

# Amundi Outlook



Amundi's 2023 Investment Outlook

## US Market Investment Views

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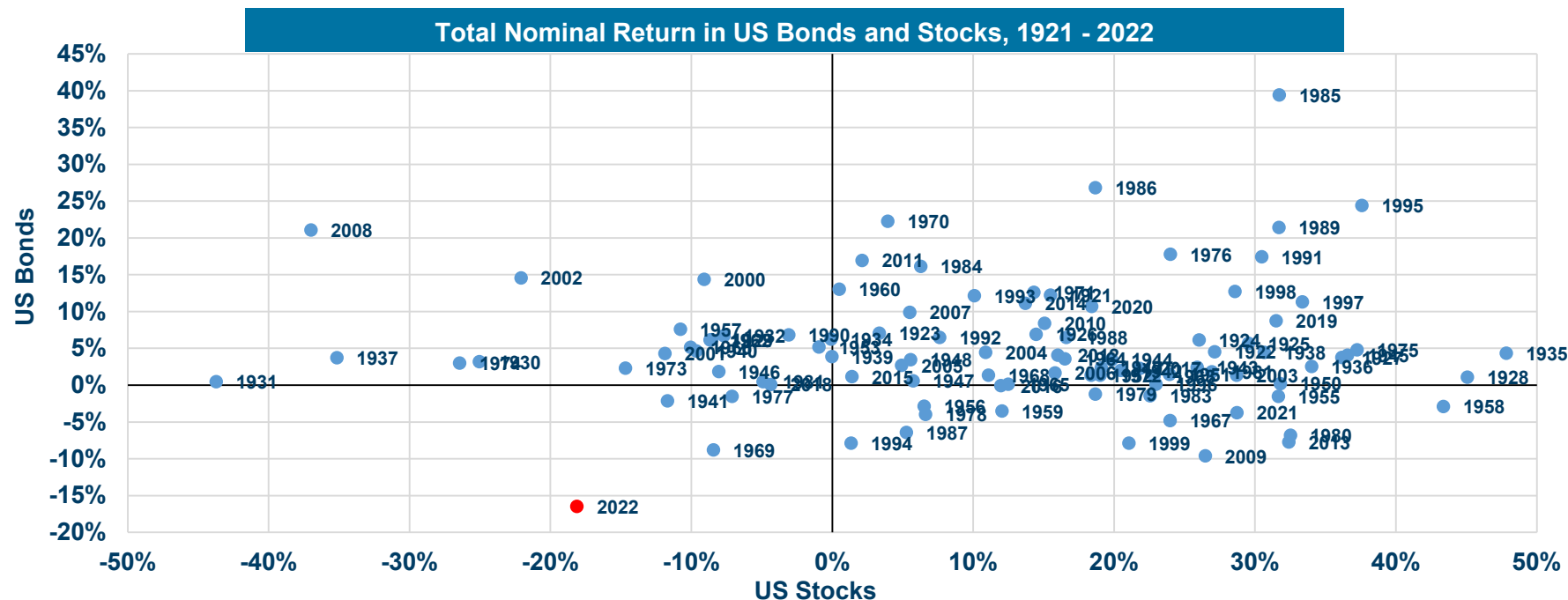
**Confidence  
must be earned**

**Amundi**  
ASSET MANAGEMENT

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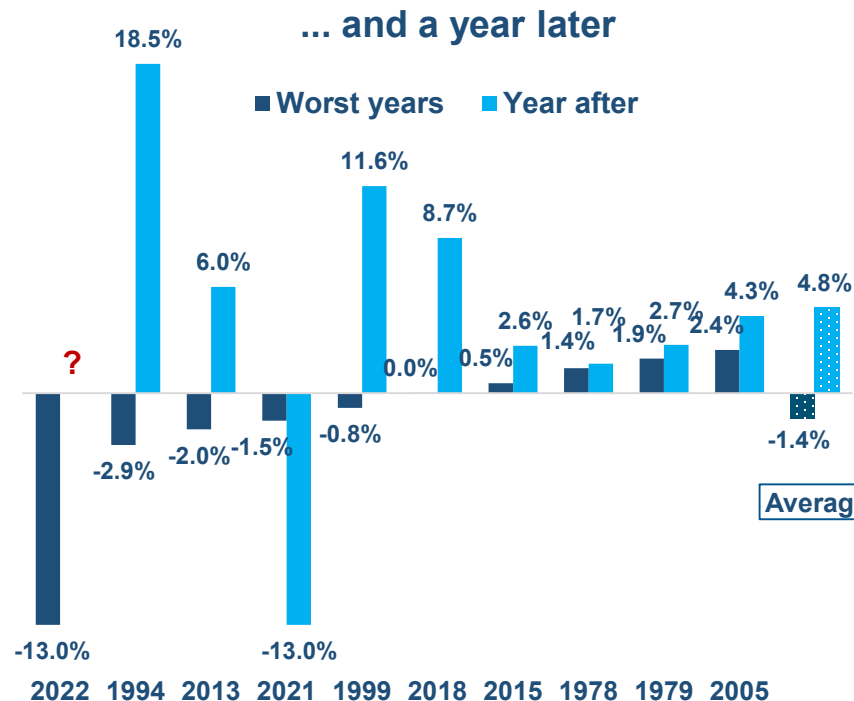
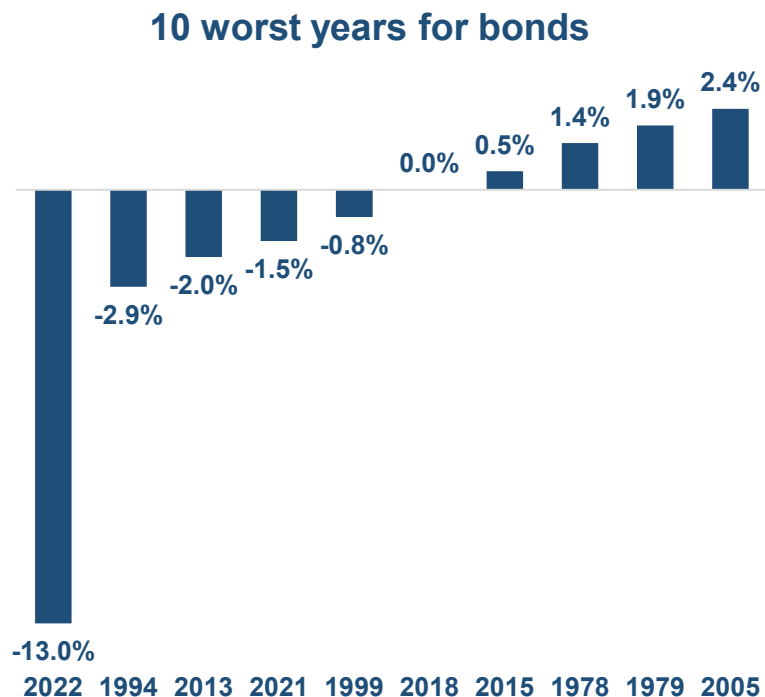
# We know 2022 was a Difficult Market but How So...in a Picture

Total nominal return in US stocks & bonds for each year 1921-2022 (%)



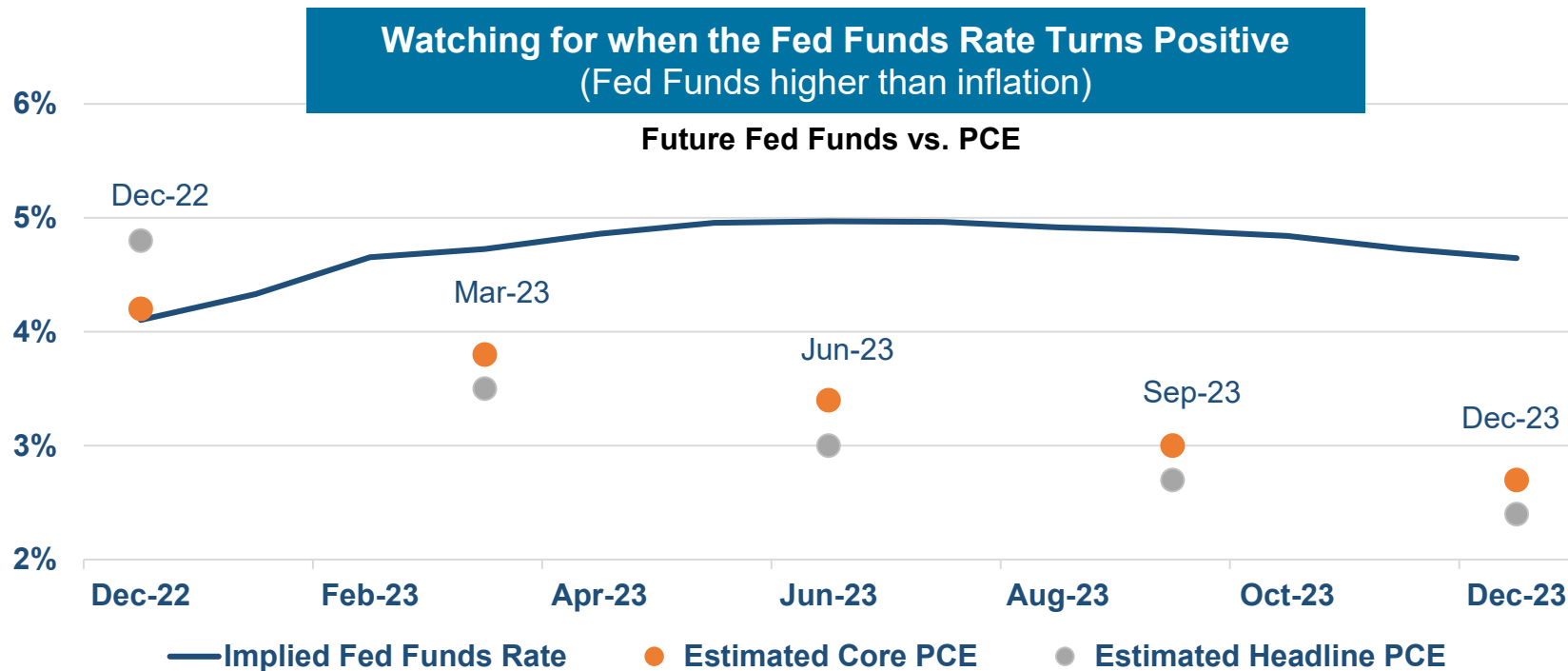
Source: Stifel as of 12/31/22.

# US Fixed Income: How bad has it been?



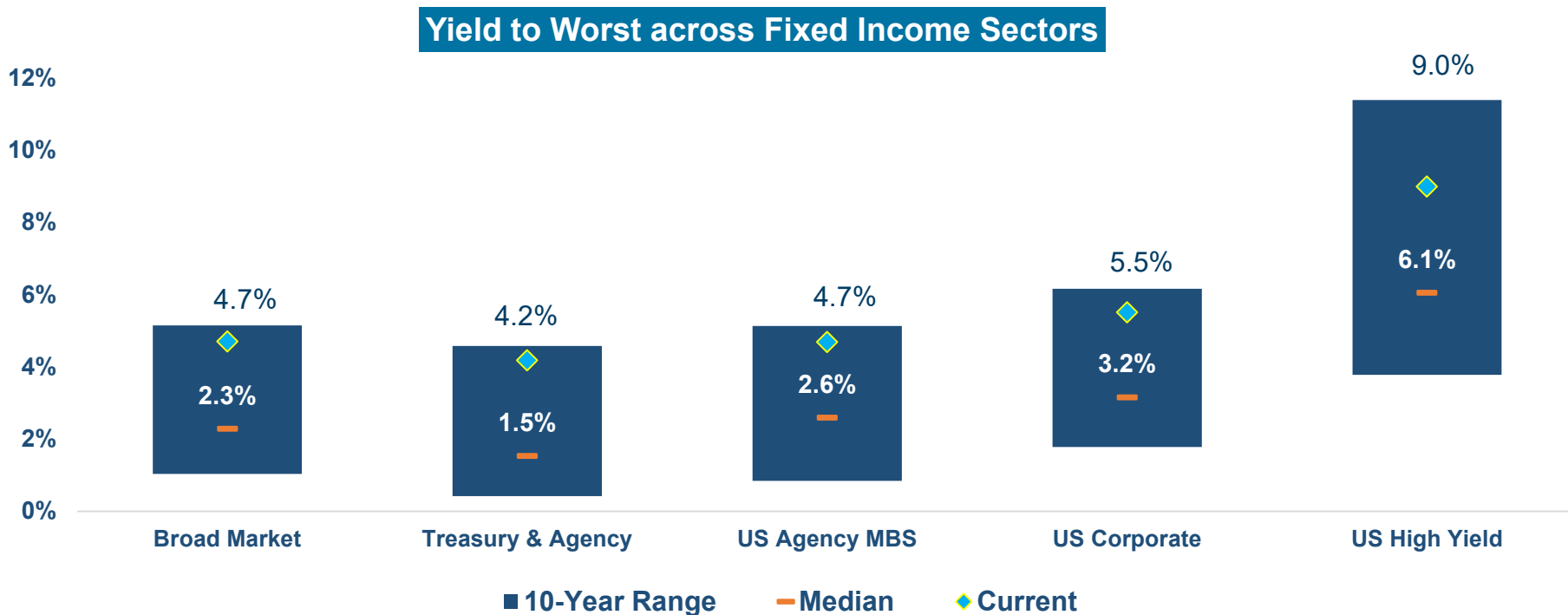
Source: Bloomberg. Returns of the Bloomberg US Aggregate Bond Index. Left chart data ranges begin on 12/31 of the year shown beginning 12/31/1975. Right table data are for 12 months ending 12/31 of the year shown and ending the subsequent December 31. Data as of 12/31/22.

# Gauging Peak Fed Hawkishness



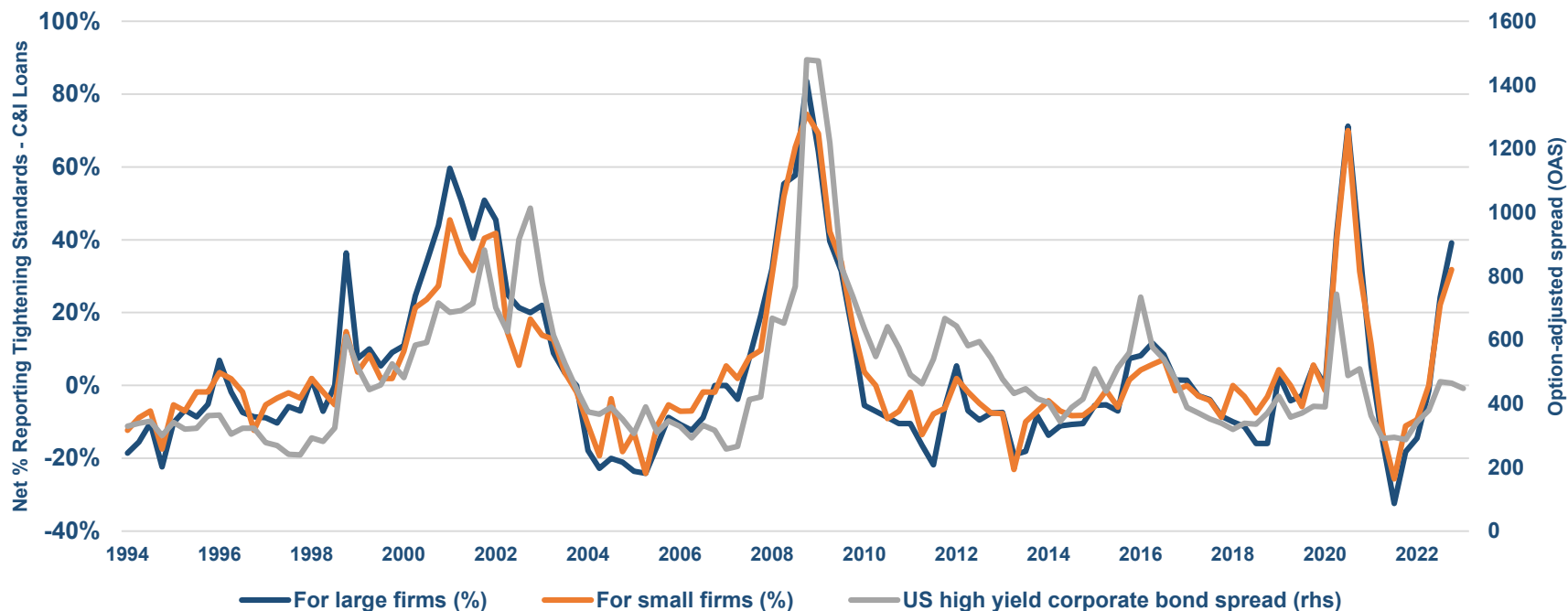
Source: Bloomberg as December 30, 2022. PCE = Personal Consumption Expenditure, a measure of inflation that tracks overall price changes for goods and services purchased by consumers.

# Yields Across Fixed Income Sectors are Near Ten-Year Highs



Source: Bloomberg ICE BofA Indexes as named. 10 years as of 12/31/22.

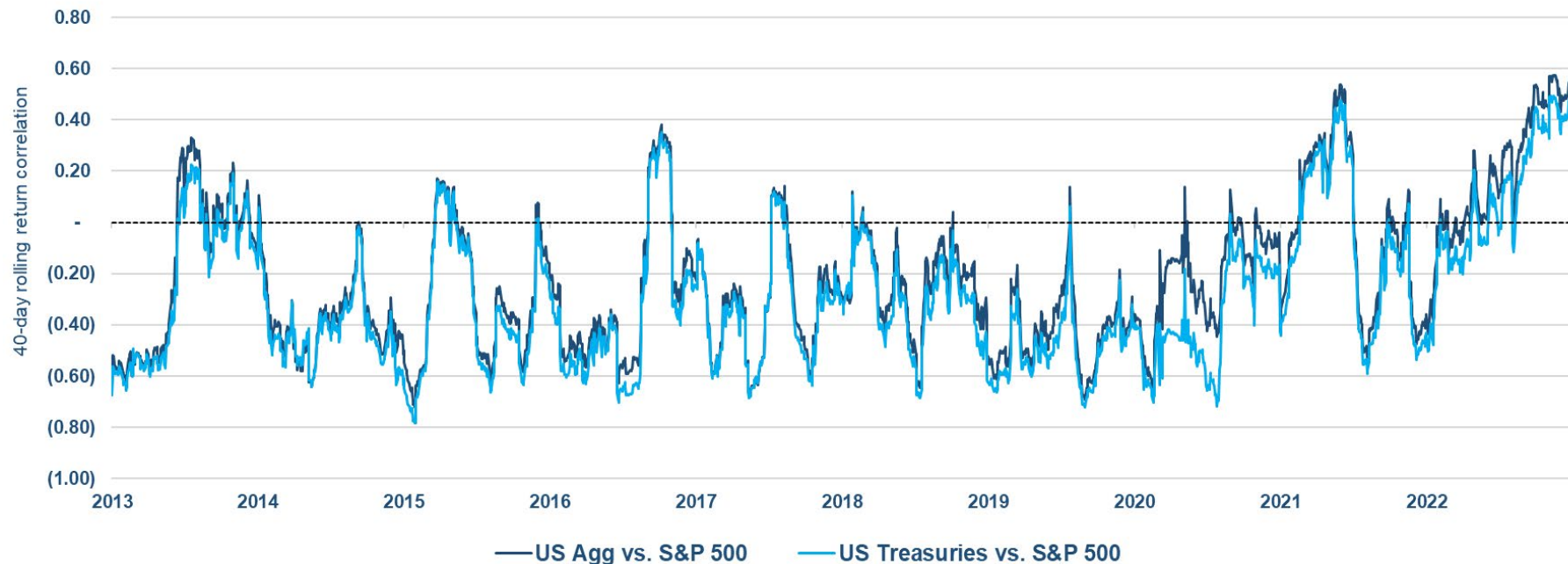
# Tighter lending standards tend to lead US High Yield spreads wider



Sources: US Federal Reserve for Senior Loan Officer Opinion Survey results for Commercial and Industrial (C&I) loans as of 10/31/22. Bloomberg US High Yield Corporate Bond Index OAS (Option Adjusted Spread) as of 11/30/22.

# Historically, Bonds have Negative Return Correlation to Risky Assets

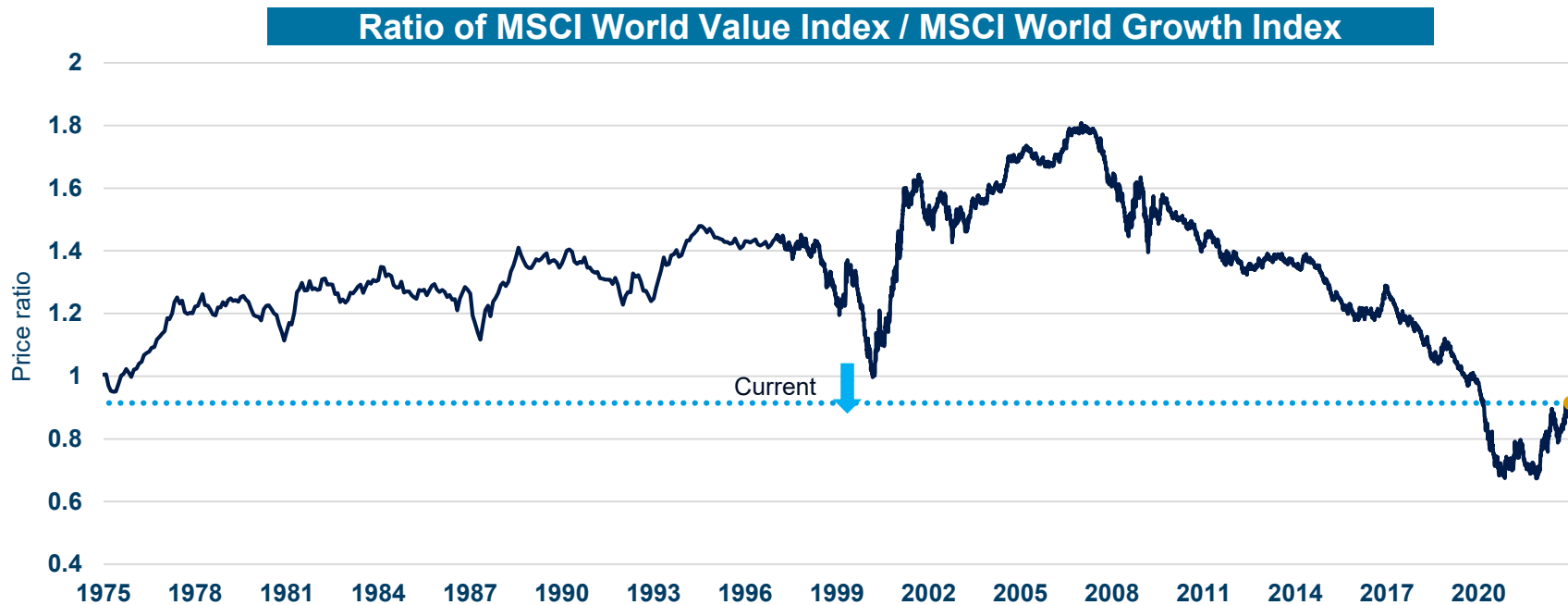
## Return Correlations US Corporate Bonds/Treasuries vs. Stocks



Source: Bloomberg and Amundi US as of 12/30/22.

# A Bottom in Global Value?

As of December 30, 2022

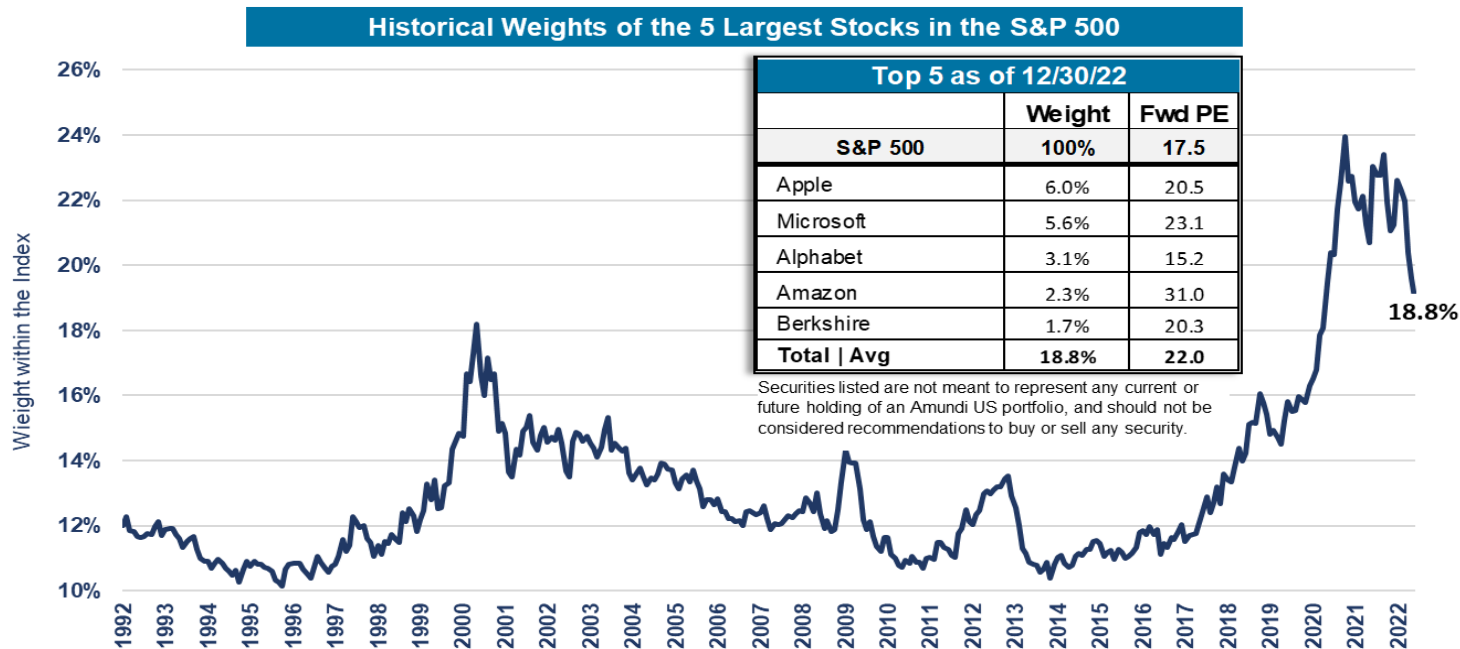


Source: Bloomberg and Amundi US. Final data point as of December 31, 2022. The MSCI indices shown are commonly used broad measures of global value stocks and growth stocks, respectively.



# S&P 500® Concentration Close to Record Levels

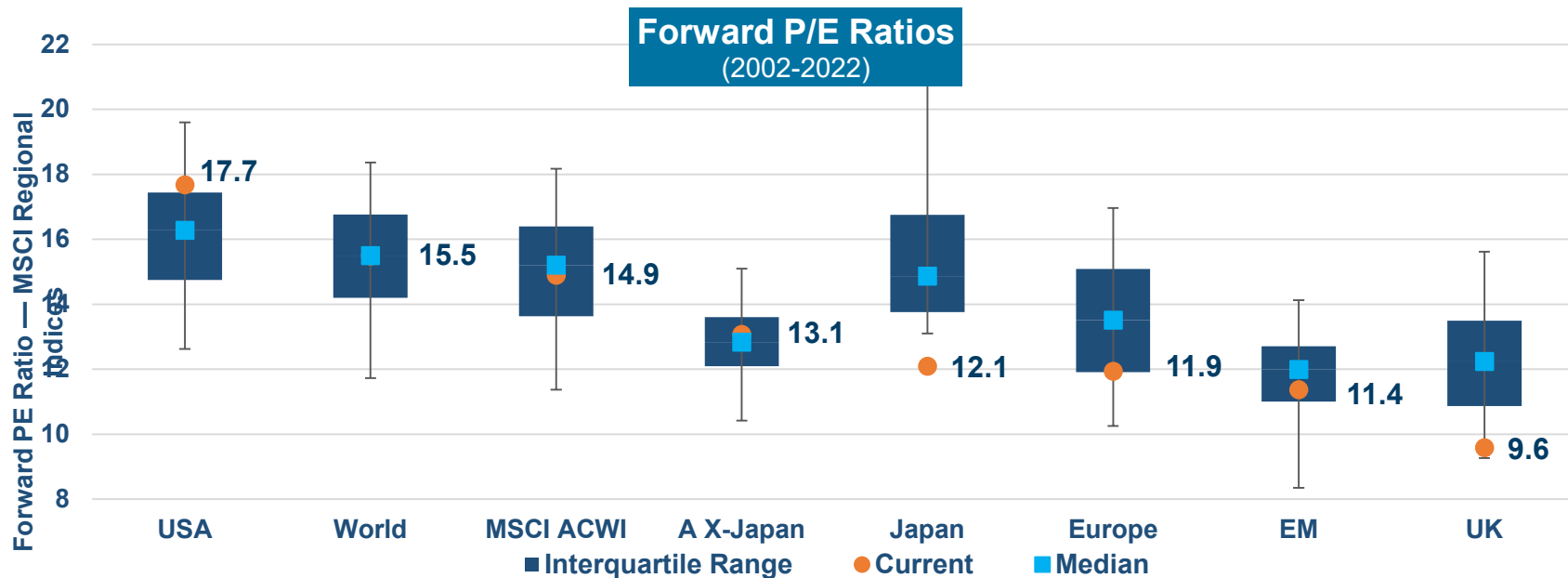
As of December 30, 2022



Source: Bloomberg and Amundi Research. Forward Price-Earnings Ratio (Fwd PE) is the current price of a stock divided by the consensus analyst estimates of 1-year projections of its earnings per share. See Appendix for more index information.

# Valuation Ranges for Global Markets

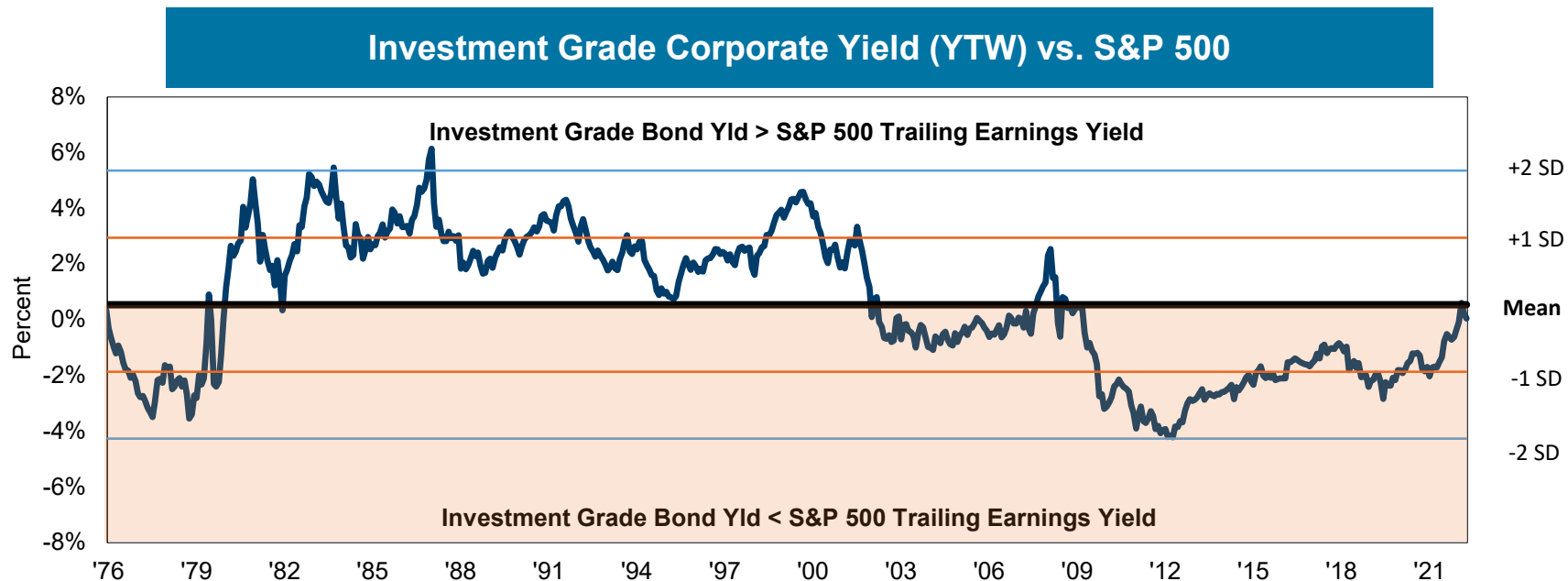
We remain cautious



Source: Amundi US, Bloomberg, last data point November 30, 2022. Chart shows MSCI indices of the region or country as named left to right. Analysis is based on quartile ranking of forward PE over 20 years beginning 11/30/2002. The interquartile range is the difference between the 1<sup>st</sup> and 3<sup>rd</sup> quartiles. The black line "whiskers" show the range of the 10<sup>th</sup> – 90<sup>th</sup> percentiles.

# The Income Challenge

The opportunity set changes over time



Source: Bloomberg. Data as of December 31, 2022. Investment grade bonds represented by ICE BofA Corporate Bond Master Index. Equities are represented by S&P 500 Index. YTW (Yield to Worst) is the lowest potential yield that can be received on a bond without the issuer actually defaulting. **Trailing Earnings Yield** is the earnings per share for the most recent 12-month period divided by the current market price per share. See Appendix for more index information on indices.

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