

The week in seven charts



The 10-year Treasury yield hits a 19-year high

Meanwhile, US earnings growth leaves the rest of the world behind. Each week, the Syz investment team takes you through the last seven days in seven charts.

Chart #1

The 10-year Treasury yield just surged above 5.20% for the first time in 19 years

The US 10-year Treasury yield has climbed nearly 30 basis points in only two days, one of the sharpest bond selloffs in years. Yields were last at comparable levels in 2007, the year the US economy slipped into the recession that ultimately turned into the Global Financial Crisis.

There are clear drivers behind the move. September's flash PMI reached a five-year high, inflationary pressures are building again and markets are pricing in a more hawkish Fed. Meanwhile, oil is hovering close to \$100 and heavy government borrowing continues to weigh on the bond market.

That is why the 5.20% level matters. The 10-year Treasury serves as the benchmark for mortgage rates, corporate borrowing costs and valuations across financial markets, so each further rise adds pressure to the entire financial system.



Chart #2

The gap between US earnings growth and the rest of the world has never been wider

Since 1990, US corporate earnings have increased by almost +1,300%, compared with a +500% rise for companies outside the US over the same period. US earnings growth has therefore been 2.6 times that of the rest of the world. Over the same span, profit growth outside the US was broadly flat between 2008 and 2025. The US economy stands apart.



Source: The Kobeissi Letter

Chart #3

America's debt problem is becoming a growth test

Gross federal debt stood at roughly 63% of GDP when Bill Clinton entered office. The most recent figure exceeds 122%.

Wars, tax cuts, financial crises, a pandemic and mounting long-term spending have all contributed. Interest costs are now adding to the total, with the CBO projecting net interest outlays of more than \$1tn in 2026.

How then can the US regain control?

- ▶ **Faster growth:** raise productivity and lower the barriers to investment.
- ▶ **Long-term costs:** put Social Security and Medicare on a sustainable footing.
- ▶ **Funding new commitments:** pay for spending increases and tax cuts rather than borrowing to finance them.

Growth is the most attractive way out, and AI may help provide it.

The question is whether AI-driven productivity gains can outpace the debt and its interest costs, or whether the temptation to inflate the burden away will keep growing.

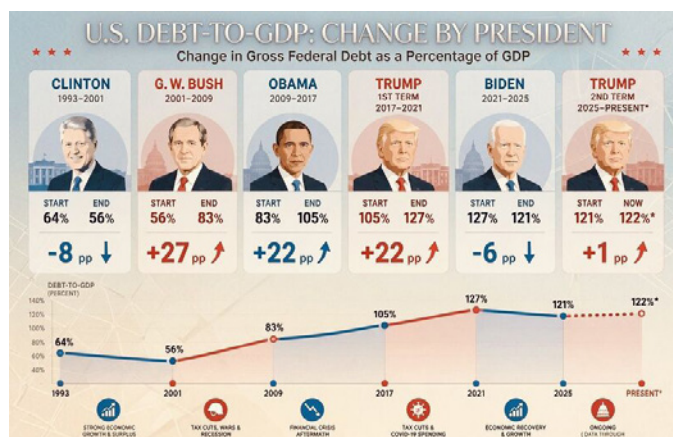


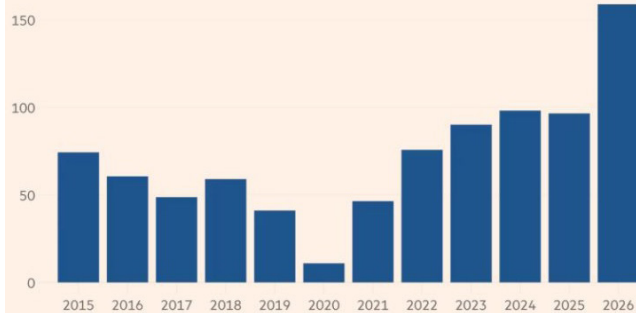
Chart #4

China has spent a record amount on gold imports this year

China imported over 1,000 tonnes of gold in the first eight months of 2026, at a record cost of \$158.8bn, already well above the \$96.5bn spent over the whole of 2025. The demand is not limited to the central bank. With a weak property market, subdued equities and low bond yields, Chinese households and investors are turning to gold as a store of wealth that does not depend on any issuer's promise to pay. At the same time, China's holdings of US Treasuries dropped to \$618bn in July, the lowest since 2008.

China has spent a record amount on gold imports this year

Chinese gold imports (\$ bn)



Note: This applies to HS code 71081200, which is for unwrought gold.
Source: General Administration of Customs of the People's Republic of China

Source: FT

Chart #5

The iPhone got 6.3% more expensive this year. In gold terms, it actually got cheaper

Priced in gold, the 1 TB iPhone 18 Pro Max costs 0.38 ounces, less than half the 0.92 ounces required for the first model in 2007. This year also marks the 20th edition of both the iPhone and the In Gold We Trust Report.

iPhone/Gold Ratio



Source: In Gold We Trust

Chart #6

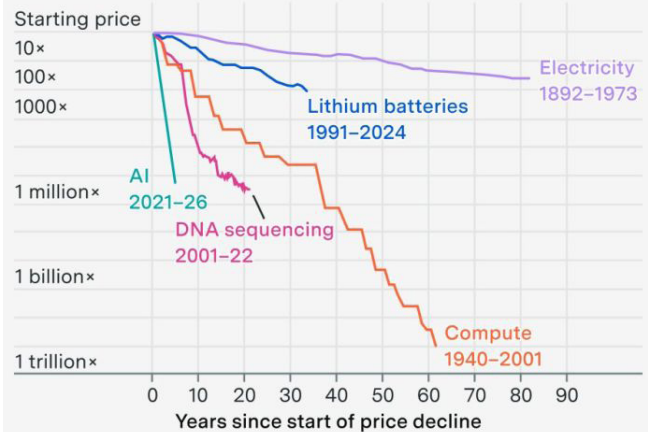
Artificial thought may be getting cheaper faster than any transformative technology in history

AI costs are declining faster than those of any previous transformative technology. For a given level of performance, prices have dropped by around 47% per quarter since 2023.

This pace is four times faster than DNA sequencing, six times faster than computing, 18 times faster than lithium batteries and, through 1973, 54 times faster than electricity.

The price of artificial thought may have fallen faster than for any other transformative technology in history

Relative cost (cheaper)



All prices adjusted for inflation. Compute series stops merely for lack of newer data. Sources: Electricity: Hersh (1999), Figure 2.1, and EEI (1995), Table 63. Compute: Nordhaus (2007), Appendix Table 2. Batteries: Fouquet (2026) via Our World in Data. DNA sequencing: National Human Genome Research Institute. AI line is 47%/quarter (12.7x/year), per estimates reported here for 2023-26; the extrapolation of that rate back to 2021 is broadly validated by Appenzeller (2024)'s finding that per-token prices for models clearing a certain capability threshold fell 10x/year in 2021-24.

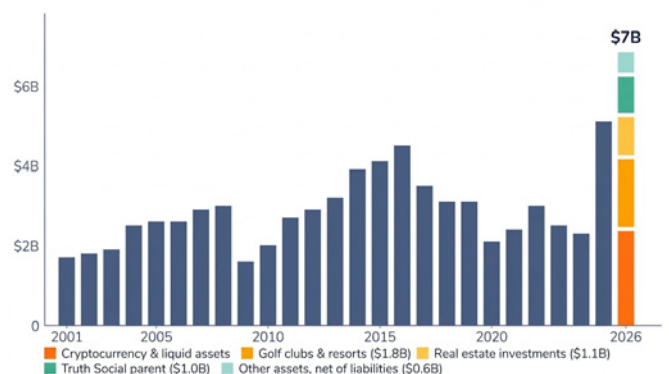
Source: Epoch AI

Chart #7

Trump's net worth hit \$7bn in 2026

According to Forbes data, this is three times its level in early 2024.

Donald Trump's Net Worth and Asset Composition



Source: Steve Rattner

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