Capital Cycle Intelligence
Weekly Read

Report Date: 6th July 2026

Executive Summary

What matters most right now?

The evidence continues to support an Expansion macro regime, but one characterised by restraint rather than aggressive risk-taking. Liquidity remains supportive, probability continues to favour Expansion, and macro conditions are gradually improving. However, leadership remains unresolved, conviction is intentionally capped, and structural confirmation has yet to emerge.

This divergence defines the current environment. The macro backdrop encourages optimism, yet the market itself has not provided sufficient confirmation to justify broad risk exposure. Rather than forcing a decision, the framework continues to reward patience and disciplined positioning.

Gold remains the dominant defensive leader, Bitcoin appears increasingly attractive from a long-term valuation perspective, and the portfolio remains appropriately aligned while awaiting stronger evidence.

The message from the full CCI framework is clear:

The environment is improving, but not yet convincing enough to abandon discipline.

Macro Regime Review

What environment are we operating in?

The Macro Regime remains firmly classified as Expansion, supported by an improving liquidity backdrop and resilient macro conditions. The MSI continues to identify positive macro pressure, with liquidity, composite growth indicators and financial conditions providing the strongest contributions.

Probability analysis reinforces this assessment. Expansion retains a 69.4% likelihood, while Distribution and Contraction remain secondary outcomes. Importantly, the three-month probability drift has turned positive once again, suggesting regime stability is improving rather than deteriorating.

Despite these positives, regime confidence remains intentionally restrained. Lower ISM and PMI readings, together with higher inflation pressure resulting from recent energy market disruptions, have reduced the margin of safety without altering the dominant regime.

Overall, the macro environment continues to improve gradually rather than accelerate.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership remains the principal constraint across the framework.

Gold continues to hold the position of dominant asset, supported by improving relative strength against the US Dollar. However, neither Capital Intelligence nor Masterplay considers this leadership sufficiently confirmed to justify aggressive capital deployment.

Bitcoin remains structurally weak relative to Gold, while alternative assets remain disabled under current portfolio permissions. Masterplay therefore continues to restrict new risk allocation despite the constructive macro backdrop.

This distinction is important.

The framework is not bearish.

Nor is it fully bullish.

It is waiting for leadership to prove itself.

Until persistence strengthens and confirmation improves, capital should remain concentrated within defensive leadership while preserving optionality through cash reserves.

Valuation Review

Are we paying a fair price?

Bitcoin continues to trade below long-term fair value.

Current price sits near US$64,000, while long-term fair value remains materially higher at approximately US$120,000, placing Bitcoin comfortably within the historically attractive accumulation region of the Log Regression Channel.

Momentum remains subdued, with weekly RSI sitting below neutral levels and failing to demonstrate sustained upside strength. Previous market cycles suggest that similar valuation conditions have historically preceded favourable long-term returns, although timing has varied considerably.

Valuation therefore remains supportive.

Confirmation does not.

This distinction continues to justify patience over urgency.

Conviction Review

How confident should we be?

Conviction remains deliberately restrained.

Liquidity continues to provide the strongest supportive evidence, confirming that macro conditions remain favourable for risk assets over the medium term.

However, market structure remains mildly opposing, momentum remains transitional, and leadership confirmation remains incomplete. These opposing signals prevent conviction from expanding despite constructive macro conditions.

The Conviction Engine therefore continues to classify the current posture as:

Selective Risk-On (Capped)

This remains one of the defining characteristics of the current market.

The opportunity appears increasingly attractive.

The evidence simply hasn't earned maximum conviction yet.

Portfolio Review

Does the portfolio match the evidence?

Yes.

The Portfolio Manager remains fully aligned with every upstream engine.

Current allocations remain approximately:

- Gold: 84%
- Cash: 16%
- Bitcoin: 0%
- Alternative Assets: 0%

Portfolio drift remains minimal, no rebalancing is required, and current positioning accurately reflects both the improving macro environment and the absence of confirmed leadership.

Perhaps most importantly, the Portfolio Manager demonstrates the discipline of the framework itself.

The absence of activity reflects evidence, not indecision.

What Needs To Change?

To Improve the Outlook

- Bitcoin regains sustained relative strength versus Gold.
- Leadership persistence begins to build.
- Market structure improves across major risk assets.
- Conviction strengthens through broader confirmation.
- Rotation permissions become enabled.

To Deteriorate the Outlook

- Liquidity weakens materially.
- Expansion probability falls significantly.
- Credit conditions deteriorate.
- Inflation pressures overwhelm liquidity support.
- Gold leadership transitions toward outright cash preference.

To Confirm a New Regime

- Multiple engines independently validate the same directional change.
- Persistence develops over several consecutive observations.
- Leadership becomes confirmed rather than implied.

To Trigger Rotation

- Capital Intelligence confirms Bitcoin leadership.
- Masterplay removes allocation restrictions.
- Portfolio targets rotate accordingly.

CCI House View

The current investment environment remains constructive, but not yet fully confirmed.

The evidence supports maintaining exposure to the prevailing defensive leader while preserving flexibility to respond if stronger leadership emerges. Expansion remains the dominant macro regime, valuation continues to favour long-term Bitcoin accumulation, and liquidity remains supportive. These conditions collectively argue against adopting an excessively defensive posture.

At the same time, structural confirmation remains insufficient to justify broad risk expansion. Leadership remains fragmented, conviction remains capped, and several higher-order signals continue to advocate patience rather than aggression.

Accordingly, Capital Cycle Intelligence continues to favour disciplined positioning over anticipatory positioning.

The greatest opportunity lies in remaining prepared for confirmation rather than attempting to predict it.

The greatest risk lies in confusing improving conditions with confirmed conditions.

Validation Review

The previous Weekly Read correctly anticipated continued stability across the framework.

Expansion remained the dominant regime.

Gold retained leadership.

Portfolio positioning required no adjustment.

Conviction remained capped despite constructive macro conditions.

These expectations proved accurate.

The principal area requiring continued observation remains the interaction between improving macro conditions and unresolved market leadership. This divergence continues to define the current investment environment and remains the most likely catalyst for future portfolio changes.

Final Verdict

Current Regime: Expansion

Dominant Asset: Gold

Risk State: Risk-On (Controlled)

Confidence Level: Moderate Macro / Weak Structural Confirmation

Portfolio Posture: Defensive Alignment with Controlled Risk

Action Required: Hold current positioning and await stronger confirmation.

Thirty-Second Summary

Expansion remains the dominant macro regime, supported by improving liquidity and stable probability readings. Bitcoin appears attractively valued relative to its long-term trend, but leadership remains unconfirmed and conviction remains intentionally capped. Gold continues to lead defensively, portfolio positioning remains fully aligned with the framework, and no portfolio

changes are currently warranted. The evidence continues to reward patience over prediction, preserving capital flexibility until stronger confirmation emerges.

Capital Cycle Intelligence

Know What You Own

Know Why You own It

Know When You Are Wrong

Know How To Behave

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