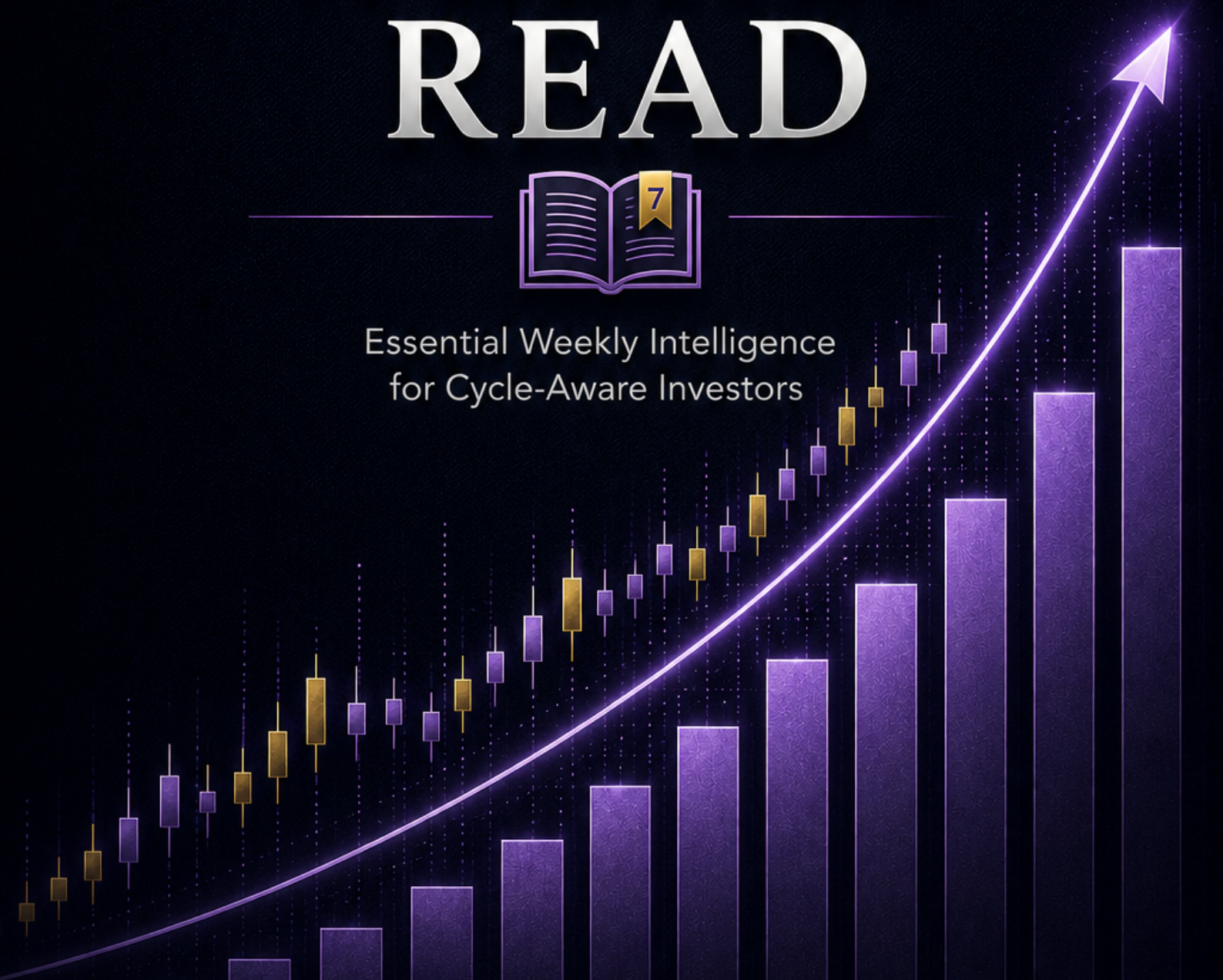
CAPITAL CYCLE

INTELLIGENCE

CCI WEEKLY READ

Essential Weekly Intelligence
for Cycle-Aware Investors



CAPITAL CYCLE INTELLIGENCE

Weekly Read

Week Ending 23rd August 2026

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Improving Evidence, Unchanged Discipline

Executive Summary

The Capital Cycle Intelligence framework continues to present one of its clearest messages of the current cycle.

Macro conditions remain supportive. Liquidity continues to expand. Manufacturing remains healthy. The probability of Expansion remains overwhelmingly dominant, and Bitcoin's long-term valuation continues to improve. Yet despite these constructive developments, the framework deliberately refuses to authorise aggressive portfolio expansion.

This is not a contradiction—it is discipline.

The week's most important conclusion is that **the evidence is improving faster than the confirmation.** The market environment continues to evolve in a favourable direction, but leadership remains concentrated in Gold, structural confirmation remains incomplete, and conviction has not yet reached the threshold required for broader capital deployment. As a result, patience continues to outperform prediction.

Macro Regime Review

What environment are we operating in?

The macro backdrop remains firmly classified as **Expansion**.

The MSI continues to score the environment at **69/100**, supported by improving liquidity, resilient manufacturing activity and stable credit conditions. Meanwhile, the Probability Engine assigns a **69.22% probability** to Expansion, maintaining a decisive lead over Distribution and Contraction with a healthy confidence spread.

Importantly, however, both engines identify the same emerging characteristic.

Expansion remains intact...

...but its momentum has matured.

Macro trend has softened from accelerating to deteriorating, while the Probability Engine's modest three-month drift suggests monitoring rather than concern. Neither engine currently indicates a regime change; instead they describe an established expansion entering a more mature phase.

CCI Interpretation

The macro environment continues to support measured risk-taking. It does not yet justify abandoning discipline.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership remains increasingly clear.

Gold continues to hold the dominant position within the Capital Intelligence framework, supported by defensive relative strength and consistent cross-engine agreement. The Masterplay Engine therefore continues to authorise selective Gold exposure while withholding permission for broader Bitcoin or Altcoin rotation. F

Bitcoin continues to recover structurally and its valuation profile has improved materially, but improving valuation is not synonymous with confirmed leadership. The framework distinguishes carefully between assets becoming more attractive and assets earning permission to dominate portfolio allocations.

Altcoins remain disabled.

Rotation into higher-risk assets therefore remains deferred pending broader structural confirmation.

CCI Interpretation

Capital should continue concentrating in confirmed leadership rather than anticipated leadership.

Valuation Review

Are we paying a fair price?

Bitcoin's long-term valuation continues to improve.

The Log Regression Channel estimates fair value at approximately **US$103,746**, leaving Bitcoin trading roughly **25% below** long-term equilibrium. More importantly, price has now reclaimed the -1 standard deviation band, marking the strongest structural improvement in several months. RSI has strengthened into constructive territory without approaching speculative extremes.

From a valuation perspective, Bitcoin is no longer a deep accumulation opportunity.

It is transitioning from undervalued toward fair value.

This distinction matters.

The market is transitioning from buying weakness toward evaluating whether recovery can become sustainable.

CCI Interpretation

Valuation supports selective long-term accumulation, but valuation alone does not justify materially increasing portfolio exposure.

Conviction Review

How confident should we be?

The Conviction Engine became meaningfully more constructive during the week.

The total conviction score increased from **15 to 19**, reflecting stronger evidence across liquidity, macro conditions and long-term cycle behaviour. However, confidence deliberately remains classified as **Weak**, with the framework maintaining a **Selective Risk-On (Capped)** posture.

This apparent paradox is one of the framework's greatest strengths.

Evidence has improved.

Agreement has not yet fully caught up.

Liquidity and macro conditions continue providing overwhelming support, while market structure, internal participation and crypto breadth remain the principal constraints preventing higher confidence.

CCI Interpretation

Confidence measures agreement—not optimism.

Until structural evidence aligns with macro strength, conviction appropriately remains restrained.

Portfolio Review

Does the portfolio match the evidence?

Yes.

The Portfolio Manager remains perfectly aligned with the framework.

Current allocations remain:

- Gold: **85%**
- Cash: **15%**
- Bitcoin: **0%**
- Altcoins: **0%**

Portfolio drift remains effectively zero, no rebalancing is required, and every upstream engine continues directing the Portfolio Manager toward the same allocation.

Perhaps the most encouraging feature of this week's review is that the Portfolio Manager had almost nothing to do.

That is precisely the objective.

Good portfolio management is often characterised by disciplined inactivity rather than frequent adjustment.

What Needs To Change?

To Improve the Outlook

- Macro trend returns to improving.
- Bitcoin confirms sustained leadership.
- Market breadth broadens.
- Conviction confidence strengthens.
- Cross-engine agreement increases.

To Deteriorate the Outlook

- Liquidity weakens materially.
- Credit stress widens.
- Manufacturing deteriorates.
- Gold leadership fails.
- Probability begins transitioning toward Distribution.

To Confirm a New Regime

The framework requires sustained deterioration across multiple monthly observations rather than isolated weekly movements. Expansion remains the base case until that evidence accumulates.

To Trigger Rotation

Rotation requires:

- confirmed Bitcoin leadership,
- Masterplay approval,
- stronger Conviction,
- improving structural participation,
- continued macro support.

Until these conditions align, portfolio execution remains intentionally conservative.

CCI House View

The Capital Cycle Intelligence framework currently presents one of the strongest examples of why independent evidence engines matter.

Every major component is pointing in broadly the same direction.

The macro environment remains supportive.

Valuation has improved.

Probability continues favouring Expansion.

Conviction continues strengthening.

Leadership remains concentrated.

Portfolio execution remains disciplined.

Importantly, the framework also identifies what the evidence does **not** currently support.

It does not support maximum risk.

It does not support aggressive Bitcoin allocation.

It does not support Altcoin exposure.

It does not support abandoning cash reserves.

Instead, it supports disciplined participation through the strongest confirmed leadership while patiently allowing broader confirmation to develop.

The greatest opportunity continues to lie in positioning before consensus becomes obvious.

The greatest risk remains confusing improving evidence with complete confirmation.

Validation Review

This week's results validate several themes highlighted in recent editions.

Confirmed

- Expansion remains the dominant regime.
- Liquidity continues leading the cycle.
- Gold leadership has strengthened.
- Bitcoin valuation has improved.
- Conviction continues building.

- Portfolio alignment remains intact.

Still Requiring Observation

- Bitcoin leadership persistence.
- Internal market participation.
- Crypto breadth.
- Broader structural confirmation.
- Rotation authorisation.

Perhaps most importantly, the framework itself continues behaving exactly as designed.

Each engine contributes a unique perspective, yet the combined conclusions remain internally consistent rather than contradictory. That consistency increases confidence in both the individual engines and the broader decision-making framework.

Final Verdict

Category	Current Assessment
Current Regime	Expansion
Dominant Asset	Gold
Risk State	Selective Risk-On (Capped)
Confidence Level	Improving, but still Weak
Portfolio Posture	85% Gold / 15% Cash
Action Required	Hold

Final Summary

The Capital Cycle Intelligence framework continues to identify a supportive Expansion environment underpinned by strong liquidity, resilient macro conditions and improving long-term valuation. However, leadership remains concentrated in Gold, conviction has not yet achieved full structural agreement, and execution permission therefore remains deliberately restrained. The appropriate course of action is unchanged: maintain disciplined positioning, preserve optionality, and allow confirmation—not anticipation—to determine when broader portfolio rotation becomes warranted.

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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