Global Investment Views

January 2024

Trust must be earned

Amundi ASSET MANAGEMENT

Bonds and EM stand out in Santa rally

The year-end exuberance led by falling inflation and changing stance of central banks boosted the markets. We are mindful of speculation and stay defensive and committed to long-term convictions around quality, EM and diversification.

Bonds aid portfolio diversification*

We acknowledge the rapid fall in yields but amid the upcoming economic weakness, we think that US Treasuries offer value and diversification potential. Yet, there is a need to remain flexible, and monitor inflation.

Seek balance in credit

Investors should aim to balance high return potential without compromising on quality. This may be possible through high grade credit in Europe (e.g., consumer sector) and US (financials).

Explore EM and be selective

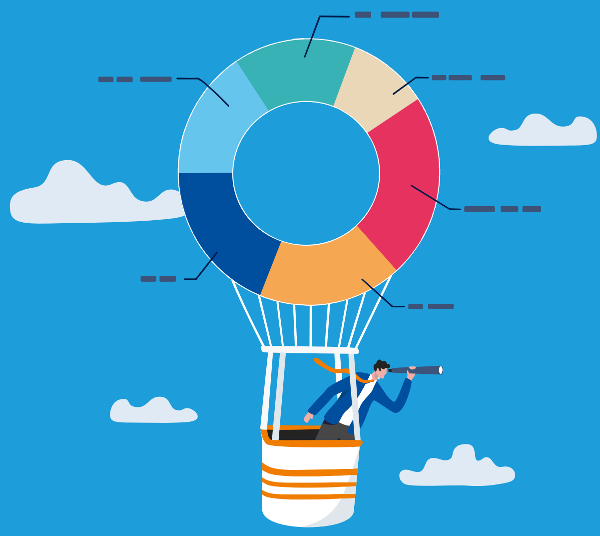
Earnings recovery and robust growth are supportive of bonds and equities in Asia and Latin America. But investors should be selective in favour of businesses with strong fundamentals in India, Indonesia, Mexico.

Don’t pop the champagne yet in equities

While we could see temporary upside in equities, this should not lead investors to lose sight of earnings sustainability. Our convictions are centered upon Value, Quality in the US, Japan and Europe.

Navigate the clouds with an active, selective stance

We believe, a selective lens is key to identify quality credit and equities. Investors should also consider bonds as diversifiers* but maintain a flexible approach.



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. Investment grade: Refers to securities for which the Standard & Poors (S&P) rating is greater than or equal to BBB- and considered by them as having a low risk of non-repayment.

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

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

IMPORTANT INFORMATION

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

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