Amundi Investment Institute

Weekly Market Directions

Amundi Investment Solutions

Trust must be earned

"Beyond the surface of overall calm markets, rotations are playing out. Investors should position for a broadening of equity markets by diversifying their exposure and focusing on structural resilience, pricing power and companies' ability to absorb shocks."

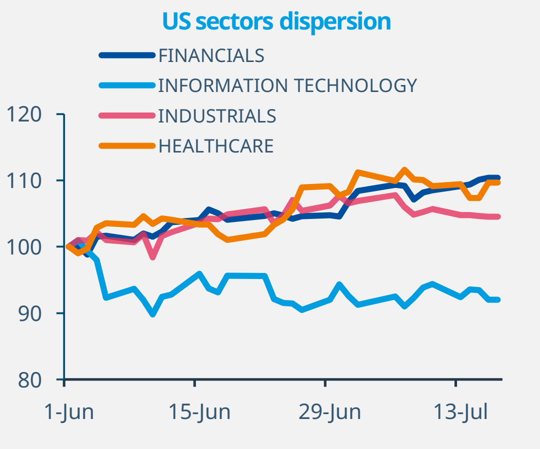
Monica Defend
Head of Amundi Investment Institute

Rotations are playing out

The start of earnings season has been accompanied by greater dispersion in performance across and within sectors.

At the sector level, previously lagging areas are starting to lead. Within the AI trade, investors are rotating from the most expensive segments towards other parts of the value chain.

Amid widening dispersion, investors should focus on quality stocks and sector diversification.



Source: Amundi Investment Institute, Bloomberg, as at 17 July 2026. Indices rebased to 100.

In US equities, recent weeks have shown that despite low market volatility, single stock volatility is rising, as investors increase scrutiny. Market expectations for the upcoming earnings season are high, leaving the market vulnerable to some fragility in case of disappointment. In the technology sector, investors will pay particularly close attention to companies exposed to the shift in customers' spending towards chips and servers, as well as those that have already deployed significant AI investments. In addition, the recent weakness in semiconductors suggests that markets are also rotating away from chips – the main early beneficiary of AI investments – towards other segments of the AI value chain, including infrastructure, power and applications, in search of new opportunities. This is helping other sectors, such as financials and defensives to lead, while tech stocks ease back from record highs.

Key dates

22 Jul	UK CPI and PPI, JP trade balance
23 Jul	South Korea GDP, ECB policy rate, EZ Consumer Confidence
24 Jul	Japan CPI, UK retail sales, EZ and UK PMI, ECB Inflation Expectations

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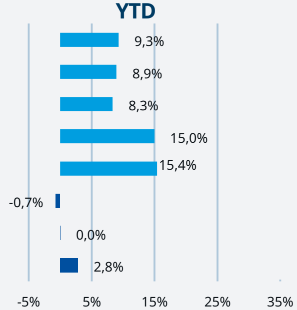
This week at a glance

Global equities fell as weakness in semiconductors gathered pace and investors rotated away from crowded areas. In fixed income, Eurozone and US government yields remained towards the upper end of their recent ranges, as central banks stayed cautious while inflation fears and monetary policy expectations tracked the dynamics in oil prices. Gold fell in line with higher yields, while oil rose amid persistent tensions in the Middle East.

Equity and bond markets

Asset class performances, year-to-date and week-to-date

	2026	YTD	WTD
EQUITIES	World	9,3%	-1.58%
	United States	8,9%	-1.55%
	Europe	8,3%	0.07%
	Japan	15,0%	-2.90%
	Emerging markets	15,4%	-4.14%
BONDS	Global aggregate	-0,7%	0.03%
	Euro aggregate	0,0%	-0.37%
	Emerging markets	2,8%	-0.20%



Source: Bloomberg, data as of 17 July 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 changes

	2YR		10YR	
US	4.18	▼	4.55	▼
Germany	2.78	▲	3.12	▲
France	2.95	▲	3.93	▲
Italy	2.99	▲	3.94	▲
UK	4.34	▲	4.95	▲
Japan	1.43	▲	2.69	▼

Source: Bloomberg, data as of 17 July 2026. 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

Gold *USD/oz*	Crude Oil *USD/barrel*	EUR/USD	USD/JPY	GBP/USD	USD/RMB	Euribor 3M	T-Bill 3M
4017.39	82.49	1.14	162.40	1.35	6.78	2.48	3.80
-2.49%	+15.5%	+0.2%	+0.45%	+0.4%	-0.0%		

Source: Bloomberg, data as of 17 July 2026. Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas

US inflation declines more than expected

CPI surprised to the downside relative to consensus. Headline CPI slowed to 3.5% and Core CPI to 2.6%. On the headline side, energy prices fell sharply, while food inflation remained relatively modest. The drop in core inflation was driven by softer core services and a second consecutive monthly decline in core goods prices. Lower oil, softer shelter and fading tariff effects should add to disinflation and keep the Fed on hold, absent further Middle East escalation.

Europe

Eurozone industrial production remains weak

Eurozone industrial output edged down by 0.2% MoM in May, leaving production 1.2% lower YoY. The decline was driven by weaker durable consumer goods. At country level, trends were mixed, with gains in Germany and Spain, and declines in Italy and France. Manufacturing showed resilience in recent months, supported by inventory building ahead of possible Middle East-related supply disruptions, but persistent uncertainty in the area continues to weigh on the outlook.

Asia

China growth slows

China GDP slowed more than expected to 4.3% YoY in Q2 from 5.0%, while June data were mixed, with strong industrial production, negative investment growth and only a modest rebound in retail sales. Growth continues to be supported by exports and manufacturing, but domestic demand remains weak, despite easing economy-wide deflation pressures. Policy-wise, we expect stronger easing rhetoric, although demand-side support is likely to remain targeted.

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 **17 July 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
GDP: Gross Domestic Product
JOLTS: Job Openings and Labor Turnover Survey
MoM: Month-on-Month
YoY: Year-on Year
PCE: Personal Consumption Expenditure
PPI: Producer Price Index
Stagflation: An economic environment of low growth, high inflation.
Sentix Investor Confidence Index: a measure of investor confidence in economic activity
Tankan: Short-Term Economic Survey of Enterprises in Japan
US: United States of America
UK: United Kingdom
YTD: Year to date
WTD: Week to date

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IMPORTANT INFORMATION

Date of first use: 17 July.

Document ID: 5759732
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

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