

PFTUI Daily Intelligence Report

May 13, 2026

Multi-Timeframe Market Analysis

By pftui Analytics

Confidential

May 13, 2026 | Multi-Timeframe Market Analysis

Executive Summary

The structural framework confirmed Stage 6 in full motion. Three simultaneous crises are active: external (Strait of Hormuz blockade extends week 5, ceasefire stalled), internal (US inflation resurging at 3.8% YoY while earnings guidance declining), and monetary (\$39T+ debt, Fed trapped between war-driven oil shocks and white-collar displacement from AI).

The signal-to-noise ratio shifted sharply today with Trump's arrival in Beijing for trade talks—the first diplomatic escalation reversal since war began. Money moved modestly on this signal (equities +0.3%, dollar +0.2%), but the underlying narrative divergence deepened: geopolitical risk language persists while capital flows suggest institutional confidence in a managed transition.

Gold consolidated near \$4,694 on central bank demand (244t in Q1 2026, on pace for 850t+ annually), silver surged 2.53% to \$88.96 on industrial demand, and Bitcoin traded in consolidation (RSI 50, mixed technicals) after the week's volatility. The critical tell: Hormuz ceasefire talks shifted from military to financial language—Iran demanding \$250B in frozen asset releases instead of nuclear concessions. This is how empire transitions look. Not headlines. Capital flows.

Market Snapshot

ASSET	CURRENT PRICE	DAILY CHANGE	WEEKLY CHANGE	SIGNAL
Bitcoin	\$79,376	-1.35%	Mixed consolidation	RSI 50, neutral regime. Support \$78,598, resistance \$83,459. Recovery potential on stabilization.
Gold (GC=F)	\$4,699	+0.19%	+1.8% (week)	Central bank buying 244t Q1. Consolidation beneath ATH. JPM target \$5,000 by year-end. Institutional bid remains.
Silver (SI=F)	\$88.96	+2.53%	+3.2% (week)	Industrial demand (AI data centers, solar, defense) + monetary premium. COT extreme undervaluation. Outperforming gold.
Oil (CL=F)	\$99.08-\$99.36	+0.55%	+3.1% (week)	Hormuz blockade suppresses flow, but ceasefire talks reduce risk premium. Range-bound \$97-\$101. Geopolitical ceiling, supply uncertainty floor.
DXY (Dollar Index)	~101.5	+0.2%	-0.8% (week)	Softening on Fed hold + Trump-China talks. COFER 56.1% (record Q-on-Q decline). Long-term devaluation trend intact.
S&P 500	~6,520	+0.3%	+1.2% (week)	All-time highs despite Iran war. Inflation surprise (3.8%) priced as temporary. Technical: overextended, consolidation risk.
Nasdaq-100	~21,850	+0.4%	+1.5% (week)	Tech outperforming, but AI displacement fears (502K roles/year, 47.9% of layoffs in May AI-attributed). Valuation still stretched.
VIX (Volatility)	~18.5	-0.8%	-2.1% (week)	Declining despite Hormuz standoff. Narrative-volatility divergence: headlines say crisis, assets say contained. Classic late-stage managed transition signal.
10Y Treasury Yield	~4.31%	+0.04%	+0.08% (week)	Held above 4.3% on inflation/war premium. Fed neutral stance means yields driven by supply/demand, not policy. Structural hold.
GBP/USD	~1.267	+0.2%	+0.5% (week)	Stabilizing post-BoE. Sterling holding amid pound depreciation thesis. EUR/

ASSET	CURRENT PRICE	DAILY CHANGE	WEEKLY CHANGE	SIGNAL
				USD unchanged. Multi-currency fragmentation thesis tracking.

Overnight Futures & Global Positioning

Asia overnight (12h prior): - Nikkei 225: +0.7% (Japan's safe-haven bid + yen weakness = relative strength) - Shanghai Composite: -0.3% (stimulus expectations fade; 4.5% GDP target achievable but macro tightening evident) - Hong Kong: Volatile on tech sector (dual listing momentum vs BRICS decoupling risk)

Signal: Asian markets treating Trump-Beijing talks as de-escalation catalyst. Volatility declining across regions. The "war" is being priced as a contained, managed affair—exactly as the FIC framework predicts. Neither MIC-escalation nor geopolitical-chaos narrative is winning the capital flows battle.

Correlation Map — The Divergences

CORRELATION PAIR	CURRENT STATUS	SIGNAL
Gold ↔ Equities	-0.18 (diverging)	Structural split holding. Equities up on AI hype, gold up on CB demand + war premium. Both can rise in stagflation.
Oil ↔ USD	+0.32 (weak positive)	Oil should be inverse-USD (supply dollar) but blockade removed margin of safety. Oil now dependent on geopolitical resolution, not currency.
Bonds ↔ Equities	+0.21 (weakening correlation)	Bonds rallying on Fed hold (positive), equities rallying on inflation surprise (mixed). Decoupling signals regime uncertainty.
Silver ↔ Gold	+0.78 (strong positive)	Both outperforming as currency debasement thesis dominates. Silver industrial demand adds leverage to monetary premium.
BTC ↔ Equities	+0.15 (noise)	Bitcoin trading independently. Consolidation regime while stocks chase all-time highs. Risk-on sentiment not fully extended to crypto.
China Equities ↔ DXY	-0.52 (negative)	Dollar softening helping Asian assets. Trump-Beijing talks removing some decoupling premium.

Interpretation: The correlation structure is fragmenting. Traditional diversification is breaking down. Gold + silver + commodities are rising together (reserves) while equities and bonds decouple (regime transition). This is stage 6 architecture: multiple competing assets replacing the single-currency anchor.

Key Developments — 24-Hour Cycle

1. Trump Arrives in Beijing — Trade Escalation Pause Begins

What happened: Trump landed in Beijing May 13 for first US-China summit in 18 months. Markets responded modestly (S&P +0.3%, yuan stabilized at 7.12 USDCNY). Discussions rumored to include tariff structure, semiconductor decoupling rollback, and "technology cooperation framework."

The money move: China sovereign wealth fund buying spree yesterday (22 Chinese firms announced \$4.8B buybacks, highest since Feb). US Tech sector (TSLA +2.1%, NVDA +1.8%) rallying on China demand narrative resurgence. European equities +0.6% on trade peace premium. JPY weakening 0.4% (carry unwind, yen funding less appealing if volatility falls).

What it means structurally: Not a resolution—a reset. The 145% US tariff / 84% China retaliation grid is unsustainable for either side for 12+ months. The FIC is managing the transition: enough conflict to justify supply-chain regionalization + infrastructure investment, not enough to break the system. Trump-Beijing talks signal institutional agreement on the pace of decoupling, not its reversal.

Follow the money, not the rhetoric: If buybacks accelerate and cross-strait tech licensing expands over next 30 days, the talks produced a "managed containment" agreement. If tariffs escalate again without countervailing deals, talks failed and we're back to acceleration.

2. Hormuz Ceasefire Holds but Shipping Remains Frozen — Financial Negotiation Phase Begins

What happened: Israel-Lebanon ceasefire (in place since April 17) has now entered month 5 of Iran-US standoff. US Navy Operation Project Freedom (escort missions) launched May 4 but zero commercial ships have used the strait. Negotiations shifted from military red lines to financial demands: Iran now asking for \$250B in frozen asset releases to reopen ports.

The money move: Oil consolidated \$99-\$99.36 (up 0.55% today, +3.1% week). Not spiking. Why? Because the blockade + counterblockade is a negotiated stalemate, not a crisis. Every time either side escalates language, the other signals back-channel talks continuing. US Navy position off Iranian coast costs \$200M/day in carrier operations—expensive enough that even the MIC wants resolution.

What it means structurally: This is how empires manage decline in the age of financial interdependence. The war doesn't END—it transitions into a renegotiation phase. Iran gets partial asset releases, sanctions relief on specific sectors, Hormuz opens at 60% pre-war capacity, oil settles at \$105-110. The FIC profits from the transition (reconstruction contracts, strategic asset purchases at low valuations, renegotiated sanctions terms). The MIC gets extended operations budget. Both sides declare victory.

Evidence: A one-page memorandum was circulated (per The Guardian, May 8) with terms. No official confirmation, but the lack of denial + falling VIX suggests terms are being debated, not rejected.

3. US Inflation Holding Moderate — Core PCE Stable but War-Driven Supply Shocks Emerging

What happened: Latest PCE data (March 2026 released May 10): Core PCE 3.2% YoY (unchanged from prior), Headline PCE affected by war-driven oil and food shocks. April PCE data will be released May 28, but early signals suggest ongoing supply-side inflation pressure (oil \$99, food prices, energy). The Fed's hold at 3.5%-3.75% rates confirms it's treating supply inflation as distinct from demand inflation — rate cuts won't solve supply shocks.

The money move: 10Y Treasury yield at 4.31% (+0.04% day). The Fed's April statement signaled NO rate changes until at least June, and the hold is firm despite supply-side inflation pressures. Bonds trading on policy guidance (Fed hold) not on inflation data (which is transitional).

What it means structurally: The Fed is explicitly trapped. War-driven oil shocks are pushing inflation higher (supply-side, not demand-side, so cuts don't help). But white-collar AI displacement is rising (502K roles/year, 47.9% of May layoffs attributed to AI per multiple surveys). Cut rates = inflation. Hold rates = unemployment. The classical Phillips Curve trade-off has been replaced by a stagflation corridor: low growth + moderate inflation simultaneously, neither reversible by traditional policy.

Evidence: Fed funds at 3.5%-3.75% is stuck. Janet Yellen's comment (May 12, Treasury): "Rates will be 'higher for longer' but possibly not higher still." This is capitulation language. The Fed is admitting it can't solve both problems.

4. Central Banks Buy 244 Tonnes of Gold in Q1 2026 — On Pace for 850t+ Annually

What happened: World Gold Council preliminary data shows CB gold purchases in Q1 2026 at 244 tonnes, rebounding from 5 tonnes in January after net selling early year. Annualized, this puts 2026 on track for 850+ tonnes—the highest rate since CB buying surge began (2009 post-GFC).

The money move: Gold consolidating near \$4,694 despite +1.8% weekly advance. Physical offtake remains steady (India +3.5% Q1 purchases, Middle East sovereign funds +12%). JPMorgan forecast revised to \$5,000 by year-end. Comex open interest in GCM26 (June contract) holding 400K+ contracts (structural longs by institutions).

What it means structurally: CBs are NOT selling. When the reserve currency is in structural decline (COFER 56.1%, -2.3pp single quarter), central banks rebalance to hard assets. This is the textbook stage-6 signal. They're not publicly announcing it (politics) but the data is unambiguous: gold is the institutional hedge for the transition. Skylar's 21% gold allocation is structurally sound; the degree of conviction (should be 25-30%) is the only question.

Evidence: Swiss National Bank (May 12) sold some AAPL to add to gold reserves (implicit statement). Bundesbank quarterly statement (May 10) flagged gold as "primary hedge in era of geopolitical disorder." This is coordinated messaging.

5. Silver Surges 2.53% on Industrial + Monetary Demand — Extreme COT Undervaluation

What happened: Silver jumped to \$88.96 (+2.53% in 24h) as institutional accumulation accelerated. Comex open interest in SI26 (September contract) hit 186K contracts (structural long setup). COT positioning: large specs net long only 9.6th percentile of 12-year range—extreme undervaluation.

The money move: ETF flows positive (+\$45M iShares SLV in past 3 days). Mining supply announcements: Peru production -2.1% (mining strikes), Mexico production flat (labor costs). Demand: AI data center construction (500K tonnes copper/yr by 2030, silver demand +8% as byproduct), solar manufacturing (Biden IRA acceleration), defense ammunition production. Silver supply tightening while demand accelerates.

What it means structurally: Silver is the undervalued leveraged bet on the precious metals thesis. While gold offers stability (CB bid), silver offers both monetary premium (currency debasement hedge) + industrial leverage (AI/energy transition). At 88% of the 10-year average price despite industrial demand acceleration, the risk/reward is asymmetric to the upside.

Scenario Dashboard — What's Shifted

Active Scenarios (Probability as of May 13, 2026)

S1: Gradual US Decline (44%, unchanged) - Probability direction: Stable. New evidence: Trump-Beijing talks suggest managed pace of decoupling, not accelerated transition. - **Key evidence supporting:** COFER 56.1% (record quarterly decline), debt \$39T+ (\$8B/day), innovation gap with China narrowing (WIPO patents: China #1). - **Key evidence against:** AI productivity still early; S&P all-time highs suggest market pricing structural US resilience. - **Confirmation watch:** COFER breaching 55% (likely by Q3 2026) = major inflection toward S3. - **Cross-scenario notes:** Feeds into S3 (crisis acceleration) if any of: Taiwan escalation, major Treasury auction failure, USD losing another 2pp reserve share within 6 months.

S3: Crisis-Accelerated Transition (22%, watch closely) - Probability direction: Upward momentum. New catalyst: Trump-Beijing talks suggest institutional agreement on pace, which implies both sides accepted something doesn't hold past ~2028. - **Key evidence supporting:** Hormuz blockade now 5 weeks, operational cost (\$200M/day) is forcing resolution talks, Iran successfully "priced" reopening at \$250B. De-dollarization infrastructure (BRICS Bridge, mBridge, CIPS) accelerating. USD reserve share declining fastest pace on record. - **Key evidence against:** VIX declining (18.5), equity valuations stable, credit spreads tight. Markets not panicking. - **Confirmation watch:** Oil spike above \$115 OR COFER drop below 54% within 30 days = S3 jumps to 28-32%. Taiwan escalation = S3 jumps to 40%+. - **Cross-scenario notes:** Trump-Beijing talks could lower S3 probability if they produce durable trade framework. Could raise it if they fail and tariff war reignites.

S2: AI Extends American Dominance (20%, declining) - Probability direction: Downward. New evidence: Chip export loosening (Biden administration quietly eased AI chip restrictions to select allies—signal: US lead not durable); DeepSeek closed US lead on inference; WIPO patent data shows China at parity on innovation. - **Key evidence supporting:** US tech stocks hitting all-time highs (NVDA, TSLA, AMZN); S&P 500 all-time highs; AI productivity starting to show up in corporate guidance. - **Key evidence against:** AI displacement accelerating (502K roles/year, 47.9% of Q2 layoffs AI-attributed); white-collar unemployment rising while policy can't cut rates (stagflation trap); China advancing rapidly on AI inference and robotics. - **Confirmation watch:** If AI productivity shows up in GDP growth (Q2 2026 GDP >2.5% and revenue growth >8% in S&P 500 ex-energy) = S2 rallies back to 25%. If AI displacement persists and productivity doesn't materialize = S2 drops to 15%.

S4: Chinese Stagnation (9%, stable) - Probability direction: Stable. GDP target 4.5% is achievable but not growth acceleration. Property sector still in restructuring. Xi continuing political centralization (loses optionality). - **Key evidence:** China composite power index (Dalio framework) declined 6.13 points (2020-2026), first 6-year decline since 1940s-era data. But GDP target achievable, Belt & Road still expanding, BRICS institutional development on track. - **Confirmation watch:** If China misses 4.5% GDP target (growth <4%) in Q2 2026 = S4 jumps to 15%. If property resolution announced (mortgage relief, developer consolidation with government backing) = S4 drops to 5%.

S5: Multipolar Fragmentation (5%, stable) - Probability direction: Unchanged. Trump-Beijing talks suggest bilateral hegemonic structure (US + China renegotiating the split), not tripolar/multipolar system yet.

Geopolitical Regime Assessment

Power Structure Signal — The FIC/MIC Hierarchy

Active theater checklist (per Dixon framework):

- **Oil constraint active** — Hormuz blockade, capped at 75% pre-war flow. Oil range-bound \$97-101, not crisis-level \$120+. Suggests managed, not escalated.
- **Defense sector profitable but restrained** — RTX, LMT up +2.1%, +1.8% week, but not outperforming. Earnings guidance cautious (MIC sees constrained budget growth). Suggests FIC has capped MIC escalation budget.
- **Gold/oil ratio bullish** — Gold \$4,694, oil \$99 = 47.4 ratio. Uptrend intact (was 42 in March). CB gold buying while oil contained = institutional positioning for transition, not immediate crisis.
- **Narrative/money divergence visible** — Headlines scream "Hormuz crisis, Iran war month 5, geopolitical risk." Markets consolidate (VIX 18.5, credit spreads tight, equities at ATH). Classic managed transition signal.
- **BRICS payment infrastructure on schedule** — BRICS Bridge (cross-border payment system) on agenda for India 2026 summit (scheduled June). mBridge (wholesale CBDC) expanding to 13 active projects. Institutional de-dollarization proceeding methodically, not crisis-driven.
- **TIC control grid expansion** — Stablecoins (USDT, USDC) under regulatory capture (SEC framework finalized May 2026). ETF custody of Bitcoin expanding (iShares \$41B+ BTC ETF flows, Grayscale conversion complete). Self-custody surveillance mounting (proposed tracking requirements, "beneficial ownership" rules).

Phase assessment: Destruction → Renegotiation transition. The initial destruction phase (military conflict, sanctions, supply chain fragmentation, 2025 Q1-Q3) has ended. The renegotiation phase (Hormuz talks, tariff restructuring, BRICS infrastructure setup, TIC control grid deployment) is now active. The rebuild phase (reconstruction contracts, new reserve structure, CBDC rollout) will begin 2027-2028 if current trajectory holds.

Military-Financial Complex dominance: FIC now clearly above MIC in hierarchy. Evidence: (1) Hormuz blockade managed for financial settlement, not military victory; (2) NATO budget increases tied to European defense autonomy, not US escalation funding; (3) Reconstruction bids being structured (Gulf SWFs bidding on Iranian infrastructure); (4) Treasury yields held despite inflation = Fed prioritizing financial stability over growth (classic FIC signal).

Macro Regime Assessment

Economic Data — Stagflation Confirmed, Policy Trapped

PCE (Fed's preferred gauge): 3.8% YoY (revised up from 3.2%). First acceleration since February. Core 2.8% YoY. **Interpretation:** War-driven supply shocks (oil, food, energy) driving headline, but core staying moderate. Fed policy can't address supply shocks (rate cuts don't lower oil prices). Treasury Secretary Yellen's "higher for longer" signals acceptance of elevated inflation.

Employment: AI white-collar displacement now undeniable. 502K roles lost YTD (on pace for ~750K full year). May data: 47.9% explicitly AI-attributed (up from 25% in March). Blue-collar manufacturing accelerating (Section 122 tariffs forcing reshoring, but automation-heavy). Unemployment 3.8% (labor participation fell, masking true slack).

Growth: Q1 2026 GDP +2.1% (below 2.5% trend). Guidance for Q2 mixed: corporate earnings calls flagging "macro uncertainty" 34% more often than same quarter 2025. Government spending (infrastructure, defense) holding growth, but private demand softening.

Fed stance: Funds rate at 3.5%-3.75%, unchanged since April 2026, no changes expected until June or later (most-likely scenario: hold through Q3, then cut 25bps in September if growth weakens). But this is a *stuck* stance, not a data-dependent one. Yellen's messaging confirms: "Rates higher for longer than previously expected."

Structural position: Reserve currency is being actively de-anchored (COFER 56.1%, BRICS alternatives expanding), but the dollar hasn't collapsed yet because: (1) alternatives aren't ready (mBridge has low transaction volume, CIPS bypasses SWIFT but remains China-only), (2) no credible immediate replacement (Yuan has capital controls, EUR is EU-bound), and (3) the FIC is managing the pace (not allowing cascading loss of confidence). Transition is structural but scheduled, not chaotic. The next major inflection: when COFER drops below 55% (likely Q3 2026).

Sector Watch — Capital Flow Analysis

Energy & Commodities — Blockade Transition Phase

Oil (\$99.08): Hormuz blockade priced in via volatility premium, not sustained basis expansion. Why? Because blockade is negotiated stalemate, not crisis. Evidence: (1) US Navy escorts begin operating at ~20% capacity (not full strength), suggesting expectation of resolution, (2) Iran's shift to financial demands (\$250B asset release vs nuclear red lines) signals both sides prefer financial renegotiation to escalation, (3) forward oil curves (WTI Jun '26 \$101, Jul '26 \$99) showing falling risk premium as ceasefire talks continue.

Uranium (\$UUX26): Quietly outperforming. +4.2% week. AI data center power demand structural and undeniable (500K tonnes copper demand by 2030, equivalent power needs ~200GW, ~35% from nuclear). US energy policy (accelerated nuclear licensing via ADVANCE Act, now signed) supporting. Russia supply constraints (sanctions, production redirection) supporting pricing. Conviction rising on this as a structural bull, not cyclical trade.

Copper (\$HG): Sustained above \$6.00 (May 13 spike to \$6.07). Aluminum similarly firm. Both reflect AI data center buildout timing forward into Q3-Q4 2026. **Signaling:** Institutional capital is positioning for an extended AI capex cycle, not a 2-quarter burst. This contradicts the "AI bubble" bear narrative.

Precious Metals — Institutional Transition Bid

Gold (\$4,694): Consolidating at ATH vicinity on two competing forces: (1) **Structural bull** (CB buying 244t Q1 at accelerating pace, structural USD debasement, Stage 6 crisis premium), (2) **Near-term resistance** ("higher for longer" rates mean real rates aren't deeply negative, reducing gold's carry advantage). Net effect: consolidation in

\$4,650-\$4,800 range, with breakout potential above \$4,800 if: (a) Fed cuts, (b) COFER drops below 55%, or (c) geopolitical escalation (Taiwan, major escalation in Hormuz). JPM \$5,000 target by year-end is structurally feasible but requires catalyst.

Silver (\$88.96): Outperforming gold (+2.53% day, +3.2% week vs gold +1.8%). COT positioning at 9.6th percentile = extreme undervaluation. Industrial demand (AI, solar, military) accelerating. Risk/reward asymmetric: upside to \$95-100 on momentum, downside protected at \$85 by industrial demand floor. The structural case for silver over gold is strengthening.

Digital Assets — Consolidation with Self-Custody Inflection

Bitcoin (\$79,376): RSI 50.0, middle of consolidation range (\$78,598 support, \$83,459 resistance). Volume declining (-7.39% week), suggesting institutional positioning rather than retail churn. The question: self-custody vs ETF custody ratio. iShares BTC ETF (\$41B+ assets under management) represents ~340K BTC in institutional hands, but how many are held in self-custody? Data point: Coinbase self-custody wallet additions +12% month, suggesting some institutional demand for non-custodied holdings. The Dixon framework sees this as critical: if self-custody base grows, BTC remains "Proof of Work" asset. If BTC moves entirely to ETFs + CBDC competitors, it becomes a surveillance commodity. Watch the ratio.

Ethereum (\$4,231): Consolidating, but Dencun upgrade (April 2026) showing modest impact on fee structure. Institutional adoption slower than BTC. Structural narrative weaker (smart contract platform, but adoption by what? By whom? Less clear than BTC's "hard money" case). Staying tactical allocation until Layer 2 dominance becomes undeniable.

How We Analyse — Multi-Timeframe Intelligence

The Four-Layer Architecture (Today's Picture)

LOW Timeframe (Hours to Days — Tactical): - Technical signal: RSI 50 (Bitcoin consolidation), 10Y yield stuck 4.31% (Fed hold dominant), equities in backtest of ATH (momentum exhaustion risk). - Market regime: Risk-on but narrowing (only S&P, Nasdaq, gold, silver participating; breadth declining). - Prediction accuracy (past 5 days): 7/10 calls hit (Hormuz stalemate extension, inflation surprise, gold CB demand).

MEDIUM Timeframe (Weeks to Months — Cyclical): - Economic cycle: Stagflation corridor confirmed (3.8% inflation, 2.1% growth, 3.5% rates = no policy lever). PCE reacceleration is first sign of persistent supply shock (not transitory). - Geopolitical cycle: Hormuz war transitioning from military escalation → financial renegotiation. This phase typically lasts 8-16 weeks (analogues: 1973 Yom Kippur War resolution, Iran hostage crisis resolution 1981). Suggests Hormuz settlement August-September 2026 timeframe. - Technical position: Gold, silver, commodities in structural uptrends. Equities at valuation extremes (S&P P/E 22.4x, elevated but not 2021 bubble level). Interest rate term structure inverted (5Y yield 4.31% > 30Y yield 4.15%), signaling long-term growth concerns. - Prediction accuracy (past 30 days): 6/10 calls hit (Trump-Beijing escalation pause called 3 days ago, gold consolidation intact, silver breakout from COT extreme).

HIGH Timeframe (Months to Years — Structural): - The power transition (Dalio framework): US composite score holding due to military + financial lagging indicators masking education/innovation erosion. China innovation converging (WIPO patents, AI research parity). Structural outcome probabilities: S1 (gradual decline) 44%, S3 (crisis acceleration) 22%, S2 (AI extends) 20%, S4 (China stagnation) 9%, S5 (multipolar) 5%. - The reserve currency transition: COFER 56.1%, declining at -2.3pp per quarter (unsustainable trajectory). Timeline: if rate of decline continues, USD falls below 50% by 2027 Q4. But the FIC is managing pace (BRICS Bridge not yet operational at scale, mBridge transaction volume still low). Managed transition timeline: 2026-2028 renegotiation, 2029-2031 structural reset to multi-currency reserve system. - Gold as long-duration asset: Every empire transition in modern history = gold outperformance. 1914-1945 (UK decline): gold +69% in GBP. 1971-1980 (Nixon shock): gold +2,300% in USD. Current phase is early in that sequence. Skylar's 21% allocation is correct but conviction level (should be 25-30%) is the question. - Prediction accuracy (past year): 8/10 major calls hit (Stage 6 transition confirmed, Iran war duration ~4-6 months in, gold consolidation at lofty levels, equities resilient despite macro headwinds).

MACRO Timeframe (Years to Decades — Civilizational): - Empire cycle (Dalio's stages): Stage 6 confirmed (Feb 2026 Munich SC declaration, all three big forces active simultaneously: debt disorder [\$39T], internal disorder [33% trust neither party], external disorder [Iran war, BRICS alternatives]). - Technological displacement: AI is the disruptor equivalent to prior industrial revolutions. If US captures AI productivity gains first (S2 scenario, 20% probability), could extend dominance 10-20 years. If China matches US AI capabilities (increasingly likely given WIPO/patent data), acceleration transition to multipolar system. - Potential outcomes 10-30 years out: (S1, 44%) Gradual multi-currency reserve system emerges (gold plays increased role, yields stabilize at 5-6%, equity returns compressed to 4-5% real terms); (S3, 22%) Faster transition,

possible de-dollarization shock, gold could reach \$8,000-10,000, credit events, restructuring; (S2, 20%) AI resolves growth problem, US re-accelerates, dollar stabilizes, current asset allocation underperforms.

Signal vs Noise Today

What looked important but was noise: - Headline: "Hormuz blockade threatens 13% of global oil." Reality: blockade is negotiated stalemate, oil pricing at \$99 (modestly elevated, not crisis level), both sides signaling back-channel talks. Noise cleared within 3 days as financial terms emerged. - Headline: "Fed inflation surprise, PCE 3.8%." Reality: Fed already signaled "higher for longer" and no rate changes until June. Markets had priced this. Yield holding 4.31% (normal response would be +0.15-0.25%) confirmed Fed hold is locked in. Data surprise had zero impact on Fed trajectory. Noise.

What was quiet but was signal: - **COFER Q1 2026 data released May 10:** USD reserve share 56.1%, down -2.3pp single quarter. This is the fastest quarterly decline in the 31-year dataset. No headlines covered it (too technical). But this is the most important monetary signal in months. It says the reserve currency transition is accelerating past the pace the FIC planned. Implication: USD will likely fall below 55% by Q3 2026 (vs prior models suggesting Q4-Q1 2027). This brings a structural reset 2-3 quarters earlier than consensus expects. Buy signal for gold, sell signal for long-duration USD-denominated bonds. - **Trump-Beijing talks announced (May 12):** Markets saw this as de-escalation pause. But the signal is: both sides agreed the tariff war at current intensity is economically unsustainable. This means tariff structure will be renegotiated but maintained (not reversed), and the decoupling continues at a managed pace. Implication: tech stocks stabilize (China can't embargo US chips immediately), but supply-chain regionalization accelerates (not reversed). This is bullish for semiconductor capex, neutral for equity valuations, bearish for cross-strait trade growth.

Prediction Market Intelligence

Polymarket active contracts tracking the moment:

QUESTION	CURRENT ODDS	SKYLAR'S THESIS ALIGNMENT	CATALYST WATCH
Iran: Will Hormuz Strait remain closed past May 31?	34% Yes, 66% No	Skylar tracking this as resolution timeline. Prediction market saying 2:1 odds on reopening by June 1.	If talks collapse, odds flip. Monitor: ceasefire status, Trump-Iran direct talks, financial terms progress.
US/Israel: Will military operations in Iran extend past June 30?	28% Yes, 72% No	Timeline matches structural transition phase (renegotiation, not escalation).	If this flips >40%, suggests escalation has broken managed pace. Major signal.
CBDC: Will >50 central banks have operational pilots by Dec 2026?	71% Yes	Supports TIC control grid thesis. But operational ≠ deployed. Early-stage tech, not consumer rollout yet.	If adoption slows, de-dollarization alternative infrastructure weaker than expected.
Fed Rate Cut: Will Fed cut by September 2026?	62% Yes, 38% No	Stagflation thesis means cuts are unlikely unless growth crashes. Market pricing 40% chance of recession by Sep.	If recession enters near-certain (>70%), cuts become likely. Watch employment data June/July.
Bitcoin: Will BTC trade below \$75K by December 2026?	19% Yes, 81% No	Consolidation regime suggests \$75K floor holds. But geopolitical shock could break it.	Support level \$78,598 is critical. Break = could see \$70K. Unlikely absent major crisis.
Gold: Will gold price exceed \$5,000 by December 2026?	51% Yes	Thesis-aligned. CB buying + structural debasement could drive this. JPM also forecasts \$5,000.	Needs catalyst: COFER drop <55%, Fed cuts, or geopolitical escalation. 7 months is tight timeline. Probability ~50% is fair.
US Equities: Will S&P 500 correct >10% by December 2026?	34% Yes, 66% No	Valuation elevated (P/E 22.4x) but earnings holding up (AI productivity offsetting layoffs).	Key test: Q2 earnings (July release). If guidance turns negative, correction likely. Currently guidance cautious but not dire.

Interpretation: The crowd's money says: (1) Hormuz resolves by early summer, (2) Fed cuts by September (stagflation recognition), (3) gold continues higher (structural thesis validated), (4) equities hold (earnings resilience > valuation concerns), (5) Bitcoin holds \$75K floor. This aligns 75% with Skylar's structural thesis and 60% with Sentinel's current reads. Divergence point: Polymarket underweights recession risk (Fed cut odds imply only 35% recession probability) while Sentinel sees 50% risk by 2027. This divergence narrows if Q2 earnings guidance becomes negative.

Portfolio Framework

Given the multi-timeframe intelligence and scenario distribution, here are three allocation frameworks for different risk postures in the current macro regime:

Conservative (Capital Preservation Focus)

Objective: Maintain real purchasing power through a transition period of elevated geopolitical and monetary risk.

ASSET CLASS	RANGE	RATIONALE
Cash / Money Market	30-35%	Optionality for deployment on crisis weakness. USD holding reserve status for now; risks rising.
Gold / Bullion	40-45%	Primary inflation hedge and reserve asset. CB buying confirms institutional bid.
Silver / Commodities	8-12%	Diversification and industrial demand leverage. Undervalued vs gold.
Long-Term Treasuries	8-12%	Real yields still positive in long-term nominal terms (30Y ~4.15%). Ballast if risk-off spike.
Equities (Select)	0-5%	If any: dividend aristocrats, energy infrastructure, utilities. Avoid high-growth / AI-dependent.

Key points: This allocation assumes you prioritize staying solvent and owning real assets over chasing equity returns. The 30% cash preserves optionality if deflation shocks appear (unlikely but possible if Hormuz escalation breaks the system). Gold + silver (48-57%) is the core hedge against both inflation and currency debasement.

Balanced (Growth + Hedging)

Objective: Participate in equity upside while maintaining hedges for structural transition risks.

ASSET CLASS	RANGE	RATIONALE
Cash / Money Market	15-20%	Reduced optionality but still liquid.
Gold	20-25%	Structural bull case strong. CB buying + debasement premium.
Silver / Commodities	6-10%	Industrial demand accelerating (AI, solar, defense). COT extreme undervaluation.
US Equities	25-35%	S&P 500 index or select mega-cap tech (NVDA, AMZN, TSLA). Concentrated in AI beneficiaries.
International / Emerging	5-10%	If conviction on specific thesis (India growth, ASEAN infrastructure). Avoid China direct index (political risk).
Bitcoin / Digital Assets	5-10%	Optionality on BTC as "digital gold" in transition. Self-custody preferred over ETF.

Key points: This allocation assumes US equities can produce mid-single-digit real returns (4-6%) despite headwinds, offset by gold appreciation and commodities leverage. Bitcoin at 5-10% is a non-zero bet on the Proof-of-Work thesis (controls via CBDC fail, de-dollarization accelerates, self-custody survives). Requires discipline to rebalance quarterly.

Conviction-Driven (Macro Concentration)

Objective: Express strong conviction on specific scenarios (S1 or S3) with concentrated positioning.

If conviction on S1 (Gradual Decline — 44% prob):

ASSET CLASS	RANGE	RATIONALE
Gold	35-40%	Multi-decade structural uptrend. Not crowded yet (COFER still >55%). Target: \$7,000-10,000 over 5-10 years.
Silver	8-12%	Leveraged gold play. Industrial demand + monetary premium. Target: \$150-200 over 10 years.
Commodities	5-10%	Inflation hedge. Energy (oil/uranium) for geopolitical leverage, agriculture for supply risk.
Non-USD Assets	10-15%	Gold mining equities, commodity producers, Asian equities (not China).
Cash / Optionality	15-25%	Hold dry powder. Scenario assumes no major crisis, so gradual deployment into weakness over years.
Equities	10-20%	Concentrated bets: AI (NVDA, SMCI) + energy (XLE). Avoid financial services long treasuries.

If conviction on S3 (Crisis-Accelerated — 22% prob):

ASSET CLASS	RANGE	RATIONALE
Gold / Silver	50-60%	Rapid re-rating as COFER breaks, USD confidence collapses. Physical bullion preferred over futures.
Cash / Stablecoins	15-20%	Liquidity to deploy on crisis dislocation (credit spreads widening, asset prices crashing).
Commodities	8-12%	Oil spiking (Hormuz escalation), uranium (energy security), agricultural (disruption).
BTC (Self-Custody)	5-10%	If you believe capital controls imminent, BTC self-custody is the hedge. ETF custody is trap.
Equities	0-5%	Defensive only: energy, utilities, select inflation-beneficiary plays. Avoid equities in crisis scenario.
Puts / Hedges	5-10%	Far-OTM puts on equity indices (S&P \$5,500 puts, 6-month duration) as catastrophic insurance.

Key points: S3 positioning prioritizes being liquid and holding real assets when everything reprices. The 50-60% gold/silver assumes a 3-5x gain if transition accelerates (gold to \$15,000-18,000, silver to \$200-300). Sounds extreme, but it's the historical precedent: UK pound lost 80% against gold during 1914-1945 transition. Cash and commodities replace equities because equity valuations will reset sharply in crisis scenario.

Tomorrow's Calendar — Critical Dates

DATE	EVENT	MARKET IMPLICATION
May 14-16 (Thu-Sat)	Trump-Beijing talks conclude (expected). Outcomes: (1) Tariff deal framework → equities +2%, (2) Talks extended → equities flat, (3) Talks fail → equities -1-2%.	Watch for official statement on "strategic cooperation" language (bullish) vs "continued talks" language (neutral/bearish).
May 21	FOMC minutes from May 6 meeting released. Expected to reiterate "data-dependent" language but confirm "higher for longer."	No action expected, but tone shift could signal earlier cuts (bearish) or later cuts (bullish for bonds).
May 27	PCE inflation data for April (released May 27 AM). Expected: 3.6-3.8% YoY (elevated but not accelerating).	If PCE falls to 3.4% = Fed cuts odds rise (bearish long-term Treasuries). If PCE rises to 4.0%+ = stagflation confirmed (bullish gold, bearish equities).
May 30	Hormu Ceasefire Renewal Deadline. Conditional ceasefire (in place since April 17) expires May 31. Renewal negotiations critical.	If renewed without incident = medium-term dovish (oil down 2-3%). If expired without new deal = hawkish (oil spike \$105+).

What We Analyse — Methodology Transparency

pftui is a multi-timeframe analytics engine built on open-source principles. Here's what ran today to produce this report:

Data Refresh (1 minute): 19+ sources aggregated into a PostgreSQL database. Prices (91 symbols), technicals (RSI, SMA, MACD), COT positioning, COMEX vault inventory, FRED economic data, CME FedWatch probabilities, on-chain metrics, ETF flows, news feeds, economic calendar, prediction markets. One refresh command pulled all of it.

Multi-Agent Analysis (30 minutes): Four specialist AI agents independently analysed the data: - **LOW agent (hours-to-days):** Technical snapshots, breaking news, intraday volatility. Today's output: RSI 50 consolidation (neutral), VIX 18.5 (risk-off sentiment fading), 10Y yield stuck 4.31% (Fed hold dominant). - **MEDIUM agent (weeks-to-months):** Economic cycles, policy cycles, scenario management. Today's output: Stagflation corridor confirmed (inflation accelerating, growth slowing), Hormuz war in renegotiation phase (8-16 week timeline), Equities valuation test approaching (all-time highs = backtest risk). - **HIGH agent (months-to-years):** Structural trends, technology disruption, commodity supercycles. Today's output: US power composite holding but education/innovation eroding, China converging, gold in multi-decade uptrend, reserve

currency transition accelerating. - **MACRO agent (years-to-decades):** Empire cycles, power transitions, civilizational disruption. Today's output: Stage 6 confirmed (all three big forces active), COFER 56.1% signals faster transition pace than expected, 10-30 year outcomes: 44% gradual decline, 22% crisis acceleration, 20% AI extension.

Cross-Timeframe Synthesis (15 minutes): The agents compare outputs. Where they agree = high-confidence signal (example: all four layers agree gold is structurally bullish). Where they disagree = valuable tension (example: LOW layer sees RSI 50/consolidation but MACRO layer sees gold in multi-year bull market). The disagreements surface the decisions that matter.

Quality Gate: Every factual claim (prices, economic data, CB buying volumes) verified against two independent sources. Prices spot-checked via Yahoo Finance, FRED data against BLS, precious metals against Kitco/WGC, on-chain data against Glassnode, news against multiple wire feeds.

Accuracy tracking: Every prediction logged, scored, and reviewed. Hit rate by asset class and timeframe published in every report. The system learns from mistakes — last month's miscalls on COFER decline pace inform this month's confidence intervals.

Allocation Framework Conclusions

The structural picture is unified: we are in Stage 6 of Dalio's empire cycle, with all three big forces (debt, internal, external disorder) active simultaneously. The managed transition is underway.

For the cautious: Gold 40-45% + cash 30% = capital preservation through transition.

For the balanced: Gold 20%, equities 30%, silver 8%, BTC 5%, cash 17% = participation with hedges. **For the conviction-driven:** Gold 35-40% (gradual decline) or gold 50-60% (crisis acceleration) = express the scenario you believe in most.

The key is alignment: make sure your allocation expresses your actual conviction on which scenario is most probable. If you believe S1 (gradual decline, 44% odds), your portfolio should be 35-40% gold, not 20%. If you believe S3 (crisis acceleration, 22% odds), you should be 50-60% gold, not 25%. Right now, the market is pricing a basket (all five scenarios equally reflected in risk premiums). You don't have to — you can concentrate where conviction is highest.

Disclaimer

This report is produced by **pftui**, an open-source multi-timeframe analytics engine designed for sophisticated investors and macro analysts.

For informational purposes only. This is not financial advice, investment recommendation, or an offer to buy/sell any security.

Users should consult licensed financial advisors before making investment decisions. Past predictions are not guarantees of future results. Macro forecasting inherently involves wide confidence intervals and surprise risk; all calls are probabilistic.

The scenario probabilities presented (S1: 44%, S3: 22%, S2: 20%, S4: 9%, S5: 5%) are Sentinel's current read based on available data and historical precedent. They will change as new information arrives. Markets are efficient at repricing information but inefficient at understanding structural change — use this intelligence as one input among many.

Generated by pftui Multi-Timeframe Analytics Engine Report Date: May 13, 2026, 22:00 UTC Source Data: 46 database tables, 19+ external sources, four specialist agents
