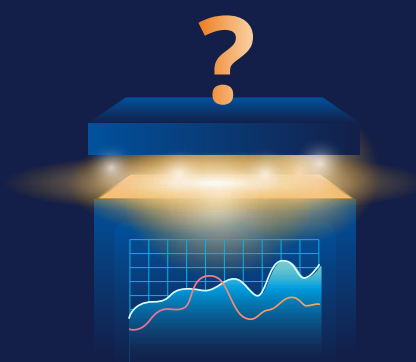


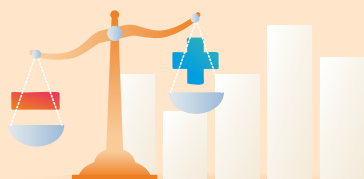
Deal or no deal, prepare for a volatile summer

Markets reached record levels on the back of expectations of trade deals (such as the one with Japan) and a resilient US economy. However, uncertainty related to the impact of tariffs on consumption, geopolitical risks and trade negotiations could create volatility. Our overall stance remains well-diversified*, and slightly constrictive on risk.



Amundi Investment Institute

Marketing Communication



Fiscal policies, economic growth in focus

Fiscal policies and their impact on growth in the US and Europe are receiving the market's attention. But uncertainties over their implementation and on trade deals persist. Government bonds in the UK and in some European countries may offer diversification*.



Focus on resilient stocks less affected by trade war

Regions such as Europe, the UK and Japan offer businesses with potentially attractive valuations, especially those that rely more on domestic consumption. In particular, we see potential opportunities in Japan (corporate governance reforms), and in small and mid-caps in Europe.



EM resilience is being tested by trade volatility

Economic growth environment in EM is generally robust, and a weakening dollar is also positive for EM fixed income. We like bonds in Brazil and Colombia and in countries with strong finances. In equities, we favour emerging Europe, UAE and India.



Yield in corporate credit is attractive

Certain segments in European credit, for instance in high-grade, may offer robust fundamentals and a healthy return. However, higher tariffs on exports to the US could cause some deterioration in fundamentals. Hence, the focus should be on enhancing returns but not compromising on quality too much.



Beware of directional risk

Investors should wait for more clarity on the final tariffs and how they may affect economic activity. This is because either consumers or companies will have to bear higher tariffs. Hence, for now, we are mildly positive on risk but see a stronger case for protections on the equities front. At the same time, portfolio stabilisers in the form of gold appear attractive.



Glossary

1. **Bond:** is a fixed-income investment that represents a loan made by an investor to a borrower, usually corporate or governmental
2. **ECB:** European Central Bank
3. **EM:** Emerging Market
4. **EU:** European Union

IMPORTANT INFORMATION

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

Unless otherwise stated, all information contained in this document is from Amundi Asset Management and is as of 24 July 2025.

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Date of First Use: 24 July 2025

Doc id:4692159

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