

- INVESTMENT

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

▲ Rise ↑ Positive shift (from last month)

■ Stable – No view

▼ Fall ↓ Negative shift (from last month)

IPE polled 86 asset managers this month on their six to 12-month views on regional equities, global bonds and currency pairs as shown below.

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		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	▲	▲	■↓	■↓	▲↑	▼	■↑	▼	▼	▼	■↓	▼↓
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	Ger	▲	▲	▲	▲	▲↑	▼	■	▼	▼	■	■	▲↑
Dynagest	Swi	-	-	-	-	-	▼	■	■↑	■↑	▲↑	▲	▲↑
Eagle Asset Management	US	▲	▲	▲	▲	▲	■	■↑	■↑	■↑	■↓	■↓	■↓
Eaton Vance Management	US	■	■	▲	▲	■	▲	▲	■	▼	▼	▼	■
Econopolis	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	▼↓	■↓	■↓	▼↓	■↓	■	▼	▼	▼	■	■	▲↑
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	▲↑	■↑	▲↑	■↑	■↑	▼↓	■	■	■	▲↑	▲↑	▲
NN Investment Partners	Neth	▲↑	▲	▲	▲	■	▼	▼	▼	▼	■	▲	■
Northern Trust Asset Management US	US	▲	▲	▲	▲	▲	■	■	■	■	■	▼↓	■
Nuveen TIAA Investments	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 Asset Management	Den	▲	▲	▲	▲	▲	▼	■↑	■↑	■↑	▲	▲	▲
Stone Harbor Investment Partners US	US	▼↓	■↓	■↓	■↓	▼↓	▲↑	■	■	■	▼	■	■
Sycomore Asset Management	Fra	▲	▲	▲	▲	■	■	■	▼	▼	■	▲	▼
Syz Asset Management	Swi	▲	■	■	■	▲	■	■↑	■	■↑	▼	▼	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼	■↑	▼	▼	▲	▲	-
Unigestion	Swi	▲	▲	-	▼	■	▼	▼	▼	▼	■	▲	■
Union Bancaire Privée	Swi	▲↑	▲↑	▲	▲	▲↑	▼	■	■↑	■↑	■↓	▲	■↓
Union Investment	Ger	▲	▲	▲	▲	▲↑	▼	▼	■	▼	▼	■	■
VidaCaixa	Spa	■	▲	-	■	■	▲	■	■	▲	■	▼	▲
Wells Fargo Asset Management	US	▲	▲	▲	▲	▲	▼	▼	▼	▼	▼	▼	▼
Zürcher Kantonalbank	Swi	▲	▲↑	▲	■	▼↓	■↑	■	■	■↑	▲	■	▲↑
% predicting rise (previous month)		57 (55)	62 (73)	56 (65)	44 (59)	40 (37)	18 (13)	6 (5)	5 (9)	8 (8)	29 (27)	26 (29)	28 (26)
% predicting stability (previous month)		27 (30)	32 (21)	38 (27)	44 (29)	42 (51)	31 (28)	64 (57)	44 (38)	26 (22)	41 (43)	49 (44)	51 (58)
% predicting fall (previous month)		16 (15)	6 (6)	6 (8)	12 (12)	18 (12)	51 (59)	30 (38)	51 (53)	66 (70)	30 (30)	25 (27)	21 (16)

ASSET ALLOCATION

IPE EXPECTATIONS INDICATOR

Overview

Last month we noted the how recent small moves in expectations evoked a similar feeling to the subtle change of the seasons, albeit somewhat less calming. If that is how the last few months of expectations have felt, this month we were hit with the first wave of back-to-school commercials indicating it's time to start thinking differently. While change is definitely in the air, yesterday still feels just like today for many indicators, such as US equities and most currencies.

Bonds

Cumulative expectations for bond prices to rise did not change meaningfully but there were indications that expectations for dollar bonds were shifting. That shift became more

pronounced in the most recent survey period. Since the beginning of 2018, positive expectations for dollar bonds have now doubled – from 9 to 18% expecting price gains – and three-quarters of that change has taken place in the most recent survey period. Along with this positive shift, there was also a meaningful shift among those predicting dollar bond prices to fall.

Equities

It was a month of major shifts for all regions other than the US. Sentiment fell by nine percentage points for euro-zone equities, with all of that shift coming from those previously expecting stability. Euro-zone equities have led the pack since the beginning of the year in terms of positive expectations but this has now fallen by 30 points. For Japan, the move was

similar, and for Asia they fell by 15 percentage points. Trade tariffs and the end of QE seem not to be a good combination for sentiment. There was little change in sentiment for US equities. Expectations for them to rise increased slightly, but that was about all.

Currencies

Interestingly, despite the significant moves in other asset classes, there were few meaningful shifts in sentiment among currencies. Yes, there was a slight increase in cumulative

expectations for dollar strength, but by the smallest of amounts. Against the euro, there was no change in those expecting it to weaken, only a slight decline in those expecting stability. Only against the sterling was there a meaningful move, and that was the shift away from stability to a rise of those expecting the dollar to decline.

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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.

