

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	▲	▲	▲	▲	▲	▼↓	■↑	■↑	■↑	▼	▼	■↑

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

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,
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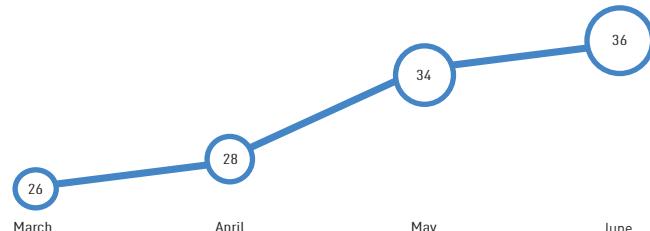
**POSITIVE ON
JAPAN EQUITIES**

68%

72%

**NEGATIVE ON
EURO BONDS****Dollar bears gain ground against the euro**

\$/€ negative 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 82 and 83

