The week in seven charts

A record US-China yield gap?

Meanwhile, European countries are having their own bond crisis... Each week, the Syz investment team takes you through the last seven days in seven charts.

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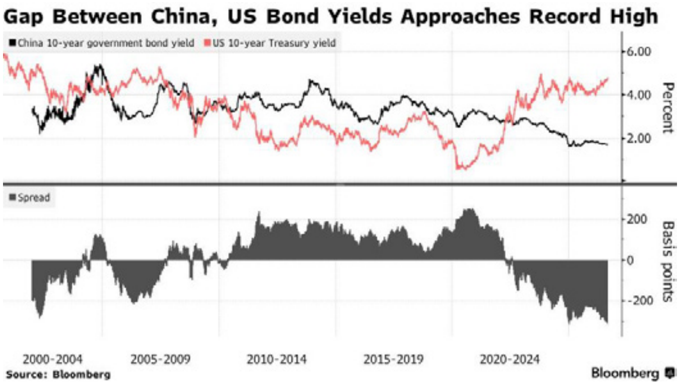
Chart #1

The US-China bond yield gap is about to hit all time high

The US 10-year Treasury yield climbed to 4.81%, its highest level in nearly three years, while China's 10-year yield held steady at 1.69%, widening the spread to 312 basis points.

This divergence reflects contrasting monetary policies: the Fed is raising rates to combat inflation while China is cutting rates to counter slowing growth, and that policy split is driving the spread wider.



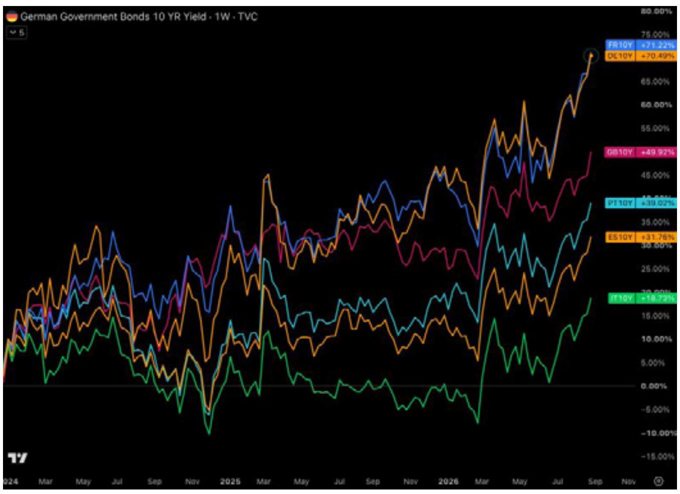
Source: Bull Theory, Bloomberg

Chart #2

European countries are having their own bond crisis

Germany's 10-year yield rose to 3.38%, its highest level since 2011. France's 10-year yield reached its highest point since November 2008, nearly 18 years. Italy's 10-year yield climbed to 4.246%, a near three-year high, while Spain's rose to 3.849%, its highest since November 2023. In the UK, the 10-year yield hit a 19-year high, and the 30-year yield reached a 28-year peak.

Behind this broad-based rise across European bond markets is the Iran war, which has pushed oil prices higher and driven Eurozone inflation to 3.3% in August, its highest reading since September 2023. With inflation reaccelerating, traders are now pricing an 80% chance of two ECB rate hikes by December, suggesting borrowing costs across Europe could keep climbing from here.

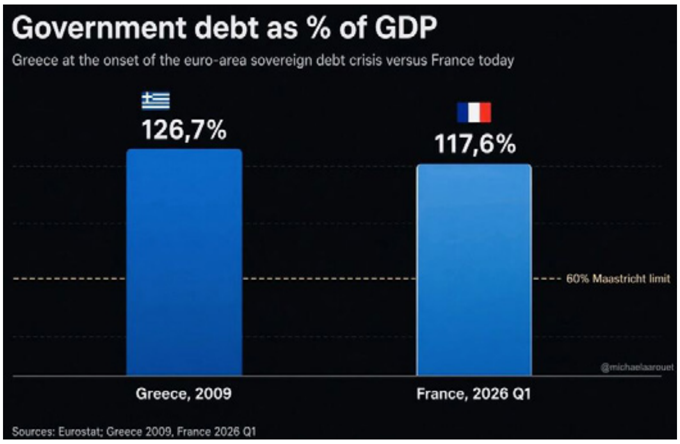


Source: Bull Theory, Bloomberg

Chart #3

Is France the new epicenter of a European bond crisis?

On Thursday, France's 10-year bond yield climbed to 4.27%. While the first euro crisis, triggered by Greece, involved hundreds of billions of euros. France's debt, by contrast, stands at 3.53 trillion euros, making the stakes considerably larger today.

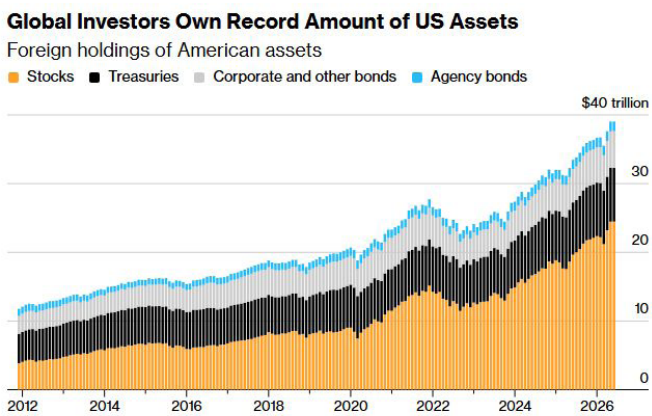


Source: Michel A.Arouet

Chart #4

Global investors own a record number of US assets

Global investors currently hold nearly $40tn in US assets, an all-time high according to Bloomberg and US Treasury data. This total spans stocks, Treasuries, corporate and other bonds, and agency bonds, with equities accounting for the largest share. The growth has been especially steep since 2020, roughly doubling in under six years.



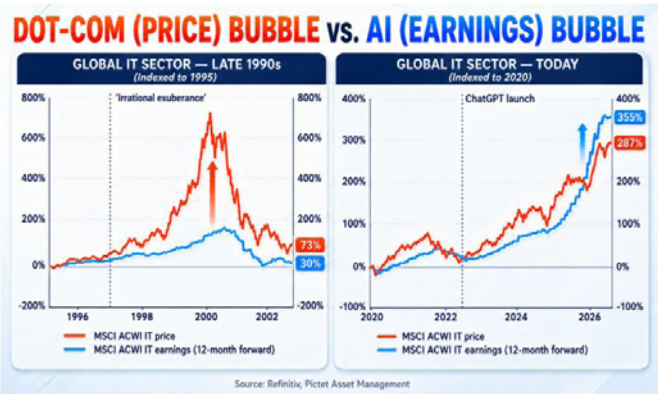
Source: Barchart, Bloomberg

Chart #5

Dot-com (price) bubble vs. AI (earnings) bubble

The AI super cycle sets itself apart from the dotcom bubble of 25 years ago in one key way: stock price gains this time are actually being backed up by real IT earnings growth, shown here in blue against price appreciation in red.

That does not mean the picture is free of doubt. Whether these earnings can hold up, how circular financing arrangements factor in, and the competitive threat from China all remain open questions. Still, for now, the dynamics look meaningfully different from what played out at the turn of the century.



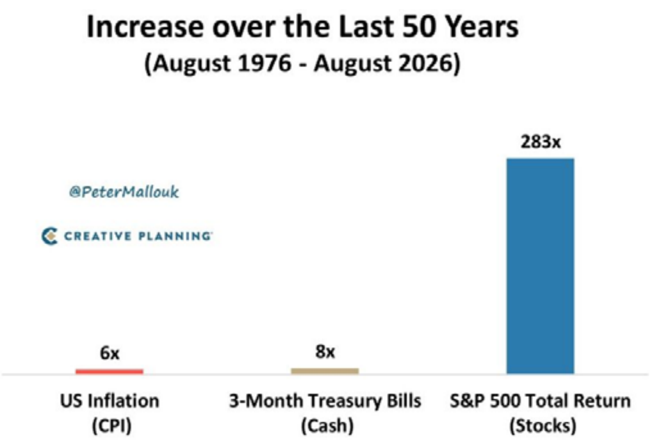
Source: Refinitiv, Asset Management

Chart #6

Is this the most compelling chart for being a stock market investor?

Over the past 50 years, US inflation has risen sixfold, while US Treasury bills have grown eightfold, only modestly outpacing the cost of living. The S&P 500, by contrast, delivered a total return of 283 times its starting value over the same period.

The gap is striking. Over the long run, equities have far outpaced both inflation and short-term government debt, making them a far stronger tool for preserving purchasing power over time.



Source: Peter Mallouk

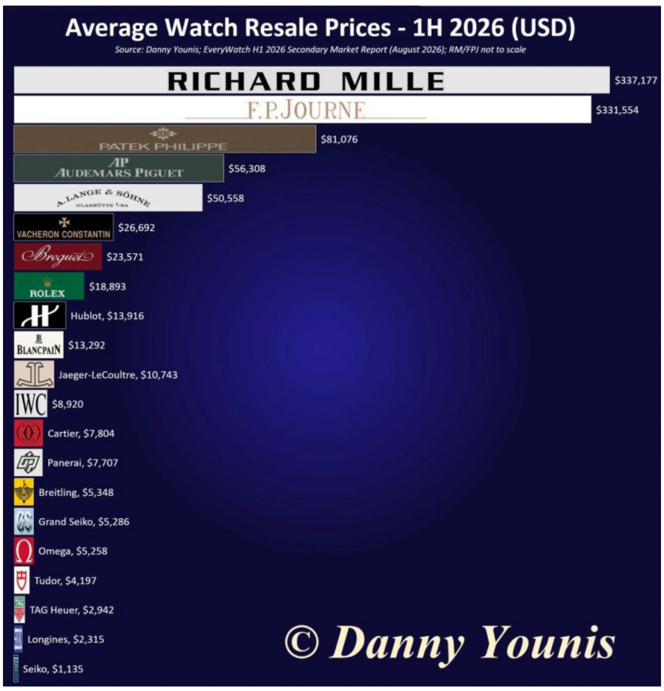
Chart #7

Average watch resale prices in H1 2026 by brand (in USD)

EveryWatch's "H1 2026 Secondary Market Report," compiled by Giovanni Prigigallo, draws on real sales data covering more than 795,000 watches sold globally in the first half of 2026, across 650 dealers and 472 auction houses. The findings position luxury watch resale prices as a battleground for collector status, one in which only a handful of brands consistently command six-figure prices.

Independent watchmakers, rather than the major houses, top the rankings. Richard Mille and F.P.Journe (Invenit et Fecit) stand out as the independent giants, outpacing established players entirely and commanding an average price above $330,000, making them the ultimate power statement in the category. Other lesser-known independents such as Greubel Forsey and MB&F were excluded from direct comparison but also post average prices above $100,000. Among the major houses, Patek Philippe leads its peers with an average price above $80,000, followed by Audemars Piguet and A. Lange & Söhne, both averaging above $50,000.

Rolex, by contrast, trails far behind at an average of just $19,000, despite dominating the market on both share and value: the brand holds 41% market share and generated $4.3bn in sales during the half, a 44% increase year over year.



Source: Danny Younis

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