Amundi Investment Institute

Weekly Market Directions



Trust must be earned



"While high government debt does not dictate Fed policy, it does raise the macro stakes, with higher interest rates compounding already elevated debt-servicing costs. Combined with high inflation, this means volatility in bond markets is likely to persist, underscoring the need for a diversified approach."

Monica Defend
Head of Amundi Investment Institute

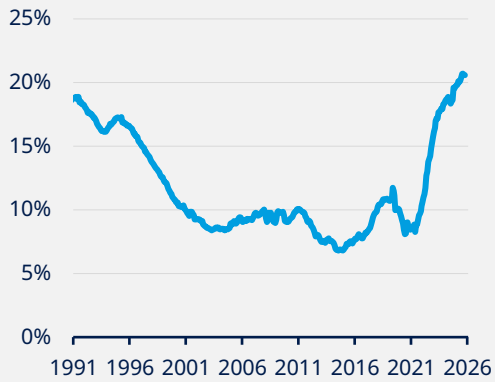
High rates, higher interest payments

Bond markets are contending with elevated uncertainty, driven by factors such as a high fiscal deficit, elevated debt levels and persistent US inflation.

This, together with expectations of further Fed rate hikes, has contributed to a rise in Treasury yields, with the US 10-year once again reaching the 5% level last week.

Overall, we believe this reinforces the case for a flexible, diversified investment approach with a global focus.

US interest payments as % of govt. revenue at all time high



Source: Amundi Investment Institute, Bloomberg, as of 30 September. 12 month rolling total data above.

With US bond yields rising this year, government finances have become an important topic for capital markets. High debt levels, interest payments on debt, and elevated fiscal deficits — the excess of expenditure over revenue — are some of the key yardsticks markets are tracking. US interest payments as a share of government revenues reached an all-time high of close to 20%, as shown in the chart. In fact, interest payments have been one of the main drivers of the increase in expenditure for the Federal government in the fiscal year ended 30 September. Looking ahead, this expense is likely to increase further.

We think this complicated fiscal backdrop, along with high inflation, will create more uncertainty in bond markets. The latest October CPI came in above expectations at 0.4% month on month, and confirms our view that the Fed will raise rates in the near term.

Key dates

16 Nov Japan GDP, EZ industrial production, China retail sales

17 Nov EZ Zew Survey, US retail sales and industrial production

20 Nov EZ consumer confidence, University of Michigan inflation expectations, Mexico retail sales

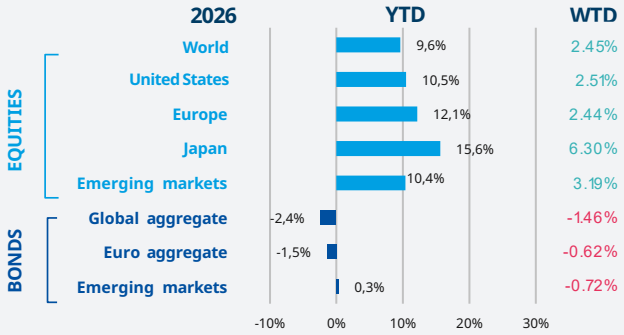
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Investment Solutions

This week at a glance

Global equities rose on the back of positive corporate earnings in the US and Japan. Renewed optimism in the AI sector also helped lift sentiment, despite an abrupt leadership change at a leading technology company. European markets also reached new highs. In fixed income, bond yields rose due to elevated US inflation and expectations of rate hikes by central banks. As a result, gold prices fell. Gold is a non-yielding asset, and higher interest rates reduce the appeal of the yellow metal.

Equity and bond markets

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



Source: Bloomberg, data as of 13 November 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	4.84	▲	5.14	▲
Germany	3.12	▲	3.38	▲
France	3.62	▲	4.92	▲
Italy	3.50	▲	4.42	▲
UK	4.97	▲	5.33	▲
Japan	1.88	▲	2.87	▲

Source: Bloomberg, data as of 13 November 2026. 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
3884	89	1.102	159.7	1.32	6.67	2.78	4.23
-4.58%	-2.5%	-108%	+0.78%	-10%	-0.0%		

Source: Bloomberg, data as of 13 November 2026. Please refer to the last page for additional information on the indices.

Amundi Investment Institute Macro Focus

Americas



Persistent inflation raises the stakes for December

US consumer prices rose 0.4% in October from September, above expectations. Core prices rose 0.3%, beating forecasts for a third straight month and signaling persistent price pressures. Grocery prices rebounded, while expensive diesel threatened to keep distribution costs high. The data strengthened expectations of a Fed rate rise in the near term.

Europe



UK growth firms at the end of Q3

GDP grew 0.2% in September after a flat August, beating expectations for no growth. Output expanded 0.7% in the third quarter, in line with forecasts. Services contributed most to quarterly growth, while construction contracted. Industrial production and manufacturing both exceeded expectations in September. The breadth of the monthly gains suggests the economy ended the quarter on a firmer footing, even as elevated inflation continued to weigh on household purchasing power.

Asia



Food prices shape the inflation outlook in India

Consumer price inflation rose to 6.09% yoy in October, the highest in two years, and slightly above expectations, breaching the upper limit of the Reserve Bank of India's tolerance band. Food prices were the main driver, rising nearly 9% yoy. The acceleration in food inflation was evident in both rural and urban areas, adding to pressure on household budgets and keeping food costs central to the near-term outlook. Core Prices keep rising to, reaching 4.7% from 4.5%. The RBI is likely to hike rates again.

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 **13 November 2026.**

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

GLOSSARY

US: United States of America
YTD: Year to date
WTD: Week to date
YOY: year on year
CPI: Customer Price Index
RBI: Reserve Bank of India
Fed: Federal Reserve
GDP: Gross Domestic Product

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