The week in seven charts

Chart #1: What a turnaround for Fed rates expectations (as implied by Futures)

Read more on page 2 - Source: AI generated

From six cuts to two hikes (chart 1)

Meanwhile, retail investors are piling into SpaceX at an unprecedented pace, even as a massive wave of new supply could hit the market next summer. Each week, the Syz investment team takes you through the last seven days in seven charts.

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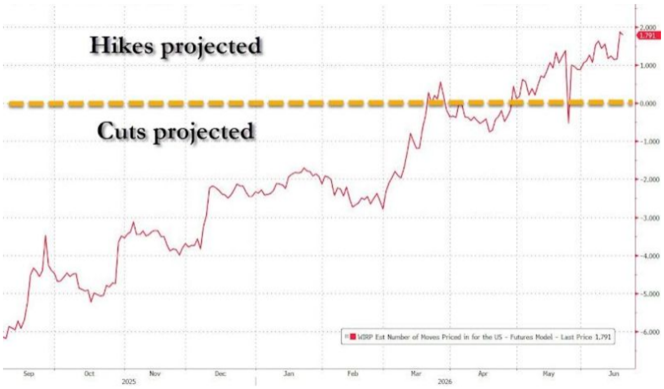
PRIVATE BANKING

Chart #1

What a turnaround for Fed rates expectations (as implied by Futures)

In the span of 10 months, the market has dramatically revised its expectations for Fed moves in 2026, from six cuts priced in back in September, to two hikes today, yet equities surged regardless.

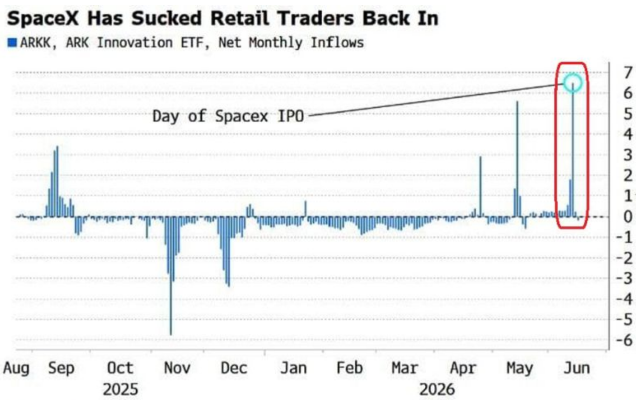


Source: ZeroHedge, Bloomberg

Chart #2

Retail investors are piling into SpaceX at an unprecedented pace

The ARK Innovation ETF saw roughly $7bn in inflows in June, its largest in nearly a year, with the surge happening precisely on the day of the SpaceX IPO. In the three trading sessions following the IPO, retail investors bought a net $369.8mn worth of SpaceX, according to Vanda Research. For context, retail investors purchased just $88.2mn of Nvidia over the same period. SpaceX's 3-day retail purchases roughly matched the combined total of Nvidia, Alphabet, Amazon, Microsoft, Meta, the S&P 500 ETF, and the Nasdaq 100 ETF taken together. The retail frenzy is unlike anything seen before.

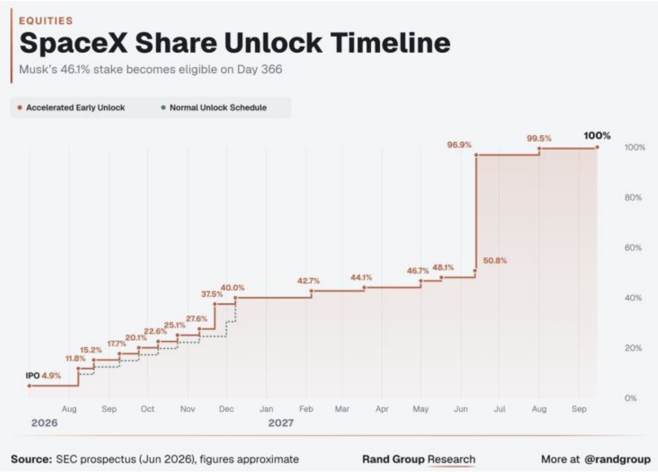


Source: Global Markets Investor, Bloomberg

Chart #3

A massive supply shock on Space X next summer

SpaceX sold only 4.9% of its shares at IPO. This chart shows when the remaining 95% becomes eligible to trade. Between June and July 2027, insider eligibility will jump from 50.8% to 96.9% in just a few weeks, turning today's constrained float into a much larger supply event. The small float that forced index funds to buy aggressively was only the first wave; the real supply arrives on Day 366.



Source: Rand Group

Chart #4

A massive bloodbath in the IT outsourcing sector

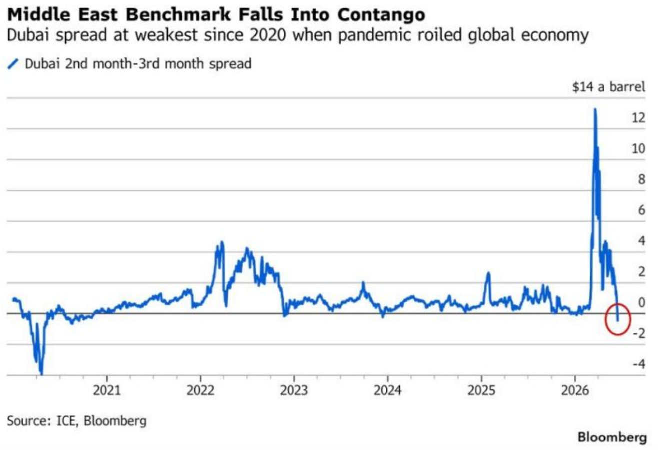
Accenture's latest earnings report disappointed investors, as the company lowered its full-year revenue outlook and recorded a 2% decline in quarterly bookings, causing its shares to plunge 18%. Given Accenture's leading position in the global IT services industry, the announcement triggered sharp declines across the sector, with companies such as Cognizant, Wipro, Capgemini, IBM, and EPAM all suffering significant losses. The selloff reflects weaker demand for IT consulting amid slower economic growth and growing concerns that artificial intelligence could replace services traditionally provided by outsourcing firms. These developments are particularly important for India, where major IT companies such as TCS, Infosys, HCLTech, and Wipro depend heavily on US and European clients. As Accenture's performance is often seen as a leading indicator for the Indian IT sector, its results have added pressure to Indian markets.

Source: Bull Theory

Chart #5

The Middle East oil benchmark curve is now in contango

According to Bloomberg's Michael Ball, oil flows through the Strait of Hormuz are creating an unusual challenge for crude markets, particularly in Asia. After adjusting to lower supplies from the Middle East, Asian refiners had turned to US crude and other alternatives while also reducing processing activity when prices increased. However, they are now facing a renewed influx of Persian Gulf oil. This shift has resulted in Middle Eastern crude curves moving into contango, a market structure generally associated with expectations of excess short-term supply rather than scarcity.



Source: Bloomberg, Zerohedge

Chart #6

Are semis priced for perfection?

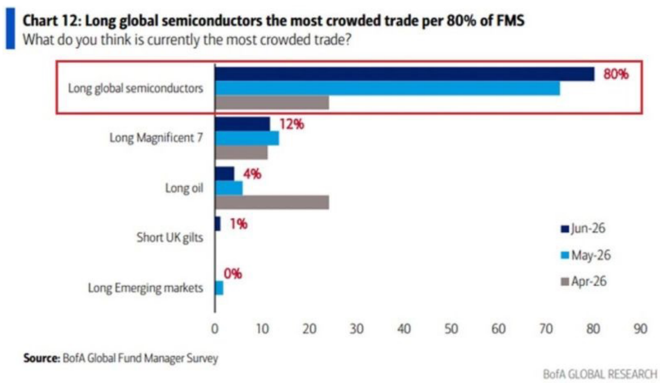
Semiconductor companies have gained an increasingly prominent position within global equity markets. JPMorgan highlights that the disparity between the sector's share of market capitalisation and its contribution to revenues has risen above six times, a level more than twice as high as the corresponding ratio observed for the Magnificent 7 stocks.

Source. TME, JP Morgan

Chart #7

The long semiconductors is seen as a hugely crowded trade

The latest Bank of America Fund Manager Survey indicates that 80% of respondents consider long positions in semiconductor stocks to be the most crowded trade in the market. Long exposure to the Magnificent 7 and oil ranks just behind semiconductors.



Source: BofA Fund manager survey, Cointelegraph

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For further information

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