

The next leg down in Asia?

"I like Asia. You don't have to sell me the story but I'm going to wait until the next leg down before making any allocation".

This has been the typical response over the last couple of months, as the snooty dismissal of the latest rally as nothing more than a bear market phenomenon with no legs has given way to sweaty desperation. Yesterday, one investor even dusted off the old adage about "selling in May and going away" and used it as an excuse for prevarication.

Don't get us wrong: as we said earlier this week, things look a little overcooked short term and as a result we have reduced our beta and raised a little cash. But as to the next leg down? Don't expect it to be big (more Kate Moss than Usain Bolt) as there are too many out there who will not want to miss out a second time.