

Weekly Market Directions



Amundi
Investment Solutions

Trust must be earned



"Resilient China's growth highlights the economy's ongoing efforts to adjust trade partnerships and manage tariff-related challenges, keeping it on track to reach its growth target for 2025."

Monica Defend

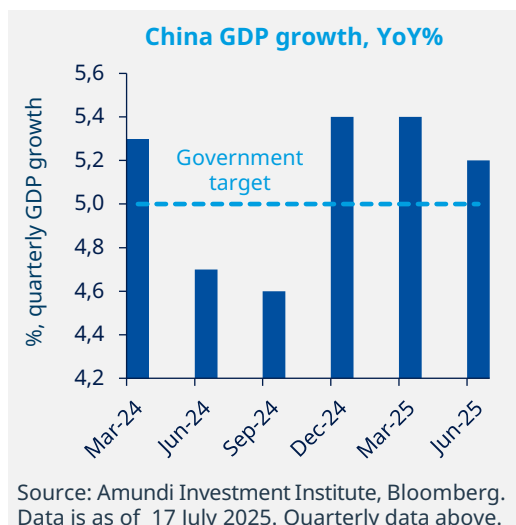
Head of Amundi Investment Institute

China's growth set to hit target in 2025

Despite the ongoing trade war with the United States, China's growth remained resilient thanks to trade diversification* into non-US markets.

China is set to reach its 5% growth target for 2025, with less need for additional fiscal stimulus this year.

While ongoing trade negotiations will keep uncertainty high, we see areas of resilience across emerging economies.



China's economy recorded a higher-than-expected 5.2% YoY GDP growth in the second quarter of 2025. This confirms that the world's second-largest economy has held up well so far despite the US tariff policy, supported by front-loading by exporters (increasing production ahead of export orders to avoid higher government taxes or tariffs that may be implemented after a deadline) and resilient shipments to markets outside the United States. However, domestic consumption weakened as government subsidies began to phase out in some regions. While this may lead to some softening in GDP growth in the second half of the year, China remains on track to achieve the government's average growth target of 5.0% for 2025.

Actionable ideas



Emerging market equities

The emerging worlds may offer an array of investment opportunities, backed by different domestic stories, offering diversification* opportunities to investors.



Multi asset investing

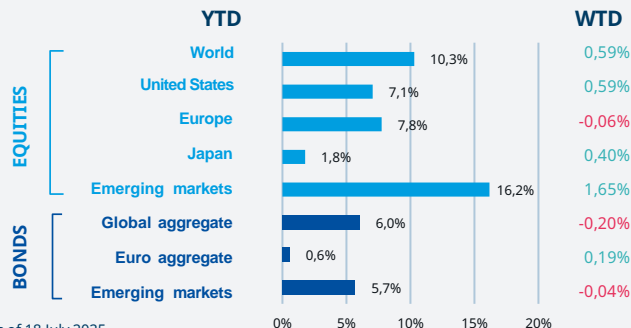
Multi-asset investors could potentially exploit opportunities across different asset classes and capitalise on tactical opportunities that may open in emerging markets.

This week at a glance

Equity markets were generally up last week amid signals of US economic strength, and the dollar also rose. Bond yields were mixed, with US long-term yields rising and those in Germany declining. In commodities, oil prices fell over the week despite fresh EU sanctions on Russia.

Equity and bond markets

Asset class performances, year to date and week to date



Source: Bloomberg, data as of 18 July 2025.
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

| | | 2YR | | 10YR | |
|--|---------|------|---|------|---|
| | US | 3,87 | ▼ | 4,42 | ▲ |
| | Germany | 1,87 | ▼ | 2,69 | ▼ |
| | France | 2,15 | ▼ | 3,40 | ▼ |
| | Italy | 2,06 | ▼ | 3,55 | ▼ |
| | UK | 3,90 | ▲ | 4,67 | ▲ |
| | Japan | 0,77 | ▼ | 1,54 | ▲ |

Source: Bloomberg, data as of 18 July 2025.
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 | USD | JPY | USD | RMB | 3M | 3M |
| 3349,94 | 67,34 | 1,16 | 148,81 | 1,34 | 7,17 | 2,00 | 4,34 |
| -0,2% | -1,6% | -0,5% | +0,9% | -0,6% | +0,1% | | |

Source: Bloomberg, data as of 18 July 2025.
Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas



US CPI up modestly; tariff impact still unclear

US CPI rose 0.3% MoM and 2.7% YoY in June. Core CPI which excludes food and energy components, increased 0.2% MoM, up 2.9% YoY. Services inflation among the largest components softened, offsetting modest tariff-led increases in the core goods component. However, it is still too early to judge the full impact of tariffs, which may take months to be seen. The Fed is expected to stay on hold in July given the uncertain economic outlook.

Europe



EZ sentiment improves, Germany shines

The ZEW indicator of Economic Sentiment for the EZ rose to 36.1 in July, up from 35.3, the highest reading in four months. Analysts expect either stability or modest improvement in economic activity. Germany's ZEW index rose to 52.7 from 47.5 in June. Hopes for a quick resolution to the US-EU tariff dispute and Germany's investment programme appear to be propelling an overall optimistic sentiment for the EZ economy.

Asia



US and Indonesia cut tariffs; trade set to expand

In advance of the 1 August deadline, the United States and Indonesia reached an agreement on tariffs: US tariffs on Indonesian goods will be reduced from 32% to 19%, making them among the lowest in the region; Indonesian tariffs on US goods will be cut from an average of 8% to 0%. Additionally, Indonesia has committed to increasing its purchases of US products in the energy and soft commodities sectors, as well as Boeing jets, aiming to reduce the trade surplus.



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 **18 July 2025**. The chart shows China GDP YoY growth and the government's official target.

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

GLOSSARY

CPI: Consumer Price Index

EZ: Eurozone

GDP: Gross domestic product

MoM: Month on Month

YoY: Year on Year

ZEW Indicator: Monthly survey that measure the economic outlook of financial analysts and institutional investors for Germany and the Euro Area.

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 **18 July 2025**. 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: **18 July 2025**.

Document ID: **4676129**

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

Photo credit: ©iStock/Getty Images Plus

MSCI Disclaimer available [here](#)