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Amundi
Investment Solutions

Trust must be earned

Fed rate cut boosts the markets but for how long

Markets responded optimistically to monetary easing by the Fed. However, we think economic growth and corporate earnings are important factors. Hence, investors should maintain a mildly positive stance on risk, tilting towards quality assets.

Amundi Investment Institute

Income is currently attractive in credit

Fundamentals in select credit segments (European high-grade) are strong and they offer prospects for potentially attractive returns. But focus should be on companies with low debt and a potential for strong cash flows.

Explore bonds with a global approach

With slight differences in economic growth and inflation outlooks, developed market bonds offer decent yields and diversification* benefits. For instance, we like European and UK bonds, along with US Treasuries, but are cautious on Japan.

Fed easing boosts the case for emerging world

Strong growth and earnings are supportive of EM but US elections could cause near-term volatility. On equities, we like India, Indonesia and are neutral on China (monitoring closely). Select LatAm bonds also provide potential opportunities.

Participate in equities but be careful of the price you pay

Falling inflation, mild deceleration in growth and rate cuts by central banks are supportive of stocks. However, not all segments are alike, and we favour Japan and Europe over US tech. Value and Quality are other attractive areas.

Stay nimble, with all levers in place

We believe investors should stay well balanced, with optimum safeguards through gold and bonds. At the other end, high quality equities and credit would allow investors to capture any potential upside in markets.

Glossary

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

2. Central bank: Institution that manages the currency and monetary policy of a country or monetary union, ensuring economic and financial stability.

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

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

5. EM = Emerging markets,
DM = Developed markets.

6. Fed = Federal Reserve,

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