

IPE MARKET OUTLOOK

INVESTMENT MANAGER EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polls 91 asset managers each month on their 6-12 month views on regional equities, global bonds and currency pairs as shown below. A summary of the survey appears on page 108.

		EQUITIES					BOND PRICES				CURRENCIES		
Location		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Aberdeen Asset Management	UK	▲	▲	▲	▲	■↓	■	■	■	▲↑	▲↑	▲↑	■↑
ACT Currency Partner	Swi	▼	▼	▼	▼	▼	■↑	■↑	■↑	▼	▲↑	▲↑	▲↑
ACTIAM	Neth	▼	▼	▼	▼	▼	▲↑	▲↑	▲↑	▲↑	▼	▼↓	■↑
AEGON Asset Management	Neth	■	■	■	■	■	■	■	■	■↑	■↓	■	■
A.G. Bisset Associates	US	■	▲	▲	▲	▲	■↑	■↑	■↑	■↑	▼	▼	▼
AllianceBernstein	UK	■↑	▲	▲↑	▼↓	▲↑	▲↑	■↑	■	▼	▼	▼	■
Allianz Global Investors	Ger/UK	■	▲	▲	▲	■	▼	■	■	▼	■	▲	▲
Amundi	Fra	■	▲	▲	▲	■	▼	■	▲	▼	▼	▲	■
Apo Asset Management	Ger	■	▲	▲	▲	▲	▼	▼	▼	▼	■	▼	▲
Arca Fondi	It	▼	■	▼	▼	▼	▼	■	■	▼	▼	■	■
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 Bank	Ger	▲↑	■↓	■↓	■↓	■	■↑	▼	▼↓	■↑	▼↓	■	▼↓
BNP Paribas Investment Partners	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	▼	▼	▼	▼	▼	▼	▼	▼	▼	▲	▲	▲
Deutsche Asset Management	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	▲
DNB Asset Management	Nor	▼	▼	▼	▼	▼	▲	▲	▲	▲	■	■	■
Dynagest	Swi	–	–	–	–	–	■	■	■	■	▼	▼	▼
Eagle Asset Management	US	▲	▲	▲↑	▲↑	▲	■	■↑	■↑	■↑	■	■↓	■
Econopolis	Bel	■	▲	▲	▲	▲	▼	■	▼	▼	▲	■	■
Edmond de Rothschild AM	Fra	▼	▲	▲	▼	■	▼	■	■	▼	▲	▲	▲
Erste Asset Management	At	■	▲	▲	▲	■	▼	■	▼	▼	■	▲	▲
Eurizon Capital	It	■	■	■	■	■	▼	▼	▼	▼	■	■	■
Federated Investors	US	■	▲	▼	▲	▼	■	▲	■	■	▲	■	▲
Fiera Capital	Can	■	■	■	■	■	▼	▼	▼	▼	▼	▼	▼
First Private Investment Mngt.	Ger	■	▲	▲	■	■	■	▲	■	▲	■	▲	■
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	▲	▲	▲	▲	▲	▼	▼	▼	▼	■	■	■
LocalTapiola Asset Management	Fin	■	▲	▼	▼	■	■	■	■	■	■	■	■
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	▲↑	▲↑	▲↑	▲↑	■↑	▼	■↑	■	▼	▲↑	▲↑	▼↓
Natixis Asset Management	Fra	▼	▲	▲	▲↑	■	▲	■	▼	▼	▲	▲	▲↑
NN Investment Partners	Neth	■	▲	■↓	▲↑	■↓	▼	▼	▼	▼	▲↑	▲	▲
Northern Trust Asset Management US	US	▲	▲	▲	▲	▲	▼	■	■	▲↑	■↓	■	■
Nuveen TIAA Investments	US	■	▲	▲	▲	■	▼	▼	▼	▼	■	■	■
Oddo BHF Asset Management	Ger	▼	▲	▲	■	▼	▼	■	▼	▼	▼	▲	▲
OFI Asset Management	Fra	■↑	▲↑	■	■	■	▼	■	▼	▼	■	■	■
Optinvest	Swi	-	-	-	-	-	-	-	-	-	▼	▼	▼
PATRIZIA	Ger	■	■	■	■	■	▼	■	■	■	▲↑	▲↑	▲↑
PGIM Fixed Income	UK	▲	▲	▲	▲	▲	▲	▲	▲	▲	▼	▲	▼
Pictet Asset Management	Swi	■	▲	▲	▲↑	▲	▲↑	▼	▼	▼	▼	■	▲
PineBridge Investments	US	■	▼↓	▲	■	■	▼	▼	■↑	▼	▲↑	▲	■
Principal Global Investors	US	■↑	■↑	■↑	■↑	■↑	▼	▼	▼	▼	▲↑	▲	▲↑
Robeco Group	Neth	▼	▲	▲	▲	▼	▼	■	■	■	▲	■	▲
Russell Investments	US	■	▲	■↓	■	■	▼	■	■	■	▲↑	▲↑	■
Sal. Oppenheim	Ger	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	▲	■
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▼	■
SEB Investment Management	Den	▲	▲	▲↑	▲	▲↑	▼	■↑	■↑	▲↑	▲	■	■
Standard Life Investments	UK	▲	▲	■	■	■	■	▼	■	▼	■	▲	▼
Stone Harbor Investment Partners US	US	▼	■	▼	■	■	▼	■	■	■	▼	■	■
Swiss Life Asset Management	Swi	▲	▲	▲	▲	■	▼	▼	▼	▼	▲	▲	▲
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 Institutional	Ger	■	▲	▲	■	■	▼	■	■↑	▼	■	■	■
VidaCaixa	Spa	■	▲	■	■	▼	■	▼	▼	▼	■	▼	▼
Wells Capital Management	US	▲	▲	▲	▲	▲	▼	■	▼	▼	▲	■↑	▲
Zürcher Kantonalbank	Swi	■	▲	▲↑	■	■	▼	■	▼	■	▲↑	▲	▲↑
% predicting rise (previous month)		30 (30)	78 (74)	57 (65)	54 (52)	29 (27)	12 (10)	6 (4)	11 (8)	12 (10)	39 (34)	41 (36)	35 (36)
% predicting stability (previous month)		47 (50)	16 (20)	33 (26)	34 (38)	52 (54)	27 (25)	65 (61)	43 (40)	21 (22)	38 (41)	42 (46)	48 (48)
% predicting fall (previous month)		23 (20)	6 (6)	10 (9)	12 (10)	19 (19)	61 (65)	29 (35)	46 (52)	67 (68)	23 (25)	17 (18)	17 (16)

IPE MARKET OUTLOOK

INVESTMENT MANAGER EXPECTATIONS INDICATOR

Overview

Investment managers' expectations have been welcomingly accurate throughout the year. For example, positive sentiment toward European equities began to rise sharply near the end of 2016, followed by a roughly 20% rise in 2017. Additionally, expectations for dollar strength have been falling since January, and the dollar index (DXY) was down nearly 10% year-to-date through the recent survey period. What are managers' views as we enter the second half of 2017?

Bonds

There are growing positive expectations on bonds in most denominations, although the proportion of managers expecting bond prices to rise is all hovering near 10% or lower. However, negative sentiment towards dollar bonds appears to be bouncing off the floor set in February, and sterling bond sentiment has risen sharply for the second consecutive month. However, sentiment towards euro bonds is at its lowest level in over two years.

Equities

Despite asset managers' prescience on European equities in this survey, 'europhoria' is levelling off. While the

proportion of managers expecting gains from European equities rose to its highest level since early 2016, the proportion expecting losses has doubled from the prior survey. However, there is a mounting consensus however, is for a decline in US equities where the proportion of managers expecting gains is near a 12-month low, and those expecting a fall has risen to a 10-month high.

Currencies

Belief in dollar strength continued to decline until August. September's figure is slightly more optimistic, although still more pessimistic than the July survey. The dollar is still expected to be weakest versus the euro, although there was a shift of opinion from those expecting stability to an expectation of dollar strength against the single currency. While positive sentiment towards the dollar is at an all-time low, that is no longer being driven by sentiment in the dollar/euro pair, but rather by failing confidence in the dollar to the yen and sterling.

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

23%
NEGATIVE
EXPECTATIONS
ON US
EQUITIES
AT A 10-MONTH
HIGH

KEY FOR EXPECTATIONS GRAPHS BELOW

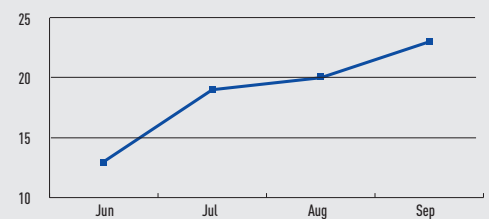
■ % of managers expecting rise
■ % of managers expecting stability
■ % of managers expecting fall

78%

Positive on euro equities (although europhoria is levelling off)

Managers are growing more cautious on US equities

% expecting fall



IPE polls over 90 asset managers each month on their six to 12-month views on regional equities, global bonds and currency pairs as shown below. Survey results appear on pages 106 and 107. This month 91 managers took part.

