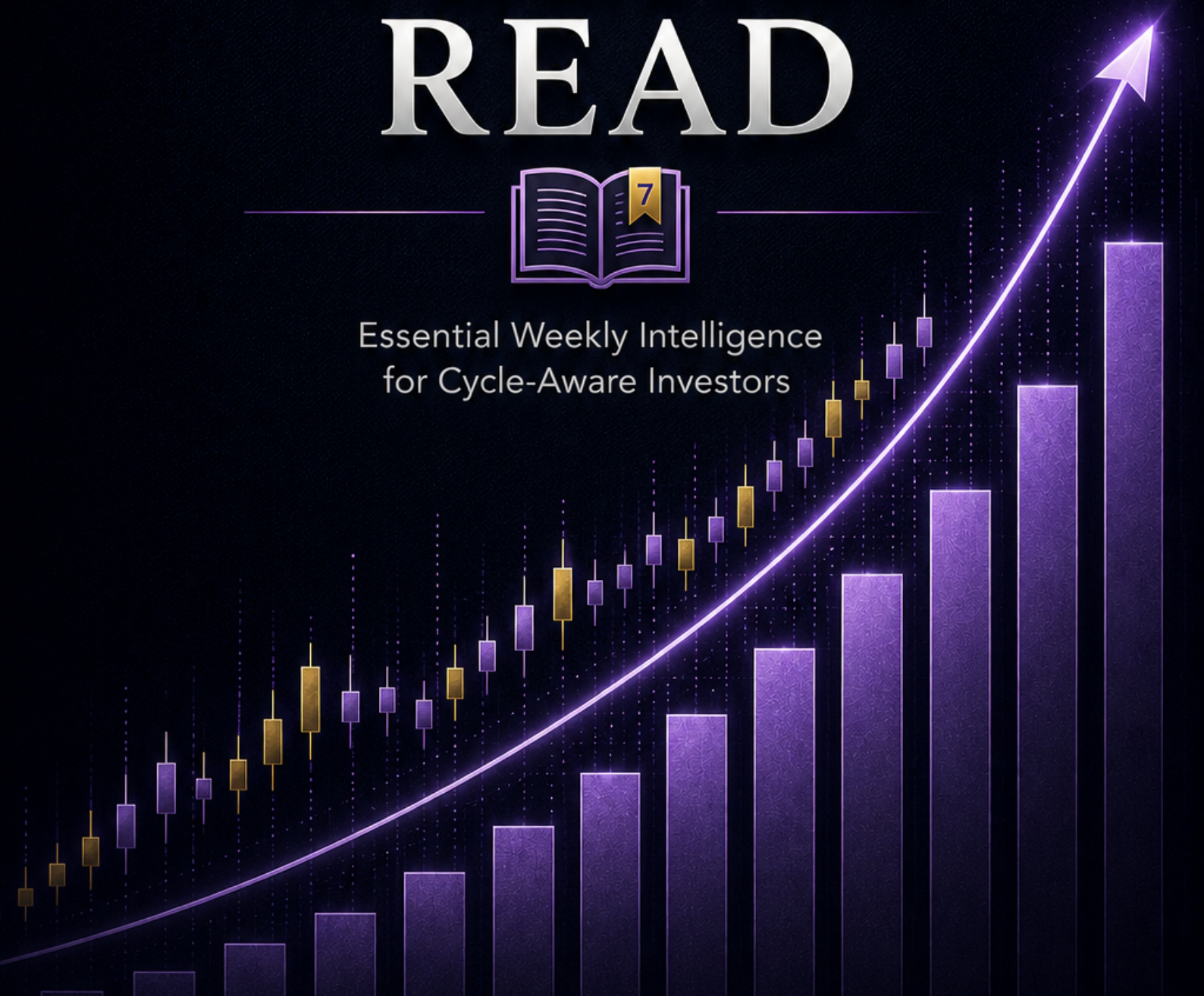
CAPITAL CYCLE

INTELLIGENCE

CCI WEEKLY READ

Essential Weekly Intelligence
for Cycle-Aware Investors



CAPITAL CYCLE INTELLIGENCE

Weekly Read

Week Ending 10th August 2026

Evidence Before Allocation

Executive Summary

The Capital Cycle Intelligence framework continues to identify an environment characterised by **supportive macroeconomic conditions, defensive asset leadership and disciplined capital preservation.**

The macro backdrop remains firmly expansionary. Liquidity continues to improve, manufacturing activity has strengthened and recessionary signals remain subdued. However, improving macro conditions have yet to translate into confirmed market leadership or broad structural participation.

Gold remains the strongest-performing major asset within the framework, while Bitcoin continues to trade at an attractive long-term valuation without yet regaining leadership. This distinction remains central to the current investment landscape: valuation is increasingly supportive, but leadership and conviction remain incomplete.

Probability analysis continues to identify Expansion as the overwhelmingly dominant macro regime. Yet beneath this stability, confidence has weakened materially and shorter-term momentum has softened, reminding investors that statistical dominance should not be confused with certainty.

Taken together, the framework continues to support a measured Risk-On stance while deliberately resisting the temptation to increase portfolio aggression prematurely. The evidence remains constructive, but it has not yet become unanimous.

What matters most right now?

Macro conditions continue to improve, but the evidence required to authorise broader portfolio rotation has not yet arrived. Patience remains an investment decision, not a passive one.

Macro Regime Review

What environment are we operating in?

Every major macro engine continues to identify the prevailing environment as **Expansion**.

Liquidity remains the dominant macro driver, reinforced by improving ISM Manufacturing, stable PMI readings and accommodative financial conditions. Credit markets remain benign and no meaningful macro headwinds have emerged. These conditions continue to provide the fundamental fuel necessary for risk assets to perform over the medium term.

However, the framework distinguishes between a strong macro regime and increasing confidence in that regime.

The Probability Engine continues to assign approximately **69% probability** to Expansion, maintaining a wide margin over Distribution and Contraction. Yet confidence in that conclusion has fallen sharply while three-month probability drift has turned modestly negative. Expansion remains the most likely outcome, but the stability of that assessment has weakened.

Accordingly, the macro environment is best described as:

- Expansion remains intact.
- Tailwinds remain dominant.
- Breadth has narrowed.
- Confidence has weakened.
- No evidence currently supports a regime transition.

This is therefore a mature expansion that warrants observation rather than complacency.

Leadership & Rotation Review

Where should capital be concentrated?

Although macro conditions remain favourable, leadership continues to favour **Gold** rather than Bitcoin.

The Capital Intelligence System identifies renewed relative strength in Gold following several weeks of equilibrium. Importantly, this reflects improving Gold performance rather than significant deterioration in Bitcoin itself. Leadership, however, remains **unconfirmed**, with persistence still below the threshold required to authorise strategic rotation.

The Masterplay Engine reaches the practical conclusion from this evidence.

Gold remains the dominant asset.

Bitcoin remains blocked.

Altcoins remain disabled.

Rotation permissions remain withheld.

Rather than responding to improving macro conditions alone, the framework continues demanding confirmation before permitting higher-risk positioning.

The current hierarchy therefore remains:

1. Gold
2. Cash
3. Bitcoin (awaiting confirmation)
4. Altcoins (not yet authorised)

The framework continues distinguishing between improving opportunity and executable opportunity.

Valuation Review

Are we paying a fair price?

From a valuation perspective, Bitcoin continues to represent one of the most attractive long-term opportunities within the framework.

The Log Regression Channel places Bitcoin approximately **39% below long-term fair value**, positioning price within the historically attractive lower valuation band. Weekly RSI continues recovering from subdued levels without displaying signs of speculative excess.

Were valuation considered in isolation, the environment would appear favourable for long-term accumulation.

However, CCI deliberately separates valuation from allocation.

Bitcoin may be historically inexpensive, but valuation alone does not override:

- leadership,
- market structure,
- conviction,
- portfolio alignment.

This remains one of the defining characteristics of the framework.

Bitcoin is becoming increasingly attractive.

It is simply **not yet fully authorised.**

Conviction Review

How confident should we be?

The Conviction Engine delivers perhaps the most nuanced message across the entire framework.

The underlying scorecard remains strong, supported overwhelmingly by macro liquidity and constructive cycle conditions. However, market structure continues withholding confirmation while internal breadth remains mixed.

The consequence is an important distinction between **signal strength** and **confidence**.

Raw evidence supports constructive positioning.

Confidence does not yet support aggressive positioning.

Accordingly:

- Structural Regime Gate remains Transitional.
- Conviction remains Selective Risk-On.
- Confidence remains Weak.
- Exposure remains intentionally capped.

The framework therefore continues encouraging participation without encouraging certainty.

Portfolio Review

Does the portfolio match the evidence?

The Portfolio Manager confirms that portfolio implementation remains fully aligned with the broader framework.

Gold remains the dominant holding, supported by an appropriate strategic cash reserve. Exposure to Bitcoin and alternative assets remains intentionally absent, reflecting the continued lack of confirmed leadership and rotation permissions.

Importantly, the portfolio exhibits:

- no drift flags,
- no allocation breaches,
- no execution requirements.

Performance also improved during the month as Gold appreciated, reducing the portfolio's unrealised drawdown without requiring any discretionary trading.

The implementation layer therefore confirms that the portfolio accurately reflects the current evidence.

What Needs To Change?

To Improve the Outlook

The framework would become materially more constructive if:

- Bitcoin leadership becomes confirmed.
- Market structure strengthens.
- Internal breadth improves.
- Conviction confidence rises.
- Probability confidence recovers.
- Three-month probability drift turns positive.
- Rotation permissions become authorised.

To Deteriorate the Outlook

The outlook would weaken materially if:

- Liquidity begins contracting.
- ISM and PMI roll over together.
- Credit stress increases.
- Expansion probability begins sustained deterioration.
- Gold leadership strengthens while macro breadth weakens.
- Confidence continues collapsing.

To Confirm a New Regime

A genuine regime transition would require persistent convergence across macro conditions, leadership, probability, conviction and market structure rather than isolated deterioration in any single engine.

To Trigger Rotation

Portfolio rotation requires:

- confirmed Bitcoin leadership,
- sustained persistence,
- structural confirmation,
- positive conviction alignment,
- Masterplay authorisation.

Until then, the framework continues preferring observation over action.

CCI House View

The evidence currently supports remaining constructive on the macro environment while remaining disciplined in portfolio implementation.

Liquidity continues providing meaningful support to financial assets and the broader Expansion regime remains intact. Long-term Bitcoin valuation has become increasingly attractive, suggesting that future opportunity continues to improve beneath the surface.

However, the framework does **not** currently support increasing portfolio aggression.

Leadership remains defensive.

Market structure remains incomplete.

Conviction remains capped.

Probability confidence has weakened.

These are not contradictory conclusions. Rather, they describe a market in which the opportunity set is improving more quickly than the permission set.

The greatest opportunity therefore lies in patiently preparing for the next confirmed offensive rotation rather than attempting to anticipate it.

The greatest risk remains confusing attractive valuation with confirmed leadership.

Validation Review

This month's observations reinforce several important design principles within the Capital Cycle Intelligence framework.

Macro conditions improved exactly as anticipated, with ISM Manufacturing strengthening and liquidity remaining supportive. Gold maintained defensive leadership while the Portfolio Manager remained fully aligned with framework guidance.

At the same time, the Probability Engine's deterioration in confidence validated the importance of distinguishing between regime dominance and regime stability. Likewise, the Conviction Engine correctly resisted increasing confidence solely on the basis of improving macro data, demonstrating that agreement across multiple evidence groups remains essential before expanding exposure.

Taken together, the engines behaved consistently with their intended roles: macro identified opportunity, leadership measured relative strength, conviction moderated certainty, and the Portfolio Manager translated those conclusions into disciplined implementation.

Final Verdict

Current Regime: Expansion

Dominant Asset: Gold

Risk State: Risk-On (Controlled)

Confidence Level: Weak to Moderate (Evidence supportive; confirmation incomplete)

Portfolio Posture: Defensive Expansion (Gold-led with strategic Cash)

Action Required: None — Maintain current positioning while monitoring for leadership confirmation.

30 Second Summary

The framework continues to identify a supportive macro Expansion, but leadership remains with Gold and has not yet rotated back to Bitcoin. Bitcoin is historically inexpensive, yet valuation alone is insufficient to justify increased exposure while market structure, conviction and probability confidence remain incomplete. The portfolio remains fully aligned with the evidence, requiring no changes at present. Stay patient, preserve discipline, and allow confirmation—not anticipation—to determine the next allocation decision.

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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