

Weekly Market Directions

19 April 2024


Amundi
Investment Solutions

Trust must be earned



“As long as inflation is not resurging, better growth should support equities. We favour a diversified global approach and selective stories, such as India.*

Monica Defend

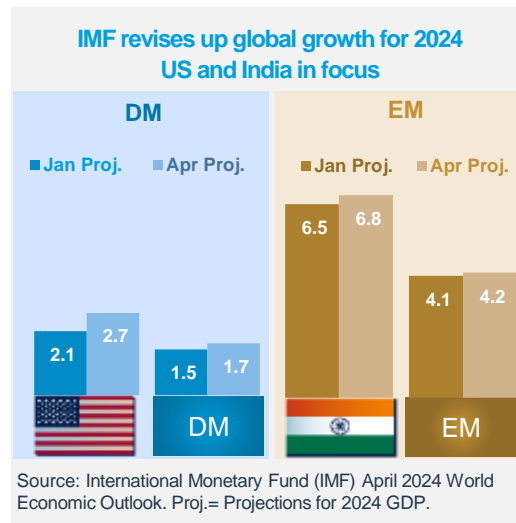
Head of Amundi Investment Institute

Global growth forecast revised higher, again

With 2024 global GDP growth forecast similar to the numbers of 2023, the IMF is no longer expecting a slowdown.

While less optimistic than the IMF, we have also just increased our global growth forecast to 2.8%.

Equities may prolong their rise, conditional on continuing disinflation. Global equity and India in focus.



The IMF's April World Economic Outlook has revised up the growth forecasts to 3.2% real GDP growth in 2024. The 2024 forecast was 3.1% in January and 2.9% in October 2023. Indeed, the global economy (and, in particular, the US economy, key to global financial markets) continue to show surprising resilience to the rapid interest rate hikes of 2022-23. While not as optimistic as the IMF, we at Amundi have also increased our global GDP growth forecast, with higher growth expected in particular in the USA. As long as disinflation continues, even gradually, this higher growth may continue to support equities. A global approach including Emerging Markets could be favoured moving forward. India also stands out thanks to its high growth profile, among the highest in EM.

Actionable ideas



Global equities

Despite significant regional nuances, improving global growth expectations should translate in generally positive profit growth, supporting global equities in general.

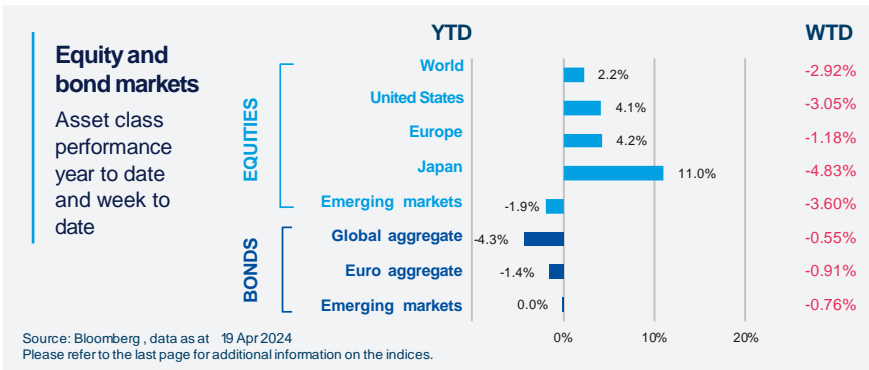


Emerging Markets and Indian Equities

From a cyclical standpoint, the growth differential between advanced and emerging economies still favours the latter. Moreover, some emerging economies, such as India continue to offer a very positive long-term growth outlook.

This week at a glance

Bond yields increased, with most of the movement occurring Monday after strong US retail sales. Stocks retreated due to the combination of strong US data with continuing geopolitical tensions in the Middle-East. However, movements on the dollar remained limited and oil prices retreated.



Government bond yields
2 and 10 years government bond yields and 1 week change

	2YR	10YR
US	4.99 ▲	4.62 ▲
Germany	3.00 ▲	2.50 ▲
France	3.01 ▲	3.01 ▲
Italy	3.55 ▲	3.93 ▲
UK	4.37 ▲	4.23 ▲
Japan	0.26 ▼	0.85 ▼

Source: Bloomberg, data as at 19 Apr 2024
Trend represented refer to 1 week changes. Please refer to the last page for additional information.

Commodities, FX and short term rates

Gold USD/oz	Crude Oil USD/barrel	EUR/ USD	USD/ JPY	GBP/ USD	USD/ RMB	Euribor 3M	T-Bill 3M
2391.93	83.14	1.07	154.64	1.24	7.24	3.89	5.22
+2.0%	-2.9%	+0.1%	+0.9%	-0.7%	+0.0%		

Source: Bloomberg, data as at 19 Apr 2024
Trend represented refer to 1 week changes. Please refer to the last page for additional information.

Amundi Institute Macro Focus

Americas



US retail sales growth in March came out stronger than expected by consensus

On Monday April 15, the release of retail sales data was upbeat compared to forecast by consensus. Retail sales advanced 0.7% in March (vs. 0.4% Bloomberg consensus expectations). The main driver was “non-store” spending (which grew 2.7% mom). To signal, however, also strong sales by gasoline stations (due to higher gas prices), and general merchandise sales.

Europe



The third consecutive increase for the German ZEW expectations index signals hopes for recovery.

The ZEW Indicator of Economic Sentiment is a leading indicator for the German economy. In April, it marked its 3rd consecutive increase reaching its highest since March 2022. Such path signals that hopes for a European recovery are increasing. This improvement in sentiment was evenly spread across sectors, although capital goods improved the most.

Asia



Chinese Q1 GDP stronger than expected, but we remain cautious.

Chinese Q1 GDP came in at 5.3% YoY, much higher than our forecast. However, nominal growth was much lower and we don't see evidence of turnaround in China's domestic demand.

Export growth, in contrast, surprised on the upside and the strength is likely to be sustained in Q2.



NOTES

Page 2

Equity and bond markets (chart)

Source: Bloomberg. Markets are represented by the following indices: World Equities = MSCI AC World Index (USD) United States = S&P 500 (USD), Europe = Europe Stoxx 600 (EUR), Japan = TOPIX (YEN), Emerging Markets = MSCI Emerging (USD), Global Aggregate = Bloomberg Global Aggregate USD Euro Aggregate = Bloomberg Euro Aggregate (EUR), Emerging = JPM EMBI Global Diversified (USD)

All indices are calculated on spot prices and are gross of fees and taxation.

Government bond yields (table), Commodities, FX and short term rates.

Source: Bloomberg, data as **19 April 2024**. The chart shows Global Bonds= Bloomberg Global Aggregate Bond Index, Global Equity = MSCI World. Both indexes are in local currency.

*Diversification does not guarantee a profit or protect against a loss.

GLOSSARY

BOE: Bank of England

BOJ: Bank of Japan

CPI: Consumer price index

Core CPI: total consumer inflation, excluding commodities like food and energy.

Disinflationary: A temporary slowing of the pace of price inflation and is used to describe instances when the inflation rate has reduced marginally over the short term.

IFO Business Climate Index is an economic indicator that gauges the business sentiment in Germany

MoM: month over month growth.

Regional Divergence: differences in the rate of growth/inflation across

RBI: Reserve Bank of India

Sticky inflation: Prices do not adjust as quickly to supply and demand changes,

YoY: Year over year growth. **YTD:** Year to date.

Discover [more insights](#) from the Amundi Investment Institute.



IMPORTANT INFORMATION

This document is solely for informational purposes.

This document does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service. Any securities, products, or services referenced may not be registered for sale with the relevant authority in your jurisdiction and may not be regulated or supervised by any governmental or similar authority in your jurisdiction.

Any information contained in this document may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices.

Furthermore, nothing in this document is intended to provide tax, legal, or investment advice.

Unless otherwise stated, all information contained in this document is from Amundi Asset Management SAS and is as of **19 April 2024**. Diversification does not guarantee a profit or protect against a loss. This document is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management SAS and are subject to change at any time based on market and other conditions, and there can be no assurance that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, a security recommendation, or as an indication of trading for any Amundi product.

Investment involves risks, including market, political, liquidity and currency risks.

Furthermore, in no event shall any person involved in the production of this document have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

Date of first use: **22 April 2024**.

Doc ID: 3525961

Document issued by Amundi Asset Management, "société par actions simplifiée"- SAS with a capital of €1,143,615,555 - Portfolio manager regulated by the AMF under number GP04000036 – Head office: 90-93 boulevard Pasteur – 75015 Paris – France – 437 574 452 RCS Paris – www.amundi.com

Photo credit: ©iStock/Getty Images Plus

MSCI Disclaimer available [here](#)