ABL Digital Global Cross-Asset Weekly

Trend & Correlation Report | week ending 2026-08-14

167 instruments | 1911 weeks history

REGIME: Neutral

EXECUTIVE SUMMARY

The engine paints a benign, mid-cycle tape and investors should stay constructively risk-on but selectively so. The Markov model sits firmly in Neutral (92.6% smoothed posterior, ~63 weeks in state), yet the cross-asset risk-appetite composite reads +1.08 [Risk-on], with every component positive — breadth (+1.14), HY credit (+1.03), VIX term (+1.10), low concentration (+1.37) and risk-over-haven (+1.24). The honest read: the statistical regime is calm-neutral while the discretionary scorecard leans risk-on, so lean into risk but size it for a regime that has not confirmed a full expansion. Favour momentum equity (Taiwan, Japan, Italy, US Nasdaq), cyclicals over defensives, and stay long the crowded-but-working US large-cap trend; fade emerging laggards (Indonesia, Russia, China internet) and be wary of gold at a rich +15.9% versus fair value. This week's signal set: the Growth×Inflation model sits in the Goldilocks quadrant (growth z +0.37, inflation z -0.06, with the 13-week inflation impulse collapsing -2.66) — supportive of duration and risk together; VIX 15.5 in deep contango (VIX/VIX3M 0.83, 25th percentile) confirms no forward stress is priced; and CAPE at 42.4 (99th percentile) with a negative -0.76% equity risk premium caps long-run upside. The biggest risk is a valuation-plus-positioning air-pocket: watch the VIX term ratio crossing above 1.0 and HY OAS breaking above ~3.2% from 2.71% as the confirming signal to de-risk.

Full section-by-section analysis follows on the next pages.

KEY SIGNALS

Stocks-Bonds DCC corr	**+0.00 (1y ago +0.19)**
PC1 variance share	**16%**
DCC persistence (a+b)	**0.9804**
Weeks in regime	**63**

EXECUTIVE DASHBOARD

One-glance cross-asset scorecard · week ending 2026-08-14 · 167 instruments, 10-year context

MARKET REGIME
Neutral
~63w in regime

GROWTH × INFLATION
Goldilocks
g +0.4 / i -0.1

STOCK–BOND CORR
+0.00
vs +0.19 1y ago

RISK CONCENTRATION
16%
PC1 share of variance

EQUITY BREADTH
79%
indices > 40wk MA

VIX TERM
Contango
ratio 0.83

VALUATION **Shiller CAPE 42.4** **99th %ile / 156y** Excess CAPE yield -0.07% ERP -0.76%

METRIC vs 10-YEAR HISTORY	Level	Wk Δ	10y percentile
Volatility (VIX)	15.5	+0.58	40th
HY credit spread (OAS)	2.71%	+0.00	10th
IG credit spread (OAS)	0.78%	+0.00	17th
EM corp spread (OAS)	1.39%	+0.00	1th
10Y real yield (TIPS)	2.43%	+0.00	99th
10Y nominal yield	4.69%	+0.00	99th
2Y yield	4.25%	+0.00	82th
10Y–2Y curve	+0.46pp	+0.00	54th
10Y breakeven infl.	2.25%	+0.00	57th
Financial conditions	-0.53	+0.00	37th
Initial jobless claims	199k	+0k	2th
Weekly Econ Index	+2.7%	+0.00	74th
Fed net liquidity	$5.84T	+0.00	54th
US dollar (DXY)	99.7	+0.1%	61th
Gold	$4,401	+1.4%	96th
S&P 500	7758	+3.6%	100th

Percentile = rank of the current level within its own 10-year weekly history. Red ≥ 90th (historically high), blue ≤ 10th (historically low), amber in the tails, grey
Extremes flag where a market is stretched versus its own norm — the fastest read of what is unusual this week.

CROSS-ASSET SCORECARD

Two composite gauges distilled from the whole panel — risk appetite and the growth nowcast

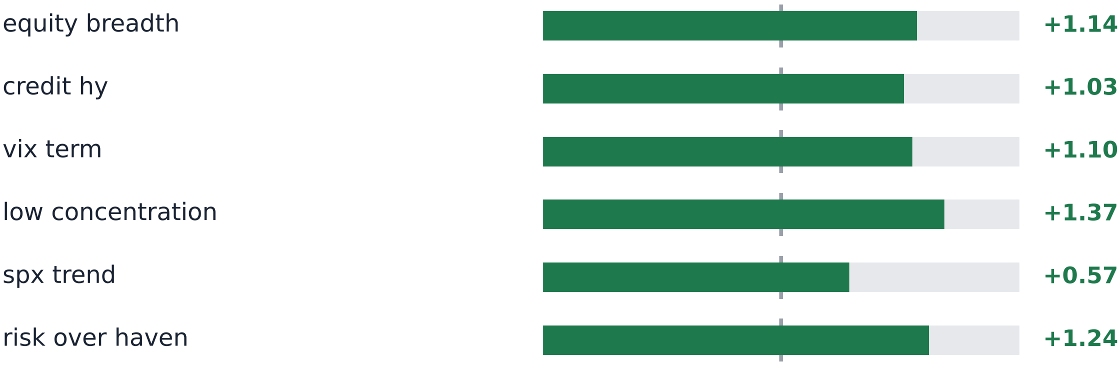
RISK APPETITE

Risk-on

score +1.08

risk-off (-1.5) (+1.5) risk-on

Components (standardised, + = risk-on):



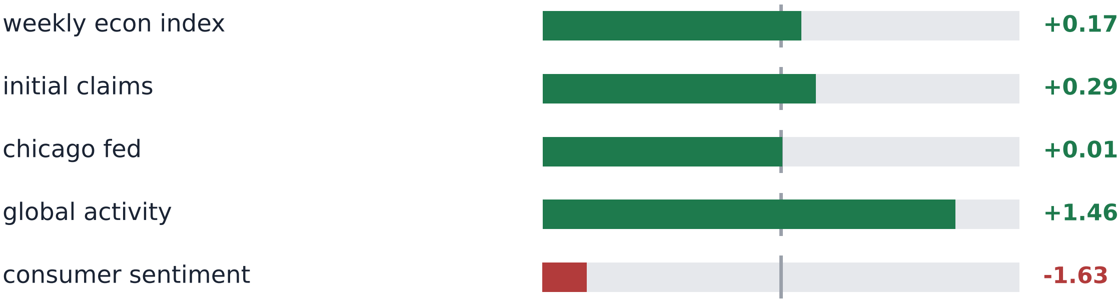
MACRO NOWCAST

Trend growth

score +0.06

contracting (-1.5) (+1.5) above-trend

Components (standardised, + = stronger growth):



Each component is a 10-year z-score, sign-aligned so higher = risk-on / stronger growth; the headline score is their average. Transparent by construction — every input is shown.

WHAT CHANGED THIS WEEK

Week-over-week moves and how the market-state readings shifted · 2026-08-14

TOP GAINERS

Corn	+5.5%
NatGas	+3.7%
Aluminum	+3.7%
USDRUB	+2.4%
HeatingOil	+2.3%
Soybean	+2.3%
JP_Nikkei225	+2.1%
TW_TAIEX	+1.6%

TOP DECLINERS

Gasoline	-7.6%
Coffee	-2.4%
ID_JKSE	-0.7%
Palladium	-0.6%
Sugar	-0.4%
AU_ASX200	-0.3%
UK_FTSE100	-0.3%
BE_BEL20	-0.3%

KEY LEVELS — week-over-week change

US 10Y yield	4.69	+0.00%
2Y yield	4.25	+0.00%
HY credit OAS	2.71	+0.00%
IG credit OAS	0.78	+0.00%
VIX	15.48	+0.58
SKEW	nan	+nan
US dollar (DXY)	99.70	+0.1%
Gold	4400.60	+1.4%
WTI oil	78.66	+0.6%
Bitcoin	64970.76	+0.2%

MARKET-STATE READINGS — now vs the prior report

Regime	prior: N	->	**Neutral**
Quadrant	prior: Gold	->	**Goldilocks**
Risk appetite	prior: +0.83	->	**+1.08**
Macro nowcast	prior: +0.04	->	**+0.06**
PC1 share	prior: 22	->	**16%**
Stock-bond DCC	prior: —	->	**+0.00**

The fastest orientation: what actually moved and how the headline state has shifted since last week. Movers are weekly log/%% returns; credit-spread and volatility increases are shown as adverse (red).

Detailed Cross-Asset Analysis

Section-by-section interpretation of the engine output - for investors

Executive Summary

The engine paints a benign, mid-cycle tape and investors should stay constructively risk-on but selectively so. The Markov model sits firmly in Neutral (92.6% smoothed posterior, ~63 weeks in state), yet the cross-asset risk-appetite composite reads +1.08 [Risk-on], with every component positive — breadth (+1.14), HY credit (+1.03), VIX term (+1.10), low concentration (+1.37) and risk-over-haven (+1.24). The honest read: the statistical regime is calm-neutral while the discretionary scorecard leans risk-on, so lean into risk but size it for a regime that has not confirmed a full expansion. Favour momentum equity (Taiwan, Japan, Italy, US Nasdaq), cyclicals over defensives, and stay long the crowded-but-working US large-cap trend; fade emerging laggards (Indonesia, Russia, China internet) and be wary of gold at a rich +15.9% versus fair value. This week's signal set: the Growth×Inflation model sits in the Goldilocks quadrant (growth z +0.37, inflation z -0.06, with the 13-week inflation impulse collapsing -2.66) — supportive of duration and risk together; VIX 15.5 in deep contango (VIX/VIX3M 0.83, 25th percentile) confirms no forward stress is priced; and CAPE at 42.4 (99th percentile) with a negative -0.76% equity risk premium caps long-run upside. The biggest risk is a valuation-plus-positioning air-pocket: watch the VIX term ratio crossing above 1.0 and HY OAS breaking above ~3.2% from 2.71% as the confirming signal to de-risk.

Regime, Scorecard & Market State

The two headline gauges disagree in a telling way. The Markov-switching model — estimated on weekly S&P returns with switching mean and variance — assigns 92.6% to Neutral, just 0.2% to Risk-on and 7.2% to Risk-off, and has held this state ~63 weeks. That is a statistically quiet, trendless-to-mildly-positive tape, not a confirmed bull impulse. Against that, the cross-asset scorecard prints +1.08 and is labelled Risk-on, with uniformly positive components: equity breadth +1.14, HY credit +1.03, VIX term +1.10, low concentration +1.37, S&P trend +0.57 and risk-over-haven +1.24. The reconciliation matters for positioning: the scorecard measures the quality of current risk conditions (broad participation, tight credit, calm vol, low crowding into a single factor), all of which are healthy; the Markov model measures the return-generating regime, which remains merely neutral. So the message is "risk conditions are good, but the market is not yet paying you a trending-bull premium." Practically: stay invested and lean risk-on, but do not press leverage as if a Risk-on regime were confirmed. Breadth corroborates the constructive side — 79% of 42 global indices and 82% of 11 US sectors are above their 40-week averages, a healthy trend, not a narrow melt-up.

Global Macro, Liquidity & the Growth Nowcast

The macro nowcast is +0.06 [Trend growth], and the Weekly Economic Index at +2.7% pins real-time activity near ~2% trend. Under the hood the nowcast is bifurcated: global activity is strong (+1.46) and jobless-claims momentum is fine (initial claims 199k, 2nd percentile of 10 years; continued 1.80mn), but consumer sentiment is deeply negative (-1.63). That gap — robust hard/activity data versus glum consumers — argues for trusting the tape over the survey for now, while flagging consumption as the soft underbelly. Liquidity is the notable drag: Fed net liquidity is flat on the week but down -2.5% over four weeks to $5.84T, ECB assets -0.1%, BoJ flat — global central-bank balance sheets are gently contracting, a slow headwind that caps multiple expansion even as it hasn't yet stressed markets. Funding is pristine: SOFR 3.65% sits right at fed funds 3.63% with the RRP facility drained to $1bn, so there is no plumbing stress. Global 10Y yields show developed divergence — US 4.69%, UK 4.80%, Germany 2.97%, Japan 2.67% — keeping the dollar bid and pressuring rate-sensitive EM. Net: trend growth, disinflating, but liquidity is quietly tightening.

Rates, Credit & the Stock-Bond Relationship

Levels are unchanged on the week but informative: 10Y nominal 4.69%, 10Y real 2.43%, 2Y 4.25%, the 10Y-2Y curve positively sloped at +0.46pp and 10Y-3M at +0.78pp — no inversion, no recession flag (FRED recession probability 0.6%, Sahm -0.03). Breakevens at 2.25% and the collapse in the inflation impulse support the disinflation story. Credit is emphatically calm: HY OAS 2.71% and IG OAS 0.78% are tight, and junk-bond demand in the sentiment complex is pegged at 97 — credit markets see no default cycle, which underwrites equity risk. The stock-bond relationship is the week's structural story: the DCC conditional correlation between stocks and the 10Y yield is +0.00 now versus +0.19 a year ago (persistence 0.98). Bonds have stopped moving inversely-to-price with equities the way they did in the inflation-scare regime; the negative rolling stock/yield correlation (-0.23 over 52w) means falling yields now help stocks again. That restores the classic hedge: duration is becoming a portfolio diversifier once more, so adding high-quality bonds improves the risk-adjusted profile rather than doubling the risk.

Factor Structure & Systemic Risk

The PCA over 111 instruments is reassuring. PC1 (Risk / equity beta) explains only 16% of variance, PC2 (Rates, inverse) 12%, PC3/PC4 (dollar) 5%/4%. A low PC1 share means no single force is dominating cross-asset moves — this is a market trading on idiosyncratic and sector-specific drivers rather than one macro switch, which is precisely why the scorecard's "low concentration" component is its strongest at +1.37. That is a healthy environment for stock- and asset-selection to add value. Systemic co-movement confirms it: the MV-DCC average pairwise conditional correlation is +0.04, unchanged from a year ago, with no sign of the correlation spike that signals diversification failing in real time. Both gauges say the same thing — diversification is working, tail-correlation is dormant, and there is no crowding into a single systemic risk. For allocators this is permission to run diversified, multi-asset risk rather than hedging a one-factor market.

Cross-Asset Correlation & Lead-Lag

The Granger network names the information leaders as Bitcoin, EU STOXX50, VIX and US HY OAS, feeding followers Nikkei, S&P 500, Gold and Copper. The implication: watch crypto, European equity risk, the vol complex and credit spreads first — they are setting the tone that spills into the broad indices and cyclical commodities later in the week. The rolling correlations flesh out the plumbing: VIX vs stocks -0.79 (13w) — vol is the reliable inverse hedge; stocks vs HY spread -0.81 — credit and equity are moving as one risk block; copper vs stocks +0.64 confirms the cyclical/risk linkage; BTC vs Nasdaq +0.52 keeps crypto tethered to tech risk appetite. Gold-vs-breakeven has flipped to +0.21 (13w) from -0.21 (52w), a +0.42 shift, hinting gold is starting to trade as an inflation/debasement hedge again rather than purely a real-rate play. With copper and the Nikkei as followers, cyclical exposure is a coincident-to-lagging bet on the leaders staying constructive.

Relative Value & Fair Value

Trust each dislocation in proportion to its fit. The high-conviction signal is USDJPY, cheap -2.5% versus the US-Japan yield gap with an excellent R^2 0.92 (z -0.85) — a well-anchored model saying the yen is modestly too weak / dollar-yen too low relative to rate differentials; a credible mean-reversion candidate for those playing FX. The second flagged model is gold, RICH +15.9% versus its real-yield-and-dollar fair value, R^2 0.67 (z +0.76) — a decent but not airtight fit, so treat the richness as a real caution (gold has run ahead of its macro anchors) without treating it as a precise short trigger. On CFTC positioning-as-RV, the standouts are crowded-long Copper (99th percentile) and USD Index (100th) — squeeze-lower risk if momentum stalls — against crowded-short Silver (13th), Nasdaq (2nd) and UST 10Y (5th), where any positive surprise risks a squeeze-higher. The cointegration/RV engine flags no $|z|>1.5$ spread beyond these, so relative-value opportunity is concentrated in the yen (trust it) and the gold-richness/positioning extremes (respect them).

Volatility & Tail Risk

The vol complex is calm but not complacent. The term structure is in clean contango — 9D 12, 1M 15, 3M 19, 6M 21 — with the VIX/VIX3M ratio at 0.83 (25th percentile of 10 years), meaning no forward stress is priced. The vol-risk premium is positive at +1.6, so implied still exceeds realised: short-vol and carry strategies remain paid, but modestly. SKEW at 133 (24th percentile) shows tail-hedging demand is normal, not elevated — crash protection is not being aggressively bid. Bond vol (MOVE 72, 15th percentile) is very low, consistent with the frozen rates picture. The exceptions are commodity vol: OVX 56 (89th percentile) and GVZ 26 (90th percentile) — oil and gold carry elevated implied vol, so size commodity exposure smaller. Tail metrics are contained: S&P 5% expected shortfall -4.8% with zero current drawdown; Gold ES -4.7% but -16% drawdown from highs; Bitcoin ES -15.5% with a punishing -47% drawdown. S&P-Gold lower-tail dependence of just 0.13 confirms gold still offers genuine crisis-hedge quality despite its rich valuation.

Leading Indicators & Forecasts

Treat this table as directional, not quantitative — weekly predictive skill is modest and several point forecasts here are clearly scale-corrupted (e.g. financial-stress → initial claims projecting 401k, or oil-vol → negative claims), so read the sign and the fit, not the level. The most reliable relationships (highest R^2) all point the same way: St. Louis Financial Stress → Initial Claims (R^2 0.54), India VIX → Initial Claims (R^2 0.54) and Chicago Fed NFCI → Continued Claims (R^2 0.50) say that financial conditions lead the labour market by 2-4 weeks. With stress indices currently benign, the labour signal into next month is neutral-to-firm, not deteriorating. The wide $\pm 1\sigma$ bands (often straddling zero) are the honest confession of low skill — no forecast here should be positioned on as a certainty. The usable takeaway: as long as the vol and financial-stress leaders stay quiet, the claims/activity followers should hold near trend, which supports the Goldilocks base case.

Commodities (Oil, Gas & Metals)

Oil is the interesting contradiction. WTI is $78.66 (+0.6% on the week but -25.4% over 13 weeks), yet the fundamentals are bullish: US crude inventories sit -6.2% versus the 5-year seasonal norm (z -3.5), gasoline -6.1%, distillate -11.9% — a genuine physical deficit. Speculative positioning is light (38th percentile, WTI net +2,484), so the tank is not crowded. The setup favours a tactical oil recovery: tight physical, unloved positioning, price beaten down — though OVX at the 89th percentile warns of a bumpy path, so size modestly. Natural gas is the mirror image: Henry Hub $2.76 (+3.7% week) but storage +6.0% versus seasonal (glut) and spec net at the 3rd percentile — bearish fundamentals, capitulated positioning; a contrarian only for the patient. Metals: Gold $4,401 and Silver $64.21 with the gold/silver ratio at 68.5 (11th percentile of 5 years) — silver has outrun gold and the ratio is stretched, arguing gold over silver from here, especially with gold already rich to fair value. Silver's industrial beta (silver-copper +0.61) makes it the higher-risk leg if cyclicals wobble.

Crypto

Crypto is quiet and cautious. Total market cap $2.30T, BTC dominance 56.7%, ETH dominance 10.1% (ETH/BTC 0.0295 — ether continuing to lose relative ground), Bitcoin +0.2% on the week. The crypto Fear & Greed index is 30 (Fear, up from 28) even as equity sentiment sits at greed — a notable divergence signalling crypto has not joined the risk-on mood. Bitcoin's -47% drawdown and -15.5% expected shortfall underline that this remains the highest-tail-risk asset in the book. Constructive underpinnings exist — stablecoin supply $306B (+0.3%) and DeFi TVL $76B (+2.1%) — but with BTC a Granger leader into Nasdaq and the two correlated +0.52, crypto is the canary: a decisive move here would front-run tech-risk appetite. For now, its fear and range-bound action argue for patience, not fresh risk.

India, China & Russia

The emerging picture is divergent. India is quietly resilient: Nifty50 +0.1%, Sensex +0.1%, Bank Nifty -0.1% on the week, with Nifty Midcap a leader at +0.7% — broad participation beneath a flat headline, consistent with India's structural growth story and no positioning stress. China shows tentative signs of life — Shanghai +0.7%, Shenzhen flat, Hang Seng a top global gainer at +1.0% — but China Internet remains a deep momentum laggard at -16% over 26 weeks, so the rebound is index-level, not yet a conviction growth-tech turn; treat it as tactical. Russia is the clear avoid: RTS -22% and MOEX -17% on 26-week momentum place it among the worst global performers, reflecting the sanctions/isolation discount. The developed-vs-emerging split favours DM and select Asia (Japan, Taiwan) over broad EM, with India the EM overweight of choice and Russia un-investable on the numbers.

Positioning, Sentiment & What to Watch

Sentiment has swung to greed: the CNN composite is 64 (from 50.7 a week and 46.8 a month ago), driven by junk-bond demand 97, put/call 82 and momentum 80, though price strength (32) and breadth (40) lag — the rally is being led by credit appetite and momentum, not yet broad price participation, a mild yellow flag. Positioning extremes to respect: crowded longs in USD Index (100th percentile), Copper (99th), S&P 500 (81st) and the grains carry squeeze-lower risk if momentum falters; crowded shorts in Nasdaq (2nd), UST 10Y (5th), Silver (13th) and EUR (8th) carry squeeze-higher risk on any positive surprise. The dominant tension is a healthy, well-diversified, disinflating tape running into extreme valuation (CAPE 42.4, 99th percentile; ERP -0.76%) and greedy sentiment — a market that can grind higher but has thin margin for error. Lean risk-on via momentum equity, cyclicals and the yen RV, hold quality duration as the rehabilitated hedge, prefer gold over silver, and keep oil as a tactical long.

What would confirm the constructive view: VIX/VIX3M staying below 1.0, HY OAS holding below ~3.0%, breadth above 75% of global indices, and financial-stress leaders staying quiet. What would change it and trigger de-risking: the VIX term ratio crossing above 1.0 into backwardation, HY OAS breaking above ~3.2%, the MV-DCC average correlation lifting off +0.04 (diversification beginning to fail), a Bitcoin/Nasdaq break lower (the crypto leader turning), or breadth rolling under 60%. Any two of these firing together is the signal to cut risk, not add.

PART I

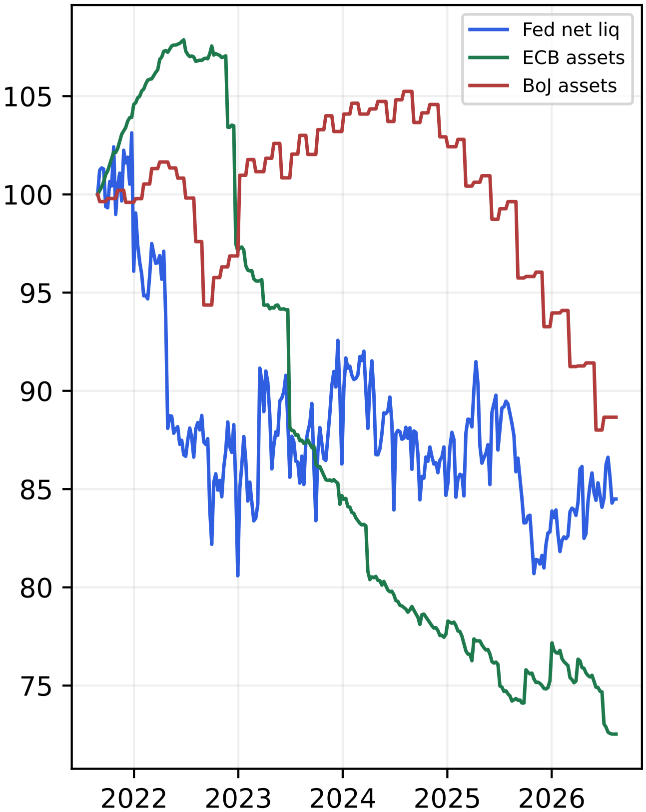
Global Macro & Liquidity

Global central-bank liquidity, the sovereign-yield landscape, funding markets, fiscal supply and the growth pulse.

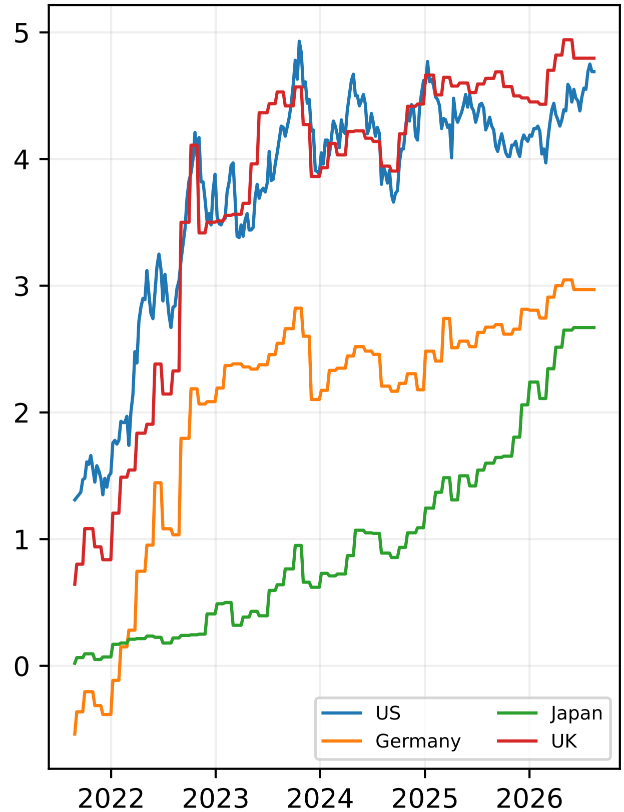
- Central-bank balance sheets (Fed / ECB / BoJ) & global 10Y yields
- Funding plumbing: SOFR, RRP, the Treasury General Account
- Recession probability, market-implied rate path, growth × inflation regime

Global Macro & Liquidity

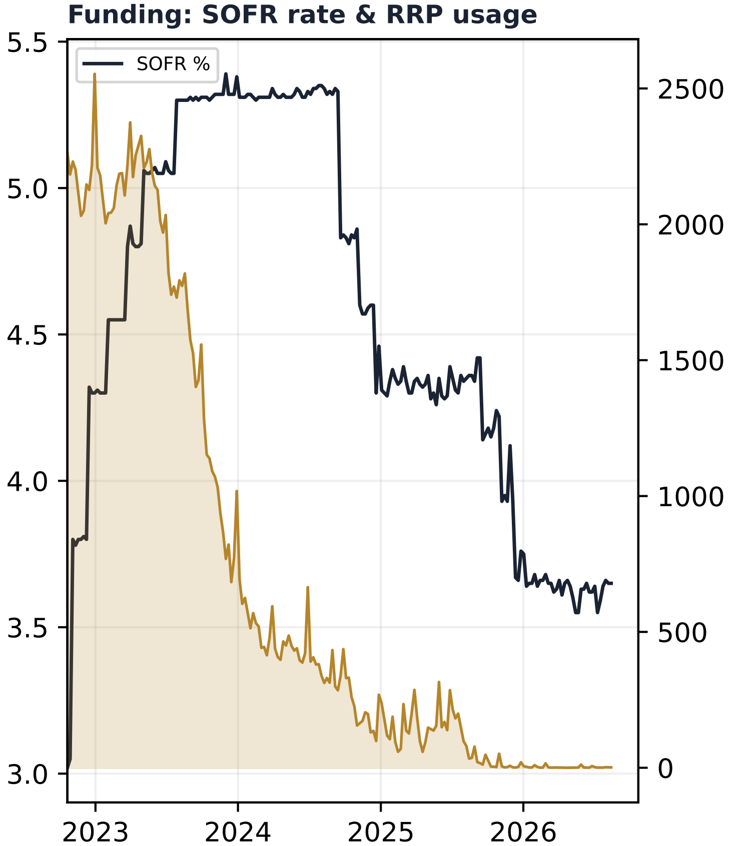
Central-bank liquidity (indexed = 100, 5y)



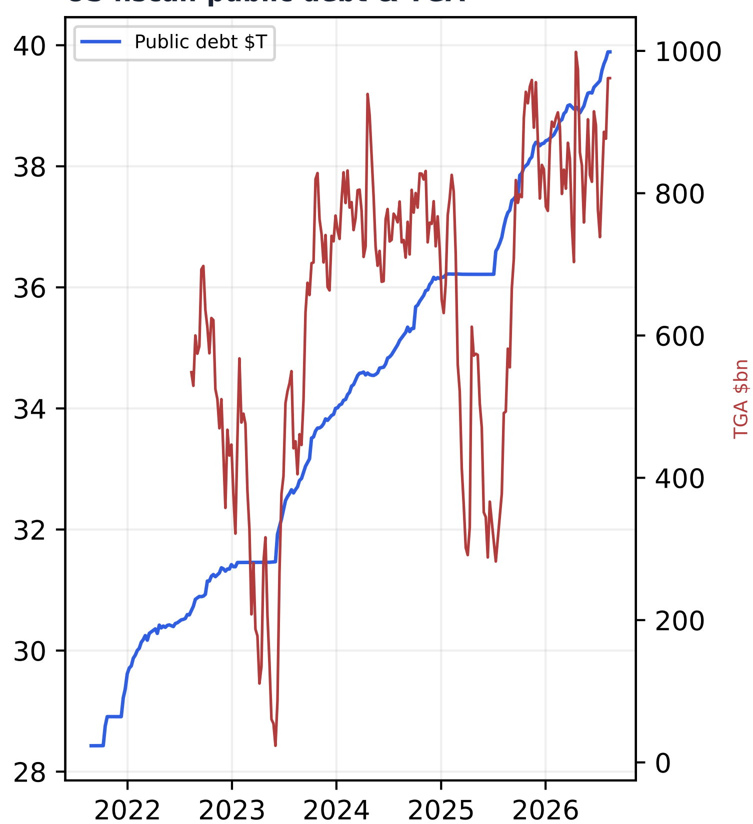
Global 10-year sovereign yields (%)

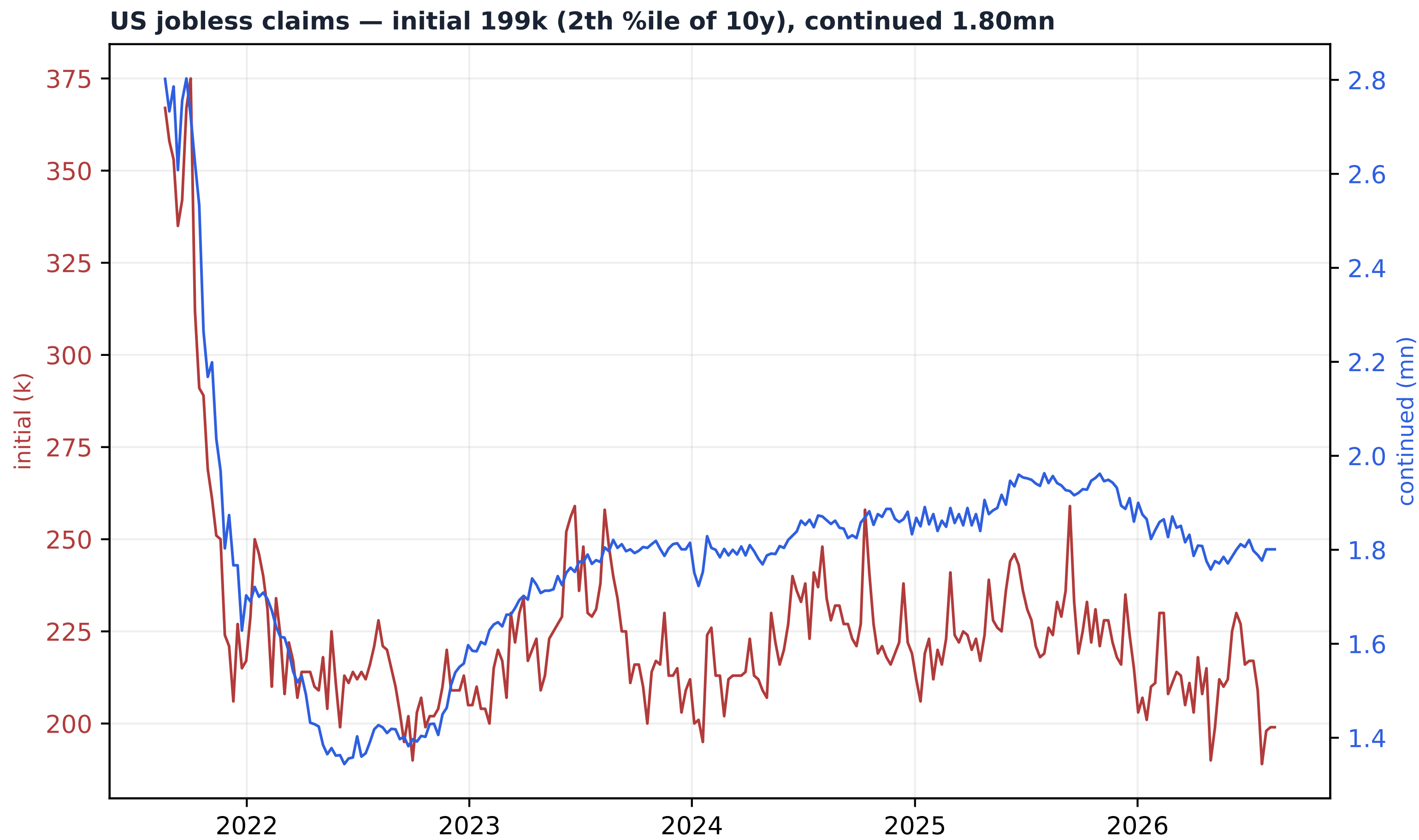


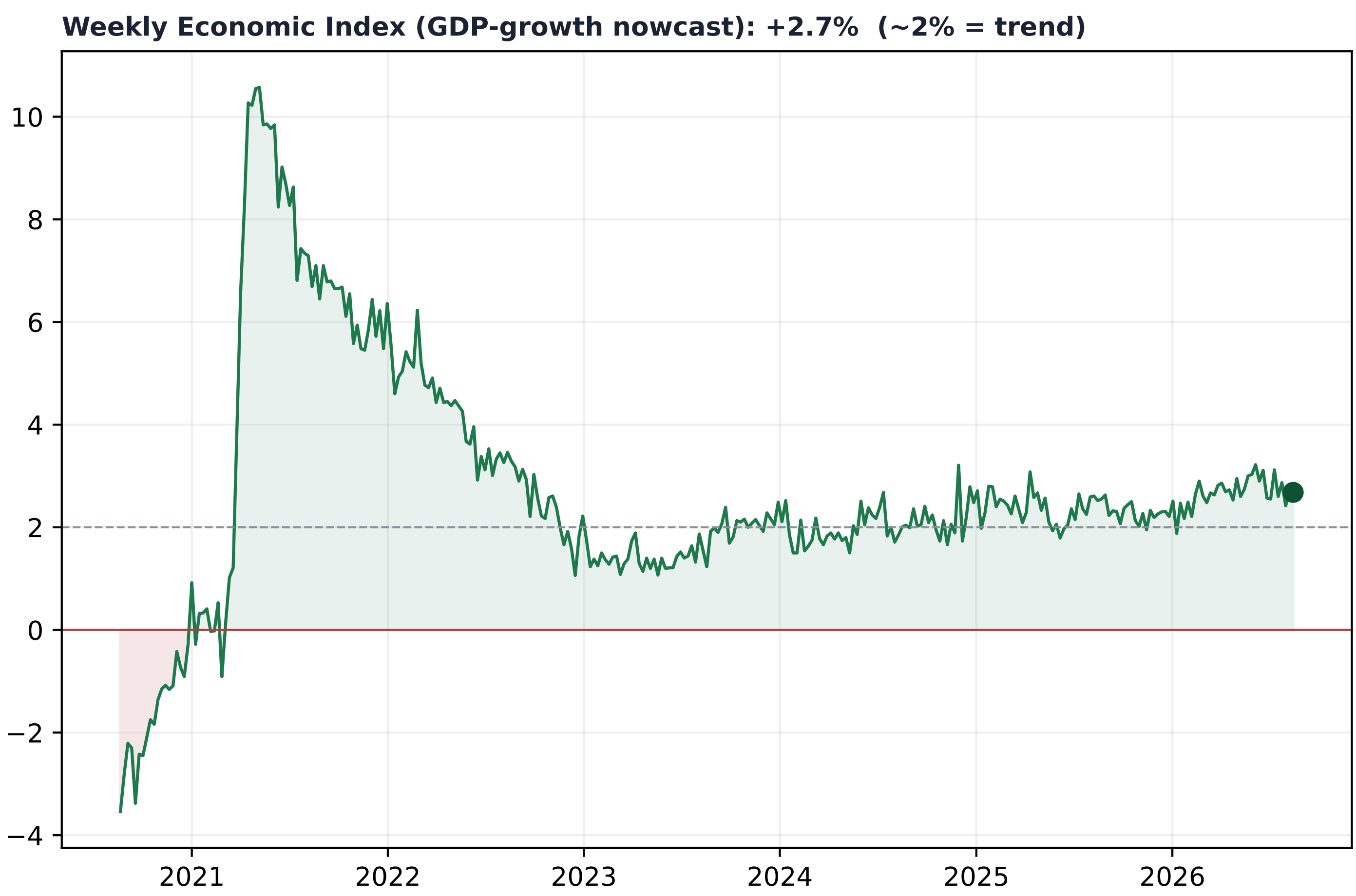
Funding: SOFR rate & RRP usage



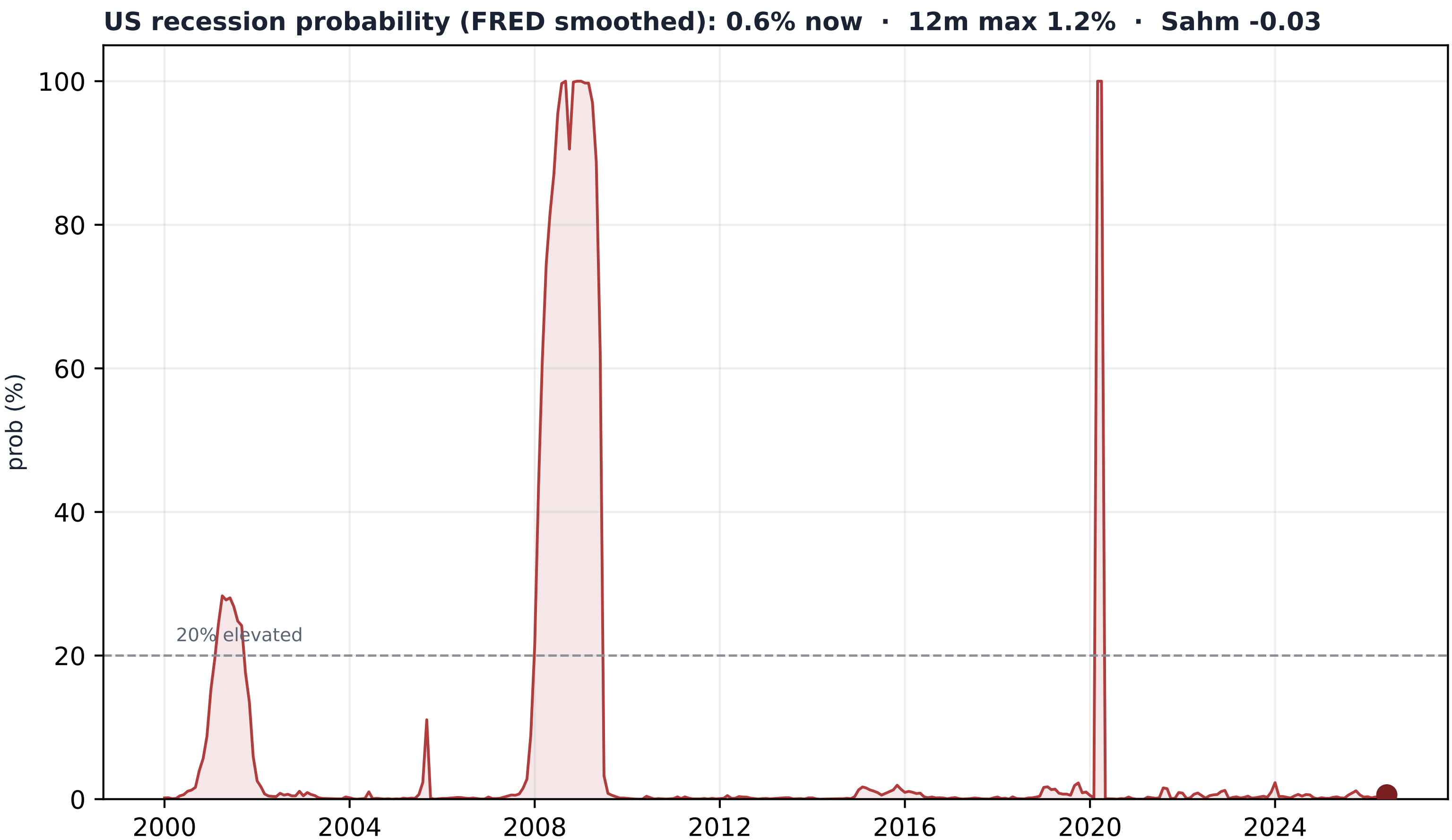
US fiscal: public debt & TGA

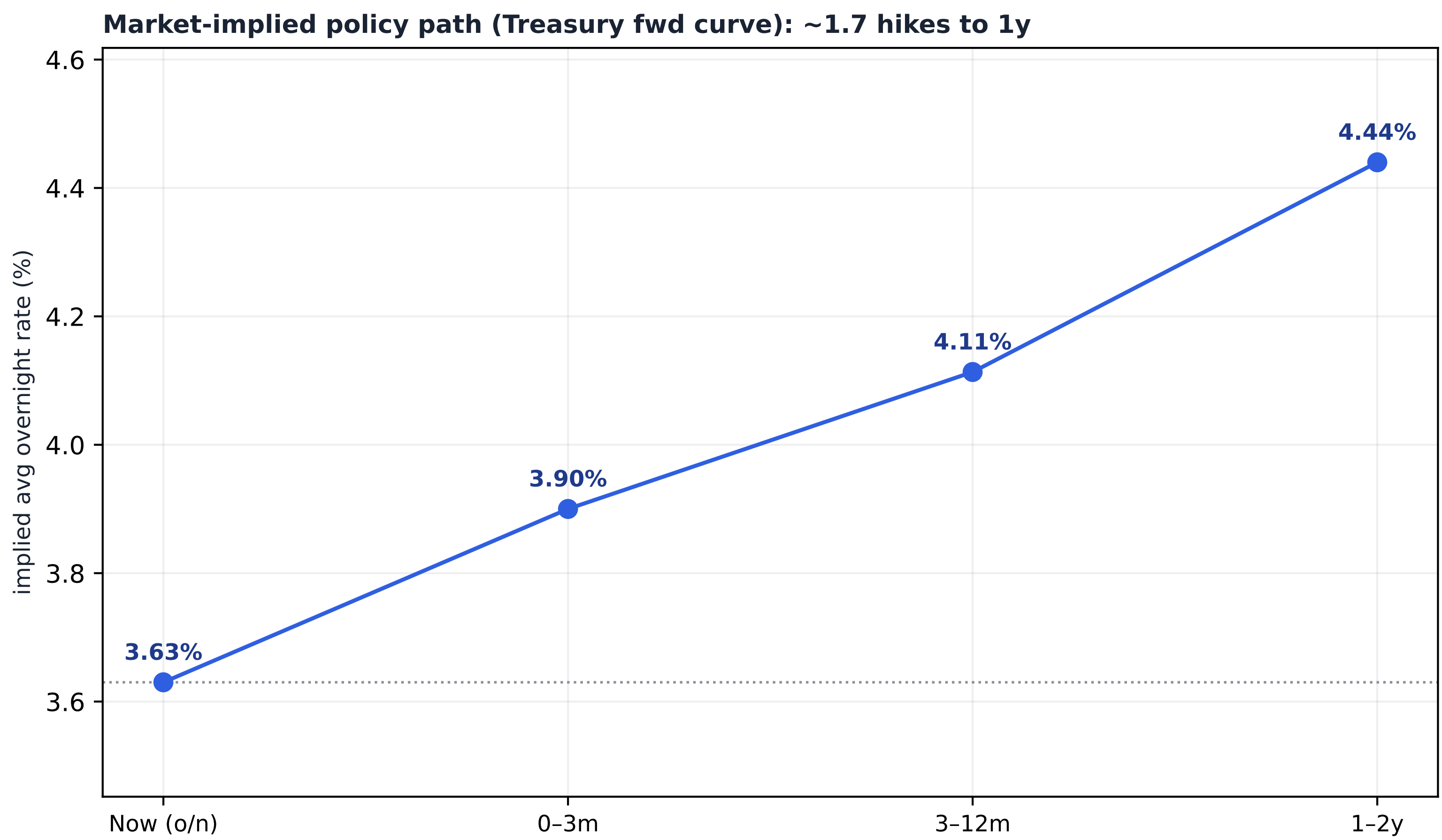






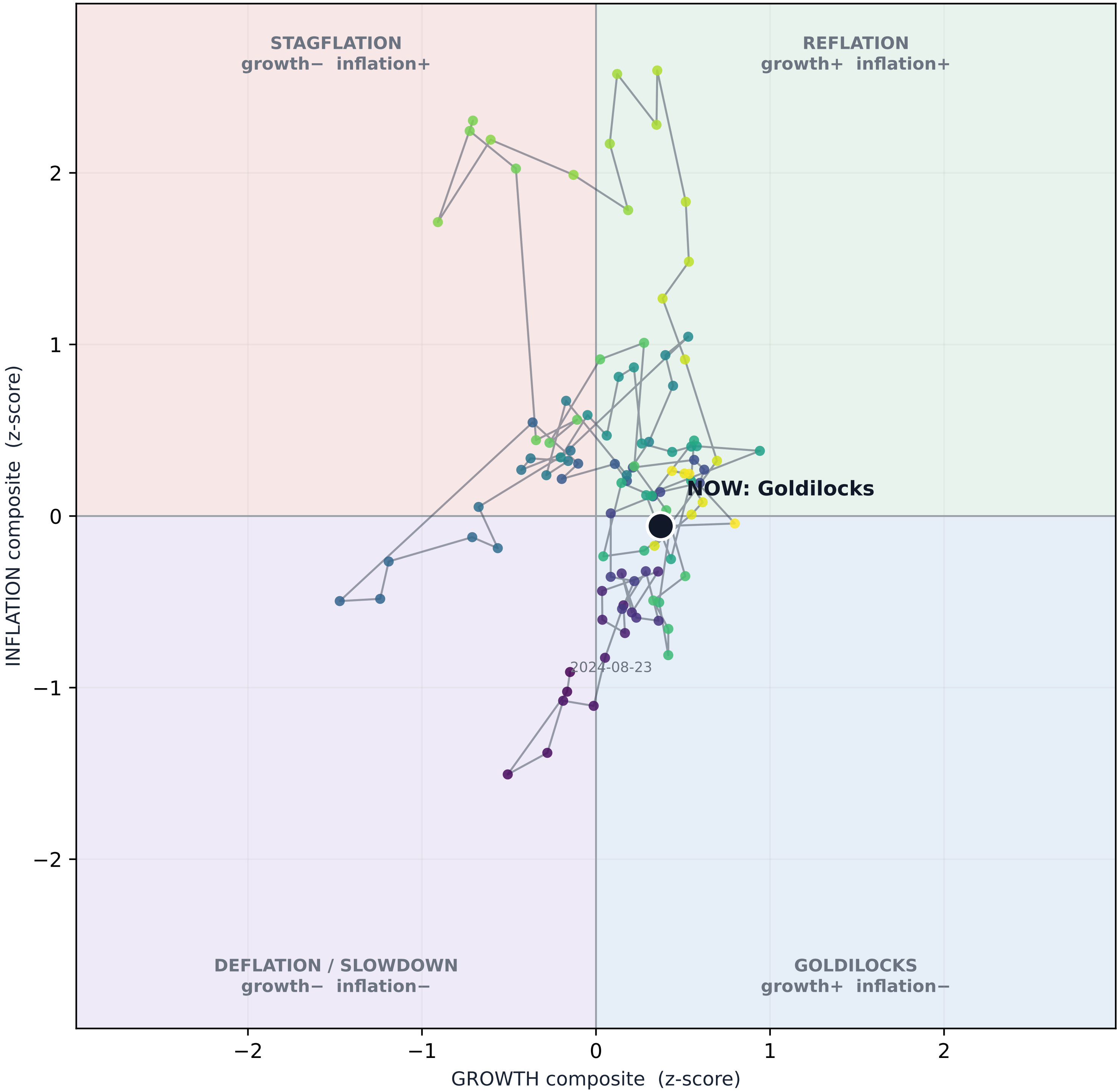
Initial claims — the timeliest US labour-market read; a sustained rise above ~260k historically flags rising recession risk. The Weekly Economic Index (Lewi
ten daily/weekly series into a real-time growth signal scaled to y/y GDP growth.





10Y–3M curve +0.78pp (positive). Forward short rates implied by the current 3M/1Y/2Y Treasury curve; the dotted line is today's fed funds. A downward path prices policy easing. Cut/hike count is an approximation to the 1-year point (ignores term premium), a directional read of what is priced.

Growth × Inflation regime quadrant — 2-year rotation trail



Growth = copper/gold ratio, tight HY spread, S&P momentum, cyclicals/defensives.   Inflation = 5y & 10y breakevens, commodity momentum.
Each a mean of 3-year rolling z-scores. Colour of trail points runs old (dark)→recent (yellow); black dot = now.

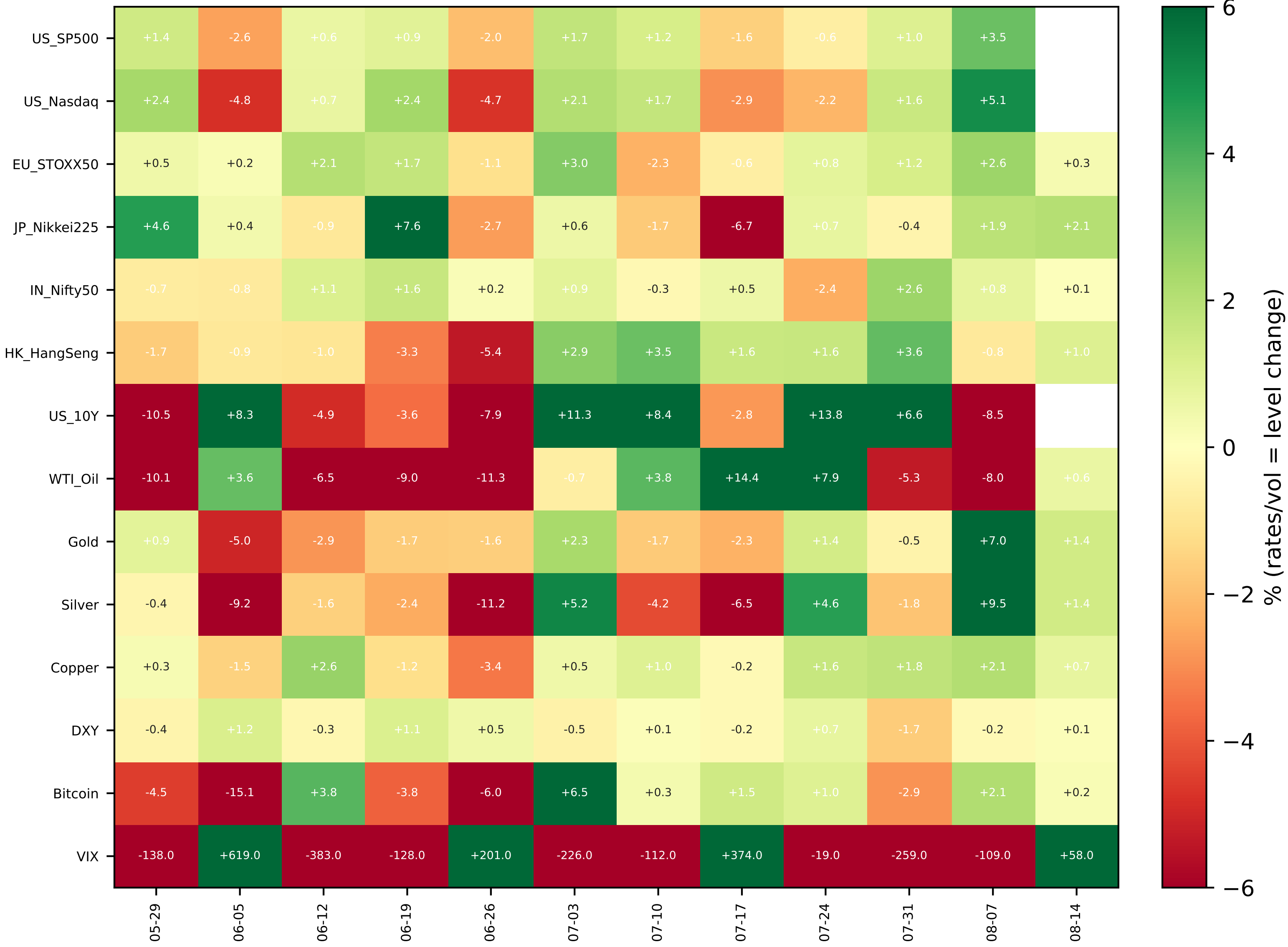
PART II

Cross-Asset Structure

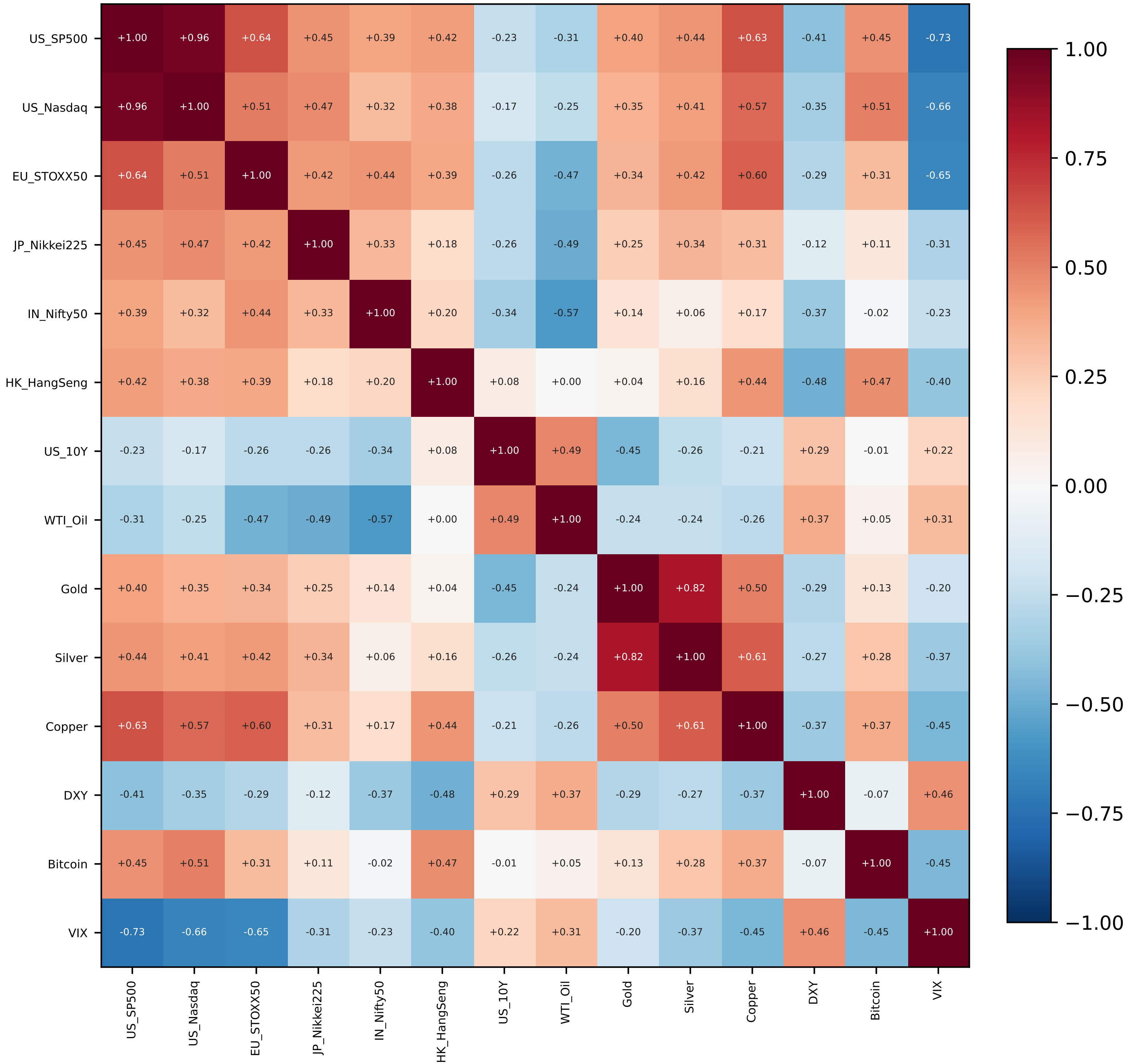
How the markets are moving together — the factor structure, systemic co-movement, directional lead-lag and relative value.

- PCA factor model & multivariate DCC conditional-correlation
- Correlation network, multi-horizon & wavelet coherence
- Granger-causality lead-lag network and cointegration / relative value

Weekly % change - last 12 weeks

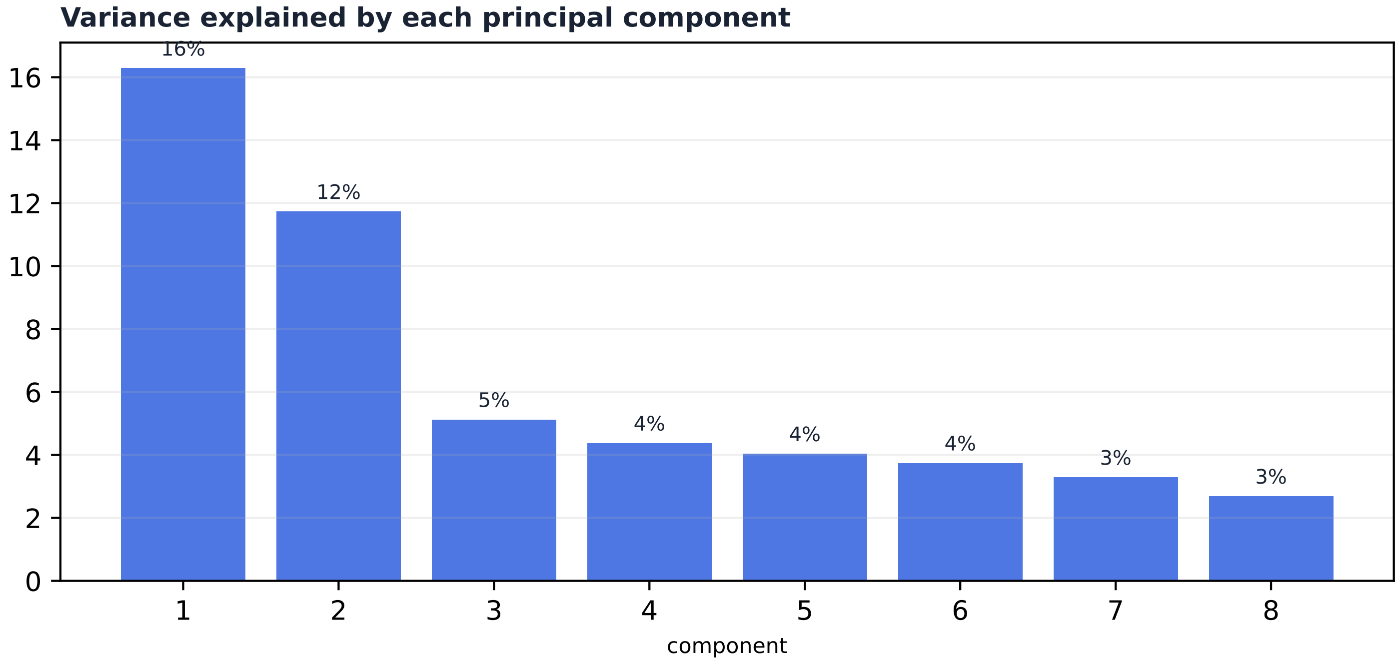


52-week correlation of weekly moves



CROSS-ASSET FACTOR STRUCTURE (PCA)

What independent forces drive the 111 instruments — 156 weeks, standardised



PC1 — Risk (equity beta)

16.3% of variance (cum 16%) · marker corr +0.72

+ EU_STOXX50 +0.20, SE_OMX30 +0.20, Euronext100 +0.19, DE_DAX +0.19, FR_CAC40 +0.19
– US_HY_eff_yield -0.19, VIX -0.16, US_HY_OAS -0.15, US_BBB_OAS -0.13, US_IG_OAS -0.13

PC2 — Rates (10Y yield) (inverse)

11.7% of variance (cum 28%) · marker corr -0.81

+ EM_corp_OAS +0.20, US_BBB_OAS +0.14, US_HY_OAS +0.14, US_IG_OAS +0.14, VIX +0.11
– US_5Y_yield_cm -0.23, US_10Y_yield -0.23, US_2Y_yield -0.22, US_10Y_breakeven -0.21, US_20Y_yield -0.21

PC3 — US dollar

5.1% of variance (cum 33%) · marker corr +0.51

+ Dogecoin +0.27, Cardano +0.26, XRP +0.25, Bitcoin +0.25, Ethereum +0.24
– EURUSD -0.22, Platinum -0.16, Palladium -0.15, Gold -0.15, AUDUSD -0.15

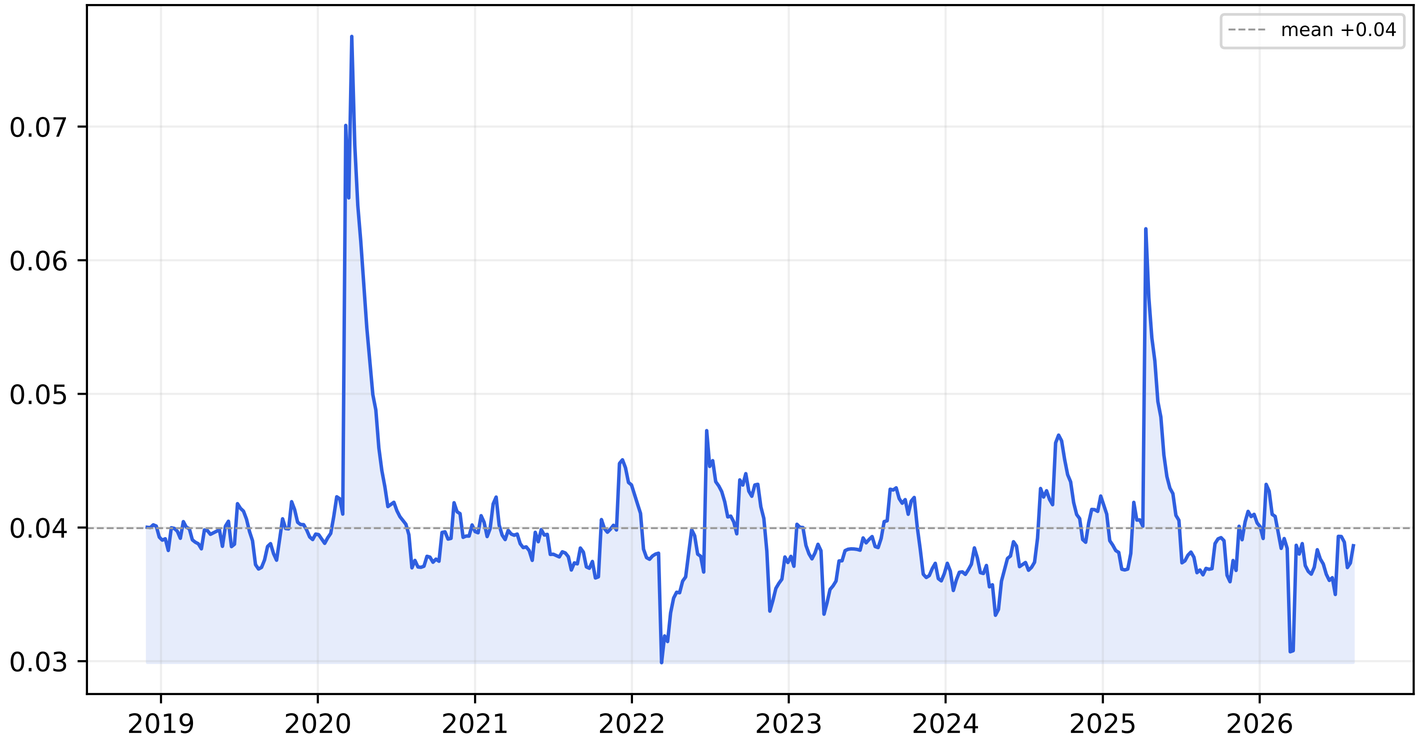
PC4 — US dollar (inverse)

4.4% of variance (cum 38%) · marker corr -0.50

+ EURUSD +0.20, AUDUSD +0.20, Gold +0.19, Solana +0.19, GBPUSD +0.18
– DXY -0.23, USDJPY -0.16, IN_NiftyMidcap -0.13, USDMXN -0.13, IN_BankNifty -0.13

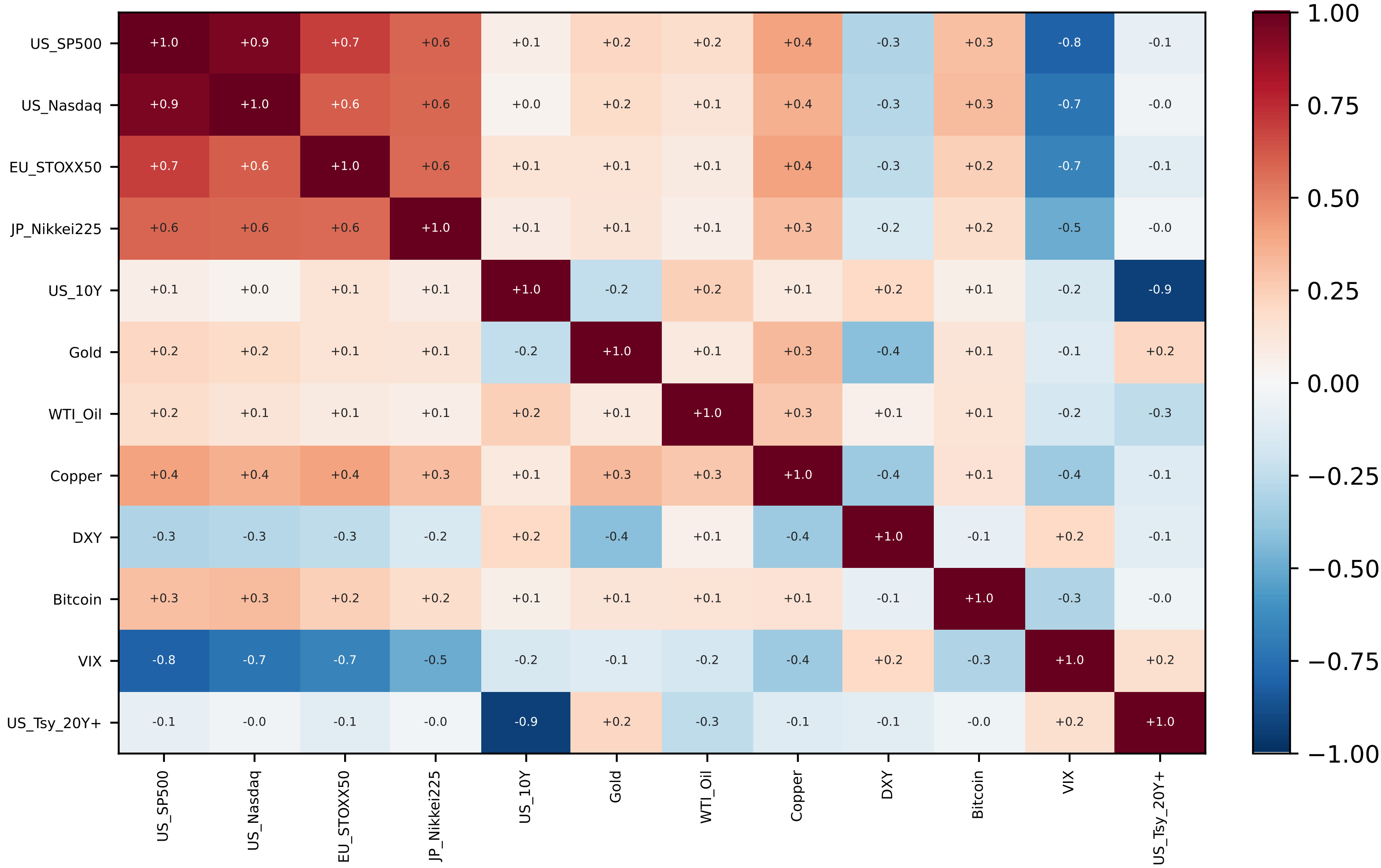
Principal components are the uncorrelated factors that explain the most joint variance. A high PC1 share means one force (usually broad risk) dominates — diversification is thin. Each factor is named by its strongest correlation with a marker instrument.

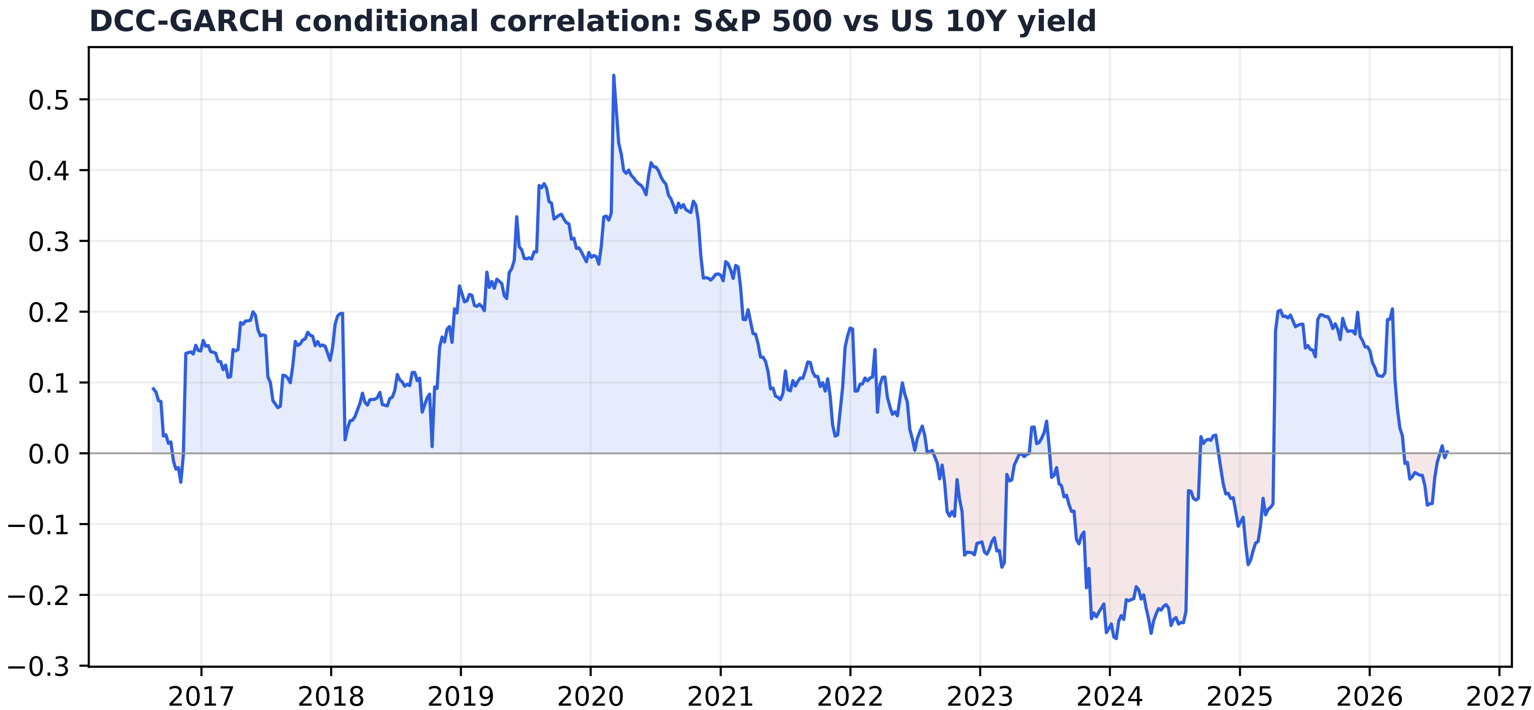
Average pairwise conditional correlation (multivariate DCC-GARCH)

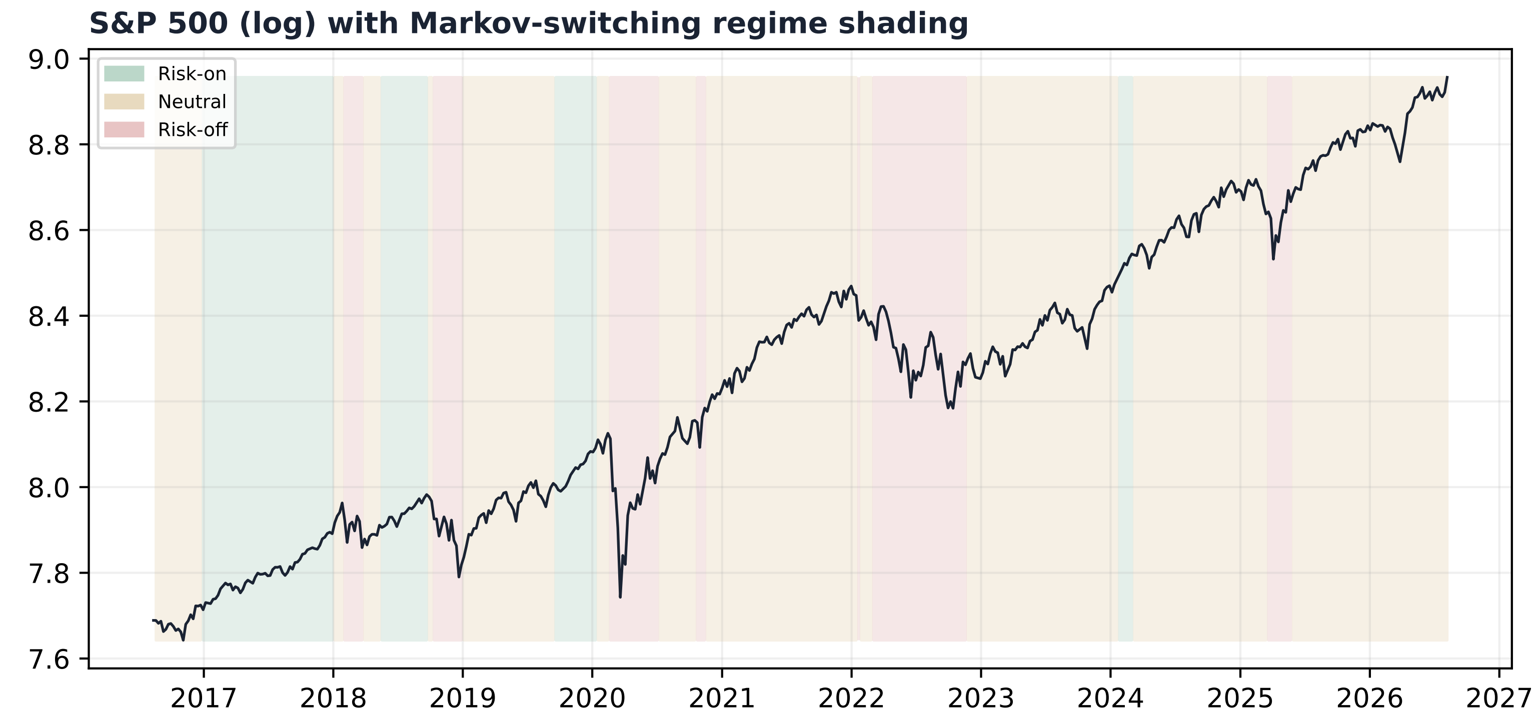


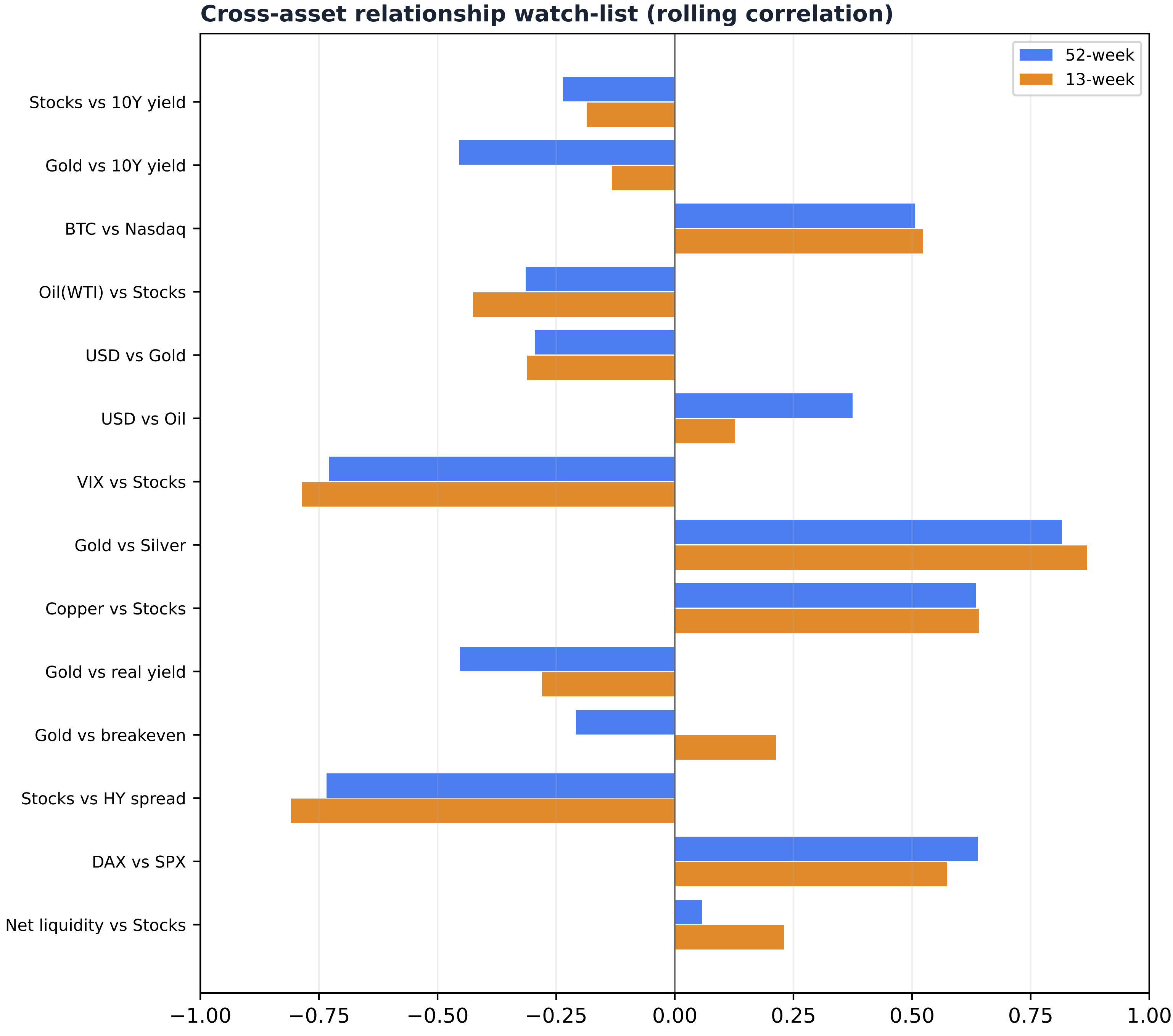
N=12 assets · persistence 0.8438 · rising = diversification failing in real time · now +0.04

Latest conditional-correlation matrix

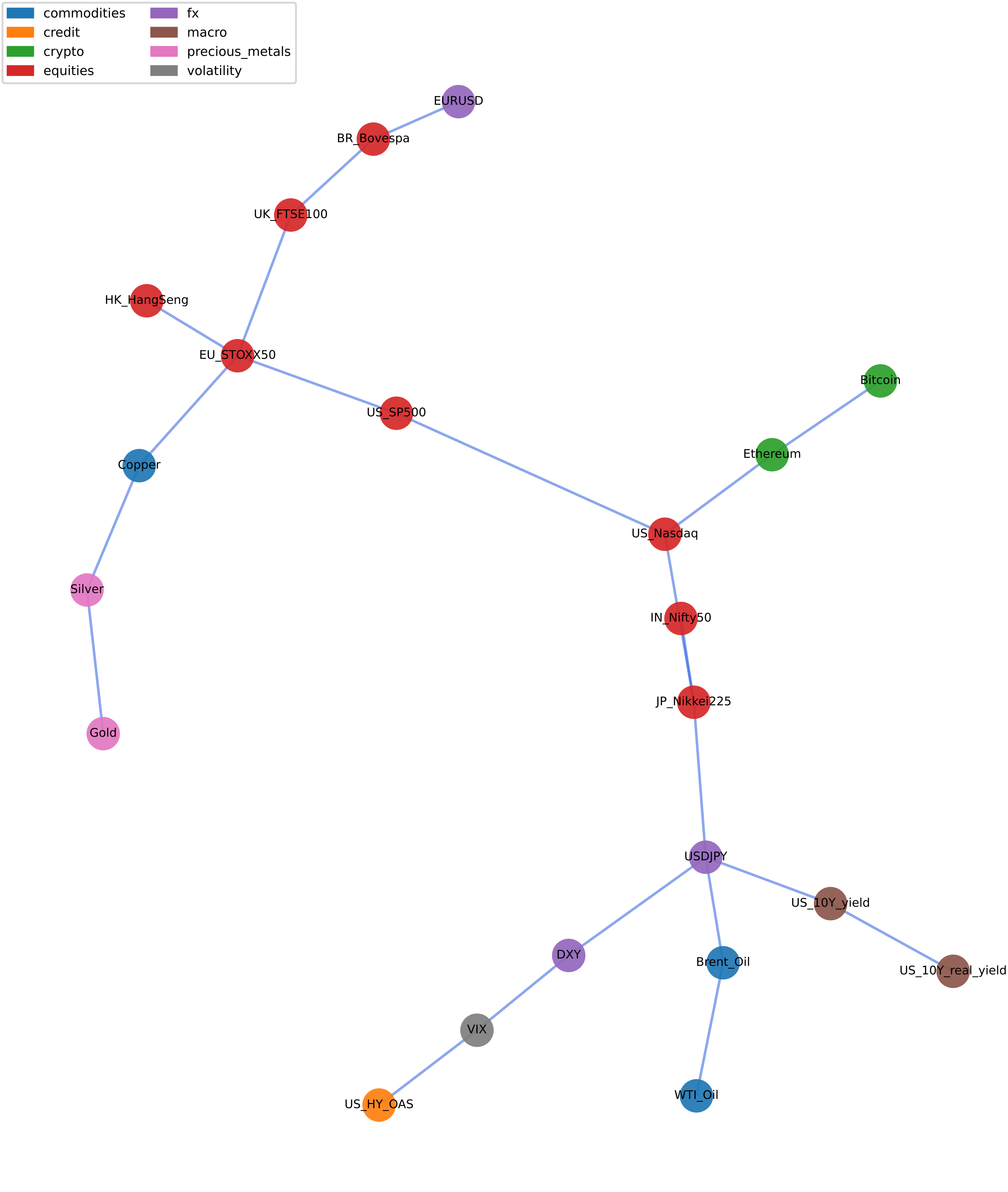



DCC-GARCH conditional correlation: S&P 500 vs US 10Y yield
0.5
0.4
0.3
0.2
0.1
0.0
−0.1
−0.2
−0.3
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027


S&P 500 (log) with Markov-switching regime shading
Risk-on
Neutral
Risk-off
9.0
8.8
8.6
8.4
8.2
8.0
7.8
7.6
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027

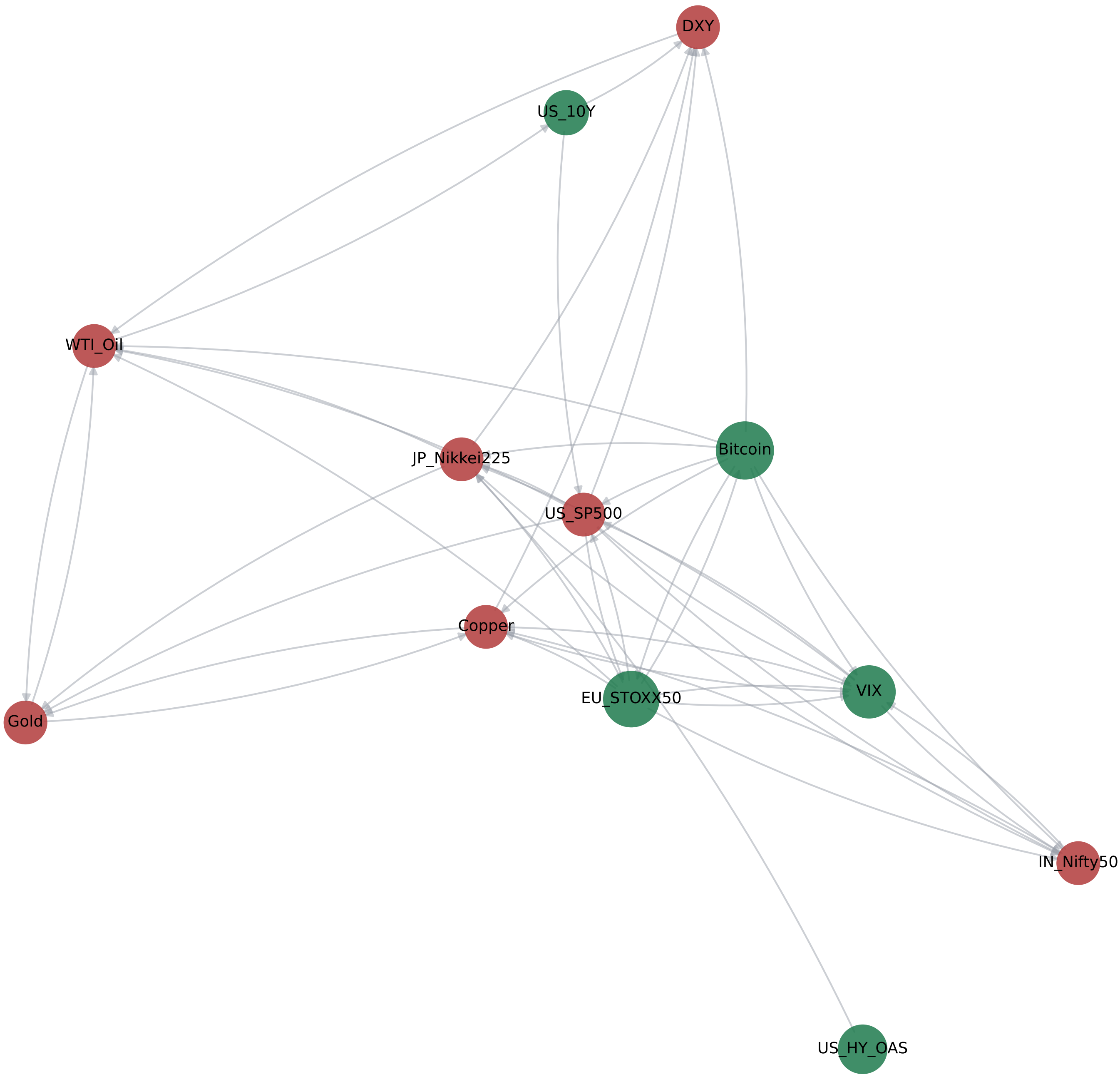

Cross-asset relationship watch-list (rolling correlation)
52-week
13-week
Stocks vs 10Y yield
Gold vs 10Y yield
BTC vs Nasdaq
Oil(WTI) vs Stocks
USD vs Gold
USD vs Oil
VIX vs Stocks
Gold vs Silver
Copper vs Stocks
Gold vs real yield
Gold vs breakeven
Stocks vs HY spread
DAX vs SPX
Net liquidity vs Stocks
−1.00
−0.75
−0.50
−0.25
0.00
0.25
0.50
0.75
1.00

Cross-asset correlation network - minimum spanning tree (3y)



blue edge = positive link, red = negative; proximity = co-movement

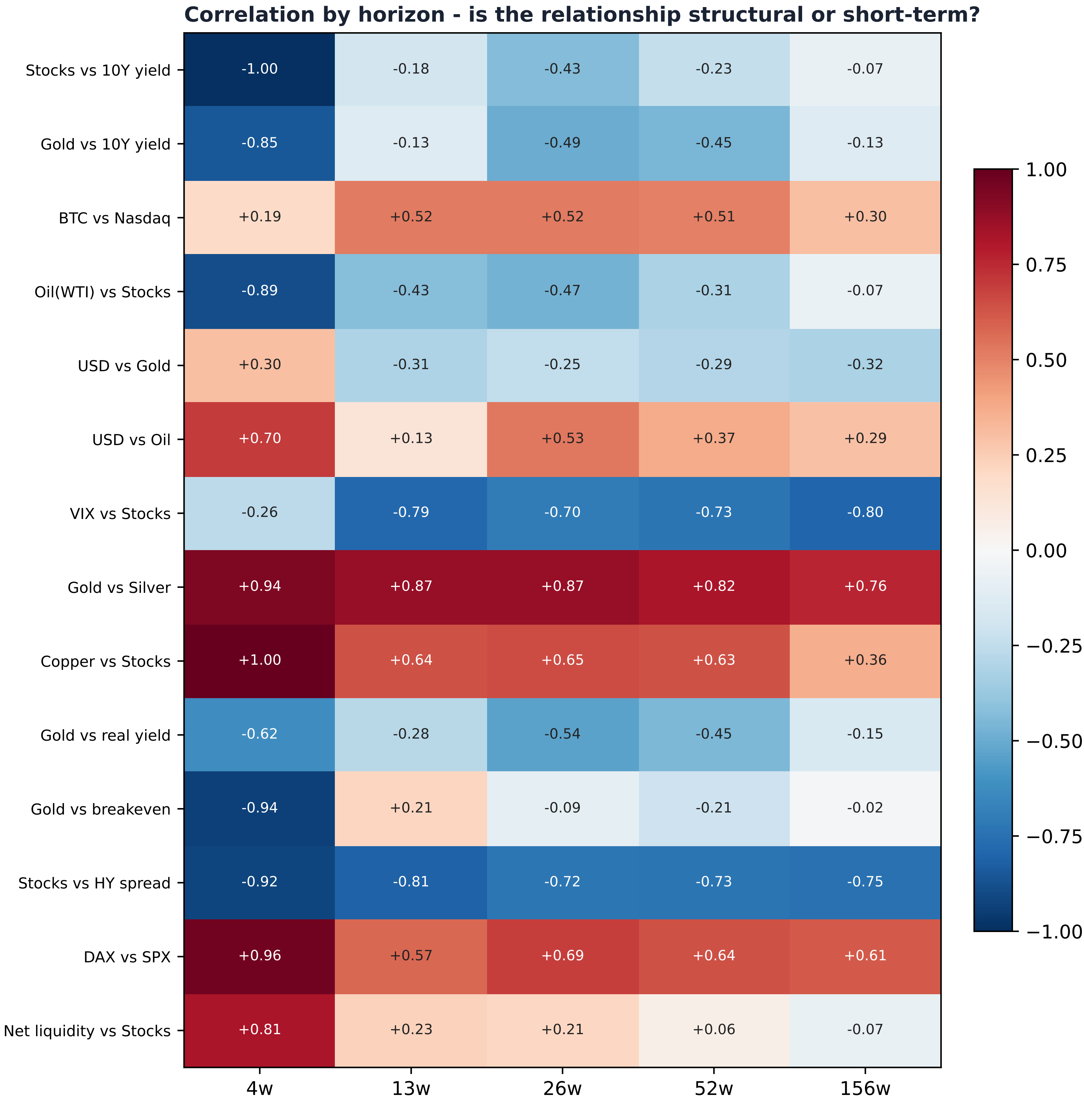
Directional lead-lag — Granger causality network



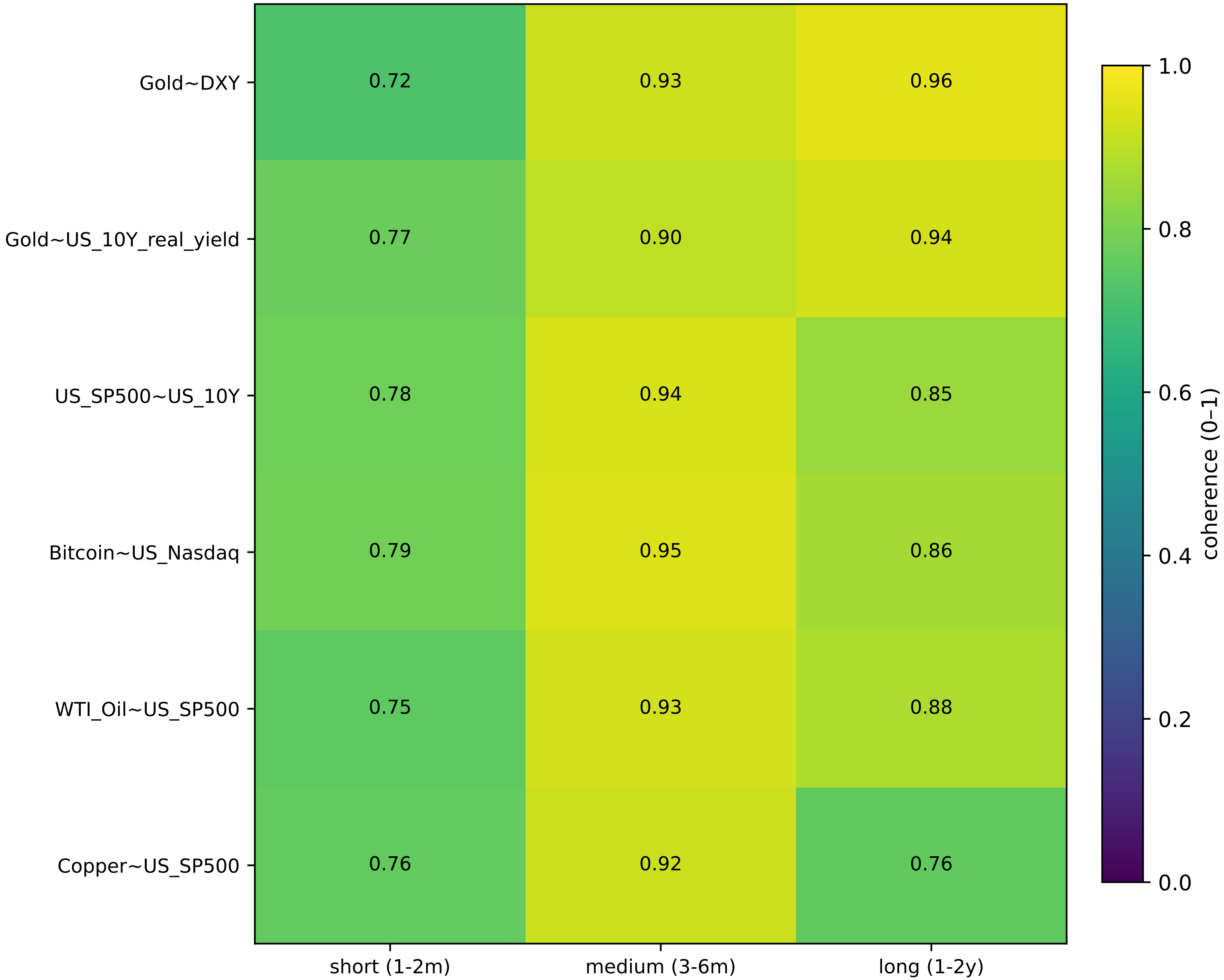
arrow = X Granger-causes Y (p<0.05); green/large = net information EXPORTER (leader), red = importer (follower)

LEADERS: Bitcoin +0.07, EU_STOXX50 +0.06, VIX +0.04, US_HY_OAS +0.03, US_10Y +0.01

FOLLOWERS: JP_Nikkei225 -0.07, US_SP500 -0.04, Gold -0.02, Copper -0.02, IN_Nifty50 -0.02


Correlation by horizon - is the relationship structural or short-term?
Stocks vs 10Y yield -1.00 -0.18 -0.43 -0.23 -0.07
Gold vs 10Y yield -0.85 -0.13 -0.49 -0.45 -0.13
BTC vs Nasdaq +0.19 +0.52 +0.52 +0.51 +0.30
Oil(WTI) vs Stocks -0.89 -0.43 -0.47 -0.31 -0.07
USD vs Gold +0.30 -0.31 -0.25 -0.29 -0.32
USD vs Oil +0.70 +0.13 +0.53 +0.37 +0.29
VIX vs Stocks -0.26 -0.79 -0.70 -0.73 -0.80
Gold vs Silver +0.94 +0.87 +0.87 +0.82 +0.76
Copper vs Stocks +1.00 +0.64 +0.65 +0.63 +0.36
Gold vs real yield -0.62 -0.28 -0.54 -0.45 -0.15
Gold vs breakeven -0.94 +0.21 -0.09 -0.21 -0.02
Stocks vs HY spread -0.92 -0.81 -0.72 -0.73 -0.75
DAX vs SPX +0.96 +0.57 +0.69 +0.64 +0.61
Net liquidity vs Stocks +0.81 +0.23 +0.21 +0.06 -0.07
4w 13w 26w 52w 156w
1.00 0.75 0.50 0.25 0.00 −0.25 −0.50 −0.75 −1.00

Wavelet coherence by time-scale — is the link short-term or structural?



Coherence rising left→right = the relationship lives at longer (cycle) horizons more than week-to-week.

STATISTICAL RELATIVE VALUE (cointegration)

Mean-reverting spreads and how stretched each is right now

Pair	Coint?	p-val	Hedge	Half-life	Spread z
US10Y vs Japan10Y	no	0.977	0.54	293w	**+2.04**
BTC vs ETH	no	0.268	0.46	18w	**-1.35**
VIX vs VIX3M	yes	0.032	0.84	2w	**+0.88**
Copper vs Gold	no	0.126	1.78	11w	**-0.81**
WTI vs Brent	no	0.096	0.97	1w	**+0.80**
Gold vs Silver	no	0.236	1.18	14w	**+0.58**
Gold vs Platinum	no	0.321	0.69	15w	**+0.43**
S&P vs Nasdaq	yes	0.019	1.23	15w	**-0.41**
HY vs IG spread	yes	0.000	0.32	2w	**+0.33**
EURUSD vs GBPUSD	no	0.152	0.95	8w	**+0.26**
US10Y vs Germany10Y	no	0.079	1.00	5w	**-0.09**
Stocks vs LongBonds	no	0.235	-0.47	24w	**+0.06**

A low p-value means the spread is statistically mean-reverting (cointegrated). Half-life = weeks to close half a dislocation. |spread z| > 2 (red) flags a historically wide gap — the actionable rich/cheap signal. Pairs shown NOT cointegrated: the long-run link has broken, so the z is informational only.

PART III

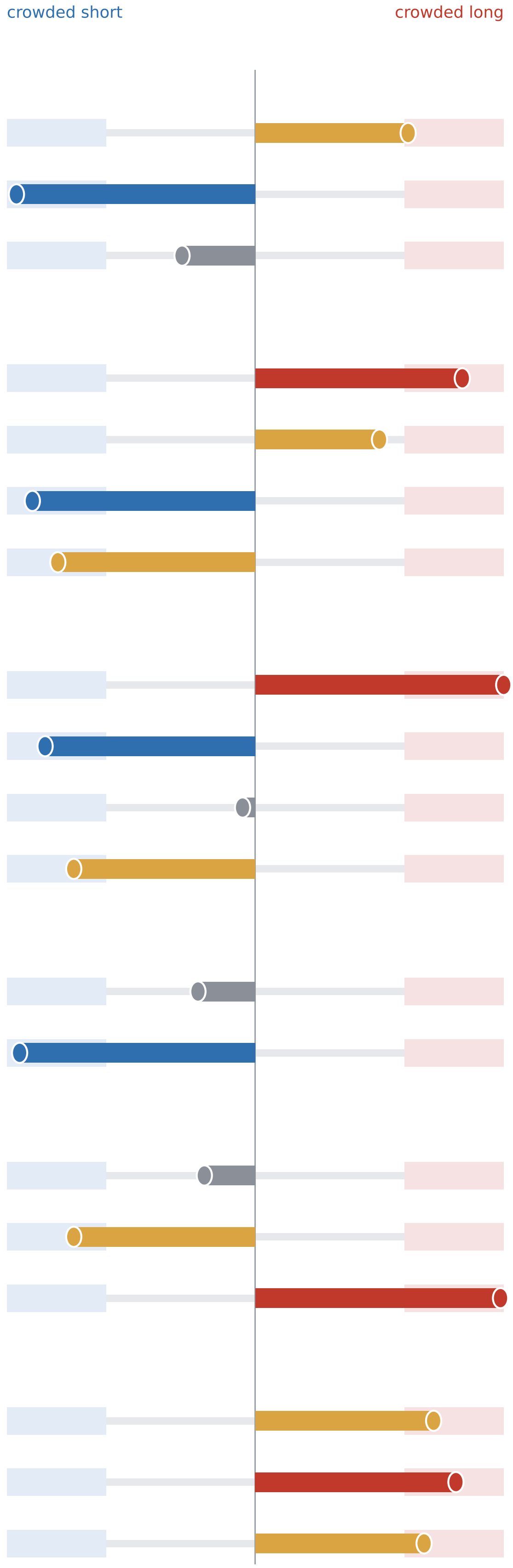
Positioning, Flows & Sentiment

Where the crowd is leaning — futures positioning and market sentiment.

- CFTC speculative positioning complex (crowded longs / shorts)
- CNN Fear & Greed composite and its components

POSITIONING — CFTC speculative net

Large-spec (non-commercial) net futures position vs its own 3-year range. Crowded extremes flag squeeze risk.



	net (k)	%OI	3y %ile
EQUITY INDICES			
S&P 500 (e-mini)	-27	-1%	81
Nasdaq-100	-15	-5%	2
Russell 2000	-35	-8%	35
RATES			
UST 2Y	-1004	-23%	92
UST 5Y	-1326	-21%	75
UST 10Y	-979	-19%	5
UST Bond	-176	-9%	10
FX			
US Dollar Index	+22	+43%	100
Euro FX	-58	-7%	8
Japanese Yen	-45	-11%	47
British Pound	-58	-23%	13
ENERGY			
WTI crude	+2	+0%	38
Natural gas	-198	-12%	3
METALS			
Gold	+198	+53%	40
Silver	+22	+20%	13
Copper	+77	+27%	99
AGRICULTURE			
Corn	+255	+14%	86
Wheat (SRW)	-15	-3%	90
Soybeans	+176	+18%	84

Net = long − short non-commercial contracts (thousands). %OI = net as share of open interest. Percentile = rank of current net within its 3-year weekly range.
Shaded red ≥ 80th (crowded long → vulnerable to a wash-out), blue ≤ 20th (crowded short → squeeze-higher risk). Dot = current; bar measured from the 50th

MARKET SENTIMENT

CNN Fear & Greed composite and its components — a contrarian gauge

64 **GREED**

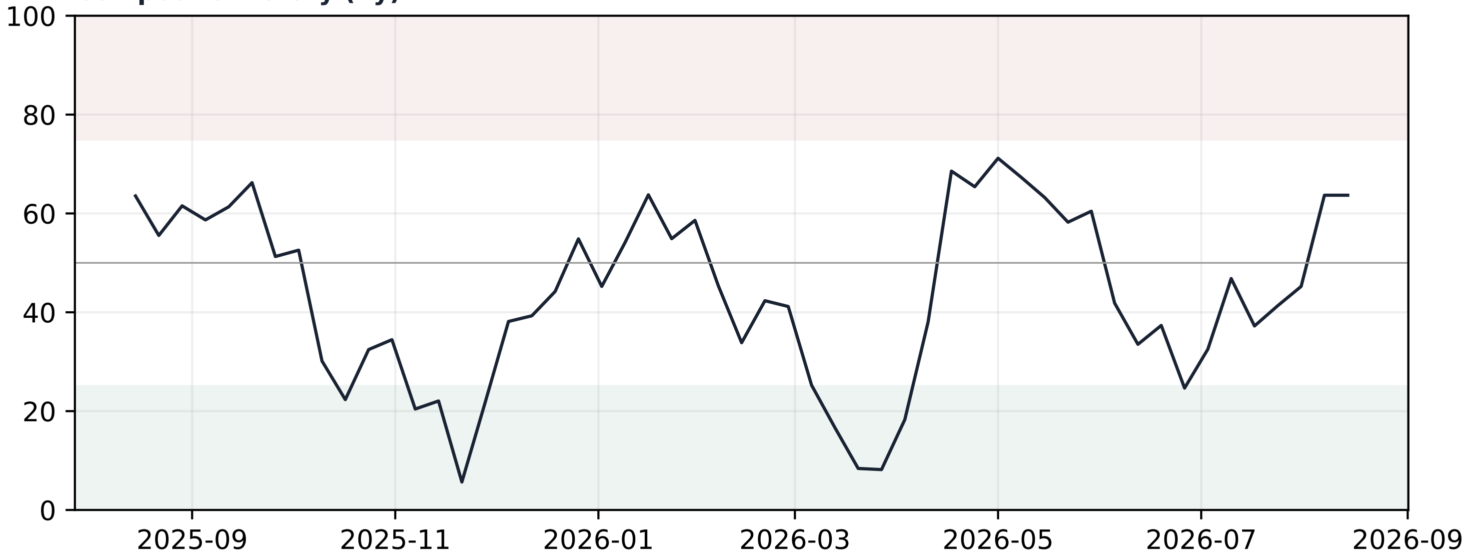
0 = extreme fear · 100 = extreme greed

51 1 week ago

47 1 month ago

58 1 year ago

Composite history (1y)



COMPONENTS (0–100)

Fear & Greed is a contrarian gauge: extreme fear (<25) has historically marked bounce points, extreme greed (>75) complacency. The put/call, junk-bond-demand and safe-haven-demand components each read risk appetite directly.

PART IV

Volatility

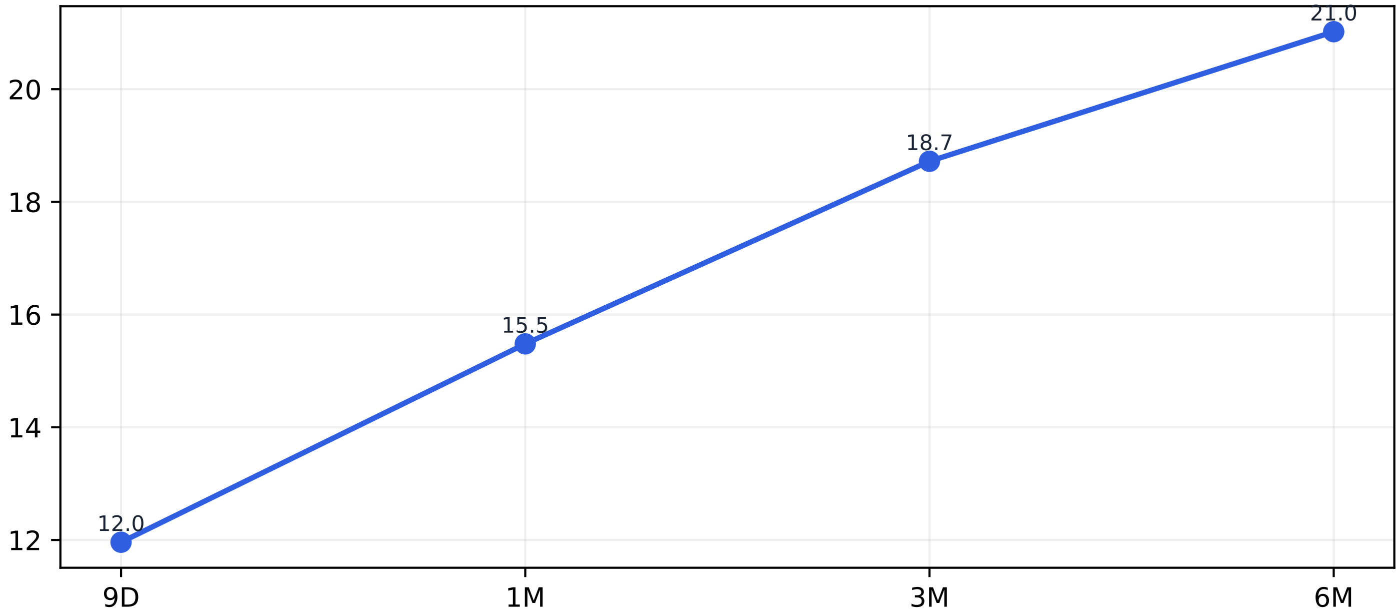
The volatility complex — term structure, the risk premium and tail pricing.

- VIX term structure (9D → 6M) and the volatility risk premium
- CBOE SKEW tail-risk index and cross-asset volatility (MOVE / OVX / GVZ)

VOLATILITY COMPLEX

Term structure, the vol-risk premium, tail skew and cross-asset volatility

VIX term structure — contango (calm)



VOL RISK PREMIUM

+1.6 pts

VIX 15.5 − realised 13.9

positive (implied > realised, carry cushion)

CBOE SKEW (tail risk)

133

24th %ile of 5y — normal

CROSS-ASSET VOLATILITY (level, 5-year percentile)

Bond vol (MOVE)	72	15th
Oil vol (OVX)	56	89th
Gold vol (GVZ)	26	90th
Vol-of-vol (VVIX)	90	35th

A positive vol-risk premium (implied > realised) is the usual carry cushion; a negative one flags realised stress. Backwardation in the term structure (near > far) signals acute fear. SKEW is the cost of crash protection.

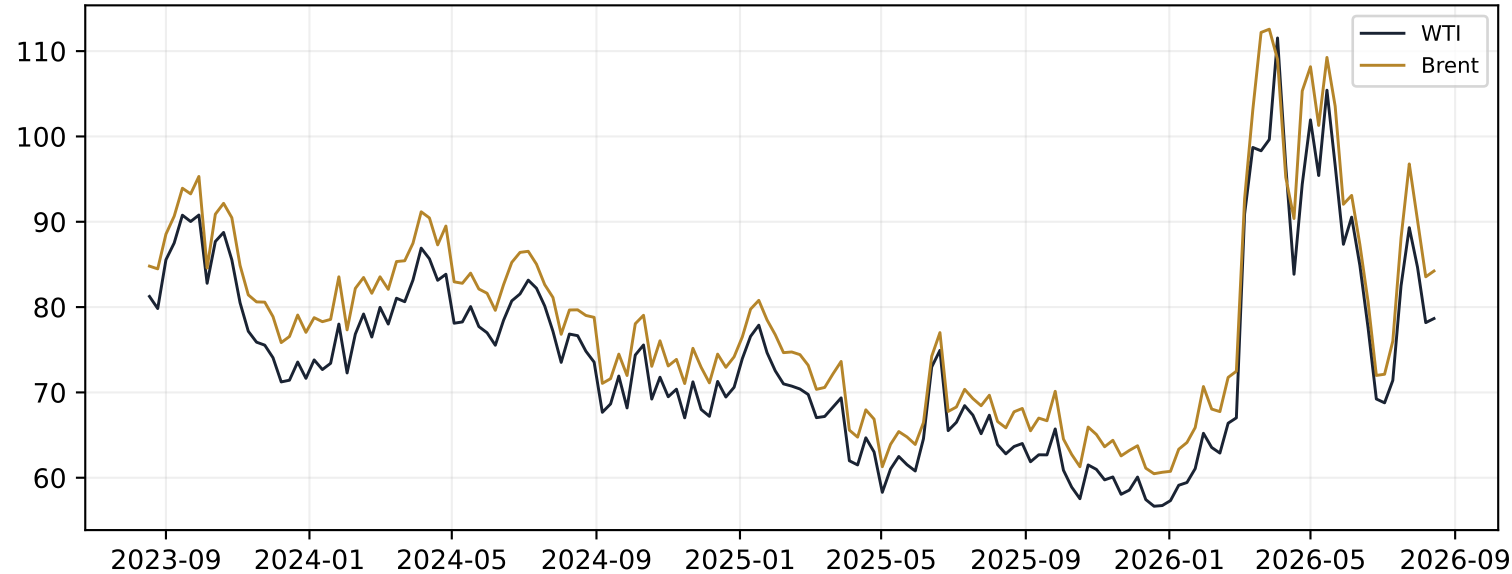
PART V

Asset Deep-Dives

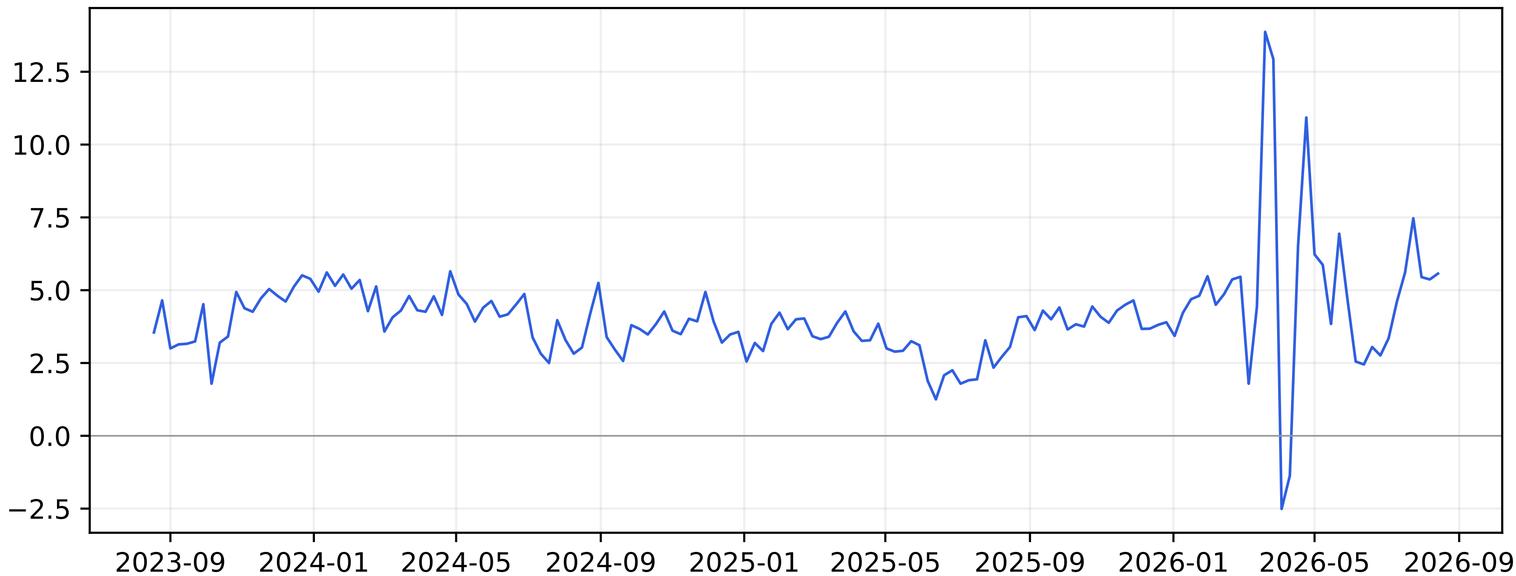
Instrument-level detail across the major asset classes.

- Oil, natural gas, precious metals and crypto special modules
- Momentum & trend battery; factor-beta risk attribution; equity valuation

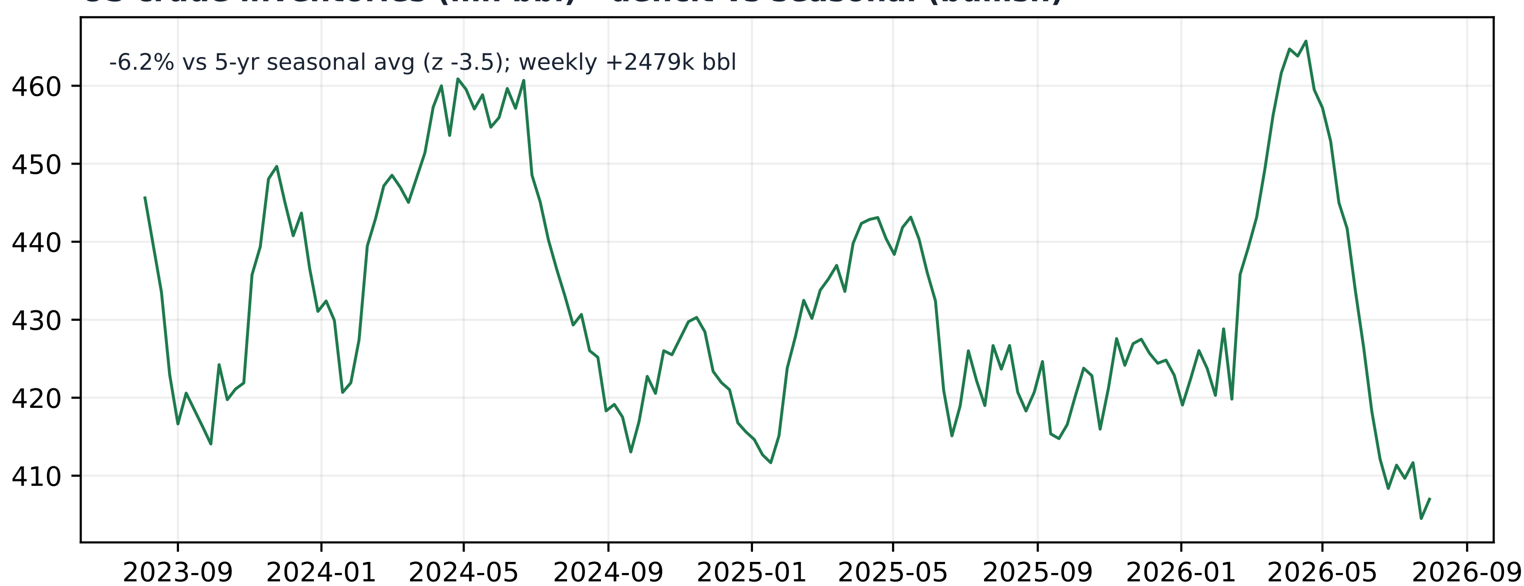
OIL special - WTI $78.66 (wk +0.6%, 13w -25.4%)

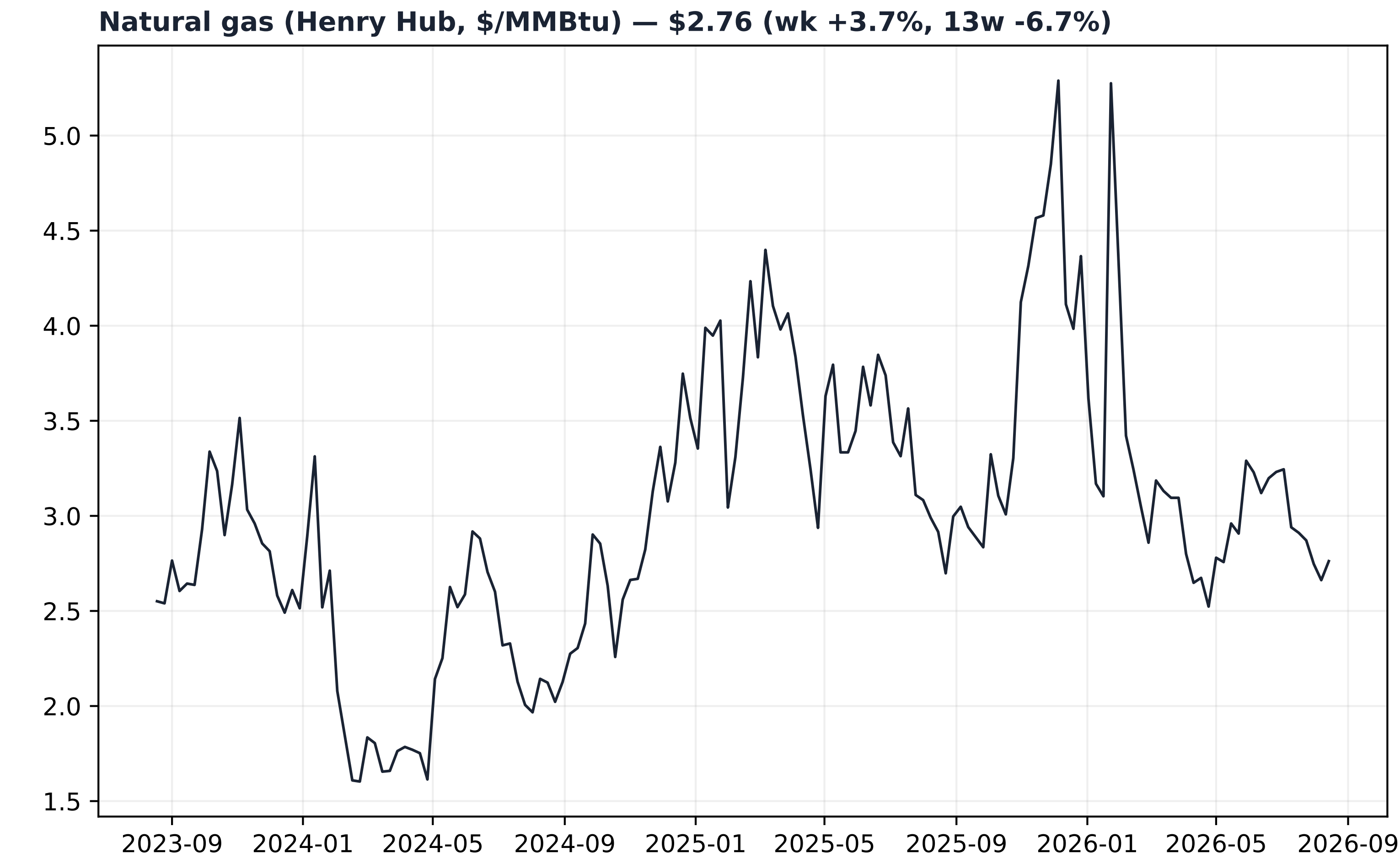


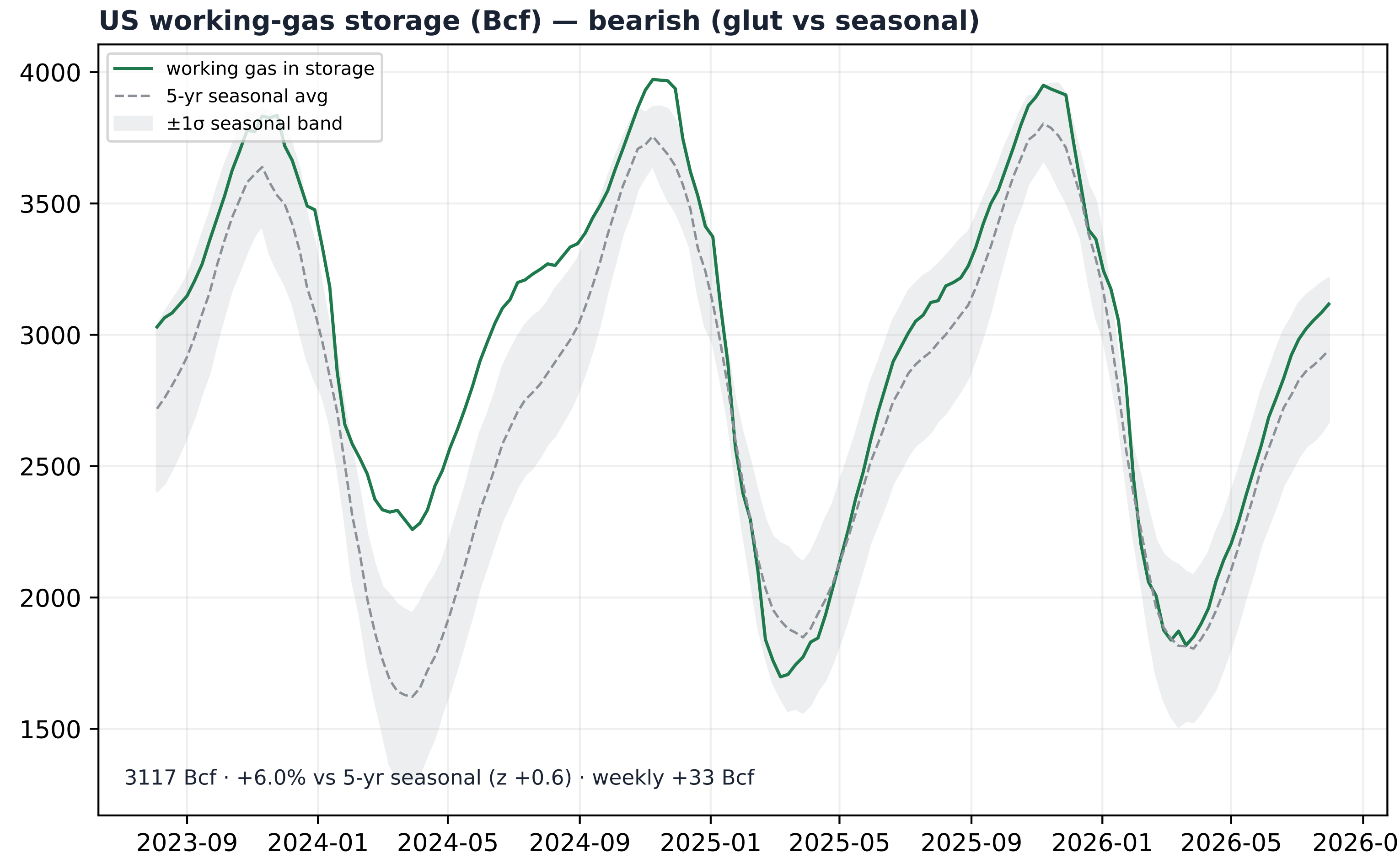
Brent-WTI spread (now +5.57)



US crude inventories (mn bbl) - deficit vs seasonal (bullish)

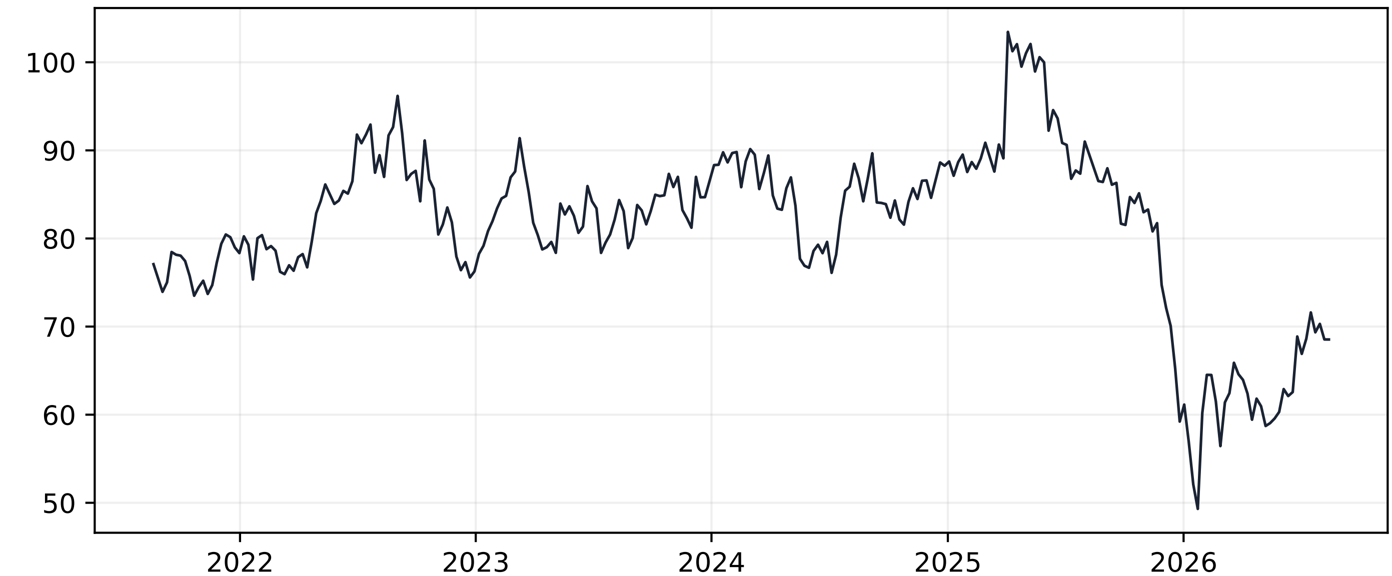



Natural gas (Henry Hub, $/MMBtu) — $2.76 (wk +3.7%, 13w -6.7%)
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
2023-09
2024-01
2024-05
2024-09
2025-01
2025-05
2025-09
2026-01
2026-05
2026-09

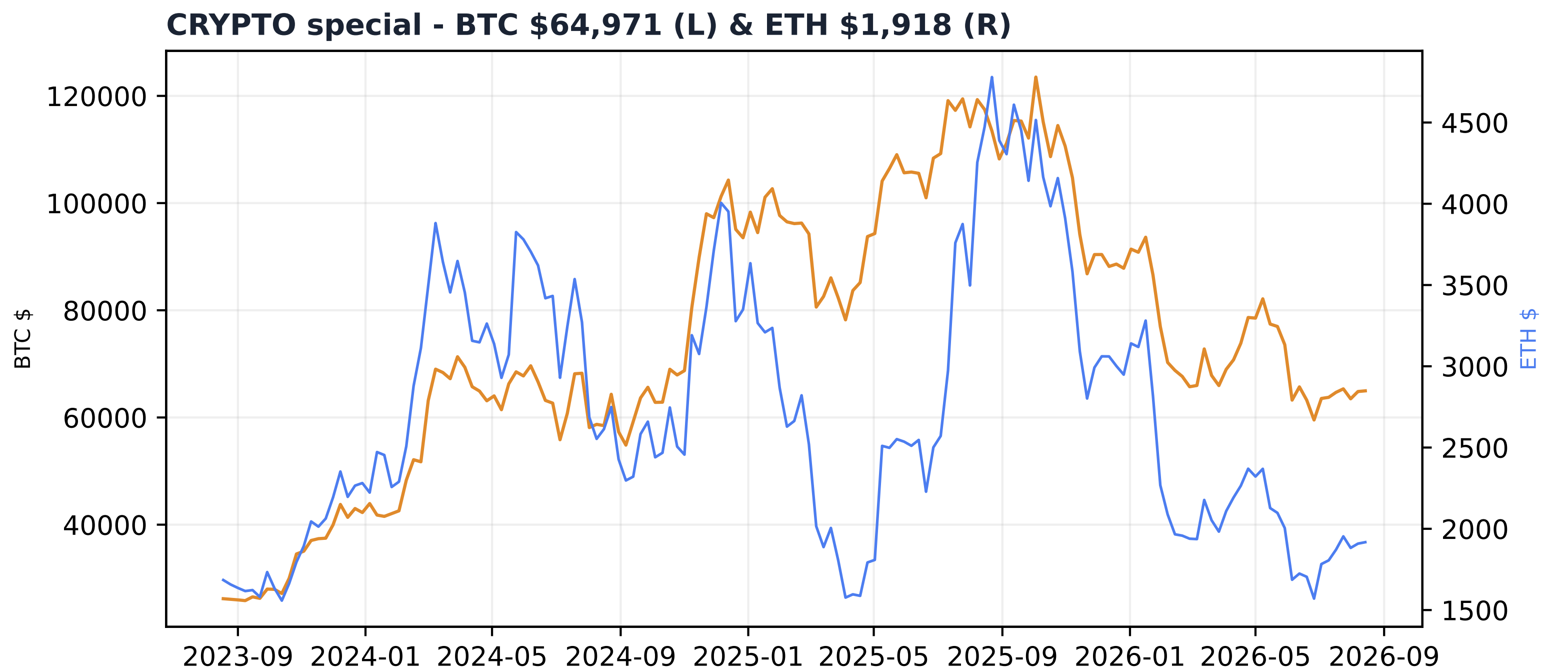

US working-gas storage (Bcf) — bearish (glut vs seasonal)
working gas in storage
5-yr seasonal avg
±1σ seasonal band
4000
3500
3000
2500
2000
1500
3117 Bcf · +6.0% vs 5-yr seasonal (z +0.6) · weekly +33 Bcf
2023-09
2024-01
2024-05
2024-09
2025-01
2025-05
2025-09
2026-01
2026-05
2026-09

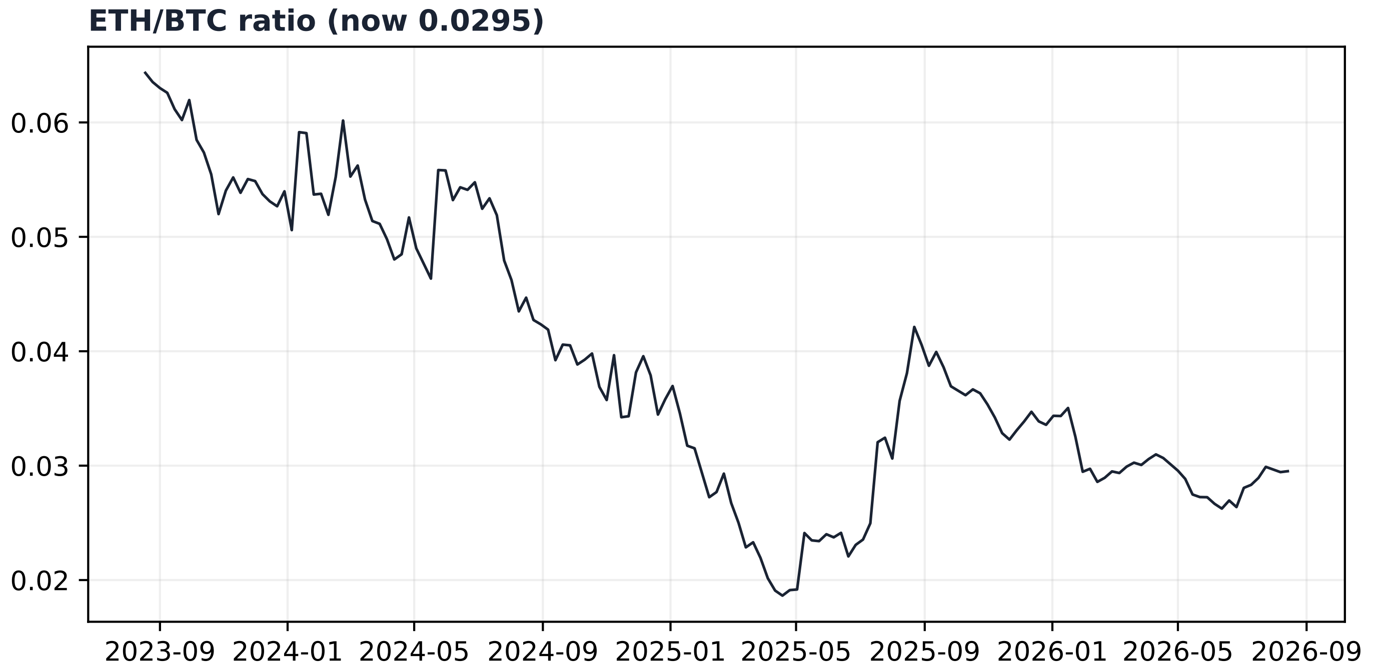
GOLD/SILVER special - Gold $4401 (L) & Silver $64.21 (R)

Gold/Silver ratio (now 68.5, 11th pctile of 5y)



Gold vs 10Y real yield (inverted) - 52w corr -0.45





MARKET STRUCTURE (current)

Total mcap $2.30T   BTC dominance 56.7%   ETH dominance 10.1%

Stablecoin supply $306B (+0.3% wk)   DeFi TVL $76B (+2.1% wk)

Crypto Fear & Greed: 30 (Fear), a week ago 28

MOMENTUM & TREND

Time-series momentum, trend state and distance below the 52-week high

Instrument	13w	26w	52w	Score	vs 40wMA	<52wHi
US_SP500	+5%	+12%	+21%	**+1.00**	+10%	0%
US_Nasdaq	+2%	+16%	+24%	**+1.00**	+11%	-1%
EU_STOXX50	+12%	+9%	+20%	**+1.00**	+10%	0%
JP_Nikkei225	+9%	+18%	+54%	**+1.00**	+15%	-6%
IN_Nifty50	+4%	-3%	-0%	**+0.00**	-0%	-7%
HK_HangSeng	-0%	-2%	+3%	**+0.00**	+1%	-5%
Gold	-3%	-12%	+32%	**+0.00**	-2%	-16%
Silver	-17%	-18%	+69%	**+0.00**	-10%	-36%
WTI_Oil	-25%	+25%	+25%	**+0.00**	+1%	-29%
Copper	+6%	+14%	+48%	**+1.00**	+12%	0%
DXY	+0%	+3%	+2%	**+0.50**	+1%	-2%
Bitcoin	-16%	-6%	-45%	**-0.50**	-13%	-47%

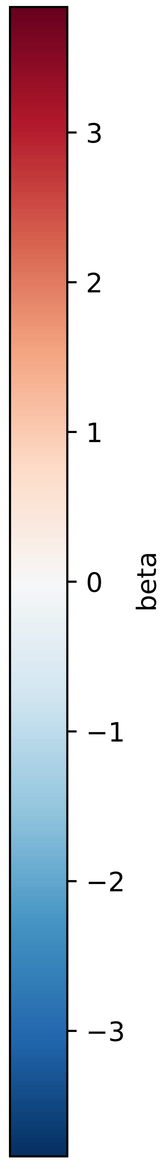
Global equity 26-week relative strength:

LEADERS: TW_TAIEX +41%, TH_SET +24%, IT_FTSEMIB +18%, JP_Nikkei225 +18%, US_Nasdaq +16%, SG_STI +15%

LAGGARDS: ID_JKSE -22%, RU_RTS -22%, RU_MOEX -17%, CN_Internet -16%, BR_Bovespa -6%, MX_IPC -5%

Score = mean sign of the 4/13/26/52-week returns (+1 = uptrend across all horizons). 'Golden' (10w>40w MA) vs 'death' cross is the weekly analogue of the 50/200-day signal.

Factor betas — each asset's 52-week sensitivity to the master factors



	Equity (S&P)	Dollar (DXY)	Rates (10Y)	Oil (WTI)
US_SP500		-0.92	-0.04	-0.07
EU_STOXX50	+0.79	-0.81	-0.07	-0.13
JP_Nikkei225	+0.82	-0.50	-0.12	-0.20
IN_Nifty50	+0.42	-0.87	-0.08	-0.13
HK_HangSeng	+0.57	-1.46	+0.02	+0.00
US_HighYield	+0.21	-0.34	-0.03	-0.03
Gold	+0.79	-1.30	-0.18	-0.10
Silver	+1.96	-2.67	-0.24	-0.23
Copper	+1.03	-1.33	-0.07	-0.09
WTI_Oil	-1.45	+3.84	+0.50	
Bitcoin	+1.45	-0.52	-0.01	+0.03
EURUSD	+0.19	-0.95	-0.03	-0.04

Positive equity beta = risk-on; negative dollar beta = falls when the dollar rises. This is the risk-attribution / hedging map.

S&P 500 Shiller CAPE — 42.4, 99th percentile of 156 years

Excess CAPE Yield (1/CAPE − 10Y real) — -0.07%, 0th pctile since 2015

Cyclically-adjusted earnings yield 1/CAPE = 2.36% · trailing earnings yield 3.93% · 10Y nominal 4.69% · 10Y real 2.43% · equity risk premium
A low/negative Excess CAPE Yield signals equities are richly priced versus real bonds and historically implies muted long-run forward returns — a valua

PART VI

Forecasting & Signals

Forward-looking reads — lead-lag forecasts and fair-value dislocations.

- Tautology-filtered lead-lag forecasts with honest R^2 and bands
- Fair-value residual models: what is rich or cheap vs its drivers

Leading Indicators & Forecasts

Genuine lead-lag pairs (near-identical instruments excluded) + a level forecast H weeks out from the leader's current move. Weekly predictive skill is modest - read R2 and the band; treat as a probabilistic tilt, not a point call.

LEADER	-> LAGGER	H	corr	R2	forecast: cur -> pred [band]
StLouis_Fin_Stress	Initial_Claims	3w	+0.74	0.54	199000.00 -> 401573.56 [124366.56,678780.56]
IN_IndiaVIX	Initial_Claims	2w	+0.73	0.54	199000.00 -> 233139.15 [-531.32,466809.62]
Chicago_Fed_NFCI	Continued_Claims	4w	+0.71	0.50	1801000.00 -> 1771371.21 [832937.36,2709805.07]
Initial_Claims	Continued_Claims	3w	+0.67	0.44	1801000.00 -> 1816266.27 [1030186.65,2602345.88]
VIX3M	Initial_Claims	3w	+0.65	0.42	199000.00 -> 224982.80 [-111809.88,561775.48]
OilVol_OVX	Initial_Claims	2w	+0.62	0.38	199000.00 -> -25233.88 [-296798.41,246330.65]
StLouis_Fin_Stress	Chicago_Fed_NAI	3w	-0.61	0.38	-0.02 -> -0.85 [-2.45,0.74]
CA_TSX	Initial_Claims	3w	-0.61	0.37	199000.00 -> 6679.21 [-342751.65,356110.07]
Continued_Claims	Chicago_Fed_NAI	3w	+0.61	0.37	-0.02 -> 0.01 [-1.59,1.62]
IN_IndiaVIX	Chicago_Fed_NAI	3w	-0.60	0.36	-0.02 -> 0.49 [-1.25,2.22]
CBOE_VIX6M	Initial_Claims	3w	+0.60	0.36	199000.00 -> 95911.53 [-231201.26,423024.33]
IN_IndiaVIX	Continued_Claims	4w	+0.59	0.35	1801000.00 -> 1655081.14 [505985.12,2804177.16]
US_3M_yield	SOFR_rate	3w	+0.59	0.35	3.65 -> 3.61 [3.45,3.78]
VIX	Initial_Claims	4w	+0.59	0.35	199000.00 -> 39786.58 [-370209.50,449782.65]

Method: OLS of the lagger's forward H-week return on the leader's trailing H-week return over ~10y of weekly data; forecast applies the leader's latest value; band = +/-1 residual sigma. Direct or inverse correlation both qualify.

FAIR VALUE — RICH / CHEAP vs DRIVERS

Each asset regressed on its economic drivers; the residual is the rich/cheap signal

Copper vs global activity & dollar

RICH z +2.57

actual 6.62 · model-fair 4.68 · gap +41.5% · R^2 0.30

S&P 500 vs liquidity & rates

RICH z +1.72

actual 7757.64 · model-fair 5687.65 · gap +36.4% · R^2 0.24

HY spread vs equity vol

cheap z -0.96

actual 2.71 · model-fair 3.12 · gap -0.4 · R^2 0.07

USDJPY vs US-Japan yield gap

cheap z -0.85

actual 158.82 · model-fair 162.85 · gap -2.5% · R^2 0.92

Gold vs real yield & dollar

RICH z +0.76

actual 4400.60 · model-fair 3795.72 · gap +15.9% · R^2 0.67

The model-fair value is what the drivers justify; the gap is how far actual sits from it. $|z| > 1.5$ flags a stretched dislocation. Trust the signal in proportion to R^2 — a low R^2 model (shown) is a weak anchor, stated honestly.

PART VII

Risk & History

Downside risk and the multi-month trend of the headline readings.

- Tail risk: VaR / expected shortfall, drawdowns, tail dependence
- Historical trend of the key metrics across recent reports

TAIL RISK

Downside: 5% VaR / expected shortfall, drawdowns and fat-tailedness (5-year weekly)

Instrument	VaR5	ES5	DnVol	MaxDD	CurDD	Skew	Kurt
US_SP500	-3.2%	-4.8%	11%	-25%	0%	-0.2	+1.3
US_Nasdaq	-4.5%	-5.9%	13%	-36%	-1%	-0.1	+0.3
EU_STOXX50	-3.8%	-5.7%	13%	-24%	0%	-0.9	+2.5
IN_Nifty50	-2.8%	-4.0%	9%	-17%	-7%	-0.3	+0.5
Gold	-3.5%	-4.7%	11%	-23%	-16%	-0.1	+1.5
WTI_Oil	-9.2%	-12.0%	26%	-53%	-35%	+0.6	+3.6
Copper	-4.8%	-9.2%	23%	-34%	0%	-1.5	+10.2
Bitcoin	-11.5%	-15.5%	35%	-75%	-47%	-0.2	+1.6
US_HighYield	-1.6%	-2.3%	5%	-19%	-10%	+0.2	+2.9
EURUSD	-1.5%	-2.1%	4%	-18%	-3%	+0.5	+2.3

Lower-tail dependence WITH the S&P 500 (P both crash together):

EU_STOXX50 0.43   Bitcoin 0.25   Gold 0.13   Copper 0.28   US_HighYield 0.47

VaR5 = the typical bad-week loss (5% quantile); ES5 = the average loss BEYOND it. Lower-tail dependence near 1 = crashes together (no shelter); near 0 = a genuine diversifier when it matters most.

Historical Trend - Key Metrics

Key readings from every weekly report, most recent on the right. Cells are colour-coded green (favourable / risk-on), amber (neutral) and red (adverse / risk-off) so the multi-month trend is readable at a glance.

R+ risk-on / favourable   N neutral   R- risk-off / adverse

	03-06	03-13	03-20	03-27	04-03	04-10	04-17	04-24	05-01	05-08	05-15	05-22	05-29	06-05	06-12	06-19	06-26	07-03	07-10	07-17	07-24	07-31	08-07	08-14
Regime	N	N	N	N	N	N	N	N	N	N	N	R+	R+	N	N	N	N	N	R+	R+	N	N	N	N
Risk appetite																							+0.83	+1.08
Macro nowcast																							+0.04	+0.06
Quadrant	Stag	Stag	Stag	Stag	Stag	Stag	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Gold	Refl	Refl	Stag	Stag	Stag	Gold	Gold
VIX	29	27	27	31	24	19	17	19	17	17	18	17	15	22	18	16	18	16	15	16	18	18	16	15
SKEW																							133	133
Breadth %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC1 share																							22	16
Stk-Bond corr	+0.21	+0.11	+0.07	+0.05	+0.03	-0.00	-0.01	-0.03	-0.02	-0.02	-0.02	-0.03	-0.03	-0.05	-0.08	-0.08	-0.07	-0.03	-0.01	-0.01	+0.00	+0.01	+0.00	+0.00

Each column is one weekly report - read left (older) to right (latest) for the trend over the past months.