FEATURE

The week in seven charts

Chart #1 S&P 500 on track for the greatest performance of the 21st century

Read more on page 2 - Image iStock

S&P 500 set for best performance of the century

The S&P 500 is set to deliver its best performance of the 21st century, even as September inflation in the U.S. jumps unexpectedly. Meanwhile, debit interest rates soar past 23%, adding pressure to consumers.

Each week, the Syz investment team takes you through the last seven days in seven charts.

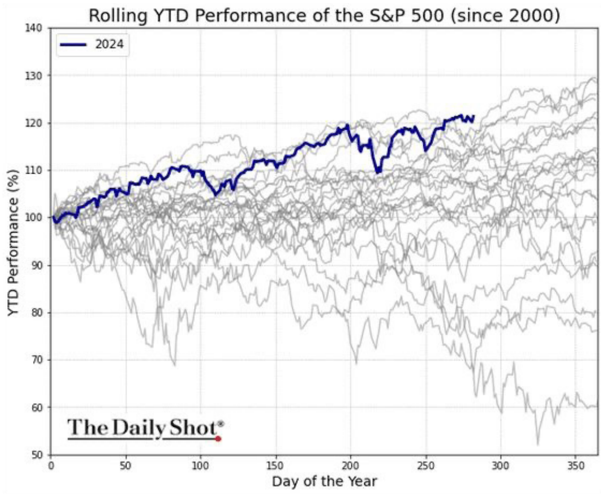
Charles-Henry Monchau
Chief Investment Officer

PRIVATE BANKING

Chart #1

S&P 500 on track for the greatest performance of the 21st century

The year is far from over, but as the blue line below shows, the S&P 500 has delivered the best annual performance of the 21st century so far.



Source: The Daily Shot

Chart #2

US inflation for September surprises on the upside

The US inflation rate for September stood at 2.4% (year-on-year), slightly above consensus expectations (2.3%). Core inflation (i.e. excluding energy and inflation) was up in August at 3.3%, vs. 3.2% expected. For the first time since March 2023, core inflation is accelerating again. While lower energy prices are helping to bring inflation down, inflation components such as services (+4.7% year-on-year) and transport (+8.5%) remain high and sticky.

Source: HolgerZ, Bloomberg

Chart #3

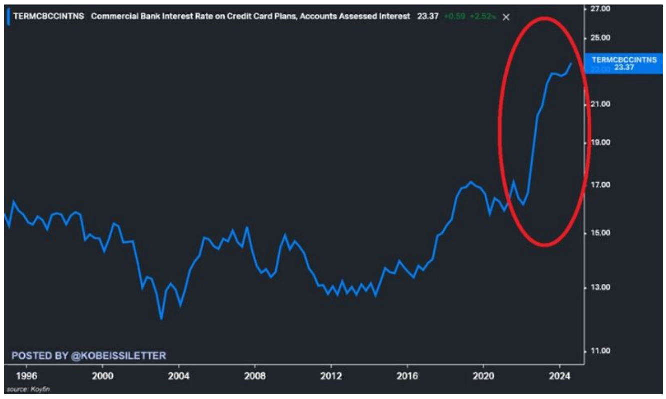
Debit interest rates over 23% in the USA

Credit card interest rates in the USA reached 23.4% in August, a new record high. Over the past two years, rates have climbed by 7 percentage points.

U.S. consumers now owe a record $1.36 trillion in credit cards and other revolving credit, meaning they pay a massive $318 billion in annual interest.

To put that in perspective, Americans only paid half that amount in 2019, or about $160 billion.

Meanwhile, serious delinquency rates on credit cards are at 7%, the highest level since 2011.



Source: The Kobeissi Letter

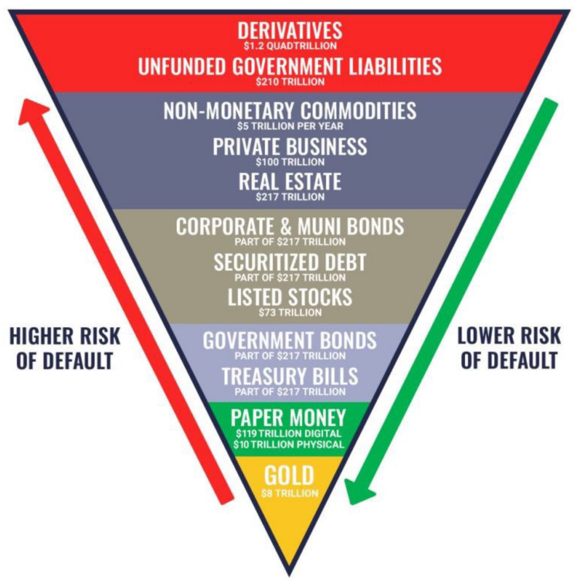
Chart #4

A pyramid-shaped view of the financial system

Exter's inverted risk pyramid classifies different financial instruments and asset classes according to their risk of default.

↑ The greatest risk of default: derivatives

↓ Lowest default risk: gold



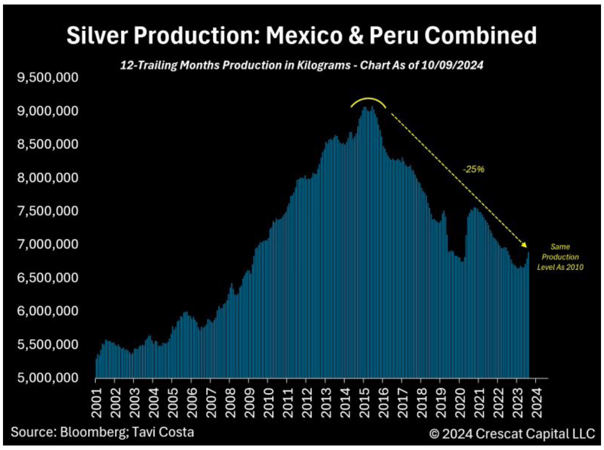
Source: Ali C

Chart #5

No production increase in sight for silver

Although the price of silver is close to a 13-year high, production by the world's two largest producers of the metal has remained virtually unchanged. Silver production is still at the same level as in 2010.

This clearly shows how limited marginal supply remains. According to Tavi Costa, this situation is likely to persist, given the limited capital invested in the development of new mines.



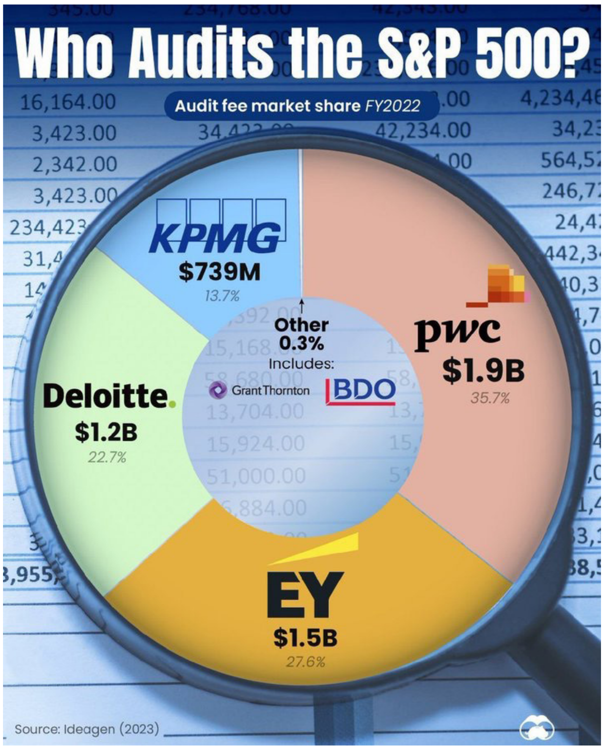
Source: Bloomberg, Crescat Capital

Chart #6

Big four audit firms control 99.7% of S&P 500 stocks

S&P 500 companies paid no less than $5.3 billion in audit fees in fiscal 2022. But which accounting firm took the most out of this financial windfall?

PricewaterhouseCoopers (PWC) claims the highest share of audit fees from S&P 500 companies, at $1.9 billion. Given that the firm has 152 clients within the index, this represents around $12.6 million in average revenue per relationship.



Source: @meetblossomapp, Visual Capitalist

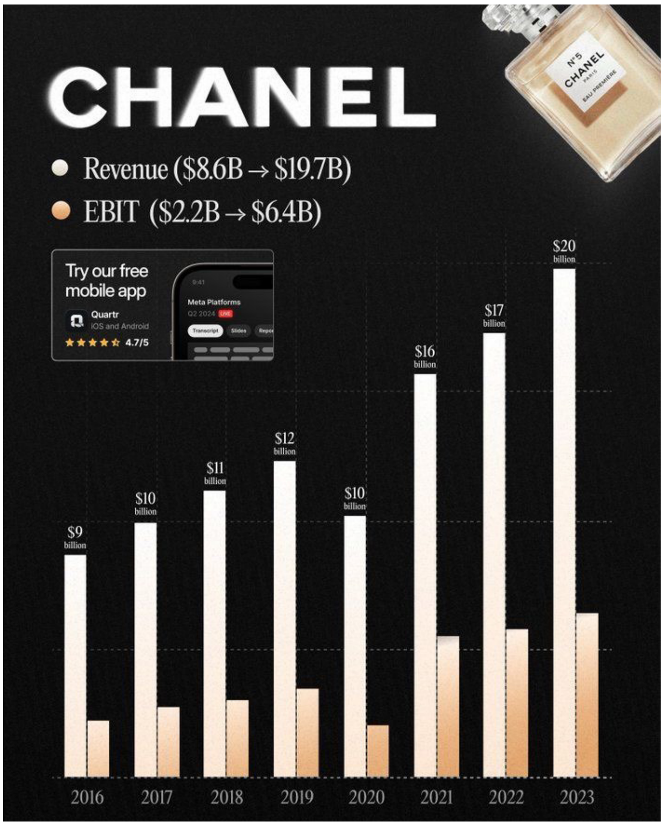
Chart #7

The remarkable growth of the Chanel Group

In 2023, the Chanel Group generated more revenue than Hermès and roughly the same amount as Kering and Richemont, equalling around $20 billion.

The 114-year-old luxury giant is owned by the Wertheimer brothers, whose grandfather was a business partner of Coco Chanel.

When asked about a possible IPO last year, CEO Leena Nair replied: “We will remain a private and independent company. There are always rumors circulating, but they are unfounded”.



Source: Quartr

For further information

Charles-Henry Monchau, Chief Investment Officer
charles-henry.monchau@syzgroup.com

Banque Syz SA
Quai des Bergues 1 T. +41 58 799 10 00
CH-1201 Geneva syzgroup.com