THE LONG LOOK

POSITIONING SIX MONTHS TO TWO YEARS OUT

Position for the peace headline you *don't* believe in

ISSUE NO. 02 · **WEEK OF 14 SEPTEMBER 2026** · PREPARED FOR M. SHENHER, MDS CAPITAL · DATA AS OF CLOSE, FRI 11 SEP 2026

Iranian and Gulf foreign ministers meet in Oman on Monday. The prediction markets put a Hormuz management agreement at better than even odds by the end of October — and the odds that traffic actually normalises this month at *two per cent*. That gap is the whole memo.

WHAT CHANGED SINCE LAST WEEK

Crude broke $100 and then stalled on diplomacy. WTI ran from $94.25 to an intraweek high above $102 before settling at $100.05; Brent touched $108 and settled $104.42, a 9% week. US diesel set an all-time record at **$6.05/gallon, up 63.5% year-on-year**. Then Friday's Iranian state-media report of a Gulf ministerial in Oman took the top off both.

The Fed hike stopped being a debate. August CPI on 11 September printed headline 3.4% and core *+0.3% month-on-month against 0.2% expected*. That single tenth was Goldman Sachs's stated threshold; it flipped to a September hike on 12 September, joining J.P. Morgan. CME FedWatch went from ~66% to 90% intraday and has settled around 80–86%. A 25bp move on Wednesday is now the base case, not the trade.

Copper equities were repriced on a policy non-event. LME copper hit a record $14,875/t intraday on 10 September and reversed to close down 3.1% when the White House stalled on refined-copper tariffs. The equities took it far harder than the metal: Freeport −8%, Teck −7%, Hudbay −7.5% in a session. Nothing changed in copper supply or demand — what unwound was the front-running of a tariff that has not arrived.

Two housekeeping items. The 30 September shutdown risk is gone — the continuing resolution was signed 2 September and funds government through **11 December**. And L3Harris, on last week's bench, now faces multiple securities-fraud investigations following the Kubasik dismissal. It comes off the bench entirely; see the standing exclusions.

S&P 500	S&P/TSX	WTI CRUDE	GOLD	SILVER	COPPER	URANIUM	US DIESEL	FED FUNDS	USD/CAD
7,657	**35,697**	**$100.05**	**$4,350**	**$64.27**	**$6.47**	**$90.15**	**$6.05**	**3.75%**	**1.3872**
+16.3% y/y	+21.9% y/y	+59.6% y/y	+19.4% y/y	+52.3% y/y	+41.2% y/y	+19.1% y/y	+63.5% · record	~80–86% hike odds	CPI 3.4% / 3.0%

Copper and uranium in USD/lb. Diesel is the AAA national on-highway average in USD/gallon. Fed funds shown at the upper bound of the 3.50–3.75% target range.

THE SETUP

The market will sell a signing ceremony. The physical market will not follow it.

On Monday 14 September, Iranian and GCC foreign ministers meet in Oman — the first ministerial-level contact since the war began, with Iraq attending and Bahrain declining. On the table: an Iran–Oman joint shipping-route agreement through the Strait, to be notified to the IMO, plus mine-clearing and longer-term transit protocols. This is a real diplomatic event and the first genuine off-ramp in 198 days.

Now look at how the prediction markets price it. An Iran–Oman Hormuz management agreement by 31 October: **55%**. Hormuz traffic returning to normal by 30 September: **2%**. By 30 November: 14%. By 31 December: 21%. The market is saying, with real money, that a piece of paper is more likely than not and that the ships do not move for months. The physical data supports it — Hormuz recorded **seven transits on 10 September against a pre-war norm near 125**, and none were crude carriers.

That is the arbitrage. Equity markets trade the headline; cargo markets trade the hull. A signing on Monday or in October will take $10–20 out of crude in a session and knock the war premium out of every commodity equity on this list — and it will not restore a single barrel or LNG cargo inside our six-to-twenty-four-month window. **So the list rotates this week: out of the names that need the premium to persist, into the ones that are worth owning after it is gone.** Cenovus goes from first to seventh. Cheniere, whose contracted cash flows do not care what spot does, goes from third to first.

FORCE 01 · GEOPOLITICS

A second chokepoint opened while everyone watched the first

On 11 September Houthi forces completed their advance to Bab al-Mandeb, seizing Dhubab, the al-Omari camp and Perim/Mayyun Island, after taking Mocha the day before. Their statement: navigation is "safe for all companies except for Saudi vessels." Even a full Hormuz settlement leaves the Red Sea contested — and Qatari cargoes have to clear both.

FORCE 02 · MONETARY

The hike is priced. The dot plot is not.

25bp to 3.75–4.00% on Wednesday is 80–86% priced, and Goldman capitulated to it on 12 September. The tradeable information is the SEP: TD Securities is modelling three hikes into January 2027. A hike delivered with a benign 2027 dot plot is a risk-on event; a hike with two more penciled in is not.

FORCE 03 · COSTS

Record diesel is a mining cost shock that has not reached guidance

Global average gold AISC hit US$1,785/oz in Q1, up 16% year-on-year — the 28th consecutive annual increase — before diesel went to $6.05. Producer hedges roll off into H2 2026 and 2027 guidance. Integra has already raised Florida Canyon AISC guidance roughly 18%, citing diesel and explosives directly.

FORCE 04 · TRADE

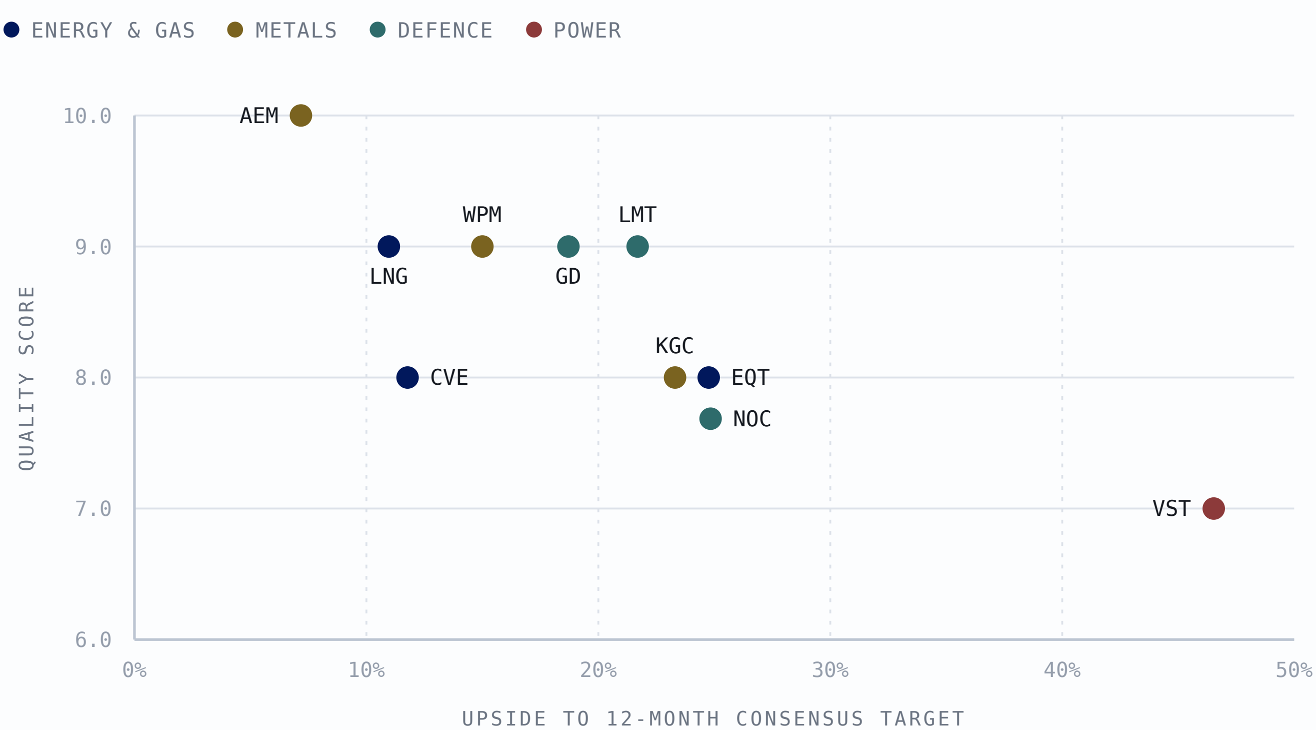
Section 338 tariffs are live in both directions, with crude carved out

US 50% duties on ~$20B of Canadian goods since 22 August; Canada's mirrored 15–50% counter-tariffs on ~C$27.6B landed 8 September. USMCA was not renewed on 1 July — it stays in force to 2036 with annual reviews. Critically, Section 338 overrides CUSMA origin, but energy, potash and certain critical minerals are exempt.

RANKING FRAMEWORK

Solidity against return, plotted

Business quality vs. upside to consensus target



Quality is my own 1–10 score on balance sheet, reserve or asset life, jurisdiction, free cash conversion and management record. Upside is to the published 12-month consensus target, computed against Friday's close. Northrop is plotted marginally below the 8.0 line to separate it from EQT; both score 8.

Two warnings about this chart

First, the one I gave last week still stands: **sell-side targets lag spot**, in both directions. Canadian Natural, Nutrien, Teck, Valero and Exxon all currently trade at or above consensus, which is a statement about analyst decks rather than about value.

Second, and new this week: **a stale target can manufacture upside that is not there.** Hudbay's consensus target was last refreshed on 4 September, six days before the copper equity complex repriced. Measured against Friday's lower close it now shows +32% upside — an artifact of the numerator not having moved. That is the specific reason Hudbay is on the bench rather than in the ten this week, and it is worth checking the "last updated" date on any target that looks unusually generous after a sharp move.

THE TEN

Ranked by solidity first, return second

Every name below is a profitable, established, index-liquid business. No IPOs, no shells, no story stocks. The ordering weights durability heavily this week, because the single most likely event in the next eight weeks — a Hormuz headline — is one that punishes the premium and spares the franchise.

01

Cheniere Energy NYSE: LNG

LNG EXPORT | UNITED STATES | 12–24 MONTHS | WAS 03

Promoted to first because it is the one business here whose cash flows do not require the war premium to survive. Cheniere sells liquefaction capacity under long-dated take-or-pay contracts and passes the commodity through; Corpus Christi Stage 3 reached substantial completion and 2026 EBITDA guidance was lifted to $7.90–8.40B. But the strategic case has hardened considerably in the last month, and the numbers are stark.

Qatar shipped **18 LNG cargoes in the first six months of the blockade against 509 in the same period a year earlier** — a 96% collapse and roughly $24B of lost sales — and has renewed force majeure month by month since March. Non-Gulf production rose almost 18% to cover about three-quarters of the shortfall, sourced from the US, Canada, Nigeria and Malaysia. Every European and Asian utility that lived through that is now rewriting its contracting policy toward Gulf Coast counterparties, and Bab al-Mandeb falling to the Houthis on 11 September removes the alternative routing that would have made Qatari supply look recoverable. Strong Buy across 22 analysts at 16.0× forward.

WATCH Rate sensitivity. This is a capital-intensive, levered infrastructure business and a hiking Fed raises the refinancing arithmetic — the clearest single reason this name could go sideways through a hawkish dot plot.

PRICE	$278.34
MKT CAP	$57.5B
FWD P/E	15.98
YIELD	0.80%
CONSENSUS	Str. Buy · 22
TARGET	$308.90 · +11%
QUALITY	■■■■■■■■■□

02 General Dynamics NYSE: GD

DEFENCE | UNITED STATES | 12–24 MONTHS | WAS 05

Backlog is still the whole thesis, and in a week where the dominant risk is a peace headline, contracted revenue is precisely what you want to own. GD holds $76.6B in Navy submarine awards and sits inside the Pentagon's seven-year multiyear munitions frameworks. Q2 EPS came in at $4.24 against $3.96 consensus, and Mission Systems took a $184.25M sole-source award for Next Generation Electronics Attack Units on 10 September, running to 2032.

What separates GD from the other two primes on this list is execution quality rather than valuation. It is the most expensive of the three at 20.3× forward and trades only 11% below its high — you are paying for the absence of the fixed-price programme charges that have de-rated Northrop and Lockheed. Gulfstream adds a genuine private-cycle earner on top of the government base. Buy across 24 analysts, 18.7% to target.

WATCH Submarine and munitions programmes are execution-risk businesses. A shipyard schedule slip is the classic way a prime misses, and GD carries the least valuation cushion of the three if it happens.

PRICE	$355.90
MKT CAP	$96.2B
P/E	21.70
YIELD	1.79%
CONSENSUS	Buy · 24
TARGET	$422.30 · +19%
QUALITY	■■■■■■■■■□

03 Agnico Eagle Mines

NYSE: AEM · TSX: AEM

GOLD | CANADA | 6–24 MONTHS | WAS 06

The highest-quality miner in the world, and this week the cost argument matters more than usual. With global gold AISC up 16% year-on-year and diesel at a record, the differentiator among operators is no longer grade — it is energy intensity and jurisdiction. Agnico's assets sit almost entirely in Canada, Finland and Australia, largely grid-connected, with no expropriation risk and no royalty renegotiation of the kind now reshaping African cost curves. FY2025 net income rose 135% to $4.46B with roughly $4.4B of free cash flow and reserves lifted to 55.4M oz.

The honest caveat is unchanged and it is the reason this is third rather than first: headline upside to consensus is **7.3%**, the lowest on the list. Part of that is stale targets, but part is a stock that has done its work — it is up 49% from its 52-week low. You own this for the durability of the cash flow and the optionality in its junior stakes, not for a re-rating.

WATCH A hawkish dot plot lifting real yields is gold's classic headwind, and AEM is the least mispriced name here — if gold consolidates, this goes sideways rather than down. That is the trade-off.

PRICE	$200.36
MKT CAP	$101.5B
P/E	17.15
REV Y/Y	+43.7%
CONSENSUS	Buy · 22
TARGET	$214.89 · +7%
QUALITY	■■■■■■■■■■

04 Wheaton Precious Metals

NYSE: WPM · TSX: WPM

STREAMING | CANADA | 12–24 MONTHS | NEW · FROM BENCH

Promoted off the bench on a specific and, I think, under-priced mechanism. Wheaton buys a fixed percentage of a mine's output for an upfront payment plus a delivery payment that is *set at the time the stream is written*. In the company's own words, its "ongoing operating costs are set at the time a stream is entered into at a predetermined delivery payment." It bears no share of the mine's capex overruns and none of its operating inflation.

That distinction was an abstraction when diesel was $3.70. At $6.05, with the World Gold Council reporting Q1 AISC up 16% year-on-year and US average diesel up 54% quarter-on-quarter, it is the difference between capturing the gold price and sharing it with a haul fleet. Producer fuel hedges roll off into H2 2026 and 2027 guidance, so the operators' cost problem is in front of them, not behind. Strong Buy from all 16 covering analysts — the only unanimous rating on this list. Investor Day is Wednesday.

WATCH You pay for it: 27.4× forward against Kinross at 9.7×. This only works if metal prices hold and the cost divergence actually shows up in operator guidance. If AISC inflation proves transitory, the premium compresses and you would rather have owned the operator.

PRICE	$154.12
MKT CAP	$70.0B
FWD P/E	27.42
REV Y/Y	+90.8%
CONSENSUS	Str. Buy · 16
TARGET	$177.21 · +15%
QUALITY	

05 Lockheed Martin NYSE: LMT

DEFENCE · UNITED STATES · 12–24 MONTHS · WAS 10

Up five places on a concrete catalyst: **UBS upgraded to Buy on 8 September with a $674 target**, the first break in a consensus that had been stuck at Hold and the reason the 22% gap to the average target existed in the first place. When the pessimistic house on a name capitulates, the rest of the consensus usually follows on a lag. A $257.3M Navy award for MK 48 torpedo components followed on 9 September.

The valuation case is unchanged and remains the best in defence: 17.0× forward, a 2.63% yield, 24% below its 52-week high, and a beta of 0.10 — genuinely near-zero correlation to the index at a moment when the index is levered to one FOMC decision. Interceptor demand is the most durable second-order effect of the Middle East, and notably it does not reverse on a Hormuz settlement: Jordan intercepted 18 of 20 ballistic missiles on 9 September, and the restocking bill for that is contracted regardless of who signs what in Oman.

WATCH Classified-programme write-downs are a recurring feature here, not a one-off — 2025 earnings fell 6% on programme charges. That is the reason for the discount, and it is also the reason this is fifth and not second.

PRICE	$524.19
MKT CAP	$121.0B
FWD P/E	17.04
YIELD	2.63%
CONSENSUS	Buy · 21
TARGET	$637.84 · +22%
QUALITY	

06 Kinross Gold

NYSE: KGC · TSX: K

GOLD · CANADA · 12–24 MONTHS · WAS 02

Down four places on cost exposure rather than anything the company did. Kinross remains the cheapest quality senior gold producer on the board at **9.7× forward, roughly 40% of Agnico's multiple**, with $725–727M of attributable free cash flow in a single quarter, a record $2.7B cash balance and an S&P upgrade to BBB. It is also 25.5% below its 52-week high, which is where the 23% gap to target comes from.

What moved it down the order is that the discount is partly deserved. Kinross carries a higher-cost, more diesel-intensive production profile and more jurisdictional spread than Agnico, which makes it the more levered instrument to the cost shock described above as well as to the gold price. Great Bear in Ontario and Lobo-Marte still add roughly 350koz/yr of visible growth in the back half of the window, so this is not a pure price bet — but at this multiple you are being paid to accept the cost risk, not protected from it.

WATCH The Q3 print is the first one where diesel at $6 will be visible in cash costs. If AISC guidance moves and the multiple does not re-rate, the thesis is intact; if management pulls guidance, it is not.

PRICE	$29.13
MKT CAP	$34.5B
FWD P/E	9.74
FCF (Q2)	$727M
CONSENSUS	Buy · 18
TARGET	$35.93 · +23%
QUALITY	

07 Cenovus Energy

NYSE: CVE · TSX: CVE

INTEGRATED OIL · CANADA · 6–18 MONTHS · WAS 01

Last week's top pick, demoted six places, and I want to be explicit that **nothing about the business has deteriorated**. Q2 was a record, guidance was raised to 970–1,010 MBOE/d, the dividend is covered, it trades at 13.0× with a Strong Buy across 18 analysts, and Canadian crude remains carved out of the Section 338 tariffs while Gulf refineries stay physically built for its heavy grade. On fundamentals it would still be near the top.

What changed is the asymmetry. With WTI at $100 after a 59.6% year and a ministerial meeting on Monday, I am no longer being paid enough to hold the most direct expression of the war premium at the top of the list. Cenovus is double-levered — it captures the crude move *and* the elevated crack spread — which was the reason to own it at $94 and is the reason to size it smaller at $100. Seventh is a position of respect, not a sell signal.

WATCH A credible Hormuz de-escalation compresses the crack spread and the crude price together. This name takes that headline harder than anything else in the ten.

PRICE	$33.11
MKT CAP	$61.0B
P/E	13.02
YIELD	1.84%
CONSENSUS	Str. Buy · 18
TARGET	$37.01 · +12%
QUALITY	■■■■■■■■□□

08 EQT Corporation NYSE: EQT

NATURAL GAS · UNITED STATES · 12–24 MONTHS · WAS 08

Unchanged at eighth, and it is the cleanest hedge in the list against the thing I am most worried about. EQT is the largest natural gas producer in the United States, vertically integrated into transmission after Equitrans, in the lowest-cost basin — and it sits at $54.07 against a 52-week high of $68.24, having participated in almost none of the crude move. Trailing revenue is up 30.8% and EPS 124%.

The point is the correlation, not the multiple. If Oman produces a deal and crude gives back $20, the LNG export build-out through 2027 and data-centre firm-generation demand do not stop; domestic gas and oil have decoupled all year. Strong Buy across 25 analysts with 24.7% to target. One housekeeping note carried forward: the "EQT / McGill and Partners" insurance headlines refer to *EQT AB*, the Swedish private equity firm, and are unrelated to this company.

WATCH Gas is weather-levered and has a persistent habit of disappointing. A mild winter breaks the near-term thesis regardless of the structural case, and the 16.6× forward multiple already embeds a price recovery.

PRICE	$54.07
MKT CAP	$33.8B
P/E	12.54
52W RANGE	$47.94–68.24
CONSENSUS	Str. Buy · 25
TARGET	$67.44 · +25%
QUALITY	■■■■■■■■□□

09 Northrop Grumman NYSE: NOC

DEFENCE · UNITED STATES · 12–24 MONTHS · NEW ENTRY

New to the list, and deliberately ranked ninth rather than alongside the other two primes, because the reason it is cheap is a real one. Northrop trades **33% below its 52-week high of $774** at 16.5× trailing earnings with record backlog of $104.7B and a 1.9% yield. The 24.9% gap to a $648 consensus is the widest in large-cap defence now that L3Harris is uninvestable.

The de-rating was not a single event; it was a cash-flow and fixed-price margin story running from March to July. Q1 burned $1.82B of free cash flow with a $71M Space Systems charge on the GEM 63XL anomaly. Q2 raised sales guidance to $43.75–44.25B and EPS to $28.60–29.10 — but the beat came substantially from tax rate, segment margin fell to 10.6% from 11.8%, new charges of $68M and $91M landed, and *free cash flow guidance was left unchanged*. Management has acknowledged roughly $2B of cumulative losses on B-21 low-rate production while agreeing to expand capacity 25%. You are buying a genuine franchise — B-21, Sentinel, space — at a price that reflects a fixed-price execution problem the company has not yet demonstrably fixed.

WATCH The stock is only 7.7% above its 52-week low. One more B-21 or Space Systems charge, or a Q3 that again leaves FCF guidance flat, and this is a value trap rather than a discount. Size it as the speculative sleeve of the defence allocation, not the core.

PRICE	$518.97
MKT CAP	$73.7B
P/E	16.48
OFF 52W HIGH	−33%
CONSENSUS	Buy · 23
TARGET	$648.05 · +25%
QUALITY	■■■■■■■■□□

10 Vistra NYSE: VST

POWER & NUCLEAR · UNITED STATES · 12–24 MONTHS · WAS 04

Still the widest gap on the board by a distance — 46.5% to a $217 consensus — and now with a live catalyst: on 9 September **Scotiabank set a Street-high $298 target**, framing Vistra as the premier unregulated clean-and-firm supplier to hyperscaler demand. The supporting facts are specific: roughly 44GW of capacity pending the Cogentrix deal, twenty-year PPAs with Meta (2,600MW) and AWS (1,200MW), the Helix Digital Infrastructure JV with NVIDIA and KKR, $6.5B of buybacks since 2021, and a Fitch upgrade to investment grade.

It falls to tenth on solidity, not conviction. The stock is 32.5% below its high at 14.4× forward for that asset base, which remains an anomaly — but merchant power is genuinely cyclical, the balance sheet carries leverage, and a $106–$305 target range across 20 analysts tells you the Street has no idea what this is worth. That dispersion is the honest reason it ranks last in a week where I am weighting durability.

WATCH Highest beta in the ten. An AI-capex sentiment unwind took it down 30% once this year and can do it again without any change in the earnings — and a hiking Fed is not the backdrop in which levered merchant generators re-rate.

PRICE	$148.38
MKT CAP	$49.8B
FWD P/E	14.41
OFF 52W HIGH	−32.5%
CONSENSUS	Str. Buy · 20
TARGET	$217.42 · +47%
QUALITY	■■■■■■■□□□

BENCH

Ten more that made the screen but not the cut

These passed the quality filter and would be in the ten on a different week or at a different entry price. Pan American and Hudbay drop out of the ten this week; both are explained below rather than quietly removed.

TICKER	COMPANY	PRICE	FWD P/E	TO TARGET	WHY IT IS ON THE BENCH
PAAS	Pan American Silver	$50.34	10.53	+31%	**Out of the ten (was 07).** Thesis intact — silver is still +52% y/y at 10.5× forward with 28% off the high. It loses its slot to Wheaton on the same cost-inflation logic: Peru, Mexico, Chile and Brazil are diesel-intensive, royalty-exposed jurisdictions at exactly the wrong moment. Silver also slipped 1.6% on the month while gold held.
HBM	Hudbay Minerals	$26.52	14.66	+32%	**Out of the ten (was 09).** Down 8.6% from Tuesday's close on the copper tariff unwind, not on anything Hudbay did — Copper World financing and New Ingerbelle were both positive. It is benched because the consensus target predates the selloff, so the +32% is an artifact. Strong Buy from 23 analysts; revisit once targets refresh.
CEG	Constellation Energy	$287.75	24.45	+27%	Best nuclear-plus-data-centre asset base in the US, and it bought Rhode Island State Energy Center for $715M on 10 September without touching the capital plan through 2027. Vistra remains the cheaper way into the same demand story at 14.4× versus 24.5×.
VLO	Valero Energy	$390.42	8.63	−17%	8.6× forward on record crack spreads, and it has run 12% in eight sessions to within 2% of its high. Excluded because it trades well above consensus — and because refining margins are the single line item a Hormuz settlement compresses fastest.
SU	Suncor Energy	$68.83	11.29	+3%	2.5% yield and 11.3× forward, but effectively at consensus and 2% off its high. Peter Zebedee becomes President and CFO on 14 September ahead of taking the CEO role in 2027 — a well-telegraphed transition, but a transition.
CNQ	Canadian Natural Res.	$50.07	12.84	−1%	Best long-life reserve base in Canada at a 3.55% yield, and FY26 consensus free cash flow of $12.5B. Trades marginally above consensus; 11 of 23 analysts are at Hold, which is unusual for a name this quality and tells you the Street thinks the oil price does the work from here.
PR	Permian Resources	$23.78	10.78	+12%	Strong Buy from 23 analysts, 10.8× forward, 2.69% yield, net debt/EBITDAX around 0.5×. Pure US shale beta within 2% of its 52-week high — the wrong profile for a week in which I am reducing crude sensitivity.
RTX	RTX Corporation	$197.68	26.80	+19%	The purest interceptor and effector exposure of any prime, which is the most durable defence theme here. Held back on price: 26.8× forward is the most expensive way to buy the missile cycle when Lockheed offers it at 17.0×.

TICKER	COMPANY	PRICE	FWD P/E	TO TARGET	WHY IT IS ON THE BENCH
FCX	Freeport-McMoRan	$63.37	21.04	+14%	Fell 8% on 10 September in the same copper tariff unwind. Grasberg is targeting 65% of capacity in H2 2026 and full capacity by end-2027, and leaching could scale from ~200M to 800M lbs/yr. Cheaper than a week ago but still 21× forward with the recovery in the price.
MP	MP Materials	$50.51	n/m	+49%	Only scaled NdPr oxide producer in the Western hemisphere, with a DoD partnership carrying guaranteed minimum earnings and 100% offtake on the 10X magnet facility. Still loss-making with FY26 free cash flow guided around −$530M and 50% below its high. A speculative sleeve, not a core position.

POLITICAL FLOW

What the disclosures show, and why the signal keeps getting weaker

Congressional filings over the last 30 days show **426 disclosed trades worth roughly $10.4M**, split 47% buys to 53% sells — a modest net-seller tilt, and roughly double last week's disclosed dollar volume. The largest single transaction was April McClain Delaney's **$375K sale of ITT on 25 August**, part of a broader liquidation across industrials, financials and technology. Largest disclosed buys by value: **JPMorgan** ($175K), **Microsoft** ($123K across six purchases) and **Microchip Technology** ($75K). By trade count the concentration sits in semiconductors (25), industrial products (24) and application software (20).

Most active by name: Gilbert Cisneros at roughly $1.0M across 98 buys, Ro Khanna at $447K across 36, Delaney at $285K across 20. Cluster activity — the same ticker bought by several members independently — shows up in **SpaceX (5 members)**, **Microsoft (4)** and **NVIDIA (4)**. The most recent filings, dated 7–10 September, include Delaney buying BWXT and selling TransDigm, and David Taylor buying Broadcom while selling Microsoft. Read thematically, the flow is still tilted to AI infrastructure and defence — the same direction as this memo, which is a reason for caution rather than comfort.

On the legislation: **H.R. 7008 remains stalled.** It passed the House 232–198 on 22 July and was *placed directly on the Senate Legislative Calendar on 6 August*, bypassing committee — but no floor time has been scheduled, and there has been no Senate action in September. Senator Ricketts, who carries it, concedes the calendar "will be part of the challenge"; the attached federal voter-ID rider is why only 13 Democrats voted for it in the House. Prospects before the midterms are poor. Note also what the bill does *not* do: it bars new purchases but permits sales with 7–14 days' notice, and it does not cover the President or Vice President.

My standing caveat is getting stronger, not weaker. The STOCK Act allows 45 days to file, so this month's disclosures largely reflect late-July and August execution. Two of the three data aggregators I use were serving stale cached content this week — CapitolTrades returned October 2025 filings on every attempt — and Quiver now paywalls its ranked tables. **I would not size a position on this input, and I am reporting it mainly so that the absence of a signal is visible rather than assumed.**

OTHER FACTORS

Seven things worth weighing that were not in the brief

01 **The mining cost shock is real, measurable, and has not reached guidance yet**

This is the most actionable thing I found this week. Global average gold AISC reached **US$1,785/oz in Q1 2026, up 5% quarter-on-quarter and 16% year-on-year** — the 28th consecutive annual increase — and that was *before* diesel went to $6.05. In the same quarter US average diesel rose 54% quarter-on-quarter and Perth wholesale diesel 96%. Diesel runs 15–25% of all-in sustaining cost for a haul-intensive open-pit operation and mid-single-digits for a grid-powered or underground one; Jefferies puts the sensitivity at roughly $10/oz per 10% move in crude.

Two things make it worse than it looks. First, **miners are exposed to the diesel crack, not to crude** — the NYMEX 3-2-1 spread peaked at a record $64.58/bbl in July and European diesel margins exceeded $60/bbl, so diesel rose considerably more than the barrel did, and hedging oil futures does not hedge the input. Second, the large producers' fuel hedges are what kept H1 reported costs contained; those roll off, which means the 2026 spike lands in **H2 2026 and 2027 guidance**. Integra has already lifted Florida Canyon AISC guidance from $2,750–2,950 to $3,300–3,500/oz, citing diesel and explosives; Alamos reported mine-site AISC of $1,715/oz on the same drivers. This is why Wheaton is in the ten and Pan American is not.

02 **You can be right about the deal and wrong about the trade**

The prediction markets are pricing a 55% chance of an Iran–Oman Hormuz management agreement by 31 October and a 2% chance traffic normalises by 30 September. Both can be true: mine-clearing, insurance capacity and charterer confidence are the binding constraints, not signatures. Single-VLCC war-risk capacity has fallen from $2–3bn pre-crisis to $500M–1.5bn as Lloyd's syndicates withdrew, and the Joint War Committee listing now covers the entire Persian Gulf, Hormuz, Gulf of Oman and northern Arabian Sea. Freight is currently the live proxy for risk pricing at roughly Worldscale 450 and $485K/day, implying an 11–13% war-risk load.

The practical consequence: **the equity de-rating on a peace headline will be immediate and the physical recovery will not be.** That argues for staging entries into commodity-levered names *after* the headline rather than before it, and against selling the physical thesis because the paper moved. BMI's base case already assumes resolution — Brent at $86 for 2026 and $71 for 2027, far below spot — so a great deal of good news is in the sell-side's decks and none of it is in the shipping data.

03 **This week I traded commodity concentration for procurement concentration**

Last week's flag was that seven of ten names were one macro trade in four costumes. That is genuinely reduced — but I have replaced part of it with a new and different concentration, and you should see it stated rather than discover it. **Three of the ten (GD, LMT, NOC) are US defence primes**, which is 30% of the list dependent on one procurement cycle, one appropriations process and one set of fixed-price contracting norms. They will not diversify each other in a budget event.

That cycle has visible stress. The **FY2027 NDAA is unenacted** — the House passed H.R. 8800 by just 216–212 on 22 July and Senate cloture on the motion to proceed *failed 50–46* on 14 July, with no procedural movement since. Neither the Defense nor MilCon-VA appropriations bill is enacted, and full-year appropriations are unlikely before December. The administration asked for $350bn in reconciliation defence funds against $60bn allocated in both budget resolutions. Own the three primes if you like the theme, but do not count them as three positions.

04 **11 December replaced 30 September, and it now sits two days after the FOMC**

The continuing resolution — H.R. 6500, Senate 90–6 on 8 August, House 370–48 on 1 September, signed 2 September — funds government at FY2026 levels through **11 December 2026**. The October shutdown risk that was on my calendar last week is gone. But note what the new date collides with: the **8–9 December FOMC** lands two days earlier, and the FY2027 NDAA and defence appropriations are both still open. A December in which a funding cliff, a dot plot and unfinished defence bills arrive in the same week is a concentrated event risk for three names on this list, and it is far enough out that nothing is priced for it.

05 **There may be a tariff escalation on 29 September that nobody is discussing**

One trade-compliance source reports a 15 September proclamation modifying Section 338 scope — adding 122 HTSUS classifications, removing rock salt and cement — and, more seriously, a **29 September escalation to outright import bans** on certain covered goods with no USMCA transition relief. Section 338 permits this: it allows duties to 50% and escalation to prohibition where discrimination continues. **I could not corroborate either date in any second source, so treat this as unverified.** I am flagging it anyway because the asymmetry is bad — if it is real it is a material near-term event for Canadian industrials and consumer names, and it would test whether the energy carve-out holds. The carve-out itself (energy, potash, Section 232 goods, civil aircraft, certain critical minerals, fish) is also single-sourced; I will keep trying to verify it against the Federal Register text.

06 **The loonie went the wrong way, and the Canadian data explains why**

USD/CAD moved from 1.3781 to **1.3872** over the week — against last week's stated consensus path toward 1.36. The domestic data is the reason: Canada shed **42,000 jobs in August** with unemployment holding at 6.4%, and wage growth decelerated to **2.0% year-on-year, the slowest outside the pandemic since November 2017**. Q2 GDP of 3.3% annualised now looks like the peak, with StatCan's July flash estimate at 0.0%. Against a Fed that hikes on Wednesday and a BoC on hold until 28 October, the rate gap widens.

For a Canadian buying USD assets this is a mild translation tailwind on existing positions and a mild headwind on new ones. It does not change the structural point: the dual-listed names here (CVE, K, AEM, WPM) can be bought on the TSX in CAD, removing conversion friction and the spread. Canada's August CPI lands Monday — RBC expects headline to hold at 3.0% with core near 1.9%, which would keep the BoC comfortably on hold.

07 **Account location, restated because the list changed**

US dividends held in a TFSA suffer 15% US withholding with no foreign tax credit recovery; held in an RRSP under the treaty they generally do not. With this week's rotation the argument now points to **LMT (2.63% yield), GD (1.79%), NOC (1.90%), LNG and EQT sitting in the RRSP**, and the lower-yield, higher-torque Canadian names — AEM, WPM, KGC, CVE — in the TFSA, where they can also be bought in CAD on the TSX. Lockheed and Northrop are the two names where account placement moves the after-tax return most, because they carry the highest US-source yields on the list. Confirm the specifics with your accountant; this is a structural observation, not a filing position.

RISK REGISTER

What breaks this memo

HIGHEST PROBABILITY

The hike lands with two more in the dots

25bp is 80–86% priced, so the decision is not the risk — the SEP is. TD Securities models September, October and January. If the 2027 dots validate that path, multiples compress across the board and Vistra, Cheniere and the gold complex take it hardest. A hike with benign dots is the opposite trade.

HIGHEST IMPACT

Oman produces more than a communiqué

The market prices a 2% chance traffic normalises this month. If mine-clearing and an IMO-notified corridor arrive faster than that, crude gives back $20, crack spreads normalise, and the inflation case supporting both energy and precious metals unwinds in a week. Cenovus, EQT and both gold operators are directly exposed.

UNDERPRICED

Fixed-price defence programmes keep charging

Northrop has recognised ~$2B of cumulative B-21 LRIP losses; Lockheed took 2025 programme charges worth 6% of earnings. With three primes on this list and an unenacted FY2027 NDAA, a single bad Q3 across the sector is a 30% drawdown on the defence sleeve with no commodity offset.

STRUCTURAL

Consensus targets update on their own schedule

Hudbay is the live example: a target dated 4 September against a price dated 11 September manufactured 32 points of upside that no analyst actually endorsed. The horizontal axis of this memo is only as fresh as the slowest-moving desk on the coverage list. Check the date before you trust the gap.

Standing exclusions

- No IPOs or companies public under three years, no sub-$1B market cap, no fewer than five covering analysts.
- No pre-revenue or story-stage mining and biotech, however good the geology or the data.
- No name whose recent move traces to promotional flow rather than an earnings or contract event.

- **L3Harris removed entirely.** It sat on last week's bench with the largest consensus gap in defence and a governance overhang. Following the 17 August dismissal of chairman and CEO Christopher Kubasik, Pomerantz announced a securities-fraud investigation on 8 September, with at least two other firms soliciting for class actions. It is now at its 52-week low. A governance question has become a legal one, and that is outside what this screen will hold.
- **Cameco still excluded on valuation,** not on thesis. Uranium at $90.15 and a contract book supporting 28M lbs/yr of deliveries is a real business; 63.9× forward earnings is a multiple you have to talk yourself into.
- Teck excluded: consensus sits 18% *below* the current price, and the Anglo Teck merger is expected to close between September 2026 and March 2027 — the upside is a function of deal terms, not operations.

CALENDAR

What moves the list over the next eight weeks

MON 14 SEP	**Iran–GCC foreign ministers meet in Oman.** The single most important scheduled event for this list. Watch for whether an IMO-notified shipping corridor is actually signed or merely discussed. Canada's **August CPI** lands the same morning.
TUE–WED 15–16 SEP	**FOMC decision plus Summary of Economic Projections.** 25bp to 3.75–4.00% is 80–86% priced. The 2027 dots are the tradeable information, not the decision.
WED 16 SEP	**Wheaton Precious Metals Investor Day**, 9:00 ET — the first test of the streaming-versus-operating cost argument above. Bank of Canada publishes its September summary of deliberations the same day.
TUE 29 SEP	**Reported** Section 338 escalation to import bans on certain Canadian goods. Single-sourced and unverified — but if it is real, it is the largest trade-policy event of the quarter.
SUN 4 OCT	**OPEC+ meeting** — sets 2027 production baselines. October output was held flat on 6 September and the 1.65 mb/d voluntary cut is now fully unwound, so the group has little left to give.
MON 19–20 OCT	**RTX** Q3 on 19 October and **EQT** Q3 on 20 October — the missile cycle and the gas-demand thesis tested in consecutive sessions.
WED 28 OCT	**Bank of Canada** decision and **FOMC** (27–28 October, no SEP). Agnico's Q3 lands the same week — the first quarter in which $6 diesel should be visible in AISC.
FRI 11 DEC	**Continuing resolution expires.** Two days after the 8–9 December FOMC, with the FY2027 NDAA and defence appropriations still open. Nothing is priced for that collision.
ONGOING	EIA weekly petroleum inventories, IMF PortWatch Hormuz transit counts, VLCC fixtures and Joint War Committee listing changes — the highest-frequency inputs to the peace-headline question.

METHOD

How this list is built

1. **Universe.** Every company listed on the major US and Canadian exchanges. No sector is off limits.
2. **Screens applied first.** Minimum US$1B market capitalisation; public for at least three years, so no IPOs; at least five covering analysts; and a promotion screen that removes any name whose recent move traces to marketing rather than an earnings or contract event. The pattern I am currently screening for is small Asia-domiciled companies with sub-$10M IPOs on the Nasdaq Capital Market, promoted through WhatsApp groups.
3. **Five inputs.** (a) Monetary policy and rates — Fed and Bank of Canada decisions and forward calendars, US and Canadian CPI, index levels, USD/CAD. (b) Commodities and geopolitics — oil, gold, silver, copper, uranium and other minerals, the Middle East and Strait of Hormuz situation, and supply-side developments. (c) New and pending legislation in Canada and the US — tariffs and the trade war, USMCA, critical minerals and Defense Production Act funding, Canada's Major Projects Office approvals, energy and defence appropriations. (d) Disclosed political trading flow — US congressional STOCK Act filings, and the status of the trading ban that passed the House 232–198 on 22 July 2026. (e) Published sell-side consensus, ratings and target changes.
4. **Two scores per name.** Business solidity — a 1–10 in-house score on balance sheet, asset or reserve life, jurisdiction, free cash conversion and management record. Potential return — the upside to published 12-month analyst consensus.
5. **Ranked solidity first, return second,** over a six-to-twenty-four-month horizon. Every name gets a two-paragraph thesis and an explicit "what would break this" line. Where a prior week's thesis has broken or completed, I say so plainly rather than quietly dropping the name.

What this is not. This is information gathering and research, not investment advice, and not a recommendation to buy or sell any security.

Standing note. This is research and information gathering, not investment advice, and I am not a licensed adviser. Every price, multiple, rating and target above is as published at the close of Friday 11 September 2026 and will be stale within days. Consensus targets are the sell side's opinion, not a forecast I endorse. Quality scores are my own judgment. Prediction-market probabilities are quoted as prices, not as forecasts I endorse. Where a figure could not be corroborated in a second source I have said so in the text. Do your own work on anything here before committing capital, and speak to your own advisers about tax and account structure.

Sources · BLS, August CPI · Federal Reserve, FOMC calendar · Yahoo Finance, hike odds post-CPI · J.P. Morgan Wealth, September hike call · Bank of Canada, 2 Sep decision · Statistics Canada, August labour force survey · Statistics Canada, July CPI · Trading Economics: crude, gold, silver, copper, uranium, TSX, S&P 500, USD/CAD · Al Jazeera, Iran–Gulf Hormuz talks · Polymarket, Strait of Hormuz markets · NPR, Houthi advance to Bab al-Mandeb · NPR, record US diesel · Euronews, six months of the Hormuz blockade · Yahoo Finance, QatarEnergy force majeure · OPEC+, 6 September communiqué · World Gold Council, Q1 2026 mining costs · Crux Investor, diesel crack and mining cost models · Wheaton Precious Metals, business model · 24/7 Wall St, copper tariff unwind · Finance Canada, counter-tariff list · White & Case, USMCA joint review · RBC Economics, Section 338 · CSIS, FY2027 defence appropriations tracker · CRS, FY2027 NDAA status · Major Projects Office, project list · Roll Call, congressional trading ban · GovInfo, H.R. 7008 Senate calendar · AltIndex, congressional trades · Quiver Quantitative, recent filings · company data from stockanalysis.com