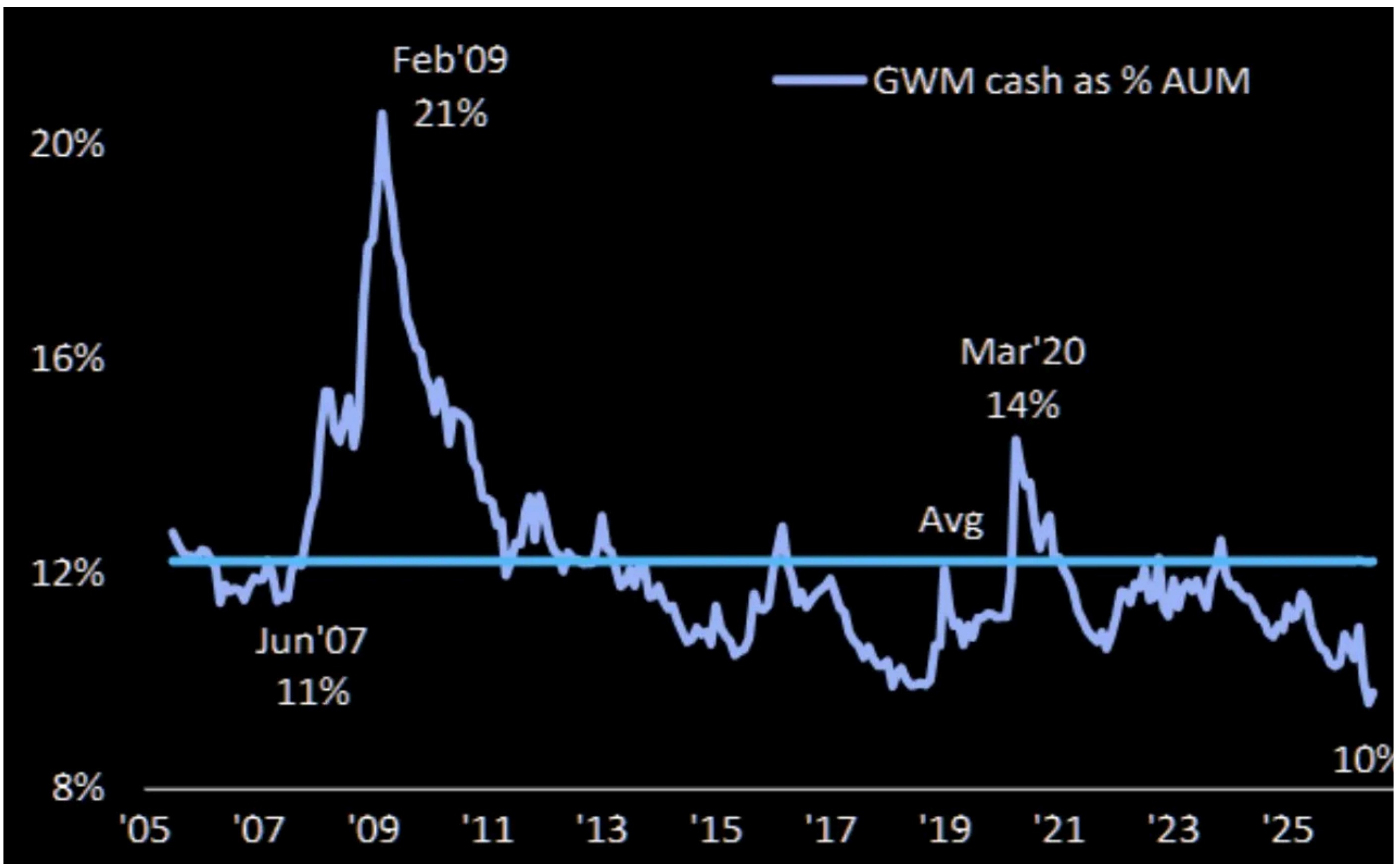
10k Words | July 2026

Apparently, Confucius did not say “One Picture is Worth Ten Thousand Words” after all. It was an advertisement in a 1920s trade journal for the use of images in ads on th sides of streetcars...

JUL 14, 2026

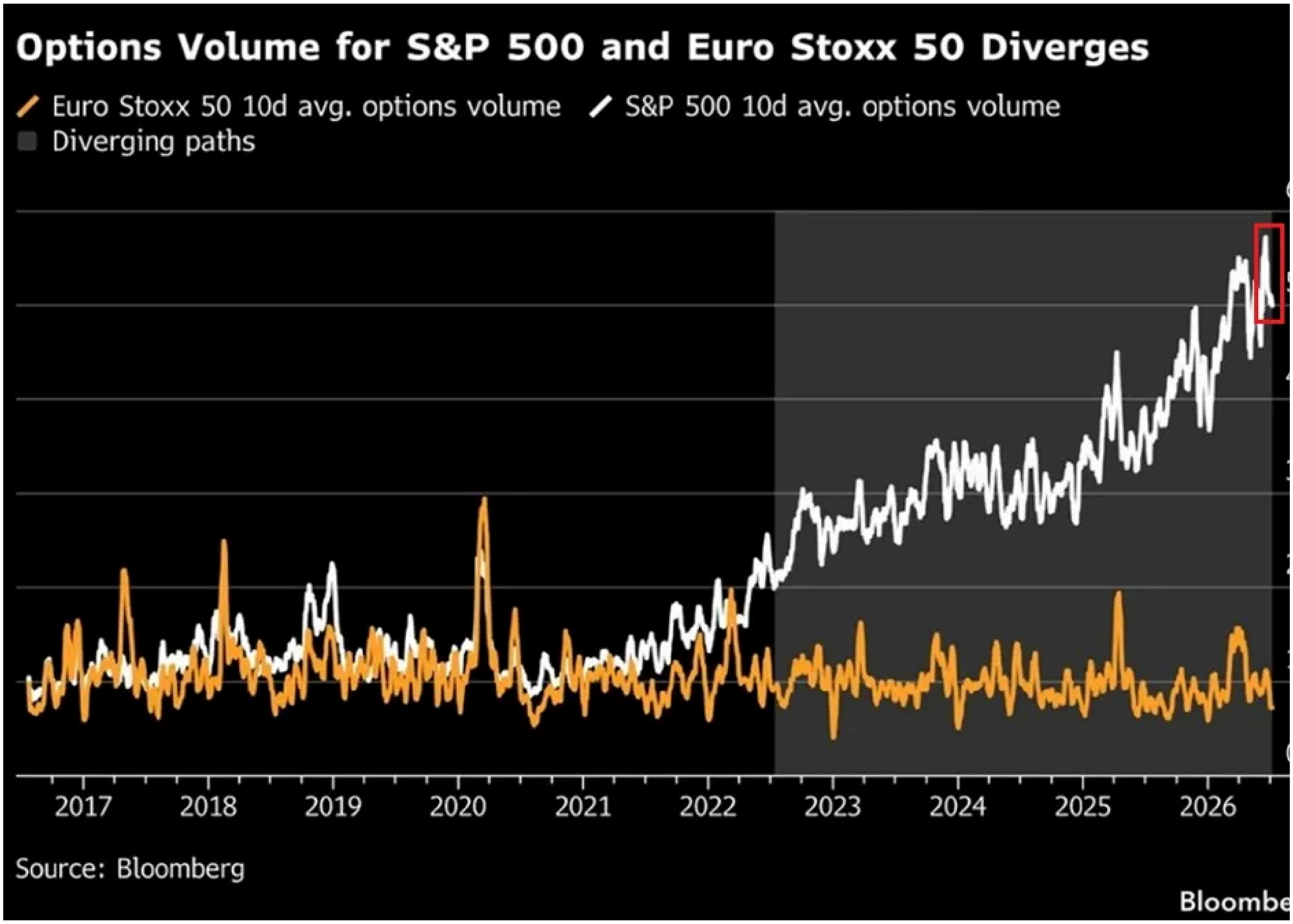
Fund managers are as close to fully invested as has been the case in over 20 years. Speculators are driving S&P 500 option volumes up. They can see the AI-driven surg in capital spend flowing through to earnings growth and hedge funds have been loading up on semiconductor-related stocks. Those semiconductor stocks have beer on the other side of the cash flow story, collecting much of that capex from the hyperscalers. But at the same time, the financiers of this capex splurge are increasinc pricing in more risk and the Chinese are busy commoditising AI. The next question is what happens when AI capex growth begins its expected deceleration. Finally, China may be commoditising AI but global demand for its wind turbines is another growth story.

Global fund managers’ cash weighting



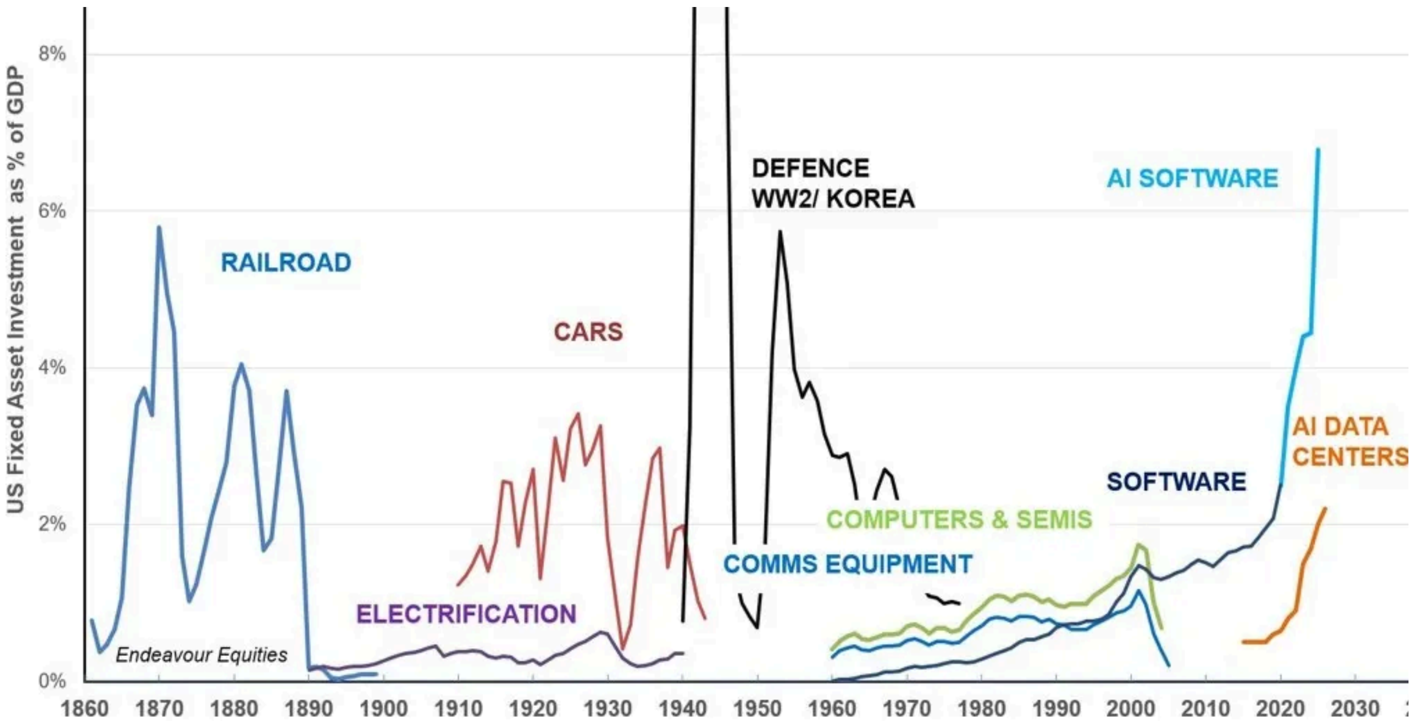
Source: Barchart, Bank of America

Options volume on S&P 500 soars past Euro Stoxx 50



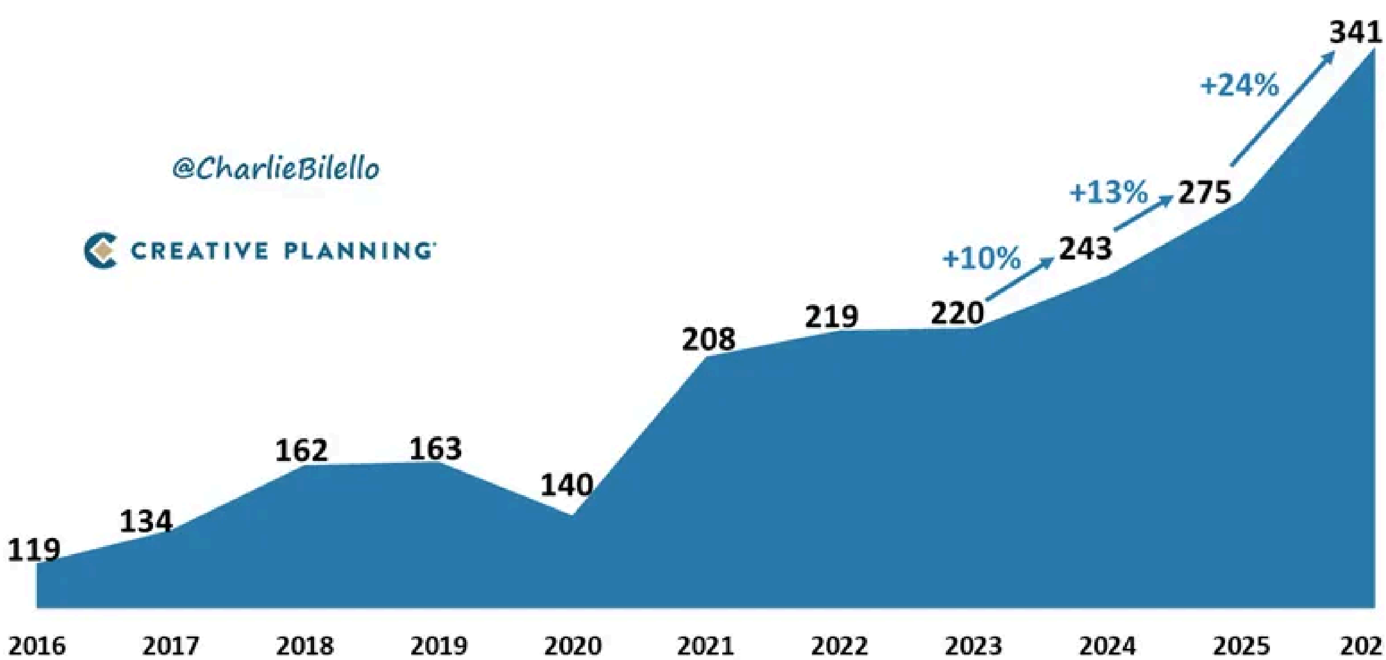
Source: Bloomberg

Capital spending as % of GDP



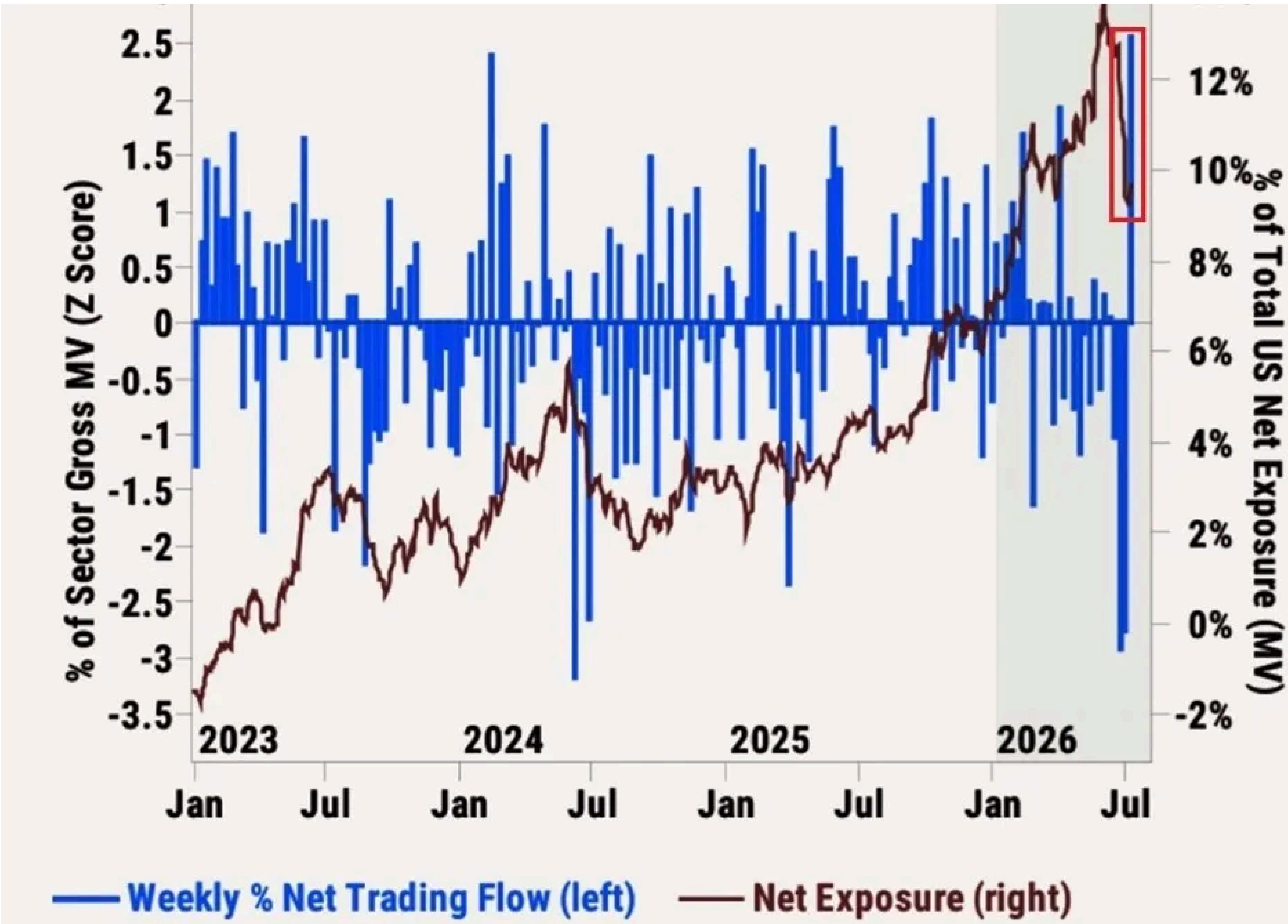
Source: Endeavour Equity Strategy

S&P 500 Calendar Year EPS



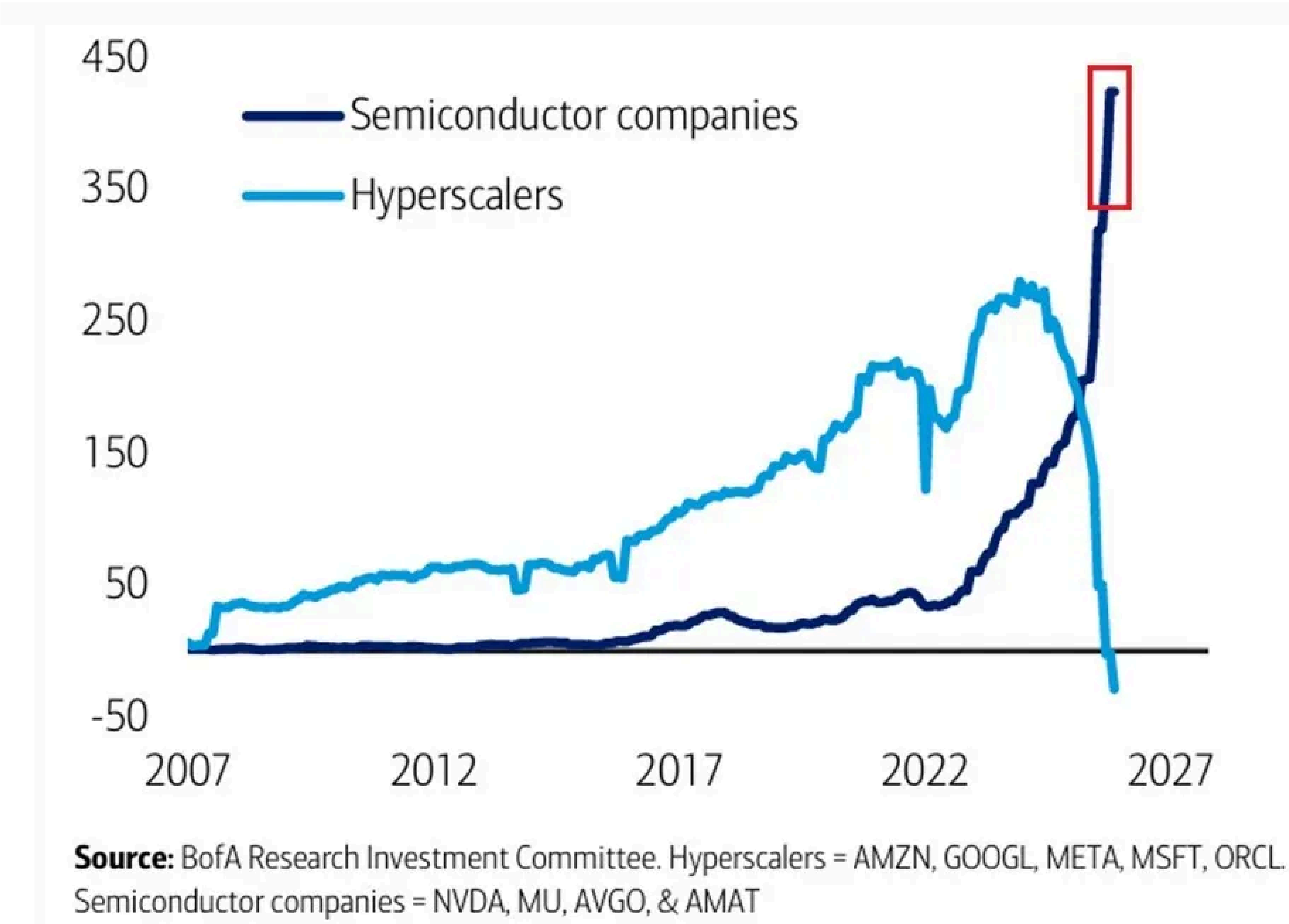
Source: Creative Planning, FactSet

Prime book - US semiconductor and semiconductor equipment stock



Source: Goldman Sachs

12m Free Cash Flow forecasts for “hyperscalers” and semiconductor companie



Source: Bank of America

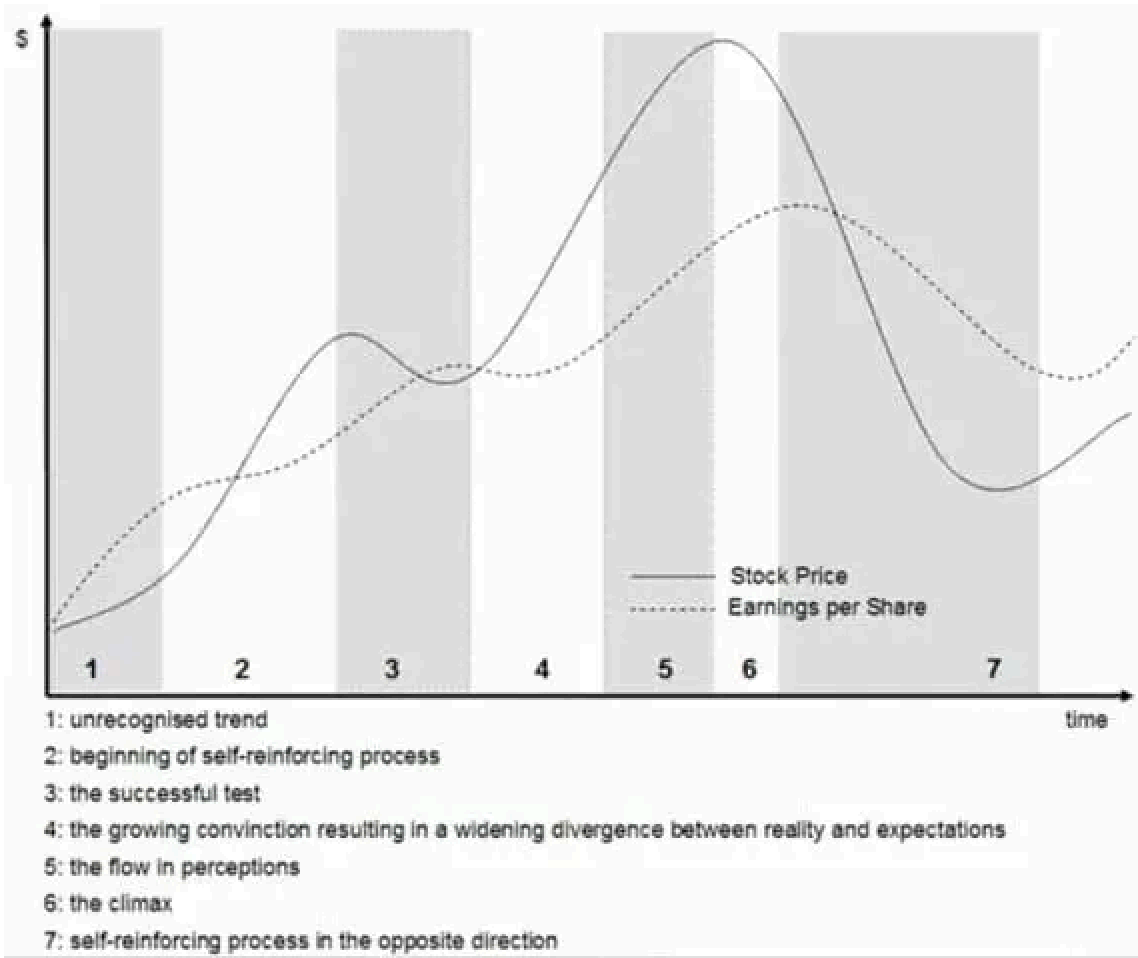
"G-spread" (Government Spread) - yield difference between hyperscalers' corporate bond and a single government bond of the same maturity

Source: GLJ Research

Chinese AI models leading commoditisation

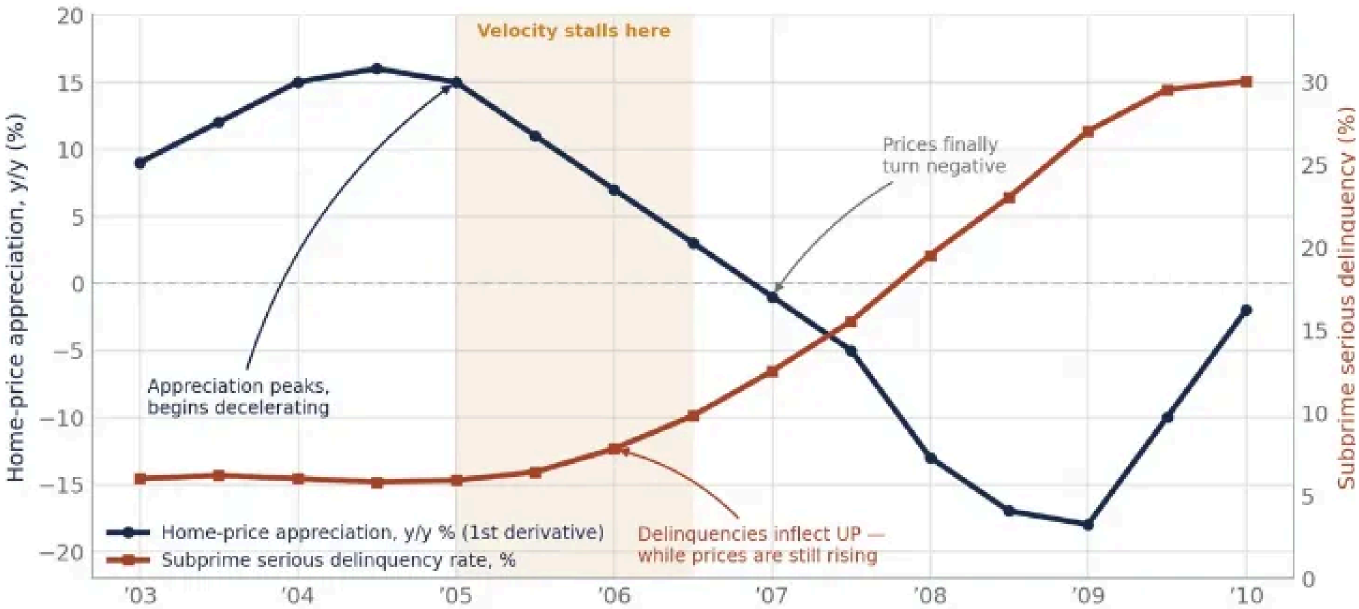
Source: Financial Times, OpenRouter

George Soros' boom-bust sequence



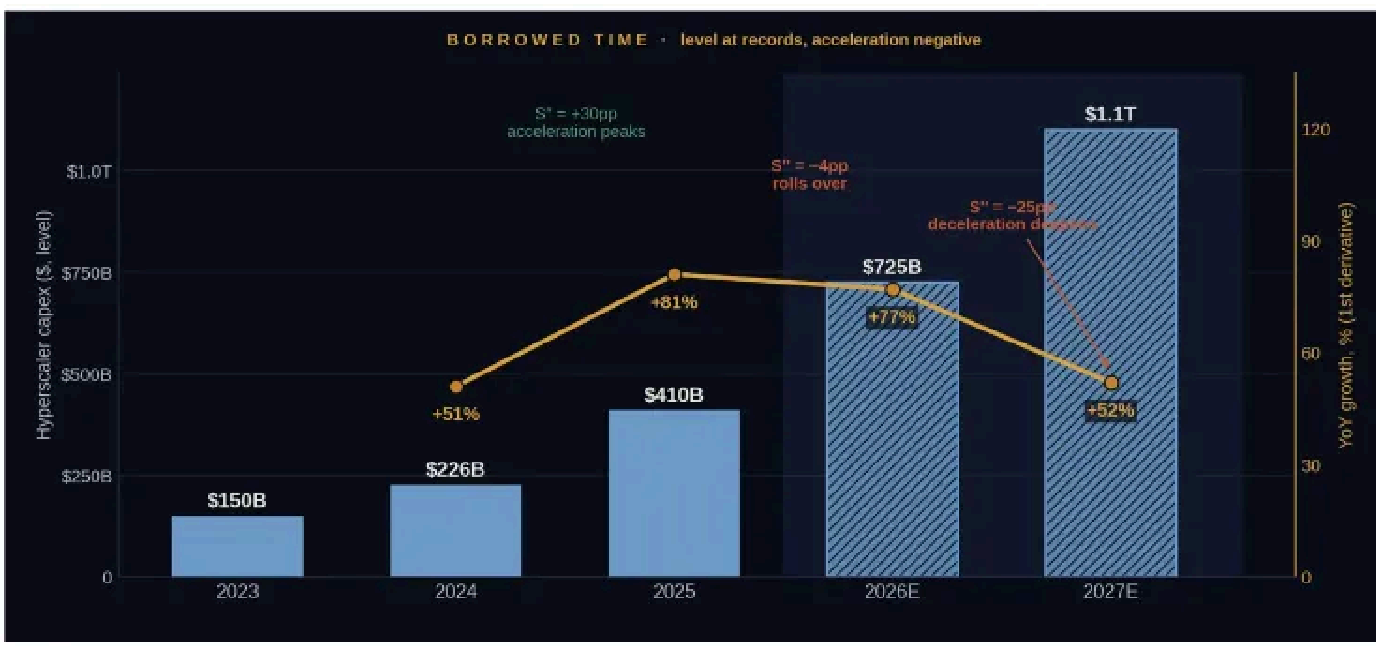
Source: Asian Century Stocks

In the GFC, US property defaults turned on the deceleration of prices - not falli prices



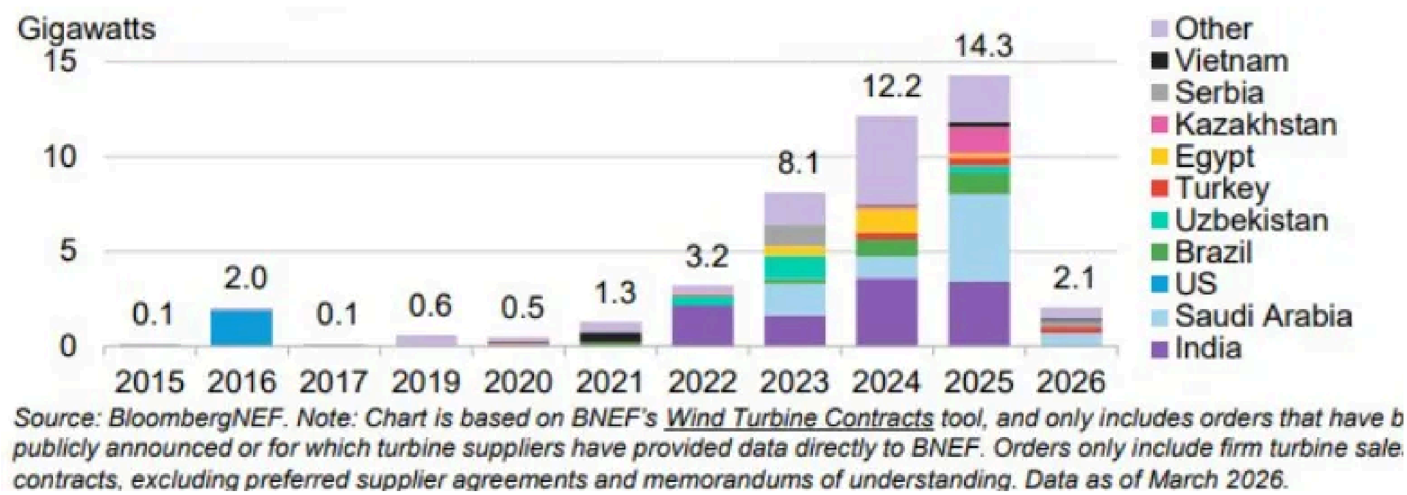
Source: groundbrkr.com

Hyperscaler capex growth decleration



Source: groundbrkr.com

Chinese wind turbine annual order volume from outside China



Source: Bloomberg NEF