

# Jupiter Fund Management PLC

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## 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:** 268.6

**Market Cap:** £1.49 billion

### 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](http://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.*

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