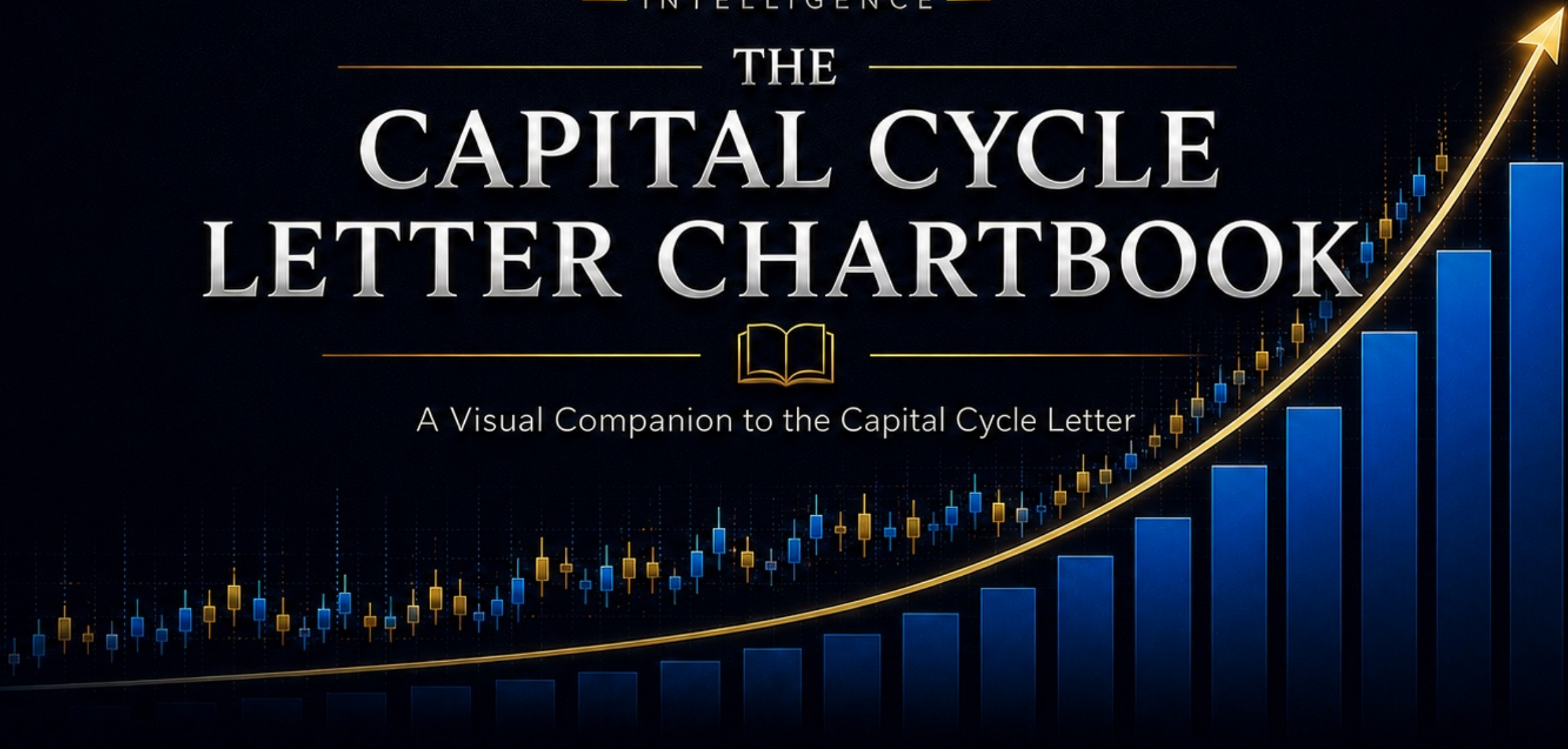
CAPITAL CYCLE
INTELLIGENCE

THE CAPITAL CYCLE LETTER CHARTBOOK

A Visual Companion to the Capital Cycle Letter



Capital Cycle Intelligence

THE CAPITAL CYCLE LETTER CHARTBOOK

August 2026 Edition

MATURE EXPANSION

Liquidity remains supportive. Transmission remains selective.

Welcome to the Capital Cycle Letter Chartbook

The August Chartbook presents the current macro environment through the Capital Cycle lens.

Charts remain the primary signal; concise commentary provides the educational context needed to interpret them.

Price is the output

Liquidity, growth and credit are the inputs

How To Read This Chartbook

We move from the macro regime through liquidity, growth and credit, then into confidence, leadership, rotation, valuation and risk. Each chart isolates one core idea. Together they show where capital is flowing, what is supporting the expansion and where transmission is becoming less reliable.

Capital Cycle Takeaway

The objective is not to predict every turn. It is to recognise when the weight of evidence begins to change.

SECTION 1 - CURRENT MACRO REGIME

Question

What environment are we operating in?

Capital Cycle Scorecard

Factor	Score	Direction
Liquidity	🟢 8.0 / 10	Supportive
Growth	🟢 7.8 / 10	Reaccelerating
Credit	🟢 7.6 / 10	Stable
Confidence	🟡 6.2 / 10	Selective
Overall Regime	🟢 7.4 / 10	Mature Expansion

Capital Cycle Dashboard

Where are we?

CURRENT REGIME - 🟢 **Mature Expansion**

OVERALL SCORE - 7.2 / 10

CONFIDENCE - Moderate

CAPITAL CYCLE SCORECARD

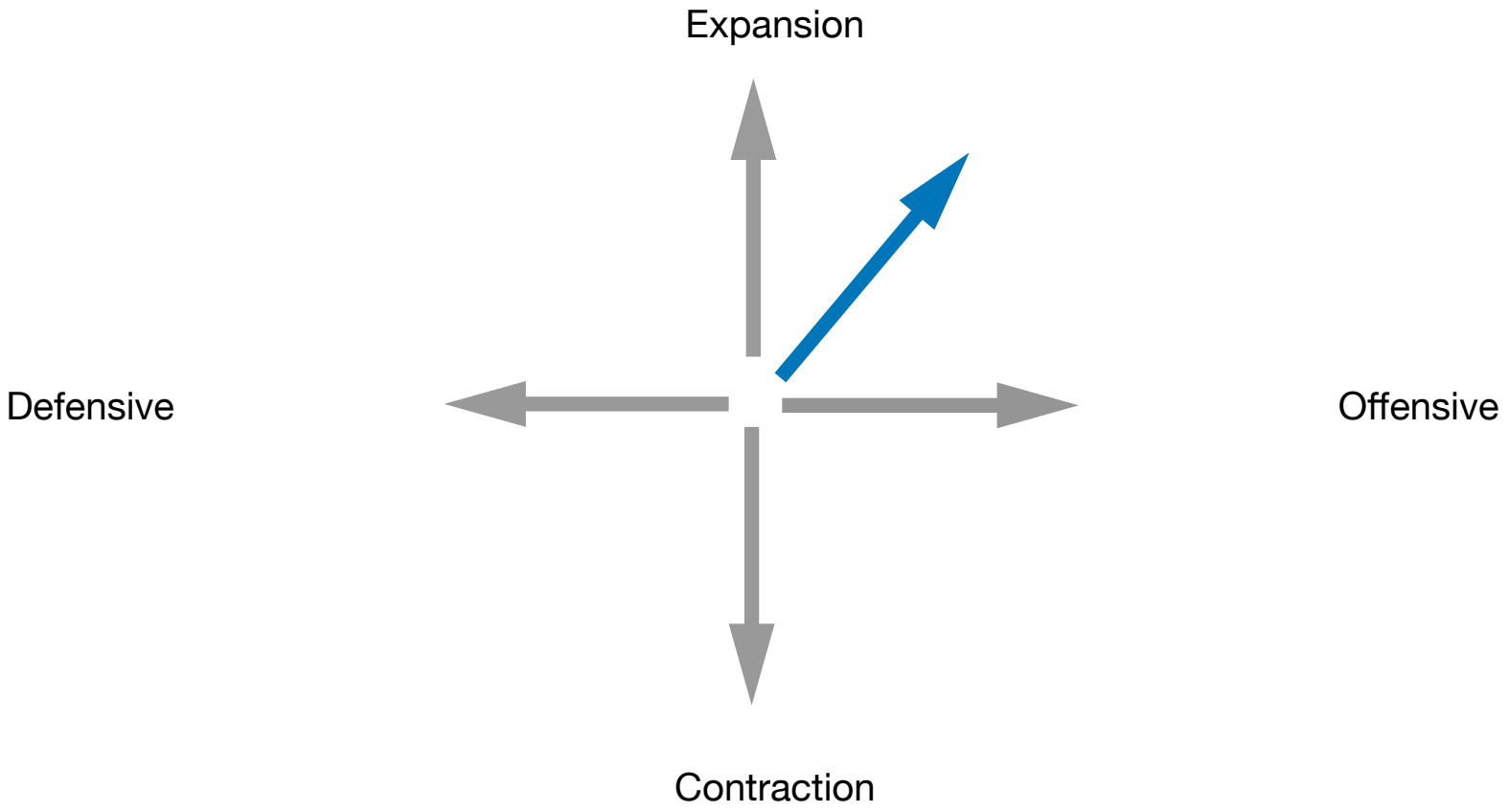
Liquidity	🟢 **8.0**
Growth	🟢 **7.8**
Credit	🟢 **7.6**
Confidence	🟡 **5.5**

Liquidity remains supportive, growth is expanding and credit markets remain functional. Confidence is positive but increasingly selective.

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	🟢	🟡	🟡	🟡

Capital Cycle Takeaway

The regime has not changed, but its character has. We remain in a Mature Expansion with supportive macro foundations and increasingly uneven transmission.

SECTION 2 - LIQUIDITY

Question:

Is there enough liquidity to continue supporting the Capital Cycle?

Capital Cycle Scorecard

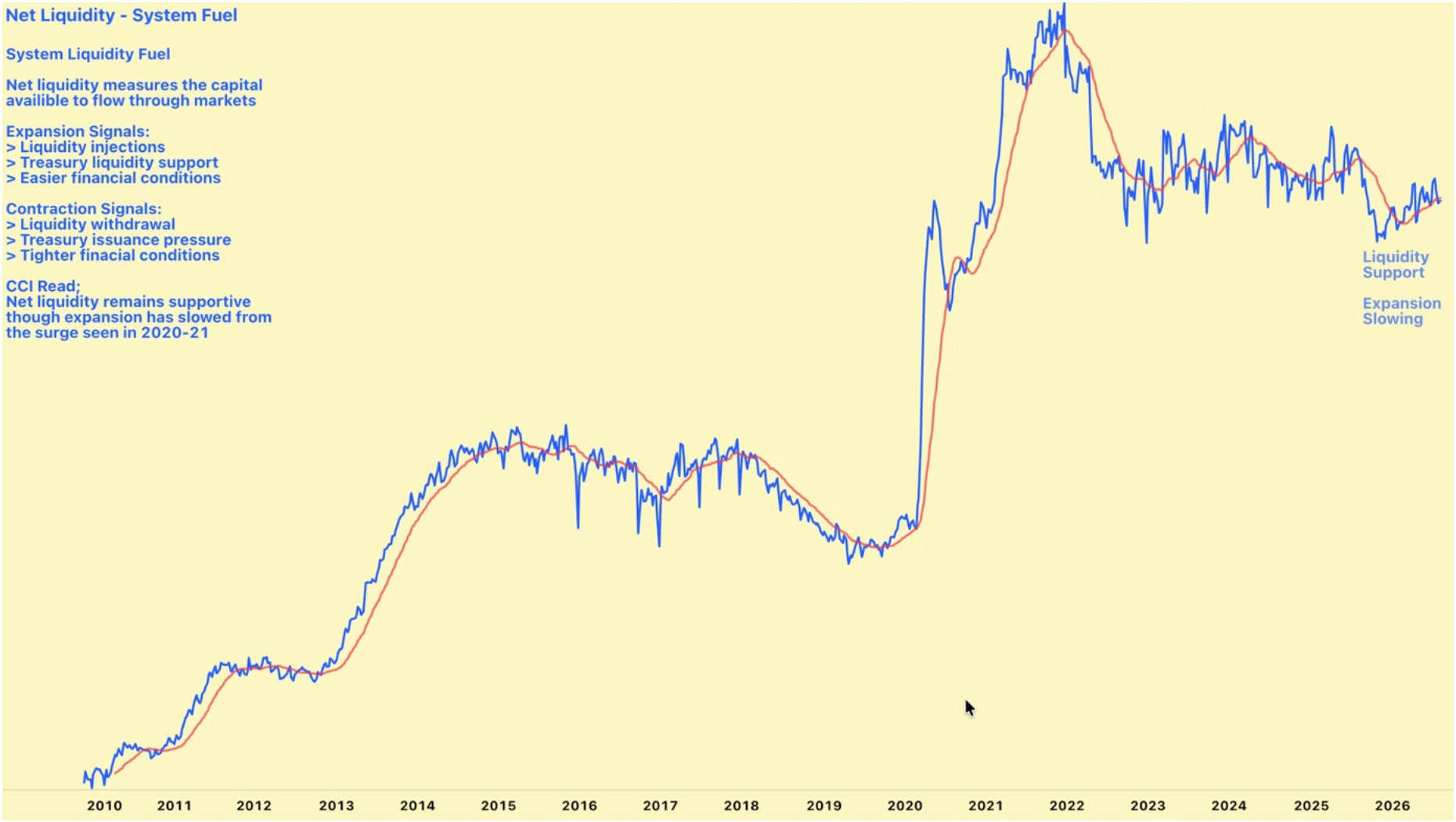
Factor	Score	Direction
Global Liquidity	8.7 / 10	Expanding
US Net Liquidity	6.8 / 10	Supportive but slower
Liquidity Impulse	7.1 / 10	Recovering
Stablecoin Liquidity	5.0 / 10	Contracting
Liquidity Outlook	7.2 / 10	Supportive, uneven

Global Liquidity Index



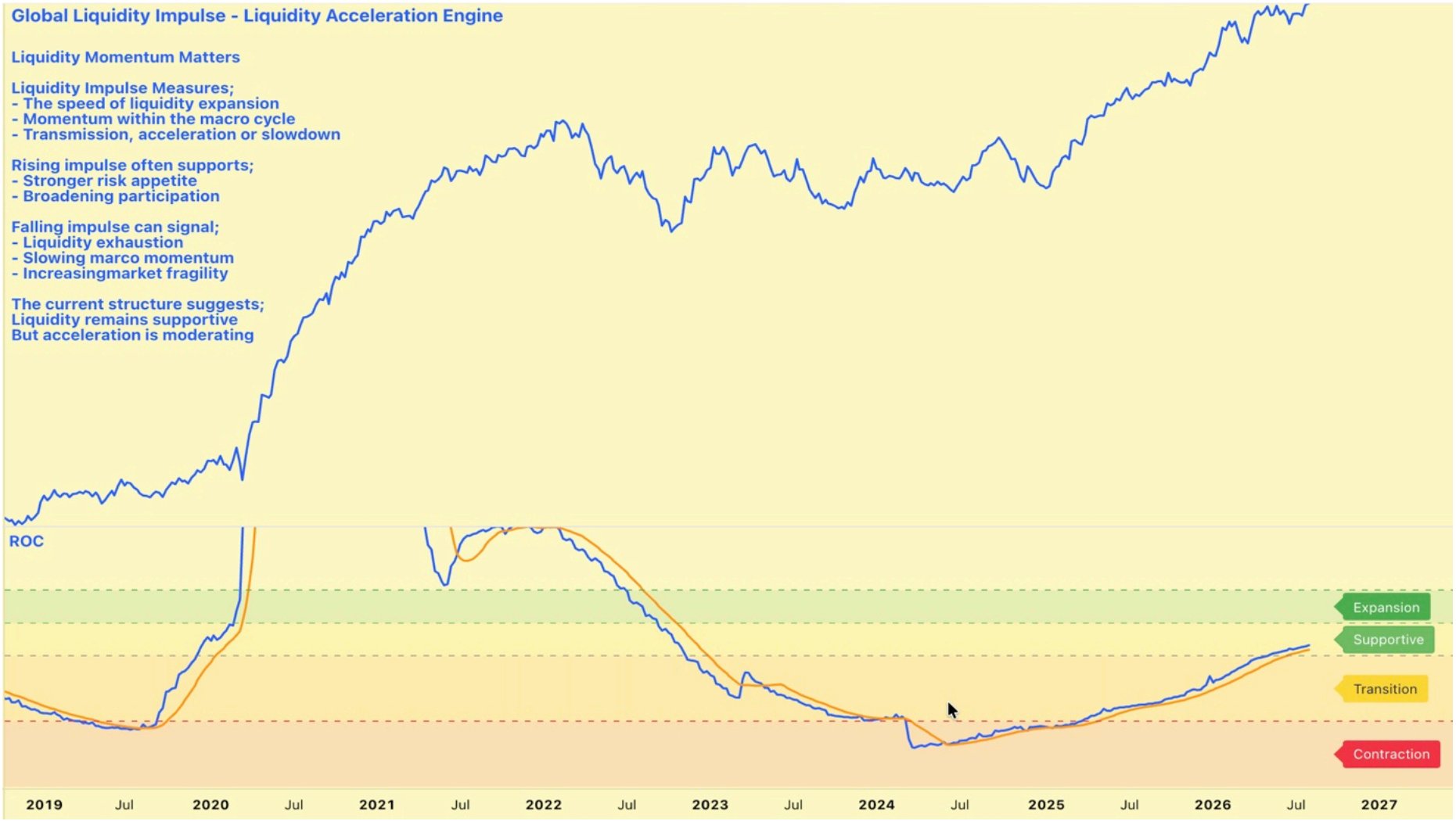
Global liquidity continues making new highs, providing a constructive monetary foundation for risk assets and economic activity.

US Net Liquidity



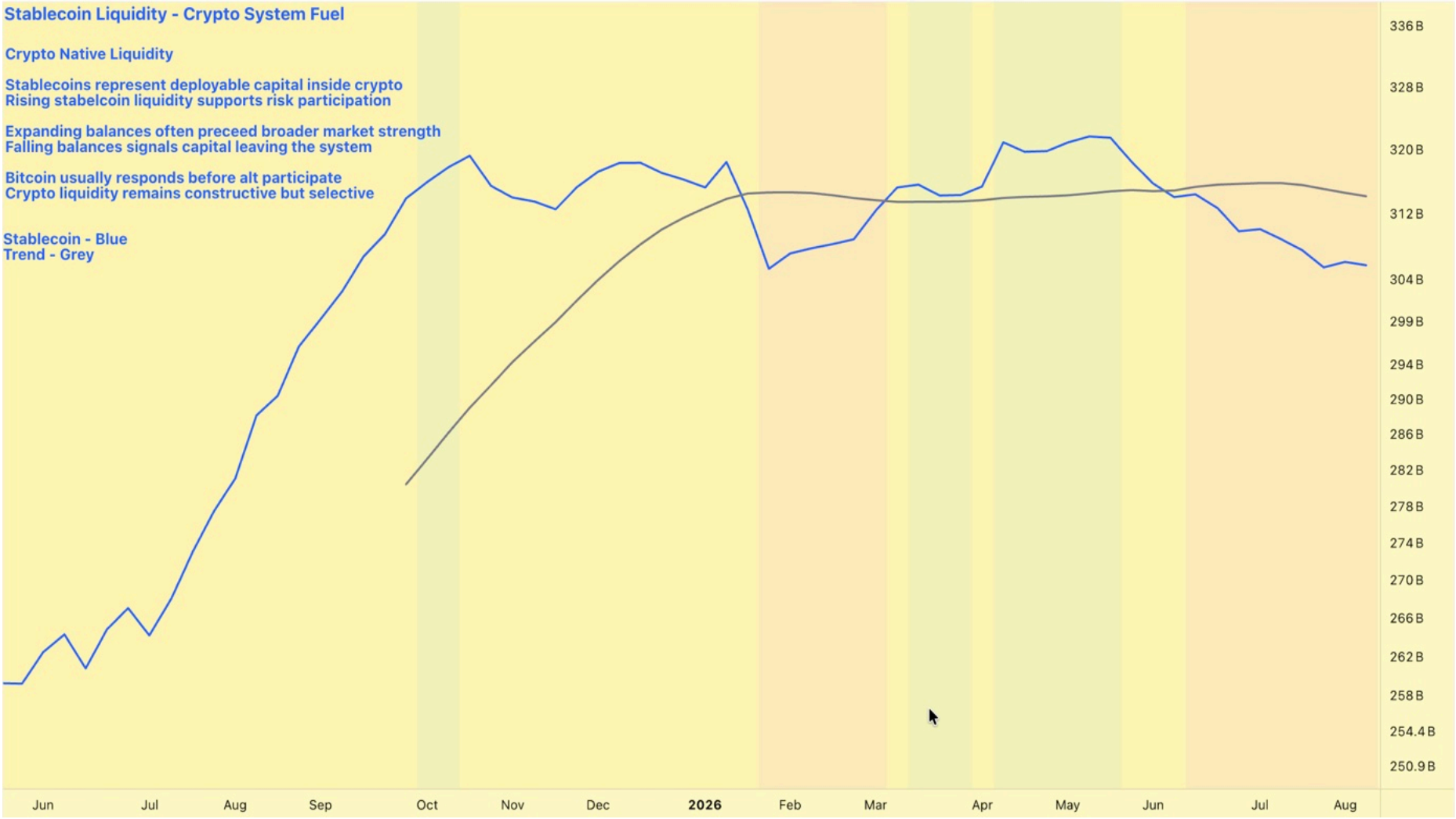
The US pipeline remains open, but the flow is less forceful than the global headline suggests.

Global Liquidity Impulse



Liquidity acceleration has recovered into supportive territory without yet matching the strongest impulses of earlier cycles.

Stablecoin Liquidity



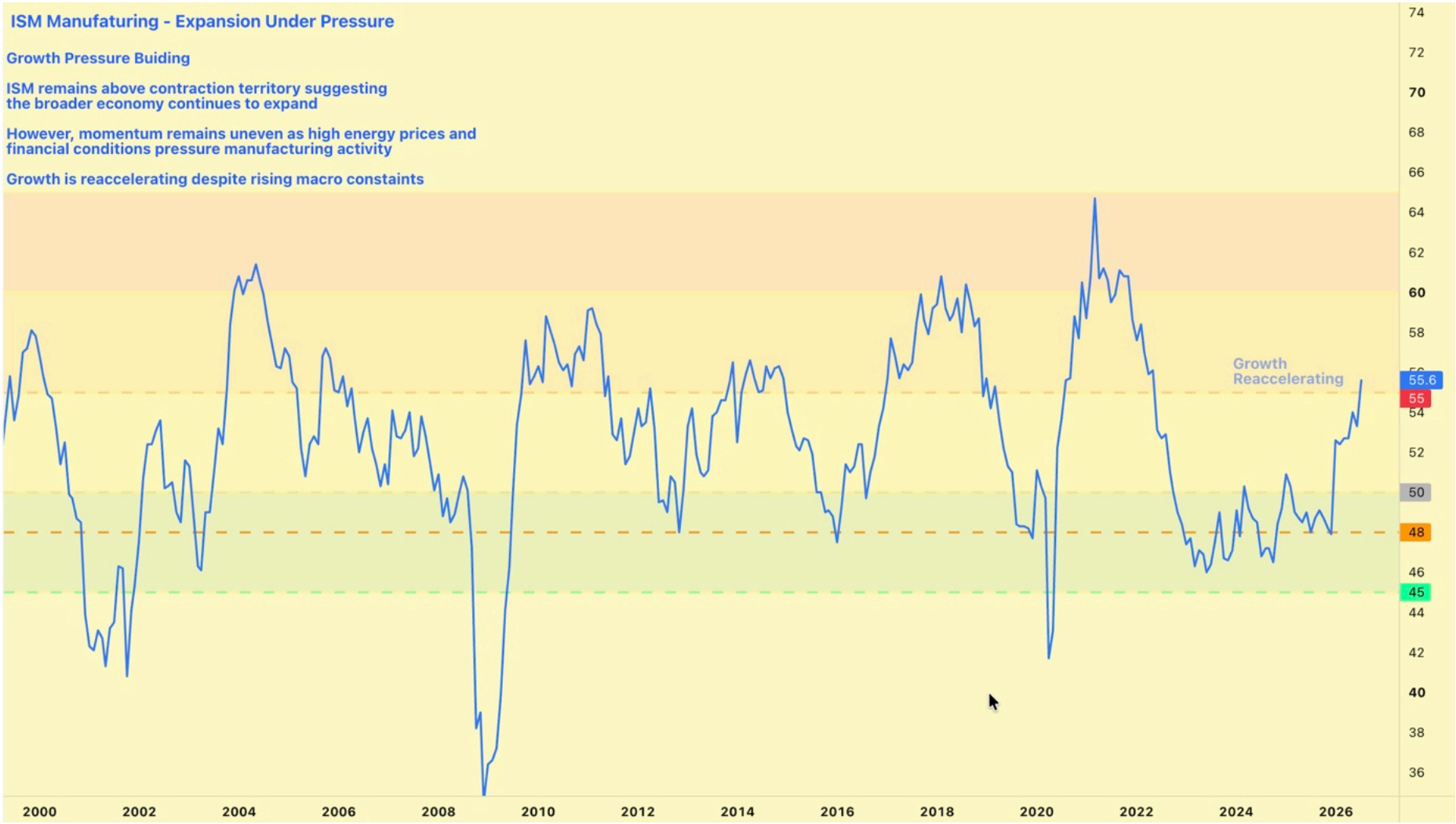
Crypto-native liquidity remains below trend, limiting the deployable capital immediately available to digital assets.

Bitcoin and Financial Conditions



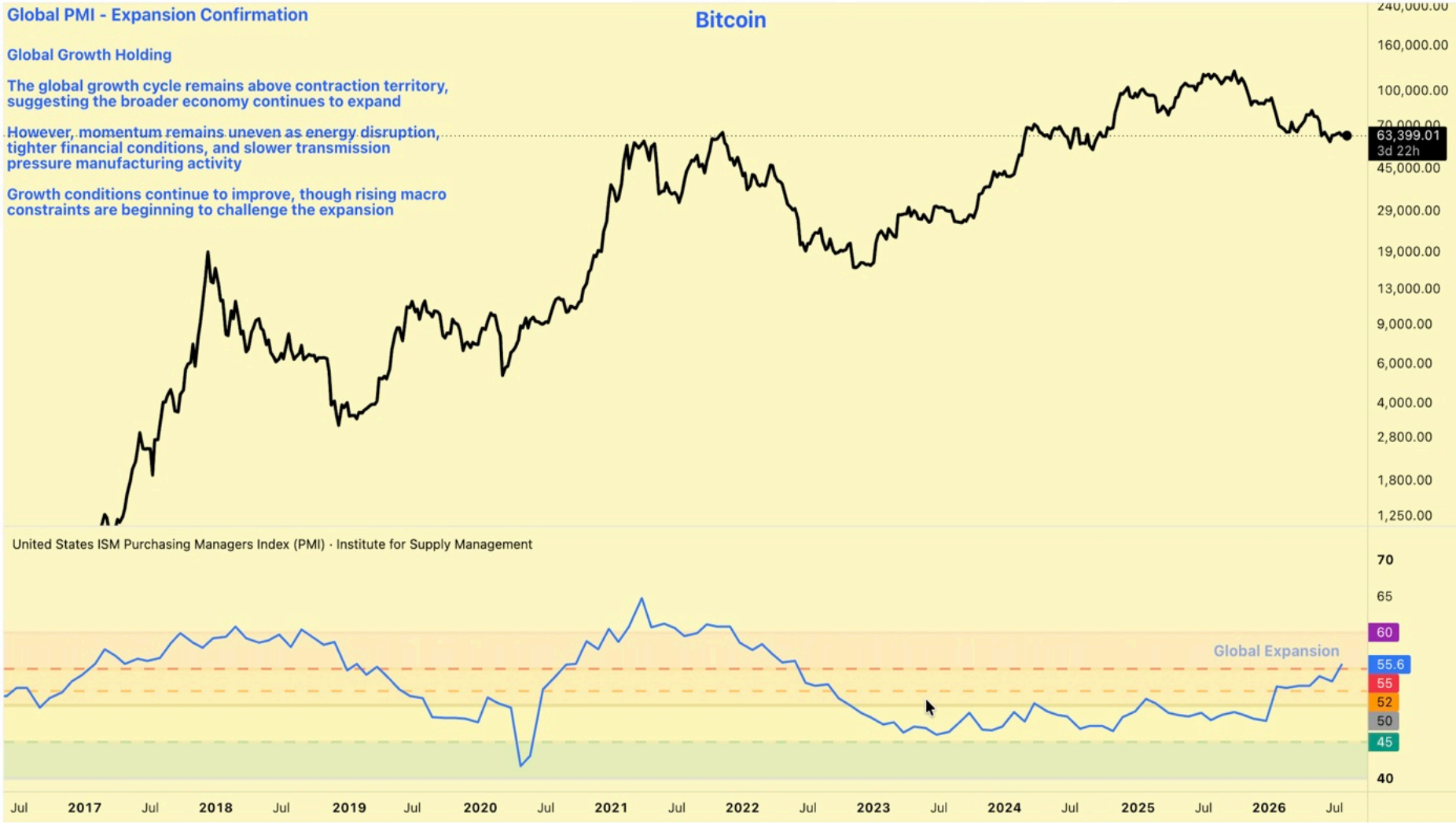
Financial conditions remain broadly supportive, yet Bitcoin has not responded proportionately—evidence of impaired transmission.

Bitcoin Liquidity Z-Score



Bitcoin remains weak relative to the liquidity backdrop, highlighting an unusually large divergence from macro support.

Global Liquidity vs Bitcoin



The macro reservoir is rising while Bitcoin lags, separating available liquidity from successful asset-level transmission.

SECTION 3 - GROWTH

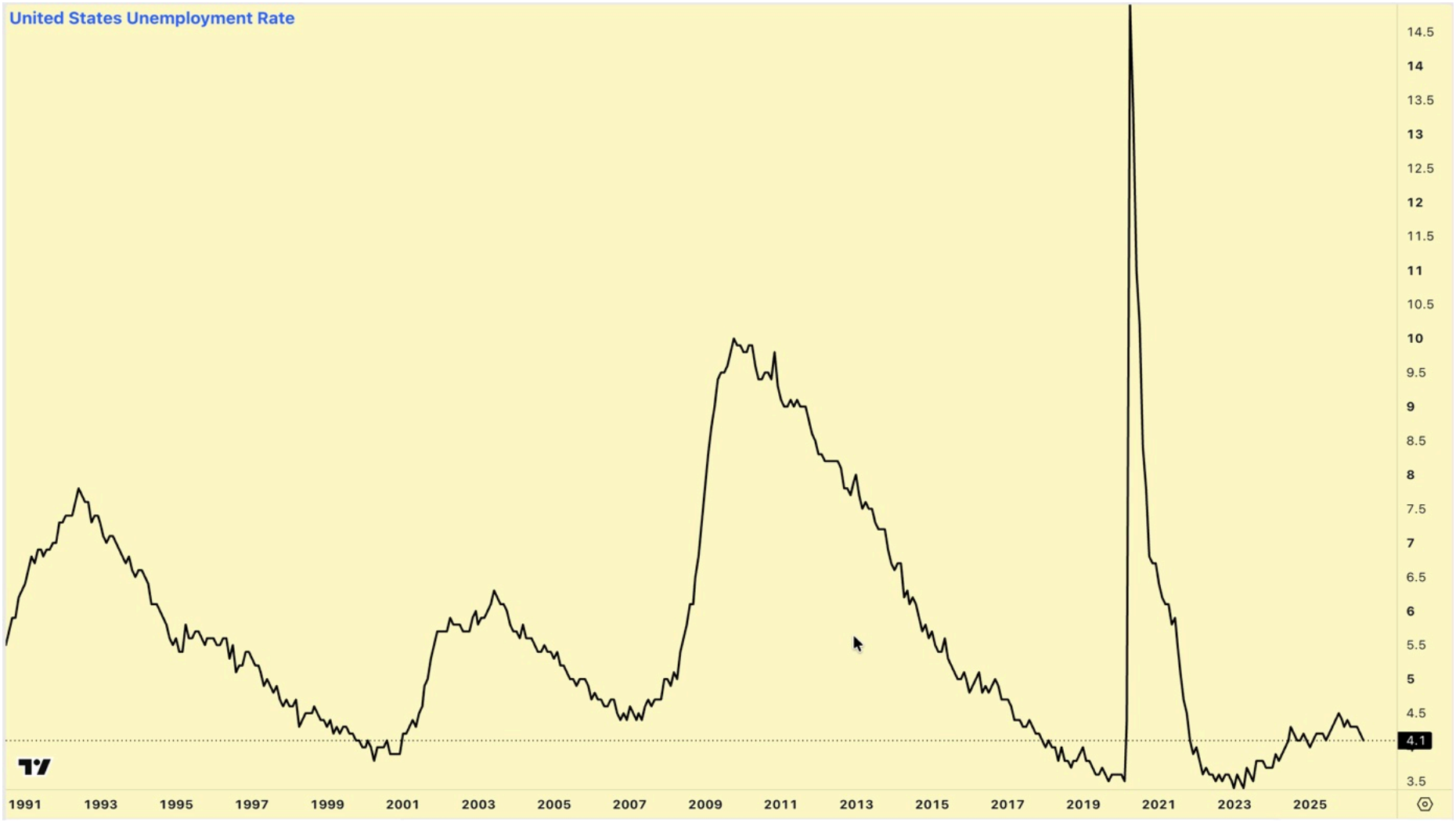
Question

Is liquidity continuing to translate into economic activity?

Capital Cycle Scorecard

Factor	Score	Direction
Manufacturing	🟢 8.0 / 10	Reaccelerating
Services	🟢 7.7 / 10	Strong
Employment	🟡 6.4 / 10	Moderating
Input Costs	🔴 5.2 / 10	Elevated
Growth Outlook	🟢 7.4 / 10	Expansion

US Unemployment Rate



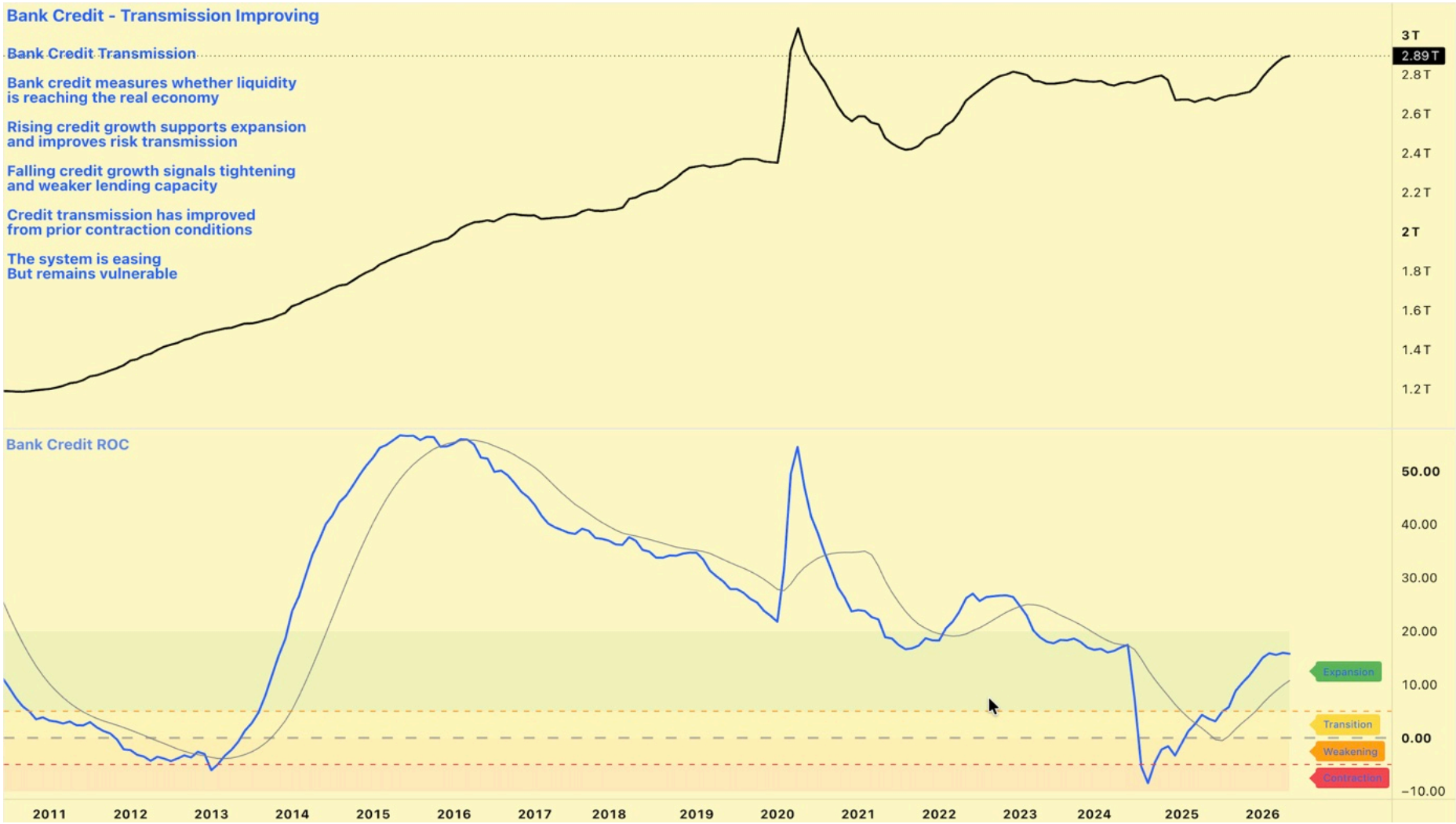
The labour market is moderating rather than collapsing; the level remains consistent with expansion.

ISM Manufacturing PMI



Manufacturing has reaccelerated above 50, supporting activity while reducing the urgency for easier policy.

Services PMI



Services continue providing a resilient foundation for domestic demand.

ISM Manufacturing Prices Paid



Input costs remain elevated, leaving inflation sensitive to energy and transport disruption.

SECTION 4 - CREDIT

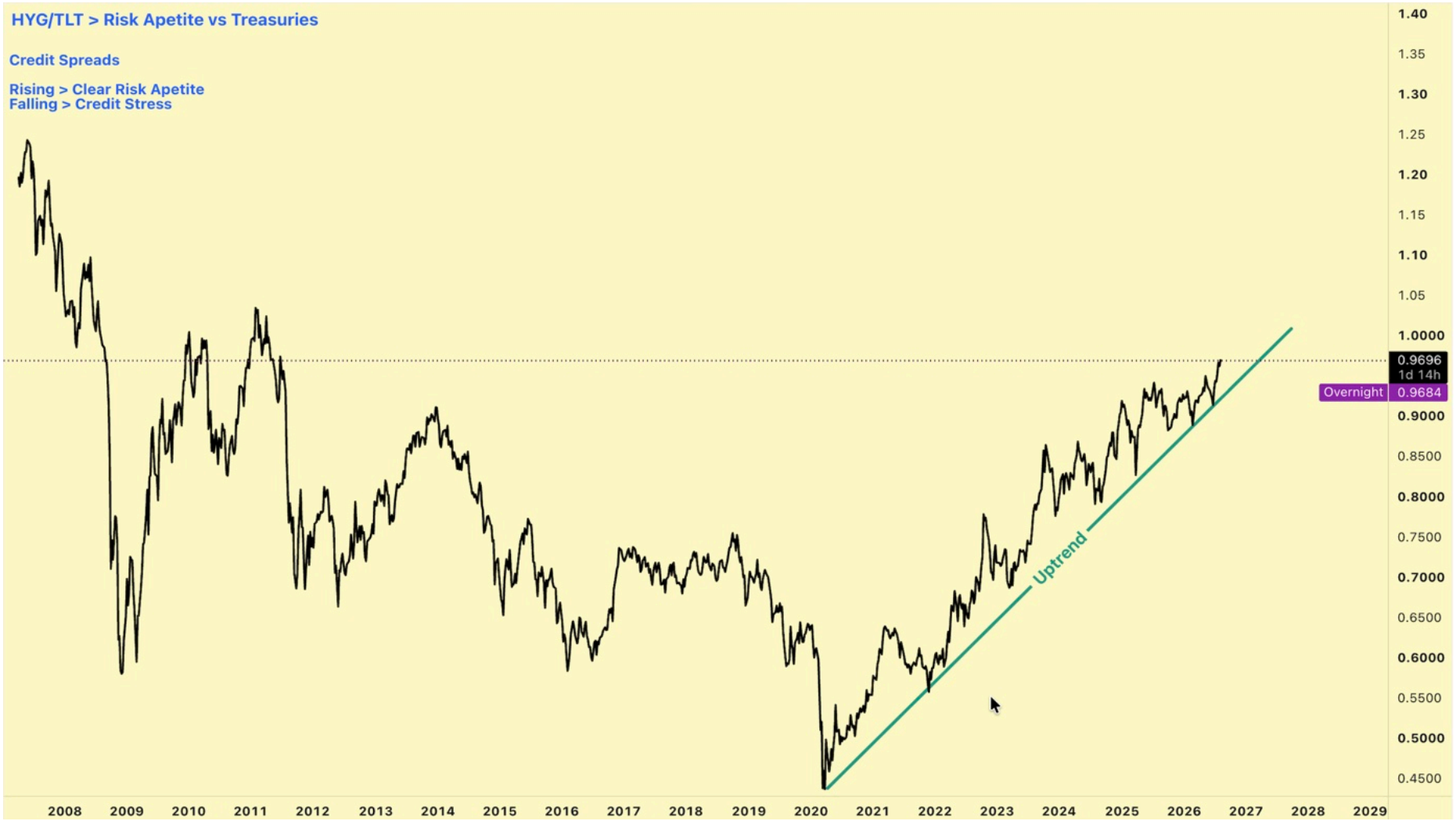
Question

Is the financial system continuing to support economic growth?

Capital Cycle Scorecard

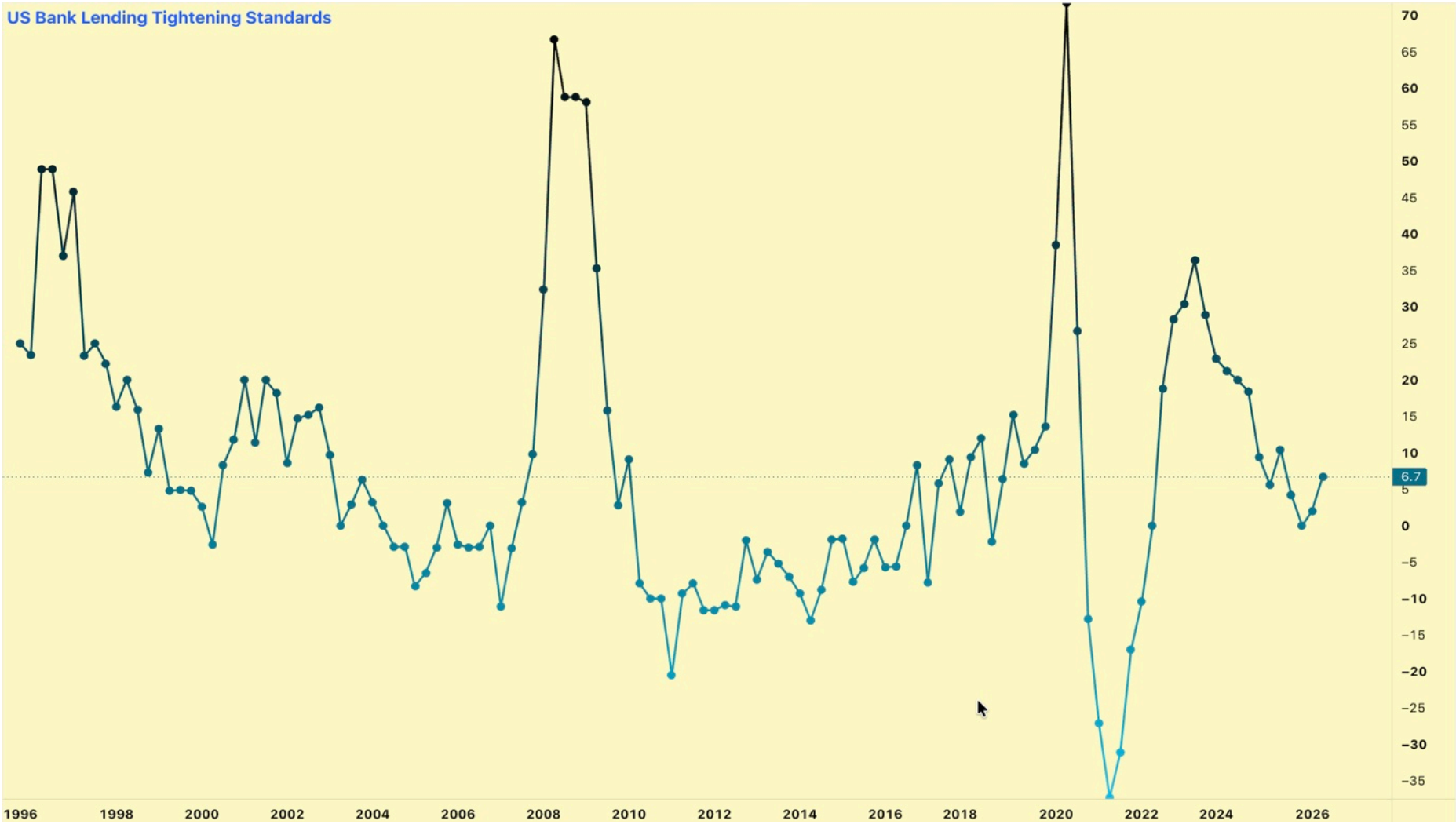
Factor	Score	Direction
Investment Grade	🟢 8.2 / 10	Healthy
High Yield	🟢 8.0 / 10	Contained
Bank Credit	🟢 7.4 / 10	Expanding
Lending Standards	🟡 6.6 / 10	Selective
Credit Outlook	🟢 7.8 / 10	Constructive

HYG/TLT - Risk Appetite vs Treasuries



Credit continues outperforming duration. Default risk remains contained even as long-bond investors demand greater compensation.

Bank Credit and Lending Transmission



Credit continues reaching the economy. The transmission mechanism remains selective, but it is functioning.

High Yield Credit Spreads



High-yield spreads remain contained. Credit markets are demanding discipline rather than signalling widespread financial stress.

SECTION 5 - CONFIDENCE

Question

How is capital responding to the current Capital Cycle?

Capital Cycle Scorecard

Factor	Score	Direction
Equity Participation	🟡 7.0 / 10	Constructive
Defensive Demand	🟡 7.2 / 10	Elevated
Risk Appetite	🟡 6.2 / 10	Selective
Capital Allocation	🟢 7.4 / 10	Disciplined
Confidence Outlook	🟡 6.8 / 10	Constructive

S&P 500 Participation



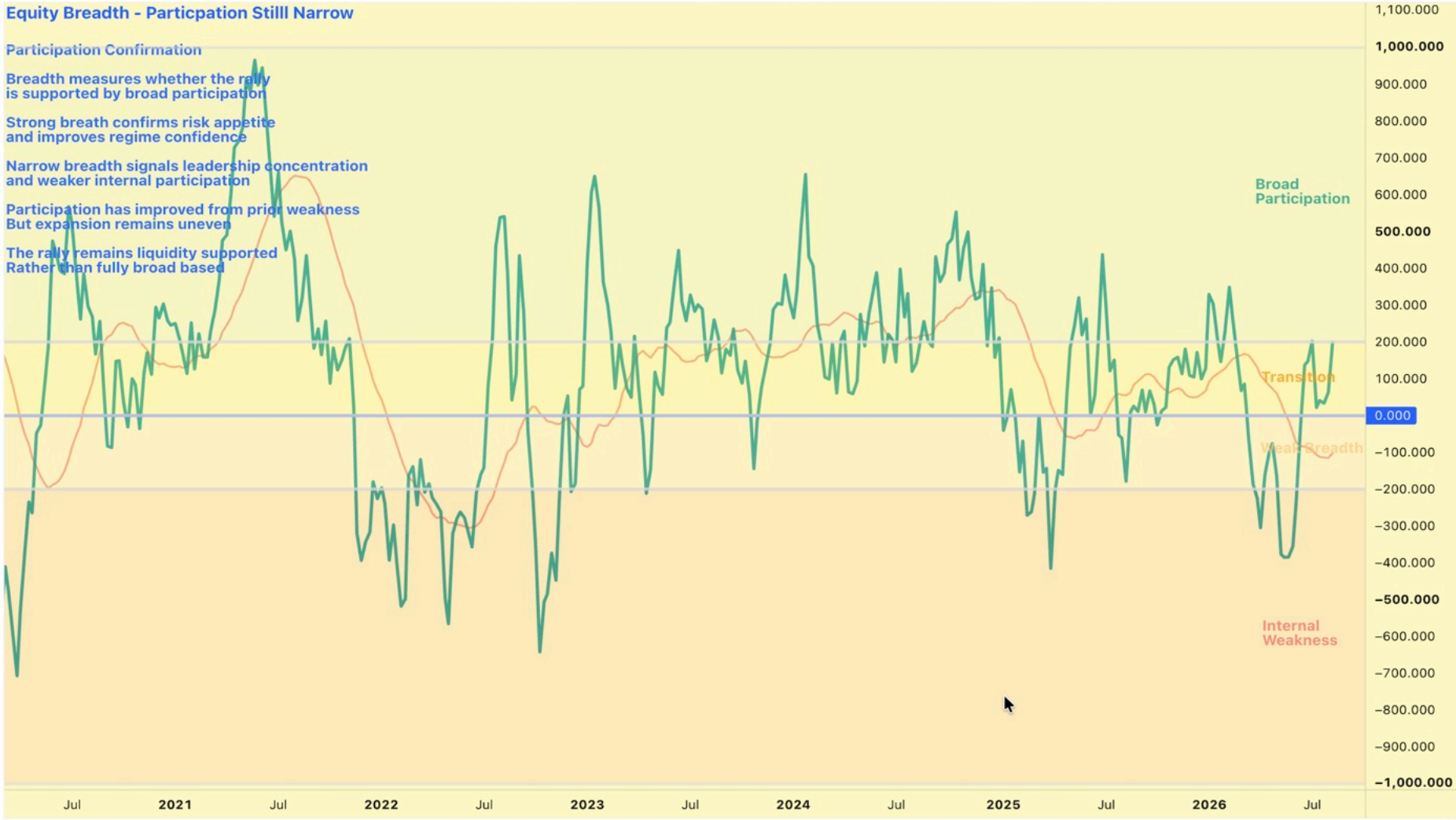
Equities continue absorbing macro uncertainty, supported by earnings and persistent liquidity.

Nasdaq Participation



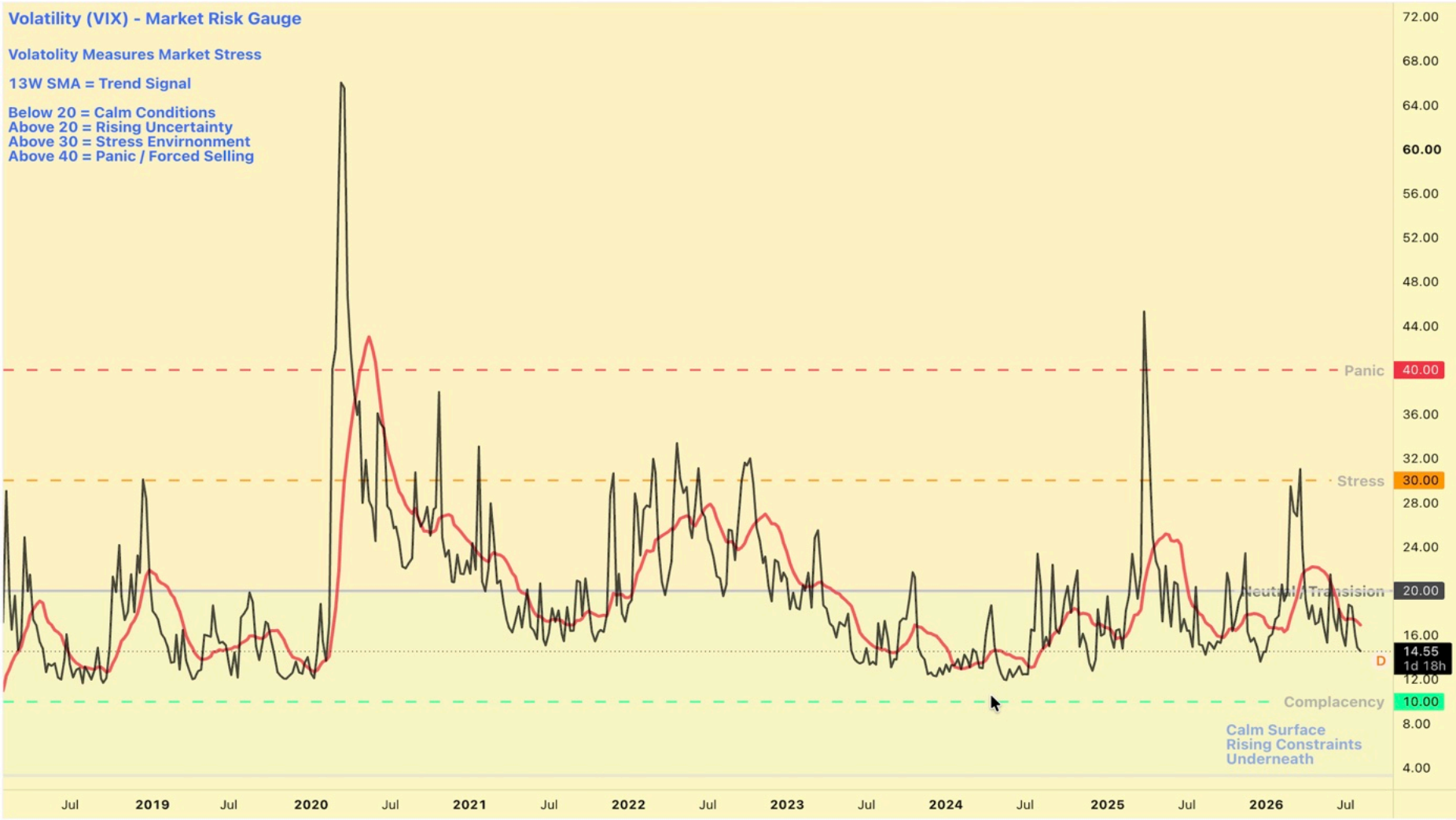
Technology remains resilient as investors continue rewarding durable structural growth.

Equity Participation



Breadth has improved from weaker readings without producing a decisive market-wide broadening.

Risk Appetite - VIX



Volatility remains below systemic-stress thresholds. Confidence is selective rather than fearful.

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	🟡 7.2 / 10	Improving
Breadth	🟡 6.3 / 10	Narrow
Leadership Outlook	🟢 8.0 / 10	Concentrated

S&P 500 Leadership



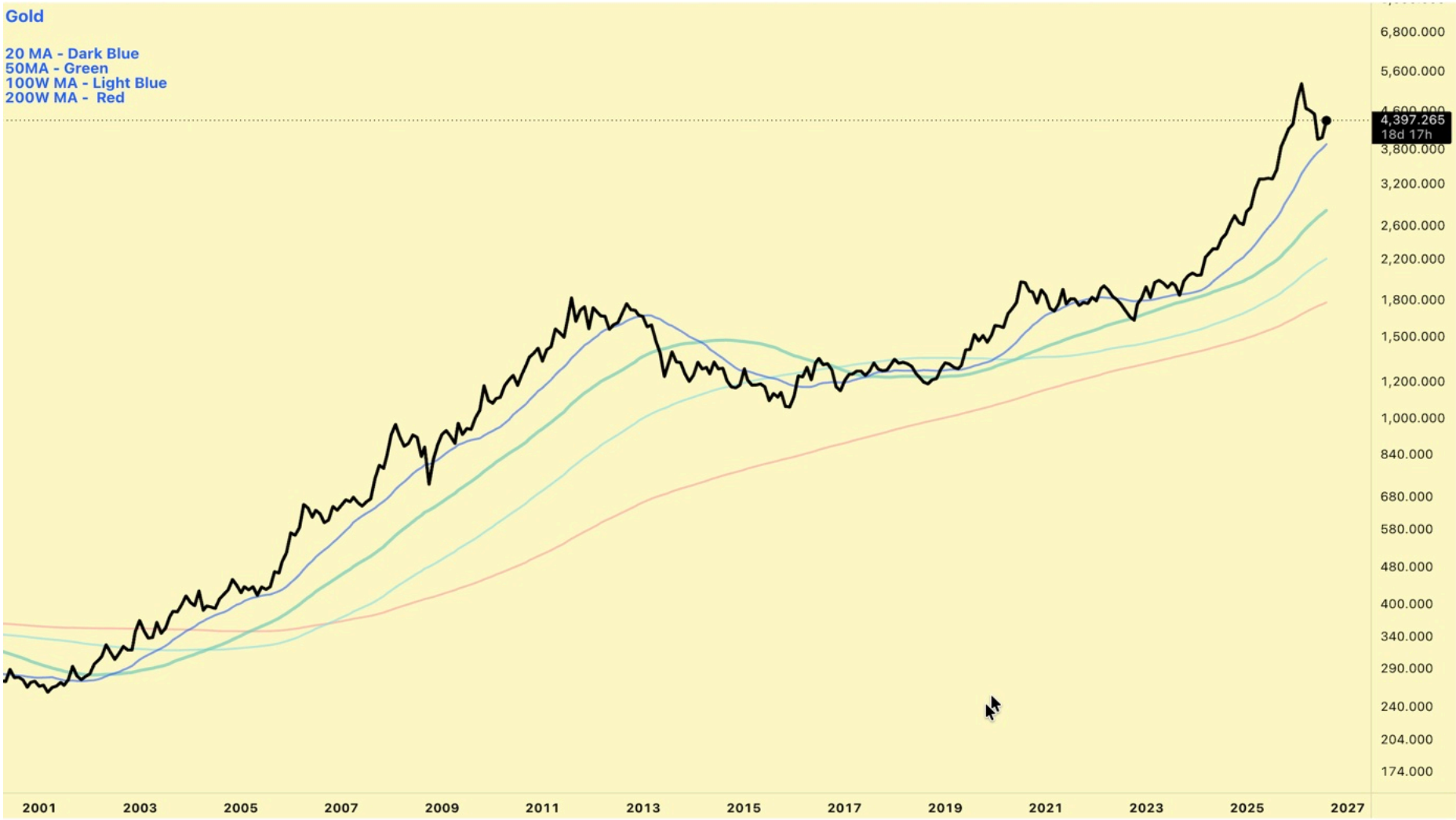
Broad-market leadership remains intact near record territory.

Nasdaq Leadership



Technology remains the dominant destination for institutional conviction.

Gold Leadership



Gold remains a parallel leader, reflecting diversification within expansion rather than wholesale retreat.

Global Liquidity vs Bitcoin - Transmission



Bitcoin remains the exception: attractive valuation has not yet translated into renewed leadership.

SECTION 7 - CAPITAL ROTATION

Question

Is investor conviction beginning to evolve?

Capital Cycle Scorecard

Factor	Score	Direction
Rotation Strength	🟢 7.4 / 10	Orderly
Leadership Persistence	🟢 8.4 / 10	Strong
Defensive Rotation	🟡 7.0 / 10	Increasing
Risk Rotation	🟡 6.1 / 10	Selective
Rotation Outlook	🟡 7.1 / 10	Constructive

Gold vs Equities



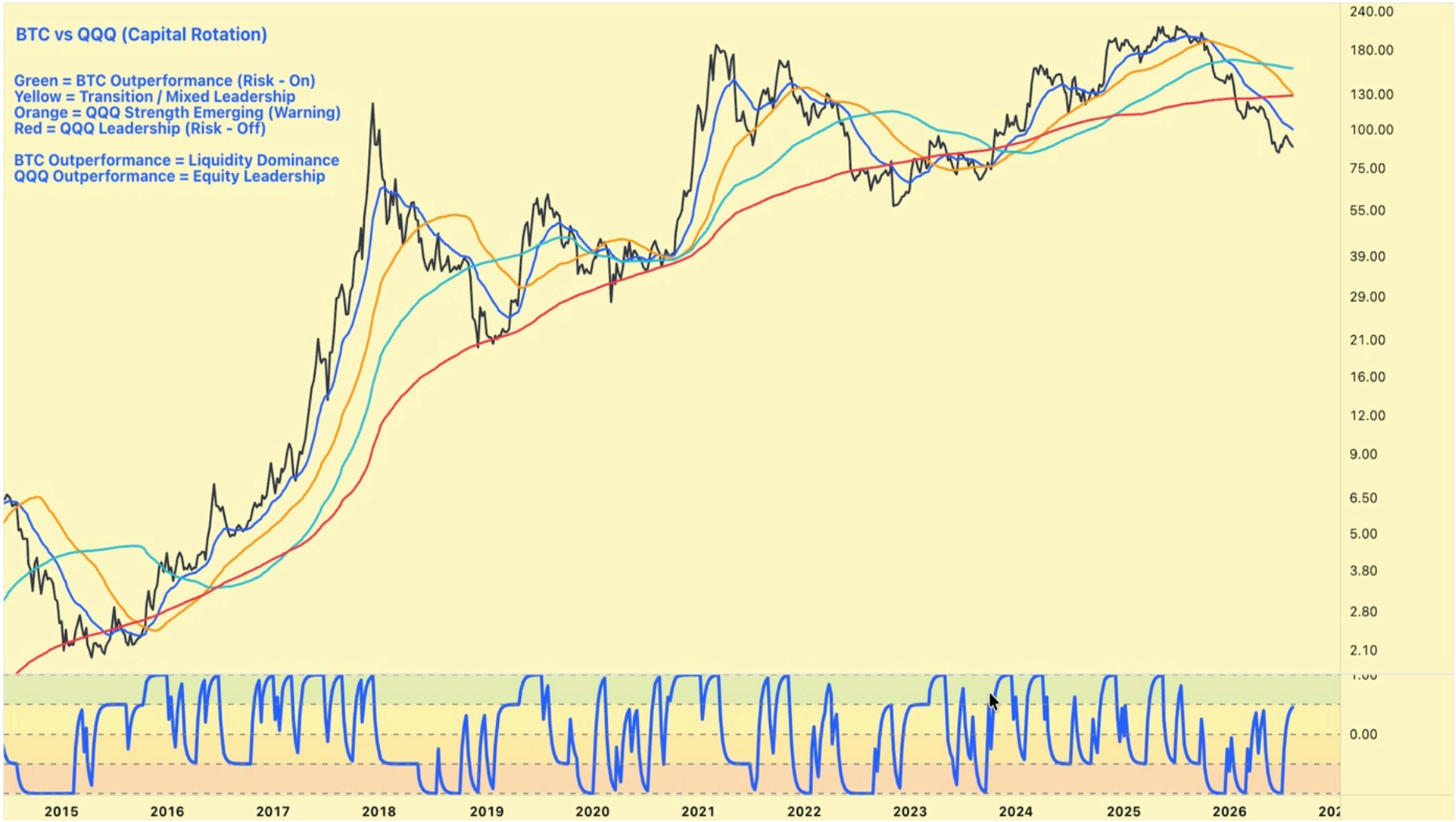
Gold and equities are both attracting capital. Investors are diversifying risk rather than abandoning it.

Bitcoin vs Gold



Gold continues receiving stronger sponsorship than Bitcoin, favouring defensive over speculative liquidity.

Bitcoin vs Nasdaq



The market continues rewarding earnings and AI exposure over digital scarcity alone.

S&P 500 Cap-Weighted vs Equal-Weighted



Leadership remains concentrated in the largest companies; broadening has not yet become decisive.

SECTION 8 - WHERE ARE WE NOW?

Question

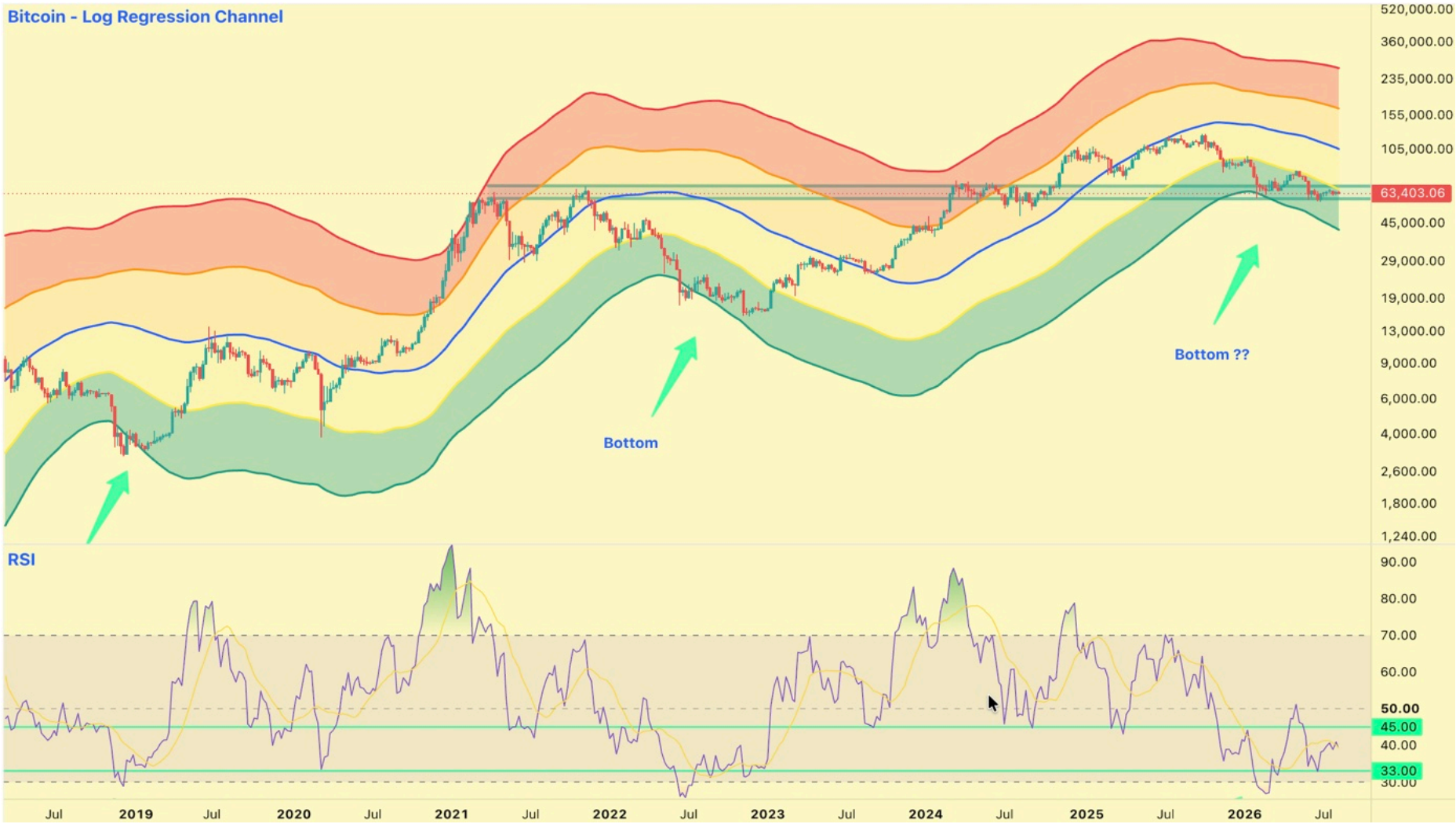
Where does the weight of evidence place us within the Capital Cycle?

Capital Cycle Scorecard

Current Capital Cycle Assessment

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

Bitcoin Log Regression Channel



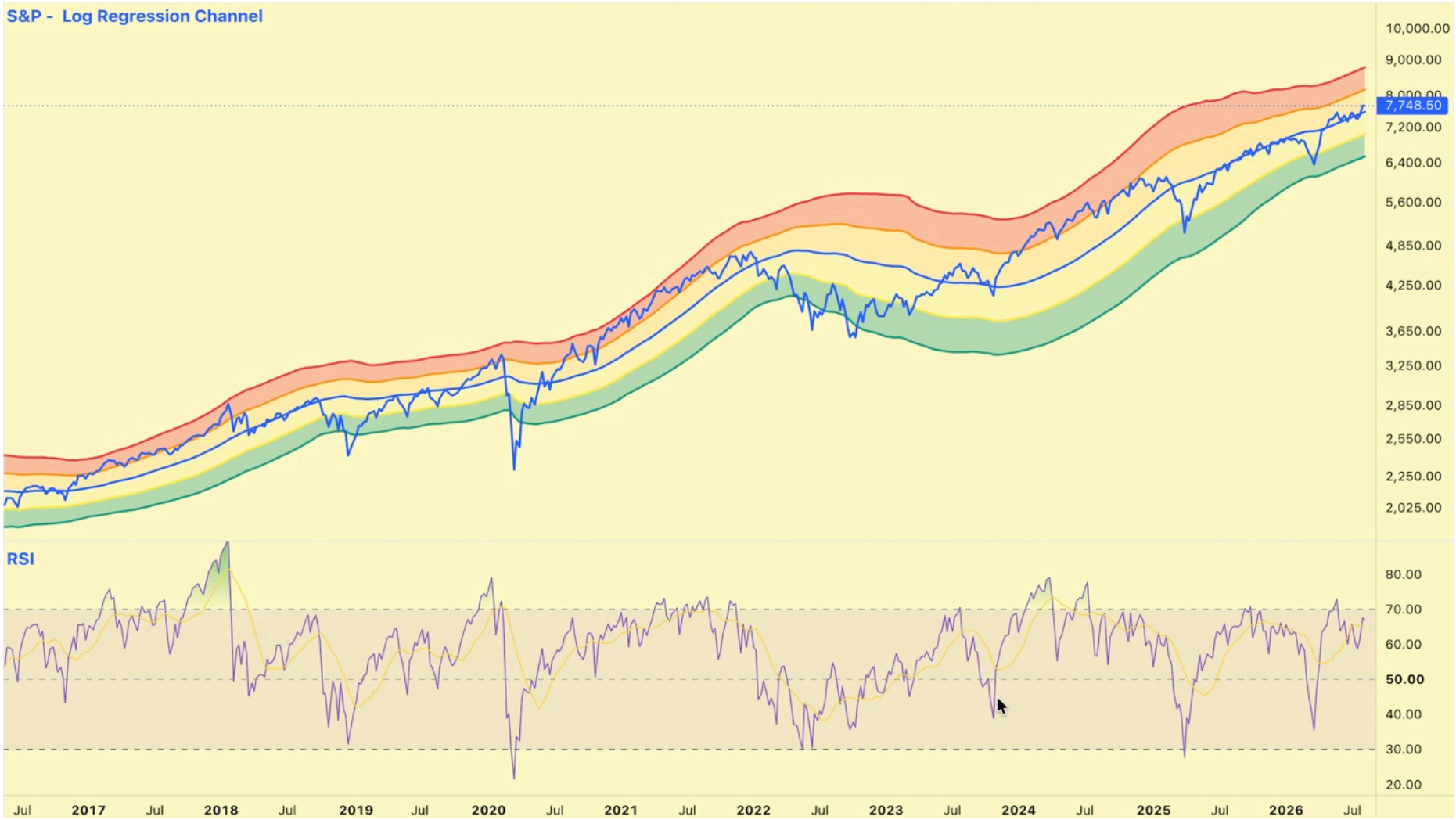
Bitcoin remains in the lower region of its long-term channel, improving prospective value without identifying timing.

Bitcoin 200-Week Valuation Bands



Bitcoin remains historically inexpensive relative to its long-term framework.

S&P 500 Log Regression Channel



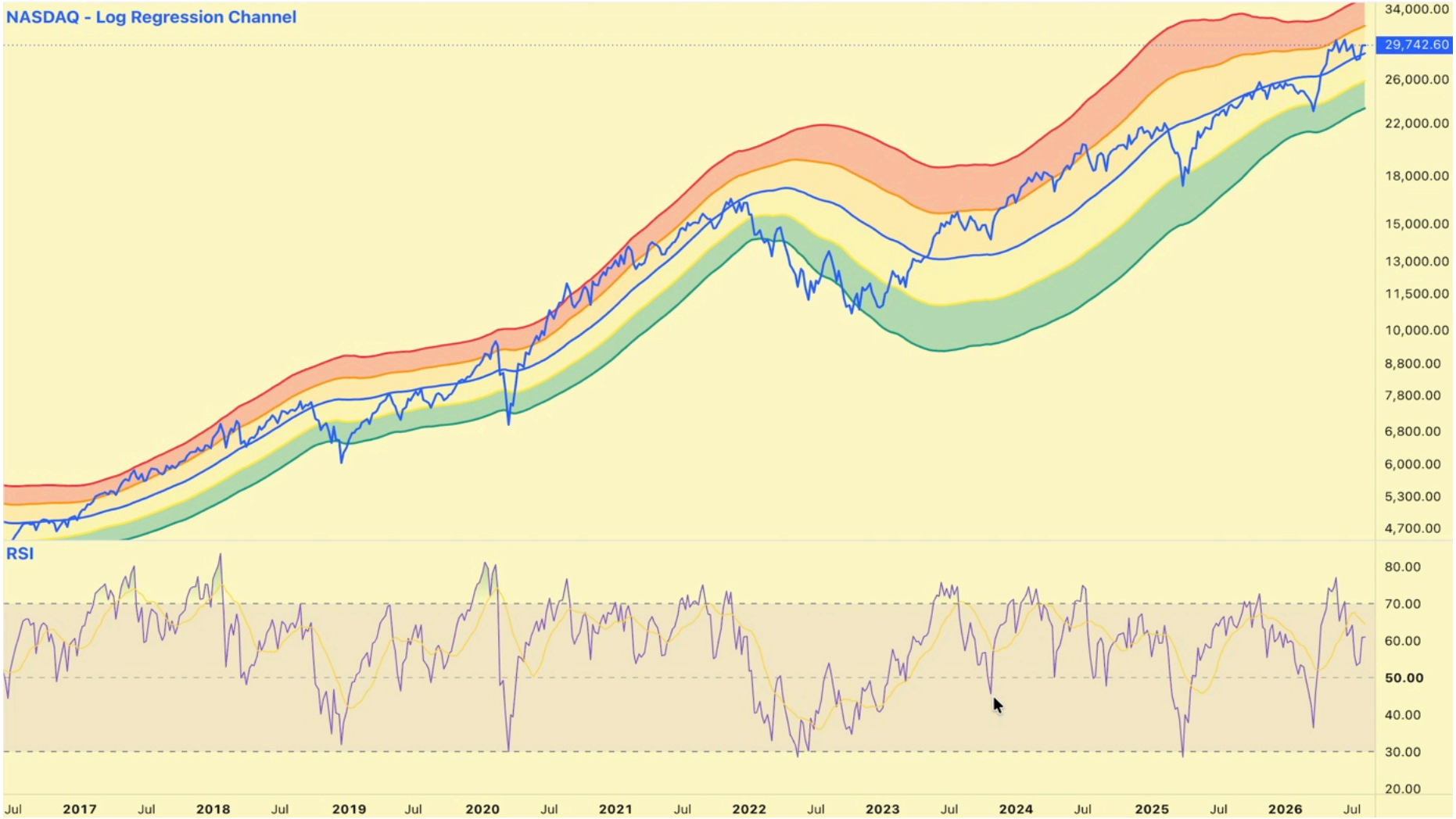
The S&P 500 remains near the upper region of its structural trend.

S&P 500 200-Week Valuation Bands



Elevated valuation makes continued earnings delivery increasingly important.

Nasdaq Log Regression Channel



Durable technology leadership continues supporting the Nasdaq's structural advance.

Nasdaq 200-Week Valuation Bands



The Nasdaq combines powerful leadership with elevated expectations.

SECTION 9 - INVESTMENT OUTLOOK

Question

What deserves closest attention before the next Capital Cycle Letter?

Capital Cycle Scorecard

Factor	Score	Direction
Liquidity Outlook	🟢 7.5 / 10	Supportive
Growth Outlook	🟢 7.3 / 10	Expansion
Credit Outlook	🟢 7.7 / 10	Stable
Confidence Outlook	🟡 6.4 / 10	Selective
Overall Outlook	🟡 7.2 / 10	Mature Expansion

US 30-Year Treasury Yield



The long end remains near multi-decade highs, raising the price of time, duration and capital across the system.

Gold vs US 30-Year Yield



Gold remains resilient despite elevated long yields, reflecting inflation sensitivity, geopolitical hedging and fiscal uncertainty.

THE CANNARIES

Early Warning Indicators

Factor	Score	Direction
Global Liquidity	🟢 Stable	Supportive and expanding
Long Bond Yields	🟡 Watchful	Restrictive and near multi-decade highs
Yen Carry Trade	🟡 Watchful	Intervention has not removed underlying pressure
Oil and Energy	🟡 Watchful	Supply risk remains elevated
Private/Credit Stress	🟢 Stable	No broad deterioration visible
Financial Stress	🟢 Stable	Market functioning remains orderly

USD/JPY - YEN CARRY TRADE CANARY



For now, this Canary remains Watchful rather than Elevated Risk. The danger is not yen weakness in isolation. It is the transmission chain: renewed depreciation, pressure across Asian currencies, official intervention, Japanese asset repatriation, higher Treasury yields and a disorderly unwind of leveraged carry positions.

USD 30Y YIELD vs GOLD



The US 30-year yield is near the highest level visible in decades even as Gold remains structurally strong. The combination reflects a market demanding compensation for inflation, fiscal supply and duration risk. Credit remains healthy today, but a persistently high long-end cost of capital could eventually narrow the expansion's margin for error.

Know What You Own

Know Why You Own it

Know When You Are Wrong

Know How to Behave

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