

The week in seven charts



Chart #1:

The “Bitcoin is dead” narrative just jumped the shark

Read more on page 2 - Source: AI generated

Another year, another “Bitcoin is dead” headline

Meanwhile, bitcoin and software equities are moving like twins. Each week, the Syz investment team takes you through the last seven days in seven charts.

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Chart #1

The “Bitcoin is dead” narrative just jumped the shark

Every cycle, the same headlines come back: Bitcoin is dead, it is a scam, it is a bubble, it is heading to zero. But “zero” is not an analytical conclusion; it reflects a failure to engage with the structural changes underway.

While public discourse remains anchored in familiar scepticism, the underlying landscape has evolved. US digital-asset legislation is advancing toward a potentially landmark framework, traditional financial institutions are preparing for large-scale asset tokenisation, and positioning once again appears crowded and short near the 200-week SMA. The transition from a purely speculative asset to an institutional financial instrument is gradual and inherently volatile. Historically, when the bear case relies on repetition rather than fundamentals, it often signals that part of the transition has already occurred. Back to the 200-week SMA. Rinse and repeat.

The “Bitcoin is dead” narrative has been repeated more than 1,000 times over the past decade, see, for example, this headline from The Washington Post nearly ten years ago.



Source: The Washington Post

Chart #2

Bitcoin and software equities look like twins

As shown in the chart below, the iShares Expanded Tech-Software Sector ETF (IGV) and Bitcoin have exhibited a strikingly similar price trajectory over the past cycle, despite being driven by different fundamentals.

Software equities remain primarily influenced by earnings expectations, valuation sensitivity to rates, and shifts in investor views on AI adoption, productivity gains, and long-term growth potential. Bitcoin is driven by liquidity conditions, positioning, macro risk sentiment and long-term adoption narratives.



Source: Bloomberg

Chart #3

Hardware vs. software

Over the past year, there has been a striking contrast between tech hardware and software stocks. Companies in hardware and semiconductors have seen the strongest performance, with average gains exceeding 50%. In contrast, software stocks have lagged significantly, posting average declines of more than 20%.



Source: Bespoke

Chart #4

The SaaSpocalypse

Anthropic's latest AI automation product has sparked significant concern across global technology markets, with analysts describing the reaction as a potential "SaaSpocalypse." The company has introduced 11 new plug-ins for its Claude Cowork agent, a no-code, agent-based AI assistant built specifically for enterprise use.

This solution is designed to streamline and automate a wide range of activities in areas such as legal services, sales, marketing, and data analytics. It is capable of handling routine and operational tasks including document analysis, regulatory compliance monitoring, risk identification, and large-scale data processing.

By directly addressing service-oriented professional workflows, the tool could meaningfully reshape demand in several industries. Consulting firms may face fewer client engagements and reduced billable hours. IT service providers could experience slower workforce growth or even staff reductions as AI increasingly replaces clerical and repetitive functions.



Source: Bloomberg

Chart #5

Big Tech is betting big on AI

Major tech companies are pouring huge sums into #AI, each striving to win the so-called "AI war." Combined capital expenditures (capex) for the Big 7 are expected to reach \$655 billion in 2026.

To put this into perspective, Germany's special infrastructure fund totals €500 billion... over 12 years.

Big Tech is spending big on AI in 2026



Source: The AI Investor

Chart #6

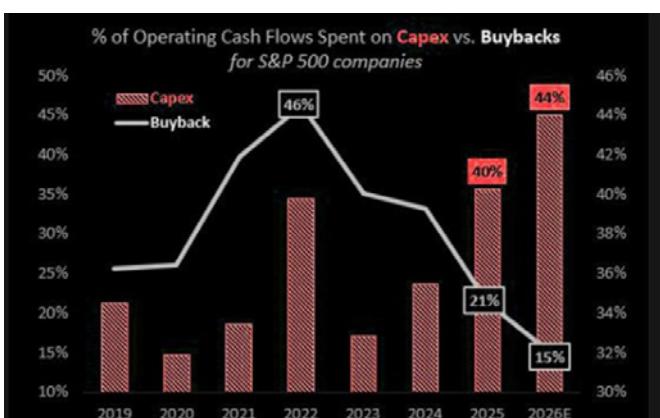
The end of the buyback era?

For decades, share buybacks were the main driver of shareholder returns, consistently exceeding capex as a share of operating cash flow. That relationship has reversed since the middle of last year.

Put simply, the balance has changed. In the past, buybacks outweighed capex, helping to fuel valuation multiple expansion. Today, capex has taken the lead, largely because of the intensifying "AI arms race."

As AI investment accelerates across the software sector, equity performance increasingly reflects the balance between long-term growth potential and near-term execution risk.

Elevated capex levels are likely to weigh on valuation multiples and contribute to continued pressure on free cash flow margins.



Source: Nomura / TME highlights

Chart #7

A profitable short position on silver

A Chinese billionaire trader has accumulated the biggest net short exposure in silver on the Shanghai Futures Exchange, controlling roughly 30,000 contracts, equivalent to about 450 tons of the metal.

Following the sharp decline in silver prices, this position has generated approximately \$300 million in unrealised gains. Even after accounting for losses on earlier trades, some of which had to be closed out the trader is still expected to earn a net profit of around 1 billion yuan, or roughly \$144 million.

This follows an earlier period of exceptional success, during which he reportedly earned close to \$3 billion from long positions in gold on the same exchange starting in early 2022.



Source: Global Markets Investor, Bloomberg

Welcome to Syzerland®

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