen bonds there was even an increase in positive sentiment. But this positive shift could come from a lower base, as fewer than 10% of managers expect euro, sterling or yen bond prices to rise, and only 13% expect US bond prices to rise.

Equities

Not much has changed in the equity world in terms of manager expectations. The only segment experiencing a change worth noting was Japan, where there was a slight increase in those expecting gains. However, there was also a slight increase of those expecting decline.

Currencies

Currency expectations are getting really interesting. Last month, we noted that cumulative expectations for dollar strength relative to the euro, yen and sterling have not been lower in recent years. Now expectations are even lower. And we also noted last month that cumulative expectations for the dollar to fall were just below the highest observed recently (rather than shifting to stability). In this month's survey, the level is at an extreme, having now moved to the highest in recent years. What is most interesting is that while expectations have shifted to these pessimistic-toward-the-dollar extremes, the dollar has been on quite a run in recent weeks. It is reminiscent of May 2016, when expectations for US equities to rise hit the lowest level we'd seen. All the S&P 500 did from there was to rise by more than 30%.

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

POSITIVE ON
JAPAN EQUITIES

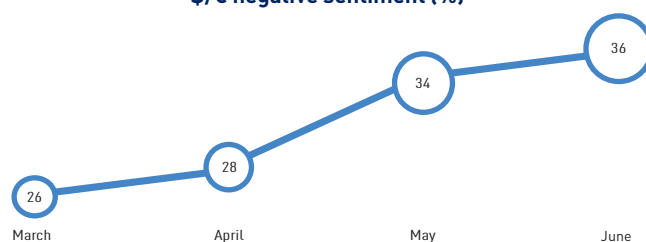
68%

72%

NEGATIVE ON
EURO BONDS

Dollar bears gain ground against the euro

\$/€ negative sentiment (%)

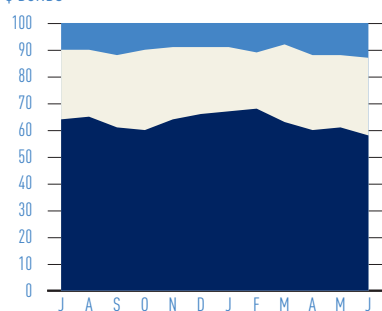


KEY FOR EXPECTATIONS GRAPHS

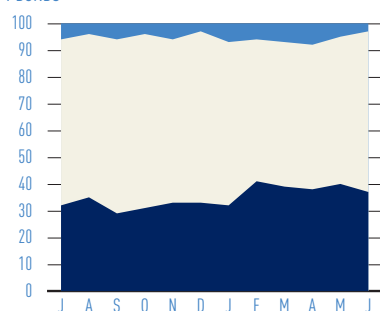


Each month, IPE polls asset managers on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. For more details see pages 82 and 83

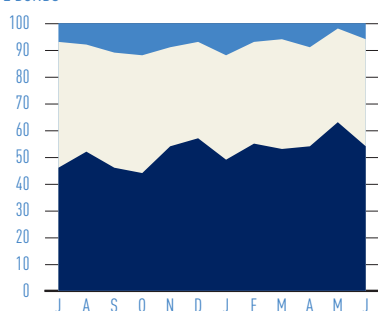
\$ BONDS



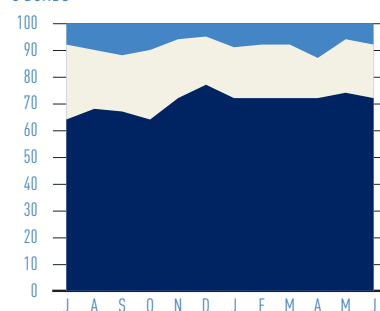
¥ BONDS



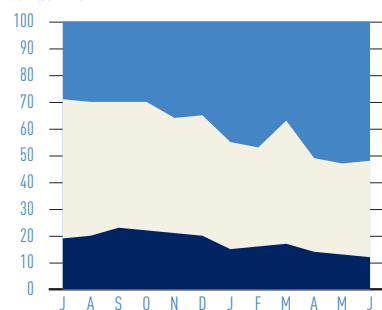
€ BONDS



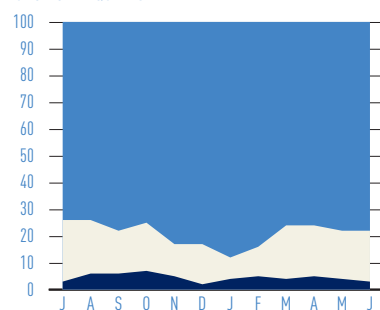
£ BONDS



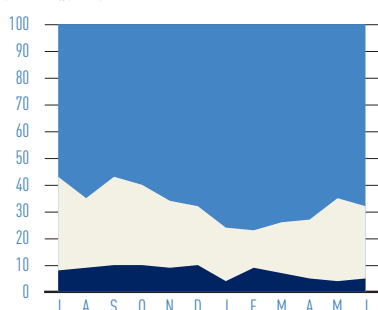
US EQUITIES



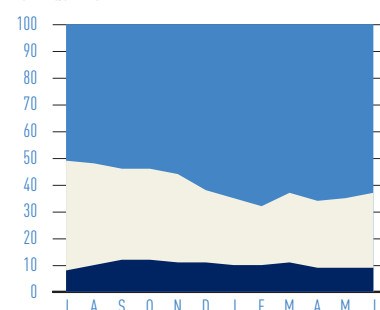
EURO-ZONE EQUITIES



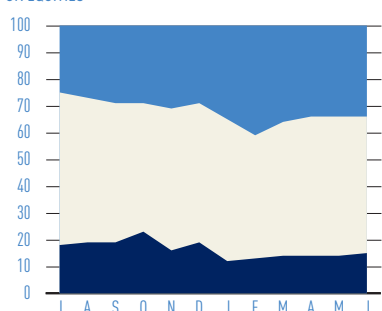
JAPAN EQUITIES



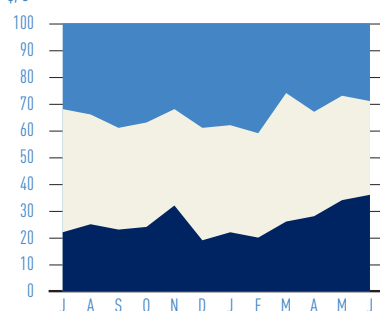
ASIA EQUITIES



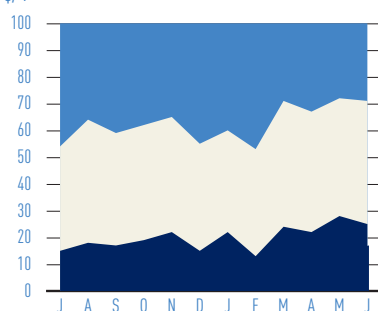
UK EQUITIES



\$/€



\$/¥



\$/£

