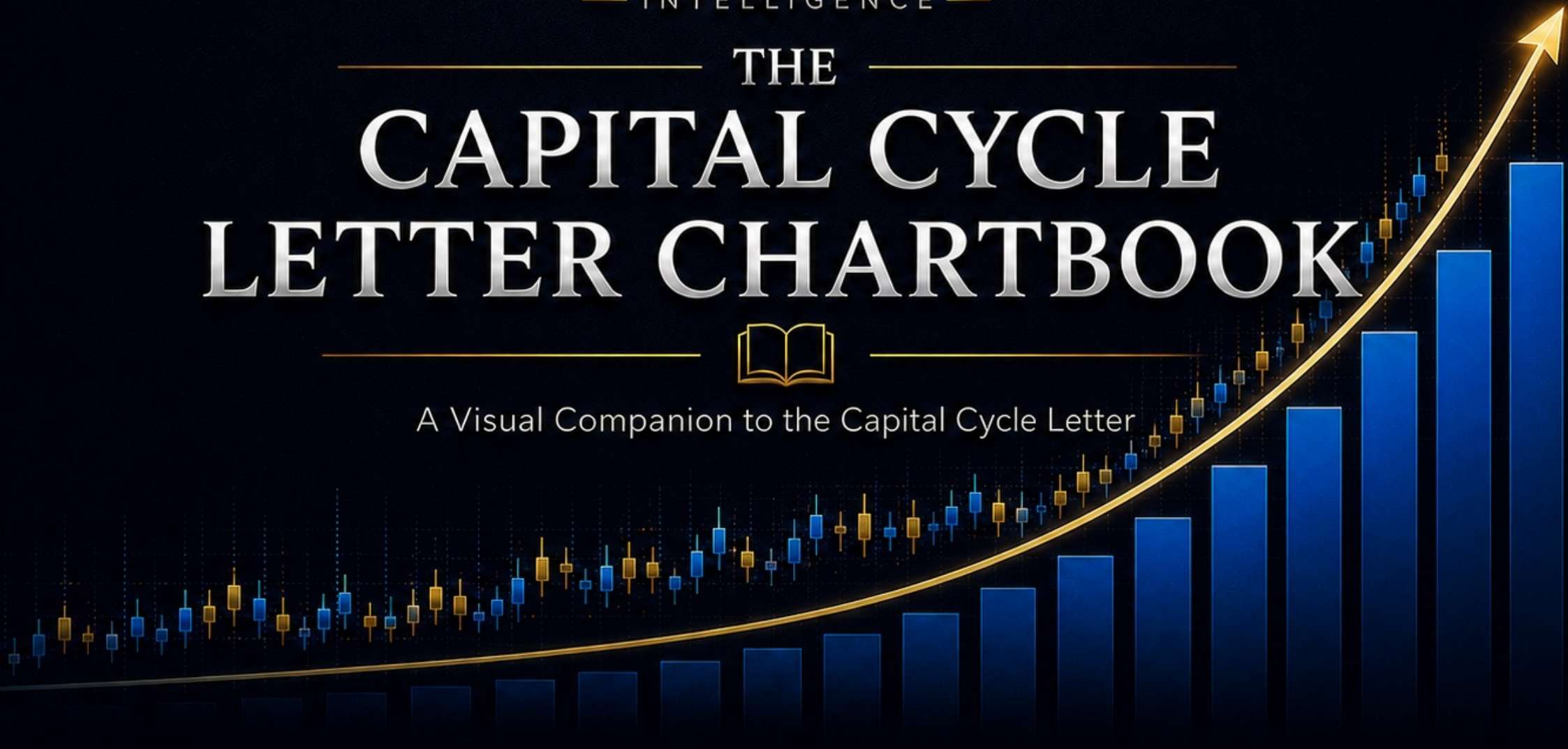
CAPITAL CYCLE
INTELLIGENCE

THE CAPITAL CYCLE LETTER CHARTBOOK

A Visual Companion to the Capital Cycle Letter



The Capital Cycle Letter Chartbook

July 2026 Edition

A Capital Cycle Perspective

Mature Expansion

Liquidity Still Leads, Confidence is Being Tested

Price is the output

Liquidity, growth and credit are the inputs

Welcome to the Capital Cycle Letter Chartbook

How To Read This Chartbook

This chartbook presents the July 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

SECTION 1 - Current Macro Regime

Question

What environment are we operating in?

Capital Cycle Scorecard

Factor	Score	Direction
Liquidity	🟢 8.5 /10	Supportive
Growth	🟢 7.5 /10	Expanding
Credit	🟢 7.5 /10	Stable
Confidence	🟡 5.5 /10	Selective
Overall Regime	🟢 **Mature Expansion**	Stable

Capital Cycle Dashboard

Where are we?

CURRENT REGIME - 🟢 **Mature Expansion**

OVERALL SCORE - 7.3 / 10

CONFIDENCE - Moderate

CAPITAL CYCLE SCORECARD

Liquidity	🟢 **8.5**
Growth	🟢 **7.5**
Credit	🟢 **7.5**
Confidence	🟡 **5.5**

Expansion remains intact, although participation
has become increasingly selective.

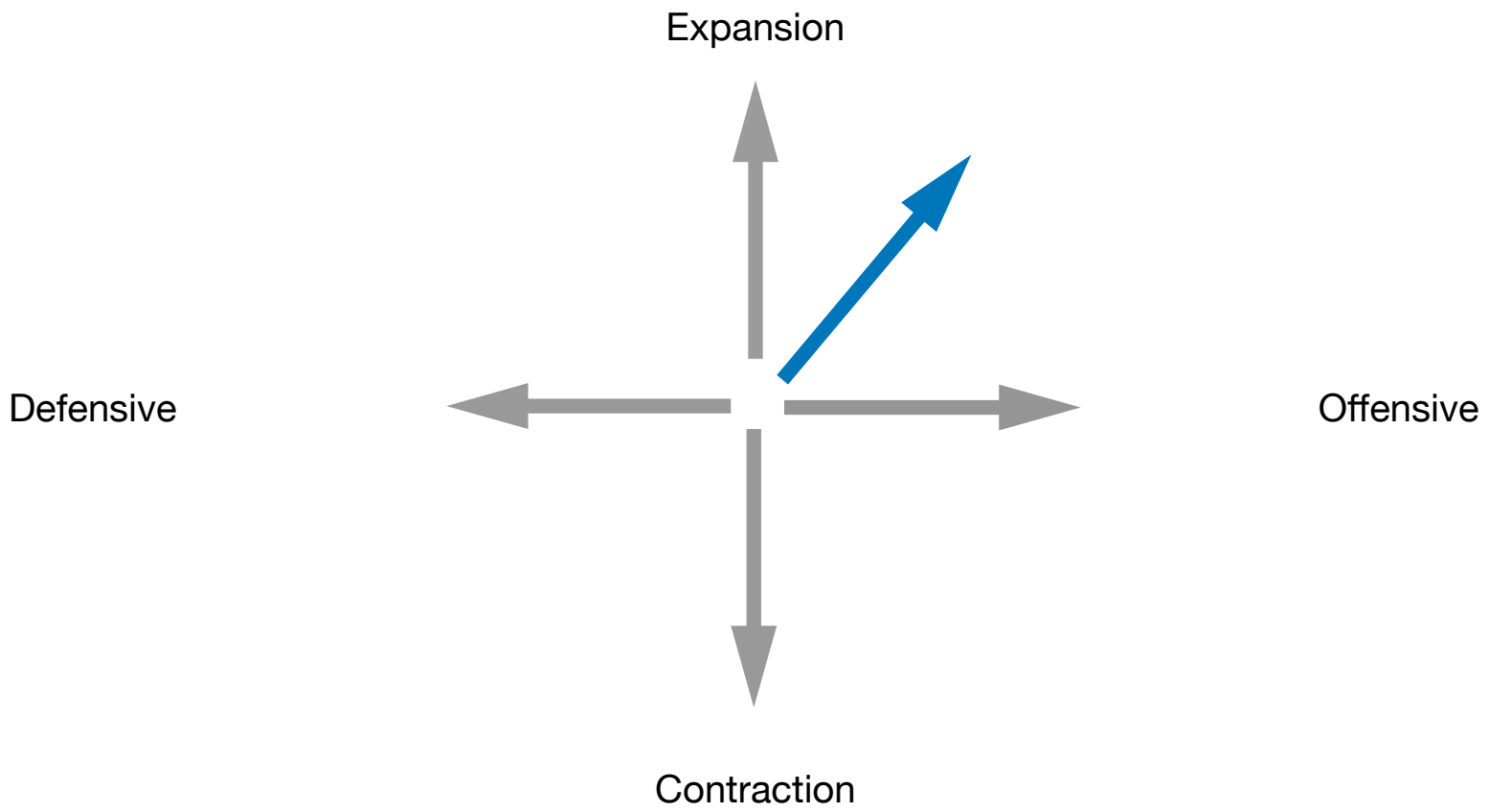
The Dashboard continues indicating that the broader Capital Cycle remains in an expansionary regime,
supported by positive readings across the majority of core indicators.

No single indicator determines the regime. It is the combined weight of evidence that provides confidence in the overall assessment.

Macro Compass

How should capital be positioned?

↗ Expansion with a selective offensive bias.



The Macro Compass continues pointing toward expansion despite increasing geopolitical and monetary policy crosswinds.

While momentum has moderated, the broader direction of the Capital Cycle remains constructive.

Macro Regime Guide

Why does this regime behave this way?

Regime	Liquidity	Growth	Credit	Confidence
Expansion	🟢	🟢	🟢	🟢
Mature Expansion	🟢	🟢	🟢	🟡
Slowdown	🟡	🟡	🟡	🟡
Contraction	🔴	🔴	🔴	🔴
Recovery	🟢	🟡	🟡	🟡

The current regime continues displaying the defining characteristics of a mature expansion.

Expansions rarely end because uncertainty increases. They end when the underlying pillars supporting growth begin to deteriorate. The evidence suggests we are not there yet.

SECTION 2 - Liquidity

Question

Is there enough liquidity to continue supporting the Capital Cycle?

Capital Cycle Scorecard

Factor	Score	Direction
Global Liquidity	🟢 8.5 /10	Expanding
Net Liquidity	🟢 8.0 /10	Supportive
Liquidity Impulse	🟡 6.5 /10	Moderating
Financial Conditions	🟢 7.5 /10	Supportive
Liquidity Outlook	🟢 **Constructive**	Positive

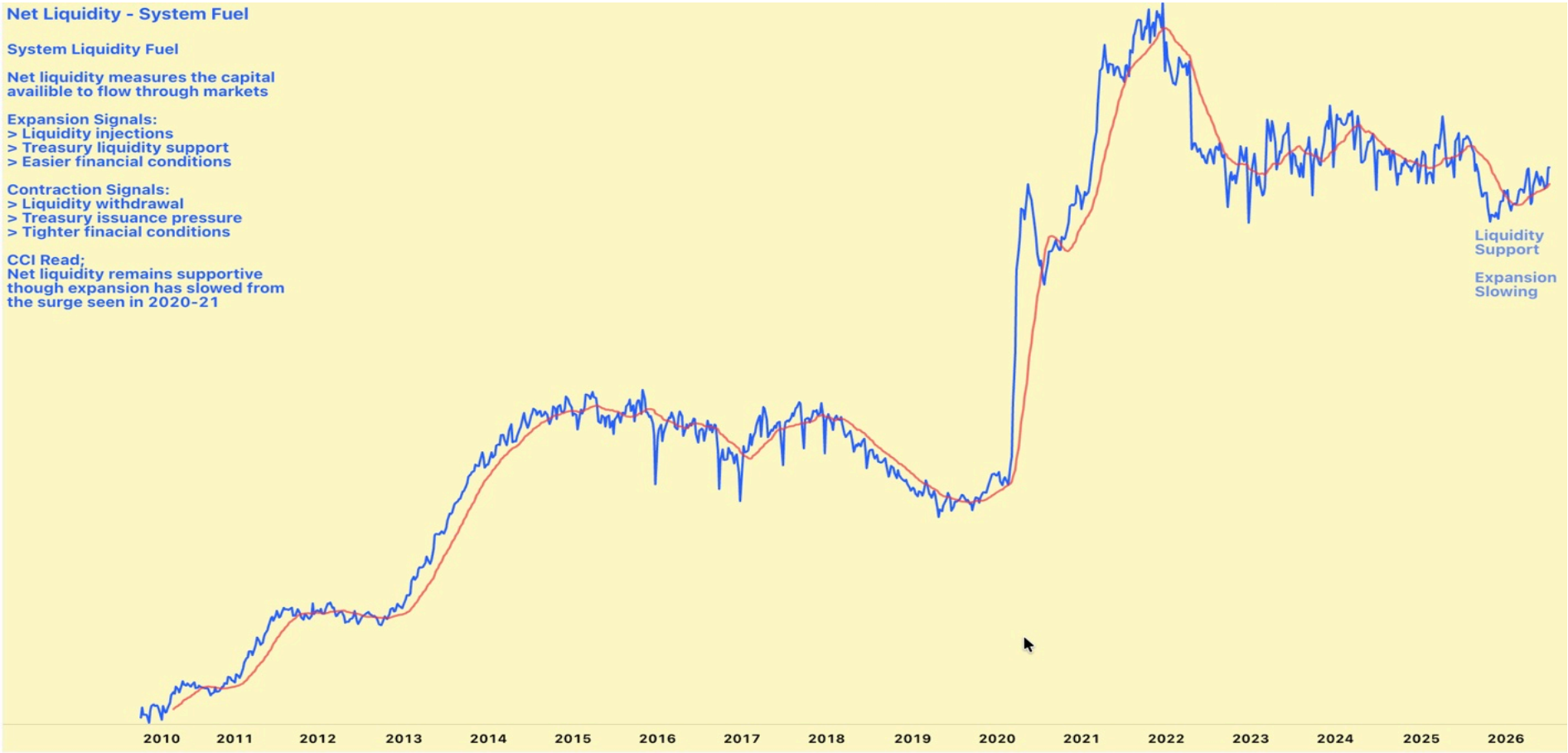
Global Liquidity Index



Global liquidity continues trending higher, providing the broad monetary foundation supporting the current expansion.

Liquidity remains abundant. The reservoir continues filling.

US Net Liquidity



Net liquidity continues flowing into financial markets despite ongoing geopolitical uncertainty.

The pipeline remains open, allowing monetary support to reach the broader financial system.

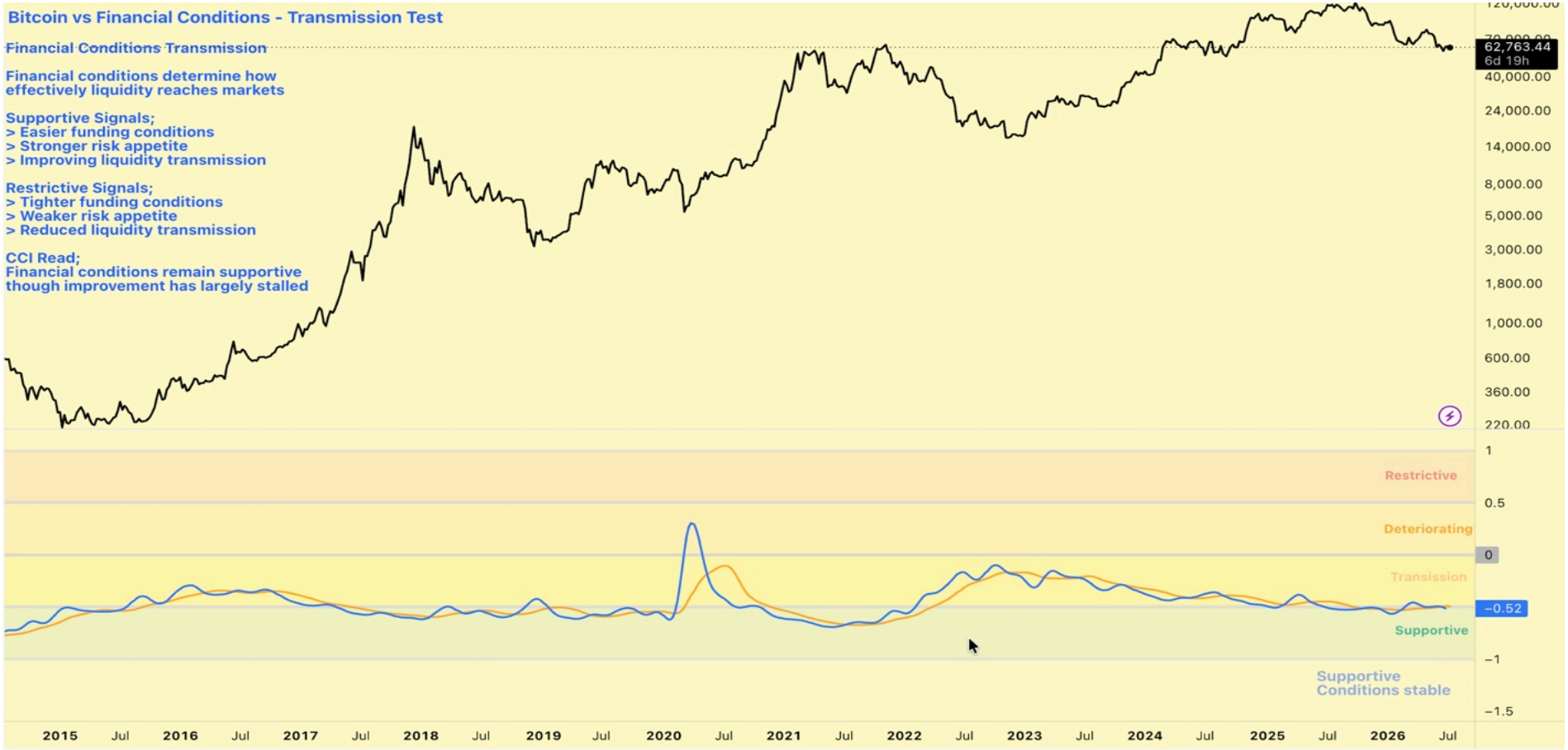
Liquidity Impulse



Liquidity momentum continues easing from earlier highs while remaining firmly positive.

Markets respond to changes in momentum as much as changes in levels. Expansion can continue even as the pace of improvement moderates.

Financial Conditions Index



Financial conditions remain broadly supportive despite a more hawkish Federal Reserve.

Liquidity can only influence markets when financial conditions allow it to flow. That transmission mechanism remains healthy.

SECTION 3 - Growth

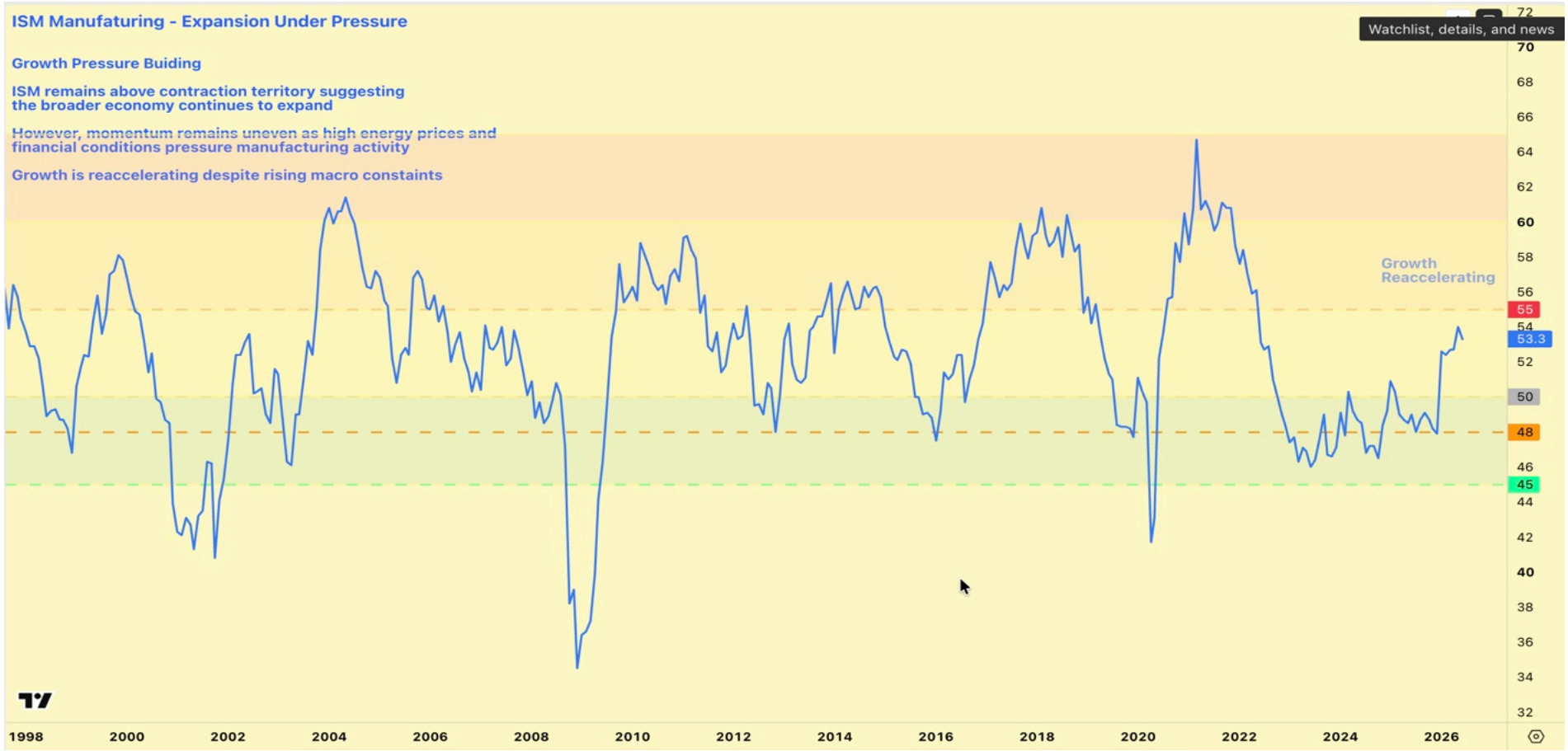
Question

Is liquidity continuing to translate into economic growth?

Capital Cycle Scorecard

Factor	Score	Direction
Manufacturing	🟢 7.5 /10	Expanding
Services	🟢 8.0 /10	Strong
Employment	🟡 6.5 /10	Moderating
Inflation Pressure	🟢 7.0 /10	Improving
Growth Outlook	🟢 **Constructive**	Moderating Expansion

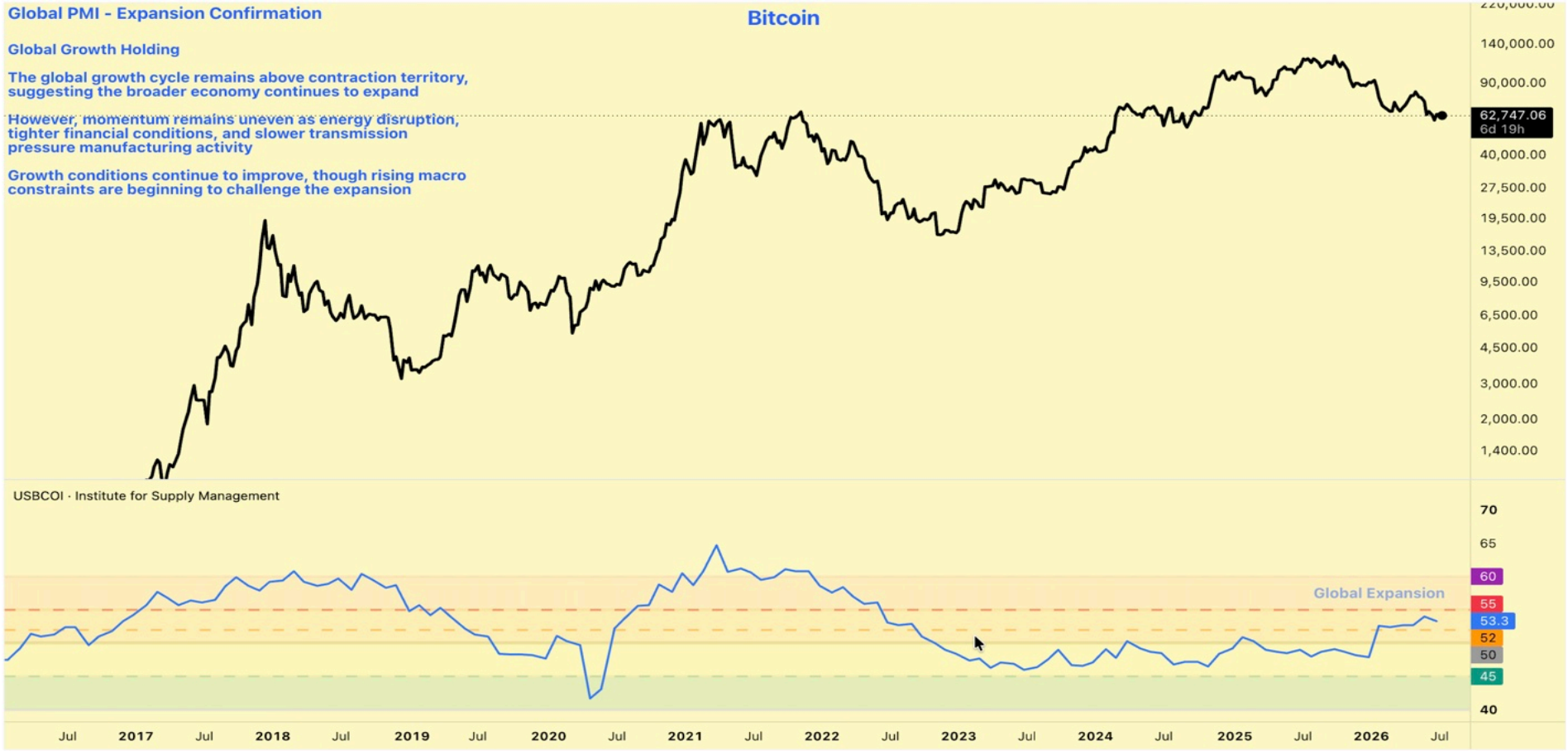
ISM Manufacturing PMI



Manufacturing activity continues remaining above the expansion threshold despite easing slightly from recent highs.

Expansion is measured by direction, not speed. Growth can moderate while remaining fundamentally healthy.

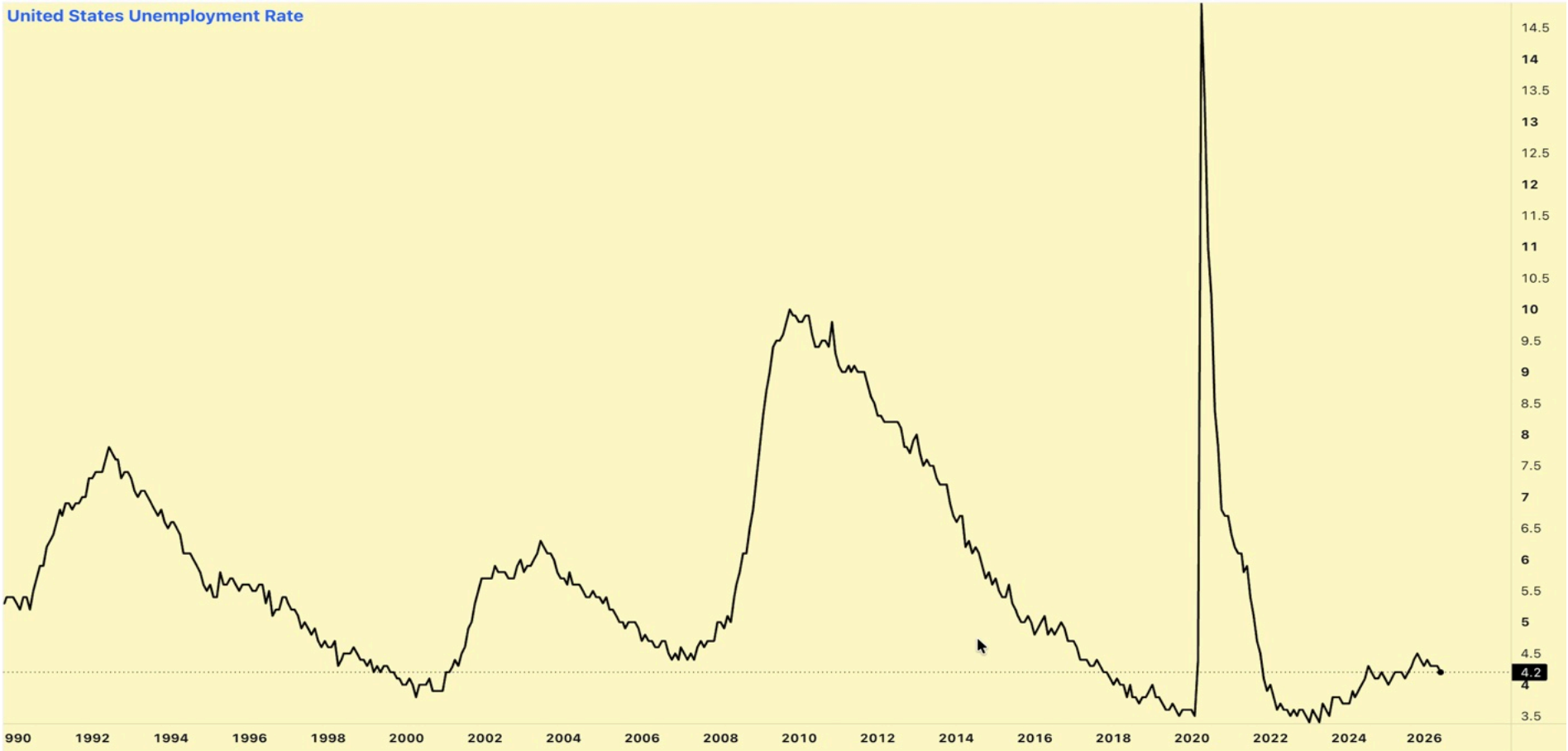
Services PMI (GLOBAL PMI PROXY)



The services sector continues demonstrating resilience and remains one of the strongest contributors to overall economic activity.

Healthy services activity reinforces the view that domestic demand remains supportive of the current expansion.

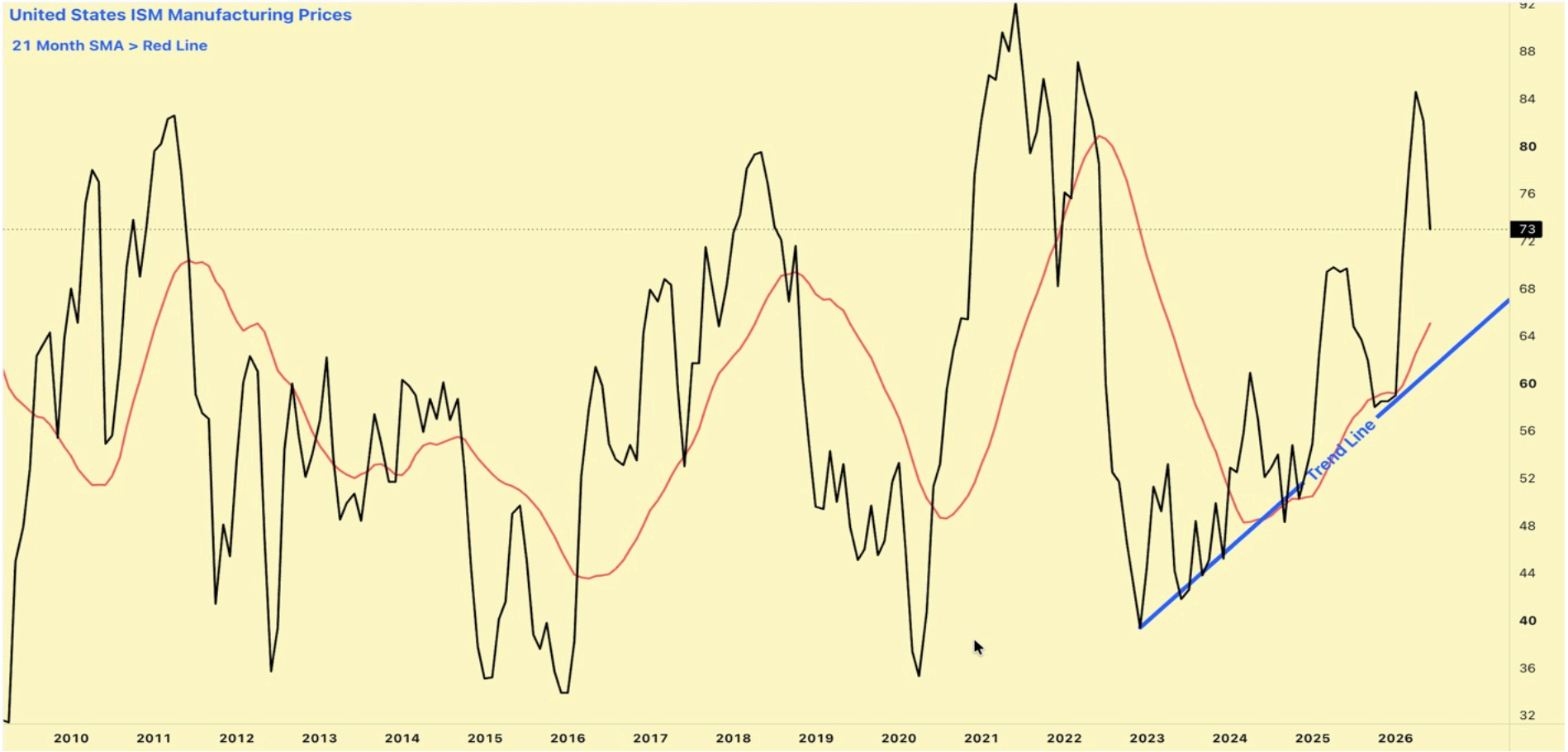
US Unemployment Rate



The unemployment rate remains historically low, although it has edged higher from its cycle trough.

The labour market is moderating rather than deteriorating, but the direction deserves continued attention.

ISM Manufacturing Prices Paid



Manufacturing cost pressures have eased from their recent peak but remain elevated relative to normal conditions.

The moderation is encouraging, although renewed energy disruption could keep inflation risk alive.

SECTION 4 - Credit

Question

Is the financial system continuing to support economic growth?

Capital Cycle Scorecard

Factor	Score	Direction
Credit Spreads	🟢 8.0 /10	Stable
Corporate Credit	🟢 7.5 /10	Healthy
Financial Stress	🟢 8.0 /10	Low
Lending Conditions	🟡 6.5 /10	Selective
Credit Outlook	🟢 **Supportive**	Stable

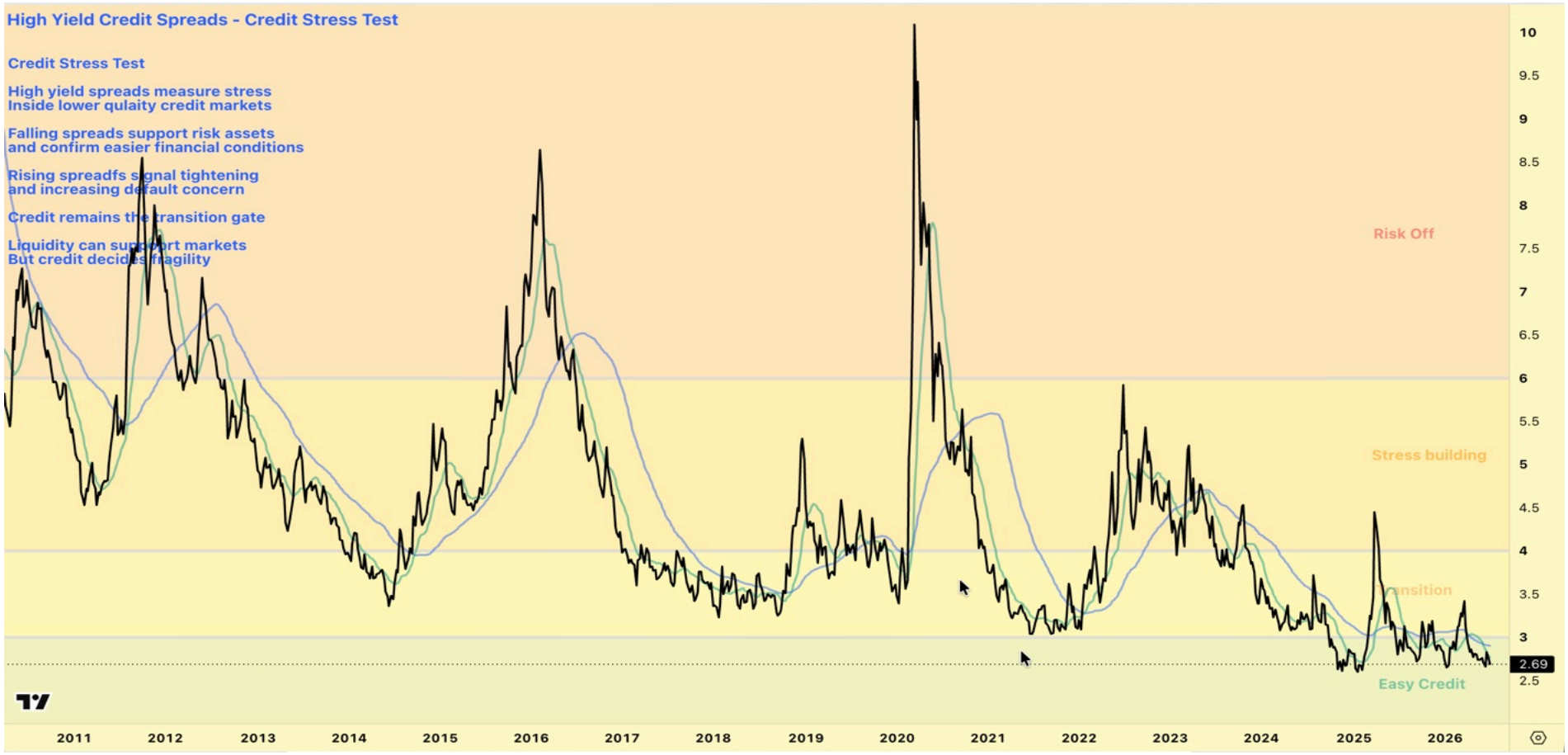
Investment Grade Credit Spreads



Investment-grade credit spreads remain near historically stable levels despite increasing geopolitical uncertainty.

Lenders continue extending capital with confidence, reflecting a financial system that remains fundamentally healthy.

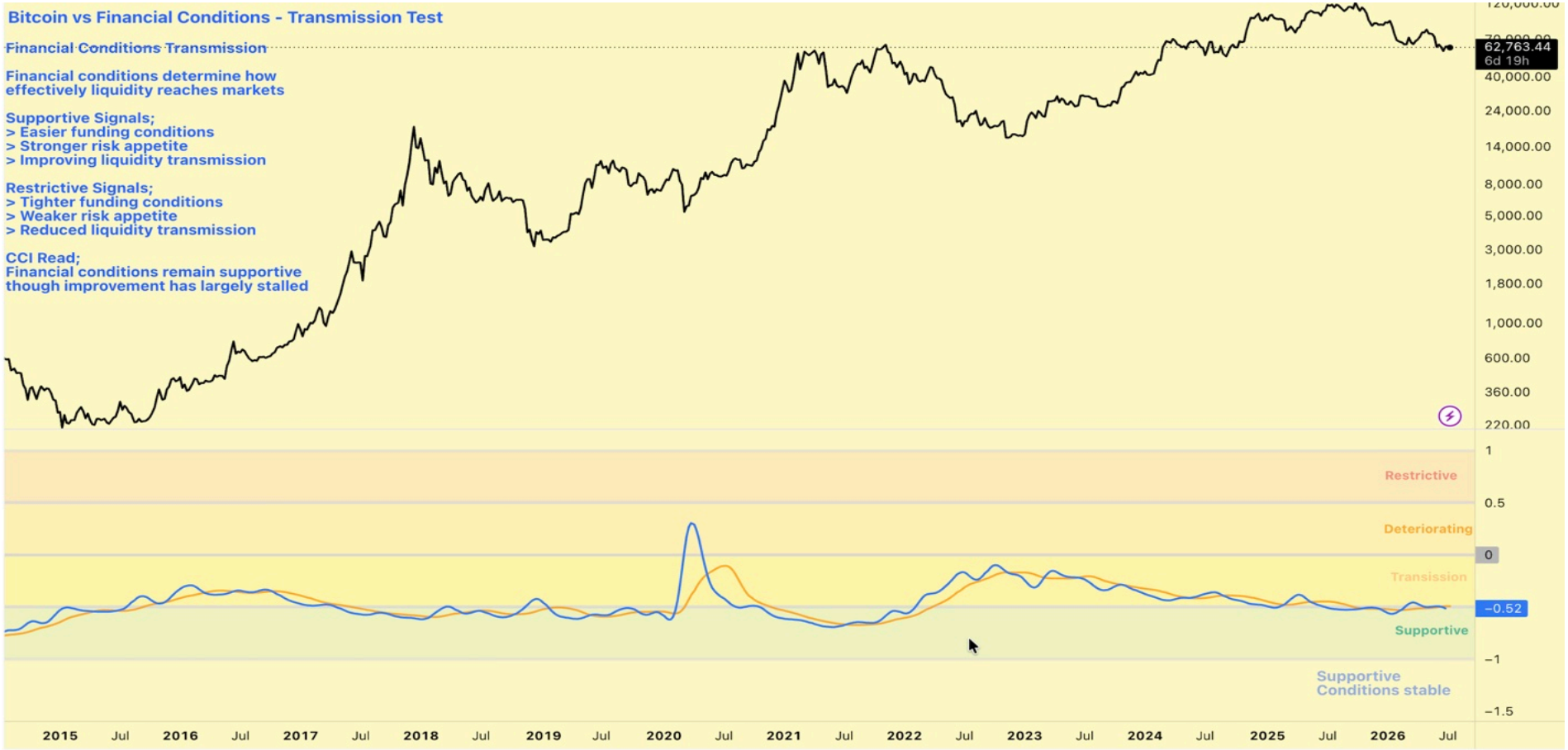
High Yield Credit Spreads



High-yield spreads remain well contained and show little evidence of widespread financial stress.

Credit markets are demanding discipline, not retreating from risk altogether.

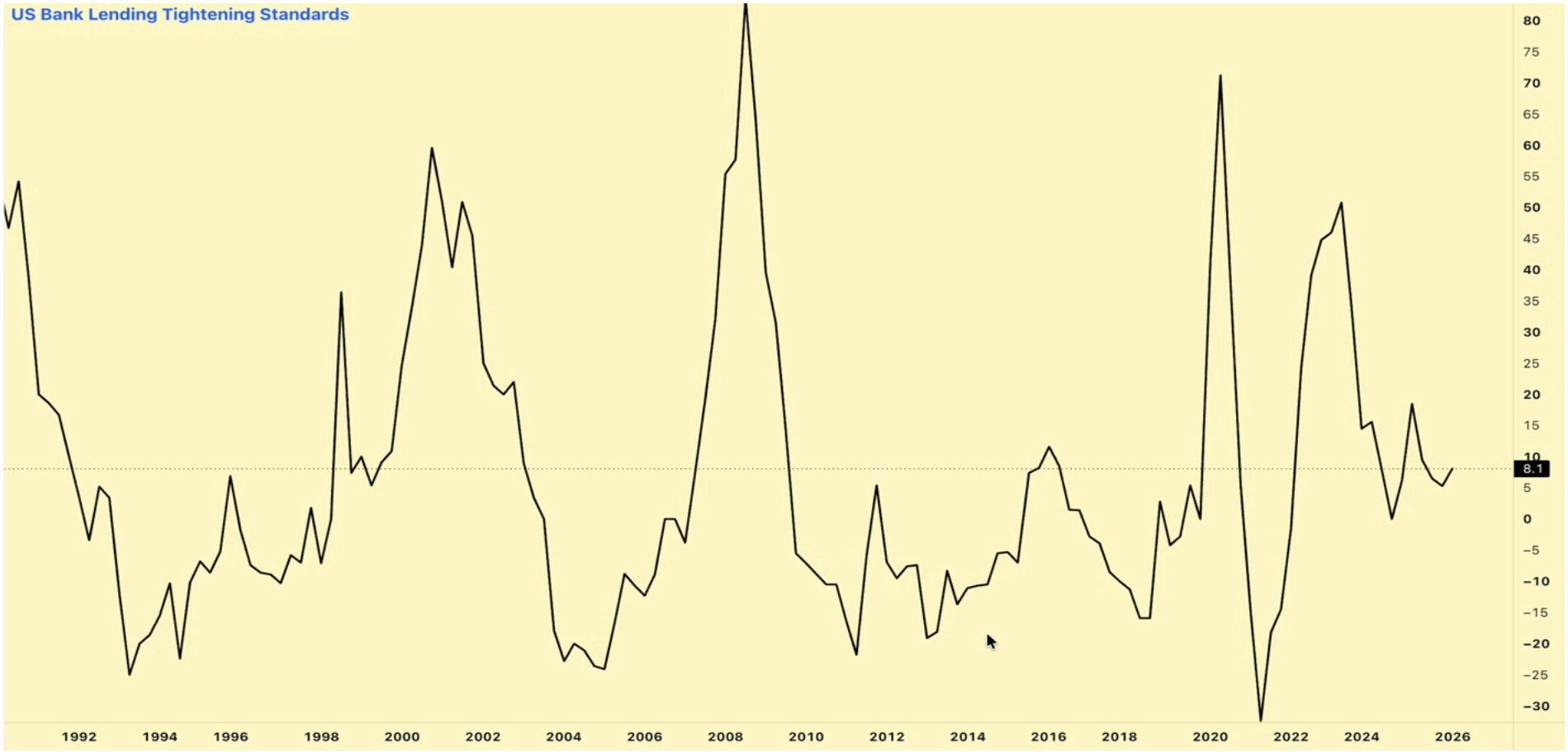
Financial Stress Index



Systemic financial stress remains subdued across the broader financial system.

Healthy credit markets rarely signal recession before stress indicators begin deteriorating. That evidence has yet to emerge.

Lending Conditions



Bank lending standards remain tighter than neutral, but conditions are well below the severe stress levels reached during previous downturns.

Lenders remain selective rather than closed, supporting the view that credit discipline has increased without credit availability disappearing.

SECTION 5 - Confidence

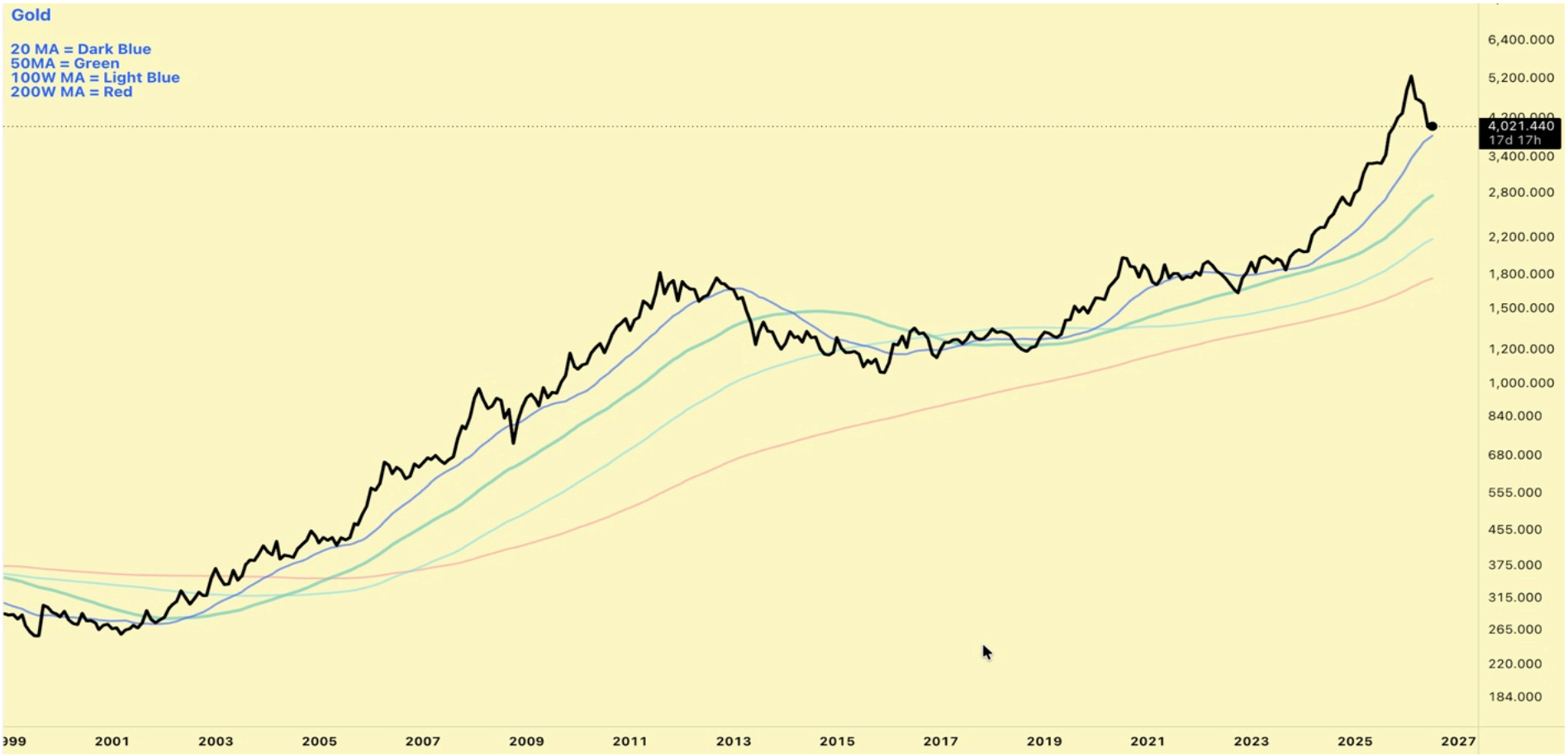
Question

How is capital responding to the current Capital Cycle?

Capital Cycle Scorecard

Factor	Score	Direction
Equity Participation	🟢 7.5 /10	Strong
Defensive Demand	🟡 6.5 /10	Elevated
Risk Appetite	🟡 6.0 /10	Selective
Capital Allocation	🟢 7.0 /10	Disciplined
Confidence Outlook	🟡 **Constructive but Selective**	Stable

Gold Performance



Gold continues attracting disciplined defensive allocations despite remaining below its January highs.

Confidence is becoming more selective rather than more fearful, encouraging diversification instead of wholesale retreat.

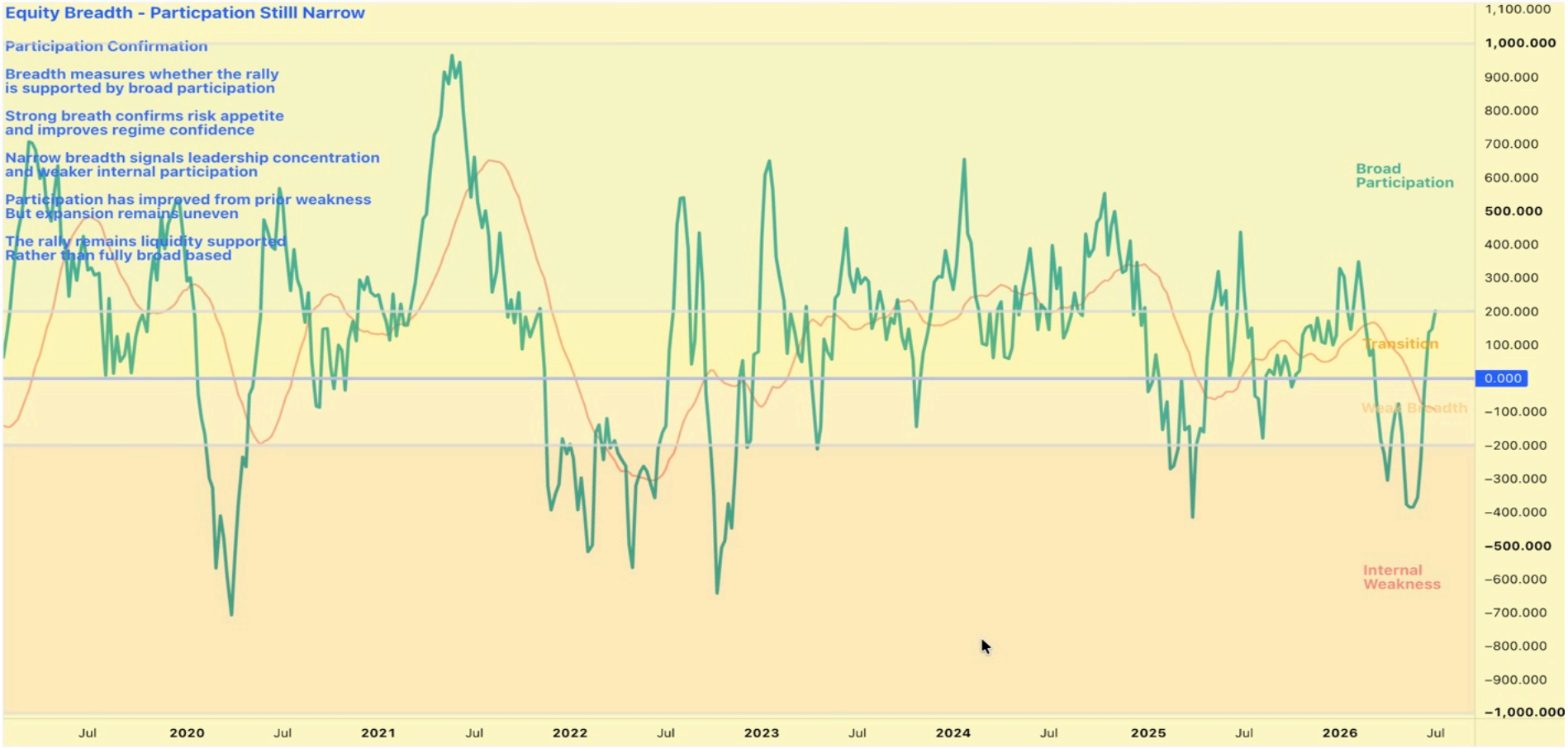
AI Leadership



Artificial intelligence continues attracting significant institutional capital despite growing valuation scrutiny.

Investors remain willing to reward long-term structural growth where conviction remains strongest.

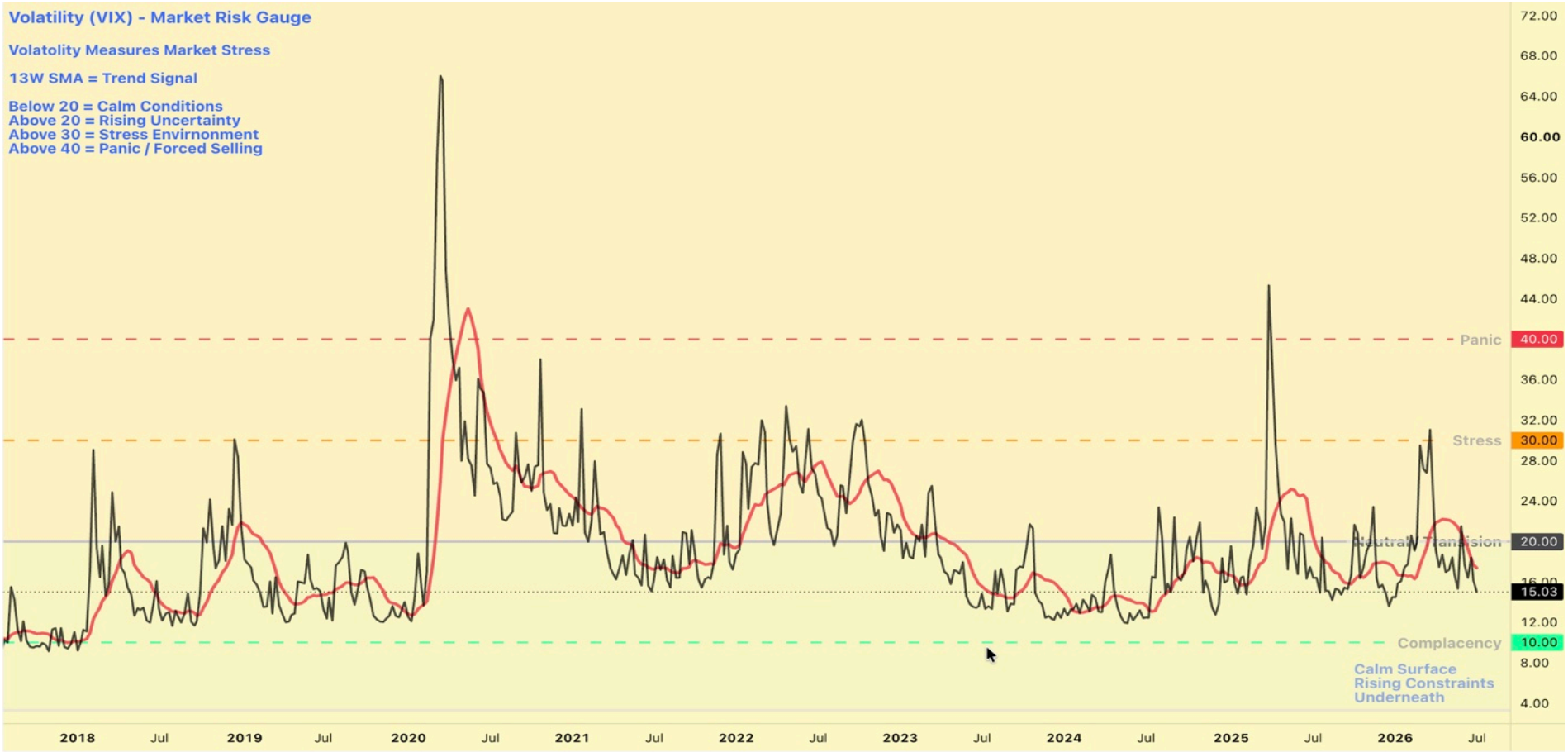
Equity Participation



Broad equity participation remains constructive despite increasing geopolitical uncertainty.

Capital continues participating in the expansion while becoming progressively more selective.

Risk Appetite (VIX)



Risk appetite has moderated without materially deteriorating.

Selective participation reflects disciplined portfolio construction rather than weakening confidence.

SECTION 6 - Leadership

Question

Where is investor conviction becoming most concentrated?

Capital Cycle Scorecard

Factor	Score	Direction
Technology Leadership	🟢 9.0 /10	Strong
AI Leadership	🟢 9.0 /10	Dominant
Defensive Leadership	🟡 7.0 /10	Improving
Breadth	🟡 6.0 /10	Narrowing
Leadership Outlook	🟢 **Strong but Concentrated**	Positive

S&P 500 Leadership



The S&P 500 continues trading near record highs despite ongoing geopolitical uncertainty.

Investors continue rewarding businesses demonstrating resilient earnings, durable competitive advantages and long-term growth potential.

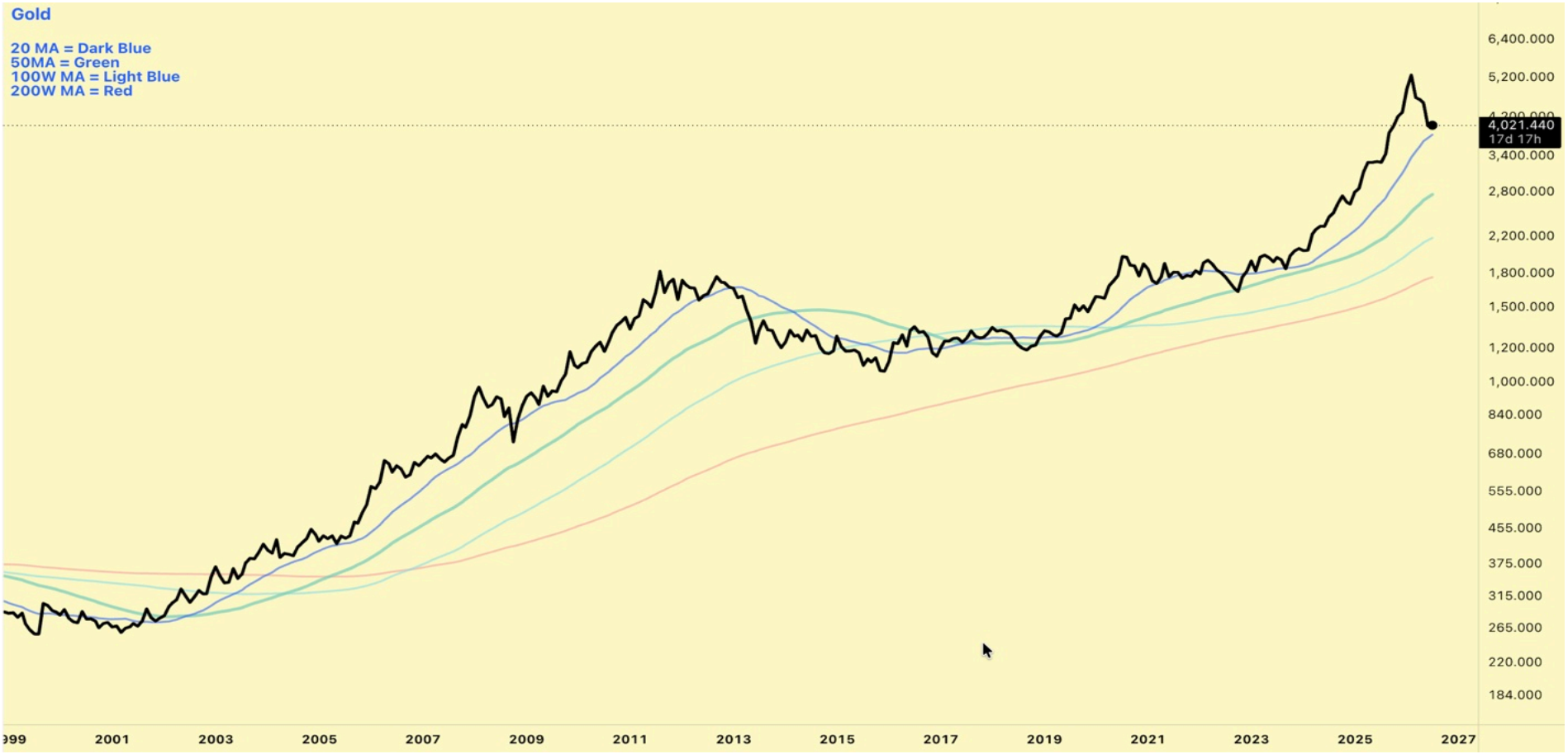
Nasdaq Leadership



Technology continues leading global equity markets.

Artificial intelligence remains the dominant destination for institutional conviction.

Gold



Gold continues displaying resilience despite changing interest-rate expectations.

Persistent demand reflects disciplined diversification rather than widespread fear.

Bitcoin



Bitcoin continues lagging broader market leadership despite attractive long-term valuation.

Current positioning reinforces the distinction between conviction and speculation.

SECTION 7 - Capital Rotation

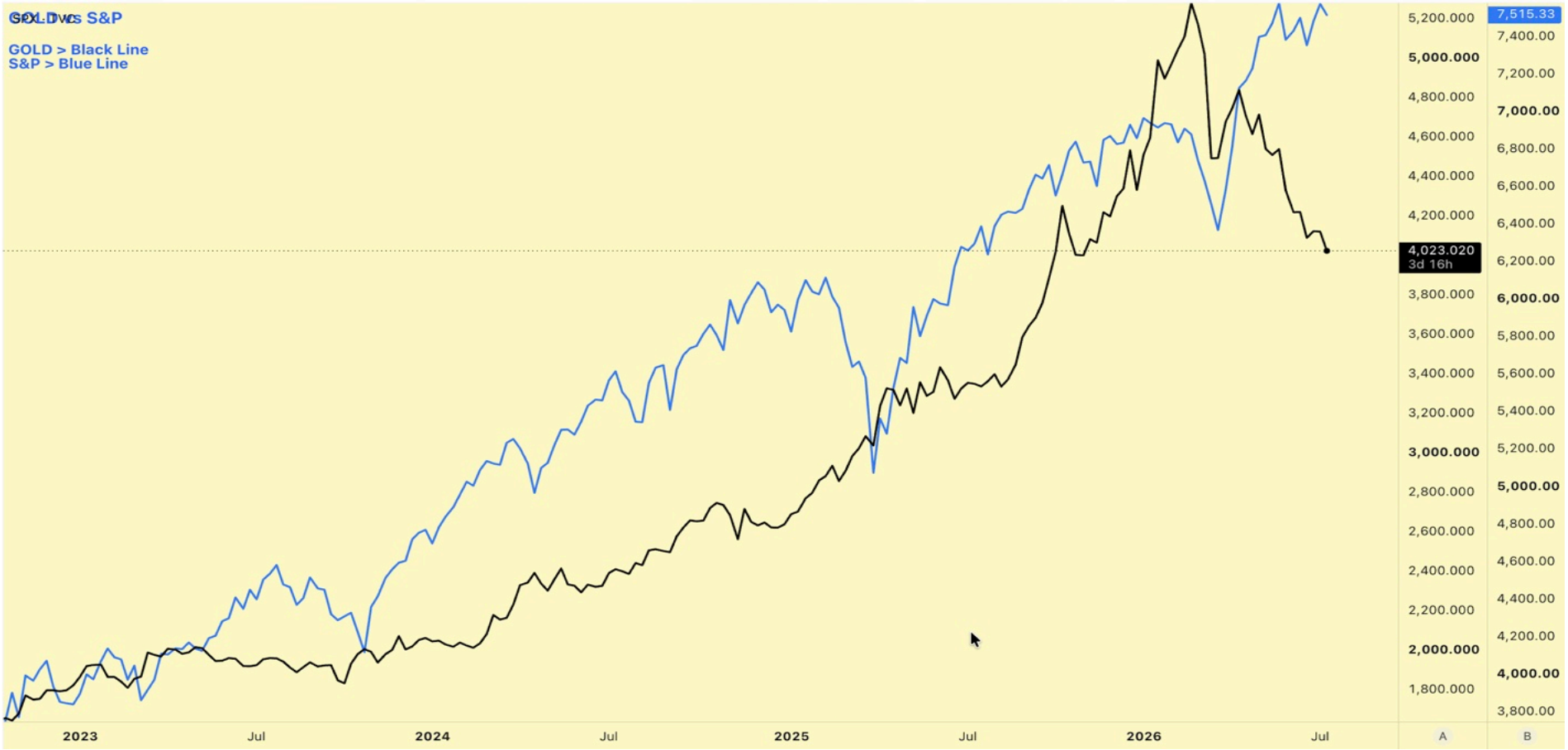
Question

Is investor conviction beginning to evolve?

Capital Cycle Scorecard

Factor	Score	Direction
Rotation Strength	🟢 7.5 /10	Constructive
Leadership Persistence	🟢 8.0 /10	Strong
Defensive Rotation	🟡 6.5 /10	Increasing
Risk Rotation	🟡 6.0 /10	Selective
Rotation Outlook	🟢 **Orderly**	Positive

Gold vs Equities



Gold continues attracting disciplined defensive allocations while equities maintain broader market leadership.

Capital is diversifying rather than retreating, reinforcing confidence in the broader expansion.

Bitcoin vs Gold



Traditional defensive assets continue attracting stronger institutional participation than speculative alternatives.

Investors remain selective in how they express risk rather than abandoning risk altogether.

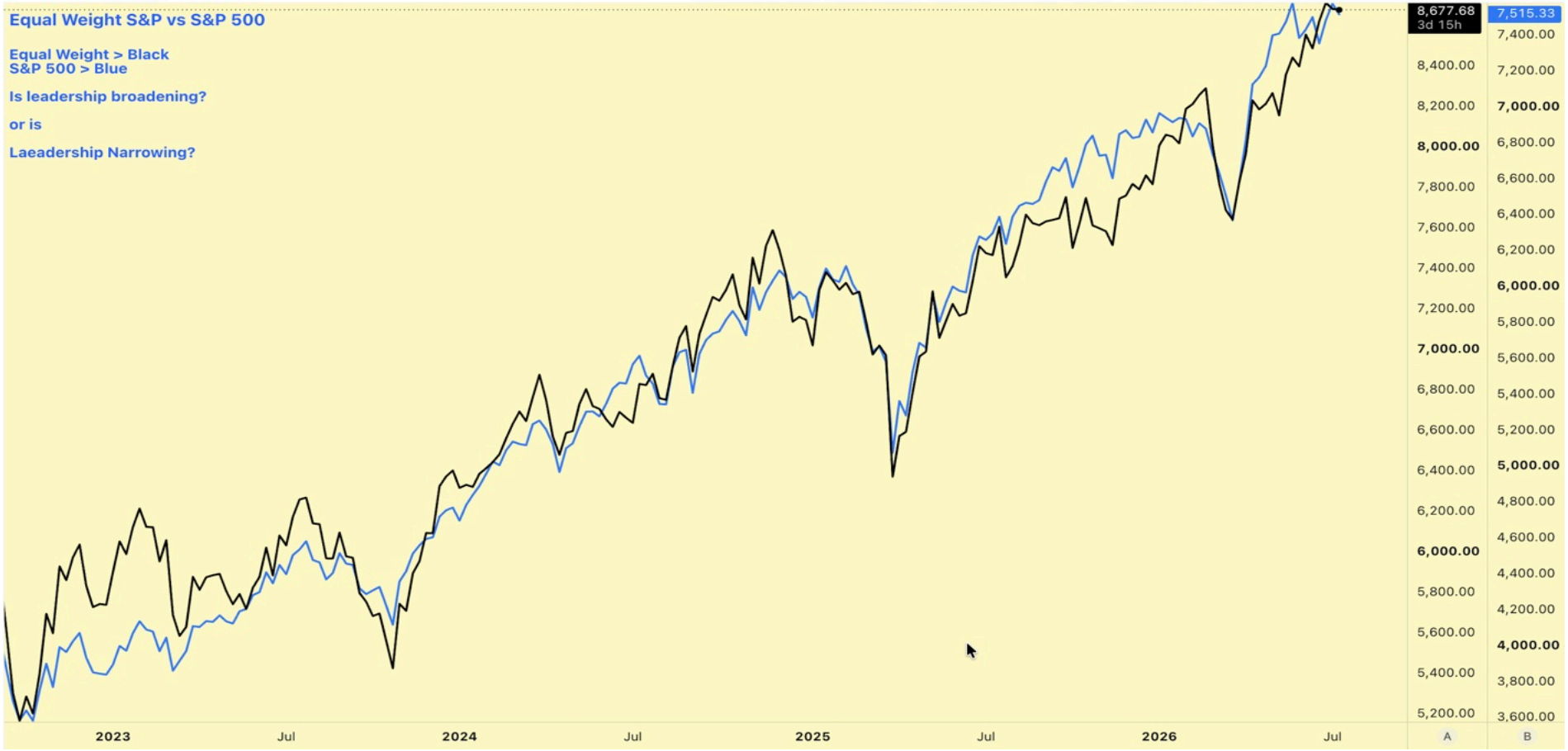
Leadership Rotation (BTC vs QQQ)



Technology continues attracting the greatest concentration of institutional capital.

Existing leadership remains intact, suggesting conviction has weakened only at the margins

Market Breadth — S&P 500 Cap-Weighted vs Equal-Weighted



The cap-weighted S&P 500 continues outperforming its equal-weighted counterpart, confirming that leadership remains concentrated in the largest companies.

Rotation remains orderly but has not yet broadened decisively across the wider equity market.

SECTION 8 - Where Are We Now?

Question

Where does the weight of evidence place us within the Capital Cycle?

Current Capital Cycle Assessment

Regime: Mature Expansion
Confidence: Moderate
Risk: Increasing but Controlled
Stance: Participate with Discipline

Capital Cycle Position

Where are we in the Capital Cycle?

Expansion

|

⭐ **Mature Expansion**

|

Slowdown

|

Contraction

|

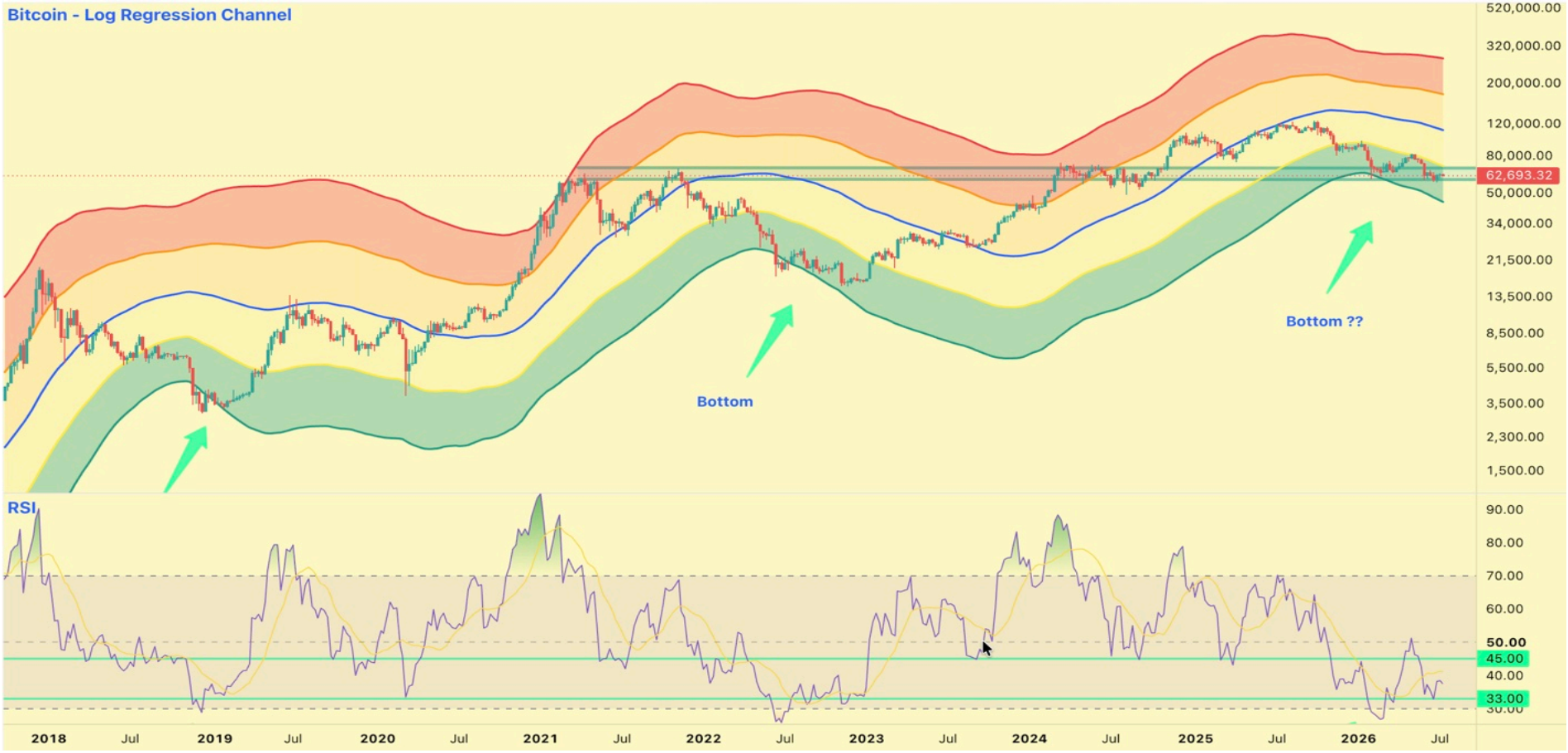
Recovery

|

Expansion

⭐ Current Position

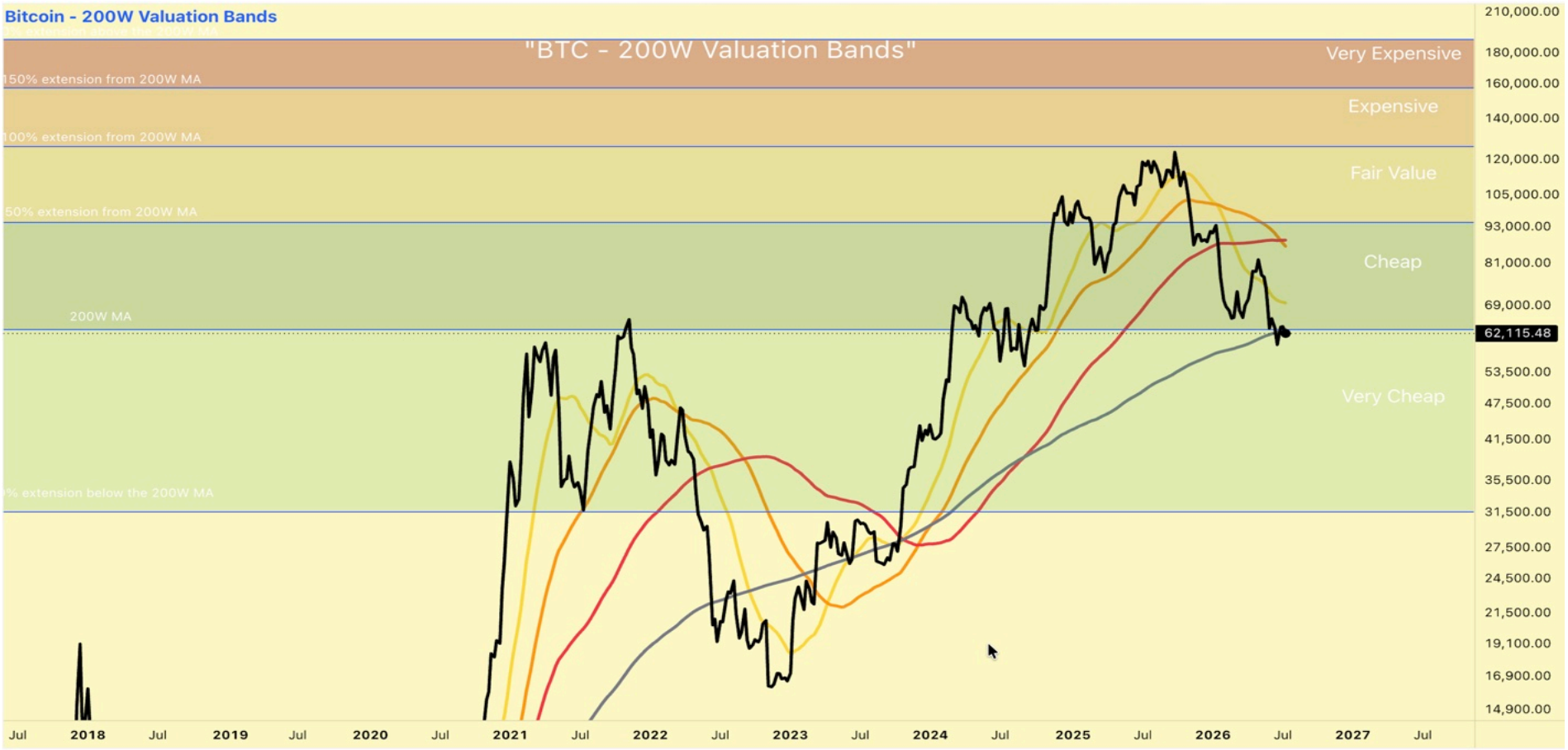
Bitcoin Log Regression Channel



Bitcoin continues trading in the lower half of its long-term valuation channel despite improving macro conditions.

Long-term value continues appearing significantly more attractive than current market sentiment suggests.

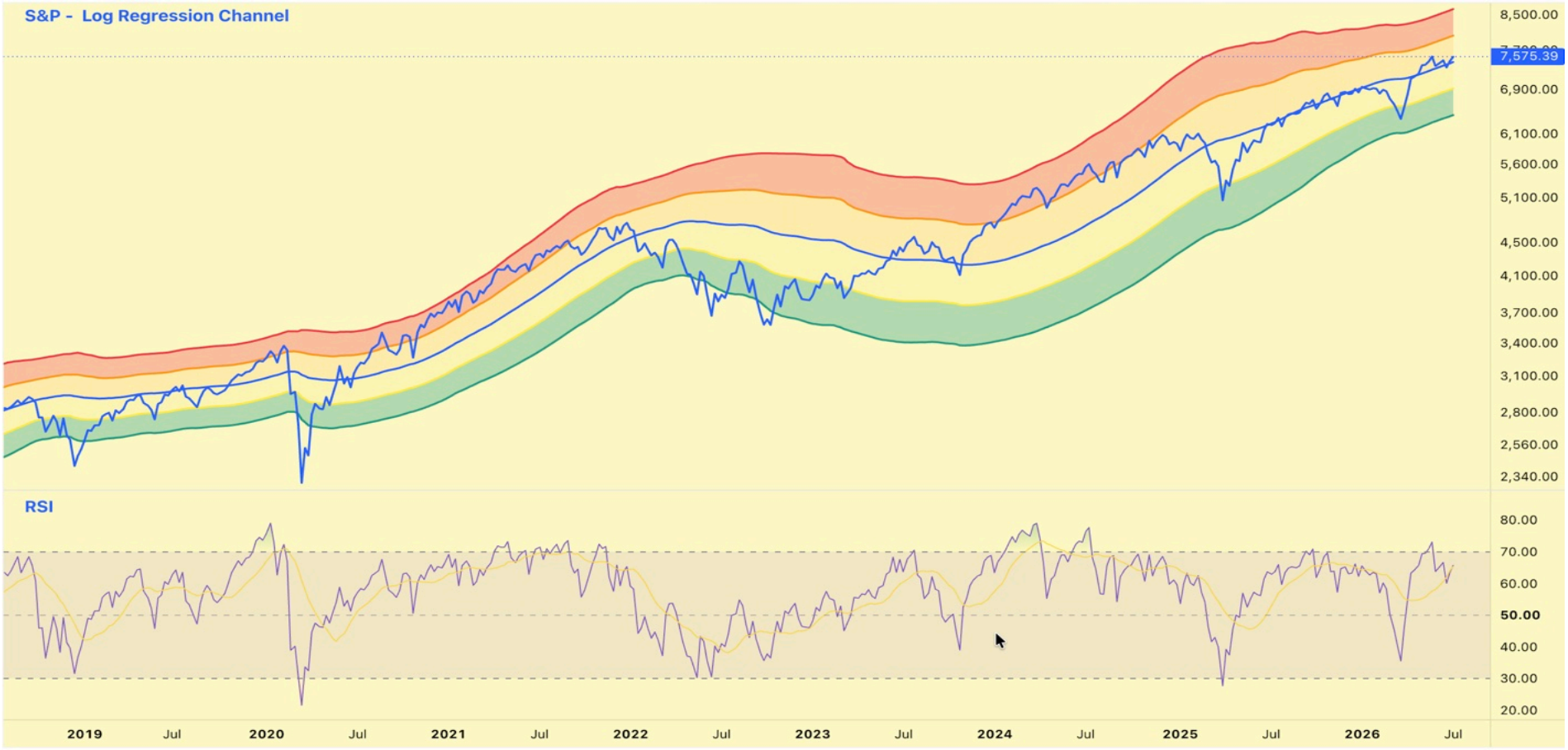
Bitcoin 200 Week Valuation Bands



Bitcoin remains within the lower valuation region of its historical 200-week framework.

Current pricing reflects restrained expectations rather than excessive optimism.

S&P 500 Log Regression Channel



The S&P 500 continues trading toward the upper end of its long-term structural trend.

Strong earnings and abundant liquidity continue supporting elevated market expectations.

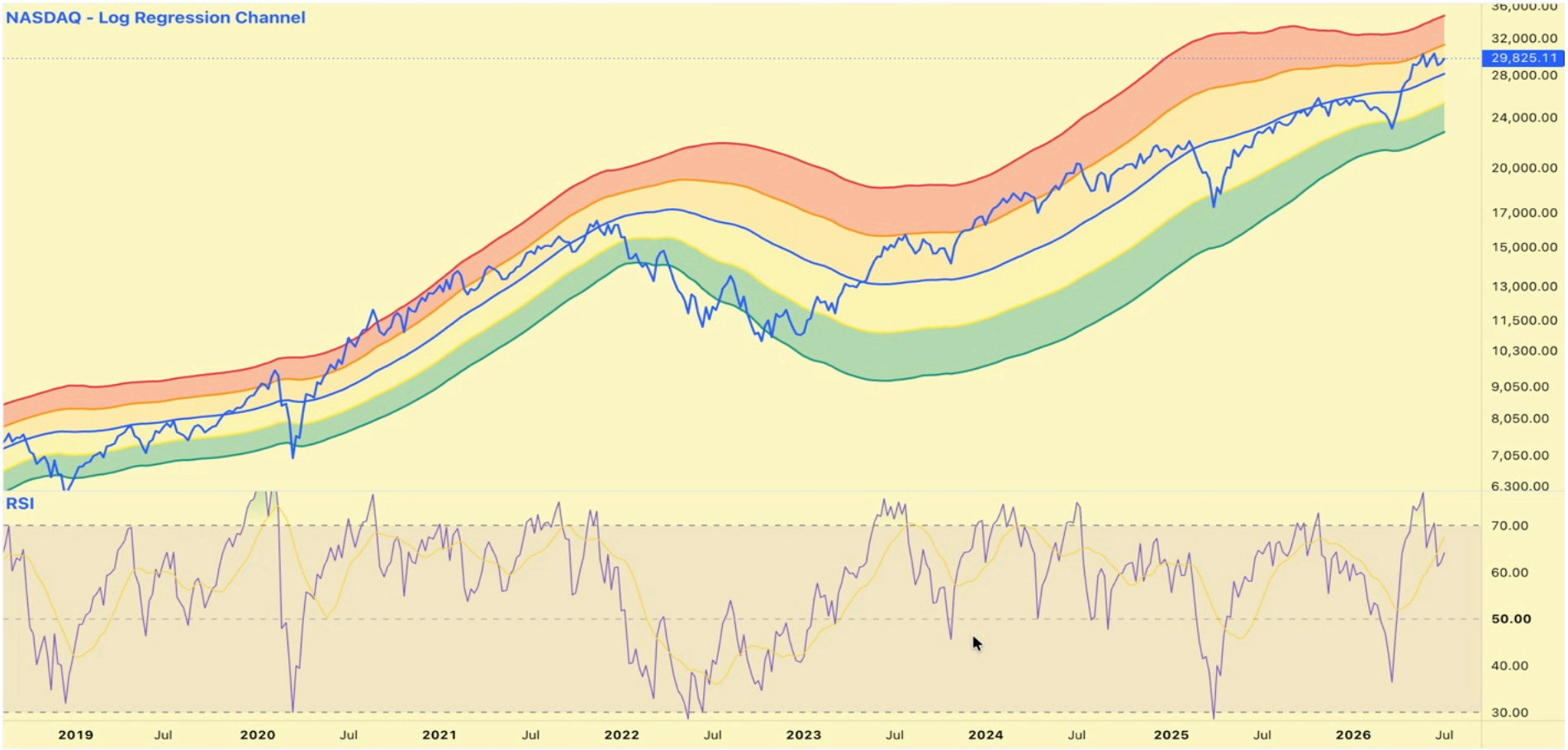
S&P 500 200 Week Valuation Bands



US equities remain well above historical fair value measures.

Higher valuations do not end expansions. They simply increase the importance of maintaining discipline.

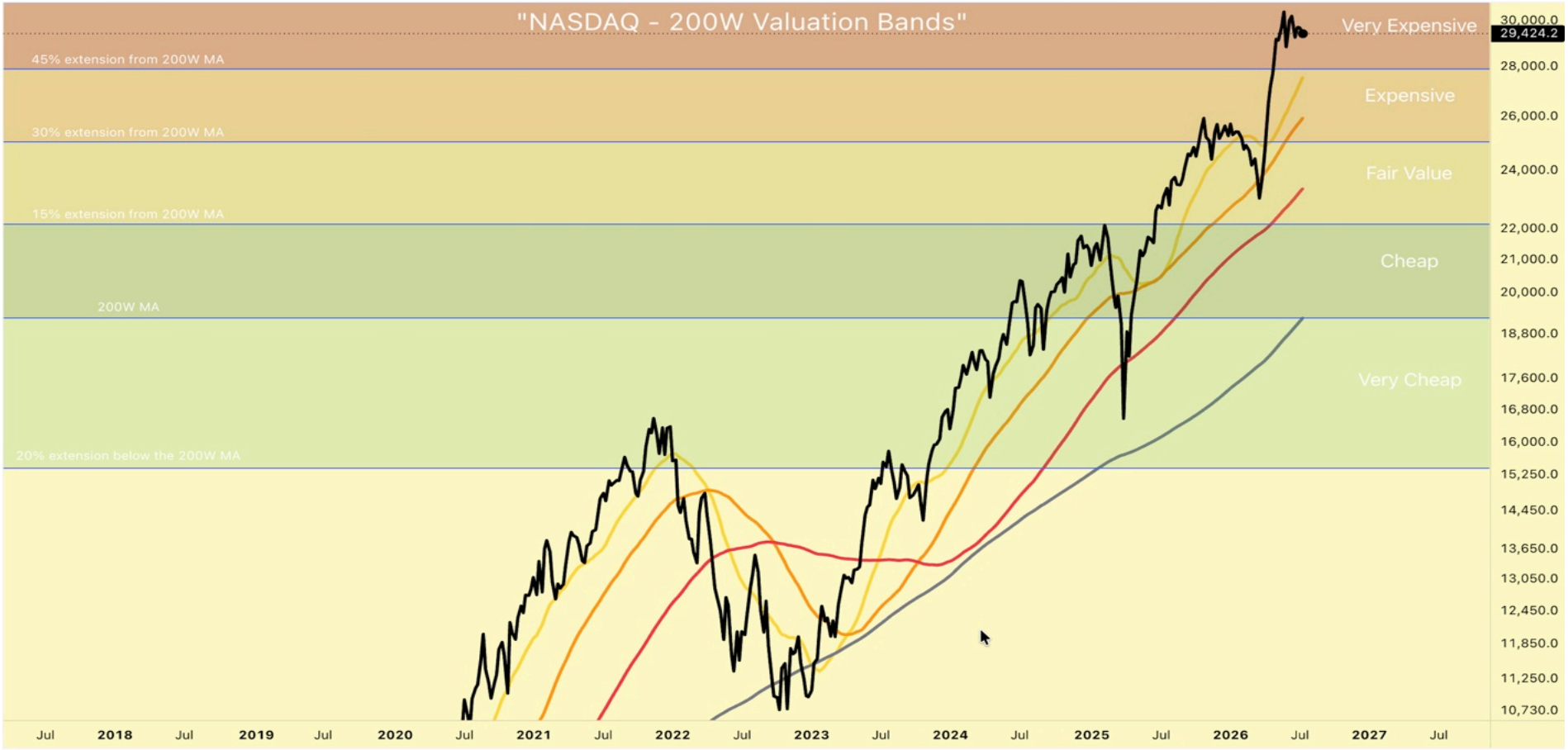
Nasdaq Log Regression Channel



Technology leadership continues supporting the Nasdaq's long-term structural advance.

Artificial intelligence remains the defining structural driver of the current equity cycle.

Nasdaq 200 Week Valuation Band



Technology valuations continue reflecting elevated expectations relative to long-term history.

Future returns will increasingly depend upon earnings continuing to justify today's optimism.

SECTION 9 - Investment Outlook

Question

What deserves your closest attention before next month's Capital Cycle Letter?

Capital Cycle Scorecard

Factor	Score	Direction
Liquidity Outlook	🟢 8.0 /10	Supportive
Growth Outlook	🟡 7.0 /10	Moderating
Credit Outlook	🟢 7.5 /10	Stable
Confidence Outlook	🟡 6.0 /10	Selective
Overall Outlook	🟢 **Constructive**	Mature Expansion

Capital Cycle Dashboard

Where are we?

CURRENT REGIME - 🟢 **Mature Expansion**

OVERALL SCORE - 7.3 / 10

CONFIDENCE - Moderate

CAPITAL CYCLE SCORECARD

Liquidity	🟢 **8.5**
Growth	🟢 **7.5**
Credit	🟢 **7.5**
Confidence	🟡 **5.5**

Expansion remains intact, although participation
has become increasingly selective.

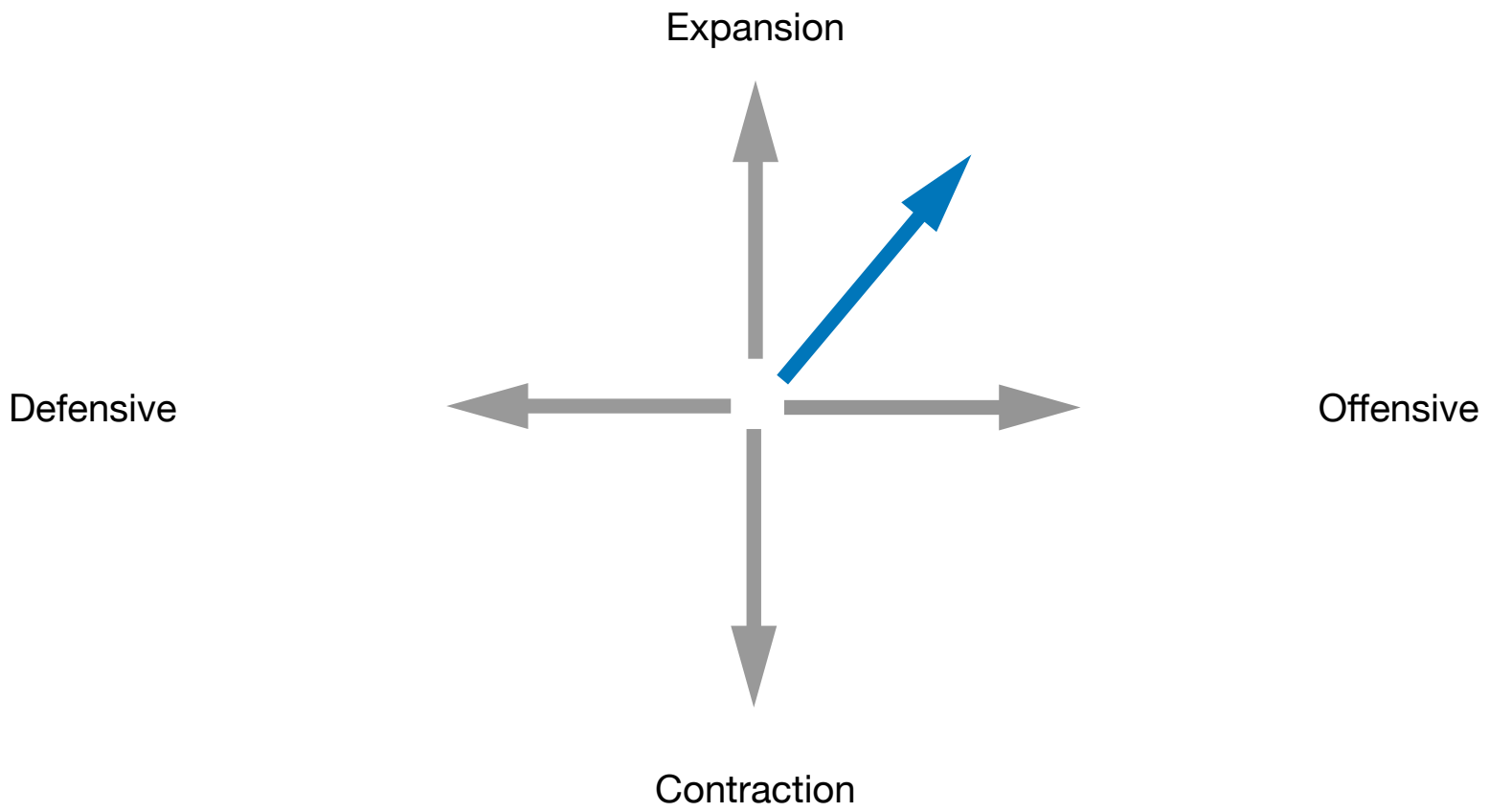
The Dashboard continues indicating that the broader Capital Cycle remains in an expansionary regime, supported by positive readings across the majority of core indicators.

No single indicator determines the regime. It is the combined weight of evidence that provides confidence in the overall assessment.

Macro Compass

How should capital be positioned?

↗ Expansion with a selective offensive bias.



The Macro Compass continues pointing toward expansion despite increasing geopolitical and monetary policy crosswinds.

While momentum has moderated, the broader direction of the Capital Cycle remains constructive.

Capital Cycle Intelligence

Know What You Own

Know Why You Own It

Know When You Are Wrong

Know How to Behave

Disclaimer

This publication is provided for informational and educational purposes only and does not constitute financial advice, investment advice, or a recommendation to buy or sell any financial instrument.

The views expressed are based on current market conditions and are subject to change without notice. While every effort has been made to ensure the accuracy of the information presented, no representation or warranty is made as to its completeness or reliability.

Investing involves risk, including the potential loss of capital. Readers should conduct their own research and consider their financial situation, risk tolerance, and investment objectives before making any investment decisions.

Past performance is not indicative of future results.

Capital Cycle Intelligence accepts no liability for any financial decisions made in reliance upon the information contained in this publication.