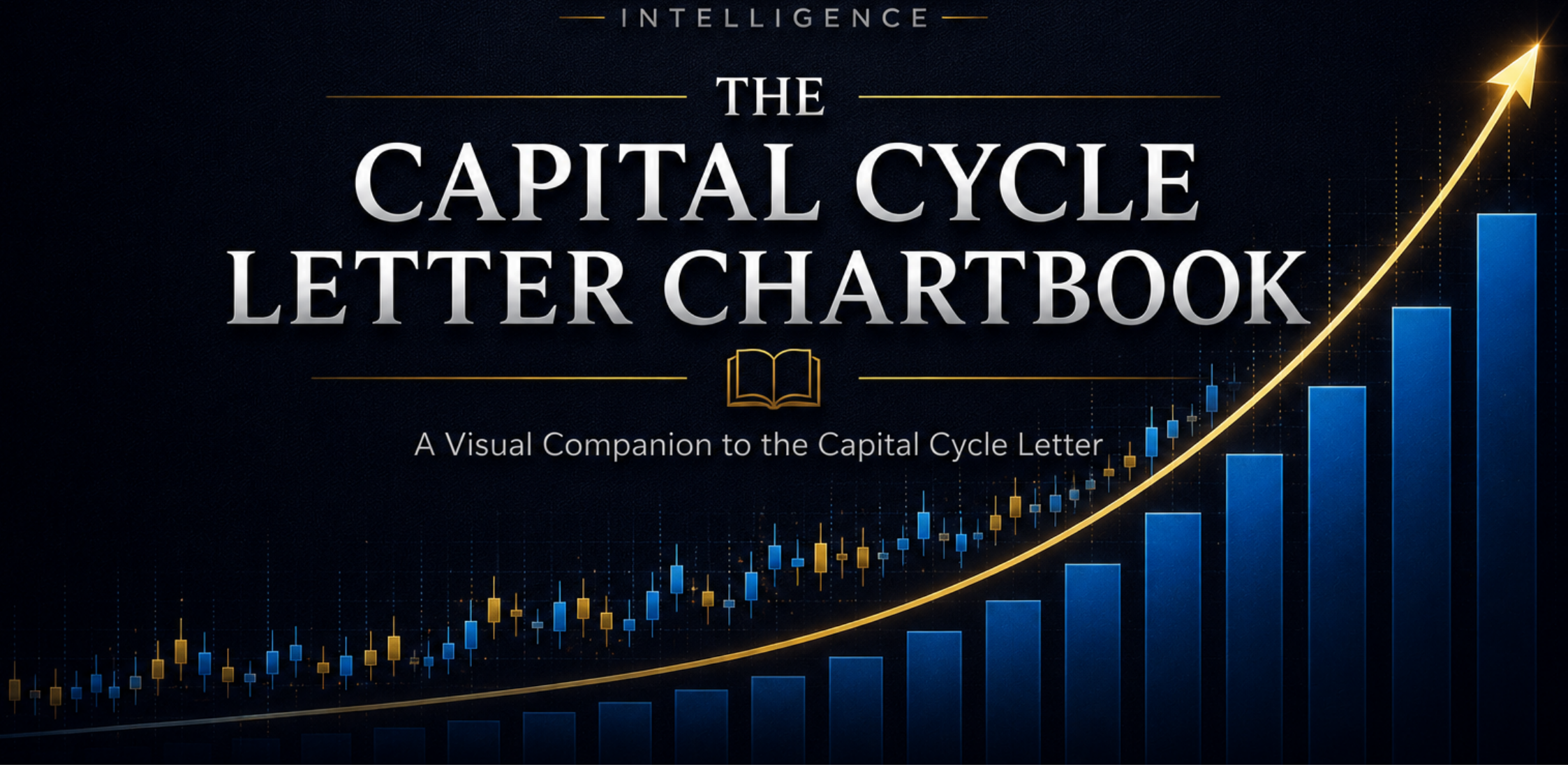
CAPITAL CYCLE

INTELLIGENCE

THE CAPITAL CYCLE LETTER CHARTBOOK

A Visual Companion to the Capital Cycle Letter



The Capital Cycle Letter Chartbook

June 2026 Edition

A Capital Cycle Perspective

Expansion Under Pressure

Liquidity Still Leads, Confidence is Being Tested

Price is the output

Liquidity, growth and credit are the inputs

How To Read This Chartbook

This chartbook presents the June macro environment through the capital cycle lens

Charts are the primary signal. Text provides the educational context.

We move from macro inputs to market outputs: energy, liquidity, growth, credit, participation rotation, transmission and risk.

Each chart isolates one core idea. Together they form a complete view of the current capital cycle

Price is the output

Liquidity, growth and credit are the inputs

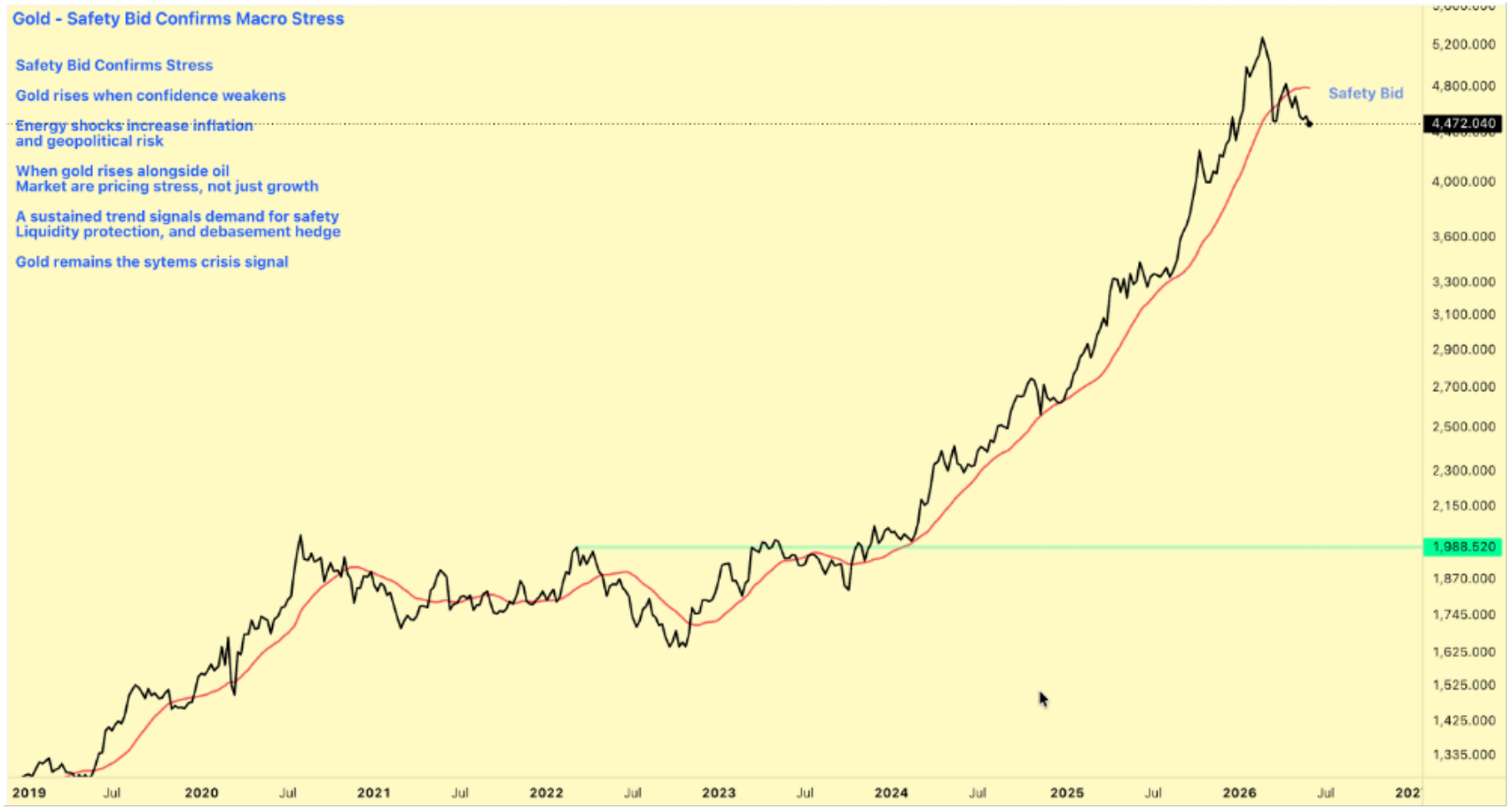
The Confidence Shock

Markets remain in expansion, but confidence is no longer moving in a straight line. This section asks whether defensive capital is quietly reappearing beneath the surface and whether the market is starting to price more stress than the headline indices suggest.

This month: Defensive capital is still present beneath the surface, suggesting confidence has weakened even as the broader expansion remains intact.

Gold - Crisis Hedge & Safety Bid

Question answered: Is defensive capital still present beneath the expansion?



Gold acts as one of the market's primary defensive assets during periods of uncertainty. Rising gold prices often reflect increasing demand for monetary protection, inflation hedging, geopolitical safety, or confidence deterioration within the financial system. Tracking gold helps investors understand whether markets are pricing expansion, stability, or growing macroeconomic stress beneath the surface.

Gold vs DXY - Monetary Confidence Test

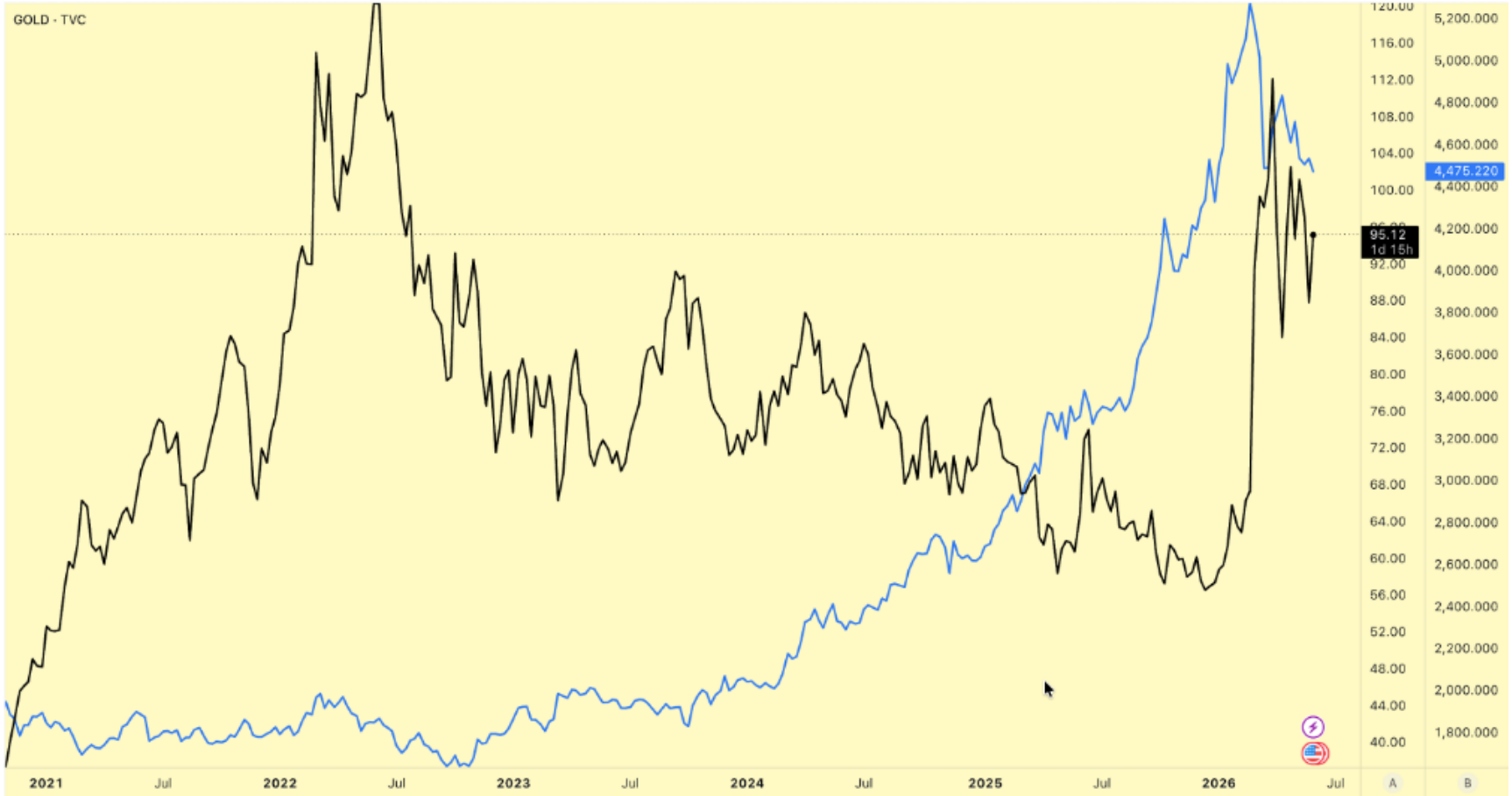
Question Answered; Is gold nearly a weak dollar trade, or a deeper confidence signal?



Gold and the US Dollar typically share an inverse relationship, with Dollar weakness often supporting higher gold prices. When gold rises despite a stable or resilient Dollar, it can indicate broader macroeconomic concerns such as inflation risk, geopolitical uncertainty, fiscal expansion or declining confidence in monetary stability. Comparing gold against the Dollar helps investors identify whether precious metal demand is being driven by currency dynamics or deeper structural forces.

Oil vs Gold - Growth vs Safety

Question Answered; Are markets pricing growth, stress or both?



Oil and gold represent two very different parts of the macroeconomic system. Oil reflects economic activity, industrial demand and inflation pressure, while gold reflects monetary confidence, geopolitical risk and capital preservation demand. When both assets rise together, markets are often pricing an environment where growth remains resilient but underlying risks and constraints are increasing.

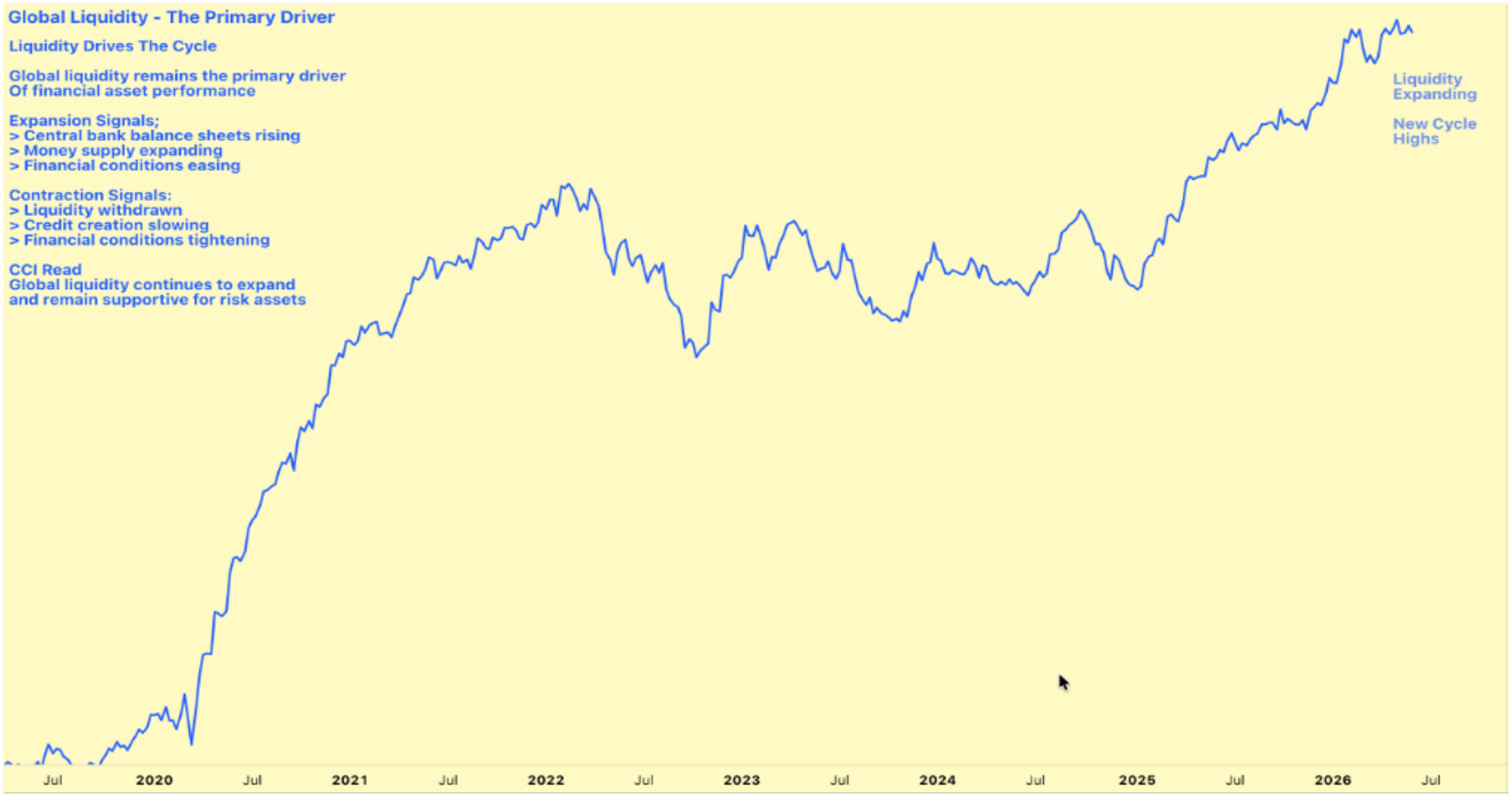
The Liquidity Engine Keeps Running

Liquidity remains the primary force supporting the cycle, even as confidence is being tested. This section asks whether liquidity still exists, whether it is still accelerating, and whether it is transmitting cleanly into markets.Global

This month: Liquidity remains supportive, but the key question is whether that support is still accelerating and transmitting cleanly into markets.

Liquidity

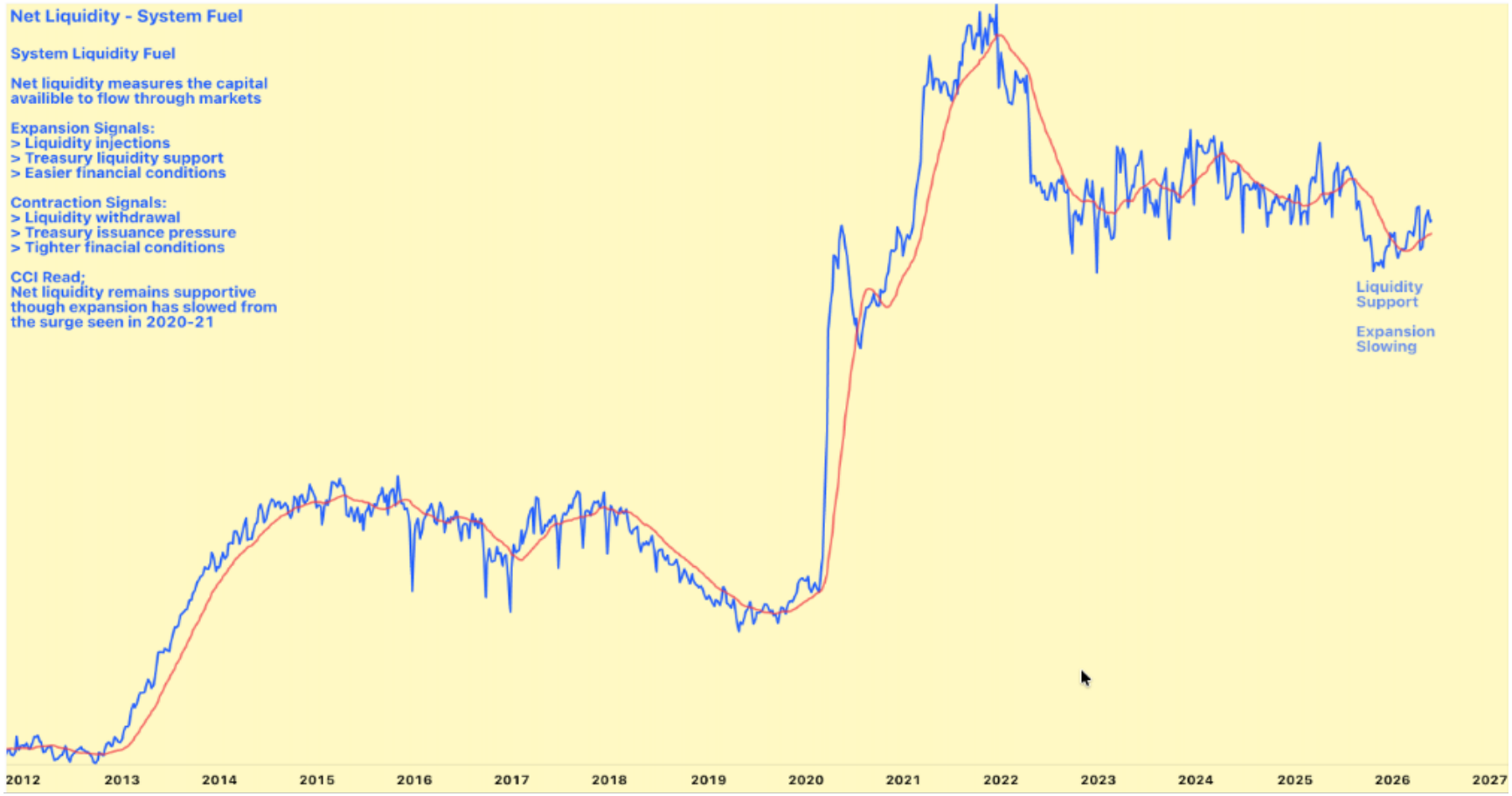
Question Answered; Does liquidity exist?



Global liquidity continues to make new cycle highs, reinforcing the primary macro tailwind supporting risk assets. While liquidity alone cannot determine market outcomes, expanding liquidity has historically provided a supportive backdrop for equities, credit and digital assets.

US Net Liquidity

Question Answered; Is liquidity entering markets?



Net liquidity measures the capital immediately available to flow through financial markets after accounting for factors such as Treasury issuance and liquidity withdrawals. While global liquidity continues to expand, net liquidity provides a more direct view of the fuel available to support asset prices. Conditions remain supportive, though the pace of expansion has moderated significantly from the extraordinary surge seen during 2020–2021.

Liquidity Impulse

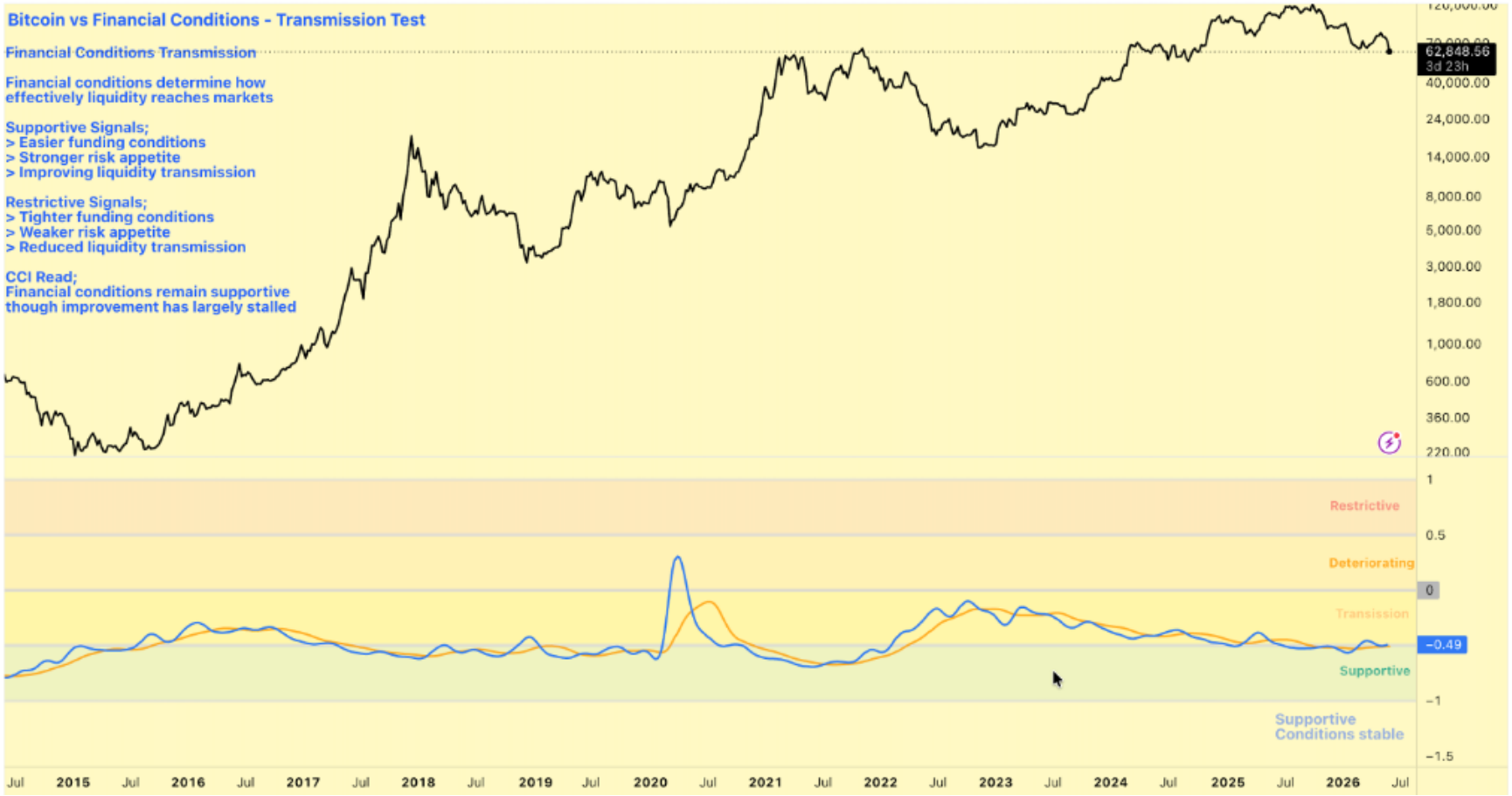
Question Answered; Is liquidity accelerating or decelerating?



Liquidity impulse measures the rate of change in liquidity conditions rather than the absolute level of liquidity available within the financial system. While liquidity levels may remain supportive, shifts in momentum often drive turning points in financial conditions, economic activity and risk asset performance. Rising impulse typically signals accelerating liquidity support, while weakening impulse can indicate that liquidity tailwinds are beginning to fade.

Financial Conditions

Question Answered: Can liquidity actually transmit?



Financial conditions measure how easily capital can flow through the financial system. They capture the combined impact of interest rates, credit availability, funding markets and overall risk appetite. Supportive financial conditions help transmit liquidity into asset prices and economic activity, while restrictive conditions can slow growth and reduce participation across financial markets.

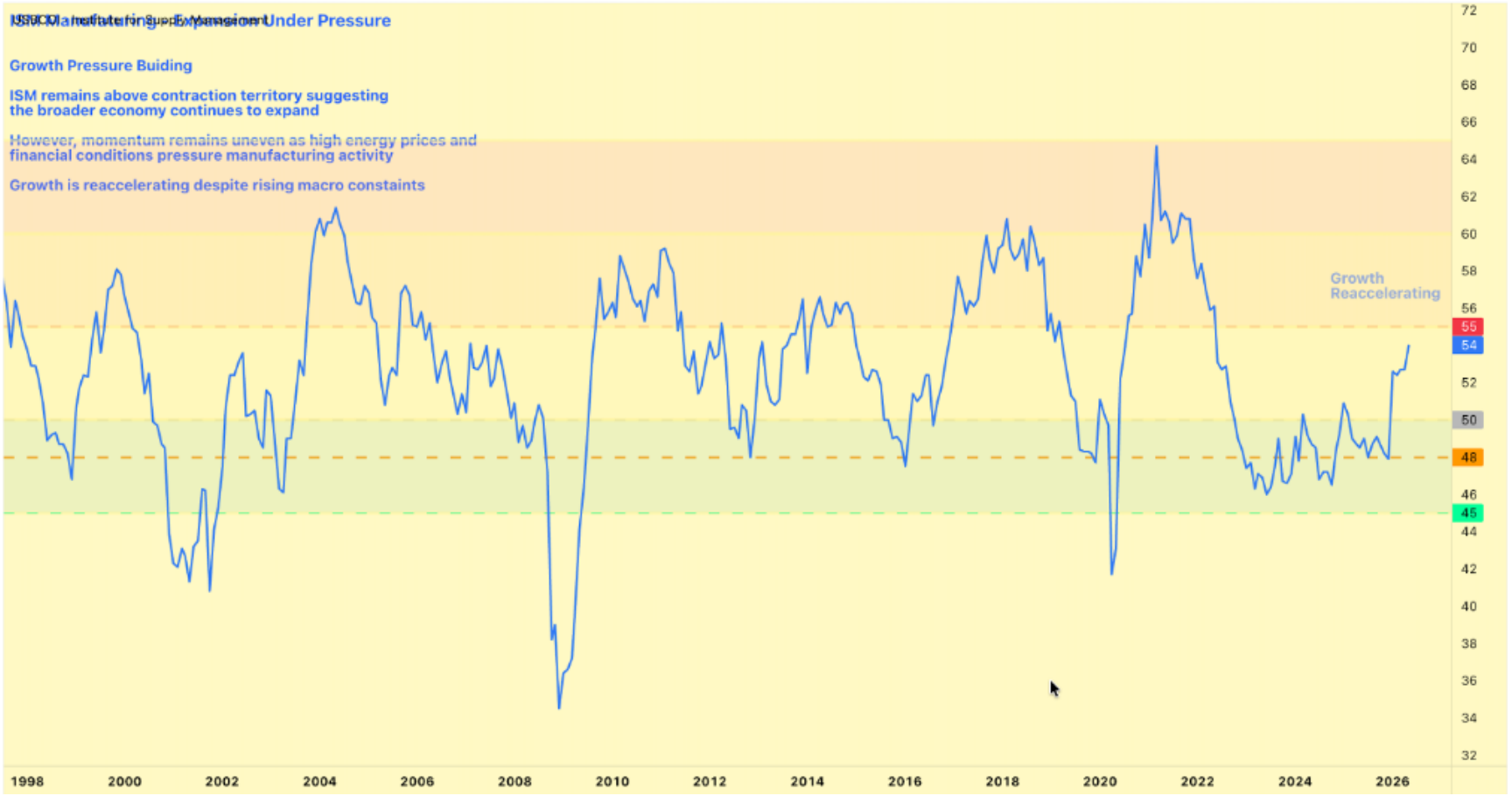
Growth Refuses to Break

Growth has weakened from stronger levels, but it has not yet collapsed into outright contraction. This section tests whether the real economy is still holding together well enough to keep the broader expansion alive.

This month: Growth is holding up well enough to support the cycle, but not strongly enough to remove the need for caution and selectivity.

ISM Manufacturing - Expansion Under Pressure

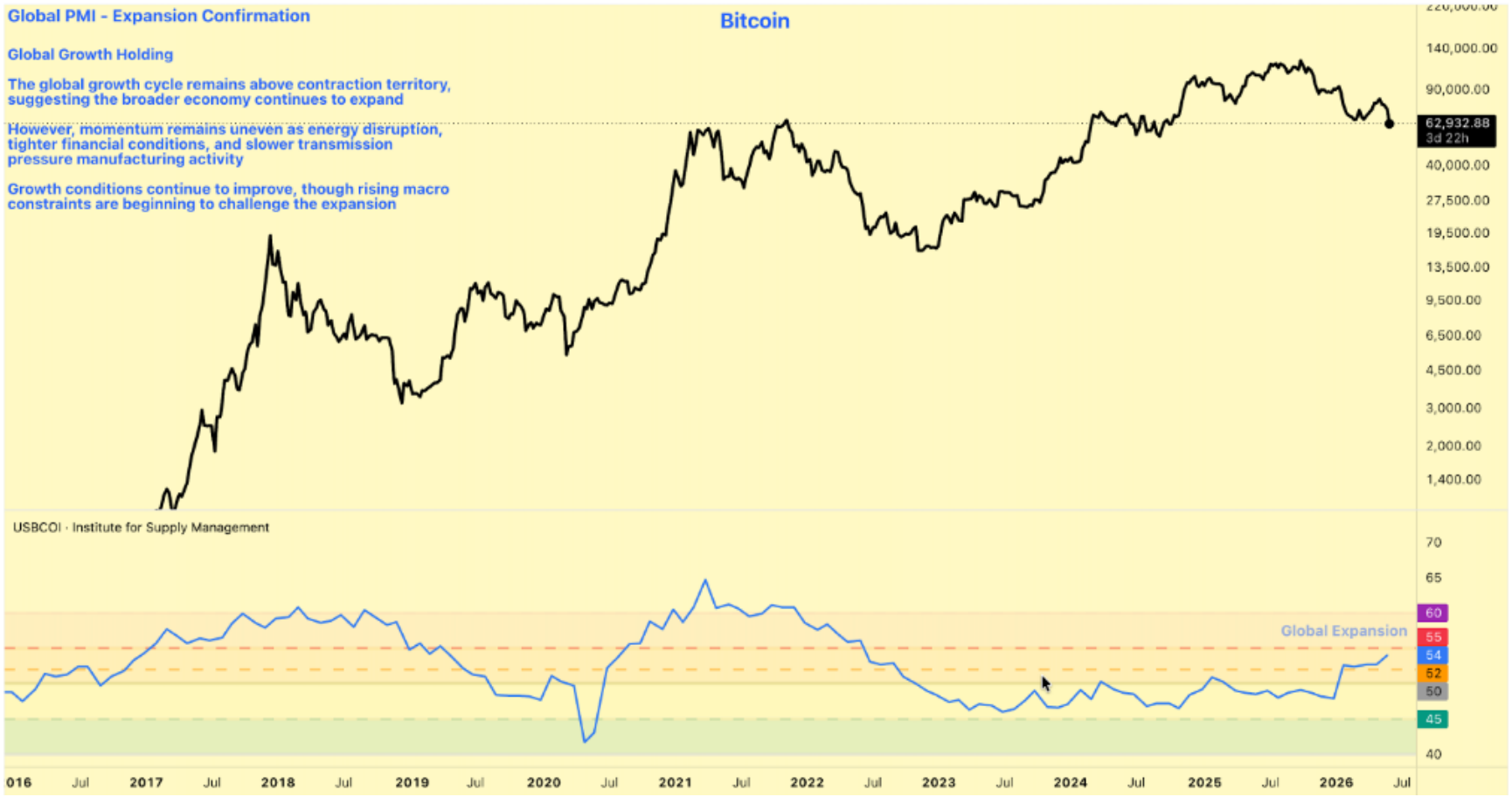
Question Answered; Is the US industrial economy expanding or contracting?



The ISM Manufacturing Index is one of the most widely followed measures of US economic activity. Readings above 50 indicate expansion while readings below 50 signal contraction. Manufacturing often acts as an early indicator of broader economic momentum, making ISM an important tool for assessing whether growth conditions are improving or deteriorating across the business cycle.

Global PMI - Growth Proxy

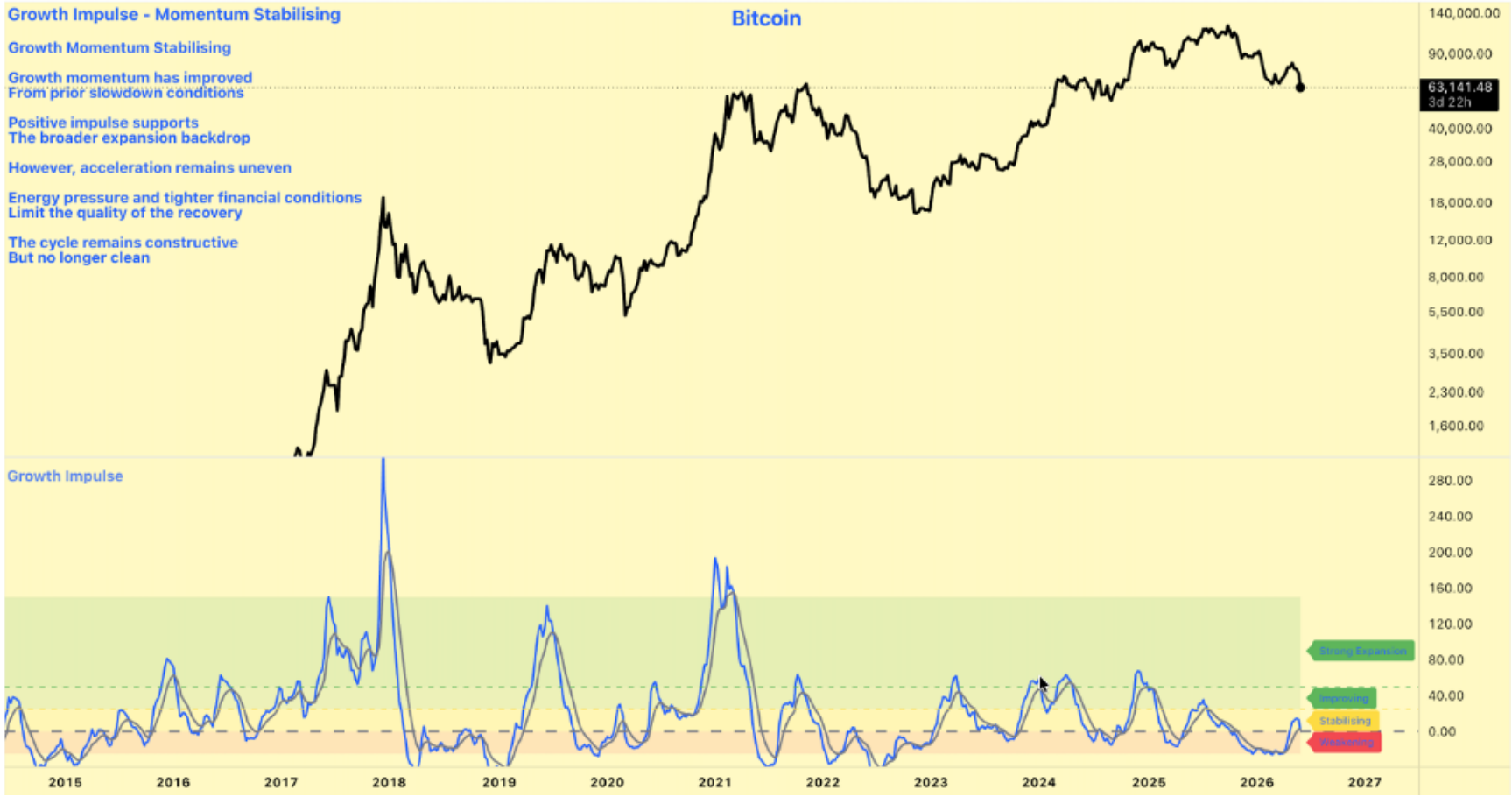
Question Answered; Is global growth improving?



Global PMI provides a broad measure of worldwide economic activity by surveying purchasing managers across major economies. Readings above 50 indicate expansion while readings below 50 signal contraction. Because PMI captures both manufacturing and business activity trends, it serves as one of the clearest indicators of whether global growth conditions are improving or deteriorating across the economic cycle.

Growth Impulse - Momentum Stabilizing

Question Answered; Is growth momentum accelerating or slowing?



Growth Impulse measures the rate of change in economic activity, helping identify whether growth conditions are accelerating or decelerating beneath the surface. While traditional indicators such as PMI and ISM measure the level of activity, Growth Impulse focuses on momentum. Positive readings typically support risk assets and economic expansion, while weakening readings often signal slowing demand and deteriorating macro conditions.

Growth Composite Regime - Expansion Under Pressure

Question Answered; What is the combined growth regime?



The Growth Composite Regime combines multiple growth indicators into a single framework designed to identify the prevailing economic environment. Rather than focusing on individual data points, the model evaluates whether the broader balance of evidence supports expansion, transition, weakening conditions or outright contraction. This helps investors determine where the economy sits within the growth cycle and whether improving indicators are becoming durable enough to influence asset prices.

Markets Continue to Believe

Markets are still behaving as if liquidity deserves respect, even if confidence is no longer broad or unquestioned. This section asks whether participation, breadth, and fundamentals are still supporting the advance or whether belief is beginning to narrow.

This month: Markets are still respecting the liquidity backdrop, though participation and leadership remain less broad than a fully healthy expansion would suggest.

Macro Risk Meter - Cross Asset Liquidity Proxy

Question Answered; Is liquidity translating into broad risk appetite?



The Macro Risk Meter combines Nasdaq, Bitcoin and Gold into a single cross-asset measure of liquidity transmission and risk appetite. While liquidity may exist within the financial system, this chart helps determine whether that liquidity is successfully translating into durable participation across growth, speculative and defensive assets. Strong readings typically coincide with broad expansion phases, while weakening readings often signal deteriorating risk appetite and increasing macro fragility.

Nasdaq vs Liquidity - Equity Transmission

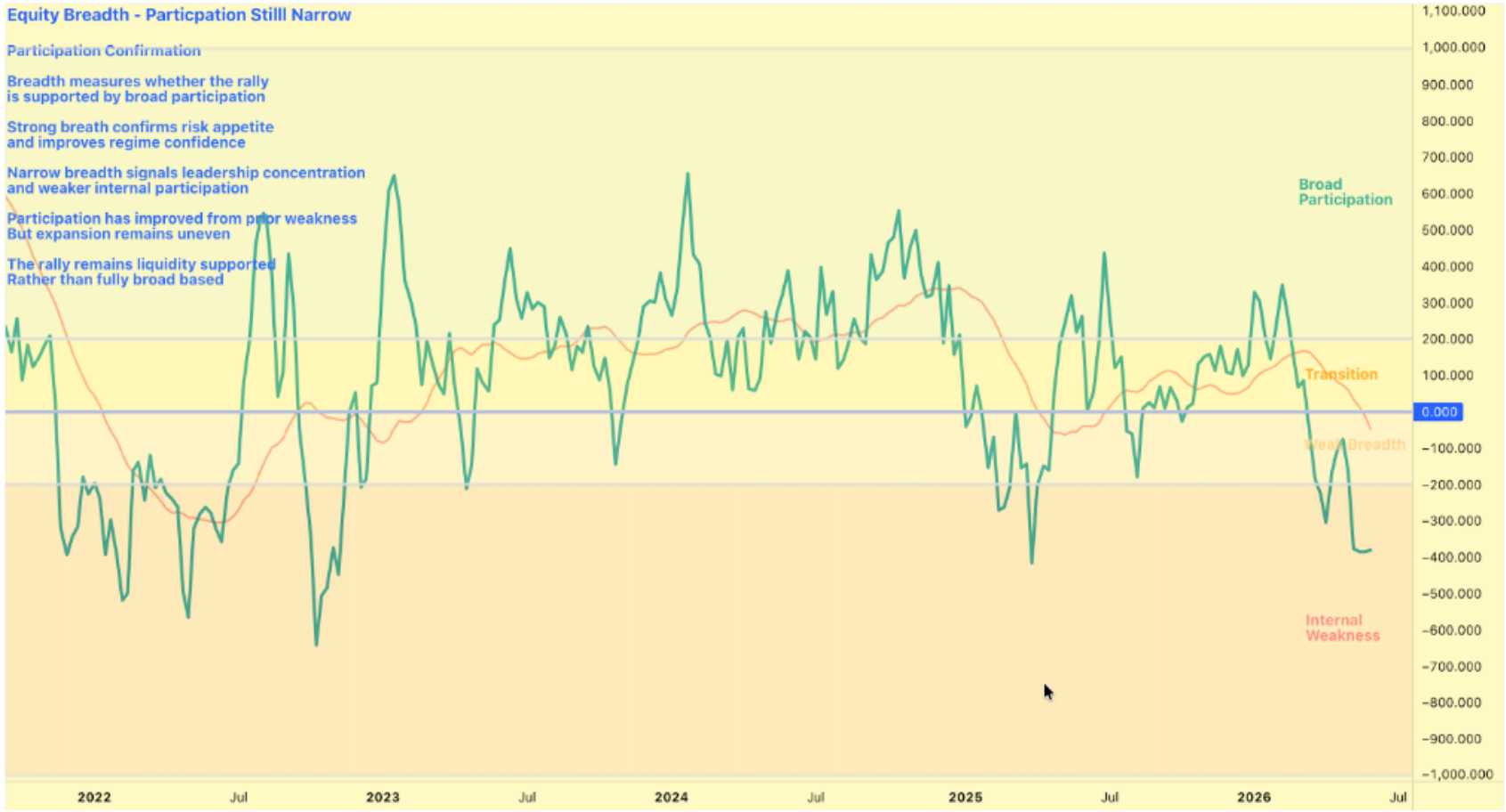
Question Answered; Are equities responding to liquidity?



Liquidity drives financial conditions, but markets rarely respond immediately. The Nasdaq typically acts as one of the most sensitive transmission mechanisms for expanding liquidity, often responding after liquidity conditions have already improved. Comparing liquidity against equities helps investors determine whether monetary expansion is being reflected in asset prices or whether a lagged adjustment remains ahead

Equity Breadth Participation

Question Answered; Is the rally broad or narrow?



Breadth measures how many stocks are participating in a market advance. Strong breadth confirms that gains are being supported by broad participation across sectors and market capitalizations. Weak breadth suggests leadership concentration, where a smaller number of stocks are responsible for driving index performance. Breadth helps investors determine whether a rally is healthy, sustainable and broadly supported.

Earnings Growth vs Equities

Question Answered; Are equities supported by fundamentals or only liquidity?



Earnings growth provides the fundamental foundation for equity markets. While liquidity can support higher valuations over shorter periods, sustainable advances are typically reinforced by rising corporate profits. Comparing earnings growth against equity performance helps determine whether markets are being driven primarily by improving fundamentals or by expanding liquidity and investor sentiment.

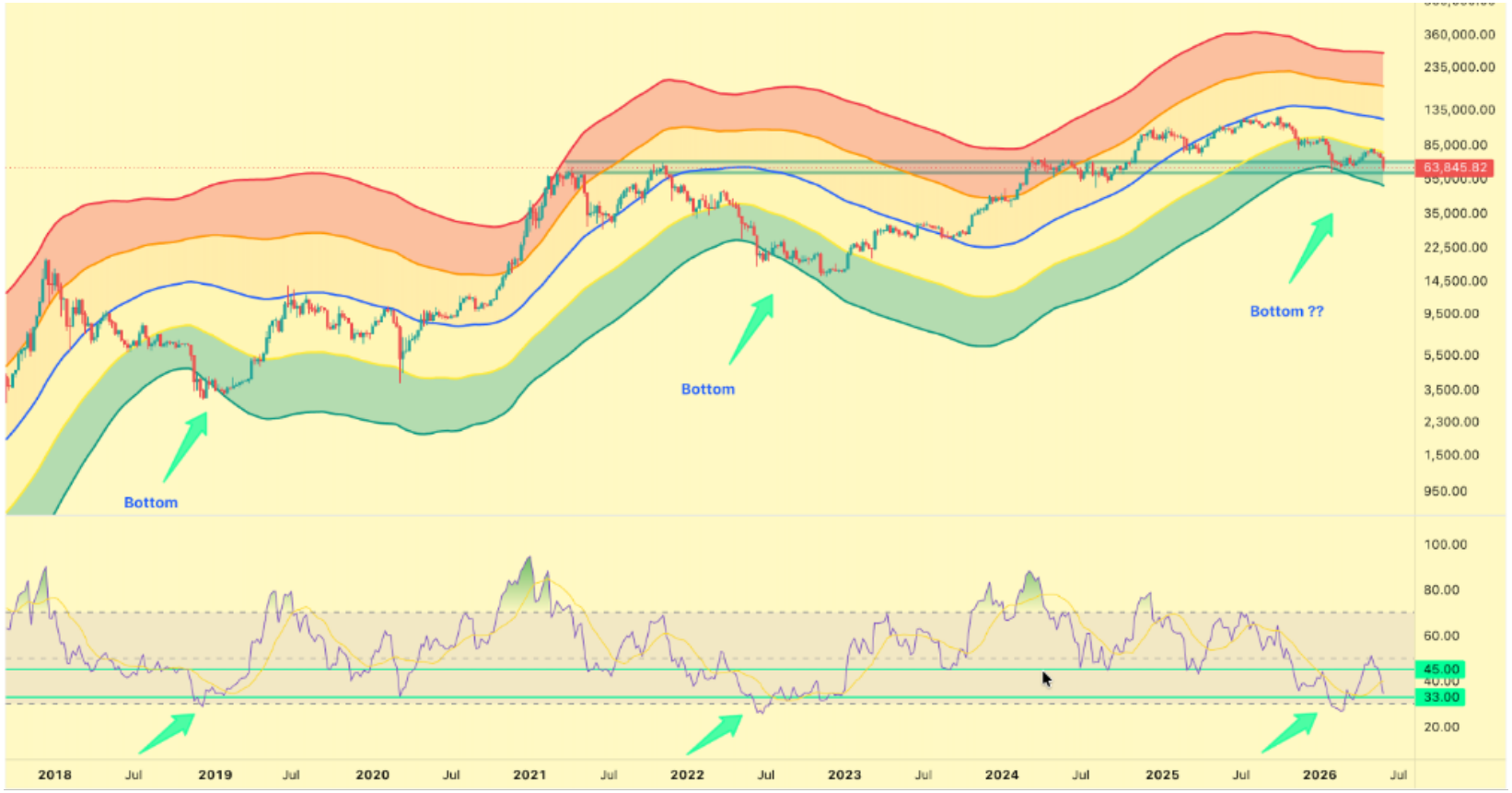
Where Are We Now?

Direction matters, but location matters too. This section places Bitcoin, the S&P 500, and the Nasdaq within their broader structural and valuation ranges so we can judge whether current price action reflects opportunity, fair value, or increasing extension.

This month: Price remains constructive across major assets, but current positioning within long-term ranges argues for respect rather than complacency.

Bitcoin Log Regression Channel

Question Answered: Where does Bitcoin sit within its long-term cycle structure?



The log regression channel places Bitcoin within its broader long-term cycle structure, helping distinguish deep value, fairer trend zones, and late-cycle excess. Current price appears to be recovering from a meaningful lower-risk area, but it is not yet in a position that justifies complacency.

Bitcoin 200W Valuation Bands

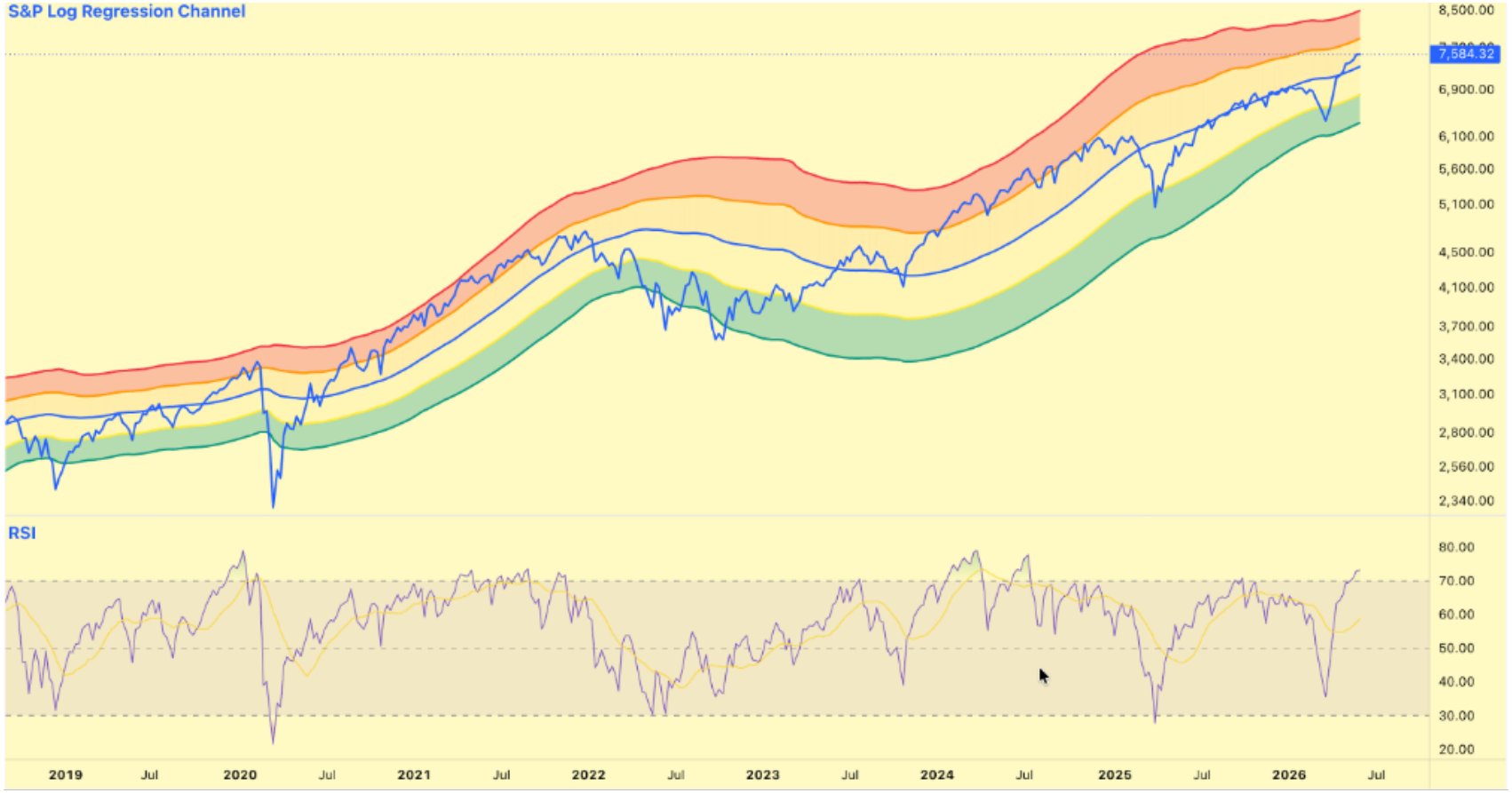
Question Answered: Is Bitcoin cheap, fair, or extended versus its long-term anchor?



The 200W valuation bands provide Bitcoin's long-term reality anchor by showing how far price has moved above or below its structural trend. Bitcoin is recovering from a historically attractive region, but the chart still argues for respect rather than assuming a clean return to aggressive upside.

S&P 500 Log Regression Channel

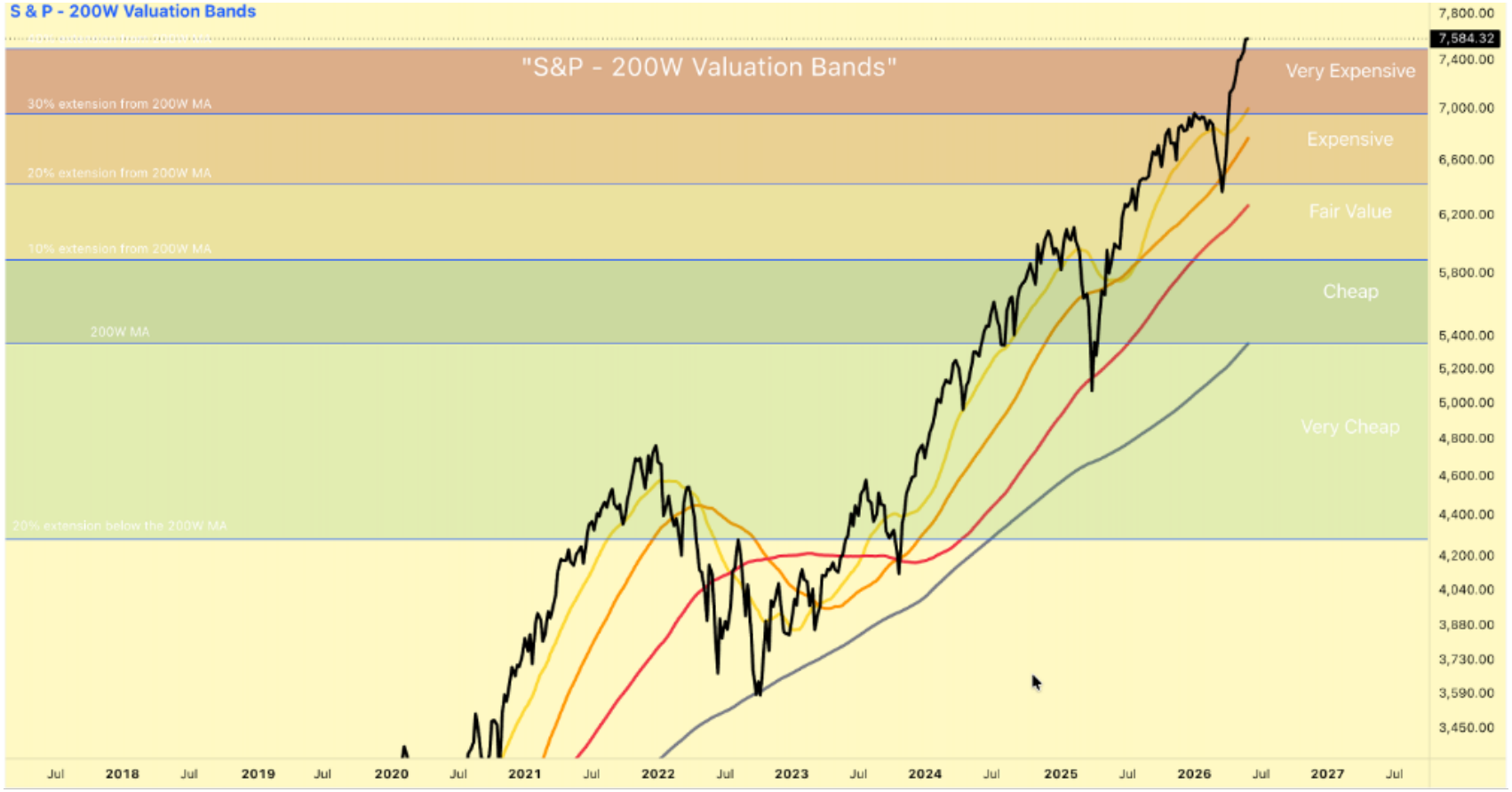
Question Answered: Where do US equities sit within their broader structural range?



The S&P 500 log regression channel shows where the broad equity market sits within its long-term structural advance. Price remains constructive inside the larger uptrend, though position within the channel suggests less asymmetry than was available in earlier recovery phases.

S&P 200W Valuation Bands

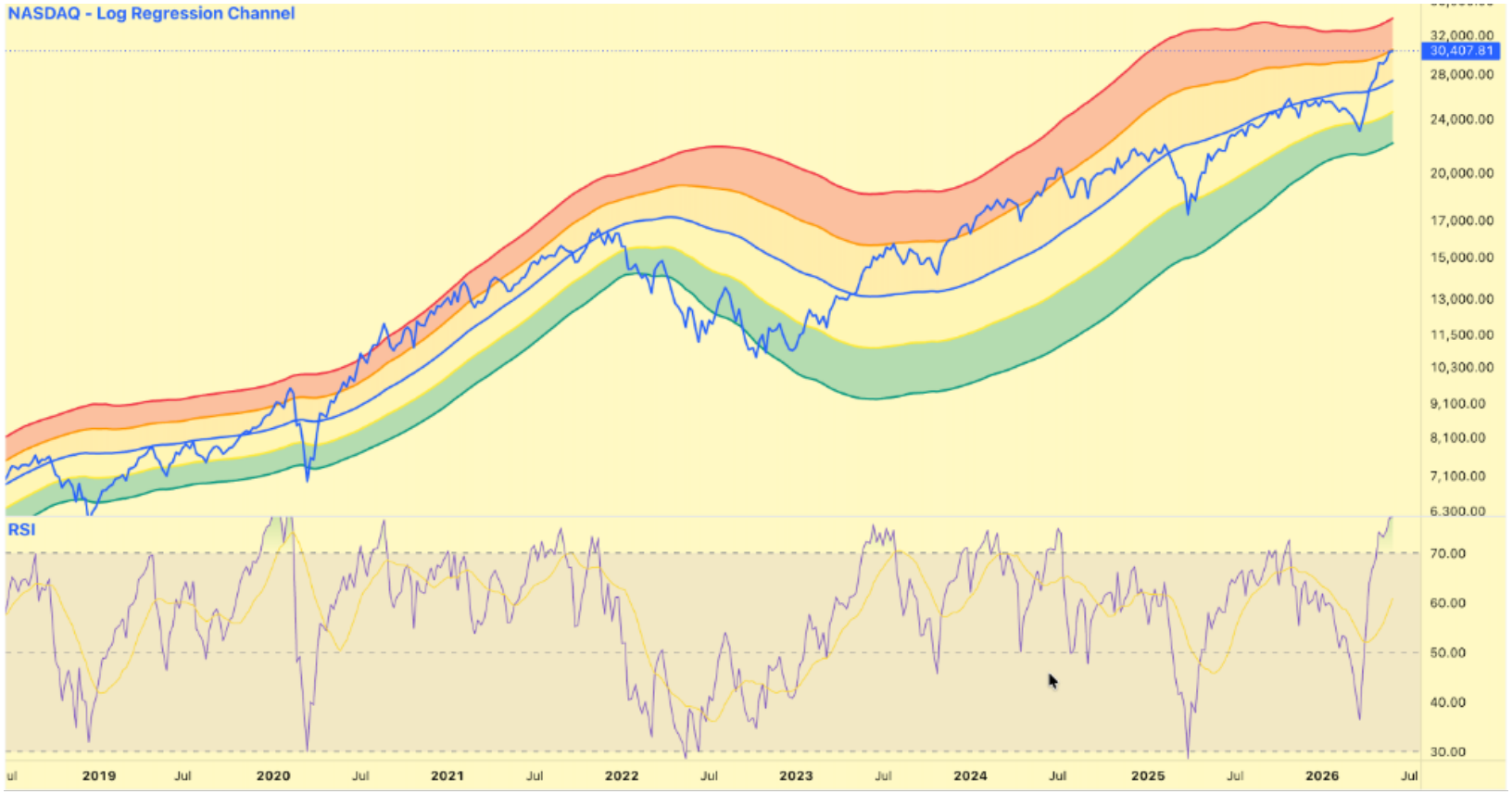
Question Answered: Are equities still supported by trend, or becoming stretched?



The 200W valuation bands help judge whether the S&P is trading near support, fair value, or extension relative to its long-term anchor. Equities remain supported by trend, but distance from the lower-risk accumulation zones suggests investors are no longer being paid for assuming risk as generously as they were earlier in the cycle.

Nasdaq Log Regression Channel

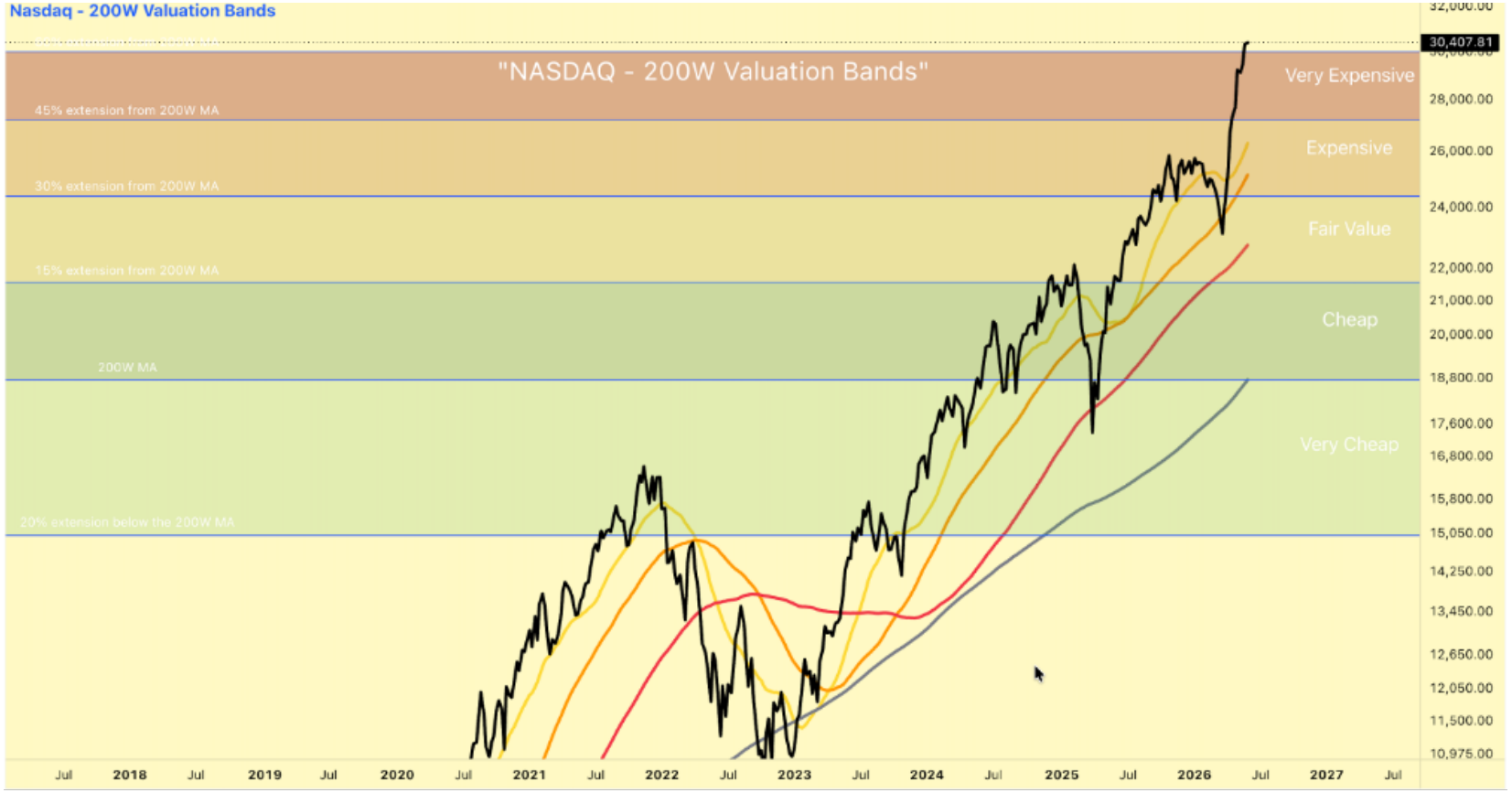
Question Answered: Where does the leading risk index sit within its long-term cycle?



The Nasdaq log regression channel places the market's leading long-duration risk asset inside its broader structural range. The trend remains intact, but the chart suggests investors are operating from a constructive rather than deeply discounted starting point.

Nasdaq 200W Valuation Bands

Question Answered: Is the Nasdaq still in a constructive zone, or moving toward excess?



The 200W valuation bands provide a long-term anchor for judging whether the Nasdaq is trading in a favourable or increasingly extended zone. The index remains above its key structural trend support, but current levels argue for selectivity rather than blind enthusiasm.

Gold Questions The Recovery

Gold is often where macro doubt shows up first. This section tests whether capital is still favouring protection over speculation and whether the recovery in risk assets is strong enough to reclaim leadership from defensive capital.

This month: Gold continues to suggest that defensive capital has not fully left the system, even as risk assets attempt to stabilise.

BTC vs Gold - Capital Rotation Regime

Question Answered; Is capital favouring speculation or protection?



The BTC/Gold ratio measures investor preference between offensive and defensive capital allocation. Bitcoin leadership typically reflects improving liquidity transmission, rising risk appetite and confidence in growth-sensitive assets. Gold leadership often emerges during periods of increasing uncertainty, macroeconomic stress or deteriorating liquidity quality. Tracking the ratio helps investors identify shifts between risk-seeking and capital-preservation regimes.

Bitcoin’s Liquidity Gap

Liquidity may still be supportive in absolute terms, but Bitcoin has not fully confirmed that support. This section asks whether Bitcoin is simply delayed, whether transmission is weakening, or whether capital is being held back by caution and selective positioning.

This month: Liquidity still looks supportive on paper, but Bitcoin has yet to fully confirm that support through stronger price transmission.

Global Liquidity vs Bitcoin - Transmission Model

Question Answered; Is liquidity transmitting into Bitcoin?



\Global liquidity remains one of the most important long-term drivers of Bitcoin performance. Liquidity typically turns before Bitcoin, creating periods where capital has entered the financial system but has not yet fully transmitted into digital assets. Sustained divergences between liquidity and Bitcoin can signal delayed transmission, changing risk preferences, or capital rotation into alternative asset classes.

Global Liquidity Lead vs Bitcoin

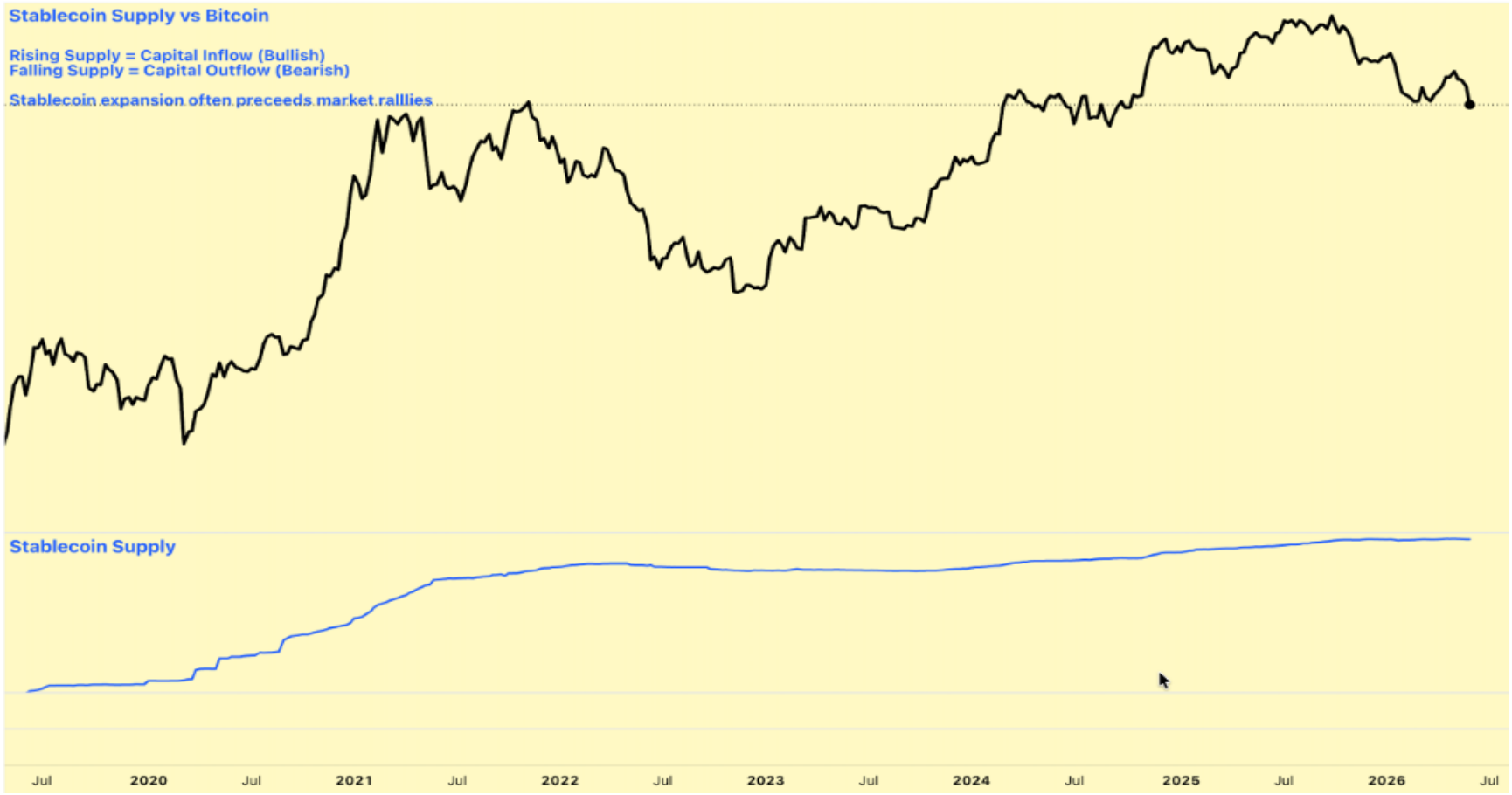
Question Answered; Is Bitcoin delayed relative to liquidity?



Global liquidity often leads Bitcoin by approximately 10–12 weeks as monetary expansion gradually transmits through the financial system. The model helps identify periods where liquidity conditions imply stronger future Bitcoin performance and highlights divergences where transmission into digital assets has weakened or been delayed.

Stablecoin Supply vs Bitcoin

Question Answered; Is crypto native liquidity available?



Stablecoin supply represents crypto-native liquidity already positioned inside the digital asset ecosystem. Rising stablecoin balances typically indicate growing capital availability and often precede periods of stronger market participation. Comparing Bitcoin against stablecoin supply helps distinguish between liquidity availability and actual capital deployment into risk assets.

Bitcoin Dominance - Crypto Capital Preference

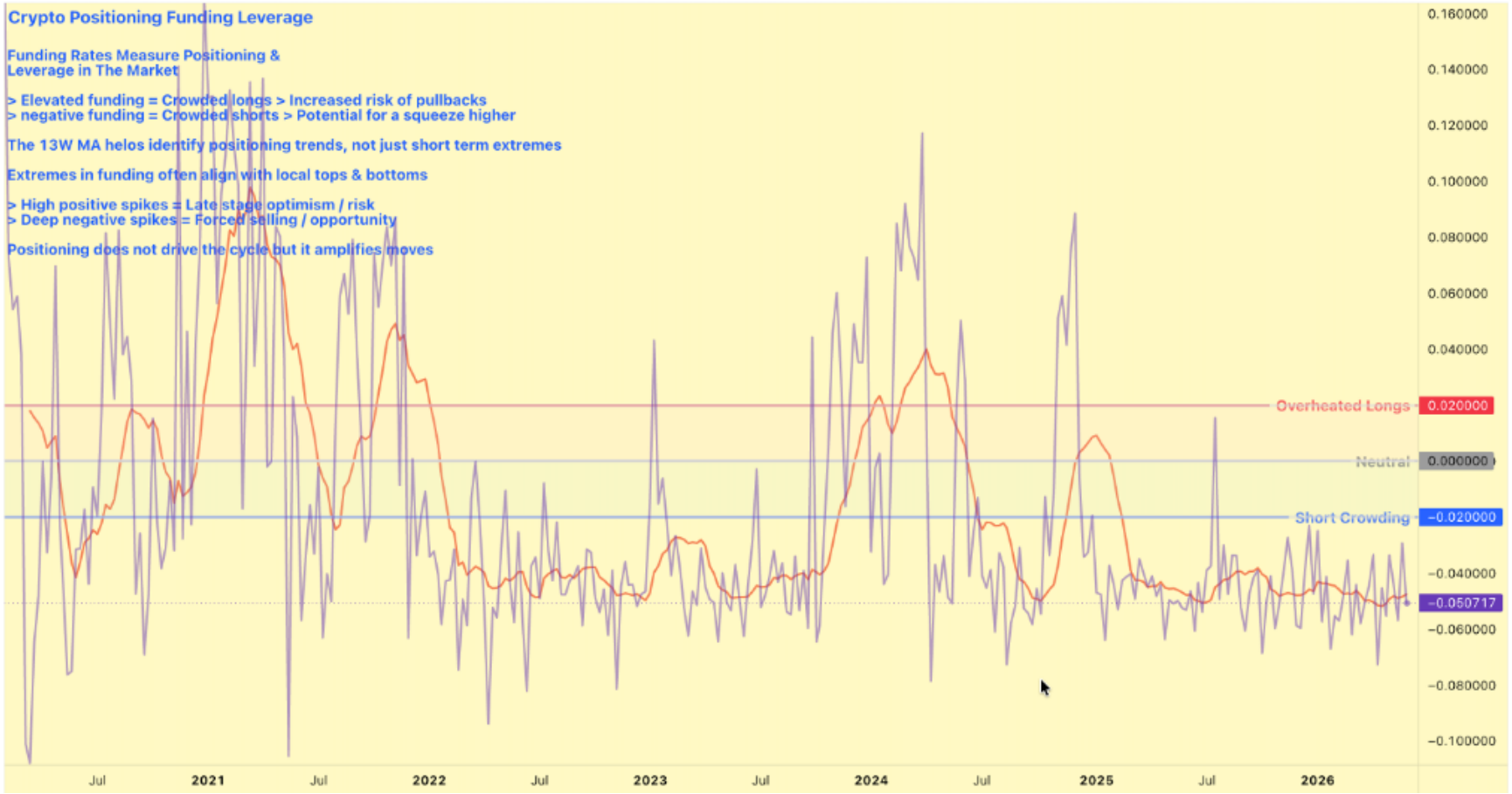
Question Answered; Is crypto capital moving into higher beta?



Bitcoin Dominance measures the share of total crypto market capitalization represented by Bitcoin. Rising dominance typically signals capital preference for quality and liquidity, while falling dominance often reflects increasing risk appetite and broader participation across alternative digital assets

Funding Trend - Crypto Positioning & Leverage

Question Answered; Is crypto positioning overheated or cautious?



Funding rates measure positioning and leverage within perpetual futures markets. Positive funding indicates traders are paying to maintain long exposure, while negative funding indicates bearish positioning and increased short exposure. Extreme funding levels often coincide with periods of excessive optimism or pessimism and can help identify areas where market positioning becomes vulnerable to reversal.

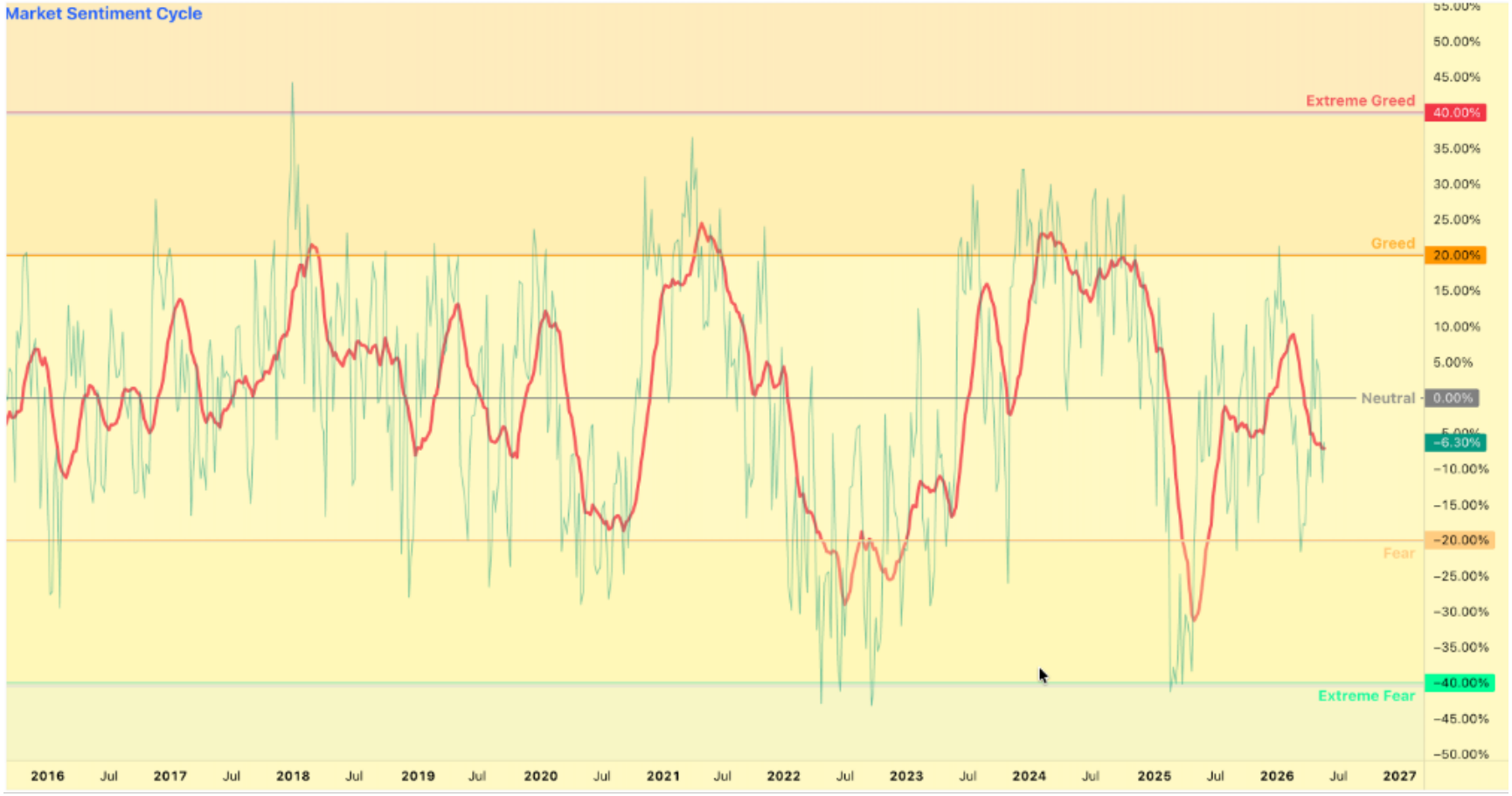
Investor Psychology - Cautious, Not Broken

Price alone never tells the full story; positioning and psychology often reveal what conviction really looks like. This section asks whether investors are still too comfortable, beginning to turn cautious, or already moving toward stress and defensiveness.

This month: Sentiment has cooled and caution has returned, but the market is not yet showing the kind of fear normally associated with deep breakdowns.

Cycle Extremes / Sentiment

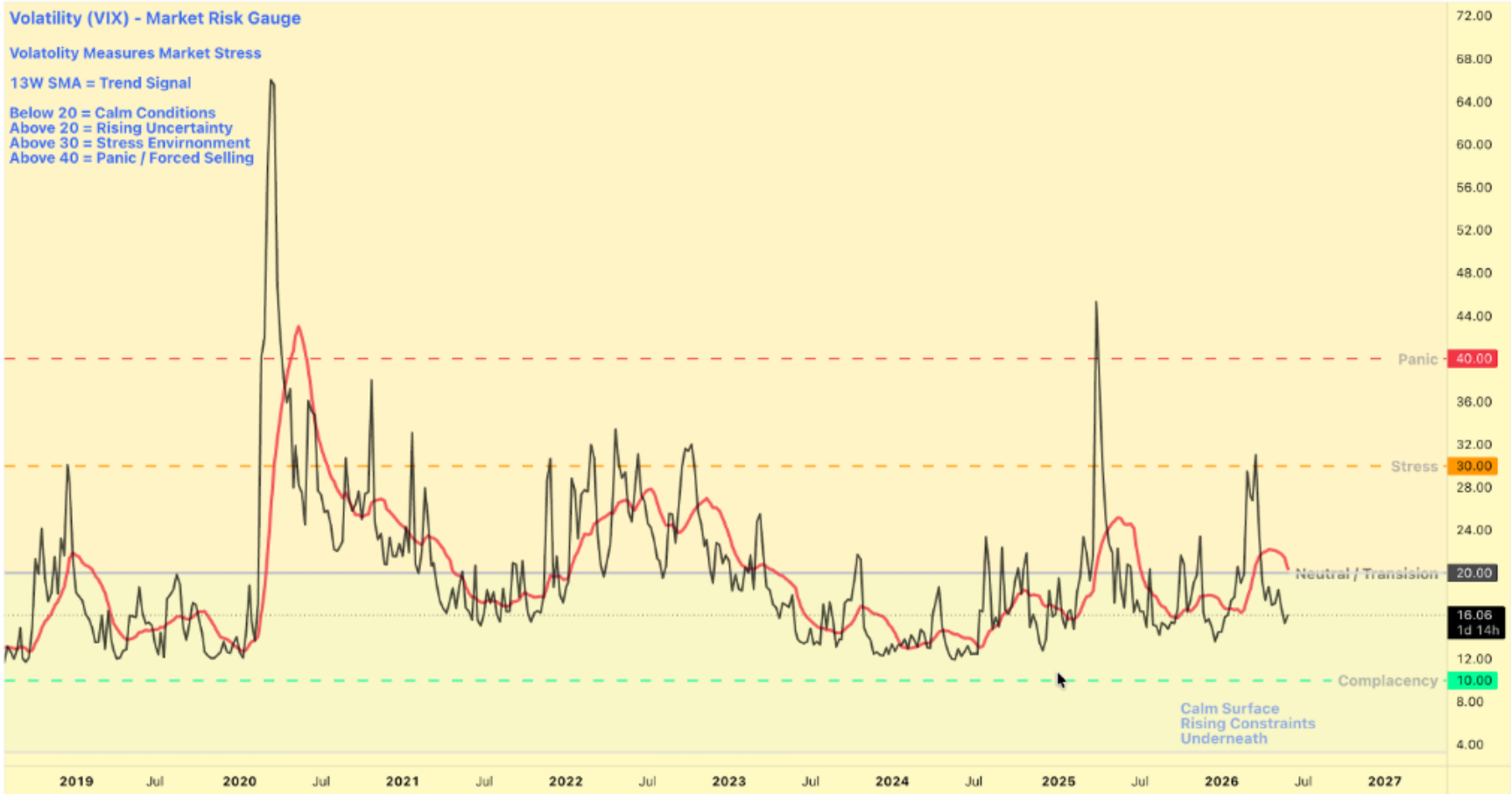
Question Answered; Are investors euphoric, fearful or cautious?



Market sentiment has slipped back below neutral territory as investor optimism continues to cool. While conditions are noticeably weaker than those seen during the 2024–25 advance, sentiment remains far from the fear levels typically associated with major market lows. The current backdrop suggests caution has returned to the market, but widespread capitulation remains absent.

Volatility VIX

Question Answered; Is volatility signaling systematic stress?



The VIX measures expected volatility within the U.S. equity market and is commonly used as a proxy for investor fear. Rising volatility typically reflects increasing uncertainty and deteriorating risk appetite, while low volatility often accompanies periods of market stability and improving confidence. Monitoring the VIX helps determine whether market participants are becoming more defensive or remaining comfortable with risk exposure.

The Real Economies Verdict

Financial markets can wobble long before the real economy fully rolls over. This final section asks whether real-world trade and transport still support the expansion story or whether economic stress is beginning to appear beyond the screens.

This month: Real-world activity continues to lean more resilient than fragile, supporting the view that the expansion is under pressure but not yet broken.

Shipping Equities - Global Trade Stress

Question Answered: Is global trade still functioning?



Shipping equities continue to trend higher, suggesting global trade flows remain resilient despite ongoing macro uncertainty. Strength across shipping markets indicates commodity demand, energy transport, and freight activity remain supportive. While investor sentiment has cooled and defensive positioning has increased, real-world trade activity continues to point toward expansion rather than contraction.\Capital Cycle Intelligence

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Know What You Own
&
Know Why You Own It

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