

Weekly Market Directions



Trust must be earned



“Emerging markets offer a diverse set of opportunities driven by commodity exporters, technology leaders, and domestic demand. Despite the Middle East conflict, the diverse EM universe offers areas of strong economic growth and earnings resilience.”

Monica Defend

Head of Amundi Investment Institute

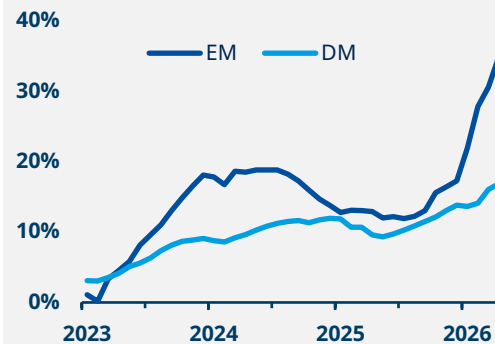
Positive earnings support EM outlook

EM equities have held up despite the Iran war, helped by strong earnings growth and the rally in the technology sector.

Earnings growth underpins EM resilience, and the region is attractively priced compared to developed markets and offers diversification opportunities.

Latin America stands out favourably, given its energy exports, strong fundamentals and its distance from the conflict region.

Accelerating earnings growth expectations in emerging markets



Source: Amundi Investment Institute, Bloomberg as of 30 April 2026. 12-month forward IBES forecasts (aggregates of external analysts' expectations).

Earnings growth expectations have been improving across the emerging world, which remains a diverse universe of opportunities. Although the crisis in the Middle East caused initial volatility, at a broader level, the region seems to have recovered well. The situation remains fluid, but we see substantial long-term opportunities. For instance, in **EM Asia**, South Korea is one of the most attractive markets, supported by strong earnings momentum, AI-driven memory demand and governance reforms. China, however, faces a less supportive earnings backdrop. While we have a positive long-term view on India due to robust economic growth, solid earnings and reasonable valuations, near-term uncertainty could persist because of the crisis. **Latin America**, as an exporter of energy, offers a positive backdrop, supported by natural resources, central bank flexibility and some AI-related upside. Brazil's outlook is constructive, but we are monitoring inflation, government debt and the 2026 election. Overall, we remain constructive on EM, particularly in Latin America and Asia.

Key dates



12 May

CPI: US, Brazil, India;
EZ Zew Survey

13 May

EZ industrial production,
Brazil retail sales

14 May

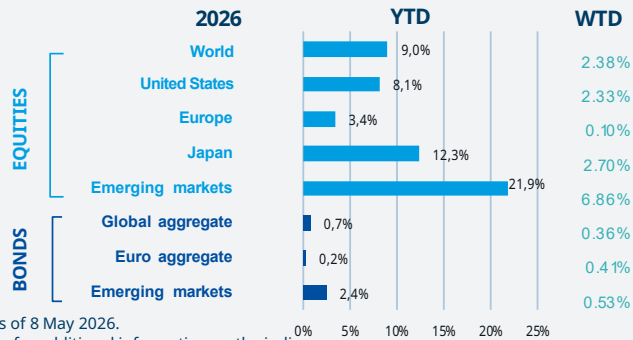
US retail sales, US labour
market, UK GDP

This week at a glance

Global stocks rose over the week due to robust corporate earnings and expectations of a US-Iran deal. The latter also led to a fall in oil prices. Equities in emerging markets rose substantially on the back of optimism around the artificial intelligence theme, for instance in markets such as South Korea. Bond yields in most countries, except the US short term, declined, while gold prices rose.

Equity and bond markets

Asset class performances, year to date and week to date



Source: Bloomberg, data as of 8 May 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 change

Country	2YR	10YR
US	3.89 ▲	4.36 ▼
Germany	2.60 ▼	3.00 ▼
France	2.73 ▼	3.62 ▼
Italy	2.75 ▼	3.72 ▼
UK	4.38 ▼	4.91 ▼
Japan	1.37 ▼	2.47 ▼

Source: Bloomberg, data as of 8 May 2026. Please refer to the last page for additional information on the indices. Trend represented 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	Crude Oil	EUR/USD	USD/JPY	GBP/USD	USD/RMB*	Euribor 3M	T-Bill 3M
USD/oz	USD/barrel						
4715.25	95.42	1.18	156.68	1.36	6.80	2.23	3.68
+2.19%	-6.4%	+0.6%	-0.2%	+0.4%	-0.4%		

Source: Bloomberg, data as of 8 May 2026. Weekly variation for RMB is calculated from 30 April 2026. Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas



US investment activity remains firm

As per the final data release, US durable orders data confirmed a rise of 0.8% MoM. Although the dynamic differs between defense orders, which are increasing, and non-defense orders, which are declining, the positive signals for business investment remain intact. The core index, which excludes defense and aircraft orders, rose by 3.3% MoM, with related shipment increasing by 1.2%. Overall, the data suggest firm underlying investment activity, particularly in technology and machinery, and a positive outlook for US business spending.

Europe



Germany's industrial recovery is delayed

Industrial production in Germany fell by 0.7% MoM in March. While output in energy and machinery declined, the automotive and construction sectors posted modest gains. Output in energy-intensive sectors rose by 1.2%, as higher oil and gas prices have yet to feed through to electricity prices. Despite improved efficiency and the closure of less productive operations, which may leave German industry less exposed to energy shocks than in 2022, high energy costs and structural challenges continue to weigh on the recovery, offsetting some support from fiscal spending.

Asia



Asia's uneven inflation response to the oil shock

Asia's response to the oil-price shock has been uneven, as higher fuel costs pass through according to each country's fuel pricing mechanism, not just its exposure to global oil. Regulated markets can cushion the impact through price caps, stabilisation funds, state-owned absorption or tax relief, while liberalised markets such as the Philippines see faster pass-through to CPI. Inflation pressures are stronger where pricing is freer and fiscal buffers are thin, while many Asian central banks can keep rates steady. FX pressure and weaker growth further widen policy divergence.

NOTES

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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 **8 May 2026**. The chart shows the price of gold.

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

GLOSSARY

CPI: Consumer Price Index

EZ: Euro Area

FED: Federal Reserve

GDP: Gross Domestic Product

IBES: Institutional Brokers' Estimate System is a database that aggregates analysts' earnings estimates, company guidance, and historical data for publicly traded firms.

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

Zew: *Zentrum für Europäische Wirtschaftsforschung* or Center for European Economic Research, it publishes an economic sentiment survey

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