

FTEC Investment Framework

Earnings • Liquidity • Valuation • Sentiment • Long-Term Perspective
Turning market signals into a clear, actionable view.



Higher Perspective
Stronger Decisions
A Brighter Tomorrow



U.S. Technology Innovation
Productivity
Long-Term Value

Today's Market Signal



VIX Down 12.65%
17.84 → 15.59
(Sept 11, 2026)



What it Means

- Lower expected near-term volatility
- Less demand for crash protection
- Fear premium unwound
- Market more comfortable short term
- Volatility sellers returned



What is a Volatility Crash?

A sharp drop in implied volatility that reduces options prices, even if the underlying index barely moves.

Before Event

IV: 25%
Option: \$100
Index: 6,500

Volatility
Crush

After Event

IV: 17%
Option: \$55
Index: 6,500

Common Triggers



Earnings



Fed Meeting



Geopolitical
De-escalation



Market
Stabilization



VIX vs. Volatility Crash



VIX Down

Broad, index-level decline in implied volatility.



Volatility Crash

Particularly sharp decline, often after a specific event.

A 12.65% VIX decline is **volatility compression**. Whether it's a true "crush" depends on context.



Does This Mean "Risk-On Until 2027"?



No.

A lower VIX is a positive signal, but it does not guarantee a durable multi-year risk-on regime.

It Means:

- ✓ Near-term risk appetite has improved.
- ✓ The volatility premium has compressed.
- ✓ Markets are behaving more risk-on.
- ✓ Durability depends on earnings, rates, inflation, credit, and more.



The Two Engines That Drive FTEC

1

Technology Earnings Engine

Are companies generating more economic value?



Revenue
Growth



Earnings
Growth



Expanding
Margins



Free Cash
Flow



AI
Monetization



Cloud
Demand



Semiconductor
Demand



Productivity
Gains

Connected
and
Interdependent

2

Liquidity Engine

Is the financial environment allowing investors to pay for growth?



Fed
Policy



Interest
Rates



Treasury
Yields



Credit
Availability



Financial
Conditions



Bank
Lending



Risk
Appetite



Cost of
Capital

Both engines must work together for sustainable performance.



Current Assessment (As of Sept 17, 2026)

Factor	Assessment
Technology Earnings	✓ Still functioning
AI Capital Expenditure	✓ Strong, but scrutinized
Liquidity / Rates	⚠ Less supportive
Valuations	⚠ More sensitive
Market Sentiment	✓ Improving short-term

Overall: Earnings-positive, liquidity-sensitive.



Evidence Supporting Earnings Engine



Chip capacity expansion
(GlobalFoundries & Marvell)



Strong cloud growth
(Oracle +121%)



Tech earnings estimates
up ~19% in 3 months



Continued AI, cloud, and
semiconductor demand



Key Macro Headwinds



Fed raised rate to 3.75%–4.00%



Oil prices above \$100/bbl



Persistent inflation concerns



10-year Treasury yield near/above 5%



More hawkish Fed direction



Valuation pressure on growth stocks



Important Distinction

AI demand
≠
Automatically strong
shareholder returns.

The chain must work:

Demand → Revenue →
Margins → Free Cash Flow →
Earnings → Sustainable
Valuation.



Key Question for 2027

Can technology earnings continue growing fast enough to overcome a less forgiving interest-rate and liquidity environment?

Answer: Economically plausible → but conditional.

It depends on earnings growth, AI monetization, and whether rates stabilize or continue rising.



Bull Case: Earnings-Led Expansion



Strong
earnings
growth



Stable or
easing rates



Multiples
stable or expand



Higher
prices



Base Case: Earnings Offset Pressure



Healthy but
moderating
growth



Higher-
for-longer rates



Modest multiple
contraction



Choppy or
moderate
returns



Bear Case: Expectation Reset



Growth
disappoints



Rates remain
elevated



Multiples
contract sharply



Significant
repricing
risk



FTEC Regime Dashboard

Key indicators to monitor the health of the technology regime.



Constructive



Caution



Warning



Monitor



Earnings & Fundamentals

Revenue Growth	●
EPS Estimates	●
Cloud Growth	●
AI Capex	●
Semiconductor Demand	●
Free Cash Flow	●



Liquidity & Valuation

Fed Policy	●
Treasury Yields	●
Real Yields	●
Credit Spreads	●
Financial Conditions	●
Tech Valuation	●



Market Confirmation

FTEC Relative Strength	●
Nasdaq Breadth	●
VIX (Volatility)	●
Semiconductors	●
Market Breadth	●
Sector Leadership	●



What Would Invalidate the Thesis?



Broad earnings deterioration



AI investment slows materially



Cloud/semiconductor demand weakens



Margins compress



Earnings estimates revised down



Technology loses profit-growth leadership



What Supports the Thesis?



AI demand remains real



Cloud growth stays healthy



Earnings estimates rise



Free cash flow grows



Credit markets remain orderly



Prochoctivity gains materialize



Valuations supported by earnings



Guidance for Your FTEC Strategy

A long-term approach focused on the structural growth of U.S. technology.



Stay the Course

If structural drivers remain intact.



Monitor Closely

• If rates rise and earnings estimates weaken.



Reassess

If fundamental conditions deteriorate persistently.



Ignore Short-Term Noise

• A falling FTEC price is not automatically evidence that the thesis is broken.



"Focus on the long-term economic value of U.S. technology, not on predicting every short-term market movement."



Long-Term Vision

- Innovation
- Productivity
- Global Competitiveness
- Compounding Value
- A Brighter Tomorrow

