

Jupiter Fund Management PLC

11:38 09 Apr 2020

Balance of coronavirus risks for fund managers 'to the upside' — if markets don't fall further

Jupiter Fund Management PLC (LON:JUP) was upgraded by Barclays on Thursday as analysts feel the "balance of risks is to the upside" for the fund management sector in the absence of a further fall in financial markets.

A "large proportion" of the economic impact of coronavirus has already been felt in asset manager's revenues, the analysts said in a note to clients.

Downgrading earnings across the sub-sector to reflect these lower revenues and the direct effect on earnings, most asset managers' shares are still trading below their longer-term multiples on these new lower estimates.

As such, Jupiter was upgraded to 'equalweight' from 'underweight', with its price target cut to 200p from 335p.

Fellow London-listed sector peer Intermediate Capital Group PLC (LON:ICP) was the analysts' preference, it was kept on an 'overweight' rating, as was Ashmore Group PLC (LON:ASHM).

Man Group Ltd (LON:EMG), Schroders PLC (LON:SDR) and Standard Life Aberdeen PLC (LON:SLA) were all maintained at 'equalweight' by Barclays.

Noting that equity markets have stabilised in recent days "even though the true economic impact of COVID-19 is yet to be seen," the analysts anticipate increased visibility on economic effects "to support some level of market recovery" during the rest of the year, pencilling in a 10% recovery from the end of March.

This means there is "limited" need for asset managers to make significant strategic changes to mitigate the current revenue loss, the analysts argued, though they said further cost adjustments may be required if markets stay lower for longer.

For every additional 5% market increase, Barclays forecast Jupiter will be the greatest beneficiary of the London-listed names.

Price: 250

Market Cap: £13.83 m

1 Year Share Price Graph



Share Information

Code: JUP

Listing: LSE

52 week

High	Low
437.8	161.65

Sector: Financial Services

Website: www.jupiteram.com

Company Synopsis:

Jupiter is an established fund management group that seeks to add value for our clients through the delivery of outperformance over the medium to long term. Our origins go back to 1985 as a specialist investment boutique founded in London. Since then we have expanded beyond the UK as retail and institutional investors have been attracted to our active approach to asset management.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.