

The week in seven charts



Chart #4

Market capitalization of Indian equities at an all-time high

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Market capitalization of Indian equities at an all-time high

The Nasdaq is on track for its best first half since 1999, the S&P 500 is as expensive as in 2000 and India is poised to overtake China as the world's economic growth engine. 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 on track for best first half since 1999

The main US stock indices closed lower in a trading week shortened by the vacations. The Nasdaq suffered its first weekly decline in two months (-1.4%), while the S&P 500 recorded its first drop in six weeks (also -1.4%). Despite this weekly decline, the Nasdaq 100 could well record its best first-half advance since 1999, the year of the dot-com bubble.



Source: Bloomberg

Chart #2 —

S&P 500 as expensive as in 2000

The S&P 500 index of US equities is currently heavily represented in technology stocks, which are benefiting from the "buzz" surrounding artificial intelligence. As a result, the price/revenue ratio of the S&P 500 is close to 7x, a level not seen since the dot-com bubble of 1999-2000.

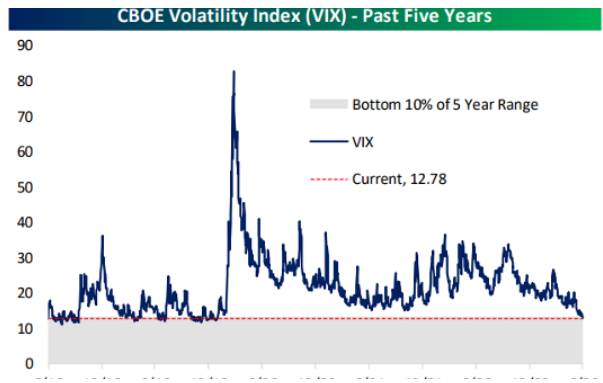


Source: Kallash Capital Research, Christof Leisinger

Chart #3 —

VIX falls below 13

The VIX (Chicago Board Options Exchange Volatility Index) is used to track the volatility of the S&P 500 index. It is often referred to as the stock market's fear index. A high number means that investor anxiety is high. A low number means market complacency. For the first time since January 23, 2020, the VIX has fallen below 13, despite a number of risks well known to investors (Russia-Ukraine conflict, risk of recession, banking crisis, inflation, etc.).



Source: Bespoke

Chart #4 —

Market capitalization of Indian equities at an all-time high

The Indian stock market continues to grow, and has returned to the levels of market capitalization that prevailed at the end of 2022. The value of the equity market rose by \$440 billion in Q2. International investors are increasingly buying into the idea that the country is poised to overtake China as the engine of global economic growth, as India is far less exposed to geopolitical risks than its Chinese "neighbor".



Source: FT

Chart #5 —

Core inflation in Japan highest since early 80s

Inflation excluding fresh food and energy costs in Japan for the month of May was higher than expected at 4.3% year-on-year, a 42-year high.



Source: David Ingles, Bloomberg

Chart #6 — SNB raises key interest rate again despite good progress on the inflation front

The SNB has decided to raise interest rates by a further 25 basis points, despite the fact that inflation in Switzerland is close to the SNB's 2 percent ceiling. A further 25 basis point hike in September seems likely, as the SNB appeared so determined at the press conference following last week's rate hike announcement.

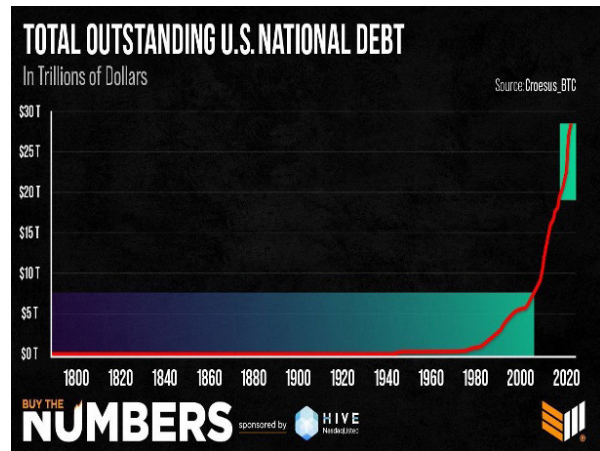
Swiss Inflation Is Almost Down to the SNB's 2% Ceiling



Source: Bloomberg, Office fédérale de la statistique

Chart #7 — US federal government debt soars

It took 215 YEARS for US debt to reach \$7 trillion. It took only 3 years (since March 2020) to add the next \$7 trillion in debt.



Source: Croesus_BTC, Hive

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