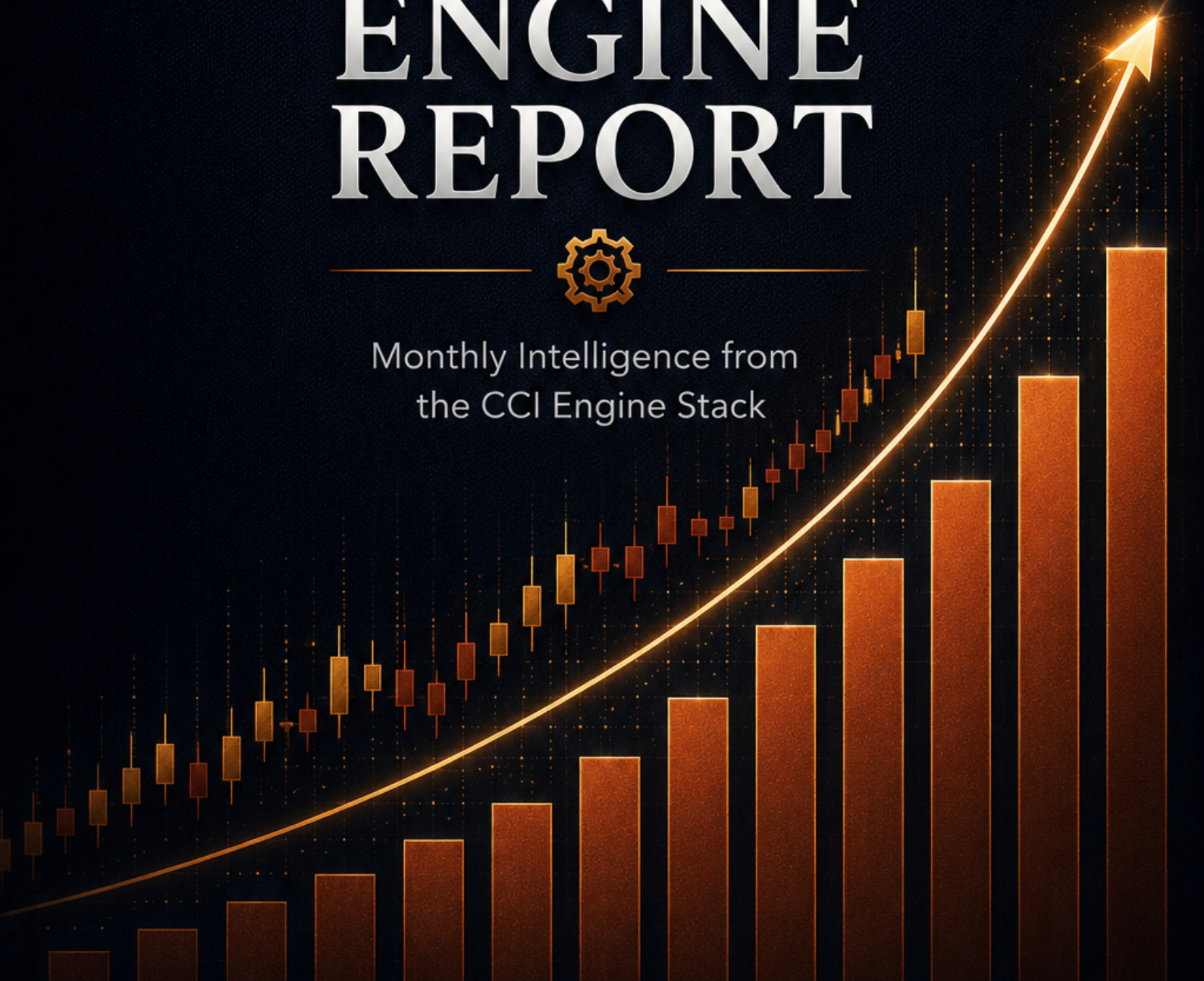
CAPITAL CYCLE

INTELLIGENCE

CCI MONTHLY ENGINE REPORT

Monthly Intelligence from the CCI Engine Stack



MONTHLY ENGINE REPORT

For Top Tier Members Only

July 2026

Institutional Evidence. Disciplined Decisions.

A Capital Cycle Perspective

Price is the Output

Liquidity, Growth and Credit are the Inputs

Purpose

To provide Top Tier members with a complete monthly assessment of the Capital Cycle Intelligence framework by combining all seven engines into one institutional investment briefing.

This Month's Headline

Expansion remains the dominant regime and liquidity continues to support the opportunity set. July manufacturing data strengthened the US growth picture while global manufacturing remained steadily expansionary. However, statistical confidence weakened during the month and structural leadership remains unconfirmed. Gold continues to lead the framework, while Bitcoin offers improving value without yet earning rotation authority.

KEY MESSAGE

The portfolio remains correctly aligned. Gold remains the strategic anchor, cash preserves optionality, and no portfolio change is currently required.

Delivery Note

This edition interprets the July engine evidence reported on 3 August 2026. It is written as a decision brief rather than a dashboard: backdrop first, leadership and context second, permission third, and the Portfolio Manager last.

HOW TO READ THE STACK

Seven specialist committees reporting to one investment committee.

Each engine answers a different question. Together they answer one: “What should an informed investor actually do?”

Step 1 - Understand the Environment

The Macro Regime Engine establishes the economic backdrop. The Probability Engine tests how likely that regime is to persist and whether its statistical authority is strengthening or weakening.

Step 2 - Identify Leadership

The Capital Intelligence System identifies the asset attracting capital. The BTC Log Regression Channel adds long-term valuation context without overriding leadership.

Step 3 - Assess Permission

The Conviction Engine determines how much confidence the combined evidence deserves. The Masterplay Engine decides what the framework is actually permitting now.

Step 4 - Execute

The Portfolio Manager integrates every upstream signal into holdings, allocation ranges and action. Where engines differ, this is the final authority.

MEMBER TAKEAWAY

A supportive environment can coexist with restricted execution. July remains constructive, but deliberately capped.

Executive Summary

The July evidence preserves a constructive macro backdrop while raising the burden of proof for additional risk. Expansion remains dominant, liquidity is supportive and US manufacturing accelerated materially. Global manufacturing also remained in expansion, albeit with slightly softer momentum. Against that, probability quality deteriorated, market structure remains incomplete and the execution gates for Bitcoin and alternative assets remain closed.

The practical conclusion is unchanged but more clearly qualified. The framework supports staying positioned in the current leader, not broadening exposure. Patience remains an active portfolio decision rather than an absence of conviction.

CAPITAL INTELLIGENCE SYSTEM

Question

Who is currently leading the market?

Executive Answer

Gold continues to lead Bitcoin, but leadership remains provisional. Trend persistence improved during July without satisfying the framework's confirmation requirements.

Current State

BTC-Gold Chop | Transition | Neutral direction

Prior State and Change

The state is unchanged from June. Trend persistence increased from six to seven weeks, showing greater stability rather than decisive strengthening.

Current Signal

Gold leading | Regime unconfirmed | Trend persistence seven weeks

What We're Watching

- Trend persistence beyond the current seven-week reading.
- BTC/Gold structure and relative-strength improvement.
- Durability of USD weakness and Gold leadership.

CCI Interpretation

Capital continues to favour Gold relative to Bitcoin, but the system is refusing to convert improving persistence into premature confirmation. The message is discipline, not indecision: respect the leader while maintaining a balanced posture until persistence, structure and USD confirmation align.

ENGINE VERDICT

Gold remains the leading asset, but leadership has not yet earned full confirmation.

MACRO REGIME ENGINE

Question

What macro environment are we operating in?

Executive Answer

Expansion remains firmly in place. The headline MSI score eased modestly, while the latest manufacturing releases strengthen the growth evidence beneath the regime.

Current State

Expansion | Tailwinds Dominant | Flat / Stabilising

Prior State and Change

The published MSI score eased from 69 to 68 and its trend moved from Improving to Flat / Stabilising. The subsequently released July manufacturing data now provide stronger confirmation of continued expansion, particularly in the United States.

Current Signal

MSI 68 / 100 | US ISM Manufacturing PMI 55.6 | J.P. Morgan Global Manufacturing PMI 52.1

Manufacturing Update

US manufacturing accelerated in July. The ISM Manufacturing PMI rose 2.3 points to 55.6, its highest reading since May 2022 and the seventh consecutive month of expansion. Production strengthened sharply to 58.5, new orders advanced to 56.7 and employment returned to expansion at 52.8 for the first time in approximately 33 months. Fifteen of eighteen industries reported growth.

The global picture remained constructive but slightly softer. The J.P. Morgan Global Manufacturing PMI eased from 52.2 to 52.1, marking a twelfth consecutive month of expansion. Output and new orders continued to grow, employment recorded its strongest increase since mid-2024 and price pressures eased further.

The US Prices Index remained elevated at 71.1 despite easing from 73.0, while some activity may reflect front-loading amid supply and geopolitical pressures. The releases strengthen the growth case but do not, by themselves, recalculate the published MSI score.

What We're Watching

- Whether stronger US production and new orders persist beyond possible front loading.
- Whether global manufacturing momentum re-accelerates from its slightly softer pace.
- Liquidity, Treasury liquidity impulse, credit stress and still-elevated US input prices.

CCI Interpretation

The backdrop remains supportive for risk assets. Stronger US output, demand and employment improve the near-term growth evidence, while continued global expansion broadens that support. Elevated US prices and modest cooling globally prevent the update from becoming an unqualified acceleration signal. Macro continues to define the opportunity ceiling; it does not override weaker confirmation elsewhere in the stack.

ENGINE VERDICT

The macro regime remains constructive, with stronger US manufacturing offset by steadier global momentum and persistent price pressure.

PROBABILITY ENGINE

Question

How likely is the current regime to continue?

Executive Answer

Expansion remains the most probable outcome, but the quality of that dominance weakened materially during July.

Current State

Expansion | WATCH | Medium composite risk

Prior State and Change

Expansion remains unchanged, but composite risk moved from Low to Medium. Three-month drift turned negative and the confidence spread contracted sharply.

Current Signal

Expansion 69.22% | Distribution 22.14% | Contraction 8.65% | Composite risk 45 (Medium)

What We're Watching

- Whether confidence spread rebuilds from 13.49%.
- Whether three-month drift turns positive from -1.41%.
- Any sustained rise in Distribution probability or further deterioration in dominance.

CCI Interpretation

Expansion still wears the crown, but with less authority. The engine is not forecasting an immediate regime change; it is warning that the distribution of outcomes has become less decisive and deserves closer monitoring.

ENGINE VERDICT

Remain aligned with Expansion, but do not increase conviction while the WATCH condition persists.

BTC LOG REGRESSION CHANNEL

Question

Is Bitcoin currently cheap, fairly valued or expensive?

Executive Answer

Bitcoin remains materially below long-term fair value. Valuation is increasingly attractive, but momentum and leadership confirmation remain insufficient for aggressive allocation.

Current State

Accumulation Zone | Below Fair Value | Weak but stabilising momentum

Prior State and Change

The accumulation state is unchanged. Bitcoin remains below the lower long-term valuation band, while weekly momentum has stabilised without producing a confirmed base.

Current Signal

Bitcoin US$63,257.94 | Fair value US$107,506.99 | 41.2% below fair value | Weekly RSI 38.6

What We're Watching

- Weekly RSI moving decisively above its moving average.
- A durable higher-high and higher-low structure.
- Bitcoin regaining confirmed leadership over Gold.

CCI Interpretation

The valuation evidence supports preparation rather than execution. Bitcoin is inexpensive relative to its long-term trend, but valuation alone does not determine portfolio positioning. Leadership, structure and rotation permission remain the binding constraints.

ENGINE VERDICT

Bitcoin offers improving long-term value, but not yet an authorised rotation.

CONVICTION ENGINE

Question

Given all available evidence, how confident should we be?

Executive Answer

The evidence supports Selective Risk-On positioning with weak confidence. Strong macro conditions remain offset by incomplete market structure and inconsistent internal participation.

Current State

Selective Risk-On (Capped) | Weak confidence | Transitional structural gate

Prior State and Change

The posture is unchanged from June. The score remains constructive, but the quality of confirmation has not improved enough to lift the cap.

Current Signal

Conviction score 14 (Risk-On). Liquidity and macro are the strongest support; market structure remains the primary constraint.

What We're Watching

- Bitcoin market structure and leadership versus Gold.
- Breadth, equal-weight participation and internal momentum.
- Progression of the structural gate beyond Transitional.

CCI Interpretation

The engine separates evidence direction from evidence quality. The macro case remains persuasive, but the collective evidence is not sufficiently aligned to justify aggressive deployment. Incremental participation is permitted; confidence remains deliberately capped.

ENGINE VERDICT

Constructive evidence exists, but conviction remains measured and conditional.

MASTERPLAY ENGINE

Question

What is the framework allowing us to do?

Executive Answer

The framework continues to recognise Expansion and Gold leadership, but formal execution authority remains restricted because structural confirmation is incomplete.

Current State

Expansion I Gold dominant I Stand Down - Hold Cash

Prior State and Change

No material change from June. Bitcoin remains blocked, the Alt Engine remains disabled and the BTC-Gold rotation gate remains closed.

Current Signal

Gold is the opportunity asset. Cash remains the strategic reserve. Rotation is not allowed.

What We're Watching

- Gold leadership progressing from provisional to confirmed.
- Bitcoin regaining sustained relative strength.
- Alignment across leadership, conviction and rotation gates.
- Any first activation signal from the Alt Engine.

CCI Interpretation

Favourable macro conditions establish possibility, not permission. Until leadership becomes structurally confirmed, the engine will preserve capital and withhold new BTC or alt exposure. The restrictive posture is an intentional safeguard against acting on an attractive story before the evidence converges.

ENGINE VERDICT

The opportunity set is constructive, but execution remains deliberately restrained.

POSITIONING IMPLICATIONS

What the combined evidence permits across the active asset set.

Bitcoin

Current read: materially undervalued, but weak in relative leadership.

Permitted stance: no new allocation.

Bitcoin belongs on the preparation list, not in the current portfolio instruction.

Alternative Assets

Current read: the Alt Engine remains disabled.

Permitted stance: no exposure.

No phase, eligibility set or rotation pathway is active.

Gold

Current read: fastest horse and provisional leader.

Permitted stance: maintain the strategic overweight.

The current 83.24% allocation remains inside the approved range and close to the 85% target.

Cash

Current read: strategic reserve.

Permitted stance: maintain optionality.

The 16.76% allocation is modestly above target but comfortably inside range.

PRACTICAL IMPLICATION

Maintain Gold and cash. Do not add Bitcoin or alternatives until leadership confirmation and execution permission improve.

Where the Engines Agree

Liquidity remains supportive, Gold is the present leader, Bitcoin valuation is attractive, and broad risk deployment has not earned sufficient confirmation.

Where the Engines Conflict

Macro and raw conviction scores permit measured risk, while Probability, market structure and Masterplay remain more restrictive. The honest description is constructive but capped.

PORTFOLIO MANAGER

Question
What do I own, what should I own, and do I need to do anything?

Executive Answer
The portfolio remains aligned with the complete engine stack. Gold anchors the allocation, cash preserves optionality, and no rebalancing threshold has been reached.

Fastest Horse
Gold

Regime
Expansion

Risk State
Risk-On, capped by weak conviction and a capital-preservation overlay

Rotation Status
Hold - no new rotation authorised

Action Required
None

Current Position
Gold 83.24% | Cash 16.76% | Bitcoin 0% | Alternatives 0%

Target Position
Gold 85% | Cash 15% | Bitcoin 0% | Alternatives 0%

Aggression Cap
Capital Preservation

What We're Watching
- Gold remaining within its approved allocation range.
- Portfolio drawdown and mark-to-market pressure.
- Any formal change in leadership, rotation permissions or target allocations.

CCI Interpretation

The portfolio reflects what the wider framework currently believes: Gold remains dominant, cash retains optionality, and unconfirmed risk assets remain absent. Gold is 1.76 percentage points below target and cash is 1.76 points above target, but both remain comfortably within their permitted ranges.

The portfolio is carrying an unrealised loss of US$31,400.75, or 10.53%. That is a meaningful performance issue to monitor, but it does not by itself indicate allocation failure. Current drift arose from price movement rather than a departure from strategy.

CHAIRMAN'S VERDICT

Remain aligned. Hold - no action required. Do not increase risk merely to repair unrealised losses.

The CCI House View

The framework remains constructive, but deliberately restrained. Expansion and liquidity continue to support the opportunity set, while Gold remains the strongest expression of current leadership. At the same time, probability quality has weakened, Bitcoin leadership remains absent and the execution gates for broader risk remain closed.

The greatest opportunity lies in maintaining exposure to the present leader while preparing for confirmation elsewhere. The greatest risk lies in confusing attractive valuation or favourable macro conditions with permission to act.

What Needs to Change

- Probability confidence must rebuild and negative drift stabilise.
- Gold leadership must either confirm or decisively weaken.
- Bitcoin structure and relative strength must improve.
- Breadth and internal participation must strengthen.
- Conviction and Masterplay permissions must advance together.

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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