

# Weekly Market Directions



**Amundi**  
Investment Solutions

**Trust must be earned**



*"We are witnessing a rewiring of the global trade system that is negatively impacting sentiment towards US assets, while European and Indian assets may emerge as long-term winners."*

**Monica Defend**

Head of Amundi Investment Institute

## Diversification\* in times of uncertain markets

Uncertainty on US trade policy and its potential impact on economic activity will keep market volatility high.

Geographical diversification\* is key, while gold is also benefitting in this market environment.

Tariffs will lead to lower growth and higher inflation. Corporate profits are likely to come under pressure.

**Equities suffered from the policy flip-flop, while gold shined**



Source: Amundi Investment Institute, Bloomberg as of 11 April 2025.

Over the past week, markets have experienced extreme uncertainty caused by US policy gyrations on tariffs. This uncertainty has started to weigh on US assets, including the dollar and US Treasuries. Despite the 90-day pause announced on 9 April, the US average tariff rate remains at a 100-year high, with rising US tariffs on China triggering retaliation from the latter. We are moving towards a rewiring of the global trade system that will have long-lasting implications for financial markets. In the China-US competition, Europe could benefit. Tariffs will affect the global economy through lower growth and higher inflation, ultimately impacting corporate profits. Against this backdrop, we believe investors should remain cautious, diversify\* across markets and geographies, and consider gold.

## Actionable ideas



### European bonds

European government bonds could benefit in an environment of weaker growth and offer diversification\* to US assets.



### Multi-asset approach

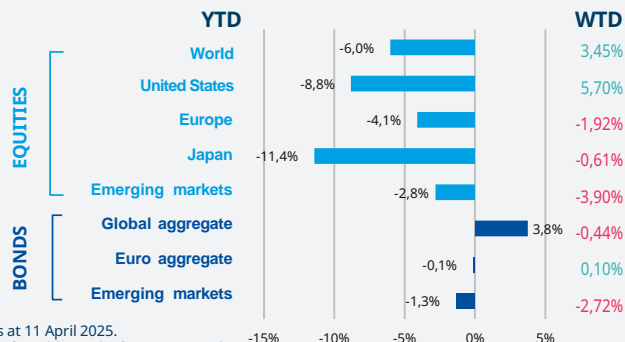
A diversified\* conservative allocation to global markets can help investors to navigate this phase of uncertainty.

## This week at a glance

Equity markets were volatile, and were affected by gyrations on US trade policy. A relief rally last Friday led a surge in US equities but European markets declined. Bond yields were also mixed. The dollar fell against most major currencies, whereas gold hit an all-time high above \$3,200/ounce on continuing uncertainty on international trade.

### Equity and bond markets

Asset class performances, year to date and week to date



Source: Bloomberg, data as at 11 April 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	3,96	▲	4,49	▲
	Germany	1,78	▼	2,57	▼
	France	2,00	▲	3,35	▲
	Italy	2,18	▲	3,81	▲
	UK	4,04	▲	4,75	▲
	Japan	0,60	▼	1,30	▲

Source: Bloomberg, data as at 11 April 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	T-Bill
USD/oz	USD/barrel	USD	JPY	USD	RMB	3M	3M
3237,61	61,50	1,14	143,54	1,31	7,29	2,28	4,32
+6,6%	-0,8%	+3,6%	-2,3%	+1,6%	+0,1%		

Source: Bloomberg, data as at 11 April 2025.  
Please refer to the last page for additional information on the indices.

## Amundi Investment Institute Macro Focus

### Americas



### US inflation slows more than expected in March

March CPI came in lower than expected, down to 2.4% YoY from 2.8% in February. Gasoline prices helped drive the index down, as well as shelter and used car and truck prices. On the other hand, inflation accelerated for natural gas and food. Core CPI (inflation ex food and energy) eased to 2.8% YoY, its lowest level since March 2021. This data supports the Fed's patient stance in cutting rates, while more volatile numbers could come soon as US tariffs on Chinese imports kick in.

### Europe



### EZ retail sales weaker than expected

EZ retail sales were up 0.3% MoM in February following three months of stagnation. Sales of non-food products rebounded after a 0.2% drop in January. Food, drinks, and tobacco sales also rose, as well as fuel sales. Retail sales increased in Spain, Germany, and France, while they declined in Italy. On a YoY basis, sales accelerated to 2.3% from 1.8%.

### Asia



### Easing monetary policy across Asia

Two Asian CB - Reserve Bank of India and Central Bank of Philippines - cut their policy rates by 25 bp, as expected. While the dovish narrative was already there, in both cases the decisions and the statements reinforced the commitment to ease further, considering the looming strong negative external shock, as rising US tariffs on the region were announced (although currently paused for 90 days for most Asian countries).



## 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 **11 April 2025**. The chart shows global equities and global bonds indices, and gold price.

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

## GLOSSARY

**BP:** Basis points are a unit of measure used in finance to describe the percentage change in the value of financial instruments

**CB:** Central Banks

**ECB:** European Central Bank

**EZ:** Eurozone

**CPI:** Consumer Price Index

**MoM:** Month on Month

**SK:** South Korea

**YoY:** Year on Year

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