

Weekly Market Directions



Amundi
Investment Solutions

Trust must be earned



"Markets are no longer convinced by AI spending alone. Investors now want evidence of cash flow and profitability. This is driving rotation into attractively priced, dividend-generating sectors that can also enhance diversification."

Monica Defend

Head of Amundi Investment Institute

Dividends shine as tech cools

Technology stocks' H2 performance underscores a clear market demand for greater visibility on capital expenditure.

In this environment, companies that consistently return cash to shareholders are likely to stay in demand.

While AI should deliver a productivity boost in the long term to the economy, markets will increasingly distinguish the winners from the losers in the sector.



Confidence in the artificial intelligence theme has weakened in recent weeks, with the MSCI World Technology Index giving back all of the previous month's gains. This was likely driven by a combination of mixed corporate earnings and renewed concerns about AI-related capital expenditure. We think markets have now moved beyond the phase in which the mere mention of an AI roll-out could excite investors. Markets are now increasingly demanding clarity on cash generation from these sizeable AI investments. By contrast, the MSCI World High Dividend Yield Index gained 8% in the second half of the year as markets sought steadier ground, typically found in sectors such as consumer staples, healthcare and utilities — the traditional home of dividend-paying companies — which held up well as the broader market came under pressure. This suggests diversification* opportunities through more attractively valued sectors with strong, stable businesses.

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

**Key
dates**



28 Oct

US Fed policy rate,
Bank of Canada policy
rate

29 Oct

ECB policy decision, EZ
economic confidence, US
GDP

30 Oct

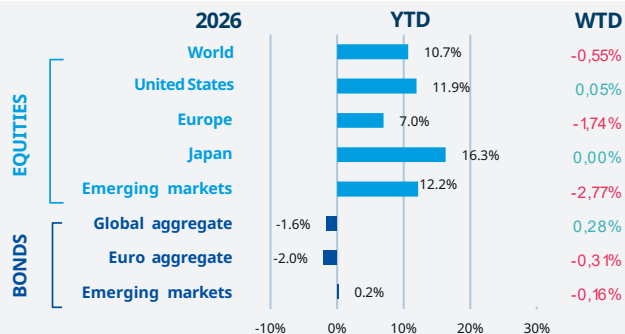
EZ GDP, BOJ target rate,
South Korea industrial
production

This week at a glance

Global equity markets came under pressure, led by a reversal in technology stocks that spread more broadly. Bond yields in some countries, such as the US, declined amid safe-haven demand, whereas fiscal concerns in other countries pushed yields higher. In commodities, the oil price was affected by a flare-up in Middle East tensions. Gold prices declined amid concerns that persistent inflation could prompt central banks to raise interest rates.

Equity and bond markets

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



Source: Bloomberg, data as of 23 October 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	4,66 ▼		4,97 ▼
Germany	3,04 ▼		3,33 ▼
France	3,78 ▲		5,05 ▲
Italy	3,55 ▲		4,58 ▲
UK	4,90 ▲		5,34 ▼
Japan	1,87 ▼		2,80 ▼

Source: Bloomberg, data as of 23 October 2026. 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
4029	101	1,120	156,5	1,34	6,67	2,67	4,04
-3,27%	-0,1%	-0,33%	-0,99%	+0,4%	-0,3%		

Source: Bloomberg, data as of 23 October 2026. Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas



US labour market holds firm, housing stays under pressure

Initial jobless claims fell to 194,000 in the week ending 17 October, below expectations and consistent with a firm labour market. The housing sector, however, continues to struggle: September housing starts fell to an annualised 1.22 million units, sharply below forecasts and down from the prior month. The releases point to a divided economy, with elevated borrowing costs continuing to weigh on builders and buyers, leaving residential construction under pressure despite labour market resilience.

Europe



Eurozone growth momentum slows in October

The EZ's preliminary business activity reading for October came in below expectations, signalling a modest loss of momentum. The composite PMI index fell to 51.9 from 53.1 in September, as both services and manufacturing slowed. All three readings remain above the 50 threshold separating expansion from contraction, but the pace of growth is clearly decelerating. Weaker investor and consumer confidence also point to growing caution about the near-term economic outlook.

Asia



Japan inflation rises

Japan's inflation excluding fresh food and energy rose to 2.4% in September, above expectations and up from August, signalling renewed underlying price pressures. Meanwhile, the auction of 20-year government bonds drew record demand, while domestic investors increased purchases in the first half of the fiscal year, reflecting stronger appetite at elevated yields.

NOTES

Page 2

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 **23 October 2026**.

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

GLOSSARY

FED: Federal Reserve

US: United States of America

YTD: Year to date

WTD: Week to date

Discover more insights from the Amundi Investment Institute.



IMPORTANT INFORMATION

This document is solely for informational purposes.

This document does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service. Any securities, products, or services referenced may not be registered for sale with the relevant authority in your jurisdiction and may not be regulated or supervised by any governmental or similar authority in your jurisdiction.

Any information contained in this document may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices.

Furthermore, nothing in this document is intended to provide tax, legal, or investment advice.

Unless otherwise stated, all information contained in this document is from Amundi Asset Management SAS and is as of **23 October 2026**. Diversification does not guarantee a profit or protect against a loss. This document is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management SAS and are subject to change at any time based on market and other conditions, and there can be no assurance that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, a security recommendation, or as an indication of trading for any Amundi product.

Investment involves risks, including market, political, liquidity and currency risks.

Furthermore, in no event shall any person involved in the production of this document have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

Date of first use: **23 October 2026**.

Document ID: **6051605**

The content of this document is approved by Amundi Asset Management, a French société par actions simplifiée, a portfolio management company approved by the “Autorité des marchés financiers” or “AMF” under the number GP 04000036 whose registered office is located 91-93 boulevard Pasteur, 75015 Paris – France, under the Paris trade register number 437 574 452 RCS - www.amundi.com

Photo credit: ©iStock/Getty Images Plus

MSCI Disclaimer available [here](#)