

FP1 STATE OF THE TRANSITION

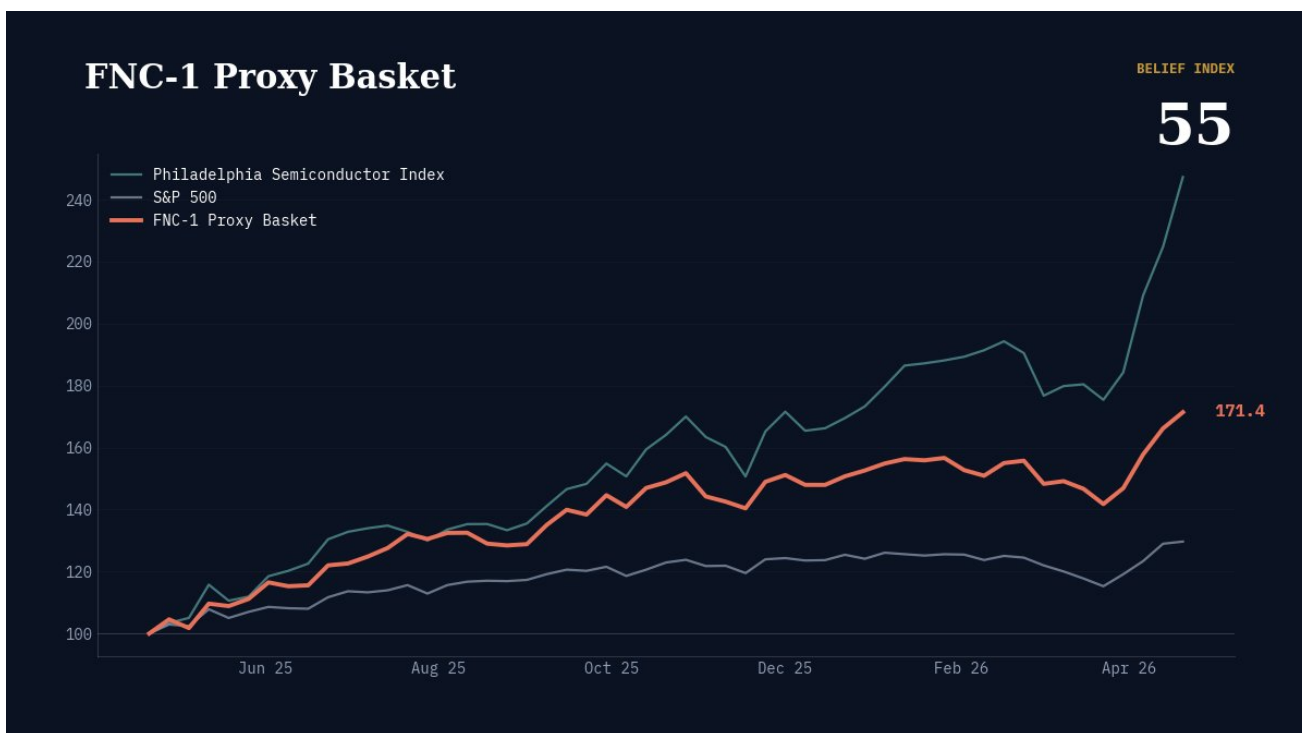
# Capital and Belief: The Inaugural Reading

Anthropocene → Novacene | Capital + Belief Edition  
Issue 005 | April 27, 2026 | Weekly

The FNC-1 Proxy Basket closes its inaugural twelve-month window at 171.4. The Belief Index reads 55. Markets are not betting on AGI. They are betting on no bubble.

Each week, State of the Transition tracks the capital, capability, and governance signals that define the AI transition. Beginning with this issue, those signals get an instrument. The Capital and Belief panel opens every issue with two readings: where money is moving across the four substrates of the Novacene transition (the FNC-1 Proxy Basket), and what prediction markets believe about acceleration in the months ahead (the Belief Index). Methodology is published today as NCB-003.

## I. Capital



*FNC-1 Proxy Basket vs reference benchmarks. Weekly closes through April 24, 2026, rebased to 100. Belief Index reads 55 on a 0-100 acceleration scale. Source: yfinance / Polymarket Gamma API. Methodology: NCB-003.*

The FNC-1 Proxy Basket is a seven-stock representative subset of the full FNC-1, weighted across the four substrates of the AI transition: Compute (30%), Energy (20%), Frontier model labs (35%), and Biological intelligence (15%). It tracks deployed capital, not predicted returns. The names are public, the weights are public, and the full constituent list with rebalancing logic lives in NCB-003.

This week the FNC-1 Proxy reads 171.4. The Philadelphia Semiconductor Index over the same window reads 247.3. The S&P 500 reads 129.7. All three rebased to 100 at the start of the window.

The 76-point gap to the SOX is the most informative number in the table. The proxy is weighted across four substrates; the SOX is pure semiconductors. Over twelve months, pure compute outperformed the four-substrate aggregate by a wide margin. This is the FNC-1's central design assumption made visible: the AI transition is not, for now, evenly distributed across compute, energy, frontier labs, and biology. Compute is leading. The other substrates are following at varying rates. The basket measures the weighted aggregate, and the gap to SOX is itself a signal worth tracking each week. If energy and frontier labs close the gap, the transition is broadening. If they do not, capital is concentrating on the single substrate that has scaling laws working in its favor.

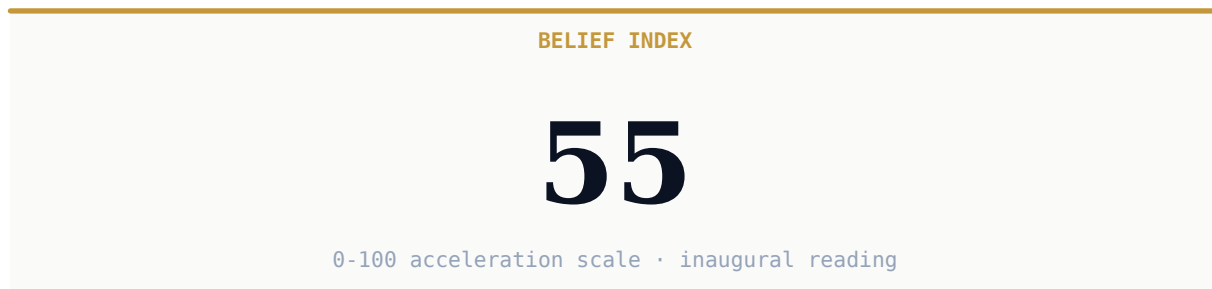
The proxy separates from broad equities clearly: 41.7 points above the S&P 500. Its relationship to the SOX is the more important null test, and we will track that divergence each week.

## II. Belief

The Belief Index is a weighted reading of four Polymarket markets, normalized to a 0-100 acceleration scale where higher numbers mean stronger belief in continued acceleration. The components, as of this week:

| Market                                 | Reading | Panel Weight | Volume  |
|--|---------|--------------|---------|
| <b>AGI before 2027</b>                 | 18%     | 30%          | \$28.9K |
| <b>GPT-6 by 2026</b>                   | 80%     | 20%          | —       |
| <b>OpenAI IPO by 2026</b>              | 38%     | 20%          | —       |
| <b>Bubble burst by 2026 (inverted)</b> | 17%     | 30%          | \$1.78M |

The bubble-burst market is treated as inverted acceleration belief: a low probability of bubble burst reads as continuing acceleration. Each component is weighted by FP1's view of which markets matter most for the AI transition. The panel will expand to include Kalshi readings in subsequent issues, providing a regulated-venue cross-check.



### III. Read

The Belief Index reads 55, but unpack what is driving it. The AGI-by-2027 market sits at 18%, which is to say: markets do not believe capability has reached general intelligence, and they do not believe it will in the next twenty months. The OpenAI-IPO-by-2026 market sits at 38%, which is to say: markets are skeptical the most-watched AI company will go public this calendar year. The component pulling the index toward acceleration is the bubble-burst market, where traders give just a 17% chance to a coordinated AI industry downturn by year-end.

The signal worth naming is the actual content of what Polymarket traders are expressing: confidence in the durability of the buildout. That conviction is what is pulling the Belief Index toward 55. Belief in imminent AGI capability is the missing piece, sitting at 18% and dragging the panel down.

### IV. What this measures, what it does not

The Belief Index is a snapshot of consensus prediction-market positioning, weighted by FP1's view of which markets matter most for the AI transition. It will shift week to week as capability releases, capital events, and trader sentiment move the underlying markets. Individual components will be wrong from time to time. The aggregate, traced over weeks, is the signal.

The FNC-1 Proxy is a measurement instrument. It tells us where capital is and where it is moving. Whether that movement is justified is a separate question, and the Belief Index helps frame it.

What both instruments share is openness. Constituents are public. Weights are public. Falsification triggers are stated in NCB-003. When either instrument fails, and they will fail, the failure will be visible.

## V. Cadence

The Capital and Belief panel will appear in every issue from this week forward. The full panel, with chart and component breakdown, will live on fp1.ai. The Substack version will carry the headline reading and the Read paragraph; methodology and component detail live on the site.

Next week's panel will include the substrate sub-index breakdown for the first time.

---

*Capital tells you where money is.*

*Belief tells you where conviction is.*

*The interesting reading is the divergence between them.*

*If it's real, it will survive instrumentation.*

FP1 Briefing · Issue 005 · April 27, 2026