

Trust must be earned

A breather after buoyant markets

The year is drawing to a close with most risk assets in positive territory, and global stocks and metal prices seeing multiple highs. However, recent concerns over artificial intelligence-led euphoria in the US affirm our stance. While monetary and fiscal support may stabilise the economy, risks in the form of consumption, tariffs uncertainty and geopolitics persist.



Amundi Investment Institute

Marketing Communication



Valuations call for a global, diversified* stance in equities

The positive sentiment stemming from AI in the US and robust corporate earnings has led to high prices of stocks. Thus, European fiscal and monetary policy and corporate reforms in Japan, together with a focus on attractive businesses in the UK and small cap, remain important themes for us.



Disinflation is boosting the appeal of European bonds

Economic growth in Europe is being affected by a cautious consumer and we expect disinflation (decrease in rate of inflation) to continue. This will lead the ECB to reduce policy rates and may support bonds for instance in Italy, and also in the UK. In the US, we like inflation-linked bonds.



EM universe is full of idiosyncratic stories

EM bonds may offer good value, and our focus is on identifying countries where outlook is stable or improving. For instance, we like hard currency sovereign bonds in Mexico and Argentina. We also like equities in countries such as India and in emerging Europe.



Corporate credit offers scope for higher income

Corporate fundamentals are robust in European high-grade sector, especially in the financials sector, and third quarter earnings confirm this. We are neutral on US and UK credit, but overall remain tilted towards quality and avoid businesses with excessive debt.



Agile and balanced stance

In risks assets, we prefer regions where earnings, and macro environment could provide a good risk-reward. Thus, we stay risk-on, and positive on European and EM equities. At the other end, we believe that commodities like gold may provide a good safeguard.



Glossary

1. **Bond:** is a fixed-income investment that represents a loan made by an investor to a borrower, usually corporate or governmental
2. **Disinflation:** Decrease in the rate of inflation
3. **ECB:** European Central Bank
4. **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 3 December 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: 3 December 2025

Doc id: 5035240

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



Amundi
Investment Solutions