

Trust must be earned

A semblance of a goldilocks ahead of Trump's inauguration

Markets have closed the year on an optimistic tone, with strong performances across the board. Approaching Trump's inauguration, we see a rising focus on expected policies, particularly regarding their potential impact on inflation. We remain slightly positive on equities, but we are watchful of risks.



Amundi Investment Institute



Seek income in bonds

Yields in bond markets remain attractive, but we expect uncertainty to persist as markets digest the news on the new US administration policies. We favour a flexible stance and focus on quality credit.



A still shining US economy supports a positive risk stance

Recent economic data point to a still benign economic backdrop which should help corporate profitability. Inflation remains a key point of attention.



Watch out for opportunities in Europe

While we remain slightly positive in equities, we acknowledge that some segments in particular of the US markets are already priced for the best. European markets instead may potentially offer opportunities at more favourable prices.



Seek winners in an evolving geopolitical environment

New winners will emerge across countries, sectors, and companies as the world seeks a new balance in response to sanctions and tariffs. The rerouting of supply chains may offer opportunities in particular in Emerging Markets.



Time to balance risk and opportunities

Against a positive backdrop, we have to carefully balance the opportunities with the risks related to market reactions to unexpected news on the policy front and/or surprises on the earnings side.



Glossary

1. Inflation: Increase of the general level of prices for goods and services, decreasing purchasing power as a result.

2. Goldilocks: An economy that is growing at an even rate and is not at risk of high inflation or recession.

IMPORTANT INFORMATION

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

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