



KINGDOM WEALTH CREATION | ORIGINAL PUBLICATION | AUGUST 2026

The Cross-Asset Contagion Framework

A practical 0–100 scale for determining whether market pressure is isolated, rotating, or transmitting across the financial system.

THE CENTRAL QUESTION

Where did pressure begin, through which channels is it moving, what is confirming or resisting it, and what would turn localized stress into broad contagion?

CAC RISK

0–100

Higher means greater contagion risk

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STEWARDSHIP FOUNDATION

“But remember the LORD your God, for it is he who gives you the ability to produce wealth...” — Deuteronomy 8:18 (NIV)
Faith governs the steward; verified evidence governs the market decision.

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01 | PURPOSE AND INCEPTION

Why the scale exists

A sharp move in one asset can be important without being systemic. The framework was developed by Ryan O’Gowan for Kingdom Wealth Creation in 2026 to separate a localized break from a transmission event—and to make the difference auditable before risk decisions are made.

PLANNER ROOTS The 2026 KWC Trading Planner established a weekly 0–100 contagion discipline.	JULY 2026 The risk polarity and ten-domain process were formalized for forward use.	FIRST LIVE RECORD The first preserved live scan used the July 14 U.S. close and was recorded July 15.	ONGOING Every run is dated, sourced, append-only, and corrected without erasing the prior record.
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THE CAC RISK SCALE

Each of ten domains receives a 0–10 score. Their sum produces CAC Risk. The total measures transmission intensity—not a simple forecast that every asset must move in the same direction.

GREEN 0–19	YELLOW 20–39	ORANGE 40–59	RED 60–79	SEVERE RED 80–100
Low contagion	Contained / rotational	Elevated transmission	Broad contagion	Disorder / systemic stress

LOCALIZED OR ROTATIONAL One or several channels are stressed, but independent systemic evidence is missing or resisting the move.	BROAD CONTAGION GATE At least five domains score 6 or higher, plus confirmation from credit/funding or cross-market volatility.
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POLARITY SAFEGUARD CAC Risk is forward-looking in presentation: higher means greater contagion risk. An earlier CACI Health series used the opposite polarity. Legacy rows must retain their original label and can never be blended with CAC Risk without an explicit conversion note.





Ten channels. One auditable system.

The ten domains are independent lenses, not ten identical votes. What matters is the direction of transmission, the evidence that confirms it, and the links that fail to engage.

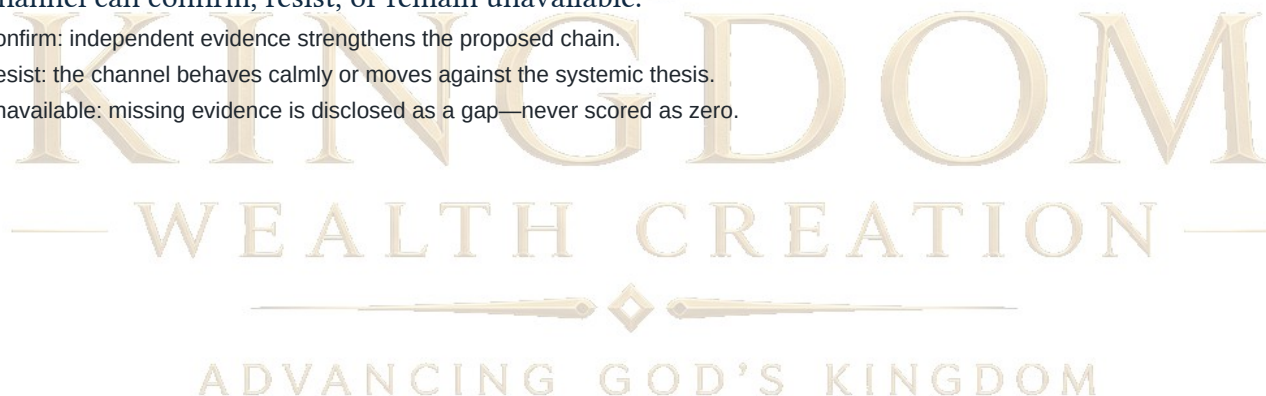
01 Equity regime S&P 500 and Nasdaq trend, reaction quality, and the market's ability to absorb pressure.	02 Leadership & earnings Whether leaders expand or break; results and guidance measured against expectations and price response.
03 Breadth / Russell / TNA Participation, equal-weight behavior, small caps, advance/decline evidence, and leveraged confirmation.	04 Treasury / Fed Front-end policy expectations, long yields, real yields, curve pressure, and duration repricing.
05 Credit / funding High-yield and investment-grade spreads, liquidity, and the first signs of forced financing stress.	06 Volatility Equity and rate volatility, term structure, and whether uncertainty is becoming cross-market stress.
07 Oil / gas Growth signal, inflation shock, supply-risk premium, or collapsing-demand message—and its downstream effects.	08 U.S. dollar Global liquidity tightening, safe-haven demand, policy divergence, or resistance to a risk-off thesis.
09 Gold / havens Inflation or fiscal hedge, falling-real-yield response, defensive demand, or forced cash raising.	10 Bitcoin / liquidity Speculative liquidity, risk appetite, deleveraging, or resistance to a systemic-liquidity call.

LEVERAGED-INSTRUMENT DISCIPLINE

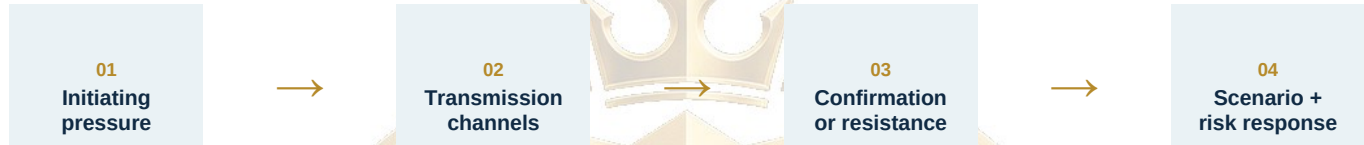
TNA and other leveraged ETFs can confirm a small-cap thesis, but they are not the thesis. Daily reset, compounding, volatility decay, gaps, fees, rebalancing, and path dependency can cause multi-day results to diverge materially from a simple multiple of the underlying index.

A channel can confirm, resist, or remain unavailable.

- Confirm: independent evidence strengthens the proposed chain.
- Resist: the channel behaves calmly or moves against the systemic thesis.
- Unavailable: missing evidence is disclosed as a gap—never scored as zero.



Trace direction—not mere correlation



Illustrative chain: oil shock → inflation expectations → Treasury repricing → equity multiple pressure → small-cap funding stress. Tight credit and calm volatility can break the chain before it becomes broad contagion.

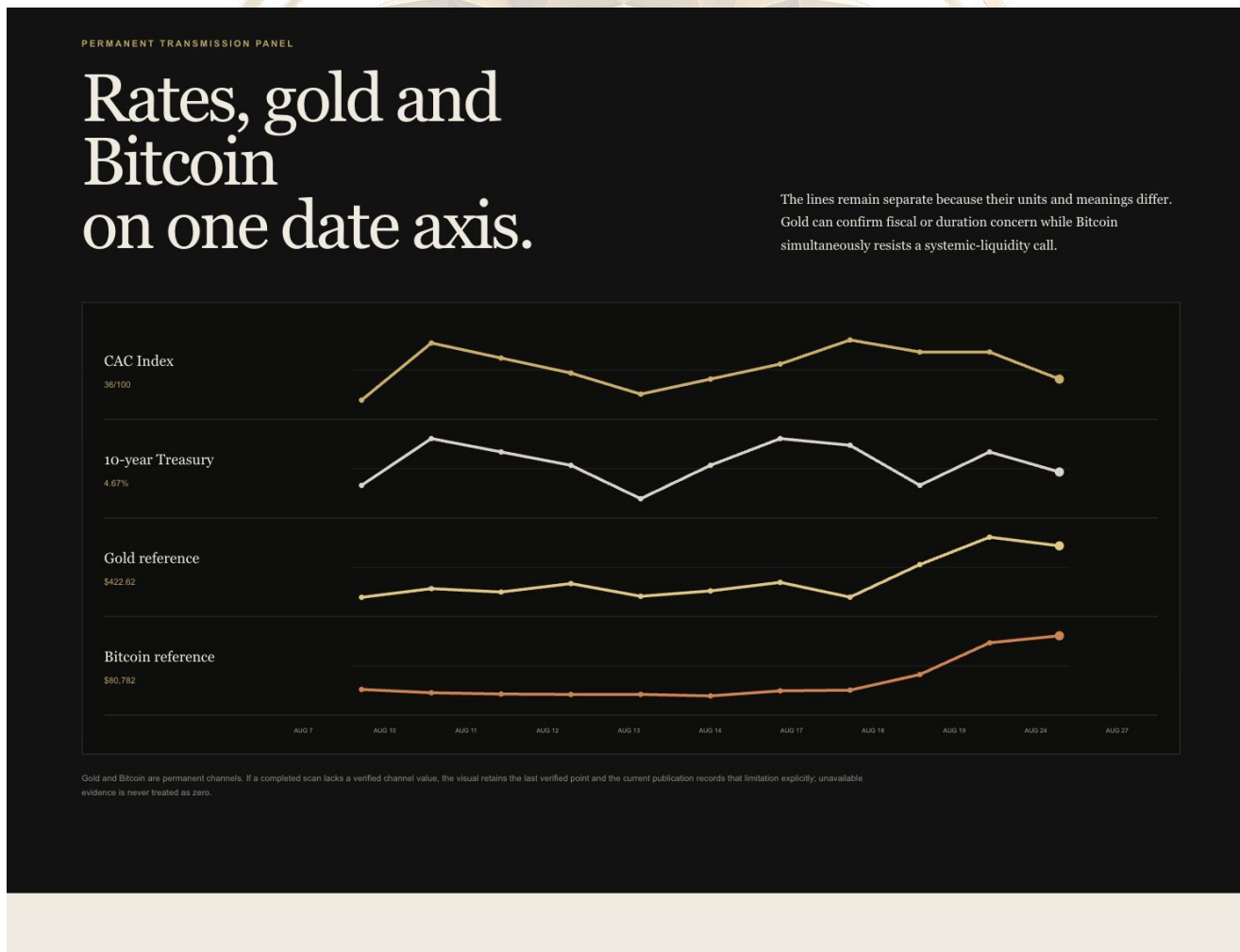


Figure 1 — Historical transmission panel, August 7–27, 2026. This archived KWC dashboard graphic shows why the channels must remain separate: gold may confirm fiscal or duration concern while Bitcoin resists a systemic-liquidity call. The screen's "CAC Index" label denotes CAC Risk, where higher means greater risk. Values are historical examples, not current market readings. Source: KWC CAC dashboard and preserved Market research history.

WHAT SYSTEMIC CONFIRMATION REQUIRES

Broad contagion is a multi-link event. The framework looks for worsening breadth together with credit/funding or cross-market volatility confirmation. A semiconductor break, oil spike, or haven rally can be serious without clearing that gate.

From observation to disciplined response

1 Date the evidence State close, settlement, intraday, weekly, and any lag.	2 Score the domains Ten 0–10 components with a one-sentence evidence trail.	3 Map the chain Name the origin, links, confirmations, resistance, and breaks.	4 Apply the gate Separate localized stress from broad contagion.
5 Build scenarios Base, bull, and bear paths with confirmation and invalidation.	6 Size the response Use the score to govern selectivity—not to predict with certainty.	7 Name the next test Reduce the watch list to the few signals that can change the read.	8 Preserve the record Append each run and correction without erasing history.



Figure 2 — Preserved CAC Risk evolution, July 14–August 27, 2026. The connected history demonstrates change discipline: every dated score remains visible and higher values always mean greater contagion risk. This is an archival example and must not be treated as a current score. Source: KWC CAC dashboard and the Market research append-only score record.

STAGE A — MARKET RESEARCH

Regime, verified data, score, transmission, scenarios, confirmation, invalidation, and evidence packet.

STAGE B — KWC RENDERING

Clear public explanation that preserves the research conclusion and never invents or silently recomputes it.

Method note. CAC Risk is a transparent operating rubric, not a guarantee, trading signal, or claim of predictive certainty. Market data can be delayed or revised. A fresh Market research pass is required before any current market conclusion is published.

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