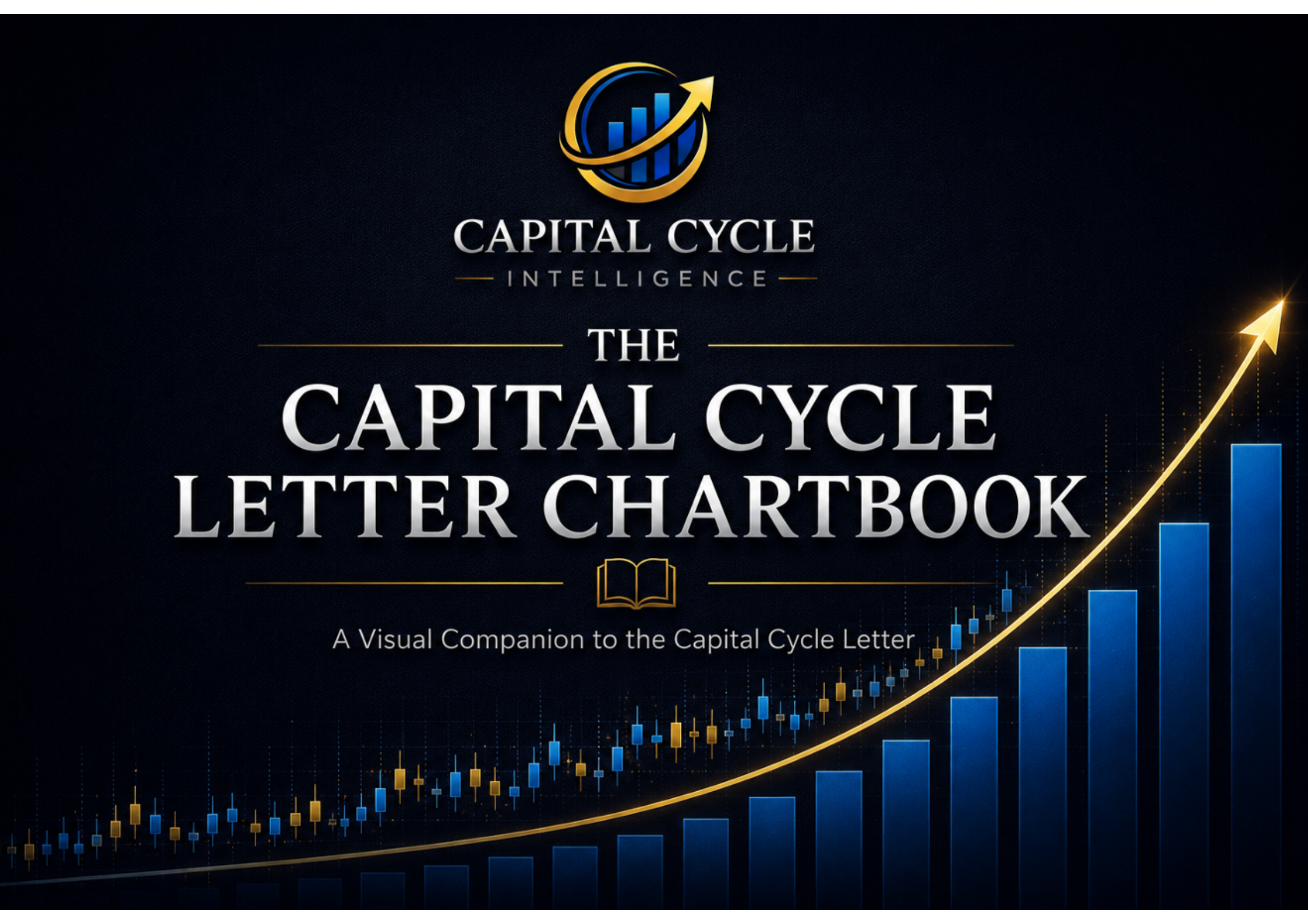

CAPITAL CYCLE
INTELLIGENCE
THE
CAPITAL CYCLE
LETTER CHARTBOOK
A Visual Companion to the Capital Cycle Letter

The Capital Cycle Letter - Chartbook

April 2006

Monthly Theme: Gold Leading, Risk Still Selective

Price is the output

Liquidity, Growth and Credit

Are the inputs

How to Use This Chartbook

This Chartbook is designed to show market structure quickly and clearly through the lens of The Capital Cycle Doctrine

We move from inputs to outputs: liquidity, growth, credit, transmission, price and positioning

This Month at a Glance

Core Message: Liquidity remains broadly supportive, but confirmation is still incomplete and leadership remains selective

Dominant Theme: Gold remains the clearest leadership expression, while broader risk participation is still being filtered through caution and confirmation

Market Read: The stack remains constructive from the top down, but the final posture is still selective and capped rather than broadly risk on.

What We're Watching: Credit calm, firmer BTC confirmation, continued gold leadership, and any change in the final portfolio posture.

Section 1 - Liquidity

Liquidity is the first lens through which CCI reads the market. This section shows what is happening, how conditions are changing, and wether markets are still responding in line with the broader liquidity backdrop

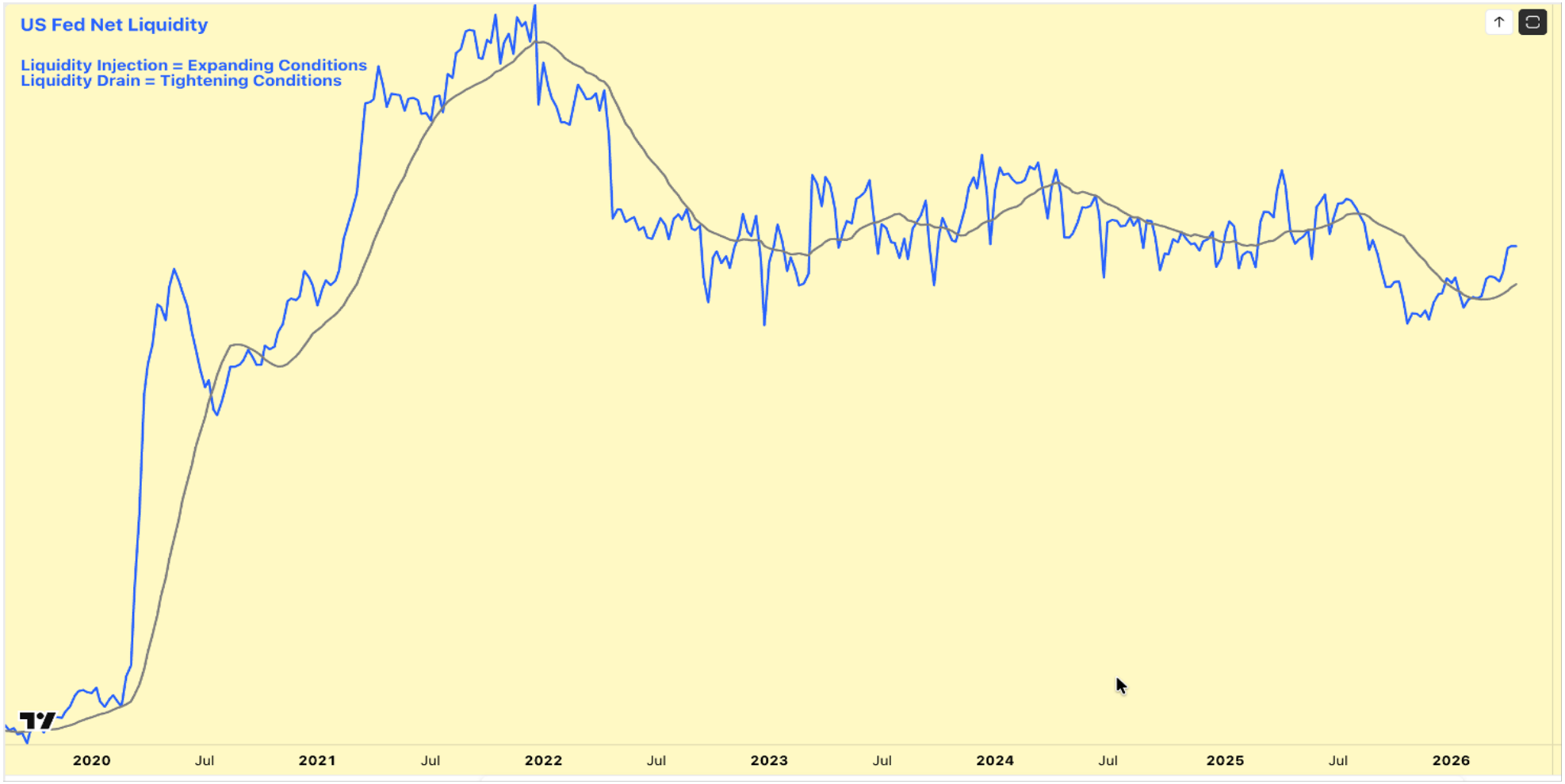
This Month: Liquidity remains supportive, but the impulse matters more than the level from here

Global Liquidity (GLI)



Global liquidity remains the primary macro fuel source for risk assets and continues to frame the broader cycle backdrop. As long as this trend remains constructive, major weakness is more likely to be corrective than structural,

Net Liquidity (US)



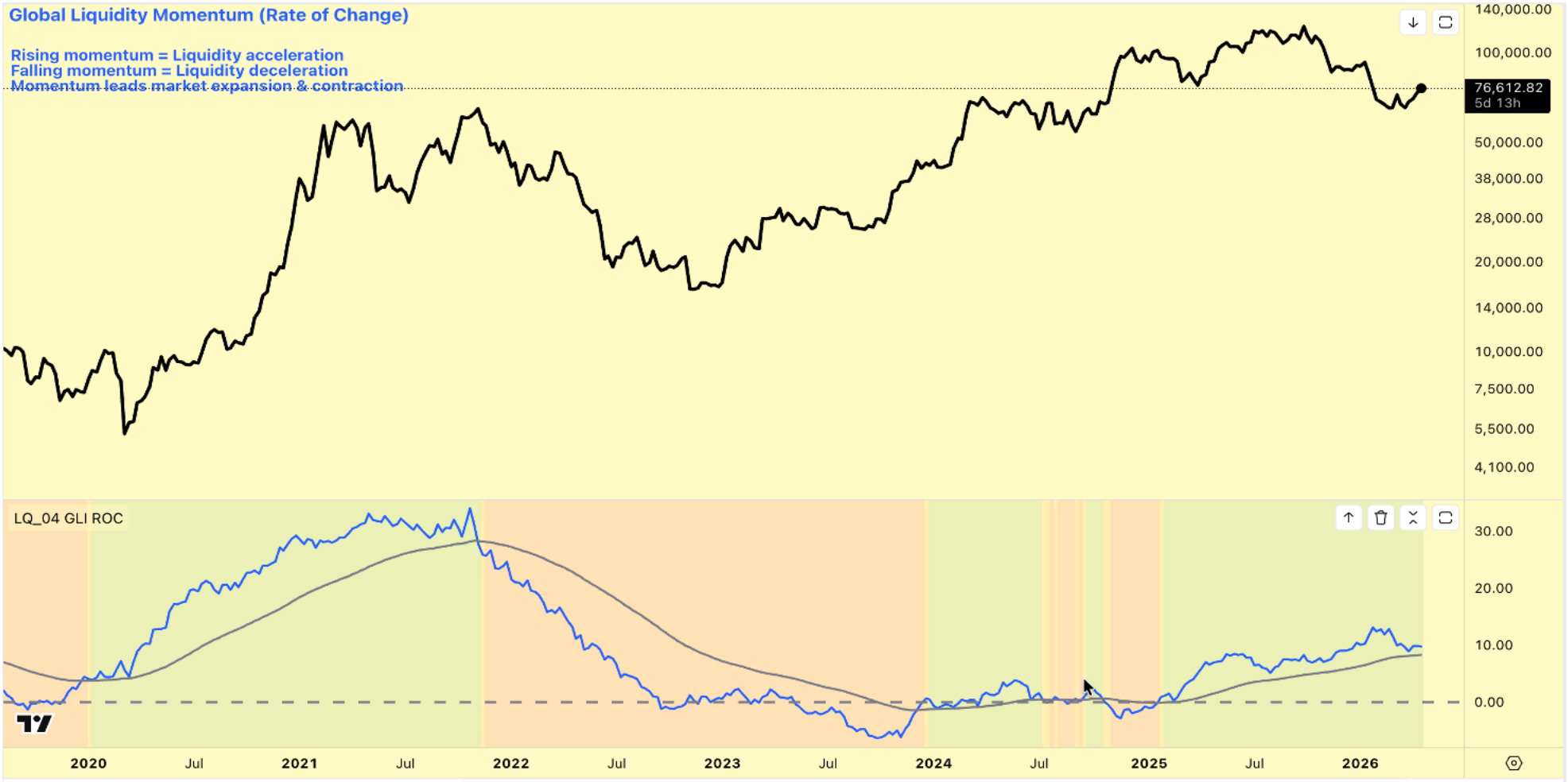
Net liquidity helps reveal how much useable liquidity is actually reaching markets once TGA and rep effects are accounted for. This helps show wether policy plumbing is supportive or draining risk appetite

BTC vs Liquidity (Lead Model)



Bitcoin continues to the one of the most responsive assets to the liquidity cycle often with a lead lag relationship rather than a perfect real time match. That makes it a key link between macro inputs and crypto price action

Liquidity Impulse - Rate of Change (ROC)



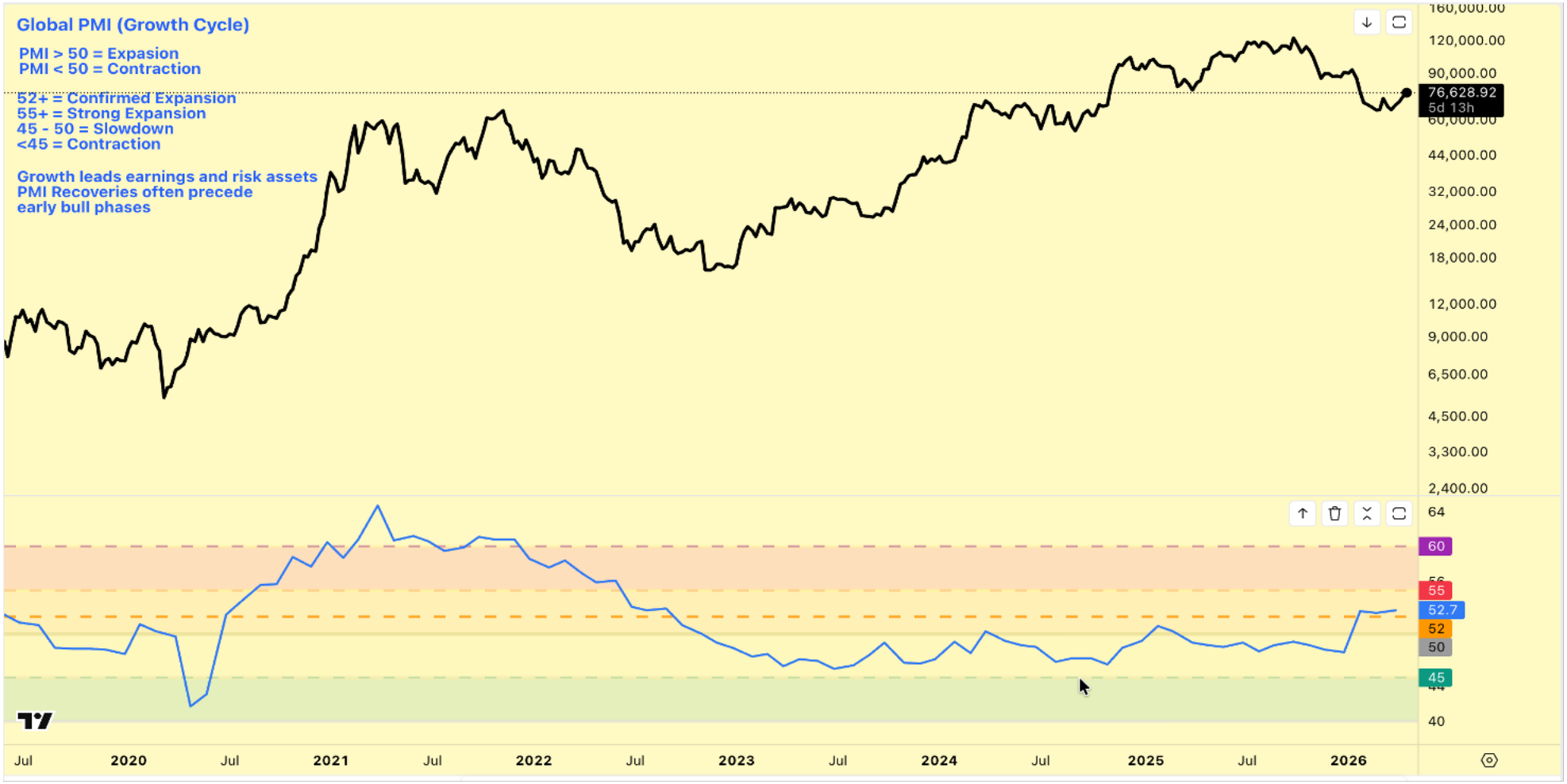
The liquidity impulse shows wether liquidity is accelerating or decelerating rather than just wether it is high or low. Changes here often matter more than the level itself because markets tend to respond to the second derivative first.

Section 2 - Growth

Growth determines how well liquidity can travel through the real economy and into earnings, confidence and risk taking. This section focuses on wether the cycle is strengthening, slowing or stablising.

This Month: Growth is improving enough to help the backdrop, but not so strongly that it removes the need for selectivity.

Global PMI (Composite)



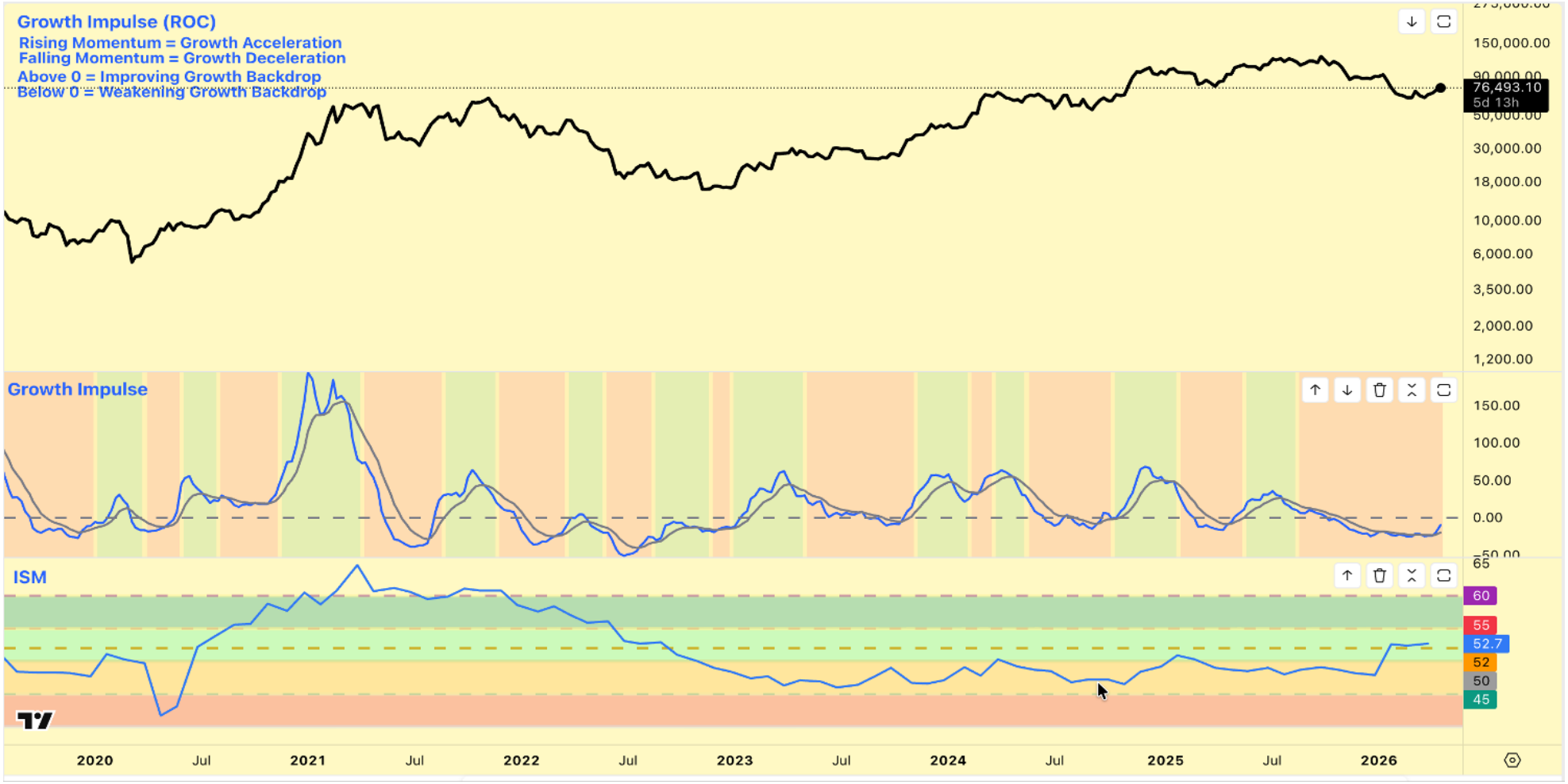
Global PMI provides one of the cleanest reads on broad comic momentum across the major economies. When growth is improving alongside liquidity, the macro backdrop becomes materially more supportive for risk assets.

US ISM Manufacturing



ISM remains one of the most useful cycle sensitive indicators for judging the direction of the US growth engine. Its trend matters because the US still pays an outsized role in shaping global risk appetite and market confidence.

Growth Impulse - Rate of Change (ROC)



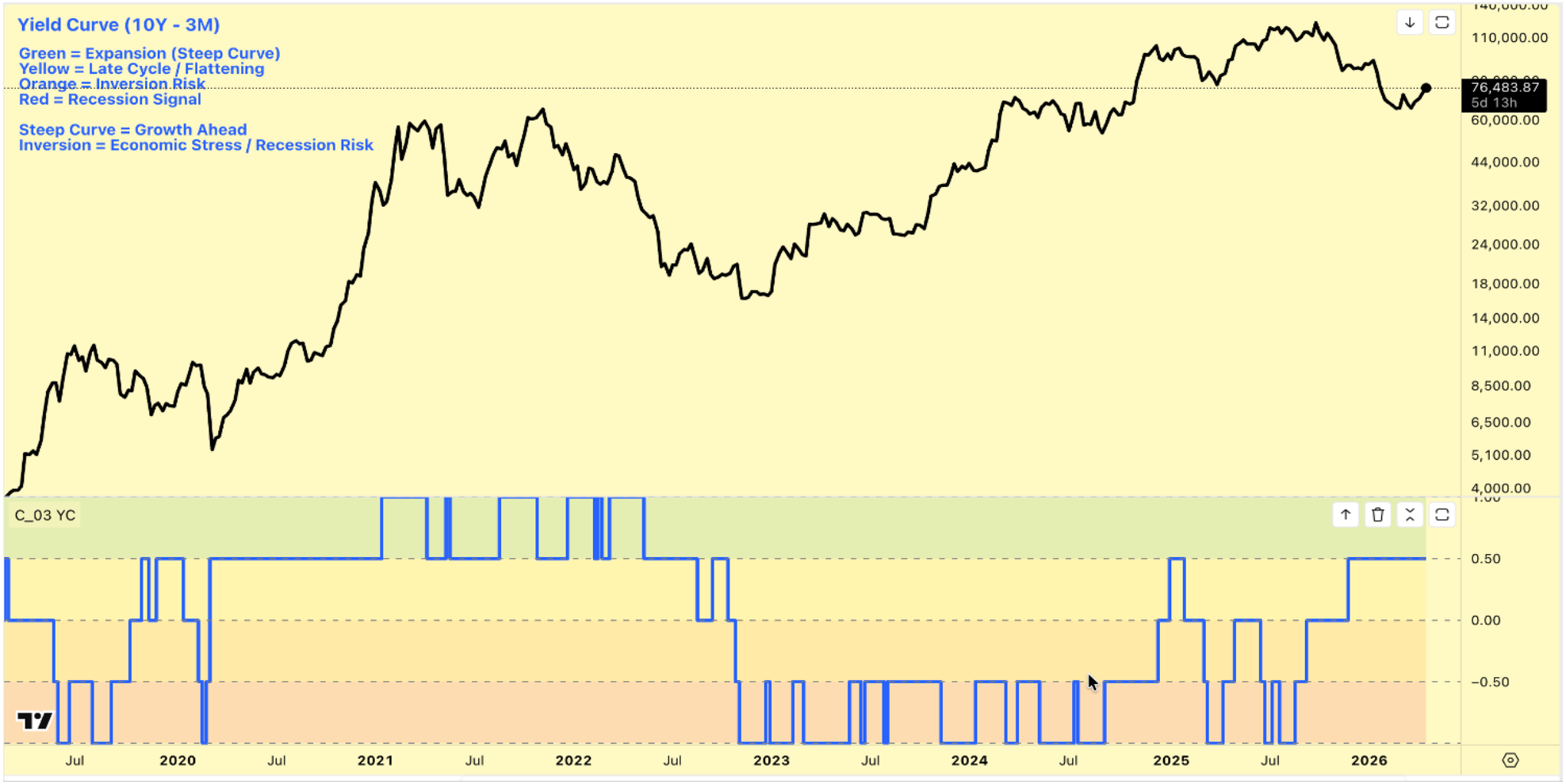
The growth impulse highlights wether macro momentum is speeding up or slowing down beneath the surface. This helps distinguish between a weak level that is improving and a strong level that is beginning to roll over.

Section 3 - Credit / Conditions

Credit is where hidden stress often appears before it becomes obvious in price. This section tracks whether financial conditions remain benign or whether strain is beginning to build beneath the surface.

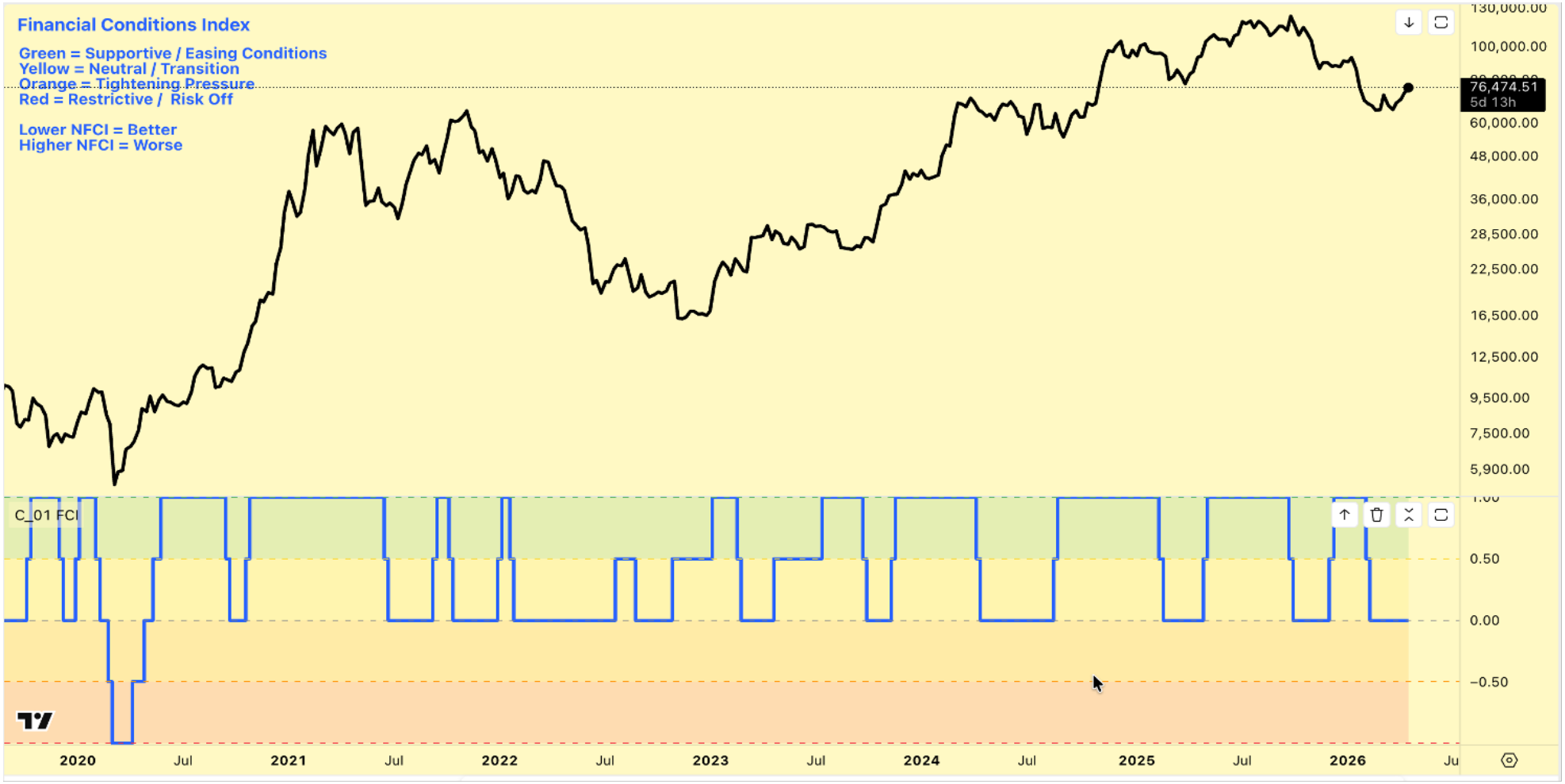
This Month: Credit remains calm: which supports the constructive case for now.

High Yield Credit Spreads



High yield spreads remain one of the most important real world checks on risk appetite and financial stress. When spreads stay contained, they support the case that markets are operating in a risk on rather then risk off environment.

Financial Conditions index



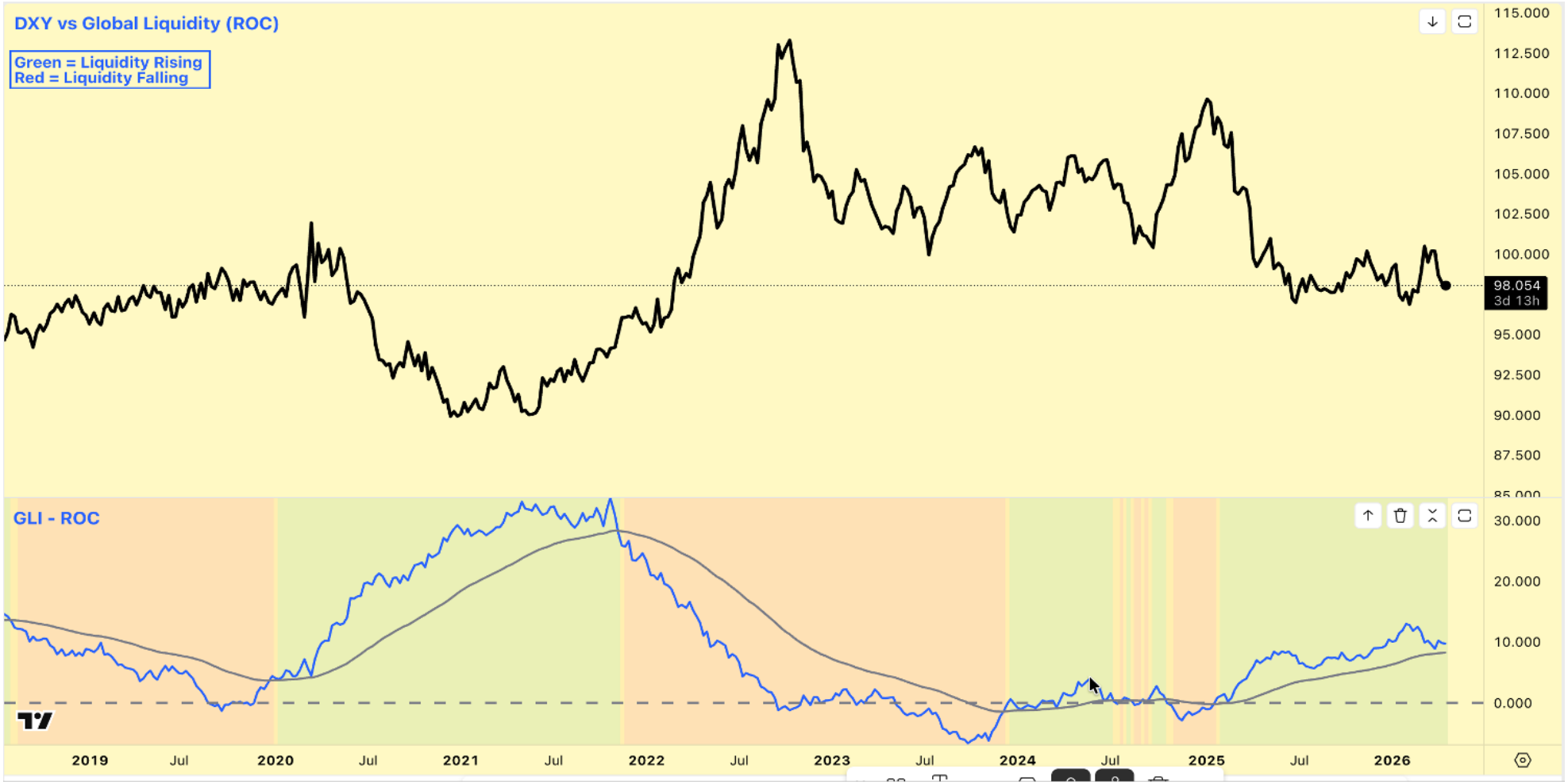
Financial conditions capture how easy or difficult it Is for capital to move through the system across rates, spreads, the dollar, and asset prices. Looser conditions tend to support risk assets, while tighter conditions eventually act as a brake.

Section 4 - Dollar / Transmission

Liquidity does not move through markets in isolation. The dollar acts as a key transmission mechanism, shaping where liquidity flows, how global conditions tighten or ease, and which assets are best positioned to respond.

This month: Dollar conditions are not yet a major brake, but they still matter for how smoothly global liquidity reaches global risk assets.

DXY



The dollar remains the ket transmission variable in the macro system. A softer dollar helps ease global conditions, while sustained strength would make broader confirmation harder from here.

Section 5 - Market Output

Price is the final output of the cycle, This section shows how liquidity, growth, credit and transmission are expressing themselves across the assets and structures that matter most.

This Month: Price remains constructive, but leadership is still selective rather than broad based.

Nasdaq vs Liquidity



Nasdaq remains one of the clearest traditional market expressions of the liquidity cycle, especially when both series are rebased and aligned properly. This chart helps confirm wether broader risk markets are still respecting the Macro liquidity framework.

Total Market Cap vs Total 3 Market Cap



Total market cap helps show whether participation is broadening or narrowing across the crypto complex. This matters because healthy cycles usually expand beyond a handful of leaders over time

Bitcoin Dominance



Bitcoin dominance helps reveal whether capital is concentrating in the highest quality crypto asset or rotating further out the along the risk curve. That makes it a useful barometer for internal market confidence and risk appetite.

Monthly Theme - Gold Leading, Risk Still Selective

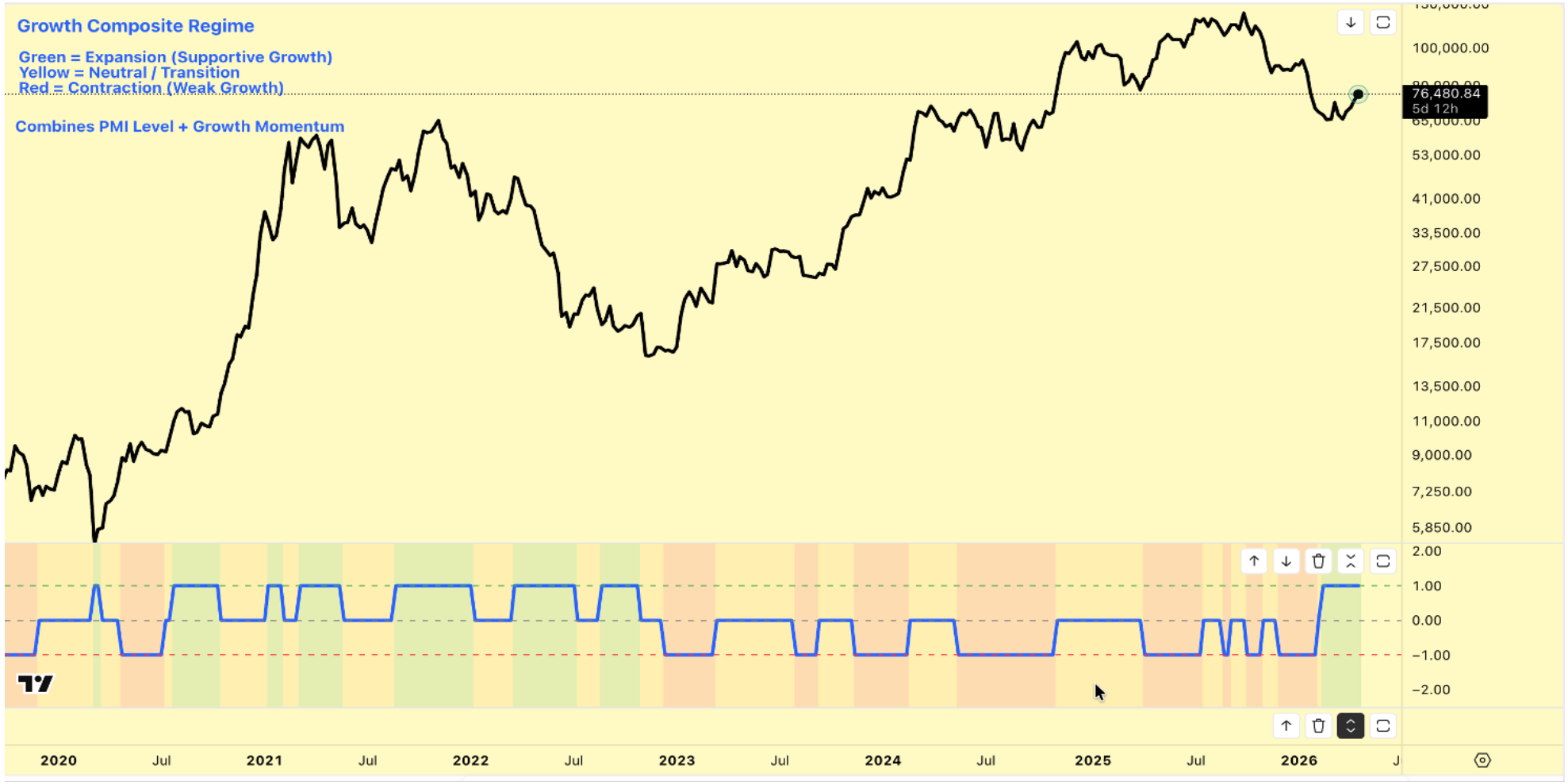
The broader macro backdrop remains constructive, but gold continues to be the clearest leadership expression within the stack. Broader risk is improving, though confirmation remains incomplete, which is why the current posture still favours selectivity over aggressive deployment.

Liquidity Composite Regime Map



The liquidity regime map simplifies multiple liquidity inputs into a single state view, helping distinguish expansion from neutral or contractionary conditions. This gives the broader Chartbook regime anchor rather than leaving the reader with disconnected signals.

Growth Composite Regime Map



The growth regime map shows wether economic momentum is aligned with liquidity or beginning to diverge from it. That matters because the strongest market environments tend to emerge when both liquidity and growth point in the same direction.

BTC vs QQQ



BTC versus QQQ helps show whether crypto is acting as the higher-beta expression of the same macro regime or lagging traditional risk assets. Relative leadership here can offer an important clue about where capital wants to move next.

BTC vs Gold



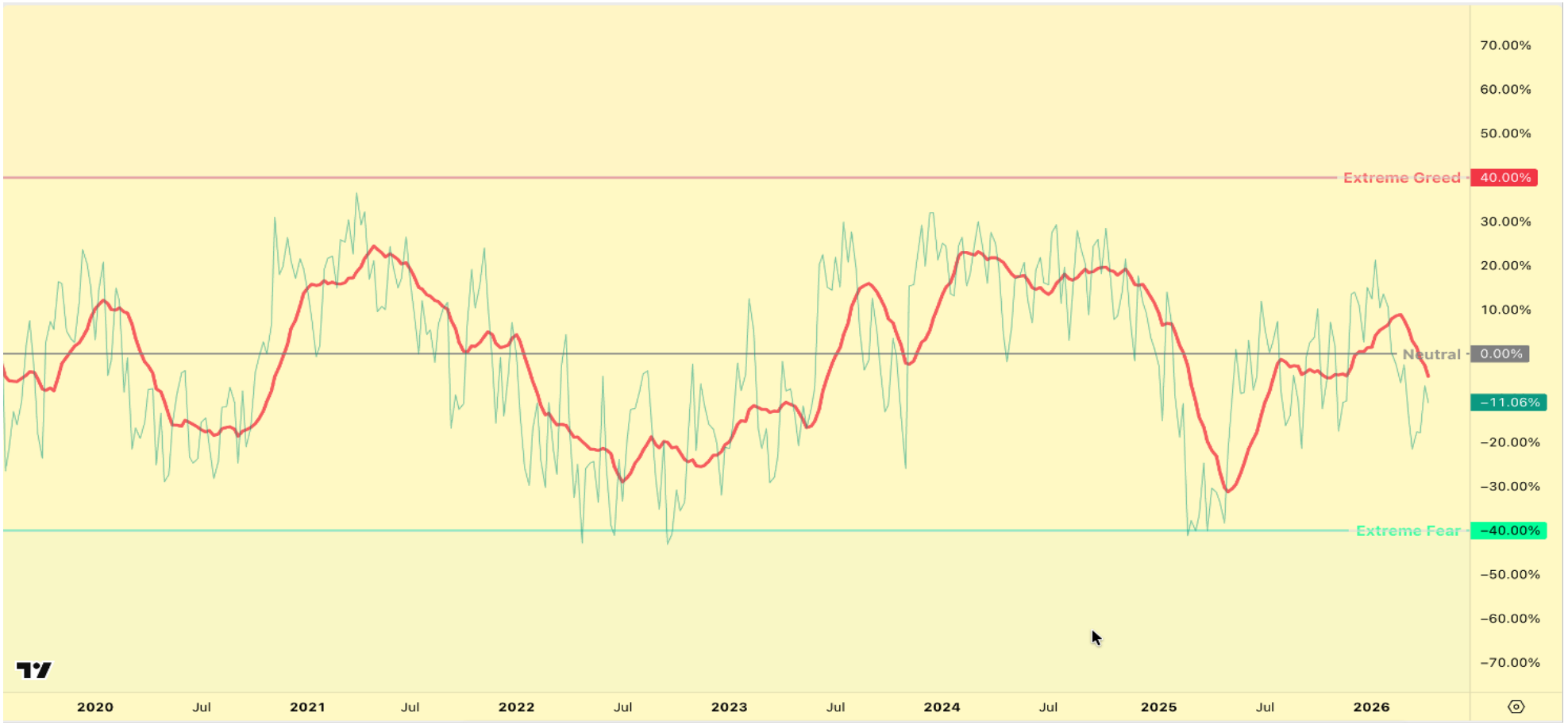
BTC versus gold is one of the cleanest expressions of aggressive versus defensive capital preference inside the broader cycle. When gold leads, the message is usually caution; when BTC leads, the message is usually confidence.

Section 6 — Tactical Watchlist

This final layer focuses on behaviour, positioning, and tactical signals that can confirm the trend, warn of excess, or signal the need for greater selectivity.

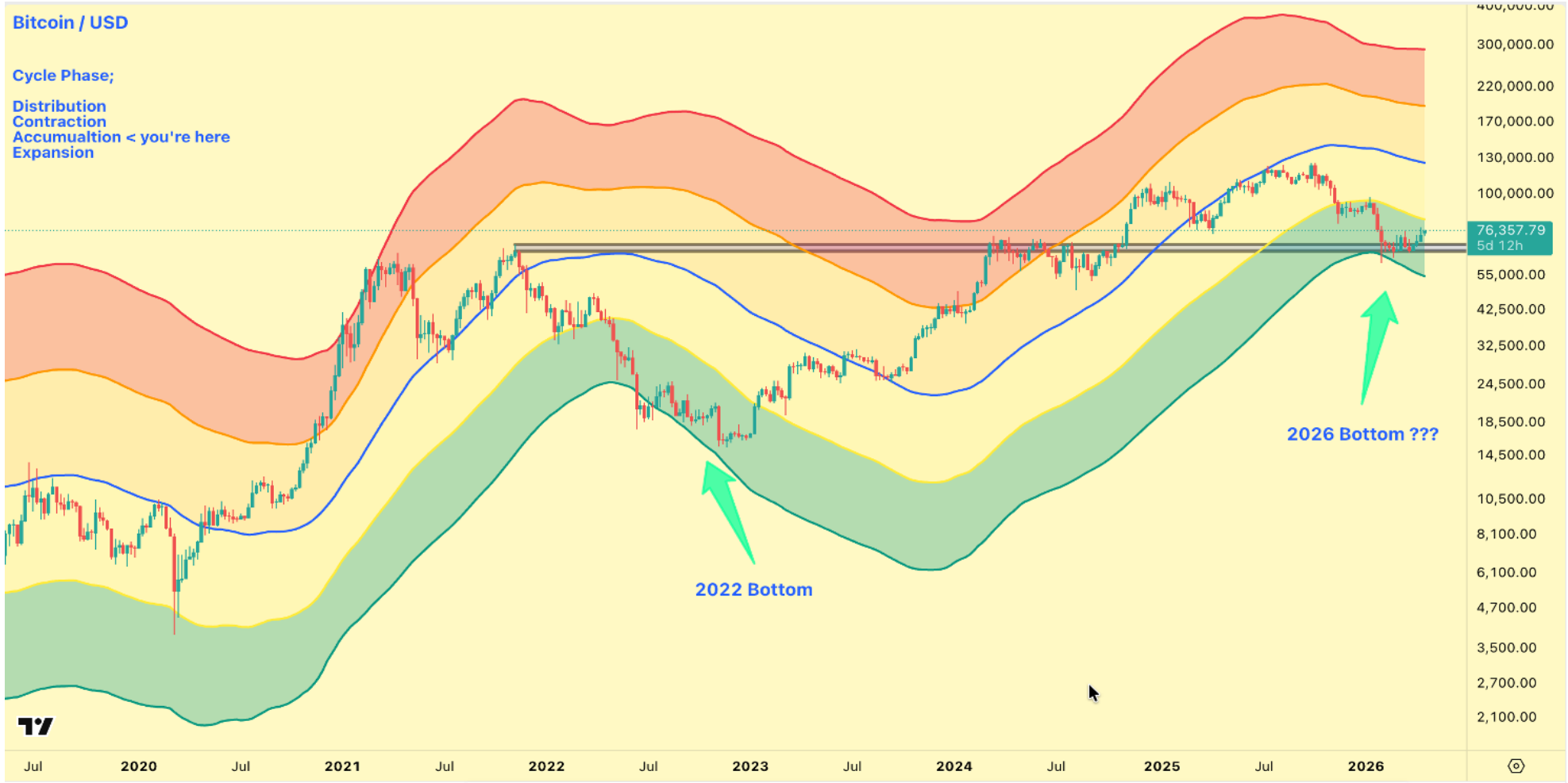
This month: BTC is improving, but the evidence still argues for discipline and respect rather than full conviction.

Cycle Extremes / Sentiment



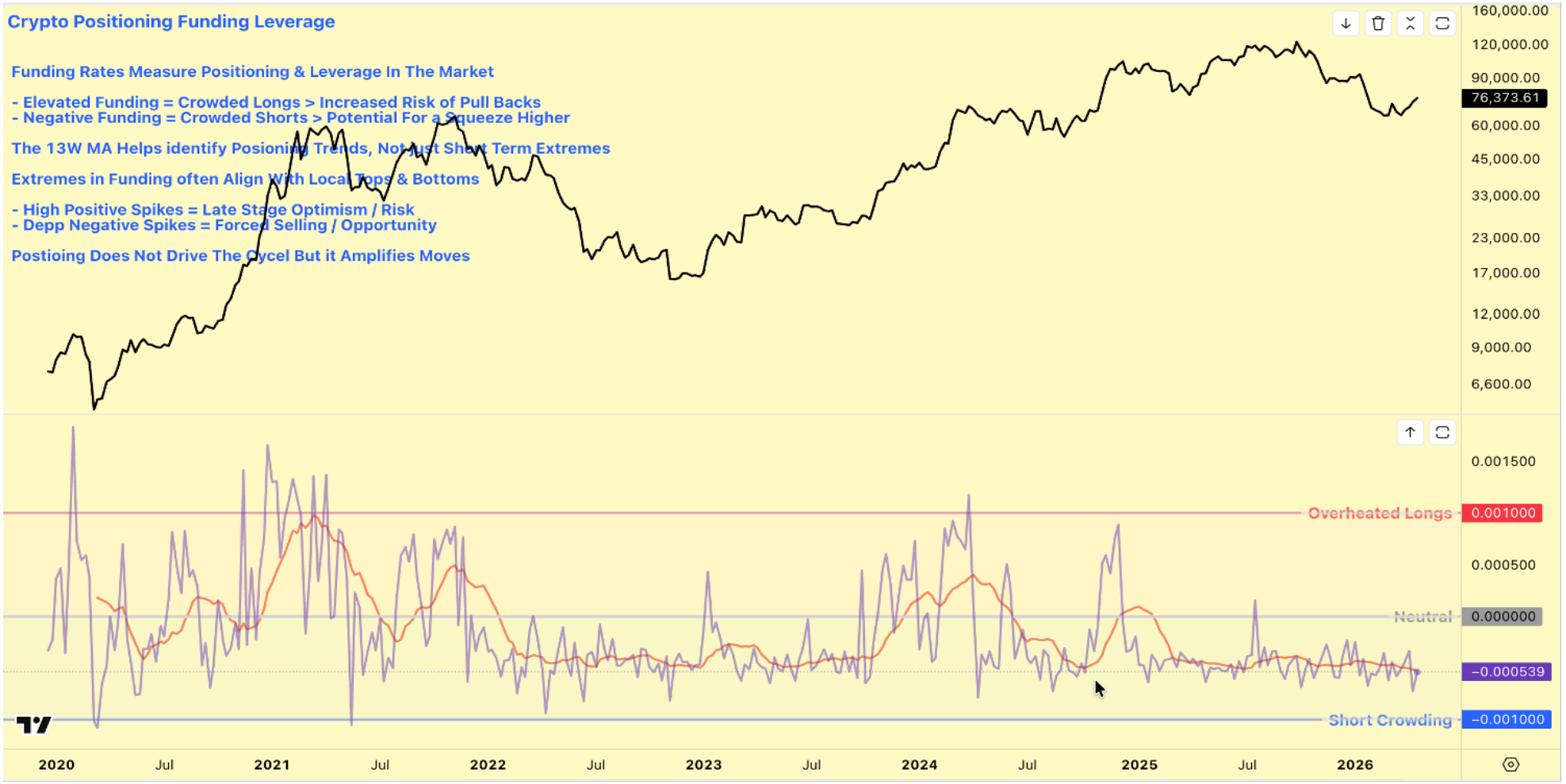
Sentiment is most useful at extremes, when emotion begins to distort decision-making and crowd behaviour becomes unstable. This chart helps frame whether the market is becoming too complacent, too fearful, or still operating within a healthy range.

BTC Log Regression Channel



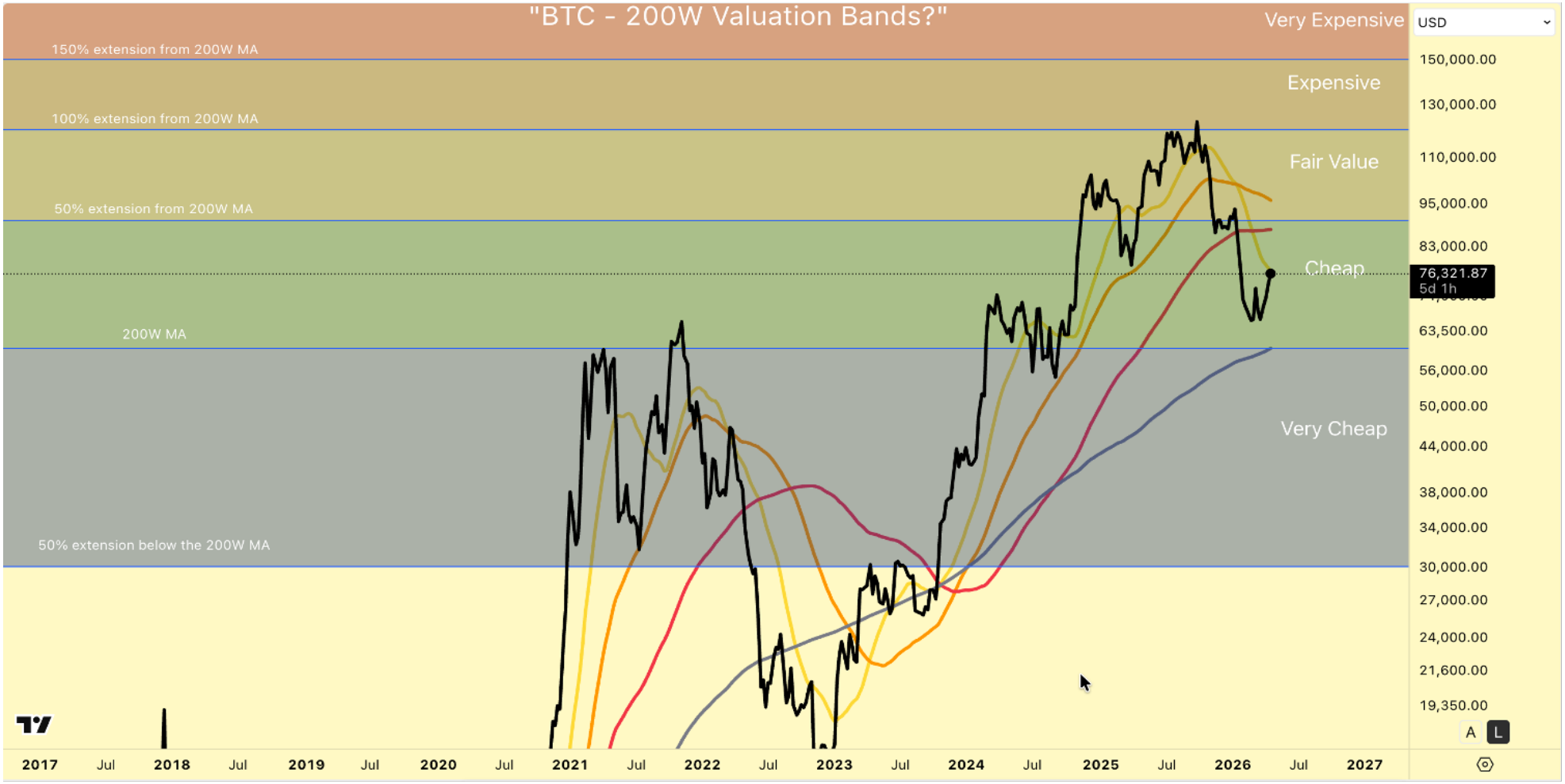
The BTC log regression channel places current price action within its larger long-term trend structure. This helps separate cyclical noise from true overextension or genuine value.

Funding Trend (13W MA)



Funding trend helps show whether speculative leverage is building in a sustained way rather than simply flashing short-term noise. Rising and persistent funding often signals growing confidence, but if it runs too far it can also mark fragility.

200W Valuation Zones



The 200W valuation zones place current BTC price within a long-term value framework. BTC is recovering from a historically attractive region, but the chart still argues for respect rather than complacency.

What We're Watching Next

Whether liquidity momentum remains supportive rather than just liquidity levels.

Whether growth stabilises enough to confirm the macro backdrop.

Whether credit spreads remain calm as a stress check.

Whether BTC begins to outperform equities and reassert leadership.

Whether positioning becomes too extended to sustain clean upside.

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