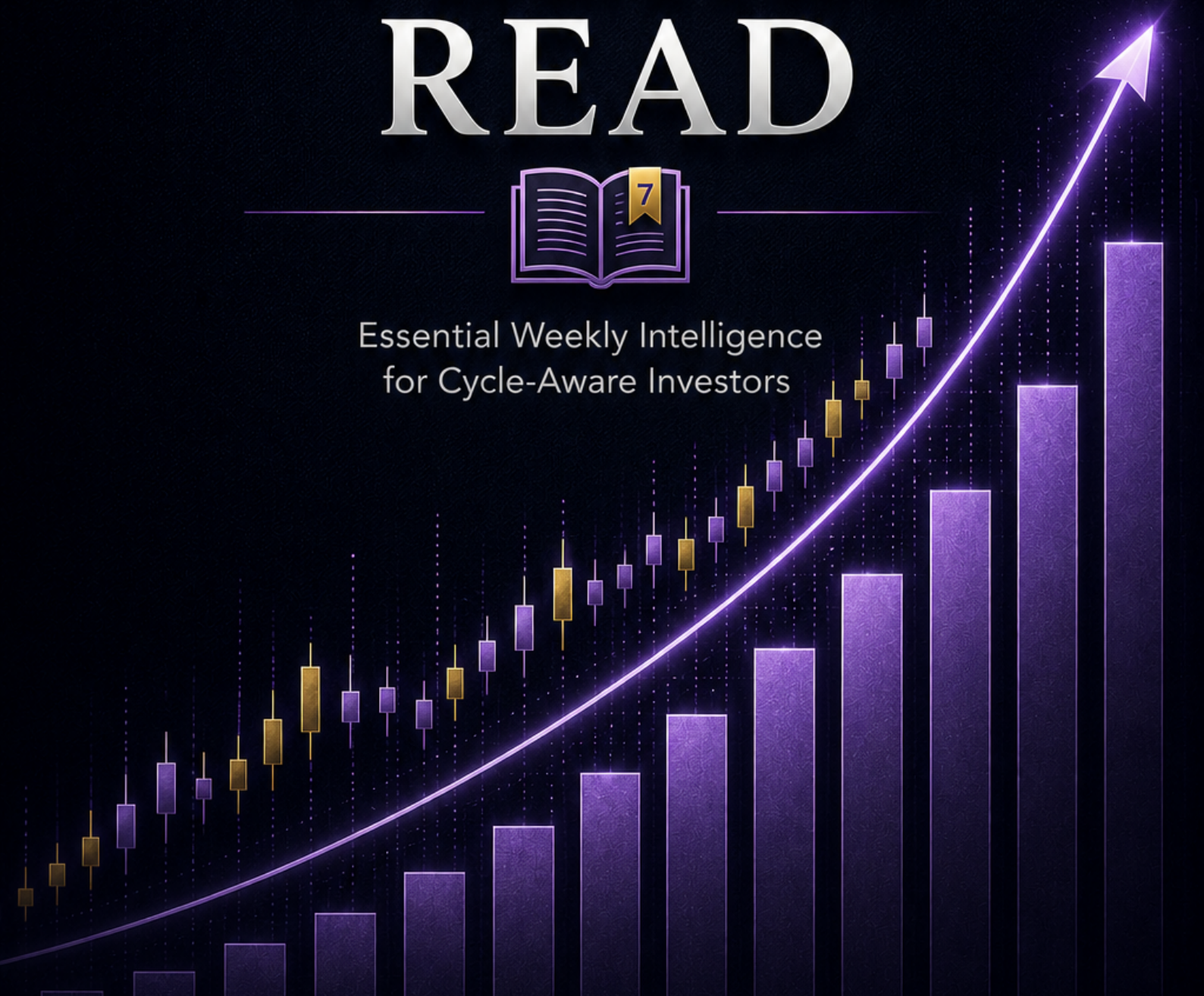
CAPITAL CYCLE

INTELLIGENCE

CCI WEEKLY READ

Essential Weekly Intelligence
for Cycle-Aware Investors



CAPITAL CYCLE INTELLIGENCE

Weekly Read

Week Ending 3 August 2026

Executive Summary

What matters most right now?

The Capital Cycle Intelligence framework continues to describe a market characterised by **supportive macro conditions but incomplete structural confirmation**. Liquidity remains the dominant tailwind, and the Expansion regime continues to hold the highest probability. However, leadership beneath the surface remains transitional, preventing the framework from authorising materially higher portfolio risk.

Gold continues to exhibit the strongest relative leadership across the asset universe and remains the preferred destination for capital. Bitcoin has retreated towards long-term fair value, improving its valuation profile, but the broader evidence remains insufficient to justify rotation away from the current defensive posture.

Importantly, there are no significant disagreements between the major engines. Instead, they describe different aspects of the same environment: macro conditions encourage optimism, while structural evidence continues to advocate patience. As a result, the framework remains unified around a disciplined **Hold** posture, favouring selective positioning over aggressive expansion.

Macro Regime Review

What environment are we operating in?

The macro environment remains classified as **Expansion**, supported by an MSI score of **68** and an Expansion probability of **69.22%**. Liquidity, ISM-PMI Composite and improving credit conditions continue to provide the primary sources of macro support, while the MSI identifies no material macro headwinds at present.

Despite this favourable backdrop, momentum has flattened. The MSI trend remains **Flat / Stabilising**, indicating that macro conditions are no longer improving at the pace observed earlier in the cycle. This moderating trend explains why the framework continues to cap portfolio aggression despite remaining within a Risk-On regime.

The Probability Engine reinforces this interpretation. Expansion remains the dominant path by a comfortable margin over Distribution (22.14%) and Contraction (8.65%), but the **3-month drift of -1.41%** highlights a gradual softening in regime dominance. Composite regime risk remains **Medium (45)**, with the engine issuing a watch on spread, drift and dominance rather than signalling regime failure.

Taken together, the evidence suggests a macro backdrop that is **stable rather than strengthening**. The regime remains supportive of risk assets, but the rate of improvement has slowed sufficiently to justify continued discipline.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership continues to reside with **Gold**.

The Capital Intelligence System identifies Gold as the fastest horse, supported by ongoing relative strength versus both Bitcoin and the US Dollar. However, the transition from Bitcoin leadership remains **structurally unconfirmed**, with persistence developing but not yet sufficient to establish a fully confirmed leadership regime.

The Masterplay Engine translates this evidence into clear portfolio permissions. Gold remains the only asset explicitly authorised for accumulation, while Bitcoin and altcoins remain gated. Rotation is technically confirmed as a structural process, yet the appropriate operational response remains **Hold**, reflecting the absence of new confirmation signals.

This distinction is important. The framework is not signalling indecision; rather, it distinguishes between recognising existing leadership and initiating additional rotation. Existing Gold positioning remains appropriate, while new capital deployment beyond current allocations is not yet justified.

Accordingly, capital should remain concentrated in Gold with an appropriate cash reserve, while Bitcoin and altcoin exposure continue to await stronger structural evidence.

Valuation Review

Are we paying a fair price?

Bitcoin currently trades at approximately **US$63,122**, placing it close to its long-term logarithmic fair value. The Log Regression Channel indicates that the market has largely completed its valuation reset from the higher-risk conditions observed earlier in the cycle.

This movement materially improves Bitcoin's long-term valuation profile. Relative to historical cycle extremes, current prices no longer imply excessive optimism, nor do they yet represent the deeply discounted conditions typically associated with major cyclical bottoms.

Momentum indicators remain subdued, with RSI holding below neutral levels. This reflects an asset that has improved in valuation but has not yet demonstrated sufficient technical strength to support renewed leadership.

The valuation engine therefore concludes that Bitcoin is becoming progressively more attractive from a long-term perspective, but valuation alone remains insufficient to justify increased allocation without confirmation from leadership, structure and conviction.

Conviction Review

How confident should we be?

The Conviction Engine continues to characterise the environment as **Selective Risk-On (Capped)** with **Weak Confidence**.

Evidence quality remains mixed. Liquidity and macro conditions provide the strongest support for constructive positioning, while relative value and broader cycle behaviour remain mildly supportive. These positive influences are offset by deteriorating market structure and transitional momentum, preventing conviction from strengthening.

The Structural Regime Gate remains **Transitional**, ensuring that macro optimism cannot translate directly into aggressive portfolio positioning. This serves as an important safeguard against acting on improving liquidity before structural confirmation has emerged.

Perhaps most encouragingly, the various engines do not materially disagree. Instead, they reinforce one another: the macro engines describe improving conditions, the structural engines advise caution, and the conviction framework appropriately calibrates confidence to reflect both realities simultaneously.

Portfolio Review

Does the portfolio match the evidence?

Yes.

The Portfolio Manager remains closely aligned with the broader framework. Current allocations consist primarily of **Gold (83.24%)** and **Cash (16.76%)**, both comfortably within their approved allocation ranges.

Portfolio drift remains minimal, with Gold sitting **1.76 percentage points below** its target allocation and Cash equivalently above target. No drift flags have been triggered, no allocation limits have been breached, and no rebalancing is required.

Although the portfolio currently reflects an unrealised loss of **10.53%**, this is attributable to recent price movements rather than strategic misalignment. The framework continues to distinguish between temporary valuation weakness and incorrect positioning.

Accordingly, the Portfolio Manager confirms that the portfolio remains appropriately positioned for the current evidence set.

What Needs To Change?

To Improve the Outlook

- Expansion probability begins widening again.
- Macro momentum resumes improving.
- Bitcoin regains structural strength relative to Gold.
- Market breadth and internal momentum strengthen.
- Conviction rises from Weak toward Moderate.

To Deteriorate the Outlook

- Expansion probability falls materially.
- Liquidity weakens.
- Credit conditions deteriorate.
- Gold leadership begins failing.
- Composite regime risk moves decisively higher.

To Confirm a New Regime

- Gold leadership persistence continues building.
- Structural confirmation improves across the Capital Intelligence System.
- Conviction exits its Transitional gate.
- Macro momentum resumes strengthening.

To Trigger Rotation

- Bitcoin demonstrates sustained relative leadership.
- Masterplay removes current execution restrictions.
- Conviction strengthens materially.
- Portfolio Manager updates strategic allocation targets.

CCI House View

The current evidence supports patience rather than aggression.

Liquidity continues to provide a constructive macro backdrop, and Expansion remains the most probable economic regime. These conditions justify maintaining exposure to risk assets within established strategic allocations.

However, the framework does not support broad-based expansion into Bitcoin or altcoins at this stage. Leadership remains concentrated in Gold, structural confirmation remains incomplete, and conviction remains intentionally capped. These factors collectively argue against interpreting supportive liquidity as permission for unrestricted risk-taking.

The greatest opportunity continues to lie in allowing the evidence to mature. Bitcoin's improving valuation profile may become increasingly attractive over coming months, but valuation alone is insufficient to justify increased exposure. The greatest risk remains acting prematurely before structural confirmation has aligned with favourable macro conditions.

The framework therefore continues to prioritise disciplined positioning over anticipation.

Validation Review

Expectations Confirmed

- Expansion remains the dominant macro regime.
- Liquidity continues providing the primary tailwind for risk assets.
- Gold retains relative leadership across the framework.
- Portfolio alignment remains excellent, with no allocation drift requiring action.
- Bitcoin continues trading near its long-term fair value, improving its valuation profile.
- The disciplined Hold posture has prevented unnecessary portfolio changes during a period of transitional market structure.

Expectations Not Yet Confirmed

- Bitcoin leadership has not reasserted itself.
- Structural confirmation remains incomplete.
- Conviction remains capped by the Transitional Regime Gate.
- Rotation permissions into Bitcoin remain absent.
- Altcoin exposure continues to be prohibited by the Masterplay framework.
- Macro momentum has stabilised rather than resumed strengthening.

Signals Performing Well

- Macro regime assessment continues to identify Expansion accurately.
- Probability modelling continues to favour Expansion while detecting gradual deterioration in regime dominance.
- Liquidity framework remains the strongest contributor to the overall outlook.

- Portfolio alignment methodology continues to maintain disciplined positioning.
- Valuation framework correctly identifies Bitcoin as moving toward fair value rather than extreme undervaluation.
- Execution gate architecture continues to prevent premature increases in portfolio risk.

Signals Requiring Continued Observation

- Bitcoin relative strength versus Gold.
- Leadership persistence development.
- Structural confirmation across the Capital Intelligence System.
- Internal market momentum and breadth.
- Three-month probability drift.
- Cross-engine convergence between macro strength and market structure.
- The eventual transition from opportunity recognition to execution permission.

Answer to the Central Question

"Given everything we know right now, what should an informed investor actually do?"

Remain aligned with the evidence rather than the narrative.

The macro backdrop continues to support risk assets, and Bitcoin now trades close to its long-term fair value, but neither leadership nor structural confirmation has strengthened sufficiently to justify materially increasing portfolio risk. Gold remains the dominant asset, cash continues to preserve strategic flexibility, and the existing portfolio already reflects the framework's highest-conviction positioning.

The informed investor should therefore resist the temptation to anticipate the next rotation, maintain disciplined positioning, and allow leadership, conviction and execution permissions to align before deploying additional capital.

Final Verdict

Measure	Current Assessment
Current Regime	Expansion
Dominant Asset	Gold
Risk State	Risk-On (Capped)
Confidence Level	Weak
Portfolio Posture	Gold Overweight / Cash Reserve / Hold
Action Required	None

Thirty-Second Summary

The Capital Cycle Intelligence framework continues to identify an Expansion regime supported by strong liquidity, while structural confirmation remains incomplete. Gold retains leadership, Bitcoin has improved to long-term fair value but has not yet regained leadership, conviction remains intentionally capped, and the portfolio remains correctly aligned with framework recommendations. Until macro strength, structural confirmation and conviction converge, the appropriate course remains unchanged: maintain disciplined positioning, preserve flexibility, and allow the evidence—not anticipation—to determine the next portfolio adjustment.

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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