Amundi Investment Institute

Weekly Market Directions



Trust must be earned



"The ECB opens a period of central bank meetings. The balance is shifting further towards the risk that inflation proves more persistent than expected, given the recent rise in energy prices amid geopolitical tensions."

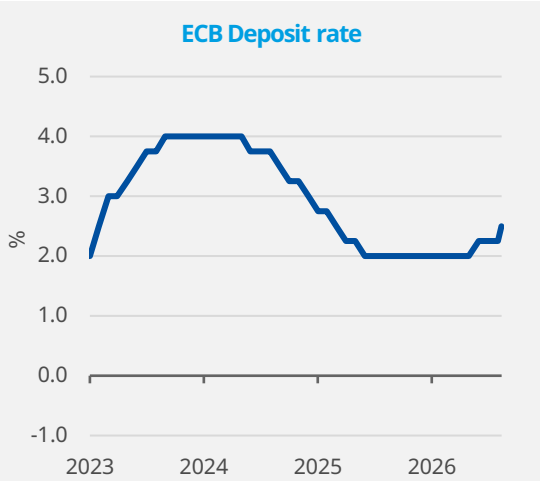
Monica Defend
Head of Amundi Investment Institute

The ECB raises policy rates

The ECB raised rates to 2.50%, remaining determined to deliver on its target of price stability in the medium term.

The ECB raised inflation forecasts for 2027 and 2028, reflecting for 2027 expected high level of energy prices. Growth forecasts were also revised up for 2026 and 2027, reflecting greater resilience.

With yields under pressure, also amid inflation risks, a flexible approach to fixed income is paramount.



Source: Amundi Investment Institute, Bloomberg as at 11 September 2026.

At its September meeting, the ECB raised policy rates by 25 basis points and reaffirmed its data-dependent, meeting-by-meeting approach, with no pre-commitment. The decision was unanimous and was considered robust across the ECB staff's three alternative scenarios. The ECB said inflation risks are tilted to the upside and growth risks to the downside, particularly amid conflicts in the Middle East and between Russia and Ukraine. Lagarde sounded hawkish, stressing that while inflation has surprised to the downside, especially in food prices, it may prove more persistent than previously expected. Lagarde also noted that indirect effects remain limited and that no second-round effects have emerged so far, although a prolonged energy shock could increase risks, including to food prices. With tensions in the Middle East persisting, risks in the Red Sea rising and oil and gas prices increasing, inflation is likely to remain the dominant consideration for the policy outlook.

Key dates

16 Sep UK CPI, Eurozone industrial production, Fed policy rate, Brazil policy rate

17 Sep Eurozone CPI, BoE policy rate, US initial jobless claims and housing starts

18 Sep UK retail sales, US industrial production, BoJ target rate, ECB CPI expectations

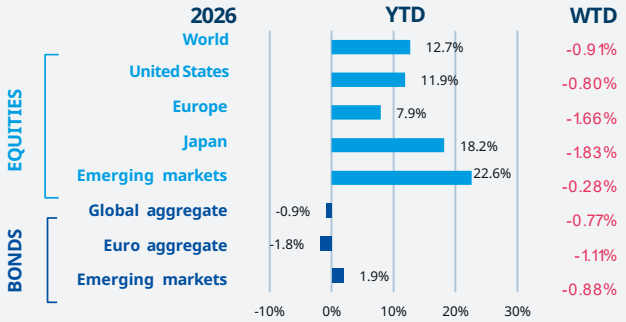
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Investment Solutions

This week at a glance

Global equities declined broadly, weighed down by the renewed rise in oil prices linked to escalating tensions in the Middle East. Government bond yields rose across major markets, driven by concerns over oil-price volatility, the impact on inflation and rising expectations of monetary tightening. Brent crude rose above USD 100 per barrel. Yen was supported by expectations of further BoJ tightening.

Equity and bond markets

Asset class performances, year-to-date and week-to-date



Source: Bloomberg, data as of 11 September 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 changes

	2YR		10YR	
US	4.63	▲	4.97	▲
Germany	3.19	▲	3.50	▲
France	3.40	▲	4.45	▲
Italy	3.38	▲	4.35	▲
UK	4.81	▲	5.34	▲
Japan	1.84	▲	2.98	▲

Source: Bloomberg, data as of 11 September 2026. Please refer to the last page for additional information on the indices. The trend shown 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
4349.08	100.05	1.16	153.61	1.35	6.71	2.65	4.01
-1.83%	+9.4%	-0.13%	-1.70%	+0.0%	-0.0%		

Source: Bloomberg, data as of 11 September 2026. Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas

US labor market not overheating

US payroll growth surprised to the upside in August, with broad-based gains, mainly in the private sector. Local government, construction, manufacturing, leisure and hospitality all contributed. The unemployment rate remained stable as employment and participation rate rose. Wage growth continued to ease gradually towards 3%, with weekly real earnings rose 0.3% YoY. At this stage, the labour market does not appear to be overheating and remains consistent with non-accelerating wage inflation.

Europe

Eurozone recovery remains narrow and exposed

Eurozone growth was revised sharply higher in the second quarter, but the improvement largely reflected an exceptional adjustment in Ireland rather than stronger underlying activity. Excluding this effect, growth remained close to trend and led by exports and household consumption while investment is weak. Early signals for Q3 remain mixed, as softer retail and industrial data contrast with firmer business surveys amid renewed energy-price pressures.

Asia

China inflation rebounded

China headline CPI rebounded in August (0.8% YoY) on renewed pressures from costs through supply chain and Middle East disruption. Core prices have strengthened on gold prices and electronics (1.0% YoY). We expect the rebound as a one-off because of domestic demand sluggishness. Inflation should return to moderate.

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 **11 September 2026.** The chart shows the price of gold.

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

GLOSSARY

BoE: Bank of England
BoJ: Bank of Japan
CPI: Consumer Price Index
ECB: European Central Bank
EZ: Euro Area
FED: Federal Reserve
GDP: Gross Domestic Product
ISM: Sentiment index of enterprises
MoM: Month-on-Month
YoY: Year-on- Year
PMI: Sentiment index of enterprises
PPI: Producer Price Index
PCE: Personal Consumption Expenditure
US: United States of America
UK: United Kingdom
YTD: Year to date
WTD: Week to date
FX: Foreign exchange

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