

The week in seven charts



Nvidia continues its winning streak

Plus, the Magnificent 7 carries the S&P 500. Each week, the Syz investment team takes you through the last seven days in seven charts.

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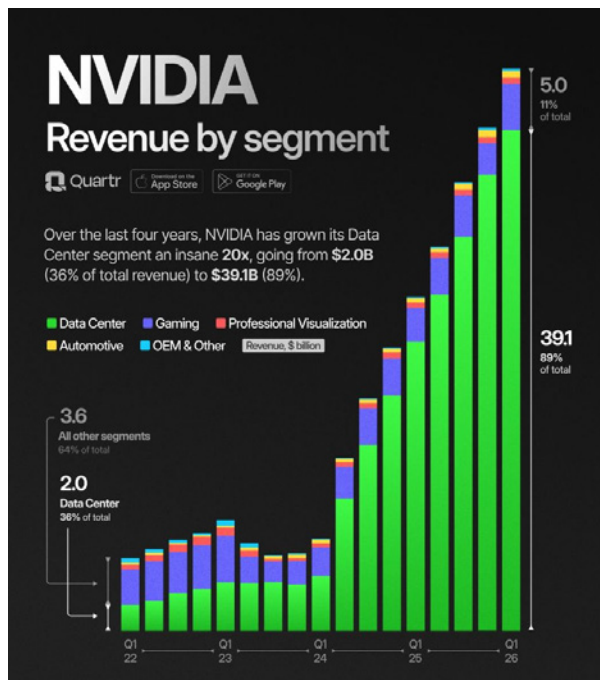
Chart #1

Another strong quarter for Nvidia

Nvidia's surprisingly robust first-quarter performance and its outlook for the second quarter are likely to provide reassurance to investors. However, the financial results were affected by a sudden and stricter export ban to China, which was implemented without a transition period. This led to an estimated \$2.5 billion loss in Q1 sales, a \$4.5 billion charge related to inventory, and a reduction of around \$8 billion in projected Q2 sales.

However, excluding China, Q1 sales would have beaten consensus by 7–8%, and Q2 sales guidance would have been ~15% ahead, reflecting booming global demand.

Drivers include surging AI chatbot usage, accelerating enterprise AI adoption, and the recent rollback of non-China export restrictions. Nvidia's management indicated that China may no longer be a viable market, with Q2 guidance reflecting no anticipated AI chip sales to the country—making any future sales there a potential upside surprise. Although a large impairment charge impacted reported Q1 gross margin and earnings per share, the company's core profitability is strengthening as Blackwell chip production scales up. Overall, Nvidia is benefiting from even stronger demand momentum, with many prior investor concerns around the sustainability of demand now dissipated. Following its strong results, the stock rose and now trades at 28 times forward earnings (based on FactSet consensus), a compelling valuation considering Nvidia's growth trajectory, market dominance, substantial cash reserves (\$54 billion), and free cash flow now comparable to Apple's—all supported by a consistent history of outperforming expectations.

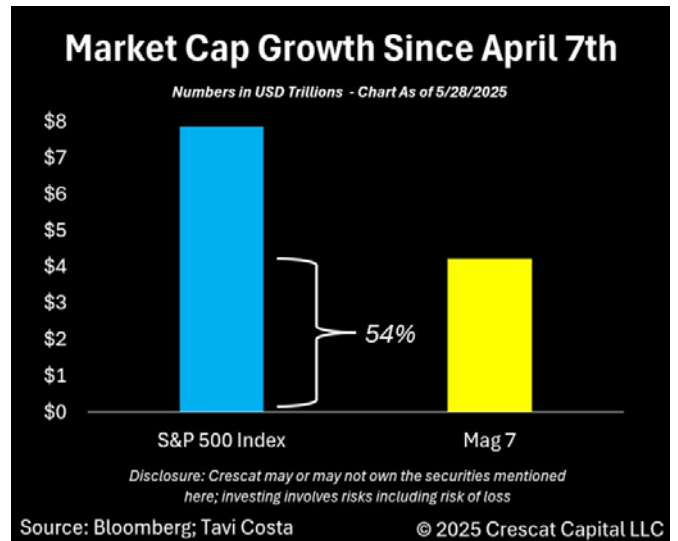


Source: Quartr

Chart #2

Mag 7 stocks account for more than half of S&P 500 gains since April bottom

Among all 503 stocks in the S&P 500, the "Magnificent 7" alone have contributed nearly 55% of the total market capitalization gains since 7 April.

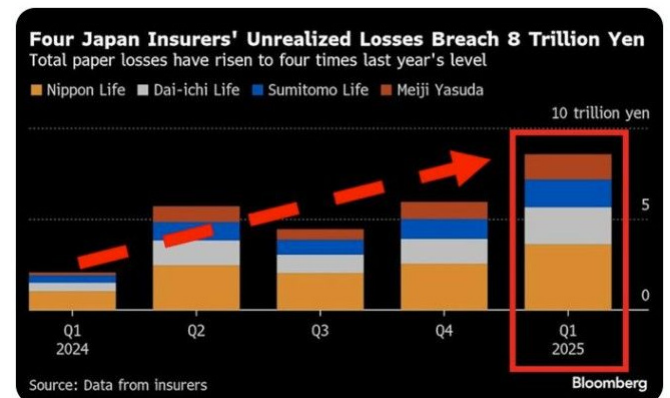


Source: Bloomberg, Tavi Costa

Chart #3

Japanese insurers unrealised losses have been HUGE

In the first quarter, Japan's largest insurers recorded unprecedented paper losses of ¥8.5 trillion (\$60 billion) on their domestic bond portfolios. Nippon Life alone, the country's biggest insurer and the sixth-largest globally, posted a loss of ¥3.6 trillion (\$25 billion).



Source: Bloomberg

Chart #4

Microsoft borrowing cost is now almost equivalent than US Treasuries

The yield spread on Microsoft's 30-year bond over equivalent US Treasuries has narrowed to just 20 basis points—an all-time low.

This suggests that investors view Microsoft's credit risk as nearly equivalent to that of the US government, the world's largest economy.

Chart 8: UST vs. MSFT 30-year yield spread tightest ever
Microsoft vs US Treasury 30-year spread (bps)

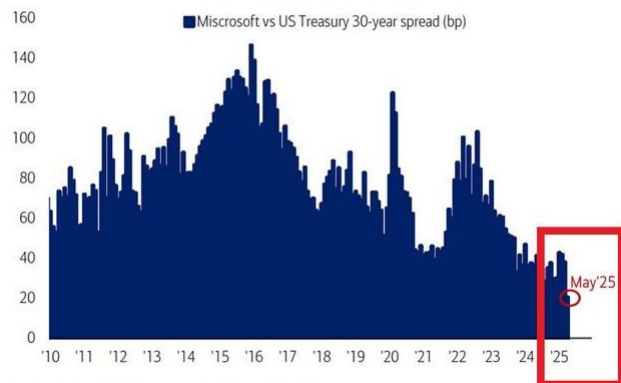


Chart #5

Bitcoin ETFs pull in \$9 billion

In the past five weeks, US Bitcoin ETFs have seen over \$9 billion in inflows, with BlackRock's iShares Bitcoin Trust ETF (IBIT) leading the surge. In contrast, gold-backed ETFs experienced outflows of more than \$2.8 billion during the same time frame, according to Bloomberg News data.

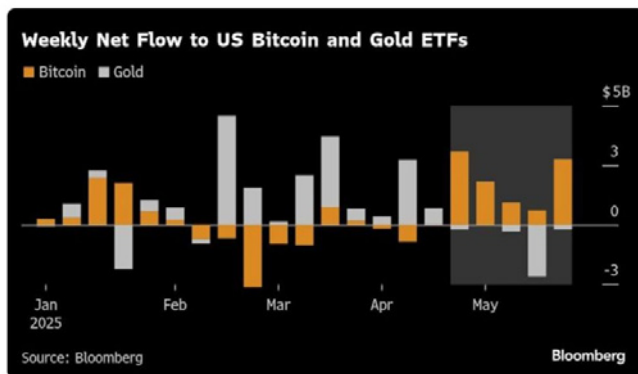


Chart #6

China's strategic shift: gold up, treasuries down

Over the past five years, their holdings of US Treasuries have dropped sharply, from approximately \$1.1 trillion to around \$760 billion, while their gold reserves have risen significantly, climbing from about 1,850 tons to over 2,200 tons.

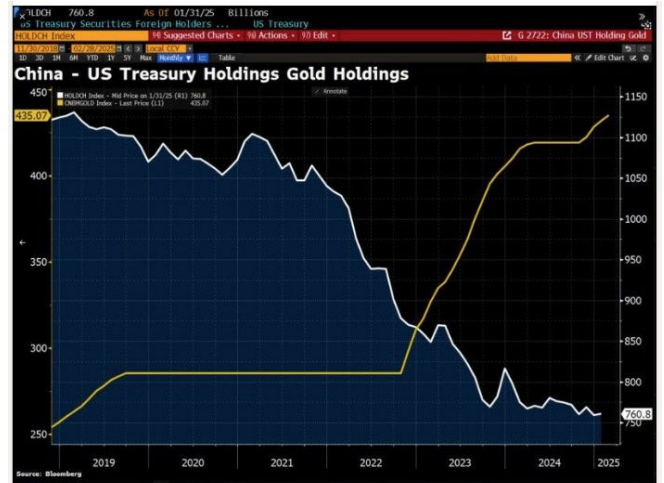
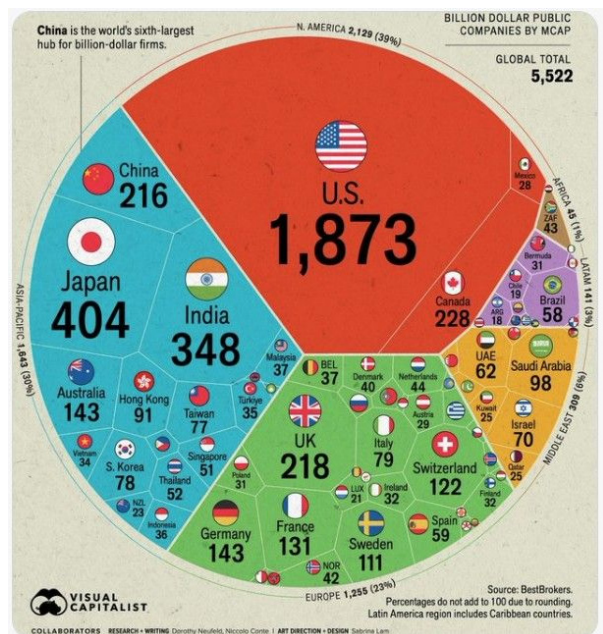


Chart #7

US dominance on the global stock market

This is what American exceptionalism looks like : the US is home to 1,873 companies valued at over a billion dollars. Japan ranks a distant second with 404, followed by India with 348.



Source: Visual Capitalist

For further information

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