

The week in seven charts



Chart #3

Investors are becoming increasingly optimistic

[Read more on p2](#)

Is the market too complacent?

The VIX, or "fear index" as commonly known, is back to pre-pandemic levels and various investor opinion surveys show a clear rise in the level of optimism, both signs of market complacency. Each week, the Syz investment team takes you through the last seven days in seven charts.

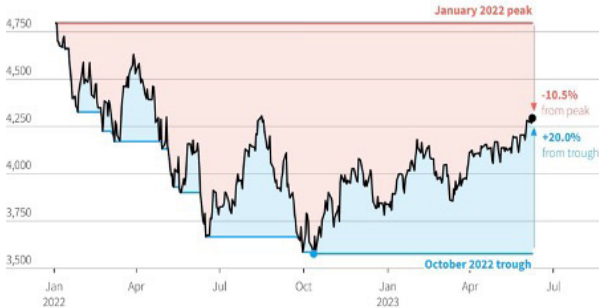
Charles-Henry Monchau

Chief Investment Officer

Chart #1 —

The S&P 500 in bull market mode

After last week's rise, the S&P 500 is now up over 20% since its low of October 12, 2022. The weekly rise is relatively limited (+0.4%), but we note that participation in the rise now extends to value stocks as well as small and mid-cap stocks.



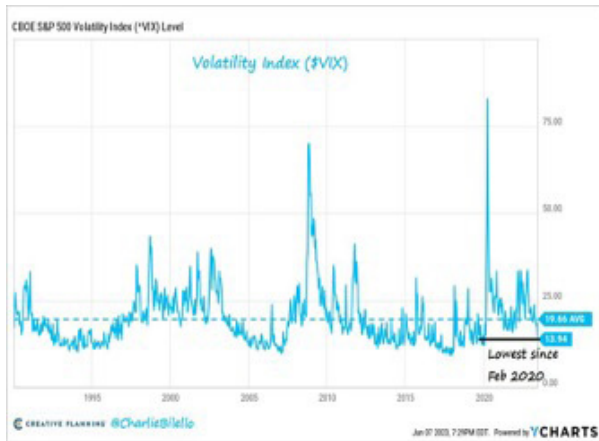
Source: Refinitiv Datastream | Reuters, June 8, 2023 | By Vincent Flasseur

Chart #2 —

The VIX is back to pre-pandemic levels

The VIX – also known as the "fear index" - fell below 14 over the past week, its lowest level since February 2020. A VIX at very low levels is synonymous with investor complacency.

VIX is short for Chicago Board Options Exchange Volatility Index. It is a measurement instrument used to track the volatility of the S&P 500 and is the best-known volatility index on the market.

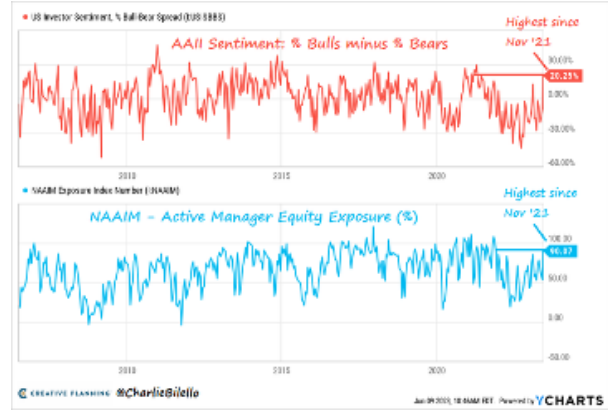


Source: Charlie Bilello

Chart #3 —

Investors are becoming increasingly optimistic

In another sign of market complacency, various investor opinion surveys show a clear rise in the level of optimism. The AAI Sentiment Poll (conducted among individual investors in the USA) shows that the percentage of "bulls" is 20% higher than the percentage of "bears", the widest gap since November 2021. The NAAIM Active Manager Exposure survey (conducted among active managers in the USA) shows a "net long" level of 90%, also the highest level since autumn 2021.

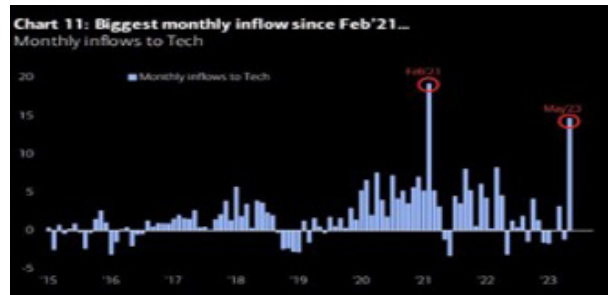


Source: Charlie Bilello

Chart #4 —

Investors are chasing technology stocks

The Nasdaq index is by far the best performer among US equity indices since the start of the year (+26.7% versus +2% for the Dow Jones). In recent weeks, many investors have been adjusting their portfolios by accumulating technology stocks. This is evidenced by inflows in May, which reached their highest level since February 2021.



Source: BofA, TME

Chart #5 —

US ISM index shows downward pressure on prices

Among last week's macroeconomic highlights was the ISM purchasing managers' survey in the USA. Admittedly, the index itself shows a sharp contraction in service-related sectors, but the market took a positive view of the continuing fall in the price component, which points to a decline in service-related inflation.

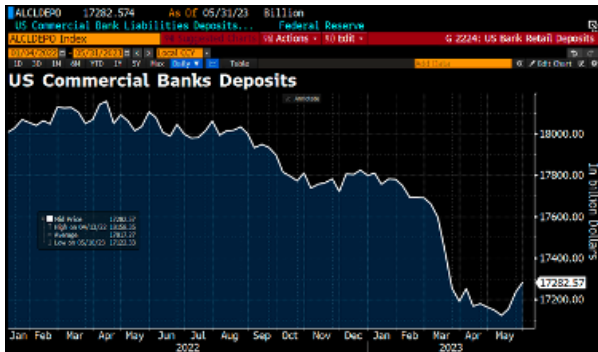


Source: Longview Economics, Macrobond

Chart #6 –

Is the US banking crisis on the verge of resolution?

Deposits with US banks rose for the 3rd week running (+46.6 billion dollars).

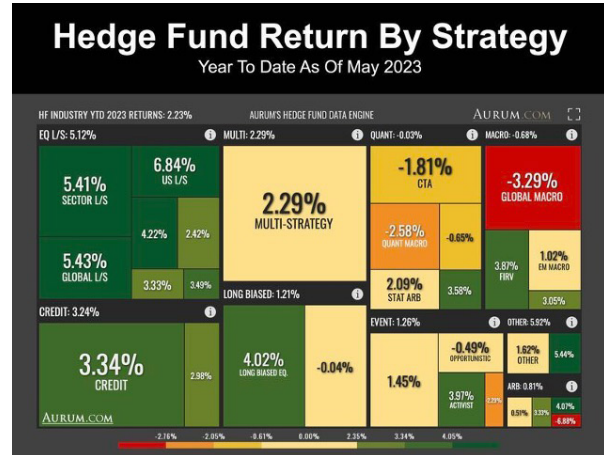


Source: Bloomberg

Chart #7 –

Hedge funds up 2.2% since the start of the year

According to Aurum Research, hedge funds (on an aggregated basis) are up 2.2% in the first 5 months of 2023, with long/short equity funds posting the best performance.



Source: Aurum Research

For further information

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