



# Monthly Market Video: November

Commentary by Monica Defend, Head of Amundi Investment Institute

From renewed US-China trade tensions to the multi-week-long US government shutdown, markets have been reminded that uncertainty is still in play. Although global equities continue to soar, bonds and other safe-haven assets have also been boosted by this volatility.

## Investors should now monitor these 4 main themes:

- First, AI capex will likely continue to boost US growth, but it may be unable to completely offset a decline in consumption;
- Second, in the Eurozone, growth will likely slow this year but pick up later next year, as Germany's fiscal stimulus comes into effect;
- Third, we expect the ECB to implement one more rate cut this year and the Fed to cut rates twice more by year-end;
- Fourth, investors should watch the divergence in global fiscal policies, as China aims to deleverage and reduce its reliance on fiscal stimulus, while Germany and Japan will likely continue fiscal expansion.

Markets believe the capex cycle, central bank easing, and fiscal leverage, will boost risk assets. However, investors should consider inflation as a potential risk, as it remains above target. Favouring quality and inflation-resilient hedges may take on a greater importance.