



Monthly Market Video: October

Commentary by Monica Defend, Head of Amundi Investment Institute

In line with our expectations, the Federal Reserve cut rates by 25 basis points. US equities and gold prices have continued to soar, further supported by the monetary easing cycle, while US government bond market yields remained volatile.

Investors should now monitor these 4 main themes:

- First, as the impact of the new tariff policies are not yet fully apparent, a slowdown in US consumption will likely impact growth in the coming months;
- Second, the Fed may be forced to cut policy rates further, given the backdrop of a softening labour market;
- Third, on the other side of the Atlantic, the ECB appears more confident that inflation is under control. We expect just one more rate cut this year;
- Fourth, although relations between the US and China will likely continue to deteriorate, recent discussions indicate both sides recognise that an extreme escalation is in neither side's interest.

Fed rate cuts are boosting market sentiment, but with US valuations still high, investors should consider potential opportunities in other areas, like Emerging Markets and more stable, quality segments of the market.