

ABL Digital US Cross-Market Weekly

Exhaustive US Cross-Market Report | week ending 2026-08-06

69 market instruments + 60+ macro series | Goldilocks quadrant | 2899 days



REGIME: Risk-on

EXECUTIVE SUMMARY

The market sits in a high-conviction Risk-on regime (Markov posterior 0.896) inside a Goldilocks growth-inflation quadrant (g-score +2.0, i-score -1.0), and price action confirms it: the S&P is +3.3% on the week with 73% breadth and Tech leading at +5.6%. The single most important development is the **quality** of this rally — it is broad (Materials +3.7%, Industrials +3.6%, Russell +3.0%), credit is priced for perfection (HY OAS 2.73%, 12th percentile), and volatility is dormant (VIX 15.9, term structure 0.83), yet the composite Risk-Appetite scorecard (+0.72) rests on a Macro Nowcast that is actually **below trend** (-0.22), dragged by a collapsing consumer (sentiment 49.5, saving rate 2.7%). The key risk is therefore not a visible stress point but complacency: the rally is single-factor (PC1 = 66% of sector variance, 34% of the 85-instrument cross-asset structure), credit and vol leave no cushion, and the hard-data consumer is quietly deteriorating beneath a strong labor and inflation backdrop. Treasuries are **not** hedging equity here — the stock-bond conditional correlation is positive (+0.33) — so the note's stance is to stay long the regime but recognize you are being paid very little to hold it.

Executive Dashboard

US cross-market state and the week's key readings.

REGIME Risk-on	QUADRANT Goldilocks	VIX 16	HY OAS 2.73
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KEY READINGS (price | 1w | 1m | 3m)

S&P 500	7,736.1	+3.3%	+2.9%	+3.5%
Nasdaq	26,420.7	+4.1%	+2.1%	+0.3%
Russell 2000	3,019.2	+3.0%	+2.2%	+5.2%
Tech	185.1	+5.6%	+2.1%	+2.6%
Financials	57.9	+1.7%	+3.3%	+11.5%
Energy	57.3	-3.8%	+1.0%	-3.7%
Long Bond	82.9	+0.8%	-1.3%	-2.1%
HY Corp	79.5	-0.0%	-0.1%	-0.5%
IG Corp	106.5	+0.2%	-0.5%	-1.7%
TIPS	107.0	-0.6%	-0.9%	-3.1%
DXY	99.8	-0.0%	-1.5%	+0.5%
Gold	4,331.8	+7.0%	+8.4%	-4.2%
WTI	75.2	-11.2%	-3.8%	-22.2%
Copper	6.7	+4.8%	+8.3%	+6.4%
VIX	15.9	-0.1	-1.3	-0.8
MOVE	70.9	+2.4	+3.8	+0.2

US CROSS-ASSET SCORECARD

Cross-asset risk appetite and the high-frequency growth nowcast

RISK APPETITE

Risk-on

score +0.72

risk-off (-1.5)

(+1.5) risk-on



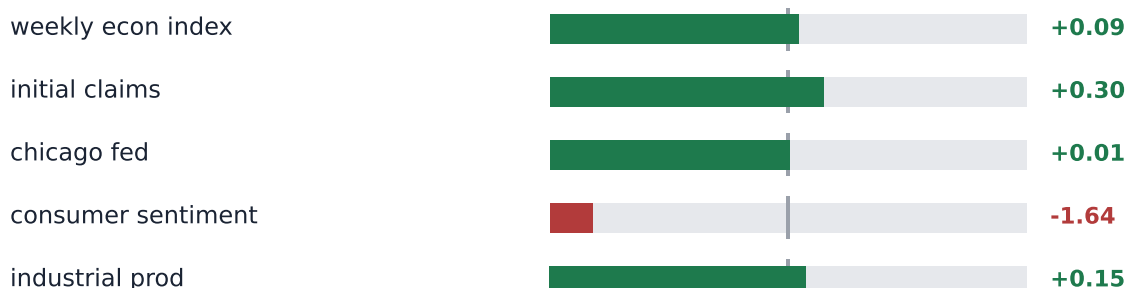
MACRO NOWCAST (growth pulse)

Trend growth

score -0.22

contracting (-1.5)

(+1.5) above-trend



Each component is a 10-year z-score, sign-aligned so higher = risk-on / stronger growth; the headline is their average. The nowcast reads the Weekly Economic Index, jobless claims, Chicago-Fed activity, sentiment and output.

WHAT CHANGED THIS WEEK

Week-over-week moves and how the market-state readings shifted · 2026-08-06

TOP GAINERS

Gold Miners	+12.5%
Silver	+7.6%
Software	+7.1%
Gold	+7.0%
Defense	+6.4%
Semis	+5.8%
Homebuilders	+5.7%
Tech	+5.6%

TOP DECLINERS

Gasoline	-17.6%
WTI	-11.2%
Brent	-10.4%
Oil E&P	-6.5%
Energy	-3.8%
NatGas	-3.5%
Commodities	-2.8%
Utilities	-1.6%

KEY LEVELS — week-over-week

S&P 500	7,736.1	+3.3%	WTI	75.2	-11.2%
Nasdaq	26,420.7	+4.1%	DXY	99.8	-0.0%
Russell 2000	3,019.2	+3.0%	Long Bond	82.9	+0.8%
VIX	15.9	-0.1	HY Corp	79.5	-0.0%
Gold	4,331.8	+7.0%	Semis	571.9	+5.8%

MARKET-STATE READINGS — now vs prior report

Regime	prior: N	->	Risk-on
Risk appetite	prior: —	->	+0.72
Macro nowcast	prior: —	->	-0.22
PC1 share	prior: —	->	34%

The fastest orientation: what actually moved and how the headline state shifted since last week. VIX/rate/spread increases are shown as adverse (red).

US Cross-Market Analysis

Executive Summary

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Regime, Scorecard & Market State

The Markov filter puts an 0.896 posterior on Risk-on with zero weight on Neutral, and the composite Risk-Appetite scorecard at +0.72 corroborates it through the right channels: sector breadth (+1.27), risk-over-haven positioning (+1.23), and credit HY (+0.99) are the heavy contributors, with SPX trend (+0.54) and VIX term (+0.62) confirming. The one honest negative in the scorecard is *low_concentration* at -0.35 — i.e., the market is **not** broadly diversified in its leadership, it is concentrated. That is the tension to hold in mind all the way through this note: every risk gauge is green, but they are green for correlated reasons. The growth-inflation quadrant reads Goldilocks (growth scoring +2.0, inflation -1.0), which is the ideal backdrop for the cyclical, high-beta leadership we see — but the Macro Nowcast at -0.22 ("trend growth") is a reminder that the **nowcast** of activity is softer than the regime label implies. You are in a risk-on tape justified by disinflation and a still-solid labor market, not by accelerating growth.

Sector & Factor Rotation

The weekly sector map is textbook early/mid-cycle risk appetite: Tech +5.6%, Materials +3.7%, Industrials +3.6%, Comms +3.0% and Discretionary +2.2% lead, while the defensive complex lags outright — Utilities -1.6%, Staples +0.6%, Real Estate flat — and Energy is the clear loser at -3.8%, consistent with a benign-inflation, soft-oil backdrop. That cyclicals-over-defensives spread is a clean risk-on read. The factor picture, however, complicates the growth story: over three months Value is +9% versus Growth -1% (a -9.3 growth-value spread), with Quality +5% and Momentum a muted +1%. So the medium-term rotation has actually favored value and quality even as this **week's** tape is tech-led — the weekly Tech pop looks like a tactical growth bounce inside a three-month value regime, not a durable leadership handoff. High-Beta and Low-Vol are tied at +3%, which says the market has been rewarding risk without punishing defense — a non-committal signal that fits a rally running on liquidity and disinflation rather than a decisive growth impulse.

The Yield Curve & Rates

The curve has fully disinverted and is now modestly positive: 3M at 3.89%, 2Y 4.20%, 10Y 4.63%, with 2s10s at +45bp and 3M10Y at +74bp. This is a normalized, upward-sloping curve — no longer flashing the classic recession signal — and the steepening is "bull" at the front and "bear" at the back, with the long end notably heavy: 20Y and 30Y both at 5.18%, a 55bp 10s30s slope. That long-end cheapness (term premium rebuilding) is the rates market's main tell — it reflects supply/fiscal and sticky-long-run-inflation concerns more than near-term growth fear. For an investor, the message is a Fed that has room but no urgency: front-end yields near 3.8–4.0% are consistent with a soft-landing hold, the positive slope removes the curve as a recession input, and the steep back end argues against reaching for duration. Own the belly (5Y 4.33%, 7Y 4.47%) over the long bond if you want carry without the term-premium risk.

US Cross-Market Analysis (cont.)

Credit & Financial Conditions

Credit is the most emphatic risk-on signal in the entire briefing and simultaneously the thinnest cushion. HY OAS at 2.73% sits in the 12th percentile of its history and IG OAS at 0.78% is similarly compressed; the ANFCI at -0.54 and the stress index at -0.51 confirm financial conditions are loose and stress is absent. Spreads this tight mean the credit market is pricing essentially no default or macro accident — corroborating the Goldilocks read but leaving almost no room for spreads to compress further and enormous room to widen if the consumer softness bleeds into earnings. The equity-HY correlation is high and stable (S&P~HY +0.69/+0.68), so credit and equity are one trade here; there is no divergence in which credit is quietly warning. That is reassuring today and dangerous later: when spreads are at the 12th percentile, credit stops being a source of return and becomes a source of asymmetry. Clip the carry, but do not add credit risk at these levels.

Factor Structure & Systemic Risk

This is the note's central caution. PCA on sector returns shows PC1 explaining 66% of variance, and the 85-instrument cross-asset PCA shows PC1 (Risk, proxied by the S&P) at 34%, with Rates (16%), Energy (6%) and the dollar (5%) far behind — "high PC1 = one dominant risk factor." The market is trading as a single risk-on/risk-off switch; individual sector and stock selection is being overwhelmed by the beta decision. The MV-DCC systemic gauge shows average pairwise conditional correlation at +0.05 now versus +0.04 a year ago — low in absolute terms but with high persistence (0.91) and rising, and rising average correlation is precisely the signature of diversification quietly failing. For portfolio construction the implication is concrete: your diversification is worth less than the historical correlation matrix suggests, and in a drawdown the single risk factor will dominate, so hedges should be at the index/beta level rather than relative-value or sector tilts.

Cross-Asset Correlation & Lead-Lag

The DCC-GARCH conditional correlations define the hedging environment. Stock-bond is *positive* at +0.33 (persistence 0.99), meaning Treasuries are not currently hedging equities — in a risk-off shock driven by rates or term premium, bonds could fall alongside stocks, so cash is the cleaner hedge right now. Stock-dollar is -0.26 (DXY rises when equities fall), so the dollar retains its haven property, and stock-VIX is deeply negative at -0.78, the reliable convex hedge. Gold's correlation to the S&P has risen to +0.40 (63d), so gold is trading as a risk asset/liquidity beneficiary here, not a diversifier, while its -0.47 correlation to the dollar keeps it a dollar-debasement play. On lead-lag, the Granger network has VIX, the Long Bond, HY OAS and the US 10Y as net *leaders* pointing to Gold, DXY, Russell 2000 and Nasdaq as *followers* — i.e., vol, rates and credit lead equities and the dollar. The honest caveat: weekly Granger predictive skill is modest, so treat this as a hierarchy of what to watch (rates/vol/credit first) rather than a tradable timing signal.

Relative Value & Fair Value

The cointegration screen flags two stretched, mean-reverting spreads, both a function of concentration: the S&P-vs-Dow spread is at $z +2.02$ and the S&P-vs-Equal-Weight spread at $z +1.66$, each with a ~7-week half-life. Both say the cap-weighted, mega-cap-led index has run ahead of its broader and equal-weight counterparts — a statistical lean toward the Dow and equal-weight closing the gap over the next couple of months, and another expression of the single-factor concentration flagged above. On fair value, the well-fit residual models identify clear richness: Semis are +17.9% rich to Nasdaq ($z +1.40$, $R^2 0.94$) — a high-conviction stretch given the tight fit — and Gold is +15.8% rich to its real-yield/dollar drivers ($z +0.76$, $R^2 0.67$), consistent with gold trading as momentum rather than fundamentals. By contrast Nasdaq itself is a trivial -1.8% cheap to its real-yield/S&P model ($R^2 0.99$), i.e., fairly valued. The actionable read: the excess is concentrated in semis and gold, not in large-cap tech broadly — trim the semis stretch and be wary of chasing gold, but the Nasdaq complex as a whole is not egregiously mispriced.

US Cross-Market Analysis (cont.)

Volatility & Tail Risk

The volatility complex is calm on the surface with a warning underneath. VIX at 15.9 with VIX3M at 19.0 gives a term ratio of 0.83 — a normal, upward-sloping (contango) vol curve that signals no near-term stress and supports the risk-on regime. But SKEW at 133 is elevated: investors are paying up for out-of-the-money put protection even as at-the-money vol sits low, which is the market's way of saying the *distribution* is fat-tailed even if the center is quiet. MOVE at 71 confirms rates vol is subdued, and VVIX at 91 is unremarkable. The tail metrics quantify the downside: 5% expected shortfall is -4.8% on the S&P, -5.9% on Nasdaq and -6.4% on Russell, with current drawdowns essentially zero (Nasdaq -2%). With realized vol low, hedges are cheap and SKEW says the demand is already there — this is an environment to *own* convexity, not sell it. The combination of low VIX, contango, but high SKEW is the classic "calm with a bid for crash protection" setup: enjoy the carry, but buy the hedge while it's cheap rather than after the shock.

Macro Pulse & Recession Risk

The recession dashboard is benign and should be reported as such honestly: NY Fed 12-month probability is just 0.6%, the Sahm rule reads 0.07 (far below the 0.50 trigger), 2s10s is positive at +45bp, and initial claims are low at 199k with continued claims at 1.80mn. The labor market is solid — unemployment 4.2%, U6 7.9%, payrolls still growing, openings at 7.36mn, earnings \$37.6/hr — and inflation is cooperating (sticky CPI 2.8%, core measures contained), which is what earns the Goldilocks label. The genuine soft spots are on the consumer and liquidity side: consumer sentiment at 49.5 is recessionary in level (and it's the single biggest drag on the Macro Nowcast at -1.64), the saving rate is thin at 2.7%, Michigan inflation expectations are elevated at 4.6%, and net liquidity fell \$161bn in the past month to \$5,826bn. So the picture is a resilient production/labor economy running above a nervous, cash-poor, liquidity-tightening consumer. Near-term recession odds are low and should not be overstated; the medium-term vulnerability is that the consumer weakness the nowcast is already picking up eventually shows in spending and earnings.

Key Risks & What to Watch

The dominant risk is not a visible crack but the structure of the rally: it is single-factor (PC1 66%/34%), it is priced for perfection in credit (HY at the 12th percentile) and vol (VIX sub-16), and it offers no hedging cushion from Treasuries (stock-bond +0.33), so any regime break would be correlated and sharp — tail metrics say a -5% to -6.5% shortfall is the modeled downside. Confirming signals that the risk-on regime is *intact*: HY OAS holding below ~3.0%, VIX term staying in contango (below 1.0), breadth staying above ~60% with cyclicals leading, and initial claims staying under ~230k. Signals that would *change the view* and argue for de-risking: HY OAS widening back through 3.25-3.50% (the fastest, most reliable tell given credit-equity correlation of 0.69); the VIX term ratio inverting above 1.0 alongside a further SKEW rise; average pairwise DCC correlation climbing meaningfully from +0.05 (diversification failure accelerating); the stock-bond correlation staying positive as equities fall (confirming no bond hedge and forcing cash); a Sahm reading rising toward 0.30-0.50 or claims breaking above 250k; and continued net-liquidity drainage below ~\$5.7tn. The mean-reversion trades to watch are the S&P-vs-equal-weight (z +1.66) and S&P-vs-Dow (z +2.02) spreads compressing over their ~7-week half-lives, and the semis +17.9% richness to Nasdaq unwinding — each would signal the concentrated leadership finally broadening or breaking.



PART I

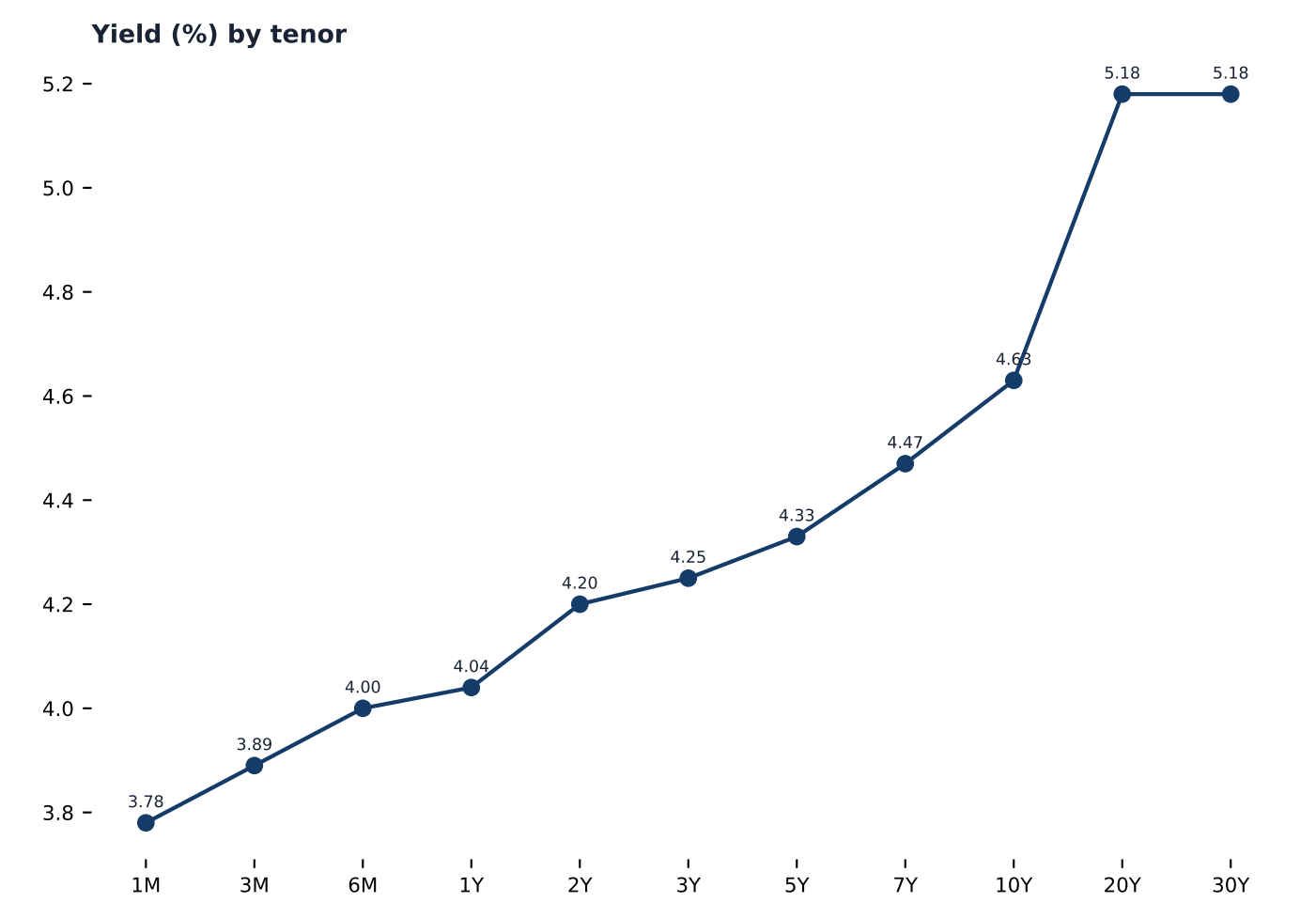
Rates, Credit & Macro

The Treasury curve, credit spreads, the growth-inflation regime and the deep macro dashboard.

- Yield curve, credit & vol, regime & liquidity
- Labor, inflation, growth/consumer/housing, money/policy, recession

The Treasury Yield Curve

Current US Treasury curve. 2s10s +0.45bp, 3M-10Y +0.74bp (positive).



Credit, Financial Conditions & Volatility

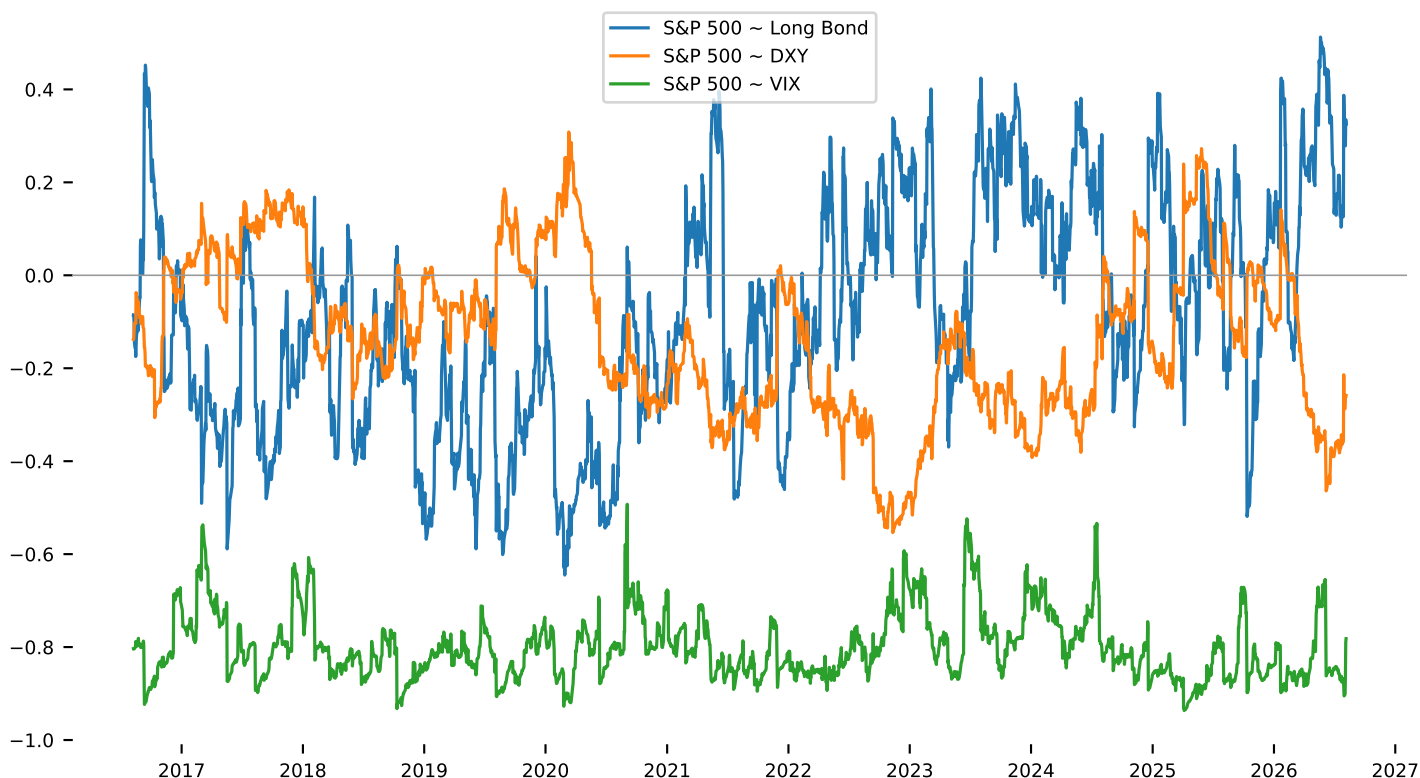
Credit spreads and the volatility complex - the market's stress gauges.

HY OAS	2.73	12th pctile
IG OAS	0.78	
Fin Conditions (ANFCI)	-0.54	0 = average; +tight
St. Louis Stress	-0.51	
VIX	15.9	term VIX/VIX3M 0.83
VIX3M	19.0	
VVIX (vol of vol)	91	
MOVE (bond vol)	71	
SKEW (tail hedging)	133	

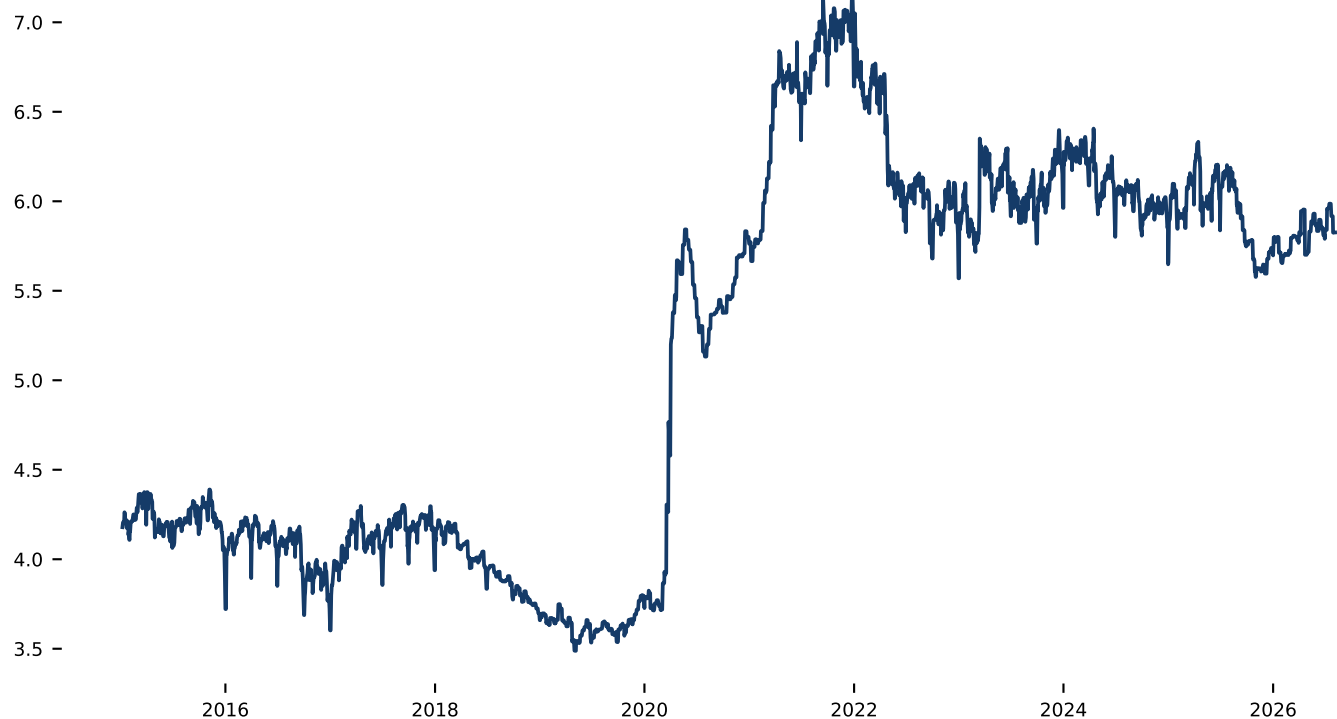
Regime, Growth-Inflation & Liquidity

Markov regime: Risk-on (posterior Neutral 0.00, Risk-on 0.90, Risk-off 0.10). Quadrant: Goldilocks.

DCC-GARCH: stock-bond, stock-dollar, stock-VIX



Fed net liquidity (\$ trillion) — WALCL - TGA - RRP



Macro Pulse: Labor

The US labor market - payrolls, unemployment, openings and weekly claims.

INDICATOR	LATEST	CHANGE	AS OF
Nonfarm payrolls (k)	158,984.00	+57.00	2026-06
Unemployment %	4.20	-0.10	2026-06
U6 underemployment %	7.90	-0.20	2026-06
Participation %	61.50	-0.30	2026-06
Job openings (k)	7,359.00	-178.00	2026-06
Avg hourly earnings \$	37.64	+0.13	2026-06
Initial claims (wk)	199,000.00	+1,000.00	2026-08
Continued claims	1,801,000.00	+24,000.00	2026-07

Macro Pulse: Inflation

CPI, PCE, PPI and inflation expectations.

INDICATOR	LATEST	CHANGE	AS OF
CPI index	332.57	-1.41	2026-06
Core CPI index	336.06	-0.06	2026-06
PCE index	131.39	-0.14	2026-06
Core PCE index	130.27	+0.17	2026-06
PPI index	286.83	-3.66	2026-06
Michigan inflation exp %	4.60	-0.20	2026-06
Sticky CPI %	2.84	-0.27	2026-06

Macro Pulse: Growth, Consumer & Housing

Activity, the consumer, and the housing cycle.

INDICATOR	LATEST	CHANGE	AS OF
Real GDP (bn)	24,270.60	+90.18	2026-04
Industrial production	102.64	+0.08	2026-06
Capacity utilization %	76.09	-0.01	2026-06
Chicago Fed NAI	-0.02	+0.17	2026-06
Weekly Econ Index %	2.46	-0.41	2026-07
Durable goods (\$m)	335,418.00	+1,576.00	2026-06
Retail sales (\$m)	768,553.00	+1,677.00	2026-06
Saving rate %	2.70	-0.10	2026-06
Consumer sentiment	49.50	+4.70	2026-06
Housing starts (k)	1,427.00	+228.00	2026-06
Building permits (k)	1,374.00	-36.00	2026-06
New home sales (k)	628.00	+10.00	2026-06
Case-Shiller HPI	335.10	+2.12	2026-05
30y mortgage %	6.66	+0.08	2026-07

Money, Liquidity & Policy

Fed policy rate, M2, reserves and credit aggregates.

INDICATOR	LATEST	CHANGE	AS OF
Fed funds	3.63	+0.00	2026-08
SOFR	3.64	-0.02	2026-08
M2 (\$bn)	23,290.10	+174.30	2026-07
Bank reserves	3,018.80	-60.00	2026-06
C&I loans (\$bn)	2,894.22	+8.82	2026-06
Consumer credit (\$bn)	5,154,538.86	-182.45	2026-05

Recession Dashboard

The signals that historically lead a US downturn.

NY Fed recession probability	0.6%	12m-ahead, curve-based
Sahm rule (real-time)	+0.07	>0.50 triggers
2s10s curve	+0.45 bp	inverted = warning
Initial jobless claims	199,000	weekly labor pulse

PCA: PC1 explains 66% of sector variance (market-factor concentration).

LEAD-LAG INTO S&P 500 (weekly; skill is modest)

VIX	contemp -0.79	1d-lag +0.14
HY Corp	contemp +0.77	1d-lag -0.08
Semis	contemp +0.81	1d-lag -0.07
Long Bond	contemp -0.14	1d-lag +0.06
DXY	contemp -0.13	1d-lag -0.02



PART II

Cross-Market Structure

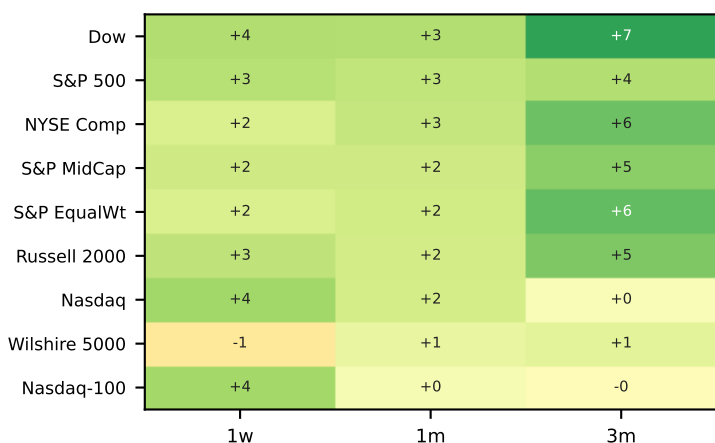
How US assets move together — factor structure, systemic co-movement, directional lead-lag and relative value.

- PCA factor model & multivariate DCC conditional-correlation
- Correlation, wavelet coherence, Granger causality & cointegration

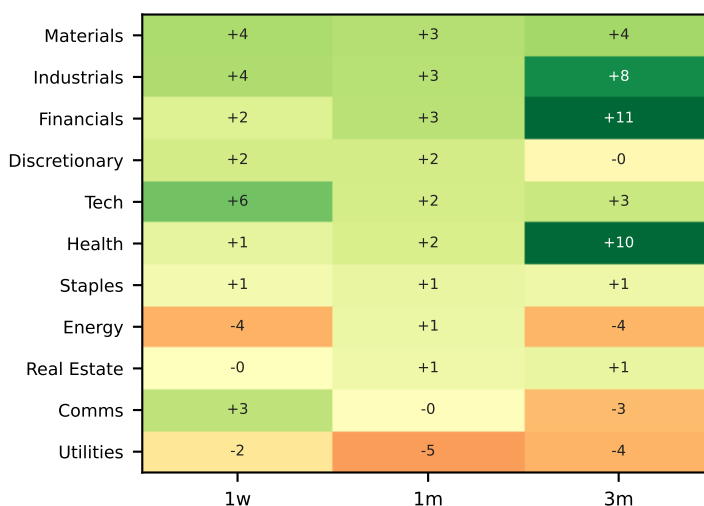
Returns Heatmap

Price return (%) over 1 week / 1 month / 3 months.

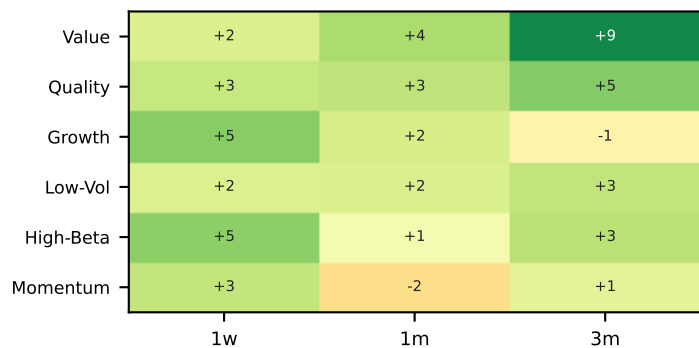
Indices



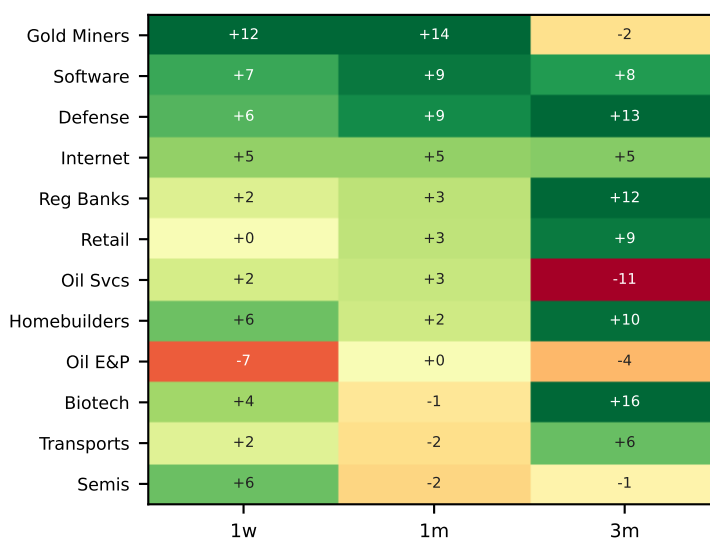
Sectors



Factors

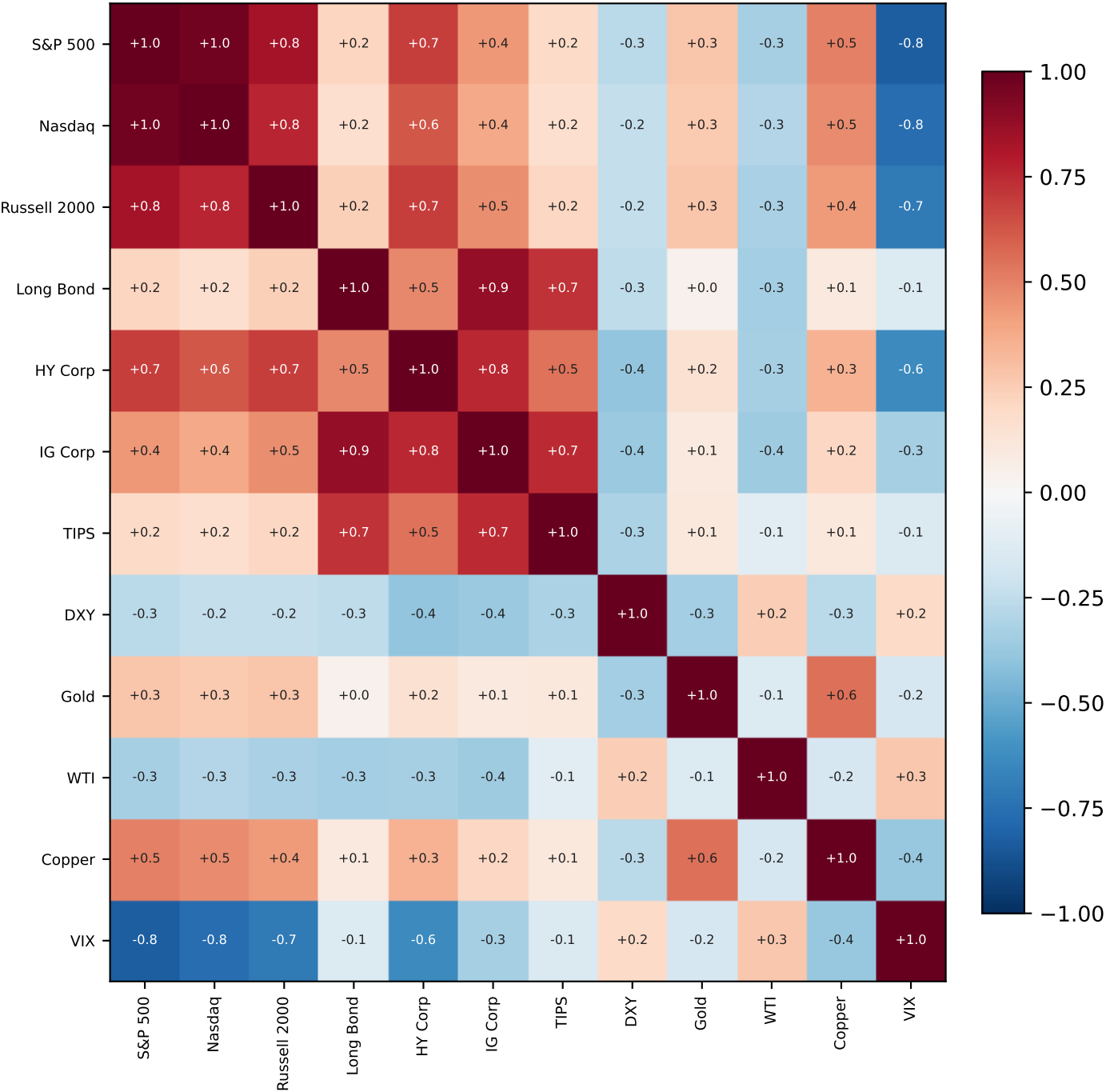


Industries



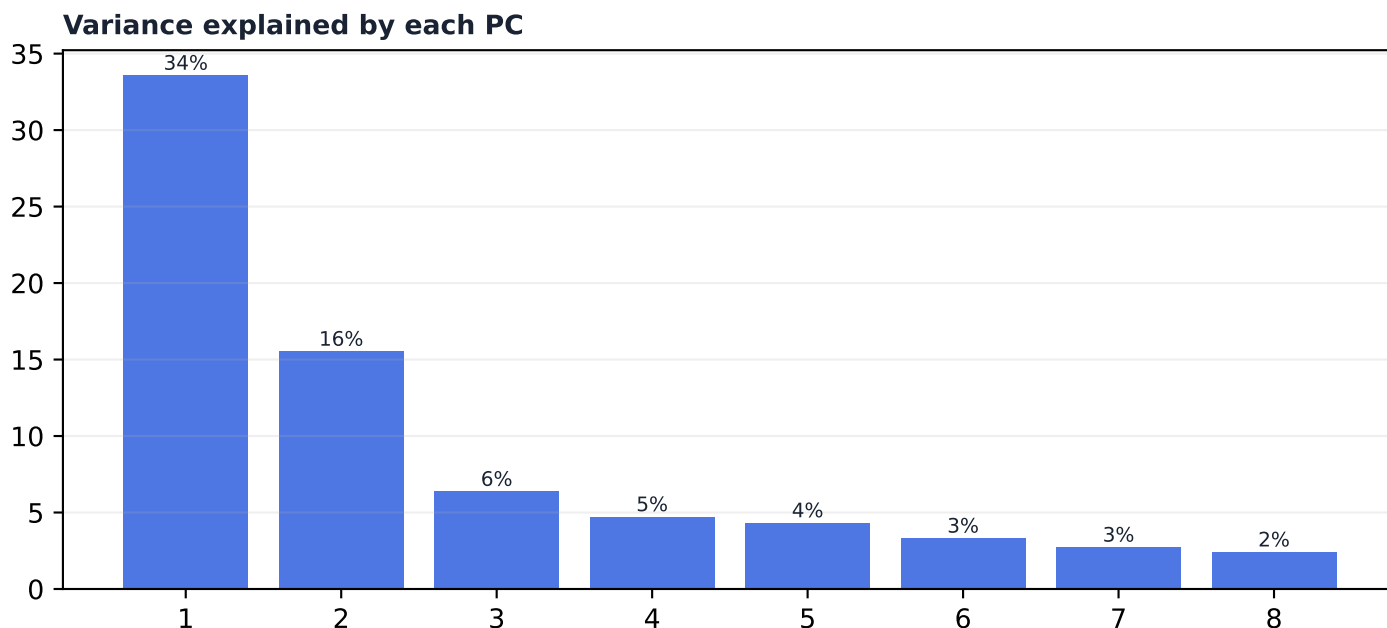
Cross-Asset Correlation (252d, daily)

S&P/Nasdaq/Russell vs bonds, credit, dollar, gold, oil, copper, VIX.



CROSS-ASSET FACTOR STRUCTURE (PCA)

Independent forces driving the 85 instruments (156 weeks)



PC1 — Risk (S&P 500)

33.5% of variance (cum 34%) · marker corr +0.91

+ S&P EqualWt +0.18, NYSE Comp +0.18, Value +0.17, S&P MidCap +0.17, S&P 500 +0.17
- VIX -0.15, HY OAS -0.14, CCC OAS -0.12, VVIX -0.12, BBB OAS -0.12

PC2 — Rates (10Y)

15.5% of variance (cum 49%) · marker corr +0.90

+ US 10Y +0.25, US 5Y +0.25, US 2Y +0.23, US 30Y +0.23, 10Y real +0.21
- 7-10y Tsy -0.25, Agg Bond -0.23, Long Bond -0.23, MBS -0.23, IG Corp -0.20

PC3 — Energy (WTI) (inverse)

6.3% of variance (cum 55%) · marker corr -0.73

+ Growth +0.12, Tech +0.12, Nasdaq-100 +0.12, 10Y real +0.12, Nasdaq +0.12
- Brent -0.32, Energy -0.32, Oil E&P -0.31, WTI -0.31, Commodities -0.29

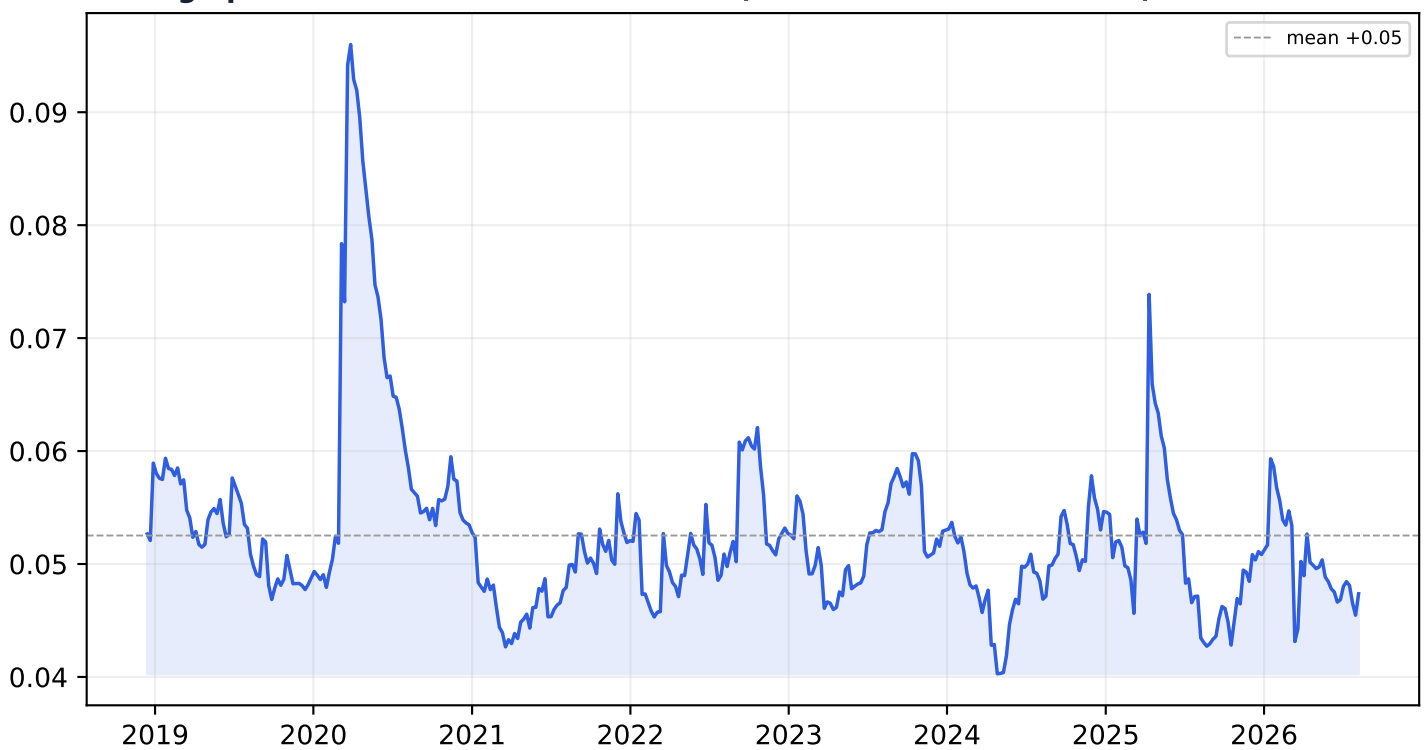
PC4 — US dollar

4.7% of variance (cum 60%) · marker corr +0.48

+ DXY +0.24, Software +0.19, Tech +0.17, USDJPY +0.17, SKEW +0.17
- Staples -0.22, EURUSD -0.22, Gold Miners -0.22, Materials -0.21, Health -0.20

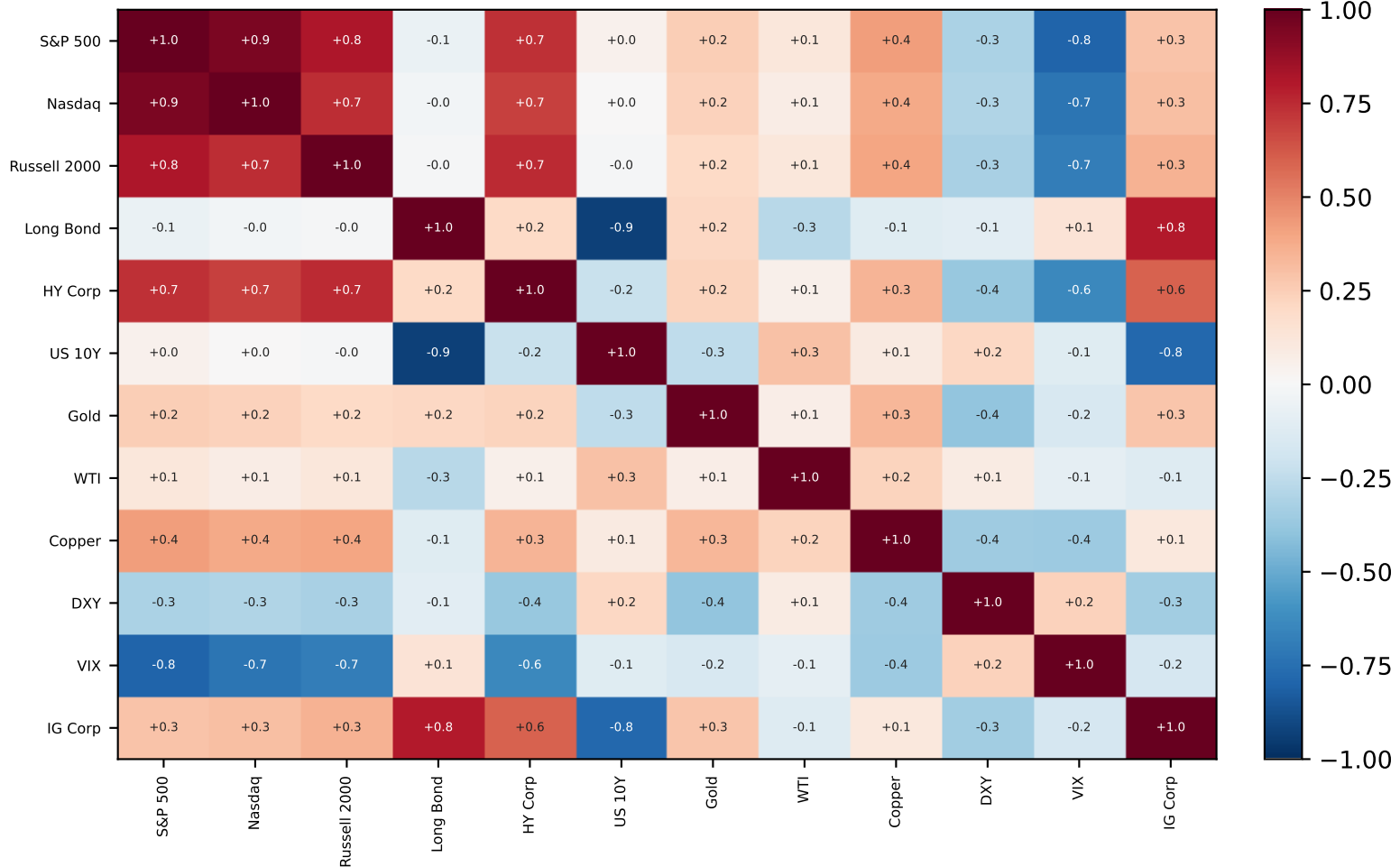
Principal components are the uncorrelated factors explaining the most joint variance. A high PC1 share means one force (usually broad risk) dominates — diversification is thin.

Average pairwise conditional correlation (multivariate DCC-GARCH)

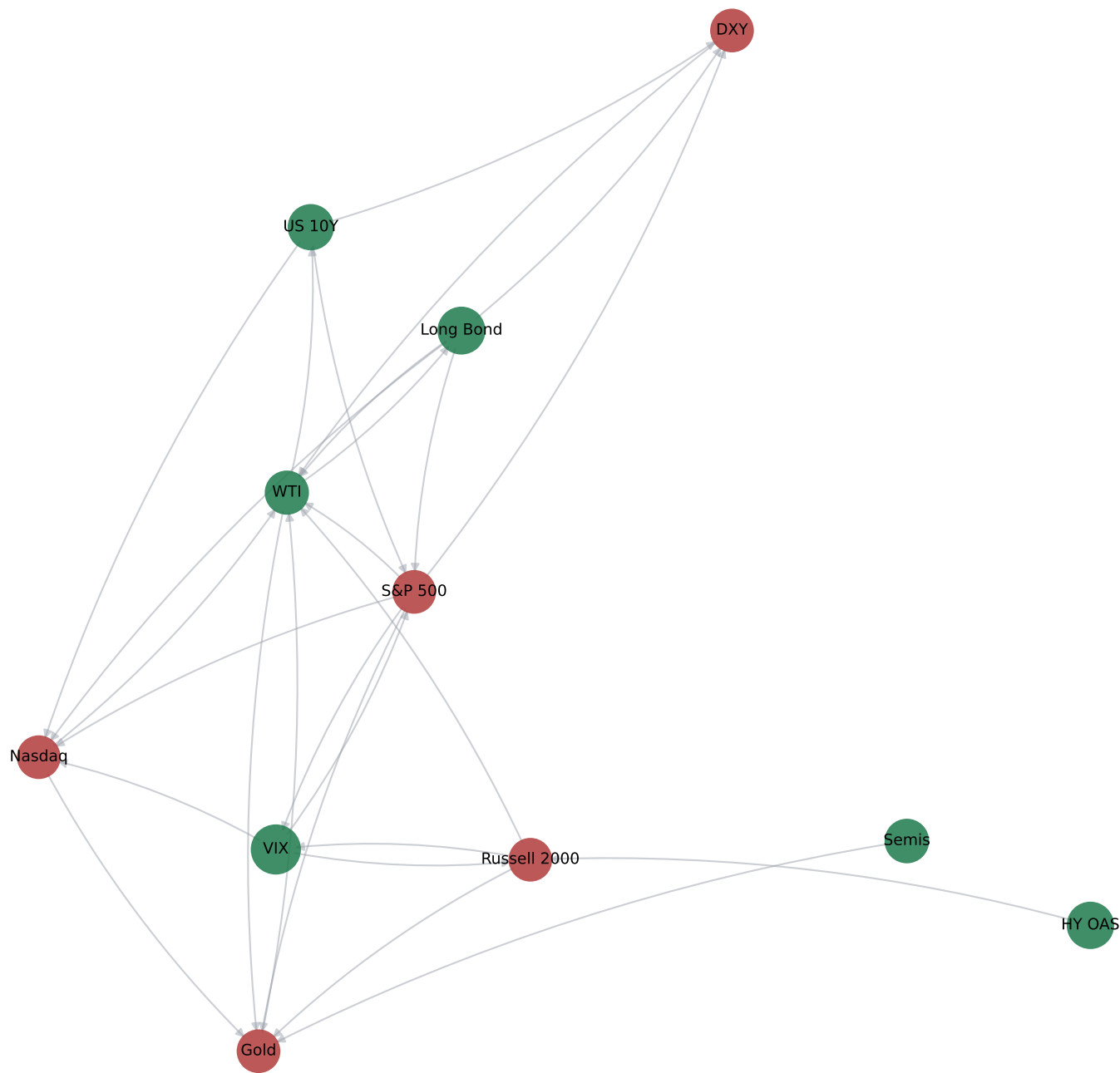


N=12 · persistence 0.9129 · now +0.05 · rising = diversification failing in real time

Latest conditional-correlation matrix



Directional lead-lag — Granger causality network

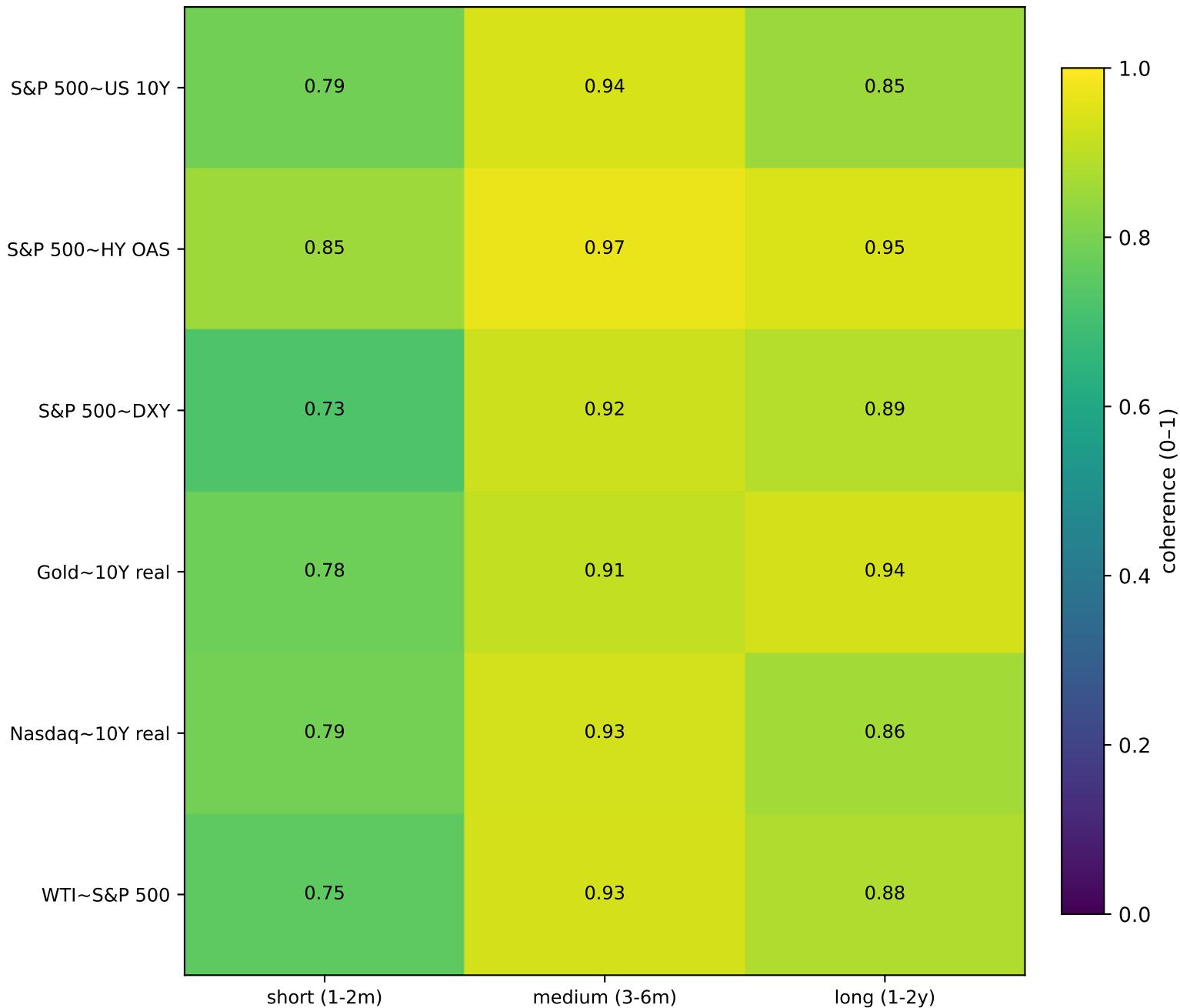


arrow = X Granger-causes Y (p<0.05); green/large = net information EXPORTER (leader)

LEADERS: VIX +0.03, Long Bond +0.02, HY OAS +0.02, US 10Y +0.01, Semis +0.00

FOLLOWERS: Gold -0.03, DXY -0.02, Russell 2000 -0.01, Nasdaq -0.01, S&P 500 -0.00

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



STATISTICAL RELATIVE VALUE (cointegration)

Mean-reverting US spreads and how stretched each is now

Pair	Coint?	p-val	Hedge	Half-life	Spread z
Growth vs Value	no	0.925	0.51	33w	+3.43
S&P vs Dow	yes	0.009	0.73	7w	+2.02
S&P vs Equal-Weight	yes	0.031	0.60	7w	+1.66
Large vs Small (R2K)	no	0.308	0.61	15w	+1.58
2Y vs 10Y	no	0.930	0.68	38w	+1.36
Semis vs Nasdaq	no	0.206	0.51	19w	-0.90
WTI vs Brent	no	0.101	0.97	1w	+0.87
S&P vs Nasdaq	yes	0.020	1.23	15w	-0.61
Long vs Short Tsy	no	0.617	0.07	28w	+0.48
Gold vs Silver	no	0.250	1.17	14w	+0.44
VIX vs VIX3M	yes	0.034	0.84	2w	+0.43
HY vs IG credit	yes	0.000	0.32	2w	+0.19

Low p-value = the spread is statistically mean-reverting. Half-life = weeks to close half a dislocation. $|z| > 2$ (red) flags a historically wide gap. Pairs shown NOT cointegrated: the long-run link has broken — the z is informational only.



PART III

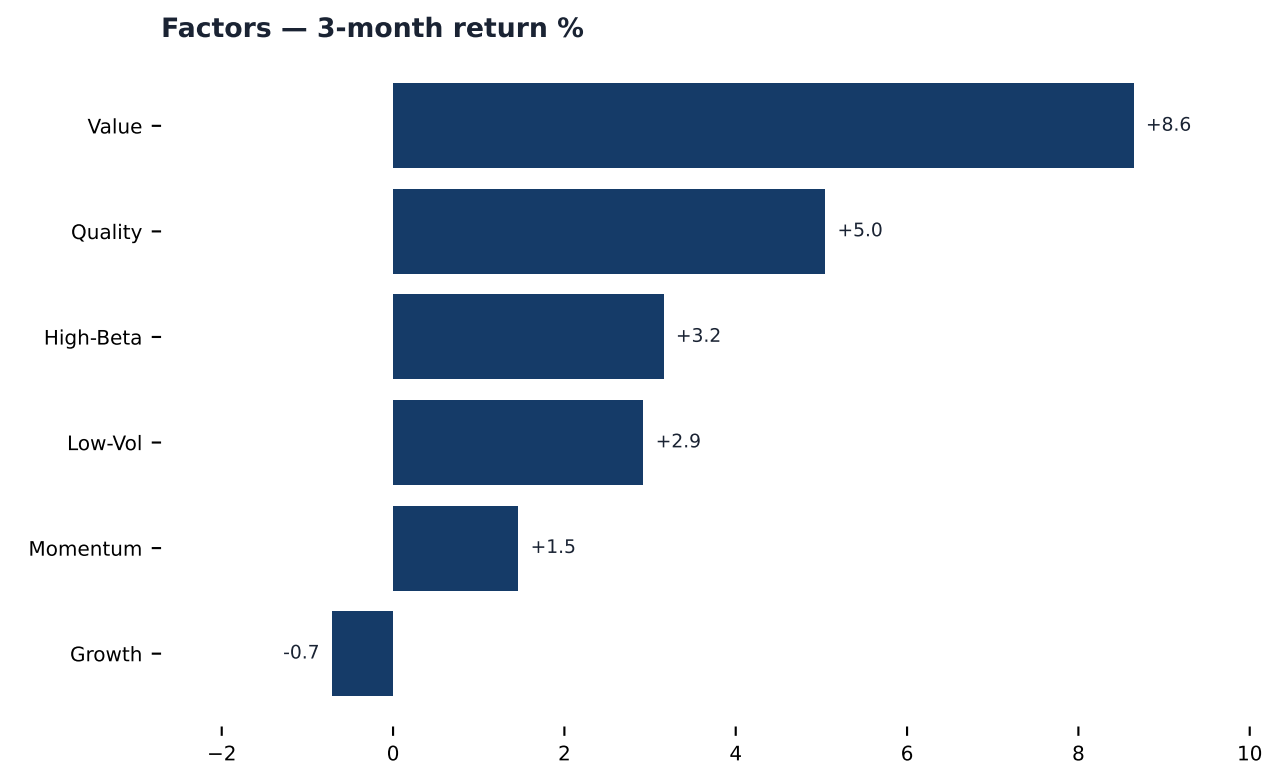
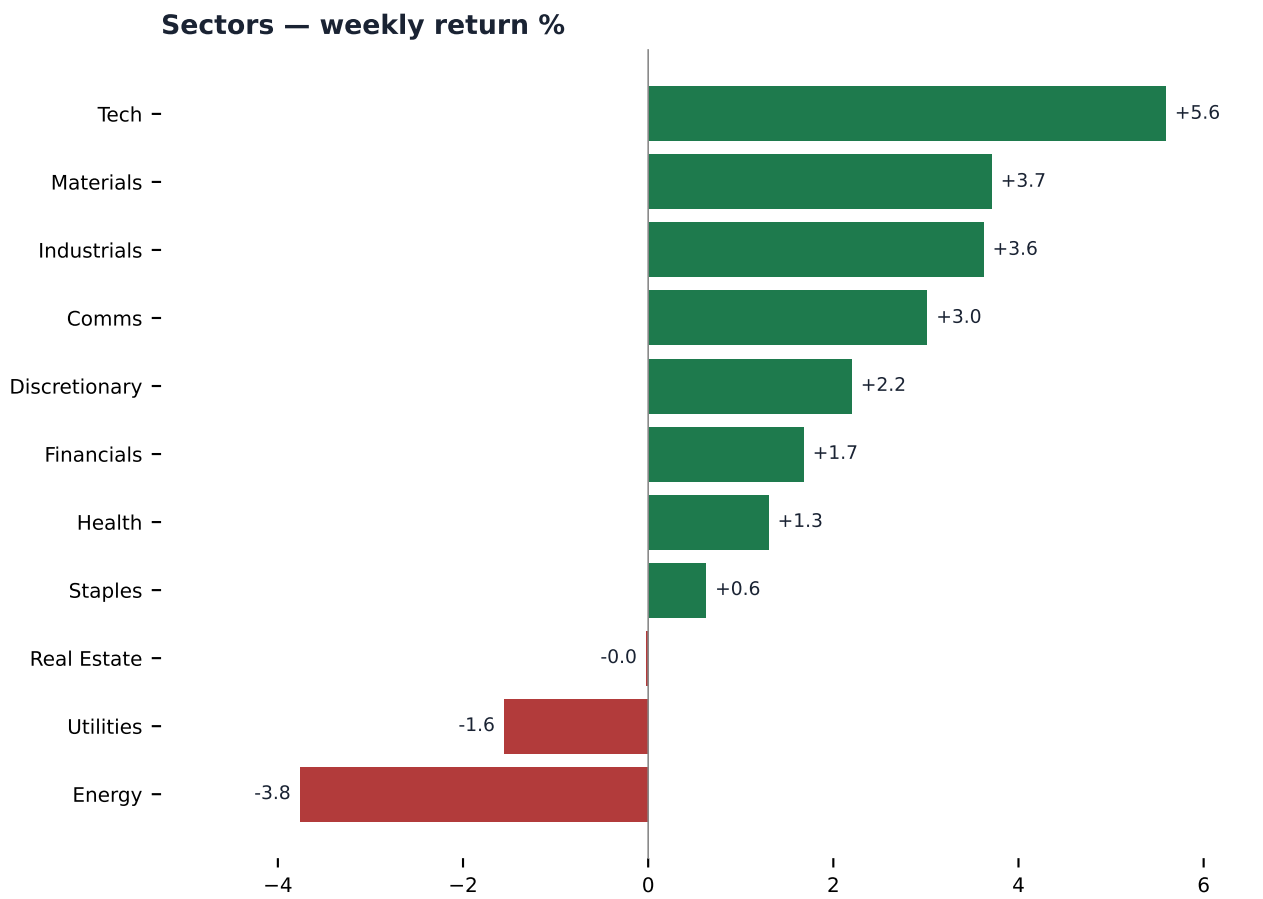
Rotation, Momentum & Fair Value

Sector/factor rotation, trend and what is rich or cheap versus its drivers.

- Sector & factor rotation, momentum & trend battery, factor-beta attribution
- Fair-value residual models (rich/cheap vs economic drivers)

Sector & Factor Rotation

Weekly sector return; factor 3m return. Sector breadth 73% up. Growth-Value 3m -9.3%.



MOMENTUM & TREND

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

Instrument	13w	26w	52w	Score	vs40wMA	<52wHi
S&P 500	+5%	+12%	+21%	+1.00	+10%	0%
Nasdaq	+1%	+15%	+23%	+1.00	+10%	-2%
Russell 2000	+6%	+13%	+36%	+1.00	+12%	0%
Tech	+5%	+31%	+39%	+0.50	+18%	-3%
Financials	+13%	+7%	+12%	+1.00	+9%	0%
Energy	+3%	+8%	+35%	+1.00	+7%	-8%
Health	+15%	+4%	+27%	+1.00	+7%	0%
Semis	+1%	+42%	+95%	+0.50	+24%	-13%
Reg Banks	+11%	+5%	+30%	+1.00	+12%	0%
Gold Miners	-12%	-14%	+44%	+0.00	-5%	-28%
Gold	-8%	-13%	+26%	+0.00	-4%	-17%
WTI	-21%	+18%	+18%	+0.50	-2%	-33%

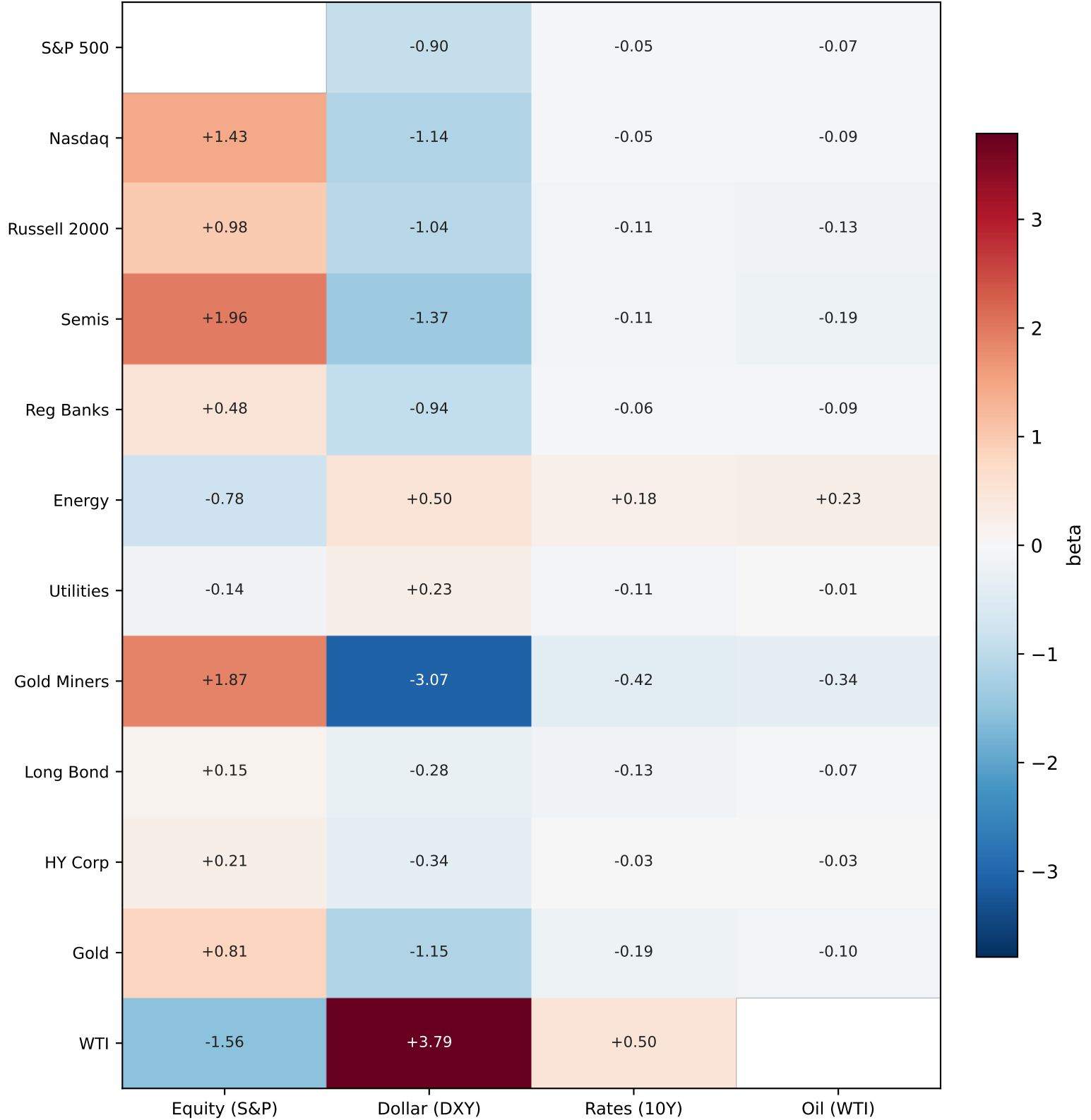
Sector 26-week relative strength:

LEADERS: Tech +31%, Energy +8%, Industrials +8%, Real Estate +7%, Financials +7%, Health +4%

LAGGARDS: Comms -4%, Staples -3%, Discretionary +1%, Utilities +1%, Materials +2%, Health +4%

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

Factor betas — 52-week sensitivity to the master factors



FAIR VALUE — RICH / CHEAP vs DRIVERS

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

S&P vs liquidity & rates

RICH z +1.74

actual 7736.14 · model-fair 5653.62 · gap +36.8% · R^2 0.24



Semis vs Nasdaq

RICH z +1.40

actual 571.88 · model-fair 485.17 · gap +17.9% · R^2 0.94



HY spread vs equity vol

cheap z -0.95

actual 2.73 · model-fair 3.13 · gap -0.4 · R^2 0.07



Gold vs real yield & dollar

RICH z +0.76

actual 4331.80 · model-fair 3742.11 · gap +15.8% · R^2 0.67



Nasdaq vs real yield & S&P

cheap z -0.74

actual 26420.70 · model-fair 26918.09 · gap -1.8% · R^2 0.99



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 in proportion to R^2 — a low- R^2 model is a weak anchor, stated honestly.



PART IV

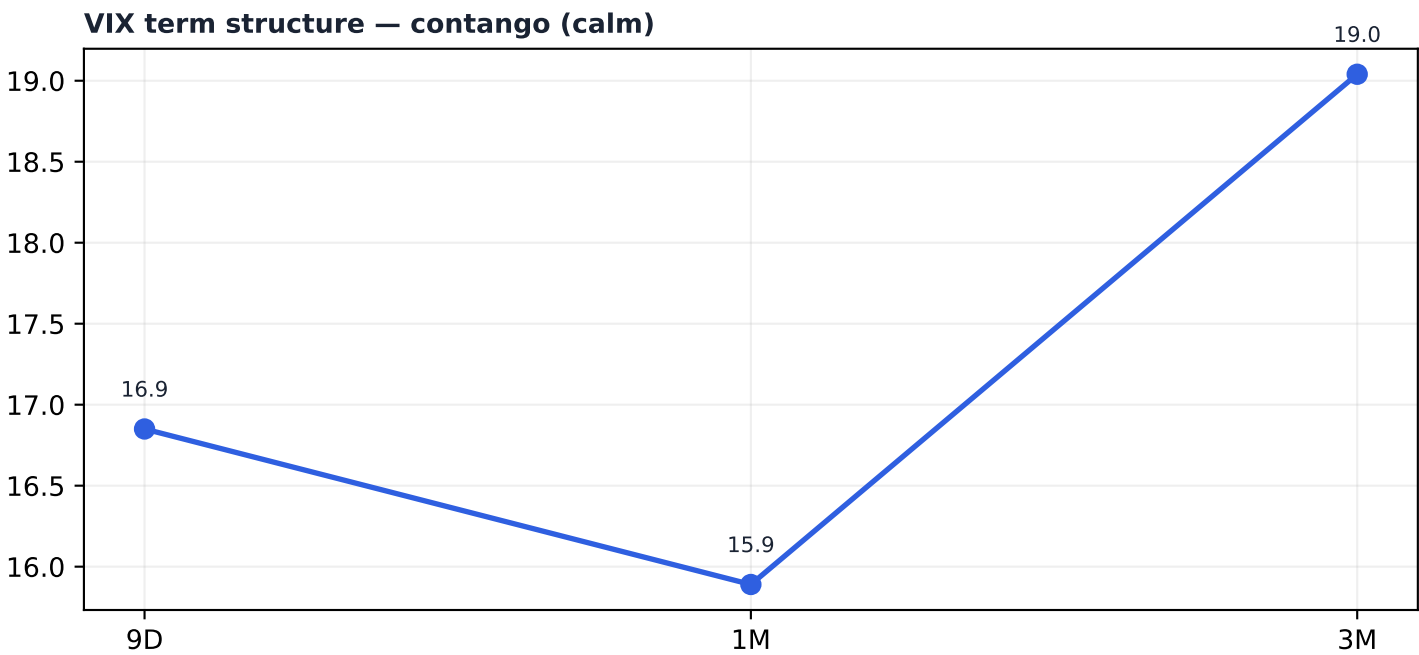
Volatility & Risk

The volatility complex and downside risk.

- VIX term structure, vol-risk premium, SKEW and cross-asset vol
- Tail risk: VaR / expected shortfall, drawdowns, tail dependence

VOLATILITY COMPLEX

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



VOL RISK PREMIUM

+2.7 pts

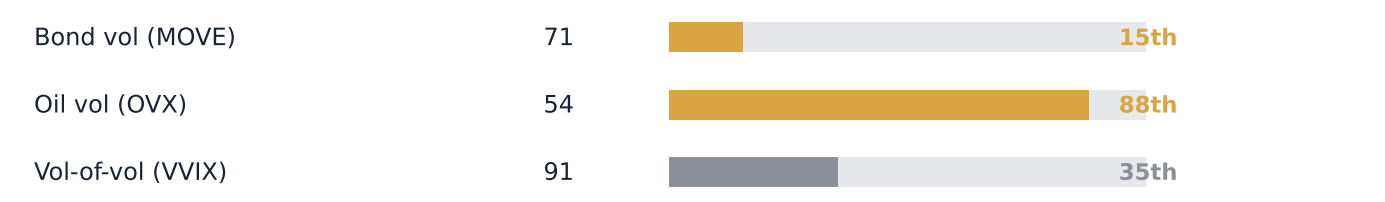
VIX 15.9 – realised 13.1
positive (implied > realised, carry cushion)

CBOE SKEW (tail risk)

133

27th %ile of 5y — normal

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



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

TAIL RISK

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

Instrument	VaR5	ES5	DnVol	MaxDD	CurDD	Skew	Kurt
S&P 500	-3.2%	-4.8%	11%	-25%	0%	-0.2	+1.3
Nasdaq	-4.5%	-5.9%	13%	-36%	-2%	-0.1	+0.3
Russell 2000	-4.3%	-6.4%	14%	-33%	0%	-0.2	+0.5
Semis	-7.3%	-10.0%	22%	-45%	-13%	-0.2	+0.6
Reg Banks	-6.3%	-9.7%	21%	-54%	-2%	-0.6	+2.2
Energy	-5.9%	-8.7%	21%	-23%	-8%	-0.7	+3.3
HY Corp	-1.6%	-2.3%	5%	-19%	-10%	+0.2	+2.9
Long Bond	-3.6%	-4.7%	10%	-47%	-46%	-0.1	+0.4
Gold	-3.5%	-4.7%	11%	-23%	-17%	-0.1	+1.6
WTI	-10.1%	-12.1%	26%	-53%	-38%	+0.6	+3.5

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

Nasdaq 0.75 Russell 2000 0.60 HY Corp 0.47 Long Bond 0.15 Gold 0.13

VaR5 = the typical bad-week loss (5% quantile); ES5 = the average loss BEYOND it. Lower-tail dependence near 1 = crashes together; near 0 = a genuine diversifier when it matters.

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.

	03-13	03-20	03-27	04-02	04-10	04-17	04-24	05-01	05-08	05-15	05-22	05-29	06-05	06-12	06-18	06-26	07-02	07-10	07-12	07-13	07-20	07-27	08-03	08-06
Regime	R+	R-	R-	R+	R+	R+	R+	R+	R+	R-	R+	R+	R-	R+	R+	R+	R+	R+	N	N	N	N	N	R+
Risk appetite																								+0.72
Macro nowcast																								-0.22
Quadrant	Stag	Stag	Stag	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Refl	Refl	Gold
Breadth %	18	18	36	91	91	73	45	82	64	36	82	45	55	82	45	55	64	45	55	55	36	73	45	73
PC1 share																								34
VIX	27	27	31	24	19	17	19	17	17	18	17	15	22	18	16	18	16	15	15	17	18	18	16	16
HY OAS	3.3	3.2	3.4	3.1	2.9	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.8	2.7	2.7	2.8	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.7
2s10s bp	1	1	1	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rec Prob %	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
S&P 1w %	-1.6	-1.9	-2.1	+3.4	+3.6	+4.5	+0.5	+0.9	+2.3	+0.1	+0.9	+1.4	-2.6	+0.6	+0.9	-2.0	+1.8	+1.2	+0.5	+0.5	-0.8	-0.4	+1.0	+3.3

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