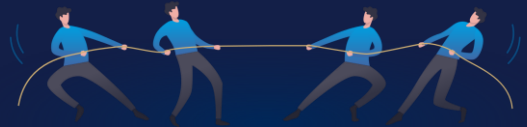


Trust must be earned

Markets: a tug of war between inflation fears and optimism

Markets are shaped by two conflicting forces: on one hand, the narrative of US exceptional growth driven by increased investments in AI, fiscal expansion, and deregulation, which bolsters market sentiment. On the other hand, the looming threat of tariffs introduces uncertainty into global supply chains and inflation.



Amundi Investment Institute



Enhance diversification* amid US tariffs uncertainty

To avoid being swayed by the constant news flow, it's crucial to broaden the investment universe. Including a diverse range of sectors, regions, and asset classes may help navigate this phase of uncertainty effectively.

*Diversification does not guarantee a profit nor protect against losses.



European bonds are a bright spot

High-quality European corporate bonds are positioned to benefit from the anticipated path of the ECB towards rate cuts and are supported by strong corporate balance sheets and attractive yields.



Equity market rotation at play

In light of the recent uncertainty surrounding new Artificial Intelligence players from China and tariffs, market interest is gradually shifting away from concentrated positions in tech and AI-related sectors and moving towards European equities and Emerging Markets.



Central banks at different speeds

Central banks worldwide are going in different directions: the Fed is on hold, in Europe the ECB and BOE are cutting, while the BOJ is raising rates. These diverse trends present potentially interesting opportunities in global and EM bond markets.



Brace yourself for tariff noise

The current market outlook remains uncertain. As we navigate the Trump 2.0 era, investors should stay vigilant. Key policy updates may signal changes ahead, so it's important to focus on their actual economic impact rather than the surrounding noise.



Glossary

- 1. ECB:** European Central Bank
- 2. BOE:** Bank of England
- 3. BOJ:** Bank of Japan
- 4. EM:** Emerging Markets
- 5. Inflation:** Increase of the general level of prices for goods and services, decreasing purchasing power as a result.

IMPORTANT INFORMATION

*Diversification does not guarantee a profit nor protect against a loss.

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