

The week in seven charts



**Gold is now the second most important
reserve asset for central banks**

Read more on page 2 - Image ©iStock/adventtr

Gold takes second place of top reserve assets

Meanwhile, we look into the proposed budget proposal of President Trump and a nuclear tech company with soaring stocks. Each week, the Syz investment team takes you through the last seven days in seven charts.

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Chart #1

Gold is now the second most important reserve asset for central banks

Gold has surpassed the euro to become the second most significant reserve asset globally, now making up 20% of official reserves. Meanwhile, the euro's share has declined to 16%. The US dollar continues to lead, comprising 46% of global reserves. This rise in gold's share is driven by record-high gold prices and strong buying activity by central banks.



Source: Financial Times, ECB

Chart #2

Visualising Trump's 2026 budget proposal

Federal agencies, from those managing foreign aid to those promoting renewable energy, are preparing for significant budget reductions. President Trump's proposed budget trims \$163 billion from non-defence discretionary spending, potentially leading to the complete removal of several programs. In this proposal, the Department of Defence would receive a 13% increase, bringing its funding to \$962 billion by 2026.

The Pentagon is poised to receive an additional \$114 billion, marking the largest increase among all departments. A significant portion of this boost would go toward developing the "Golden Dome," a high-cost missile defence system incorporating space-based sensors, satellites, and ground-based interceptors. Trump plans to allocate \$175 billion toward this system during his term.

The Department of Homeland Security is also expected to benefit, with a proposed 65% funding increase, equivalent to \$42 billion, aimed primarily at strengthening border enforcement.

In stark contrast, 11 other federal departments are facing cutbacks. The most severe reduction in dollar terms would affect the State Department and international programs, which are projected to lose \$49 billion. In March, the administration reported terminating 5,341 USAID initiatives, with the remaining responsibilities expected to shift to the State Department.

The House narrowly approved the spending bill on 22 May after making final adjustments, but more revisions are anticipated as it proceeds to the Senate.



Source: Visual Capitalist, Voronoi

Chart #3

Nuclear technology stocks are on fire

Shares of Oklo rose by 29% on Wednesday following news that the company is the intended recipient of a major Department of Defence contract to supply clean energy to Eielson Air Force Base in Alaska.

The Defence Logistics Agency Energy issued a Notice of Intent to Award (NOITA), selecting Oklo as the top candidate after a competitive review process.

If finalised, Oklo design, construct, own, and operate an Aurora powerhouse—a compact nuclear micro-reactor capable of producing both electricity and heat—for the remote military facility.

Headquartered in Santa Clara, California, Oklo was founded in 2013 by Jacob DeWitte and Caroline Cochran, both alumni of MIT. The company specialises in advanced nuclear technology, particularly compact fast reactors, with the mission of delivering clean, safe, and affordable energy on a global scale.

Its core innovation, the Aurora powerhouse, is a small, liquid metal-cooled fast reactor that can generate between 15 and 75 megawatts of electrical power (MWe). It's engineered for long-term operation—up to 10 years without refuelling—and is ideal for off-grid uses including AI infrastructure, data centres, industrial facilities, isolated communities, and military operations.

The announcement also sparked gains in other nuclear-related stocks. For instance, NuScale Power Corporation (\$SMR), a US

company that develops and markets small modular reactors (SMRs)—a new type of nuclear energy technology—also saw upward movement in its share price.



Source: Trend Spider, Perplexity.ai

Chart #4

May US inflation slightly cooler than expected

Core consumer prices increased by 2.8% year-over-year, slightly under the projected 2.9%, while headline inflation came in at 2.4%, aligning with expectations. Although both metrics continue to exceed the Federal Reserve's 2% inflation target, the recent tariffs introduced by the Trump administration have not yet had a substantial effect on overall price levels.



Source: Bloomberg

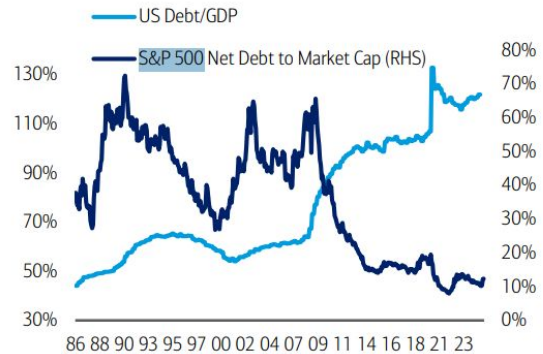
Chart #5

S&P 500 debt at record lows, US government debt near highs

This chart highlights the distribution of leverage across the US economy. While the national debt relative to GDP has reached a record high of approximately 120%, the net leverage of S&P 500 companies, measured against their market capitalisation, has dropped to historic lows.

Net leverage here refers to total interest-bearing liabilities, both short- and long-term, minus cash and cash equivalents.

Exhibit 8: S&P 500 debt at record lows, US government debt near highs
S&P 500 Net Debt to Market Cap and US debt to GDP (1/1986-4/2025)



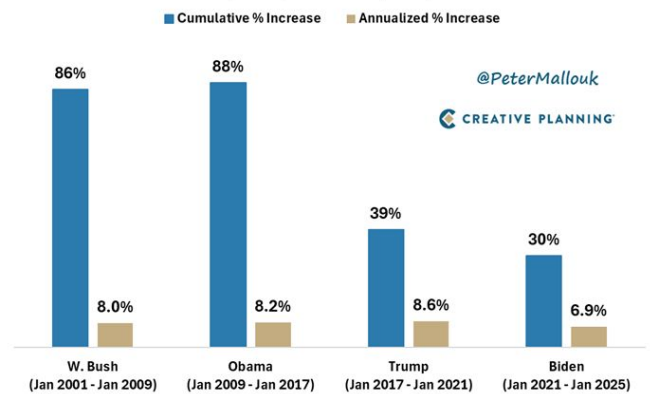
Source: BofA

Chart #6

In the US, both parties have failed the country when it comes to US national debt

Historical trends indicate that the US national debt has grown under both Democratic and Republican administrations alike.

% Increase in US National Debt
(Jan 20, 2001 - Jan 20, 2025)



Source: Peter Mallouk

Chart #7

Headquarters' migration in the US

According to a graphic from Visual Capitalist based on CBRE data, the US is seeing major shifts in headquarter locations, with some markets expanding rapidly while others decline.

Texas has emerged as a top destination for corporate headquarters, largely due to its business-friendly environment and relatively low cost of living. These advantages are drawing companies away from states like California, resulting in billions of dollars in lost tax revenue for the latter.

Ranked as the most business-friendly state in the country, Texas now boasts three of the top five markets for corporate headquarters. Key drivers of this trend include a growing skilled workforce, the absence of both corporate and personal income taxes, and a regulatory climate with minimal bureaucracy. Since 2018, major firms such as Chevron, Charles Schwab, and SpaceX have relocated their headquarters to the Lone Star State.

Many companies are also expanding their operations within Texas. For example, Goldman Sachs plans to increase its Dallas workforce to 5,000 employees, up from just 970 in 2016.

Meanwhile, California is facing a notable decline in corporate headquarters. The state's high housing costs—at least 50% above those in Texas—and its status as having the fifth-highest tax burden in the US, have both contributed to the loss of over 275 headquarters since 2018. The San Francisco Bay Area has been particularly impacted, suffering from one of the highest office vacancy rates in the country.



Source: Visual Capitalist, Voronoi

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