

Embargoed until 1000 EST (1500 UTC) 8 November 2022

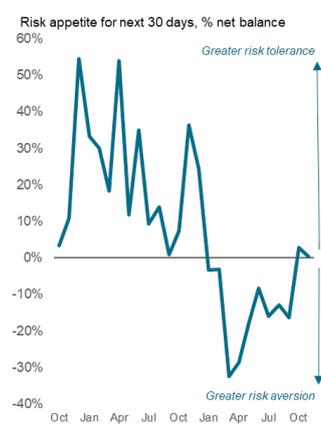
## S&P Global Investment Manager Index™ (IMI™)

### Investors expect lower returns amid macroeconomic environment and monetary policy drags

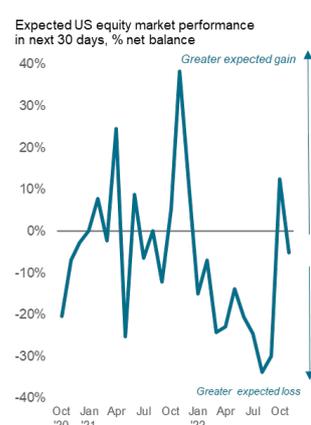
- Risk appetite worsens in November to a net neutral view
- Lower US equity market returns expected amid concerns over macro factors and monetary policy
- Energy stocks gain favor, while real estate remains least favored sector
- US equity investors lower earnings expectations post Q3 updates

Data collected 2-7 November 2022

#### Risk appetite



#### Near-term market performance



Source: S&P Global.

Risk appetite amongst US equity investors deteriorated again in November, weighed primarily by concerns over central bank policies and the macroeconomic environment. Furthermore, investors are now expecting negative returns in the near term with stocks in the real estate and consumer discretionary sectors looking set to fare the worst.

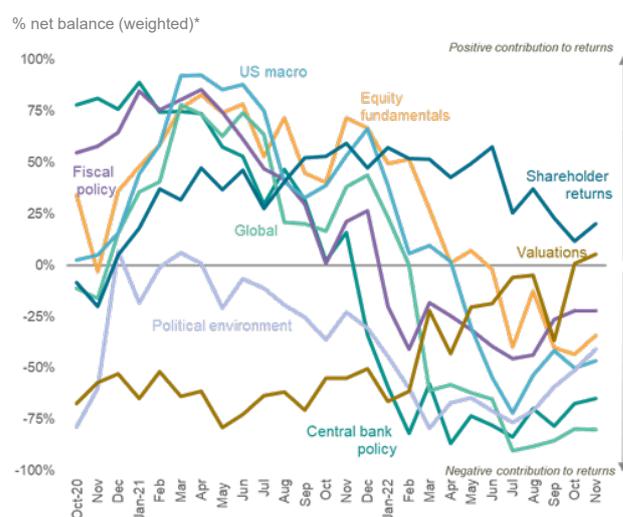
Following the latest earnings season, US equity investors have also lowered their earnings expectations and see diminished importance of both cash dividends and share buybacks in driving their investment decisions in the next quarter.

The Risk Appetite Index from S&P Global's [Investment Manager Index™](#) (IMI™) monthly survey, which is based on data from around 300 institutional investors operating

funds with assets under management of around \$3.5 trillion, fell from +3% in October to 0% in November. The decline to a net-neutral position indicated a deterioration of risk appetite from the previous optimistic outlook for US equities in October as investors are now split on their general attitude towards investing in the next 30 days.

US equity investors likewise lowered their expectations on returns, with the Expected Returns Index sinking into negative territory in November. This contrasts with movements across some of the main US equity market indices, which inched up in the last one-month period.

#### Expected drivers of equity market returns over next 30 days



A multitude of concerns linger for US equity investors with six of the eight factors polled expected to be a drag for US equities in the near term. Of which, central bank policy and the global macroeconomic environment were regarded to be the biggest drags on US equities, and this was amidst concerns of inflation, higher interest rates, and recession, according to investors. While shareholder returns and valuations are viewed to be more promising in driving positive returns over the next 30 days, the degree to which they are expected to be a boost to US equity performance paled in comparison in magnitude with those expected to weigh on share prices.

# News Release

Changes in **sector preferences** were also registered amid the shift in risk appetite and returns expectations. The energy sector reclaimed the top spot amongst the 11 sectors tracked, emerging as the most favored amongst US equity investors. On the other hand, real estate and consumer discretionary sectors remained the least favored ones on the back of the rising interest rates and cost-of-living outlook. Notably, sentiment around financials and tech further diverged in November with the former expected to fare better in the near term, while the latter declined in ranking amongst the sectors. This coincided with heightened expectations for interest rates to further rise after the latest US Federal Open Market Committee (FOMC) meeting in November.

**Given the recent US earnings results, will you be revising your overall expectations for next quarter?**



Post the latest earnings season, we delved into US equity investors' attitude towards earnings and shareholder returns. Approximately half of US equity investors have lowered or will be lowering their overall expectations for the next quarter after the Q3 earnings results, though mutual funds were the exception here. Meanwhile, shareholder returns have declined in importance for US equity investors as compared to August, which was when we last polled respondents on earnings.

## Commentary

Commenting on the results, **Jingyi Pan, Associate Director at S&P Global Market Intelligence and author of the report**, said:

*"Risk sentiment has again soured amongst US equity investors with weaker near-term returns expected. Meanwhile, the latest earnings have not helped either with a majority of investors lowering their earnings expectations for the upcoming quarter."*

*"The concerns remain centered around central bank policy and the macro environment midway into the fourth quarter. Further indications from the IMI survey on sector preference also suggest that investors have adjusted their positioning in line with expectations of higher interest rates."*

For a copy of the full report and data, please contact [economic@spglobal.com](mailto:economic@spglobal.com).

**For further information, please contact:**

Katherine Smith, Public Relations  
Telephone +1 781 301 9311  
E-mail [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com)

# News Release

## Note to Editors

This 26<sup>th</sup> edition of the Investment Manager Index™ (IMI™) survey includes data collected between 2-7 November 2022 from a panel comprising approximately 300 participants employed by firms that collectively represent approximately \$3,500 bn assets under management.

If you would like to receive this report on a regular basis, please email [economics@spglobal.com](mailto:economics@spglobal.com) or [Investment Manager Index™](#) to participate in the survey and be placed on the distribution list.

For more information on our products, including economic forecasting and industry research, please visit [www.ihsmarket.com](http://www.ihsmarket.com).

S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data.

It is expressly prohibited to use any data from the IMI press release or report as reference in financial contracts, financial instruments, financial products, indices or as a benchmark (as defined in the Regulatory Framework).

## About S&P Global ([www.spglobal.com](http://www.spglobal.com))

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com)

## S&P Global Market Intelligence

At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. Our team of experts delivers unrivaled insights and leading data and technology solutions, partnering with customers to expand their perspective, operate with confidence and make decisions with conviction. S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI).

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

*If you prefer not to receive news releases from S&P Global Market Intelligence, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, [click here](#).*