DELPHIC QUICKTAKES

Daily cross-desk synthesis · macro · markets · Greece · geopolitics

By Delphic Strategies · 14 August 2026 · Friday edition

The Melt-Up Made New Records — On a Rate Read We Fade: the Market Priced the Sept-HIKE Tail Down on the Flat Headlines, but Delphic Holds Higher-for-Longer — the 26-Aug Core PCE Is the Trap, and the Record Is a Chase Into a Fired 9.7 Bull & Bear

Be precise, because our read and the market's diverge — and the QuickTakes must say ours. The market read the flat July CPI/PPI headlines as an all-clear on the Fed, priced the Sept-HIKE tail DOWN to ~35% (2y to a new low ~4.14%) and ran risk to records — Thu 13 Aug the S&P closed a record 7,798.99 (cleared 7,800), the Nasdaq-100 broke 30,000, the Russell 2000 also a record. There is NO flip to a cut — and Delphic FADES even the dovish read. Per our 13-Aug US Macro Flash, the market is trading the headline and looking THROUGH the hot PCE-relevant core (CPI core +0.3% m/m, July PPI supercore +0.4% = 4x June, Cleveland Fed nowcast core PCED >0.2%); the 26 Aug core PCE is the trap. Our regime read is HOLD / higher-for-longer, NOT a cut. And the record is a chase into a fired 9.7 Bull & Bear, 3.6% cash. Here's the read.

(1) No flip to a cut — the market faded the HIKE tail, and we fade the market. The correction, first, because it's the whole read. The market read the flat July CPI headline (+0.2% m/m / **2.7% y/y**) and the flat July PPI headline (0.0%) as an all-clear and priced the Sept-**HIKE** tail DOWN to **~35%** (from ~50%), 2y to a new low **~4.14%**. That is the hike tail coming off — NOT a cut priced. And per our 13-Aug US Flash we FADE even that: the market looked THROUGH the PCE-relevant core — CPI core **+0.3% m/m** (shelter-sticky), July PPI supercore **+0.4% m/m** (4x June), the Cleveland Fed nowcast core PCED **+0.25/+0.27**, ABOVE the 0.2% Williams line the Fed weights. The **26 Aug core PCE is the trap** — set to land hot and re-arm the hike tail. FADE the 2y at 4.14% into it.

US Macro Flash · Market Regime Radar

(2) Our regime read — HOLD / higher-for-longer, not a cut; the labour break is supply-led. House view, unchanged: the labour break (payrolls -23k, participation 61.4%) is SUPPLY-led, not demand — jobless claims 209k are still historically low, the consumer is spending straight through (retail sales +0.3% m/m, control +4.72% y/y), and GDPNow nowcasts a hot **~5.8%** Q3. A supply-led break against resilient demand and a sticky core does NOT disinflate. **We HOLD cut-from-Q4 but DROP the 'comes forward' lean; higher-for-longer (the cut slipping to 2027) is the live alternative**, and the balance skews HAWKISH. The Street is in fact MORE hawkish than us — it expects a 2026 HIKE. Do not read the melt-up as a Fed-cut greenlight.

US Macro Flash · Global Macro

(3) New records + broadening — but made on the read we fade; the AI buildout accelerates. Thu 13 Aug the **S&P closed a record 7,798.99** (cleared 7,800, above the prior 7,757.64 ATH), the **Nasdaq-100 broke 30,000**, and — the healthy tell — the **Russell 2000 ALSO set a record** (broadening beyond mega-cap). The AI buildout is accelerating: **Nebius +454%** (capacity to 4GW), **Applied Materials** beat+raise, CoreWeave backlog $104->$129bn. The one new signal is **margin dispersion** — **Cisco -8.8%** on a 210bp gross-margin compression DESPITE record AI orders (the build-cost externality). Value = L1 silicon; froth = L2 neocloud. But the breadth is made ON a dovish rate read we fade — so it's a chase the 26-Aug PCE can interrupt.

AI Stack Tracker · Market Regime Radar

(4) The record is a chase — a rate read we fade, into exhausted positioning. The flag to carry, and it compounds the rate call. The record is being made into exhaustion gauges at their limits: a bulge-bracket's Bull & Bear at **9.7** (the first SELL signal since 2021), fund-manager cash **3.6%** (below the 4% 'Cash Rule' — dry powder nearly gone), hedging at the **0th percentile** (upside-chasing), and a yen round-tripped to **~¥159** (the July intervention faded — carry-unwind risk re-armed). Historically a fired 9.7 precedes ~2-3% average pullbacks (up to ~8-9% max) over three months. The upside is being CHASED — on positioning AND on a rate read we fade — not underwritten. Own the melt-up to RESPECT, not to add conviction into.

Market Regime Radar · Global Macro

(5) Greece — MSCI added Motor Oil (and it sold the news); oil bled on demand, HOLD Phase 2. The MSCI verdict is CONFIRMED: **Motor Oil was ADDED to the Greece Standard index** (the 10th name; KRI-KRI up to Small Cap; effective 31 Aug) — but it **SOLD THE NEWS**, closing -1.1% at €52.55 (the 31-Aug mechanical rebalance bid is now telegraphed). **Metlen -4.1% to €48.68 is PROFIT-TAKING, not a crack** — no placement/downgrade/gallium hit, shorts COVERING (9.8%->9.1%). The ATHEX held near its 17-yr high (2,613, thin pre-15-Aug holiday); HELLENiQ +2.1% on the refiner bid. On Hormuz: Brent bled to ~$87 but on a **DEMAND repricing** (IEA+OPEC cuts + a +17.4mb US crude build), NOT de-escalation — the physical is TIGHTER (dark ~65%, Kharg idle Day 15). **HOLD Phase 2**; the FTSE developed-market reclassification (21 Sept) the bigger structural bid.

News Run — Greece · Strait of Hormuz Monitor

WHAT WE'RE WATCHING TODAY

- THE 26 AUG CORE PCE — THE TRAP. The market priced the Sept-HIKE tail down to ~35% (2y to a new low 4.14%) on the flat July CPI/PPI headlines — but WE FADE IT: the market looked THROUGH the PCE-relevant core (CPI core +0.3% m/m, July PPI supercore +0.4% = 4x June, Cleveland Fed nowcast core PCED +0.25/+0.27, above the 0.2% Williams line). The 26 Aug core PCE — the gauge the Fed weights — is set to land hot and re-arm the hike tail. FADE the 2y at 4.14% into it. (Cross-check: Delphic US Macro Flash, 13 Aug.)
- THE REGIME — HOLD / HIGHER-FOR-LONGER, NOT A CUT. Our house view is unchanged: the labour break (payrolls -23k) is SUPPLY-led (participation 61.4%, claims 209k still low, consumer spending through it — retail sales +0.3%, GDPNow Q3 ~5.8%), which does NOT disinflate. We HOLD cut-from-Q4 but DROP the 'comes forward' lean; higher-for-longer (the cut slipping to 2027) is the live alternative. The Street is MORE hawkish — it expects a 2026 HIKE. Do not read the melt-up as a Fed-cut greenlight.
- POSITIONING EXHAUSTION — the record is on a FIRED sell-signal: Bull & Bear 9.7 (highest since 2021), manager cash 3.6% (below the 4% Cash Rule), hedging demand at the 0th percentile (upside-chasing). Historically such signals precede ~2-3% average pullbacks (up to ~8-9% max) over 3 months. The record is a chase — made on positioning AND a rate read we fade; respect it, don't chase it.
- THE AI-BUILDOUT + MARGIN DISPERSION — Nebius (+454%, 4GW), Applied Materials (beat+raise) and CoreWeave (backlog $104->$129bn) confirm the buildout is ACCELERATING. The new signal is MARGIN dispersion: Cisco -8.8% on a 210bp gross-margin compression DESPITE record AI orders — the AI-hardware margin externality. And the AI-inflation channel (memory-chip costs, CPI computers +3.2%) is part of why the core stays sticky. Froth = L2 neocloud; value = L1 silicon (SOX bull market).
- THE YEN + IRAN/GREECE — the July US/Japan intervention has effectively FAILED to hold (USD/JPY back to ~¥159), re-arming the carry unwind — into a 9.7 Bull & Bear, the most plausible melt-up trigger. Oil bled to ~$87 on a DEMAND repricing (IEA+OPEC cuts + a +17.4mb build), NOT de-escalation; the physical is TIGHTER (dark re-set ~65%, Kharg idle Day 15) — HOLD Phase 2. Greece: MSCI added Motor Oil (sold the news, -1.1%); the FTSE DM reclassification (21 Sept, ~€1.4-1.5bn gross) the bigger bid; Metlen -4.1% is profit-taking.

BOTTOM LINE

The melt-up made new records — but on a rate read we fade, so it's a chase. Be precise: there is NO flip to a cut. The market read the flat July CPI/PPI HEADLINES dovishly, priced the Sept-HIKE tail DOWN to ~35% (2y to a new low 4.14%) and ran the S&P to a record 7,798.99 (cleared 7,800), Nasdaq-100 >30,000, a Russell 2000 record. Delphic FADES it (per the 13-Aug US Flash): the market looked THROUGH the hot PCE-relevant core (CPI core +0.3%, PPI supercore +0.4% = 4x June, Cleveland nowcast >0.2%) — the 26 Aug core PCE is the trap, and our regime read is HOLD / higher-for-longer, NOT a cut (the labour break is SUPPLY-led; the Street expects a 2026 HIKE). Layer on a fired 9.7 Bull & Bear and 3.6% cash and the record is a chase. Own the demand-confirmed AI monetisers (L1 silicon) + cyclical/value/small-caps + a real-asset hedge; own duration on the labour break but FADE the 2y at 4.14% into the 26-Aug core PCE. On Hormuz, HOLD Phase 2 — oil bled on DEMAND, not de-escalation. In Athens, MSCI added Motor Oil (it sold the news); the FTSE DM reclassification (21 Sept) the bigger bid. Watch the 26-Aug core PCE, positioning, and the yen's speed.

Synthesised from: Delphic US Macro Flash Monitor — 13 Aug 2026 ('Still in the woods'; the market faded the hike tail, we fade the market; the 26-Aug core PCE the trap) + Daily Market Commentary — 14 Aug 2026 · Delphic Strait of Hormuz Monitor — 14 Aug 2026 (the premium bled on DEMAND not de-escalation; HOLD Phase 2, dark re-set ~65%) · Market Regime Radar (refreshed 10 Aug) · Delphic Daily Greek Market & News Digest — 14 Aug 2026 (MSCI added Motor Oil, sold the news; Metlen -4% profit-taking) · Market data — VERIFIED ONLY: store (S&P; record 7,798.99 / Nasdaq-100 30,084.50 / Russell 3,052.85, 13 Aug closes; Brent $87.12 / gold $4,322 / 2Y 4.15 / 10Y 4.65, 14 Aug) + wire (July CPI +0.2%/2.7% hdl, core +0.3%; July PPI flat hdl / supercore +0.4%; Cleveland nowcast core PCED +0.25/+0.27; Sept-hike odds ~35%; claims 209k; retail sales +0.3%; Nebius/AMAT/Cisco; MSCI Motor Oil add) + prices.json (Thu 13 Aug closes)