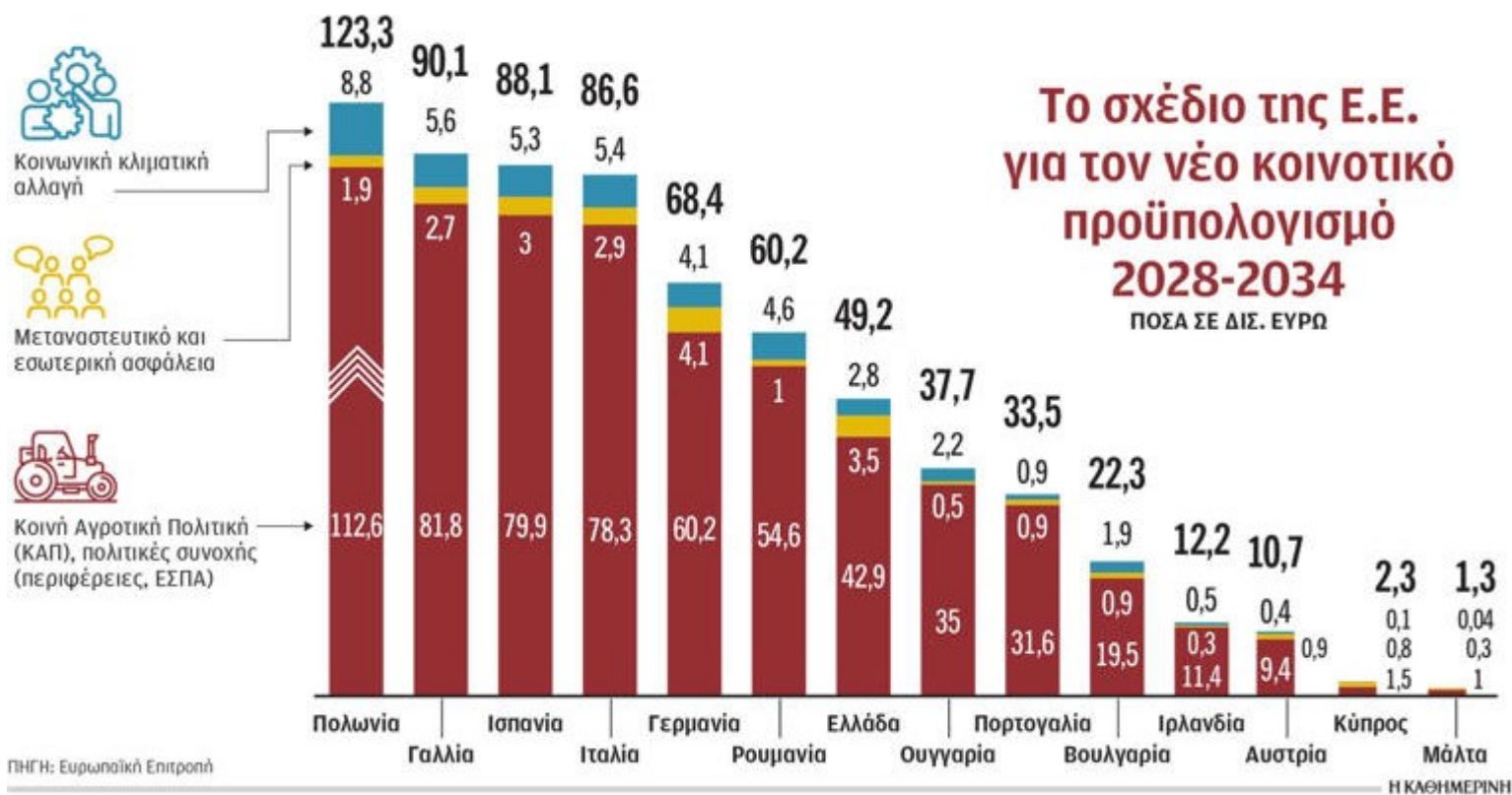


Global Markets Fall 2025

Dr. P.Dantis
Director of Analysis

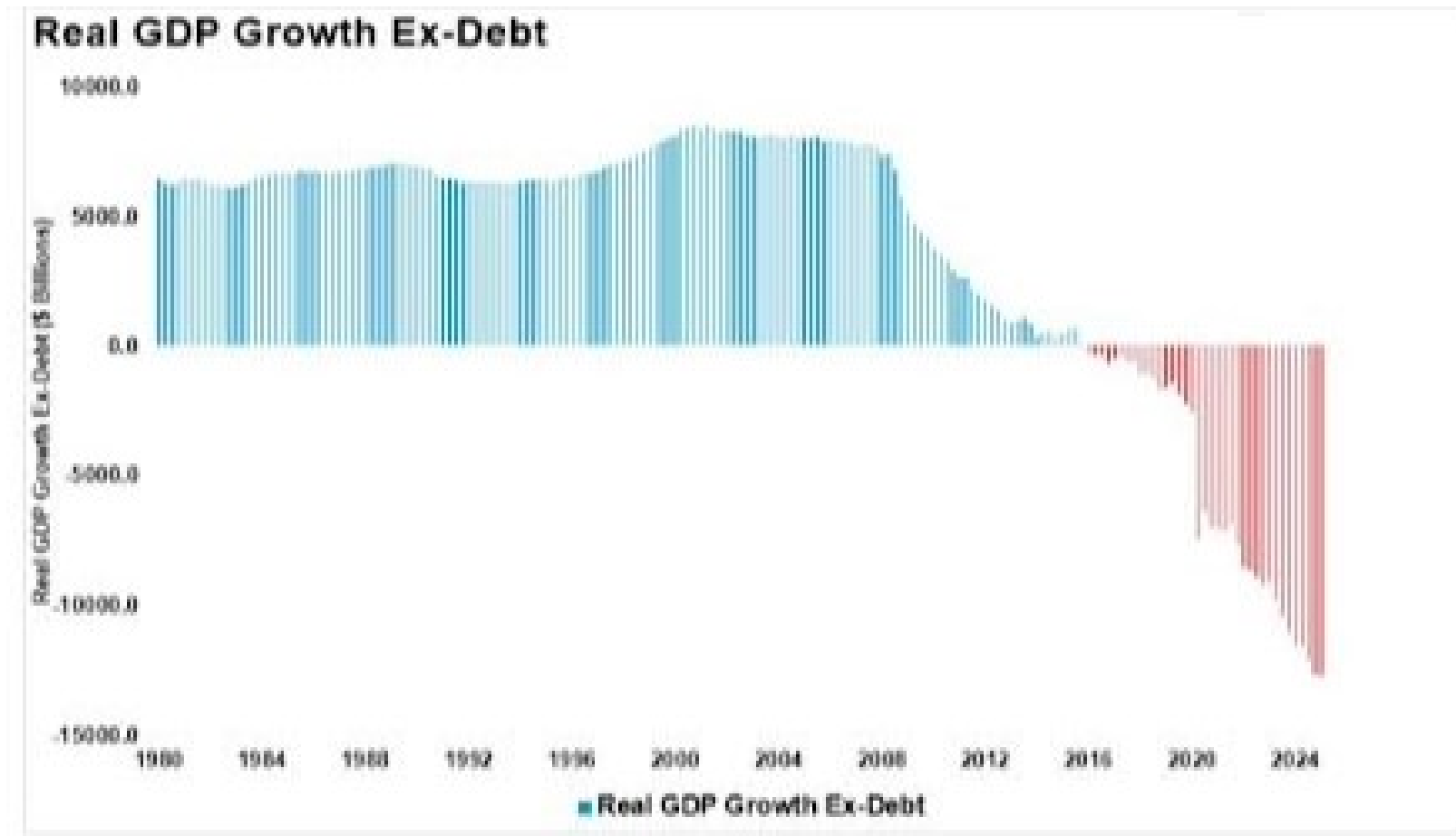
Ο νέος Κοινοτικός Προϋπολογισμός



Magnificent -7 turns to M-2



Real GDP Growth ex-Debt....



Wealth inequality widens

Data highlight the imbalance :

- The top 1% (around 1.3 million households) now hold \$52 trillion in net worth
- The bottom 50% (around 66 million households) hold just \$4 trillion
- This means the wealth of the top 1% is 13 times larger than the combined wealth of half of all American households.

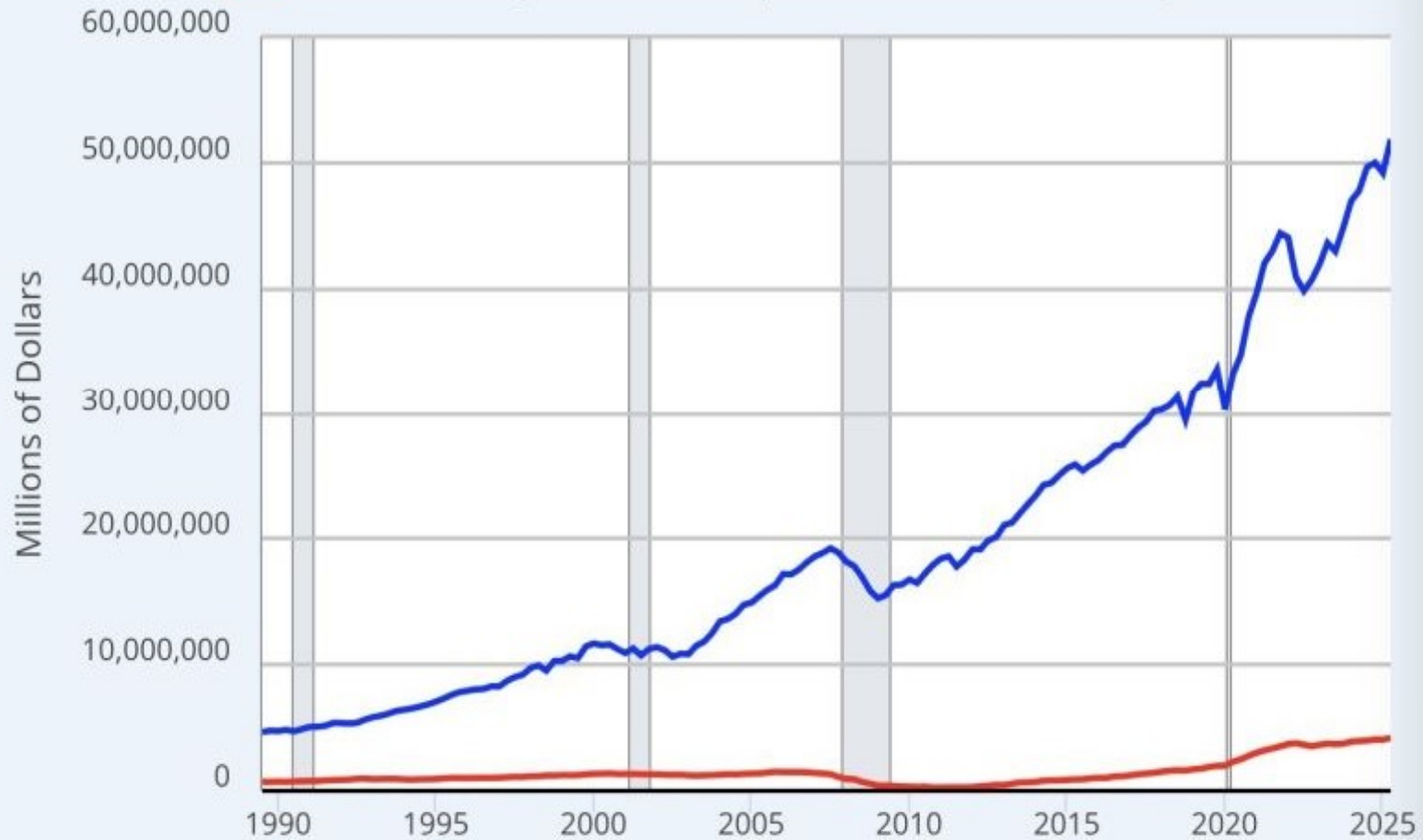
This raises important questions for policymakers, markets, and society :

- How sustainable is such a gap for long-term economic growth?
- What does it mean for consumption, savings, and investment behavior?
- Could wealth inequality itself become a systemic risk?

The concentration of wealth is not just a social issue — it is a macroeconomic factor.

FRED 

- Net Worth Held by the Top 1% (99th to 100th Wealth Percentiles)
- Net Worth Held by the Bottom 50% (1st to 50th Wealth Percentiles)



Source: Board of Governors of the Federal Reserve System (US) via FRED®

Shaded areas indicate U.S. recessions

A scary chart 1 : SPX (2018 – 2025)



A scary chart 2 - SPX touched the upper trendline 2 times before, 1929 & 2000...



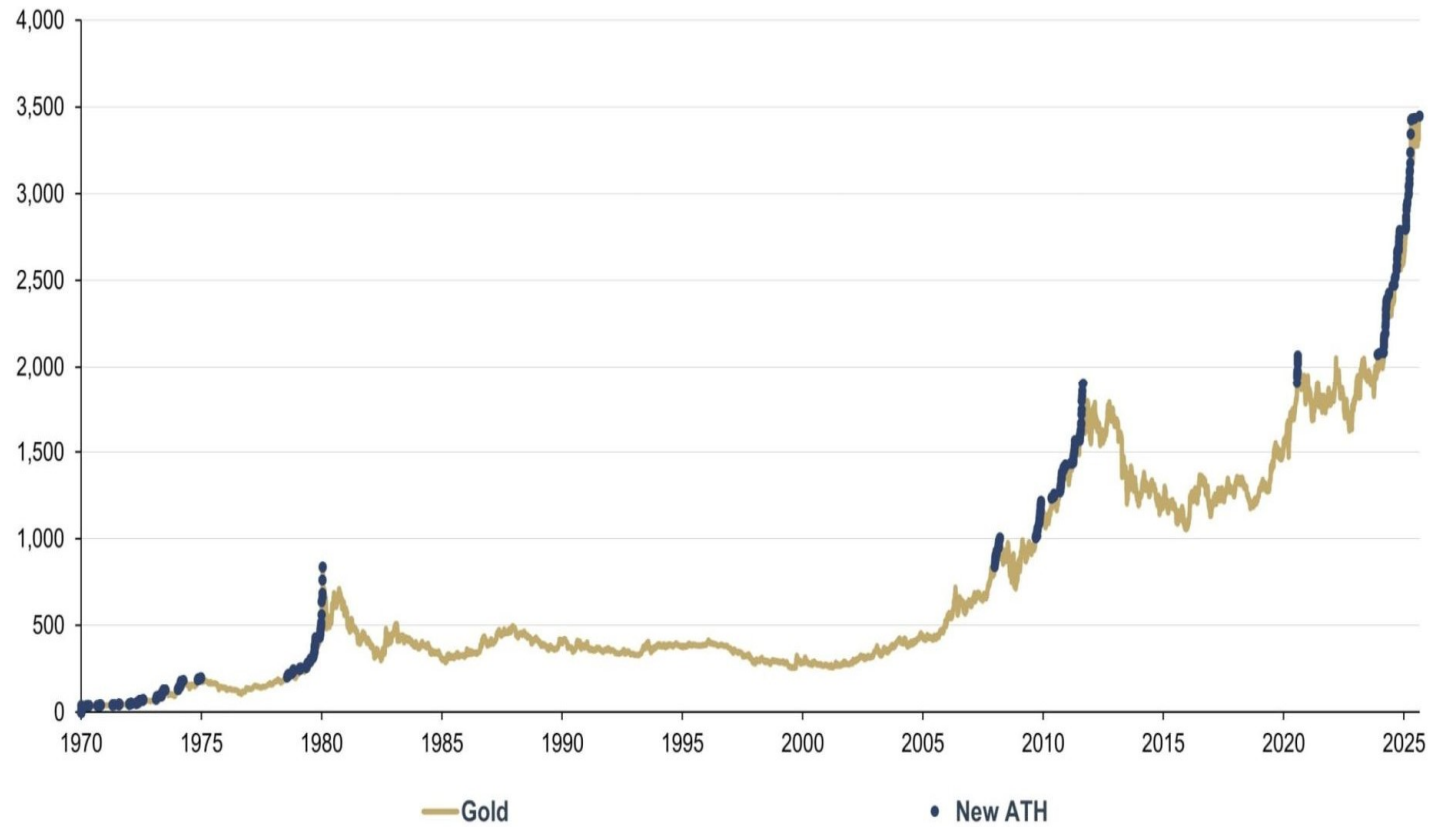
Gold – be aware :

- An asset can stay overbought during a long period of times in a bull run.
- And the market isn't speculating; it's rationally repricing the metal for a new era of fiscal dominance, negative real yields, and de-dollarization.

Gold hits most overbought level on the monthly chart in 45 years



Gold, in USD, and New ATH, 01/1970–08/2025



Source: 3Fourteen Research, World Gold Council, LSEG, Incrementum AG

What is a BUBBLE ?

Exhibit 11: The 2000s saw a decoupling of prices from earnings

Cisco share price and earnings expectations
Index level, rebased to 100 in January 1998



Source: IBES, LSEG Datastream, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Data as of 12 November 2024.

Exhibit 12: Today, rapidly rising earnings have supported tech valuations

Nvidia share price and earnings expectations
Index level, rebased to 100 in January 2020

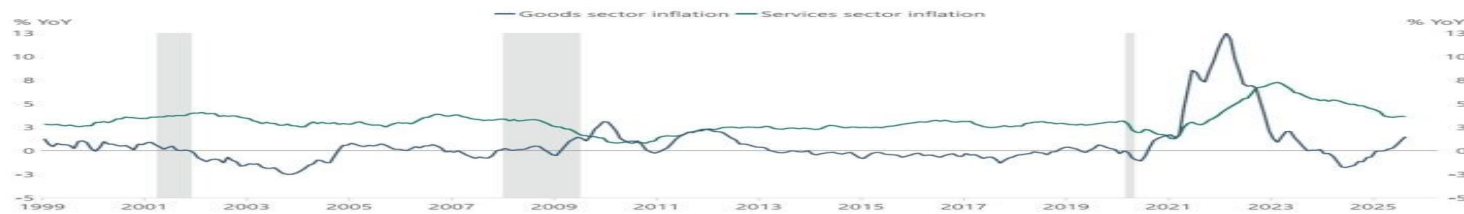


Source: IBES, LSEG Datastream, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Data as of 12 November 2024.

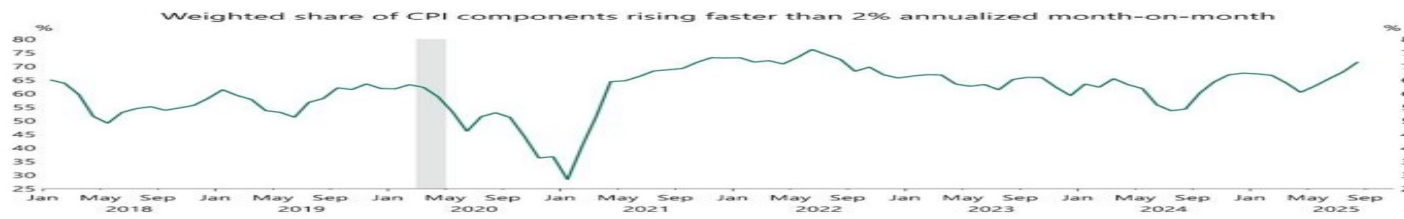
by Lin @speculator_io

Inflation trend is not FEDs friend ...

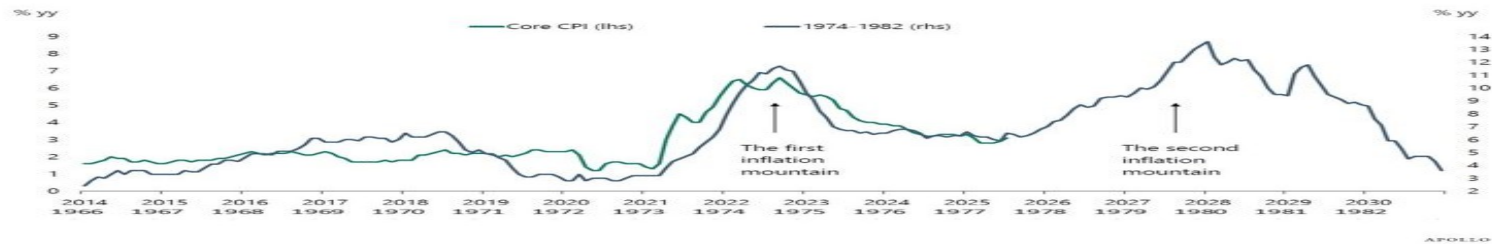
Goods inflation going up and services inflation no longer declining



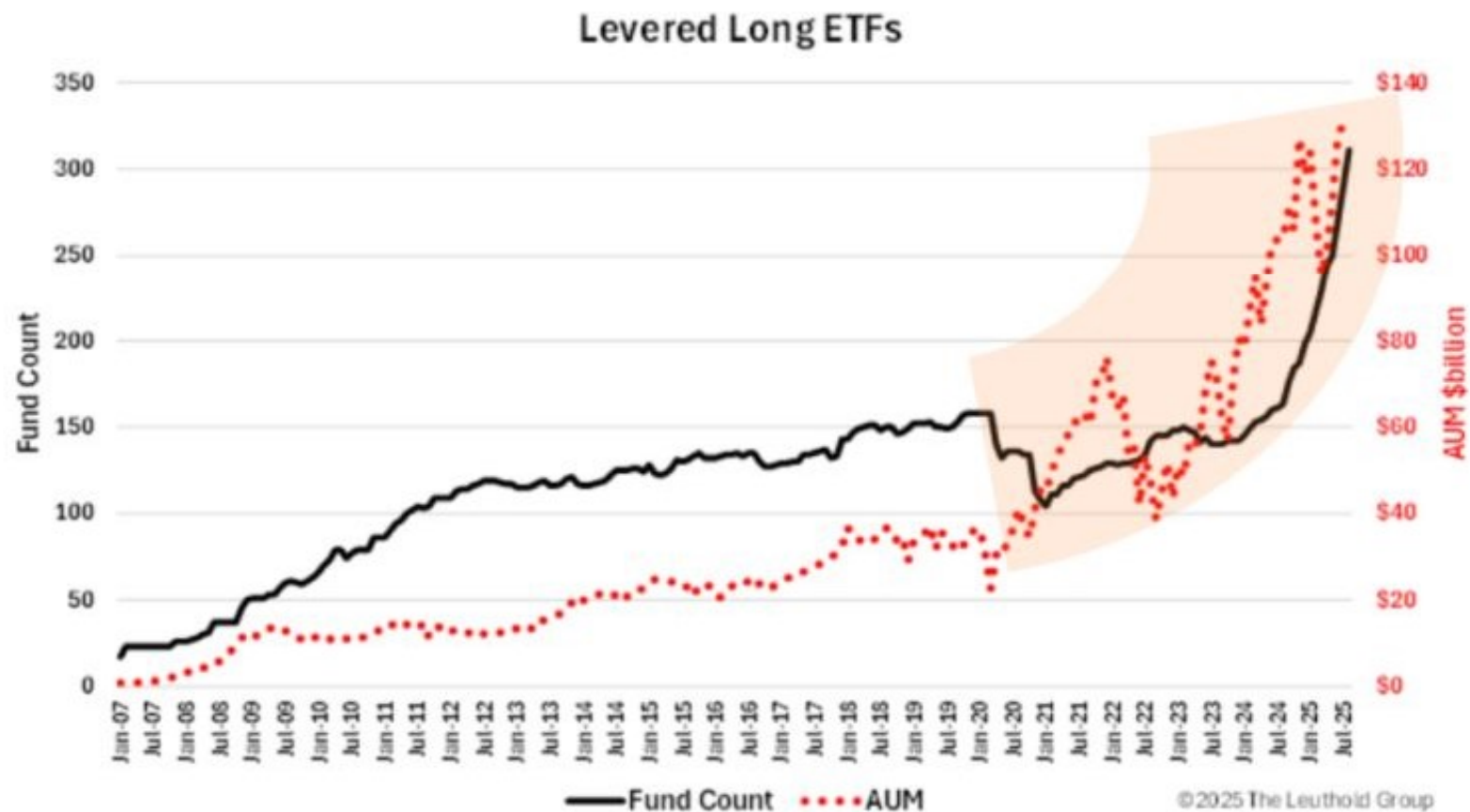
72% of CPI components are rising faster than 2%



Will we see a repeat of 2021 and the 1970s?



Levered Long ETFs : the beneficiaries of Trump's reckless deregulation



China is reflecting the markets ?

Policy stimulus is elevating iron ore price. Upstream deflation will likely ease.



Source: Bloomberg, Lotus Macro Research

Liquidity & Stocks: the sky's the limit ?

QE distortion of equity values remains in place & cannot nor will not be unwound

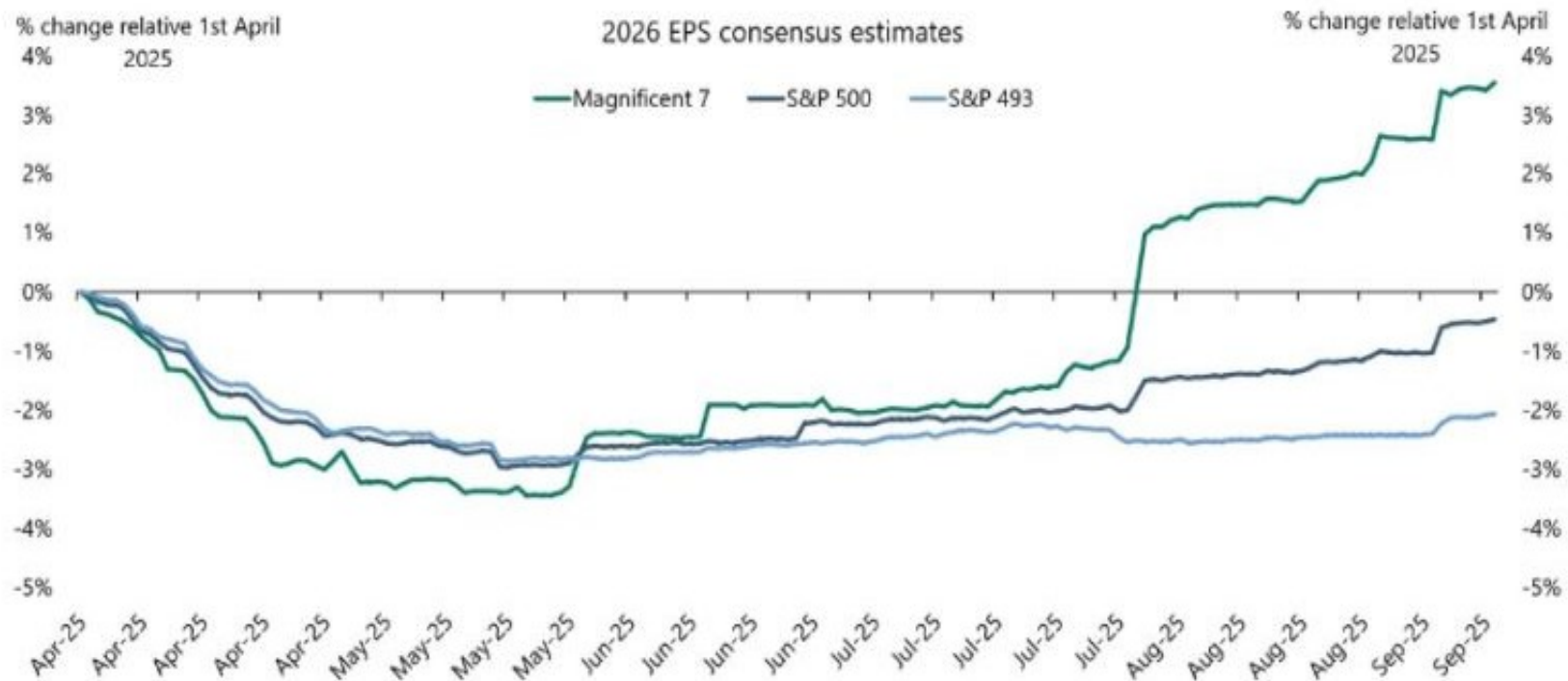
Each series is based to 1960:Q1 = 100



Source: Federal Reserve, GlobalData. TS Lombard

Equity Investors are Dramatically Overexposed to AI

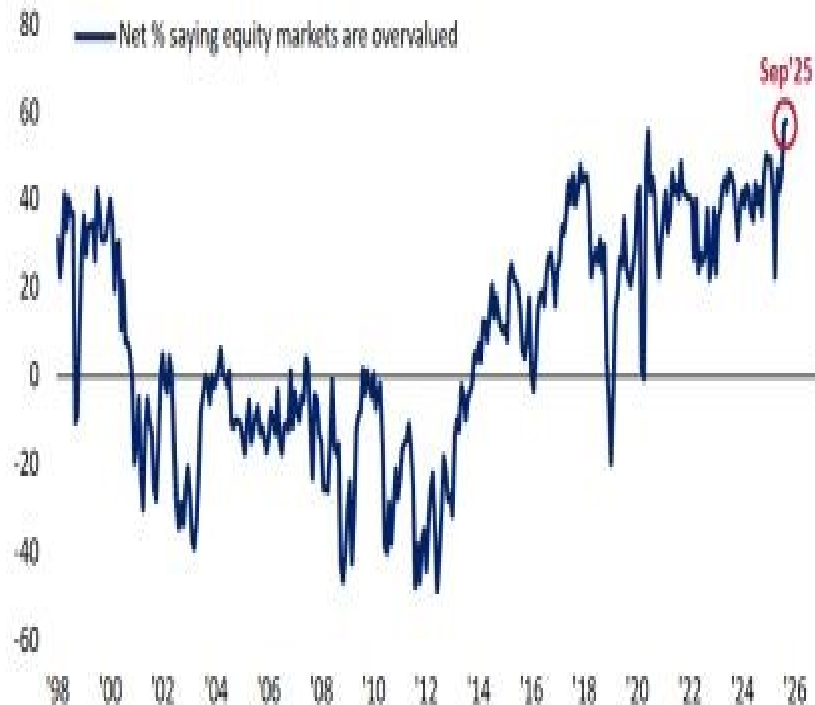
It is all about the Mag 7: No upward revisions to 2026 EPS for the S&P 493



Just under two-thirds of fund managers believe Wall Street is overvalued ...

Record net 58% of FMS investors view global equity markets as "overvalued"

Net % FMS saying global equity markets are overvalued



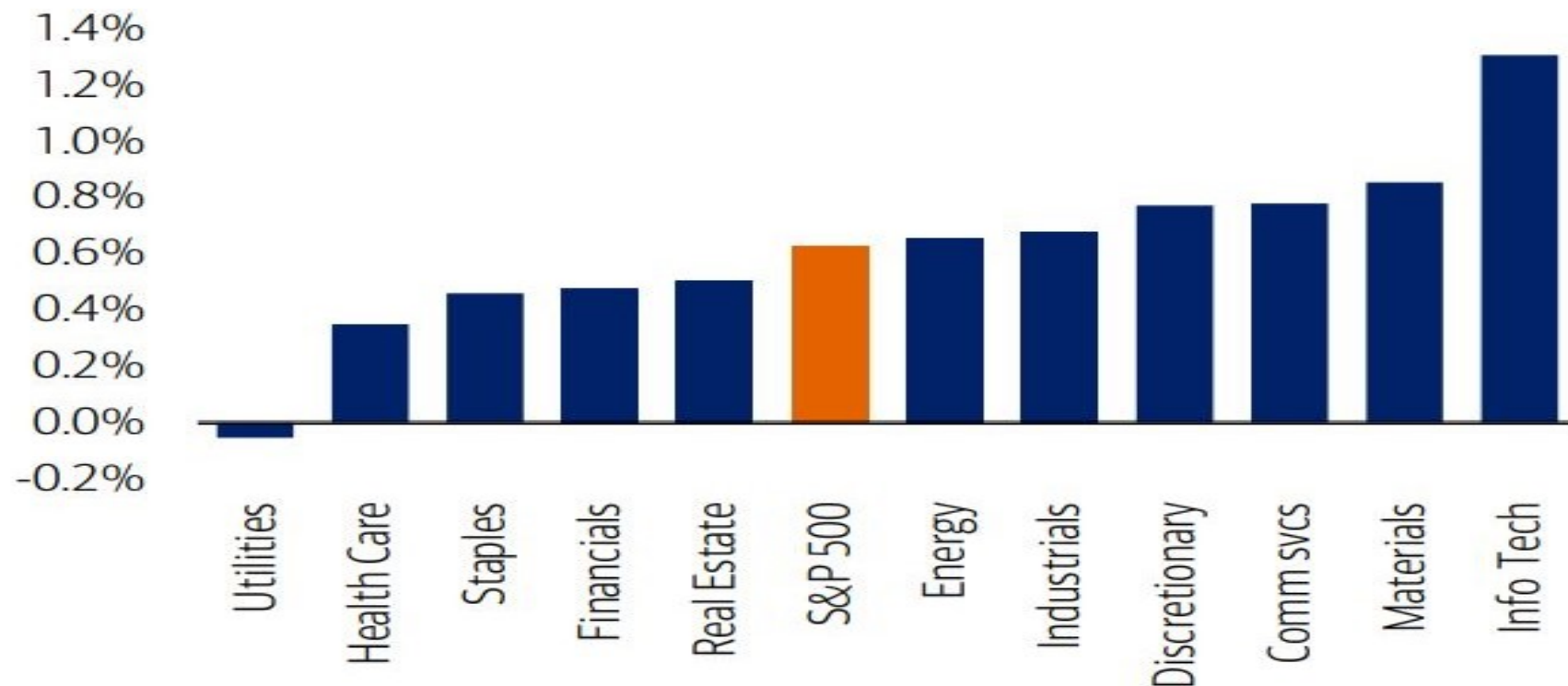
A record 58% of FMS investors view global equity markets as overvalued, up slightly from 57% in August.

Meanwhile just 10% of investors say bond markets are overvalued.

The weak dollar is driving business for international US corporations ...

We estimate Tech and Materials saw the biggest FX boost in 2Q

Estimated FX impact to YoY sales growth in 2Q25 by sector



Source: FactSet, BofA US Equity & Quant Strategy

Tech companies' margins to the moon..

Margins expansion is expected to be strongest in Tech

S&P 500 ex-Fins quarterly net margins (2002-2026E as of 7/25/25)



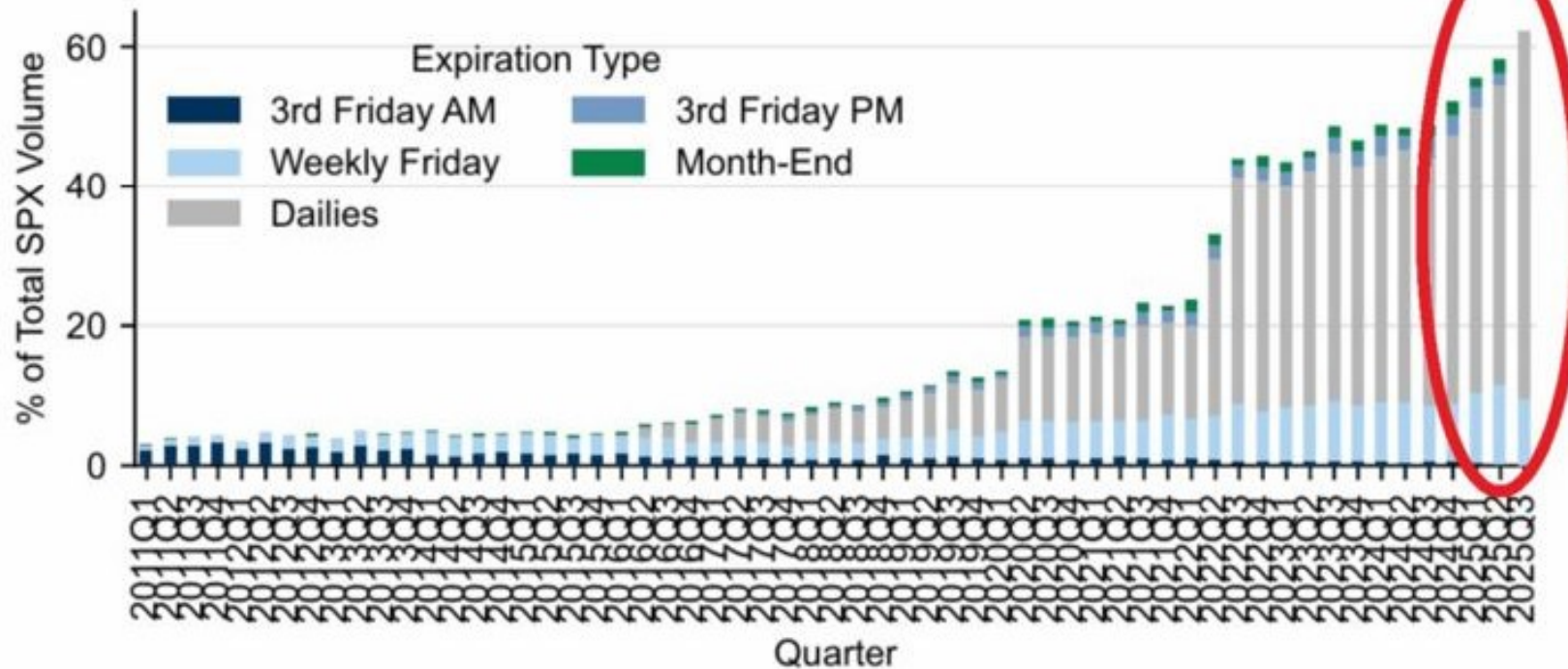
Source: BofA Equity & Quant Strategy, FactSet

Wall Street = Casino

Appetite for speculation @ all time high

Zero-day options volume reached a historic high this quarter

% of S&P 500 listed volume expiring within 24 hours, by expiration type

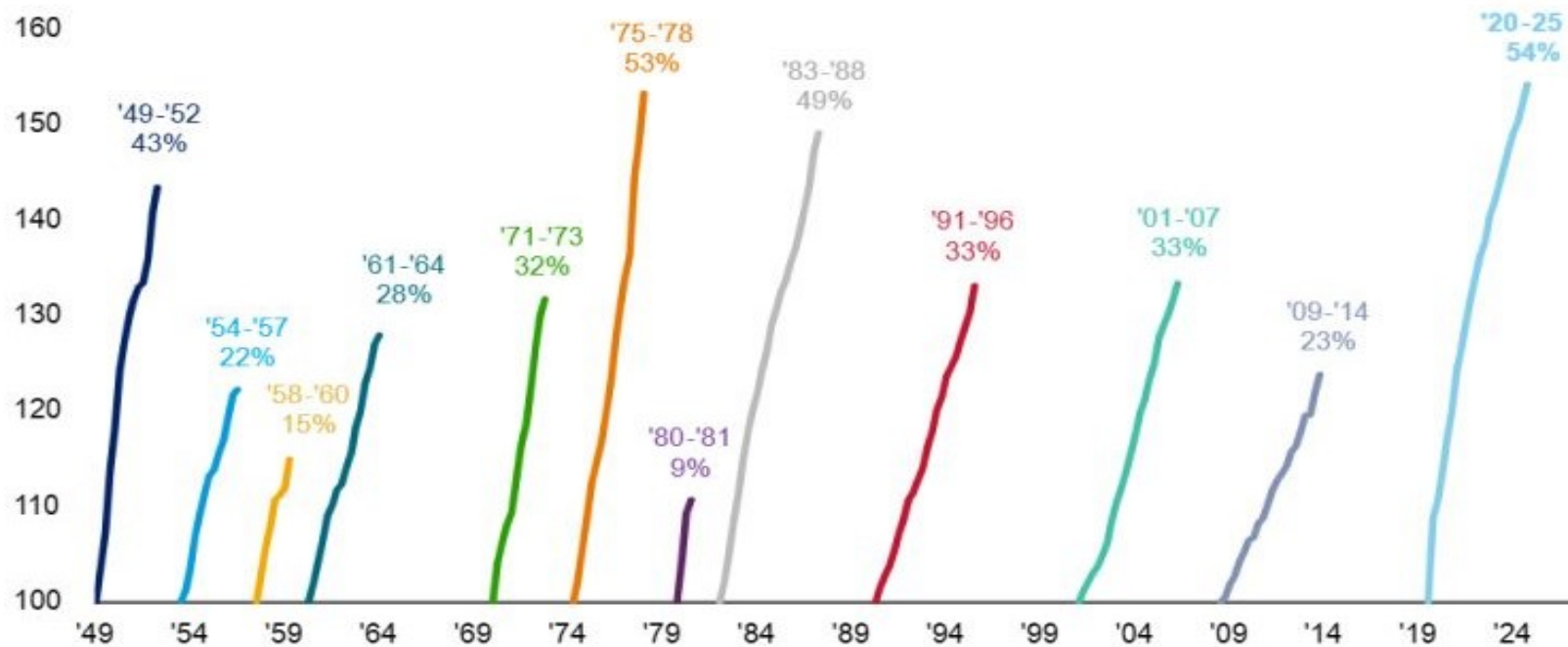


Source: Goldman Sachs Global Investment Research, OptionMetrics

Strongest upswing since WWII, but fading..

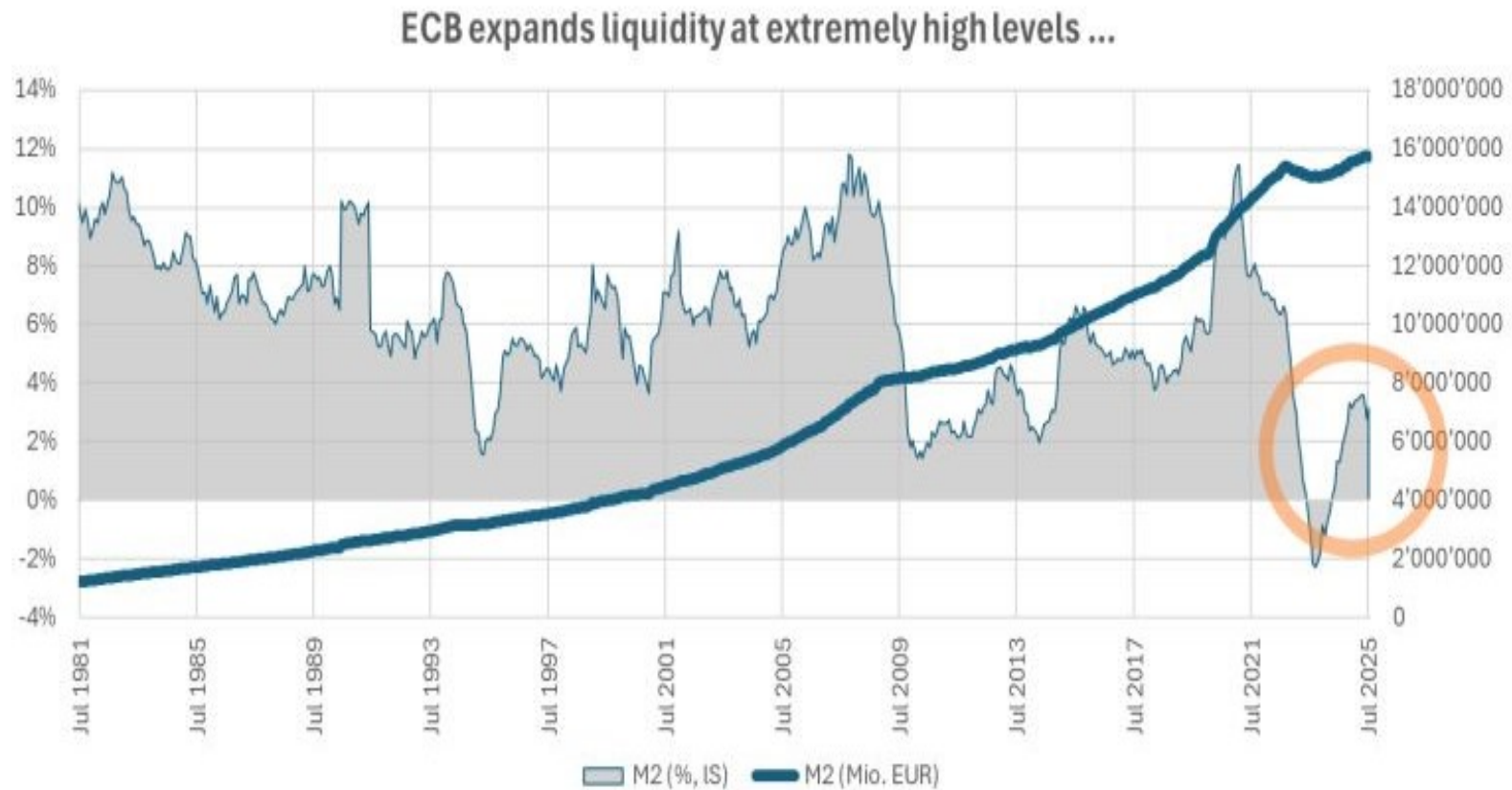
US 2020-2025 nominal GDP growth cycle strongest since WWII

US economic expansion cycles (nominal GDP growth from recession lows), 1946-2025



Source: BofA Global Investment Strategy, Bloomberg

ECB expands liquidity at extremely high levels



EUR/USD: The last time went up in September, it had a horrid time through Q4 ...

The last time EUR/USD went up in September, it had a horrid time through Q4.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
5 Yr Avg	-.69	-.80	-.36	-.48	.71	-.67	.86	-.03	-1.59	-.45	1.19	.97
2025	.08	.13	4.25	4.73	.17	3.88	-3.16	2.37	.06			
2024	-2.00	-.12	-.14	-1.15	1.71	-1.24	1.05	2.05	.79	-2.25	-2.82	-2.11
2023	1.48	-2.64	2.49	1.66	-2.99	2.06	.81	-1.40	-2.49	.02	2.96	1.39
2022	-1.19	-.14	-1.35	-4.72	1.79	-2.33	-2.52	-1.62	-2.51	.82	5.30	2.87
2021	-.65	-.50	-2.86	2.47	1.72	-3.02	.10	-.51	-1.94	-.19	-1.90	-.28
2020	-1.07	-.60	.05	-.69	1.33	1.20	4.84	1.34	-1.80	-.63	2.40	2.42

Source: SG Cross Asset Research/Forex, Bloomberg

Rebound in earnings estimates ... ?

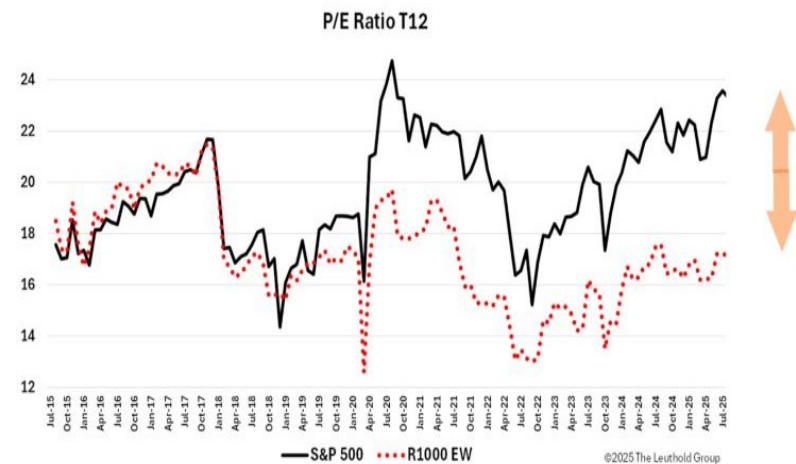


Data as of 9/7/2025. Past performance is no guarantee of future results.

M - 7

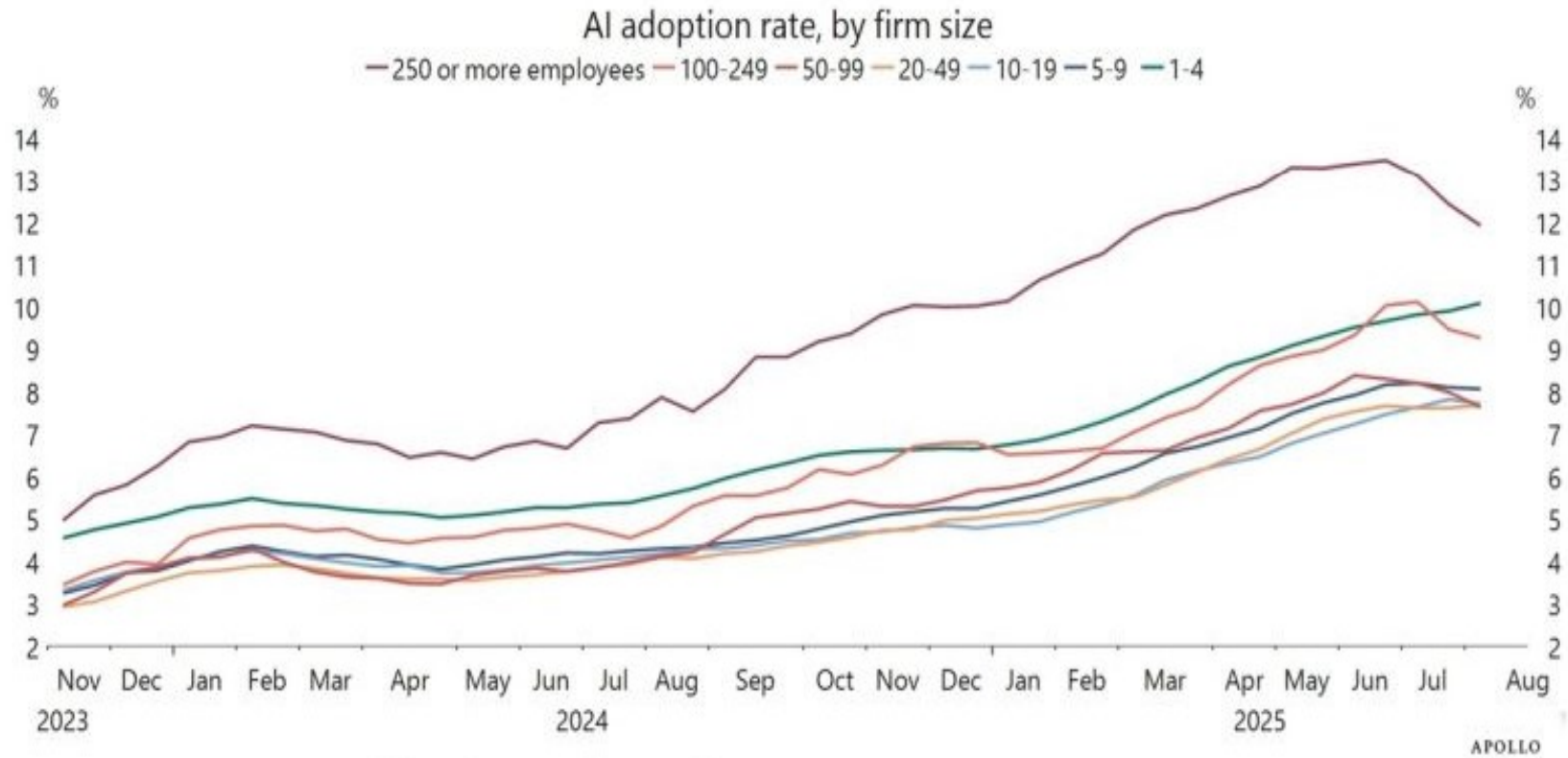
- **The Magnificent 7 constitutes 34% of the S&P 500** and *comprises seven of the eight largest companies in the index*. These firms exhibit growth rates, profit margins, and stock market returns that dwarf those of the average company. Taken together, the massive weight and extraordinary business performance of these giants skew the index's overall characteristics to the point that "the stock market" looks much different than "the average stock."

Investors who view the S&P 500 as the face of the market will notice substantial improvements in every topic examined in this report. Alternatively, those who evaluate U.S. stocks in terms of the "average" or "typical" company will realize that not much has changed over the last decade, and that businesses in general bear little resemblance to the tech titans monopolizing the headlines. The essence of a successful masquerade is to fool even those who think they know you well; the Mag 7's influence over the S&P 500 index has done just that. The S&P 500 looks much less like the average stock than it did ten years ago, and investors monitoring the stock market must be on guard—are they seeing the true face of U.S. equities or a glitzy and unquestionably eye-catching mask fashioned by the remarkable accomplishments of its largest constituents? (Leuthold Group).



AI : Slowdown in the introduction...

AI adoption rates starting to decline for larger firms

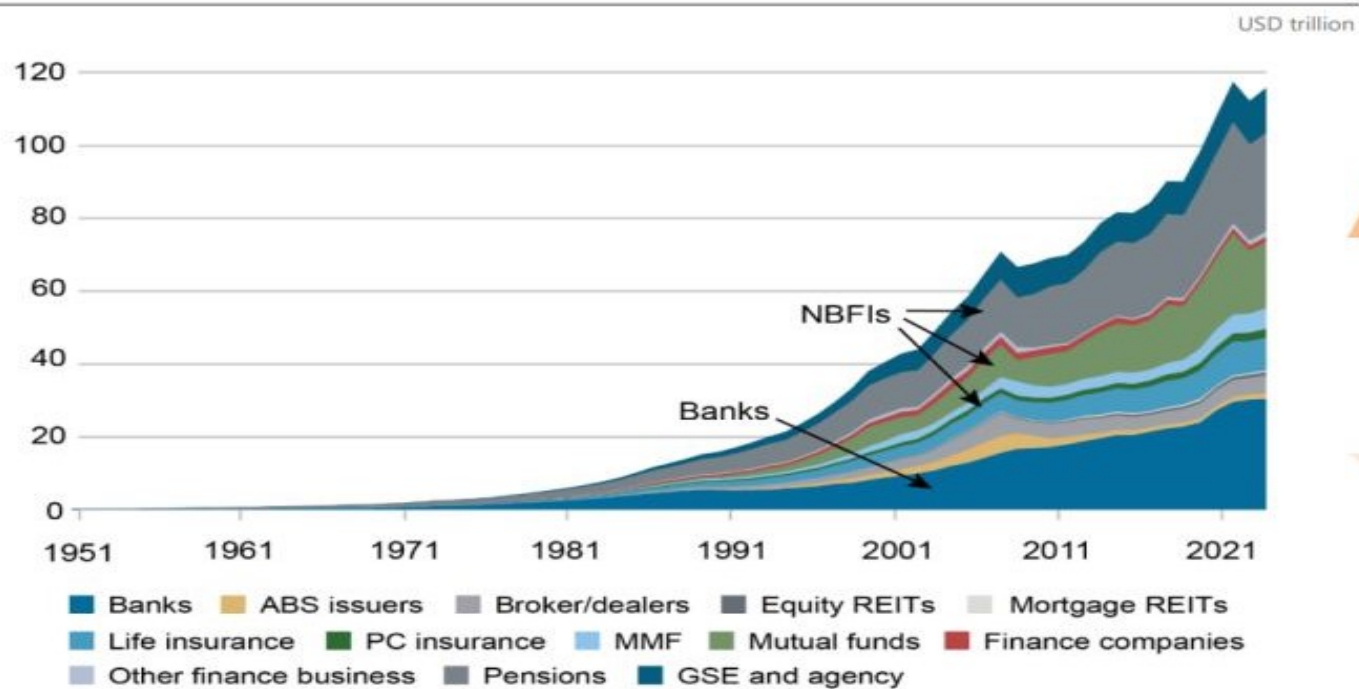


Non-bank financial companies are huge compared to banks ...

what risks might be hidden in their balance sheets, some of which are unregulated or only weakly regulated

Total assets of US banks and NBFIs

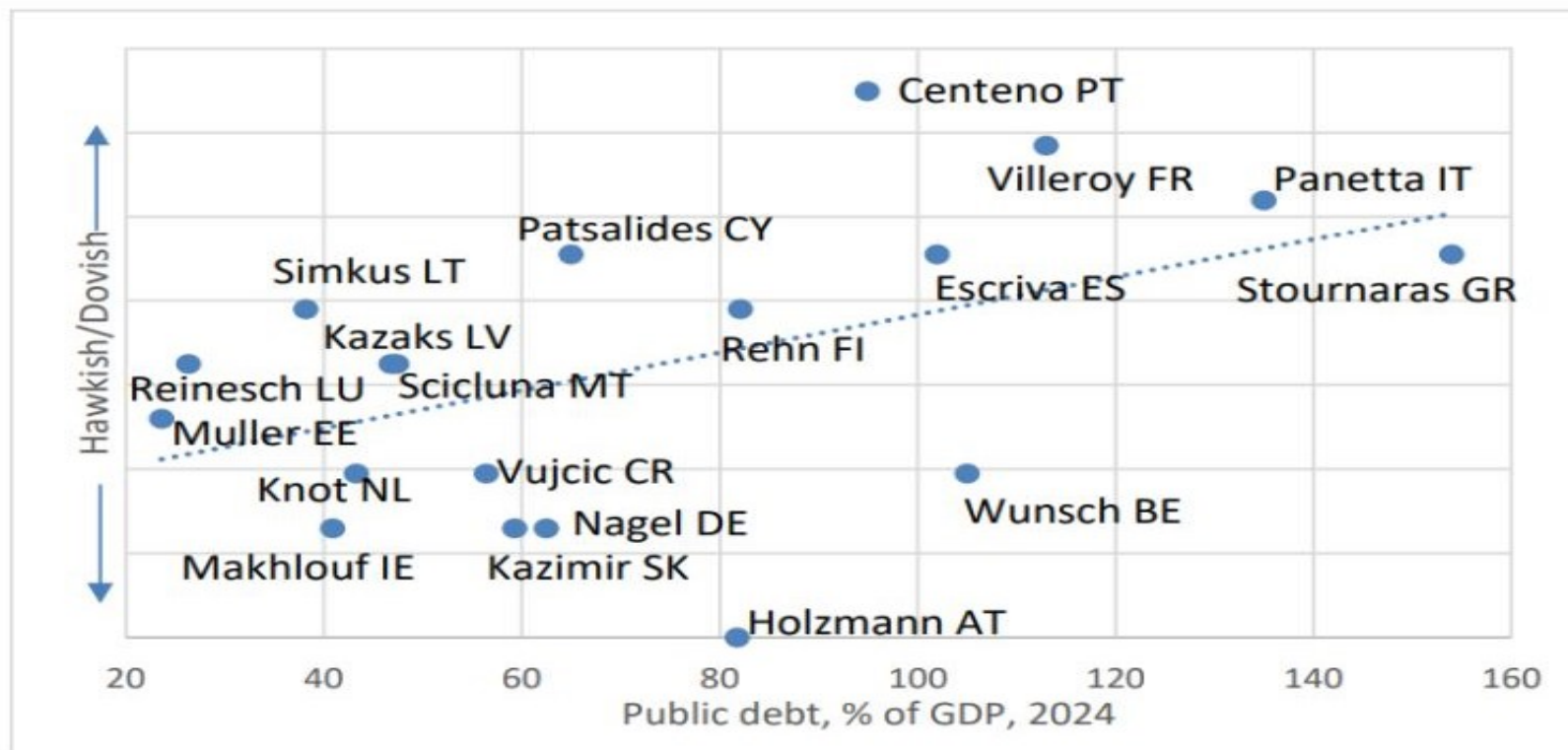
1951–2023



Sources: V Acharya, N Cetorelli and B Tuckman, "Nonbanks are growing but their growth is heavily supported by banks", Federal Reserve Bank of New York, *Liberty Street Economics*, June 2024; financial accounts of the United States (Flow of Funds statistics).

How independent is the ECB? - Fiscal dominance is obvious...

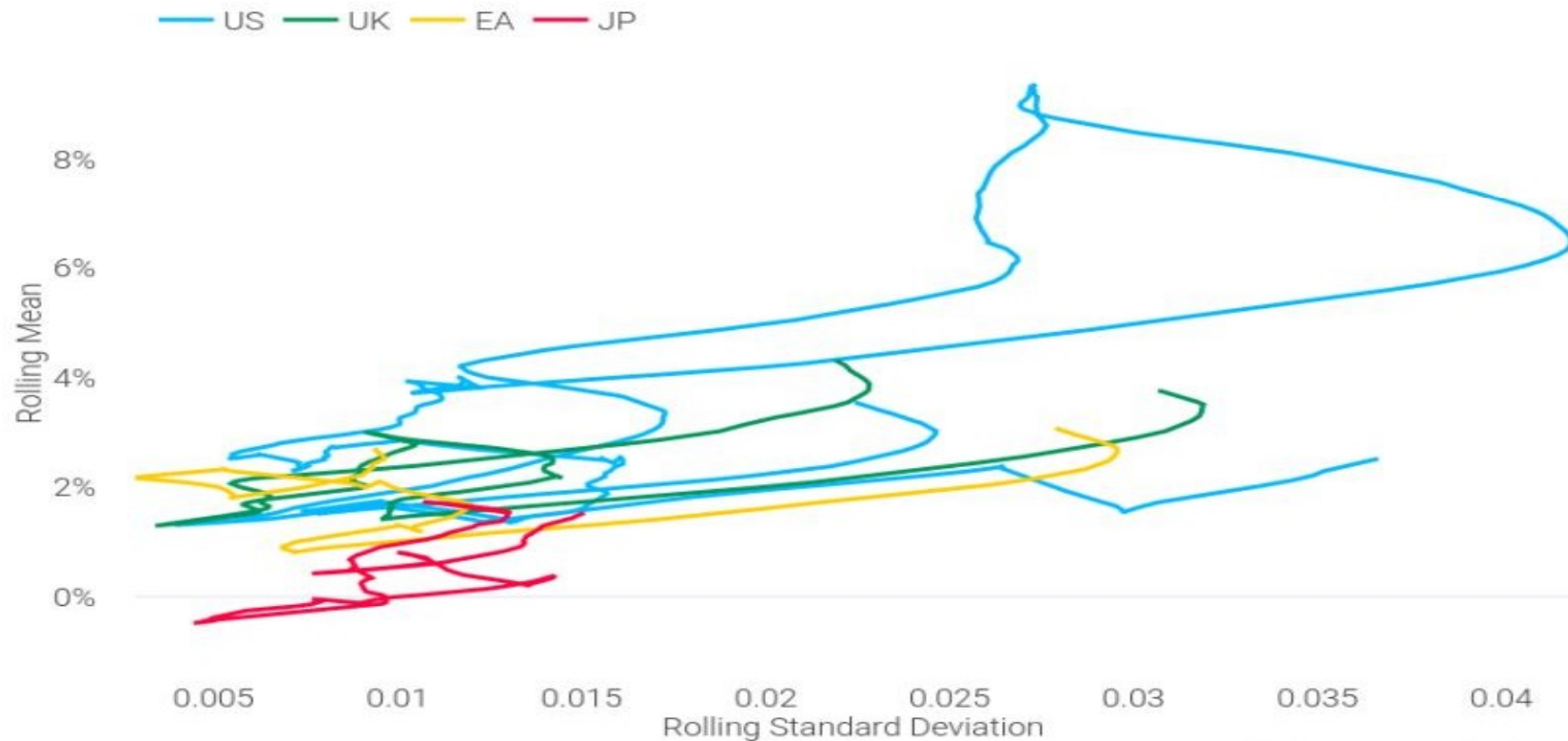
How independent are ECB policymakers really?



Source: Bloomberg ECB Spectrometer (excl. Executive Board), Macrobond.

Inflation : is high and volatile or low and stable.

Inflation is either high and volatile or low and stable



Source: GlobalData TS Lombard

China vs USA : the real contest is AFRICA not Pacific..

- China's trade with Africa in 2024 hit \$322 billion.
- China's new commitments for 2025 alone : \$22.7 billion
- Approach : China builds infrastructure and energy systems: From the \$32.7 billion green hydrogen project in [Morocco](#) to the TAZARA railway revival and nuclear cooperation in [Ghana](#).
- They're embedding themselves into Africa's growth engines—rails, roads, power, and digital networks (Huawei-led 5G in 35 countries).
- is positioning itself as the builder of Africa's future economies
- secures immediate influence through tangible assets
- The U.S. trade is just \$72 billion.
- U.S.'s new commitments : \$1.4 billion
- Approach : U.S. focuses on security, [minerals](#), and digital transformation: From the Lobito Corridor to \$700 million in Côte d'Ivoire's digital push, Washington's lens is narrower, often tied to critical minerals, LNG, and cybersecurity training
- positioning itself as the guardian of [resources](#) and systems.
- tries to shape rules, norms, and control over key sectors.



China's Presence in Africa

Trade and Investment

- > Total trade volume with Africa: **\$322 billion**
- > Share in Africa's total trade: **21.5%**
- New investment commitments for 2025:
 - > **\$22.7 billion**

Key Investments (2024–2025)

- Angola: **\$1.4 billion TAZARA railway (BRI)**
- Morocco: **\$32.7 billion green hydrogen project**
- Kenya: **Expansion of SGR railway**
- Ethiopia, Ghana: **Nuclear energy cooperation**
- South Africa: **5G smart mining with Huawei**

Investment Breakdown

- 40% infrastructure
- 30% energy
- 20% digital
- 10% defense

Resource Competition – REEs and Energy

- 7 REEs under export restrictions (2025)
- Global REE production share: 70%
- Share in Africa's REE processing capacity: 85%

Energy projects:

- 1.5 GW solar capacity across Africa
- Nuclear tech transfer in Ghana

Digital Competition

- 5G infrastructure in 35 countries (Huawei-ZTE)
- Over 330 commercial 5G networks
- Data centers: **from 112 (2020) to 700+ by 2025**
- 20 new digital infrastructure projects via Digital Silk Road
- Largest West African data center in Senegal (Huawei)



U.S. Presence in Africa (2025)

Trade and Investment

- > Total trade volume with Africa (2024): **\$72 billion**
- > Share in Africa's total trade: **4.8%**
- 2025 investment (DFC, USAID, etc.):
 - > **\$1.4 billion**

Key Investments (2024–2025)

- Angola: **Lobito Corridor (under G7 PGII)**
- Côte d'Ivoire: **\$700 million digital transformation**
- DR Congo: **Critical minerals and security**
- Senegal, Ghana, Tanzania: **LNG energy projects**
- Rwanda: **Migrant infrastructure support**

Investment Breakdown

- 50% critical minerals
- 30% security
- 20% digital technology

Resource Competition – REEs and Energy

- U.S. responses:
 - Malawi: Songwe Hill project
 - South Africa: Steenkampskraal investment
- Coordination agreement with China (June 2025)
- Energy projects:
 - LNG development in Senegal, Tanzania, Ghana
 - \$800 million for digital energy infrastructure (DTA)

Digital Competition

- "Digital Transformation with Africa" program:
 - \$800 million
 - Cloud infrastructure: **Google, Microsoft, Amazon**
 - Nigeria & South Africa "Digital Africa Initiative": **Open-source tools and cybersecurity training in 20 countries**