

ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR
▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 62 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 76.

Location		EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	Neth	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲	▲	▲
AllianceBernstein	US/UK	▲	▲↑	■	■	■↓	▲↑	▲	■	■	▲	▲	▲
Allianz Global Investors	Ger/UK	■	▲	▲	▲	▲	▼	■	▼	▼	■↑	■	■
Amundi Asset Management	Fra	■	▲	▲	▲	■	▼	■	▼	▼	▲	▲	■
Apo Asset Management	Ger	▲	▲↑	▼	▲↑	▲↑	■	■	■↑	■↑	▼↓	■	▼↓
Bankhaus Lampe	Ger	-	■↓	-	-	-	▼↓	▼↓	▼↓	▼↓	■	▲	▲
BankInvest	Den	■	■	■	■	■	▼	■	▼	■	▲	▲	▲
Bank J. Safra Sarasin	Swi	▲	▲↑	▲	▲	■	▼	■	▼	▼	▼	▼	▼
Bantleon Bank	Swi	▲	▲	▲	▲	-	▼	-	-	▼	■	-	-
Berenberg Wealth & Asset Mngt.	Ger	▲↑	▲↑	▲	▲	■	▼	■	▼	▼	■↑	■	■↑
BNY Mellon Inv. Mngt. EMEA	UK	■	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
CBL Asset Management	Lat	■↓	■↓	-	-	-	■↑	-	-	▼	▲↑	-	-
CIBC Asset Management	Can	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	■
Columbia Threadneedle Inv.	US	■	■	■	■	■	■	■	■	■	■	■	■
CPR Asset Management	Fra	▼	■	■	▼	▼	▼	▼	▼	▼	▲	▼	▲
Crédit Mutuel Asset Mngt.	Fra	■	■	■	■	■	▲	■	-	▲	■	■	■
Currency Research Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
DWS Investment	Ger	■	▲↑	■↓	■↓	■↓	▼	■	■↑	▼	■	■↑	■↓
Econopolis Wealth Management	Bel	▲	▲	▲	▲	▲	▼	■	▼	▼	■	■	■
Edmond de Rothschild AM	Fra	▼	▲	▲	■	■	▼	■	▼	▼	▲	■	■
Erste Asset Management	At	▲	▲	▲	▲	▲	▼	■	▼	▼	▼	▼	▼
Eurizon Capital	It	■	■	■	■	■	▼	▼	▼	▼	▲	■	▲↑
Fideuram Asset Management	It	■	▲	▲	▲	■	▼	■	▼	▼	■	■	▲
Fonditel	Spa	■	■	■	■	▲↑	▼	▼	▼	▼	■	■	▼
Franklin Templeton Inv. Solutions	UK	▲	■	▲	▼	■	▼	■	▼↓	■	■	■	■
Generali Investments Europe	Ger/It	▲	▲	▲	▲	■↓	▼	▼	▼	▼	▼	▼	▼↓
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	■	■	■	■	▲	▲	■
Graphene Investments	Fra	■	■	▲	■	■	-	-	-	-	▲	▲	■
Groupama Asset Management	Fra	▲↑	■↓	■	■	-	■	-	-	■	■	-	-
Irish Life Investment Managers	Ire	▲	▲	■	▲	■	▼	■	▼	▼↓	▼	■	■
Janus Henderson Investors	UK	■	■	■	■	■	▼	■	▼	▼	▲	▲	▲

		EQUITIES					BOND PRICES				CURRENCIES		
Location		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
La Française AM	Fra	▼	▼	▼	▼	▼	■	■	■	■	▼	▼	▼
LGT Capital Partners	Swi	▲	▲	▲	▼	▲	▼	▼	▼	▼	▲↑	■	■
Lyxor Asset Management	France	▲	▲	▲	■	■	▼	■	■	▼	■	■	■
Mandarine Gestion	Fra	■	■↓	■	■↓	■↓	▼	▼↓	▼	▼	▲↑	■	■
Manulife Investment Mngt.	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
MEAG		▲	▲	▲	▲	▲	▼	▼	▼	▼	▲↑	▲↑	▲
Medical Strategy	Ger	■	■	■↑	■	■↑	▲↑	■	■	■	▲↑	■↑	▲↑
MFI Asset Management	Ger	■	■	■	■	■	■	■	■	■	▼	▼	▼
Morgan Stanley Inv. Mngt.	UK/US	▼	■	■	■	■	▼	■	■	▼	▼	▼	▼
Muzinich & Co.	UK	▲	▲	▲	▲	▲	▼	■	▼	▼	■↑	▲↑	■↑
Ninety One	UK	■↑	■↑	■↑	■↑	■↑	▲	▲↑	▲	▲	▲	■↓	▲
NN Investment Partners	Neth	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
Northern Trust Asset Mngt.	US	▲	▲	▲	▲	▲	■	■	■	■	▲↑	■↑	■
Nuveen	US	▲	▲	▲	▲	▲	▼	▼↓	▼↓	▼↓	■	■	■
Oddo BHF Asset Management	Ger	■	▲	▲	▼↓	■↓	▼	■↑	▼	▼	■↑	■	▼
OFI Asset Management	Fra	■	■	■	■	■	▲	▲	▲	▲	■	■	■
ONE Swiss Bank	Swi	■↓	■↓	■↓	■↓	■↓	▼	■	■↑	■↑	▲↑	▲↑	▲↑
Ostrum Asset Management	Fra	▲	▲	▲↑	▲	▲	▼↓	■	▼↓	▼↓	▼	■	■↓
Patrizia	Ger	▲	▲	▲	▲	▲	▼↓	■	■	■	▲	■	▲
Pictet Asset Management	Swi	▼	▲↑	■	■	▲	■↓	■	■	■	■	■	▲
PineBridge Investments	US	▲	▲	▲	■	▲	▲	■	■	■	▼	■	■
Putnam Investments	US/UK	▲↑	▲	▲	▲	▲	■↑	▼	▼	▼	▼↓	▼↓	■↓
Russell Investments	US	▲	▲	▲	■	▲	▼	■	▼	▼	▼	■	▼
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	▲↑	▲	■↑	▲	■	▼	■	■	■	▼↓	■	■
Swiss Life Asset Managers	Swi	■	■	■	■	■	▼	■↑	▼	▼	▲	▲	■↓
Tokio Marine Asset Mngt.	Jap/UK	■↓	■↓	▲	▲	■↓	▼	■	▼	▼	■	■	■
Unigestion	Swi	▲	▲	▲	▼	▲	▼	▼	▼	▼	▼	▼	▼
Union Bancaire Privée	Swi	▲	▲	■↓	■↓	▲	▼	■	▼	▼	▼	▼	▼
Union Investment	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	▲
Wells Fargo Asset Management	US/UK	■	▲↑	▲↑	▲↑	▲↑	▼	■	▼	▼	▼↓	▲↑	▲
% predicting rise (previous month)		52 (52)	63 (63)	58 (60)	48 (53)	47 (55)	12 (13)	5 (7)	4 (9)	5 (8)	35 (24)	27 (23)	25 (28)
% predicting stability (previous month)		38 (37)	34 (33)	37 (31)	40 (36)	48 (37)	16 (16)	67 (68)	28 (28)	28 (34)	35 (38)	53 (48)	50 (46)
% predicting fall (previous month)		10 (11)	3 (4)	5 (9)	12 (11)	5 (8)	72 (71)	28 (25)	68 (63)	67 (58)	30 (38)	20 (29)	25 (26)

Co-ordinated march sideways
 The much-feared post-summer holiday effect on COVID-19 contaminations did not materialise. The current wave started earlier and statistics are already trending down in the US, EU, UK and Japan, although still at a high level. Full vaccinations are over 60% in the EU and UK, with Japan catching up fast. Emerging markets are still significantly behind in tackling the pandemic.

The political risk of a COP26 failure is relatively high. The Biden administration seems on collision course with China over the latter's carbon emissions, higher than the US and EU combined. China's policies are moving in the right direction, but legacy projects being realised generate a worsening outcome. Russia, Thailand, Iran and Saudi Arabia are doing even worse. These countries' economies are under threat from initiatives, such as the EU's Carbon Border Adjustment Mechanism (CBAM) to tax products made with high carbon emission methods.

Asset allocation

Net equity sentiment is slightly up in the EU, US and Japan, slightly down in the UK, but the movements are small. Net bond sentiment has gone back to record lows, with Japan following the general trend, but at a much higher level. The pattern suggests great confidence in continuing high growth without inflation.

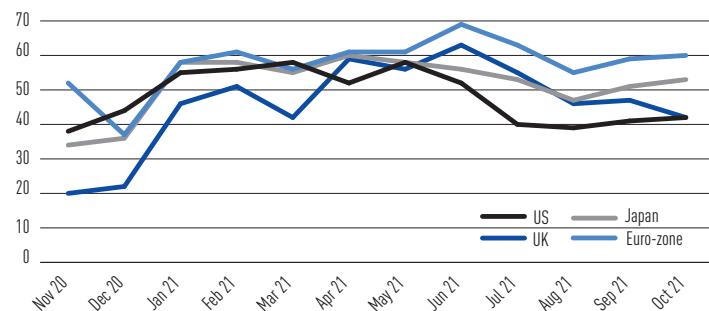
The neutral view on equities is stable for the US and EU, up in Japan and the UK. The neutral view on bonds is remarkably stable. Analysts are practically all looking in the same general direction.

Country allocation

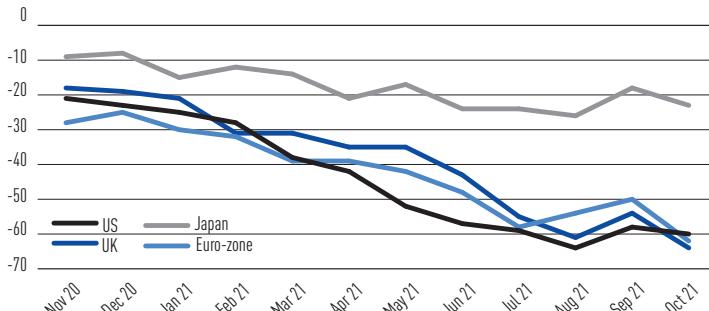
Except for Japanese bonds, all net sentiment figures are stable and within a narrow band. It is clear that political and COVID-19 risk is largely ignored, but it is not apparent which countries would suffer most from a failure of COP26.

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Net sentiment equities



Net sentiment bonds



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 74 and 75

