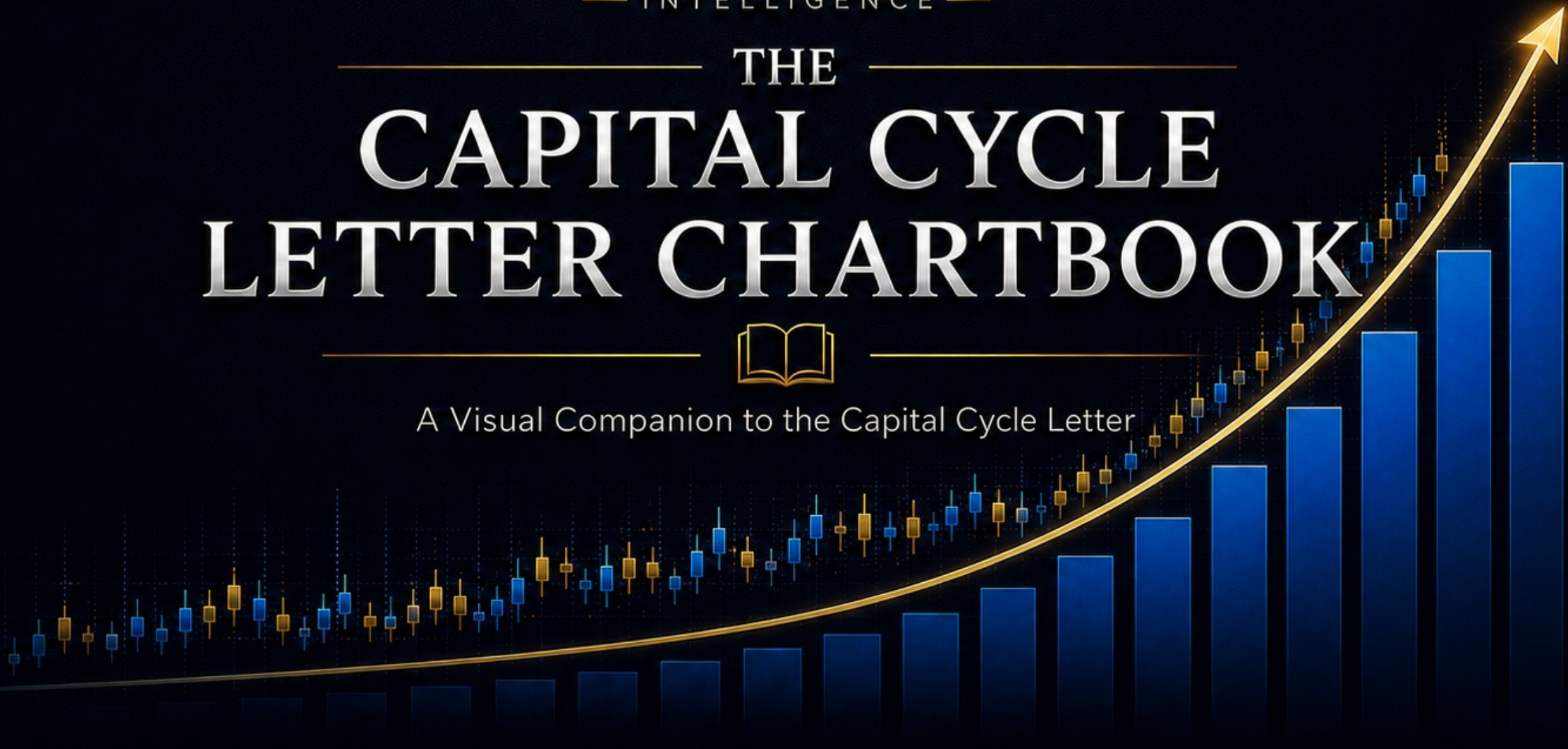
CAPITAL CYCLE
INTELLIGENCE

THE CAPITAL CYCLE LETTER CHARTBOOK

A Visual Companion to the Capital Cycle Letter



Capital Cycle Intelligence

THE CAPITAL CYCLE LETTER CHARTBOOK

September 2026 Edition

MATURE EXPANSION

The Expansion Holds, But the Cost of Sustaining It Is Rising

Welcome to the Capital Cycle Letter Chartbook

The September 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	🟢 7.2 / 10	Supportive
Growth	🟢 7.4 / 10	Reaccelerating
Credit	🟢 7.8 / 10	Stable
Confidence	🟡 6.8 / 10	Selective
Overall Regime	🟢 7.4 / 10	Mature Expansion

Capital Cycle Dashboard

Where are we?

CURRENT REGIME - 🟢 **Mature Expansion**

OVERALL SCORE - 7.4 / 10

CONFIDENCE - High

CAPITAL CYCLE SCORECARD

Liquidity	🟢 **7.2**
Growth	🟢 **7.4**
Credit	🟢 **7.8**
Confidence	🟡 **6.8**

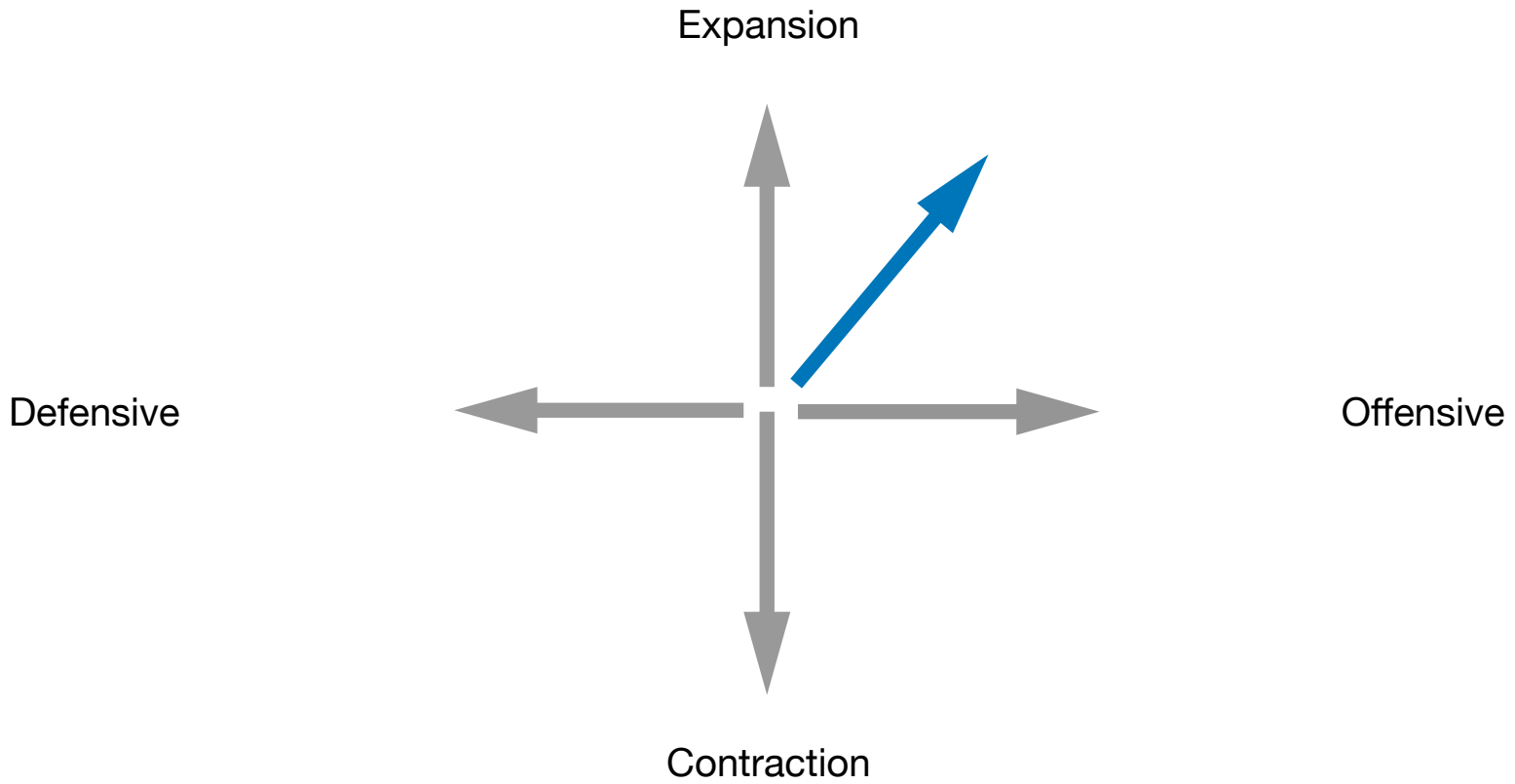
Liquidity remains supportive, growth is expanding and credit markets remain functional.

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.

The Macro Compass continues pointing toward Expansion despite increasing geopolitical, inflation and monetary-policy crosswinds. The broader direction of the Capital Cycle remains constructive, although sustaining that Expansion is becoming increasingly demanding.

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

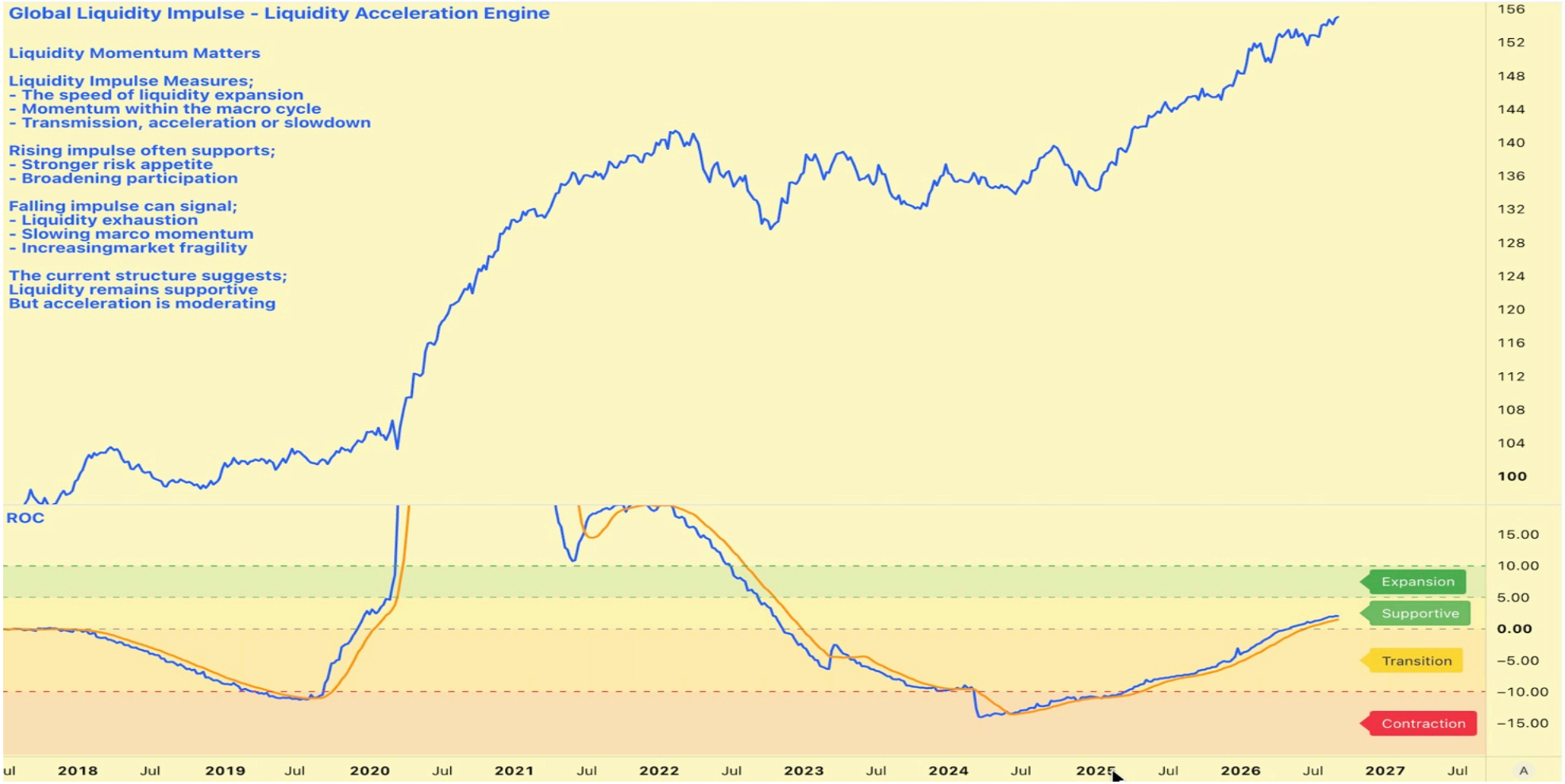
Factor	Score	Direction
Global Liquidity	🟢 8.7 / 10	Expanding
US Net Liquidity	🟡 6.8 / 10	Supportive but slower
Liquidity Impulse	🟡 7.1 / 10	Recovering
Stablecoin Liquidity	🔴 5.0 / 10	Contracting
Liquidity Outlook	🟡 7.2 / 10	Supportive, uneven

GLOBAL LIQUIDITY — THE PRIMARY DRIVER



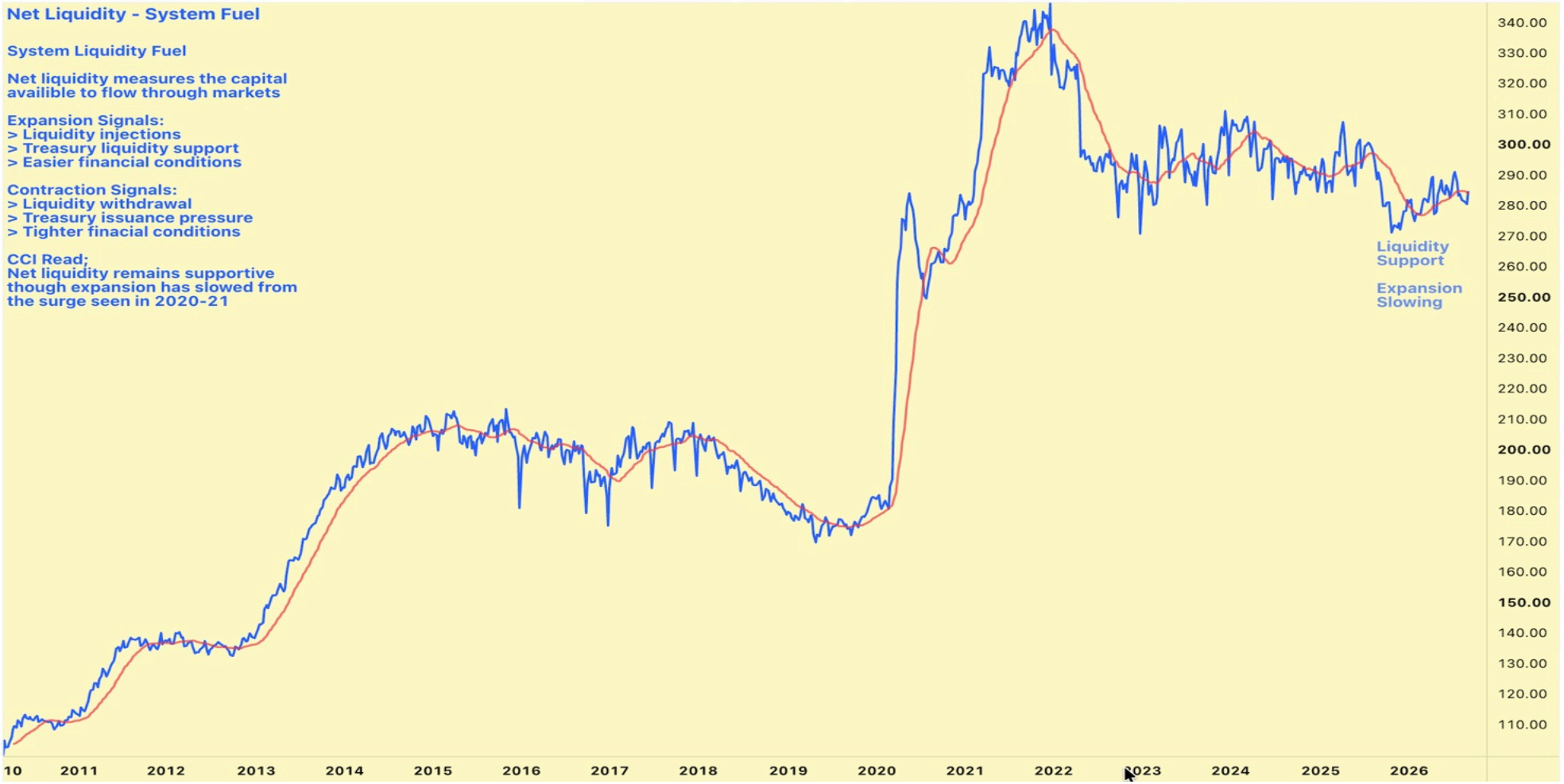
CCI TAKEAWAY — Global liquidity remains firmly supportive, providing a constructive monetary backdrop for risk assets. The important question is no longer whether liquidity is available, but how effectively that liquidity is transmitting through markets.

GLOBAL LIQUIDITY IMPULSE — LIQUIDITY ACCELERATION ENGINE



CCI TAKEAWAY — The Liquidity Impulse is improving, indicating that the rate of change in liquidity conditions is becoming more constructive. Liquidity is therefore not only available at the global level; its underlying momentum is beginning to improve.

US NET LIQUIDITY — SYSTEM FUEL



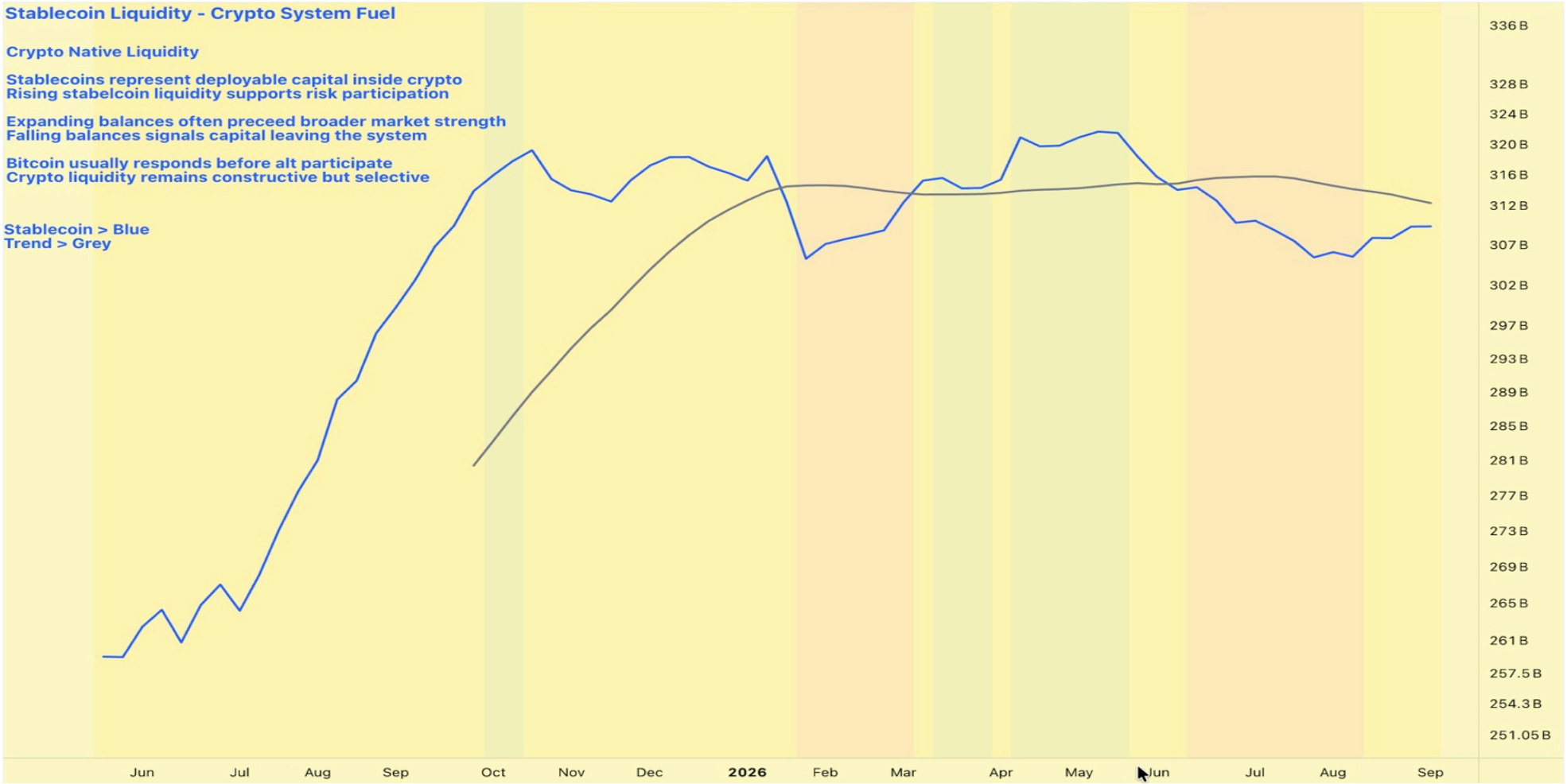
CCI TAKEAWAY — US Net Liquidity remains constructive, but its rate of improvement is more restrained than the broader global liquidity picture. This helps explain why abundant global liquidity does not necessarily translate into uniform asset performance.

NASDAQ vs GLOBAL LIQUIDITY — EQUITY TRANSMISSION



CCI TAKEAWAY — The relationship between Global Liquidity and the Nasdaq demonstrates that supportive liquidity is transmitting into risk assets. The divergence with Bitcoin therefore argues against a simple liquidity-shortage explanation. Capital has liquidity available to deploy — it is choosing where to deploy it.

STABLECOIN LIQUIDITY — CRYPTO SYSTEM FUEL



CCI TAKEAWAY — Stablecoin liquidity remains comparatively weak, providing an important explanation for the divergence between supportive global liquidity and subdued Crypto performance. The liquidity available to markets is not being transmitted equally through every financial ecosystem.

SECTION 3 - GROWTH

Question

Is liquidity continuing to translate into economic activity?

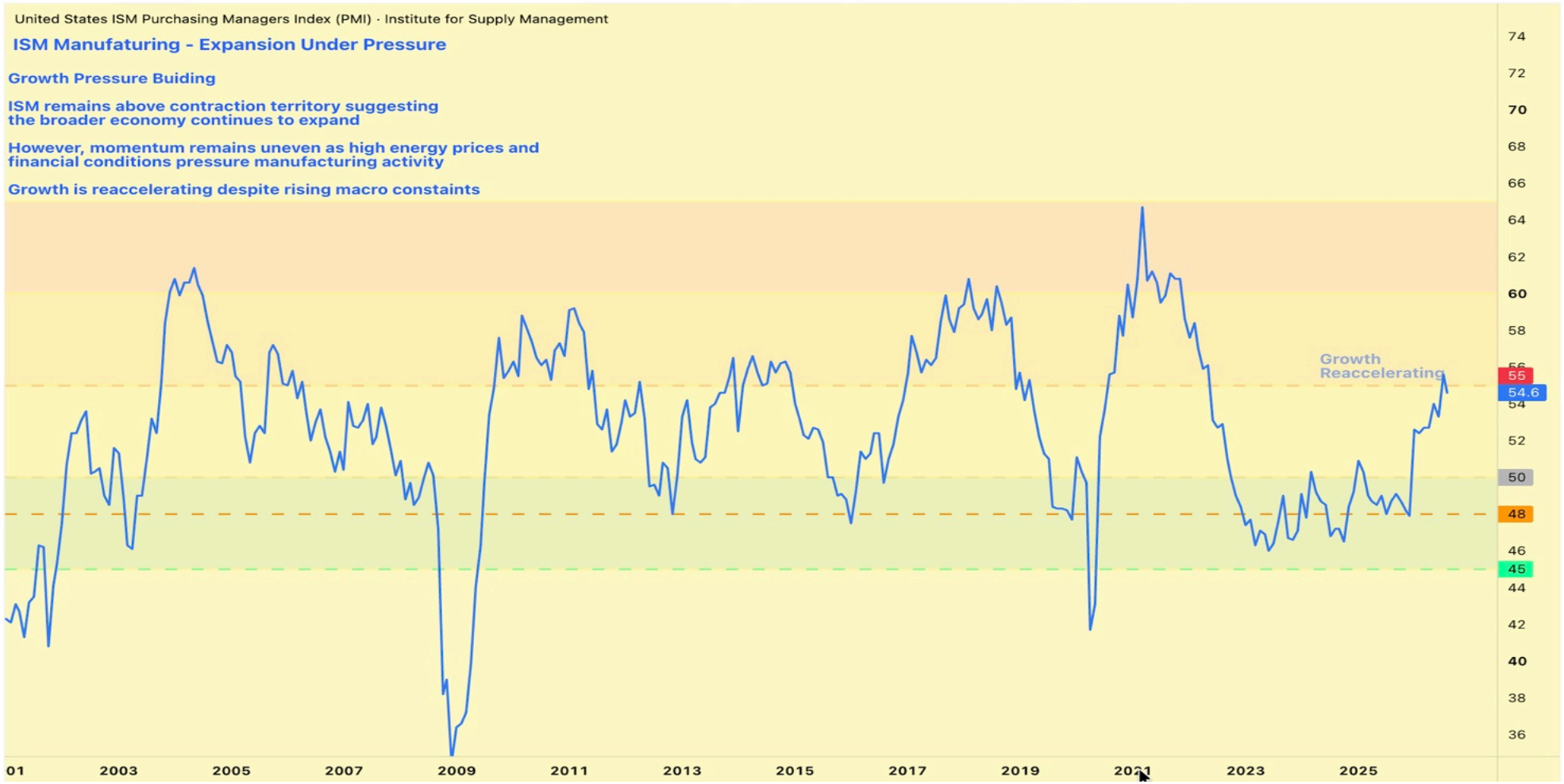
Capital Cycle Scorecard

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

Growth State: 🟢 Expansionary

Direction: ↗ Reaccelerating

EXPANSION REACCELERATING



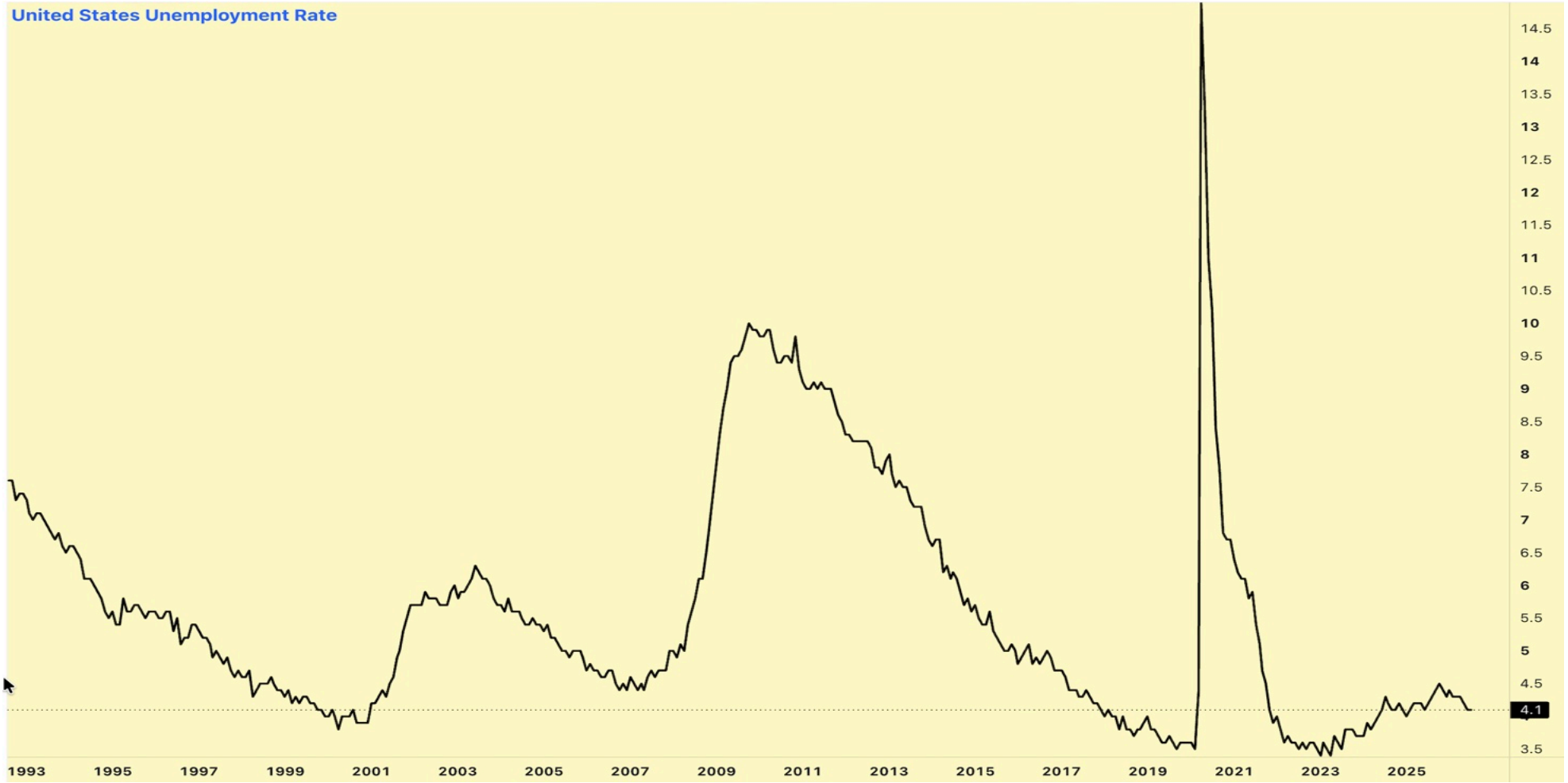
CCI TAKEAWAY — Manufacturing has moved decisively back into expansion, providing clear evidence that economic momentum is reaccelerating rather than deteriorating. The Growth pillar remains firmly supportive of the Mature Expansion.

SERVICES PMI — US PROXY FOR SERVICES MOMENTUM



CCI TAKEAWAY — Services remain firmly expansionary, confirming that economic resilience extends beyond manufacturing. Strength across both major areas of activity argues against an imminent economy-wide slowdown.

US UNEMPLOYMENT RATE



CCI TAKEAWAY — Employment conditions are moderating, but the labour market has not deteriorated in a manner consistent with contraction. For now, the evidence remains more characteristic of a maturing Expansion than an economy beginning to break.

ISM MANUFACTURING PRICES PAID



CCI TAKEAWAY — Input-cost pressure has strengthened alongside improving economic activity. This is the complication within the Growth evidence: stronger demand is supporting the Expansion while renewed cost pressure threatens to keep inflation—and therefore the price of capital—higher for longer.

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

Credit State: 🟢 Constructive

Direction: → Stable and Resilient

INVESTMENT GRADE CREDIT SPREADS



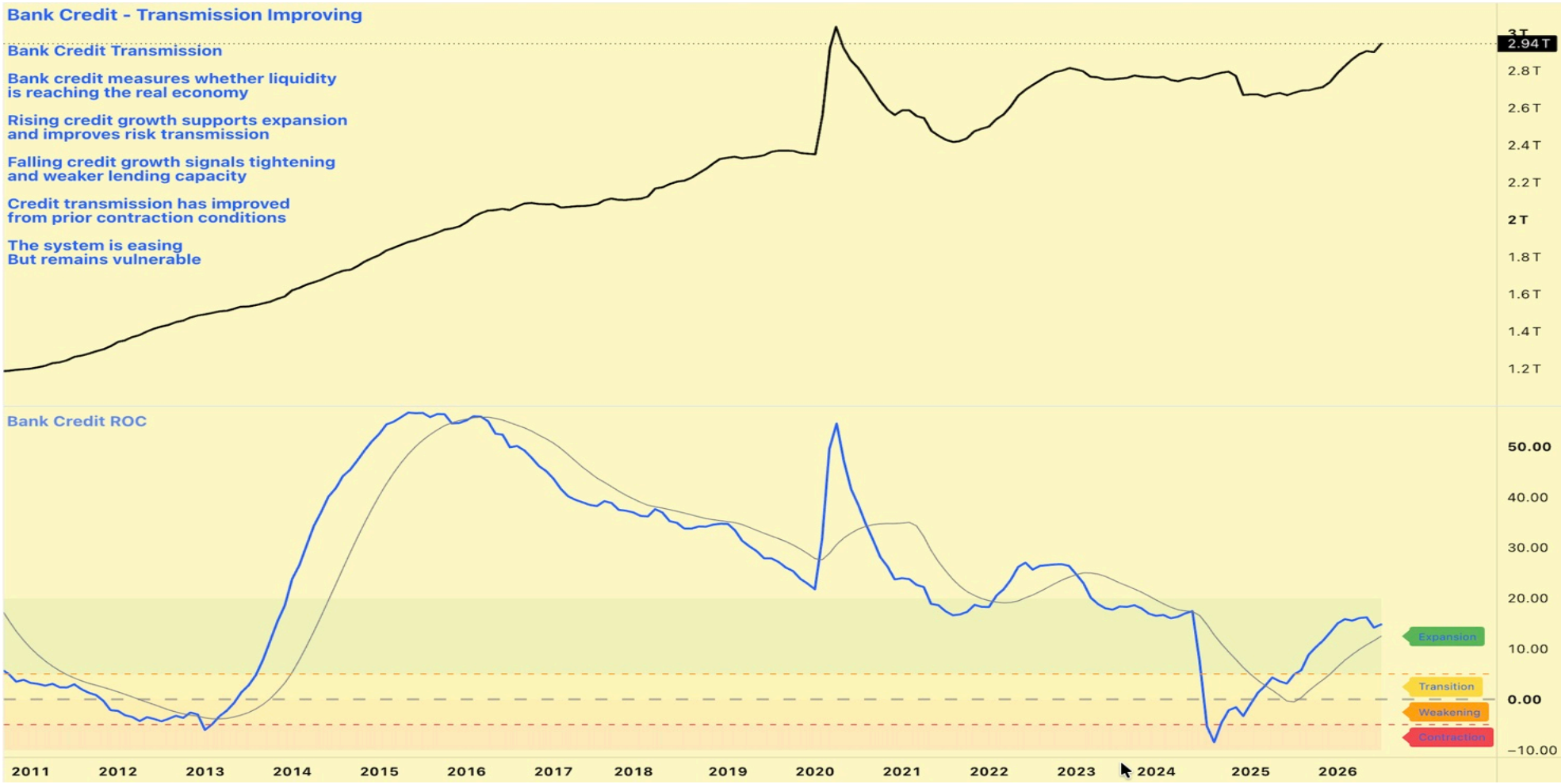
CCI TAKEAWAY — Investment-grade Credit spreads remain contained, indicating that investors are not demanding a materially larger risk premium to finance higher-quality borrowers. Despite higher long-term interest rates, there is little evidence of broad Credit deterioration.

HIGH YIELD CREDIT SPREADS



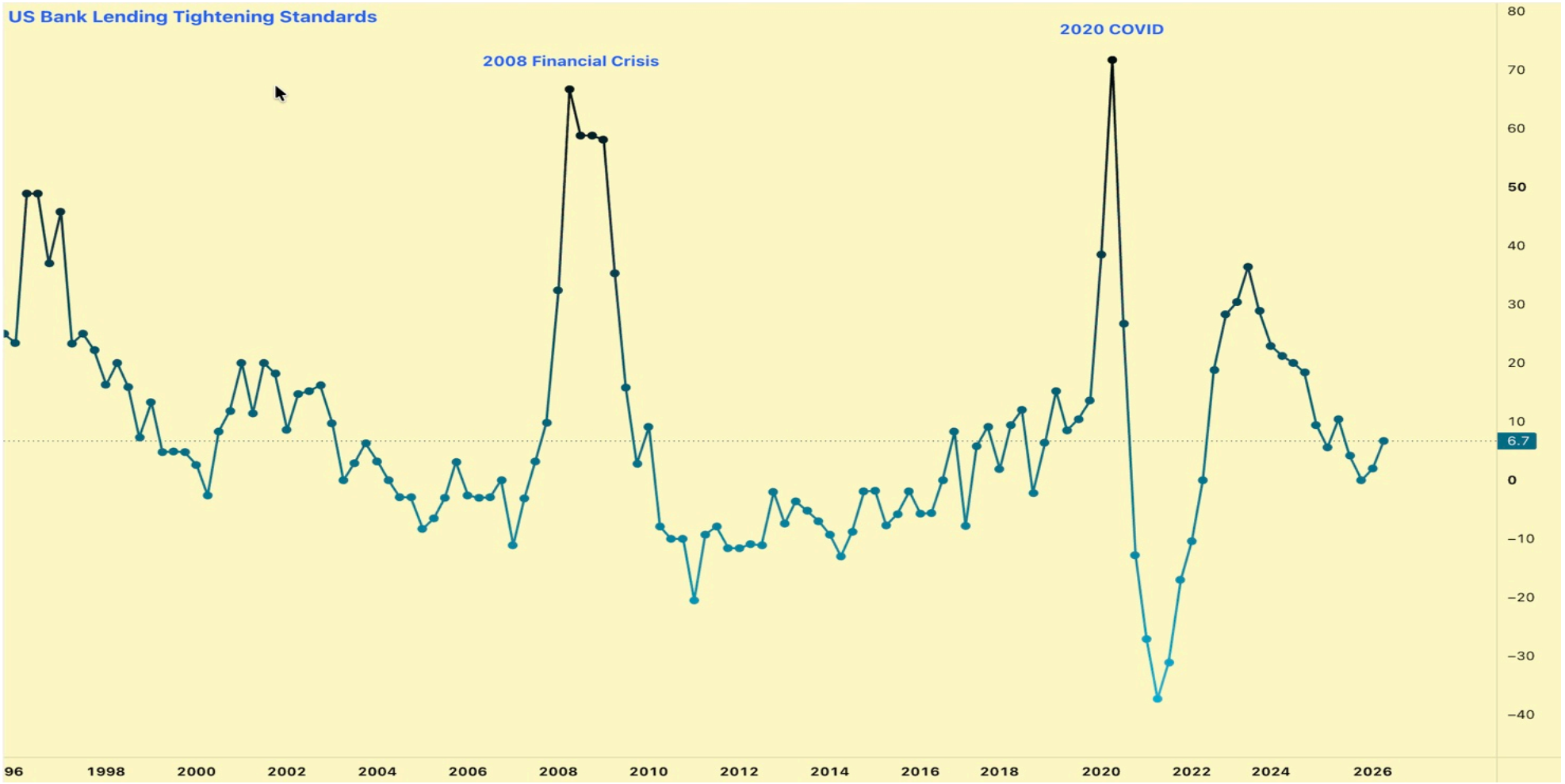
CCI TAKEAWAY — High-yield spreads remain contained, showing that elevated interest rates have not yet translated into broad risk aversion toward lower-quality borrowers. Credit markets continue functioning normally rather than pricing systemic deterioration.

BANK CREDIT — TRANSMISSION IMPROVING



CCI TAKEAWAY — Bank Credit continues expanding, confirming that higher borrowing costs have not caused the banking system to materially withdraw financing from the economy. Capital may be more expensive, but it remains available.

US BANK LENDING TIGHTENING STANDARDS



CCI TAKEAWAY — Lending standards remain selective rather than broadly restrictive. Banks are discriminating more carefully between borrowers, but the evidence does not indicate the kind of widespread tightening normally associated with systemic Credit 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

Confidence State: 🟡 Constructive / Selective

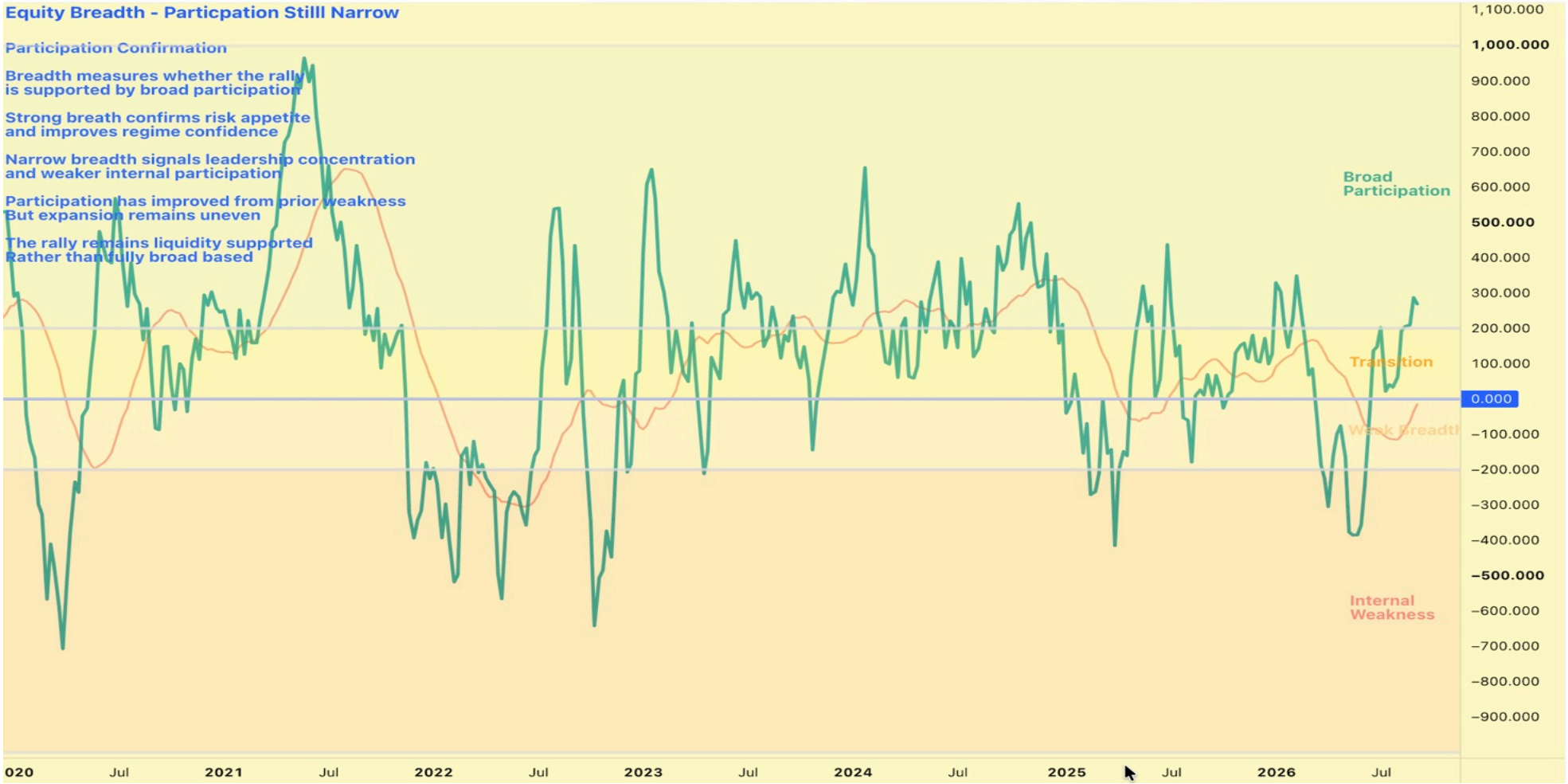
Direction: → Stable, but Increasingly Discriminating

GOLD PERFORMANCE



CCI TAKEAWAY — Strong demand for Gold alongside continued equity participation shows that investors are not choosing simply between risk and safety. Capital is pursuing opportunity while simultaneously paying for protection against an increasingly uncertain environment.

EQUITY PARTICIPATION



CCI TAKEAWAY — Equity participation remains constructive, confirming that investors have not broadly retreated from risk. Confidence remains sufficient to support participation, although capital is becoming increasingly selective about where that risk is expressed.

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

Leadership State: 🟢 Strong

Direction: → Persistent, but Concentrated

S&P 500 LEADERSHIP



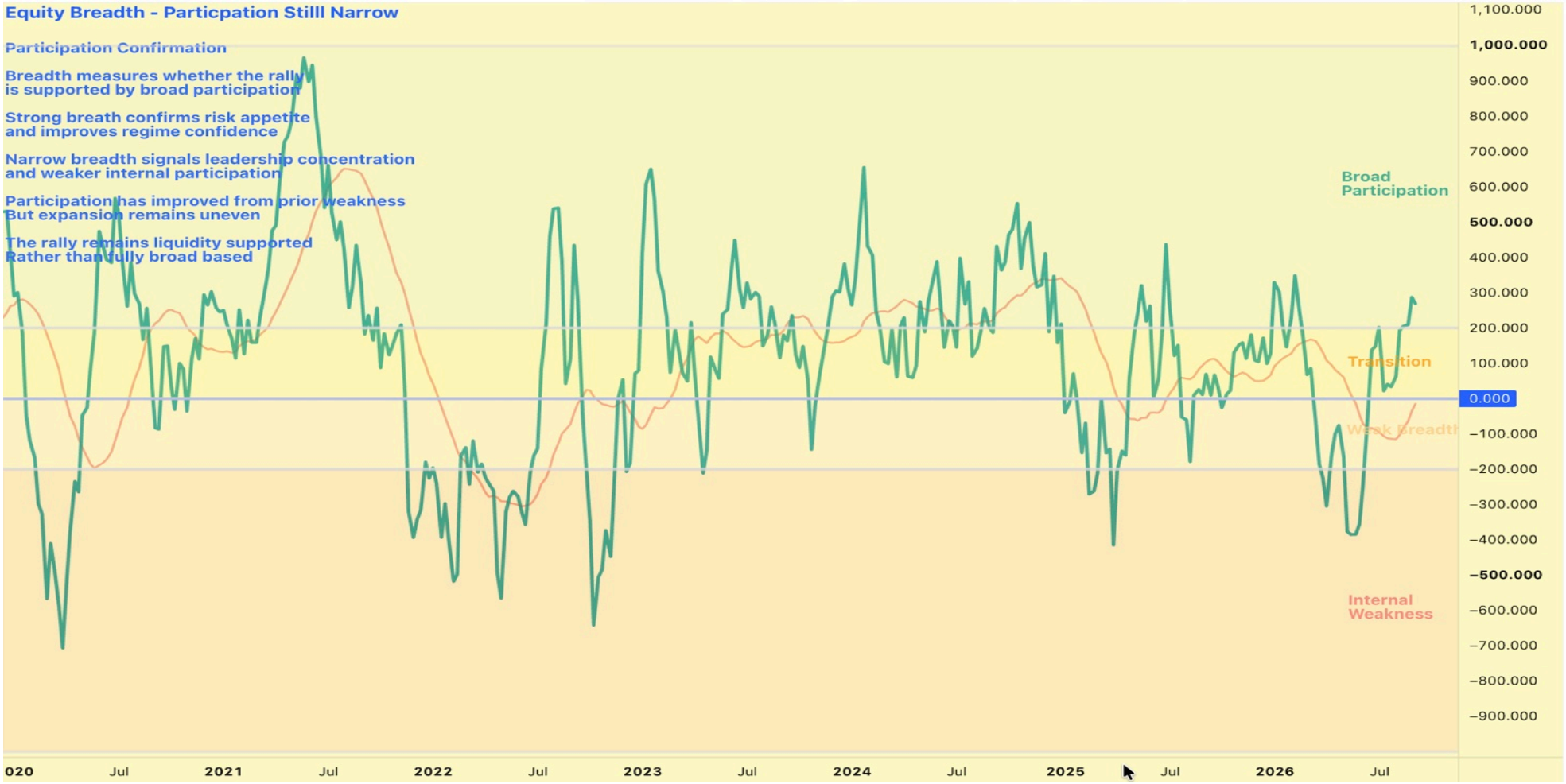
CCI TAKEAWAY — Leadership remains firmly concentrated in Technology and other established large-cap winners. Investor conviction has not disappeared; it remains powerful where earnings, structural Growth and capital investment continue attracting the marginal dollar.

NASDAQ LEADERSHIP



CCI TAKEAWAY — Artificial Intelligence continues attracting extraordinary levels of capital, reinforcing its position as a structural investment cycle rather than simply a short-term market theme. That strength supports current leadership, while offering no guarantee that every company participating in the AI narrative will ultimately justify its valuation.

Equity Breadth



CCI TAKEAWAY — Strong index-level performance continues to mask considerably narrower participation beneath the surface. Leadership remains powerful, but conviction is concentrated rather than broadly distributed across the market.

BTC vs QQQ - Relative Leadership



CCI TAKEAWAY — Bitcoin continues to lag the assets currently receiving the strongest investor conviction. Supportive global liquidity has therefore not been sufficient to restore Bitcoin's relative leadership. The evidence says capital currently prefers other destinations.

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

Capital Rotation State: 🟢/🟡 Orderly & Selective

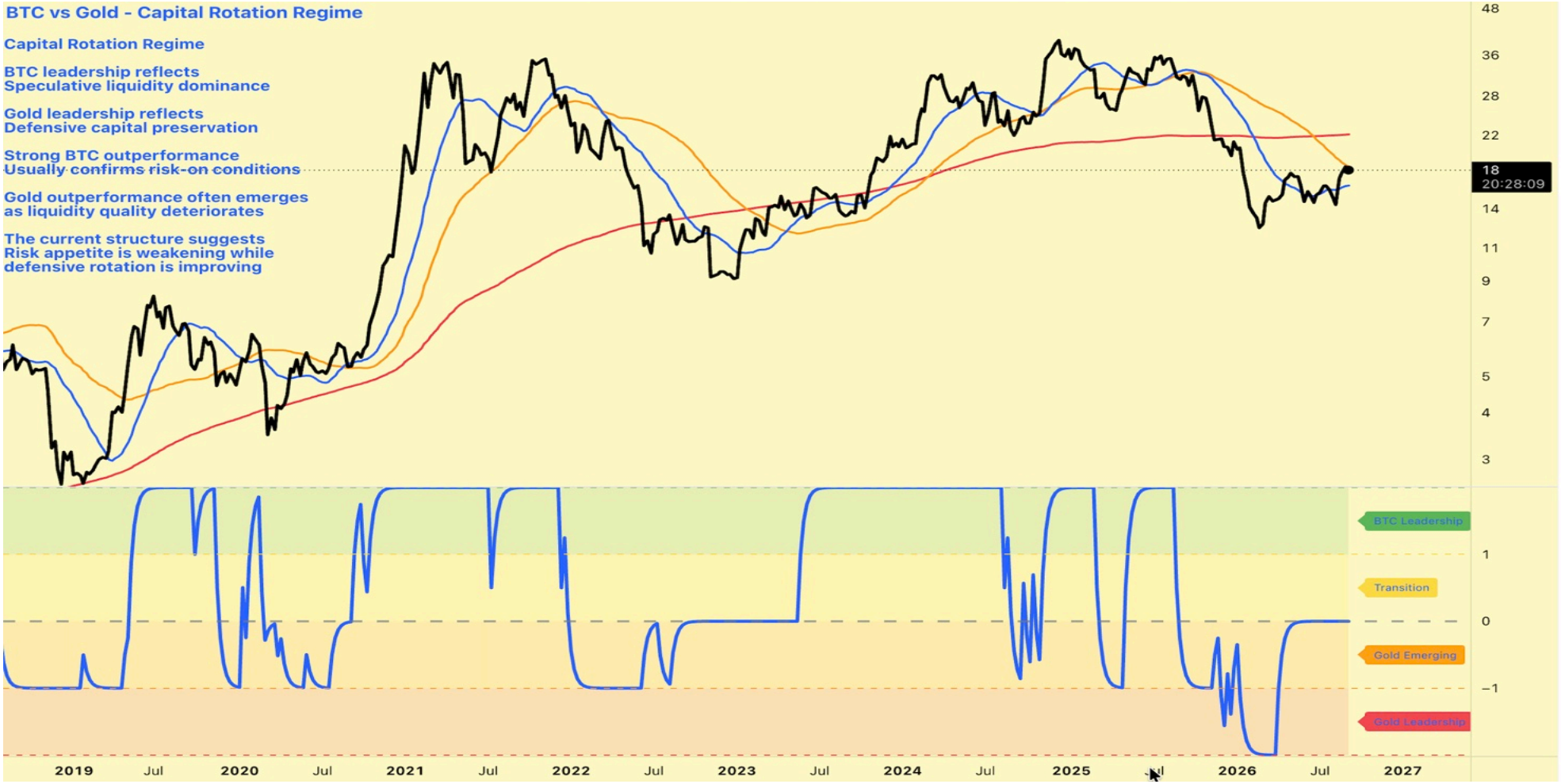
Direction: → Existing Leadership Reinforced

GOLD VERSUS EQUITIES



CCI TAKEAWAY — Capital continues to support both productive risk assets and monetary protection. Strength in equities alongside Gold confirms that investors are not making a simple Risk-On or Risk-Off decision. They are participating in Growth while simultaneously paying for resilience.

BITCOIN VERSUS GOLD — CAPITAL ROTATION REGIME



CCI TAKEAWAY — Gold continues to attract the marginal dollar relative to Bitcoin, reinforcing the evidence that capital currently prefers monetary protection over Crypto exposure. This is not a judgement about Bitcoin's long-term potential. It is an observation of present capital preference.

The CCI Money Map

Where Is the Marginal Dollar Choosing to Go?

The Money Map translates the evidence from Liquidity, Confidence, Leadership and Rotation into a simple picture of current capital preference.

Destination	Capital Preference	What the Evidence Is Saying
AI & Technology	🟢 Strong Preference	Structural investment and market leadership remain dominant
Large-Cap US Equities	🟢 Preferred	Liquidity and investor confidence continue transmitting
Gold	🟢 Strong Preference	Monetary insurance, geopolitical protection and sovereign demand
Broader Equities	🟡 Participating	Capital remains engaged, but breadth is less convincing
Bitcoin & Crypto	🟡 Unconfirmed	Global liquidity supportive, but relative leadership and crypto-native transmission remain weak

BITCOIN VERSUS NASDAQ — LEADERSHIP ROTATION



CCI TAKEAWAY — Bitcoin continues to lose relative ground to the Nasdaq, confirming that the marginal dollar remains more strongly attracted to established Technology and AI leadership than to Crypto. Bitcoin has not yet earned its way back onto the leadership map.

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: High
Persistance Confidence: Moderate
Risk: Increasing but Controlled
Stance: Participate with Discipline

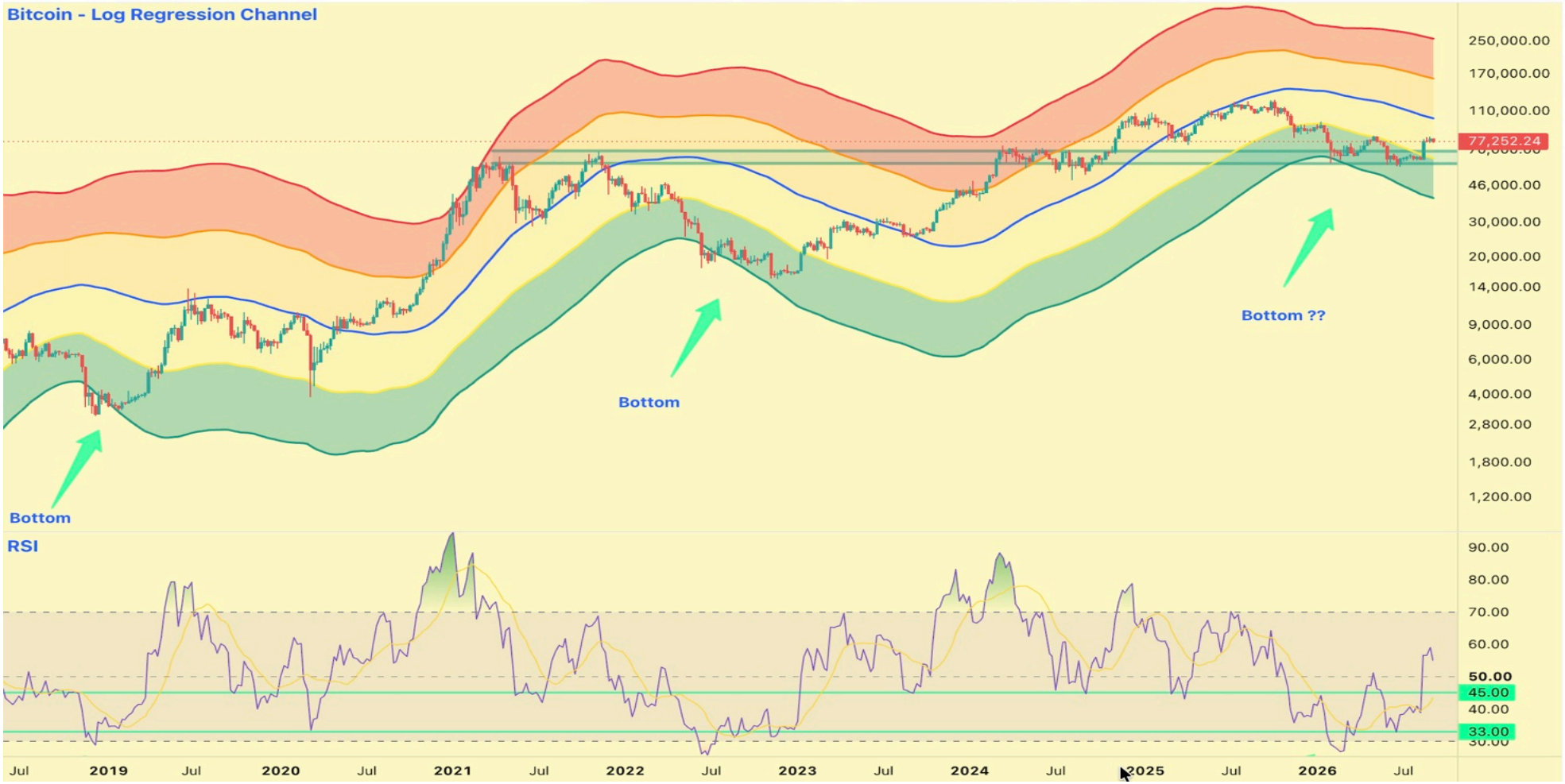
The Capital Cycle Position

MATURE EXPANSION

Regime Score: 7.4 / 10

Capital Cycle Assessment	Current Reading
Primary Regime	🟢 Expansion
Regime Character	Mature Expansion
Regime Confidence	High
Persistence Confidence	Moderate
Risk State	🟡 Increasing but Controlled
Portfolio Stance	**Participate with Discipline**
Dominant Characteristic	Selectivity
Primary Strength	Liquidity, Growth & Credit Agreement
Primary Vulnerability	Expensive Capital & Concentrated Leadership
Transition Risk	Inflation / Duration Pressure → Growth / Credit

BITCOIN LOG REGRESSION CHANNEL



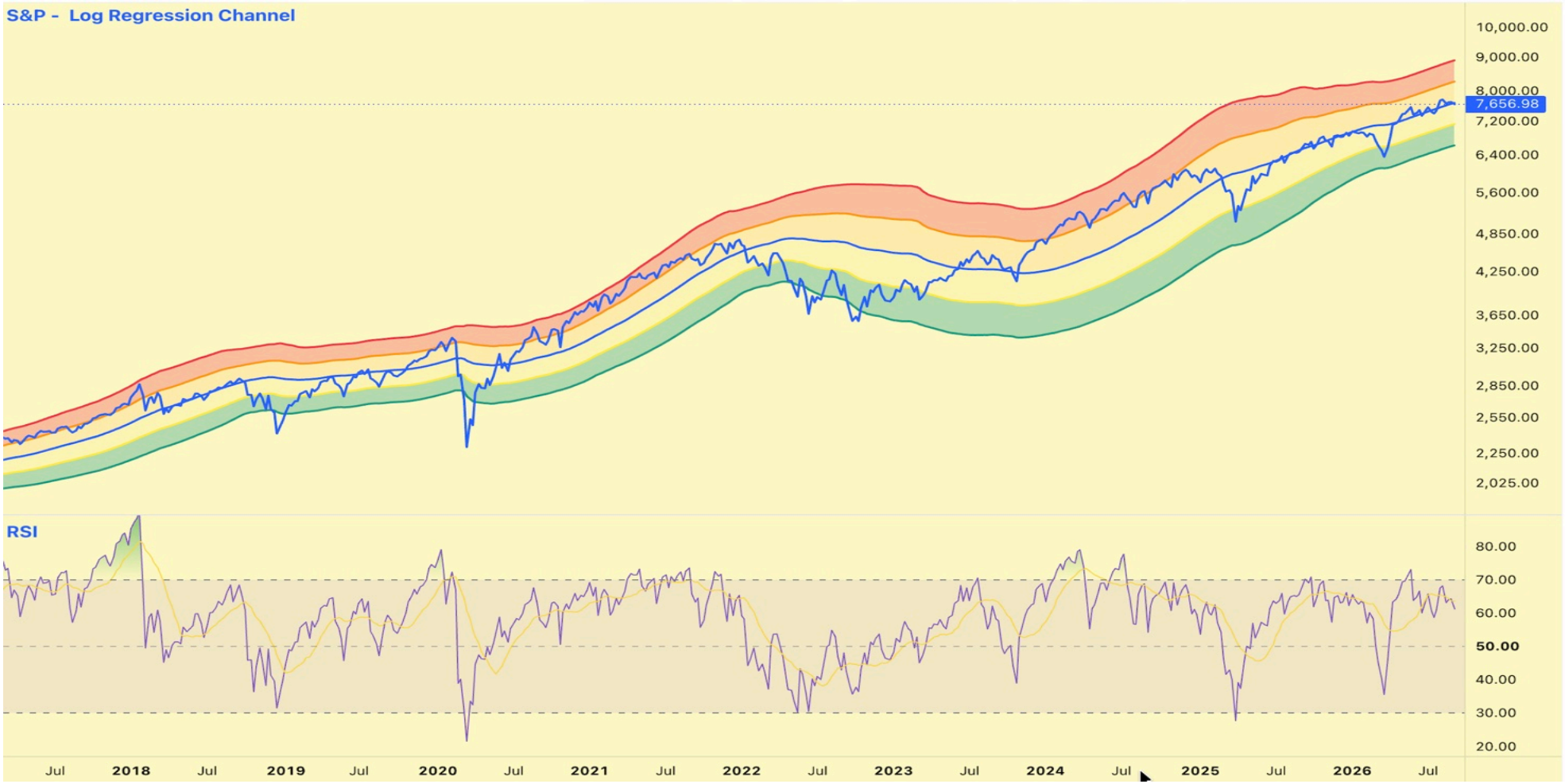
CCI TAKEAWAY — Bitcoin remains in the lower region of its long-term Log Regression Channel, reflecting a market that has lost cyclical leadership but is not historically extended on the upside. Its position leaves meaningful room for recovery should capital begin rotating back toward Crypto.

BITCOIN 200-WEEK VALUATION BANDS



CCI TAKEAWAY — Bitcoin remains relatively close to the lower end of its long-term valuation structure. The evidence points to subdued valuation rather than excess, but attractive valuation alone does not establish leadership.

S&P 500 LOG REGRESSION CHANNEL



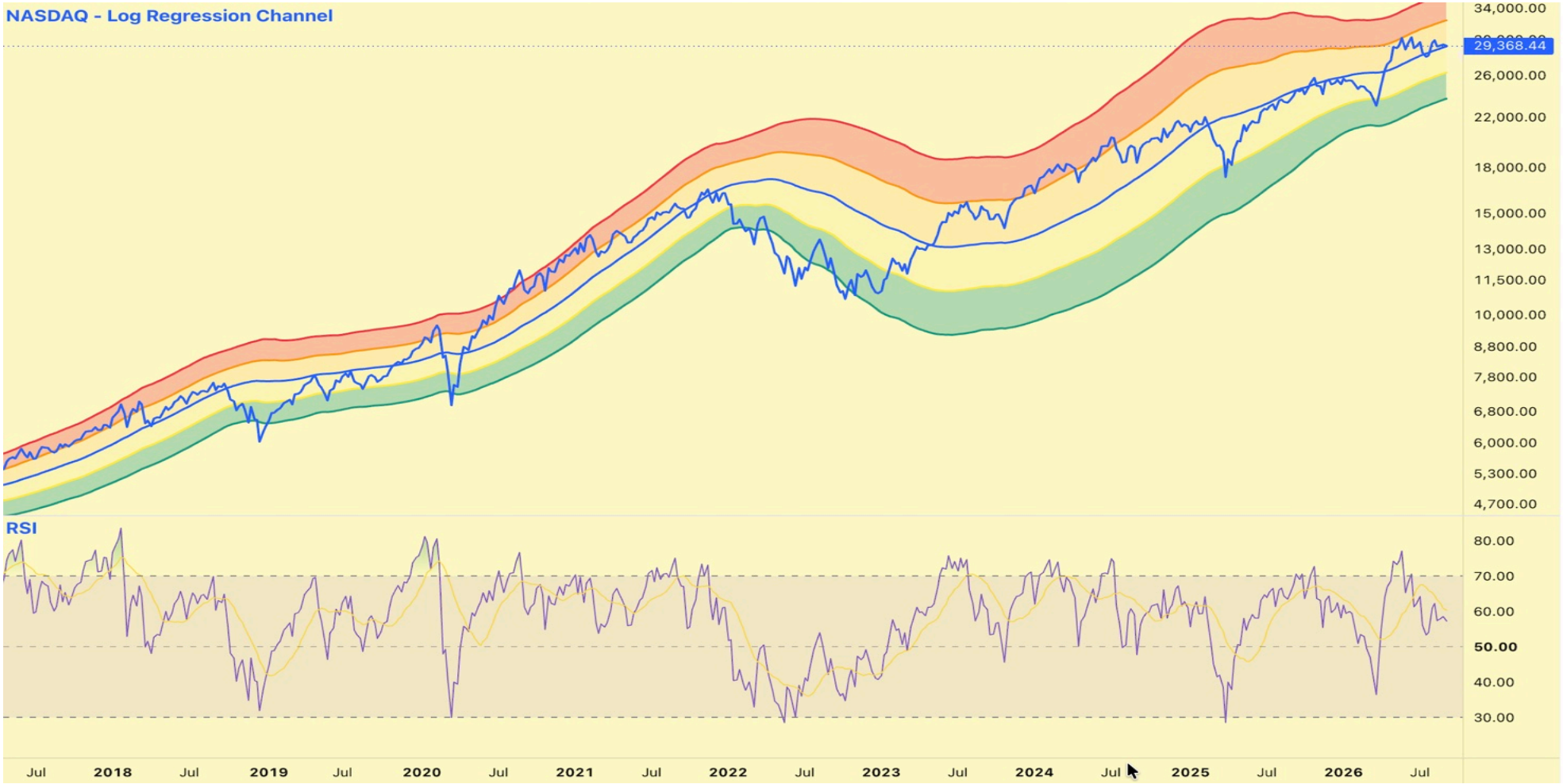
CCI TAKEAWAY — The S&P 500 remains firmly positioned within the upper half of its long-term trend structure, consistent with an equity market still participating strongly in the Mature Expansion. Its position reflects strength, while also leaving less valuation margin for disappointment.

S&P 500 200-WEEK VALUATION BANDS



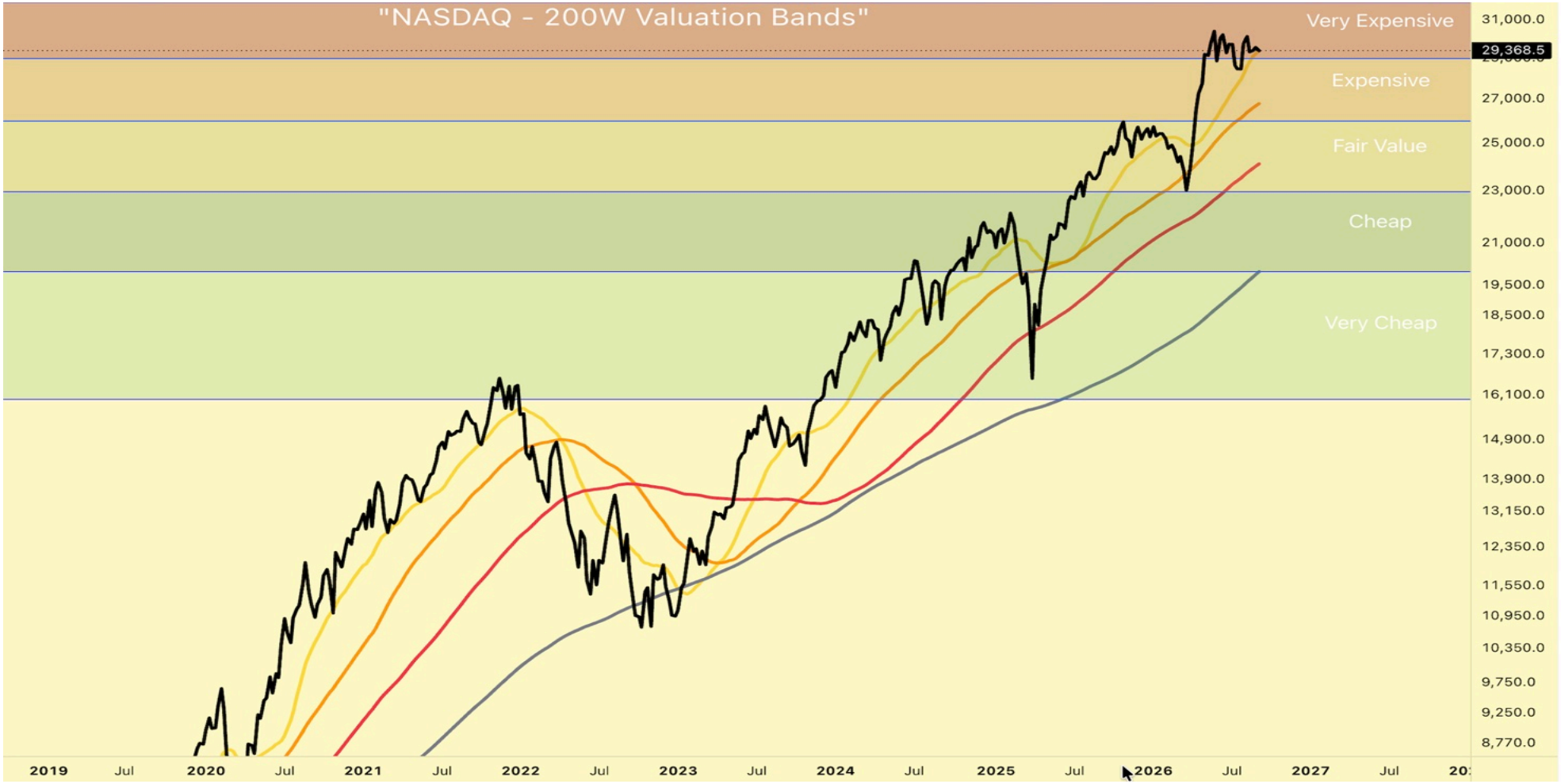
CCI TAKEAWAY — The S&P 500 remains elevated relative to its long-term valuation structure, reflecting sustained investor confidence in US equities. Current positioning supports participation, but reinforces the importance of discipline as valuations become less forgiving.

NASDAQ LOG REGRESSION CHANNEL



CCI TAKEAWAY — The Nasdaq remains strongly positioned within its long-term Log Regression Channel, confirming the persistent leadership of Technology and AI. Capital continues to reward this leadership, although its increasingly advanced position raises the importance of monitoring concentration and valuation risk.

NASDAQ 200-WEEK VALUATION BANDS



CCI TAKEAWAY — The Nasdaq remains elevated within its long-term valuation structure, consistent with the strength of Technology and AI leadership. Strong valuation does not invalidate leadership, but it increases the price the market is paying for continued execution.

SECTION 9 - INVESTMENT OUTLOOK

The CCI Position

Regime: 🟢 Mature Expansion — 7.4 / 10

Risk: 🟡 Increasing but Controlled

Stance: Participate With Discipline

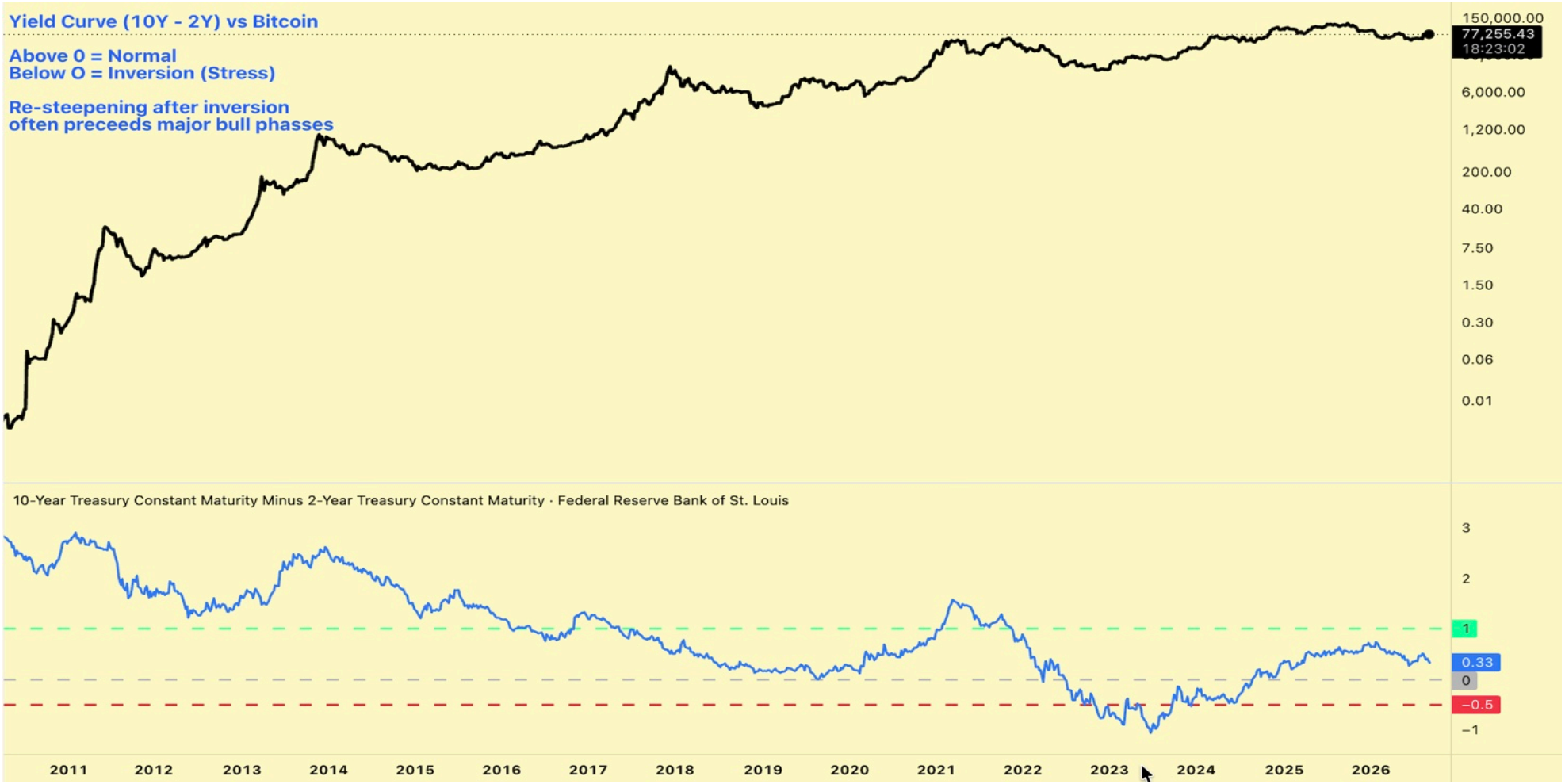
We have no investment thesis to defend. We have a process to follow.

Oil / Brent Crude



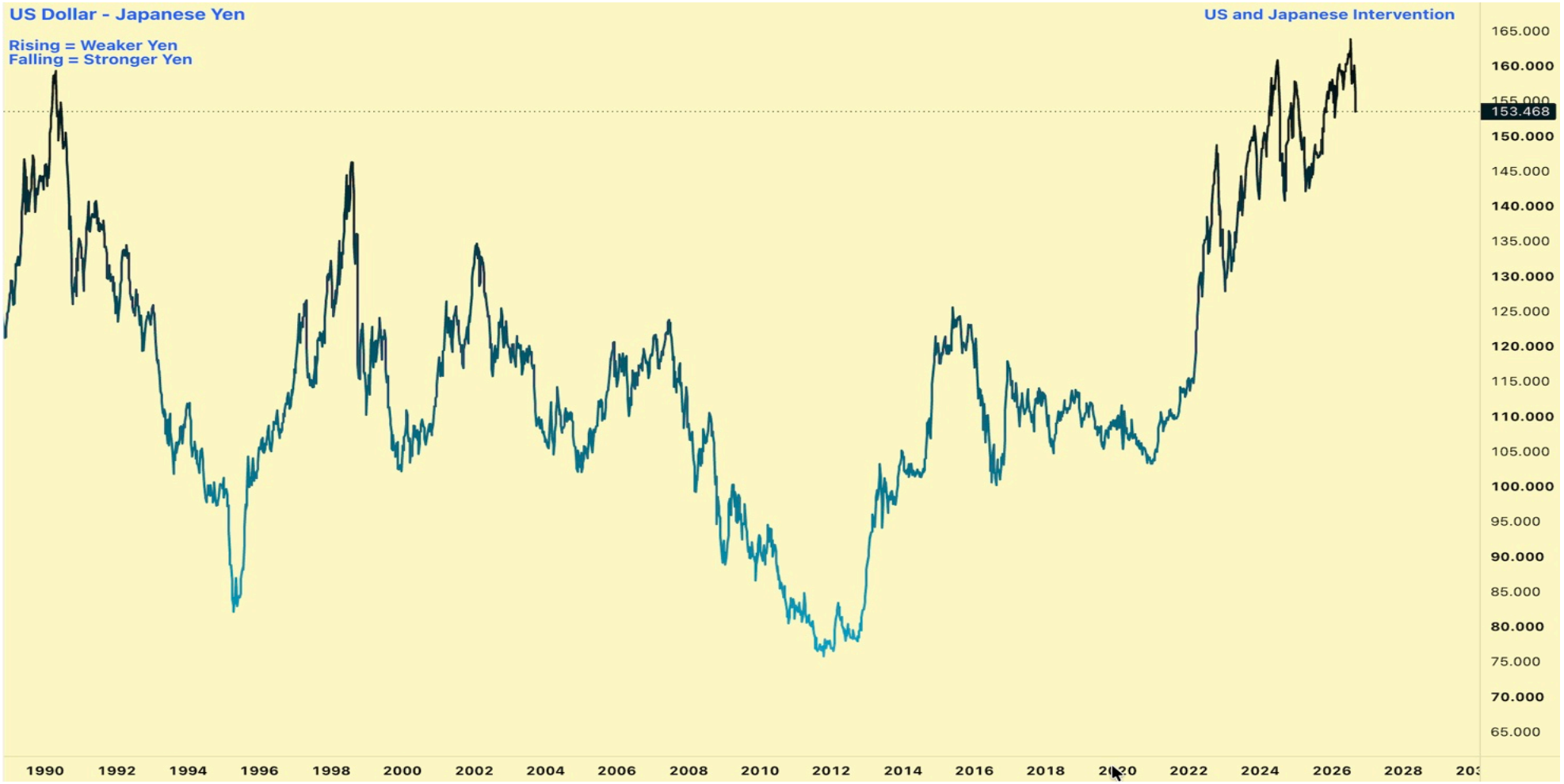
CCI TAKEAWAY — Energy remains the most visible source of renewed inflation pressure. The Canary is not signalling recession; it is warning that higher energy costs may sustain inflation, reduce monetary-policy flexibility and keep the price of capital elevated.

US 10-Year Treasury Yield



CCI TAKEAWAY — Long-term Treasury yields remain elevated despite supportive liquidity conditions. The Long Bond is therefore warning that the price of long-duration capital remains restrictive even while the quantity of capital remains available.

USD/JPY



CCI TAKEAWAY — The Yen's appreciation and changing Japanese monetary conditions continue to reduce the attractiveness of Yen-funded leverage. The evidence does not indicate a disorderly global unwind, but the economics supporting the carry trade have become less favourable.

High Yield Credit Spreads



CCI TAKEAWAY — Credit remains the systemic referee. High-yield spreads remain contained, confirming that rising pressure in Energy, Duration and Funding has not yet transmitted into broad Credit stress. A material widening in spreads would be one of the clearest signals that the Capital Cycle is beginning to change.

The September Evidence Board

What We're Watching	Status	Key Transmission
Energy / Inflation	🟡 Watch	Energy → Inflation → Policy
Long Bond / Housing	🟡 Watch	Yields → Mortgage Rates → Housing
Credit	🟢 Stable	Borrowers → Lenders → System
Yen / Japan	🟡 Watch	Funding → Leverage → Markets
Liquidity	🟢 Supportive	Availability → Asset Transmission
Leadership / Rotation	🟢/🟡 Selective	Confidence → Marginal Dollar
Reserve Diversification	🟡 Emerging	Sovereign Preference → Cost of Capital

Capital Cycle Intelligence

Evidence Before Opinion, Process Before Prediction

Know What You Own

Know Why You Own it

Know When You Are Wrong

Know How to Behave

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