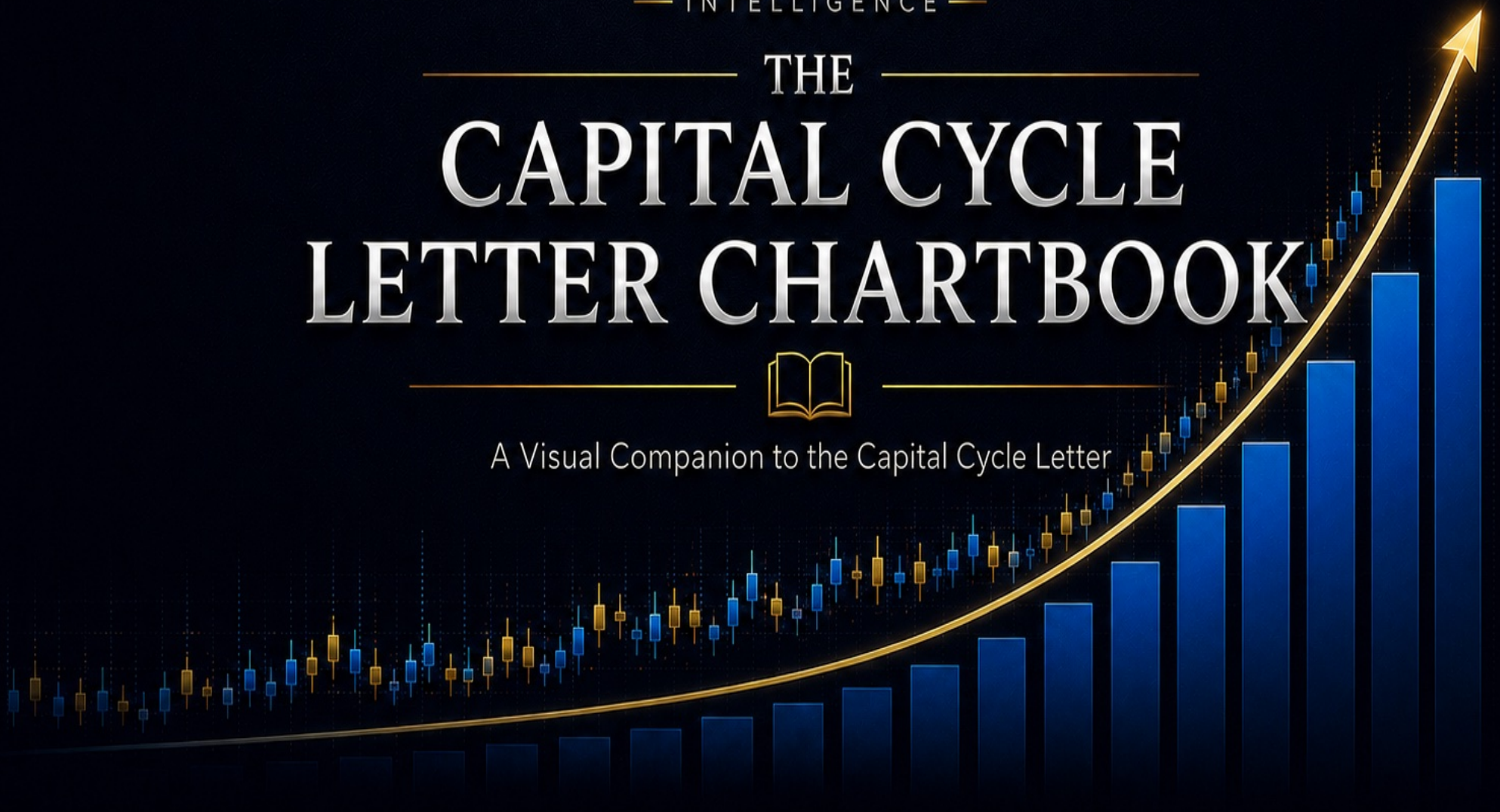
CAPITAL CYCLE

INTELLIGENCE

# THE CAPITAL CYCLE LETTER CHARTBOOK

A Visual Companion to the Capital Cycle Letter



Capital Cycle Intelligence

# THE CAPITAL CYCLE LETTER CHARTBOOK

October 2026 Edition

## MATURE EXPANSION

### The Uneven Expansion

Growth Persists, but Capital Is Becoming Increasingly Selective

# Welcome to the Capital Cycle Letter Chartbook

The October 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 | October Score | Direction |
|---|---|---|
| Liquidity | 🟢 7.1 / 10 | Supportive |
| Growth | 🟢 7.4 / 10 | Stabilising |
| Credit | 🟢 7.6 / 10 | Emerging pressure |
| Confidence | 🟠 7.0 / 10 | Selective |
| Leadership | 🟢 8.0 / 10 | Concentrated |
| Capital Rotation | 🟠 7.1 / 10 | Stable / Selective |
| Overall Regime | 🟢 7.4 / 10 | Mature Expansion |

# Capital Cycle Dashboard

**Where are we?**

**CURRENT REGIME — 🟢 Mature Expansion**

**OVERALL SCORE — 7.4 / 10**

**REGIME CONFIDENCE — High | PERSISTENCE CONFIDENCE — Moderate**

## CAPITAL CYCLE SCORECARD

**Liquidity** 🟢 **7.1**

**Growth** 🟢 **7.4**

**Credit** 🟢 **7.6**

**Confidence** 🟠 **7.0**

**Leadership** 🟢 **8.0**

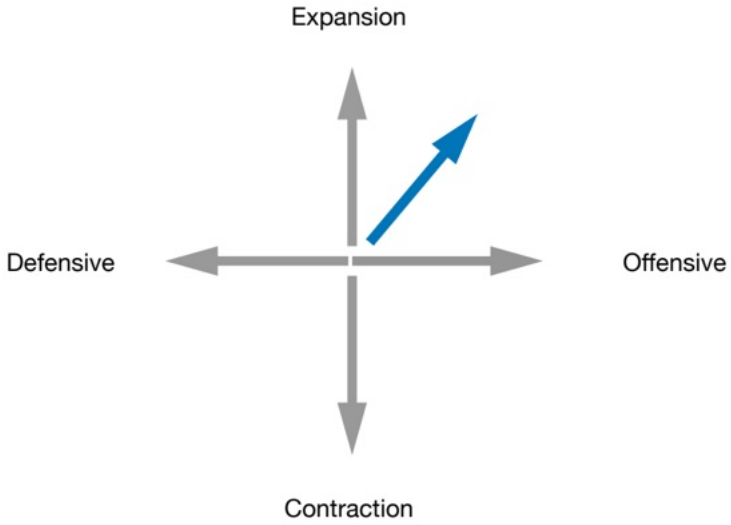
**Capital Rotation** 🟠 **7.1**

The Expansion remains intact. Its resilience is real, but uneven.

## Macro Compass

*How should capital be positioned?*

↗ **Expansion with a selective offensive bias.**




The Expansion remains intact, but financing pressures are becoming more consequential and capital allocation remains selective. Regime Confidence remains High; Persistence Confidence remains Moderate.

# 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 | September Score | October Assessment |
|---|---|---|
| Global Liquidity | 🟢 8.7 / 10 | Elevated and broadly constructive; recent momentum uneven |
| US Net Liquidity | 🟠 6.8 / 10 | Below previous peak; comparatively stable, with limited acceleration |
| Liquidity Impulse | 🟠 7.1 / 10 | Recovering from earlier weakness; sustained acceleration not yet confirmed |
| Stablecoin Liquidity | 🔴 5.0 / 10 | Elevated supply; recent growth momentum subdued |
| Liquidity Outlook | 🟠 7.2 / 10 | 🟠 7.1 / 10 — Supportive, uneven |

**Liquidity State: Supportive • Transmission Watchful**

**Direction: Supportive, with uneven transmission**

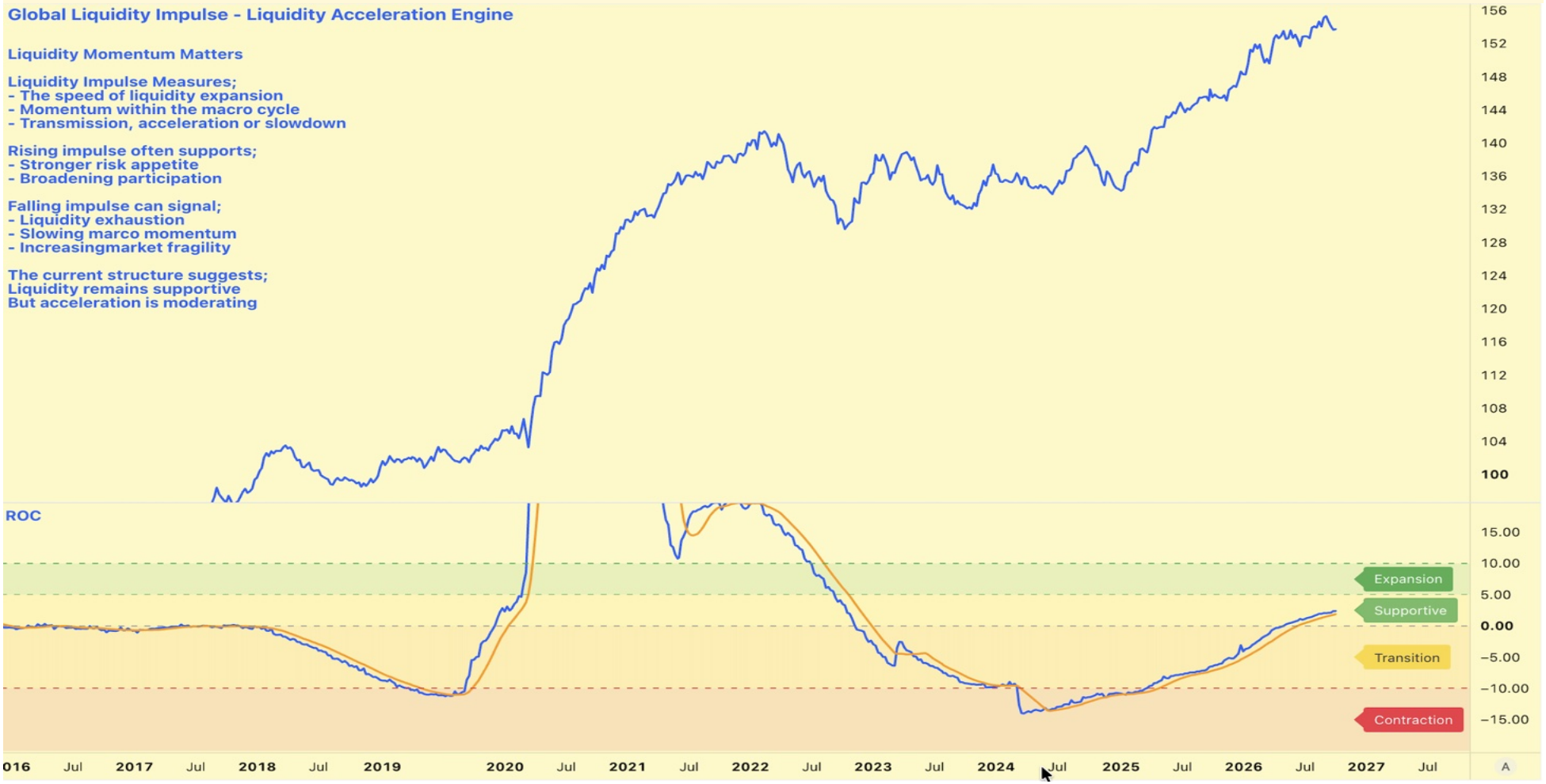
## GLOBAL LIQUIDITY — THE PRIMARY DRIVER




CCL_L_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Global Liquidity remains broadly constructive, supporting the Mature Expansion. An elevated liquidity level does not ensure that capital reaches every economy, borrower or financial asset equally; the distinction between availability and transmission remains central.

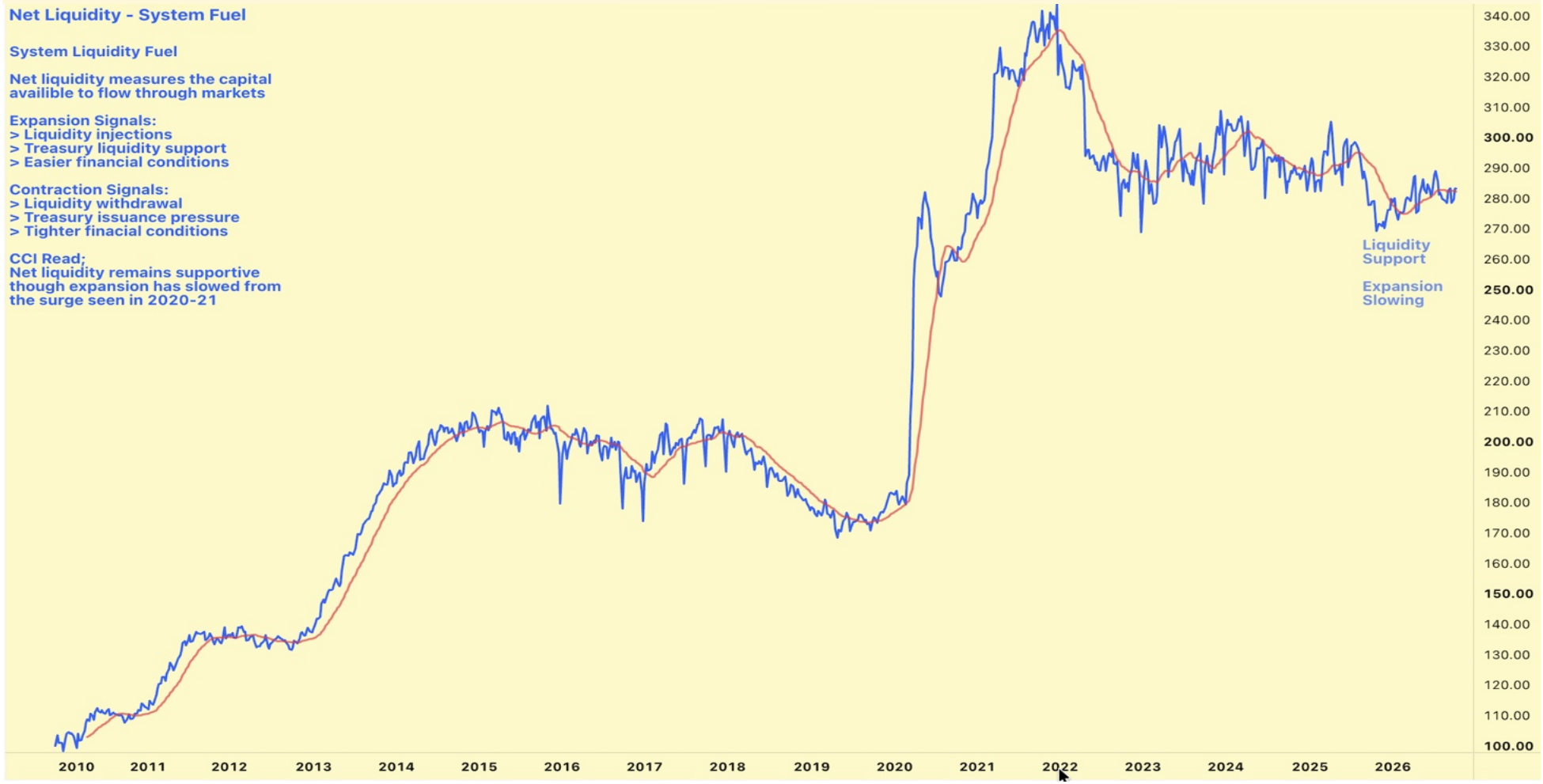
## GLOBAL LIQUIDITY IMPULSE — LIQUIDITY ACCELERATION ENGINE




CCL_L_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Liquidity momentum is recovering from earlier weakness, but sustained acceleration is not yet established. The signal supports a constructive liquidity outlook without confirming a new phase of broad-based acceleration.

## US NET LIQUIDITY — SYSTEM FUEL




CCL_L_03 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** US Net Liquidity remains comparatively stable but below its previous peak, with limited evidence of renewed acceleration. Supportive global liquidity therefore need not produce uniformly favourable domestic conditions; sustained improvement would strengthen transmission.

## NASDAQ vs GLOBAL LIQUIDITY — EQUITY TRANSMISSION




CCL_LD_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Established Technology leadership remains comparatively responsive to the supportive global liquidity backdrop. Capital continues concentrating in perceived areas of durable Growth; the important test is whether that participation broadens beyond established leaders.

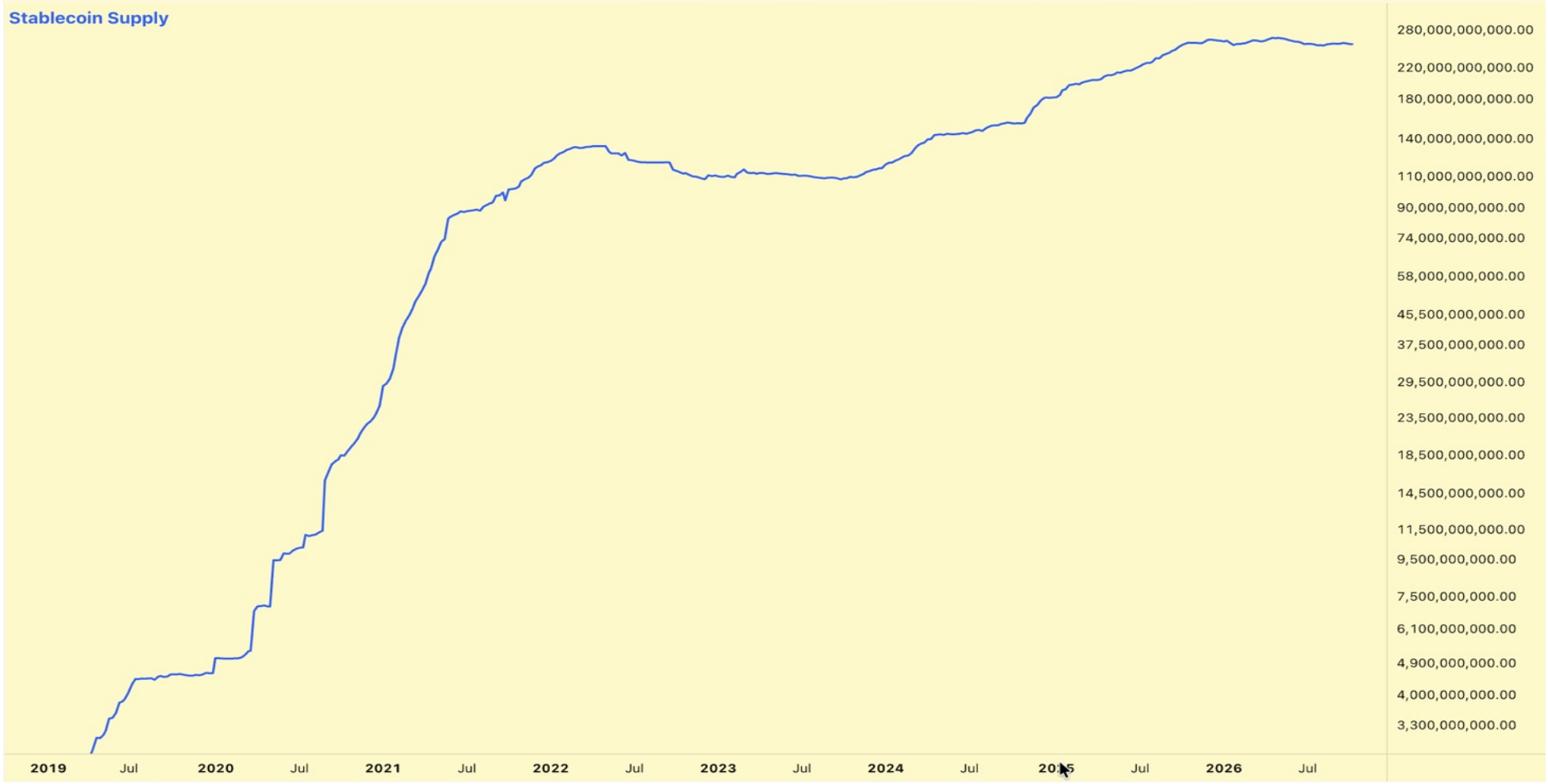
## GLOBAL LIQUIDITY VS BITCOIN




CCL_L_06 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bitcoin's comparatively subdued response to supportive Global Liquidity highlights the distinction between monetary conditions and asset-specific capital allocation. Liquidity creates capacity, but investors decide where capital goes. Sustained improvement in Bitcoin's relative performance would indicate broader transmission into digital assets.

## STABLECOIN LIQUIDITY — CRYPTO SYSTEM FUEL




CCL_L_08 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Stablecoin supply remains elevated, while recent growth momentum is subdued. The stock of crypto-native liquidity is substantial, but renewed acceleration is unconfirmed. Sustained supply growth alongside stronger digital-asset participation would provide firmer evidence of improving transmission.

# SECTION 3 - GROWTH

## Question

**Is liquidity continuing to translate into sustainable economic activity?**

## Capital Cycle Scorecard

| Factor | September Score | October Assessment |
|---|---|---|
| Manufacturing | 🟢 8.0 / 10 | Expansionary; momentum stabilising |
| Services | 🟢 7.7 / 10 | Broader activity remains expansionary; services breadth not independently verified |
| Employment | 🟠 6.4 / 10 | Moderation remains a key watch |
| Input Costs | 🔴 5.2 / 10 | Cost pressure remains consequential |
| Growth Outlook | 🟢 7.4 / 10 | 🟢 7.4 / 10 — Expansion |

**Growth State: 🟢 Expansionary**

**Direction: Constructive, with stabilising momentum**

## US ISM MANUFACTURING — EXPANSION WITH STABILISING MOMENTUM




CCL_G_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Manufacturing remains above the expansionary threshold of 50, supporting constructive Growth. Recent moderation points to stabilising momentum rather than renewed acceleration; persistent deterioration would raise questions about the durability of the Expansion.

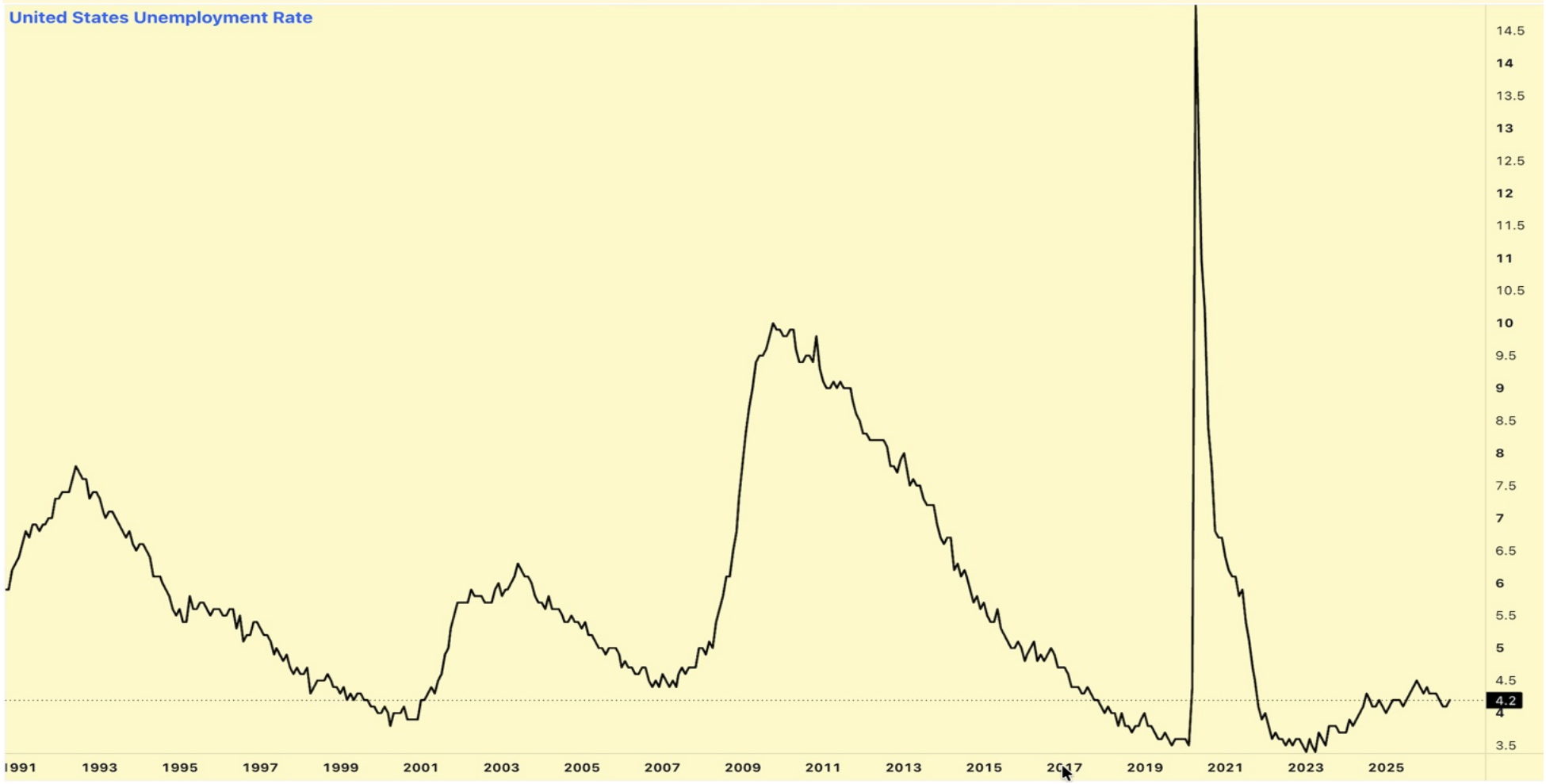
## GLOBAL PMI — BROADER ECONOMIC ACTIVITY




CCL_G_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Global PMI remains consistent with continued Expansion, although activity is uneven across economies. Sustained improvement would indicate broadening Growth; persistent deterioration would suggest that economic resilience is becoming more concentrated.

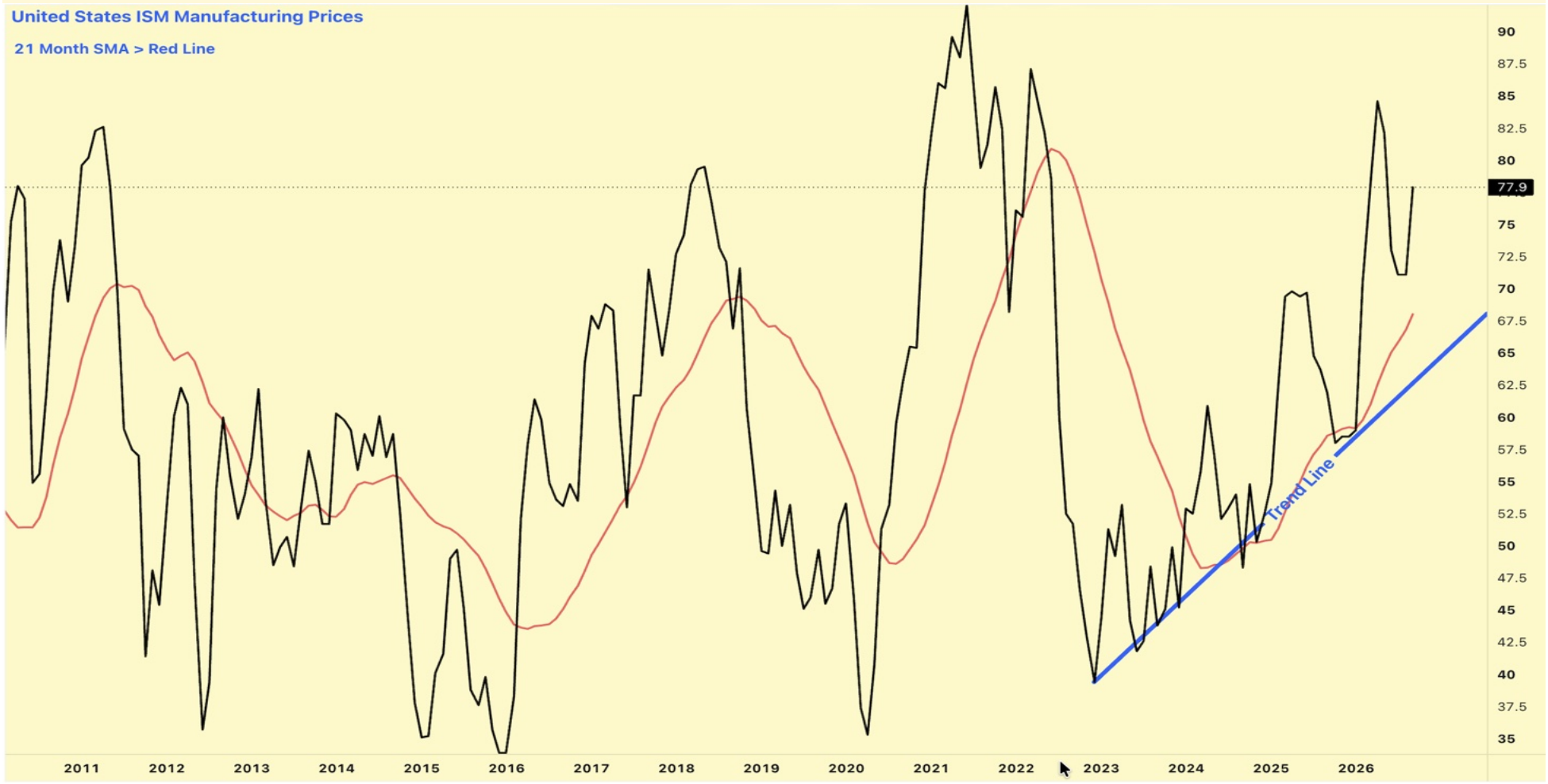
## US UNEMPLOYMENT RATE




CCL_G_03 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The labour market is moderating rather than showing the sustained deterioration typically associated with Contraction. A persistent rise in unemployment, alongside weaker business activity and tighter Credit, would represent a more consequential warning.

## ISM MANUFACTURING PRICES PAID




CCL_G_05 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Manufacturing input-cost pressures remain elevated, with renewed upward pressure in recent readings. Growth can remain constructive while higher production costs constrain margins and monetary-policy flexibility, potentially prolonging restrictive financing conditions.

## GROWTH IMPULSE




CCL_G_04 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The Growth Impulse distinguishes changes in economic momentum from the level of output. Continued Expansion does not automatically mean accelerating Growth. Sustained improvement would strengthen confidence in the Expansion's durability; persistent weakening would warrant closer examination alongside manufacturing, employment and Credit.

# SECTION 4 - CREDIT

## Question

**Is the financial system continuing to support economic Growth?**

## Capital Cycle Scorecard

| Factor | September Score | October Assessment |
|---|---|---|
| Investment Grade | 🟢 8.2 / 10 | Spreads remain historically contained; recent firming warrants monitoring |
| High Yield | 🟢 8.0 / 10 | Functional; sensitivity to financing pressure |
| Bank Credit | 🟢 7.4 / 10 | Lending transmission to verify |
| Lending Standards | 🟠 6.6 / 10 | Selectivity remains important |
| Credit Outlook | 🟢 7.8 / 10 | 🟢 7.6 / 10 — Constructive, with emerging pressure |

**Credit State: 🟢 Constructive**

**Direction: Watchful — Emerging Pressure**

## INVESTMENT GRADE CREDIT SPREADS




CCL_CR_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Investment-grade spreads remain relatively contained, but recent firming warrants attention as financing conditions become more demanding. Sustained widening alongside tighter lending would suggest deteriorating confidence in higher-quality corporate Credit.

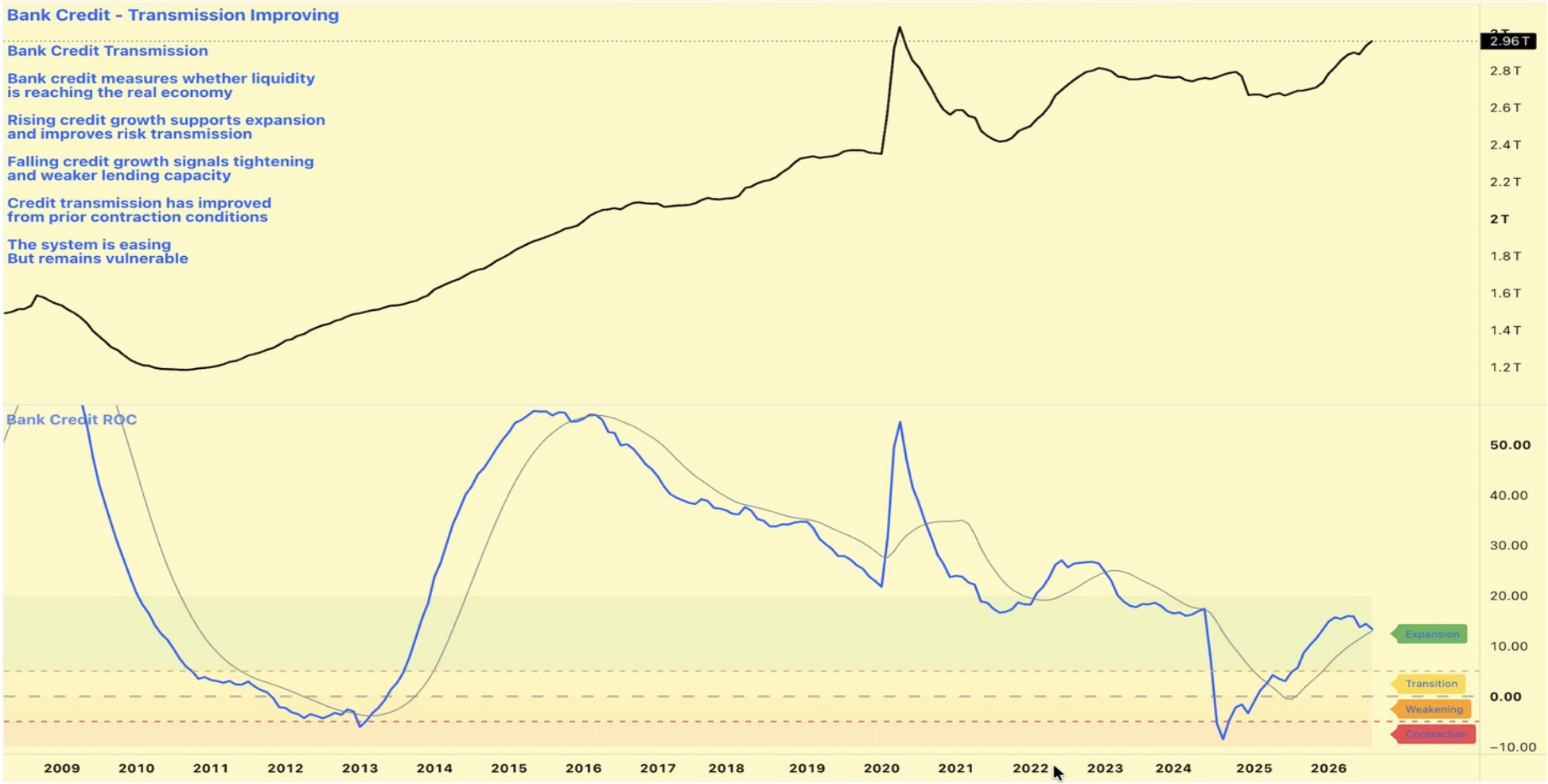
## HIGH YIELD CREDIT SPREADS




CCL_CR_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** High-yield spreads remain comparatively contained, indicating that financing markets still function for lower-quality borrowers. These borrowers remain sensitive to elevated rates; persistent widening would signal reduced willingness to finance Credit risk.

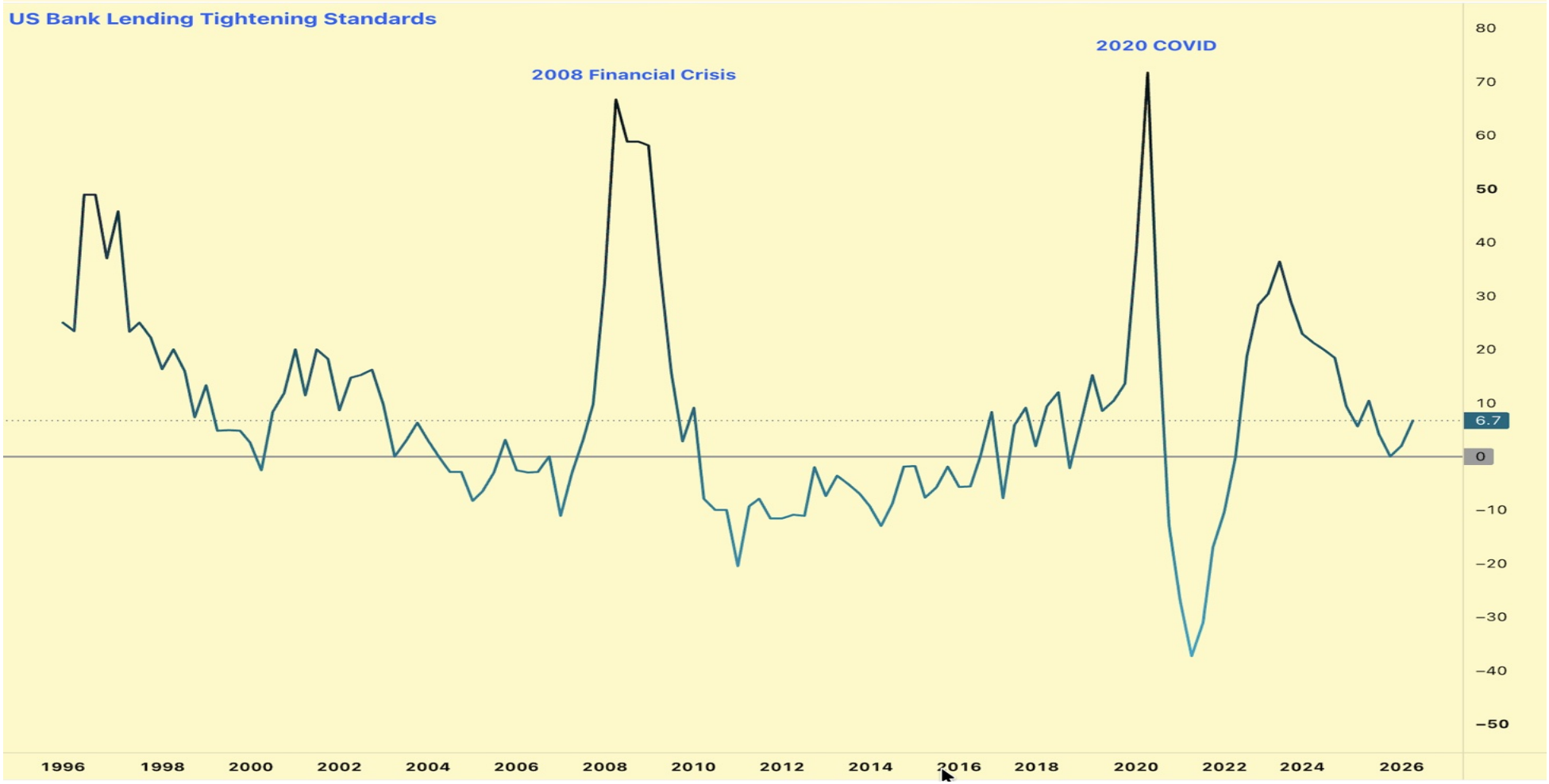
## BANK CREDIT — LENDING TRANSMISSION




CCL_CR_03 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bank lending remains available, supporting the Expansion, but conditions are not equally favourable for every borrower. Weaker lending growth alongside tighter standards and wider spreads would suggest financial pressure is beginning to restrict economic activity.

## US BANK LENDING STANDARDS




CCL_CR_04 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Lending standards reflect selectivity rather than a confirmed broad withdrawal of Credit. Sustained tightening alongside weaker loan growth and rising defaults would provide stronger evidence that expensive capital is becoming restrictive capital.

# SECTION 5 - CONFIDENCE

## Question

**How is capital responding to the current Capital Cycle?**

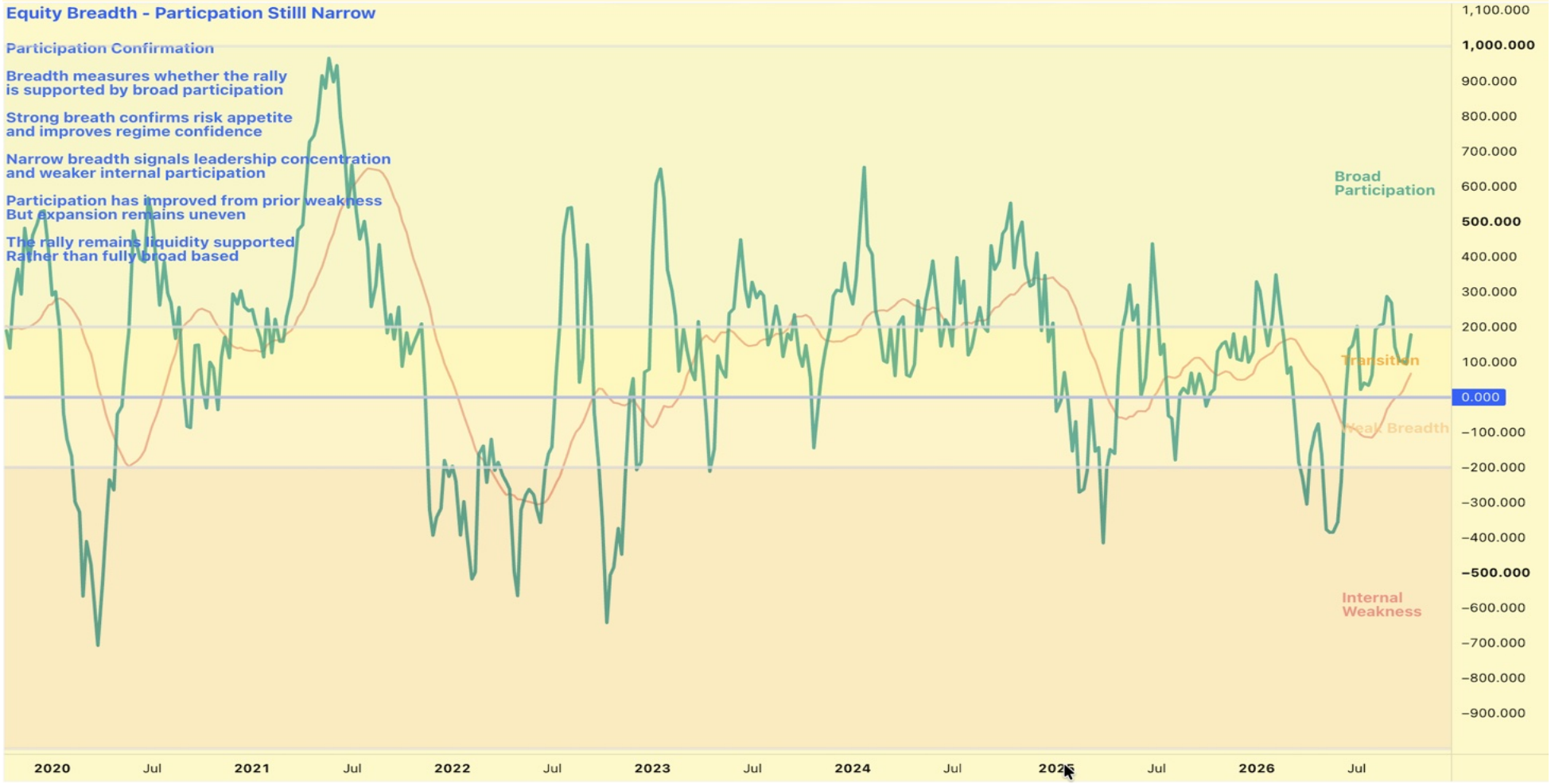
## Capital Cycle Scorecard

| Factor | September Score | October Assessment |
|---|---|---|
| Equity Participation | 🟠 7.0 / 10 | Participation remains an important source of support |
| Defensive Demand | 🟠 7.2 / 10 | Demand for protection remains significant |
| Risk Appetite | 🟠 6.2 / 10 | Selective rather than indiscriminate |
| Capital Allocation | 🟢 7.4 / 10 | Capital continues favouring perceived quality |
| Confidence Outlook | 🟠 6.8 / 10 | 🟠 7.0 / 10 — Constructive, Selective |

**Confidence State: 🟠 Constructive / Selective**

**Direction: Modestly Improving — Participation Remains Disciplined**

## EQUITY PARTICIPATION




CCL_CF_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Breadth continues to fluctuate without sustained improvement. Participation remains uneven, with insufficient evidence that confidence is broadening decisively beyond established leadership. The signal remains consistent with constructive but selective Confidence.

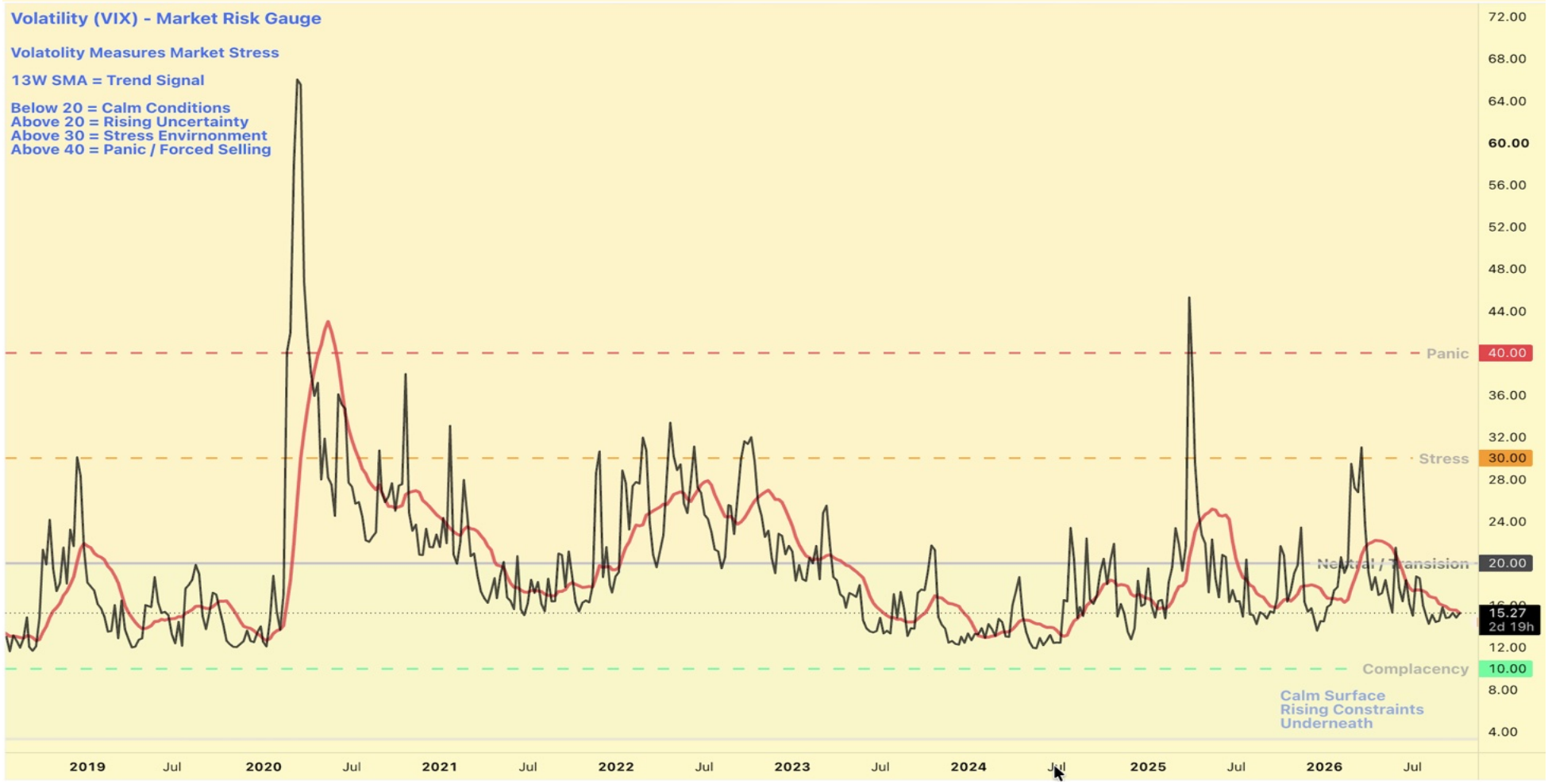
## GOLD PERFORMANCE




CCL_CF_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Gold retains its longer-term upward trend despite a retreat from recent highs. Demand for monetary protection remains substantial, but the pullback shows that defensive trends also adjust. Its Capital Cycle message depends on broader financial conditions, not one price movement.

## VIX VOLATILITY




CCL_CF_03 I Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The VIX remains below the extreme levels associated with previous financial stress. Recent fluctuations show sensitivity to uncertainty without establishing a sustained higher-volatility regime. Equity-market confidence remains broadly consistent with continued participation rather than systemic risk aversion.

# SECTION 6 - LEADERSHIP

## Question

**Where is investor conviction becoming most concentrated?**

## Capital Cycle Scorecard

| Factor | September Score | October Assessment |
|---|---|---|
| Technology Leadership | 🟢 9.0 / 10 | Established leadership remains central |
| AI Leadership | 🟢 9.0 / 10 | Structural investment continues supporting the theme |
| Defensive Leadership | 🟠 7.2 / 10 | Gold remains an important alternative destination |
| Breadth | 🟠 6.3 / 10 | Broader participation requires confirmation |
| Leadership Outlook | 🟢 8.0 / 10 | 🟢 8.0 / 10 — Strong but Concentrated |

**Leadership State: 🟢 Strong**

**Direction: Persistent, but Concentrated**

## S&P 500 LEADERSHIP




CCL_BON_12 | Source: supplied CCI chart library, October 2026.

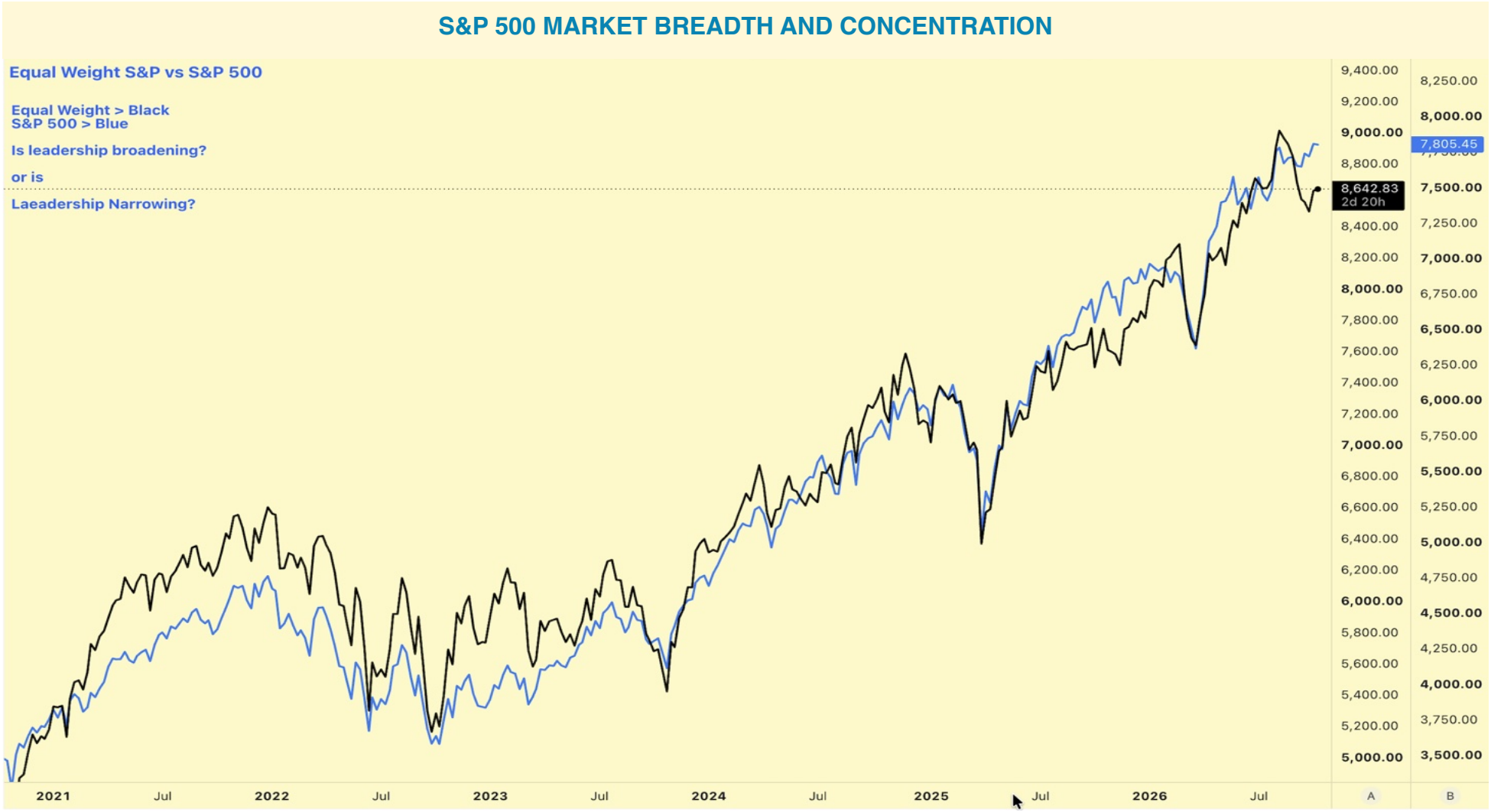
**CCI TAKEAWAY —** The S&P 500 retains an established upward trend near the upper end of its recent range, confirming large-cap US equities as an important source of leadership. Strong index performance alone does not establish that participation is broadening.

## NASDAQ LEADERSHIP




CCL_BON_13 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The Nasdaq retains a constructive longer-term trend, reinforcing persistent Technology leadership. Recent fluctuations have not established a decisive breakdown, but continued index strength remains distinct from participation spreading beyond established leaders.




CCL_LD_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Both equal-weighted and capitalisation-weighted S&P 500 measures have participated in the broader advance, although their performance differs. This indicates participation beyond the largest companies without establishing that concentration risk has disappeared.




CCL_LD_03 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bitcoin continues fluctuating relative to the Nasdaq without clear evidence of a sustained new phase of Bitcoin leadership. Supportive Liquidity creates capacity for participation; relative performance shows where investors are expressing conviction.

# SECTION 7 - CAPITAL ROTATION

## Question

**Is investor conviction beginning to evolve?**

## Capital Cycle Scorecard

| Factor | September Score | October Assessment |
|---|---|---|
| Rotation Strength | 🟢 7.4 / 10 | Orderly; direction to verify |
| Leadership Persistence | 🟢 8.4 / 10 | Established leadership remains central |
| Defensive Rotation | 🟠 7.0 / 10 | Demand for protection remains important |
| Risk Rotation | 🟠 6.1 / 10 | Broader participation requires confirmation |
| Rotation Outlook | 🟠 7.1 / 10 | 🟠 7.1 / 10 — Orderly and Selective |

**Capital Rotation State: 🟠 Orderly & Selective**

**Direction: Existing Leadership Favoured; Broadening Unconfirmed**

## GOLD VERSUS EQUITIES




CCL_ROT_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Gold and the S&P 500 retain substantial longer-term gains, but Gold has retreated more sharply while equities remain comparatively resilient. Relative performance helps distinguish sustained investor preference from shorter-term adjustments as the Expansion matures.

## BITCOIN VERSUS GOLD — CAPITAL ROTATION REGIME




CCL_ROT_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bitcoin's relative performance remains uneven, without an established, sustained recovery in leadership against Gold. Periods of improvement do not yet confirm a decisive shift in investor preference towards Bitcoin; the evidence supports a selective assessment.

# The CCI Money Map

## Where Is the Marginal Dollar Choosing to Go?

The Money Map brings together the evidence from Liquidity, Growth, Credit, Confidence, Leadership and Capital Rotation.

| Capital Destination | September Preference | October Assessment |
|---|---|---|
| AI & Technology | 🟢 Strong Preference | Established leadership; persistence to confirm |
| Large-Cap US Equities | 🟢 Preferred | Constructive; breadth remains important |
| Gold | 🟢 Strong Preference | Monetary protection remains relevant |
| Broader Equities | 🟠 Participating | Broadening requires confirmation |
| Bitcoin & Crypto | 🟠 Unconfirmed | Relative leadership and liquidity transmission to verify |

# 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
**Regime Score:** 7.4/10
**Confidence:** High
Persistence Confidence: Moderate
**Risk:** Increasing but Controlled
**Stance:** Participate with Discipline

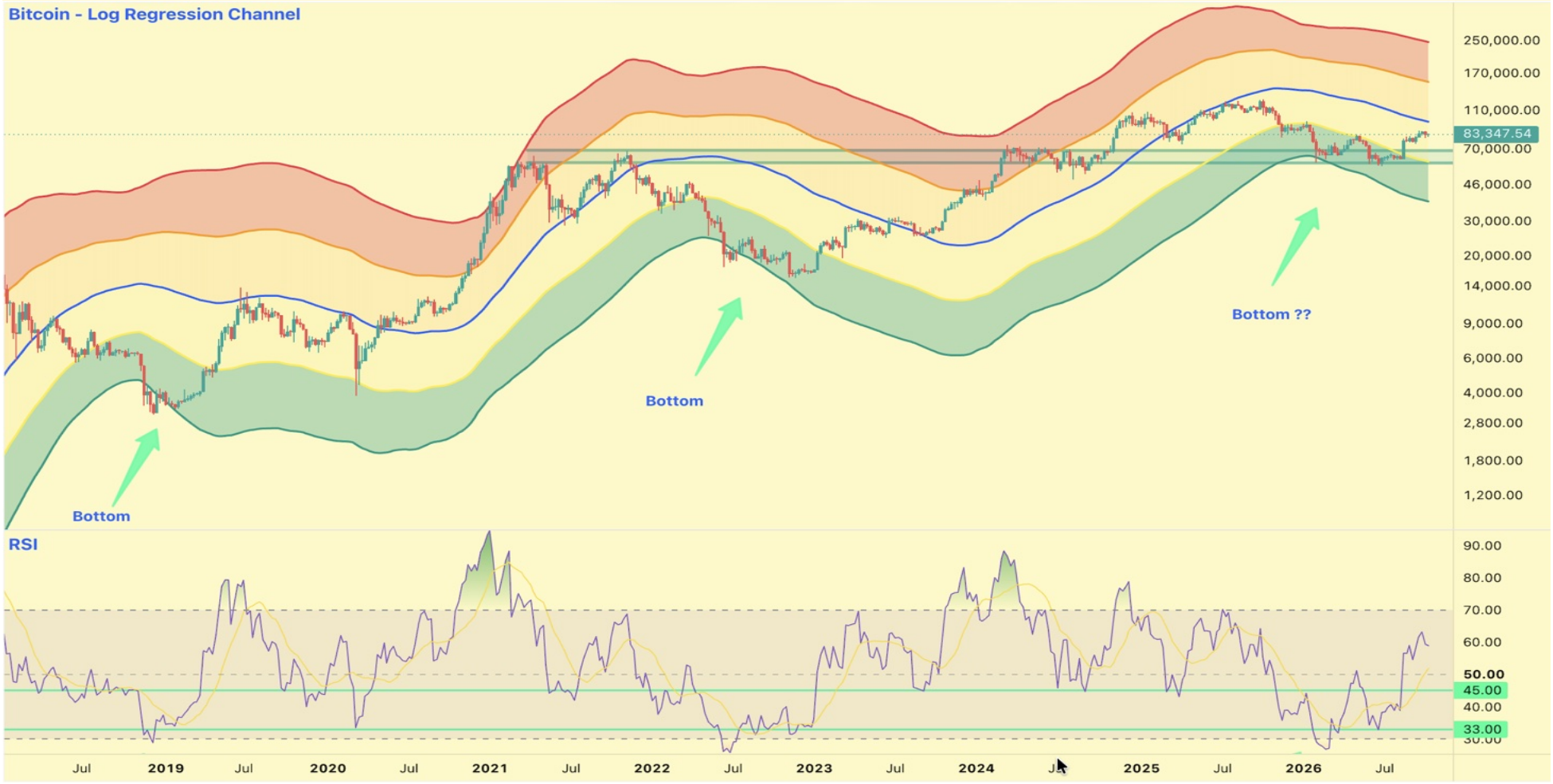
# The Capital Cycle Position

## 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 | Uneven Resilience |
| Primary Strength | Continued Liquidity, Growth and Credit Agreement |
| Primary Vulnerability | Expensive Capital and Concentrated Leadership |
| Transition Risk | Duration / Funding Pressure → Credit → Growth |

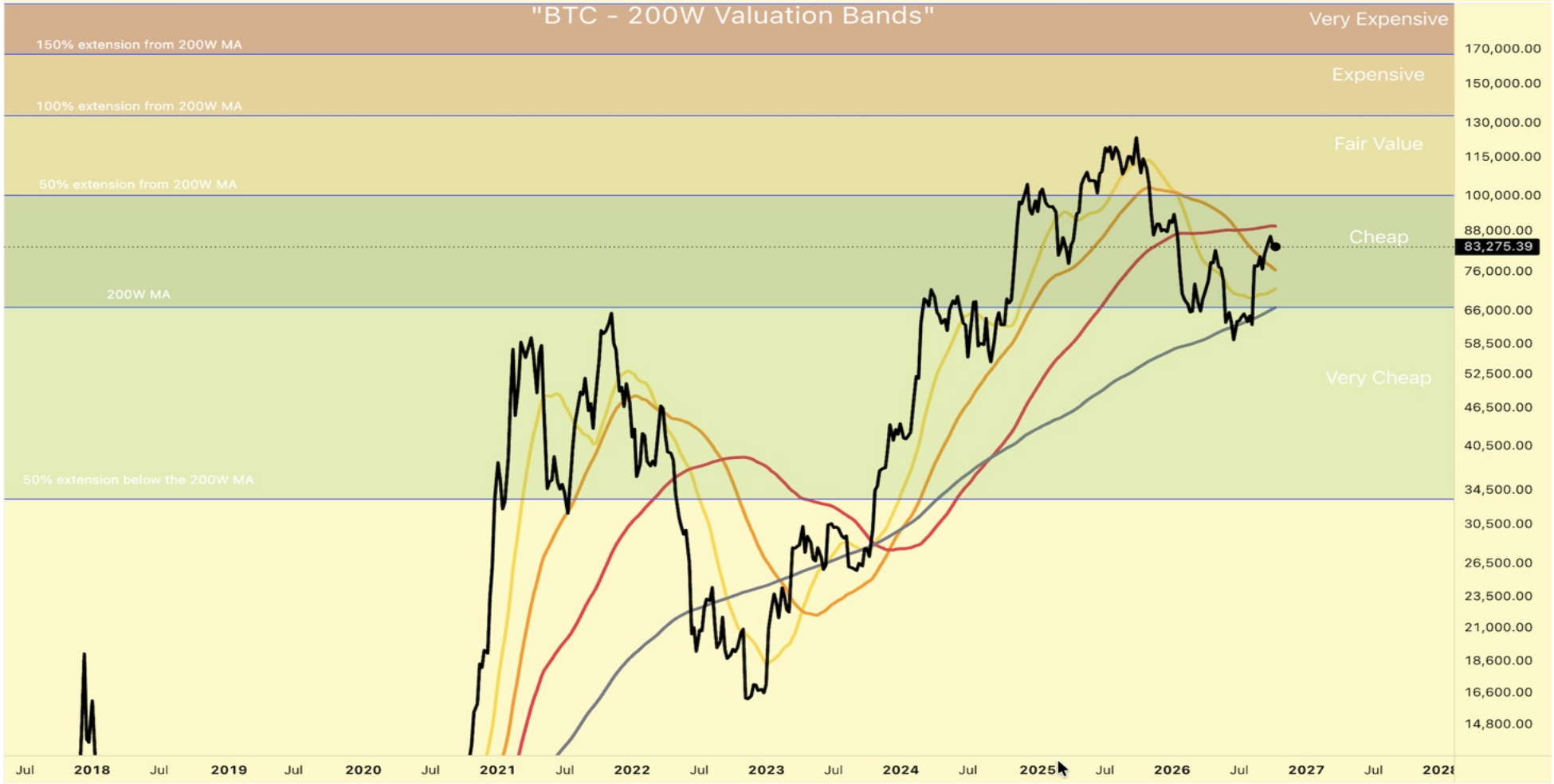
## BITCOIN LOG REGRESSION CHANNEL




CCL_MP_01 I Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bitcoin remains in the lower portion of its long-term regression channel after retreating from higher levels. It is not historically extended towards the upper boundary, but subdued valuation does not establish that a sustained recovery in investor demand has begun.

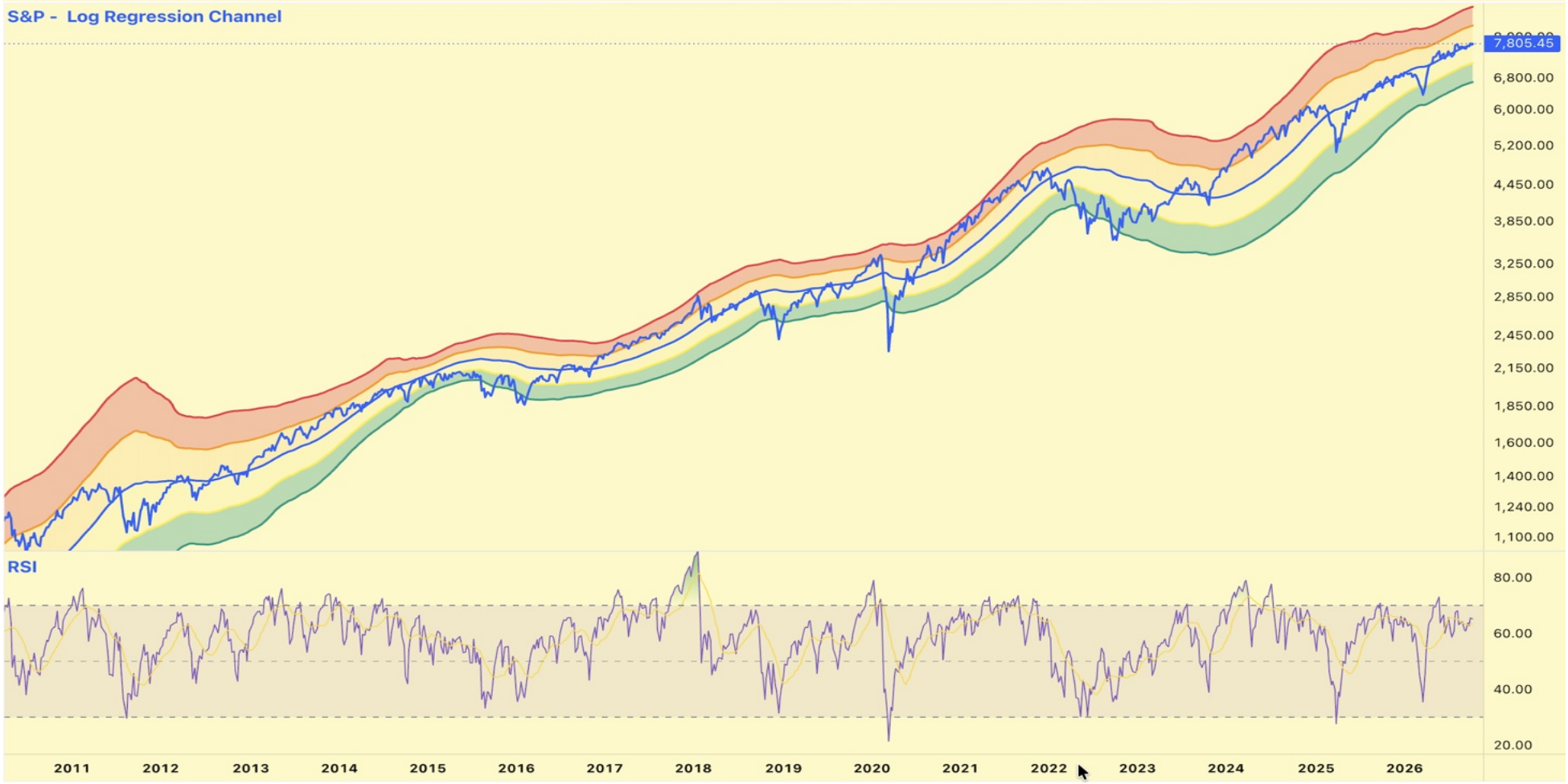
## BITCOIN 200-WEEK VALUATION BANDS




CCL_MP_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Bitcoin remains below the upper regions of its historical valuation structure, with price recovering from recent lows. A less demanding valuation position remains distinct from confirmed leadership; independent evidence of capital returning is still required.

## S&P 500 LOG REGRESSION CHANNEL




CCL_MP_03 I Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The S&P 500 sits towards the upper region of its long-term regression channel, consistent with persistent equity strength. Demanding expectations reinforce the importance of earnings delivery and valuation discipline, with less room for disappointment.

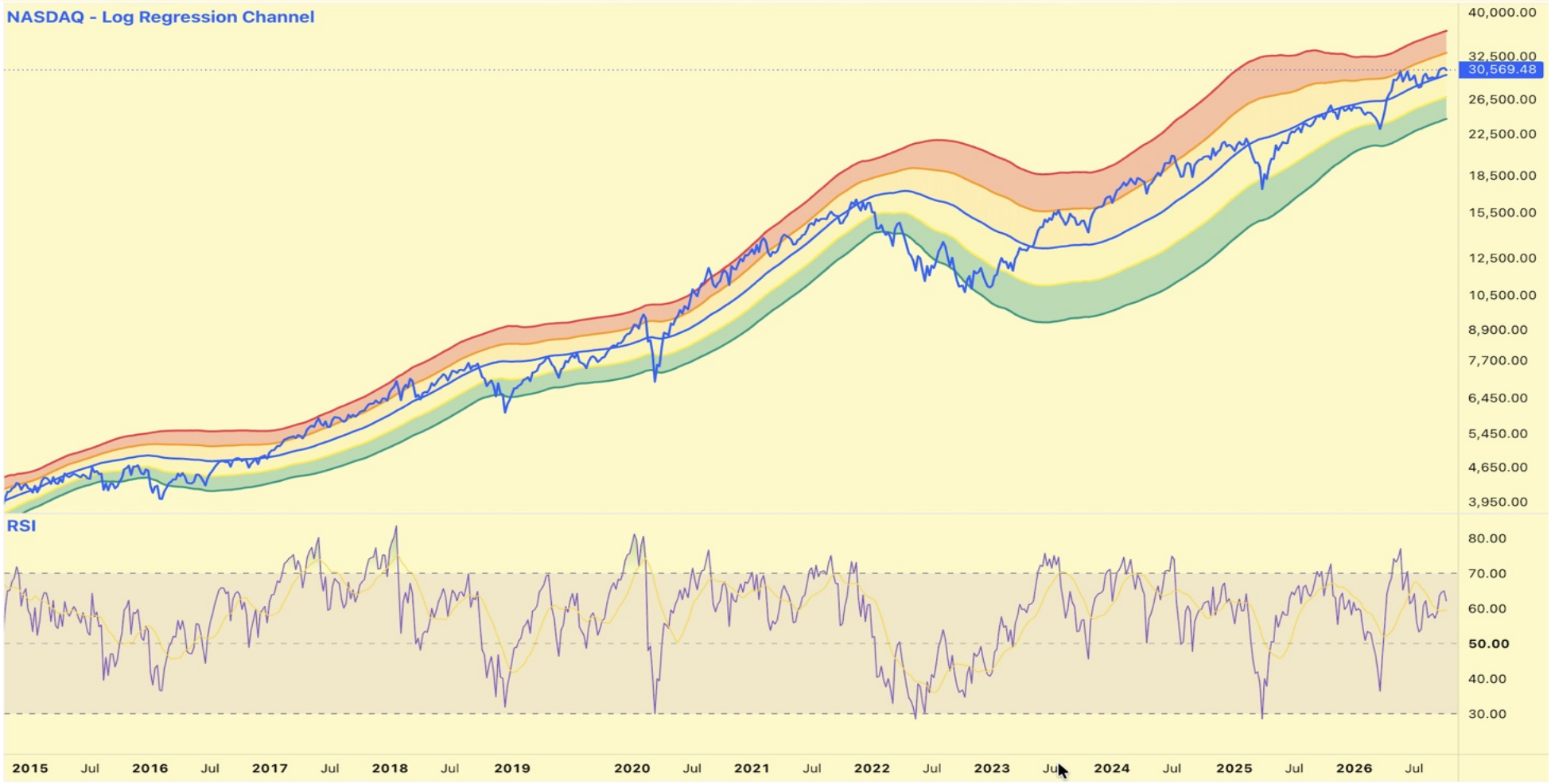
## S&P 500 200-WEEK VALUATION BANDS




CCL_MP_04 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The S&P 500 remains elevated within its historical valuation structure. Strength persists, but distance from longer-term valuation averages reinforces the distinction between durable leadership and the price paid for it. Elevated valuation alone does not imply an imminent reversal.

## NASDAQ LOG REGRESSION CHANNEL




CCL_MP_05 I Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The Nasdaq remains in the upper region of its long-term regression channel, confirming persistent Technology leadership. Future earnings and productivity outcomes matter increasingly in sustaining the expectations already reflected in market prices.

## NASDAQ 200-WEEK VALUATION BANDS




CCL_MP_06 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The Nasdaq remains elevated within its historical valuation structure. Technology and AI opportunities remain compelling, but structural Growth does not remove valuation risk or guarantee that investment returns will match the strength of the underlying opportunity.

# 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.**

# CCI CANARY WATCH

## Beneath the Surface

The following charts retain the October newsletter's order.

Seven formal Canaries remain distinct from the separate Global Duration & Credit Stress investigation.

**Formal Long Bond Canary: 🟠 Watchful**

**Global Duration & Credit Stress: 🟠 Elevated Watch**

## US 10-YEAR TREASURY YIELD




CCL_CAN_01 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Treasury yields have risen from earlier cycle lows, keeping the cost of long-term capital in focus. Elevated yields alone do not establish systemic stress; corroborating evidence is needed to identify the cause of pressure and whether its consequences are appearing in Credit.

## US 30-YEAR TREASURY YIELD




CCL_CAN_02 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** The longer end of the US Treasury curve shows renewed upward pressure, keeping long-term financing costs in focus. The chart alone cannot identify whether inflation expectations, term premium, real Growth or sovereign financing demand is responsible. Elevated yields require corroborating Credit evidence before they establish systemic stress.

## USD/JPY




CCL_CAN_11 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** USD/JPY has experienced considerable movement as Japanese funding conditions change. The economics of Yen-funded leverage warrant attention, but currency moves alone do not establish a disorderly unwind. Confirmation requires agreement with rate differentials, positioning and forced deleveraging.

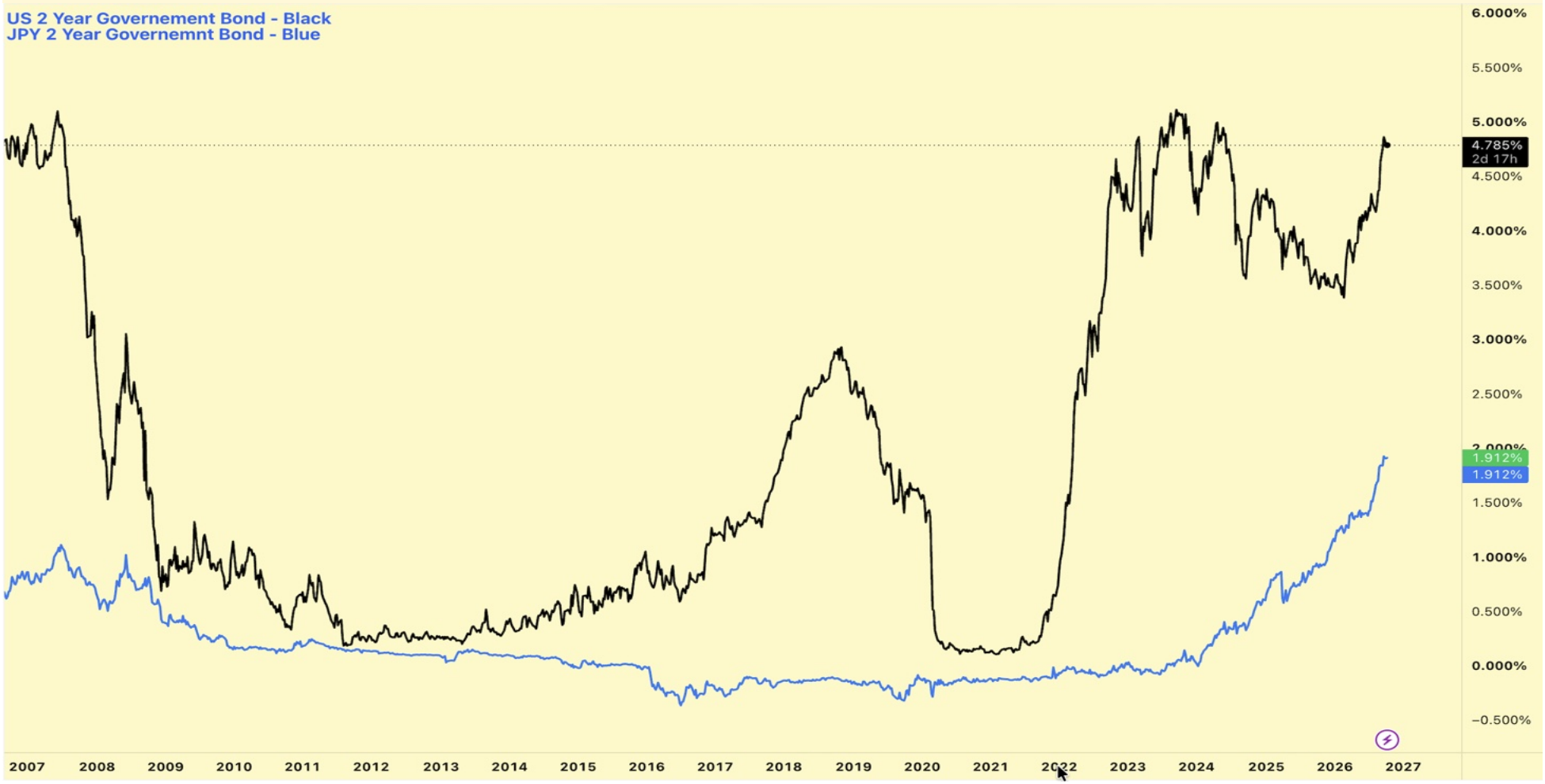
## JAPAN 10-YEAR GOVERNMENT BOND YIELD




CCL_CAN_03 | Source: supplied CCI chart library, October 2026.

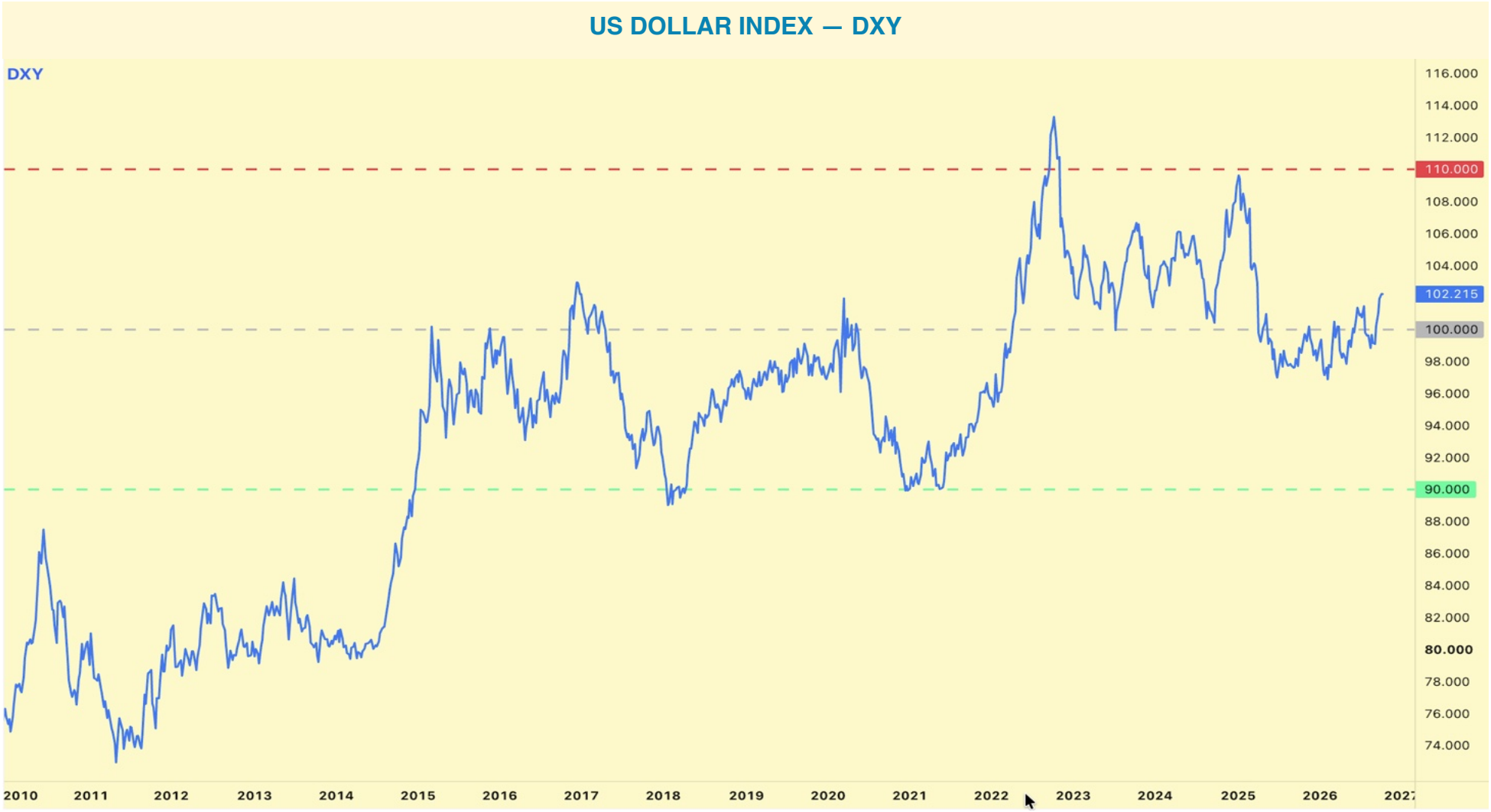
**CCI TAKEAWAY —** Japanese government bond yields have risen substantially from earlier lows, changing the economics of Yen-funded leverage. Monetary normalisation can influence global funding without producing disorder. A carry-trade unwind requires corroboration from currencies, rate differentials, positioning and forced deleveraging.

## US AND JAPAN TWO-YEAR GOVERNMENT BOND YIELDS



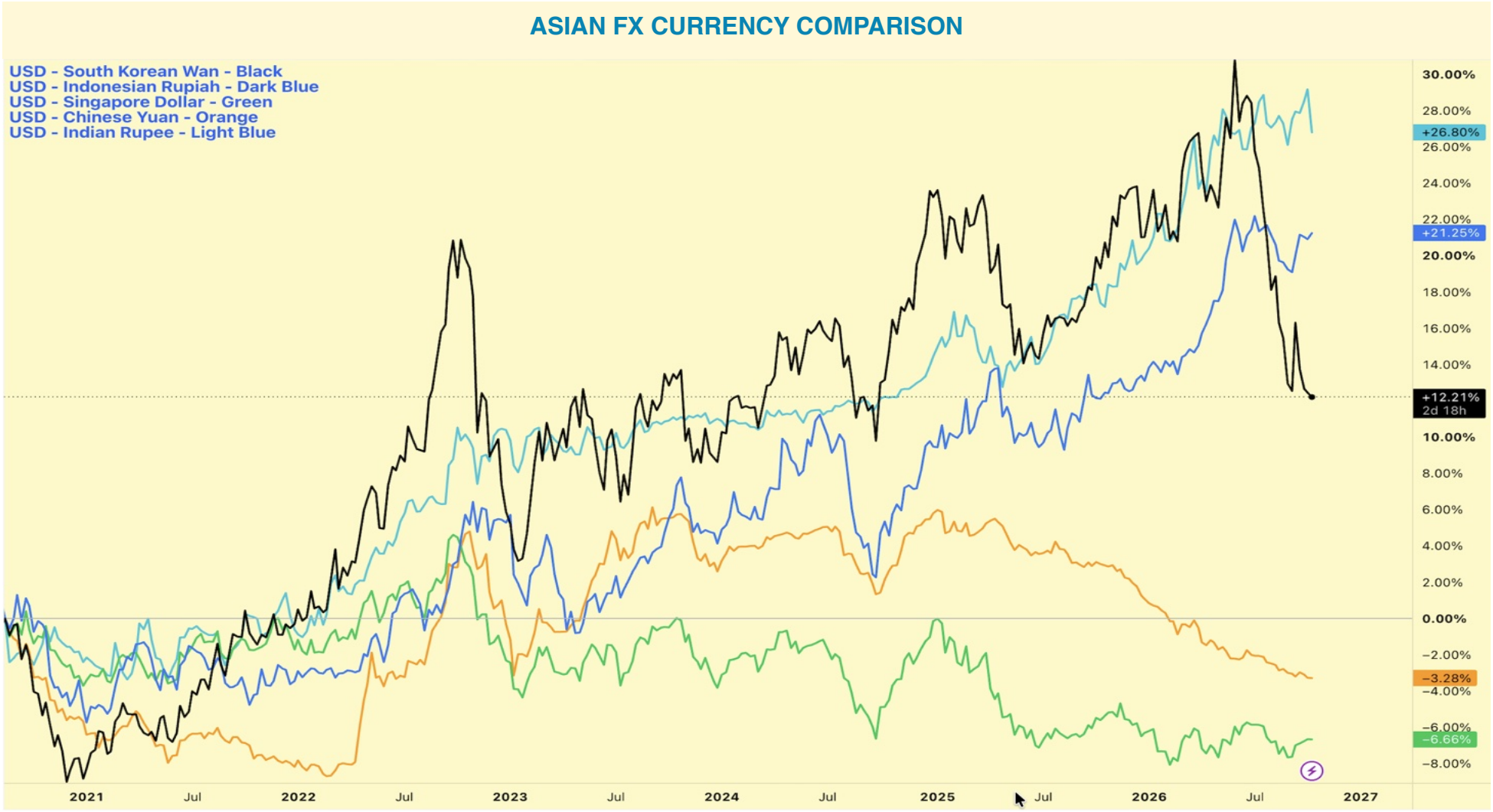

CCL_CAN_04 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** US and Japanese short-term yields reflect different monetary conditions. Together with rising Japanese yields and currency movements, they explain why Yen-funded leverage warrants attention. Changing rate differentials alone do not establish a disorderly unwind; positioning and signs of forced deleveraging remain important confirmation.



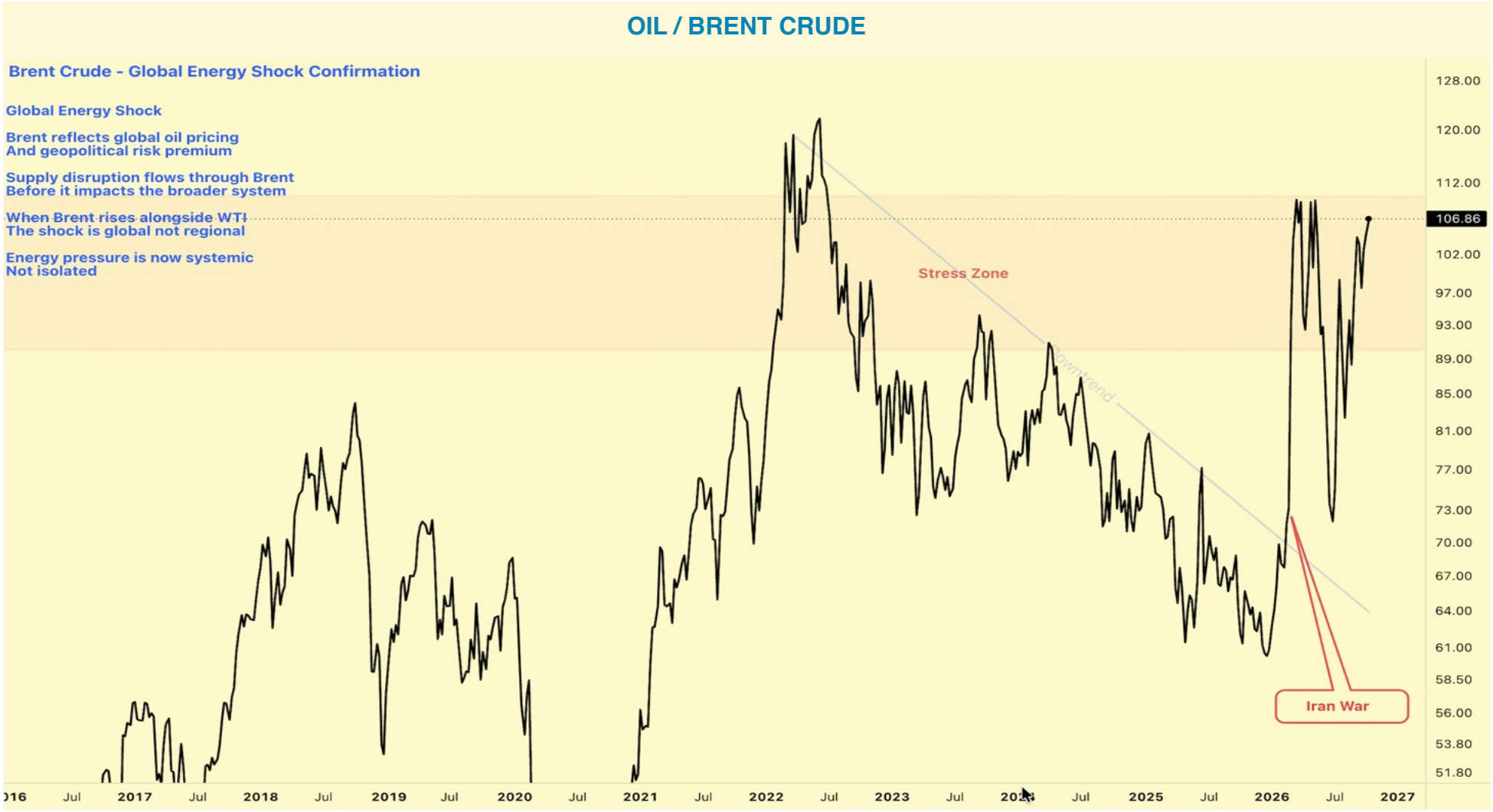

CCL_CAN_05 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Dollar strength can make international financing more demanding, but it does not by itself establish a global liquidity contraction. October's currency evidence is uneven. The stronger warning would be persistent, correlated currency weakness accompanied by deteriorating Credit conditions and broader funding pressure.



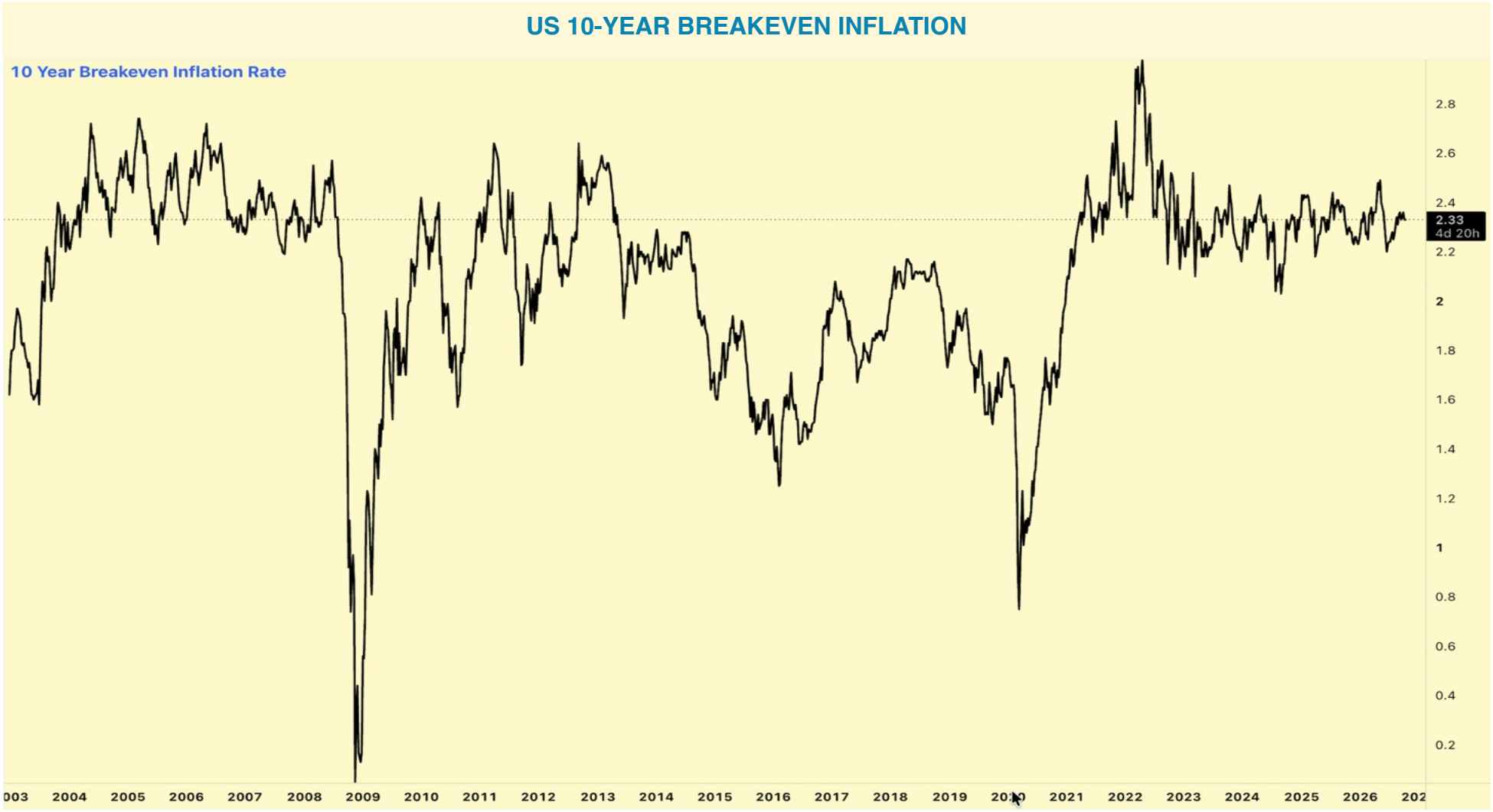

CCL_CAN_06 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** International currency conditions have not moved uniformly. The regional comparison helps identify funding pressure that a single Dollar measure can miss. Persistent, correlated currency weakness alongside deteriorating Credit conditions would provide stronger evidence that pressure is spreading through the financial system.




CCL_CAN_12 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Brent has experienced substantial price fluctuations. Energy becomes more consequential for the Capital Cycle when pressure persists and influences broader inflation expectations, financing conditions and economic activity; price movement alone does not establish that transmission.




CCL_CAN_09 | Source: supplied CCI chart library, October 2026.

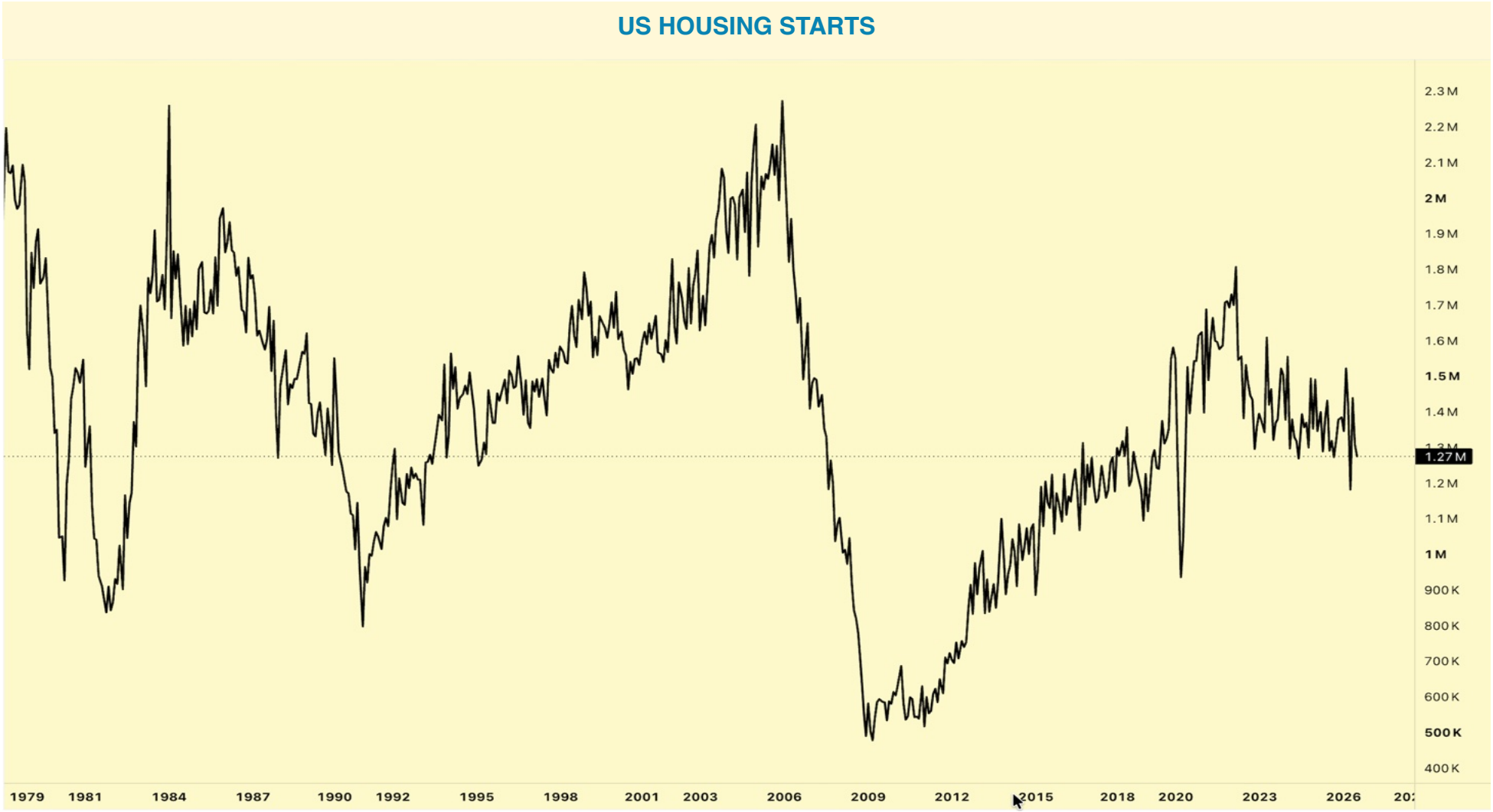
**CCI TAKEAWAY —** Longer-term inflation expectations remain comparatively contained despite substantial energy-price fluctuations. Oil moves should not automatically be read as persistent inflation transmission. The more consequential signal would be sustained energy pressure alongside rising inflation expectations and increasingly restrictive financing conditions.

## US 30-YEAR MORTGAGE RATES




CCL_CAN_07 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Mortgage rates remain elevated relative to earlier cycle lows, leaving housing exposed to demanding financing conditions. Expensive capital can weaken activity before it creates systemic Credit stress. The critical threshold is whether borrower difficulties begin changing lending behaviour and broader financial conditions.




CCL_CAN_08 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Housing starts show uneven activity rather than sustained acceleration, consistent with an interest-sensitive sector facing demanding financing conditions. Weaker housing activity alone does not establish broader borrower distress. The Credit test is whether difficulties begin changing lenders' willingness or ability to provide capital.

## US 10-YEAR REAL YIELD




CCL_CAN_10 | Source: supplied CCI chart library, October 2026.

**CCI TAKEAWAY —** Real yields have recovered substantially from exceptionally low levels earlier in the cycle. Higher real financing costs must be distinguished from inflation-driven increases in nominal yields. Whether they reflect stronger productive investment opportunities, restrictive financial conditions or both remains an open research question.

# The October Evidence Board

| What We Are Watching | Working Status | Critical Transmission |
|---|---|---|
| Global Duration & Credit Stress | 🟠 Elevated | Long Yields → Financing Costs → Borrowers |
| Credit | 🟠 Watchful | Borrower Stress → Lenders → Financial System |
| Yen Carry Trade | 🟠 Active | Japanese Funding → Leverage → Global Markets |
| US Dollar / Asian FX | 🟠 Watch | Currency Conditions → International Funding |
| Energy / Inflation | 🟠 Watch | Energy → Inflation → Policy |
| Liquidity | 🟢 Supportive | Capital Availability → Market Transmission |
| Leadership / Rotation | 🟠 Selective | Confidence → Marginal Dollar |
| Sovereign / Productive Capital | 🟠 Structural Research | Capital Demand → Real Yields → Growth |

The Evidence Board combines formal Canary signals, dedicated investigations and broader monitoring priorities. Its eight categories do not expand the seven-Canary framework. Global Duration & Credit Stress is a separate Elevated Watch investigation; the formal Long Bond Canary remains Amber — Watchful.

# 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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