

Sydney, Australia — 15 April 2010

## Australian investors negative on US recovery but pinning hopes on China

ING Investment Management (INGIM) today released its March 2010 quarterly Investor Dashboard Sentiment Index survey which shows more than half (58%) of Australians believe the US economy has not affected their investment decisions and is not likely to have any impact in the short term.

The survey measures investor sentiment across 12 countries in the Asia Pacific region, focusing on changes in market sentiment, investment attitudes, investment performance and the financial situation of 3,729 investors. These factors are quantified and averaged resulting in a sentiment score. The Australian portion of the survey was conducted amongst 315 investors with liquid assets of more than US\$100,000.

For the March 2010 survey, optimistic sentiment continues to be prevalent across the Asia Pacific region, with the exception of Japan, which is neutral, Australians rank equal second in investor sentiment in the region with an overall score of 154 (optimistic) - up six points from the previous quarter – equal with China and marginally behind India, which sits ahead of the pack in the 'very optimistic' band.

### Australians backing China growth

Compared to their Asian counterparts, Australians have one of the most negative views about how long the US economic recovery will take, with 60% believing it will take the US more than two years before a full recovery and a further 29% believing it will take up to two years.

Despite such a negative sentiment towards the US recovery, 79% of Australian investors still believe the US is one of the major countries driving the world economy, with only China being marginally more influential at 80%.

Australian investors are confident in the demand for commodities by China and the positive impact this is having on the local economy. Not surprisingly, 65% of Australians in the survey expect their personal financial situation to improve over the next three months.

Martin Donnelly, Head of Distribution and Deputy CEO of INGIM, said only a year ago, 72% of Australians surveyed were experiencing a negative return on their investment. As at March 2010, there has been a complete reversal, with 72% of investors now experiencing an increase in their return on investments (ROI). Furthermore, 75% are confident that their ROI will increase in the next quarter.

"We are seeing Australian investors focus on the upside of China driving our local economy rather than focusing on the delayed US economic recovery," he said.

With overall market sentiment optimistic, Australian investors' risk appetite has continued to improve. Compared to just 12 months ago, investor appetite for medium and high risk investments has tripled and doubled respectively.

## **Inflation on the rise**

The Australian recovery is in full swing as 91% of Australian investors expect inflation to rise in 2010. For those investors looking at anti-inflation strategies the most common investment strategy across the region is either investment in gold or the stock market. For Australian investors, the stock market is the most favoured counter-inflation strategy followed by cash investments and property.

## **What are Australian investors backing?**

The stockmarket continues to be the most favoured investment tool, so its performance will be the key factor affecting investment decisions for Australians over the next quarter. The most favoured sectors are currently financial services, materials, and information and technology. The commodities cycle appears to be having a strong influence on investment decisions, with stockmarket investors choosing to invest more in materials, resources, and the energy sectors over the next quarter.

“The Australian investor is exhibiting characteristics of consistency in the application of their investment strategy and greater risk appetite. We are also seeing a greater allocation to superannuation again. When compared to their Asian counterparts, Australian investors are content with the composition of their portfolios and we do not expect to see major changes into different asset classes,” Mr Donnelly said.

**A copy of the INGIM Investor Dashboard Sentiment Survey can be found at <http://www.ingim.com.au>**

Ends

## **For more information:**

Susie Lambert/ Suk Hee Lee  
Honner Media  
Ph. 8248 3747/ 8248 3752  
Mb. 0420 949 852/ 0433 343 888  
[susie@honnermedia.com.au](mailto:susie@honnermedia.com.au)/ [sukhee@honnermedia.com.au](mailto:sukhee@honnermedia.com.au)

---

### **About ING Investment Management**

ING Investment Management is the specialist global investment arm of ING Group, one of the leading financial services companies in the world and with more than A\$550 billion in assets under management worldwide across different asset classes. In Australia, ING Investment Management also has a strong presence, with 52 investment professionals managing around A\$35 billion of clients' assets. INGIM's clients include institutions such as superannuation funds, government agencies and charitable organisations, as well as individual investors.

ING Investment Management Limited  
ABN 23 003 731 959  
Level 21, 83 Clarence Street  
Sydney NSW 2000, Australia