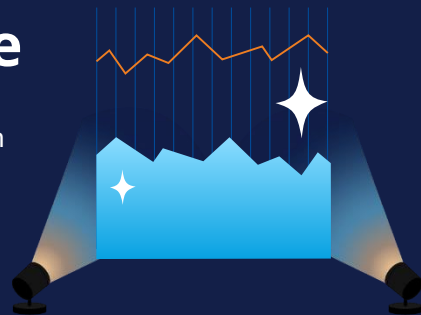


# The Fed's employment mandate takes centre stage

Global equities continue to reach new highs, driven by optimism around artificial intelligence (AI) and the Fed's initial monetary easing. We see a decelerating US growth environment, but the central bank remain committed to supporting the economy. Considering this backdrop, we believe a well-diversified\* and mildly positive risk stance may be appropriate.



Amundi Investment Institute

Marketing Communication



## Benefit from income potential in credit

Rate cuts by central banks will likely enhance the appeal of corporate credit returns. We continue to favour quality credit (low debt, strong cashflows) in the EU. In addition, a trade deal with the US should also boost sentiment in EU credit.



## A pinch of salt on AI-euphoria

The US equity market has been propelled by optimism around AI and tech, making the tech sector expensive. Therefore, we prefer other sectors such as US value, and regions including Japan, the UK, and Europe.



## The shift towards multipolarity boosts EM

EMs that are adapting to changing global supply chains and the AI story will benefit from the ongoing geopolitical realignment. A weaker USD creates a favourable environment for EM. We selectively like bonds in Latin America and equities in emerging Europe.



## Explore yield curves globally

We believe US growth should slow this year, and the country will likely see inflation pressures in the near term. As a result, we are positive on inflation-linked bonds. Elsewhere, we like EU-peripheral debt and UK government bonds.



# Stay balanced overall and positive on gold

Despite some growth concerns in the US and Europe for the remainder of the year, risk assets are reaching new highs. In our view, this is not the time to increase risk, but to tilt towards quality segments in equities and credit. We believe, commodities like gold may offer protections in times of geopolitical tensions.



## Glossary

1. **Bond:** is a fixed-income investment that represents a loan made by an investor to a borrower, usually corporate or governmental
2. **Yield curve steepening:** increase in the difference of yields between long term and short term bonds.
3. **Equity:** is the remaining value of an asset or investment after considering or paying any debt owed; the term is also used to refer to capital used for funding or a brand's value
4. **ECB:** European Central Bank
5. **EU:** European Union
6. **Credit:** is a contractual agreement in which a borrower receives a sum of money or something else of value and commits to repaying the lender later, typically with interest
7. **EM:** Emerging Market

## 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 6 October 2025.

The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management, and are subject to change at any time based on market and other conditions and there can be no assurances that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, as securities recommendations, or as an indication of trading on behalf of any Amundi Asset Management product. There is no guarantee that market forecasts discussed will be realised or that these trends will continue.

Investments involve certain risks, including political and currency risks. Investment return and principal value may go down as well as up and could result in the loss of all capital invested. This material does not constitute an offer to buy or a solicitation to sell any units of any investment fund or any services.

Amundi Asset Management - Amundi AM, French joint stock company (Société par actions simplifiée) 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: 6 October 2025

Doc id: 4873610

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



**Amundi**  
Investment Solutions