

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 83 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 80.

		EQUITIES					BOND PRICES				CURRENCIES		
Location		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	🟡	🟡	🟡	🟡	🟡	📉	📉	📉	📉	📈	📈	📈

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		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	■	■	■	■	■	■↑	▼	■	▼	▼	▼↓	■
Wells Fargo Asset Management	US/UK	▲	▲↑	▲	▲	▼↓	■↑	▼↓	▲↑	▼↓	▲↑	▲↑	▼
% predicting rise (previous month)		44 [54]	46 [49]	46 [57]	48 [48]	30 [27]	21 [22]	4 [10]	15 [10]	10 [11]	17 [18]	20 [20]	19 [24]
% predicting stability (previous month)		32 [26]	39 [39]	40 [27]	37 [33]	45 [52]	32 [26]	71 [66]	37 [44]	22 [26]	43 [45]	44 [51]	41 [45]
% predicting fall (previous month)		24 [20]	15 [12]	14 [16]	15 [19]	25 [21]	47 [52]	25 [24]	48 [46]	68 [63]	40 [37]	36 [29]	40 [31]

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

The end of 2018 saw expectations shift meaningfully in certain markets, and then pause. It also saw trends accelerate, then pause. For most of us, the pauses were welcome, because the shifts were related to broad market plans. Unfortunately, 2019 has seen a resumption in the directionality away from prior trends. Trends that had previously been accelerating have resumed as well. These are not universally negative movements, but are meaningful.

Bonds

US dollar bond price sentiment resumed its positive path. This is a resumption of a trend that took hold in 2018. Other denominations experienced similar positive movements, but did not see those trends resume. Yen bonds saw expectation differential drop sharply in the recent survey period, while euro bond sentiment also weakened. For euro bonds, their 2018 upward trend was not only the weakest, but also rose to a point furthest from its four-year high, which is to say sentiment is weak.

Equities

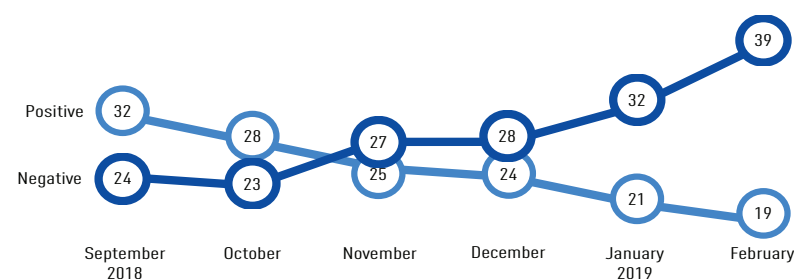
Sentiment differential also fell during the period. This was the unwelcome trend shift mentioned taking further hold. US sentiment differential fell the most, followed by UK and then the euro-zone. While sentiment for Japan equities also declined, sentiment towards the rest of Asia did the opposite. Positive sentiment towards US equities is its lowest since February 2018, and euro-zone sentiment is the lowest in two years.

Currencies

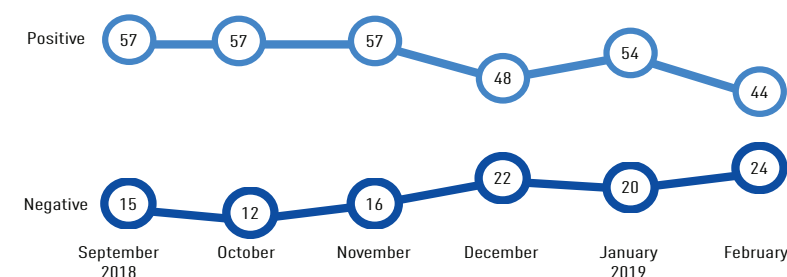
Within currencies, the trend we have highlighted over the last couple of months, the crossing of cumulative positive and negative – in favour of the negative, which was many, many months in the making – has accelerated in the most recent survey period. Expectations for dollar strength are at a long-term low, while expectations for its decline are the opposite.

PETER LAURELLI,
GLOBAL HEAD OF
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Bearish US bond sentiment continues to rise...



...while US equity expectations converge



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 78 and 79

