

Weekly Market Directions



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Trust must be earned



"The dollar's era of unchallenged centrality is giving way to contested dominance. Public institutions are diversifying reserves to mitigate risk, but the private sector's reliance on the dollar remains largely unchanged."

Monica Defend

Head of Amundi Investment Institute

All eyes on the dollar

The dollar index has fallen by about 2% so far this year, in addition to the more than 9% decline seen last year.

The dollar's path will depend on US economic resilience, the Fed's decision-making, and policies of the US administration.

We think the incoming Fed Chair Kevin Warsh is unlikely to ease policy beyond what is justified by economic fundamentals.

The dollar has fallen about 2% so far this year



Source: Amundi Investment Institute, Bloomberg, as at 29 January 2026. DXY Index.

In a week in which the Fed left policy rates unchanged, citing a 'solid pace' of economic activity, market attention focused on the dollar, comments from the US administration, and the Fed's leadership. President Trump's remarks were interpreted by markets as signalling a desire to intervene in foreign-exchange (FX) markets. Looking ahead, we expect concerns about currency debasement and challenges to the dollar's safe-haven status to persist this year. This may reflect global central banks diversifying away from the dollar and the Trump administration's unorthodox policies. Given mixed signals on consumer spending and the labour market, it is crucial that the Fed retain its independence. Therefore, the policy path requires a more nuanced assessment of the economy, inflation, and possible political pressure.

**Key
dates**



4 Feb

EA Inflation Flash
Estimate and Composite
PMI, US ISM Services,

5 Feb

EA retail sales; BoE and
ECB policy; Banco de
Mexico policy

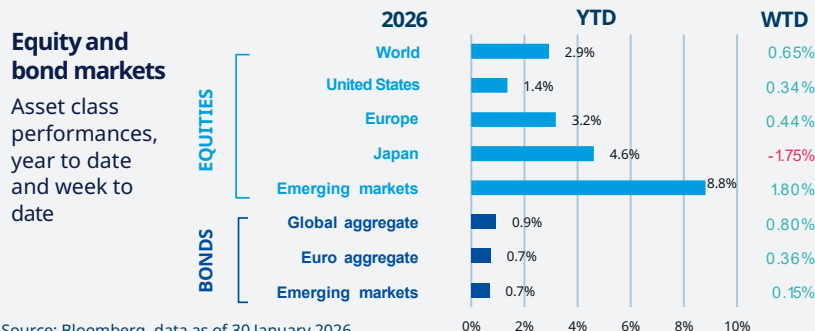
6 Feb

US labour markets and
consumer confidence,
RBI policy decision

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This week at a glance

Global equities rose on the back of robust earnings growth, but Japanese equities declined as concerns around yen appreciation persisted. Bond yields were mixed. Short-term yields in the US and Europe eased, but long-term US yields rose amid worries about inflation and fiscal policy. In commodities, oil prices rose due to higher geopolitical tensions, whereas gold prices retracted.



Source: Bloomberg, data as of 30 January 2026.
Please refer to the last page for additional information on the indices.

Government bond yields

2 and 10-year government bond yields, and 1-week change

	2YR	10YR	
US	3.52	4.24	▲
Germany	2.09	2.84	▼
France	2.21	3.43	▼
Italy	2.14	3.46	▼
UK	3.71	4.52	▲
Japan	1.23	2.24	▼

Source: Bloomberg, data as of 30 January 2026.
Please refer to the last page for additional information on the indices. Trend represented refers to 1-week changes. Please refer to the last page for additional information.

Commodities, FX and short-term rates, levels and weekly changes

Gold USD/oz	Crude Oil USD/barrel	EUR/ USD	USD/ JPY	GBP/ USD	USD/ RMB	Euribor 3M	T-Bill 3M
4894.23	65.21	1.19	154.78	1.37	6.96	2.03	3.66
-1.9%	+6.8%	+0.2%	-0.6%	+0.3%	-0.1%		

Source: Bloomberg, data as of 30 January 2026.
Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas



US Consumer Confidence falls in January

The Conference Board's Consumer Confidence Index fell to 84.5 in January, its lowest level for some time. Both the Expectations Index (the forward-looking component) and the Present Conditions Index declined. We believe this reflects consumers' concerns about high prices, sluggish job growth and geopolitical tensions. Rather than relying on a single measure of sentiment, we prefer a holistic view. Other indicators point to a mixed picture.

Europe



EU Passenger car registrations up in 2025

EU passenger car registrations rose 5.8% YoY in December 2025, marking six consecutive months of growth. Overall volumes, however, remain well below pre-pandemic levels, underscoring the challenges facing the industry and consumers. Data for 2025 indicate a continued shift toward greener vehicles: battery-electric models have increased market share, while hybrid-electric cars remain popular. The combined market share of petrol and diesel vehicles declined.

Asia



Slowing inflation in Japan

Tokyo CPI decelerated to 1.5% YoY in January, for the second consecutive month. The sharp softening in prices was largely driven by base effects in the food category, which are expected to continue weighing on inflation in the coming months. This overall benign inflation print supports the case for the Bank of Japan to proceed with a gradual policy normalization, rather than the faster pace currently priced in by markets.

NOTES

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Equity and bond markets (chart)

Source: Bloomberg. Markets are represented by the following indices: World Equities = MSCI AC World Index (USD) United States = S&P 500 (USD), Europe = Europe Stoxx 600 (EUR), Japan = TOPIX (YEN), Emerging Markets = MSCI Emerging (USD), Global Aggregate = Bloomberg Global Aggregate USD Euro Aggregate = Bloomberg Euro Aggregate (EUR), Emerging = JPM EMBI Global Diversified (USD).

All indices are calculated on spot prices and are gross of fees and taxation.

Government bond yields (table), Commodities, FX and short-term rates.

Source: Bloomberg, data as of **30 January 2026**. The chart shows the price of gold.

Diversification does not guarantee a profit or protect against a loss.

GLOSSARY

AI: Artificial Intelligence
BoJ: Bank of Japan
CPI: Consumer Price Index
CY: Calendar year
ECB: European Central Bank
EZ: Eurozone
Fed: Federal Reserve
MoF: Ministry of Finance
MoM: Month on Month
PBoC: People's Bank of China
PM: Prime Minister
Pp: Percentage points
QoQ: Quarter on Quarter
YoY: Year on Year
WTD: Week to date

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