The week in seven charts

Chart #1: The post-Liberation Day rebound is almost as fast as the COVID bounce

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Déjà vu? Markets rebound almost as fast as during COVID

Meanwhile, everyone's in on gold—it's the most crowded trade by a mile. Each week, the Syz investment team takes you through the last seven days in seven charts.

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Chief Investment Officer

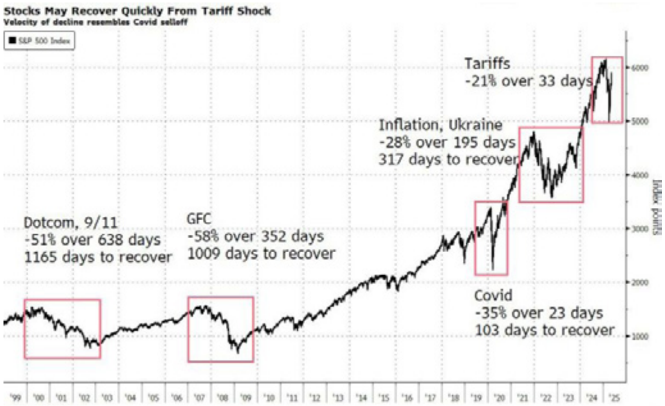
Chart #1

The post-Liberation Day rebound is almost as fast as the COVID bounce

What a rebound...

Following a 22% surge from the lows of 7 April, the S&P 500 has turned positive for the year. This marks one of the most remarkable short-term recoveries in market history—almost as swift as the rebound from the COVID-driven crash.

The key difference compared to 2020? The Fed did not inject several trillion USD this time...



Source: Bloomberg

Chart #2

Sentiment is everything...

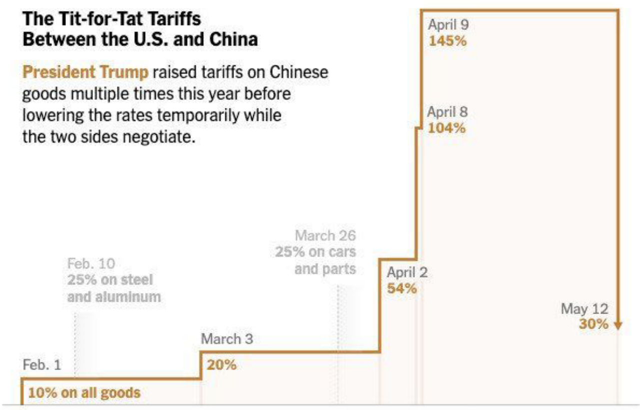
China and the United States reached a ceasefire in their trade conflict on Monday following negotiations in Geneva. Since Wednesday of last week, most tariffs and retaliatory measures rolled back.

The US is scaling back its additional tariffs on Chinese goods from 145% to 30%, while China is reducing its own from 125% to 10%.

This is a relief for markets—but let's keep some perspective here.

The last time US tariffs on China were this high, the S&P 500 was trading nearly 200 points lower, markets were pricing in four Fed rate cuts for 2025, and recession fears dominated Wall Street forecasts.

Fast forward to the Geneva «trade agreement,» and sentiment has flipped. The Dow surged over 1,200 points last Monday, while both the S&P 500 and Nasdaq officially entered bull market territory—up more than 20% from their recent lows.



Source: The Kobeissi Letter

Chart #3

"Long gold" by far the most crowded trade right now

According to the Bank of America Fund managers' survey, long gold is currently the most overcrowded trade, followed by long "Magnificent 7" and long European stocks. It's worth noting that overly crowded trades can pose significant risks. Historically, this survey has proven to be a reliable contrarian indicator—suggesting that when everyone is on one side of a trade, the risk of a reversal increases.

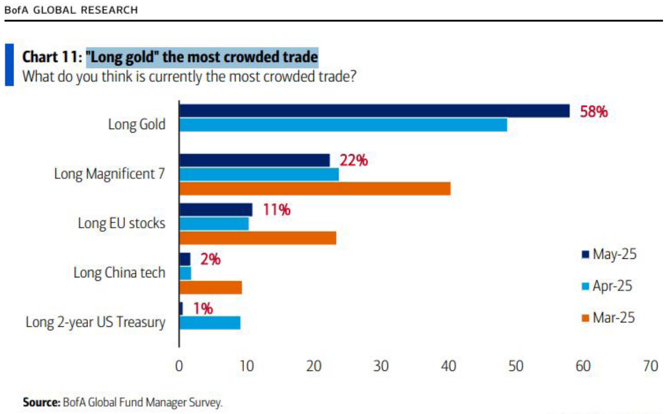
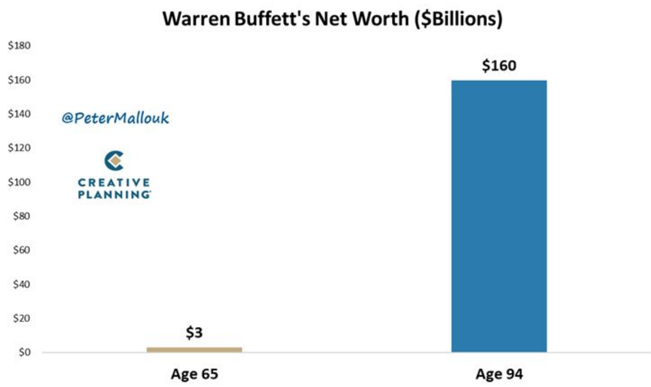


Chart #4

An incredible stat about Warren Buffet

An astonishing 98% of Warren Buffett's current $160 billion net worth was accumulated after the age of 65.

«My life has been a product of compound interest.»—Warren Buffett



Source: Charlie Biello

Chart #5

US CPI inflation was milder than expected in April

So far, the impact of tariffs on inflation appears limited, with furnishing goods (+1.0%) being the only category showing a notable increase. This seems to have been offset by weaker demand and declining prices in discretionary areas, such as air travel and hotels.

This report is reassuring as it doesn't reveal an immediate increase in inflationary pressures.

However, some of the tariff-related upward pressures on prices may take a few weeks to materialise, so the next couple of CPI releases will be key to assessing the full extent of the impact.

Market expectations for Fed rate cuts remain largely unchanged following the CPI data: futures still reflect two 25 basis point cuts by year-end, one in September and another in December.

Source: Bloomberg

Chart #6

The US 10-year Treasury bond yield is on the rise—and this can have dire consequences

The US 10-year Treasury bond yield keeps moving higher, even though the economy is slowing down and despite the fact that inflation surprised on the downside recently. So, what's going on?

The Treasury market is facing a surge in new issuance—without the support of its traditional buyers.

Foreign official demand remains subdued, while domestic institutional and retail interest in Treasuries remain weak. Meanwhile, the Fed continues to pursue Quantitative Tightening, adding further pressure to the market.

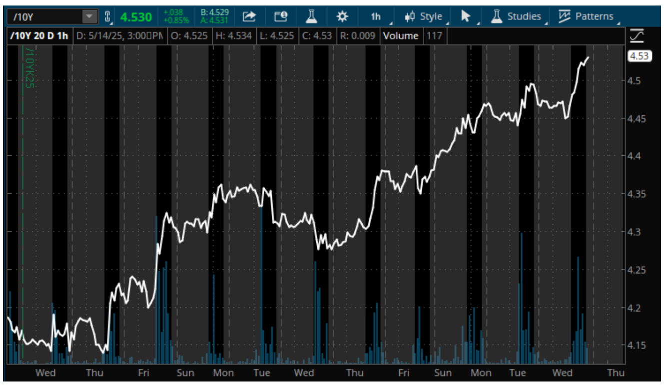
If this continues, consequences are well known:

› wider mortgage spreads (housing stress)

› lower bond market liquidity (bid-ask gaps widen)

› pressure on long-duration tech and utility stocks (+ the end of risk assets rebound)

It's also worth noting that rising US yields may not necessarily boost the dollar. We could see a repeat of recent episodes where equities, bonds, and the dollar all moved lower in tandem.

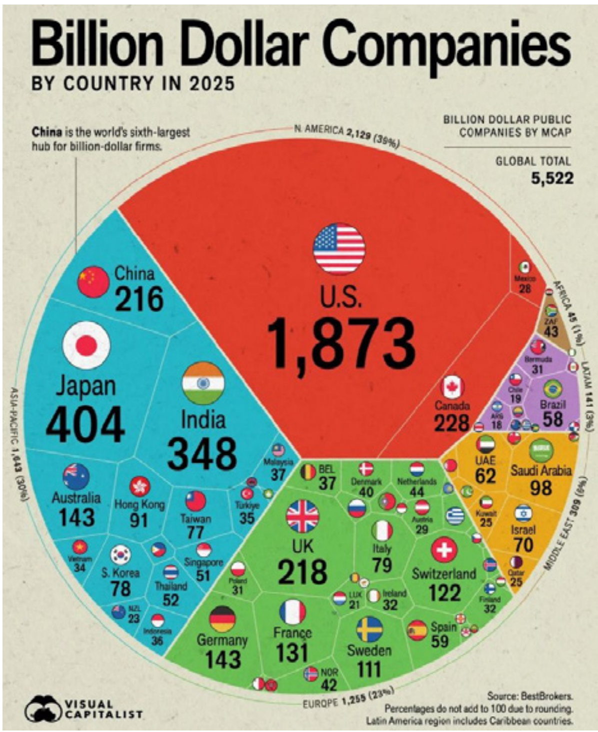


Source: EndGame Macro on X

Chart #7

Here's how many billion-dollar companies there are in different countries around the world

Although the United States hosts the highest number of billion-dollar companies, 1,873 as of 17 March 17, Monaco, Luxembourg, and Iceland lead the world in terms of billion-dollar firms per capita.



Source: Visual Capitalist

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