

Press release

**2026 Mid-Year Global Investment Outlook:
Power of Endurance**

Paris, 29 June 2026

How much can economies and markets endure? The global economy has so far proved resilient, supported by investment linked to artificial intelligence (AI) and strategic autonomy. The second half of the year will test the scale of the shocks that economies, policymakers and markets can absorb. Growth will be uneven and inflation may be volatile. Policy risks loom larger while limited fiscal space and rising spending needs point to greater interest-rate volatility.

Central scenario: Fragile de-escalation amid broadening AI adoption. We expect a fragile de-escalation in the Strait of Hormuz and oil prices of around to \$80-90 per barrel by the end of the year. A gradual repricing will help the global economy avoid a recession. As a result, we have trimmed most of our growth forecasts. Faced with geopolitical risks and above-target inflation, central banks may focus more on anchoring inflation expectations than on supporting the economy. We expect the Federal Reserve and major emerging-market (EM) central banks to remain on hold and the ECB, BoE and BoJ to hike once by the end of the year.

Our downside scenario assumes a macro and financial shock, stemming from either a failure in the Middle East deal or a sharp market correction in the AI sector, with renewed inflation pressure and recession risk. **An upside scenario** envisages a clearer and more credible reopening of the Strait driving disinflation and rising consumer and investor confidence alongside a virtuous broadening of the AI cycle.

Monica Defend, Head of Amundi Investment Institute said: *“Investors face a world in which the independence of central banks is being tested, inflation is more volatile, and concentration risks are growing. The best portfolios for this new regime can withstand different scenarios: they need to be diversified across currencies, invested in real assets and gold, and explore equity sectors and structural themes with discipline.”*

Vincent Mortier, Group CIO of Amundi, added: *“As the AI story shifts from who can build the frontier to who can scale it, investing will be about seeking breadth across the full value chain and diversifying against technological, geopolitical and physical risks.”*

Investment implications: Selective risk-taking for enduring portfolios

We call for a selective reallocation of risk rather than a defensive retreat. As geopolitics, inflation and concentration risks shape markets and policy decisions, portfolios should be built around carry, resilient earnings, pricing power, liquidity, diversification and exposure to long-term growth stories linked to strategic autonomy, geopolitical realignment, and AI deployment in the physical world.

- **Adjust to the ‘yield reset’ in Fixed Income** - Bonds offer attractive income, but inflation and fiscal risks challenge their role as a hedge. We favour flexibility across regions with a tilt towards Europe, inflation-linked bonds, and companies with solid balance sheets and quality carry in investment-grade credit.
- **Seek breadth and avoid concentration in Equities** - Equity markets require greater selectivity across sectors and countries. AI is no longer just a tech story and opportunities are moving along the value chain into the physical world (energy, infrastructure, equipment, software, robotics and adopters). Longer-term, we anticipate a capex revival story in Europe driven by a focus on strategic autonomy in

defence, energy, infrastructure and AI. The region will benefit as investors look for opportunities beyond dollar-denominated assets. Japanese equities are also supported by long-term factors.

- **Emerging Markets offer selective opportunities** and should also benefit from capital rotation. Broadly, we like EM debt, favour commodity exporters, and look for tech-driven opportunities in Asia. We are neutral on China and positive on India as the country's structural growth story is intact despite its vulnerability to the oil shock.
- **Hedging should also adapt, as traditional correlations may not hold.** This calls for a greater role for real assets (infrastructure and private debt), gold, commodities, and selected currencies. The dollar should underperform most currencies, particularly commodity-linked ones and extend its weakening trend over the longer term.

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Its six international investment hubs³, its financial and extra-financial research capabilities and its long-standing commitment to responsible investment make Amundi a leading player in the international asset management landscape.

Thanks to a strong local presence, particularly in Europe and Asia, Amundi's clients benefit from the expertise and advice of 5,400 professionals across 34 countries.

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¹ Source: IPE "Top 500 Asset Managers" published in June 2025, based on assets under management as at 31/12/2024

² Amundi data as at 31/03/2026

³ Paris, London, Dublin, Milan, Tokyo and San Antonio (via our strategic partnership with Victory Capital)