



Infrastructure: The Transportations Breakout

For nearly two decades, capital markets rewarded asset-light business models. Software outperformed industrials, digital platforms outperformed physical networks, financial assets outperformed hard assets.

The world is now simultaneously investing in:

- **Energy infrastructure:** power generation, grid modernization, LNG exports
- **Industrial infrastructure:** manufacturing capacity, data centers
- **Transportation infrastructure:** rail networks, freight corridors, logistics

Liquidity, Funding, and Capital

Fiscal deficits remain elevated and continue to [expand](#) globally. Governments continue directing capital toward strategic industries, energy security, domestic manufacturing, and supply-chain resiliency.

- **Borrowing:** Total gross borrowing in OECD countries is projected to climb to **\$18 trillion** in 2026 (up from \$16 trillion in 2024), pushing the aggregate OECD sovereign debt-to-GDP ratio **back up to 85%** ([OECD](#)).
- **The Net Interest Trap:** higher interest expenditures are now the primary engine increasing sovereign debt ratios – more on this in my next report. For now, aggregate OECD interest payments consume **3.3% of GDP**, totally wiping out any deflationary benefits and creating a compounding fiscal disaster.

The Execution

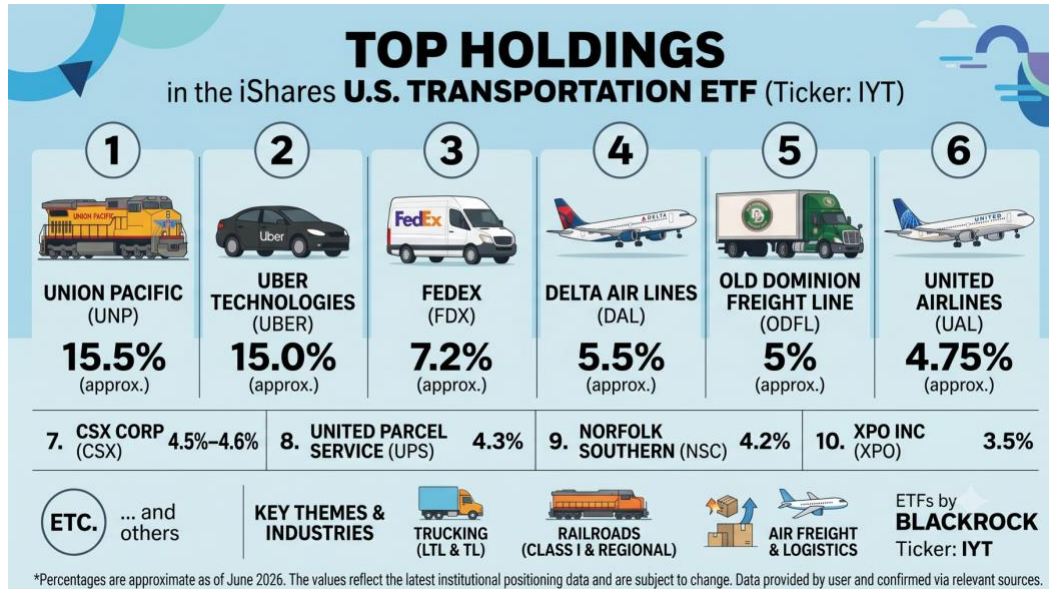
Two compelling vehicles emerge to express this theme:

- iShares Transportation ETF (IYT)
- iShares Infrastructure Active ETF (BILT)

Details and charts below...



The iShares Transportation ETF (\$IYT) owns the “movement” flow. This ETF is concentrated in transportation networks that monetize rising **industrial utilization and freight demand**; exposure includes railroads, freight, airlines, and logistics.



iShares Transportation ETF (IYT) is a direct expression of:

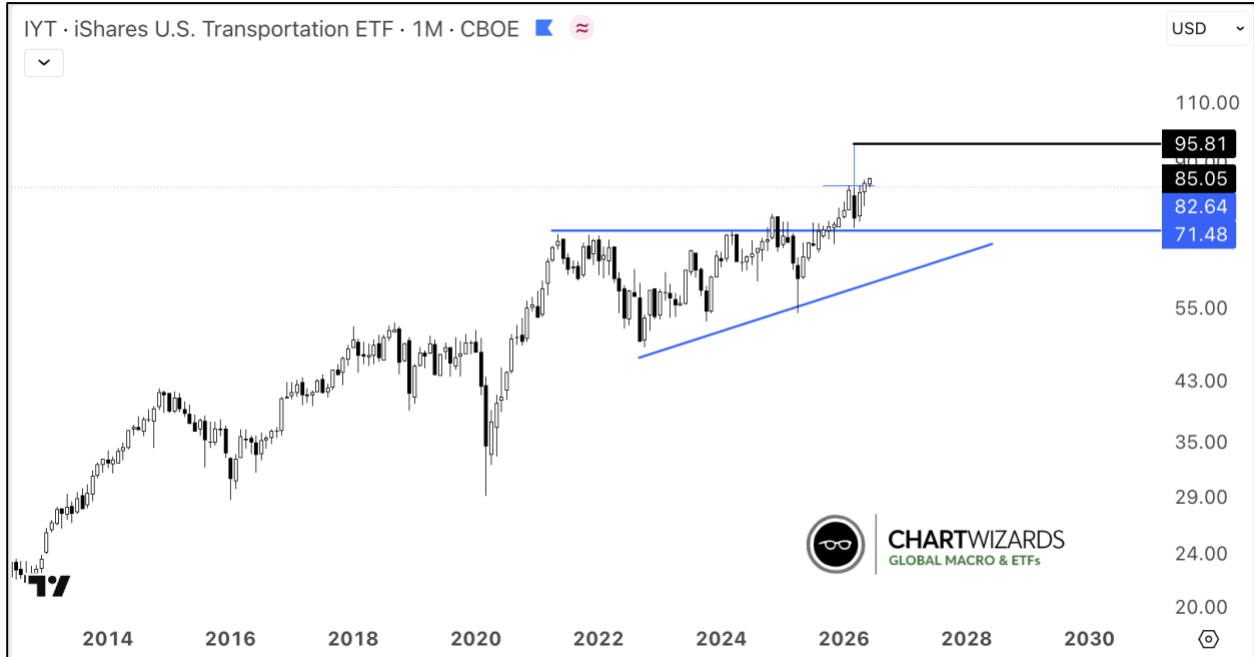
- Near-shoring (including the Strait of Hormuz closure)
- Domestic manufacturing
- Industrial production
- Freight demand





\$IYT – Monthly Chart (ascending triangle)

An **ascending triangle** on the monthly and **inverted Head & Shoulders** continuation on the daily chart suggest **\$IYT** is still in the early stage of a new up-trend.



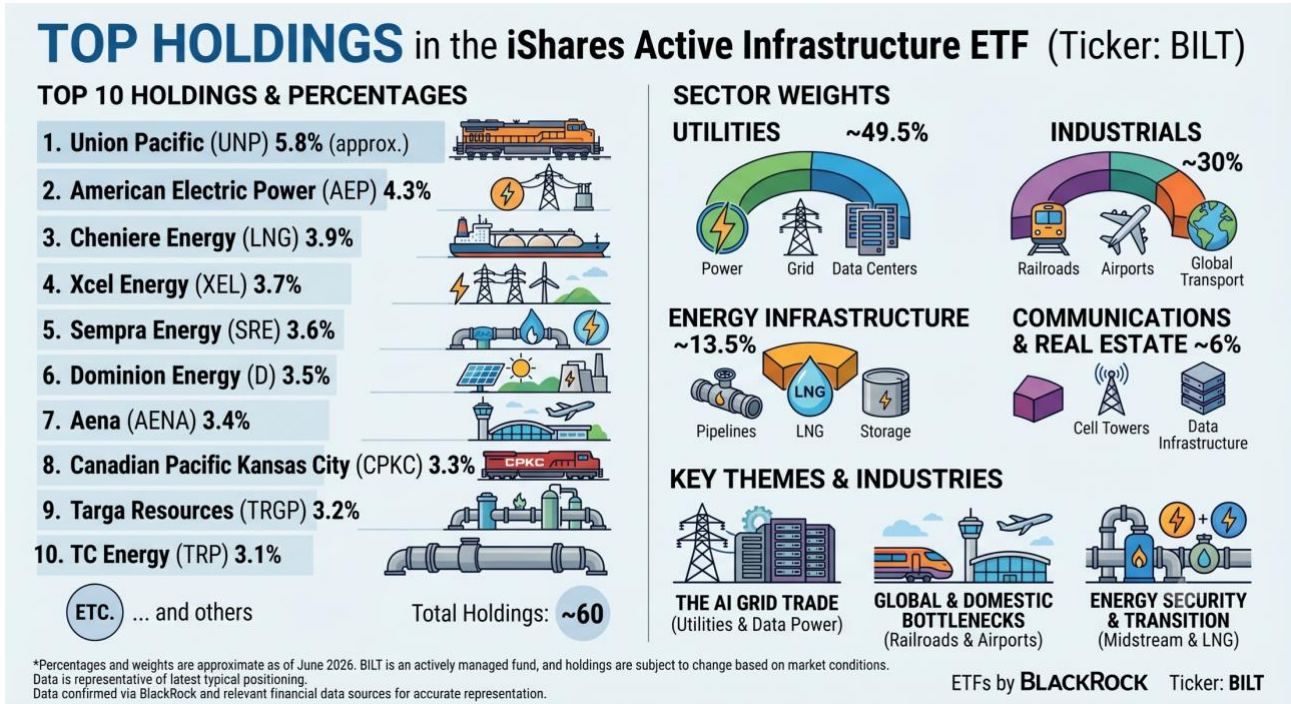
Recent CW reports have included some of the component names, notably [\\$SUNP](#), [\\$FDX](#), and even the “boring” [Delta Airlines](#).

Delta – \$DAL





The **iShares Active Infrastructure ETF (\$BILT)** is an actively managed BlackRock fund that invests in global infrastructure companies. Both ETFs list Union Pacific (\$UNP) as a top holding, but BILT has greater exposure to utilities and midstream energy, giving investors more direct exposure to the CapEx cycle.

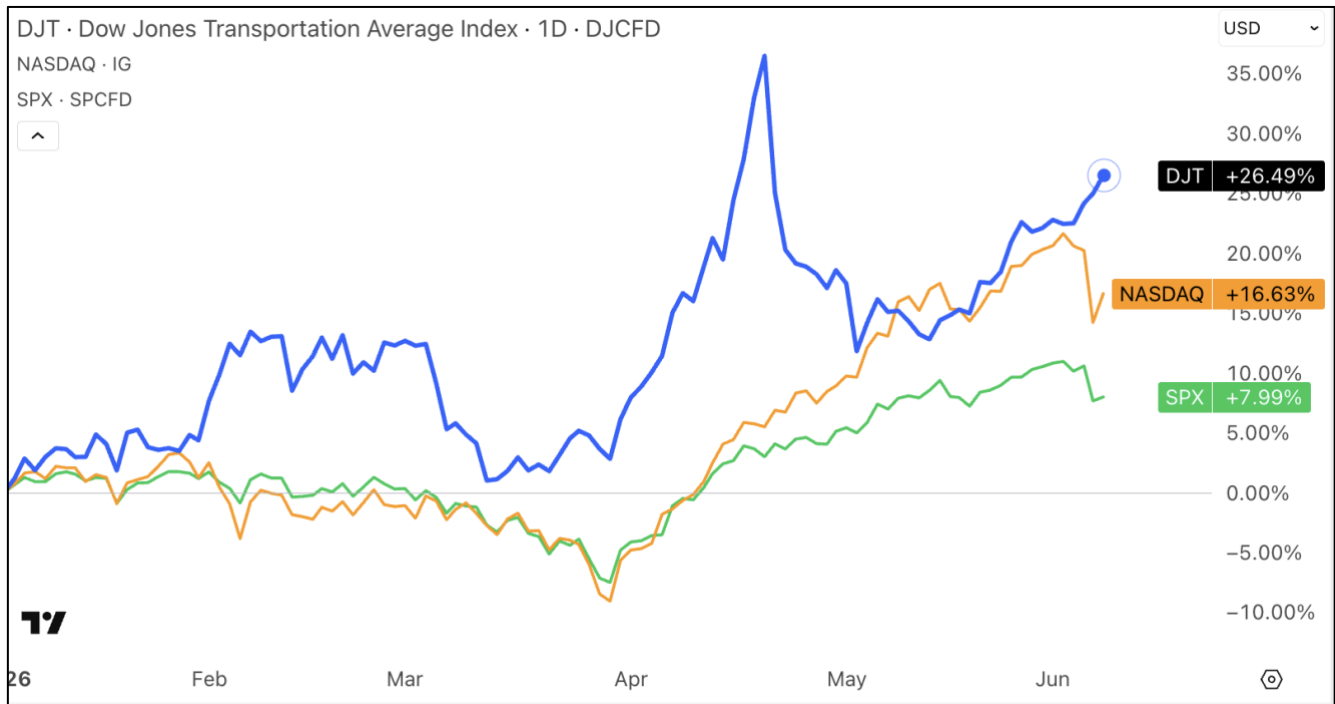


The **\$BILT** chart displays an **ascending triangle** with a horizontal boundary at \$30.





The Dow Jones Transports are outpacing both Nasdaq and S&P500 year-to-date.



Both infrastructure owners and operators should benefit from the largest tangible capital expenditure cycle in decades.

Investors should not view these exposures as competitors, as they occupy mostly different positions within the same value chain; however, the correlation must be considered, particularly the heavy weighting of \$UNP and overlap of railroads.

We reject the dogmatic illusion that charts possess predictive powers. Market certainties don't exist, and trading is an ongoing practice in risk management. My task is not to predict the future. My job is to identify high-asymmetry structural setups where capital can be deployed with a strictly defined point of recognition.

Safe trading,

#JK



Favorite Tools

1. Chart Wizards: [Factor Website](#)
2. CME Fed Watch Tool (interest rates): [CME](#)
3. Conference Board: [Unemployment, Labor Insights](#)
4. Labor Market (ADP): [National Employment Report](#)
5. Centralized Crypto Exchange: [Coinbase](#)
6. Decentralized Crypto Futures Exchange: [Jupiter](#)
7. Crypto Retirement Account (DAIM): <https://daimio.typeform.com/jonbking>
8. Economic Calendar: [Investing.com](#)
9. Energy Information Association: [Short-Term Energy Outlook](#)
10. Fin Viz: Visual Performance: [Finviz.com](#)
11. FRED (St. Louis Federal Reserve): [Mortgage Rates](#)
12. My Charts: [TradingView](#)
13. Tech Charts, Aksel Kibar: [Blog](#)
14. Truflation Dashboard: [Inflation Index](#)
15. Yardeni Charts: <https://yardeni.com/our-charts/>

Disclosure

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