The week in seven charts

Chart #1: Less than one-third of S&P 500 stocks outperformed the index in 2023 and 2024

Read more on page 2 - Image iStock/Sorbetto

Fewer than 1/3 of S&P 500 stocks beat the index in 2023–24

Only 29% of S&P 500 stocks beat the index, gold hits a record GDP share, and U.S. bitcoin reserve legislation advances. Each week, the Syz investment team takes you through the last seven days in seven charts.

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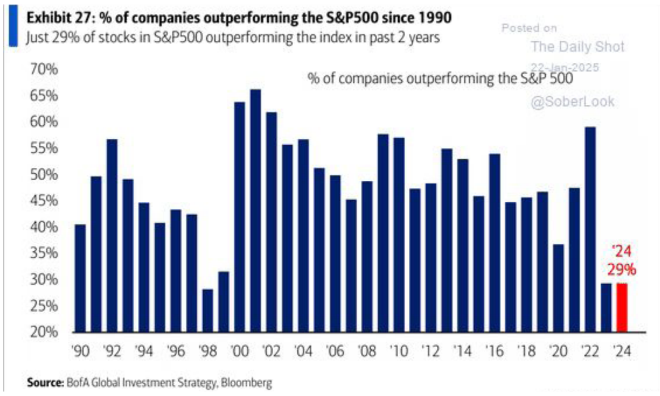
Chart #1

Less than one-third of S&P 500 stocks outperformed the index in 2023 and 2024

According to Bank of America's calculations, only 29% of S&P 500 stocks outperformed the index over the past two years. This is the lowest level since 1990. This chart highlights the challenges faced by equity managers in outperforming their benchmark.



Source: The Daily Shot

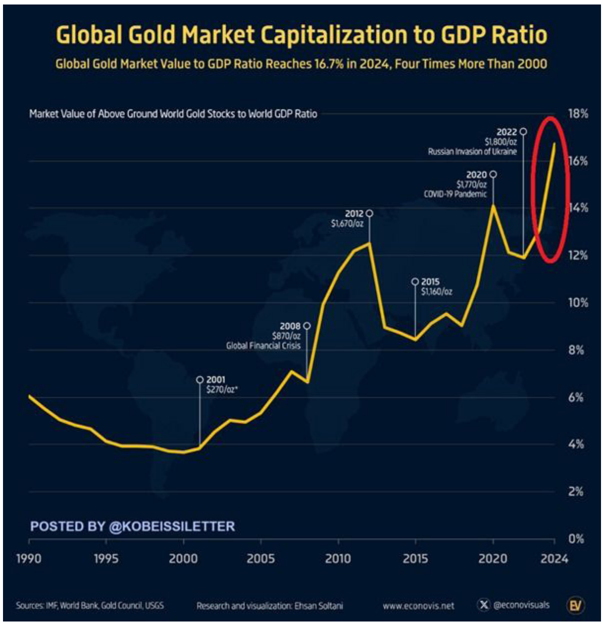
Chart #2

The value of gold as a percentage of global GDP reaches a record high

The ratio of gold's market capitalisation to global GDP reached a record high of 16.7% in 2024. This ratio has doubled over the past 10 years and quadrupled since 2001. The nominal value of the gold market is nearing a historic record of around $18.5 trillion.

Gold has delivered an average annualised return of +9.5% since 2000, making it one of the best-performing asset classes of this century.

In 2024, the price of gold set 41 historic records and saw its value increase by 33%.



Source: The Kobeissi Letter

Chart #3

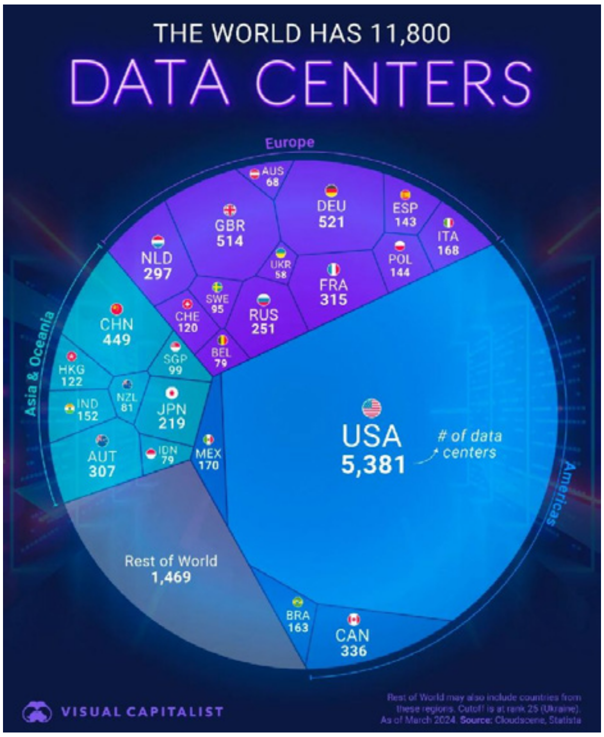
The United States is home to nearly half of the world's data centres

Data centres are often seen as the backbone of the digital world, powering everything from social media to cloud computing. This chart, created by Visual Capitalist, using data from Cloudscene, shows the number of data centres in each country in 2024.

With nearly half of the global total, the United States is the undisputed leader in computing. In recent years, major tech conglomerates in the country (such as Microsoft, Amazon, etc.) have invested billions into digital infrastructure and artificial intelligence.

The cost of this computing power translates into increased energy consumption. For example, processing an average ChatGPT query requires 10 times more electricity than a traditional Google search.

According to Goldman Sachs Research, data centres will be the primary driver of future electricity demand in the United States. By 2030, data centres are expected to account for 8% of total demand, up from 3% in 2022.



Source: Visual Capitalist

Chart #4

In the United States, bitcoin strategic reserve legislation gains ground

The United States is at the forefront of the global debate on bitcoin. President Donald Trump advocates for the creation of a strategic bitcoin reserve, aligning with lawmakers like Senator Cynthia Lummis, who has proposed acquiring 200,000 bitcoins annually for five years. With bitcoin's total supply limited to 21 million, the implementation of this law would make the United States holders of nearly 5% of the global supply. Additionally, it proposes selling gold reserves and using the Federal Reserve's profits to fund this acquisition. Trump has stated that he believes bitcoin could surpass the market capitalisation of gold, which stands at $16 trillion. However, the Federal Reserve remains hesitant, with its Chairman, Jerome Powell, stating last month that the Fed is not looking to alter its stance on holding securities. The Fed's holdings are limited by the Federal Reserve Act, and the asset classes currently included, such as gold certificates, are selected to ensure liquidity, stability, and diversification. As a decentralised and speculative asset, bitcoin is not part of this list, meaning a change in law would be required for the Fed to hold it.

However, as of now, 11 states, including Florida, Wyoming, and Massachusetts, have introduced bills to integrate bitcoin into their national reserves.

Source: TFTC @TFTC21

Chart #5

Europe continues to lose ground to the US

The EU continues to lose ground to the United States, and recent developments in AI and technology could widen the gap further between the two superpowers.

The United States and President Trump have just announced the creation of Stargate, a $500 billion joint venture between tech giants to build a massive AI infrastructure and create thousands of jobs.

Meanwhile, the European Parliament and EU lawmakers are focusing on the strict enforcement of regulations for Big Tech, social media and AI.

It's highly likely that the Eurozone will be one of the big losers in the AI revolution.

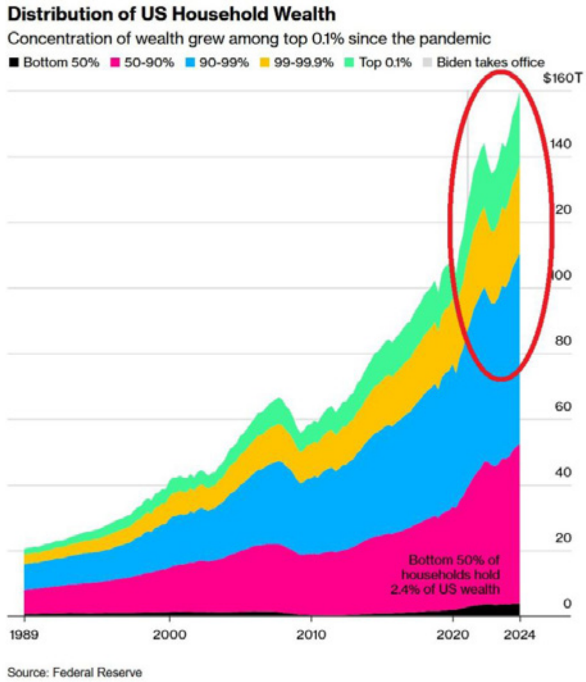
Source: The Economist, Jeroen Blokland

Chart #6

Inequality is widening in the United States

The current financial system benefits the wealthiest and hurts the poorest: the wealthiest 10% of American households now hold $111 trillion in wealth, accounting for 69% of the total.

By contrast, the poorest 50% own just $3.9 trillion, or just 2.4% of wealth. Since 2021, their inflation-adjusted wealth has fallen by 5%.



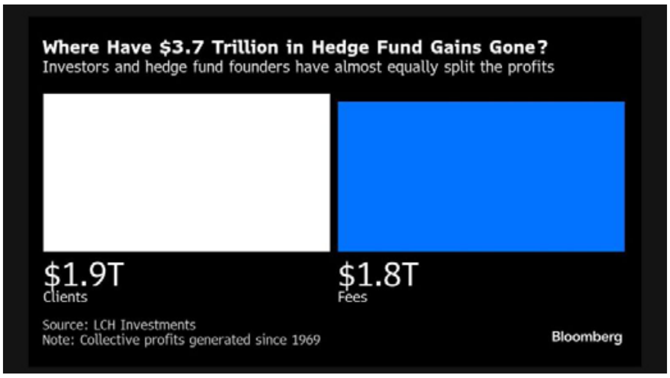
Source: Global Markets Investor

Chart #7

Management fees weigh on hedge fund performance

Hedge funds have long been considered notoriously expensive. A new study reveals just how costly they are

Indeed, LCH reveals that nearly half of the $3.7 trillion in profits generated by the hedge fund sector since 1969 has been consumed in fees. This underlines the importance of thorough due diligence on the managers you select.



Source: Global Markets Investor

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