#8 / November 2026

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Trust must be earned

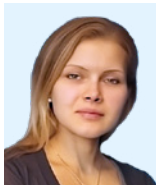


Newsletter for Central Banks

Building together smart solutions to face a challenging environment



Francesca CICERI
Head of the International Institutional Clients Division, Amundi



Vlada SAVCENKO
Head of Central Banks Coverage, Amundi

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For more on Amundi's thought leadership: visit our website

Editors :
Jennifer JAHNS & Clara MENET

Dear Client,

Welcome to the ninth edition of Amundi's Newsletter for Central Banks, crafted by our experts, for you.

As global financial conditions continue to evolve, central banks face a landscape shaped by diverging credit cycles, shifting emerging-market dynamics, and the growing importance of knowledge transfer in strengthening institutional capabilities. In this edition, our specialists provide concise, actionable insights across these themes.

We begin with **The Road Ahead for Central Banks**, examining how a fragmenting global order is reshaping growth with persistent inflationary pressures. We then turn to **The USD Bear Case Faces a Monetary-Policy Test**, analysing how structural headwinds suggest USD decline ahead. We also explore **Net Zero Alliances: A Renewed Framework for Climate Action**, examining the initiative's relaunched approach with a more practical framework.

Finally, we share insights from our latest peer-to-peer, in "**Navigating a Fragmented World**", where central bank representatives gathered in Paris to discuss reserve management – why investment decisions are inseparable from sovereignty.

We hope this edition meets your expectations and invite you to share your thoughts with us!

Contact us at sovereign@amundi.com

What's new & coming up?

19 November 2026

WEBINAR
2027 Global Investment Outlook
Join us for an in-depth exploration of the investment landscape ahead. Our expert panel will examine **evolving inflation and interest rate environments, fiscal policy developments, the integration of AI and related opportunities, sector positioning and regional growth trends.**

Register to join

ETF Implementation Ideas
Power of endurance: staying invested, staying selective
The energy shock of H1 2026 has reshaped the investment landscape. Inflation pressures, central bank constraints, and shifting growth dynamics demand a fresh approach. Our ETF outlook examines **how to build resilient portfolios positioned for genuine structural opportunities** in an unconventional late-cycle environment.

Read more

PODCAST
Going the distance - Market perspectives into autumn
Summer brought dramatic moves in bond markets and bold policy interventions. In this episode of Amundi Convictions, host Swaha Pattanaik sits down with Monica Defend to break down the major market events – from Japan's monetary shift to U.S. Treasury operations – and what they mean for your portfolio.

Watch now



Alessia Berardi
Head of Global Macroeconomics
& Emerging Markets Strategy
Amundi Investment Institute

The road ahead for central banks

KEY TAKEAWAYS

Amid a fragmenting global order, growth is increasingly resting on a narrow base of drivers, economic gains are becoming more unevenly distributed, and inflationary pressures are likely to persist. Against this backdrop, monetary and fiscal policy need to be considered together, with fiscal policy acquiring greater importance despite limited fiscal room.

Summer policy events reflect an interlinked trend: Japan's push for domestic investors to fund its debt, US Treasury buybacks, and moves to diversify suggest the old model of recycling global savings into US bonds is fading.

We expect major central banks to continue tightening monetary policy, but by less than markets currently price in. Their policy paths remain highly data-dependent amid war-related inflationary risks.

In a low-trust world that is becoming increasingly predatory, investors should expect supply shocks to become a new norm and the distribution of economic gains to stay uneven. Another result of the global order fragmenting is the rise of fiercer competition between countries. However, this competition is no longer limited to trade, tech, industrial leadership or energy security; it is instead being shaped by a relentless search for capital at the public and private level.

Competition does not necessarily imply weak growth. In some regions, **the race for innovation and the pursuit of strategic autonomy are actually supporting, if not boosting, economic activity.** What makes the picture more fragile is the concentration of that economic performance: growth is increasingly resting on a narrow base.

Ultimately, countries are all investing in the same sectors, and growth policies are shifting away from consumption and labour towards investment and capital. **In this new environment, the economic benefits will be less and less evenly distributed.**

At the same time, waiting for innovation to deliver price stability or for demographic trends to suppress demand is not a viable short-term strategy. Inflationary pressure is likely to persist. On the demand side, the investment surge into strategic autonomy, high energy needs and competition for critical resources all collide with scarcity. For critical minerals, supply is constrained by refining and processing, which sits in just a few hands. On the cost side, we are moving into a "toll world": as chokepoints and waterways become contested, the friction of moving goods rises, and those costs feed straight through to prices. Finally, climate events will materially affect food security and food inflation.

Whether governments are pursuing supremacy, adaptation or survival, this evolving environment requires policy adaptation. For policymakers, the surge in economic and financial warfare means that monetary and fiscal policy increasingly need to be considered together. As a result, fiscal policy is acquiring more importance, while monetary policy might increasingly be left to complement fiscal policy rather than anchor the entire macroeconomic framework on its own, with important repercussions on the market.

The problem is that fiscal policy's broader ambitions collide with the almost global absence of fiscal room. Overall, subdued growth is generating insufficient revenues to revert high debt ratios. In many countries, binding fiscal rules also remain. High debt, high debt-service costs and high rates form a toxic combination – and we have recently seen an effort by the US Treasury to keep interest rates low.

A summer recap of major policy events



Japan funding shift
Domestic savings back domestic debt



Jackson Hole
Credibility in focus



Yen intervention
FX defence is back



Gold repatriation
More control over reserves



US Treasury buybacks
The Treasury steps in



Norway benchmark shift
Sovereigns are reweighting risk

With that in mind, it's worth revisiting the events of the summer because they may appear unrelated, but they are not.

Domestic investors invited to fund domestic debt. In July, Japan's Finance Ministry encouraged pension funds and households to invest more heavily in domestic assets; it also floated the idea of putting government bonds inside the tax-free NISA wrapper and began designing new retail JGB products. Japan wants its own savings to finance its own debt, just as the BoJ is stepping back from the market and catching up with more entrenched inflation.

Unconventional policy tools being used at a time when the financial structure of sovereign bond markets appears more fragile precisely because of the fiscal-financial stability nexus.

After the yen weakened sharply, the BoJ carried out its largest monthly intervention on record. Washington joined in, saying it would not hesitate to do so again. The details matter more than the headline: the US Treasury sold euros, not Treasuries, to fund its yen purchases. Tokyo signalled it could use the Fed's FIMA repo facility in future, allowing it to borrow dollars against Treasuries rather than sell them. In effect, the intervention protected the US Treasury market as much as it supported the yen.

The US Treasury then moved directly to the long end of the curve. It announced that it would triple the size of its long-dated buyback operation from $2bn to $6bn.

Policy credibility in focus. With fiscal sustainability under review and yields swinging, monetary policy must remain credible and unambiguously committed to price stability. Warsh had little choice but to sound hawkish at Jackson Hole and to deliver a rate hike. In the US, inflation remains elevated and core pressures are unlikely to ease quickly. Risks remain tilted to the upside, from Middle East energy shocks to higher food and commodity prices. The Fed's credibility matters, and a mild hiking cycle could actually keep yields lower, at least in the short term. A sizable hiking cycle is still not our base case: we remain closer to the dots than to the market.

Crisis preparedness.

The Dutch Central Bank shifted 86 tonnes of gold out of NY and Ottawa between March and August, disclosing it only once the operation was complete. London has now 32.1% of the country's gold stock, up from 18.1%. Most of the transfer was executed by selling in NY and buying in London rather than shipping bars. The stated reason was tradability and crisis preparedness. The unstated reason was more direct control.

Norway went even further. Norges Bank Investment Management is proposing to the Finance Ministry to cut the government share of its bond benchmark from 70% to 50%. It also wants to switch from GDP weighting to market-value weighting, reflecting the reality that DM debt has outgrown output. Under such a framework, Treasuries would fall and Japanese bonds would rise. A decision is expected in 2027.

These are not independent stories. The old model of recycling global savings into US bonds is fading. Creditors are going home for diversifying. The debtor is buying its own paper. The term premium has turned into a political variable and is structurally higher.

Central bank forecasts

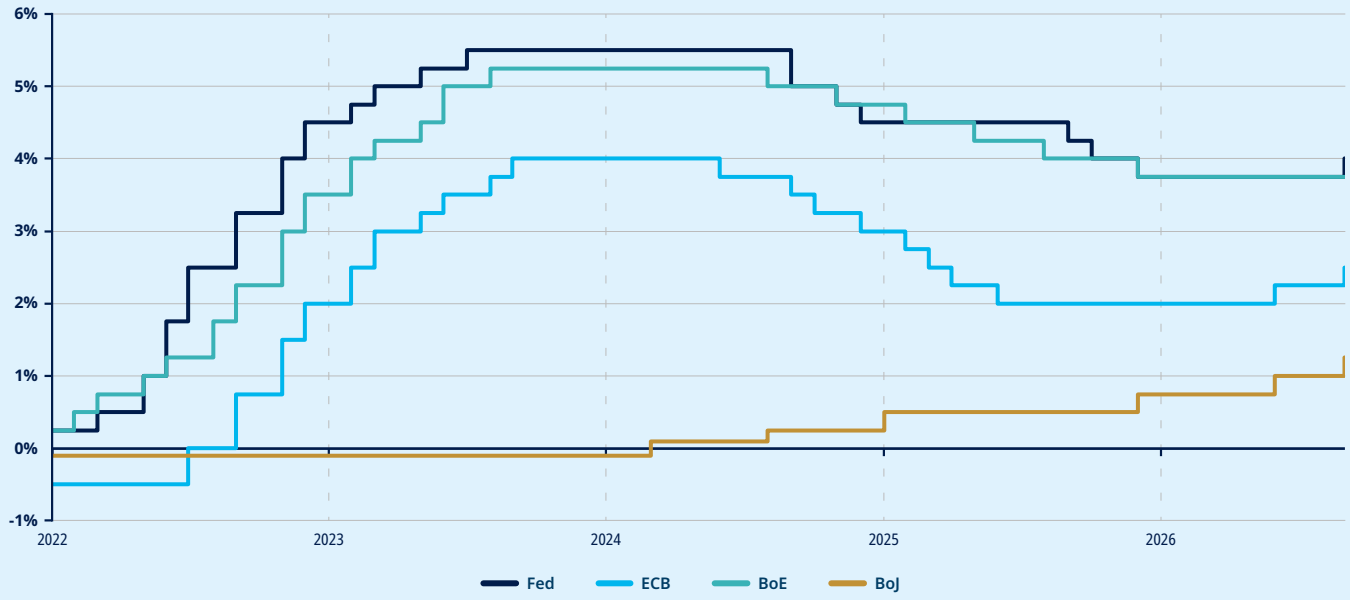
Fed
We expect the Federal Reserve to deliver a mild hiking cycle followed by a pause in 2027.

BoE
We see an elevated risk that the Bank of England will deliver a further rate hike by year-end. We also expect the BoE to pursue a slower and more predictable pace of quantitative tightening.

ECB
The European Central Bank will likely raise rates by a further 50 basis points in 2026. One or two rate cuts could then follow from the second or third quarter of 2027, provided energy-related inflationary pressures ease.

BoJ
We expect the Bank of Japan to continue normalising monetary policy as inflation remains close to target, with the policy rate eventually reaching around 2%.

Central banks facing credibility test; BoJ regime shift



Source: Amundi Investment Institute as of 23 September 2026. Fed: Federal Reserve, ECB: European Central Bank, BoE: Bank of England, BoJ: Bank of Japan. For both the Federal Reserve and the BoJ, current rate refers to the upper bound of the target range. For the ECB, current rate refers to the deposit facility.



Federico Cesarini
Head of DM Equity, FX and Digital Assets,
Amundi Investment Institute

The USD bear case faces a monetary-policy test

KEY TAKEAWAYS

The September Fed hike closes, for now, the window for broad-based USD weakness. This window is likely to reopen if, as we expect, the Fed delivers less tightening than markets currently price. A genuine tightening cycle is the key risk to our view.

Our structural concerns about the USD lie in the interaction between US fiscal sustainability, the price of capital and the opportunity set outside US assets, not a loss of reserve-currency status: reserve data show little evidence of a shift away from the dollar.

Carry remains attractive while volatility stays contained, with AUD and NOK among our preferred G10 expressions and selected high-yielding EM currencies also offering opportunities.

We entered 2026 expecting expensive valuations and Fed easing, alongside an administration increasingly focused on limiting the cost of financing a deteriorating fiscal position. Together, these conditions were expected to gradually normalise the USD.

The September Fed hike challenges the timing of that view. As the curve flattens and uncertainty around the terminal rate of this cycle rises, the window for broad-based USD weakness appears to be closing. In the near term, carry and relative value matter more than outright USD weakness. A renewed broad decline in the dollar would likely require inflation, and ultimately the Fed, to turn first. As we expect the Fed to deliver less than the market currently prices, we think any renewed dollar strength should be limited, and we would ultimately expect USD weakness to resume further down the road.

The key dividing line is the Fed, and this goes beyond the USD

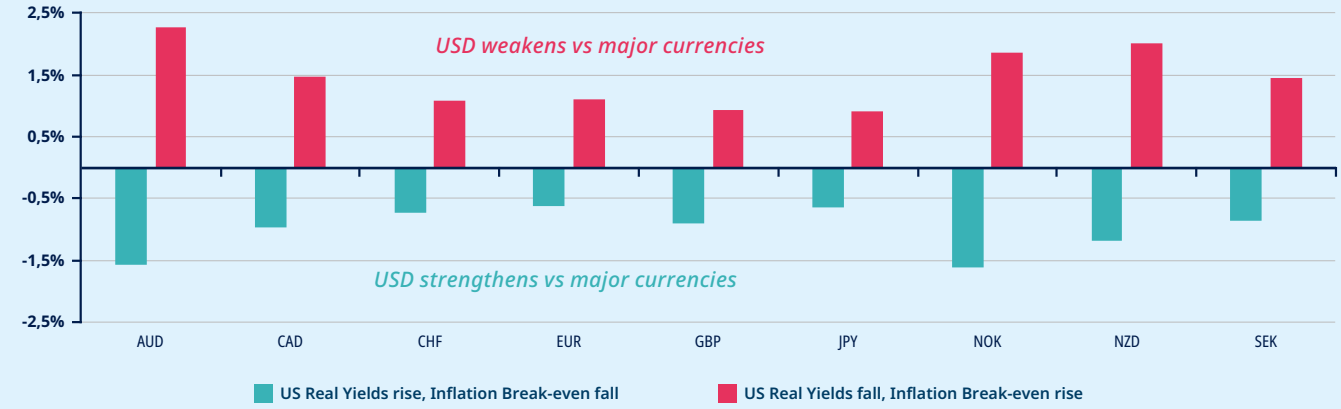
Market expectations have moved rapidly from cuts towards hikes, while the change in Fed leadership has introduced substantially more uncertainty around its reaction function. Warsh's communication since Jackson Hole has emphasised the Fed's commitment to price stability and the need to bring PCE inflation convincingly back towards 2%. History points to an uncomfortable tail risk: when hiking cycles have started with inflation around current levels, around 150–200bp of tightening during the first year has not been unusual. This is the central risk confronting any bearish USD view today. Given Warsh's communication, further progress on inflation is increasingly necessary to prevent markets from pricing a similar path, which would be particularly supportive for the USD.

So far, the repricing has been surprisingly benign for markets. Rates volatility remains low, helping explain why higher expected policy rates have not generated a meaningful deterioration in risk sentiment or a rise in FX volatility. But renewed uncertainty about where the Fed ultimately intends to take rates (and the price-discovery process around that terminal rate) could change this quickly. **The principal risk is therefore no longer simply one or two additional hikes, but evidence that Warsh is prepared to pursue a genuine tightening cycle. If inflation fails to improve, this risk is likely to remain firmly priced in.**

A September hike followed by further tightening therefore closes, for now, the window for broad-based USD weakness. The relevant question has shifted from whether the adjustment continues to **what would be required for that window to reopen.** Given the challenging high energy / high rates mix globally, and the worsening political backdrop in Europe (in 2025 the EUR benefitted from hopes of fiscal expansion, greater European integration and a stronger policy response, but the upcoming electoral cycle raises the risk of a delay of those trends), any material weakness remains a function of the USD leg instead.

The best cyclical conditions for the USD occur when US real yields rise and compress inflation expectation. The worst occur when the Fed suppresses real yields and lets inflation run.

MoM average FX returns vs USD

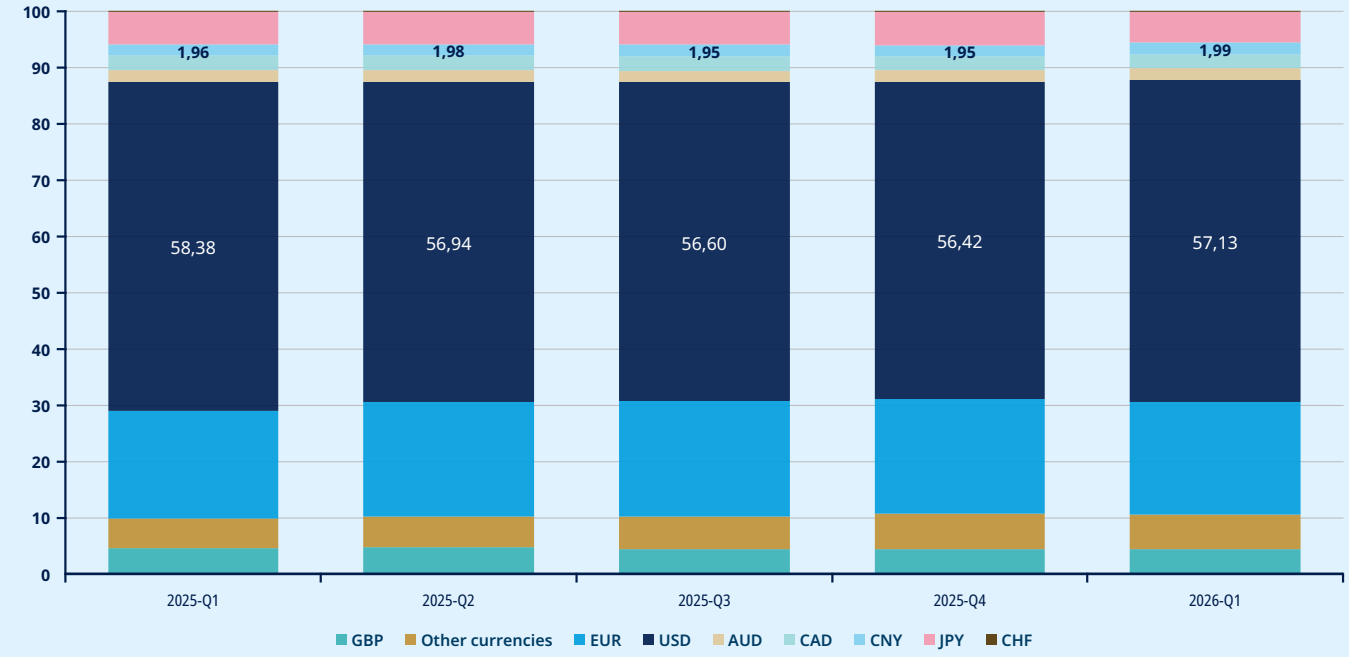


Sources: Amundi Investment Institute, Bloomberg. Data as of 1 September 2026.

Our USD view has little to deal with de-dollarisation. The USD's role remains intact, but the medium-term question around its value has not disappeared.

Our structural question marks over the USD should not be confused with a de-dollarisation call. The latest available IMF COFER data provide little evidence of an abrupt shift away from the greenback (see chart below). In Q1 2026, the USD share of allocated global FX reserves increased to 57.13%, from 56.42% in Q4 2025. **While more than half of the increase reflects exchange-rate valuation effects rather than active reserve allocation, the underlying message remains one of remarkable stability in the international role of the currency.** Central banks are diversifying, but the clearest marginal alternative remains gold rather than another fiat currency. There is little evidence that reserve managers are replacing the dollar with the euro, yen or renminbi at a pace capable of materially challenging the existing reserve architecture. This is consistent also with the latest BIS Triennial Central Bank Survey.

Currency composition of foreign exchange reserves (%)



Source: Amundi Investment Institute, IMF COFER dataset and staff calculations as of June 30, 2026.

In our view, the medium-term challenge remains the interaction between US fiscal sustainability, the price of capital and the opportunity set outside US assets. The US faces a rapidly rising interest burden, exceptionally large refinancing needs and a stock of government debt that needs to be continuously absorbed. **The relevant risk is whether fiscal arithmetic eventually produces pressure for some form of financial repression** (through inflation, regulation, captive balance sheets or other mechanisms) that eventually limits the real financing cost of the government. In such a regime, the currency can become both a shock absorber and an equilibrating mechanism. A weaker USD raises prospective returns on US assets for foreign investors by reducing their entry price in home-currency terms and could eventually become part of the adjustment required to maintain global capital flows towards the US.

This is why the Fed remains the critical variable even after the September hike. If Warsh is orthodox and resilient nominal growth keeps policy restrictive, cyclical tailwinds will likely support the USD, despite the growing medium-term headwinds. But if, on the other hand, policy attempts to reconcile above-target inflation, resilient nominal growth and increasingly difficult public-debt arithmetic by suppressing real financing costs relative to what a conventional Taylor-rule framework would imply, the structural adjustment in the USD can reopen.

Carry remains attractive, but choosing the funding currency matters more than ever

Global growth remains relatively resilient, commodity prices are elevated and cross-asset volatility, particularly rates and FX, has remained contained. These are normally supportive conditions for carry.

Now, if September marks the beginning of a genuine Fed hiking cycle and markets are underestimating its extent, there is ultimately limited diversification that carry can provide against a broad volatility shock. If September does not mark the beginning of a genuine Fed hiking cycle and if the market is not surprised by this extent, we continue to see valid reasons for the carry strategy to perform. **AUD and NOK remain our preferred G10 high-beta expressions, alongside selected high-yielding EM currencies where valuations and carry remain attractive. The funding mix is, though, as important as the carry itself.** The rising risks suggest to prefer low-yielding European currencies (SEK, EUR, CHF) as funders, rather than the USD or the JPY.

The JPY deserves particular caution

The BoJ has become more credible in signalling further normalisation, and higher JGB yields are improving the relative attractiveness of domestic fixed income. But the tightening cycle is still likely to be shallow compared with other central banks, limiting the case for treating the yen as a conventional high-conviction long. Rather, the JPY increasingly **looks like the least unattractive among the traditional funding currencies**. Capital repatriation, improving domestic yields and the authorities' willingness to resist excessive depreciation leave the balance of risks skewed towards gradual appreciation.

A disorderly JPY appreciation, typically associated with a volatility spike and weaker global growth and BoJ tightening substantially beyond what markets price, would be a key risk to carry through. **Regardless our base case remains a more gradual adjustment**, and if that adjustment broadens into Asian FX, where currencies remain historically cheap despite strong external balances, it could eventually provide another channel through which the structural USD adjustment re-emerges.

> *"The best cyclical conditions for the USD occur when US real yields rise and compress inflation expectation. The worst occur when the Fed suppresses real yields and lets inflation run."*



Julien COLLIN
Head of Responsible Investment Advocacy & Partnerships, Amundi

Net Zero Alliances: a renewed framework for climate action

Following the relaunch of the Net Zero Asset Managers initiative in February 2026, the updated framework reflects the practical realities of climate implementation across different mandates, jurisdictions and regulatory environments. This article examines the evolution of the initiative and how Amundi translates these principles into climate solutions, client support and stewardship.

Net Zero Alliances: A rapidly evolving ecosystem

Net zero alliances have emerged as voluntary, sector-based initiatives that help financial institutions address climate-related risks and opportunities within their respective roles.

The Net Zero Asset Managers initiative, or NZAM, was created for the asset-management industry, providing a platform through which signatories disclose their individual net zero commitments, targets and implementation approaches. **By mid-2024, NZAM had grown to more than 325 signatories representing approximately US$57.5 trillion in AuM[1].**

From late 2024, however, the operating environment for collaborative climate initiatives became more challenging. Political and legal scrutiny increased in some jurisdictions, notably in the United States, alongside diverging regulatory requirements and client expectations. Faced with regulatory scrutiny, a number of US asset managers subsequently left the initiative. In January 2025, NZAM suspended its activities to review whether its framework remained fit for purpose in this changing global context[2].

The review reflected a broader reality for global investor initiatives. While institutions may share long-term climate objectives, implementation must remain consistent with fiduciary duties, client mandates, applicable regulation and local market conditions. NZAM's subsequent relaunch therefore represents an adaptation of the original framework, with greater clarity on the conditions and limitations that shape how individual asset managers can act[3].

> *Net zero alliances have emerged as voluntary, sector-based initiatives that help financial institutions address climate-related risks and opportunities within their respective roles.*

The 2026 relaunch: greater clarity, continued ambition

On 25 February 2026, NZAM officially relaunched with more than 250 asset managers signed on to an updated Commitment Statement. The relaunch followed a six-month strategic review and marked the resumption of the initiative's target-setting and implementation-support activities.

The updated framework remains anchored in the Paris Agreement and the global objective of net zero greenhouse gas emissions. At the same time, it places greater emphasis on the practical conditions under which asset managers operate. These include fiduciary duties, client mandates and expectations, divergent regulatory regimes, and differing jurisdictional contexts.

The relaunch should therefore be viewed as an adaptation of the original framework rather than a departure from its purpose. NZAM continues to provide a common reference point for asset managers addressing climate-related financial risks and opportunities, but with clearer recognition that implementation must reflect the responsibilities and circumstances of each institution.

1. *Net Zero Asset Managers initiative / Ceres, "Net Zero Asset Managers initiative publishes report on signatories' target disclosures as the initiative grows to over 325 signatories", available at: https://www.ceres.org/resources/news/net-zero-asset-managers-initiative-publishes-report-on-signatories-target-disclosures-as-the-initiative-grows-to-over-325-signatories*
2. *Reuters, "Investor climate group suspends activities after BlackRock exit", 13 January 2025, available at: https://www.reuters.com/sustainability/sustainable-finance-reporting/investor-climate-group-suspends-activities-after-blackrock-exit-2025-01-13/*
3. *Net Zero Asset Managers initiative, "Net Zero Asset Managers Initiative Relaunches with Global Investor Backing and Updated Commitment", 25 February 2026, available at: https://www.netzeroassetmanagers.org/net-zero-asset-managers-initiative-relaunches-with-global-investor-backing-and-updated-commitment/*

Amundi's targets and continued commitment

Amundi's climate objectives and commitments remain in place under the revised NZAM framework. The updated Commitment Statement is consistent with Amundi's existing approach:

- **Developing climate investment solutions, in line with investors' preferences and constraints;**
- **Accompanying our clients in managing climate-related risks and opportunities;**
- **Encouraging investee companies to adopt and implement credible transition plans through stewardship activities.**

Amundi has achieved its net zero target for 2025 and reached a total of €332bn of assets under management aligned with a net zero goal at the end of 2025.

Over the past three years, Amundi has continued to expand its climate investment offering and pursue active stewardship on climate issues. This includes:

- Extending its climate engagement plan to an additional **1,818 companies by the end of 2025** compared with the end of 2021, exceeding the target of engaging an additional 1,000 companies by the end of 2025;
- **Expanding its climate investment solutions** offering across regions, covering six asset classes at end 2025;
- **Maintaining dialogue with clients and prospects around their net zero commitments**, with more than 1,000 institutional investors approached regarding their net zero strategies.

In line with NZAM guidance, Amundi is working on a revised target expected to be released in 2027. A climate strategy continuity plan for the following three years was presented at the 2026 Annual General Meeting.



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Francesca CICERI
Head of the International Institutional Clients Division, Amundi



Vlada SAVCENKO
Head of Central Banks Coverage, Amundi

Contributor:

Clara MENET
Institutional Business Solutions & Innovation Analyst

Navigating a Fragmented World: Insights from the Central Bank Peer-to-Peer Session ahead of the Amundi World Investment Forum

In early June, ahead of the Amundi World Investment Forum, more than 20 representatives from over 15 central banks gathered in Paris for a peer-to-peer discussion on the forces reshaping reserve management. The conversation covered several topics, from fixed income allocation to digital currencies and European strategic autonomy, letting emerge the following common thread: in an increasingly fragmented world, investment decisions are inseparable from questions of sovereignty.

Fixed income through a geopolitical lens

Geopolitics was Amaury d'Orsay's starting point in his assessment of fixed income trends. Fragmentation not only changes market conditions, but also the way investors should assess risk. The start of 2026 notably saw both sovereign bonds facing mounting fiscal pressures and political uncertainty, and entire corporate sectors exposed to disrupted trade and supply chains. This impaired the traditional distinction between sovereign and corporate risk. **Albeit through different channels, both are sensitive to geopolitical developments.**

Geopolitical shocks also made the path of inflation and interest rates harder to predict. In June, d'Orsay cautioned against assuming that rate cuts would arrive quickly, noting that the economic aftershocks of conflict could take months to emerge. Subsequent developments illustrated that uncertainty. The price of oil surged to up to $130.80 per barrel by 15 September[1], while the Federal Reserve[2] and ECB[3] both raised policy rates between June and September. Against this backdrop, the discussion emphasised flexibility across countries and maturities. Real rates were identified as a potential source of income and inflation protection.

The OMFIF[4] and RAMP[5] surveys of the past couple of years have outlined that diversification was the name of the game amongst reserve managers. A few routes emerged from this observation: D'Orsay reframed the gradual efforts of some reserve managers to structurally reduce their dependence on the dollar within the broader geopolitical realignment of trade and financial relationships. The same logic supported looking beyond familiar US exposures, with European investment-grade credit offering a potentially more balanced alternative, displaying less concentration in AI-related issuers than the US equivalent. Select securitised assets were also mentioned as having a potential to provide additional spread, as well as emerging market debt, which offered attractive carry as inflation differentials with developed markets narrowed[6].

Digital currencies: protecting the monetary anchor

The second conversation moved from the assets central banks hold to the infrastructure through which markets operate, discussing how monetary authorities can remain at the heart of a financial system increasingly organised around tokenised assets and private digital money.

Michel Robert, Group Head of Digital Currencies at CACEIS, described a market progressing unevenly. Retail participation in digital assets has already established itself[7], while institutional adoption remains less advanced. Nevertheless, the direction is

1. *Some physical oil cargoes top $130 a barrel, nearing April's record, on Saudi disruptions | Reuters*
2. *Federal Reserve Board - Federal Reserve issues FOMC statement*
3. *Key ECB interest rates*
4. *Global Public Investor 2026 - OMFIF*
5. *Reserve Management Survey Report 2025 : Insights into Public Asset Management - The Fifth Edition*
6. *https://www.bloomberg.com/news/articles/2026-07-14/emerging-bond-returns-beating-treasuries-as-carry-trades-boom*
7. *https://www.ssga.com/us/en/intermediary/insights/digital-assets-the-next-frontier-for-markets-and-investors*

clear: more assets and payments are expected to move on-chain, allowing faster settlement and potentially broader distribution for investment funds.

Atomic settlement, the simultaneous exchange of an asset and its payment leg, was central to the discussion as it has the ability to both significantly reduce settlement risk and enable continuous market operations. This introduces the risk that future transactions may settle outside central bank money, raising questions about the future role of existing infrastructures.

The concern expressed in the room has been echoed at the international level. The Bank for International Settlements has advocated a tokenised system combining central bank reserves, commercial bank money and government bonds for over a year[8], while warning that inadequately regulated stablecoins could threaten financial stability and monetary sovereignty. This closely reflected the session's conclusion: innovation should not require central banks to surrender their role as the anchor.

In the meantime, for reserve managers, continuous availability is not as simply a technological benefit. The ability to provide liquidity or intervene in foreign exchange markets outside conventional trading hours could prove critical during periods of stress. The real question is therefore not whether tokenisation will develop (it will, and it is), but how central banks and regulated financial institutions can shape its development without losing visibility, policy traction or control over settlement money.

Strategic autonomy beyond Europe

The question of monetary infrastructure led to the final discussion of the day on European "Strategic autonomy" (ESA), defined by Damien Mariette, Portfolio Manager for European Thematic Funds at CPR AM, as "the capacity to identify and reduce dependencies that could restrict independent action".

The experience of the ESA could serve as a framework through which other regions can examine their own resilience. Dependencies vary across countries and regions. While Europe is particularly reliant on external suppliers for raw materials, energy, defence capabilities and technology, other regions may face other vulnerabilities. Mariette's analytical framework is thus transferable and begs the question: **which regional critical systems depend on external actors, and what would happen if access were interrupted?**

European nations are already aware of their diagnosis. The Draghi report on EU competitiveness[9] identified slowing productivity, high energy costs, demographic pressures and intensifying global competition as structural constraints on European prosperity. Turning such a diagnosis into an investment thesis is what Mariette's work has been about for the past ten years.

The policy response has gathered scale. Examples of the mobilization of the political ambition moving into an implementation agenda are found in the EU's Readiness 2030 roadmap[10] which envisages enabling up to €800 billion in additional defence spending, and in the SAFE instrument[11] which has the ability to provide up to €150 billion in EU-backed loans to support investment through common procurement.

Ideas on how private investments can follow the public agenda for strategic autonomy emerged. Blended-finance structures, notably, were mentioned as a way for public resources to absorb some of the risk deterring private investment, building an investment case for funding energy infrastructure, critical technologies and materials and parts of the defence supply chain.

8. Bank for International Settlements, "Next-generation monetary and financial system takes shape," 24 June 2025 - https://www.bis.org/media-releases/20250624-next-generation-monetary-and-financial-system-takes-shape-based-tokenised-unified-ledger-bis

9. European Commission, the Draghi report on EU competitiveness - https://commission.europa.eu/topics/competitiveness/draghi-report_en

10. Readiness Roadmap 2030 - European Commission

11. Add Council of the European Union - https://www.consilium.europa.eu/en/press/press-releases/2025/05/27/safe-council-adopts-150-billion-boost-for-joint-procurement-on-european-security-and-defence/

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IMPORTANT INFORMATION

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