

The week in  
seven charts



**Chart #1 The yield on French debt equals that of Greece** - Read more on page 2 - Image iStock/pagadesign

**The French debt yield matches Greek levels**

France grapples with a massive debt yield ahead of next year's budget, while the S&P 500 surges by \$10 trillion this year. 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 yield on French debt equals that of Greece**

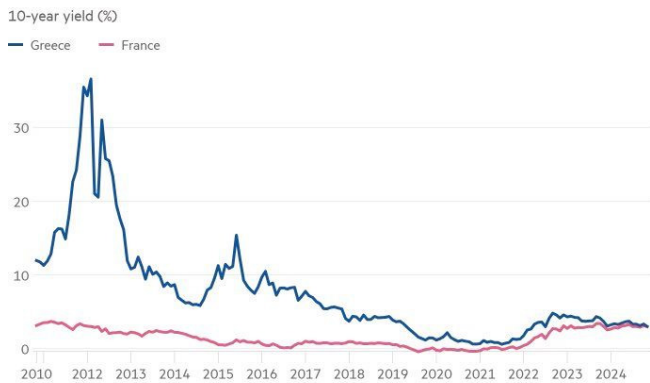
The yield on France's benchmark sovereign bond reached the same level as Greece's for the first time in history, marking an unprecedented milestone in a week marked by growing concerns over the future of the government headed by Prime Minister Michel Barnier.

The yield on French 10-year bonds, long considered among the safest in the Eurozone, briefly climbed to 3.03% before retreating. This figure equalled that of Greek bonds, a country that was at the heart of the European sovereign debt crisis.

Investors fear that France will struggle to pass next year's budget, while the far-right Rassemblement National party is threatening to table a motion of censure if its demands are not met. Although French bonds showed signs of recovery after Finance Minister Antoine Armand announced he was willing to make concessions on the 2025 budget, this was hardly enough to make up for months of underperformance.

"France is not Greece," said Antoine Armand. "France has a far superior economic and demographic power, which fundamentally distinguishes it from Greece." A subtle lesson of humility...

**Borrowing costs of Greece and France converge**

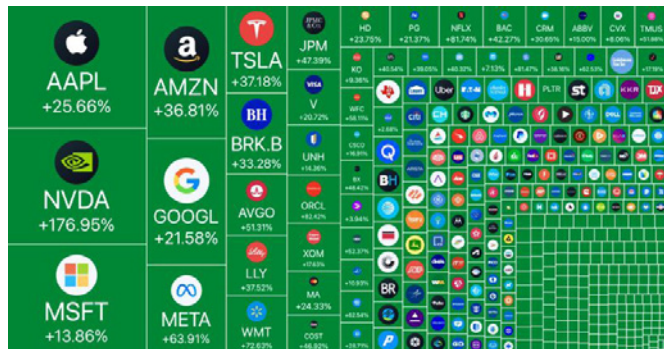


Source: FT, LSEG

**Chart #2**

**S&P 500 market value grew by \$10 trillion this year**

The matrix below highlights the year-to-date percentage performance of each constituent. The size of the cells is proportional to the market capitalisation of each stock.

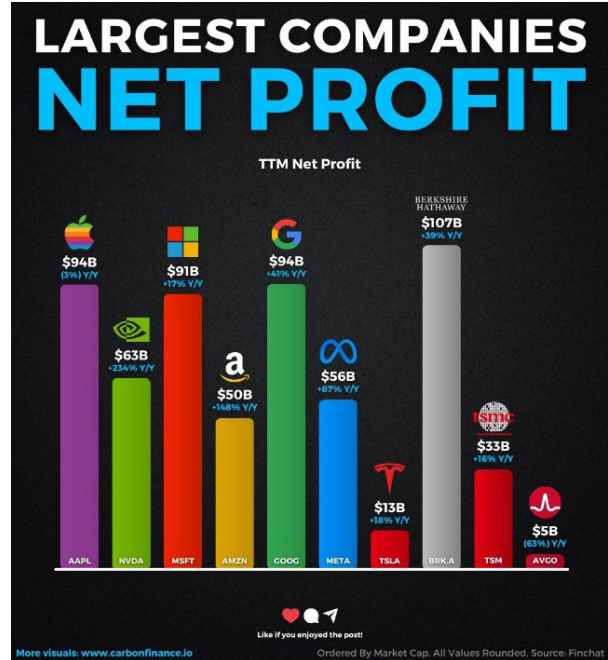


Source: Brew Markets

**Chart #3**

**The giants of the US economy**

The giants of the American economy are real cash machines. Here are their net revenues and year-on-year growth for the last twelve months. These ten companies alone earned \$606 billion this year. Will they continue to increase their profits at a similar pace in the future? Note that Berkshire's net income includes unrealised gains from its enormous investment portfolio.

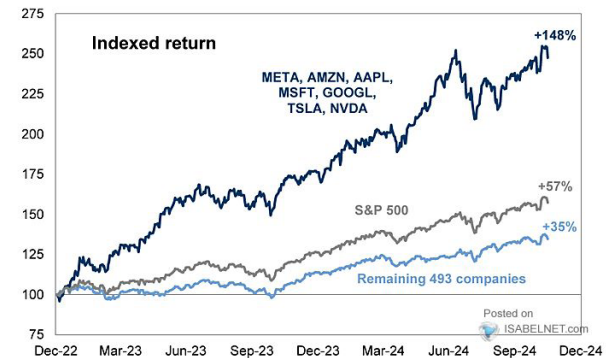


Source: www.carbonfinance.io

**Chart #4**

**The disproportionate impact of the Magnificent 7 on S&P 500 performance**

The exceptional performance of the S&P 500 since December 2022 is largely due to the Magnificent 7, whose gigantic market capitalisations and strong growth have dominated the market. Without their contribution, returns would have been much closer to the average, still respectable, but far less remarkable.



Source: Goldman Sachs, @ISABELNET\_SA thru Lance Roberts on X

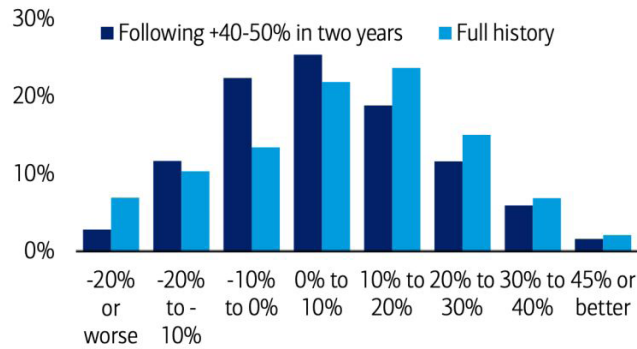
**Chart #5**

### S&P 500 performance could be more modest in 2025

With the S&P 500 up around 50% over the past two years, history suggests that the index's gains will be more muted in the future. Returns have most often been in the 0-10% range, following periods when the index gained 40-50% over a two-year period.

**Exhibit 1: After big gains, returns tend to moderate**

Distribution of fwd. 12-mo. return after 40-50% gains in two years vs. full history (1930-present)



Source: BofA, Mike Zaccardi, CFA, CMT, MBA

**Chart #6**

### Argentina equities lead the 2024 performance ranking

What is the world's best-performing stock market in 2024? Argentina, with a gain of over 60%. The table below illustrates the year-to-date performance of the main country equity ETFs.

Global Equity ETFs: 2024 Total Returns (in US \$)								
Country/Region	Ticker	2024 TR	Country/Region	Ticker	2024 TR	Country/Region	Ticker	2024 TR
Argentina	ARGT	62.6%	United Kingdom	EWU	9.0%	Austria	EWO	0.7%
Israel	EIS	28.5%	Italy	EWI	8.8%	New Zealand	ENZL	0.3%
Peru	EPU	27.9%	Spain	EWP	8.8%	Switzerland	EWL	0.3%
US	SPY	26.9%	UAE	UAE	7.9%	Hong Kong	EWH	-0.2%
Singapore	EWS	23.2%	Japan	EWJ	7.5%	Ireland	EIRL	-0.5%
Total World	VT	19.2%	Colombia	GXG	5.9%	Saudi Arabia	KSA	-1.2%
Canada	EWFC	18.0%	Qatar	QAT	5.3%	Sweden	EWD	-1.7%
Taiwan	EWT	17.4%	EAFE	IEFA	5.0%	Poland	EPOL	-2.0%
Malaysia	EWM	17.3%	Greece	GREK	4.8%	Finland	EFNL	-3.9%
South Africa	EZA	14.8%	Belgium	EWK	3.5%	Indonesia	EIDO	-5.7%
China	MCHI	14.3%	Norway	NORW	3.0%	France	EWQ	-6.2%
Turkey	TUR	13.6%	Netherlands	EWN	2.3%	Chile	ECH	-8.3%
India	INDA	12.4%	Philippines	EPHE	2.0%	Vietnam	VNM	-9.3%
Kuwait	KWT	10.8%	Eurozone	EZU	2.0%	South Korea	EWY	-10.4%
Australia	EWA	10.2%	Denmark	EDEN	1.7%	Brazil	EWZ	-19.0%
Germany	EWG	9.5%	Thailand	THD	1.4%	Mexico	EWX	-25.3%

Source: Charlie Bilello

**Chart #7**

### U.S. debt to reach \$57 trillion in 10 years

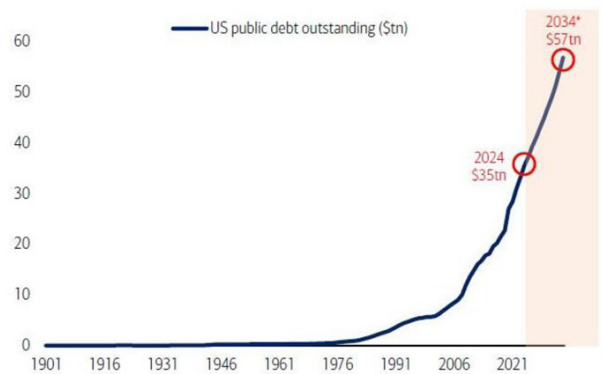
According to the latest forecasts from the CBO (Congress Budget Office), the U.S. national debt is expected to reach a colossal \$57 trillion over the next decade. This would be an increase of \$34 trillion, or 148%, since 2020.

This comes as total U.S. federal debt officially surpassed \$36,000 billion for the first time in history.

Since the "end" of the debt ceiling crisis in June 2023, total US debt has increased by \$4 trillion. In other words, the U.S. has taken on an average of \$235 billion in debt per month, or \$8 billion per day, since June 2023.

**Chart 6: Big Debt**

US public debt outstanding (\$tn)



Source: BofA Global Investment Strategy, Haver, Congressional Budget Office; \*2025 onward based on CBO forecasts.

POSTED BY @KOBESSILETTER  
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Source: The Kobeissi Letter, BofA

## For further information

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