

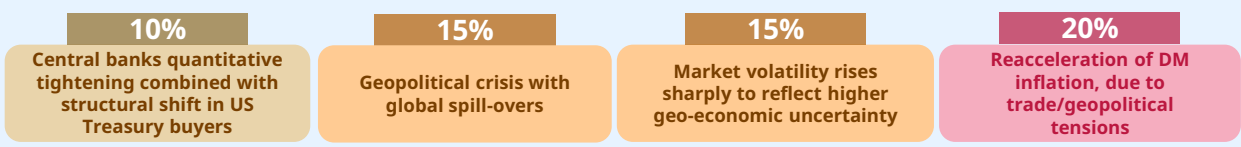
# Main and alternative scenarios

	Probability 70%	Probability 20%	Probability 10%
<b>MAIN SCENARIO</b> Resilient multi-speed growth		<b>DOWNSIDE SCENARIO</b> Renewed stagflationary pressure	<b>UPSIDE SCENARIO</b> More disinflation with productivity gains
<b>GEOPOLITICS</b>	<ul style="list-style-type: none"> <li>Rising protectionism.</li> <li>Re-routing of global supply chains.</li> <li>Ukraine-Russia: ongoing fighting.</li> <li>Middle East: talks and conflicts likely.</li> <li>China-US: decline in relations.</li> <li>US-Europe: relations under pressure.</li> </ul>	<ul style="list-style-type: none"> <li>Autarchical new alliances challenging advanced economy democracies: worrying divergences among advanced countries.</li> <li>Countries forced to choose between US and China. Global trade begins to decline.</li> </ul>	<ul style="list-style-type: none"> <li>Geopolitical risk subsides.</li> <li>Shifting power dynamic reshapes global trade, fostering balanced growth and prosperity.</li> </ul>
<b>INFLATION &amp; POLICY MIX</b>	<ul style="list-style-type: none"> <li>Disinflation trend still intact.</li> <li>DM CBs to reach neutral rates in 2025. Most EM CBs at peak rates.</li> <li>Divergent fiscal policies: US under scrutiny; EU consolidating; China expansionary.</li> </ul>	<ul style="list-style-type: none"> <li>Trade protectionism weakens growth outlook. Central banks' response also constrained.</li> <li>Elevated fiscal debt keeps the cost of debt high and constrains policy space.</li> </ul>	<ul style="list-style-type: none"> <li>Stabilisation of inflation around central banks' targets (and inflation expectations remain anchored).</li> </ul>
<b>GROWTH PATH</b>	<ul style="list-style-type: none"> <li>Back to potential growth.</li> <li>Resilient multi-speed growth: subdued recovery in Europe, mild US deceleration.</li> <li>Growth gap still favours EM.</li> <li>India's growth potential revised up.</li> </ul>	<ul style="list-style-type: none"> <li>Lower output and sharp reduction of migration into advanced economies lowers labour supply and growth.</li> <li>Economic imbalances persist, further lowering potential growth (China, EU,...).</li> </ul>	<ul style="list-style-type: none"> <li>Growth enhancing reforms lifting medium-term growth potential.</li> <li>Industrial / trade policies boosting investment and activity.</li> </ul>
<b>CLIMATE CHANGE</b>	<ul style="list-style-type: none"> <li>Climate change hampers growth and exacerbates stagflationary trends.</li> <li>Chinese dominance in critical minerals.</li> </ul>	<ul style="list-style-type: none"> <li>Further policy delays imply more adverse climate events, hampering economic dynamism.</li> </ul>	<ul style="list-style-type: none"> <li>From zero to hero: geo-engineering, globally coordinated policies.</li> </ul>

## Risks to main scenario



LOW Probability HIGH



MARKET IMPACT	10%	15%	15%	20%
	<b>Positive</b> for cash and gold.	<b>Positive</b> for DM govies, cash, gold, USD, volatility, defensive assets, and oil.	<b>Positive</b> for cash and gold.	<b>Positive</b> for TIPS, gold, commodity FX, and real assets.
	<b>Negative</b> for govies and expensive equities.	<b>Negative</b> for credit, equities, and EM.	<b>Negative</b> for risk assets.	<b>Negative</b> for bonds, equities, DM FX, and EM assets.

Source: Amundi Investment Institute as of 20 February 2025. DM: developed markets. EM: emerging markets. CB: central banks. USD: US dollar. TIPS: Treasury inflation-protected securities. FX: foreign exchange markets.

## FORECASTS

## Macroeconomic forecasts

Macroeconomic forecasts						
Annual averages, %	Real GDP growth, YoY, %			Inflation (CPI), YoY, %		
	2024	2025	2026	2024	2025	2026
Developed countries	1.6	1.5	1.3	2.7	2.5	2.2
United States	2.8	2.0	1.7	3.0	2.7	2.3
Eurozone	0.7	0.7	0.9	2.4	2.2	1.9
Germany	-0.2	0.3	0.7	2.4	1.9	2.0
France	1.1	0.6	1.0	2.3	1.6	1.7
Italy	0.5	0.6	0.9	1.1	1.6	2.0
Spain	3.2	2.4	1.7	2.9	2.2	1.8
United Kingdom	0.7	0.8	1.1	2.5	2.7	2.5
Japan	0.1	1.5	0.7	2.7	2.7	2.3
Emerging countries	4.3	4.0	3.8	5.3	4.0	3.5
China	5.0	4.4	3.9	0.2	-0.1	0.4
India	6.7	6.5	6.1	4.9	5.3	5.9
Indonesia	5.0	5.0	5.1	2.3	1.7	3.4
Brazil	3.4	2.0	2.0	4.4	5.5	4.6
Mexico	1.5	0.5	1.5	4.7	3.5	4.1
Russia	3.7	1.0	1.5	8.4	7.0	5.0
South Africa	0.6	1.0	1.3	4.4	3.2	4.2
Turkey	3.2	3.0	3.4	60.0	33.3	19.4
World	3.2	3.0	2.9	4.3	3.4	3.0

Central Banks' official rates forecasts, %					
	4 March 2025	Amundi	Consensus	Amundi	Consensus
		Q2 2025	Q2 2025	Q4 2025	Q4 2025
<b>United States*</b>	4.50	4.00	4.35	3.75	4.10
<b>Eurozone**</b>	2.75	2.00	2.15	1.75	2.15
<b>United Kingdom</b>	4.50	4.00	4.20	3.75	3.80
<b>Japan</b>	0.50	0.50	0.60	0.75	0.80
<b>China***</b>	1.50	1.25	1.30	1.00	1.20
<b>India</b>	6.25	6.00	5.90	6.00	5.75
<b>Brazil</b>	13.25	14.75	15.25	14.75	15.00
<b>Russia</b>	21.00	19.00	20.25	16.00	16.95

Source: Amundi Investment Institute. Forecasts are as of 4 March 2025. Consensus and current rates are as of 4 February 2025. CPI: consumer price index. \*: Upper Fed Funds target range. \*\*: Deposit rate. \*\*\* People's Bank of China Reverse Repurchase Notes 7 Day Rate. Q2 2025 indicates end of June 2025; Q4 2025 indicates end of December 2025. Current rates and Consensus are from Bloomberg.

## AII\* CONTRIBUTORS

**SERGIO BERTONCINI**  
SENIOR FIXED INCOME STRATEGIST

**POL CARULLA**  
INVESTMENT INSIGHTS AND CLIENT DIVISION SPECIALIST

**UJJWAL DHINGRA**  
INVESTMENT INSIGHTS AND CLIENT DIVISION SPECIALIST

**SILVIA DI SILVIO**  
CROSS ASSET MACRO STRATEGIST

**PATRYK DROZDIK**  
SENIOR EM MACRO STRATEGIST

**DELPHINE GEORGES**  
SENIOR FIXED INCOME STRATEGIST

**KARINE HERVÉ**  
SENIOR EM MACRO STRATEGIST,

**SOSI VARTANESYAN**  
SENIOR SOVEREIGN ANALYST

## CHIEF EDITORS

**MONICA DEFEND**  
HEAD OF AMUNDI INVESTMENT INSTITUTE

**VINCENT MORTIER**  
GROUP CIO

## EDITORS

**CLAUDIA BERTINO**  
HEAD OF AMUNDI INVESTMENT INSIGHTS AND PUBLISHING, AII\*

**LAURA FIOROT**  
HEAD OF INVESTMENT INSIGHTS & CLIENT DIVISION, AII\*

## DEPUTY EDITORS

**FRANCESCA PANELLI**  
INVESTMENT INSIGHTS & CLIENT DIVISION SPECIALIST

**CY CROSBY TREMMEL**  
INVESTMENT INSIGHTS & CLIENT DIVISION SPECIALIST

## DESIGN EDITOR

**CHIARA BENETTI**  
DIGITAL ART DIRECTOR AND STRATEGY DESIGNER, AII \*

\* 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 March 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: March 2025 – ID: 4318716

Document issued by Amundi Asset Management, "société par actions simplifiée"- SAS with a capital of €1,143,615,555 - Portfolio manager regulated by the AMF under number GP04000036 – Head office: 90-93 boulevard Pasteur – 75015 Paris – France – 437 574 452 RCS Paris – [www.amundi.com](http://www.amundi.com)

Photo credit: ©iStock/Getty Images Plus - EschCollection

# Amundi Investment Institute

In an increasing complex and changing world, investors need to better understand their environment and the evolution of investment practices in order to define their asset allocation and help construct their portfolios.

This environment spans across economic, financial, geopolitical, societal and environmental dimensions. To help meet this need, Amundi has created the Amundi Investment Institute. This independent research platform brings together Amundi's research, market strategy, investment themes and asset allocation advisory activities under one umbrella; the Amundi Investment Institute. Its aim is to produce and disseminate research and Thought Leadership publications which anticipate and innovate for the benefit of investment teams and clients alike.

## Get the latest updates on:



- Geopolitics
- Economy and Markets
- Portfolio Strategy
- ESG Insights
- Capital Market Assumptions
- Cross Asset Research
- Real and Alternative Assets

Visit us on



[Visit the Research Center](#)

**Amundi**  
Investment Solutions

Trust must be earned