

## The week in seven charts



Read more on page 2 - image iStock/adventtr

### For first time since 1996, foreign central banks' gold tops US Treasuries

Each week, the Syz investment team takes you through the last seven days in seven charts.

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### Chart #1

## For the first time since 1996, foreign central banks now officially hold more gold than US Treasuries

The chart below shows gold holdings (in yellow) and US Treasuries holdings as a percentage of foreign reserves. Gold is now a larger holding than US Treasuries for the first time in 30 years.

We might be witnessing one of the most significant global rebalancing we've experienced in recent history, in my view.



Source: Tavi Costa, Crescat Capital, Bloomberg

### Chart #2

## Where's the world's gold really sitting?

This chart shows the official gold reserves by country and the numbers are surprising.

US has 8,133 tonnes—by far the leader. Then comes Germany (3,350 tonnes), Italy (2,452 tonnes), France (2,437 tonnes), Russia (2,330 tonnes), China (2,299 tonnes) and Switzerland (1,040 tonnes).

Note that the US holds more gold than the next three countries combined. Switzerland punches way above its weight, with more gold per capita than almost anyone else. Let's also keep in mind that China and Russia have been steadily growing their reserves in recent years.

Gold reserves are also about power. Whoever controls the most gold has an extra layer of leverage in times of crisis, sanctions, or currency volatility.



### Chart #3

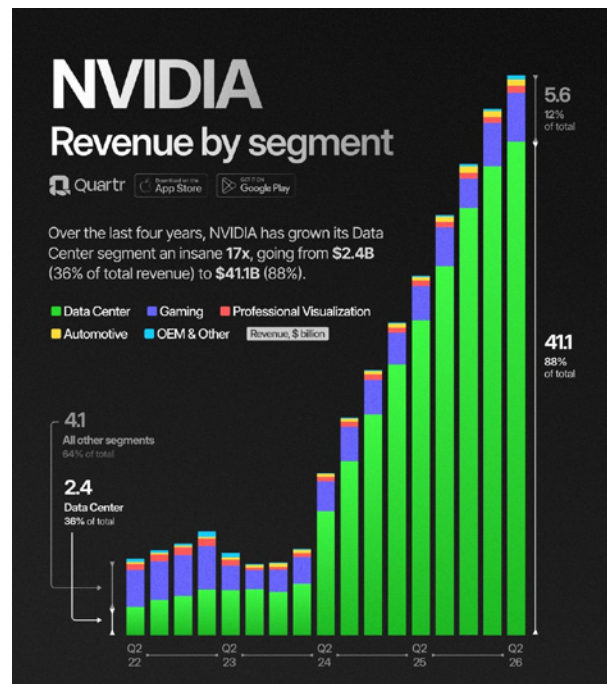
## Another strong quarter for Nvidia but initial market reaction is muted

Nvidia reported solid in-line quarter, but the stock reaction after the earnings (a slight pullback) reflects disappointment over muted earnings per share (EPS) beat and the absence of China sales in the guidance for next quarter.

Management guided Q3 revenue to \$54 bn, about \$2–3 bn above consensus (excluding China), and reiterated that shipments to China remain at zero for now, resetting expectations for a potential \$5–8 bn per quarter resumption. However, beneath the China noise, fundamentals remain robust. The new generation Blackwell Ultra chip is ramping quickly, with further acceleration expected. Networking products (Infiniband and Spectrum-X) are seeing rising attach rates. Gross margin is also improving following a transitory softness due to the product launch. The product roadmap remains intact, with the Rubin chip on track for 2026.

The broader picture remains bullish – global data centre capex is rising rapidly, with the top five hyperscalers increasing their 2026 guidance by \$77bn during the Q2 earnings season alone.

Nvidia continues to hold >80% market share in AI chips, supported by free cash flow margins exceeding 45%. With revenue forecast to grow 60% this year and 35% next (FactSet consensus), and EPS growth tracking similarly, the forward P/E of 29x looks attractive given the top-tier growth story.



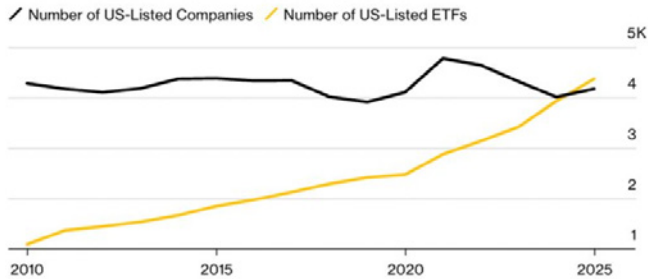
#### Chart #4

### In the US, the number of ETFs is now larger than the number of stocks

For the first time ever, there are now more ETFs (Exchange Traded Funds) in the United States than total number of stocks, Morningstar data shows.

The total number of ETFs is roughly 4.300 versus roughly 4.200 for stocks.

#### There Are Now More ETFs Than Stocks



Source: Bloomberg, ETF Tracker

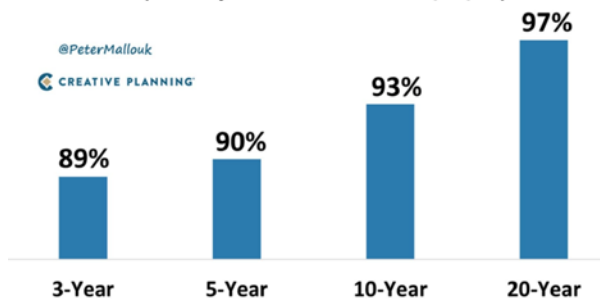
#### Chart #5

### The vast majority of US equity fund managers underperform their benchmark

The longer the time horizon, the higher is the percentage of funds underperforming the benchmark.

"Don't look for the needle in the haystack. Just buy the haystack!" - Jack Bogle

#### % of US Equity Funds Underperforming Their Benchmarks (Risk-adjusted returns as of 12/31/24)



Source: Peter Mallouk

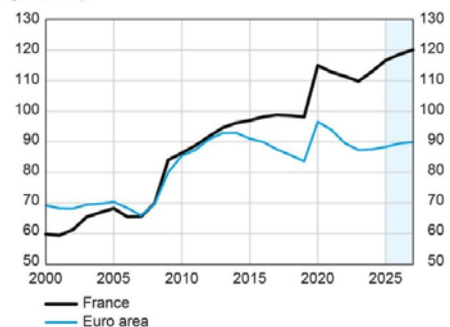
#### Chart #6

### There is a ticking bomb in the heart of Europe

Over the last decades, France has done nothing to stabilise its fiscal deficit and debt/GDP. It already has the highest tax burden in Europe, and higher taxes would further limit growth. Political paralysis means spending cuts are unlikely. The next confidence vote for Bayrou's government is approaching, and he is likely to lose. This could lead to a new prime minister or a snap parliamentary election. Since President Macron is unlikely to resign, markets will remain uncertain until the 2027 general election. In the meantime, French bond yields keep rising and their spreads versus German bonds is widening.

#### Chart 13: Public debt in France and the euro area

(percentage of GDP)



Sources: INSEE and Eurostat data up to 2024. Blue shaded area shows Banque de France and Eurosystem projections.

Source: Michel A. Arouet, INSEE

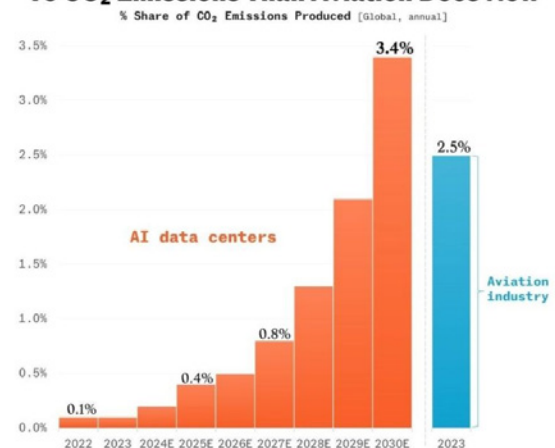
#### Chart #7

### AI data centres could soon contribute more to CO<sub>2</sub> emissions than aviation does now

An interesting chart by Chartr shows that AI data centres could soon contribute more to CO<sub>2</sub> emissions than aviation does today.

After boycotting flying, will climate activists start boycotting TikTok and YouTube with all the AI generated clips, and stop using Google, Facebook and the like?

#### AI Data Centers Could Soon Contribute More To CO<sub>2</sub> Emissions Than Aviation Does Now



CHARTR

Source: Accenture | Note: 2024-2030 figures are estimates

Source: Chartr, Michel A. Arouet

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## For further information

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Syz Private Banking 4/4

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