Amundi Investment Solutions

Trust must be earned

A summer of reality checks on market expectations

The volatility seen over the summer served as a reminder that fundamentals such as corporate earnings and economic growth must not be ignored. We think investors should stay disciplined, and could potentially consider exploring attractively priced segments.

Amundi Investment Institute

Flexible approach in government bonds

Certain parts of the markets are expensive but overall we think US Treasuries and European bonds may provide attractive yields and diversification* benefits. We believe agility is key at this stage in government bonds.

Play the rotation in equities

A mild economic deceleration in the US, and improving earnings could support the rotation outside expensive US technology names. Investors could potentially explore sectors such as US value and regions like Europe, Japan and emerging markets.

European credit in a sweet spot

Corporate credit in markets such as EU may offer the potential for attractive returns and valuation are also cheap. We believe, investors could potentially tilt towards quality and businesses that may maintain strong cash flows.

EM divergences to favour the asset class

A multi-speed EM growth is creating potential opportunities, particularly with Fed rate cuts on the horizon. Countries like India, Indonesia could offer strong prospects in equities. EM debt (Brazil, Peru) may also be seen as selectively attractive.

Ignore exuberance, focus on fundamentals

With a mildly positive stance on risk assets, we see opportunities in select segments. Investors should also stay diversified* possibly through metals like gold, to potentially navigate the volatility around US elections and geopolitical risks.

Glossary

1. Government Bonds: A debt security issued by a government to support spending and obligations.

2. Economic deceleration: An economy experiences little growth

3. US Treasuries: Refer to government bonds issued by the Unites States.

4. Volatility: The rate at which the price of a stock changes over a specific time period

5. Value: Refers to an investment strategy in undervalued companies, with a price deemed too low and with an attractive potential of recovery.

6. EM = Emerging markets, **DM** = Developed markets.

7. Fed = Federal Reserve, **BoE** = Bank of England, **BoJ** = Bank of Japan.

8. Rotation: Strategic reallocation of investments from one sector to another

IMPORTANT INFORMATION

Amundi Asset Management - Amundi AM, French joint stock company (Société par actions simplifée) with a capital stock of 1 143 615 555. Portfolio management company approved by the French Financial Markets Authority (Autorité des marchés Financiers - AMF) under no.GP 04000036 Head office: 91-93, boulevard Pasteur, 75015 Paris – France

Date of First Use: 9 September 2024

Doc ID: 3848718

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