CANTILLON RESEARCH

The IVT Regime Playbook

The nine Cantillon regime states — and how to trade each one.

Liquidity moves in a sequence: bonds first, then equities, then risk assets, then crypto. The regime tells you where we are in that sequence — and which assets have institutional sponsorship right now.

REGIME FIRST. VOLUME SECOND. PRICE LAST.

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01 — THE PREMISE

New money never arrives everywhere at once

The methodology is rooted in the Cantillon Effect — the 300-year-old observation that new money does not reach all assets equally. Liquidity flows through a sequence: bonds first, then equities, then risk assets, then crypto. By mapping where we are in that sequence, you identify which assets have institutional sponsorship and which are trading on hope.

The Institutional Volume Terminal (IVT) tracks this with three proxies, each scored on trend and momentum:

LIQUIDITY	TLT — the bond market	Where new money lands first
EQUITIES	SPY — the S&P 500	The second stop in the sequence
RISK	BTC — crypto as risk barometer	The last stop: pure risk appetite

Each layer is confirmed (ON) or unconfirmed (OFF) based on price vs. its fast moving average, fast vs. slow average, and rate of change. Three switches, eight combinations — plus overrides — give nine regime states. A VIX layer modifies the read: above 30 subtracts, below 18 adds.

Why it matters: the same setup that pays in FULL RISK-ON fails in DISTRIBUTION. The regime is not a market opinion — it is the gate every trade has to pass through before size is even discussed.

FULL RISK-ON

BONUS +3

LIQ ON · EQ ON · RISK ON

All three layers confirmed. New liquidity has traveled the full sequence — bonds, equities, and risk assets all have institutional sponsorship. This is the strongest tape the system recognizes.

PLAYBOOK

Long bias, full size on qualified setups. High-beta names and crypto have sponsorship — this is the only regime where they get full allocation. Press winners; pullbacks to AVWAP are continuation entries, not warnings.

THE TRAP

Euphoria mistakes the regime for skill. This state funds sloppy entries until the day it flips — keep taking only qualified setups.

EARLY CYCLE

BONUS +1

LIQ ON · EQ ON · RISK OFF

Bonds and equities are bid, but the risk layer has not confirmed. Liquidity is moving through the sequence but has not reached the speculative end.

PLAYBOOK

Long equities — leaders and index names with relative strength. Crypto and high-beta are not yet sponsored: smaller size or wait. Watch the risk layer daily; its confirmation upgrades the whole tape.

THE TRAP

Front-running the risk layer. Buying speculative names because "the regime is turning" — it has not turned until the layer confirms.

ACCUMULATION

BONUS +2

LIQ ON · EQ OFF · RISK OFF

Liquidity is arriving in bonds while equities remain unconfirmed. This is where institutions position early — quietly, at their preferred prices, before the equity layer turns.

PLAYBOOK

Build the watchlist. Buy dips in relative-strength leaders at reduced size. Patience is the position — the +2 bonus reflects forward expectancy, not current momentum.

THE TRAP

Confusing accumulation with a bottom signal. Entry timing comes from the equity layer confirming — not from the bond bid alone.

STRESS RECOVERY

BONUS 0 (NEUTRAL)

LIQ ON · EQ OFF · RISK OFF · BOND-EQ CORR > 0.35

Same switches as ACCUMULATION — but bonds and equities are moving together. When 60-bar return correlation exceeds 0.35, the bond bid is fear, not rotation. The system neutralizes the accumulation bonus.

PLAYBOOK

Stand down or trade minimum size. The tape has to prove the stress has passed: correlation dropping back below threshold re-arms the ACCUMULATION read.

THE TRAP

Reading the bond bid as institutional accumulation. The correlation filter exists precisely because these two states look identical without it.

INFLATIONARY PUMP

BONUS 0

LIQ OFF · EQ ON · RISK ON

Equities and risk assets rallying without a liquidity base underneath. The move is running on sentiment and momentum — hope, not sponsorship.

PLAYBOOK

Tactical trades only. Tight invalidations, early profit-taking, no core positions. Momentum can run further than expected — but it is renting, not owning.

THE TRAP

Overstaying. Moves without the liquidity layer retrace fast, and the exit door is small when everyone rents the same trade.

LATE CYCLE

BONUS −1

LIQ ON · EQ OFF · RISK ON

Liquidity and speculation without equity confirmation — the middle of the sequence is hollow. Historically the signature of froth near the end of a move.

PLAYBOOK

Reduce exposure. Tighten stops on open longs. New longs only at the highest signal tiers, smallest size.

THE TRAP

Reading new highs in risk assets as strength. Without the equity layer, they are the last buyers arriving, not the smart ones.

SPECULATIVE

BONUS −1

MIXED — NO COHERENT FLOW PATTERN

The layer combination fits no clean stage of the sequence. Flows are crosscurrent; the regime offers no edge in either direction.

PLAYBOOK

Only the highest-tier setups qualify, at minimum size. Most days in this state, the correct position is none.

THE TRAP

Forcing trades because the scanner found something. A setup without regime support is a coin flip with fees.

DISTRIBUTION

BONUS −2

LIQ OFF · EQ ON · RISK OFF

Equities holding up while liquidity and risk appetite leave. Someone is selling into the strength — and it is not retail. The index "holding up well" is the product being sold.

PLAYBOOK

No new longs. Short setups qualify. Protect open winners — this regime is where giving back a good quarter happens.

THE TRAP

Buying the dip in the index that keeps holding up. In DISTRIBUTION, resilience is the exit liquidity institutions are using.

FULL RISK-OFF

BONUS −3

LIQ OFF · EQ OFF · RISK OFF

Nothing is sponsored. All three layers unconfirmed — liquidity is leaving the system, not rotating within it.

PLAYBOOK

Defense. Cash is a position. Short-side setups only for qualified signals. Oversold snapbacks (SD2L) are counter-trend trades with defined risk — not bottom calls.

THE TRAP

Catching knives because prices look cheap. Cheap is not a level — sponsorship returning is, and the layers will show it.

Three overlays that adjust the read

VIX LAYER

Above 30: subtract 1 from the regime bonus — fear tax on every long. Below 18: add 1 — the volatility market agrees with risk-taking. Between: no adjustment.

COMPOSITE EXTREMES

The composite sums all active layers (max 9). At +7 or higher the bonus gains +1 — broad confirmation. At −7 or lower it loses 1. Extremes in the composite are agreement, and agreement is information.

BOND-EQUITY CORRELATION

A 60-bar rolling correlation of bond and equity returns. Above 0.35, they are moving together — a stress signature. This is the override that turns ACCUMULATION into STRESS RECOVERY and keeps the system from buying fear.

How to use this daily

Every trading morning, the Cantillon Research brief opens with the regime chip bar: Regime, Composite, active Layers, VIX, and Macro Bonus — one line, read in five seconds. That line decides how aggressive you are allowed to be before you look at a single chart.

The regime read is free, every day. Paid members get The Board below it: every qualified setup ranked, with exact entry bands, triggers, invalidation levels, and sizing.

The regime updates every day. This PDF does not.

The nine states are the map. The daily brief is the position on it — published before every US open, with the regime chip bar, the Cantillon Flow state, and the macro context. Free.

Paid members get The Board: every qualified setup, ranked by signal tier, with the exact levels. Wins and losses published. No cherry-picking. No hindsight edits.

THE DAILY BRIEF — FREE

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