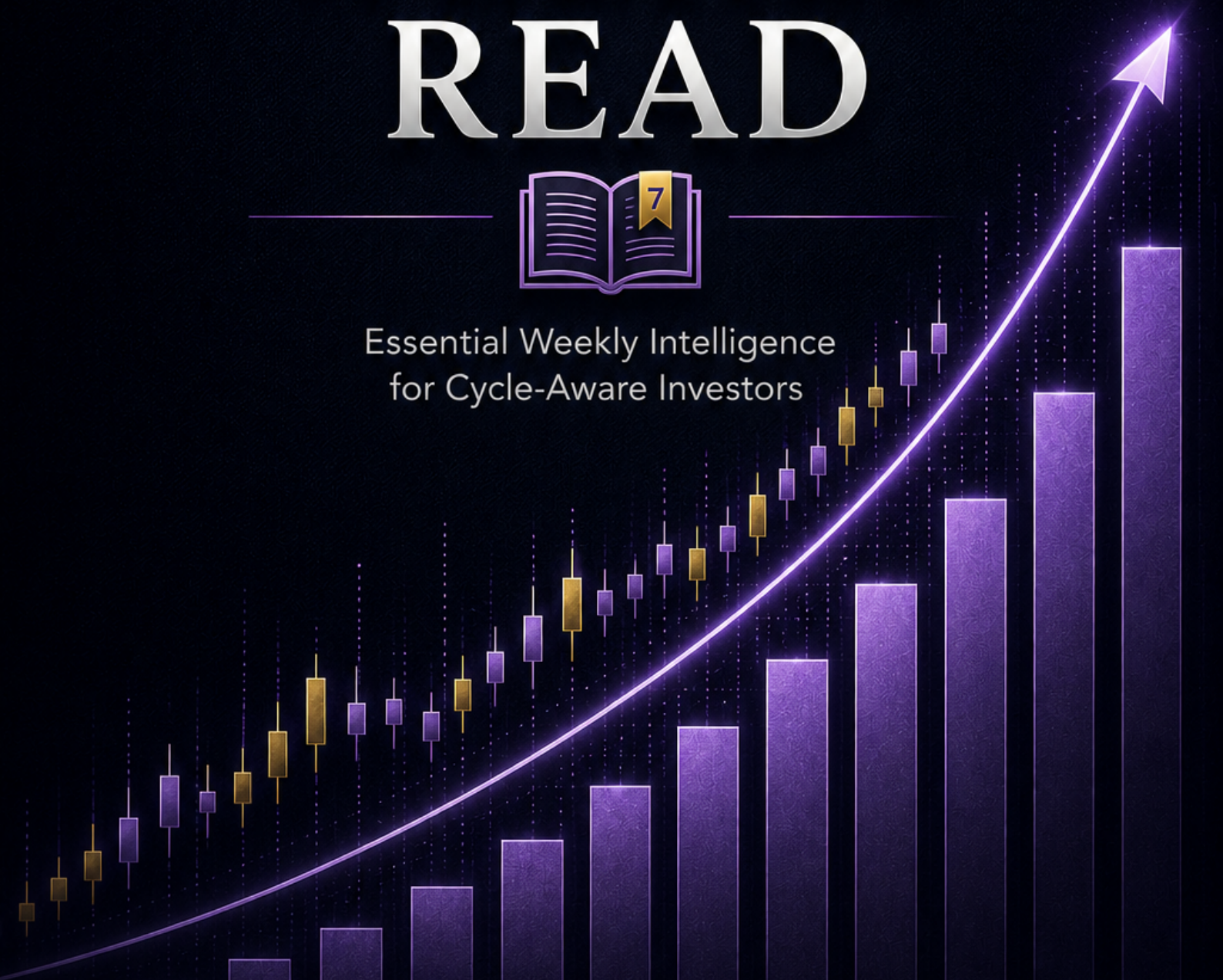
CAPITAL CYCLE

INTELLIGENCE

CCI WEEKLY READ

Essential Weekly Intelligence
for Cycle-Aware Investors



CAPITAL CYCLE INTELLIGENCE

Weekly Read

Week Ending 13th September 2026

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Strength Without Confirmation

Executive Summary

The CCI Operating System continues to present a remarkably consistent message across every layer of the framework.

The global macro environment remains supportive of risk assets. Liquidity continues to expand, manufacturing remains in expansion, credit conditions remain benign, and the Probability Engine continues to assign approximately a 70% likelihood that the current Expansion regime will persist. However, improving macro conditions have not yet translated into confirmed market leadership.

Gold remains the dominant leadership asset. Bitcoin continues to recover and is now trading close to long-term fair value with improving momentum, but structural confirmation remains incomplete. As a result, the framework continues to favour patience over anticipation.

The evidence supports remaining aligned with the current regime—not chasing the next one.

🐤 CCI Canary Watch — Weekly Update

The Chorus Is Becoming More Vocal

The CCI Canaries remain watchful this week as several independent pressure points continue to develop around the Mature Expansion.

🟢 Global Liquidity — Stable

Liquidity remains available and continues to support the expansion. There is still no evidence of a broad liquidity withdrawal consistent with a contractionary regime.

🟡 Long Bond — Watchful

Long-duration yields remain one of the clearest areas of pressure. The US 10-year Treasury yield approached 5% during the past week before easing modestly, while the 30-year yield remains historically elevated. Higher borrowing costs are increasingly transmitting beyond financial markets into mortgages and housing activity. Capital remains available, but long-duration capital is expensive.

🟡 Yen Carry Trade — Watchful / More Vocal

The Yen has strengthened materially and is trading near seven-month highs ahead of this week's Bank of Japan meeting. Markets are expecting another BOJ rate increase, further reducing the attractiveness of Yen-funded leverage. The economics of the carry trade are changing, although there is still no evidence of a disorderly global unwind.

🟡 Oil & Energy — Watchful / More Vocal

Energy remains an active transmission channel. Brent crude has returned above US$107 as Middle East supply risks persist. Higher energy prices are now feeding directly into inflation and increasing pressure on central banks to maintain or tighten restrictive policy.

🟡 Global Reserve Diversification — Emerging Watch

Central-bank Gold accumulation, changing reserve-custody preferences and declining Treasury holdings among some major sovereign holders remain a slow-moving structural watch. The evidence does not indicate abandonment of the US Dollar, but it does suggest that sovereign reserve managers are becoming increasingly deliberate about where and how reserves are held.

🟢 Credit & Financial Stress — Stable

Most importantly, the pressure visible elsewhere has still not developed into broad Credit or financial-system stress. Credit therefore remains the systemic referee.

CCI Assessment

No single Canary is presently signalling that the Mature Expansion is ending.

What deserves attention is that **several independent Canaries are now singing simultaneously**. Energy is pressuring inflation. The Long Bond is raising the price of capital. Housing is beginning to feel the consequences. The Yen is changing the economics of global leverage, while reserve diversification raises longer-term questions about the marginal buyer of sovereign debt.

For now, the chorus remains watchful rather than alarming.

Liquidity remains available. Growth remains expansionary. Credit remains calm.

The regime has not changed.

But the air has.

The Canary does not predict the mine will collapse. It simply tells us that the air has changed.

Macro Regime Review

What environment are we operating in?

The macro backdrop remains firmly Expansion.

The MSI Engine continues to classify the environment as **Expansion** with **Tailwinds Dominant**, driven primarily by expanding global liquidity and resilient manufacturing. Importantly, however, the internal trend remains **Deteriorating**, meaning the macro backdrop is still supportive but no longer becoming more supportive.

The Probability Engine reinforces this conclusion.

Expansion remains the dominant statistical outcome with a probability of **69.90%**, supported by a healthy **47.54% confidence spread**, improving three-month drift and an exceptionally low composite transition risk. There is currently little evidence that Distribution or Contraction is emerging as the governing regime.

Taken together, the framework continues to operate within a mature Expansion regime that appears stable rather than accelerating.

Leadership & Rotation Review

Where should capital be concentrated?

Leadership continues to favour Gold.

The Capital Intelligence System records improving persistence behind Gold's leadership, with Gold maintaining its advantage over Bitcoin while the BTC/Gold relationship remains below key moving averages. Leadership is strengthening, but remains officially unconfirmed.

The Masterplay Engine therefore continues withholding permission for broad risk deployment.

Although macro conditions remain constructive, the execution framework refuses to rotate into Bitcoin or activate the Alt Engine until leadership, persistence and structural confirmation align. This distinction between improving conditions and confirmed conditions remains one of the defining disciplines within the CCI framework.

Capital should therefore remain concentrated in the current leadership asset while preserving flexibility for future rotation.

Valuation Review

Are we paying a fair price?

Bitcoin is no longer deeply discounted, but neither is it expensive.

The Log Regression Channel estimates long-term fair value at approximately **US$80,000**, compared with a current market price of approximately **US$76,900**, representing only a modest discount.

Weekly RSI has recovered into the mid-50s, confirming improving momentum without signs of speculative excess.

Valuation therefore supports disciplined accumulation, but it does not justify aggressive deployment of capital in isolation. Leadership and structure remain the deciding factors.

Conviction Review

How confident should we be?

This remains the most important balancing mechanism within the framework.

The Conviction Engine produces a raw evidence score consistent with **Extreme Risk-On**, yet deliberately caps the portfolio posture at **Selective Risk-On**.

This is not inconsistency.

It is evidence discipline.

Liquidity, macro conditions and long-cycle behaviour remain overwhelmingly supportive. However, structural market evidence, internal participation and confirmed leadership continue to lag.

The framework therefore distinguishes between strong evidence and high confidence.

Evidence is increasingly favourable.

Confidence remains intentionally restrained.

Portfolio Review

Does the portfolio match the evidence?

Yes.

The Portfolio Manager remains fully aligned with every upstream engine.

The portfolio continues holding approximately **84% Gold** and **16% Cash**, with no exposure to Bitcoin or alternative assets while leadership remains unconfirmed.

Despite modest mark-to-market losses caused by lower gold prices, there has been no deterioration in framework alignment, no meaningful portfolio drift and no action is currently required.

The portfolio currently reflects discipline rather than prediction.

What Needs To Change?

To improve the outlook

- Bitcoin reclaims structural leadership over Gold.
- Gold leadership transitions from unconfirmed to confirmed.
- Market breadth broadens.
- Internal participation strengthens.
- Conviction confidence rises from Weak toward Moderate.
- Masterplay authorises rotation.
- Probability confidence expands further.

To deteriorate the outlook

- Liquidity weakens materially.
- Manufacturing rolls toward contraction.
- Credit conditions deteriorate.
- Probability spread compresses toward warning levels.
- Structural leadership weakens further.

To confirm a new regime

The next regime shift will require both macro and structural confirmation.

Macro already supports Expansion.

Markets must now confirm it.

To trigger rotation

Rotation requires:

- Confirmed Bitcoin leadership.
- Sustained BTC/Gold improvement.
- Higher conviction.
- Broader market participation.
- Masterplay permission.

Until then, patience remains the correct institutional response.

CCI House View

The CCI Operating System continues to deliver one clear message.

Macro conditions remain supportive.

Statistical probabilities remain supportive.

Long-term valuation remains supportive.

Cycle behaviour remains supportive.

Yet market structure continues to lag.

That distinction matters.

The framework does not reward anticipation—it rewards confirmation.

Accordingly, the current evidence supports remaining aligned with the prevailing Expansion regime while resisting the temptation to increase exposure before structural evidence validates the macro narrative.

The greatest opportunity continues to lie in the eventual transition back toward Bitcoin leadership.

The greatest risk remains confusing improving conditions with confirmed conditions.

Validation Review

The framework continues to perform as expected.

Recent editions anticipated that:

- Expansion would remain dominant. ✓
- Liquidity would remain supportive. ✓
- Gold leadership would persist. ✓
- Probability would stabilise. ✓
- Bitcoin would improve without reclaiming leadership. ✓
- Conviction would remain capped pending structural confirmation. ✓

The principal signals still requiring observation remain:

- BTC/Gold relative strength.
- Market breadth.
- Leadership confirmation.
- Rotation permission.

No material expectation from prior editions has yet been invalidated.

Final Verdict

Current Regime: Expansion

Dominant Asset: Gold

Risk State: Risk-On (Controlled)

Confidence Level: Moderate Evidence • Weak Structural Confirmation

Portfolio Posture: Defensive Expansion

Action Required: Hold current positioning. Continue monitoring for confirmed Bitcoin leadership before expanding risk.

30-Second Summary

The CCI framework remains internally aligned. Expansion continues to dominate the macro landscape, liquidity remains supportive, and the Probability Engine indicates the regime is likely to persist. Gold continues to lead while Bitcoin steadily improves toward fair value, but structural confirmation has yet to emerge. Conviction therefore remains intentionally capped, and the Portfolio Manager correctly reflects that posture with a Gold-led, cash-supported allocation. The evidence continues to favour patience over prediction. Stay aligned with the current regime, preserve optionality, and wait for confirmed leadership before materially increasing risk.

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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