

**The week in  
seven charts**



**Chart #2**  
**Beware of VIX seasonality**  
Read more on p2

**Is the VIX in for a seasonal bounce?**

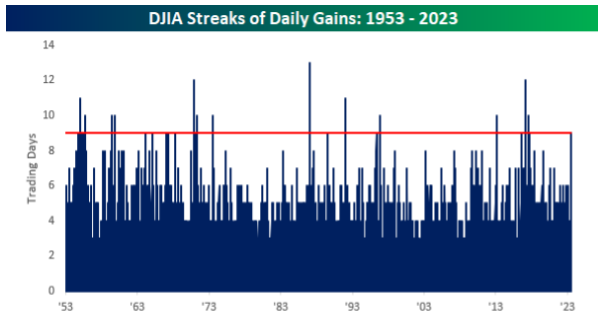
The VIX shows a seasonal pattern, the war continues to drive the price of wheat upwards and fund managers are now underweight commodities. Each week, the Syz investment team takes you through the last seven days in seven charts.

**Charles-Henry Monchau**  
*Chief Investment Officer*

**Chart #1 —**

**The Dow Jones is up for 10 consecutive sessions**

U.S. stock market indices rose last week. The market consensus now assumes a soft landing for the economy, a scenario which is favorable to risky assets. The Dow Jones has now risen for 10 consecutive days, the longest such streak since 2017, a year in which three streaks of 9 days or more were recorded (9, 10 and 12). Apart from 2017, the only other year with at least three 9-day winning streaks was 1955.



Source: Bespoke

**Chart #2 —**

**Beware of VIX seasonality**

The calm before the storm? While the VIX (aka the “fear index”) has been evolving at a relatively low level for several months, a study of VIX seasonality shows that it tends to increase in summer and early autumn.

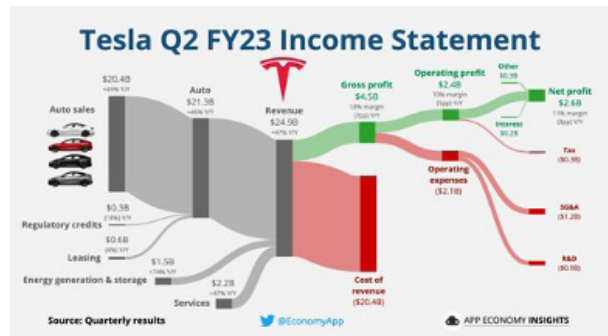


Source: Top down charts

**Chart #3 —**

**Tesla reports mixed quarterly results**

Tesla published its Q2 results last Wednesday, reporting record quarterly sales, but lower margins due to price cuts and incentives. Another disappointment for investors was that Elon Musk and Tesla’s management did not provide any additional information or delivery dates for Tesla’s two main projects, the Cybertruck and the robo-taxi vehicle. The share price fell sharply over the week (-8%).

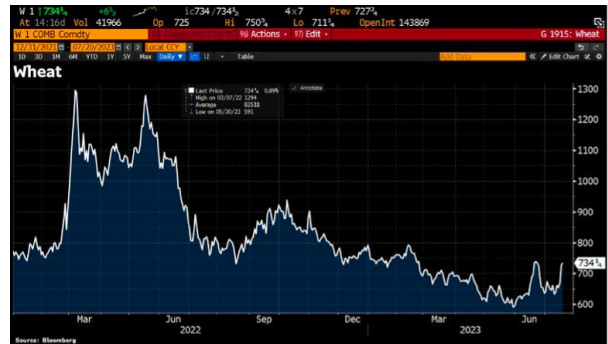


Source: App Economy Insights

**Chart #4 —**

**The wheat war**

Wheat prices continue to rise following Ukraine's warning against Russian vessels, in response to a similar warning from Moscow. Both Ukraine and Russia are major grain exporters, and Ukraine's exports have been severely restricted by the war. Black Sea ports are an important exit point for exports.



Source: Bloomberg, HolgerZ

**Chart #5 —**

**Fund managers are underweighted in commodities**

According to BofA's latest survey, fund managers are now underweight commodities. Sentiment hasn't been this negative since 2020, the year crude oil futures traded below zero for a few sessions.

**Chart 3: FMS Investors most UW commodities since May'20**  
Net % FMS investors saying they are OW commodities



Source: BofA Global Fund Manager Survey

Source: BofA, Global Research

## Chart #6 – Fed to raise key interest rates this week

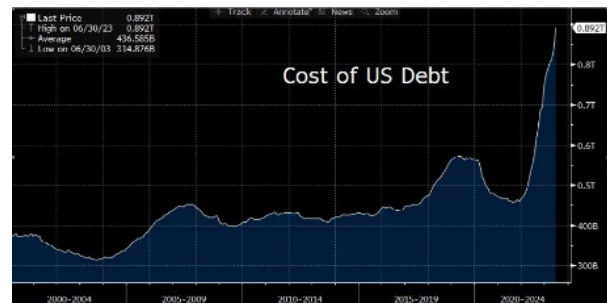
The probability of a Fed rate hike at this week's FOMC meeting is close to 100%. The US Federal Reserve is therefore likely to raise rates by 25 basis points to 5.25-5.50%.



Source: Charlie Biello

## Chart #7 – The cost of US debt continues to soar

As a result of the rising cost of money, the interest burden on US debt continues to soar. The cost of U.S. debt is now close to a billion dollars a year. In June alone, 18% of total U.S. spending was devoted to interest charges.



Source: Bloomberg, Goldman Sachs

### For further information

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