

ABL Digital Global Cross-Asset Weekly



Trend & Correlation Report | week ending 2026-10-02

312 instruments | 4210 weeks history

REGIME: Neutral

EXECUTIVE SUMMARY

The engine says neutral-with-a-risk-on-tilt, and the cleanest expression of that is owning equity beta while refusing to pay up for it. The Markov filter puts 78% posterior weight on Neutral and only 1.6% on Risk-off after ~71 weeks in state, while the cross-asset scorecard reads +0.54 [Risk-on] on the back of low concentration (+1.27) and S&P trend (+1.02). Lean long global equity beta — Taiwan (+45% 26w), FANG+ (+35%), Korea, Japan — and fade the crowded tails: Nasdaq futures sit at the 99th percentile of 3-year spec length with open interest up 20%, which is a positioning air-pocket, not a thesis. Favour cheap non-US and EM-Asia exposure over adding to US mega-cap; fade gold here, which the fair-value model marks 4.7% rich (R^2 0.70) after a -3.9% week.

Three things matter this week. WTI at \$95.47 is +38.8% over 13 weeks and its 13-week correlation to stocks has collapsed to -0.77 from -0.33 — oil has flipped from growth signal to margin tax, and equity drawdowns are now increasingly oil-led. The forward curve prices ~2.5 hikes to one year (o/n 3.88% to 5.23% at 1-2y) against a 10Y already at 5.18%, so duration is not the hedge it was: stock-bond DCC correlation is -0.05 versus +0.18 a year ago, barely negative. And the Excess CAPE Yield is -0.44%, the 0th percentile since 2015, with a -1.22% equity risk premium — carry, not multiple expansion, is the only honest source of return here.

The biggest risk is an oil-driven inflation shock forcing the priced hikes to become real. The observable trigger: WTI holding above \$100 with OVX (54, 87th percentile) pushing higher and the 10Y breakeven, currently inert at 2.34%, breaking above 2.50%. That combination would move the regime posterior toward Risk-off and turn the reflation quadrant into stagflation. Confirmation of the constructive case is the opposite: VIX/VIX3M holding contango below 0.95 and HY OAS staying inside 3.00%.

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

KEY SIGNALS

Stocks-Bonds DCC corr	-0.05 (1y ago +0.18)
PC1 variance share	17%
DCC persistence (a+b)	0.9806
Weeks in regime	71

For research and information only; not investment advice. Verify all data before use.

EXECUTIVE DASHBOARD

One-glance cross-asset scorecard · week ending 2026-10-02 · 312 instruments, 10-year context

MARKET REGIME

Neutral

~71w in regime

GROWTH × INFLATION

Reflation

g +0.8 / i +0.0

STOCK-BOND CORR

-0.05

vs +0.18 1y ago

RISK CONCENTRATION

17%

PC1 share of variance

EQUITY BREADTH

56%

indices > 40wk MA

VIX TERM

Contango

ratio 0.89

VALUATION

Shiller CAPE 41.5 99th %ile / 156y

Excess CAPE yield -0.44%

ERP -1.22%

METRIC vs 10-YEAR HISTORY	Level	Wk Δ	10y percentile
Volatility (VIX)	16.3	+1.45	47th
HY credit spread (OAS)	2.93%	+0.00	44th
IG credit spread (OAS)	0.81%	+0.00	39th
EM corp spread (OAS)	1.40%	+0.00	6th
10Y real yield (TIPS)	2.85%	+0.00	100th
10Y nominal yield	5.18%	+0.00	100th
2Y yield	4.87%	+0.00	96th
10Y-2Y curve	+0.36pp	+0.00	50th
10Y breakeven infl.	2.34%	+0.00	76th
Financial conditions	-0.56	+0.00	30th
Initial jobless claims	197k	+0k	2th
Weekly Econ Index	+3.0%	+0.00	84th
Fed net liquidity	\$5.77T	+0.00	47th
US dollar (DXY)	101.2	+0.2%	69th
Gold	\$4,154	-3.9%	92th
S&P 500	7678	-0.8%	99th

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

risk-off (-1.5)

score +0.54

(+1.5) risk-on



Components (standardised, + = risk-on):



MACRO NOWCAST

Trend growth

contracting (-1.5)

score +0.07

(+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 · 2026-10-02

TOP GAINERS

Sugar	+5.9%
Cotton	+4.5%
Coffee	+4.4%
WTI_Oil	+3.3%
USDRUB	+3.1%
USDMXN	+1.0%
USDZAR	+0.9%
USDBRL	+0.8%

TOP DECLINERS

Gasoline	-5.5%
Cardano	-4.8%
Silver	-4.5%
Dogecoin	-4.2%
Brent_Oil	-4.1%
Gold	-3.9%
Palladium	-3.6%
CN_Shenzhen	-3.5%

KEY LEVELS — week-over-week change

US 10Y yield	5.18	+0.00%	SKEW	nan	+nan
2Y yield	4.87	+0.00%	US dollar (DXY)	101.19	+0.2%
HY credit OAS	2.93	+0.00%	Gold	4154.50	-3.9%
IG credit OAS	0.81	+0.00%	WTI oil	95.47	+3.3%
VIX	16.32	+1.45	Bitcoin	83208.95	-1.5%

MARKET-STATE READINGS — now vs the prior report

Regime	prior: R+	->	Neutral
Quadrant	prior: Gold	->	Reflation
Risk appetite	prior: +0.82	->	+0.54
Macro nowcast	prior: +0.12	->	+0.07
PC1 share	prior: 17	->	17%
Stock-bond DCC	prior: —	->	-0.05

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 says neutral-with-a-risk-on-tilt, and the cleanest expression of that is owning equity beta while refusing to pay up for it. The Markov filter puts 78% posterior weight on Neutral and only 1.6% on Risk-off after ~71 weeks in state, while the cross-asset scorecard reads +0.54 [Risk-on] on the back of low concentration (+1.27) and S&P trend (+1.02). Lean long global equity beta — Taiwan (+45% 26w), FANG+ (+35%), Korea, Japan — and fade the crowded tails: Nasdaq futures sit at the 99th percentile of 3-year spec length with open interest up 20%, which is a positioning air-pocket, not a thesis. Favour cheap non-US and EM-Asia exposure over adding to US mega-cap; fade gold here, which the fair-value model marks 4.7% rich (R^2 0.70) after a -3.9% week.

Three things matter this week. WTI at \$95.47 is +38.8% over 13 weeks and its 13-week correlation to stocks has collapsed to -0.77 from -0.33 — oil has flipped from growth signal to margin tax, and equity drawdowns are now increasingly oil-led. The forward curve prices ~2.5 hikes to one year (o/n 3.88% to 5.23% at 1-2y) against a 10Y already at 5.18%, so duration is not the hedge it was: stock-bond DCC correlation is -0.05 versus +0.18 a year ago, barely negative. And the Excess CAPE Yield is -0.44%, the 0th percentile since 2015, with a -1.22% equity risk premium — carry, not multiple expansion, is the only honest source of return here.

The biggest risk is an oil-driven inflation shock forcing the priced hikes to become real. The observable trigger: WTI holding above \$100 with OVX (54, 87th percentile) pushing higher and the 10Y breakeven, currently inert at 2.34%, breaking above 2.50%. That combination would move the regime posterior toward Risk-off and turn the reflation quadrant into stagflation. Confirmation of the constructive case is the opposite: VIX/VIX3M holding contango below 0.95 and HY OAS staying inside 3.00%.

Regime, Scorecard & Market State

The Markov-switching model, fitted on weekly S&P returns with switching mean and variance, is unambiguous about the state and modest about its conviction: smoothed posterior of 0.780 Neutral, 0.204 Risk-on, 0.016 Risk-off. Seventy-one weeks in state is a long, mature neutral regime — the kind that ends with a transition rather than a drift, and the near-zero Risk-off weight tells you the model sees no volatility-cluster evidence yet, not that none is coming.

The scorecard at +0.54 sits one notch more optimistic than the regime, and the components explain why they diverge. Two readings carry it: low_concentration at +1.27 and spx_trend at +1.02. Credit HY (+0.43), risk_over_haven (+0.33) and equity breadth (+0.23) are mildly positive; VIX term at -0.04 is neutral. So the risk-on signal is built on trend and dispersion, not on a broad improvement in underlying risk pricing — a structurally healthy market, but one whose bullishness is the absence of stress rather than the presence of a driver.

Where this gets interesting is the contradiction with sentiment and price. CNN Fear & Greed is 35 [fear], barely up from 34.2 a week ago and down hard from 53.7 a month ago, with price_strength and price_breadth both at 0 — a literal floor. Yet breadth is 56% of 43 global indices above their 40-week moving average, and only 36% of 11 US sectors. That is the reconciliation: the US index is being carried by a narrow cohort while most of its sectors have rolled over, and the global market is doing better than the American one. VIX at 16.32 rose 1.45 on the week with the S&P only -0.85% — a vol bid disproportionate to the drawdown, which usually signals hedging demand rather than liquidation.

For an investor, the actionable read is that the regime supports staying invested, the scorecard supports equity beta, but the internals say be selective about where that beta comes from. Own

the breadth that exists ex-US; do not assume the US sector complex is participating.

Global Macro, Liquidity & the Growth Nowcast

Liquidity is flat and that is the whole story. Fed net liquidity is \$5.77T with a 0.0% weekly change and 0.0% over four weeks; M2 is \$23.31T, also unchanged. ECB assets are -0.2% over four weeks, BoJ assets flat. There is no central-bank impulse in either direction — the policy tide is neither lifting nor draining. The 52-week correlation of net liquidity to stocks is +0.03, falling to -0.09 over 13 weeks, which confirms liquidity is not currently the marginal driver of equity returns. Stop trading the balance sheet; trade the earnings and the rate path.

Funding is pristine and that matters more than it sounds. SOFR at 3.90% sits 2bp above fed funds at 3.88% — no repo stress — but the RRP facility is at \$1bn, effectively zero. The buffer that absorbed QT is gone. With RRP exhausted, any further reserve drain comes straight out of bank reserves, which is the mechanism by which quiet funding markets become loud ones. Watch SOFR-fed funds; a sustained spread above roughly 10bp is the early warning.

Sovereign yields show a striking dispersion: US 5.18%, UK 4.99%, Germany 3.18%, Japan 2.94%. A 200bp US-Germany gap with the US 10Y above 5% is a US-specific term-premium and fiscal story, not a global inflation story — European yields are not confirming it. That gap is what makes USDJPY's -7.0% cheapness versus the US-Japan yield gap (z -2.34, R^2 0.89) the highest-conviction dislocation in the entire dataset.

The nowcast is +0.07 [Trend growth], a composite that hides real internal conflict. Global activity is +1.22 and the Weekly Economic Index +3.0% (above the ~2% trend) with initial claims at 197k, the 2nd percentile of ten years — a labour market as tight as it gets. Against that, consumer sentiment is -1.47. Production and employment are strong; the household is not feeling it, and \$95 oil is the obvious reason. Recession risk is negligible on every measure: FRED smoothed probability 0.8%, Sahm rule -0.07 against a 0.50 trigger, 10Y-3M at +0.93pp. The growth/inflation frame is the Reflation quadrant — growth z +0.75 and rising (+0.21 over 13 weeks), inflation z +0.02 and flat. Reflation favours cyclicals and equity beta over duration, but it is one oil-driven breakeven print away from becoming something less friendly.

Rates, Credit & the Stock-Bond Relationship

Every rates and credit level printed a 0.00 weekly change: 10Y at 5.18%, 2Y at 4.87%, the curve at +0.36pp, breakevens at 2.34%, HY OAS at 2.93%, IG at 0.81%. Read that as a stale or non-updating data window rather than a market that genuinely did not move — the bond ETF returns tell the truth, and they are all negative: UST20y+ -1.2%, UST7-10y -0.8%, US-IG -1.0%, TIPS -0.5%. Long duration underperformed, so yields rose and the levels shown are an underestimate at the long end.

The credit signal is the constructive one. HY OAS at 2.93% and IG at 0.81% are tight in absolute terms, HY ETFs lost only -0.5% against -1.0% for IG, and junk_bond_demand is the strongest Fear & Greed component at 68. Credit is not corroborating equity anxiety. That tells you the equity wobble is a valuation-and-positioning event, not a solvency one, and it is why the constructive lean is defensible. The level that changes this is HY OAS above 3.25%.

The stock-bond relationship is where risk is actually accumulating. The DCC conditional correlation between stocks and the 10Y yield is -0.05 now versus +0.18 a year ago, with persistence 0.9806 — extremely high, meaning today's correlation regime is sticky and will not mean-revert quickly. A near-zero correlation means bonds are neither hedging equities nor moving with them; the 60/40 diversification benefit has evaporated without being replaced. The 52-week rolling correlation of -0.24 versus -0.28 over 13 weeks confirms only a weak negative relationship. Investors relying on Treasuries to cushion an equity drawdown should size that expectation down and look to cash, gold (despite its richness), or explicit optionality instead.

Positioning in rates is the loudest signal in the whole complex. UST 5Y spec length is the 100th percentile of three years, UST 2Y the 97th, both with open interest down 13-20% — meaning the position is concentrated in fewer, larger hands. That is a crowded long in the front end against a forward curve pricing ~2.5 hikes to one year (0-3m 4.24%, 3-12m 4.60%, 1-2y 5.23%). If those hikes get priced in further, the 2Y and 5Y longs are the pain trade, and the unwind would be violent. Meanwhile UST Bond futures sit at the 14th percentile — a crowded short at the long end. The market is positioned for curve steepening from a +0.36pp starting point. That is a consensus trade, and it is vulnerable to a bull-flattening growth scare.

Factor Structure & Systemic Risk

PC1 explains 17% of variance across 197 instruments — low, and this is the single most reassuring number in the note. PC1 is the risk factor (equity beta); PC2 is rates (10Y yield) at 11%; PC3 and PC4 are both the US dollar at 4% each. In a stressed market, PC1 routinely absorbs 40-60% of variance as everything collapses onto a single risk-on/risk-off axis. At 17%, no single force dominates — the market is trading on idiosyncratic and sectoral drivers, which is exactly why low_concentration scores +1.27 in the scorecard.

The MV-DCC systemic gauge confirms it independently: average pairwise conditional correlation is +0.03 now versus +0.04 a year ago, with persistence 0.838. Diversification is not failing. Genuine cross-asset diversification is available at close to the best terms of the past year, and a rising average correlation would be the first real signal of a regime break — that is the number to watch, more than VIX.

The practical implication is large. A 17% PC1 with +0.03 average correlation means security and country selection generate real, uncorrelated return right now, and risk budgets can carry more gross exposure per unit of portfolio volatility than usual. It also means broad index hedges are inefficient — if assets are not moving together, a blanket S&P put hedges the index, not the portfolio. Hedge the specific exposures.

The caveat: the two dollar factors at PC3 and PC4 are almost certainly one economic factor split by the decomposition, meaning the dollar's true explanatory share is nearer 8% and it is a more meaningful axis than the ranking implies. With DXY +0.22% and spec length at the 70th percentile with open interest up 22%, a dollar move is a live risk to EM and commodity positions.

Cross-Asset Correlation & Lead-Lag

The Granger network names the drivers: Bitcoin, EU STOXX50, VIX and US HY OAS lead; Nikkei, S&P 500, gold and WTI follow. Two of the four leaders are risk-pricing instruments rather than assets — VIX and HY OAS — which means the information flow this week runs from how risk is priced into where prices go, not the reverse. Practically, that says watch HY OAS and the VIX term structure for the early read on the S&P, and treat the S&P itself as confirmation rather than signal. That Bitcoin leads is the familiar pattern of a 24/7 asset absorbing global risk sentiment first; BTC's -1.49% week is therefore a mild negative lead into equities.

The correlation table contains one genuinely important break. Oil versus stocks has gone to -0.77 over 13 weeks from -0.33 over 52 — a -0.43 shift, the largest in the matrix. Above roughly \$90, oil stops being a demand signal and becomes a cost shock; with WTI at \$95.47 and +38.8% over 13 weeks, every further rally is now a direct equity headwind. This single relationship reframes the reflation quadrant: growth z +0.75 is partly oil-driven, and oil-driven growth is the low-quality kind.

Bitcoin versus Nasdaq has flipped from +0.36 to -0.20, a -0.56 shift. Crypto has decoupled from tech beta, which improves its diversification value and undercuts the "leveraged Nasdaq" framing. Stocks versus HY spread has weakened from -0.68 to -0.27 (+0.40), meaning equity weakness is not being validated by credit — consistent with the reading above that this is a

positioning wobble.

The stable relationships still hold: gold-silver +0.93 (up from +0.81, so the precious complex is trading as one), copper-stocks +0.60, VIX-stocks -0.68, DAX-SPX +0.65 but weakening to +0.50 as European and US equity paths diverge. Gold versus breakevens has flipped from -0.10 to +0.20, the beginning of gold trading as an inflation hedge rather than a real-rate asset.

One housekeeping note: the reported extreme pairs are mechanical. Gold reserves in ounces versus tonnes at +1.00 is a unit conversion, and the COFER share pairs at -1.00 are shares of a constrained total. Ignore them; they carry no information.

Relative Value & Fair Value

Only one cointegrated relationship is both stretched and well-fitted, and it is the trade of the week. USDJPY is -7.0% cheap versus the US-Japan yield gap at z -2.34 with R^2 0.89. That R^2 is high enough to take seriously — the yield gap explains 89% of the variation, so a 2.3-sigma dislocation is a genuine signal rather than model noise. With the US 10Y at 5.18% against Japan's 2.94%, the fundamental driver argues for a higher USDJPY, and the spot is not reflecting it. The complication, and it is a real one: JPY spec length is at the 80th percentile of three years with open interest up 19%, so the market is already positioned for yen strength. The dislocation and the positioning point in opposite directions, which usually means the positioning is the reason for the dislocation — and that is precisely the setup where a convergence trade pays, because the unwind supplies the fuel. Sizing should respect that the trigger is a BoJ policy shift nobody can time.

Gold at +4.7% rich versus its real-yield-and-dollar fair value, R^2 0.70, is the second well-fitted signal — and it is weaker than it looks. The z -score is only +0.24, meaning gold is rich in percentage terms but statistically unremarkable; the model's residuals are simply wide. Do not short gold on a +0.24 z . What it does justify is declining to add after a -3.93% week, and preferring silver-adjacent industrial exposure if you want the metal complex at all.

The thinner signals deserve proportionate scepticism, and the discipline cuts both ways. The gold/silver ratio at 67.7 is the 13th percentile of five years, which historically flags silver as expensive relative to gold — but with the pair's 13-week correlation at +0.93, there is no independent variation left to trade. A ratio trade needs the legs to decouple; right now they do not.

Note what the fair-value screen does not flag: no equity index, no credit spread, no sovereign yield is stretched on a well-fitted model. The dislocations are in FX and metals, not in the assets where most portfolio risk sits.

Volatility & Tail Risk

The term structure is in healthy contango — 9D at 13, 1M 16, 3M 18, 6M 20 — with VIX/VIX3M at 0.89, the 57th percentile of ten years. Forward fear exceeds spot fear, which is the normal, non-stressed configuration. The 57th percentile placement is the key nuance: this is contango, but only ordinary contango, not the complacent sub-20th-percentile reading that precedes vol shocks. The vol-risk premium at +10.3 is comfortably positive, meaning implied vol exceeds realised by a wide margin. Short-vol carry is being paid well, and for a portfolio already long equity beta, systematic covered-call or put-spread financing converts that premium into return without adding directional risk.

SKEW at 145, the 63rd percentile, says out-of-the-money puts are bid relative to at-the-money — investors are buying crash protection even as spot vol stays calm. Combined with VIX rising 1.45 on a -0.85% S&P week, the picture is of a market that is hedged rather than complacent. That is bullish at the margin: hedged markets fall less hard, because the forced-selling channel is pre-

empted.

The commodity vol readings are the outliers and they carry the warning. OVX at 54 is the 87th percentile and GVZ at 25 the 88th, against MOVE at 96 (45th percentile). Volatility risk has migrated out of rates and equities and into commodities. Given oil's -0.77 correlation to stocks, high oil vol is now transmissible equity risk — the cheapest hedge on the book may be oil optionality rather than an S&P put.

Tail metrics: S&P 5% expected shortfall -4.8% against a current drawdown of just -1%, so the index is near highs with modest tail exposure. Gold's ES5 is -4.7% but with a -21% current drawdown — already deep in a correction, which raises the odds that the +4.7% richness resolves through time rather than further price decline. Bitcoin's ES5 is -15.5% with a -33% drawdown; that is a properly damaged asset and position sizes should reflect a three-times-equity tail. S&P-gold lower-tail dependence is 0.11 — low, meaning gold has retained genuine haven quality in joint crashes. With stock-bond correlation at -0.05, that 0.11 is the better crash diversifier on offer, which is a real argument for holding gold despite the valuation signal.

Leading Indicators & Forecasts

The lead-lag forecast table is honest to the point of being unhelpful, and that itself is the finding. All ten well-fitted relationships are European sovereign yields predicting other European sovereign yields — Italy to Italy (R^2 0.89), France to Netherlands (0.77), Germany to Spain (0.64). Every four-week forecast is a flat line: Italy 3.99 to 3.99, Germany 3.19 to 3.19, France 4.00 to 4.00, Spain 3.63 to 3.62. High R^2 and zero predicted change means the model has found that European yields are tightly cointegrated with each other and currently in equilibrium — genuine structure, no directional information.

Take the practical conclusion seriously. The engine has no well-fitted leading indicator for equities, commodities, credit or FX at a weekly horizon. Weekly predictive skill across asset classes is modest at best, and the absence of a signal here should not be read as a forecast of calm. The ± 1 -sigma bands (Germany 3.13-3.25, Italy 3.91-4.06) are roughly ± 10 bp — the honest uncertainty even on the tightest fits.

There is one usable insight: intra-European spreads are at equilibrium. The France-Germany gap of 81bp and the Italy-Germany gap of 81bp are what the models say they should be. There is no European sovereign convergence or divergence trade on offer, so European risk premia are not the place to spend risk budget this week. For directional information, rely on the Granger leaders — VIX, HY OAS, STOXX50, Bitcoin — which describe the contemporaneous transmission order, not on these forecasts.

Commodities (Oil, Gas & Metals)

Oil is the macro variable of this note. WTI at \$95.47 is +3.26% on the week and +38.8% over 13 weeks, with Brent-WTI at +4.70. What makes it remarkable is that the rally is happening against bearish inventory data: US crude stocks are +1.9% versus the five-year seasonal average at z +1.2, a genuine surplus, and the week added 2,969k barrels. Crude surplus plus a 39% rally means the bid is not coming from crude balances — it is coming from products. Gasoline stocks are -5.6% versus the five-year norm and distillate -12.0%, with the 3:2:1 crack at \$58.1/bbl. That is an extraordinary crack; refining margins at that level signal a genuine products shortage, and it is distillate — diesel, jet, heating oil — that drives industrial and transport costs. Cushing at 23.7M bbl is workable but not comfortable; US production at 13.94M b/d is near record and still not resolving it. This is a refining-capacity problem, and those resolve slowly.

The positioning makes it worse for shorts. CFTC WTI speculative net is -6,548 lots, the 30th percentile of three years, having added 11,297 lots on the week. Specs are net short into a 39% rally with the fundamentals in products rather than crude. That is fuel for continuation, not

exhaustion. With OVX at the 87th percentile and oil-stock correlation at -0.77, the asymmetric risk to a long equity book is oil going higher — and long energy equity or crude call spreads are the natural offset.

Natural gas is the mirror image: Henry Hub \$3.13, -2.2% on the week and -3.6% over 13 weeks, storage at 3,351 Bcf and +1.6% versus seasonal at $z +0.3$ — neutral inventories, nothing bullish and nothing catastrophic. But spec positioning is at the 2nd percentile of three years with open interest down 12%. That is about as crowded a short as this dataset measures, against merely neutral fundamentals. Any cold-weather surprise or LNG demand uptick produces a squeeze with no offsetting length. Asymmetry favours long optionality; do not short gas here at any size.

Precious metals had a bad week: gold -3.93% to \$4154, silver -4.52% to \$61.40, their 13-week correlation at +0.93. Gold's drawdown is -21% from highs and the fair-value model calls it 4.7% rich ($z +0.24$). Gold spec length at the 58th percentile with open interest up 55% is the detail that matters — a huge influx of new participants at a moderate net length, which means positioning is fragile even though it is not extreme. Silver at the 28th percentile is the cleaner long of the two, particularly with silver-copper correlation at +0.62 giving it industrial beta into a reflation quadrant. The gold/silver ratio at the 13th percentile says silver has already done the work, so this is a hold rather than an add.

Copper is the contrarian flag: -1.07% on the week but spec length at the 99th percentile with open interest up 30%. A crowded long in a metal that is falling, with copper-stocks correlation at +0.60, is a squeeze-lower risk that would drag cyclical equity with it. Agriculture is uniformly crowded long — soybeans 100th, corn 98th, wheat 94th — which is a broad commodity-length problem, not a copper-specific one.

Crypto

Total market cap is \$2.87T with Bitcoin -1.49% on the week, BTC dominance 58.2%, ETH dominance 11.4% and ETH/BTC at 0.0321. Rising BTC dominance in a soft tape is the standard defensive rotation within crypto — capital consolidating into the largest asset. ETH/BTC at 0.0321 is depressed, which historically marks either the bottom of an alt cycle or the beginning of a structural derating; nothing in this data distinguishes the two.

The internals are better than the price. Stablecoin supply is \$311B, +0.9% on the week, and DeFi TVL is \$95B, also +0.9%. Both rising while price falls means dollars are entering the ecosystem, not leaving — capital is being staged rather than withdrawn. That is a meaningfully different signal from a liquidation break, where stablecoin supply contracts as holders exit to fiat.

Crypto Fear & Greed at 74 [Greed], up from 70, against equity Fear & Greed at 35 [fear] is a 39-point divergence between the two investor bases. Crypto holders are greedy; equity holders are fearful. The Granger network has Bitcoin as a net information leader, so the crypto complex's optimism is, on this model's logic, a mildly positive forward signal for equities — though BTC's own -1.49% week partly offsets that.

Two numbers govern how much risk to take here. The correlation break with Nasdaq — from +0.36 over 52 weeks to -0.20 over 13 — means crypto now offers real diversification rather than levered tech exposure, which improves its portfolio case. But the tail is brutal: ES5 of -15.5% against a -33% current drawdown, more than three times the S&P's -4.8%. Size crypto at a third of the notional you would give an equivalent equity conviction. The combination of greed sentiment, a -33% drawdown, and rising stablecoin supply argues for holding existing exposure and adding only on a dominance reversal that signals risk appetite returning to the broader complex.

India, China & Russia

India had a poor week across the board: Nifty50 -1.6%, Sensex -1.5%, and Bank Nifty -2.0%, which put it among the five worst global performers. That banks led the decline matters — Indian financials are the index's largest weight and its cleanest read on domestic credit conditions, so a 2% bank drawdown is not an index-level technical event. With a 5.18% US 10Y and DXY firm at +0.22%, the dollar-funding channel is the likely transmission: EM-USD bonds fell -1.0% and EM-local -0.7% on the week, confirming pressure on EM financial conditions generally. India is not in the 26-week momentum leaders or laggards, which places it in the middle of the pack — underperforming Asian peers Taiwan (+45%), Korea (+28%) and Japan (+24%) without the outright damage of Russia or Indonesia. The constructive case rests on a strong global activity nowcast (+1.22); the constraint is \$95 oil, which hits India's terms of trade directly as a large net crude importer. An investor should want India exposure, but not at the expense of the North Asian momentum leaders while oil is bid.

China is fractured internally and that fracture is the trade. CN_Internet was a global leader at +0.5% and Hang Seng also +0.5%, while Shenzhen was the single worst global performer at -3.5% and Shanghai fell -1.7%. That is a five-point spread inside one country in one week — offshore and internet names bid, onshore growth names sold. This is a domestic-versus-offshore liquidity split, not a coherent macro judgement on China. CN_Internet is also a 26-week laggard at -12%, so the week's strength is an early reversal in the most beaten-down segment, and the 17% PC1 says it is being driven by something idiosyncratic rather than global beta. The setup favours offshore and internet exposure over onshore A-shares. Confirmation would be Hang Seng and CN_Internet leading for consecutive weeks while Shenzhen lags; a reversal would invalidate it quickly.

Russia is the clearest structural underperformance in the universe: RTS -22% and MOEX -18% over 26 weeks, both at the bottom of the momentum table. What makes this notable is that it is happening with WTI +38.8% over 13 weeks. An oil-exporting economy failing to participate in a 39% crude rally is not a valuation story — it is a sanctions, access and capital-mobility story, and the isolation from the commodity cycle is structural. Russian equity is not investable as an oil proxy; investors wanting that exposure should take it through energy equities in accessible markets or through crude directly. Watch Russian gold reserves for the reserve-diversification theme, but treat the equity complex as uninvestable on these mechanics.

The broader developed-versus-emerging picture is split rather than uniform. EM Asia's north — Taiwan, Korea, Japan — dominates the momentum leaderboard; EM's periphery — Turkey (-2.4% week), Argentina (-1.8%), Indonesia (-13% 26w), Mexico (-7% 26w) — is where the damage sits. With EM-USD bonds -1.0% and EM-local -0.7%, and international ex-US equity down only -0.4% against the S&P's -0.85%, the discriminator is dollar sensitivity. Favour the EM markets with technology and export cycles behind them; avoid the high-external-funding-need cohort while the US 10Y holds above 5%.

Positioning, Sentiment & What to Watch

Positioning is the most actionable dataset in the note, because the extremes are unambiguous. On the crowded-long side: Nasdaq 99th percentile with open interest +20%, UST 5Y 100th, UST 2Y 97th, copper 99th, soybeans 100th, corn 98th, wheat 94th, JPY 80th. On the crowded-short side: Russell 2000 4th with open interest -18%, GBP 4th, natural gas 2nd, EUR 11th, UST Bond 14th. The S&P e-mini at the 33rd percentile with open interest -7% is the outlier — the broad index is not crowded at all. The market has concentrated its equity length in the Nasdaq while abandoning small caps entirely.

That asymmetry is the trade. Long Russell versus short Nasdaq is the positioning-pure expression of the current setup, and it aligns with the reflation quadrant, which historically favours

smaller domestic cyclicals over long-duration growth. It also hedges the single largest squeeze-lower risk in the equity complex. The rates mirror image — crowded long the front end, crowded short the long end — means the consensus steepener is vulnerable; the pain trade is bull flattening, which happens on a growth scare.

Sentiment supports leaning in. CNN Fear & Greed at 35 [fear], down from 53.7 a month ago, with price_strength and price_breadth both pinned at 0, is a contrarian positive against a Neutral regime, a +0.54 risk-appetite score and HY OAS at 2.93%. Fear with credit calm is usually a buying condition, not a warning. The offset is valuation: CAPE at 41.5 is the 99th percentile of 156 years, the excess CAPE yield -0.44% is the 0th percentile since 2015, and the equity risk premium is -1.22%. Equities are priced for perfection against bonds. That does not time a drawdown, but it caps the return you should expect and argues for harvesting the +10.3 vol-risk premium rather than relying on multiple expansion.

The signals that would confirm this constructive, selectively-positioned view: HY OAS holding inside 3.00%; VIX/VIX3M staying in contango below 0.95; MV-DCC average correlation staying near +0.03 and PC1 below 20%; CN_Internet and Hang Seng leading for a second consecutive week; Russell outperforming Nasdaq as the crowded long bleeds; CNN Fear & Greed recovering through 45 while credit stays tight.

The signals that would change it: WTI sustaining above \$100 with the 10Y breakeven breaking 2.50% — that turns reflation into stagflation and the -0.77 oil-stock correlation into an active drag. The MV-DCC average correlation rising above +0.15 or PC1's variance share moving above 25% would say diversification is failing in real time and gross exposure should come down immediately, regardless of price. HY OAS above 3.25% would mark credit finally confirming equity weakness, which is the signal that converts this from a positioning wobble into something structural. SOFR-fed funds widening beyond 10bp with RRP already at \$1bn would flag funding stress with no buffer left. And the regime posterior itself: Risk-off rising from 0.016 above roughly 0.15 would mark the end of a 71-week neutral state, at which point the trend and concentration scores carrying the +0.54 scorecard would deteriorate together.



PART I

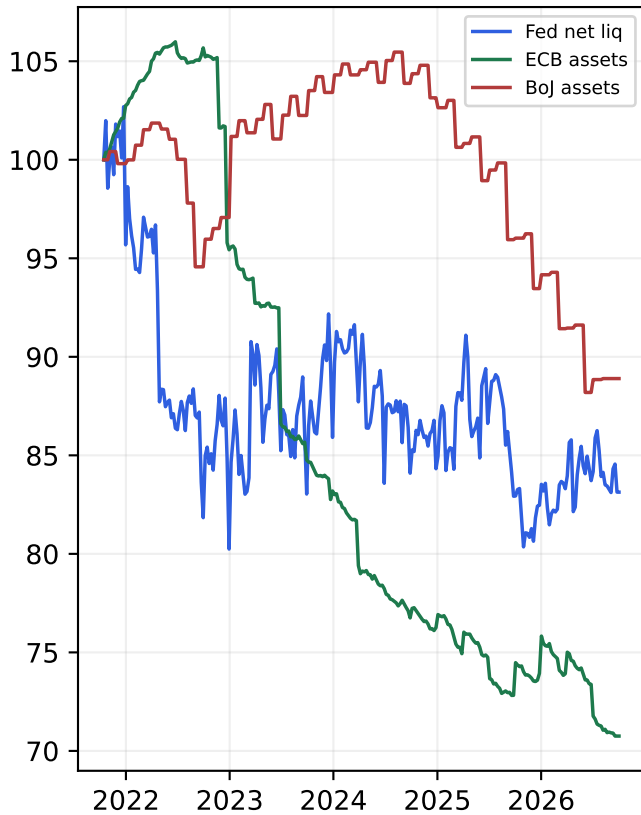
Global Macro & Liquidity

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

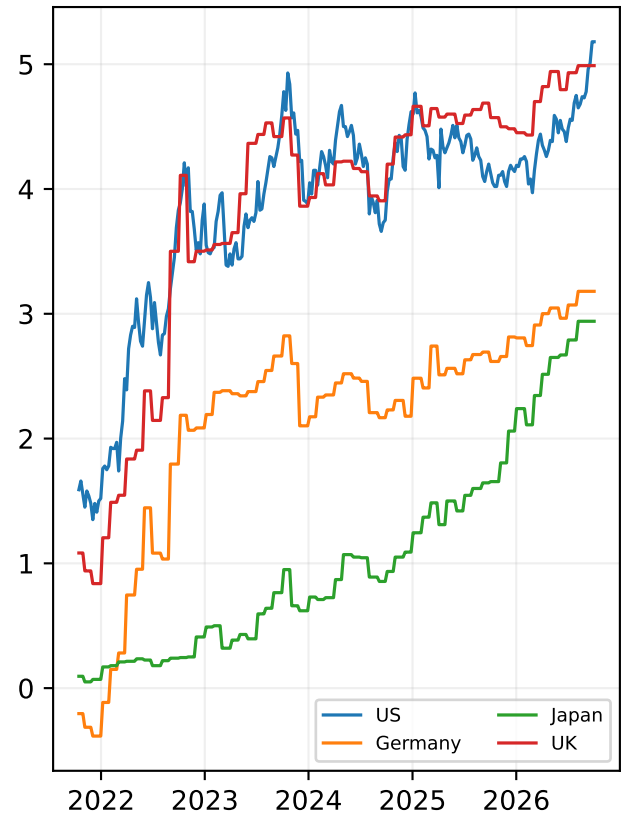
- Central-bank balance sheets (Fed / ECB / BoJ) & global 10Y yields
- Funding plumbing: SOFR, RRP, the Treasury General Account
- Recession probability, market-implied rate path, growth × inflation regime

Global Macro & Liquidity

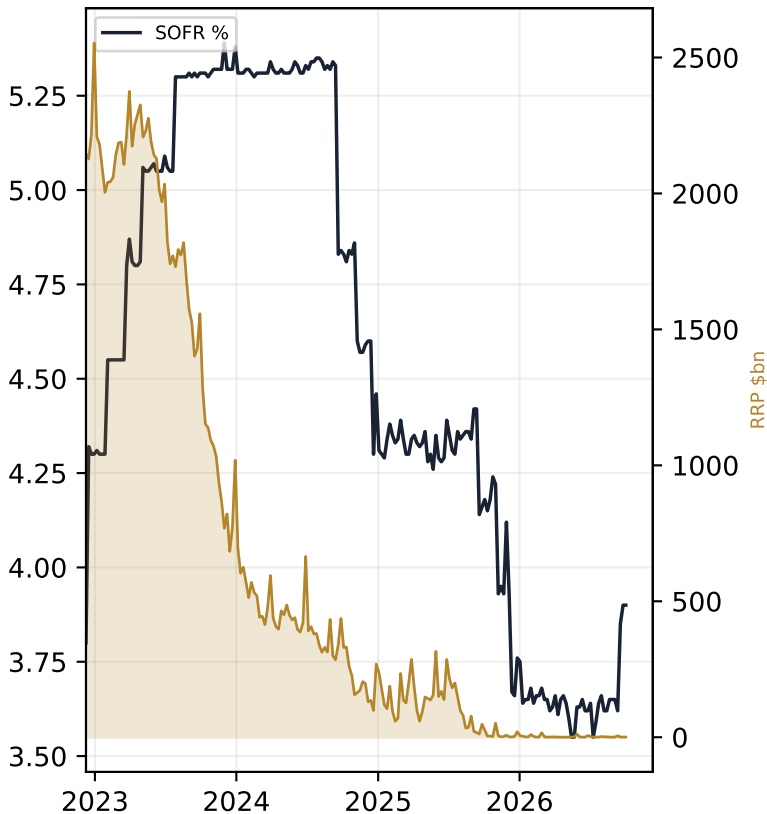
Central-bank liquidity (indexed = 100, 5y)



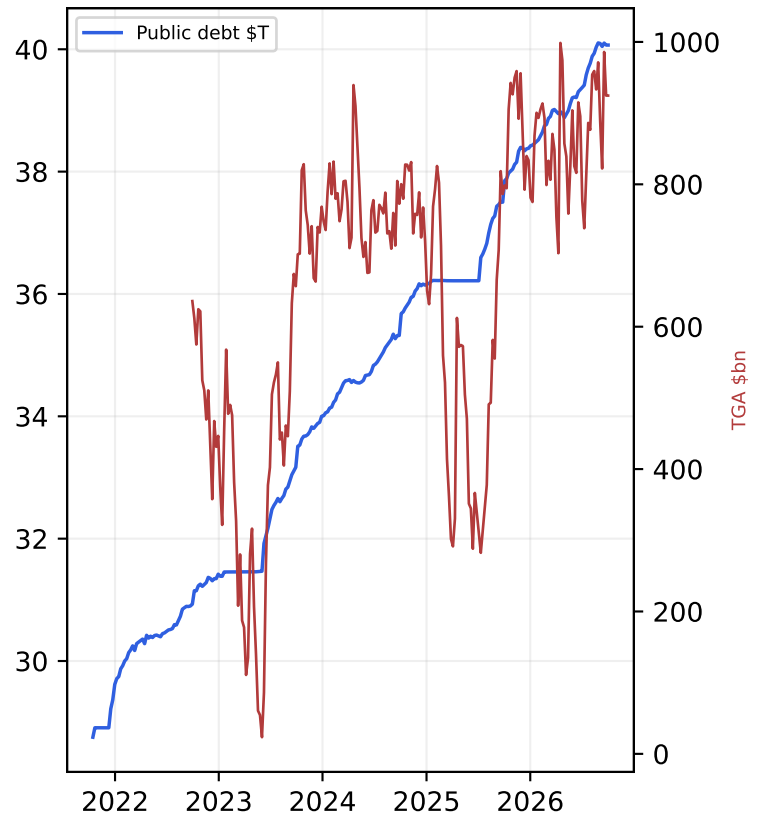
Global 10-year sovereign yields (%)



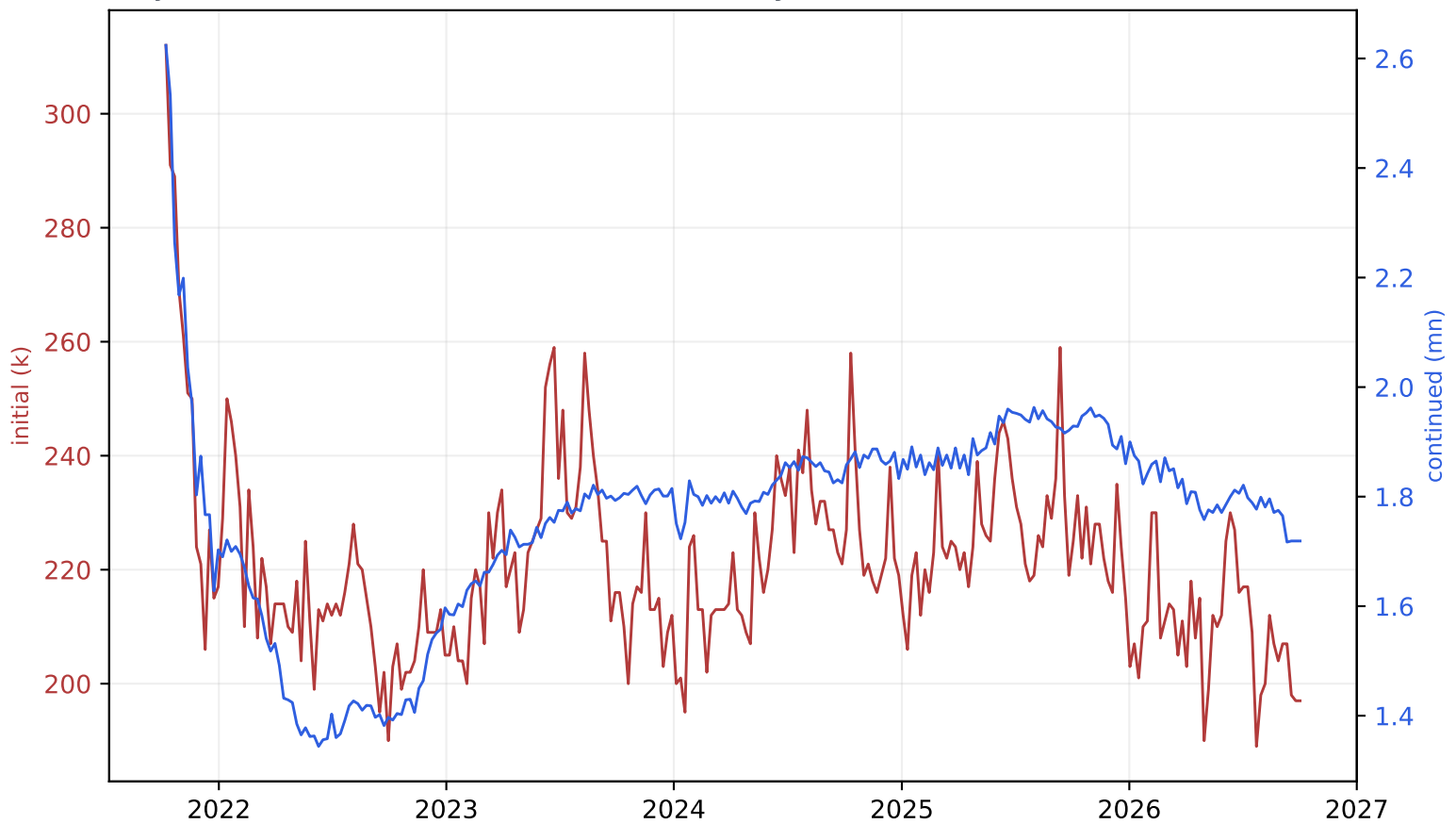
Funding: SOFR rate & RRP usage



US fiscal: public debt & TGA



US jobless claims — initial 197k (2th %ile of 10y), continued 1.72mn



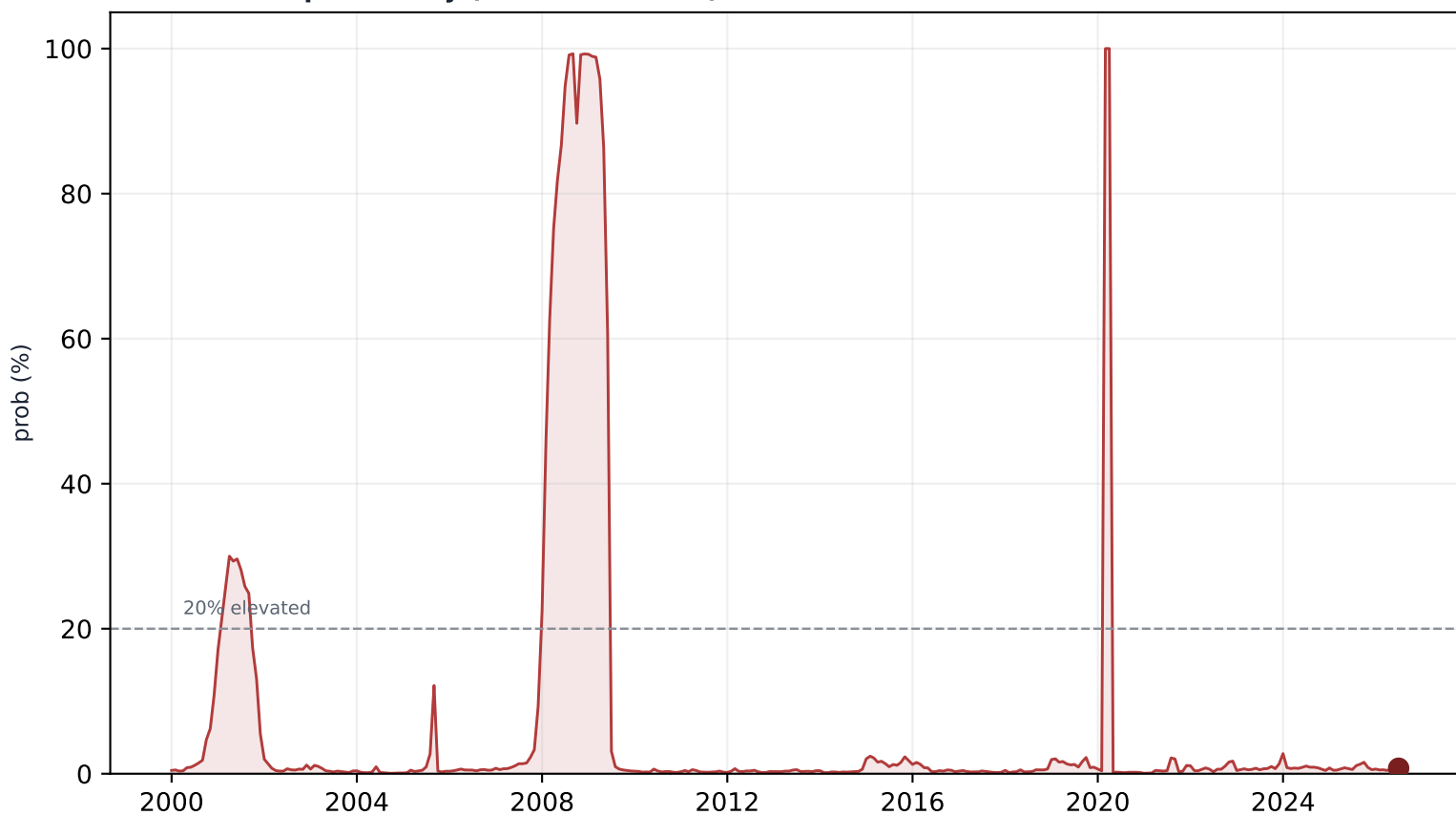
Weekly Economic Index (GDP-growth nowcast): +3.0% (~2% = trend)



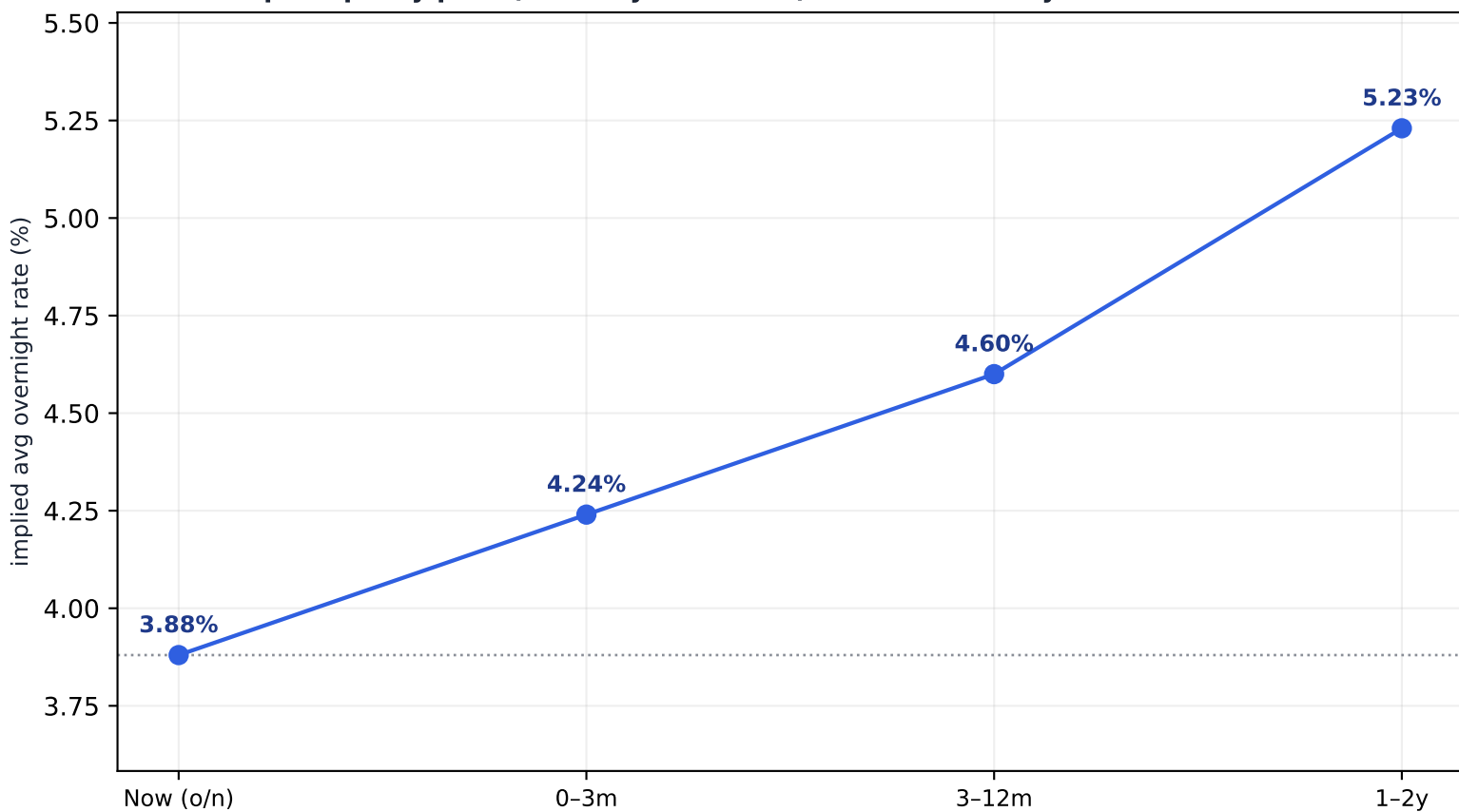
Initial claims — the timeliest US labour-market read; a sustained rise above ~260k historically flags rising recession risk. The Weekly Economic Index (Lewi
ten daily/weekly series into a real-time growth signal scaled to y/y GDP growth.

Authored by ABL Digital Technologies Private Limited. All rights reserved.
For inquiries, contact admin@abldigitech.com

US recession probability (FRED smoothed): 0.8% now · 12m max 1.6% · Sahm -0.07

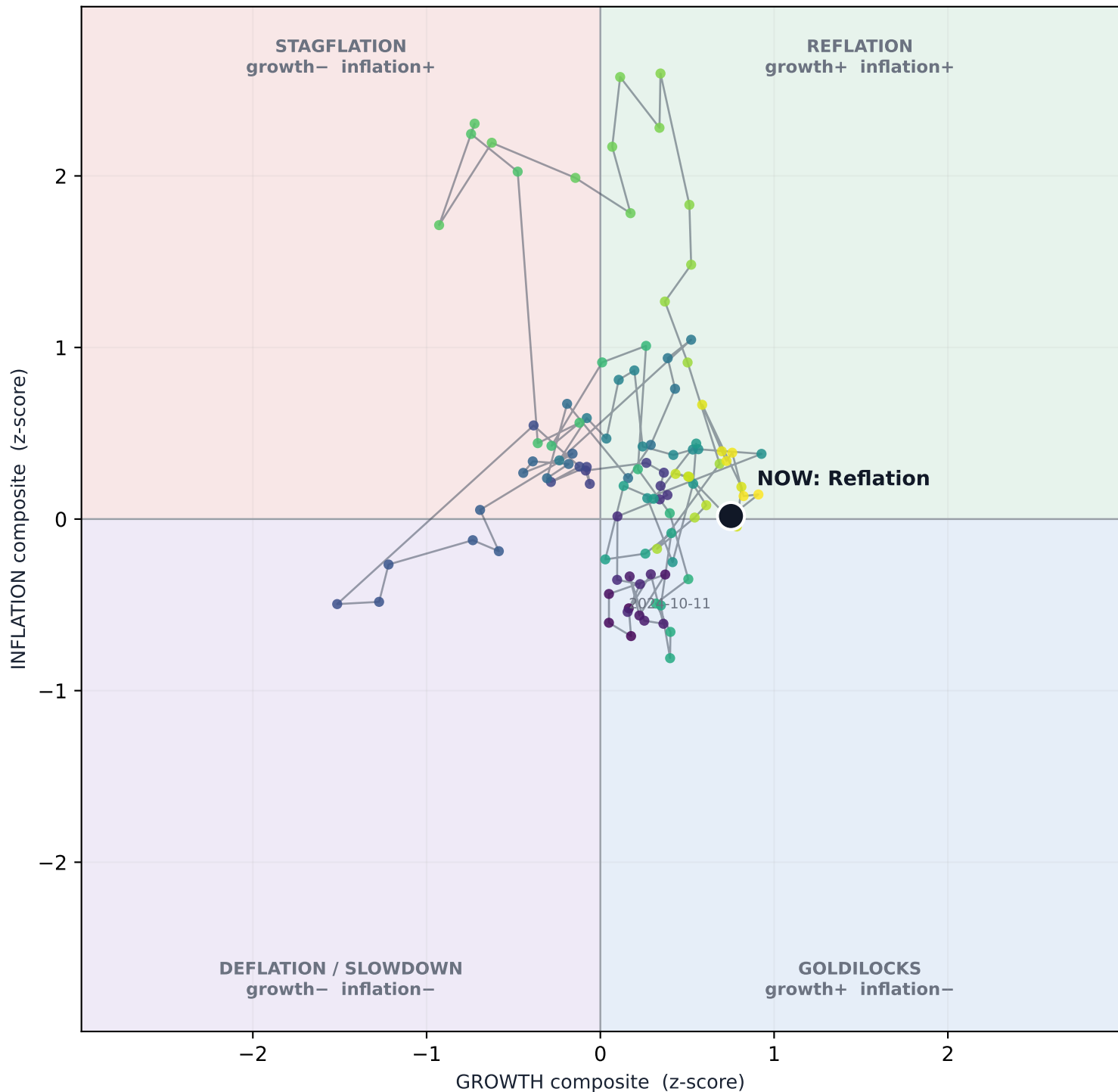


Market-implied policy path (Treasury fwd curve): ~2.5 hikes to 1y



10Y-3M curve +0.93pp (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.



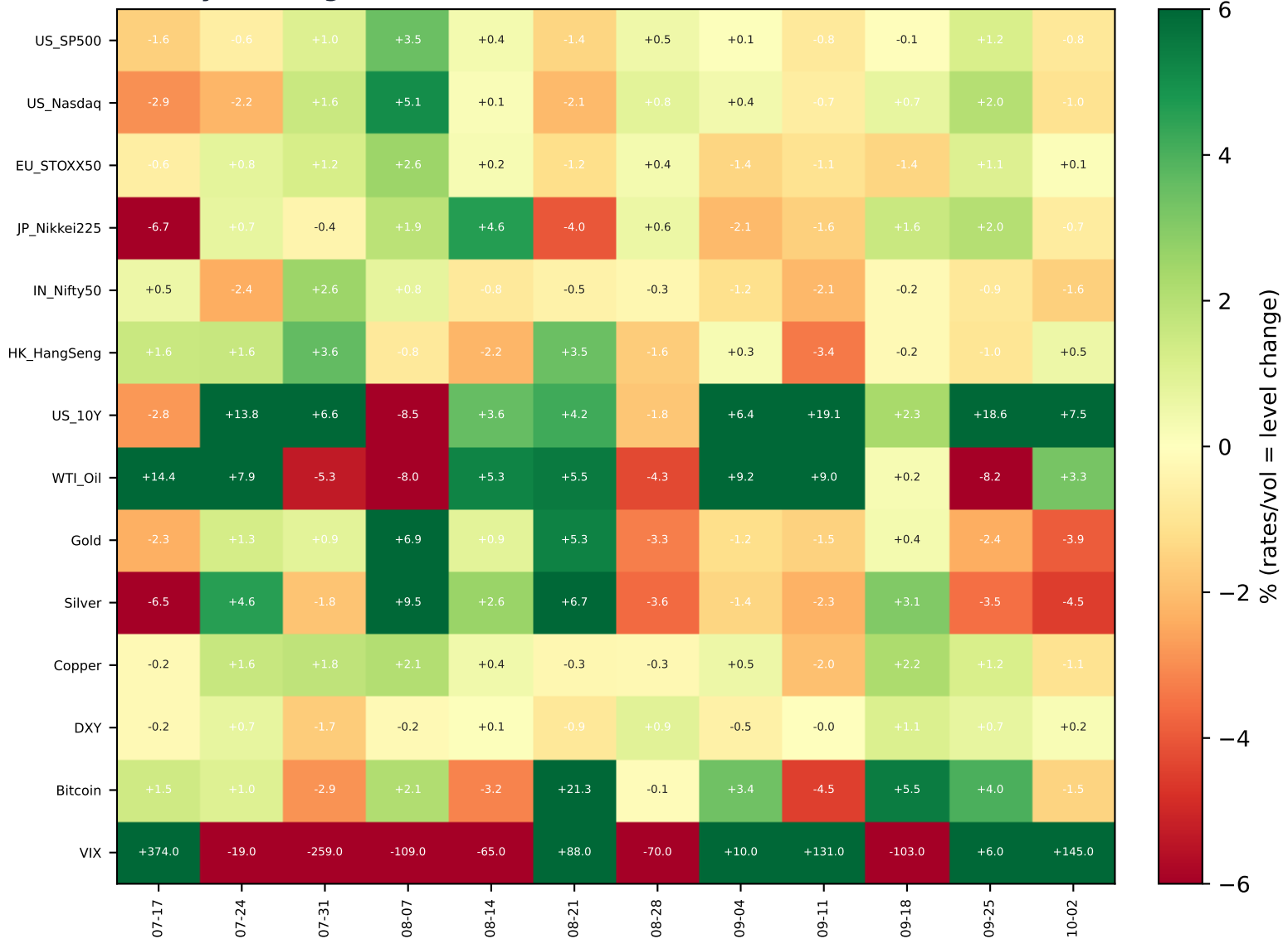
PART II

Cross-Asset Structure

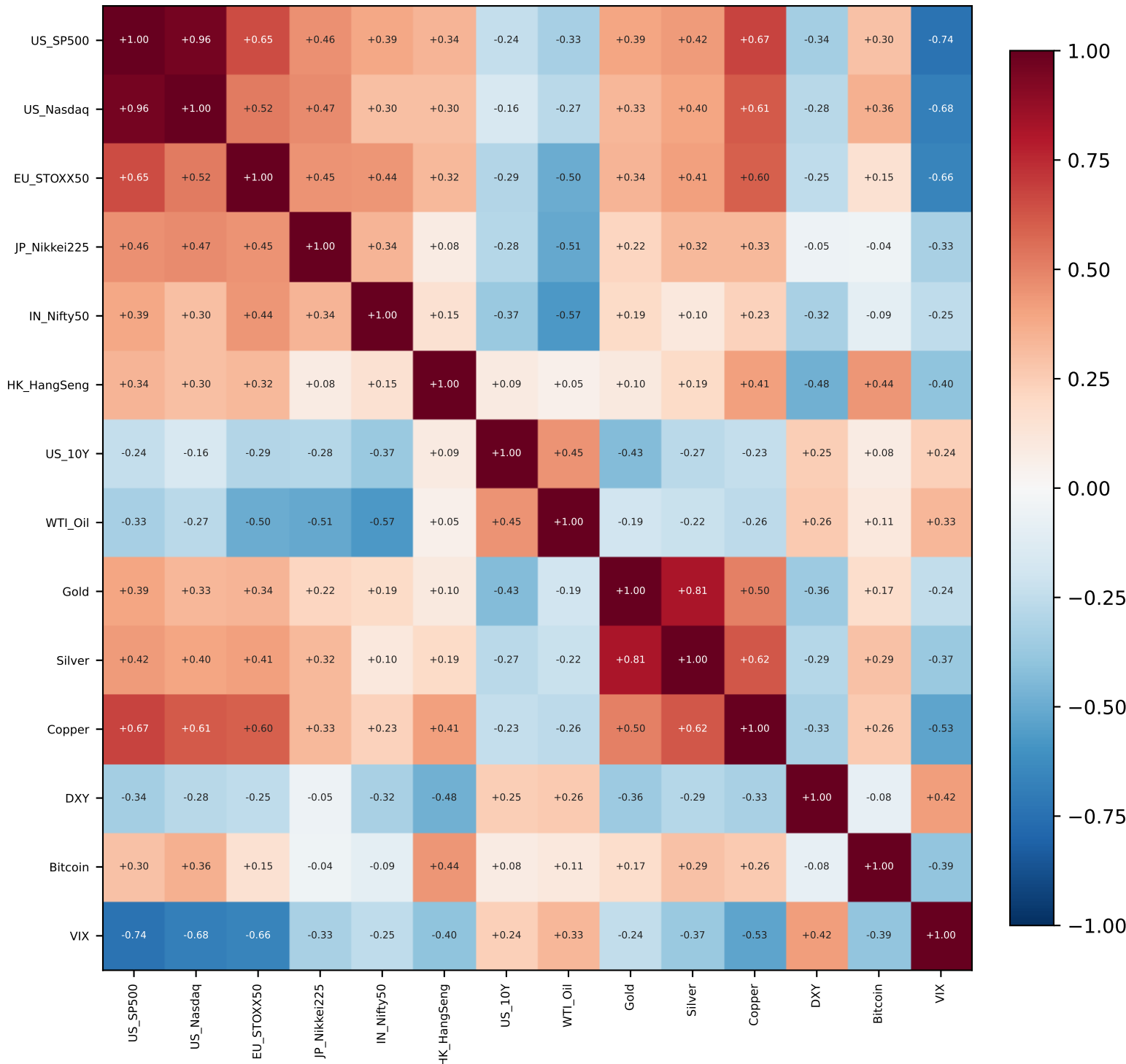
How the markets are moving together — the factor structure, systemic co-movement, directional lead-lag and relative value.

- 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

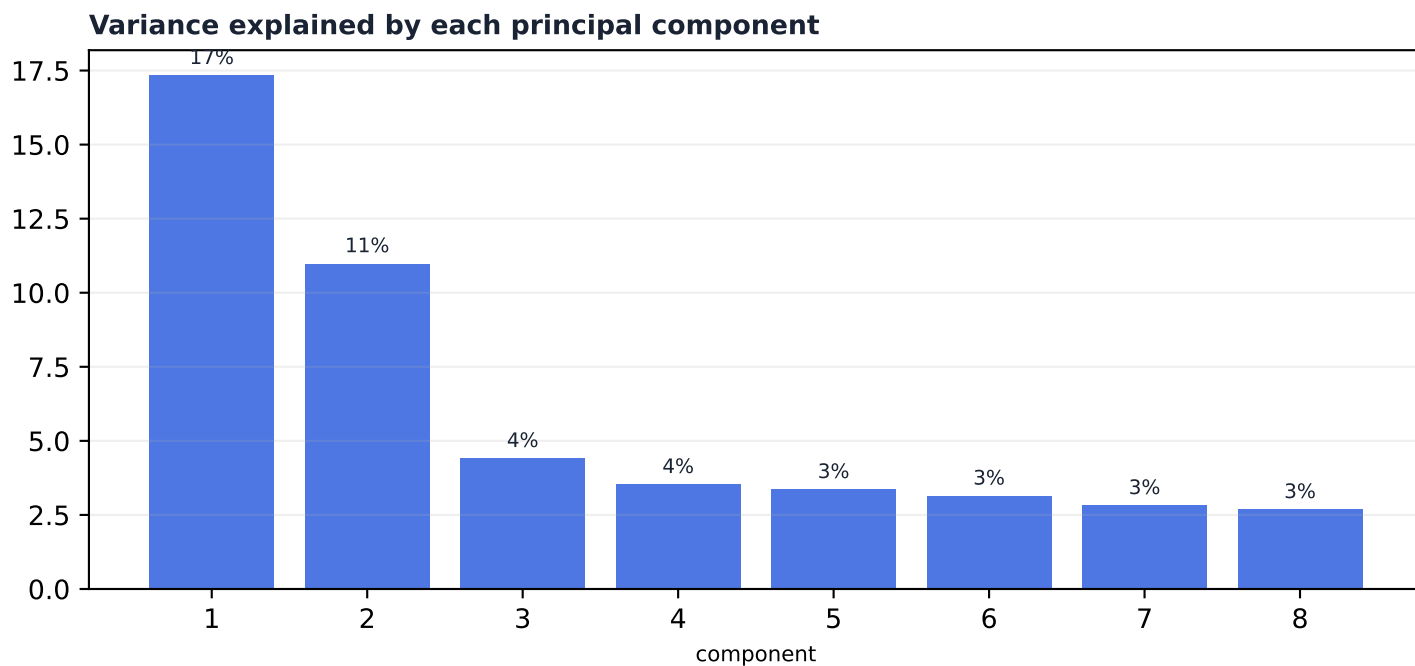


52-week correlation of weekly moves



CROSS-ASSET FACTOR STRUCTURE (PCA)

What independent forces drive the 197 instruments — 156 weeks, standardised



PC1 — Risk (equity beta)

17.3% of variance (cum 17%) · marker corr +0.77

+ US_HighYield +0.15, EM_USD_Bonds +0.15, US_SP500_EqualWeight +0.15, US_Russell2000 +0.14, CA_TSX +0.13
- US_HY_eff_yield -0.15, VIX3M -0.13, VXN -0.13, VIX -0.12, US_HY_OAS -0.11

PC2 — Rates (10Y yield)

11.0% of variance (cum 28%) · marker corr +0.80

+ US_5Y +0.17, US_5Y_yield_cm +0.17, US_10Y +0.17, US_10Y_yield +0.17, US_2Y_yield +0.17
- US_Tsy_7_10Y -0.17, US_Tsy_20Y+ -0.16, EM_corp_OAS -0.16, US_Aggregate -0.15, US_Tsy_1_3Y -0.13

PC3 — US dollar

4.4% of variance (cum 33%) · marker corr +0.23

+ UMich_Sentiment +0.19, Policy_Turkey +0.17, CPI_Argentina +0.12, Policy_Russia +0.08, US_Energy +0.08
- GR_10Y -0.30, FR_10Y -0.30, PT_10Y -0.30, ES_10Y -0.30, NL_10Y -0.30

PC4 — US dollar

3.5% of variance (cum 36%) · marker corr +0.51

+ DXY +0.19, US_GDP_Bn +0.17, Policy_Brazil +0.14, SOFR_volume +0.12, USDJPY +0.12
- Policy_Mexico -0.22, Policy_EuroArea -0.22, Policy_US -0.20, EURUSD -0.18, Policy_Canada -0.16

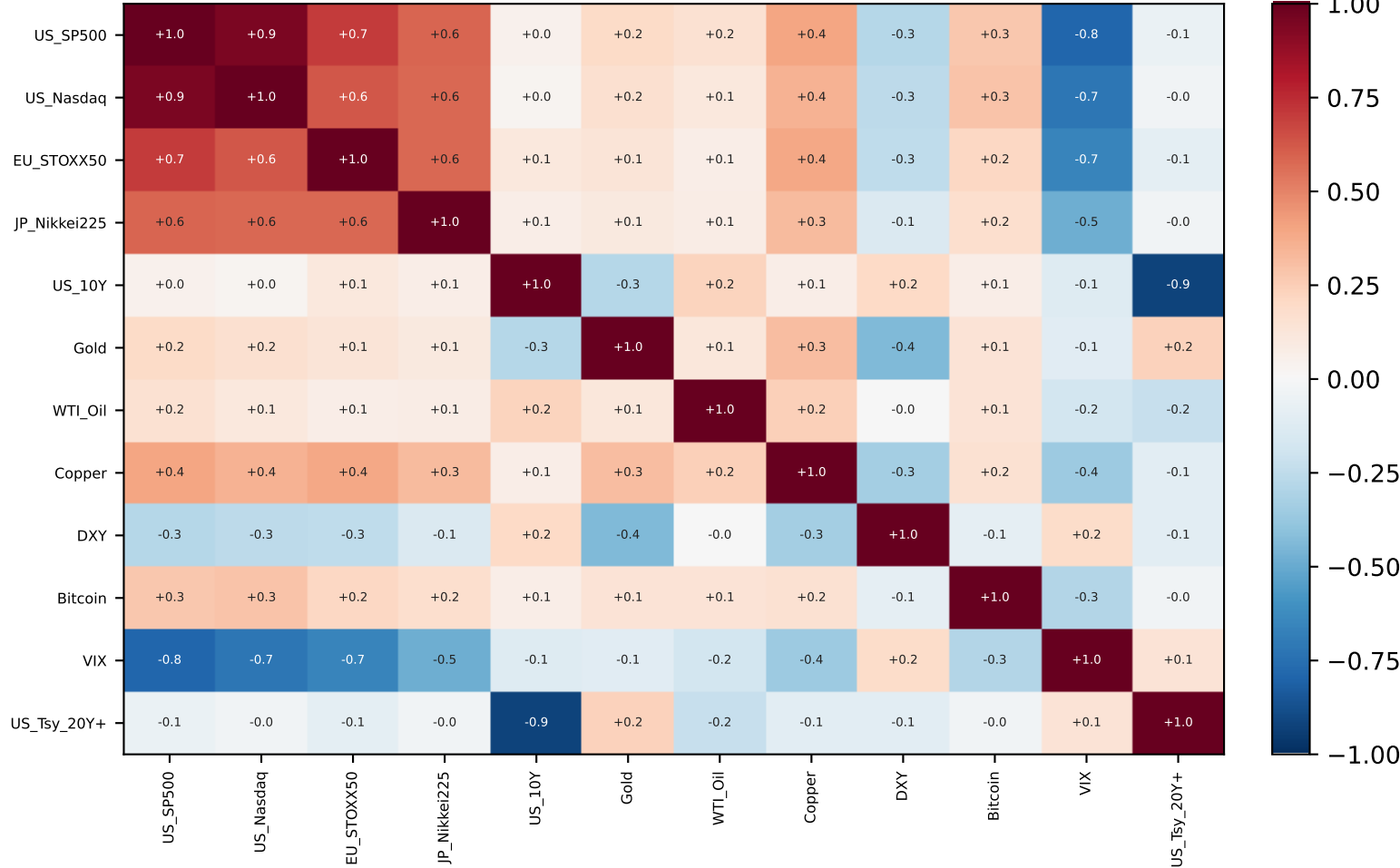
Principal components are the uncorrelated factors that explain the most joint variance. A high PC1 share means one force (usually broad risk) dominates — diversification is thin. Each factor is named by its strongest correlation with a marker instrument.

Average pairwise conditional correlation (multivariate DCC-GARCH)



N=12 assets · persistence 0.838 · rising = diversification failing in real time · now +0.03

Latest conditional-correlation matrix



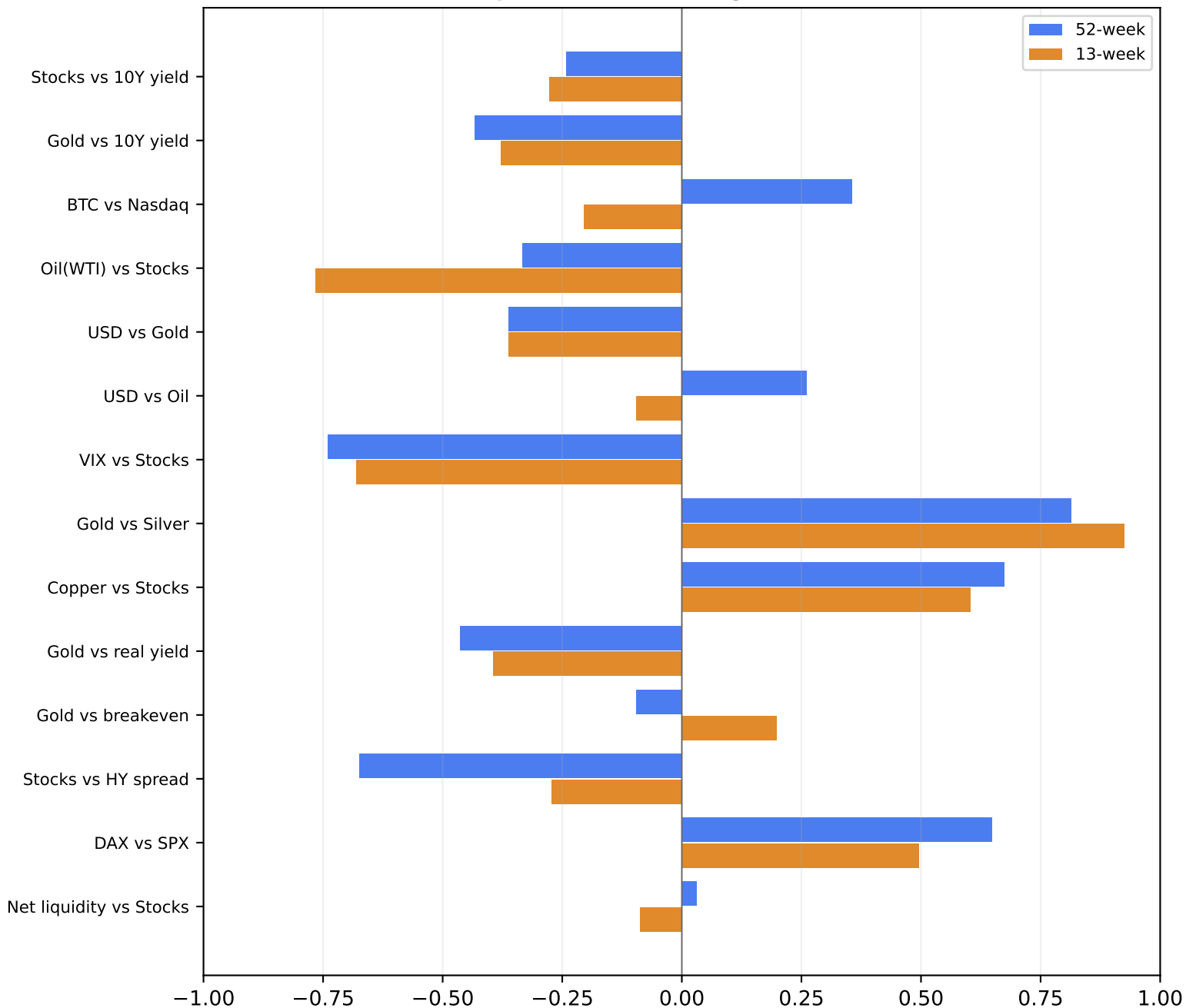
DCC-GARCH conditional correlation: S&P 500 vs US 10Y yield



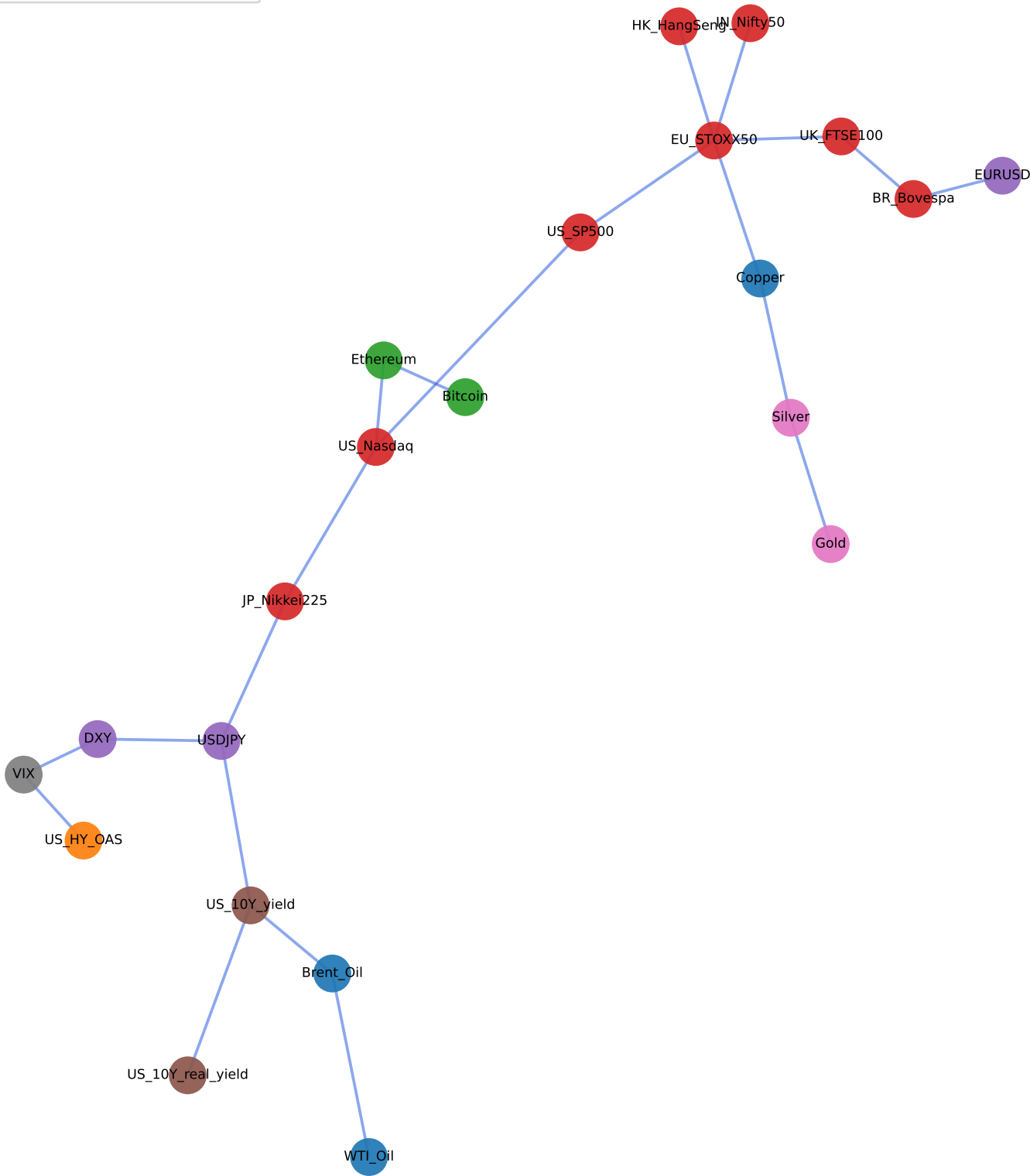
S&P 500 (log) with Markov-switching regime shading



Cross-asset relationship watch-list (rolling correlation)

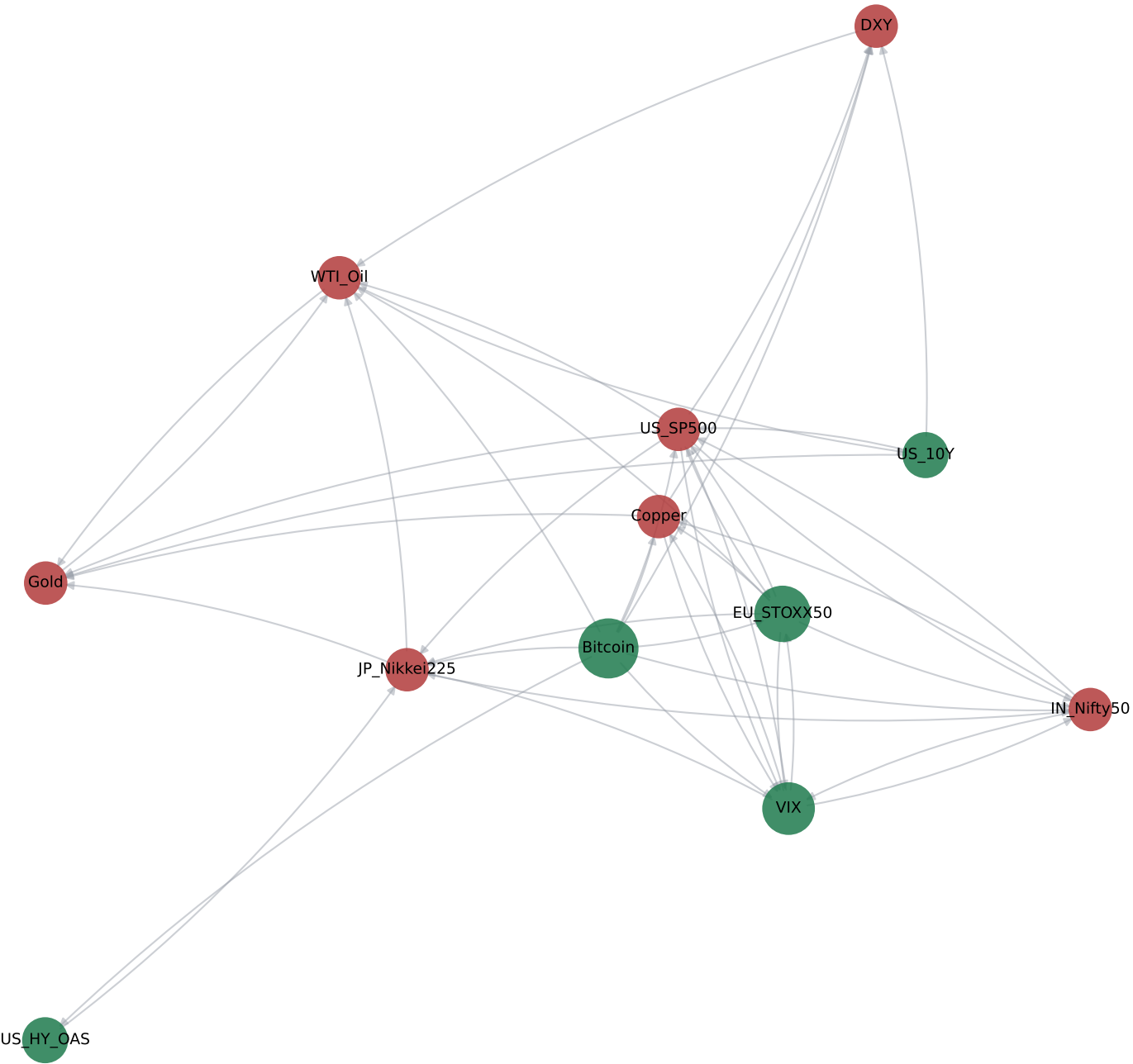


Cross-asset correlation network - minimum spanning tree (3y)



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

Directional lead-lag — Granger causality network

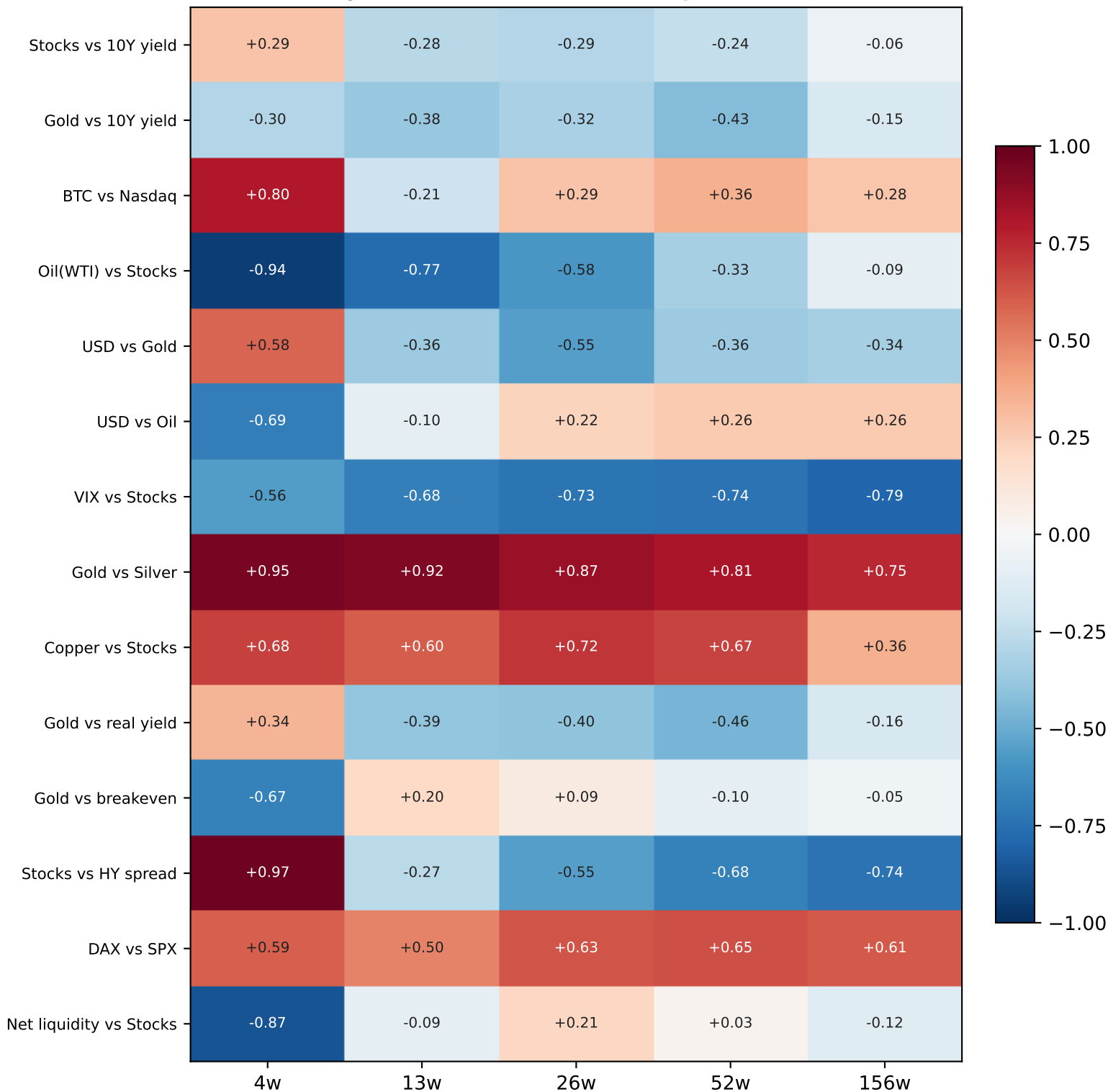


arrow = X Granger-causes Y ($p < 0.05$); green/large = net information EXPORTER (leader), red = importer (follower)

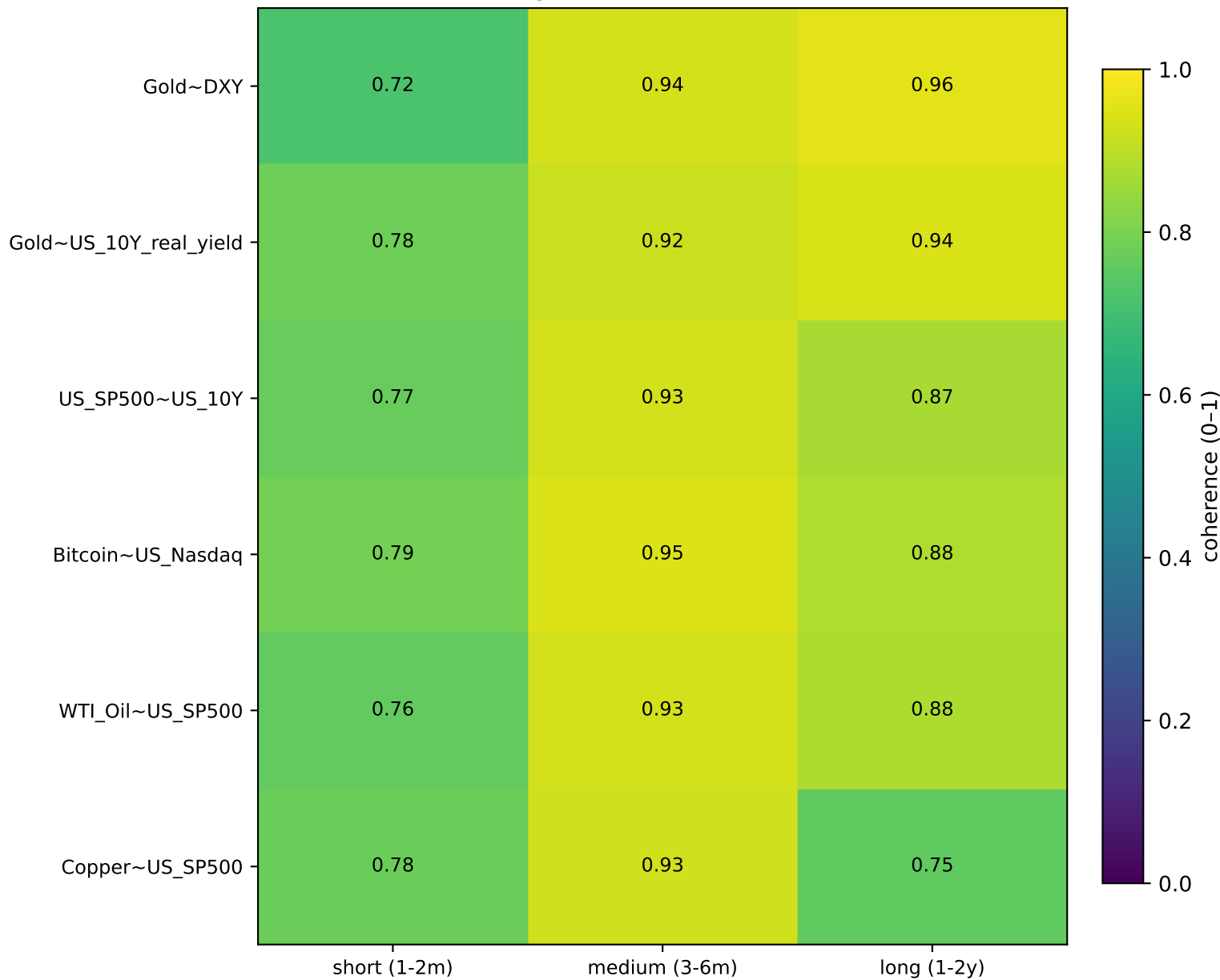
LEADERS: Bitcoin +0.09, EU_STOXX50 +0.06, VIX +0.04, US_HY_OAS +0.01, US_10Y +0.01

FOLLOWERS: JP_Nikkei225 -0.08, US_SP500 -0.04, Gold -0.03, WTI_Oil -0.02, DXY -0.02

Correlation by horizon - is the relationship structural or short-term?



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	0.944	0.64	105w	+1.66
US10Y vs Germany10Y	no	0.092	1.00	5w	-1.09
Copper vs Gold	no	0.056	1.72	10w	-1.07
Gold vs Silver	no	0.229	1.19	14w	+0.77
HY vs IG spread	yes	0.000	0.30	2w	-0.64
Gold vs Platinum	no	0.264	0.71	15w	+0.61
VIX vs VIX3M	yes	0.032	0.84	2w	-0.45
Stocks vs LongBonds	no	0.194	-0.45	21w	-0.44
BTC vs ETH	no	0.051	0.45	15w	-0.42
EURUSD vs GBPUSD	no	0.131	0.94	7w	+0.13
S&P vs Nasdaq	yes	0.003	1.24	10w	+0.12
WTI vs Brent	no	0.104	0.97	1w	+0.05

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

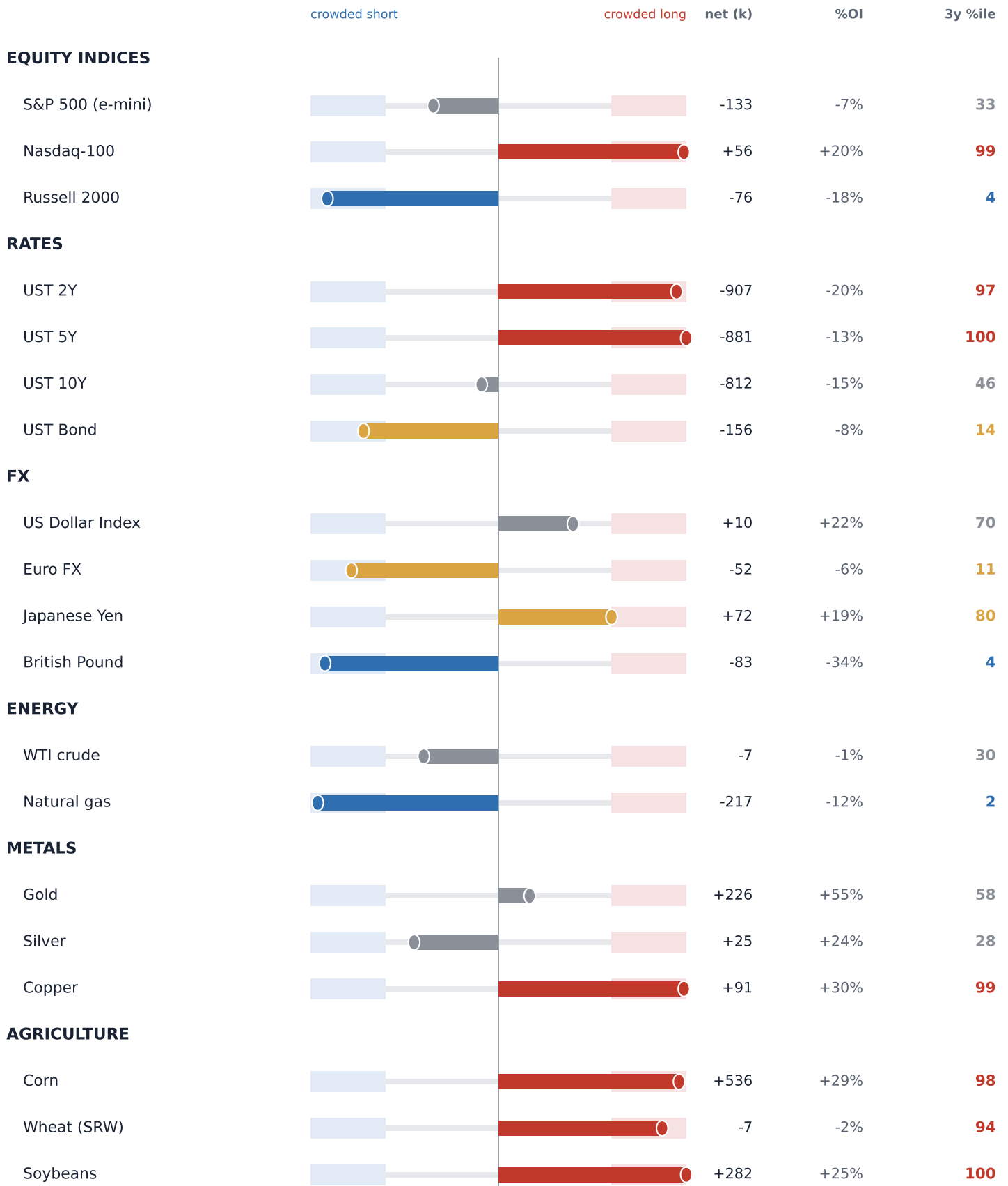
Positioning, Flows & Sentiment

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 = 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 $\geq$ 80th (crowded long $\rightarrow$ vulnerable to a wash-out), blue $\leq$ 20th (crowded short $\rightarrow$ squeeze-higher risk). Dot = current; bar measured from the 50th

MARKET SENTIMENT

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

35

FEAR

0 = extreme fear · 100 = extreme greed

34

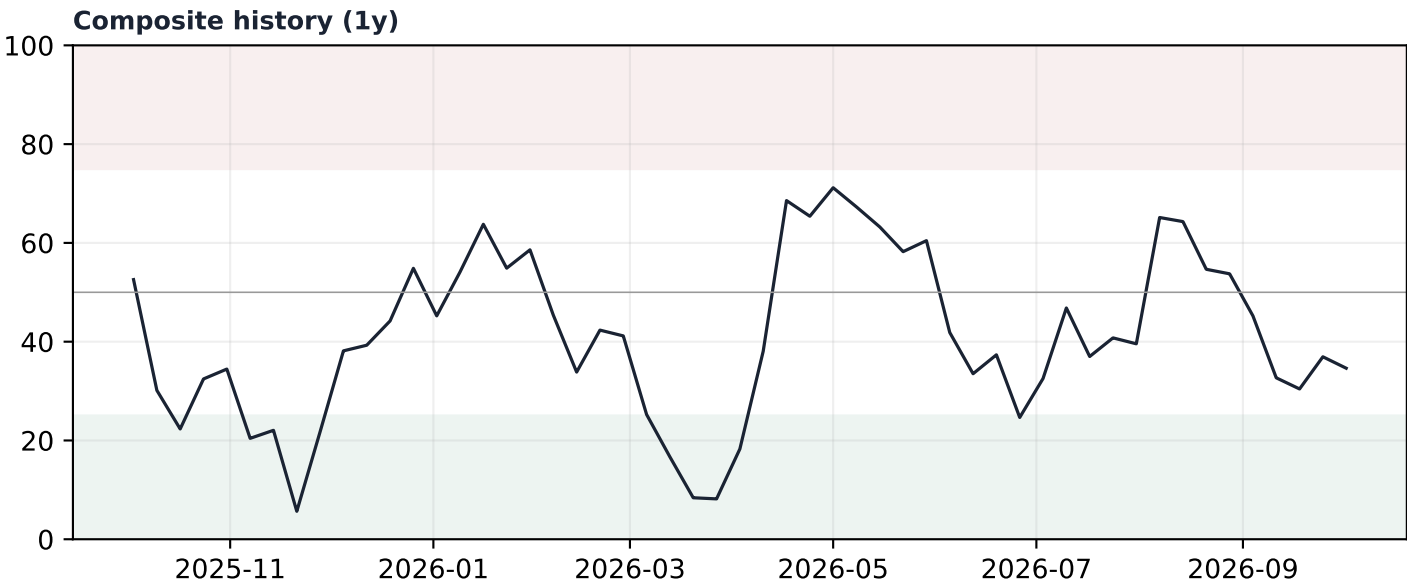
1 week ago

54

1 month ago

51

1 year ago



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

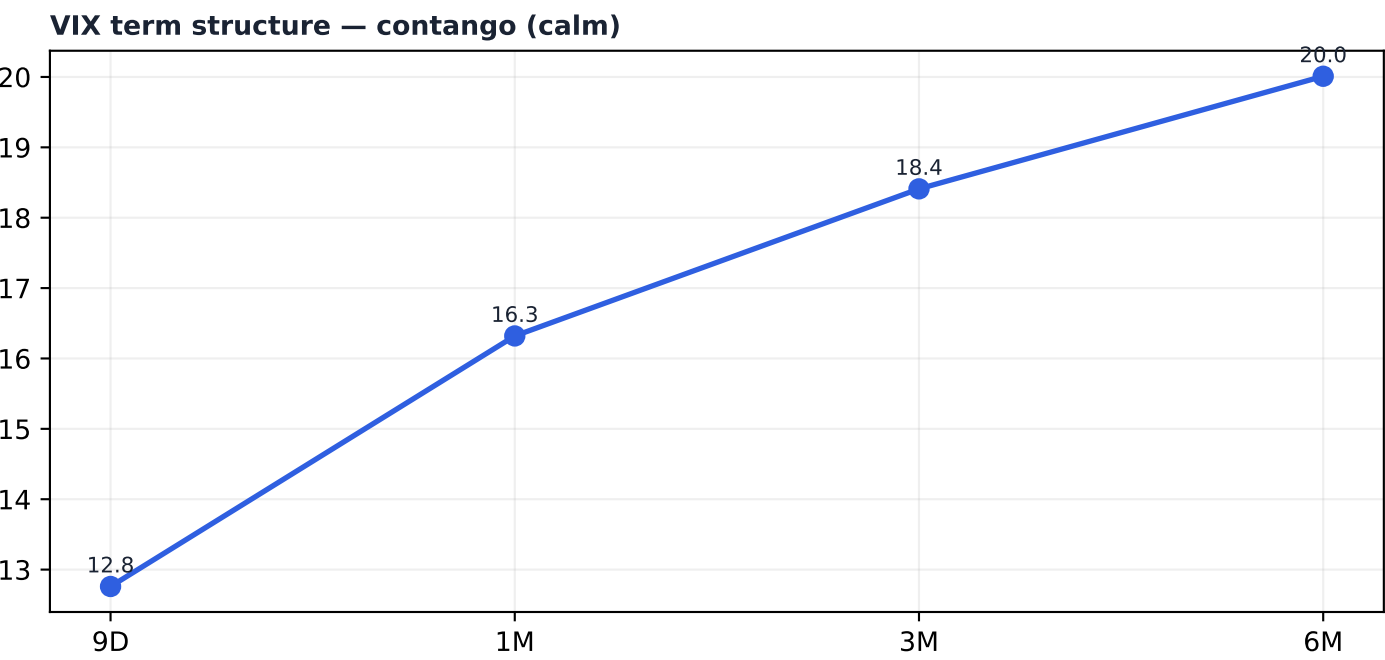
Volatility

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



VOL RISK PREMIUM

+10.3 pts

VIX 16.3 — realised 6.0
positive (implied > realised, carry cushion)

CBOE SKEW (tail risk)

145

63th %ile of 5y — elevated crash-hedging demand

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

Bond vol (MOVE)	96	45th
Oil vol (OVX)	54	87th
Gold vol (GVZ)	25	88th
Vol-of-vol (VVIX)	93	45th

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.



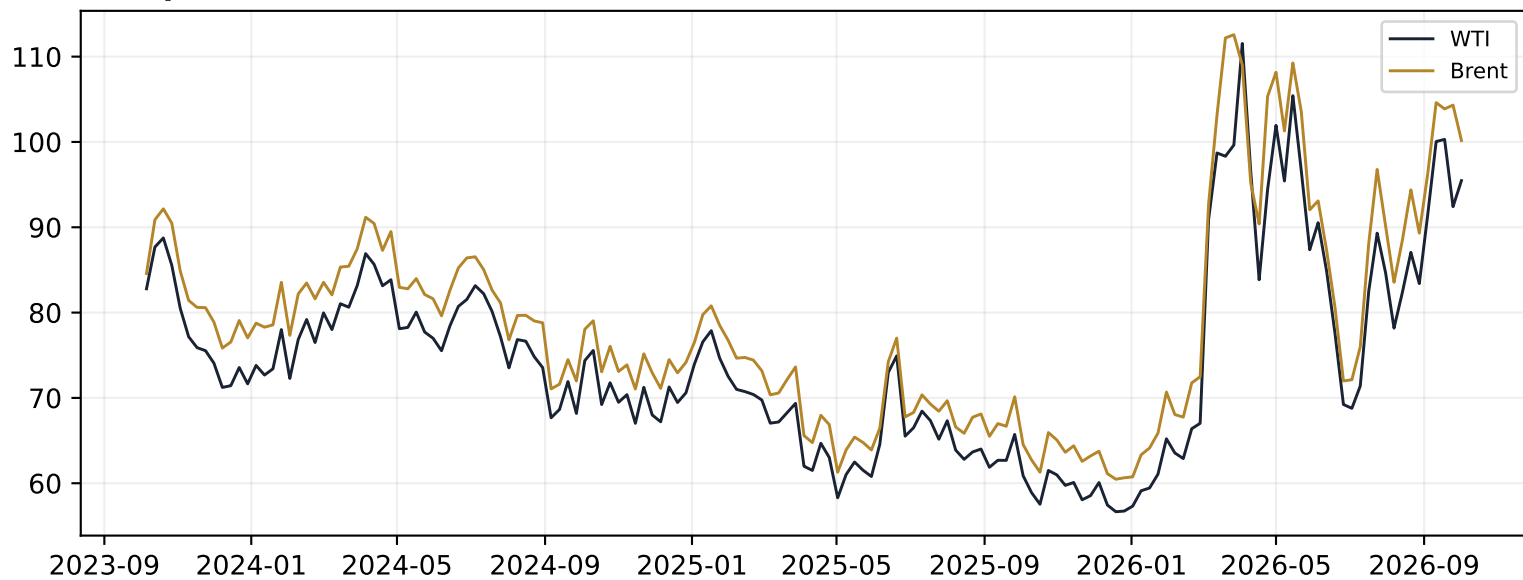
PART V

Asset Deep-Dives

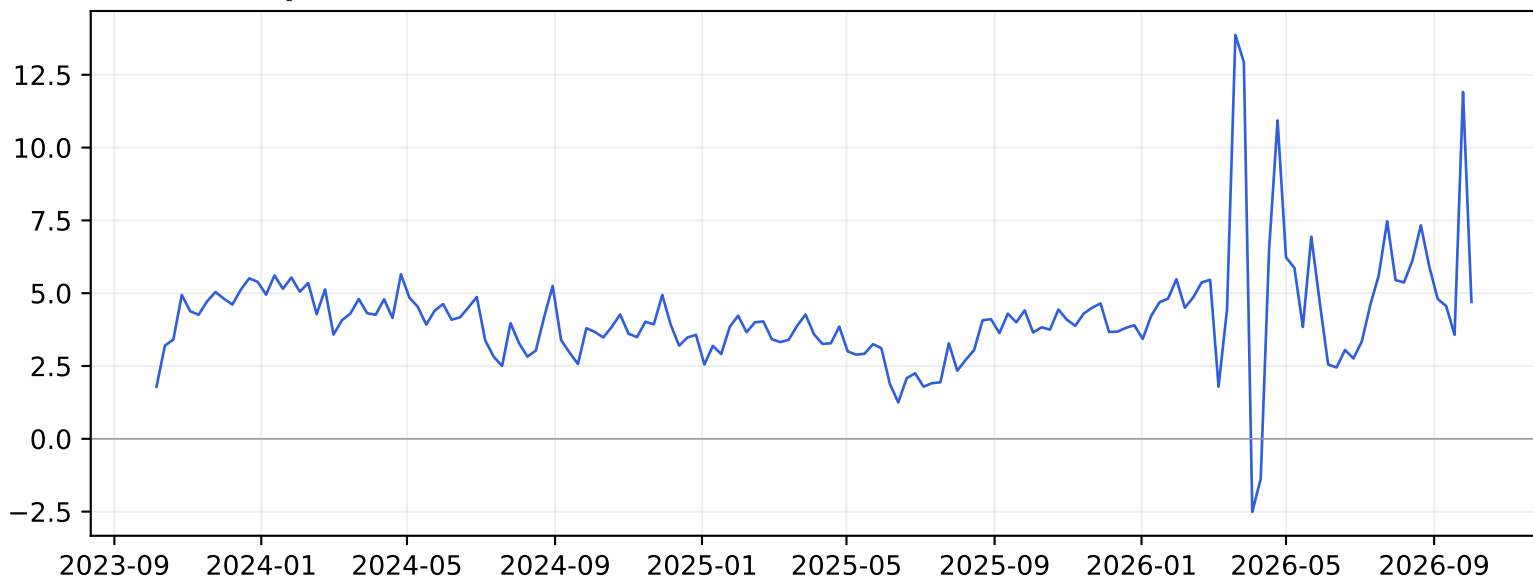
Instrument-level detail across the major asset classes.

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

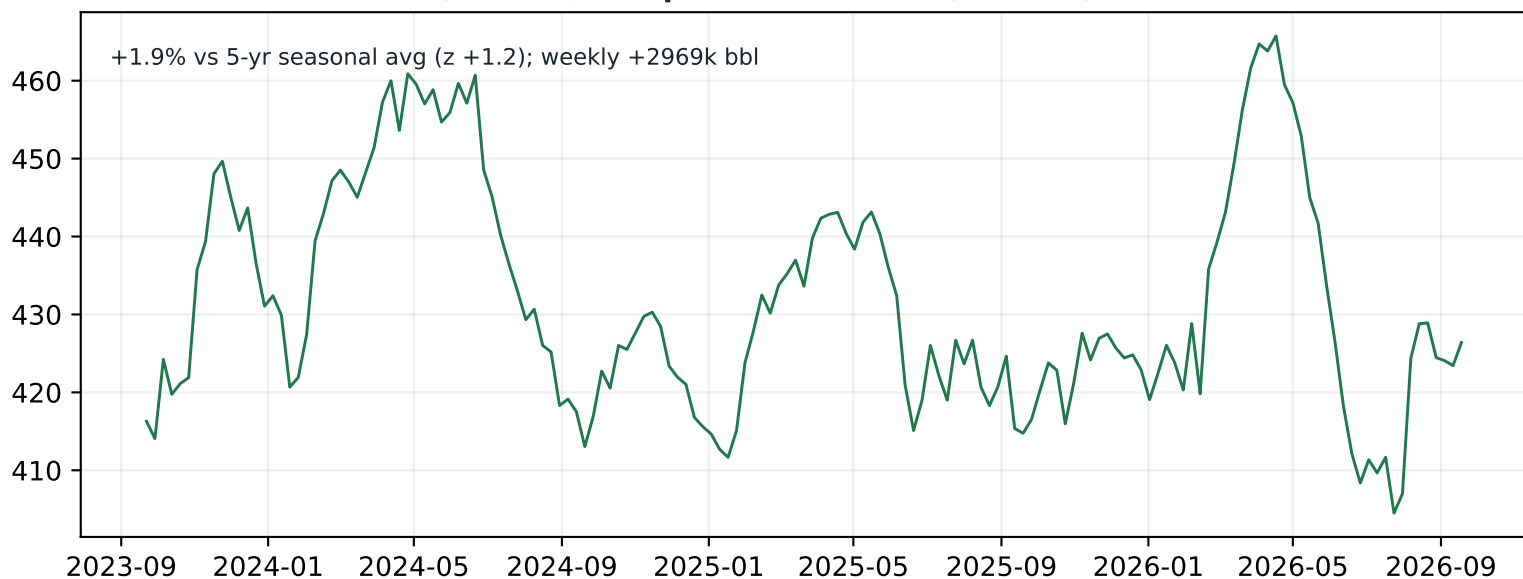
OIL special - WTI \$95.47 (wk +3.3%, 13w +38.8%)



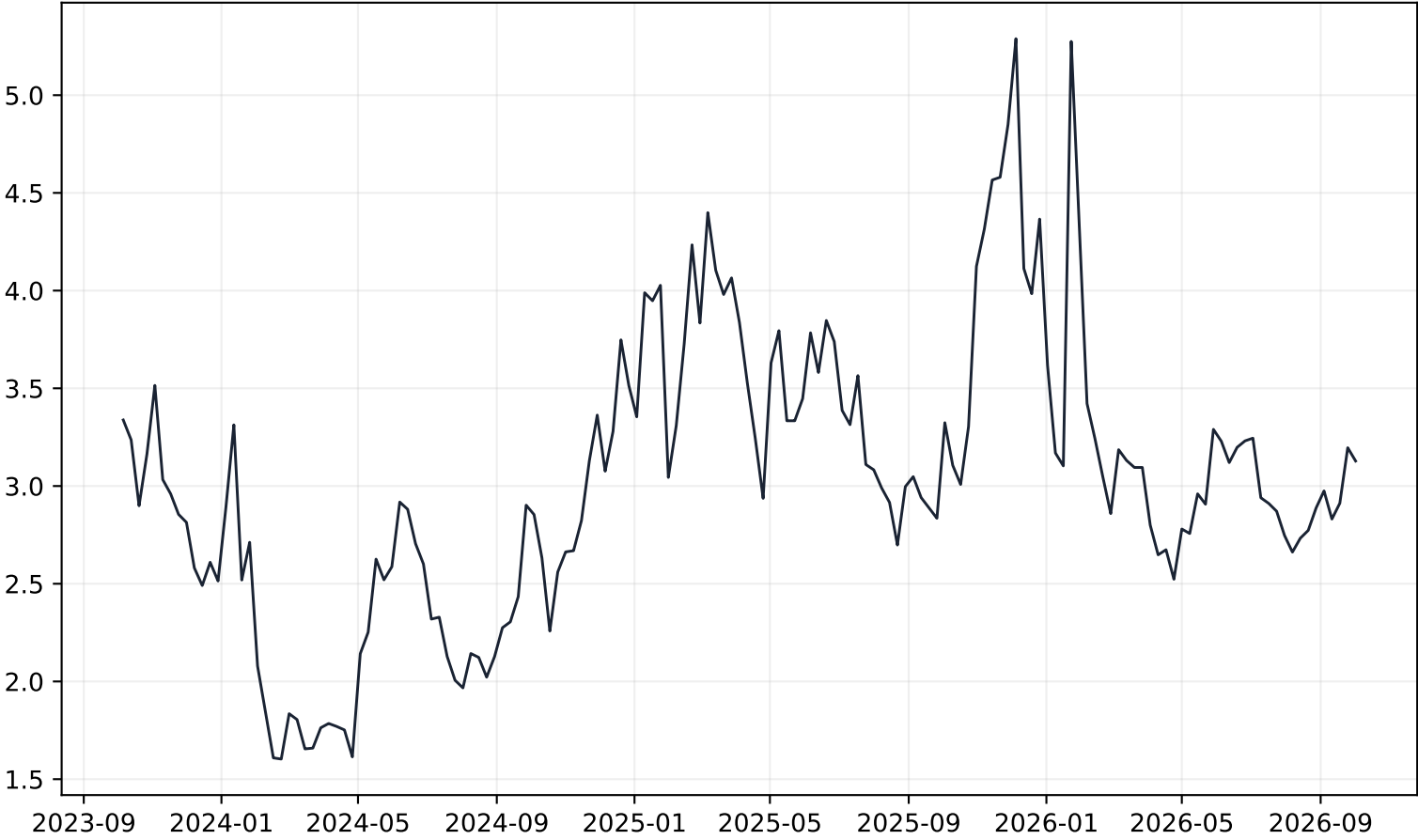
Brent-WTI spread (now +4.70)



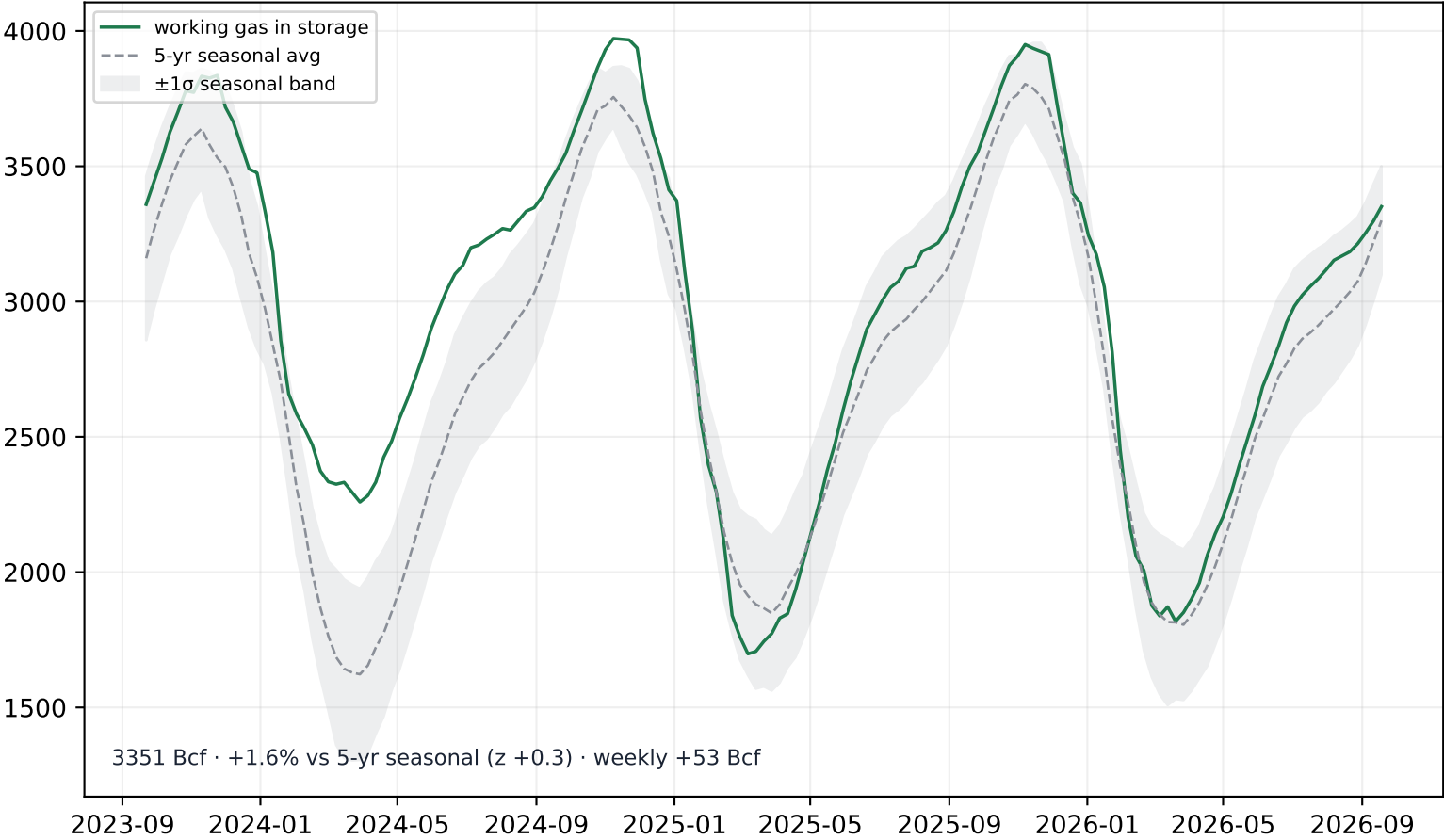
US crude inventories (mn bbl) - surplus vs seasonal (bearish)



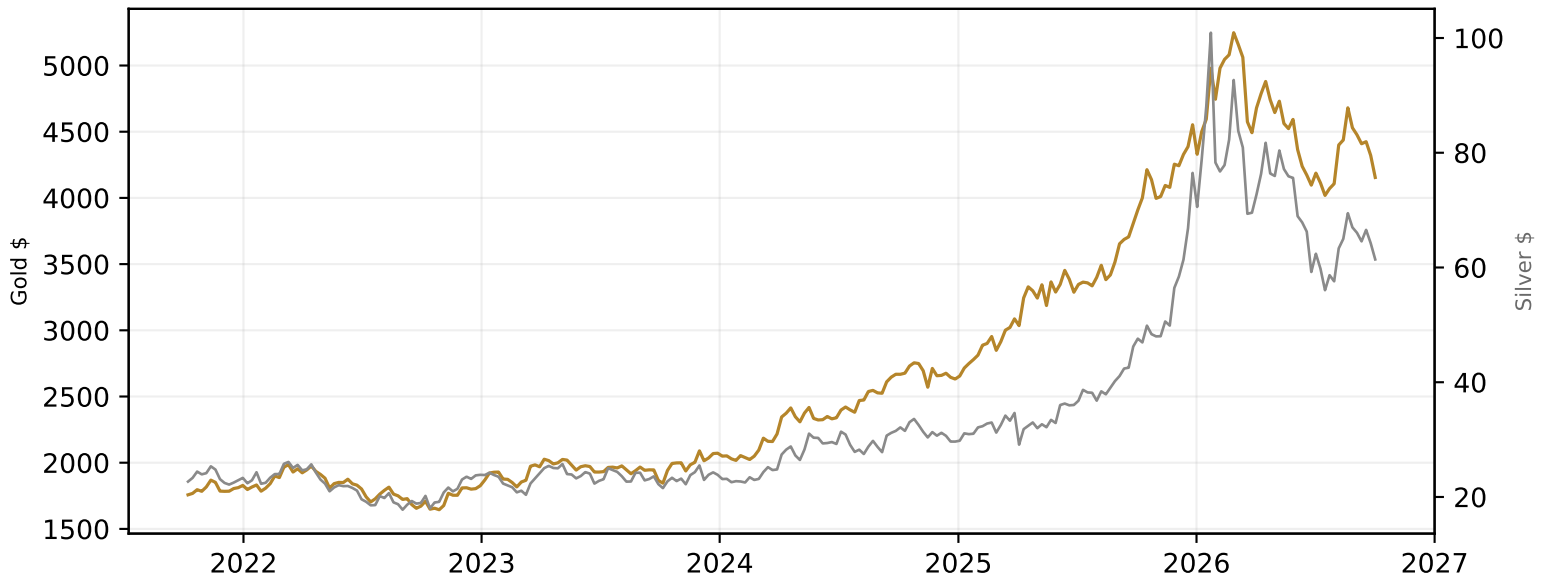
Natural gas (Henry Hub, \$/MMBtu) — \$3.13 (wk -2.2%, 13w -3.6%)



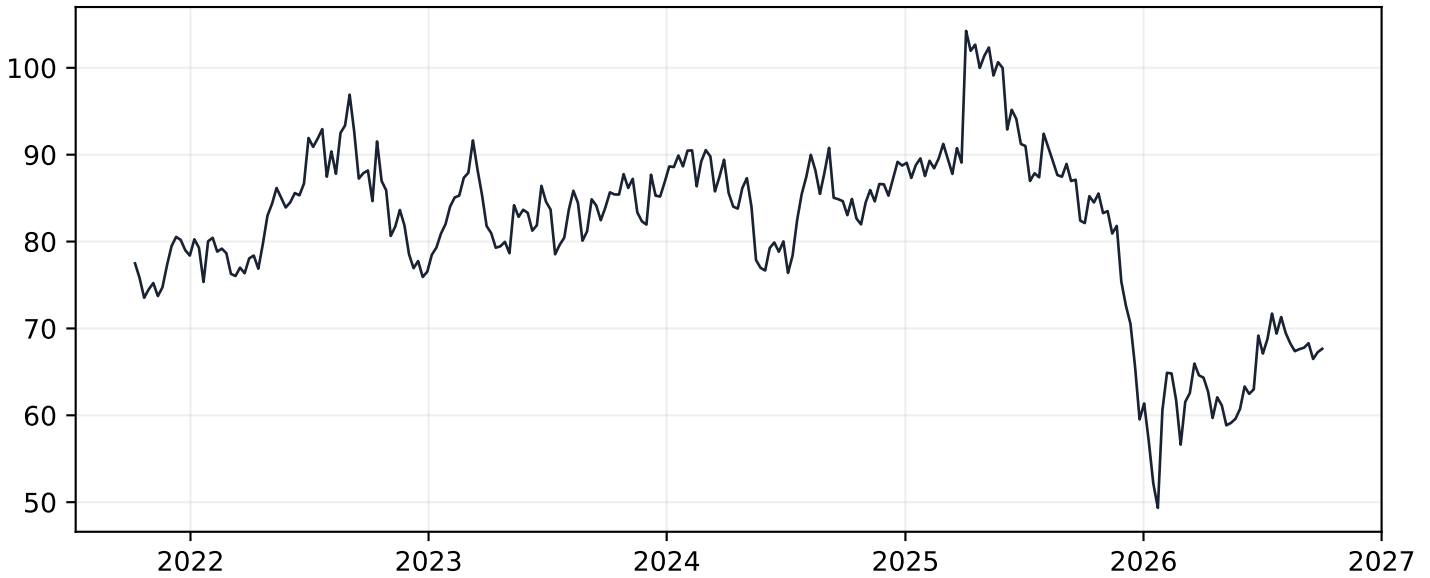
US working-gas storage (Bcf) — neutral vs seasonal



GOLD/SILVER special - Gold \$4154 (L) & Silver \$61.40 (R)



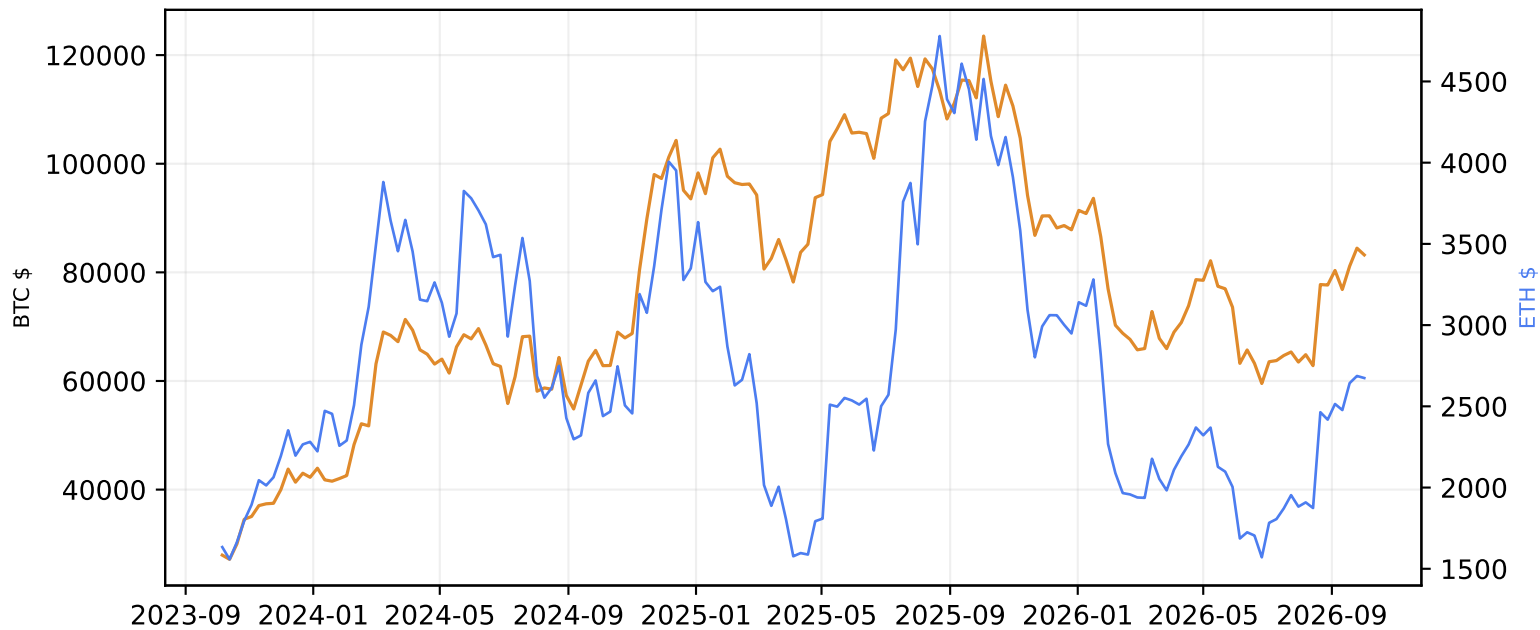
Gold/Silver ratio (now 67.7, 13th pctile of 5y)



Gold vs 10Y real yield (inverted) - 52w corr -0.46



CRYPTO special - BTC \$83,209 (L) & ETH \$2,674 (R)



ETH/BTC ratio (now 0.0321)



MARKET STRUCTURE (current)

Total mcap \$2.87T BTC dominance 58.2% ETH dominance 11.4%

Stablecoin supply \$311B (+0.9% wk) DeFi TVL \$95B (+0.9% wk)

Crypto Fear & Greed: 74 (Greed), a week ago 70

MOMENTUM & TREND

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

Instrument	13w	26w	52w	Score	vs 40wMA	<52wHi
US_SP500	+3%	+17%	+14%	+0.50	+6%	-1%
US_Nasdaq	+4%	+22%	+18%	+1.00	+8%	-1%
EU_STOXX50	-2%	+11%	+12%	+0.00	+4%	-4%
JP_Nikkei225	-6%	+24%	+44%	+0.50	+8%	-8%
IN_Nifty50	-6%	+0%	-8%	-0.50	-6%	-13%
HK_HangSeng	+6%	-2%	-9%	-0.50	-3%	-10%
Gold	-1%	-11%	+6%	-0.50	-9%	-21%
Silver	-2%	-16%	+29%	-0.50	-15%	-39%
WTI_Oil	+39%	-14%	+57%	+0.50	+14%	-14%
Copper	+7%	+19%	+31%	+1.00	+8%	-1%
DXY	+0%	+1%	+4%	+1.00	+2%	-0%
Bitcoin	+31%	+21%	-33%	+0.50	+14%	-28%

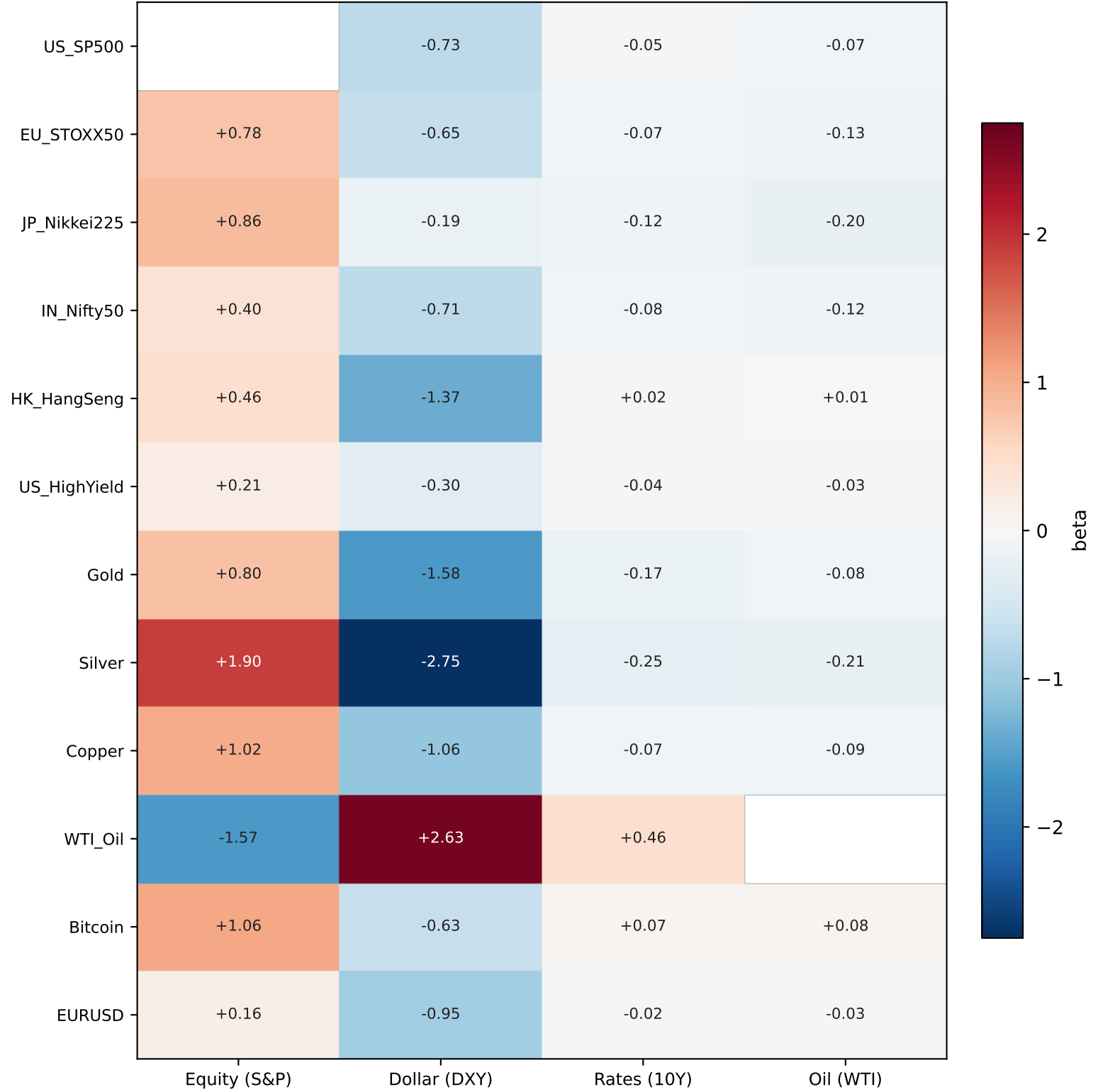
Global equity 26-week relative strength:

LEADERS: TW_TAIEX +45%, US_FANGplus +35%, KR_KOSPI +28%, JP_Nikkei225 +24%, US_Nasdaq +22%, US_Wilshire5000 +21%

LAGGARDS: RU_RTS -22%, RU_MOEX -18%, ID_JKSE -13%, CN_Internet -12%, MX_IPC -7%, ZA_JSE -6%

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



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 — 41.5, 99th percentile of 156 years



Excess CAPE Yield ($1/\text{CAPE} - 10\text{Y real}$) — -0.44%, 0th pctile since 2015



Cyclically-adjusted earnings yield $1/\text{CAPE} = 2.41\%$ · trailing earnings yield 3.96% · 10Y nominal 5.18% · 10Y real 2.85% · 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 valuation warning



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]	
IT_10Y_yield	IT_10Y	4w	+0.94	0.89	3.99 ->	3.99 [3.91,4.06]
FR_10Y_yield	FR_10Y	4w	+0.92	0.85	4.00 ->	4.00 [3.94,4.07]
DE_10Y_yield	DE_10Y	4w	+0.92	0.84	3.19 ->	3.19 [3.13,3.25]
DE_10Y_yield	NL_10Y	4w	+0.89	0.79	3.29 ->	3.29 [3.21,3.36]
FR_10Y_yield	NL_10Y	4w	+0.88	0.77	3.29 ->	3.28 [3.21,3.36]
FR_10Y_yield	DE_10Y	4w	+0.87	0.76	3.19 ->	3.19 [3.11,3.26]
DE_10Y_yield	FR_10Y	4w	+0.87	0.76	4.00 ->	4.00 [3.92,4.08]
FR_10Y_yield	ES_10Y	4w	+0.85	0.73	3.63 ->	3.62 [3.53,3.72]
IT_10Y_yield	ES_10Y	4w	+0.81	0.65	3.63 ->	3.63 [3.53,3.74]
DE_10Y_yield	ES_10Y	4w	+0.80	0.64	3.63 ->	3.63 [3.52,3.73]
US_13W	Policy_Canada	4w	+0.76	0.57	2.25 ->	2.52 [2.37,2.66]
US_FedDebt_PctGDP	Chicago_Fed_NAI	4w	+0.75	0.56	-0.04 ->	-0.15 [-1.69,1.39]
UK_10Y_yield	DE_10Y	4w	+0.75	0.56	3.19 ->	3.19 [3.09,3.29]
EA_AAA_10Y	NL_10Y	4w	+0.75	0.56	3.29 ->	3.45 [3.35,3.56]

Method: OLS of the lagged'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 +2.44

actual 6.62 · model-fair 4.72 · gap +40.2% · R^2 0.36



USDJPY vs US-Japan yield gap

cheap z -2.34

actual 157.45 · model-fair 169.31 · gap -7.0% · R^2 0.89



S&P 500 vs liquidity & rates

RICH z +1.13

actual 7678.13 · model-fair 6230.84 · gap +23.2% · R^2 0.28



HY spread vs equity vol

cheap z -0.39

actual 2.93 · model-fair 3.08 · gap -0.2 · R^2 0.11



Gold vs real yield & dollar

RICH z +0.24

actual 4154.50 · model-fair 3967.31 · gap +4.7% · R^2 0.70



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%	-1%	-0.2	+1.4
US_Nasdaq	-4.5%	-5.9%	13%	-36%	-1%	-0.1	+0.3
EU_STOXX50	-3.8%	-5.7%	13%	-24%	-4%	-0.8	+2.6
IN_Nifty50	-2.8%	-4.0%	9%	-17%	-13%	-0.3	+0.5
Gold	-3.6%	-4.7%	11%	-23%	-21%	-0.1	+1.2
WTI_Oil	-9.2%	-12.0%	26%	-53%	-21%	+0.6	+3.4
Copper	-4.8%	-9.2%	23%	-34%	-1%	-1.5	+10.5
Bitcoin	-11.4%	-15.5%	34%	-75%	-33%	-0.1	+1.9
US_HighYield	-1.6%	-2.3%	5%	-18%	-11%	+0.2	+2.9
EURUSD	-1.5%	-2.1%	4%	-17%	-4%	+0.5	+2.3

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

EU_STOXX50 0.43 Bitcoin 0.25 Gold 0.11 Copper 0.30 US_HighYield 0.49

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.

	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	08-21	08-28	09-04	09-11	09-18	09-25	10-02
Regime	N	N	N	N	R+	R+	N	N	N	N	N	R+	R+	N	N	N	N	N	N	N	N	N	R+	N
Risk appetite																+0.83	+1.08	+0.83	+0.53	+0.69	+0.92	+0.63	+0.82	+0.54
Macro nowcast																+0.04	+0.06	+0.02	+0.00	+0.09	+0.11	+0.12	+0.12	+0.07
Quadrant	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Gold	Refl	Refl	Stag	Stag	Stag	Gold	Gold	Refl	Refl	Gold	Refl	Refl	Gold	Refl
VIX	19	17	17	18	17	15	22	18	16	18	16	15	16	18	18	16	15	15	16	15	15	17	15	16
SKEW																133	133	138	144	150	152	154	148	145
Breadth %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PC1 share																22	16	21	21	21	13	17	17	17
Stk-Bond corr	-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	-0.04	-0.05	-0.05	-0.05	-0.09	-0.09	-0.05

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