

The week in seven charts

**Chart #5**

The correlation between stocks and bonds is negative again

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Nasdaq 100 at 13-month high

Last week, the Nasdaq 100 reached its highest level since April 2022, the largest market caps of the S&P500 are resolutely up since the start of the year and yet Cathie Wood's ARK Invest fund sharply underperforms the FAANGs. Each week, the Syz investment team takes you through the last seven days in seven charts.

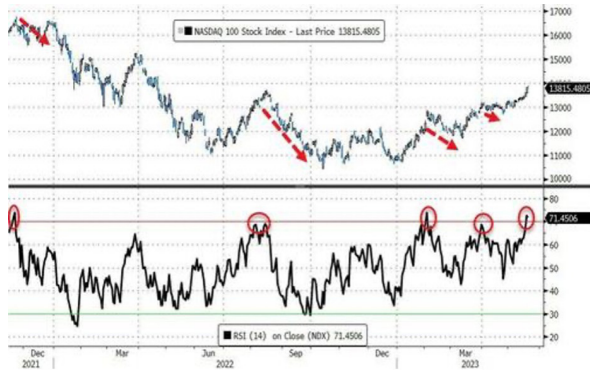
Charles-Henry Monchau

Chief Investment Officer

Chart #1 —

Nasdaq 100 at 13-month high. The RSI gives an overbought signal

The Nasdaq 100 reached its highest level since April 2022 on Thursday and is up 26% year-to-date. Note that the 14-day Relative Strength Index (RSI) is in the overbought zone for the first time since early February.



Source: Bloomberg

Chart #2 —

The very large market capitalizations of the S&P 500 are up strongly since the beginning of the year

Nvidia and Meta Platforms are both up over 100% year-to-date. They are the two best-performing stocks in the S&P 500 in 2023, and two of the seven largest by market capitalization.

8 Largest S&P 500 Stocks			
Stock	Company	Mkt Cap (\$, Bln)	YTD % Chg
AAPL	Apple	\$2,710	31.4
MSFT	Microsoft	\$2,320	30.0
GOOGL	Alphabet	\$1,520	35.2
AMZN	Amazon	\$1,160	36.9
NVDA	NVIDIA	\$723	103.4
BRK/B	Berkshire Hathaway	\$711	5.5
META	Meta Platforms	\$612	100.8
TSLA	Tesla	\$527	40.6

Source: Bespoke

Chart #3 —

Cathie Wood's ARK Invest fund sharply underperforms the FAANGs

While the FAANGs (Meta, Apple, Amazon, Alphabet, etc.) have already made up much of the 2022 decline, Cathie Wood's Ark Invest Innovation fund has rebounded only slightly from last year's lows.

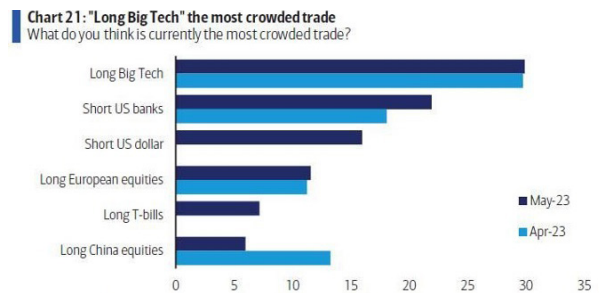


Source: TME, Refinitiv

Chart #4 —

Long Mega-cap tech stocks is the most crowded trade according to BofA

According to BofA's May 2023 survey of fund managers, going long on large technology companies is seen as the most popular position. The "short" position on U.S. banks is next.

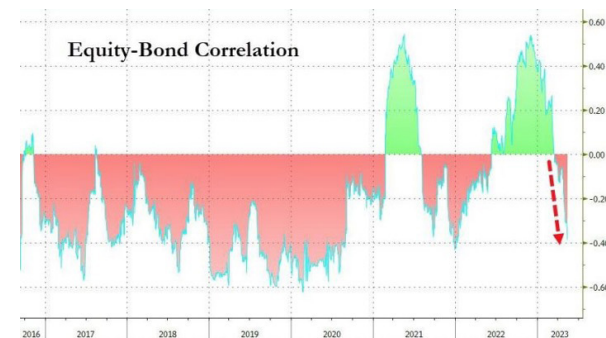


Source: BofA

Chart #5 —

The correlation between stocks and bonds is negative again

With markets expecting a recession in the second half of this year, bonds are once again seen as a diversifying asset by multi-asset portfolio managers. Note that the correlation between U.S. Treasury bonds and the S&P 500 has become clearly negative again.



Source: Bloomberg

Chart #6 —

German equity DAX index at all-time high

The German benchmark Dax index ended the week up 2.27%, with a new closing record of 16275.38. Since the beginning of the year, it has gained 2351.79 points, or 16.9%. Since its inception in late 1987, the Dax has recorded an annualized performance of 8.4% compared to 10.6% for the S&P 500.



Source: Bloomberg

Chart #7 —

Ferrari as an anti-fragile asset?

The waiting list for a new Ferrari now extends to 2025. The Daytona SP3 model, of which Ferrari plans to produce only 599 units, has a base price of \$2.25 million and was sold out before it was even unveiled. Meanwhile, Ferrari stock (\$RACE) is near all-time highs with a market cap of \$53 billion. The stock is up 36% year-to-date and trades at a price-to-earnings ratio of 49x.



Image source: motori.leggo.it

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