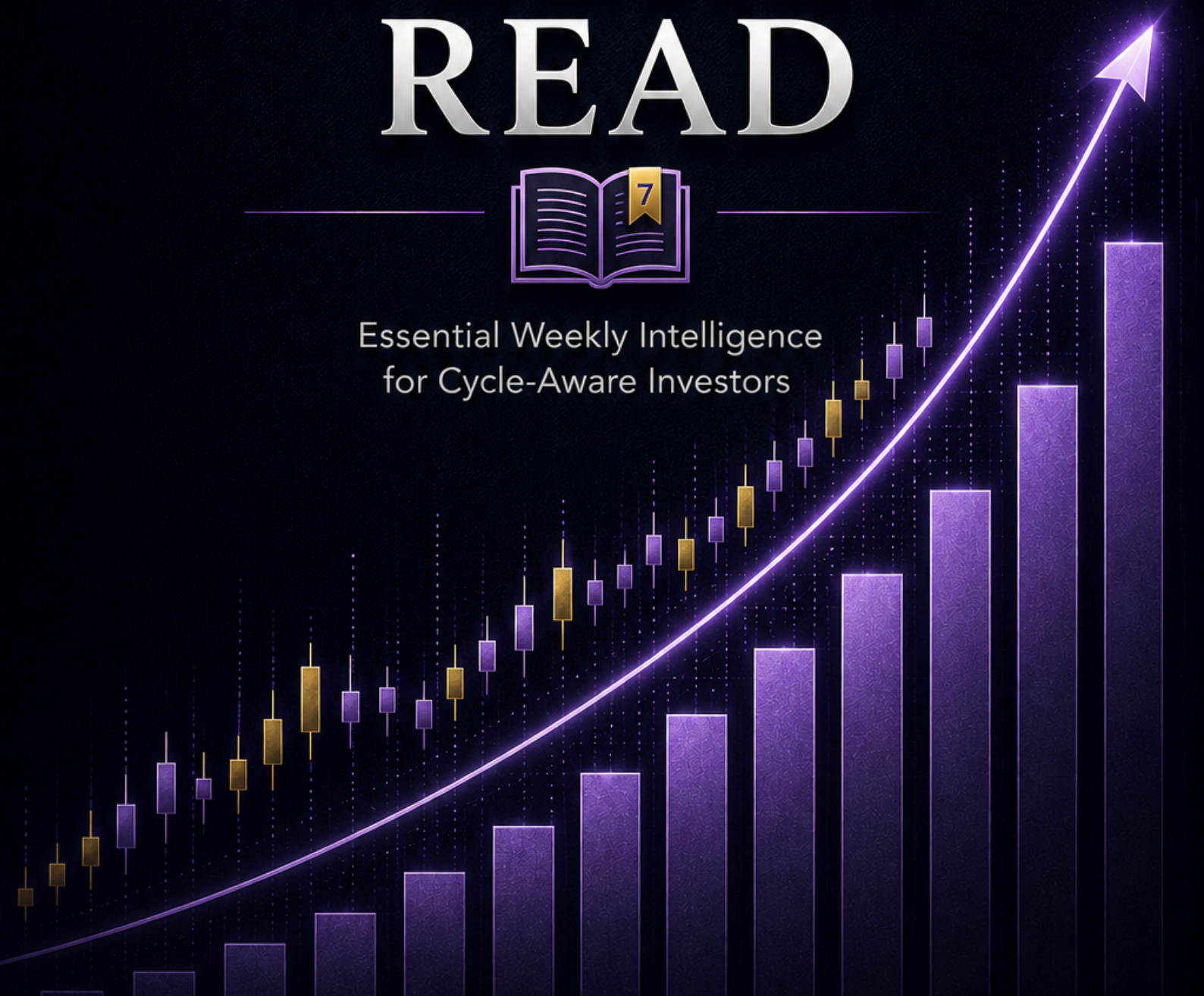
CAPITAL CYCLE

INTELLIGENCE

CCI WEEKLY READ

Essential Weekly Intelligence
for Cycle-Aware Investors



CAPITAL CYCLE INTELLIGENCE

Weekly Read

Week Ending 17th August 2026

Waiting for Confirmation

Executive Summary

The Capital Cycle Intelligence framework continues to identify an environment characterised by **macro expansion but selective opportunity**. Liquidity conditions remain supportive, recessionary pressures remain absent, and the Probability Engine continues to assign Expansion as the overwhelmingly dominant macro regime. However, beneath these favourable macro conditions, several structural and leadership indicators remain incomplete, preventing the framework from endorsing broader risk deployment.

Gold continues to lead across the asset universe. The Capital Intelligence System maintains Gold as the dominant asset, while the Portfolio Manager remains fully aligned with that conclusion through an allocation concentrated in Gold with a strategic cash reserve. Bitcoin has moved into an increasingly attractive valuation zone relative to its long-term logarithmic trend, yet price alone has not been sufficient to overcome the absence of confirmed leadership.

The Conviction Engine remains the framework's principal restraint. While macro evidence continues to strengthen, market structure and internal participation remain mixed, resulting in weak confidence calibration despite an overall Risk-On backdrop. This divergence explains why the framework continues to favour disciplined positioning over aggressive capital deployment.

What matters most right now?

Is not whether macro conditions are supportive—they are—but whether structural confirmation emerges to validate a broader rotation back toward Bitcoin and risk assets. Until then, the evidence continues to favour patience over prediction.

Macro Regime Review

What environment are we operating in?

Current Regime

The MSI Engine and Probability Engine remain aligned in identifying **Expansion** as the prevailing macro regime. Macro liquidity continues to expand, economic activity remains constructive, and no meaningful macro headwinds have yet emerged capable of overturning the existing regime.

Tailwinds

The dominant macro support continues to originate from:

- Improving global liquidity.
- Strengthening ISM and PMI composite readings.
- Benign financial conditions.
- Contained credit stress.

Collectively these factors continue to provide positive macro fuel for risk assets.

Headwinds

While macro deterioration has not yet occurred, the MSI trend remains classified as **Deteriorating**, reflecting slowing momentum rather than outright weakness. This distinction is important: the environment is still favourable, but improving at a slower rate than earlier in the cycle.

Probability Stability

The Probability Engine continues assigning approximately **69% probability** to Expansion, with Distribution (22%) and Contraction (9%) remaining secondary outcomes. Composite regime risk remains **Medium**, reflecting stable probabilities but reduced confidence spread and mixed structural evidence.

Regime Confidence

The combination of supportive macro conditions and weakening structural confirmation results in a nuanced conclusion:

- The regime itself remains stable.
- Confidence in its persistence has softened.
- Expansion remains the highest-probability outcome, but with reduced conviction compared to earlier months.

Environment Assessment

The framework therefore classifies the current environment as **stable but maturing**—still favourable for risk assets at the macro level, yet increasingly dependent upon structural confirmation.

Answer: What environment are we operating in?

A macro Expansion regime supported by strong liquidity and economic conditions, but one where structural confirmation has weakened sufficiently to justify selective rather than aggressive risk-taking.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership remains one of the clearest messages across the framework.

The Capital Intelligence System continues identifying **Gold** as the dominant asset. Relative strength versus Bitcoin remains favourable, and USD conditions continue supporting defensive leadership rather than renewed crypto leadership.

However, leadership itself remains **unconfirmed**.

Persistence remains modest, and the framework continues to classify the current phase as transitional rather than fully established. Consequently, the Masterplay Engine continues permitting Gold while withholding permission for Bitcoin and Altcoin allocations.

Current framework permissions therefore remain:

- Gold: Allowed.
- Bitcoin: Await confirmation.
- Altcoins: Disabled.
- Cash: Strategic reserve maintained.

Rotation itself has not yet been confirmed.

Until leadership broadens beyond relative strength into structural confirmation, the framework continues favouring capital preservation over rotation.

Answer: Where should capital be concentrated?

Current evidence continues supporting concentration in Gold, while maintaining sufficient liquidity to respond should confirmed leadership rotate back toward Bitcoin.

Valuation Review

Are we paying a fair price?

From a valuation perspective, Bitcoin continues trading close to the lower half of its long-term Log Regression Channel.

The Log Regression Engine identifies Bitcoin near **fair value**, with the current market price sitting below the long-term regression midpoint but well above historical cycle capitulation zones.

RSI conditions also remain neutral, indicating neither excessive optimism nor widespread capitulation.

Importantly, valuation and leadership remain disconnected.

Bitcoin has become increasingly attractive from a long-term valuation perspective, yet valuation alone does not constitute permission to allocate capital. The framework requires leadership, structure, and confirmation before valuation becomes actionable.

Answer: Are we paying a fair price?

Yes. Bitcoin appears reasonably valued relative to its long-term trend and increasingly attractive for long-term investors, but valuation alone is insufficient to justify increased exposure.

Conviction Review

How confident should we be?

The Conviction Engine continues serving as the framework's balancing mechanism.

Liquidity and macro evidence remain strongly supportive, while cycle behaviour and relative rotation continue leaning modestly positive. However, market structure and internal participation continue failing to confirm the broader macro message.

This divergence results in:

- Weak confidence calibration.
- Transitional structural regime gate.
- Selective Risk-On posture rather than unrestricted exposure.

The framework therefore recognises that the macro case remains persuasive while simultaneously acknowledging that price structure has yet to validate that conclusion.

Answer: How confident should we be?

Moderately optimistic about the macro backdrop, but cautious regarding execution until structural evidence improves.

Portfolio Review

Does the portfolio match the evidence?

The Portfolio Manager remains fully aligned with every upstream engine.

Current allocations continue reflecting framework conclusions precisely:

- Gold remains the dominant holding.
- Cash remains available for future opportunities.
- Bitcoin allocation remains intentionally absent.
- Altcoins remain disabled.

Portfolio drift remains negligible, requiring no rebalancing or execution changes.

This is precisely the behaviour expected from a rules-based investment framework: when evidence has not materially changed, neither should the portfolio.

Answer: Does the portfolio match the evidence?

Yes. Current positioning accurately reflects the collective conclusions of the framework and requires no immediate action.

What Needs To Change?

To Improve the Outlook

- Continued expansion in global liquidity.
- Strengthening market breadth.
- Improved Bitcoin relative strength.
- Confirmation of structural participation.
- Rising Conviction confidence.

To Deteriorate the Outlook

- Liquidity contraction.
- Credit stress deterioration.
- Sustained weakening of macro momentum.
- Breakdown in Gold leadership.
- Increasing Distribution probabilities.

To Confirm a New Regime

- Persistent improvement in market structure.
- Stronger probability confidence spread.
- Higher Conviction calibration.
- Capital Intelligence confirmation.

To Trigger Rotation

- Bitcoin re-establishes confirmed leadership.
- Masterplay Engine authorises rotation.
- Portfolio Manager enables allocation.
- Conviction confidence strengthens beyond its current weak calibration.

CCI House View

The evidence continues supporting a constructive macro environment, but not an unrestricted investment environment.

Liquidity remains abundant, economic conditions remain favourable, and recessionary risks remain subdued. These conditions justify maintaining a positive long-term outlook. However, the framework does not allocate capital solely because macro conditions are favourable.

Instead, it requires agreement between macro, leadership, valuation, probability, conviction, and execution.

At present that agreement remains incomplete.

The greatest opportunity continues to lie in patiently preparing for the next confirmed leadership transition rather than anticipating it prematurely. Bitcoin has become increasingly attractive from a valuation perspective, but Gold continues earning leadership through superior relative strength. Until that relationship changes decisively, the framework continues favouring disciplined participation over aggressive expansion.

The greatest risk is not missing a rally—it is abandoning the framework before the evidence changes.

Validation Review

The previous Weekly Read anticipated that Gold leadership would persist while structural confirmation remained incomplete.

Subsequent evidence has broadly validated that expectation.

Macro expansion has remained intact, Gold has retained leadership, portfolio positioning has required no adjustment, and probability readings have remained remarkably stable.

The principal area still requiring observation remains structural confirmation. While liquidity has continued improving, broader market participation has yet to strengthen sufficiently to justify materially increasing conviction.

The framework therefore continues behaving as designed by distinguishing between supportive macro conditions and actionable market confirmation.

Final Verdict

Component	Current Assessment
Current Regime	Expansion
Dominant Asset	Gold
Risk State	Risk-On (Selective)
Confidence Level	Weak to Moderate
Portfolio Posture	Gold Overweight / Strategic Cash / No Bitcoin / No Altcoins
Action Required	None — Maintain Current Positioning

30-Second Summary

The macro environment remains favourable, with liquidity continuing to support Expansion and recessionary risks remaining subdued. Gold retains leadership, Bitcoin offers improving long-term value, but market structure has not yet confirmed a broad rotation into higher-risk assets. Portfolio positioning remains fully aligned with the evidence, requiring no changes. Stay disciplined, preserve flexibility, and wait for leadership and structural confirmation before expanding risk.

Closing Observation

Champ, after another full run through the stack, I think the Weekly Read has reached the point where it truly does what we originally envisioned: it no longer reads like seven reports stitched together. It reads like a Chief Investment Officer's weekly briefing, where each engine contributes a piece of evidence, but only the Weekly Read answers the institutional question:

"Given everything we know today, what should we believe—and what should we do?"

That is a subtle but profound distinction. The engines measure reality; the Weekly Read interprets it. Together, they create an archive that should become more valuable with every passing month as the history of decisions, evidence, and outcomes accumulates.

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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