

The week in seven charts



Source: AI generated

Can Big Tech afford its AI ambitions?

Meanwhile, France's debt problem has no clear political owner, and Europe's housing markets are moving in different directions. Each week, the Syz investment team takes you through the last seven days in seven charts.

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Chart #1

AI's debt bill is becoming a problem for tech stocks

Five-year credit default swap (CDS) spreads indicate how much investors pay to insure corporate debt against default. Their recent increase points to growing caution about the financing outlook for major AI companies.

Oracle's spread is approaching 300 basis points, implying an annual premium of approximately USD 300,000 to protect USD 10mn of debt. SpaceX and Broadcom have also recorded substantial increases.

The concern is whether future AI revenues can support the vast sums now being committed to semiconductors, data centres and energy infrastructure.

For equity markets, the implications run through three main channels:

- › Financing: more expensive borrowing can weaken the expected returns on new investment.
- › Valuations: elevated capital expenditure reduces available cash, and uncertainty over future profitability can weigh on earnings multiples.

Contagion: if cloud operators moderate their spending, orders for chipmakers and infrastructure providers may slow.

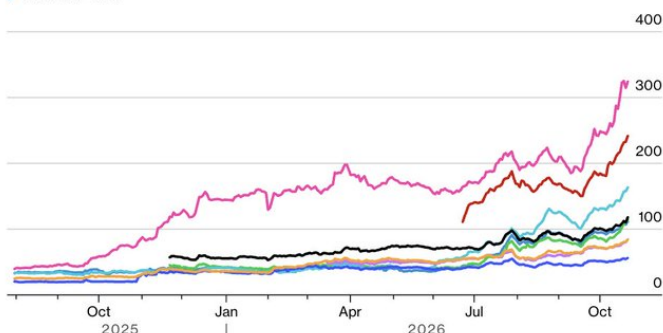
The heavy representation of AI-related companies in the Nasdaq means that changes in sentiment towards the sector can have an outsized effect on the index.

Wider CDS spreads suggest greater risk aversion but do not necessarily point to imminent defaults. They are also only one of several factors behind the recent weakness in technology shares.

AI Credit Risk Reaches New Highs

Five-year credit-default swaps on hyperscalers and chipmakers

Meta 5Y CDS Amazon 5Y CDS Microsoft 5Y CDS Alphabet 5Y CDS
Broadcom 5Y CDS SpaceX 5Y CDS Nvidia 5Y CDS Oracle 5Y CDS
AMD 5Y CDS



Source: ICE Data Services

Paid partnership with Liquid. StockSavvyShay received compensation from Liquid for this content.

Source: Bloomberg

Chart #2

World's largest wealth fund posts \$30bn loss after bond market turbulence

A positive contribution from equities was insufficient to offset weakness in bonds and the appreciation of the Norwegian krone. Norway's sovereign wealth fund ended Q3 with a loss of roughly USD 30bn.

The fund recorded a quarterly decline of NOK 278bn, with rising interest rates reducing the value of its fixed-income holdings.

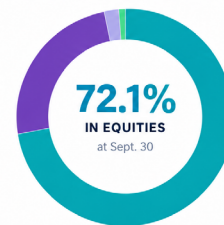
For a portfolio worth about USD 2.3tn, the result illustrates the impact that interest-rate and currency movements can have, even on highly diversified institutional portfolios.

Norway's Sovereign Wealth Fund Stocks held up. Bonds did not.

Q3 2026 / OCT 22

Q3 2026: Equities gained 0.5%. Fixed income lost 3.5% as interest rates rose.

WHERE THE FUND WAS INVESTED



QUARTER-END WEIGHTS / Q3 RETURNS

ASSET CLASS	WEIGHT	RETURN
Equities	72.1%	+0.5%
Fixed income	25.8%	-3.5%
Unlisted real estate	1.6%	+0.4%
Renewable infrastructure	0.5%	+7.5%

Highest return ≠ biggest impact.
Renewable infrastructure was only 0.5% of assets.

Source: Alinvest Wire

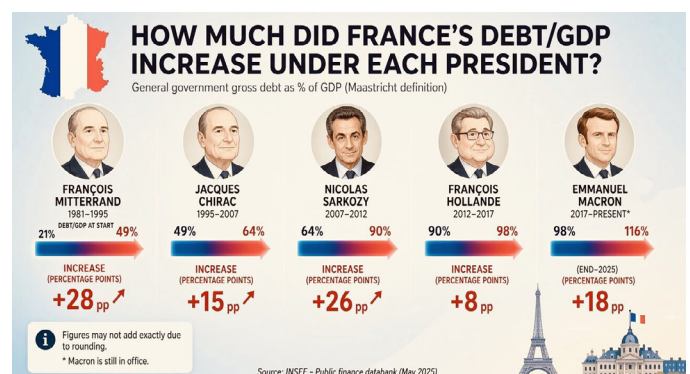
Chart #3

France's debt problem has no single political owner

Years of persistent budget imbalances have taken France's public debt close to 120% of GDP. Higher government bond yields increase debt-servicing costs. That adds pressure to fiscal deficits and, in turn, creates a need for further borrowing.

Subdued economic growth offers limited relief. Opposition to reform and recurring political instability also make a sustained fiscal adjustment difficult to deliver. The longer borrowing costs stay elevated, the more demanding the outlook becomes for France's public finances.

For European investors, the implications extend beyond France. A deterioration in confidence in French sovereign debt could also put pressure on the wider euro area.



Source: Michel A. Arouet, INSEE

Chart #4

France's fiscal problem is becoming a corporate earnings problem

Carrefour shares reportedly dropped by more than 13% on Wednesday after the retailer lowered its outlook. It warned that looting and disruption across its stores could reduce operating income by EUR 80–200mn.

The pressures facing businesses come against an already difficult fiscal backdrop:

- › public debt stands near 119% of GDP
- › the government deficit exceeds 5% of GDP
- › public expenditure amounts to roughly 57% of GDP

Episodes of unrest can further weaken confidence, interrupt commercial activity and put tax receipts at risk.

The pressures can become self-reinforcing:

- › repeated budget shortfalls increase financing requirements
- › higher bond yields add to the interest bill
- › slow economic growth makes the fiscal adjustment more difficult
- › political opposition delays structural measures

A sovereign debt crisis is not a foregone conclusion. However, delaying fiscal decisions may make the eventual adjustment more costly. Given the scale of the French economy and its sovereign debt market, a severe fiscal shock would pose a much larger test for the euro area than the Greek crisis.

Carrefour SA
EPA: CA

13,72 EUR ↓ 16.86% -2.79 past 5 days

22 Oct, 16:14 CEST • Disclaimer



Source: Michel A. Arouet

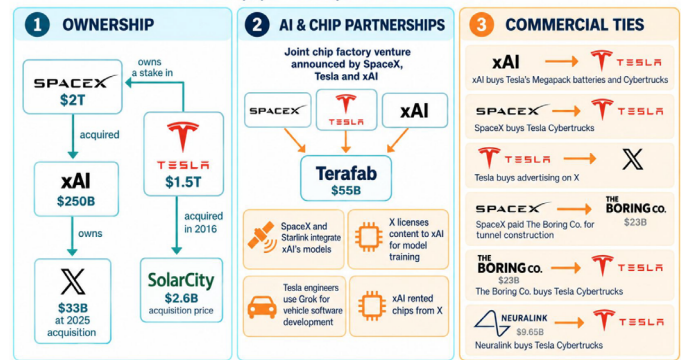
Chart #5

The Musk universe

This diagram traces the ownership interests, AI and chip partnerships, and commercial arrangements linking Elon Musk's companies.

MUSK'S INTERCONNECTED UNIVERSE

Ownership, partnerships and commercial ties



Figures and relationships as shown in the original • 20 October 2026
\$33B: X equity value at acquisition. SolarCity was restructured as Tesla Solar.

Source: Syz Bank

Chart #6

Europe's housing markets are moving in different directions

Residential property prices per square metre have followed very different paths across European cities over the five-year period shown in the chart.

- › Luxembourg: -11%
- › Paris: -4%
- › London: -2%
- › Vienna: -2%
- › Montenegro coast: +79%
- › Sofia: +64%
- › Málaga: +59%
- › Alicante: +48%
- › Zagreb: +44%

Several established western European markets have seen limited price growth or outright declines. Gains have been much stronger in a number of comparatively affordable locations in southern and eastern Europe.

EUROPE · RESIDENTIAL PRICES PER M²

Europe's housing market has flipped. Its cheapest cities are growing fastest.

Change in average price per square metre over the last 5 years, in euros. Current price per m² under each city.



Global Property Guide
globalpropertyguide.com • 138 European cities compared, October 2026 * new-build / primary market data

Source: Global Property Guide

Chart #7

CFA Level III pass rate stays below its ten-year average

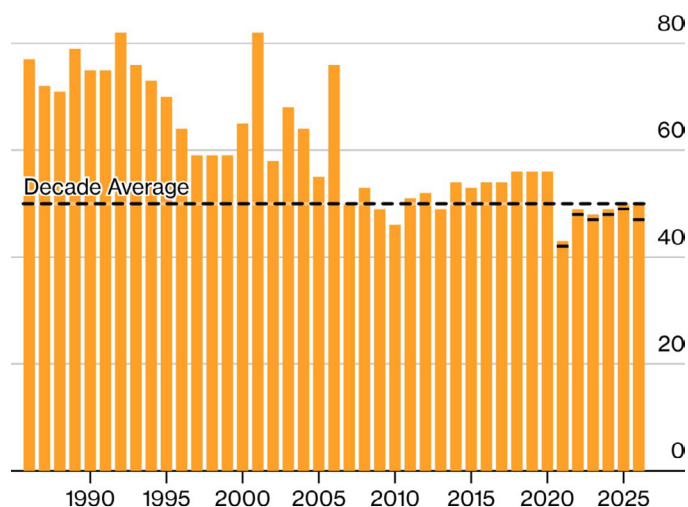
The pass rate for the August CFA Level III examination stood at 47%, according to CFA Institute data reported by Bloomberg.

That compares with 50% in both February and August 2025 and remains below the 50% average recorded over the previous decade. The pass rate has not surpassed that benchmark since 2020.

The figures also reveal a wide difference between candidates sitting the exam for the first time and those who had deferred it. First-time candidates achieved a 56% pass rate, compared with 31% among candidates with at least one deferral.

Pass Rate for Final CFA Exam Stays Below Decade Average

Level III success falls to 47% in August, lower than 50% average over 10 years



Note: 2020 Level III exam administered in December. In 2021, exam given three times. Prior to Covid-19, exam given in June only.

Source: CFA Institute

Source: Bloomberg

Welcome to Syzerland®

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