

# Weekly Market Directions



**Trust must be earned**



*“The crisis is a stark reminder that security extends beyond defence. It depends, among other things, on secure energy and resilient supply chains. Transitioning to clean energy is therefore both an environmental priority and a strategic imperative for geopolitical strength and economic resilience.”*

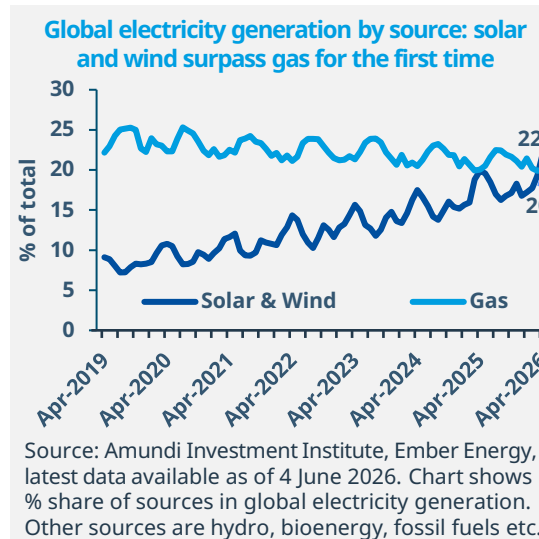
**Monica Defend**  
Head of Amundi Investment Institute

## A renewed imperative for green transition

The energy crisis is increasing the need for green transition investment. On 3 June, the European Commission announced additional fiscal flexibility for energy security investments.

This conviction is not without historical precedent: for instance, the 1973 oil crisis led France to expand its nuclear energy program.

Overall, a well-planned green transition may help build economic resilience and improve energy security. In the process, investors would come across long-term opportunities.



The ongoing energy crisis is exposing the vulnerabilities associated with imported energy, particularly in Europe and Asia. Most countries have implemented targeted measures in the form of tax cuts and subsidies on fuel. Additionally, the EU has given member states greater fiscal room to support households and businesses in reducing their reliance on fossil fuels. While investments in the green transition are beneficial from an environmental perspective, they also enhance energy security and improve long-term economic resilience. Already, the share of solar and wind in global electricity generation has increased substantially (22% in April 2026), as shown in the chart. Looking ahead, proponents of green energy will draw support from the limited control that energy consumers have over fossil fuel supply and will likely highlight the reliability of domestically produced energy. The crisis is therefore likely to accelerate the transition towards clean energy and create investment opportunities across the value chain globally.

**Key dates**



**10 Jun**

US CPI, Canada policy rate, China PPI and CPI

**11 Jun**

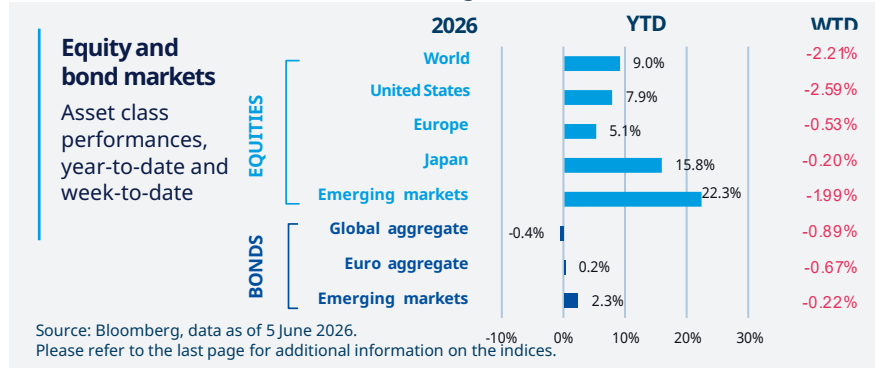
ECB Policy Rate, US PPI, Turkey policy rate

**12 Jun**

Japan Industrial Production, UK Industrial Production, US Consumer Confidence

## This week at a glance

Equity markets came under pressure in the second half of the week amid fading enthusiasm around AI and concerns over Fed rate hikes, as US data remained resilient. In addition, the S&P 500 maintained the inclusion criteria for recently listed companies, preventing newly listed but large companies from being included in the index immediately. Bond yields and oil rose amid strong US data, particularly on the labour market, and concerns about the Iran-US conflict. In FX markets, the USD gained.



**Government bond yields**  
2- and 10-year government bond yields, and 1-week changes

	2YR	10YR
US	4.15 ▲	4.53 ▲
Germany	2.69 ▲	3.04 ▲
France	2.83 ▲	3.69 ▲
Italy	2.86 ▲	3.80 ▲
UK	4.34 ▲	4.90 ▲
Japan	1.41 ▲	2.66 -

Source: Bloomberg, data as of 5 June 2026. Variation in 10y Japanese yields was negligible over the period. Please refer to the last page for additional information on the indices. 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**

Go Id	Crude Oil	EUR/USD	USD/JPY	GBP/USD	USD/RMB	Euribor 3M	T-Bill 3M
USD/oz	USD/barrel	EUR/USD	USD/JPY	GBP/USD	USD/RMB	3M	3M
4328.45	90.54	1.15	160.29	1.33	6.79	2.31	3.71
-4.67%	+3.6%	-1.2%	+0.6%	-0.8%	+0.3%		

Source: Bloomberg, data as of 5 June 2026. Please refer to the last page for additional information on the indices.

## Amundi Investment Institute Macro Focus

### Americas



**US economy shows resilience despite lingering risks**  
The ISM Manufacturing Index rose to 54 in May from 52.7, its strongest reading since May 2022, while the Services Index increased to 54.5 from 53.6. Second, durable goods and factory orders jumped in April. Although these data indicate resilience, factory employment has fallen by 77,000 jobs, and private spending on manufacturing construction is also down since Trump's second term began. Looking ahead, we think the resilience of the American consumer will increasingly come into question, as will the impact of the likely next Fed hike.

### Europe



**Euro Area inflation rises as energy costs surge**  
EZ inflation reached 3.2% in May, up from 3.0% in April. Energy costs surged 10.9%, the steepest rise since February 2023, fuelled by supply constraints linked to the Iran conflict. In general, energy costs continue to be the most pressing issue in the economy, but the situation is not as severe as the energy shock seen in 2022. Looking at some leading indicators such as the manufacturing PMI, we noticed that the index fell to 51.6 in May but stayed in the expansionary territory. Services data, however, remained in contraction territory.

### Asia



**Japan wage gains support consumption**  
April wage growth maintained strong momentum, with the BoJ's preferred measure – the full-time scheduled earnings – growing 3.7% YoY. Real wages stayed positive for the fourth consecutive month as inflation eased amid a series of government subsidies. Consequently, consumption rose 1.6% MoM, the largest increase since September 2022. The broad-based wage gains should help cushion potential headwinds from Middle East tensions and rising cost pressures.

## 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 **5 June 2026**. The chart shows the price of gold.

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

## GLOSSARY

**BoJ:** Bank of Japan

**CPI:** Consumer Price Index

**ECB:** European Central Bank

**EZ:** Euro Area

**FED:** Federal Reserve

**FOMC:** Federal Open Market Committee

**GDP:** Gross Domestic Product

**Q1:** First quarter

**MoM:** Month-on-Month

**YoY:** Year-on Year

**PPI:** Producer Price Index

**Stagflation:** An economic environment of low growth, high inflation.

**US:** United States of America

**UK:** United Kingdom

**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 **5 June 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: **5 June 2026**.

Document ID: **5554939**

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](http://www.amundi.com)

Photo credit: ©iStock/Getty Images Plus

MSCI Disclaimer available [here](#)