The week in seven charts

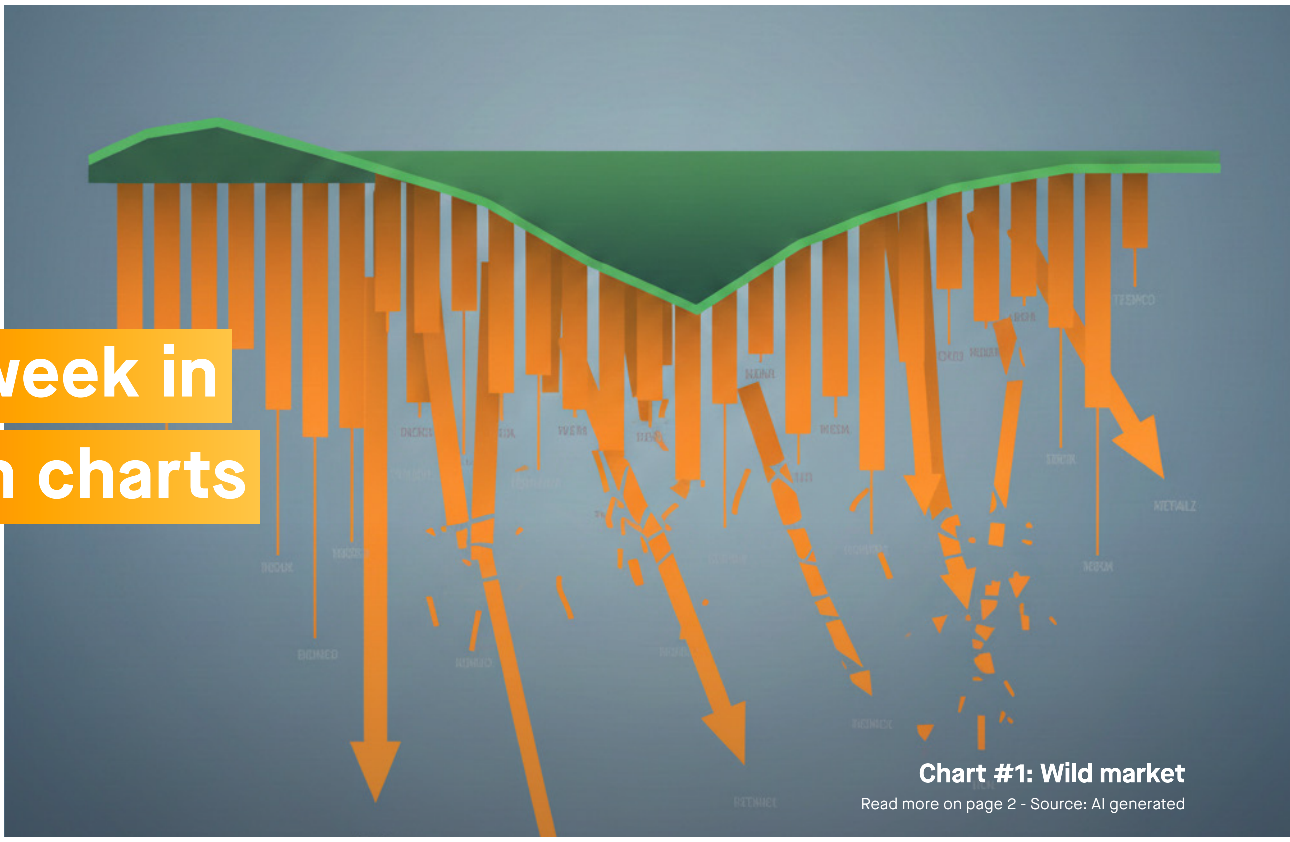

Chart #1: Wild market
Read more on page 2 - Source: AI generated

The S&P's rollercoaster-like moves and the United States' record high debt

Meanwhile, the Korean stock market surges to new levels. Each week, the Syz investment team takes you through the last seven days in seven charts.

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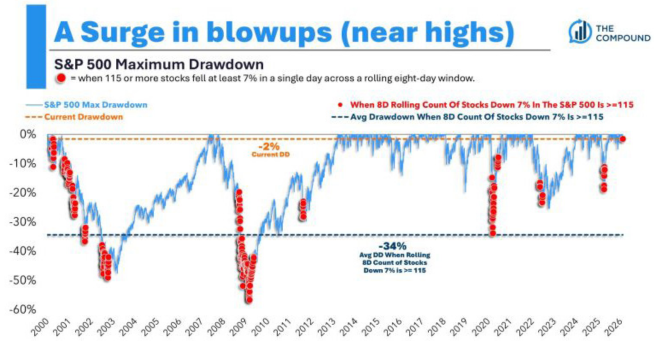
Chart #1

Wild market

The S&P 500 is still only 1.5% below its record high, but beneath the surface the moves have been far more dramatic. In the past eight trading days, 115 stocks in the index have fallen 7% or more in a single session. Historically, drops like that have been followed by average declines of roughly 34% from top to bottom.



Source: Michael Batnick

Chart #2

Record high margin debt

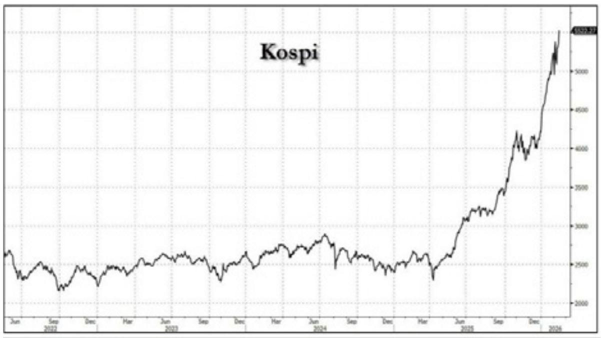
US margin debt has climbed to a record $1.23tr, exceeding the level reached at the height of the 2000 dot-com boom. In past cycles, surges in margin borrowing have often come just before meaningful market corrections. The question now is whether this time will follow the same pattern.

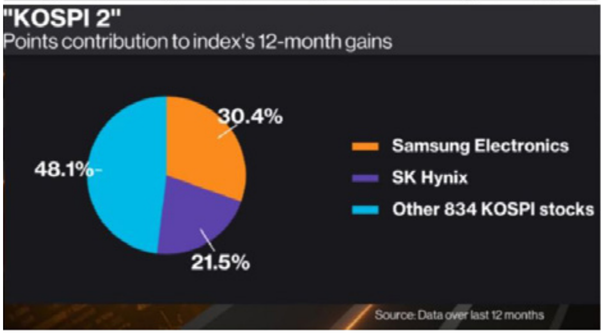
Source: BraVoCycles Newsletter, Wolfstreet

Chart #3

The Korean stock market is skyrocketing

In Korea's market, which has been one of the strongest globally, gains are heavily concentrated. Just two stocks have delivered 51% of the total increase, while the remaining 834 names together account for the rest of the index's net point gains. That kind of concentration may explain where some of the recent crypto momentum has gone.





Source: zerohedge, David Ingles

Chart #4

Will Truflation prove to be correct on the direction of US inflation?

If Truflation is accurately signalling inflation, the Fed may have room to cut rates, even with the US economy appearing resilient. Unlike the monthly Consumer Price Index, which is based on a fixed basket of goods and reflects past price movements, Truflation updates daily by aggregating millions of live price points from dozens of providers across retail, housing, and consumer markets.

Critics argue that CPI is backward-looking, may not fully reflect modern spending patterns, and can be influenced by changes in methodology. Built on blockchain infrastructure for transparency, Truflation aims to provide a more timely and verifiable view of how quickly purchasing power is changing.

Source: Macrobond, Steno Research

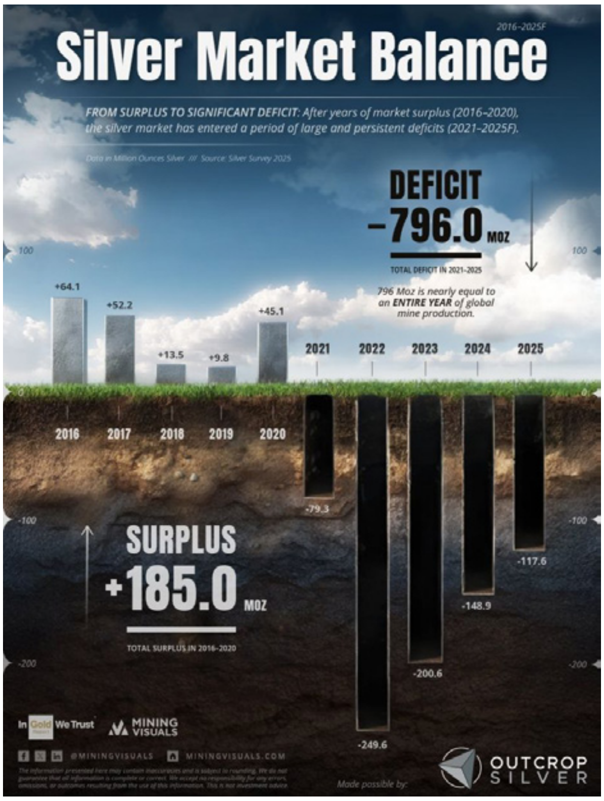
Chart #5

The silver deficit: a structural reality

Between 2016 and 2020, the silver market had a surplus of 185mn ounces. Since 2021, this trend has reversed, with a cumulative deficit of 796mn ounces expected through 2025. Overall, this represents a massive net shift of 981mn ounces in global supply.

To put this in perspective, the current deficit is roughly equal to an entire year of global mining production. In some years, supply shortages have reached 20–25%, showing how significant the imbalance has become.

The main issue is that silver supply cannot easily increase. Around 80% of silver is produced as a byproduct of copper and zinc mining. As a result, even if silver prices rise, production does not increase quickly, because mining companies focus primarily on copper and zinc, not silver.



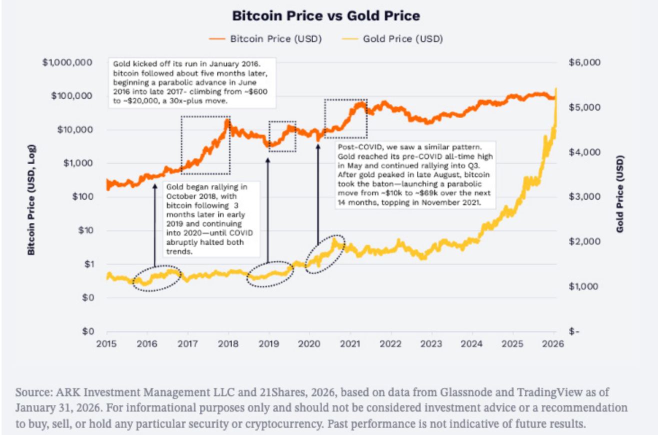
Source: Outcrop Silver

Chart #6

Gold leads bitcoin

Gold started rising in 2016, followed by bitcoin a few months later, eventually gaining nearly 30x by the end of 2017. The same pattern happened again: gold moved up in 2019 and bitcoin followed during the 2020–2021 bull run.

In 2025, gold reached new highs while bitcoin lagged. Since 2020, the correlation between bitcoin and gold has been low, at 0.14, meaning they don't move together consistently. However, history shows that gold often moves first, with bitcoin catching up later.



Source: Ark Invest Tracker

Chart #7

Has bitcoin reached the bottom?

Data suggests a potential short squeeze is forming. Despite widespread fear and uncertainty causing panic among retail traders, funding rates tell a different story: short positions are the heaviest since August 2024. Historically, such extreme negative rates have marked market bottoms, like when bitcoin later rose 83% over four months.

Exchanges like Binance and BitMEX show many traders are heavily betting on price drops with high leverage. Negative funding rates mean shorts pay longs, so even a small price rise could force short sellers to cover, triggering a squeeze. A similar situation happened on 10 October 2025, when aggressive shorting after long liquidations backfired, pushing prices up instead.

While negative funding rates don't guarantee an immediate rally, they make short positions risky. With low confidence in the market, many shorts may be liquidated rather than closed voluntarily. The key is to stay patient and avoid emotional moves, since markets often dip further before bouncing back.

Source: Santiment

Welcome to Syzerland®

For further information

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