Global Cross-Asset Tape

THE MELT-UP MADE NEW RECORDS ON A RATE READ WE FADE. The market read the flat July CPI/PPI HEADLINES as an all-clear on the Fed and ran risk to records — Thu 13 Aug the S&P closed a record 7,798.99 (+0.65%, cleared 7,800 intraday), the Nasdaq-100 broke 30,000 (+1.15%), the Russell 2000 ALSO set a record — with the Sept-HIKE tail priced DOWN to ~35% and the 2y to a new low ~4.14%. But Delphic FADES that 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 (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 26 Aug core PCE is the trap, set to land hot and re-arm the hike tail. Our regime read is unchanged: a labour break that is SUPPLY-led (participation 61.4%, claims 209k still low, consumer resilient — retail sales +0.3%, GDPNow Q3 ~5.8%) against a sticky core — the balance skews HOLD / HIGHER-FOR-LONGER, NOT a cut. The AI buildout accelerates (Nebius +454%, AMAT beat+raise) with margin dispersion emerging (Cisco -8.8%). The record is a CHASE — a dovish rate read we fade PLUS a fired Bull & Bear (9.7), 3.6% cash, exhausted hedging, a re-loosening yen. Oil bled to ~$87 on DEMAND (IEA+OPEC cuts + a +17.4mb build), gold -1.3% to ~$4,322. FADE the 2y at 4.14% into the 26-Aug PCE. HOLD Phase 2 · Thu 13 Aug close + Fri 14 Aug

US INDICES — THU 13 AUG CLOSE (RECORDS)

ASSET	LAST	CHG
S&P 500	7,798.99	+0.65%, RECORD (cleared 7,800)
Nasdaq 100	30,084.50	+1.15%, broke 30,000
Russell 2000	3,052.85	+0.24%, RECORD (broadening)
UST 2Y / 10Y	4.15% / 4.65%	2y a new low — FADE it

THE DATA WEEK — HEADLINE VS CORE

ASSET	LAST	CHG
July CPI (12 Aug)	+0.2% / 2.7%y	cool hdl; CORE +0.3% (hot)
July PPI (13 Aug)	0.0% hdl	flat; supercore +0.4% (4x Jun)
Cleveland nowcast	PCED +0.25%	ABOVE the 0.2% Williams line
26 Aug core PCE	THE TRAP	set to land hot; re-arms hike tail

THE FED READ — MARKET VS DELPHIC

ASSET	LAST	CHG
Sept HIKE odds	~35%	market cut it on the flat hdl
Delphic view	FADE IT	hold / higher-for-longer
The labour break	SUPPLY-led	not disinflationary (claims low)
The Street	MORE hawkish	expects a 2026 HIKE

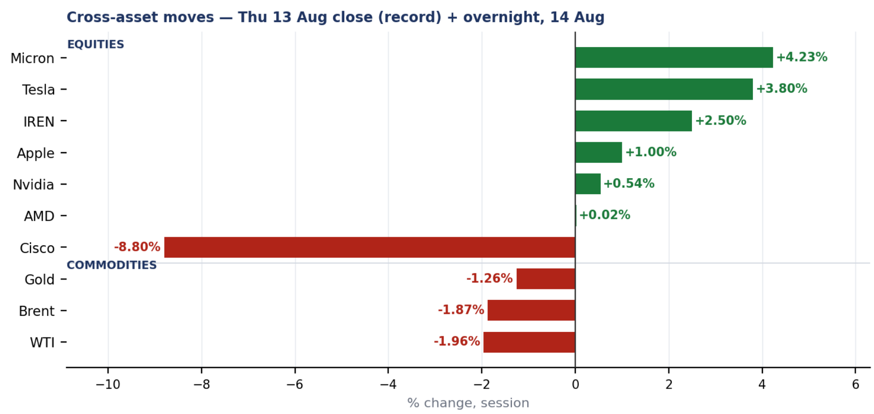
AI EARNINGS + POSITIONING

ASSET	LAST	CHG
Nebius / AMAT	beat+raise	buildout ramping
Cisco	-8.8%	margin dispersion (record orders)
Bull & Bear	9.7/10	SELL signal; cash 3.6%
USD/JPY	~¥159	round-tripped; intervention faded

READ

Regime HOLD / H-F-L we FADE the dovish read	**The tape** RECORD = CHASE a rate read we fade + 9.7 B&B	**The trap** 26-AUG PCE core set to land hot	**Oil** BLED on DEMAND not de-escalation

CROSS-ASSET MOVES · THU 13 AUG CLOSE (RECORD) + OVERNIGHT (% CHANGE)



The record session (Thu 13 Aug) + the overnight (14 Aug): memory/semis led (Micron +4.2% on HBM, Tesla +3.8%, Nvidia at new highs) as the S&P;/Nasdaq/Russell all set records on a dovish read of the flat headlines; Cisco -8.8% the margin-crack exception; oil and gold EASED overnight on the demand repricing. US index bars omitted (Thu 13 Aug closes 7,798.99 / 30,084.50 in the tables). Source: prices.json + Delphic store.

Read. The tape made new records — but on a rate read we FADE, so it's a chase, not an underwritten breakout. (1) There is NO flip to a cut — and the market's dovish read is one we fade. Cross-checked to our 13-Aug US Macro Flash: the market read the flat July CPI/PPI **headlines** as an all-clear, priced the Sept-**HIKE** tail DOWN to ~35% (from ~50%) and ran the 2y to a new low **~4.14%**. But it is trading the headline and looking THROUGH the PCE-relevant core: July CPI core **+0.3% m/m** (shelter-sticky), July PPI supercore **+0.4% m/m (4x June**, portfolio-management +6.5%), the Cleveland Fed nowcast core PCED **+0.25/+0.27** — ABOVE the 0.2% Williams line in the Fed's own preferred gauge. The **26 Aug core PCE is the trap**, set to land hot and re-arm the hike tail the market just priced away. **(2) Our regime read is unchanged — hold / higher-for-longer, NOT a cut.** 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 — so the break does NOT disinflate. The Street is in fact MORE hawkish than us (it expects a 2026 HIKE). 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. **(3) The AI buildout accelerates, margins disperse.** Nebius +454%, Applied Materials beat+raise, CoreWeave backlog $104->$129bn; but **Cisco -8.8%** on a 210bp gross-margin compression despite record AI orders — the build-cost externality. **(4) So the record is a CHASE.** It is made on a dovish rate read we fade AND on exhaustion gauges at their limits — a Bull & Bear at 9.7 (fired sell-signal), cash 3.6% (below the 4% rule), hedging at the 0th percentile, a re-loosening yen. Own the **demand-confirmed AI monetisers (L1 silicon) + cyclical/value/energy + a real-asset hedge**; own duration and quality on the labour break but **FADE the 2y at 4.14% into the 26-Aug core PCE** — the front has priced an all-clear the core has not earned. HOLD Phase 2.

Session Read

THE MELT-UP MADE RECORDS ON A RATE READ WE FADE (Fri 14 Aug, on the Thu 13 Aug record close) · the market read the flat July CPI/PPI HEADLINES dovishly — Sept-HIKE tail 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, Russell 2000 also a record · but WE FADE IT (per our 13-Aug US Flash): the market looked THROUGH the hot PCE-relevant core (CPI core +0.3%, PPI supercore +0.4%, Cleveland nowcast >0.2%) — the 26 Aug core PCE is the trap · regime = HOLD / higher-for-longer, NOT a cut · the record is a CHASE (Bull & Bear 9.7, 3.6% cash) · oil bled to ~$87 on DEMAND · HOLD Phase 2

The Fed — NO flip to a cut; the market faded the HIKE tail, and WE fade the market

Be precise, because the market and our read diverge. Cross-checked to our 13-Aug US Macro Flash: 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%), with the 2y to a new low **~4.14%**. That is NOT a cut priced; it is the hike tail coming off. **And we FADE even that dovish read:** the market is trading the headline and looking THROUGH the PCE-relevant core — CPI core **+0.3% m/m** (shelter-sticky), July PPI supercore **+0.4% m/m** (4x June, portfolio-management +6.5%), the Cleveland Fed nowcast core PCED **+0.25/+0.27**, above the 0.2% Williams line in the gauge the Fed actually weights. The **26 Aug core PCE** is the release that decides, and it is set up to land hot — the 4.14% front is the level to FADE, not chase, into it.

Our regime read — hold / higher-for-longer; the labour break is SUPPLY-led

Our house view is unchanged and it is NOT a cut. The labour break is real (payrolls -23k, participation 61.4%, a 5-yr low) but it is SUPPLY-led — jobless claims 209k are still historically low, the consumer is spending straight through the break (July retail sales +0.3% m/m, control +4.72% y/y; Redbook +8.3%), and Atlanta Fed GDPNow nowcasts a hot **~5.8%** Q3. A supply-led labour tightening 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, not dovish — the Street is in fact MORE hawkish than us, pricing a 2026 HIKE. Own duration and quality on the labour break, but resist the front-end rally the core has not earned.

New records — a broadening, but made on the read we fade

Thu 13 Aug the **S&P closed a record 7,798.99** (+0.65%, cleared 7,800 intraday, above the prior 7,757.64 ATH), the **Nasdaq-100 broke 30,000** (+1.15%), and the **Russell 2000 ALSO set a record** (+0.24%) — semis in a confirmed bull market, memory leading (Micron +4.2%, back over ~$1trn on HBM), Nvidia at new highs. The breadth is genuine and healthy — small caps at a record alongside the mega-caps, the rally broadening. But it is made ON the dovish rate read we fade, so read the record as a CHASE that the 26-Aug core PCE can interrupt, not an all-clear.

AI earnings — the buildout accelerates, but margins start to disperse

The infrastructure bid is still running AND accelerating. **Nebius** printed revenue **+454%** and raised AI-compute capacity to 4GW; **Applied Materials** beat and RAISED (Q4 $10.25bn vs $9.54bn est); CoreWeave's backlog is $104->$129bn. The genuinely new signal is **margin dispersion**: **Cisco -8.8%** — punished on a 210bp gross-margin compression (heavier hardware mix) DESPITE record hyperscaler AI orders ($4bn in the quarter). Demand is NOT the question; the AI-hardware margin externality (our build-cost frame) is. Value stays at the L1-silicon demand core; froth concentrates in L2-neocloud verticality; the market is discriminating (fringe quantum sold on misses). Note the AI-inflation channel too — memory-chip costs lifted CPI computers/peripherals +3.2% — part of why the core stays sticky.

The risk — the record is made on a fired sell-signal and near-zero cash

The flag to carry, and it compounds the rate read. The record is being made into **exhaustion gauges at their limits**: a bulge-bracket's Bull & Bear at **9.7** (the first formal SELL signal since 2021), fund-manager cash at **3.6% of AUM** (below the 4% 'Cash Rule' — dry powder nearly gone), a hedging gauge at the **0th percentile** (upside-chasing), and a yen round-tripped back to **~¥159** (the July US/Japan intervention has effectively failed to hold — carry-unwind risk re-armed with no BoJ follow-through). 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 by dry powder.

Oil / Hormuz — the premium bled on DEMAND, not de-escalation; the physical is tighter

Brent round-tripped from its 12 Aug high (~$89.8) to ~$87.12 (WTI ~$81.37) and gold eased -1.3% — but the driver is a **DEMAND-and-inventory repricing** (the IEA cut 2026 demand, OPEC made a 4th straight downgrade, US crude built +17.4mb, the largest since Jan-2023), NOT a corridor re-opening. Escalation stayed PERIPHERAL (the fatal Houthi strike was in Bab al-Mandeb, a separate chokepoint), while diplomacy actually HARDENED (Trump reparations 'for 50 years'; a hardliner's $24bn unfreeze demand). Our SoH Monitor **HOLDS Phase 2** — no in-Strait trigger (Brent peaked $89.8, never held >$90). We RE-SET the dark share UP to ~65% (crude ~80%+), Kharg idle Day 15 — the physical is TIGHTER even as the price bled. Note: the August oil spike is a FORWARD inflation risk NOT in the July data — it lands worst alongside the sticky core, reinforcing our fade of the dovish rate read.

Greece — the ATHEX near its high; MSCI added Motor Oil (and it sold the news)

Athens held near its 17-yr high (GI 2,613.23 Thu, -0.02%, thin pre-15-Aug holiday). 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 bigger structural bid stays the FTSE developed-market reclassification (21 Sept, single phase; ~€1.4-1.5bn gross turnover, ~90% to the banks). HELLENiQ +2.1% on the refiner bid.

The macro read

Read the tape as a **record made on a rate read we fade**: the market priced the Sept-hike tail down on the flat headlines, but our house view (the 13-Aug US Flash) holds — the market looked through the hot PCE-relevant core, the 26 Aug core PCE is the trap, and the regime is HOLD / higher-for-longer, NOT a cut. Layer on stretched positioning (a fired 9.7 Bull & Bear, 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 PCE. Watch the 26 Aug core PCE (the trap), the Iran vector (peripheral vs migrate), and the yen's speed. HOLD Phase 2 on Hormuz.

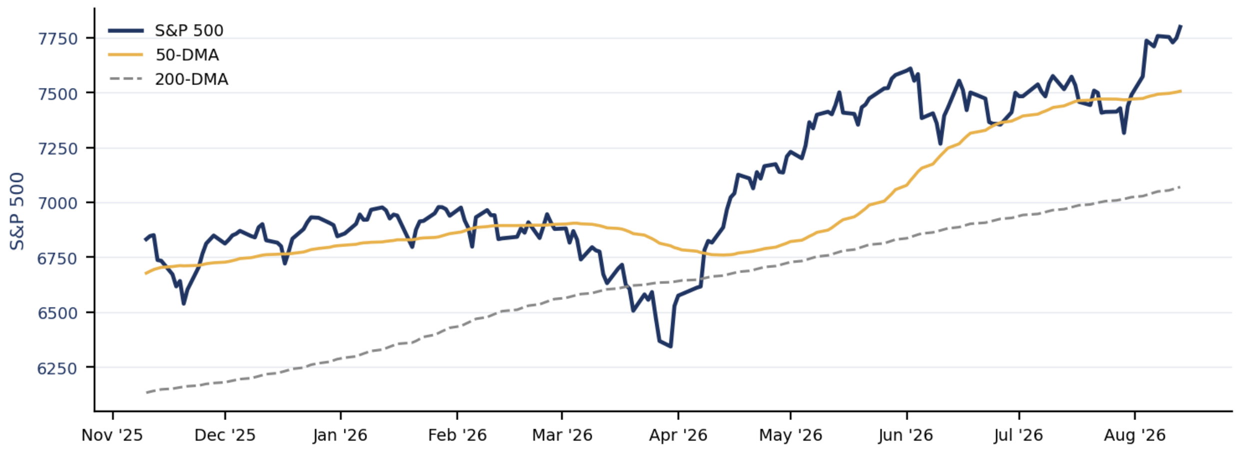
Regime & Technical Radar

Read with the weeklies — Market Regime Radar (10 Aug) + the US Macro FLASH (13 Aug): NO flip to a cut — the market read the flat July CPI/PPI HEADLINES dovishly and priced the Sept-HIKE tail DOWN to ~35% (2y to a new low 4.14%), and WE FADE IT · 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 · our regime = HOLD / higher-for-longer (the labour break is SUPPLY-led; the Street expects a 2026 HIKE) · the S&P/Nasdaq/Russell set records — but a CHASE (Bull & Bear 9.7, 3.6% cash) on a rate read we fade · oil bled on DEMAND not de-escalation — HOLD Phase 2

MARKET REGIME	
Regime archetype	LATE-CYCLE, HOLD / HIGHER-FOR-LONGER (we FADE the market's dovish read) — the market priced the Sept-HIKE tail down on the flat July headlines, but the PCE-relevant core stayed HOT (CPI core +0.3%, PPI supercore +0.4% = 4x June, Cleveland Fed nowcast core PCED >0.2%); the 26 Aug core PCE is set to land hot. The labour break is SUPPLY-led (participation 61.4%, claims 209k low, consumer resilient) — NOT disinflationary. Own the growth leg + a real-asset hedge; fade the front end.
Bull-cycle position	records across the board (S&P 7,798.99, cleared 7,800; Nasdaq-100 >30,000; Russell 2000 a record — broadening) — but made on a dovish rate read we FADE and into a fired sell-signal: a Bull & Bear at 9.7 (highest since 2021), manager cash 3.6% (below the 4% Cash Rule), hedging at the 0th percentile, a re-loosening yen. A chase, not an underwritten breakout.
Favored sectors	the demand-confirmed AI monetisers — L1 SILICON (Nvidia/Micron/TSMC/AMD/AMAT, SOX in a bull market, Micron over $1trn on HBM); CYCLICALS / VALUE / small-caps (the record-breadth tell); a REAL-ASSET hedge (energy/gold) for the sticky-core / oil tail. Watch L2-NEOCLOUD verticality (Nebius/CoreWeave) as the froth; the new signal is MARGIN dispersion (Cisco -8.8%). Own duration/quality but FADE the 2y at 4.14% into the 26-Aug PCE.
Turning signposts	THE 26 AUG CORE PCE (the trap — the gauge the Fed weights, set to land hot on the +0.4% PPI supercore + the Cleveland nowcast >0.2%; a hot print re-arms the hike tail the market priced to ~35%); the next CPI (carries the August oil, not yet in the data); positioning EXHAUSTION (Bull & Bear 9.7, 3.6% cash); the YEN / CARRY (USD/JPY ~¥159, intervention faded); the Iran vector (peripheral vs migrate). HOLD Phase 2.

TECHNICAL RADAR	
S&P 500 — levels	7,798.99 (Thu 13 Aug close, +0.65%) · a fresh RECORD, above the prior 7,757.64 ATH; cleared 7,800 intraday · well above the 200-DMA · but made on a rate read we fade
Trend regime	uptrend at new records WITH broadening breadth (Russell 2000 a record) — but on exhausted positioning (Bull & Bear 9.7, 3.6% cash) AND a dovish rate read we fade; the risk is the 26 Aug core PCE re-arming the hike tail
Rates — the call	the 2y fell to a new low ~4.14-4.15% on the flat headlines; we FADE it — the market looked through the hot PCE-relevant core; the 26 Aug core PCE is the level-setter. Own duration on the labour break but resist the front-end rally
Trigger watch	the 26 Aug core PCE (the trap), the next CPI (August oil), positioning exhaustion, the yen's speed, the Iran vector

TECHNICAL RADAR · S&P 500 WITH 50- & 200-DAY MOVING AVERAGES



S&P; 500 with 50- and 200-day moving averages — a fresh record 7,798.99 at the Thu 13 Aug close (cleared 7,800 intraday) on a dovish read of the flat headlines; a record made on a rate read we fade + a fired 9.7 Bull & Bear. Source: Delphic market-data store.

What we're watching this week

- 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. Own duration on the labour break but FADE the 2y at 4.14% into it.
- THE REGIME — HOLD / HIGHER-FOR-LONGER, NOT A CUT. Our house view (13-Aug US Flash) 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 / CARRY — the July US/Japan coordinated intervention has effectively FAILED to hold: USD/JPY round-tripped back to ~¥159 with no BoJ follow-through, re-arming the carry unwind. A yen that strengthens TOO FAST forces leveraged players to dump the funded assets (Aug-2024 redux, VIX to 65). Into a 9.7 Bull & Bear with 3.6% cash and a rate read we fade, it is the single most plausible trigger to break the melt-up — watch the SPEED of the yen.

Read. The daily cross-checks the Regime Radar (10 Aug) AND our US Macro Flash (13 Aug): 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 set records — but **we FADE it**. The market looked THROUGH the hot PCE-relevant core (CPI core +0.3%, PPI supercore +0.4%, Cleveland nowcast >0.2%); the **26 Aug core PCE is the trap**. Our regime is HOLD / higher-for-longer (the labour break is SUPPLY-led; the Street expects a 2026 HIKE), so the record is a **chase** — on a rate read we fade AND a fired 9.7 Bull & Bear. Own the **demand-confirmed AI monetisers (L1 silicon) + cyclicals / value / small-caps + a real-asset hedge**; FADE the 2y at 4.14%. HOLD Phase 2 — oil bled on DEMAND, not de-escalation.

Theme of the Day

THE MELT-UP MADE RECORDS ON A RATE READ WE FADE. The market read the flat July CPI/PPI HEADLINES dovishly — Sept-HIKE tail 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, Russell 2000 also a record. But Delphic FADES it (13-Aug US Flash): the market looked THROUGH the hot PCE-relevant core (CPI core +0.3%, PPI supercore +0.4%, Cleveland nowcast >0.2%) — the 26 Aug core PCE is the trap; the regime is HOLD / higher-for-longer, NOT a cut. The record is a CHASE (Bull & Bear 9.7, 3.6% cash). Oil bled on DEMAND. FADE the 2y at 4.14%; HOLD Phase 2

The tape made records — but on a rate read we fade, so it's a chase. **(1) No flip to a cut.** The market read the flat July CPI/PPI **headlines** as an all-clear, priced the Sept-**HIKE** tail DOWN to ~35% and ran the 2y to a new low **4.14%** — and the S&P to a record 7,798.99 (cleared 7,800), Nasdaq-100 >30,000, a Russell 2000 record. **(2) We FADE it.** Per our 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**. Our regime is HOLD / higher-for-longer, NOT a cut: the labour break is SUPPLY-led, the consumer resilient, the Street MORE hawkish (a 2026 HIKE). **(3) So it's a chase** — a rate read we fade PLUS a fired Bull & Bear (9.7), 3.6% cash, exhausted hedging. **(4) Oil bled on DEMAND** (IEA/OPEC cuts + a +17.4mb build), NOT de-escalation. Own the **demand-confirmed AI monetisers (L1 silicon) + cyclical/value/small-caps + a real-asset hedge**; FADE the 2y at 4.14% into the 26-Aug core PCE. HOLD Phase 2.