

ASSET ALLOCATION

IPE QUEST EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 66 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 72.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Actiam	Neth	▼↓	▼↓	▼↓	▼↓	▼↓	■↑	■↑	■↑	■↑	■↑	■↑	■↑
Aegon Asset Management	Neth	■	■	■	■	■	■	■	■	■	■	■↓	■
A.G. Bisset Associates	US	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
AllianceBernstein	US/UK	▼	▼	▼	■	■	■	■↑	■	■↑	■	■	■
Allianz Global Investors	Ger/UK	▼	▼	▼	■↑	▼	■	■	■	■	▲	■	▲
Amundi	Fra	▼	▼	■	■	▼	▲	▲	▲	▲	▲	▼	▲
Apo Asset Management	Ger	▲	▲	▲	▲	▲	■	■	■	■	■	■↓	■
Avana Invest	Ger	▼↓	▼↓	▼↓	▼↓	▼↓	■	■	▲↑	■	▼	■	■
Bankhaus Lampe	Ger	–	–	–	–	–	▼	▼	▼	▼	■	▲	▲
Bank Julius Baer & Co.	Swi	■↓	■↓	■↓	■↓	■↓	▼	■	▼	▼	■	■↑	▼
Bank J. Safra Sarasin	Swi	■	■	■	■	■	▼	■	▼	▼	▼	▼	■↑
Banque Profil de Gestion	Swi	▲↑	▲↑	▲↑	▲↑	▲↑	■	■	■	■	▼	▼	▼
Bantleon Bank	Swi	▲	▲	▲	▲	–	▼	–	–	▼	▼	–	–
BayernInvest	Ger	▲↑	▲	▲	▲	▲	▼	■	■	▼	■↑	■	■
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	■	■	▼	▼	▼	■	▼
BNP Paribas Asset Management	Fra	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼↓	▼↓	▼↓
BNY Mellon Inv. Mngt. EMEA	UK	–	–	–	■	–	–	▼	–	–	–	■	■
CBL Asset Management	Lat	▼	▼				▼			■	▼		
Columbia Threadneedle Inv.	US	■	■↓	▲	▲	■↓	■	■	■	■	■	■	■
Crédit Mutuel Asset Mngt.	Fra	■↓	▲↑	■	▲↑	–	■↑	■	–	■↑	▲↑	▼	■
DWS Investment	Ger	▲	▲	▲	▲	▲	■	■	■	■	■↑	■↓	■↑
Eagle Asset Management	US	■	■	▼↓	▼↓	■	▲	▲	▲	▲	▲	▲	▲
Econopolis Wealth Management	Bel	■	■	▲	▲	■	■	■	■	■	▼	▼	▼
Edmond de Rothschild AM	Fra	■	▼↓	■	▲	■↓	▼↓	■	▼↓	▼↓	▼	▼	▼
Erste Asset Management	At	■	■	■	■	■	▲	■	▲	▲	▲	■	▼
Eurizon Capital	It	■	■	■	■	■	■	■	■	▼↓	■	▼↓	■
Fideuram Investimenti	It	▲	■	■	■	▼	▲	■	▲	■	▲	■	▲
Fonditel	Spa	■↓	■↓	■↓	■↓	■↓	■↓	■	■↓	▼↓	■↑	■	▼↓
Franklin Templeton Multi-Asset	UK	▲	▼	▼	■	▲	■	■	■	■	■	■	■
Generali Investments Europe	Ger/It	▲	▲	▲	▲	▲	▼	▼↓	▼	▼↓	▼	▼	▼
GNB Gestao Activos	Por	▲	▲	▲	■↓	▲	▲↑	■	■	▲	■	■↓	▼↓
Graphene Investments	Fra	■	▼↓	■↓	■	■↑	–	–	–	–	■↑	■↑	▲↑
Groupama Asset Management	Fra	▲	▼	■	■	■	■	■	■	■	■	■	■

	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	▲	▲	■	▼	■	▼	▼	▼	▼	▼↓	▲↑	■
MEAG		■	■	■	■	■	■	■	■	■	▲	▲	▲
MFI Asset Management	Ger	▲	▲	▲	▲	▲	▼↓	▼↓	▼↓	▼↓	▼	▼	■
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	■	■	■	■	■	■	■	■	■	■	■	■
Ostrum Asset Management	Fra	▼	▼	▼	■↑	▼	■	■	■	■	■↓	■↓	▲
Patrizia	Ger	■	■	■	■	■	▼	■	■	■	▼	▼	▼
Pictet Asset Management	Swi	■	■	▼	■↓	■↓	▲	▼	■	▼	■	■	■↑
PineBridge Investments	US	▼	▼	▼	■	▼	▲	■	■	■	▼	■	▼
Principal Global Investors	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▲↑	▲↑	▲↑
Putnam Investments	US/UK	■↓	■↓	■↓	■↓	■↓	▼	▼	▼	▼	▲	▼↓	▲↑
Quantix Commodities	US	▼↓	▼↓	▼↓	▼↓	▼↓	▼	■	▼	▼	▲↑	▼	▲↑
Russell Investments	US	▲	▲	▲	▲	▲	▲↑	■	▲↑	■	■	▼	▲↑
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	■↓	■↓	■↓	■↓	■↓	▼	▼	▼	▼	▼↓	■↑	■↓
Stone Harbor Inv. Partners	US	■	▲	▲	▲	■	▼	■	▼	▼	▼	■	■
Swisscanto Inv. (Zürcher Kanton.)	Swi	▲	▲	▲	▲	▲	■	■	■	■	▲	▼	▼
Swiss Life Asset Managers	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)		48 (57)	45 (59)	40 (56)	46 (56)	38 (56)	17 (19)	3 (8)	15 (14)	8 (12)	20 (21)	10 (22)	22 (17)
% predicting stability (previous month)		33 (26)	30 (24)	39 (30)	40 (29)	47 (29)	43 (36)	71 (68)	50 (51)	48 (50)	41 (33)	57 (32)	43 (41)
% predicting fall (previous month)		19 (17)	25 (17)	21 (14)	14 (15)	15 (15)	40 (45)	26 (24)	35 (35)	44 (38)	39 (46)	33 (46)	35 (42)

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Back to reality?

In the EU, statistics for both contagion and death by COVID-19 are still diminishing. Relaxing restrictions typically causes a short recurrence. The UK and Sweden are behind the curve. The US is in a situation where daily new cases are slowly decreasing, in spite of increased testing, driven by New York and New Jersey figures while in other states figures are rising. Daily mortality figures point in the same direction. Japan is doing well on a very low level.

Attention is shifting to the economic support. Individual EU member states have started support measures and the EU is considering further help, all aimed at the hardest hit: the poor, the unemployed and small businesses. The Japanese reaction looks similar, though there is support for large enterprises. US measures are general in nature: distribution is haphazard and skewed towards large or influential businesses.

Asset allocation

While last month's figures suggested a boom, reality seems now – at least partially – to have sunk in this month: growth will slow down sharply in Q2 and uncertainty reigns, dominated by the

efficiency of economic packages and the ability of COVID-19 to make a come-back. This is reflected in neutral sentiment increasing everywhere, except for euro-zone and UK bonds, where the statistics did not go down sharply last month. This correction works through in net equity sentiment, moving down towards pre-COVID levels. Net bond sentiment converged to a level of -20 to -25% with the EU as outlier at -36%.

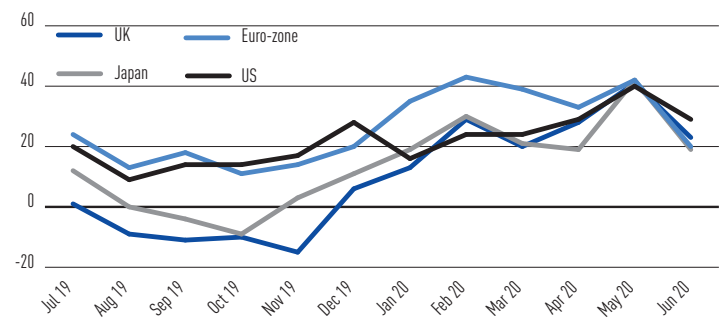
Country allocation

The gap between US sentiment on equity and bonds is stabilising, but it still looks as if a boom is expected. Net equity sentiment is back at high levels while bond sentiment stays low.

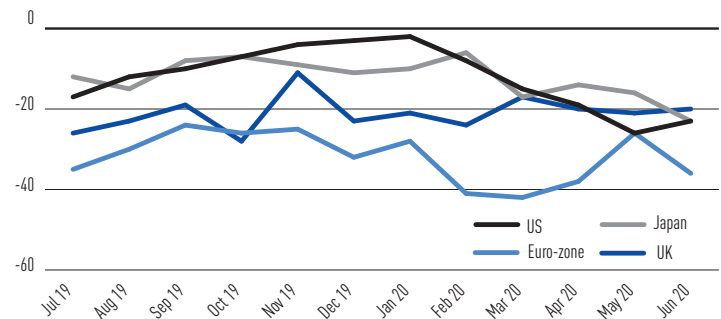
Euro-zone net equity sentiment has returned to pre-COVID levels, and bond sentiment is stable. UK equity sentiment is trending sideways, while bond sentiment remains flat. There is an element of post-Brexit uncertainty in the equity trend, now that the EU trade negotiations are on the radar again.

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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 70 and 71

