ASSET ALLOCATION
IPE QUEST EXPECTATIONS INDICATOR

IPE Quest
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Political risk

US president Donald Trump's threats towards the independence of the Federal Reserve and intention to devalue the USD could severely undermine its position as reserve currency.

By contrast, there is much good news coming out of the EU. Spreads between euro-area government bonds are converging. Bulgaria and Romania have moved a step closer to entering the monetary union. The tide seems about to turn against the far-right government in Hungary, ahead of elections next April. Denmark is showing unusual enthusiasm for EU co-operation, particularly around defence.

The UK and France have signed a mutual agreement on illegal immigration, which could serve as a model for collaboration between the UK and the European Union. This bodes well for UK prime minister Sir Keir Starmer, and for French president Emmanuel Macron's wish for closer European military co-operation. However, in Britain, Nigel Farage's Reform, which leads the poll, is against the agreement.

Asset allocation

Net equity sentiment statistics have developed spectacularly. Since last February, the US number has decreased by around 20% each month and is now in negative territory for the first time since November 2023. The numbers for Japan and the UK have also been trending down, albeit more mildly. The EU statistics are holding up fairly well, so the divergence trend is continuing, making the US look risky and the EU a safe haven.
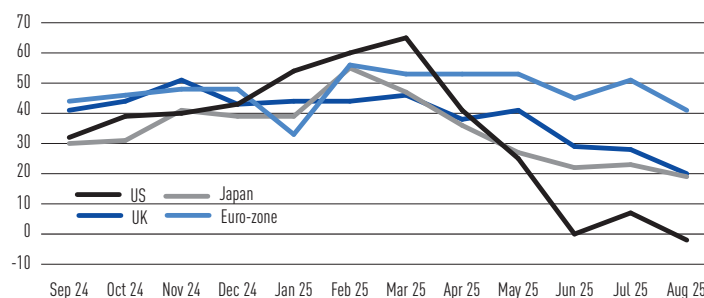
Over the past month, net bond statistics were jointly creeping lower everywhere except in Japan, where they moved sideways on a very low level. UK bond uncertainty climbed above equity uncertainty.
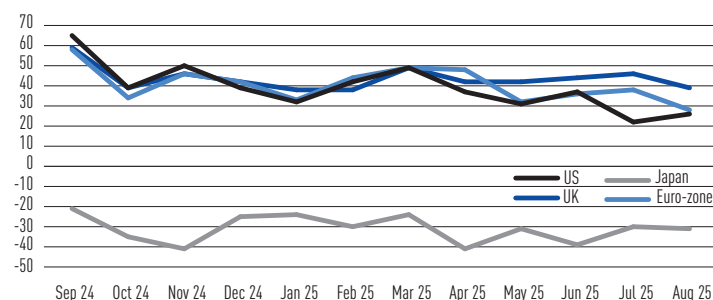
Country allocation

In the US, faith in both equity and bonds is low and trending down, with an increasing vote for uncertainty. EU analysts remain relatively optimistic on equity. Their uncertainty vote for equity is quite neutral, while the neutral vote for bonds remains on a higher level. The situation in Japan remains unchanged, with a neutral vote of 55% that signals very high uncertainty among Japan's bond analysts.

PETER KRANEVELD, INTERNATIONAL PENSIONS ADVISER, PRIME BV

Net sentiment equities

Legend: US, Japan, UK, Euro-zone — Sep 24 to Aug 25

Net sentiment bonds

Legend: US, Japan, UK, Euro-zone — Sep 24 to Aug 25
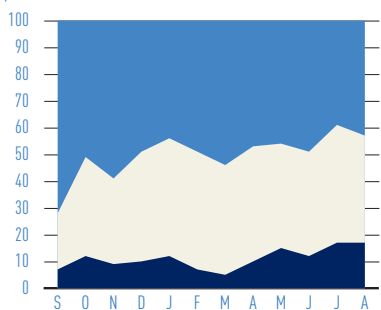
KEY FOR EXPECTATIONS GRAPHS
- % of managers expecting rise
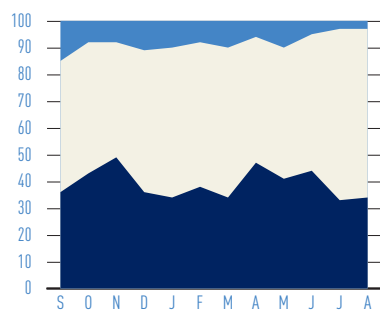- % of managers expecting stability
- % of managers expecting fall

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 2 and 3
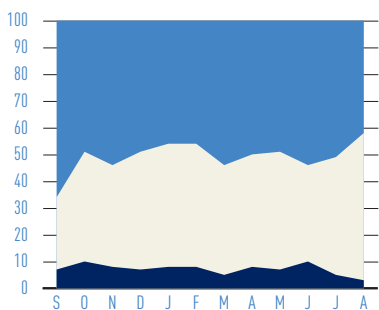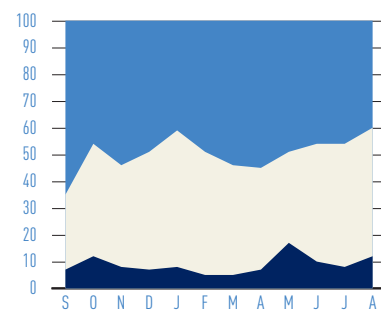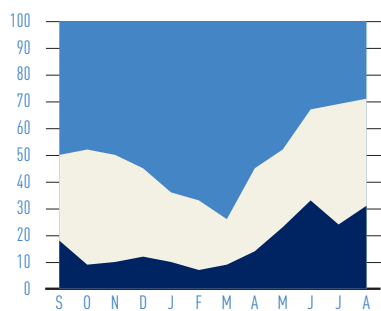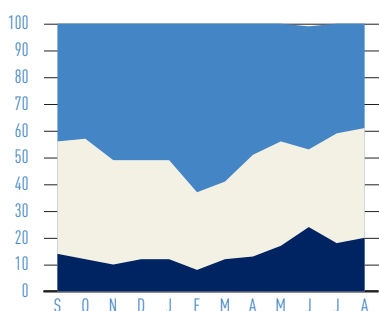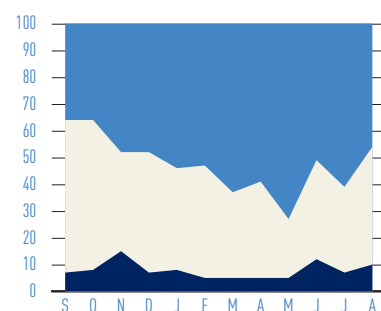

$ BONDS

¥ BONDS

£ BONDS

€ BONDS

US EQUITIES
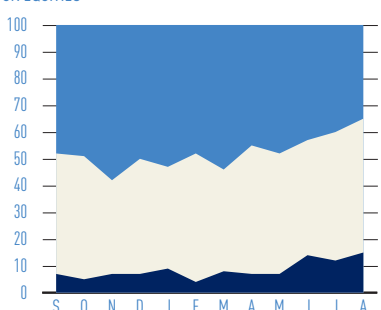

EURO-ZONE EQUITIES

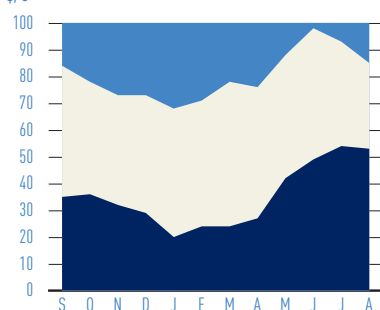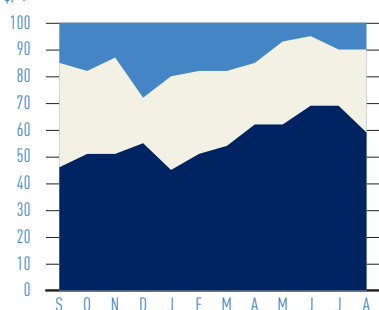JAPAN EQUITIES

ASIA EQUITIES
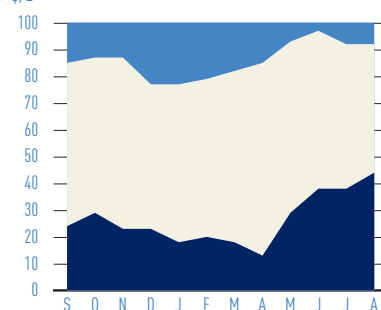

UK EQUITIES

$/€

$/¥

$/£

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▲ **Rise** ↑ Positive shift (from last month)
■ **Stable** – No view
▼ **Fall** ↓ Negative shift (from last month)

IPE polled 42 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 1.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
AllianceBernstein	US/UK	▲↑	▲	■	■	■	■	▼	▲	▲	■	▼	■
Allianz Global Investors	Ger/UK	■	■↓	■↓	▲	■↓	■	■	▲	▲	▼	■↑	▼↓
Allspring Global Investments	US/UK	▼	■	▼	■↓	■	▼	▼	■↓	■↓	▼↓	▼↓	▼↓
Amundi Asset Management	Fra	▼	▲	■	▲↑	▲	▼↓	▼	■↓	▲	▼	▼	▼
Apo Asset Management	Ger	■↓	▲	■↓	■↓	■↓	■	▼	■	■↓	▼↓	■	■
Bank J. Safra Sarasin	Swi	▼↓	▼↓	▼↓	▼↓	▼↓	▲	■	▲	▲	▼	▼	▼
Bantleon AG	Swi	■↑	▲	▲	▲	–	▼	–	–	▼	▼	–	–
Berenberg Wealth & Asset Mngt.	Ger	▲	▲	▲	▲	▲	■	■	■	■	▼	▼	▼
BNY Advisors Investment Institute	UK	▼	■	▼	■	■	▼	■↑	▲	■↓	–	–	–
CBL Asset Management	Lat	■	■	–	–	–	▲	–	–	▲	▲	–	–
Columbia Threadneedle Inv.	US	■	■	■	■	■	–	–	–	–	■↑	■	■↓
Crédit Mutuel Asset Management	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	■	▲	■↓	▲	▲↑	■	■	■	■↓	▼	■↑	▼
Generali Asset Management	Ger/It	■↓	▲	▲	▲	▲	▲	▼	▲	▼↓	▼↓	▼	▼↓
GNB Gestao Activos	Por	▲	▲	▲	▲	▲	▲↑	▼	■	▲	▲↑	▲↑	■

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	$	¥	£	€	$/€	$/¥	$/£
Graphene Investments	Fra	■	■	▲↑	■↓	■	–	–	–	–	■	▼↓	■
Irish Life Investment Managers	Ire	▲	▲	▲	▲	■	▲	▼↓	■	▲	▼	▼	▼
Mandarine Gestion	Fra	■	■↓	■	■↓	■	■	■	■	■	■	▼	■
Manulife Investment Mngt.	US	▲	▲	▲	▲	▲	■	■	■	■	▲	■	▲
MEAG		▼↓	▲↑	■	■		▼↓	■	■	■	▲↑	▲	■
MFI Asset Management	Ger	▼	▼	▼	▼	▼	▲↑	■	■↓	▲	▼	▼	▼
Morgan Stanley Inv. Mngt.	UK/US	▼	▲	▲	▲	▲	▲	■	■	■	▼	▼	■
Muzinich & Co.	UK	■↓	▲	▲↑	■↓	▲↑	▲	▼	▲	■	▼	▼	▼↓
Ninety One	UK	▼↓	▲	▲	▲	▲	▲	▼↓	■	▲	▼	▼	▼↓
Oddo BHF Asset Management	Ger	▼↓	■	▼↓	■	▼↓	▲↑	■↑	▲	▲	■	■↑	■
Ofi Invest Asset Management	Fra	■	■	▲	▲	■	▲	▼	▲	■	■	■	■
ONE Swiss Bank	Swi	▲	▲	▲	■	▲	▲	■	▲	▲	▼↓	▼	▼↓
Ostrum Asset Management	Fra	▼	▼	■	▲↑	■↑	▲	■	■↓	■	■	▼	■
Pictet Asset Management	Swi	■	■	■	▲	■	■	■	■	■	▼	▼	▼
PineBridge Investments	US	■↓	▲↑	■	■	■	■	■	▲↑	▲↑	■↓	■↓	■↓
Russell Investments	US	■	■	▼	■	▼	■	■	▼	▼	■	■	■
Salus Alpha Capital	Liecht	▲	▲	▲	▲	▲	▲	■	▲	■	■	▲	■
SEB Investment Management	Swe	▲	▲	■	▲	■	▲	■	▲	▲	▼	▼	■
Tokio Marine Asset Mngt.	Jap/UK	▼↓	▼↓	▲	■↓	▼↓	■↓	■	▲	▲↑	■	■↓	■
Union Bancaire Privée	Swi	▲	▲	■↓	■↓	■↓	■↓	■	■↑	■↑	▼	▼	■↑
Union Investment Institutional	Ger	■	■	■	■	■	▼	▼	■	■	■↑	■↑	■↑
% predicting rise (previous month)		29 (31)	55 (60)	39 (41)	46 (61)	35 (40)	43 (39)	3 (3)	42 (51)	40 (46)	15 (7)	10 (10)	8 (8)
% predicting stability (previous month)		40 (45)	31 (31)	41 (41)	44 (32)	50 (48)	40 (44)	63 (64)	55 (44)	48 (46)	32 (39)	31 (21)	49 (54)
% predicting fall (previous month)		31 (24)	14 (9)	20 (18)	10 (7)	15 (12)	17 (17)	34 (33)	3 (5)	12 (8)	54 (54)	59 (69)	44 (38)