



**Pascal  
BLANQUÉ**  
Group Chief  
Investment Officer



**Vincent  
MORTIER**  
Deputy Group Chief  
Investment Officer

## Overall risk sentiment



Defensive risk allocation, markets are pricing very supportive central bank policy, in case of disappointment volatility will rise

## Changes vs. previous month

- Some profit taking on US duration
- More cautious on EM assets
- Increased focus on liquidity management

*Overall risk sentiment is a qualitative view of the overall risk assessment of the most recent global investment committee.*

## Back to school. Back to normal?

Financial markets have been rattled in the past weeks over escalating trade war between the US and China as both imposed tariffs and counter-tariffs on imports. Idiosyncratic risks stories in countries such as Argentina resurfaced, the UK's parliament was suspended over Brexit chaos and Italy witnessed a political crisis of its own, although a government seems in sight now. Investors' search for safety pushed core bond yields to unprecedented low levels, with yield on the 30-year German bunds turning negative for the first time ever. The US yield curve inverted for the first time since 2007, with yields on 2y note rising above those on the 10y bond.

**There are three main factors, in our view, behind this summer malaise.**

**First, markets do not like policy uncertainty and ambiguity, and both have increased.** Geopolitical risk spillovers on the economic outlook are evident. Recession worries are overdone in the US (we don't expect a recession in the next 12 months) and we should not overestimate the role of the yield curve inversion as a harbinger of recession, in the era of unconventional monetary policies. **Secondly, the risk of escalation of trade war turning into a currency war is looming as both the US and China fight for global hegemony.** The yuan weakening above the 7.0 mark, the first time since the 2008 crisis, has been seen by the US administration as an attempt by the Chinese to manipulate currencies. However, we don't share the view that China will manipulate the currency proactively. Authorities are only seeking to stabilise the exchange rate to offset the negative impact of tariffs on the competitiveness of Chinese exports. **Third, political pressures on Central Banks are mounting.** The Fed has delivered a rate cut and ended quantitative tightening. But the manner in which Trump has been pressurizing Jerome Powell to reduce rates is a challenge for Fed's independence, more so in light of the 2020 Presidential elections.

### What are the investment implications of these elements?

**Fall in core bond yields is a reflection of a complex scenario.** The narrative seems to be changing from 'bad news for the economy is good news for risk assets,' supported by ultra-dovish central banks to 'bad news may start becoming bad news,' with markets pricing economic downturn. As a result, markets and even politicians expect central banks to intervene more aggressively, but markets may have gone too far in pricing policy actions as global growth could be stronger than expected.

**In the short term, expectations of aggressive monetary easing could limit equity market downside in this highly uncertain environment.** Central Banks may help to extend the cycle, but the power of these new measures will be lower than in the past, if not accompanied by consistent fiscal support. It is potentially good news that Germany could stimulate the economy to avoid recession. But we are at a very early stage, the amount is limited and not coordinated at the EU level. **Equity valuations will be supported by low bond yields.** The fact that earnings revisions have already been massive, we could see a stabilization in the coming weeks. Should the equity markets weaken further this could provide some tactical opportunity to add exposure, but at this stage with fading effects of Central Banks' policies, earnings outlook will be the main drivers of the markets, and risks are to the downside.

**Search for yield will continue, benefitting primarily quality IG bonds and EM debt.** However, with the ultra-low level of bond yields, high duration reached by the main bond indices, and scarce liquidity, investors should be ready to face higher volatility. An active and diversified approach that puts all the fixed income levels to work (duration, currencies, curve, credit), can help to add value in the yield desert and avoid the less stretched situation. Liquidity assessment is also becoming crucial as in case of disappointment on central banks actions, less liquid areas can be more at risk.

Overall, heightened volatility will take investors back to the drawing board, emphasising the importance of basics yet again. To protect portfolios, investors could mitigate risk by adopting adequate hedging strategies (gold, options, and currency) and also consider retaining a positive view on US duration as a hedge on market and liquidity risks.

MACRO &  
STRATEGY

**Philippe ITHURBIDE**  
Global Head of Research



**Monica DEFEND**  
Head of Strategy,  
Deputy Head of  
Research



**Didier BOROWSKI**  
Head of  
Macroeconomic  
Research

## Accommodative policy amid downside growth risks

The summer months have been eventful. On the (geo)-political level, the sources of tension have multiplied globally. On the economic front, the growth momentum has weakened further, confirming the downward trend observed worldwide since April, with the deepening of the manufacturing recession.

**Based on these conditions, we have revised down our global growth forecasts from 3.3% to 3.2% in 2019 and from 3.4% to 3.3% in 2020.** In fact, part of the risk scenario has materialised, particularly with regard to trade tensions. Recent statements (from the US and China administrations) offer a ray of hope but the damage is done in terms of uncertainty – capex will stay under pressure, notably in countries most exposed to global trade. Consequently, we now expect an additional deceleration of growth, leading to subpar growth in advanced economies (AEs) in 2020, with a cycle trough either in H2 2019 or H1 2020. **EMs are clearly not immune. But unlike Advanced Economies, EM growth should reaccelerate somewhat next year.**

**Risks remain clearly skewed to the downside, the risk of a recession has increased in the US. But we maintain our view that a global recession is not on the horizon.**

In the **US and in Europe**, the job markets are supportive and the consumer is resilient. Moreover, we continue to observe a decoupling between the services and manufacturing sectors. But this is simply not enough in the short run to offset the pressure coming from trade and uncertainty. In **Germany**, even if we now foresee a technical recession (with slightly negative GDP growth in Q2-Q3 2019), it should be a mild and short-lived one.

**In a low inflationary environment, the level of**

**monetary accommodation is set to increase further.** This is fully priced in by markets regarding interest rates.

On the one hand, the deterioration of the macro outlook justifies the global monetary accommodation that we are expecting but, on the other hand, we continue to think that **markets expect too much from CBs** (in particular from the Fed and the ECB, with regards to interest rates).

**Looking ahead, the deterioration of the growth outlook paves the way for more fiscal easing** (note that many EM countries have already moved in this direction). Fiscal policies should gradually turn more accommodative in AEs (starting with Germany).

At the end of the day, **we expect the global policy mix to cushion the “uncertainty shock”.** However in the current environment, we believe that fiscal policies are more likely to be reactive (i.e. become more expansionist if the outlook deteriorates further) than proactive (i.e. turn more accommodative pre-emptively).

From a more fundamental point of view, the fact that the average interest rate paid on debt has fallen below nominal GDP growth in several AEs, provides an additional argument to governments to act (as, in these conditions, a primary surplus is no longer needed to stabilise the debt/GDP ratio).

While we believe it is premature to price in the positive impact on growth, **we expect that the anticipation of a global policy-mix turning more accommodative should help to anchor global growth expectations for 2020/2021**

“**We expect the global policy mix to cushion the ‘uncertainty shock’.**”

### The strategist's view – Key takeaways from recent volatility

- 1) US and German yield curves flattened and we have revised downward our forecasts on bond yields:**  
We keep our view of bull steepening in the US. The gap between our expectations (50 bps) and markets' expectations (100 bps) of Fed's move to cut interest rates has widened. As per our calculations, the 12M forward yield on 10-year UST should be approximately 1.6%/1.8%, whereas that on the 2-year UST should be at 1.3%/1.5%. Meanwhile, the German yield curve has moved in-line with our scenario and future curve flattening would come more from the short end. We see the forward yield 10-year Bund at -0.7%/-0.5%.
- 2) Favourable environment for Italian BTPs:** While the sudden opening of the political crisis came as a surprise initially, spreads moved back closer to starting levels eventually owing to investors' search for yield and even lower after, with the prospects of the new government formation. There are three key factors that will continue to support BTPs, particularly in the 5-10 year segment. First, technical factors point to a favourable environment. We expect net issuance to be negative for BTPs in the coming months, which will support demand. Secondly, attractive relative valuations. Italy now constitutes about half of the overall yield available in EUR IG fixed income space. Finally, expectations of reopening of QE by the ECB would be supportive.
- 3) Mixed Q2 earnings season in the US and Europe:** In the US, the Q2 revenues and earnings of S&P 500 companies rose 4.7% and 2.9%, respectively, at a better-than-expected pace. However, the guidance for Q2 earnings was conservative due to the lack of visibility in early-July, resulting in a reduction of full year 2019 EPS growth forecasts at that time. In Europe, the Q2 earnings season for Stoxx 600 companies has been lower-than-expected. This has resulted in a reduction in earnings estimates for full year 2019, as of early July.

MULTI-ASSET



**Matteo GERMANO**  
Head of Multi-Asset

“  
*In a highly uncertain environment, we think investors should have a cautious risk exposure and search for yield in Euro credit IG and EM bond with an increased focus on liquidity management.*  
”

## A cautious approach to navigating volatility

Given concerns of sluggish global growth and heightened volatility in light of the US-China trade dispute, **we remain cautious** with respect to our views on risk assets. Our move last month to go long on duration and stay defensive on equities was well rewarded by the markets. Markets are already pricing-in a 100 bps of rate cuts by the Fed and 30 bps from the ECB in the next 12 months. We believe it is time for investors to **have a mild risk exposure with preference for European IG credit**, but be mindful of the opportunities that this volatile environment might present.

### High conviction ideas

Developed market central banks, including the ECB and the Fed, seem to indicate their willingness to support economic growth by adopting a more dovish stance. In the short term, this is good news for DM equities, but we remain selective. In addition, on the back of an accommodative macro-economic environment, we are starting to reconsider our negative view on the **Schatz**, given that a high possibility of rate cuts doesn't support it. **On duration, we remain positive on the US** as a diversifier of the risk exposure, owing to slowing global growth and inflation, and the recent escalation of the trade war. As a result, we maintain our preference for the 10y UST and for the UST 5y vs German 5y. **In credit markets**, we expect the hunt for yield to intensify in Europe on the back of a fall into negative yields for most Euro government debt. We **continue to favour Italian BTPs and EUR IG vs HY** (more Equity like) that should benefit from technical factors such as inflows, TLTRO, and likely ECB QE2 and rate cut. We stay cautious on **US Credit as it is too leveraged** with respect to its fundamentals. In **EM equity**, we keep a neutral view due to unattractive aggregate valuations, deteriorating macro-economic momentum and negative earnings revisions.

We maintain our **preference for Korea** as it is giving signals of bottoming-out and **also for China**. On the **EMB side**, we remain positive on hard currency, mostly for carry reasons, but are cautious on local currency debt which is subjected to high volatility due to the FX exposure. In general, financial environment **seems supportive for EM Debt** (attractive carry, low US rates, dovish Fed and dovish EM Central Banks, and subdued inflation), but concerns on global trade and growth are headwinds, especially for local currency debt. In currencies, we maintain a relative value approach, with a preference for a **FX basket** of higher carry EM currencies vs South African Rand and the South Korean Won, which should depreciate more on re-escalating US-China trade tensions.

### Risks and hedging

Geopolitical tensions and global growth worries continue to dominate financial markets. Subdued economic data from Germany and China raised concerns over a recession. Uncertainty in Europe increased with Brexit and Italy as key hot spots. As a result, it is important to note that fundamentals remain at risk at company level, given that profit margins could decline in case of weakening global growth and trade war escalation. Liquidity risk may also resurface should central banks disappoint the market expectations.

In this environment, investors **may mitigate risk by adopting an adequate hedging** strategy in form of gold. This would safeguard investors in case of an escalation in the currency war between the US and China. Investors may also **consider to retain a positive view on US duration as a liquid hedge**, but look to marginally reduce it after an impressive rates rally.

Amundi Cross-Asset Convictions

	1 month change	---	--	-	0	+	++	+++
Equities			■					
Credit	↘						■	
Duration						■		
Oil					■			
Gold	↗					■		
Euro cash				■				
USD cash						■		

The table represents cross-asset assessment on a 3-6 month horizon, based on views expressed at the most recent global investment committee. The outlook, changes in outlook and opinions on the asset class assessment reflect the expected direction (+/-) and the strength of the conviction (+/+/+++). This assessment is subject to change.

USD = US Dollar, JPY = Japanese Yen, Schatz = 2Y German Treasury Bond

FIXED INCOME



**Eric BRARD**  
Head of Fixed Income



**Yerlan SYZDYKOV**  
Global Head of Emerging Markets



**Kenneth J. TAUBES**  
CIO of US Investment Management

## Extreme expectations may drive volatility

Two issues compound the situation for fixed income markets, **the US-China trade war** and concerns over global economic growth, and **expectations of aggressive rate cuts** by central banks (CBs). After the rate cut by the Fed in July, the market is now pricing-in additional cuts in 2019 and some additional ones in 2020 (100 bps overall). In Europe, an accommodative stance should remain for a prolonged period. However, there is a possibility that **markets are expecting too much** and we may see more volatility in case of disappointments. We are also increasingly selective in **credit**, where **liquidity risk** assessment is at the forefront.

### DM bonds

From a **global fixed income perspective**, we have an overall neutral duration stance and believe some tactical adjustment in EUR & US duration could benefit investors, given the recent dovish ECB statement. We maintain our positive view on US duration, while reducing the short duration stance in Europe.

With respect to **EU sovereigns**, we keep a constructive view on the main peripheral countries but are now more cautious on Italy BTPs as the 10y spread vs Bund has tightened significantly. We also continue to seek opportunities from yield curve movements both in Europe and in the US.

From a US investor perspective, we have become more cautious on duration amid the strong rally.

### Credit

In the US, given narrower credit spreads and lingering macro uncertainties tied to global trade policy, business sentiment and the Federal Reserve's policy reaction function, we are moderately constructive.

Compared to IG credit (where we are cautious on the BBB space) we prefer securitized credit sectors such as asset-backed securities (ABS), commercial mortgage-backed securities (MBS) and residential mortgage-backed securities that can benefit from a still strong consumer sector. We also see selective opportunities in **US high yield** on the BB and B space that provide better liquidity profiles. In **European credit**, we are still constructive but selective, preferring short-term maturities with high spreads. Overall, we have become more cautious on financials, especially Italian and UK banks.

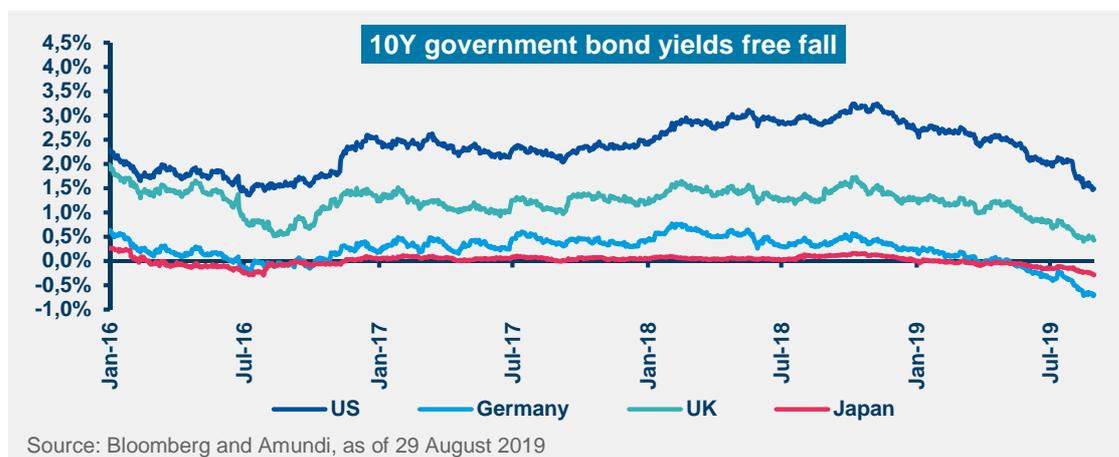
### EM bonds

We are navigating a complicated market environment amid a global growth slowdown, anchored inflation expectations and elevated trade tensions. In this environment, central bank easing – in an effort to mitigate trade war risks and stimulate growth and inflation – could be supportive of EM fixed income. We believe EM bonds still offer potentially interesting return prospects and remain attractive for investors hunting for yield. But we have become more defensive with a more positive duration stance. We have a preference for Brazil, Indonesia, Serbia, and Ukraine and continue to favour selectively the hard currency space.

### FX

We remain positive on the USD and JPY as a hedge. We have become more negative towards the GBP due to a fluid political situation and the increased risk of a no-deal Brexit. We are also cautious on the commodity-bloc and on EM Asian currencies threatened by the escalation in the trade war.

“  
*In case of disappointment of markets expectations on policy actions volatility will be back. Time to be cautious on credit selection and manage liquidity risk.*  
”



GBP= British Pound.

# Be selective and not too optimistic on earnings

## Overall assessment

Equities reacted to the summer volatility as we witnessed a **reversal of globalization** in the form of increased protectionism and trade-wars. As a result prices now more closely reflect weaker fundamentals. Low bond yields make equity relatively attractive. However, the outlook is more uncertain, as earnings expectations are still high for 2020 and we could expect further downward revision. From an economic standpoint, there are **expectations of stabilization at low levels of growth**.

## DM equities

In **Europe**, the reporting season has been largely in line with expectations but forward Q3 and Q4 estimates have declined. We **believe 2020 earnings estimates are too optimistic** and would be revised downwards. Portfolio balance remains important for investors, given the uncertain macro-economic environment. We continue to find opportunities among cyclicals such as industrials and energy. In particular, we prefer companies with high quality business models and strong balance sheets. While the value sectors are historically cheap, we are mindful of highly indebted companies and those that are particularly exposed to disruption in areas such as retail, media, and autos unless we are adequately compensated for the additional risks. **Defensive sectors such as consumer staples have high valuations** now. We also see limited opportunities in IT, materials and utilities. Encouragingly, health care and telecommunication present opportunities.

In EU, the banking sector appears structurally challenged, given falling rates. While there are no clear triggers, we believe the valuation of this

sector is cheap and a significant tactical opportunity to buy European banks should arise. In an overall neutral view on financials, we prefer banks over insurers. In the UK, no deal Brexit risk has increased. This would have implications on the domestic economy and broader European countries.

**In the US**, among US cyclicals, we expected a volatile earnings season for Q2 and that is essentially what happened, albeit it was not as bad as originally feared. Therefore, we are now **cautious towards the more cyclical sectors**, as this is where we have seen the most pain points from quarterly results and management outlooks. From a style perspective, although we still prefer growth, **we now believe valuations are extremely stretched in med-tech, software and consumer space**. Bond proxies and other low volume stocks still appear very expensive, with the exception of real estate which is the preferred bond proxy. Overall **in the US, we prefer sectors such as consumer discretionary, health care, financials**. We are **negative towards industrials, utilities and consumer staples**.

## EM equities

EM equity reacted negatively to the deterioration in US-China trade relations and the primary vote outcome in Argentina (and the following downgrade by rating agencies). Geopolitical risks and uncertainty remain elevated, leading to an increase in investor risk aversion and market volatility, and we expect this to be only partly offset by central banks' easing stance. In this environment, despite attractive valuations, **we prefer to be overall more cautious in the short term**. Relatively, we favour countries less exposed to external vulnerabilities and with good valuations (such as Brazil, Russia, India).

## EQUITY

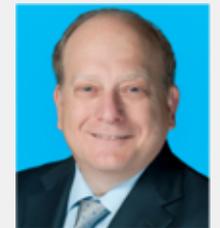
“*Low yields make equity risk premia more attractive, but given the uncertainty on earnings growth it is key to focus on quality and valuations.*”



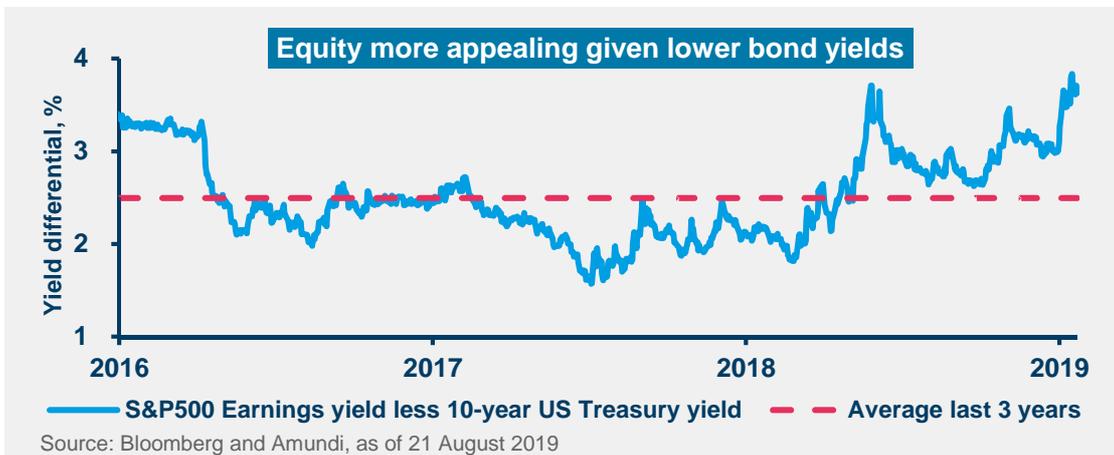
**Kasper ELMGREEN**  
Head of Equities



**Yerlan SYZDYKOV**  
Global Head of Emerging Markets



**Kenneth J. TAUBES**  
CIO of US Investment Management



# Amundi asset class views

	Asset class	View	1M change	Rationale
EQUITY PLATFORM	US	-/=		In the US the earnings season has been somewhat better than market expectations, but the trade war effects are starting to materialize, resulting in a more uncertain earnings outlook, despite a still resilient economic backdrop. The market is not cheap overall. We are cautious on cyclicals and prefer growth in less stretched areas.
	Europe	=/+		European Equities valuations are relatively attractive but the market remains very exposed to trade war escalation, Brexit and the Italian political crisis. On the positive side, the ECB intervention could support the market.
	Japan	-/=		We remain cautious on Japanese equities. Valuation looks attractive and domestic recovery surprised to the upside, but this is only half of the story as the earnings momentum has been hammered by the forex appreciation and the deceleration of global trade which justifies our cautious view.
	Emerging markets	-/=	▼	Strong domestic demand in emerging countries, soft landing in China, and supportive monetary and fiscal policies should support equities. However, we believe, EMs are now facing some headwinds which must be monitored in the form of trade war escalation, idiosyncratic risks, RMB depreciation and Fed policy stance vs market expectations.
FIXED INCOME PLATFORM	US govies	=/+		We maintain our preference for duration exposure in the US, on more ammunitions available to the Fed on monetary policy. But the long-end has probably gone too far in August, and therefore a tactical profit taking may be attractive at current levels.
	US IG Corporate	-/=		Accommodative central banks are overall supportive for the credit market. However, given narrower credit spreads and lingering macro uncertainties, we prefer to keep a cautious attitude on credit risk, favouring high quality carry and increasing the focus on liquidity assessment.
	US HY Corporate	=		US high yield spreads are tighter than the long-term average, but we believe spreads still meaningfully exceed the cost of defaults. The default outlook remains benign, and the Fed's apparent accommodative stance should help keep the recession risk low. However, we are mindful of the idiosyncratic risks and focus on selection and liquidity management.
	European govies	-/=		The new dovish ECB stance will prevent any rise in core yields. The market is expensive and it will remain quite expensive as the search for safety will continue to be at the forefront of investors' minds. We keep a constructive view on the main peripheral European countries but are now more cautious on Italy BTPs as the 10y spread with the Bund tightened significantly in July.
	Euro IG Corporate	++		Good corporate fundamentals, improving technicals, the appetite for yield and ECB support (expected to re-open the corporate sector purchasing programme in September), will be, in our view, the key drivers of the market. We maintain a positive view on the asset class, although we are cautious on financials (Italian and UK banks) and mindful of low liquidity.
	Euro HY Corporate	+		The high yield segment is attractive for carry opportunities. The default outlook is still positive, as is ECB support. Focus on selection, idiosyncratic risks and liquidity management.
	EM Bonds HC	+		Sentiment has slightly deteriorated as a consequence of trade disputes escalation. However, the market is resilient thanks to CBs support and the ongoing search for yield. Contagion from Argentina issues is limited. Some pullback could be an opportunity to add to the asset class, with a medium-term perspective.
	EM Bonds LC	=	▼	We see value in local EM rates and EM credit, but we expect increased pressures on EM currencies from a challenging global growth backdrop and geopolitical risks.
OTHER	Commodities			Trade war escalation and slowing economic growth are headwinds for commodities' demand. While financial conditions should remain reasonably supportive, USD appreciation might be a trigger for the asset class performance. We maintain a \$55-65/b range for the WTI due to OPEC's flexibility and willingness to stabilise prices. For gold, we lift our 12M target to around \$1550/ounce due to easing financial conditions, hunt for safe havens and end of Fed balance-sheet reduction. For base metals, we expect a 4-5% total return in 12M, as the inventory cycle remains reasonably supportive.
	Currencies			EUR/USD is expected to remain range-bound, on the back of the rebalancing of rate cuts and repricing expectations from the Fed and the ECB. EUR movement will also be impacted by persisting weak macro numbers and rising uncertainties about Brexit. 12M target maintained at around 1.14. JPY will likely consolidate in the short-term, following recent strong appreciation vs USD. USD/JPY 12M target kept at 105. GBP/USD is likely to remain under pressure as the probabilities of no-deal increased.

LEGEND



Source: Amundi, as of 26 August 2019, views relative to a EUR-based investor. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation regarding any fund or any security in particular. This information is strictly for illustrative and educational purposes and is subject to change. This information does not represent the actual current, past or future asset allocation or portfolio of any Amundi product. IG = Investment grade corporate bonds, HY = High Yield Corporate; EM Bonds HC / LC = EM bonds hard currency / local currency. WTI= West Texas Intermediate.

## AMUNDI Investment Insights Unit

The Amundi Investment Insights Unit (AIU) aims to transform our CIO expertise, and Amundi's overall investment knowledge, into actionable insights and tools tailored around investors' needs. In a world in which investors are exposed to information from multiple sources, we aim to become the partner of choice for the provision of regular, clear, timely, engaging and relevant insights that can help our clients make informed investment decisions.



### Definitions

- **Credit spread:** differential between the yield on a credit bond and the Treasury yield. The option-adjusted spread is a measure of the spread adjusted to take into consideration possible embedded options.
- **Yield curve bull steepening:** A bull steepening is a yield-rate environment in which short-term rates are decreasing at a rate faster than short-term rates. This causes the yield curve to steepen.
- **Curve flattening:** A flattening yield curve may be a result of long-term interest rates falling more than short-term interest rates or short-term rates increasing more than long-term rates
- **Cyclical vs. defensive sectors:** cyclical companies are companies whose profit and stock prices are highly correlated with economic fluctuations. Defensive stocks, on the contrary, are less correlated to economic cycles. MSCI GICS cyclical sectors are: consumer discretionary, financial, real estate, industrials, information technology and materials, while defensive sectors are consumer staples, energy, healthcare, telecommunications services and utilities.
- **Duration:** a measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, expressed as a number of years.
- **FX:** FX markets refer to the foreign exchange markets where participants are able to buy and sell currencies.
- **QE:** Quantitative easing (QE) is a type of monetary policy used by central banks to stimulate the economy by buying financial assets from commercial banks and other financial institutions. QT: Quantitative tightening is the opposite of quantitative easing.
- **TLTRO:** The targeted longer-term refinancing operations (TLTROs) are Eurosystem operations that provide financing to credit institutions for a predefined period of time. They offer long-term funding at attractive conditions to banks in order to further ease private sector credit conditions and stimulate bank lending to the real economy.
- **Volatility:** a statistical measure of the dispersion of returns for a given security or market index. Usually, the higher the volatility, the riskier the security/market.

### Important Information

The MSCI information 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. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranty of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.msccibarra.com](http://www.msccibarra.com)).

The Global Industry Classification Standard (GICS) SM was developed by and is the exclusive property and a service mark of Standard & Poor's and MSCI. Neither Standard & Poor's, MSCI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall Standard & Poor's, MSCI, any of their affiliates or any third party involved in making or compiling any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. Unless otherwise stated, all information contained in this document is from Amundi Asset Management as of 28 August 2019. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management, and are subject to change at any time based on market and other conditions and there can be no assurances that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, as securities recommendations, or as an indication of trading on behalf of any Amundi Asset Management product. There is no guarantee that market forecasts discussed will be realised or that these trends will continue. Investments involve certain risks, including political and currency risks. Investment return and principal value may go down as well as up and could result in the loss of all capital invested. This material does not constitute an offer to buy or a solicitation to sell any units of any investment fund or any services. **Diversification does not guarantee a profit or protect against a loss.** **Date of First Use:** 3 September 2019.

## INSIGHTS UNIT

**Claudia BERTINO**  
Head of Amundi  
Investment Insights Unit

**Laura FIOROT**  
Deputy Head of Amundi  
Investment Insights Unit

**Ujjwal DHINGRA**  
Amundi Investment  
Insights Unit

**Giovanni LICCARDO**  
Amundi Investment  
Insights Unit