Capital Cycle Intelligence
Weekly Read

Report Date: 29 June 2026

Executive Summary

The Capital Cycle Intelligence framework continues to identify an Expansion macro regime supported by improving liquidity and resilient economic conditions. Macro tailwinds remain dominant, and the Probability Engine assigns a 70.6% likelihood that Expansion persists, indicating that the broader regime remains stable despite recent market volatility.

Beneath the surface, however, leadership remains defensive rather than offensive. Gold continues to occupy the dominant leadership position, while Bitcoin has yet to reclaim structural leadership and alternative assets remain outside the framework's approved investment universe. Although the environment remains supportive for risk assets in aggregate, leadership continues to favour capital preservation over aggressive growth.

Valuation conditions have improved materially for Bitcoin following its recent correction. Trading near US$60,100, compared with a long-term fair value of approximately US$66,000, Bitcoin now sits modestly below trend and considerably below the euphoric conditions seen earlier in the cycle. From a valuation perspective, long-term opportunity has improved, but structural confirmation remains absent.

Taken together, the committee reaches a consistent conclusion: remain aligned with the prevailing Expansion regime while resisting the temptation to front-run a leadership change. The framework supports patience rather than prediction.

Macro Regime Review

What environment are we operating in?

The macro backdrop remains constructive.

The MSI Engine continues to classify conditions as Expansion, supported by improving liquidity, resilient ISM and PMI data, easing financial conditions and an absence of meaningful macro headwinds. The Macro Pressure Gauge remains firmly positive, while the overall trend continues to improve.

The Probability Engine reinforces this conclusion. Expansion retains a 70.63% probability, substantially ahead of Distribution (22.14%) and Contraction (7.22%). The confidence spread remains healthy at 48.2%, while the three-month drift has stabilised near zero (-0.05%), suggesting that regime leadership has neither materially strengthened nor weakened over recent months.

Importantly, the Composite Regime Risk Meter remains exceptionally low, with a score of 2/100, indicating that the current regime continues to enjoy broad statistical support.

Collectively, the macro environment should be described as stable and supportive rather than accelerating. Expansion remains intact, but further improvements will likely require renewed market participation rather than additional macro assistance.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership remains defensive.

The Capital Intelligence System continues identifying Gold as the dominant asset, reflecting ongoing relative strength against Bitcoin and continued support from a weakening US Dollar. However, leadership remains unconfirmed, with persistence metrics still insufficient to declare a fully established regime.

Masterplay therefore continues authorising a disciplined posture:

* Gold remains the preferred holding.
* Bitcoin exposure remains restricted.
* Alternative assets remain disabled.
* Rotation status remains Hold.

This distinction is important.

The framework is not bearish on Bitcoin. Rather, it continues requiring objective evidence that Bitcoin has genuinely regained leadership before allowing capital to rotate.

Until that confirmation arrives, defensive leadership remains appropriate.

Valuation Review

Are we paying a fair price?

Bitcoin's valuation has become increasingly attractive following its recent correction.

Current price sits near US$60,100, while the Log Regression Channel estimates fair value at approximately US$66,000. Bitcoin therefore trades modestly below its long-term trend, placing it within the lower half of the fair-value range rather than in either extreme overvaluation or deep capitulation.

Momentum remains subdued, with RSI hovering near 33, approaching historically oversold territory but not yet producing a decisive reversal signal.

Compared with previous cycle extremes, current conditions resemble a normal cyclical correction rather than a major bear-market capitulation. Long-term opportunity has improved materially, but valuation alone remains insufficient to justify increased exposure without structural confirmation.

The valuation committee therefore concludes that Bitcoin is becoming increasingly attractive, although not yet fully confirmed by broader market leadership.

Conviction Review

How confident should we be?

The Conviction Engine continues describing the current environment as Selective Risk-On (Capped).

Liquidity and macro evidence remain strongly supportive, providing the strongest pillar of the entire framework. Relative value and cycle behaviour also remain modestly constructive.

However, important disagreements persist beneath the surface.

Market Structure continues opposing increased conviction, while Momentum & Internal Strength remains mixed and transitional. These conflicting signals prevent conviction from rising beyond a Weak confidence rating despite the generally favourable macro backdrop.

The Conviction Engine therefore fulfils its intended purpose: preventing the framework from becoming overconfident while significant evidence remains unresolved.

Patience remains a feature, not a flaw.

Portfolio Review

Does the portfolio match the evidence?

Yes.

The Portfolio Manager remains fully aligned with every major recommendation produced by the framework.

Current allocation consists of:

* Gold: 83.25%
* Cash: 16.75%
* Bitcoin: 0%
* Alternative Assets: 0%

Portfolio drift remains minimal and comfortably within operational tolerances. No rebalance is required.

Although unrealised losses have increased due to recent weakness in Gold, execution quality remains excellent. The portfolio continues reflecting process rather than emotion.

This remains precisely the behaviour the framework was designed to encourage.

What Needs To Change?

To Improve the Outlook

* Bitcoin must reclaim structural leadership over Gold.
* Breadth and market participation need to strengthen.
* Momentum indicators should move into broad agreement with liquidity.
* Persistence metrics should confirm sustained leadership.

To Deteriorate the Outlook

* Macro liquidity begins contracting.
* Probability of Distribution rises materially.
* Gold loses leadership without Bitcoin replacing it.

* Credit conditions deteriorate.

To Confirm a New Regime

* Capital Intelligence confirms leadership.
* Masterplay authorises rotation.
* Conviction strengthens to Moderate or Strong.
* Probability Engine records persistent deterioration in Expansion odds.

To Trigger Rotation

Rotation requires confirmation—not anticipation.

Leadership, persistence, structure and conviction must align before new allocations are approved.

CCI House View

The committee remains broadly constructive but deliberately restrained.

Macro conditions continue supporting Expansion, while statistical evidence strongly favours continued regime persistence. Liquidity remains the dominant positive influence across the framework, providing the foundation upon which all other engines currently rest.

However, leadership has not yet transitioned back toward offensive assets.

Bitcoin appears increasingly attractive from a valuation perspective, yet structural confirmation remains absent. This divergence explains why the framework continues favouring Gold despite recognising improving long-term opportunity elsewhere.

Accordingly, Capital Cycle Intelligence currently supports discipline over anticipation.

The greatest opportunity lies in allowing the next confirmed leadership transition to unfold naturally rather than attempting to predict its arrival.

The greatest risk remains increasing exposure before sufficient confirmation exists.

Validation Review

The previous Weekly Read anticipated that:

* Expansion would remain the dominant regime.
* Gold leadership would persist.
* Portfolio alignment would remain appropriate.
* No rotation would be authorised.

Those expectations have largely been validated.

Macro conditions continue improving, statistical probabilities remain stable and portfolio positioning has required no adjustment.

The principal area requiring continued observation remains market structure. Although valuation has improved and macro conditions remain constructive, structural confirmation continues lagging behind the broader framework.

This remains the primary gating factor preventing more aggressive positioning.

Final Verdict

Current Regime: Expansion

Dominant Asset: Gold

Risk State: Risk-On

Confidence Level: Moderate Regime Confidence / Weak Execution Confidence

Portfolio Posture: Defensive Expansion

Action Required: Hold Current Positioning

Thirty-Second Summary

The Capital Cycle Intelligence framework continues identifying an Expansion environment supported by improving liquidity and stable macro conditions. Gold remains the confirmed leadership asset, while Bitcoin is becoming increasingly attractive from a valuation perspective but has yet to regain structural leadership. Conviction remains deliberately capped because important structural evidence is still unresolved. The portfolio remains fully aligned with framework recommendations and requires no adjustment. Until leadership, persistence and conviction align, the highest-probability course of action remains disciplined patience rather than anticipatory rotation.

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