ABL Digital US Cross-Market Weekly

Exhaustive US Cross-Market Report | week ending 2026-08-10

69 market instruments + 60+ macro series | Reflation quadrant | 2900 days

REGIME: Neutral

EXECUTIVE SUMMARY

The cross-market picture argues for a **modest, selective risk-on lean, not a full-throated one**. The Markov regime reads Neutral with certainty (posterior 1.0), yet the composite risk-appetite scorecard sits at **+0.53 [Risk-on]**, powered by sector breadth (+1.27), tight HY credit (+1.03) and a firm S&P trend (+0.73). With the macro backdrop in the **Reflation quadrant** (growth 2.0, inflation 1.0), lean toward cyclical and higher-beta equity — Tech, Materials, small caps — while fading defensives (Utilities, Staples) and being disciplined on what is already rich. This week's most important developments: Tech ripped **+5.6%** on 64% up-breadth, confirming the leadership is broad rather than a narrow melt-up, which supports staying long cyclicals; HY OAS at **2.71% (9th percentile)** signals almost no credit stress, so the fixed-income "canary" is not flashing; and the VIX term structure is in healthy contango (**VIX 15.5 vs VIX3M 20.5, ratio 0.75**), meaning hedges are cheap and there is no near-term panic bid. The single biggest risk is that this is a **one-factor market** (PC1 explains 66% of sector variance) where the stock-bond correlation is **positive (+0.33)** — Treasuries are *not* hedging equity right now. Watch for VIX pushing back above ~20 into backwardation, HY OAS widening off its lows, or a 2s10s move; any would flip the tilt defensive.

Executive Dashboard

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

REGIME	QUADRANT	VIX	HY OAS
Neutral	Reflation	15	2.71

KEY READINGS (price | 1w | 1m | 3m)

S&P 500	7,757.6	+2.1%	+2.4%	+3.8%
Nasdaq	26,690.6	+3.0%	+1.6%	+1.3%
Russell 2000	3,034.5	+1.8%	+2.0%	+5.8%
Tech	188.0	+5.6%	+3.5%	+4.2%
Financials	57.6	+0.4%	+1.8%	+10.9%
Energy	57.5	-2.2%	+1.8%	-3.3%
Long Bond	82.8	+0.7%	-1.8%	-2.3%
HY Corp	79.6	+0.4%	-0.3%	-0.4%
IG Corp	106.6	+0.4%	-1.0%	-1.7%
TIPS	107.1	+0.2%	-0.9%	-3.0%
DXY	99.7	-0.3%	-0.8%	+0.4%
Gold	4,397.7	+9.0%	+8.7%	-2.7%
WTI	79.3	-1.3%	-0.3%	-17.9%
Copper	6.6	+1.6%	+5.2%	+4.4%
VIX	15.5	-0.4	-0.2	-1.1
MOVE	70.9	+2.4	+3.8	+0.2

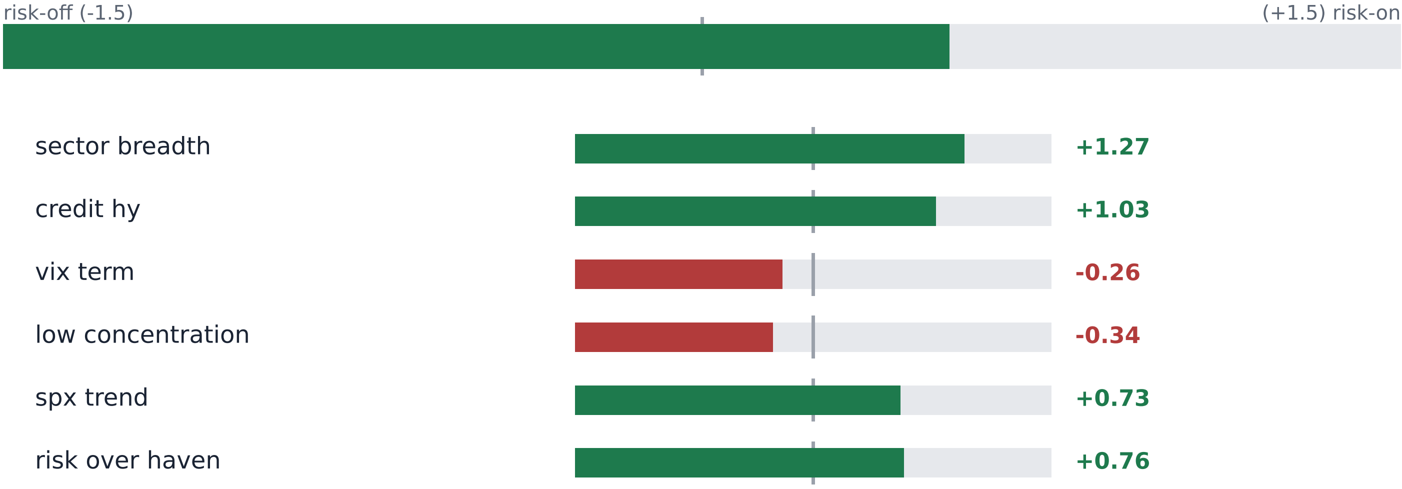
US CROSS-ASSET SCORECARD

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

RISK APPETITE

Risk-on

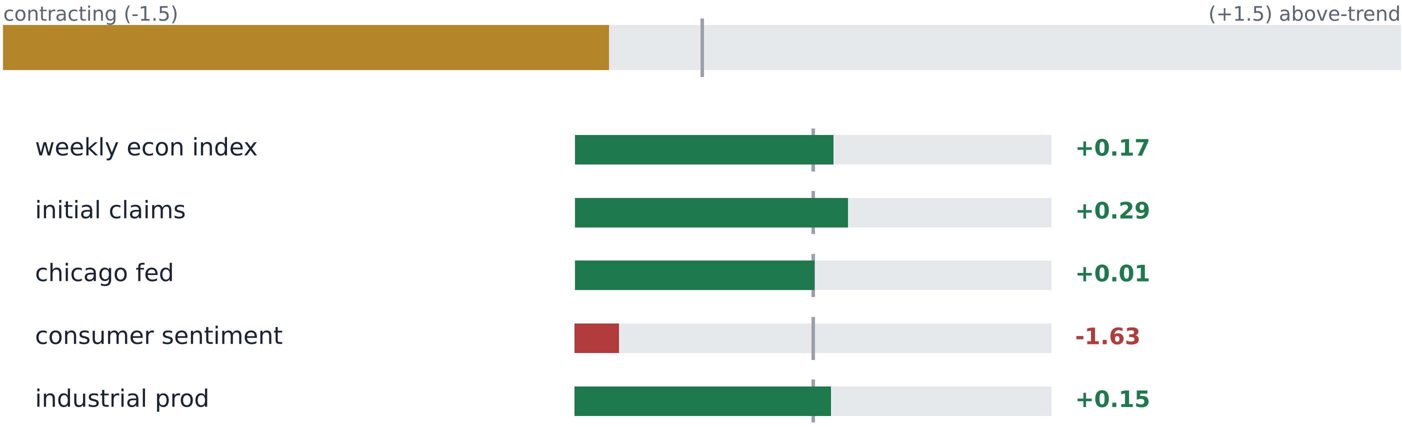
score +0.53



MACRO NOWCAST (growth pulse)

Trend growth

score -0.20



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 · 2026-08-10

TOP GAINERS

Gold Miners	+18.2%
Silver	+11.2%
Gold	+9.0%
Biotech	+6.8%
Semis	+6.8%
Tech	+5.6%
Software	+5.4%
Homebuilders	+4.2%

TOP DECLINERS

Gasoline	-6.0%
Oil E&P	-4.5%
Energy	-2.2%
Utilities	-1.7%
Wilshire 5000	-1.4%
WTI	-1.3%
Reg Banks	-1.1%
USDCAD	-0.8%

KEY LEVELS — week-over-week

S&P 500	7,757.6	+2.1%	WTI	79.3	-1.3%
Nasdaq	26,690.6	+3.0%	DXY	99.7	-0.3%
Russell 2000	3,034.5	+1.8%	Long Bond	82.8	+0.7%
VIX	15.5	-0.4	HY Corp	79.6	+0.4%
Gold	4,397.7	+9.0%	Semis	582.7	+6.8%

MARKET-STATE READINGS — now vs prior report

Regime	prior: R+	->	**Neutral**
Risk appetite	prior: +0.53	->	**+0.53**
Macro nowcast	prior: -0.20	->	**-0.20**
PC1 share	prior: 34	->	**33%**

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

The cross-market picture argues for a **modest, selective risk-on lean, not a full-throated one**. The Markov regime reads Neutral with certainty (posterior 1.0), yet the composite risk-appetite scorecard sits at **+0.53 [Risk-on]**, powered by sector breadth (+1.27), tight HY credit (+1.03) and a firm S&P trend (+0.73). With the macro backdrop in the **Reflation quadrant** (growth 2.0, inflation 1.0), lean toward cyclical and higher-beta equity — Tech, Materials, small caps — while fading defensives (Utilities, Staples) and being disciplined on what is already rich. This week's most important developments: Tech ripped **+5.6%** on 64% up-breadth, confirming the leadership is broad rather than a narrow melt-up, which supports staying long cyclicals; HY OAS at **2.71% (9th percentile)** signals almost no credit stress, so the fixed-income "canary" is not flashing; and the VIX term structure is in healthy contango (**VIX 15.5 vs VIX3M 20.5, ratio 0.75**), meaning hedges are cheap and there is no near-term panic bid. The single biggest risk is that this is a **one-factor market** (PC1 explains 66% of sector variance) where the stock-bond correlation is **positive (+0.33)** — Treasuries are *not* hedging equity right now. Watch for VIX pushing back above ~20 into backwardation, HY OAS widening off its lows, or a 2s10s move; any would flip the tilt defensive.

Regime, Scorecard & Market State

The Markov filter places the S&P squarely in a **Neutral** state (posterior 1.0, zero weight on Risk-on or Risk-off), but that label understates the constructive undertone. Indices are up across the board — S&P **+2.1%** on the week (+4% 3m), Nasdaq **+3.0%**, Dow +1.6%, Russell 2000 +1.8% — with breadth at **64% up**, so gains are participatory rather than concentrated in a handful of megacaps. The risk-appetite scorecard nets to **+0.53 [Risk-on]**: the heavy lifting comes from sector breadth (+1.27), tight high-yield credit (+1.03), the risk-over-haven ratio (+0.76) and S&P trend (+0.73), while low concentration (-0.34) and the VIX term (-0.26) are mild drags. The growth-inflation engine sits in **Reflation** (g-score 2.0, i-score 1.0) — decent growth with inflation still present but not accelerating, historically a supportive tape for cyclicals and equities broadly. The read: an investor should be leaning **risk-on but not aggressively**, respecting that the regime model itself is neutral and that the scorecard is moderate, not extreme. This is a "stay invested, tilt cyclical, keep hedges" state rather than a "press the risk button" one.

Sector & Factor Rotation

The weekly sector tape is textbook risk-on: **Tech +5.6%** and **Materials +3.6%** lead, Health +2.1% and Discretionary +1.4% follow, while the defensive and rate-sensitive corners lag or fall — **Utilities -1.7%, Energy -2.2%**, Real Estate -0.4%, Comms -0.1%, Staples barely positive at +0.3%. Cyclicals over defensives, growth leadership, energy weakness (consistent with no inflation scare) — all corroborate the risk-on scorecard. But the **factor lens tells a more nuanced, mean-reversion story on the 3-month horizon**: Value **+9%** has crushed Growth **~0%**, a Growth-minus-Value spread of **-9.3**, with Quality +5% and Low-Vol/High-Beta both +4%. So beneath a growth-led *week* sits a value-led *quarter*. The tension matters for positioning: the week's Tech surge may be a growth catch-up within a market that has been rewarding value and quality. Rather than chase pure Growth beta, the cleaner expression is **cyclical value and quality-cyclicals** — capturing the reflationary rotation without paying up for the priciest growth names (see the Semis rich signal below).

The Yield Curve & Rates

The curve is **positively sloped and normalized** after the long inversion: 2s10s at **+0.46bp** and 3M10Y at **+0.78bp** are both firmly positive, with the front end anchored (1M 3.80%, 3M 3.90%) and the belly-to-long end rising steadily — 2Y 4.25%, 5Y 4.40%, 10Y **4.69%**, and a notably steep long end (20Y and 30Y both **5.22%**). A positive, gently steepening curve is consistent with the Reflation quadrant: the market is pricing ongoing growth and term premium rather than imminent cuts-into-recession. For investors, the steep long end (30Y at 5.22%, ~53bp above the 10Y) argues for **caution on duration at the very long end** — you are compensated in carry but exposed to further term-premium repricing — while the belly (5–7Y, 4.40–4.53%) offers a more balanced risk/reward. The normalized curve also removes one classic recession signal: with 3M10Y positive, the yield-curve recession input is benign, reinforcing the growth-not-recession read from the nowcast and NY Fed probability below.

Credit & Financial Conditions

Credit is the strongest single confirmation of the risk-on tape and the clearest "all-clear" from the bond market. **HY OAS at 2.71% sits in just the 9th percentile** of its history — spreads are extremely tight, signaling that credit investors see minimal default or stress risk and are reaching for yield. **IG OAS at 0.78%** is likewise compressed. Financial conditions are **accommodative**: the Chicago Fed ANFCI reads **-0.54** (below zero = looser than average), with the non-financial-leverage stress subindex at **-0.51**. Loose conditions plus tight spreads are a green light for risk assets and explain much of the scorecard's credit and risk-over-haven strength. The **caveat is asymmetry**: at the 9th percentile, HY spreads have far more room to widen than to tighten, so credit is priced for perfection. This is not a reason to fade risk today, but it is the reason to keep hedges on — the first genuine signal that the regime is turning would likely be **HY OAS lifting off these lows**, well before it shows in the equity index.

Factor Structure & Systemic Risk

The PCA is the key risk-management message of the week: **the market is highly single-factor**. Across sectors, **PC1 explains 66%** of variance; across the full 85-instrument cross-asset set, PC1 (Risk, proxied by the S&P) still captures **33%**, with PC2 (Rates/10Y) 16%, PC3 (Energy, inverse) 6% and PC4 (US dollar) 5%. A dominant first factor means diversification *within* equities is weak — when the risk factor moves, most sectors move together, and current up-breadth can flip to down-breadth just as uniformly. Reassuringly, the **systemic co-movement gauge is still low**: average pairwise conditional correlation (MV-DCC, N=12) is **+0.05 now vs +0.04 a year ago** — barely elevated, so cross-asset diversification has *not* broken down. But persistence is high (0.90), so once correlations start rising they tend to stay elevated. The practical implication: equity-only diversification is thin (own the factor consciously, size accordingly), while genuine cross-asset diversification still works for now — the metric to watch is that **+0.05 average correlation** turning higher.

Cross-Asset Correlation & Lead-Lag

The correlation structure carries an important hedging warning. The **DCC-GARCH stock-bond correlation is positive at +0.33** (252d +0.21, rising to +0.33 now, persistence 0.99) — meaning **long Treasuries are currently moving *with* equities, not against them, so bonds are not hedging equity risk** in this reflationary tape. If equities sell off on a rates shock, duration may not cushion the blow; **cash and the volatility complex are the cleaner hedges** here. The stock-dollar correlation is negative (**-0.27 DCC, -0.38 on 63d**), so a rising dollar is a modest headwind for stocks, and S&P~VIX is deeply negative (**-0.77 DCC**) as always. Gold's positive equity correlation (+0.28/+0.41) and negative dollar correlation (-0.35/-0.49) mark it as a dollar-hedge more than an equity-hedge right now. On lead-lag, the Granger network puts **VIX, Long Bond, HY OAS and US 10Y as net leaders**, with Gold, DXY, Russell 2000 and Nasdaq as followers — i.e. rates, vol and credit tend to move first. **Be explicit: weekly predictive skill from this network is modest**; treat it as a hierarchy of what to watch (credit and rates as early-warning), not a tradeable timing signal.

Relative Value & Fair Value

Two cointegrated spreads are stretched and mean-reverting. The **S&P vs Equal-Weight spread is at z +1.73** and **S&P vs Dow at z +1.60** (both ~7-week half-lives) — the cap-weighted index has run ahead of its equal-weight and Dow counterparts, a sign the rally has a **megacap/concentration tilt** that historically reverts. That argues for **rotating toward equal-weight and broader-breadth exposure** over the cap-weighted index on a 1–2 month view. On fair value, the standout is **Semiconductors, RICH +17.5% versus Nasdaq** (z +1.38, R^2 0.94) — a very well-fit model saying semis have overshot their normal relationship to the Nasdaq, so the week's Tech surge should be **taken profits in / not chased in semis specifically**. **Gold screens RICH +15.9%** versus real yields and the dollar (z +0.76, R^2 0.67), consistent with it trading as a dollar/de-dollarization hedge rather than on fundamentals. By contrast, **Nasdaq itself is essentially fair (cheap -1.1%**, z -0.45, R^2 0.99) versus real yields and the S&P — so the richness is concentrated in *semis*, not big-cap tech broadly. The clean takeaway: prefer broad Nasdaq/quality-tech over stretched semis, and fade the S&P-over-equal-weight premium.

Volatility & Tail Risk

The volatility complex is **calm but not complacent**. Spot **VIX at 15.5** with **VIX3M at 20.5** gives a term ratio of **0.75** — healthy contango that signals no near-term fear and, importantly, makes **hedges cheap**. VVIX at 90 is subdued (little demand for vol-of-vol), and **MOVE at 71** shows the bond market is quiet too. The one amber light is **SKEW at 133**: elevated, meaning investors are paying up for deep out-of-the-money puts even as headline VIX is low — a sign of latent tail-hedging demand beneath a calm surface. Modeled tail risk is moderate: 5% expected shortfall is **-4.8% for the S&P, -5.9% for the Nasdaq, -6.4% for the Russell 2000**, with current drawdowns essentially zero (S&P 0%, Nasdaq -1%). The setup — low VIX, cheap term structure, but firm SKEW — is close to ideal for **converting some spot equity risk into defined-risk exposure or adding inexpensive index puts/collars** while implied vol is on offer. You are being paid to hedge, not punished for it.

Macro Pulse & Recession Risk

The hard data corroborates growth-not-recession, with one soft-data blemish. **Recession signals are benign**: NY Fed 12-month probability just **0.6%**, the **Sahm indicator at -0.03** (nowhere near the 0.50 trigger), a **positive 2s10s (+0.46)**, and **initial claims at 199,000** — a low, healthy print. Labor is solid: unemployment **4.1%**, payrolls growing, job openings ~7.36m, continued claims 1.80m. The MACRO NOWCAST, however, reads **-0.20 [Trend growth]** — slightly *below* trend — dragged almost entirely by **consumer sentiment (-1.63)**, with the Weekly Economic Index (+2.7%), initial claims and industrial production all positive contributors. That divergence — resilient hard data, weak sentiment — is the defining macro tension: **the University of Michigan consumer sentiment print of 49.5 is recessionary-level, yet claims and the WEI say the economy is fine.** Trust the hard data for now but respect the soft-data warning. One honest caution on the plumbing: **net liquidity is $5,840bn, down $147bn over the past month** — a tightening liquidity impulse that is a quiet headwind to the risk-on tape and worth monitoring, since liquidity drains have historically preceded volatility even when spreads and vol look calm.

Key Risks & What to Watch

The central risk to the risk-on lean is **fragility disguised as calm**: a one-factor market (PC1 66% of sector variance), credit priced for perfection (HY OAS 9th percentile), Treasuries *not* hedging equities (stock-bond DCC +0.33), and liquidity draining (-$147bn/month) — a configuration where a single shock transmits across everything at once and the usual bond hedge fails. Concrete, observable triggers that would **confirm and reinforce the constructive view**: HY OAS holding below ~3%, VIX term structure staying in contango (ratio below ~0.9), breadth holding above 60%, initial claims staying near 199k, and 2s10s staying positive. Triggers that would **flip the tilt defensive**: **VIX pushing above ~20 into backwardation** (term ratio >1.0); **HY OAS widening 40–50bp off these lows** — the earliest credible warning given credit's lead role; the **S&P breaking its uptrend / breadth rolling under 50%**; **initial claims climbing decisively through ~230–250k** or the Sahm gauge rising toward 0.50; a **renewed curve move** in 2s10s/3M10Y; or the average cross-asset correlation lifting off **+0.05** as diversification starts to fail. Finally, watch the **soft-vs-hard data gap** — if the recessionary consumer sentiment (49.5) begins pulling retail sales and hard data down toward it, the reflation thesis weakens materially.

PART I

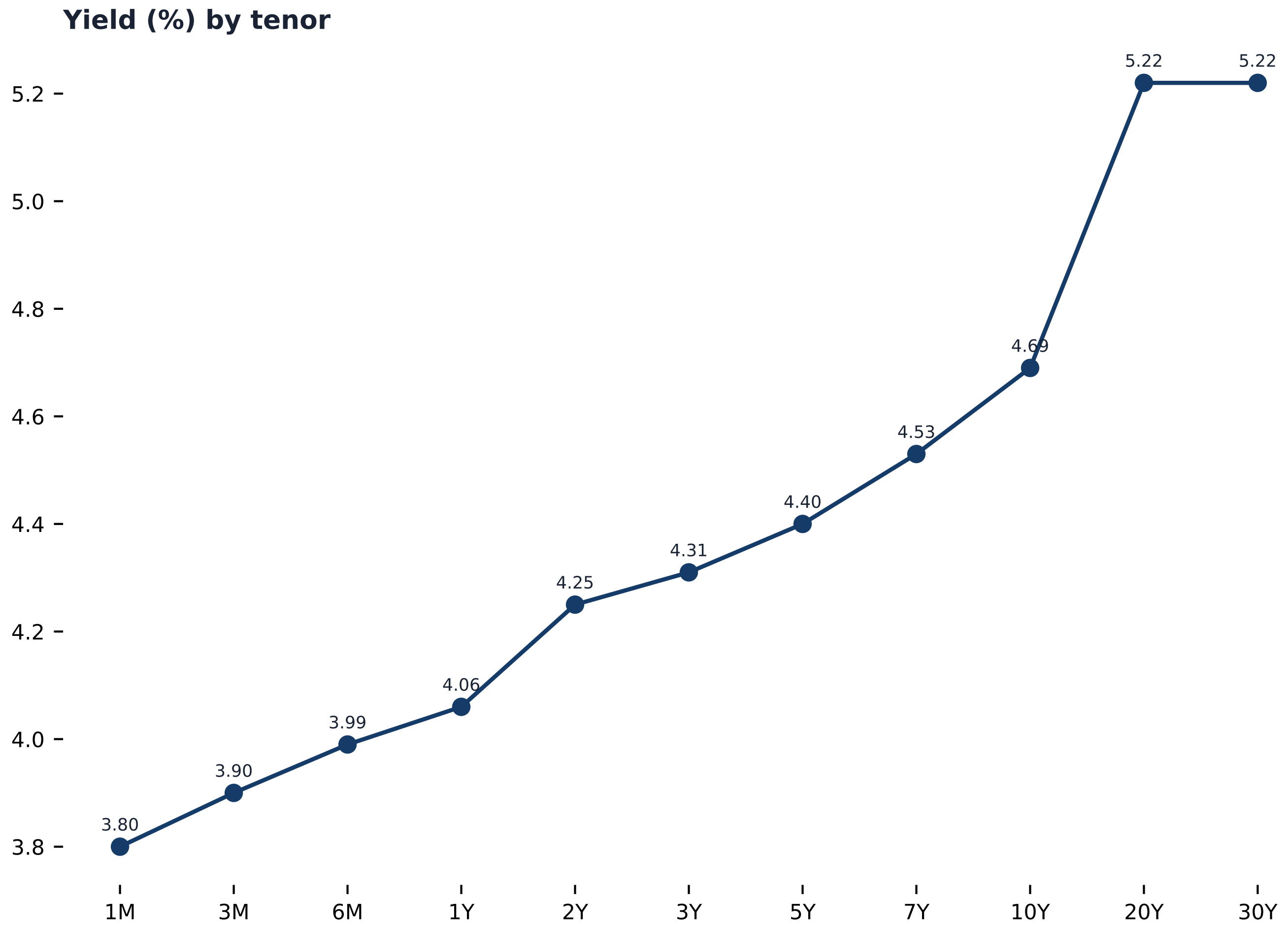
Rates, Credit & Macro

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 +0.46bp, 3M-10Y +0.78bp (positive).



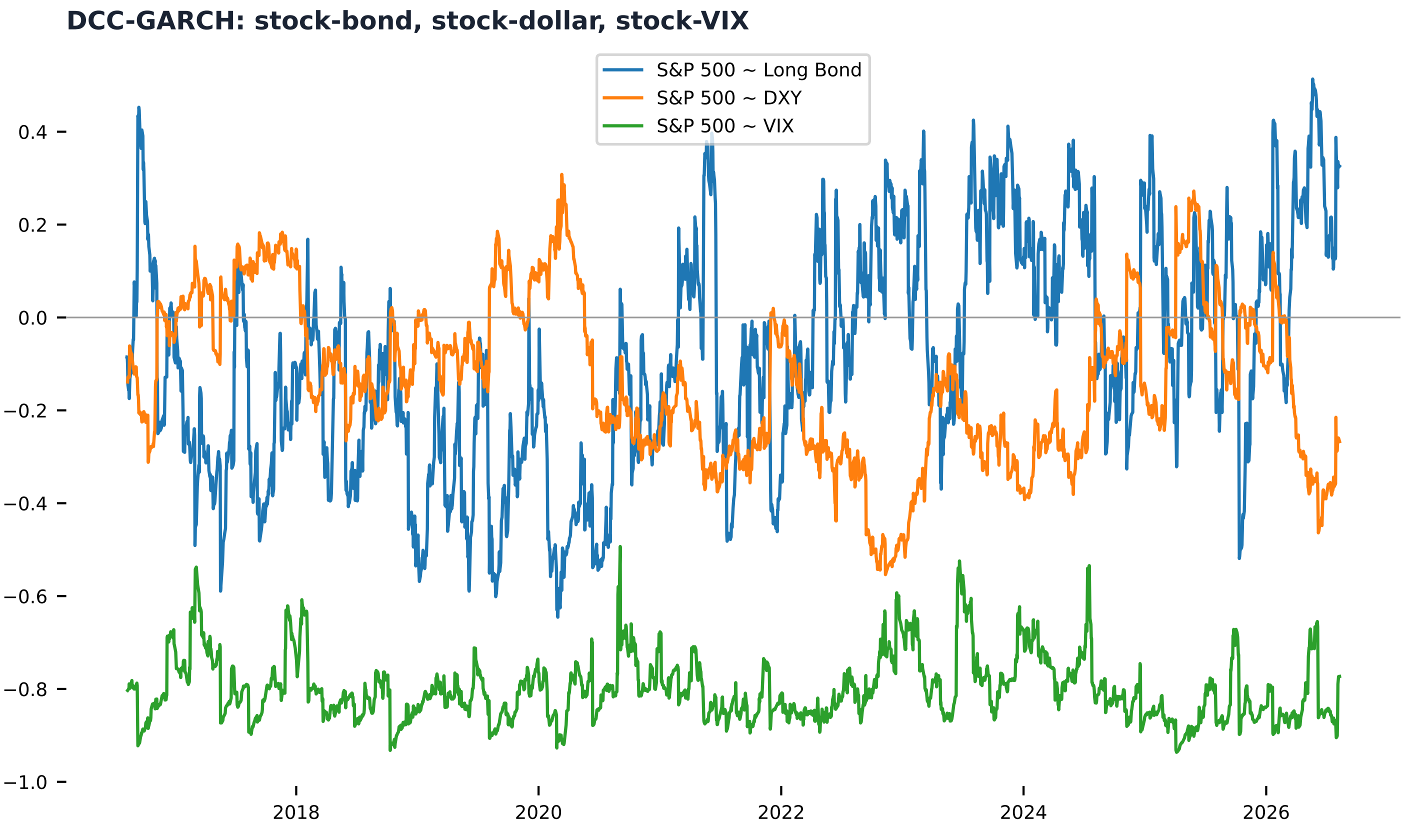
Credit, Financial Conditions & Volatility

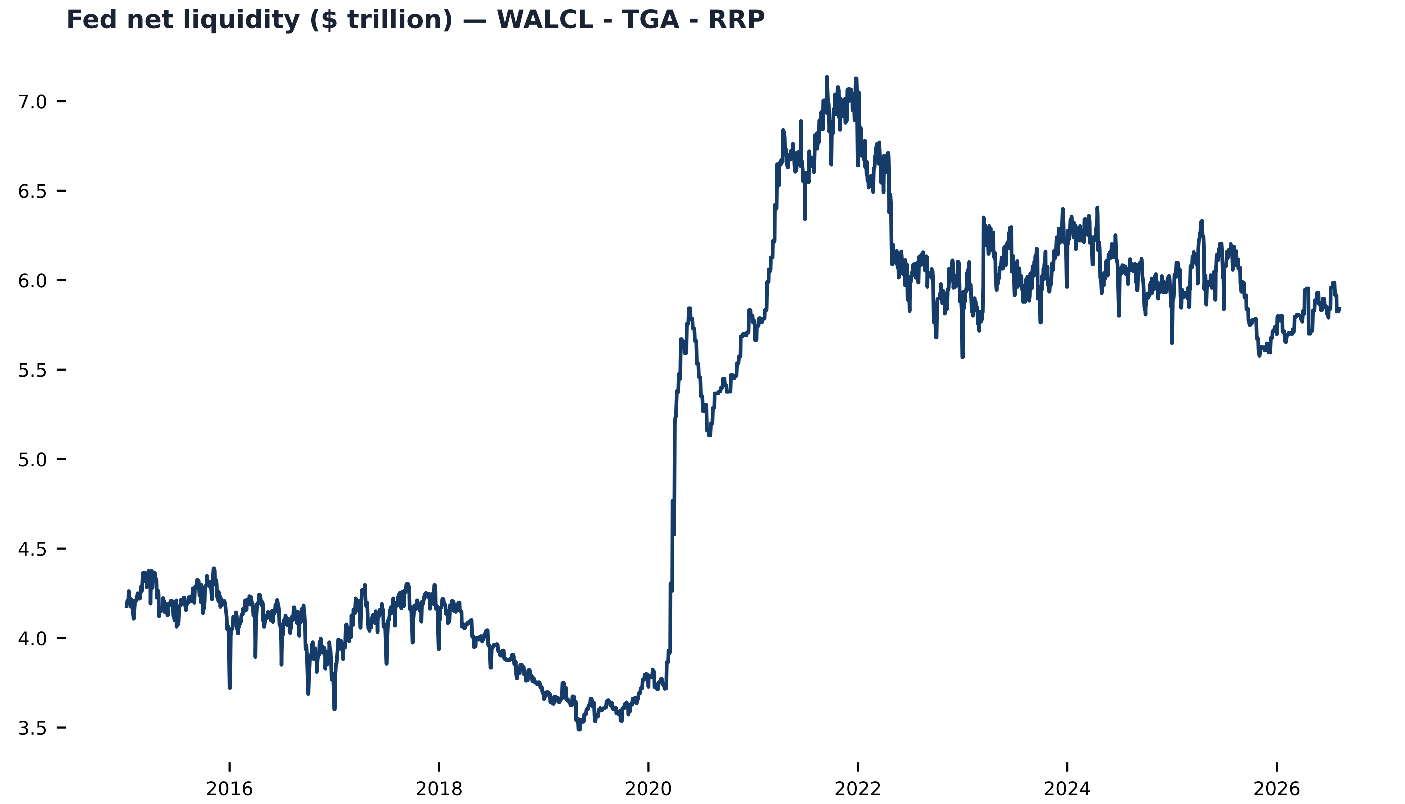
Credit spreads and the volatility complex - the market's stress gauges.

HY OAS	**2.71**	9th pctile
IG OAS	**0.78**	
Fin Conditions (ANFCI)	**-0.54**	0 = average; +tight
St. Louis Stress	**-0.51**	
VIX	**15.5**	term VIX/VIX3M 0.75
VIX3M	**20.5**	
VVIX (vol of vol)	**90**	
MOVE (bond vol)	**71**	
SKEW (tail hedging)	**133**	

Regime, Growth-Inflation & Liquidity

Markov regime: Neutral (posterior Neutral 1.00, Risk-on 0.00, Risk-off 0.00). Quadrant: Reflation.





Macro Pulse: Labor

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

INDICATOR	LATEST	CHANGE	AS OF
Nonfarm payrolls (k)	**158,858.00**	-23.00	2026-07
Unemployment %	**4.10**	-0.10	2026-07
U6 underemployment %	**7.90**	+0.00	2026-07
Participation %	**61.40**	-0.10	2026-07
Job openings (k)	**7,359.00**	-178.00	2026-06
Avg hourly earnings $	**37.62**	+0.02	2026-07
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 %	**2.68**	+0.26	2026-08
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 %	**6.69**	+0.03	2026-08

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	**3.65**	+0.01	2026-08
M2 ($bn)	**23,290.10**	+174.30	2026-07
Bank reserves	**3,018.80**	-60.00	2026-06
C&I loans ($bn)	**2,894.16**	+8.76	2026-06
Consumer credit ($bn)	**5,166,907.71**	+14,172.65	2026-06

Recession Dashboard

The signals that historically lead a US downturn.

NY Fed recession probability	**0.6%**	12m-ahead, curve-based
Sahm rule (real-time)	**-0.03**	>0.50 triggers
2s10s curve	**+0.46 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

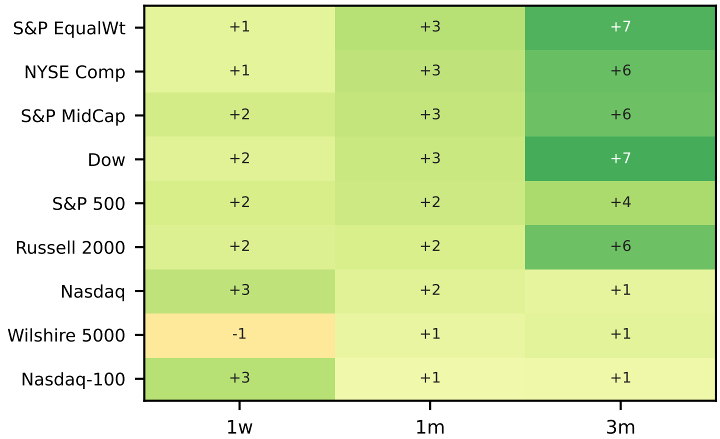
How US assets move together — factor structure, systemic co-movement, directional lead-lag and relative value.

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

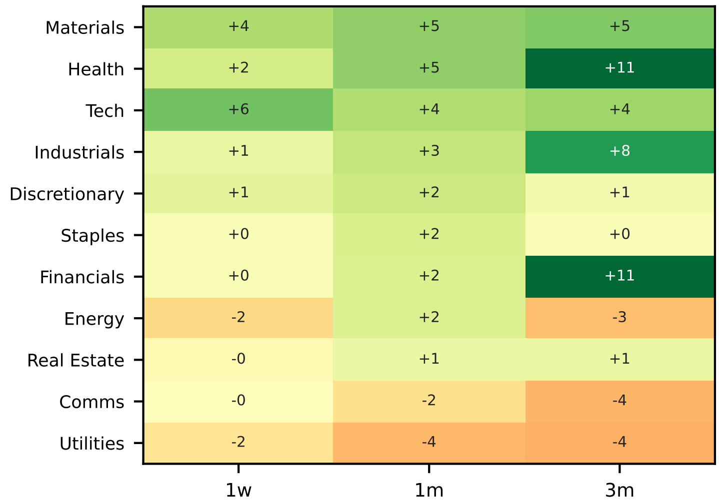
Returns Heatmap

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

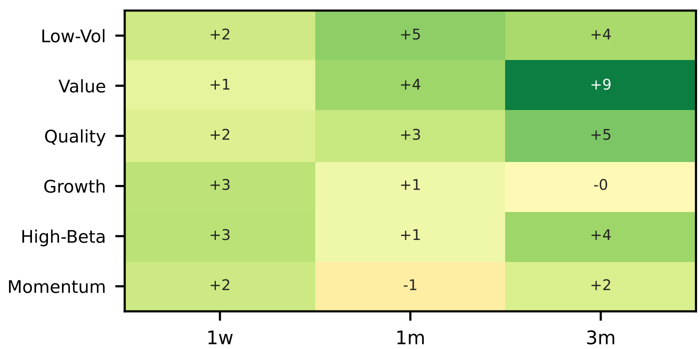
Indices



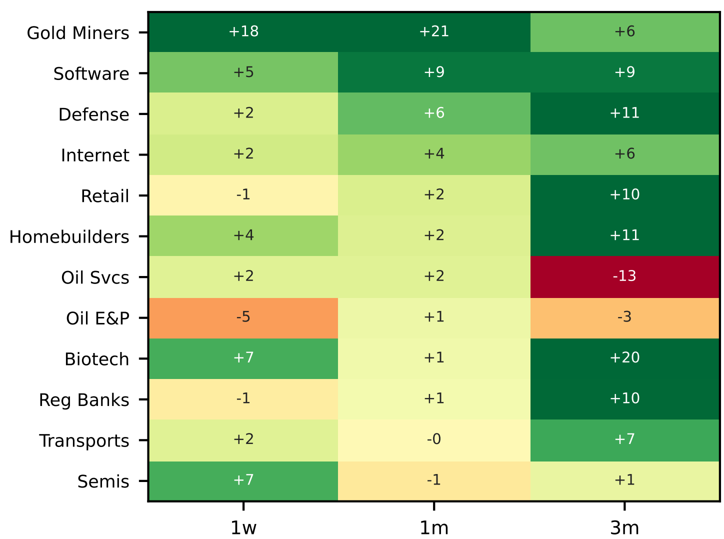
Sectors



Factors

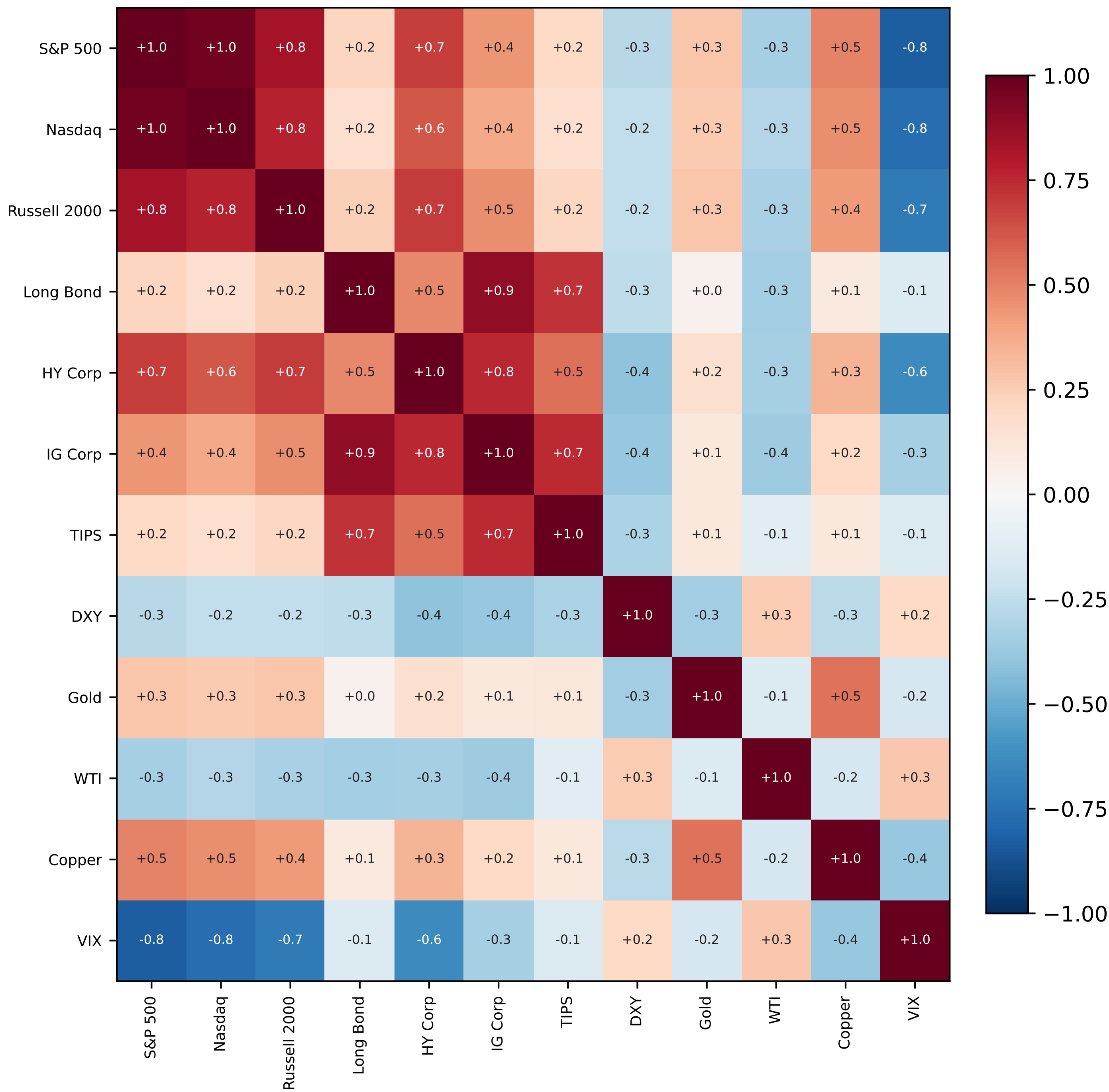


Industries



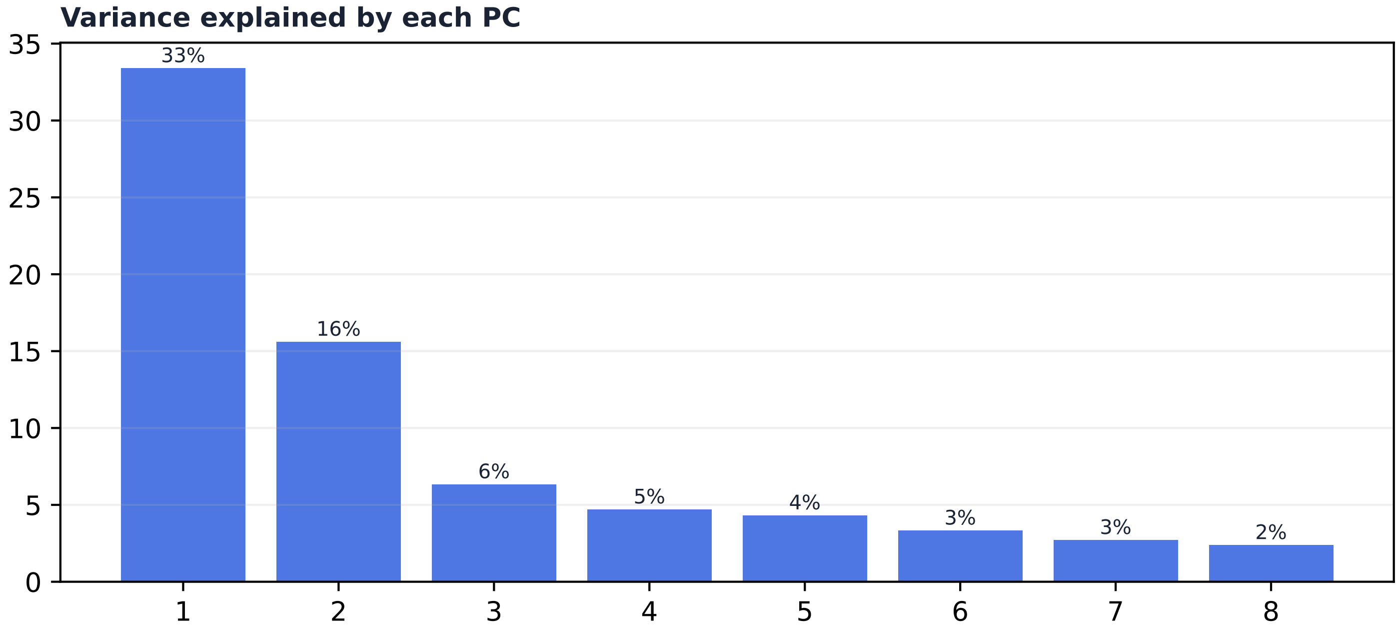
Cross-Asset Correlation (252d, daily)

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)

33.4% of variance (cum 33%) · 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 -0.13, VVIX -0.12, BBB OAS -0.12

PC2 — Rates (10Y)

15.6% of variance (cum 49%) · marker corr +0.91

+ 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 -0.72

+ Tech +0.12, Growth +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

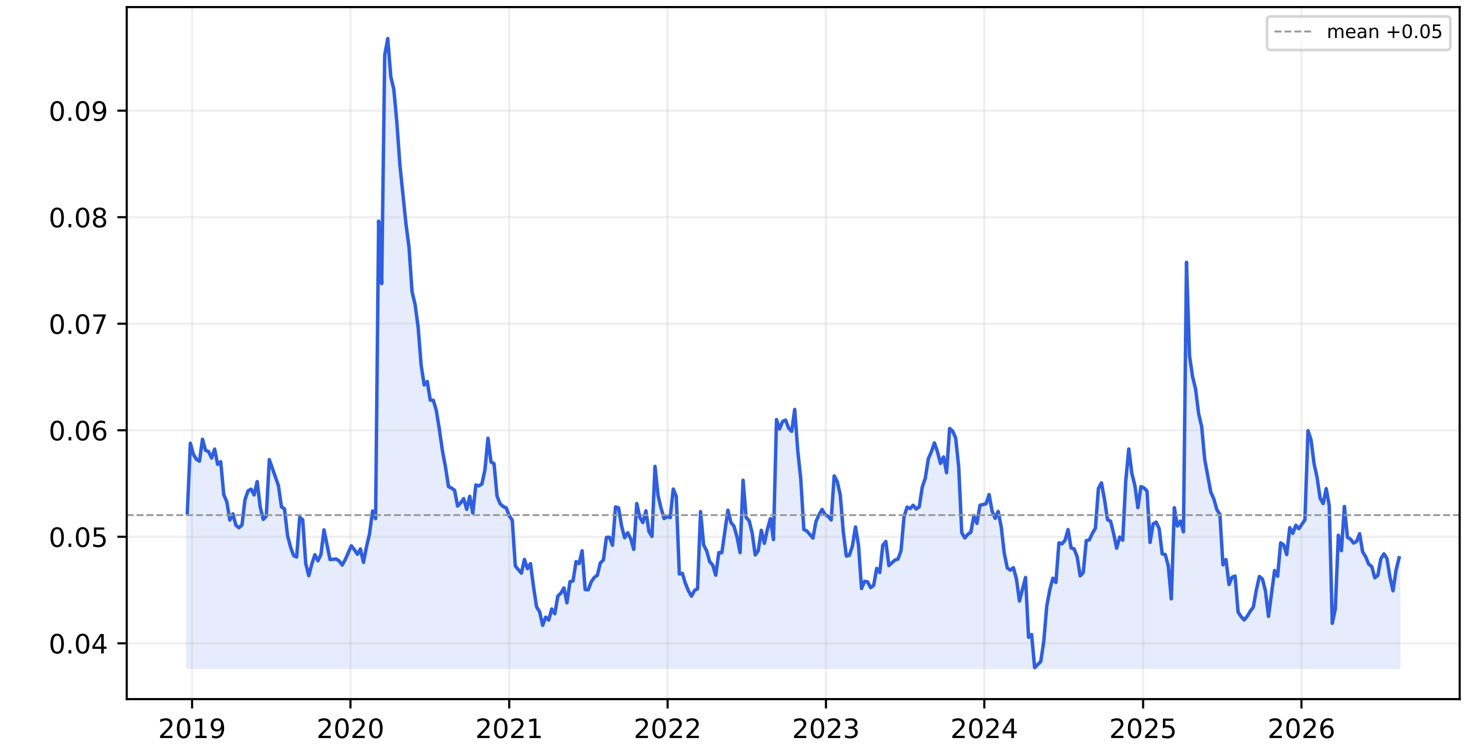
PC4 — US dollar

4.7% of variance (cum 60%) · marker corr +0.47

+ DXY +0.24, Software +0.19, Tech +0.17, SKEW +0.17, USDJPY +0.17
– Staples -0.23, EURUSD -0.22, Materials -0.21, Gold Miners -0.21, Health -0.20

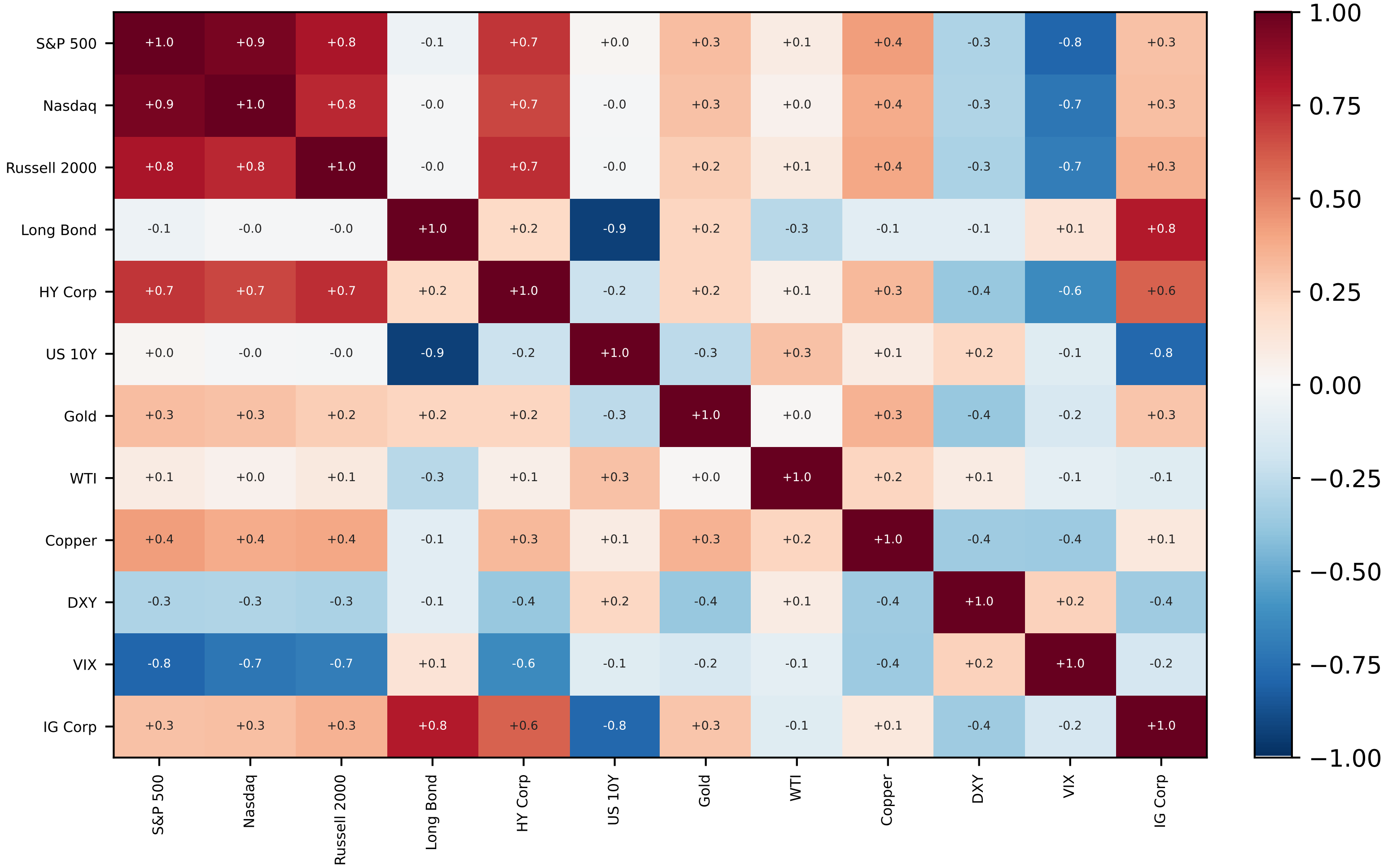
Principal components are the uncorrelated factors explaining the most joint variance. A high PC1 share means one force (usually broad risk) dominates — diversification is thin.

Average pairwise conditional correlation (multivariate DCC-GARCH)

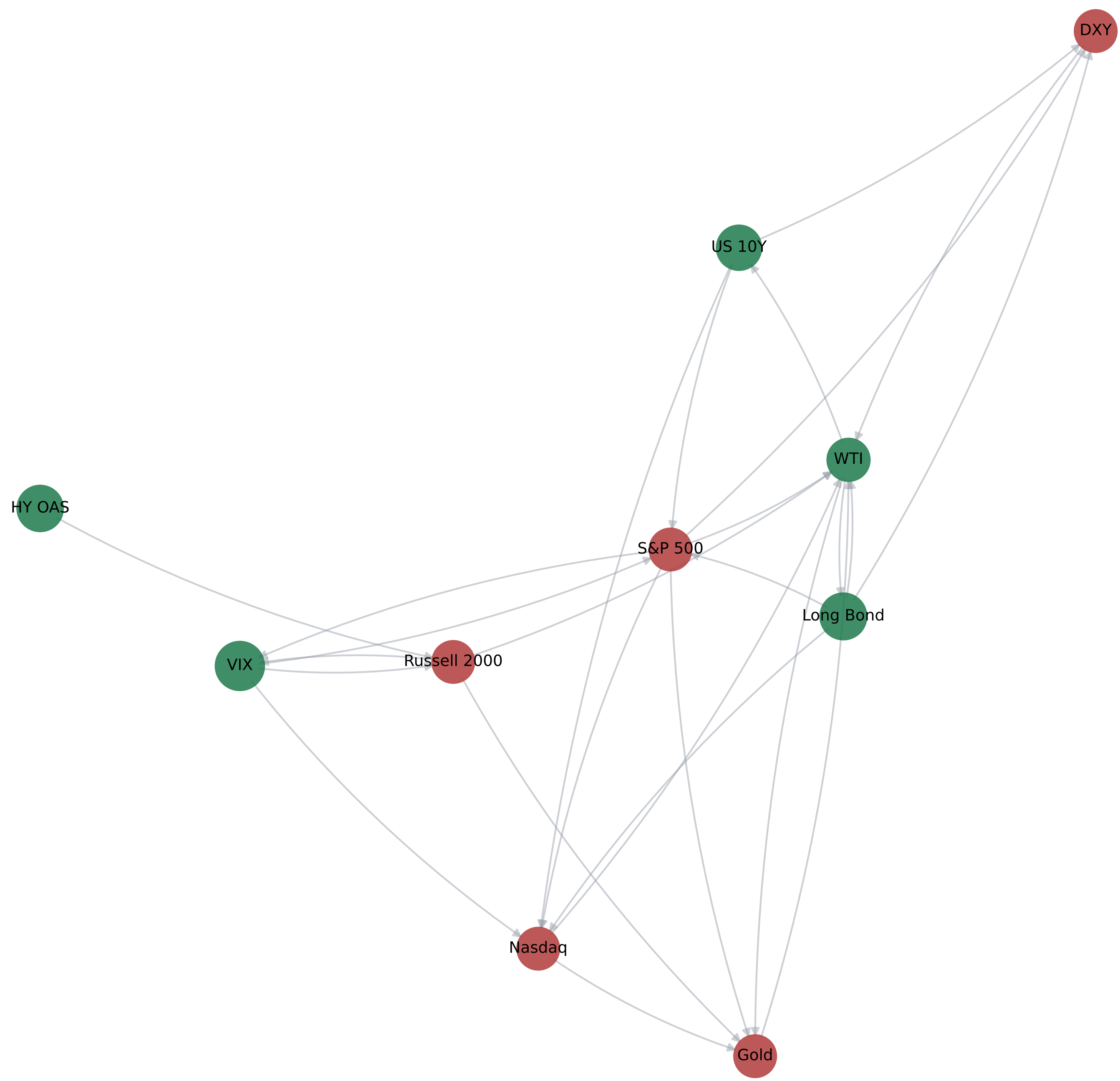


N=12 · persistence 0.9018 · now +0.05 · rising = diversification failing in real time

Latest conditional-correlation matrix



Directional lead-lag — Granger causality network

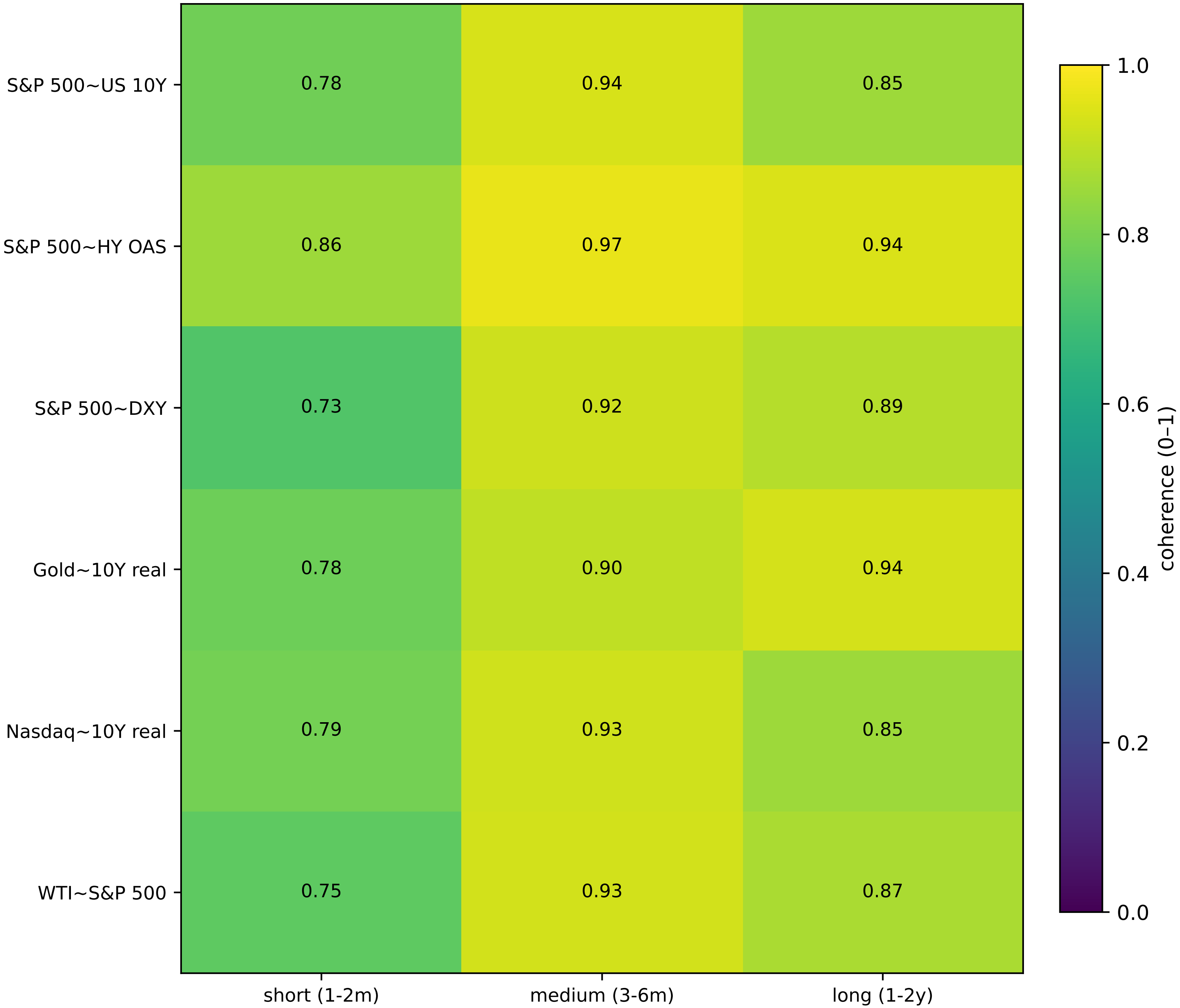


arrow = X Granger-causes Y (p<0.05); green/large = net information EXPORTER (leader)

LEADERS: VIX +0.03, Long Bond +0.02, HY OAS +0.02, US 10Y +0.01, WTI +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**	0.931	0.52	34w	**+3.33**
S&P vs Equal-Weight	**yes**	0.031	0.60	7w	**+1.73**
S&P vs Dow	**yes**	0.007	0.73	7w	**+1.60**
Large vs Small (R2K)	**no**	0.205	0.62	14w	**+1.60**
2Y vs 10Y	**no**	0.936	0.68	40w	**+1.42**
Semis vs Nasdaq	**no**	0.251	0.51	19w	**-0.89**
WTI vs Brent	**no**	0.094	0.97	1w	**+0.73**
Gold vs Silver	**no**	0.241	1.18	14w	**+0.58**
Long vs Short Tsy	**no**	0.608	0.07	27w	**+0.55**
S&P vs Nasdaq	**yes**	0.013	1.23	13w	**-0.41**
HY vs IG credit	**yes**	0.000	0.32	2w	**+0.33**
VIX vs VIX3M	**yes**	0.030	0.84	2w	**-0.26**

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

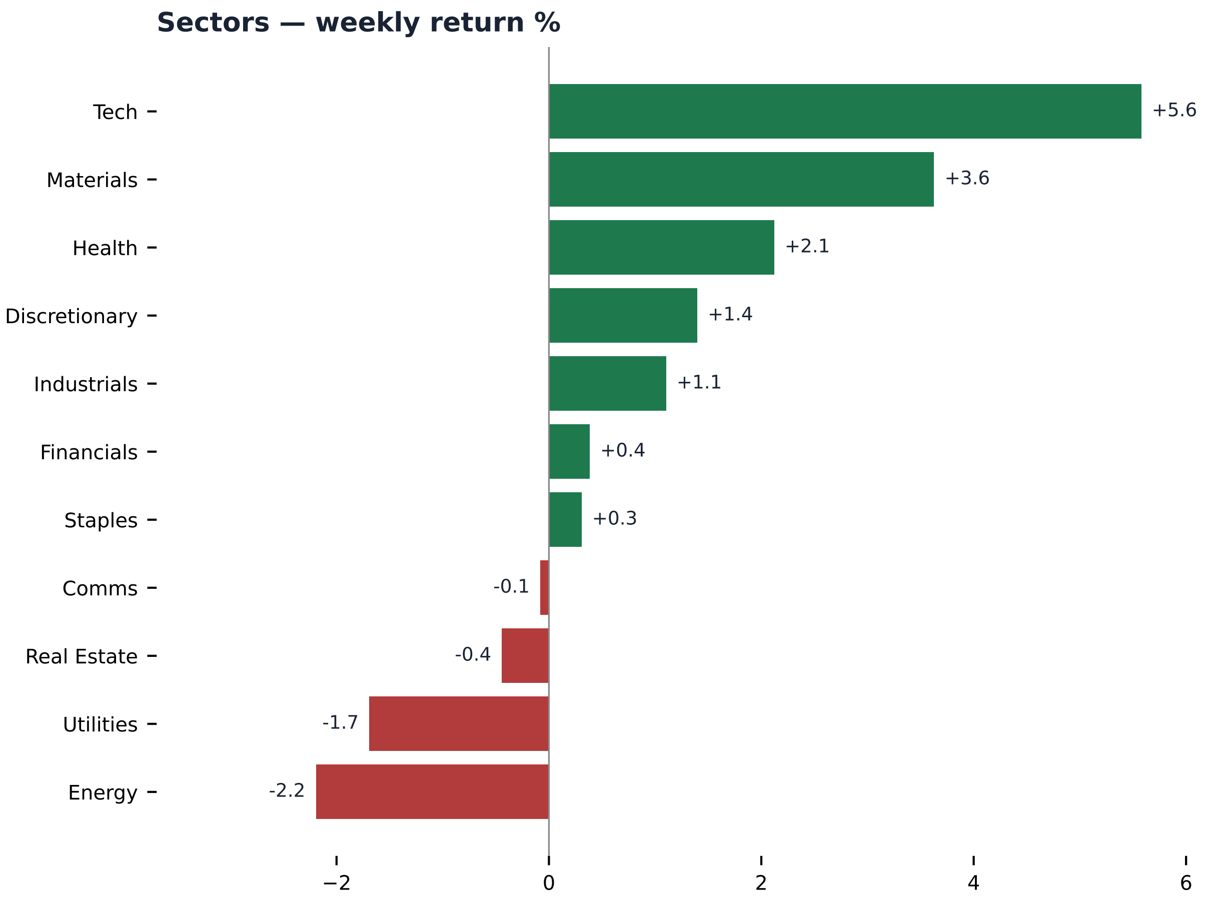
Sector/factor rotation, trend and what is rich or cheap versus its drivers.

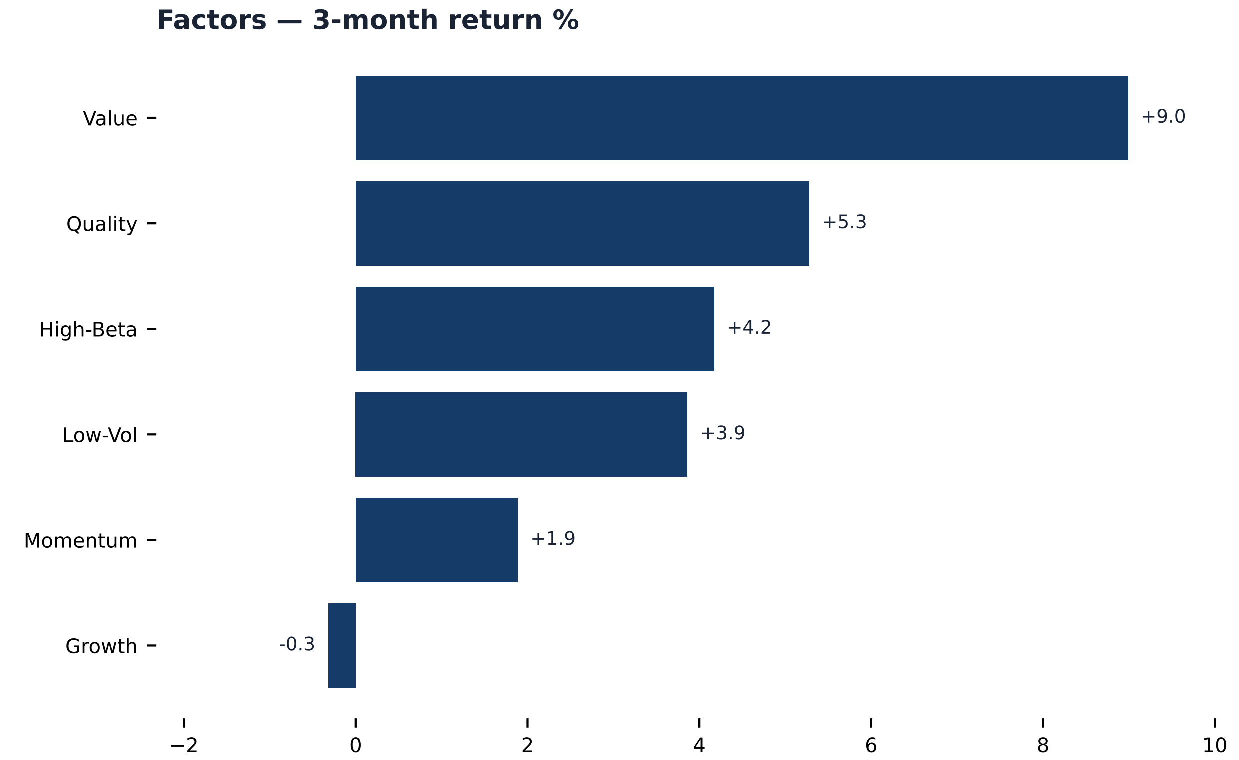
- Sector & factor rotation, momentum & trend battery, factor-beta attribution
- Fair-value residual models (rich/cheap vs economic drivers)

For inquiries, contact admin@abldigitech.com

Sector & Factor Rotation

Weekly sector return; factor 3m return. Sector breadth 64% up. Growth-Value 3m -9.3%.





MOMENTUM & TREND

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

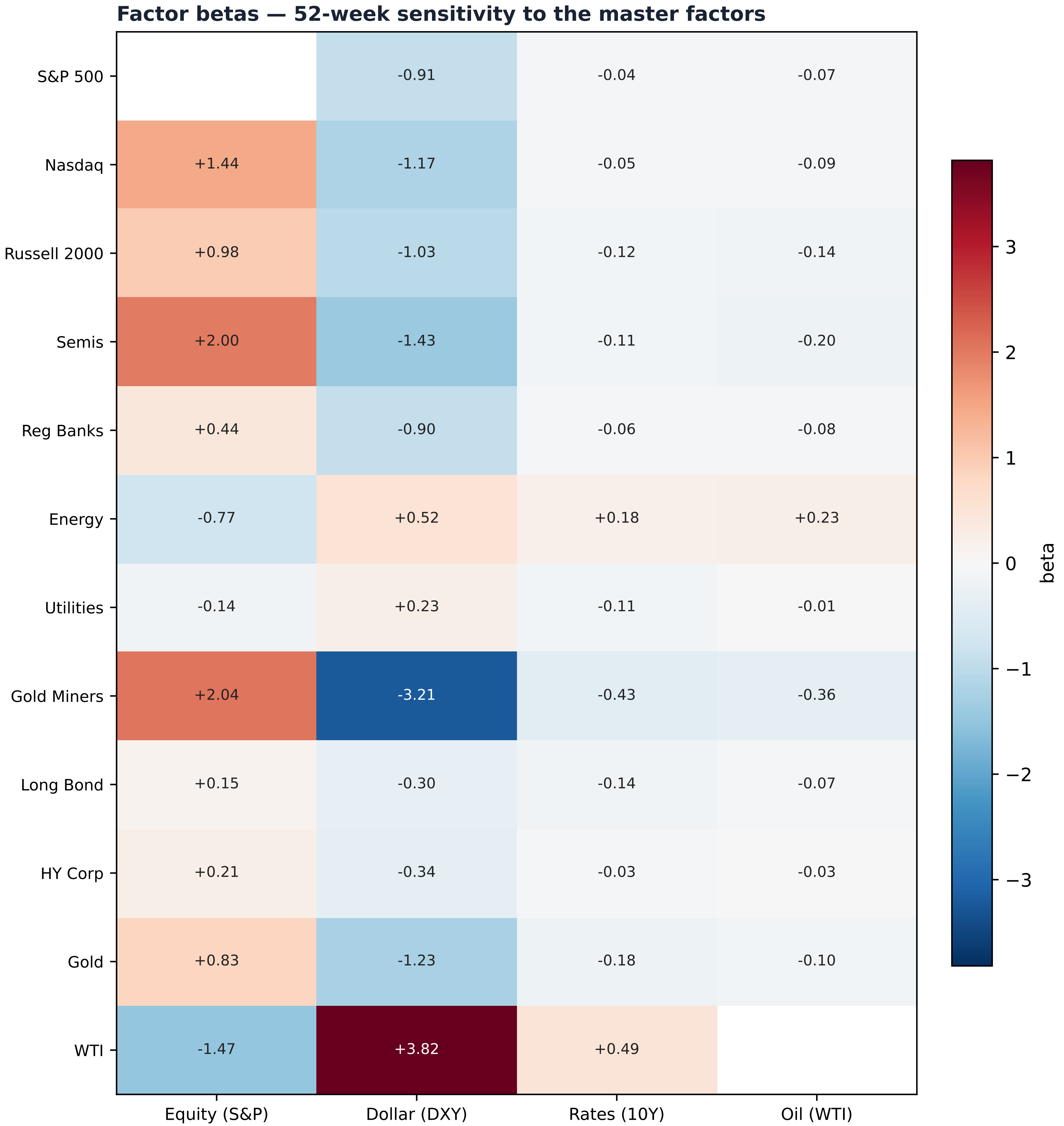
Instrument	13w	26w	52w	Score	vs40wMA	<52wHi
S&P 500	+5%	+13%	+20%	**+1.00**	+9%	0%
Nasdaq	+2%	+18%	+23%	**+1.00**	+10%	-1%
Russell 2000	+9%	+15%	+33%	**+1.00**	+12%	0%
Tech	+7%	+35%	+41%	**+1.00**	+19%	-2%
Financials	+13%	+12%	+10%	**+1.00**	+8%	0%
Energy	-3%	+6%	+34%	**+0.00**	+7%	-8%
Health	+14%	+5%	+22%	**+1.00**	+7%	0%
Semis	+5%	+43%	+97%	**+1.00**	+25%	-12%
Reg Banks	+14%	+7%	+24%	**+0.50**	+10%	-1%
Gold Miners	+3%	-14%	+54%	**+0.50**	+1%	-22%
Gold	-3%	-12%	+32%	**+0.00**	-2%	-16%
WTI	-25%	+26%	+26%	**+0.00**	+2%	-29%

Sector 26-week relative strength:

LEADERS: Tech +35%, Financials +12%, Industrials +6%, Energy +6%, Health +5%, Real Estate +3%

LAGGARDS: Utilities -6%, Staples -5%, Comms -3%, Materials -1%, Discretionary +3%, Real Estate +3%

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
S&P 500
Nasdaq
Russell 2000
Semis
Reg Banks
Energy
Utilities
Gold Miners
Long Bond
HY Corp
Gold
WTI
Equity (S&P)
Dollar (DXY)
Rates (10Y)
Oil (WTI)
-0.91
-0.04
-0.07
+1.44
-1.17
-0.05
-0.09
+0.98
-1.03
-0.12
-0.14
+2.00
-1.43
-0.11
-0.20
+0.44
-0.90
-0.06
-0.08
-0.77
+0.52
+0.18
+0.23
-0.14
+0.23
-0.11
-0.01
+2.04
-3.21
-0.43
-0.36
+0.15
-0.30
-0.14
-0.07
+0.21
-0.34
-0.03
-0.03
+0.83
-1.23
-0.18
-0.10
-1.47
+3.82
+0.49
beta
3
2
1
0
−1
−2
−3

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 +1.69

actual 7757.64 · model-fair 5707.15 · gap +35.9% · R^2 0.24

Semis vs Nasdaq

RICH z +1.38

actual 582.70 · model-fair 495.92 · gap +17.5% · R^2 0.94

HY spread vs equity vol

cheap z -0.96

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

Gold vs real yield & dollar

RICH z +0.76

actual 4397.70 · model-fair 3795.09 · gap +15.9% · R^2 0.67

Nasdaq vs real yield & S&P

cheap z -0.45

actual 26690.62 · model-fair 26995.32 · gap -1.1% · 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

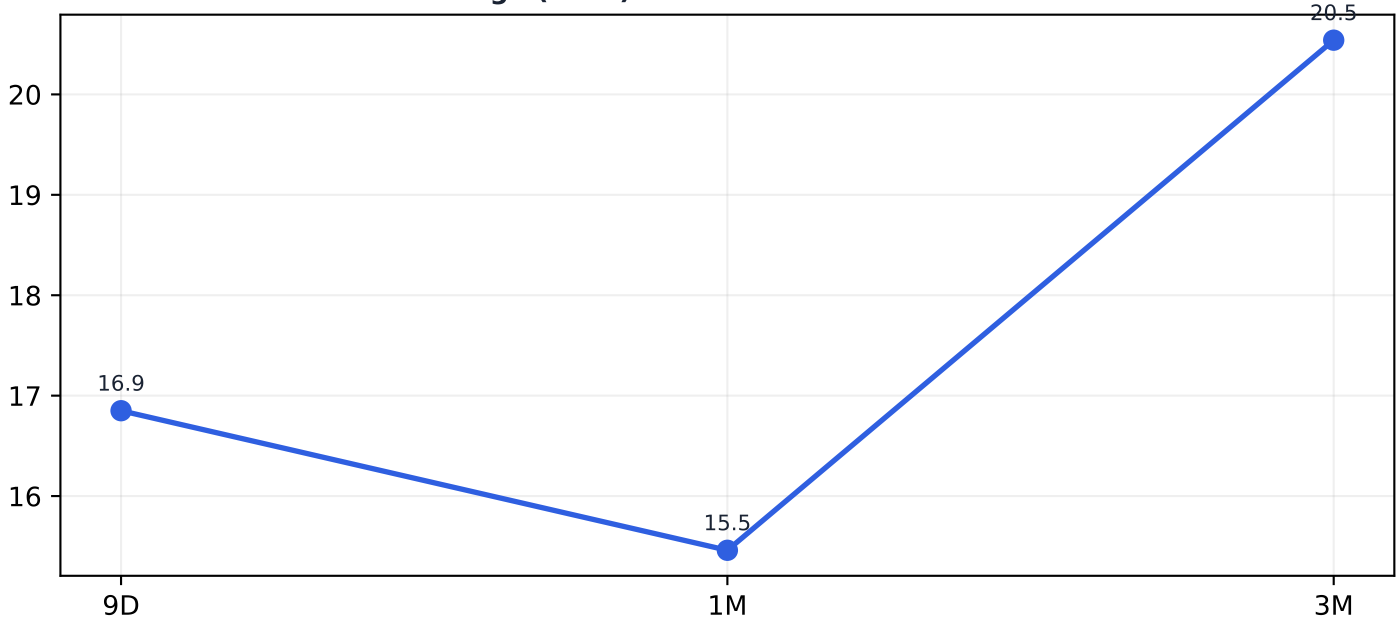
The volatility complex and downside risk.

- 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

VIX term structure — contango (calm)



VOL RISK PREMIUM

+4.1 pts

VIX 15.5 − realised 11.4

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)	71	15th
Oil vol (OVX)	56	89th
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 (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%	-1%	-0.1	+0.3
Russell 2000	-4.3%	-6.4%	14%	-33%	0%	-0.2	+0.5
Semis	-7.3%	-10.0%	22%	-45%	-12%	-0.2	+0.6
Reg Banks	-6.3%	-9.7%	22%	-54%	-3%	-0.6	+2.2
Energy	-5.5%	-8.6%	21%	-23%	-8%	-0.7	+3.4
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%	-16%	-0.1	+1.6
WTI	-9.7%	-11.9%	26%	-53%	-34%	+0.6	+3.6

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.

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

	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	08-07	08-10
Regime	R-	R+	R+	R+	R+	R+	R+	R-	R+	R+	R-	R+	R+	R+	R+	R+	N	N	N	N	N	R+	R+	N
Risk appetite																						+0.72	+0.53	+0.53
Macro nowcast																						-0.22	-0.20	-0.20
Quadrant	Stag	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Refl	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Refl	Refl	Gold	Refl	Refl
Breadth %	36	91	91	73	45	82	64	36	82	45	55	82	45	55	64	45	55	55	36	73	45	73	64	64
PC1 share																						34	34	33
VIX	31	24	19	17	19	17	17	18	17	15	22	18	16	18	16	15	15	17	18	18	16	16	15	15
HY OAS	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	2.8	2.7
2s10s bp	1	1	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rec Prob %	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
S&P 1w %	-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	+3.3	+2.1

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