

## ASSET ALLOCATION

## IPE QUEST EXPECTATIONS INDICATOR

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

IPE polled 56 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 76.

	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	-	-	-	■	-	-	▼	-	-	-	■	■
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	■↓	■↓	■↓	■↓	■↓	■↓	■↓	■↓	■↑	■	■↑	■↑
Fonditel	Spa	▲↑	▲	▲↑	▲	▲	▲↑	■	▲↑	▲↑	▼	■↑	■↑
Generali Investments Europe	Ger/It	▲↑	▲	▲	▲↑	▲↑	▼	▲	▼↓	■	▼	▼	▼
GNB Gestao Activos	Por	▲↑	▲↑	▲↑	▲↑	▲↑	■↓	■↓	■↓	▲	■	▲	■

	Location	EQUITIES					BOND PRICES				CURRENCIES		
		US	Euro-zone	Japan	Asia	UK	\$	¥	£	€	\$/€	\$/¥	\$/£
Graphene Investments	Fra	■	■	▲	■↓	▼↓	-	-	-	-	▼↓	▼↓	■
IPM Informed Portfolio Mngt.	Swe	▼	▲	■↓	▼↓	■↓	▲	■↑	■	▼	▼	▼	▼
Irish Life Investment Managers	Ire	▲	▲	▲↑	▲↑	▲	▼↓	■	▼	■↓	▼	▼	■↑
Janus Henderson Investors	UK	▲↑	▲↑	▲↑	▲↑	▲↑	▼	■	▼↓	■	▼↓	▼↓	▼↓
La Française AM	Fra	▼	▼	▼	▼	▼	▲↑	▲	■↓	▲	■	■↓	■
LGT Capital Partners	Swi	▲	▲↑	■	▼	■↑	▼	▼	▼	▼	▲	▼	■
MFI Asset Management	Ger	▲	▲	▲	▲	▲	■	■	■	■	▼	▼	■
Morgan Stanley Inv. Mngt.	UK/US	▲↑	■↓	■	■	■	▼	■	■	■	▲	▲	▲
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	▲↑	▲↑	▲↑	▲↑	▲↑	▼	▼↓	▼↓	▼	▲↑	▼↓	▲↑
Swiss Life Asset Managers	Swi	▲	▲	▲↑	▲	▲↑	▼	▼↓	▼↓	▼	▼↓	▼↓	■
Tokio Marine Asset Mngt.	Jap/UK	▲	▲	▲	▲	▲	▼	▼	▲↑	▼↓	■	■	■
Union Bancaire Privée	Swi	▲	▲	▲↑	▲	▲	▼	■	▼	■↑	▼	▼	▼
Union Investment Institutional	Ger	▲	▲	▲	▲	▲	■	■	■	■	▼	■	▼
Wells Fargo Asset Management	US/UK	▲	▲	■↓	■↓	■	▲	■	▲	▲	■↑	▼	▼
% predicting rise (previous month)		57 (48)	59 (49)	56 (42)	56 (55)	56 (44)	19 (20)	8 (10)	14 (13)	12 (7)	21 (17)	22 (22)	17 (20)
% predicting stability (previous month)		26 (33)	24 (35)	30 (35)	29 (26)	29 (40)	36 (41)	68 (66)	51 (54)	50 (48)	33 (42)	32 (49)	41 (41)
% predicting fall (previous month)		17 (19)	17 (16)	14 (23)	15 (19)	15 (16)	45 (39)	24 (24)	35 (33)	38 (45)	46 (41)	46 (29)	42 (39)

**ASSET ALLOCATION**  
**IPE QUEST EXPECTATIONS INDICATOR**



**COVID-19**

Using last month's model of the statistics on daily new cases as an early indicator and daily case mortality as evidence of policy change, the 21 April situation looks like:

In the US, the case curve has flattened at a high level, but the death curve is rising. In the EU, cases and deaths are receding, except in Sweden. The UK shows flat cases and lower mortality. Japan is doing well at a low level. Curves seem to indicate an end to high-level deaths in the second half of May, though the assumption is shaky.

Politically, far right governments are more likely to withdraw crisis measures quickly. The question is if it is possible to be contaminated more than once. If so, opening up too soon has dire consequences. Economic support for the weakest is more likely to come from centrist governments, as rightist ones will prefer general stimulus measures, thereby worsening income distribution.

**Asset allocation**

The share of neutral sentiment is quickly dropping for equity, while staying put for bonds – but falling in Japan, indicating diminishing uncer-

tainty that economic support measures will stimulate growth. That faith is also reflected in equities sentiment, which has converged globally to 40 to 42% net positive. Likewise, bond sentiment has converged to a -21 to -26% band, with Japan being an outlier. The dangers are a second wave of COVID-19, rising unemployment and social unrest.

**Country allocation**

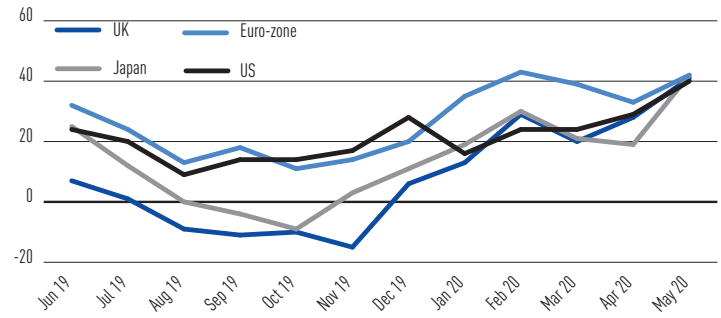
The gap between US sentiment on equity and bonds continues to widen, as if a boom is expected. Equity sentiment is at a year high, while bond sentiment is at a near 12-month low.

EU equity sentiment rises while bond sentiment is rebounding from a low level. There is tension between the two trends. UK equity sentiment is rising sharply driven by a post-Brexit correction, while bond sentiment remains flat.

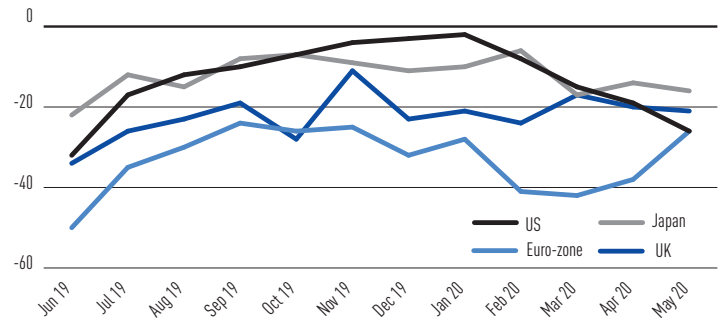
In Japan, the positive vote for equities has doubled, while bond sentiment is down, a situation mimicking a boom.

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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 74 and 75**

