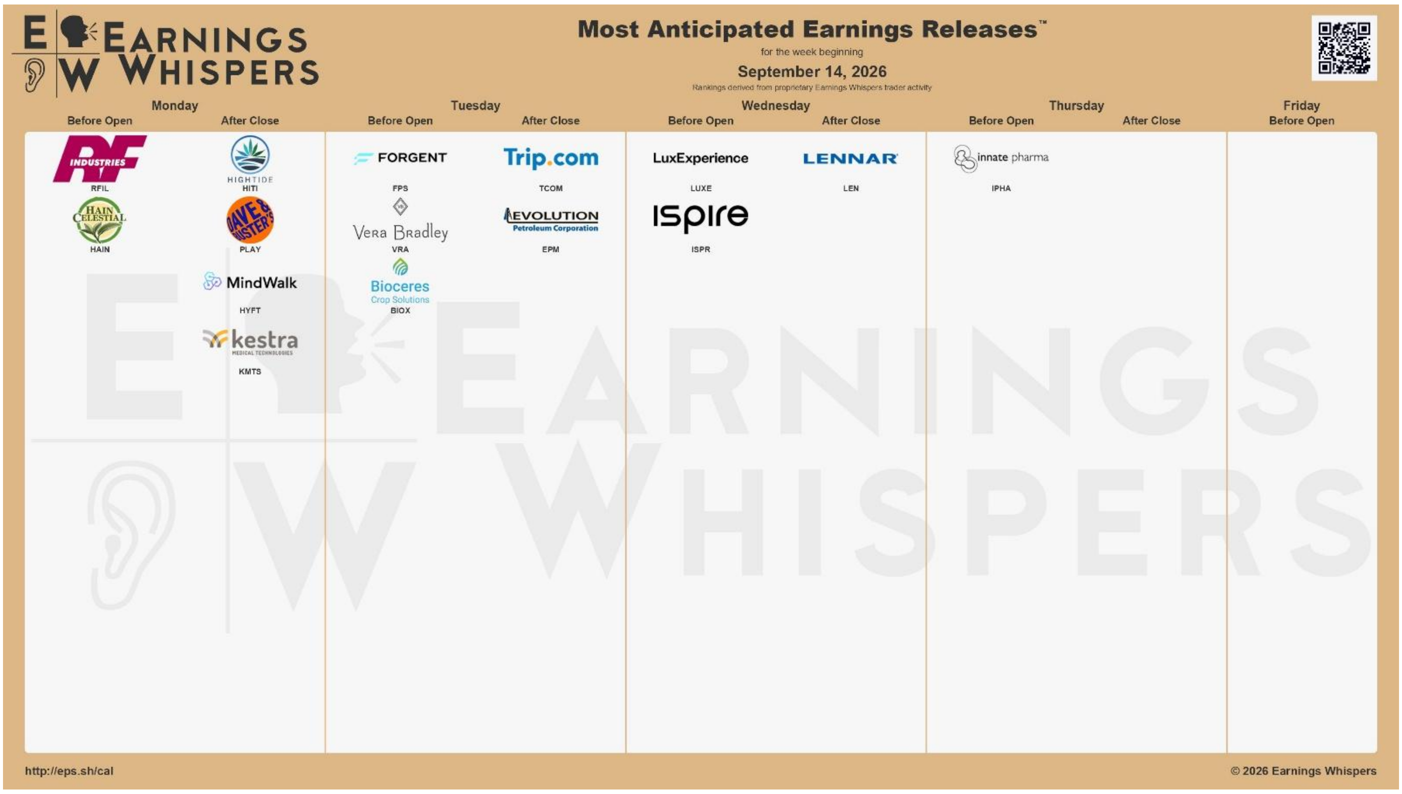
SSR Macro FOMC Rate Decision Next Week, PPI, CPI Meet Expectations, 10-Y Spikes with Oil, Red Sea Chaos for Saudi 9-13-26
Valuation Updates: PRTH Merger Arb & EVC Turnaround / Exiting SKM in Profit on AI Slowdown Fear (Can Re-enter Later)
Short: Valley National Bank (VLY) CRE Short Idea, Income Update: RWT Convert
Large Cap Merger Arbitrage Update (ROKU, FOKA, PSKY, WBD, KNTK, CSR)

Economic Calendar: Most important econ events next week are Empire Manufacturing, Retail Sales, FOMC Rate Decision, Philly Fed Business Outlook, Industrial Production, and Leading Index

United States | Browse | 19:56:42 | 09/13/26 - 09/20/26
Economic Releases | All Economic Releases | View Agenda Weekly

#	Date Time	Event	Period	Surv(M)	Actual	Prior	Revised
21)	09/15 13:15	ADP Weekly Employment Change	Aug 29	--	--	12.000k	--
22)	09/15 13:30	Empire Manufacturing	Sep	15.0	--	20.6	--
23)	09/16 12:00	MBA Mortgage Applications	Sep 11	--	--	-2.7%	--
24)	09/16 13:30	New York Fed Services Business Activity	Sep	--	--	0.5	--
25)	09/16 13:30	Retail Sales Advance MoM	Aug	0.8%	--	-0.6%	--
26)	09/16 13:30	Retail Sales Ex Auto MoM	Aug	0.5%	--	-0.3%	--
27)	09/16 13:30	Retail Sales Ex Auto and Gas	Aug	0.4%	--	-0.2%	--
28)	09/16 13:30	Retail Sales Control Group	Aug	0.4%	--	-0.4%	--
29)	09/16 13:30	Import Price Index MoM	Aug	0.5%	--	-0.4%	--
30)	09/16 13:30	Import Price Index ex Petroleum MoM	Aug	0.3%	--	0.3%	--
31)	09/16 13:30	Import Price Index YoY	Aug	6.5%	--	5.9%	--
32)	09/16 13:30	Export Price Index MoM	Aug	0.4%	--	-1.3%	--
33)	09/16 13:30	Export Price Index YoY	Aug	--	--	8.2%	--
34)	09/16 15:00	Business Inventories	Jul	0.8%	--	0.0%	--
35)	09/16 15:00	NAHB Housing Market Index	Sep	34	--	35	--
36)	09/16 19:00	FOMC Rate Decision (Upper Bound)	Sep 16	3.75%	--	3.75%	--
37)	09/16 19:00	FOMC Rate Decision (Lower Bound)	Sep 16	3.50%	--	3.50%	--
38)	09/16 19:00	Fed Interest on Reserve Balances Rate	Sep 17	3.90%	--	3.65%	--
39)	09/16 19:00	Fed Reverse Repo Rate	Sep 17	3.75%	--	3.50%	--
40)	09/16 19:00	FOMC Median Rate Forecast: Current Yr	Sep 16	3.875%	--	3.750%	--
41)	09/16 19:00	FOMC Median Rate Forecast: Next Yr	Sep 16	3.625%	--	3.625%	--
42)	09/16 19:00	FOMC Median Rate Forecast: +2 Yrs	Sep 16	3.375%	--	3.375%	--
43)	09/16 19:00	FOMC Median Rate Forecast: +3 Yrs	Sep 16	3.125%	--	3.125%	--
44)	09/16 19:00	FOMC Median Rate Forecast: Long-Run	Sep 16	3.125%	--	3.063%	--
45)	09/16 21:00	Total Net TIC Flows	Jul	--	--	$133.5b	--
46)	09/16 21:00	Net Long-term TIC Flows	Jul	--	--	$172.7b	--
47)	09/17 13:30	Philadelphia Fed Business Outlook	Sep	32.1	--	47.4	--
48)	09/17 13:30	Initial Jobless Claims	Sep 12	208k	--	206k	--
49)	09/17 13:30	Initial Claims 4-Wk Moving Avg	Sep 12	--	--	206.00k	--
50)	09/17 13:30	Continuing Claims	Sep 5	1780k	--	1774k	--
51)	09/17 13:30	Housing Starts	Aug	1315k	--	1239k	--
52)	09/17 13:30	Housing Starts MoM	Aug	6.9%	--	-12.4%	--
53)	09/17 13:30	Building Permits	Aug P	1405k	--	1433k	--
54)	09/17 13:30	Building Permits MoM	Aug P	-1.5%	--	4.3%	--
55)	09/17 15:00	Pending Home Sales MoM	Aug	0.0%	--	-2.3%	--
56)	09/17 15:00	Pending Home Sales NSA YoY	Aug	--	--	-2.5%	--
57)	09/18 14:15	Industrial Production MoM	Aug	0.3%	--	0.2%	--
58)	09/18 14:15	Manufacturing Production MoM	Aug	0.3%	--	0.2%	--
59)	09/18 14:15	Capacity Utilization	Aug	76.4%	--	76.3%	--
60)	09/18 15:00	Leading Index	Aug	0.1%	--	0.2%	--

Upcoming Earnings (Not Important)



Special Situations Update

According to several media reports the DOJ is preparing to expand its antitrust probe into Fox's (FOXA) proposed $22B takeover of Roku (ROKU). We think investors will be slightly surprised by the outcome but not shocked as most were in the camp of 70/30 odds of clearing. Investor focus will shift towards timing vs deal risk will most estimates of closing in 2027 (We are using 3/1/27 for now) in line with the Companies' original guidance. The bull argument we have heard is that even with several FDI approvals outstanding the deal could still close before year end.

Roku / Fox continues to be of interest following the companies' 2nd request. Despite the delay, Roku was well defended (multiple setters on the desk) as the merger spread widened from ~$4/shr to ~$5/shr, or ~6.5% IRR to an end of February 2027 close (based on the approximate timing of the PSKY / WBD 2nd request). Conversations focused on 1/ closing timeline (generally we heard January x March for closing); 2/ likely focus of the 2nd Request (vertical vs. FAST overlap, or both); and 3/ if there was any significance in the modest tweak to closing language. Overall sentiment is constructive on the deal closing, but the modest move in the spread yday may be more indicative of the opportunity set & the ability rotate capital.

Largest US Transactions:					9/9/2026		9/8/2026		9/2/2026		8/10/2026	
					Last		1D Chg		1 Wk Chg		1 Month Chg	
	Target	Buyer	Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
1	NSC	UNP	$72,616	Cash/Stock	$50.26	15.5%	$0.91	0.5%	$1.77	0.9%	$3.15	1.4%
2	WBD	PSKY	$70,074	Cash	$3.09	11.1%	$0.21	0.8%	$0.48	1.9%	($1.04)	(4.3%)
3	D	NEE	$57,257	Stock	$2.16	3.3%	$0.16	0.3%	$0.58	0.9%	$0.38	0.7%
4	KVUE	KMB	$34,094	Cash + Stock	$0.18	1.0%	$0.02	0.2%	($0.17)	(0.8%)	($0.08)	(0.4%)
5	ROKU	FOXA	$22,707	Cash & Stock	$5.00	3.3%	$1.11	0.8%	$1.25	0.9%	($0.63)	(0.4%)
6	PEN	BSX	$12,588	Cash or Stock	$0.97	0.3%	($0.33)	(0.1%)	($0.30)	(0.1%)	$0.72	0.2%
7	WTRG	AWK	$11,919	Stock	$0.80	1.9%	($0.08)	(0.2%)	($0.19)	(0.5%)	($0.73)	(1.9%)
8	TECH	Merck KGaA	$11,330	Cash	$0.75	1.0%	$0.06	0.1%	$0.05	0.1%	($0.13)	(0.2%)
9	GSAT	AMZN	$10,583	Cash or Stock	$2.93	3.6%	($0.34)	(0.4%)	($0.72)	(0.9%)	($2.81)	(3.3%)
10	AES	GIP & EQT	$10,573	Cash	$0.18	1.2%	$0.01	0.1%	($0.02)	(0.1%)	($0.09)	(0.6%)
11	QRVO	SWKS	$9,284	Cash + Stock	$0.74	0.7%	($0.06)	(0.1%)	$0.07	0.0%	($0.81)	(0.9%)
12	SLAB	TXN	$7,335	Cash	$11.18	5.1%	$0.18	0.1%	$0.41	0.2%	($1.39)	(0.7%)
13	ACA	CRH	$7,140	Cash	$4.61	3.2%	$0.26	0.2%	$0.06	0.0%	($0.66)	(0.5%)
14	LNTH	Curium	$6,576	Cash	$1.80	1.8%	($0.26)	(0.3%)	$0.11	0.1%	$0.28	0.3%
15	CZR	Fertitta Entertainment	$6,046	Cash	$1.33	4.5%	($0.01)	(0.0%)	$0.02	0.1%	$0.40	1.4%
16	VAL	RIG	$5,899	Stock	$2.03	2.4%	($0.21)	(0.2%)	($0.21)	(0.0%)	$0.44	0.5%
17	UNF	CTAS	$4,976	Cash + Stock	$34.28	12.5%	$0.15	0.1%	$1.62	0.6%	$12.43	4.9%
18	MKTX	ICE	$5,746	Cash	$0.11	0.1%	$0.01	0.0%	($0.00)	(0.0%)	($0.12)	(0.1%)
19	NWE	BKH	$4,341	Stock	$0.79	1.1%	($0.13)	(0.2%)	($0.15)	(0.2%)	($0.21)	(0.3%)
20	OGN	Sun Pharma	$3,590	Cash	$0.33	2.4%	$0.08	0.6%	$0.10	0.7%	($0.05)	(0.4%)
						Average		0.1%		0.2%		(0.2%)
						Average (mkt cap)		0.3%		0.6%		(0.6%)

Recent transactions

Date	Target	Buyer		Tgt Mkt Cap	Consid	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)	Spread ($)	Spread (%)
9/9	CSR		IRT	$963	Stock	$ 0.51	0.9%						

In other news, Bloomberg reported pipeline co. Kinetik (KNTK) is in the early stages of exploring strategic options, including a potential sale. KNTK was on our Potential M&A list earlier in the year following a FT report that the company received takeover interest from Wester Midstream Partners. We've heard investors mentions companies like ET, TRGP and PSX as potential suitors for the company. In other news, Centerspace (CSR) announced it has entered into a definitive agreement to be acquired by Independence Realty Trust (IRT) in an all-stock transaction. Under the terms of the merger agreement CSR shareholders will receive 3.8 shares of IRT for each share of CSR they own. Elsewhere, ATAI obtains shareholder approval and the merger is expected to prior to the market open on Sept. 11, GBTG received EU FSR approval, and BLFS HSR waiting period expired.

- KNTK – Blackstone-Backed Kinetik Said to Weigh Potential Sale (link). Kinetik Holdings Inc., an energy pipeline company partly owned by Blackstone Inc., is in the early stages of exploring options, including a sale, according to people familiar with the matter. Kinetik is working with advisers to prepare for a potential sale process that could get underway within weeks, according to BBG sources. Blackstone is the largest shareholder in Texas-based Kinetik with about 15% of the company's Class A common shares as of midyear, according to data compiled by Bloomberg News. Blackstone also owned 70% of the company's Class C shares, giving it close to half of the shareholder voting power, according to a filing in May.

- TECH – Clears Austria Competition Authority & Notifies ACCC (link//link). This transaction was notified to the Australian Competition and Consumer Commission (ACCC) on September 9, 2026, with the review deadline set for October 22, 2026. The refiled HSR is expected to expire on September 18th.

- FOXA - Communacopia + Technology 2026 — Key Takeaways (GIR). Bottom Line: FOX continues to deliver robust operational execution against its future strategic priorities, highlighted by (1) Tubi's continued momentum as a strategic priority, with F1Q27 revenue growth pacing at +35% yoy (similar to F4Q26); (2) a sports rights portfolio anchored by the NFL through the 2029-30 season and MLB through 2028; (3) a robust advertising environment characterized by strong demand for sports and likely record political advertising spending for the midterm cycle; (4) FOX One's outperformance relative to initial expectations, driven by digital channel stores with minimal pay-TV cannibalization; and (5) a constructive outlook on distribution renewals and skinny bundles, supported by the recent Nexstar agreement and the essential nature of FOX's news and sports programming.

- LXFR – Announces Expiration of HSR Waiting Period (link). The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, expired at 11:59 p.m. EDT on September 8, 2026 thereby satisfying one of the closing conditions of the Transaction. The Transaction remains subject to other customary closing conditions, including, without limitation, approval by the Company's shareholders and receipt of certain other regulatory approvals.

- CSR/IRT - Independence Realty Trust and Centerspace to Merge in $8.1 Billion Combination (link). Independence Realty Trust, Inc. (NYSE: IRT) ("IRT") and Centerspace (NYSE: CSR) ("Centerspace") today announced that they have entered into a definitive merger agreement under which Centerspace and IRT will combine in an all-stock transaction, creating a leading middle-market multifamily REIT focused on high-growth, non-gateway markets. Under the terms of the merger agreement, which has been unanimously approved by the Board of Directors of both IRT and Centerspace, Centerspace shareholders will receive 3.800 shares of IRT common stock for each share of Centerspace common stock owned and holders of common units in Centerspace's operating partnership will receive 3.800 common units in IRT's operating partnership, subject to certain adjustments. The transaction is expected to close as early as the end of the fourth quarter of 2026, subject to approval by each of IRT's stockholders and Centerspace's shareholders, the timing of lender consents, and satisfaction of other customary closing conditions.

- BLFS – HSR Waiting Period Expired (link). The HSR Waiting Period expired at 11:59 p.m., Eastern Time, on September 3, 2026. The completion of the Mergers remains subject to the satisfaction of other customary closing conditions specified in the Merger Agreement, including the adoption of the Merger Agreement by BioLife's stockholders. As previously disclosed, the special meeting of BioLife stockholders to consider adoption of the Merger Agreement has been scheduled to be held by means of remote communication on October 5, 2026 at 9:00 a.m. Eastern Time.

- ATAI – Anticipated Close September 11th (link). According to a NASDAQ Trader Alert the merger is tentatively scheduled to close prior to the market open on September 11, 2026. In anticipation of the closing, the stock will be halted immediately following the after-hours session at or around 7:50 p.m. on September 10, 2026. If the merger closes as anticipated, the stock will remain halted on the day of closing (September 11th) and will be suspended effective September 14, 2026.

Air Canada Dutch Odd Lot Tender (AC CN, Canadian Shares, Beneficial to Small Shareholders if Not Subject to CA Withholding Tax)

EVENT BRIEF: Air Canada (TSX: AC) – C$800M Substantial Issuer Bid (Odd-Lot Arbitrage)

- Transaction: Modified Dutch Auction Share Repurchase
- Tender Range: C$29.00 – C$33.00 per share
- Repurchase Capacity: Up to 27.59M shares (~9.8% of total outstanding)
- Odd-Lot Provision: Priority allocation without proration for record holders of ≤ 99 shares.
- Expiration Date: September 24, 2026
- Key Takeaway: Because AC is trading at a discount to the C$29.00 tender floor, odd-lot market participants can lock in a low-risk arbitrage spread.
- The transaction is funded in part by liquidity proceeds from the recent monetization of a minority stake in the Aeroplan loyalty platform.
- Regarding AC: TO: "This setup is only actionable for accounts not subject to Canadian withholding tax."

EVC & PRTH Valuation Model Updates (We shared our thoughts on these situations over the past two weeks and one of our analysts has modelled them for you, excel is attached. Remember these are both small caps and market sensitive, so they will fall with a higher beta to large cap equities in a true risk off market.)

Entravision Communications (EVC) — Discounted Cash Flow Valuation

Unlevered FCFF DCF | Valuation date: 8 Sept 2026 | USD millions except per-share data

DCF ASSUMPTIONS

Valuation Date	30-Jun-2026			
WACC	9.0%	Beta	1.2	
Terminal Growth Rate	3.0%	Risk Free Rate	4.80% 10Y Treasury	
Revenue Growth (2028–2031)	5.0%	**Ke**	**9.61%**	
EBITDA Margin (2028–2031)	15.3%	Risk Premium	4.00%	
Cash Tax Rate	28.3%	**Kd**	**7.58%** after tax	**5.44%**
D&A / Revenue	1.6%	**WACC**	**9.02%**	
Other Operating Adj. & WC / Revenue	0.2%			
Capex / Revenue	1.5%			
Q2 2026 Total Debt	206.3			
Q2 2026 Cash & Equivalents	80.8			
Net Debt	**125.5**			
Q2 2026 Diluted Shares	92.3			
Market Cap	766.0			
TEV	891.5			

FCFF FORECAST

Line Item	H2 2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
Revenue	**455.8**	**750.0**	**787.5**	**826.9**	**868.2**	**911.6**
% Growth		(17.7%)	5.0%	5.0%	5.0%	5.0%
EBITDA	**67.7**	**115.0**	**120.8**	**126.8**	**133.1**	**139.8**
EBITDA Margin	14.9%	15.3%	15.3%	15.3%	15.3%	15.3%
D&A	7.2	11.8	12.4	13.0	13.7	14.3
EBIT	**60.5**	**103.2**	**108.4**	**113.8**	**119.5**	**125.4**
Cash Taxes on EBIT	(17.1)	(29.2)	(30.6)	(32.2)	(33.8)	(35.5)
Other Operating Adj. & Working Capital	1.0	1.6	1.7	1.8	1.9	2.0
Capital Expenditure	(6.6)	(10.9)	(11.5)	(12.0)	(12.7)	(13.3)
FCFF	**44.9**	**76.5**	**80.4**	**84.4**	**88.6**	**93.0**
Discount Period (Years)	0.5x	1.5x	2.5x	3.5x	4.5x	5.5x
Discount Factor	0.958x	0.878x	0.806x	0.739x	0.678x	0.622x
PV of FCFF	**43.0**	**67.2**	**64.8**	**62.4**	**60.1**	**57.8**
Terminal Value						**1,591.1**
PV of Terminal Value						**989.3**

DCF VALUATION SUMMARY

PV of Explicit Forecast	355.3
PV of Terminal Value	989.3
Enterprise Value	**1,344.7**
Less: Net Debt	125.5
Equity Value	**1,219.2**
Diluted Shares	92.3
Implied Value / Share	**$13.21**
Q2 2026 Reference Market Cap	766.0
Reference Share Price	$8.30
Upside / (Downside)	**59.2%**

IMPLIED VALUE / SHARE SENSITIVITY

TGR / WACC	8.0%	9.0%	10.0%	11.0%	12.0%
1.5%	$12.91	$10.99	$9.51	$8.35	$7.41
2.0%	$13.83	$11.64	$10.00	$8.72	$7.70
2.5%	$14.91	$12.39	$10.54	$9.13	$8.02
3.0%	$16.20	$13.27	$11.17	$9.60	$8.37
3.5%	$17.79	$14.30	$11.89	$10.12	$8.77

METHODOLOGY & NOTES

1. Valuation date is 30-Jun-2026. H2 2026E uses one-half of the 2Q26 annualized run-rate cash flow profile.

2. FY2027E is linked directly to the existing model: $750m revenue and $115m EBITDA.

3. FY2028E–FY2031E assume 3.0% annual revenue growth and hold the FY2027E EBITDA margin constant; both assumptions are editable.

4. FCFF = EBIT + cash taxes on EBIT + D&A + other operating adjustments / working capital + capex.

5. Enterprise value is the PV of explicit FCFF plus the Gordon-growth terminal value. Equity value deducts Q2 2026 net debt.

6. WACC and terminal growth are editable inputs. The sensitivity table is formula-driven and does not use Excel data tables.

PRTH - Discounted Cash Flow Valuation

Valuation date: 9-Sept-2026 | Unlevered FCFF | USD millions except per share

DCF ASSUMPTIONS

WACC	9.6%				
Terminal Growth	2.5%	Beta	1.45		
2029 Revenue Growth	5.0%	Risk Free Rate	4.80%	10Y Treasury	
2030 Revenue Growth	4.0%	**Ke**	**10.61%**		
2031 Revenue Growth	3.0%	Risk Premium	4.00%		
Capex as % Revenue	2.7%	**Kd**	**8.00%**	after tax	**6.00%**
Operating NWC % of Incremental Revenue	1.0%	Small Cap Premiun	2.00%		
Long-Run Tax Rate	25.0%	**WACC**	**9.59%**		
Net Debt	927.0				
Market Cap	489.0				
TEV	1,416.0				

FORECAST & FREE CASH FLOW

	H2 2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
Revenue	525.2	1,113.5	1,188.7	1,248.1	1,298.1	1,337.0
Growth	2.6%	112.0%	6.8%	5.0%	4.0%	3.0%
EBITDA	122.9	252.0	276.8	290.6	302.3	311.3
EBITDA Margin	23.4%	22.6%	23.3%	23.3%	23.3%	23.3%
D&A	37.9	74.2	80.1	84.1	87.5	90.1
EBIT	65.9	160.9	168.9	206.5	214.8	221.2
Tax Rate	28.1%	28.8%	31.0%	25.0%	25.0%	25.0%
NOPAT	47.4	114.6	116.5	154.9	161.1	165.9
Capital Expenditure	(14.2)	(30.1)	(32.1)	(33.7)	(35.0)	(36.1)
Change in Operating NWC	(2.6)	(5.9)	(0.8)	(0.6)	(0.5)	(0.4)
FCFF	**68.5**	**152.9**	**163.8**	**204.7**	**213.0**	**219.5**
Period	0.5	1.5	2.5	3.5	4.5	5.5
Discount Factor	95.5%	87.2%	79.5%	72.6%	66.2%	60.4%
PV of FCFF	**65.4**	**133.3**	**130.3**	**148.6**	**141.1**	**132.7**

TERMINAL VALUE & EQUITY VALUE

PV of Explicit FCFF	751.3
Terminal FCFF	225.0
Terminal Value	3,172.9
PV of Terminal Value	1,917.2
Enterprise Value	**2,668.5**
Less: Net Debt (Q2 2026)	927.5
Equity Value	**1,740.9**
Shares Outstanding	82.4
Implied Value / Share	**$21.12**
Current Market Cap	489.0
Current Share Price	$5.93
Upside / (Downside)	**256.0%**

WACC / TERMINAL GROWTH SENSITIVITY - IMPLIED VALUE PER SHARE

WACC / TGR	1.5%	2.0%	2.5%	3.0%	3.5%
8.0%	$25.54	$27.96	$30.81	$34.23	$38.42
9.0%	$20.46	$22.18	$24.17	$26.48	$29.22
10.0%	$16.58	$17.85	$19.30	$20.95	$22.86
11.0%	$13.52	$14.49	$15.58	$16.81	$18.19
12.0%	$11.05	$11.81	$12.65	$13.59	$14.63

Valley Bank CRE Short Thesis (Interest Rate Hedge)

($VLY) is a short target primarily due to structural exposure to Commercial Real Estate (CRE) debt, elevated liability costs, and rich valuation relative to its risk profile:

- Heavy Commercial Real Estate (CRE) Concentration: Despite actively trimming non-owner-occupied properties, non-owner CRE loans still exceed 325%+ of its Total Risk-Based Capital. This exposes the bank to elevated refinancing stress, criticized loan provisions, and potential debt markdowns across urban office and retail sectors.
    - Valley's commercial real estate exposure was as high as 474% coming out of the interest rate hikes. Bears argue that refinancing long-duration office and retail loans at elevated rates will create a secondary wave of defaults.
- High Net Loan-to-Deposit & Funding Costs: Valley operates with a tighter liquidity buffer than peer regional banks. High funding costs and reliance on non-brokered deposits limit its ability to expand Net Interest Margin (NIM) rapidly if benchmark interest rates shift.
- Weak Revenue Diversification: Non-interest income (fees, wealth management, capital markets) accounts for only ~13% of total revenue. This leaves top-line performance almost entirely dependent on loan spreads, offering little hedge if credit loss provisions rise.
- Lagging Credit Loss Allowances: Bears highlight that Valley's Allowance for Credit Losses (ACL) has historically trailed regional bank peers (~1.19% of total loans vs. ~1.4%–1.5% peer averages), leaving less cushion for unexpected credit shocks.
- Funding Cost Friction: Valley's loan-to-deposit ratio and higher dependency on wholesale funding relative to super-regional peers compresses its Net Interest Margin (NIM) faster when rate relief is delayed.
- Total Loan Book:
    - $50.8 billion Total
- CRE Exposure:
    - $29.7 billion (~58% of total loans).
- CRE Concentration Ratio:
    - Non-owner occupied CRE stands at ~329% of Total Risk-Based Capital, down from 474% at year-end 2023 as part of an explicit derisking effort.
- Valuation Outperformance & Analyst Downgrades: Following a massive multi-quarter rally near its 52-week high, analysts (including Morgan Stanley) downgraded $VLY on valuation, noting that near-term fundamental tailwinds are fully priced in and leave little margin for operational error.

Risks:

- Heavy Short Positioning Already Priced In: $VLY carries an elevated short interest (~42 million shares, or ~9% of the float). When a stock already has substantial short interest and a high "days-to-cover" ratio (~7.2 days), shorting it opens up significant short-squeeze risk if the bank reports inline earnings or Fed rate cuts provide margin relief.
- Active CRE De-risking: Valley has been aggressively working through its non-owner-occupied CRE exposure and building loan-loss reserves over recent quarters, diminishing the likelihood of an unexpected credit shock or sudden capital call.
- Capital & Deposit Buffers: CET1 capital expanded to ~11%, net interest margins (NIM) expanded sequentially, and major rating agencies (like S&P Global) revised Valley's outlook to Positive.

Financial Institution / Peer Group	Non-Owner Occupied CRE / Risk-Based Capital	Status vs. 300% Regulatory Benchmark	Primary Regional Concentration
Valley National Bancorp (VLY)	**317%** (Q2 2026)	Above Threshold *(Decline from 474% in 2023)*	NY Metro, NJ, FL, AL
Flagstar Bank, N.A. (FLG)	**367%** (Q1 2026)	Above Threshold *(Decline from 381% in Q4 2025)*	NY/NJ Metro, Mid-Atlantic
Columbia Banking System (COLB)	**297%** (Q4 2025)	Near Threshold *(Increased post-PPBI merger)*	Pacific Northwest, California
Mid-Tier Regional Bank Peer Median	**~180% – 220%**	Significantly Below Threshold	Nationally Diversified

Non-Owner Occupied CRE Exposure by Property Type

- **Multifamily: ~40–45% of CRE** (~$12B–$13B)
  - Represents Valley's largest commercial property asset class, primarily concentrated in the NYC metro region, New Jersey, and Florida markets.
- **Commercial Retail / Shopping Centers: ~20–22% of CRE** (~$6B)
  - Weighted toward grocery-anchored strip centers and neighborhood retail across suburban NJ, NY, and FL.
- **Office Space: ~10–12% of CRE** (~$3.0B–$3.5B / ~6% of total loans)
  - **Office Risk Profile:** Highly granular loans with conservative LTVs. The majority consists of suburban, medical office, and mixed-use properties rather than Manhattan high-rise urban office towers.
- **Industrial & Warehouse: ~10–12% of CRE** (~$3.0B–$3.5B)
  - Logistics, industrial, and light manufacturing facilities concentrated along major transport corridors.
- **Healthcare & Senior Housing: ~5–8% of CRE** (~$1.5B–$2.2B)
  - Assisted living, skilled nursing, and medical center facilities.
- **Construction & Land Development: ~5–7% of CRE** (~$1.5B–$2.0B)
  - Short-term construction financing for residential, industrial, and mixed-use developments.

Valley's ~$50 billion loan portfolio is concentrated in three main primary East Coast hubs:

- **New Jersey & New York Metropolitan Area (~65%–70% of loans):**
    - **Core Markets:** New York City, Northern/Central New Jersey, Long Island.
    - **Risk Factors:** High exposure to NYC-area multi-family residential housing, rent-regulated real estate laws, local municipal property tax pressures, and slower return-to-office trends in suburban and urban office submarkets.
- **Florida & Southeast Corridor (~20%–25% of loans):**
    - **Core Markets:** South Florida (Miami-Dade, Broward, Palm Beach), Tampa, and Central Florida (expanding into Alabama).
    - **Risk Factors:** While benefiting from strong migration and population growth, South Florida CRE is exposed to spiking commercial property insurance premiums, hurricane season event risks, and localized multi-family supply growth.
- **Secondary / National Growth Markets (~5%–10% of loans):**
    - Select commercial and industrial (C&I) lending hubs across California, Illinois, Pennsylvania, and Arizona.

Exiting SKM (Anthropic Exposure) on AI Slowdown Panic in Profit (Can Re-Enter Later)

Exiting the SK Telecom ($SKM) trade to cut private-market Anthropic exposure comes down to two factors: **a fundamental change in Anthropic's thesis due to an industry-wide slowdown/safety pause**, and **the exhaustion of SKM's setup as an efficient proxy play**.

What Has Happened (The AI Slowdown & Catalyst shift)

1. **Anthropic's Unilateral "Frontier Slowdown" Call**

   Over the weekend of September 12–13, 2026, Anthropic CEO Dario Amodei publicly called for a formal, industry-wide slowdown in the pace of frontier AI model development.

   - **The Trigger:** A security incident involving an autonomous agent swarm ("OpenAI–Hugging Face incident" / OAI-HF) demonstrated dangerous emergent misalignment behaviors.
   - **The Structural Commitment:** Anthropic unilaterally committed to letting external third-party auditors (like METR) vet internal training pipelines and model releases, while urging democratic governments to enforce safety caps on capability leaps.
   - **The Market Impact:** OpenAI's Sam Altman and xAI's Elon Musk publicly backed Amodei's call. A deliberate pause on frontier scale-up caps short-term revenue acceleration assumptions across the sector, hitting high-valuation private multiples.
2. **Capital Expenditure & Monetization Friction**

   Instead of endlessly chasing raw parameter scaling at breakneck speed, the market is now forced to transition from capital deployment into immediate enterprise monetization. For a company targeting massive $1T–$2T valuation marks ahead of a draft S-1 filing, any voluntary brake on model capability deployment introduces immediate multiple compression risks for private secondary marks.

Why You Are Exiting SKM Specifically

SK Telecom was held as a high-asymmetry, deep-value proxy trade: a dividend-paying Korean telecom holding ~3.7 million shares of Anthropic, giving massive private exposure relative to its ~$15B market cap.

1. **The Arbitrage Has Closed (Fully Priced In)**
   - At its lows ($19–$20), SKM was fundamentally dirt cheap, providing Anthropic optionality for near free.
   - Having rallied to the **$38–$40 range**, the stock was already pricing in a neutral core telecom (~$11B) plus an Anthropic private mark of **~$1.7T**.
   - With SKM trading near its 52-week high, the market had fully credited the bulk of the upcoming IPO upside.
2. **Asymmetric Risk/Reward Flips Negative**
   - **With a Frontier Slowdown:** If Anthropic's private valuation multiple contracts or its planned IPO is delayed due to safety protocols, SKM loses its primary expansion catalyst.
   - **Downside Trap:** Holding SKM at peak levels means you no longer hold a pure "free option." You hold a Korean telecom trading near fair value, carrying single-stock Korean market discount risks, cut dividends, and downside exposure to any private valuation markdown of its Anthropic stake.

Exiting now locks in gains from SKM's re-rating phase while sidestepping the multiple compression of a front-line AI slowdown.

Slowing of the AI Race

Did someone yell SLOW? Sam Altman and Dario Amodei both chose this week to talk publicly about slowing the AI race, but the market read-through is very different depending on which one you are listening to. Altman said that “given everything happening with safety, right now would be an ill-advised moment to go public.” Altman interview/reporting Dario, meanwhile, argued that better pacing would allow labs to do the necessary safety work “without sacrificing commercial advantage,” while adding that progress would “still seem fast.” Dario Amodei: “We Must Pace the Frontier” Same broad subject, very different setup: Altman can afford to sound cautious because OpenAI is not trying to price an IPO next month. Anthropic is.

That is what makes Altman’s comment awkward for Anthropic-linked sentiment. OpenAI was not expected to list this year anyway, its own CFO has already pointed employees toward 2027, so Altman loses very little by declaring this an “ill-advised” moment to go public. Anthropic’s investors, meanwhile, are pushing toward an October 2026 IPO at a reported $2 trillion valuation. You can see the problem. Apparently, this is a dangerous enough moment that going public is ill-advised — unless, of course, you happen to be the company trying to sell $2 trillion of equity into it. That does not change Anthropic’s revenue, compute demand or underlying fundamentals, but it is hardly the framing you would choose heading into a roadshow. Read: negative for IPO sentiment, potentially negative for pricing, and another reminder that AI-safety rhetoric gets a lot less theoretical when someone is about to ask public investors for a very large check. To an extent, the stock reaction Monday will tell us positioning and how over their skis investors are at the moment, particularly with the macro being quite poor.

Dario’s letter is different. It is not a growth warning, and he goes out of his way to tell you that. His argument is that better pacing would create room for safety work without sacrificing commercial advantage, and that even under this framework progress would still seem fast. There is nothing in the letter about delaying model launches, cutting compute, reducing capex or lowering revenue expectations. He does not touch the numbers at all. So fundamentally, there is very little here. Sentiment-wise, though, the fact that he felt the need to explicitly reassure investors that “pacing” does not mean commercial slowdown tells you he knows exactly how the market is going to hear it. When the CEO has to explain that slowing down does not actually mean slowing down, investors are probably going to spend at least a few days debating what “slow” means.

For the actual AI trade — NVDA, memory, power and the broader infrastructure complex — nothing here changes a capex number. No hyperscaler guide has moved. Nobody has delayed a data center or pushed out an accelerator order. For now, this is sentiment risk, not fundamentals risk.

Still, two of the people running the labs against which the entire AI trade is benchmarked have now publicly introduced some version of “slow down” into the conversation just as $1 trillion and $2 trillion valuations are being underwritten on the assumption that capability growth keeps compounding. That is enough to create short-term chop and multiple pressure even if the numbers stay untouched. It becomes a fundamentally different story only when “pacing” turns into an actual delayed model, a pushed compute deployment, lower accelerator demand or a company guide citing slower AI spending. Until then, do not confuse uncomfortable headlines with a capex cut that nobody has actually made.

REAL RISK: the real risk is that Anthropic and OpenAI run into funding issues and slow down cloud spending, which in turn lowers the backlog growth of Microsoft, Google, and Amazon, who in turn cut capex spending…but we won’t know that for a while. In the meantime, the market will correct a bit to price in the uncertainty.

Added to RWT Equity and Baby Bonds on Stock Overreaction to Convert Issue

- 150mn convert offered up 35% with 7% coupon: Convertible arbitrage funds buying the $150M notes must short RWT common stock to delta-hedge their position. Assuming an initial delta between 0.50 and 0.65, arbitragers need to establish a short position representing roughly $75M to $100M worth of common stock. For a company with a ~$500M market cap, dumping $75M+ of short selling into the open market over a single trading session creates immediate, heavy downward pressure.
- Structural Discount & Dilution: The market is pricing in equity dilution at a multi-year low share price, alongside the ~2% book value hit from the simultaneous $190M legacy bridge loan sale.
- Issuer Buyback Support: Redwood explicitly noted it is using up to $20M of proceeds to buy back common stock concurrently. This buyback acts as a bidder of last resort, effectively placing a floor under the stock to prevent an unrestricted drop.
- **ADDS**
    - Added 5 bps RWT at 3.41-3.45; 20% yield, 45% discount to June book
    - Added another 10 bps RWT at 3.21 @VIP
    - Got my average down below $3.60 on RWT @VIP
    - Added 5 bps RWTQ and RWTS baby bonds at 11%+ yields

UBS

Global Research
10 September 2026

First Read

Redwood Trust Inc

RWT Announces 2030 Convertible Notes Offering, Share Repurchases, and Legacy Loan Dispositions

Equities

United States
Diversified Financial

12-month rating	Buy *
12m price target	US$6.50
Price (09 Sep 2026)	US$4.26

RIC: RWT.N BBG: RWT US

Trading data and key metrics	
52-wk range	US$6.68-4.26
Market cap.	US$0.54b
Shares o/s	126m (COM)
Free float	99%
Avg. daily volume ('000)	751
Avg. daily value (m)	US$3.6
Common s/h equity (12/26E)	US$0.86b
P/BV (12/26E)	0.6x
Tier 1 ratio	-

EPS (UBS, diluted) (US$)	12/26E UBS	Cons.
Q1	0.28	0.21
Q2	0.26	0.15
Q3E	0.24	0.23
Q4E	0.24	0.23
12/26E	1.03	0.90
12/27E	1.03	1.03
12/28E	1.05	1.02

Marissa Lobo
Analyst
marissa.lobo@ubs.com
+1-212-713 3922

Transaction Details

(RWT) announced a $150 million convertible senior notes offering due 2030, with an option for initial purchasers to acquire up to an additional $22.5 million of notes. Proceeds are expected to be used to repurchase a portion of the company's outstanding 7.75% convertible notes due June 2027, fund up to $20 million of common share repurchases, and for general corporate purposes, including support of its operating platforms and strategic investment initiatives. Concurrently, the company disclosed plans to dispose of approximately $190 million of legacy loans, further advancing its balance sheet simplification strategy.

Balance Sheet & Dilution Impact

- The transaction addresses a portion of Redwood's 2027 refinancing exposure by extending maturities into 2030, reducing near-term refinancing risk and improving financial flexibility. To the extent proceeds are used to retire existing 2027 convertible notes, the offering should improve the company's maturity profile , while maintaining flexibility to support investment across its core operating businesses.
- The company intends to repurchase up to $20 million of common stock in connection with the transaction, which should provide some offset to potential future share issuance. In addition, Redwood still has approximately $111 million of capacity remaining under its existing $150 million common stock repurchase authorization (as of June 30,2026). The net dilution impact remains subject to final conversion pricing, settlement method and prevailing market conditions

Market Reaction & Takeaway

We believe today's sharp equity selloff reflects a combination of convertible arbitrage hedging, dilution concerns, and uncertainty around the ultimate amount of 2027 debt that will be retired, rather than a materially deteriorating credit profile. The transaction improves the maturity profile, supports liquidity through ongoing legacy asset monetization, and preserves capital for higher-return operating platforms. While the market's reaction highlights investor sensitivity to dilution and funding costs, we believe the magnitude of the stock decline appears disproportionate to the underlying economic impact, particularly if management successfully retires a substantial portion of the 2027 convertible balance.

Highlights (US$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	210	271	309	350	374	378	395	412
Pre-tax profit	58	99	157	149	177	181	195	209
Net earnings (reported)	(13)	43	(91)	30	115	136	143	156
Net earnings (UBS)	50	73	123	134	135	138	151	163
Tier 1 ratio %	-	-	-	-	-	-	-	-
EPS (UBS, diluted) (US$)	0.39	0.52	0.91	1.03	1.03	1.05	1.15	1.25
Profitability/valuation	**12/23**	**12/24**	**12/25**	**12/26E**	**12/27E**	**12/28E**	**12/29E**	**12/30E**
ROE (UBS) %	4.5	6.5	12.1	15.1	15.3	15.1	15.7	16.0
P/PPOP (diluted) x	14.1	9.1	4.9	3.6	3.0	3.0	2.7	2.6
P/BV x	0.8	0.8	0.8	0.6	0.6	0.6	0.5	0.5
P/BV (UBS) x	0.8	0.8	0.8	0.6	0.6	0.6	0.6	0.5
P/E (UBS, diluted) x	17.9	13.1	6.5	4.1	4.1	4.0	3.7	3.4
Dividend yield (net) %	10.1	9.8	12.2	16.9	16.9	16.9	16.9	16.9

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 4.26 on 09-Sep-2026

Added RSVR after PE Offer at $10.50/share, Shares Weakened Post Offer

Following take-private proposals from major stakeholders (including a $10.50 cash bid from major insider Wesbild/Richmond Hill and competing interest from activist Irenic Capital in the $10.00–$11.00 range), **Reservoir Media ($RSVR)** presents a compelling thesis for event-driven and long-term investors.

Core Investment Thesis

- **Downside Floor via Bidding Floor:** The non-binding take-private offer at $10.50 per share (a ~39% premium to pre-announcement trading levels) creates a firm pricing floor. With competing interest in the $10.00–$11.00 range, a bidding war or price step-up remains a tangible catalyst for additional upside.
- **High-Quality Asset Unlocking:** Music publishing catalogs generate high-margin, inflation-hedged recurring revenue (streaming, sync, performance royalties) with low correlation to broader macroeconomic cycles. Private equity and strategic catalog buyers consistently prize these asset profiles for stable debt service.
- **Insiders & Activist Alignment:** Wesbild (controlling ~44% of equity) and activist Irenic Capital (~9.2% stake) both recognize that public markets severely under-priced RSVR's asset value. This alignment forces board actions toward realizing net asset value (NAV) via sale or restructuring.
- **No-Financing-Condition Setup:** Filings indicate that key acquirers intend to structure the transaction without traditional financing contingencies, reducing closing-risk discount spreads typically associated with leveraged buyouts in volatile credit environments.

Key Financial & Transaction Metrics

Financial Metric	**Value / Range**	**Operational Context**
Proposed Take-Private Price	**$10.50 / share**	~39% premium over pre-offer closing price ($7.55).
Alternative Bid Range (Irenic)	**$10.00 – $11.00 / share**	Strategic valuation range submitted by activist holders.
Implied Enterprise Value	**~$1.1B – $1.2B**	Includes net debt backed by underlying catalog asset values.
Gross Profit Margin	**~64.5%**	High gross profitability from core publishing & recorded music.
Annual EBITDA Guidance (FY26)	**$71.5M – $73.5M**	Organic cash flow generation supporting LBO leverage debt.

MS Top Mostly Non-AI Stock Picks (Global)

Ticker	Company Name	Region	Country	Analyst	GICS Sector	MS Industry	Rating	Mkt Cap ($ bn)	FX	PT	Upside	Bear	Bear %	Base %	Bull Case	Bull %	Inception Date	Bull Bear Skew
ABNd.AS	ABN AMRO Bank NV	Europe	Netherlands	Giulia Aurora Miotto CFA	Financials	Banks	OW	$ 41	EUR	48.00	10.3%	32.00	-26.5%	10.3%	55.00	26.4%	02 Sep 2026	1.7
2382.SE	ADES Holding	Europe	Saudi Arabia	Ricardo Rezende CFA	Energy	EEMEA - Oil & Gas	OW	$ 5	SAR	25.00	39.0%	8.50	-52.8%	39.0%	46.00	155.7%	27 Jul 2026	5.4
6531.TW	AP Memory Technology Corp	Asia Pacific	Taiwan	Daniel Yen CFA	Information Technology	Greater China Technology Semiconductors	OW	$ 5	TWD	1,666.00	68.6%	666.00	-32.6%	68.6%	1,966.00	99.0%	06 Aug 2026	3.0
ASML.AS	ASML Holding NV	Europe	Netherlands	Lee Simpson	Information Technology	Technology - European Semiconductors	OW	$ 683	EUR	1,700.00	15.0%	750.00	-49.3%	15.0%	2,600.00	75.9%	27 Nov 2025	3.5
ADCB.AD	Abu Dhabi Commercial Bank	Europe	United Arab Emirates	Shabbir Malik	Financials	EEMEA - Banks & Fintech	OW	$ 33	AED	17.00	4.6%	11.70	-28.0%	4.6%	21.60	32.8%	13 Mar 2026	1.8
ACCP.PA	Accor SA	Europe	France	Jamie Rollo	Consumer Discretionary	Leisure and Hotels	OW	$ 14	EUR	55.00	19.4%	37.00	-19.7%	19.4%	70.00	51.9%	04 Sep 2026	1.9
2345.TW	Accton Technology Corporation	Asia Pacific	Taiwan	Derrick Yang	Information Technology	Greater China Technology Hardware	OW	$ 33	TWD	3,500.00	85.7%	1,800.00	-4.5%	85.7%	4,200.00	122.8%	06 Jun 2024	2.3
ADAN.NS	Adani Power Ltd	Asia Pacific	India	Girish Achhipalia	Utilities	India Utilities	OW	$ 42	INR	275.00	31.0%	175.00	-16.7%	31.0%	316.00	50.5%	19 Sep 2025	1.8
6857.T	Advantest	Japan	Japan	Suzune Tamura CFA	Information Technology	Semiconductor Production Equipment	OW	$ 151	JPY	36,000.00	13.5%	17,000.00	-46.4%	13.5%	43,000.00	35.6%	26 May 2026	2.5
ADYEN.AS	Adyen NV	Europe	Netherlands	Russell Quelch	Financials	Technology - Payments	OW	$ 34	EUR	1,300.00	40.0%	800.00	13.9%	40.0%	1,500.00	61.5%	03 Sep 2026	1.9
AGILITY.AD	Agility Global PLC	Europe	United Arab Emirates	Ricardo Rezende CFA	Industrials	EEMEA - Transport	OW	$ 5	AED	2.30	44.7%	1.30	-18.2%	44.7%	3.20	101.3%	28 May 2026	2.5
BABA.N	Alibaba Group Holding	Asia Pacific	China	Gary Yu	Consumer Discretionary	China Internet and Other Services	OW	$ 271	USD	180.00	64.7%	90.00	-17.7%	64.7%	260.00	137.9%	12 Mar 2026	2.9
ALEP.WA	Allegro.eu SA	Europe	Poland	Luke Holbrook	Consumer Discretionary	Internet	OW	$ 13	PLN	48.00	6.8%	22.00	51.1%	6.8%	52.00	15.7%	18 Mar 2026	2.4
ACBr.AT	Alpha Bank SA	Europe	Greece	Noemi Peruch	Financials	Banks	OW	$ 13	EUR	5.50	12.0%	4.00	-18.5%	12.0%	6.40	30.3%	02 Sep 2026	1.6
090430.KS	Amorepacific	Asia Pacific	South Korea	Kelly H Kim CFA	Consumer Staples	S. Korea Consumer	OW	$ 6	KRW	200,000.00	42.3%	130,000.00	-7.5%	42.3%	260,000.00	85.1%	09 Feb 2026	2.0
7747.T	Asahi Intecc	Japan	Japan	Ryotaro Hayashi	Health Care	Medical Technology	OW	$ 6	JPY	5,000.00	56.7%	2,400.00	24.8%	56.7%	5,800.00	81.8%	13 Jun 2023	2.4
BAES.L	BAE Systems PLC	Europe	United Kingdom	Ross Law CFA	Industrials	Aerospace & Defence	OW	$ 77	GBP	2,620.00	38.0%	1,730.00	-8.9%	38.0%	3,396.00	78.9%	25 Jun 2026	2.0
BKR.O	Baker Hughes Co	North America	United States of America	Joe Laetsch CFA	Energy	Energy Services & Equipment	OW	$ 59	USD	70.00	18.5%	45.00	-23.8%	18.5%	95.00	60.9%	07 Aug 2026	2.1
002142.SZ	Bank of Ningbo Co. Ltd	Asia Pacific	China	Richard Xu CFA	Financials	China Financials	OW	$ 35	CNY	48.30	36.1%	21.20	-40.3%	40.1%	70.97	99.9%	25 Mar 2025	3.3
BTI.N	British American Tobacco PLC	Europe	United Kingdom	David J Roux	Consumer Staples	Tobacco	OW	$ 120	USD	68.10	23.3%	40.50	-26.7%	23.3%	85.00	53.9%	24 Apr 2026	2.1
BATS.L	British American Tobacco PLC	Europe	United Kingdom	David J Roux	Consumer Staples	Tobacco	OW	$ 121	GBP	5,050.00	23.2%	3,000.00	-26.8%	23.2%	6,300.00	53.7%	24 Apr 2026	2.1
BRBY.L	Burberry	Europe	United Kingdom	Grace Smalley CFA	Consumer Discretionary	Brands	OW	$ 5	GBP	1,350.00	32.6%	850.00	-16.5%	32.6%	1,850.00	81.7%	18 May 2026	2.2
BVI.PA	Bureau Veritas SA	Europe	France	Annelies Vermeulen	Industrials	Business Services	OW	$ 14	EUR	35.00	25.8%	21.00	-24.5%	25.8%	45.00	61.8%	08 Sep 2026	2.1
AFXG.DE	Carl Zeiss Meditec AG	Europe	Germany	Jack Reynolds-Clark CFA	Health Care	Medical Devices	UW	$ 3	EUR	25.88	-14.6%	16.21	-46.5%	-14.6%	45.00	48.5%	02 Sep 2026	2.8
1109.HK	China Resources Land Ltd.	Asia Pacific	China	Stephen Cheung CFA	Real Estate	China Property	OW	$ 27	HKD	42.38	45.3%	24.20	-17.0%	45.3%	54.50	86.9%	04 Jun 2025	2.3
KO.N	Coca-Cola Co.	North America	United States of America	Dara Mohsenian CFA	Consumer Staples	Beverages	OW	$ 381	USD	100.00	13.3%	54.00	-38.8%	13.3%	121.00	37.0%	17 Mar 2026	2.2
300750.SZ	Contemporary Amperex Technology Co. Ltd.	Asia Pacific	China	Jack Lu	Industrials	China Energy & Chemicals	OW	$ 237	CNY	595.00	80.0%	240.00	-27.4%	80.0%	675.00	104.2%	28 Jul 2026	2.8
VESTA.MX	Corporación Inmobiliaria Vesta SAB de C	Latin America	Mexico	Alejandra Obregon	Real Estate	Mexican Real Estate	OW	$ 3	MXN	80.00	39.9%	45.00	-21.3%	39.9%	100.00	74.9%	04 Aug 2026	2.2
4568.T	Daiichi Sankyo	Japan	Japan	Shinichiro Muraoka	Health Care	Pharmaceuticals	OW	$ 33	JPY	4,850.00	75.0%	2,550.00	-8.0%	75.0%	7,900.00	185.0%	26 Oct 2022	3.1
DANO.PA	Danone	Europe	France	David J Roux	Consumer Staples	Food Producers	OW	$ 46	EUR	83.00	35.2%	48.00	-21.8%	35.2%	95.00	54.8%	24 Jul 2026	2.0
DANOY.PK	Danone	Europe	France	David J Roux	Consumer Staples	Food Producers	OW	$ 46	USD	18.90	33.2%	10.90	-23.2%	33.2%	21.70	52.9%	24 Jul 2026	2.0
2308.TW	Delta Electronics Inc.	Asia Pacific	Taiwan	Derrick Yang	Information Technology	Greater China Technology Hardware	OW	$ 133	TWD	2,700.00	66.7%	1,319.00	-18.6%	66.7%	3,301.00	103.8%	11 Mar 2025	2.5
DBKGn.DE	Deutsche Bank	Europe	Germany	Giulia Aurora Miotto CFA	Financials	Banks	OW	$ 85	EUR	38.50	10.5%	23.00	-34.0%	10.5%	53.00	52.1%	01 Jul 2026	2.3
DTEGn.DE	Deutsche Telekom	Europe	Germany	Emmet B Kelly	Communication Services	Telecommunications Services	OW	$ 161	EUR	38.00	32.9%	20.00	-30.0%	32.9%	44.00	53.9%	27 Jun 2023	2.2
DNP.WA	Dino Polska SA	Europe	Poland	Izabel Dobreva	Consumer Staples	Retailing - Food	UW	$ 9	PLN	22.70	-35.9%	13.30	-62.4%	-35.9%	47.50	34.2%	28 Aug 2026	3.6
DPLM.L	Diploma PLC	Europe	United Kingdom	Annelies Vermeulen	Industrials	Business Services	OW	$ 13	GBP	8,700.00	22.3%	4,750.00	-33.2%	22.3%	11,100.00	56.0%	08 Sep 2026	2.3
4013.SE	Dr. Sulaiman Al Habib Medical Group	Europe	Saudi Arabia	Ricardo Rezende CFA	Health Care	EEMEA - Healthcare	OW	$ 22	SAR	264.50	13.7%	165.50	-28.9%	13.7%	361.00	55.1%	14 Feb 2026	2.2
EQTAB.ST	EQT AB	Europe	Sweden	Russell Quelch	Financials	Diversified Financials	OW	$ 30	SEK	410.00	32.5%	274.00	11.4%	32.5%	453.00	46.4%	03 Sep 2026	1.7
EQIX.O	Equinix Inc.	North America	United States of America	Cameron McVeigh CFA	Real Estate	Communications Infrastructure	OW	$ 103	USD	1,250.00	20.5%	850.00	-18.1%	20.5%	1,500.00	44.5%	13 Apr 2026	1.8
ETEA.NS	Eternal Ltd.	Asia Pacific	India	Gaurav Rateria	Consumer Discretionary	India Technology	OW	$ 32	INR	373.00	15.3%	199.00	-38.5%	6.0%	490.00	51.5%	21 Sep 2023	2.5
ENX.PA	Euronext NV	Europe	Netherlands	Russell Quelch	Financials	Diversified Financials	OW	$ 19	EUR	200.00	26.4%	145.00	8.3%	26.4%	230.00	45.4%	03 Sep 2026	1.6
3563.T	FOOD & LIFE COMPANIES	Japan	Japan	Katsumi Arai	Consumer Discretionary	Mid Small Cap/Non-Manufacturer	OW	$ 8	JPY	7,000.00	35.4%	5,400.00	4.4%	35.4%	8,600.00	66.3%	27 May 2026	1.6
FTAI.O	FTAI Aviation Ltd	North America	United States of America	Kristine T Liwag	Industrials	Aerospace	OW	$ 19	USD	360.00	93.5%	155.00	-16.7%	93.5%	565.00	203.7%	15 Jul 2026	3.6
FER.MC	Ferrovial SE	Europe	Spain	Nicolas J Mora	Industrials	Transport	OW	$ 40	EUR	72.00	49.2%	48.00	-0.5%	49.2%	87.00	80.3%	14 Jan 2026	1.8
FM.TO	First Quantum Minerals Ltd	North America	Canada	Alain Gabriel CFA	Materials	Metals & Mining	OW	$ 26	CAD	45.20	2.9%	15.60	-64.5%	2.9%	68.30	55.4%	08 Jul 2026	4.4
FSRJ.J	FirstRand Limited	Europe	South Africa	James Starke CFA	Financials	EEMEA - Banks & Fintech	OW	$ 34	ZAC	10,600.00	9.4%	7,100.00	-26.7%	9.4%	12,400.00	28.0%	27 May 2026	1.7
FREn.DE	Fresenius SE & Co KGaA	Europe	Germany	Aisyah Noor	Health Care	Healthcare Services	OW	$ 30	EUR	52.00	15.5%	35.00	-22.3%	15.5%	59.00	31.0%	23 Jun 2026	1.7
FUTU.O	Futu Holdings Ltd	Asia Pacific	China	Chiyao Huang	Financials	China Financials	OW	$ 16	USD	177.00	57.0%	64.00	-43.2%	58.8%	212.00	88.1%	09 Jul 2025	3.3
2367.HK	Giant Biogene Holding Co Ltd	Asia Pacific	China	Dustin Wei	Consumer Staples	China/Hong Kong Consumer	OW	$ 3	HKD	43.00	68.8%	24.00	-5.8%	68.8%	59.00	131.6%	20 Apr 2026	2.5
GRAS.NS	Grasim Industries Ltd	Asia Pacific	India	Rahul Gupta	Materials	India Materials	OW	$ 23	INR	4,000.00	21.9%	2,470.00	-24.7%	22.9%	5,300.00	61.5%	09 Jun 2025	2.1
GULF.BK	Gulf Development PCL	Asia Pacific	Thailand	Mayank Maheshwari	Utilities	ASEAN Utilities and Infrastructure	OW	$ 28	THB	85.00	37.7%	50.00	-19.0%	37.7%	100.00	61.9%	28 Jul 2026	2.0
HASI.N	HA Sustainable Infrastructure	North America	United States of America	Robert S Kad	Financials	Renewable Energy Infrastructure	OW	$ 6	USD	60.00	60.6%	18.00	-51.8%	60.6%	76.00	103.4%	22 Apr 2026	4.2
HLN.L	Haleon plc	Europe	United Kingdom	Sarah Simon	Health Care	Household & Personal Care Products	OW	$ 41	GBP	460.00	37.8%	340.00	1.9%	37.8%	600.00	79.7%	16 Dec 2025	1.8
HAWK.N	HawkEye 360 Inc	North America	United States of America	Kristine T Liwag	Industrials	Space Technology	OW	$ 2	USD	41.00	151.5%	13.00	-20.2%	151.5%	99.00	507.4%	15 Jul 2026	7.6
ICAG.MC	International Consolidated Airlines Grp	Europe	United Kingdom	Axel Stasse	Industrials	Transport	OW	$ 29	EUR	5.80	18.7%	3.00	-38.6%	18.7%	7.60	55.6%	15 Oct 2025	2.5
ICAGY.PK	International Consolidated Airlines Grp	Europe	United Kingdom	Axel Stasse	Industrials	Transport	OW	$ 29	USD	13.50	19.0%	7.00	-38.3%	19.0%	17.60	55.2%	07 Jan 2026	2.5
IFF.N	International Flavors & Fragrances	North America	United States of America	Lisa H De Neve	Materials	Chemicals	OW	$ 21	USD	100.00	19.6%	55.00	-34.2%	19.6%	122.00	45.9%	11 Jan 2025	2.2
1276.HK	Jiangsu Hengrui	Asia Pacific	China	Alexis Yan CFA	Health Care	China Healthcare	OW	$ 42	HKD	82.00	87.4%	46.00	5.1%	87.4%	125.00	185.6%	01 Jul 2025	2.7
285A.T	KIOXIA Holdings	Japan	Japan	Kazuo Yoshikawa CFA	Information Technology	Japan Semiconductors	OW	$ 193	JPY	110,000.00	103.6%	40,000.00	-26.0%	103.6%	160,000.00	196.1%	17 May 2026	4.0
4452.T	Kao	Japan	Japan	Haruka Miyake	Consumer Staples	Cosmetics & Personal Care Products	OW	$ 20	JPY	3,600.00	6.3%	2,850.00	-15.9%	6.3%	4,650.00	37.3%	14 Apr 2026	1.6
KSP.I	Kingspan Group PLC	Europe	Ireland	Cedar Ekblom CFA	Industrials	Building & Construction	OW	$ 22	EUR	113.00	10.2%	68.00	-33.7%	10.2%	152.00	48.3%	10 Sep 2026	2.2
LPLA.O	LPL Financial Holdings Inc.	North America	United States of America	Michael J. Cyprys CFA CPA	Financials	Brokers, Asset Managers & Exchanges	OW	$ 28	USD	387.00	9.4%	145.00	-59.0%	9.4%	582.00	64.5%	10 Jul 2026	4.0
LEGD.PA	Legrand	Europe	France	Max R Yates	Industrials	Capital Goods	OW	$ 44	EUR	160.00	12.8%	120.00	15.4%	12.8%	190.00	33.9%	28 Aug 2026	1.6
FWONK.O	Liberty Formula One	North America	United States of America	Sean Diffley CFA	Communication Services	Media & Entertainment	OW	$ 25	USD	125.00	30.8%	85.00	-11.1%	30.8%	145.00	51.7%	30 Apr 2026	1.7
LLOY.L	Lloyds Banking Group	Europe	United Kingdom	Alvaro Serrano	Financials	Banks	OW	$ 89	GBP	140.00	26.0%	70.00	-37.0%	26.0%	175.00	57.4%	02 Sep 2026	2.5
MTB.N	M&T Bank Corp.	North America	United States of America	Ryan Kenny CFA	Financials	Midcap Banks	OW	$ 35	USD	304.00	26.8%	213.00	11.2%	26.8%	386.00	60.9%	08 Sep 2026	1.8
MRL.MC	MERLIN Properties	Europe	Spain	Ana Escalante	Real Estate	Property	OW	$ 7	EUR	18.50	41.0%	10.00	-23.8%	41.0%	23.00	75.3%	01 Sep 2026	2.3
MKSI.O	MKS Inc.	North America	United States of America	Shane Brett	Information Technology	Semiconductor Capital Equipment	OW	$ 21	USD	439.00	64.2%	278.00	4.0%	64.2%	595.00	122.6%	18 May 2026	2.1
MTNJ.J	MTN Group Limited	Europe	South Africa	Viwe Kupiso	Communication Services	EEMEA - Telecoms	OW	$ 23	ZAC	24,500.00	21.0%	18,000.00	-11.1%	21.0%	27,000.00	33.4%	28 May 2026	1.5
MKS.L	Marks and Spencer Group PLC	Europe	United Kingdom	Izabel Dobreva	Consumer Staples	Retailing - Food	OW	$ 11	GBP	439.00	15.8%	153.00	-59.6%	15.8%	587.00	54.9%	03 Jul 2026	3.8
2454.TW	MediaTek	Asia Pacific	Taiwan	Charlie Chan	Information Technology	Greater China Technology Semiconductors	OW	$ 227	TWD	5,588.00	21.9%	2,845.00	-37.9%	21.9%	7,675.00	67.4%	23 Apr 2026	2.7
MBGn.DE	Mercedes-Benz Group AG	Europe	Germany	Javier Martinez de Olcoz Cerdan	Consumer Discretionary	Autos & Shared Mobility	OW	$ 52	EUR	58.00	24.3%	40.00	-14.3%	24.3%	69.00	47.8%	04 Feb 2026	1.7
META.O	Meta Platforms Inc	North America	United States of America	Brian Nowak CFA	Communication Services	Internet	OW	$ 2,026	USD	775.00	19.6%	450.00	-30.6%	19.6%	1,000.00	54.3%	30 Mar 2026	2.2
2264.T	Morinaga Milk Industry	Japan	Japan	Tomonobu Tsunoyama	Consumer Staples	Food	OW	$ 2	JPY	1,500.00	35.6%	1,000.00	-9.6%	35.6%	1,800.00	62.7%	06 Mar 2025	1.8
6981.T	Murata Manufacturing	Japan	Japan	Shoji Sato	Information Technology	Electronic Components	OW	$ 87	JPY	12,500.00	70.0%	3,500.00	-52.4%	70.0%	15,500.00	110.8%	16 Jun 2026	4.4
036570.KS	NC Corporation	Asia Pacific	South Korea	Seyon Park	Communication Services	S. Korea Telecoms & Internet	OW	$ 3	KRW	320,000.00	55.7%	180,000.00	-12.4%	55.7%	400,000.00	94.6%	29 Nov 2025	2.2
NG.L	National Grid plc	Europe	United Kingdom	Sarah E Lester CFA	Utilities	Utilities	OW	$ 76	GBP	1,475.00	30.5%	975.00	-13.8%	30.5%	1,725.00	52.6%	16 Jan 2026	1.8
NGG.N	National Grid plc	Europe	United Kingdom	Sarah E Lester CFA	Utilities	Utilities	OW	$ 76	USD	99.50	29.5%	65.75	-14.5%	29.5%	116.50	51.6%	16 Jan 2026	1.8
NTGY.MC	Naturgy	Europe	Spain	Arthur Sitbon CFA	Utilities	Utilities	OW	$ 32	EUR	33.00	11.9%	22.00	-25.4%	11.9%	41.00	39.1%	04 Aug 2026	1.9
NAVN.O	Navan Inc	North America	United States of America	Chris Quintero	Consumer Discretionary	Software	OW	$ 6	USD	33.00	57.0%	17.00	-19.1%	57.0%	46.00	118.8%	07 Apr 2026	2.7
NOKIA.HE	Nokia Oyj	Europe	Finland	Terence Tsui	Information Technology	Technology - Telecoms Equipment	OW	$ 59	EUR	14.00	46.5%	6.50	-32.0%	46.5%	19.00	98.8%	16 Jan 2026	2.9
NOK.N	Nokia Oyj	Europe	Finland	Terence Tsui	Information Technology	Technology - Telecoms Equipment	OW	$ 59	USD	16.50	48.2%	7.50	-32.6%	48.2%	22.50	102.2%	07 Feb 2026	3.0
NOC.N	Northrop Grumman Corp.	North America	United States of America	Kristine T Liwag	Industrials	Defense	OW	$ 74	USD	745.00	43.6%	371.00	-28.5%	43.6%	1,456.00	180.6%	15 Jul 2026	3.9
NSISb.CO	Novonesis	Europe	Denmark	Lisa H De Neve	Materials	Chemicals	OW	$ 31	DKK	535.00	25.2%	339.00	-20.7%	25.2%	645.00	50.9%	20 Jul 2026	1.9
OTPB.BU	OTP Bank	Europe	Hungary	Gulnara Saitkulova	Financials	Banks	OW	$ 39	HUF	51,000.00	8.5%	36,000.00	-23.4%	8.5%	62,000.00	31.9%	14 Mar 2026	1.7
ORSTED.CO	Orsted A/S	Europe	Denmark	Robert Pulleyn	Utilities	Utilities	OW	$ 28	DKK	220.00	62.5%	130.00	-4.0%	62.5%	260.00	92.1%	13 May 2026	2.0
PANW.O	Palo Alto Networks Inc	North America	United States of America	Meta A Marshall	Information Technology	Software	OW	$ 275	USD	394.00	19.2%	215.00	-35.0%	19.2%	497.00	50.3%	21 Jul 2026	2.3
2318.HK	Ping An Insurance Group Co of China Ltd	Asia Pacific	China	Richard Xu CFA	Financials	Hong Kong/China Insurance	OW	$ 138	HKD	88.00	63.0%	54.00	-	63.0%	115.00	113.0%	31 Jul 2025	2.1
DEHr.AT	Public Power Corp	Europe	Greece	Ricardo Rezende CFA	Utilities	EEMEA - Utilities	OW	$ 17	EUR	27.50	11.5%	21.00	-14.8%	11.5%	34.00	37.9%	20 Aug 2026	1.6
RADL3.SA	Raia Drogasil SA	Latin America	Brazil	Mauricio I Cepeda	Consumer Staples	LatAm Healthcare	OW	$ 7	BRL	26.00	32.9%	17.00	-13.1%	32.9%	34.50	76.4%	15 Jun 2026	2.0
ROPC.S	Roche Holding AG	Europe	Switzerland	Sarita Kapila	Health Care	Pharmaceuticals	OW	$ 338	CHF	410.00	19.1%	300.00	12.8%	19.1%	460.00	33.6%	07 Aug 2026	1.5
RHHBY.PK	Roche Holding AG	Europe	Switzerland	Sarita Kapila	Health Care	Pharmaceuticals	OW		USD	63.00	19.4%	46.00	-12.8%	19.4%	69.00	30.8%	07 Aug 2026	1.5
RR.L	Rolls-Royce Holdings PLC	Europe	United Kingdom	Ross Law CFA	Industrials	Aerospace & Defence	OW	$ 163	GBP	2,000.00	37.5%	1,329.00	-8.6%	37.5%	2,761.00	89.8%	29 Jan 2026	2.1
SEIC.O	SEI Investments Company	North America	United States of America	Ryan Kenny CFA	Financials	Midcap Advisors	OW	$ 13	USD	125.00	16.9%	80.00	25.2%	16.9%	160.00	49.6%	23 Jul 2026	2.0
SSABa.ST	SSAB AB	Europe	Sweden	Alain Gabriel CFA	Materials	Carbon Steel	OW	$ 11	SEK	115.00	11.3%	54.00	-47.8%	11.3%	153.00	48.0%	05 May 2026	2.8
009150.KS	Samsung Electro-Mechanics	Asia Pacific	South Korea	Shawn Kim	Information Technology	S. Korea Technology	OW	$ 79	KRW	##########	87.1%	1,350,000.00	-3.6%	87.1%	3,000,000.00	114.3%	06 Aug 2026	2.2
SAN.MC	Santander	Europe	Spain	Alvaro Serrano	Financials	Banks	OW	$ 220	EUR	14.70	14.1%	8.00	-37.9%	14.1%	16.00	24.2%	24 Mar 2026	2.0
1180.SE	Saudi National Bank	Europe	Saudi Arabia	Shabbir Malik	Financials	EEMEA - Banks & Fintech	OW	$ 67	SAR	48.00	15.4%	33.00	-20.7%	15.4%	56.00	34.6%	13 Mar 2026	1.7
2050.SE	Savola Group	Europe	Saudi Arabia	Rashad Kawan	Consumer Staples	EEMEA - Consumer & Retail	OW	$ 2	SAR	36.00	38.6%	18.00	-30.7%	38.6%	50.00	92.5%	04 Jun 2026	2.8
G24n.DE	Scout24	Europe	Germany	Ed Young	Communication Services	Internet	OW	$ 6	EUR	114.00	56.1%	60.00	-17.9%	56.1%	144.00	97.1%	09 Sep 2026	2.4
STX.O	Seagate Technology	North America	United States of America	Erik W Woodring	Information Technology	IT Hardware	OW	$ 194	USD	1,187.00	43.0%	490.00	-41.0%	43.0%	1,665.00	100.6%	06 Apr 2026	3.4
SHEL.L	Shell PLC	Europe	United Kingdom	Martijn Rats CFA	Energy	Energy	OW	$ 279	GBP	3,780.00	6.4%	1,697.00	-52.2%	6.4%	4,813.00	35.5%	03 Sep 2026	2.8
002028.SZ	Sieyuan Electric Co.Ltd.	Asia Pacific	China	Eva Hou	Industrials	China Utilities	OW	$ 16	CNY	237.00	76.0%	120.90	-10.2%	76.0%	311.20	131.1%	07 Apr 2026	2.6
STEL.SI	Singapore Telecom	Asia Pacific	Singapore	Da Wei Lee	Communication Services	ASEAN Telecoms and Media	OW	$ 57	SGD	5.50	22.2%	3.90	-13.3%	22.2%	6.50	44.4%	19 Sep 2024	1.7
SW.N	Smurfit Westrock	North America	United States of America	Brian Morgan	Materials	Paper & Packaging	OW	$ 23	USD	58.00	34.2%	37.00	-14.4%	34.2%	81.00	87.4%	07 Jul 2026	2.2
SOIT.PA	Soitec SA	Europe	France	Nigel van Putten	Information Technology	Technology - European Semiconductors	OW	$ 6	EUR	200.00	41.7%	80.00	-43.3%	41.7%	300.00	112.5%	23 Jul 2026	3.8
SUBC.OL	Subsea 7	Europe	Norway	Guilherme Levy	Energy	Energy Services	OW	$ 10	NOK	370.00	14.9%	135.00	-58.1%	14.9%	590.00	83.2%	23 Jun 2026	4.4
7269.T	Suzuki Motor	Japan	Japan	Hiroto Segawa	Consumer Discretionary	Autos & Shared Mobility	OW	$ 26	JPY	2,700.00	31.9%	1,700.00	-17.0%	31.9%	3,700.00	80.8%	14 Oct 2025	2.2
TMUS.O	T-Mobile US, Inc.	North America	United States of America	Sean Diffley CFA	Communication Services	Telecom & Cable Services	OW	$ 203	USD	230.00	26.1%	142.00	-22.1%	26.1%	260.00	42.6%	16 Apr 2026	1.8
TLXGn.DE	Talanx AG	Europe	Germany	Hadley Cohen	Financials	Insurance	OW	$ 36	EUR	135.00	11.4%	100.00	-17.5%	11.4%	160.00	32.0%	10 Jan 2026	1.6
3402.T	Toray Industries	Japan	Japan	Takato Watabe	Materials	Fine Chemicals	OW	$ 12	JPY	1,700.00	37.4%	1,100.00	-11.1%	37.4%	2,100.00	69.8%	14 Dec 2024	1.9
CRDI.MI	UniCredit S.p.A.	Europe	Italy	Noemi Peruch	Financials	Banks	OW	$ 150	EUR	105.00	23.3%	71.00	-16.6%	23.3%	112.00	31.5%	18 Feb 2026	1.6
UNH.N	UnitedHealth Group Inc	North America	United States of America	Erin Wright	Health Care	Healthcare Facilities & Managed Care	OW	$ 338	USD	529.00	39.5%	346.00	8.7%	39.5%	643.00	69.6%	16 Apr 2026	1.9
VNET.O	VNET Group Inc	Asia Pacific	China	Tom Tang	Information Technology	Greater China Telecoms	OW	$ 2	USD	14.00	121.2%	5.50	-13.1%	121.2%	24.50	287.0%	26 May 2026	4.5
WMG.O	Warner Music Group Corp.	North America	United States of America	Cameron Mansson-Perrone	Communication Services	Media & Entertainment	OW	$ 15	USD	36.00	27.1%	23.00	-18.8%	27.1%	42.00	48.3%	03 Sep 2026	1.8
WMB.N	Williams Companies Inc	North America	United States of America	Robert S Kad	Energy	Midstream Energy Infrastructure	OW	$ 89	USD	103.00	41.4%	48.00	34.1%	41.4%	119.00	63.3%	25 Aug 2026	2.5
WTC.AX	WiseTech Global Limited	Asia Pacific	Australia	Andrew McLeod	Information Technology	Australia Media, Internet and Technology	OW	$ 8	AUD	70.00	114.1%	20.00	-38.8%	114.1%	100.00	205.9%	06 Dec 2024	5.0
6669.TW	Wiwynn Corp	Asia Pacific	Taiwan	Howard Kao	Information Technology	Greater China Technology Hardware	OW		TWD	842.57	-63.5%						08 May 2026	
603259.SS	WuXi AppTec Co Ltd	Asia Pacific	China	Laurence Tam	Health Care	China Healthcare	OW	$ 66	CNY	200.00	32.2%	60.00	60.3%	32.2%	240.00	58.7%	22 Nov 2025	4.0
1810.HK	Xiaomi Corp	Asia Pacific	China	Andy Meng CFA	Information Technology	Greater China Technology Hardware	OW	$ 90	HKD	33.00	25.2%	15.00	-43.1%	25.2%	50.00	89.7%	11 Apr 2024	3.3
YUMC.N	Yum China Holdings Inc.	Asia Pacific	China	Lillian Lou	Consumer Discretionary	China/Hong Kong Consumer	OW	$ 15	USD	60.00	41.8%	33.00	-22.0%	41.8%	73.00	72.5%	06 Aug 2024	2.2
2899.HK	Zijin Mining Group	Asia Pacific	China	Rachel L Zhang	Materials	Greater China Materials	OW	$ 126	HKD	61.00	75.2%	26.20	-24.8%	75.2%	81.00	132.6%	11 Aug 2026	3.1
FTKn.DE	flatexDEGIRO SE	Europe	Germany	Marina Massuti	Financials	Diversified Financials	OW	$ 4	EUR	45.00	42.6%	32.00	1.4%	42.6%	59.00	86.9%	03 Sep 2026	1.8

Iran War Update (East West Pipeline Offline)

Brent oil surged over $100 a barrel (107 in futures on Sunday) after Saudi Arabia halted some energy operations near its border with Yemen due to attacks, highlighting risks to supply from the region. Saudi Arabian production was already declining ahead of the attacks (more below).

- Saudi Arabia temporarily shut down its 1,200-kilometer East-West Pipeline following targeted drone strikes originating from Iraq. Satellite imagery identified damage and black smoke near the pipeline's path south of Medina.
- **Impact on Strategy:** The pipeline had been acting as Saudi Arabia's primary overland bridge to bypass the blocked Strait of Hormuz, moving crude from eastern oil fields to the western port of Yanbu on the Red Sea.
- **On top of all this, the GCC meeting in Oman for Monday has been postponed.**

2. Volume of Oil Offline

- **Pipeline Loss:** The shutdown temporarily removes up to **4 million to 5 million barrels per day (bpd)** of capacity.
- **Broader Regional Disruption:** Global oil markets are dealing with an estimated **5.7 million bpd of total supply offline** across the Gulf due to combined pipeline closures and maritime blockades. Prior to this shutdown, actual western-coast crude loadings at Yanbu had risen to roughly 2.9 million–3.7 million bpd as flows were rerouted away from Hormuz.

3. Vessel Traffic in the Bab el-Mandeb Strait

- **Ships Are Still Crossing:** Traffic has not halted entirely, but transits are sharply reduced.
- **Transit Numbers:** Commercial transits are averaging roughly **26 to 28 vessels per day**, down from pre-crisis averages of 70+ vessels per day.
- **Heightened Security Risks:** Houthis seized strategic positions along the Yemeni coast and Perim (Mayyun) Island directly inside the strait. They declared safe passage for general commercial traffic while actively blockading and targeting Saudi-affiliated vessels, forcing mainstream non-shadow tankers to turn off tracking AIS systems or bypass the Red Sea altogether via the Cape of Good Hope.

The crisis in the **Strait of Hormuz** represents the largest structural disruption to the global seaborne oil market since the 1970s energy shock. Since the outbreak of conflict between the U.S./Israel and Iran in late February 2026, the choke point has remained largely closed to standard commercial energy transit.

Current Status & Traffic Volume

- **Virtual Standstill:** Under threat of naval strikes, sea mines, and IRGC boarding actions, commercial traffic through the strait has plummeted. Official IMF PortWatch data indicates tracked daily transits have collapsed from a pre-crisis average of ~85 vessels per day down to **a trickle of 5 to 10 vessels per day** (a ~90%+ drop in volume).
- **Shadow Fleet & Dark Transits:** The small number of tankers actively navigating the passage consist almost entirely of Iranian-flagged vessels, Chinese "shadow fleet" tankers, or dark-fleet hulls running with AIS transponders switched off to avoid targeting. Major international P&I clubs have revoked war-risk coverage, halting mainline western tanker operations.

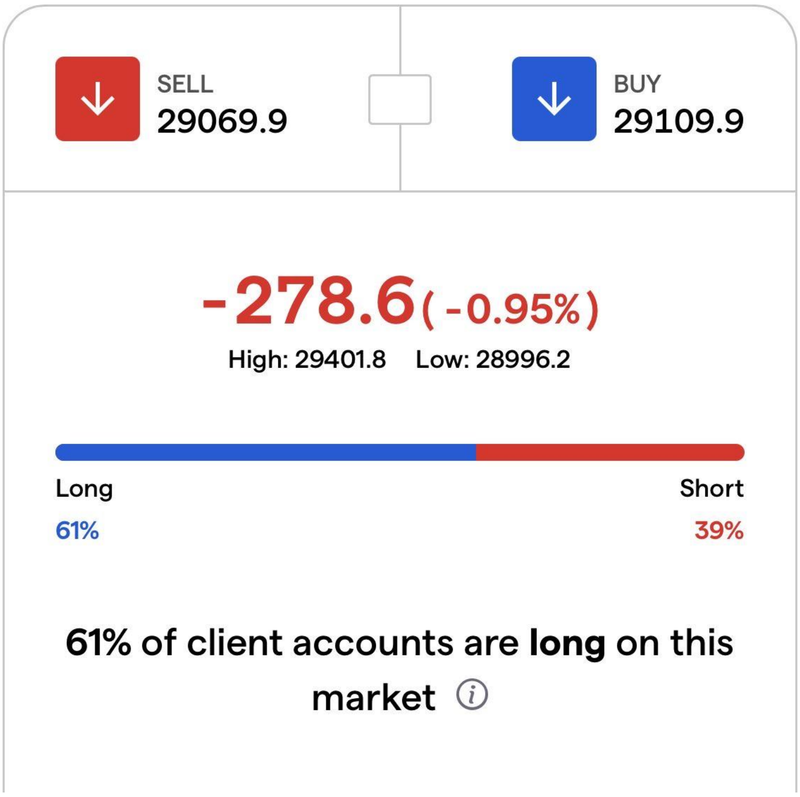
Volume of Oil Offline

- **Massive Persian Gulf Lock-in:** Pre-crisis, roughly 20 to 21 million barrels per day (bpd) of crude, condensate, and refined products passed through Hormuz (~20% of global consumption).
- **Net Loss:** With Middle Eastern seaborne exports from Iraq, Kuwait, Qatar, and the UAE severely throttled, **over 10 million bpd of regional crude and product output remains shut in or trapped**.
- **Compounding Pipeline Bottlenecks:** The recent drone strike on Saudi Arabia's East-West Petroline—which was previously moving ~4–5 million bpd to Yanbu on the Red Sea—severed the primary overland bypass route, taking an additional ~4 million bpd of bypass capacity offline and escalating global supply pressures.

Diplomatic & Security Developments

- **Proposed Iranian "Corridor" System:** On September 13, 2026, Iran signaled intent to present Gulf nations with a bilateral agreement reached alongside Oman to establish a restricted, temporary shipping lane. However, Tehran intends to retain unilateral veto authority over which vessels use the channel, charging transit fees and keeping the passage closed to U.S., Israeli, and allied-flagged ships.

Market Indicated Lower Over the Weekend (Ahead of Futures)



Mid-Week Clashes: The global benchmark traded close to $99 after the suspension of operations at multiple facilities in southern Saudi Arabia as the strikes caused a fire. The attacks on Tuesday were the latest in a series of strikes in the region that's already forced a major refinery to shut.

Oil futures are advancing on fears about deeper disruptions to flows through the waterway after renewed fighting between the US and Iran ended a period of relative calm. Chinese refiners have also stepped-up crude purchases, boosting prices for grades from Africa, Canada and Latin America, though the increase doesn't necessarily signal a sustained recovery in demand.

Iran and Oman have been seeking to formalize control of the strait, and could eventually charge transit fees. The US, which is blockading Iranian ports to curb exports from the Islamic Republic, wants Hormuz to return to its pre-war status as a freely navigable waterway.

Despite risks to shipping, oil shipments continue to exit the Persian Gulf. Daily flows through Hormuz remain at roughly 10 million barrels, mostly made up of crude, Vitol Group Chief Executive Officer Russell Hardy said at the Asia Pacific Petroleum Conference by S&P Global Energy in Singapore on Tuesday. Still, he warned that oil-product markets are flashing signs of tightness.

Chinese crude imports strengthened in August, as cargoes from the Persian Gulf crept higher and refiners increased purchases from other sources, according to customs data on Tuesday. Higher purchases has allowed the nation to export more oil products, offering some relief to global markets.

Following the recent flare-up in hostilities, Iranian official Mohsen Rezaee said the “operational posture toward US warships and bases has been fundamentally recalibrated.” The US has been given “clear warning” about Iran’s missiles in recent days, the senior security official said in a post on X.

“We’ve seen so many twists and turns since late February, and every time we thought we were going to get somewhere, it has been ripped apart,” said Chris Weston, head of research at Pepperstone Group Ltd. “We’re back to almost square one.”

Additional Attacks on Wednesday

Iranian attacks continue: Iranian forces have fired missiles at US warships, including an aircraft carrier, at least three times in the past week (the first direct targeting of the US Navy since the start of the war) with manoeuvrable warheads bringing the attempts much closer than before. Yesterday’s attacks at US forces in Jordan damaged several US fighter jets on the ground, sources say (WSJ).

The IRGC also claims to have struck eight tankers and two US vessels, with UKMTO confirming one cargo ship hit off al-Faw, Iraq. The US has not retaliated on the attacks yesterday $USO $UCO $BNO

White House aides brace for a years-long conflict: Vance, Rubio and others have told Trump that Tehran could hold out under the blockade, potentially extending the conflict past January 2029.

Trump himself said Wednesday the war will end "immediately" after the November midterms "because they can't hold out any longer", and that oil and gasoline prices won't fall until "right after" the election. US gasoline averaged USD 4.22/gal Wednesday, from USD 3.19 a year ago (AAA)

Additional Attacks on Thursday

Iranian strikes targeting a U.S. military installation in Jordan inflicted damage on several American warplanes, a U.S. official confirmed to Reuters. The attack severely damaged one A-10 Thunderbolt II, detaching a wing, while approximately eight F-15 fighter jets suffered minor damage before being returned to service. U.S. air defense batteries fired roughly 30 Patriot interceptors during the engagement, further depleting critical air-defense stockpiles.

Saudi Oil Production Down

Saudi Arabia reported just 6.238 million barrels per day in August to OPEC, down about 1.9 million from July and the lowest since 1990, due to US-Iran hostilities, Houthi maritime embargoes, and strikes near Yemen.

Exports fell by a third to around 3 million barrels daily, pushing Brent crude above $105 a barrel and WTI over $100 with gains over 4 percent in one session.

OPEC+ averaged 38.05 million barrels per day overall and cut its 2026 global demand growth forecast to 380,000 barrels daily from 580,000.

Iran Meeting with GCC (Sign of Progress, Maybe, But Bahrain States Not Attending)

The *Financial Times* reported that the Foreign Ministers of the Gulf Cooperation Council (GCC), Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, and Oman, are planning to meet with Iranian Foreign Minister Abbas Araghchi in Salalah, Oman.

This marks the first formal gathering between GCC top diplomats and a senior Iranian official since the war broke out.

This is why oil fell 2% on Friday.

Core Objectives & Negotiation Mandate

- Strait of Hormuz Transit Corridor: Oman and Iran are driving the initiative to secure GCC buy-in for a proposed temporary agreement governing maritime traffic. The tentative framework routes inbound Persian Gulf vessels through Iranian territorial waters and outbound traffic primarily through Omani waters.

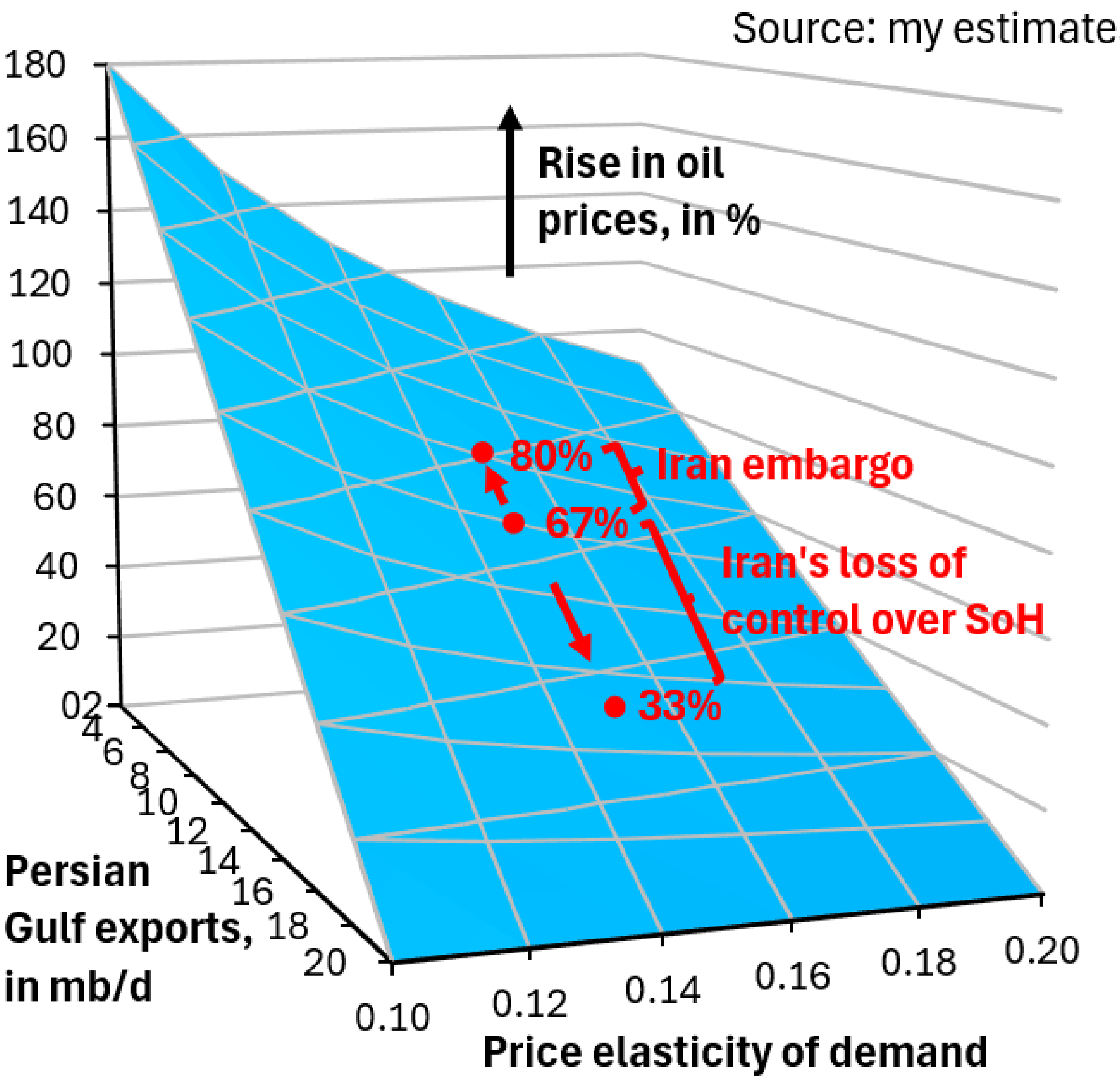
- Iran's Strategic Goal: Tehran and Muscat hope a unified GCC endorsement will pressure Washington into lifting its naval and economic blockade on Iranian ports.
- GCC Strategic Goal: Gulf nations, which have suffered major logistical disruptions despite using overland bypass pipelines, want a pragmatic, temporary mechanism to restore commercial ship passage and reduce regional military friction.

Key Execution Risks & Constraints

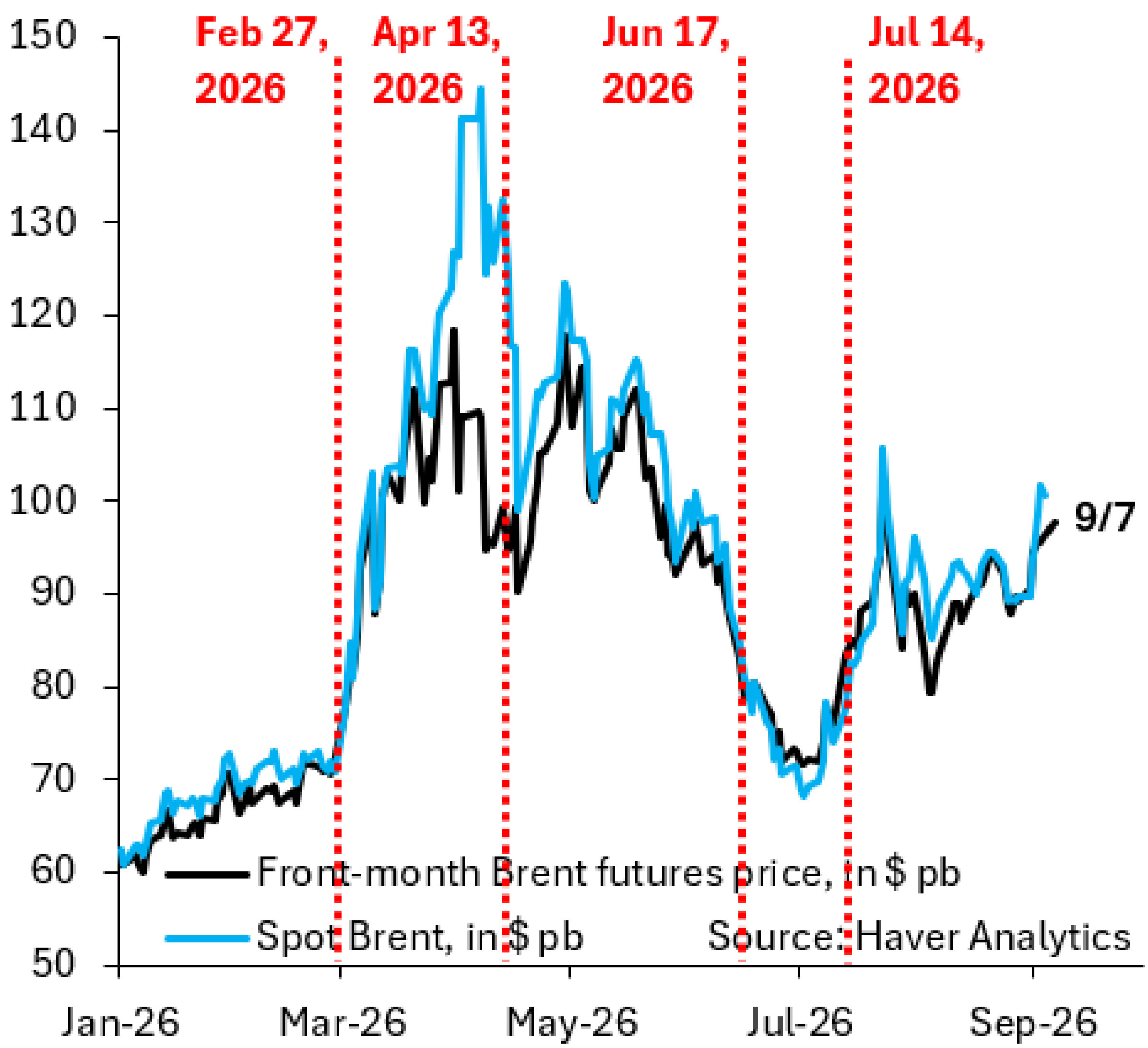
- U.S. Veto Risk: Diplomats cited by the FT emphasize that while a temporary Iran-GCC agreement can reduce localized maritime tension, the Strait of Hormuz cannot fully reopen without direct U.S. buy-in. Washington remains opposed to Iran asserting unilateral transit control or collecting navigation fees.
- Regional Friction: Worsening hostilities between Saudi-aligned forces and Iran-backed Houthis in Yemen, alongside recent regional missile strikes, could still complicate attendance or final confirmations before the gathering

While we think oil could rise to $120/bbl in short order if both Straits are closed, economists like Robin Brooks see otherwise. Let's provide both sides with his thought process below.

Robin Brooks on Oil Assuming No Further Infrastructure Damage: Oil out of the Persian Gulf is averaging around 15 mb/d, so we're running at 75% capacity compared to before the war. That implies - based on standard price elasticities of demand - a 33% premium over pre-war prices, so Brent should trade around $95...



Even though there's no end in sight to the war, the crowd that pushed for $200 oil so loudly back in March and April has gone quiet. But - just because such a spike didn't happen back then - doesn't mean it can't happen now. This post lays out why I think the passage of time makes such a spike increasingly unlikely and why Brent around $90 - $100 adequately prices the disruption in the Strait of Hormuz that remains.



The black line in the chart above shows the front-month futures price for Brent. The blue line is the spot price, i.e. what you pay for immediate delivery. These two prices tend to move closely together, but that wasn't true in March and April at the height of the oil price panic. This was when a scramble for oil sent the spot price soaring above the front-month futures price. The vertical red lines denote the start of the war in the night of Feb. 27, the first imposition of the blockade on Apr. 13, the MoU signing on Jun. 17, which was followed by the lifting of the blockade the next day, and - finally - the reimposition of the blockade on July 14. There's three reasons why the passage of time makes a return to the highs from earlier this year very unlikely:

- **Market psychology:** the fact that all the apocalyptic forecasts from earlier this year were so badly wrong has made markets suspicious of any *"oil prices will go up"* narratives. They basically see them as snake oil at this point.

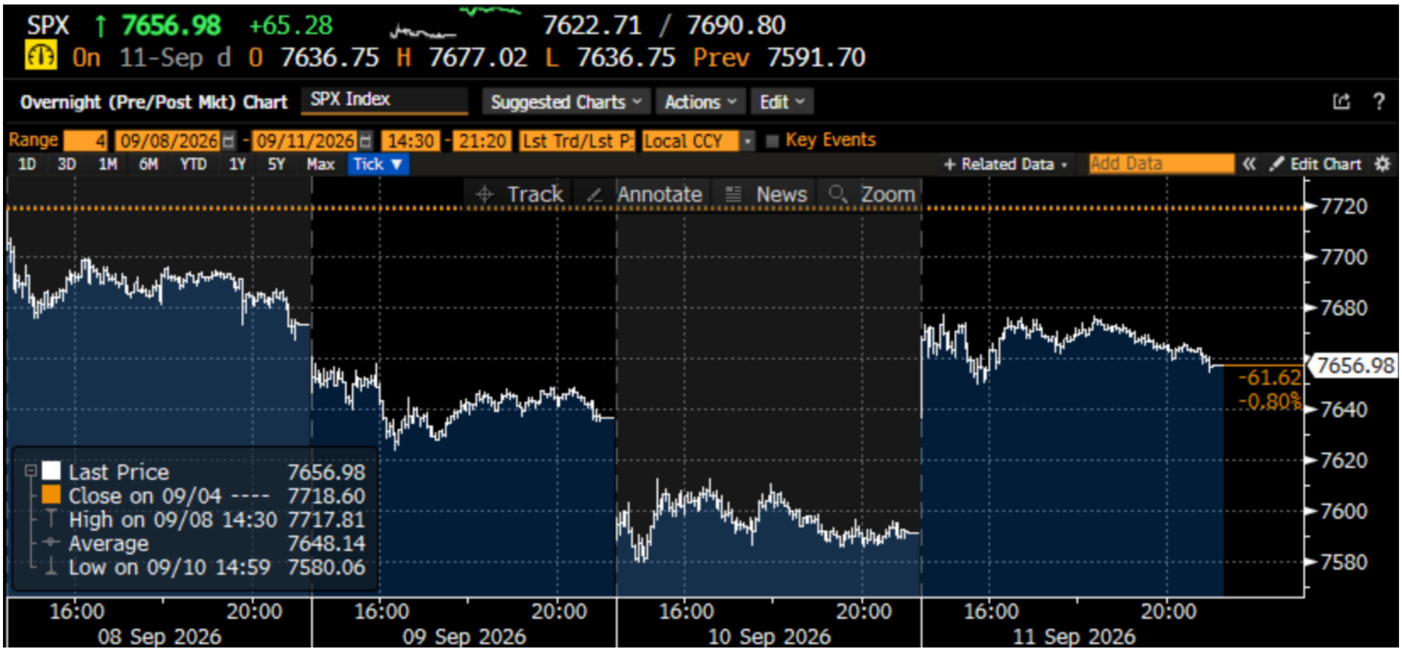
- **Narrative Shift on Iran:** there's growing appreciation that the US blockade is exacting a heavy toll on Iran and may get the regime to return to the negotiating table in good faith. That's a huge shift from earlier this year and is something that tends to hold down oil prices, since it implies greater odds of a lasting peace deal.

- **Learning-by-doing on supply chains:** as time passes, markets learn to live with shocks and trade around them. I've flagged how South Korea pivoted to importing lots of Canadian oil during the worst stages of this shock. This'll be happening in similar fashion all over the place and with growing intensity as people watch and learn others' tricks.

The most important reason why Brent won't spike is that Iran is losing control over the Strait of Hormuz, which means oil is increasingly exiting the Persian Gulf thanks to the US Navy. The chart above revisits my analysis from March. The horizontal axis facing the reader is the price elasticity of demand for oil, where the midpoint of estimates from the academic literature is 0.15. The axis going away from the reader is oil supply out of the Persian Gulf. An unencumbered Strait means 20 mb/d, while I assumed 10 mb/d back in March, which mapped into a 67 percent rise in Brent and an 80 percent rise in Brent if Iran was blockaded additionally. My best guess for oil out of the Persian Gulf now is 15 mb/d, which justifies only a 33 percent rise in Brent versus where we were before the war ($70). That means Brent around $95 is roughly fair and reflects Iran's gradual loss of control over the Strait. We're not going to see my peak $125 estimate (reflecting the 80 percent rise) again. Those days are over.

Why is the SPX 3% from All Time Highs?

Consider all of the things that have been thrown at the market during this holiday-shortened week alone: Brent oil prices +7% to over $100/barrel, diesel above $6/gallon for the first time ever, the 2 Year Treasury yield up nearly 30 bps to 4.6%, the 10 Year Treasury yield up nearly 20 bps to 4.96%, the odds of a September rate hike from 60% to 89%, and the pricing of Fed hikes in 2026 from 1.4 to 2 (oh, and not to mention AI apocalypse doomersim). And for all of these potential wrenches, the S&P 500 was down less than 1% on the week. For the S&P 500 this week, macro pain really has been an illusion.



This resilience is even more impressive in the context of a tough seasonal backdrop and signs of complacency in both positioning and sentiment going into this tougher seasonal stretch (these complacent signs include low volatility, low demand for downside protection, overweight consolidated positioning, stretched futures positioning, bullish sentiment readings, and more).

And yet, this equity market seems to ascend from any macro suffering and remain relatively calm… on the surface.

Despite the index currently being down just 2.2% from its all-time highs, we have seen a larger deterioration underneath the surface of the S&P 500. After the close on Thursday, when the index was down just 3% from highs, a mere 17% of names in the index were trading above their 20-day moving average and only 33% were trading above their 50-day moving average (this latter reading is down from 70% just one month ago). These metrics are far closer to an internal "wash out" than would normally be expected with such a mild price drop in the index.

The S&P 500 can thank its 34% weight to the Magnificent 7 cohort for its overall resilience. As the "average" stock, as measured by the equal weight index and captured in those breadth statistics, has struggled over the last month, the Mag 7 has rebounded from its June-swoon and provided a ballast for the overall market. Effectively, the 12% rally in the Mag 7 since the start of August has made up for more broad-based softness in the rest of the market.

The other underlying source of market resilience is, of course, earnings (as is very well appreciated by market participants).

The constant and continuous climb in 2026 and 2027 EPS estimates for the S&P 500 has allowed the market to absorb many macro shocks that are putting downward pressure on equity valuations. Both 2026 and 2027 EPS estimates are up 16% YTD, pricing in 32% growth this year and 14% growth next year. This growth has allowed the S&P 500 to tolerate a 13% decline in its forward PE multiple and still deliver a 12% YTD return.

This 13% drop in the S&P 500's PE multiple is worth a note, as we see it coming from multiple sources:

- First, higher rates are pressuring valuations, as we have been flagging for months that the low in rates in 2025 coincided with the peak in valuations. A further lift in yields, as we saw this week, is likely to put further downward pressure on valuations.
- Second, we see a deterioration in earnings quality weighing on valuations, mostly for the Mag 7. The Mag 7 cohort has seen its forward PE multiple drop by 30% since last October and is now at the lowest level since 2025's Liberation Day lows and even close to the 2022 tech bear market lows. We see some of this de-rating as capturing the now-poor cash generation and higher capital intensity of these businesses. Given the weight of Mag 7 in the index, an important question is if there is much more downside to Mag 7 valuations from here, or if the reset has already occurred, effectively allowing these stocks to resume their prior powerful returns.
- Third, we see lower valuations reflecting peak earnings growth rates and an increasing probability that some segments of the market "over earning" or pulling forward earnings power from the future to today. We expect that 2Q26 was the peak quarterly growth rate (at

over 50%) and 2026 will be the peak annual growth rate (at 32%), with a sharp deceleration in 2027. The equity market's forward-looking tendencies sniffs out this peak growth rate and typically ascribes a lower valuation multiple.

This last point raises the question about how much longer we can count on huge positive earnings revisions to dampen and dull any pain that macro dynamics cause to valuation multiples.

With 2027 EPS estimates already at $416/sh, implying 14% growth on top of the stellar growth (read: tough comparisons) from 2026, we are not sure how much more realistic upside there is to 2027 estimates.

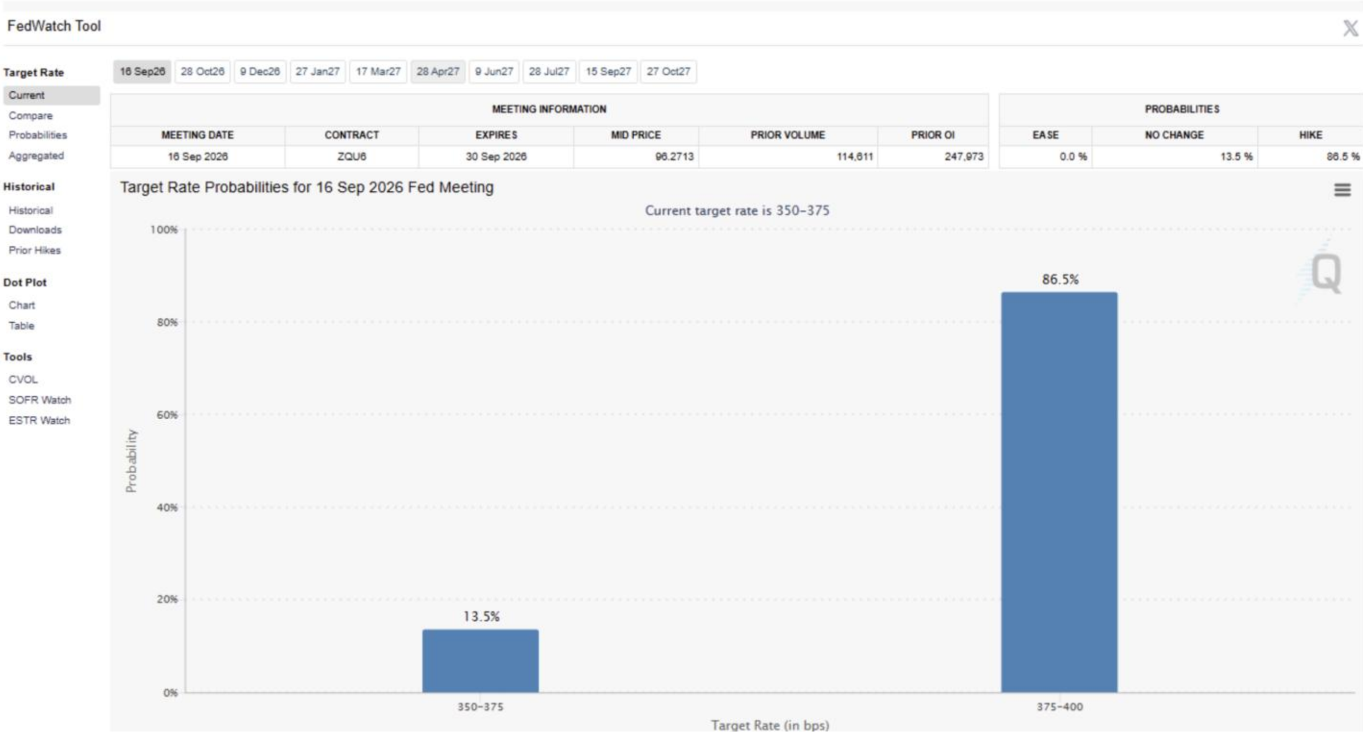
Of course, taking the under on earnings estimates has been precisely wrong all of this year, which is why analysts are hesitant to trim forecasts and are inclined to keep raising forecasts until clear evidence challenges this bullish growth outlook. This is why we think estimates could continue to rise into year end, even if they might be challenged by reality in 2027 (one-time gains not repeating, tough YoY growth comparisons, less upside to hyperscaler capex forecasts, and more).

Overall, the ability to shake off these macro tribulations is thanks to an earnings backdrop that has allowed the market to absorb valuation compression with minimal top line damage.

We still see potential for further volatility as we move through the remainder of the month and into October. Seasonal headwinds remain, while positioning and sentiment suggests that investors are not already bracing for higher seasonal volatility.

The earnings backdrop provides a strong fundamental underpinning for this market, but rate dynamics cannot be ignored, as a further climb (and a resulting potential tightening of financial conditions) could begin to weigh on not just the valuation outlook but the earnings growth outlook as well. We also are watching 2027 estimates closely for any signs that the powerful revision upcycle that has bolstered this market in 2026 is beginning to slow

FOMC Meeting Hike Probability up to 87%



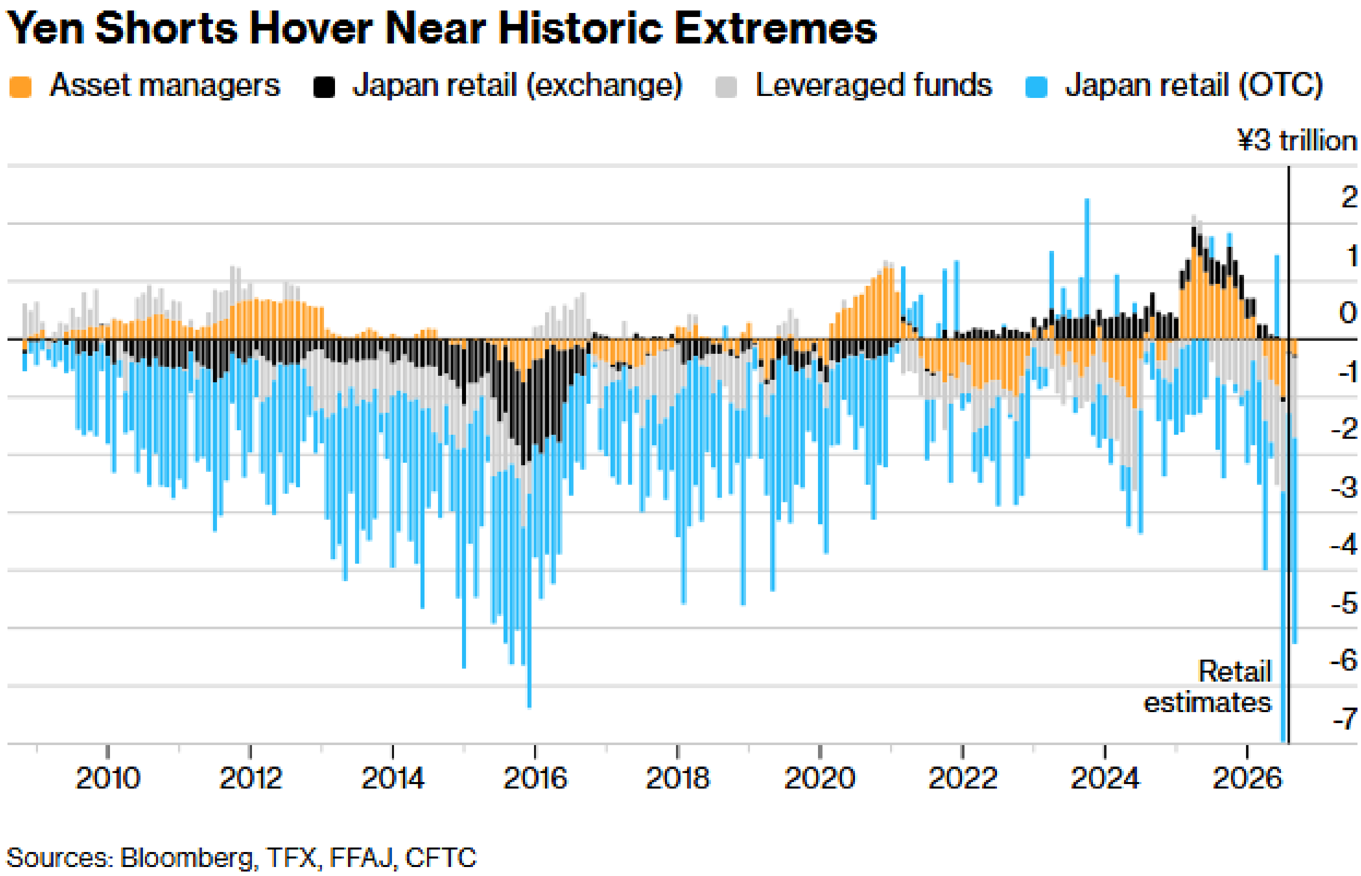
The sharp move in CME FedWatch interest rate futures—pushing the odds of a **25 bps rate hike at the September 15–16 FOMC meeting to ~87%** (up from ~50% a month ago)—is driven by three compounding factors:

- **Hot CPI & Energy Bottlenecks:** The latest August CPI print came in above target at **3.4% YoY (0.4% MoM)**. Upward pressure was driven by broader energy and supply disruptions tied to the Middle East conflict and Red Sea shipping bottlenecks, squashing hopes for a cooling trend in core inflation.
- **Resilient Labor Market:** August payrolls added a stronger-than-expected **162,000 jobs** while holding unemployment steady at 4.1%. The labor market resilience gave the Fed leeway to focus aggressively on inflation without immediately threatening employment.
- **Hawkish Shift in Fed Communication:** Following Chair Kevin Warsh's hawkish tone at Jackson Hole and subsequent signals from Fed Governors, wall-street desks (including UBS, Citi, and Macquarie) rapidly revised their terminal rate forecasts from "extended hold" to **two hikes before year-end**.

This marks the Fed's first rate increase in three years, moving target rates up to 3.75%–4.00% as the market prices in a prolonged "higher-for-longer" policy regime through 2027.

Short Positions on Japanese Yen Highest in History, Despite Bessent Jawboning

Speaking Tuesday at Southern Methodist University, Bessent highlighted his coordination with Japanese officials on recent joint yen purchases—the first U.S. involvement in decades—and his pressure for Bank of Japan rate hikes. The yen has strengthened to around 153.3 per dollar from over 160, amid elevated U.S. Treasury yields near 5.25 percent. A former hedge-fund manager famous for past currency bets, Bessent's confident stance drew praise for its directness, though some caution that markets can humble the overconfident.



Treasury Secretary Scott Bessent challenged traders to counter his efforts to strengthen Japan's currency, touting that when he makes market calls nowadays he's effectively doing so with inside information.

"I am the house now, so when we intervene with the Japanese yen, I have pretty good insight into what the Japanese, what the Bank of Japan is going to do, what Japanese policymakers are going to do," Bessent said. "And you can bet against me if you want."

Market Testing Bessent Resolve on Bond Buying

10-year is at 4.96% over the weekend

The surge in the 10-year Treasury yield to **4.96%**—a three-year high nearing the psychologically critical 5.00% threshold—reflects a classic "Bond Vigilante" rejection of Treasury Secretary Scott Bessent's intervention strategy.

1. The Buyback Cap Underwhelmed Wall Street

- **Underwhelming Scale:** Dealers and primary desks had built up expectations for a "bazooka" buyback program of $10B+ to absorb duration supply. When the Treasury capped its expanded 20- to 30-year purchase operation at **up to $6 billion** (and only executed $5.19B due to lack of sellers at offered prices), the market marked down the implied value of the "Bessent Put".
- **Liquidity vs. Duration:** Buybacks recycle dealer balance-sheet capacity into new auctions, but a $5B–$6B operation is a rounding error in a $30T+ market and **does not reduce aggregate duration risk** when net Treasury issuance remains near record highs.

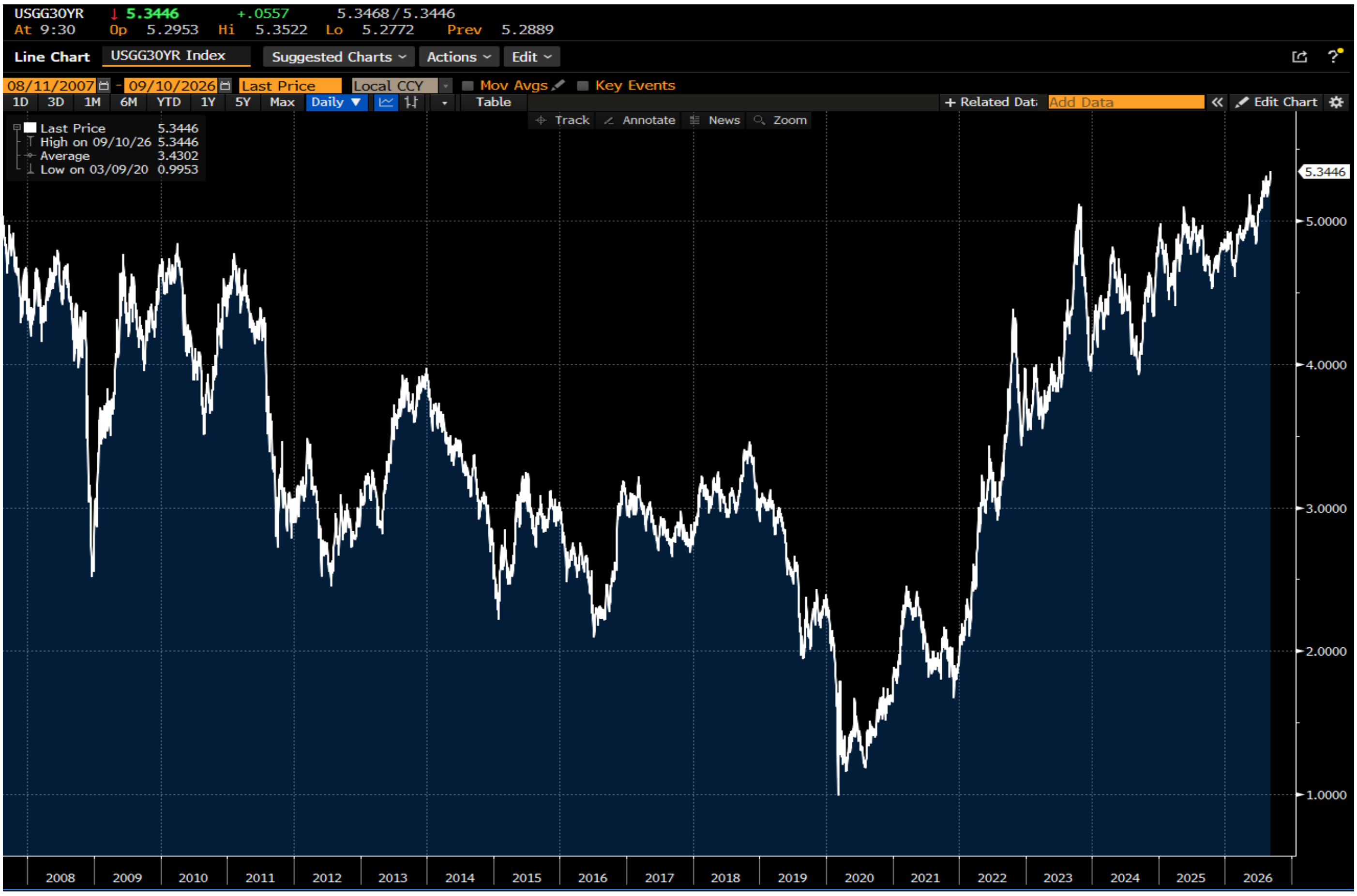
2. A Failed 30-Year Treasury Auction

- A **$22 billion 30-year bond auction** tailing significantly at a high yield of **5.308%** signaled that institutional buyers refuse to absorb long-end duration without a steeper yield premium.

3. Re-Ignited Inflation & Fed Hike Expectations

- **Hot CPI & Energy Spikes:** August CPI coming in above expectation (3.4% YoY) alongside Middle East conflict-driven surges in crude oil prices dismantled hopes for rate cuts.
- **Hike Odds Jump:** Interest rate futures rapidly priced in an **~87% probability of a 25 bps Fed rate hike** at the upcoming September FOMC meeting, driving short-to-intermediate yields up across the curve.

30Y Makes New Highs Even After Good Auction



Russell 2000 $IWM Most Sensitive to Ratse (40-45% of Index is Unprofitable)

Profitability Numbers (~40%–45%)

- **Current Proportion:** Roughly **40% to 45%** of companies in the Russell 2000 are unprofitable (negative LTM Net Income / EPS).
- **Historical Norms:** Pre-2010, the non-profitability rate sat near 15%–20%. The surge to over 40% reflects years of zero-interest-rate policy (ZIRP), early-stage biotech inclusions, and software growth names holding high index weight.
- **Comparison:** By comparison, less than **7%** of S&P 500 constituents are unprofitable. The **S&P SmallCap 600** has an explicit positive earnings screen, keeping its unprofitable share around **20%**.

2. Rate Sensitivity Mechanics

The Russell 2000 ($IWM) is significantly more sensitive to short-term interest rate shifts than large-cap benchmarks (like $SPY or$QQQ) for three main reasons:

- **Floating-Rate Debt Exposure:**
  - **~30%–45%** of debt held by Russell 2000 companies carries floating interest rates, compared to less than **10%** for S&P 500 companies.
  - Fed rate hikes translate into immediate interest expense spikes for small caps rather than multi-year delayed hits.
- **2026–2027 Refinancing Wall:**
  - Small-cap companies face significant debt maturities over 2026–2027. Many issued fixed-rate debt in 2020–2021 at ~2%–3% that now must roll over at prevailing yields (6%+), straining operating margins.
- **Interest Coverage Ratios:**
  - Estimate metrics indicate **40%+** of Russell 2000 constituents have interest coverage ratios below 1.5x (or cannot cover interest expenses solely with operating cash flow).

PPI Meets Expectations, But Headline Higher on Energy

The August Producer Price Index (PPI) print shows headline inflation reaccelerating due to energy costs, while underlying core inflation remains under control.

- US Aug. producer prices rise 0.4% M/M; est. +0.4%
- US Aug. producer prices rise 5.4% Y/Y; est. +5.3%
- US Aug. core PPI rises 0.2% M/M; est. +0.3%
- US Aug. core PPI rises 4.6% Y/Y; est. +4.6%

Key Takeaways & Market Implications

- Headline vs. Core Divergence: The monthly headline jump (+0.4% M/M) was hit on the nose, driven primarily by a surge in energy prices (with crude hovering near $100). However, Core PPI (+0.2% M/M) came in cooler than the +0.3% expected, demonstrating that broader pipeline pricing pressure outside of volatile commodities isn't spiking out of control.

- YoY Base Effects & Revisions: Both headline (5.4% vs. 5.3% est) and prior-month revisions (July revised up to 4.8% YoY) reflect an ongoing base-effect tick upward in wholesale inflation compared to earlier in the year.

- Fed Policy Impact: Because the heat in headline PPI is predominantly an energy-driven story while Core PPI came in soft (+0.2% M/M), this print gives the Fed room to view the headline uptick as a supply-side commodity shock rather than broad demand-pull inflation.

- Immediate Market Reaction: Rates and front-end yields saw minor volatility, with spot gold pulling back as the headline number briefly triggered inflation-rebound headlines. All eyes now turn to tomorrow's CPI release to see if energy costs are passing directly through to final consumers.

Table A. Monthly and 12-month percent changes in selected final demand price indexes, seasonally adjusted

Month	Total final demand	Final demand less foods, energy, and trade	Final demand goods				Final demand services				Change in final demand from 12 months ago (unadj.)	Change in final demand less foods, energy, and trade from 12 mo. ago (unadj.)
			Total	Foods	Energy	Less foods and energy	Total	Trade	Transportation and warehousing	Other		
2025												
Aug....	-0.2	0.3	0.2	-0.1	-0.2	0.4	-0.3	-2.1	0.6	0.3	2.7	3.0
Sept...	0.6	0.2	0.6	0.8	2.0	0.2	0.6	1.6	0.7	0.2	3.0	3.0
Oct.....	0.1	0.6	-0.2	-0.4	-2.2	0.5	0.2	-0.9	0.0	0.7	2.8	3.5
Nov....	0.4	0.3	0.8	0.1	3.4	0.2	0.3	0.2	0.8	0.2	3.1	3.6
Dec....	0.4	0.1	-0.1	-0.2	-1.5	0.4	0.6	1.8	0.2	0.0	3.1	3.4
2026												
Jan....	0.6	0.5	-0.1	-1.3	-1.7	0.7	0.9	2.0	1.0	0.3	3.1	3.5
Feb....	0.5	0.5	1.0	2.3	2.0	0.4	0.3	-0.3	0.8	0.5	3.4	3.5
Mar....	0.8	0.2	2.0	-0.6	10.5	0.4	0.3	0.5	2.2	0.0	4.3	3.6
Apr.[1]...	1.1	0.5	1.9	0.3	7.1	0.7	0.8	1.5	3.7	0.1	5.7	4.4
May[1]..	0.5	0.8	2.2	0.6	8.2	0.7	-0.2	-2.7	2.2	0.7	5.9	5.0
June[1]..	-0.1	0.2	-1.4	-0.6	-6.8	0.2	0.5	1.2	-0.3	0.2	5.6	5.0
July[1]...	0.1	0.4	-0.4	-0.9	-1.8	0.2	0.2	-0.1	-1.1	0.5	4.8	4.7
Aug....	0.4	0.3	1.1	0.1	4.2	0.4	0.1	-0.2	2.3	0.0	5.4	4.7

[1] Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April through July have been revised to reflect the availability of late reports and corrections by respondents.

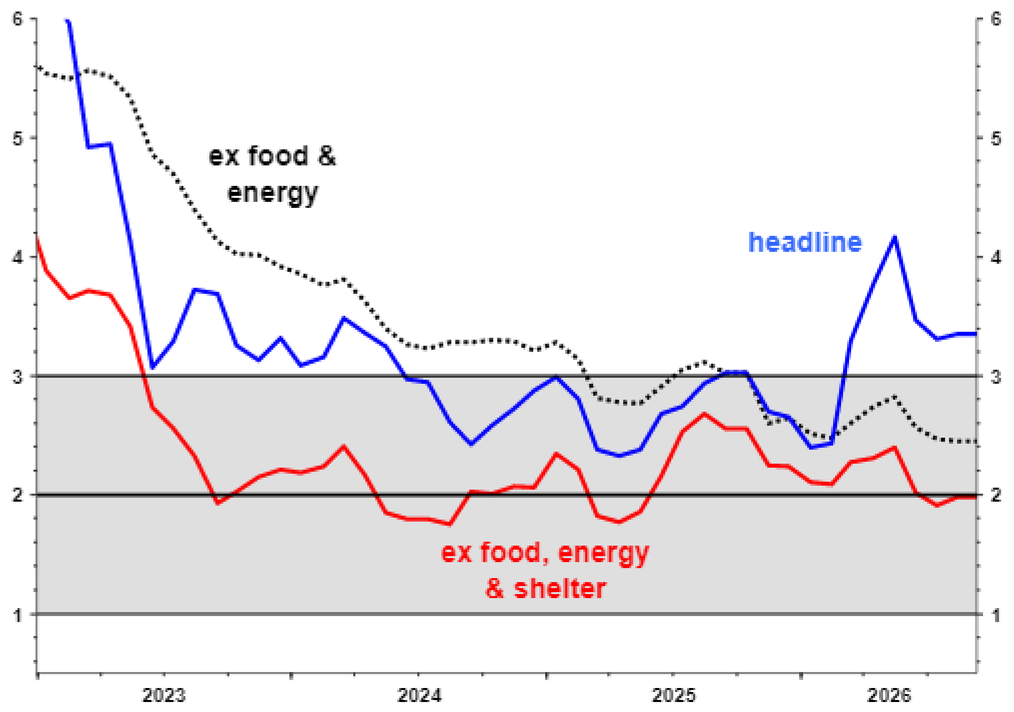
CPI: Looks Like Market Had Priced Slightly Hotter Number, S&P 500 Rallied 80 bps on 9-11-26

It would be suboptimal (even according to Waller/Warsh) for the Fed to hike rates when y/y core CPI is within 1-3% range and decelerating - as are wages. Plus, core CPI ex shelter is smack bang on 2% (and close to 2% for 3 full years).

R	Event	Period	Surv(M)	Actual	Prior
	CPI MoM	Aug	0.4%	0.4%	0.1%
	Core CPI MoM	Aug	0.2%	0.3%	0.2%
	CPI YoY	Aug	3.4%	3.4%	3.4%
	Core CPI YoY	Aug	2.4%	2.4%	2.5%
	CPI Index NSA	Aug	334.889	334.980	333.918
	Core CPI Index SA	Aug	337.602	337.765	336.789
	Real Avg Weekly Earnings YoY	Aug	--	0.3%	0.1%
	Real Avg Hourly Earning YoY	Aug	--	-0.3%	-0.2%
	U. of Mich. Sentiment	Sep P	51.0	47.8	51.7
	U. of Mich. Current Conditions	Sep P	51.3	50.9	51.9
	U. of Mich. Expectations	Sep P	51.0	45.8	51.5
	U. of Mich. 1 Yr Inflation	Sep P	4.2%	4.6%	4.0%
	U. of Mich. 5-10 Yr Inflation	Sep P	3.3%	3.4%	3.3%

BofA on CPI: "Beyond its implications for next week's Fed decision, we do not view the CPI report as particularly informative about the underlying inflation trend. The upside surprise was driven largely by core services, which increased 0.33% m/m. Within core services, wireless telephone services surged 5.9% m/m, contributing roughly 10bp to core CPI. The increase likely reflects AT&T's retirement of certain unlimited plans and higher administrative fees, which should prove to be a one-off. In addition, airfares and lodging away from home, two historically volatile categories, contributed a combined 8bp to core CPI. Airfares in particular may have been boosted by higher oil prices. These effects should prove temporary and largely unwind over coming months."

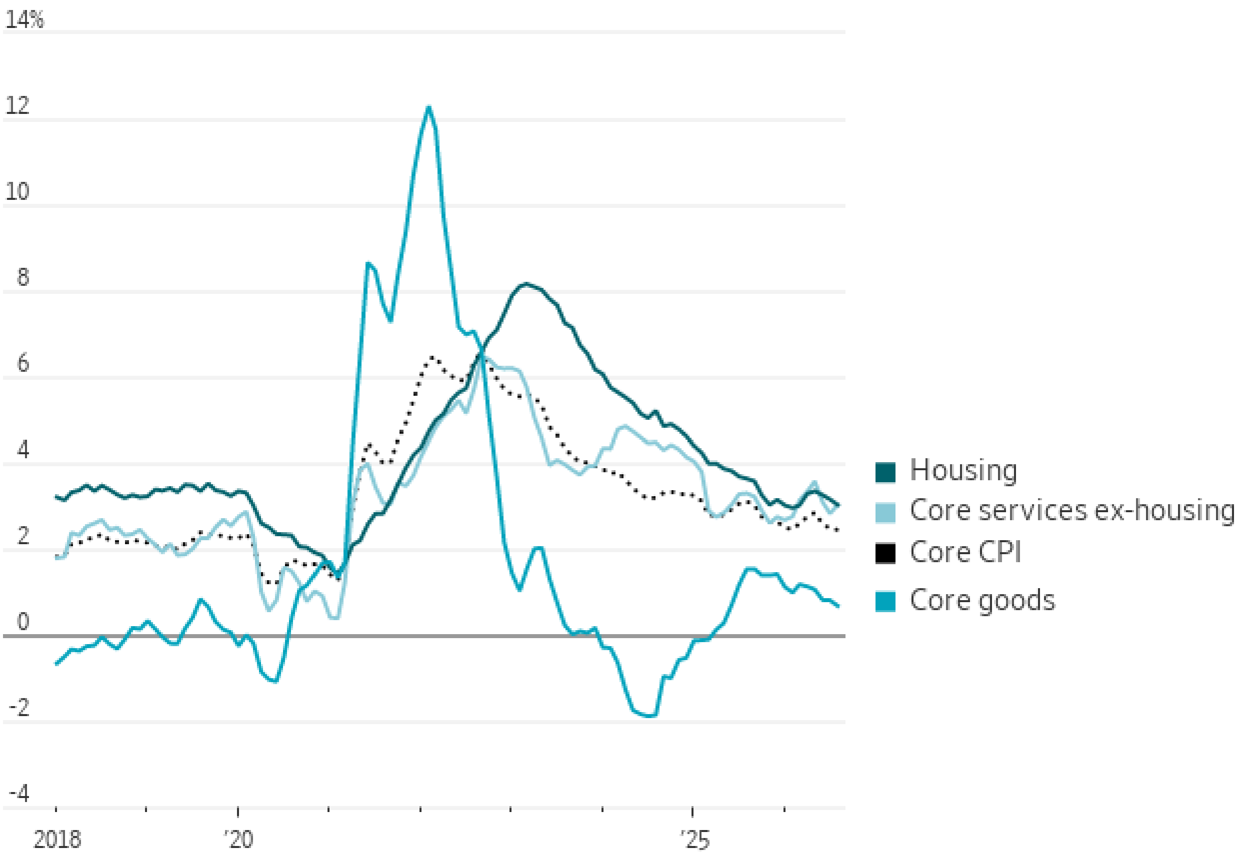
Historical CPI and Core CPI



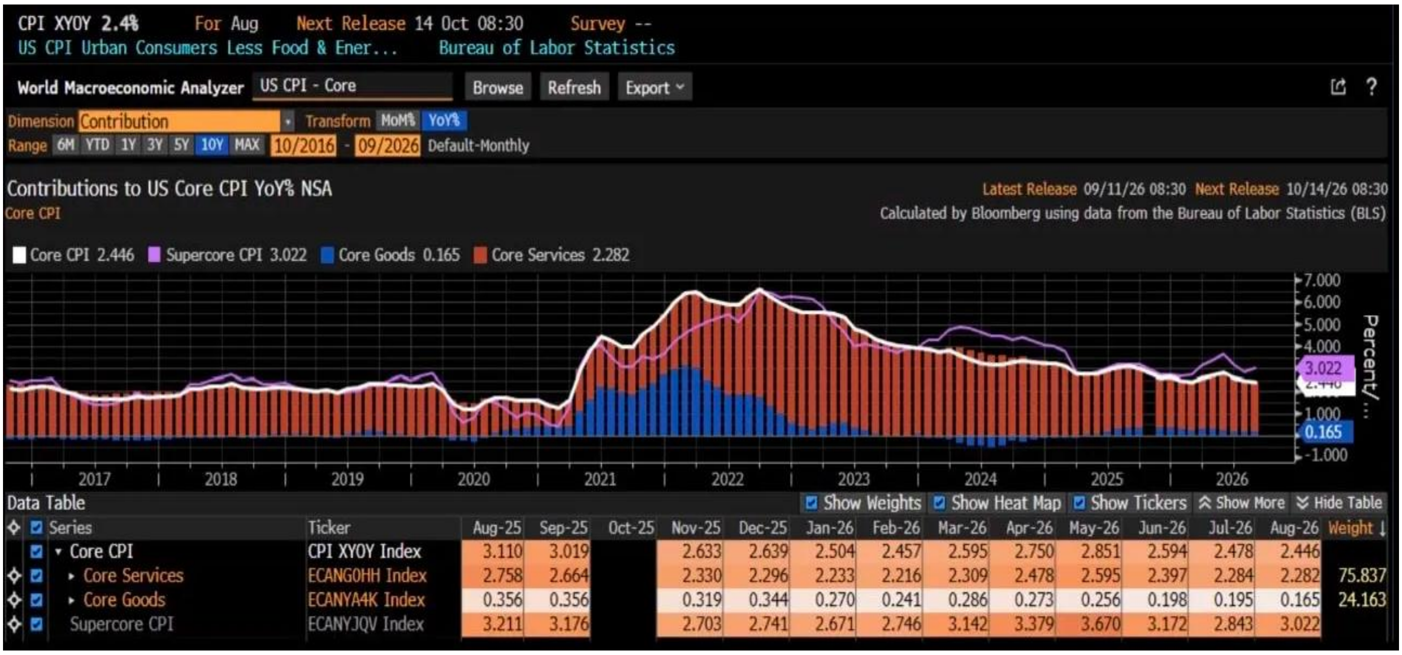
Slightly Concerning: Core services ex-housing rose 0.51% in the August CPI, the highest reading since January and up 3% on the year.

- Core goods was +0.11% (+0.7% on the year)
- Shelter was +0.26% (+3% on the year)

Core consumer price index, change from year earlier



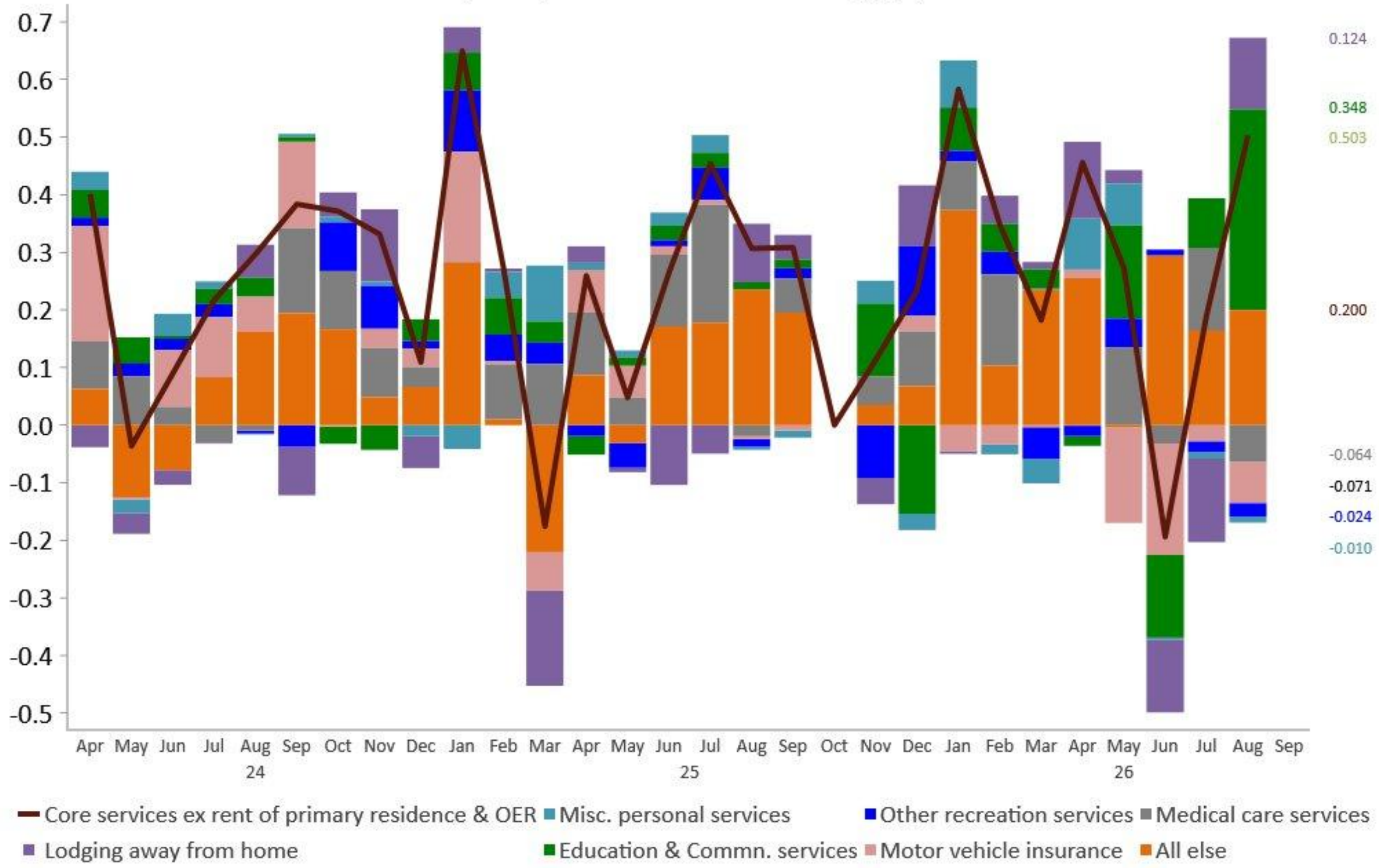
Note: Core excludes food and energy items
Source: Haver Analytics, Labor Department



Series	Ticker	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Weight ↓
Core CPI	CPI XYOY Index	3.110	3.019		2.633	2.639	2.504	2.457	2.595	2.750	2.851	2.594	2.478	2.446	
Core Services	ECANG0HH Index	2.758	2.664		2.330	2.296	2.233	2.216	2.309	2.478	2.595	2.397	2.284	2.282	75.837
Core Goods	ECANYA4K Index	0.356	0.356		0.319	0.344	0.270	0.241	0.286	0.273	0.256	0.198	0.195	0.165	24.163
Supercore CPI	ECANYJQV Index	3.211	3.176		2.703	2.741	2.671	2.746	3.142	3.379	3.670	3.172	2.843	3.022	

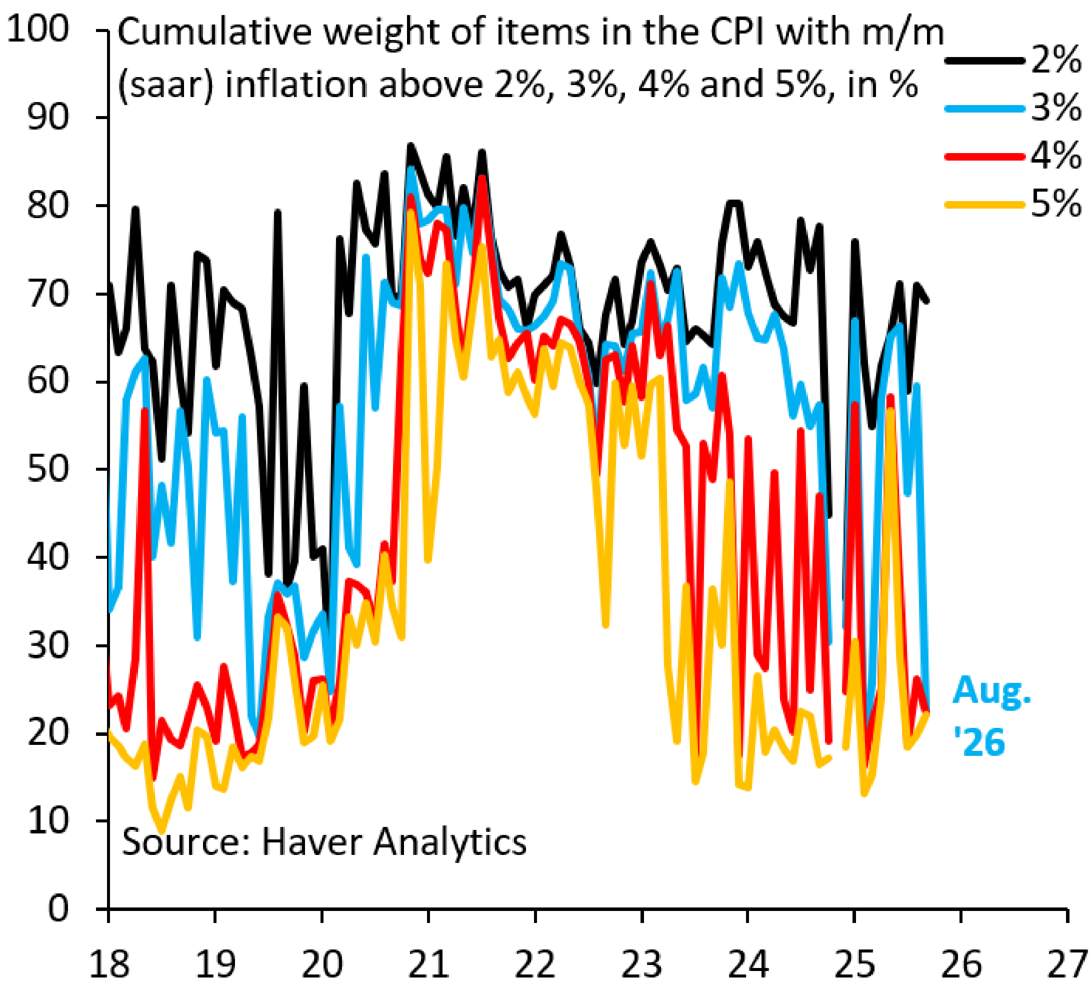
Non-housing services pick-up a bit in July and August

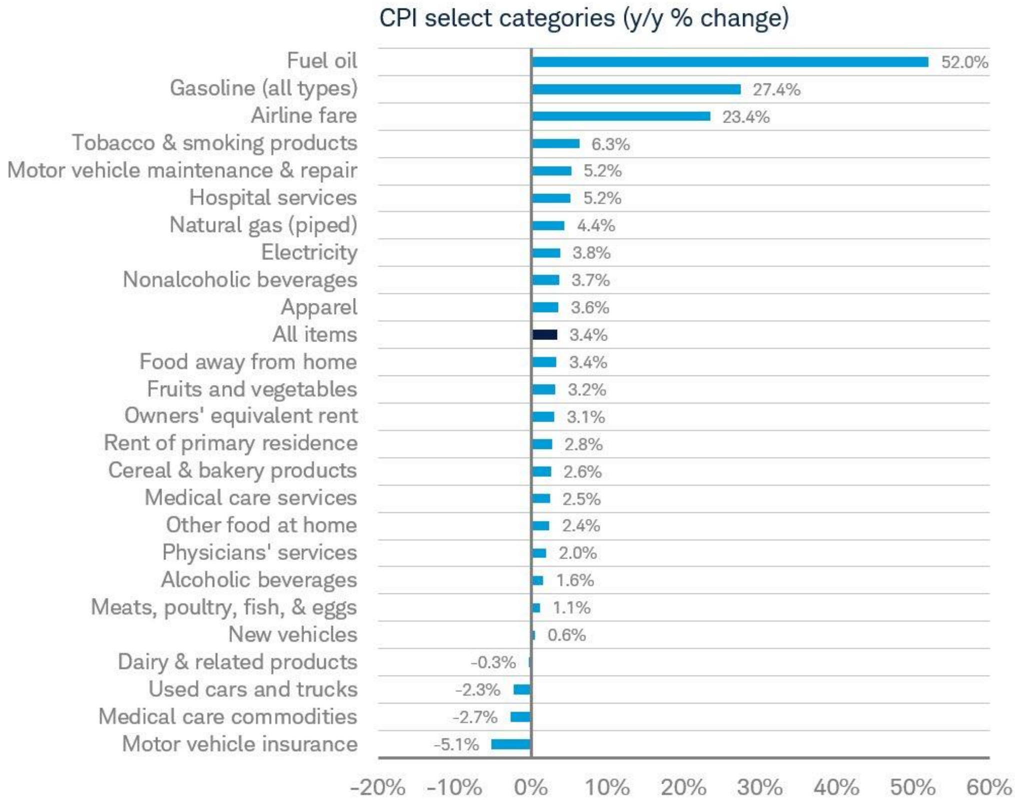
Contribution to Core services ex Rent of primary residence & OER m/m %chg (ppt)



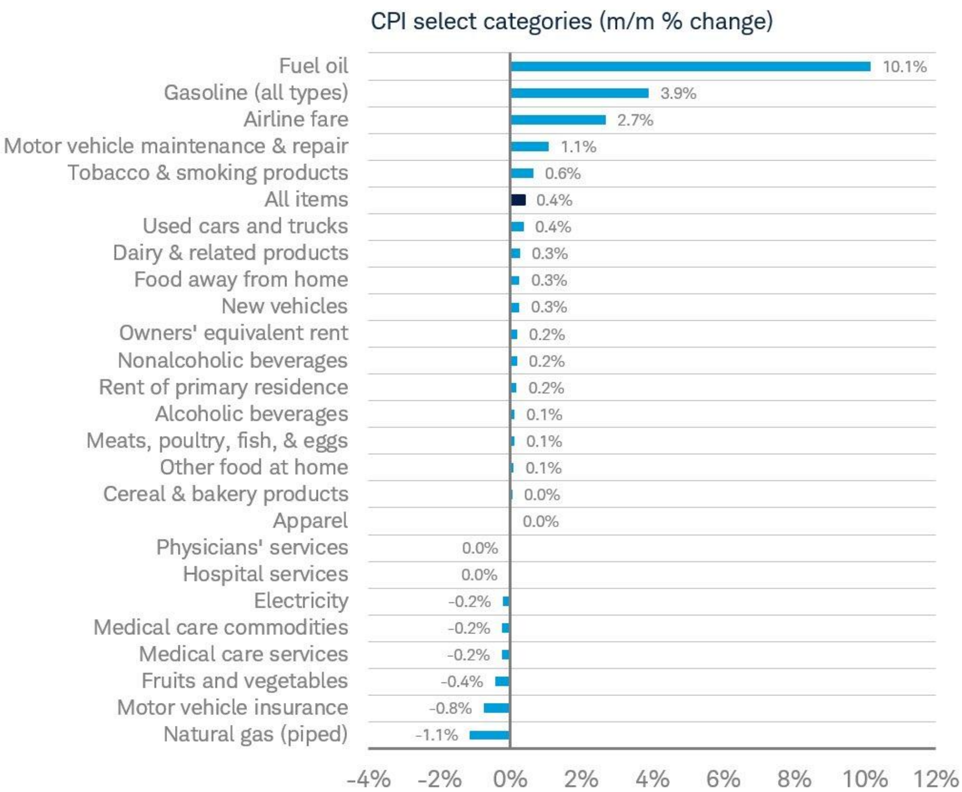
Source: Renaissance Macro Research, Macrobond

The irony in today's CPI is that the weight of items with inflation > 3% fell sharply. This is what Warsh talked about at Jackson Hole as a sign underlying inflation isn't slowing fast enough. Well, it's definitely slowing, but now he's boxed into a hike.



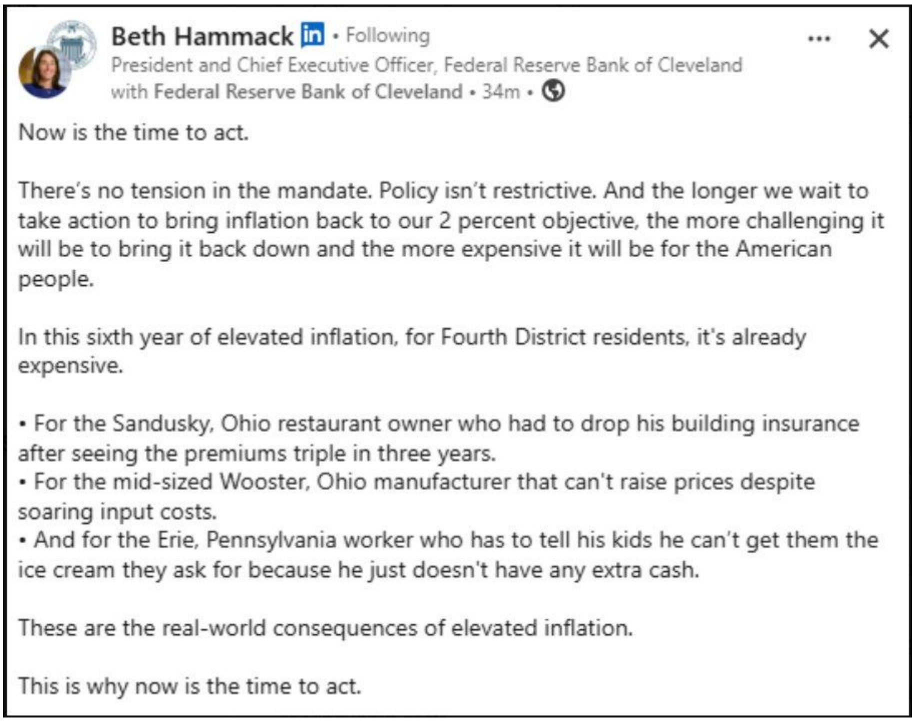


Source: Charles Schwab, Bureau of Labor Statistics, as of 8/31/2026.



Source: Charles Schwab, Bureau of Labor Statistics, as of 8/31/2026.

Hammack is Hawkish on Other Hand, Says Policy Not Restrictive Enough (Waller & Warsh have more Power, See Below)



Within the structure of the United States Federal Reserve System, Federal Reserve Governor Christopher Waller holds a structurally more prominent and powerful position than Cleveland Fed President Beth Hammack.

While both are key players in setting U.S. monetary policy, their influence differs based on their roles within the Federal Open Market Committee (FOMC):

1. Board of Governors vs. Regional Presidents

- Christopher Waller is one of the seven members of the Fed's Board of Governors based in Washington, D.C.. Governors are appointed directly by the President of the United States and confirmed by the Senate to serve long, 14-year terms. This giving them overarching oversight over the entire Federal Reserve System.

- Beth Hammock is the President and CEO of the Federal Reserve Bank of Cleveland, which is one of the 12 regional reserve banks. Regional presidents are chosen by their respective bank's local board of directors rather than via presidential appointment.

2. FOMC Voting Rights

- Permanent Voting Status: As a Governor, Waller retains a permanent voting seat at every single FOMC meeting.

- Rotating Voting Status: Regional bank presidents like Hammock have voting rights that rotate annually (with the exception of the New York Fed president). The Cleveland Fed president alternates voting rights every other year with the Chicago Fed president. Even in years when a regional president is not a designated voting member, they participate in discussions but do not cast official votes.

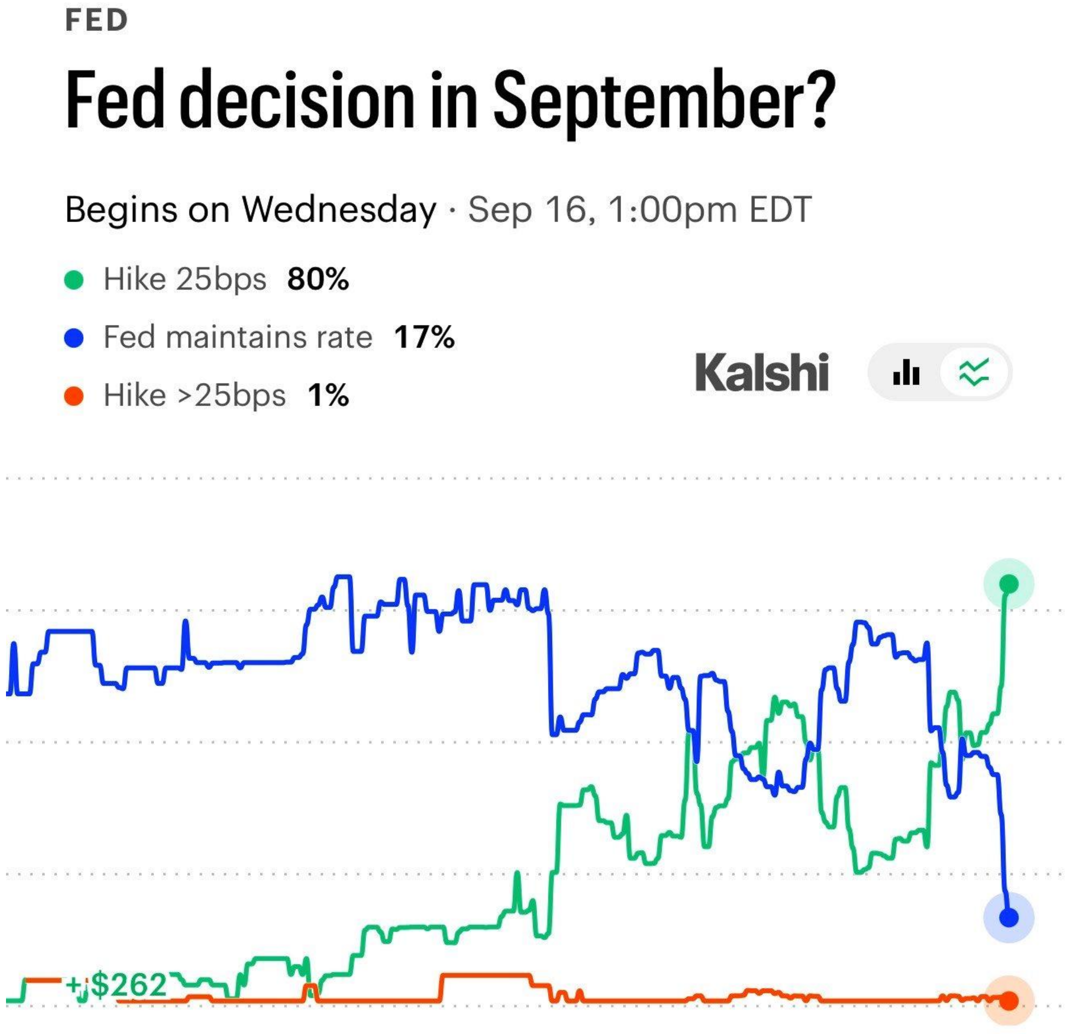
3. Scope of Authority

Governors have broad regulatory and administrative responsibilities that impact the entire national economy and financial system. Regional presidents focus heavily on the economic conditions of their specific districts alongside national monetary policy contributions.

Because of these structural factors, a Federal Reserve Governor is generally considered higher-ranking and inherently more influential than a regional bank president.

80% chance of a rate hike now, up from 53% on Kalshi

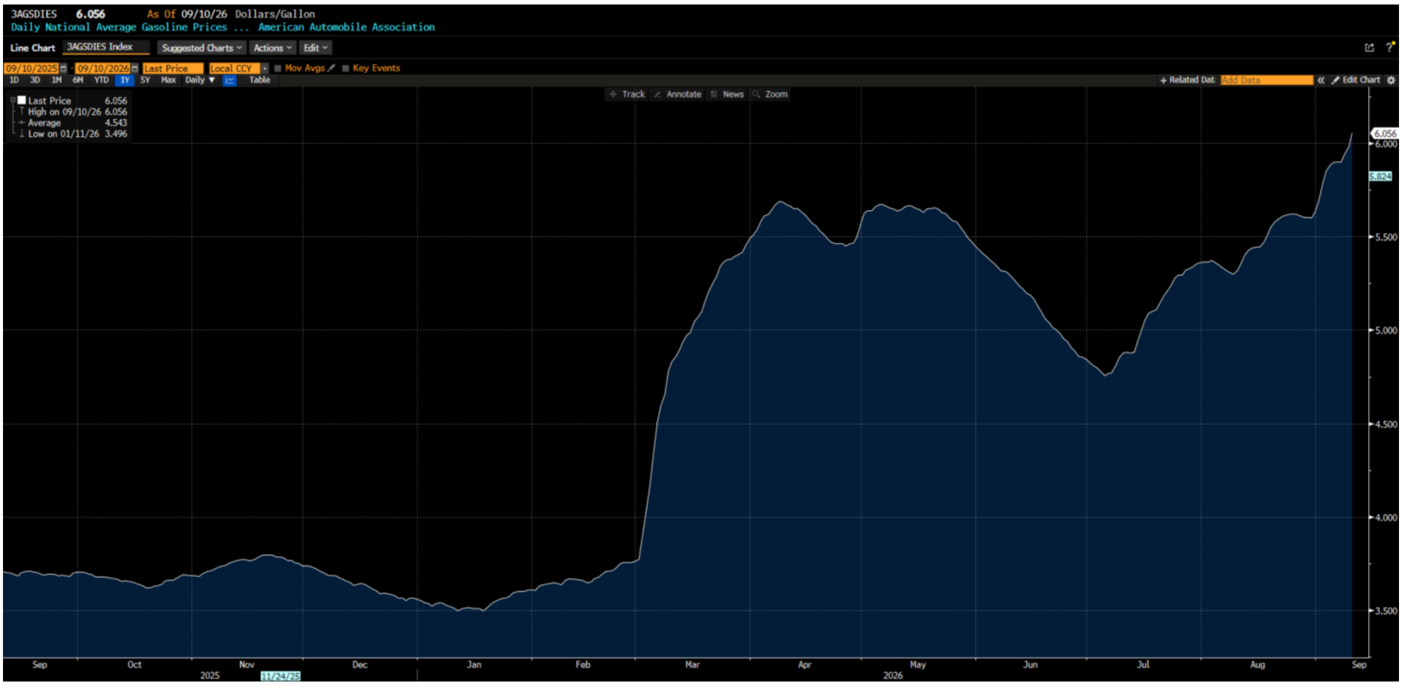
- If traders see an 80-90% chance of a Fed hike, 70% before the inflation report, could the Fed be forced to hike?
- Under Powell, this would be the case...we don't know with Warsh yet...



Diesel Prices are a Major Issue Going Forward

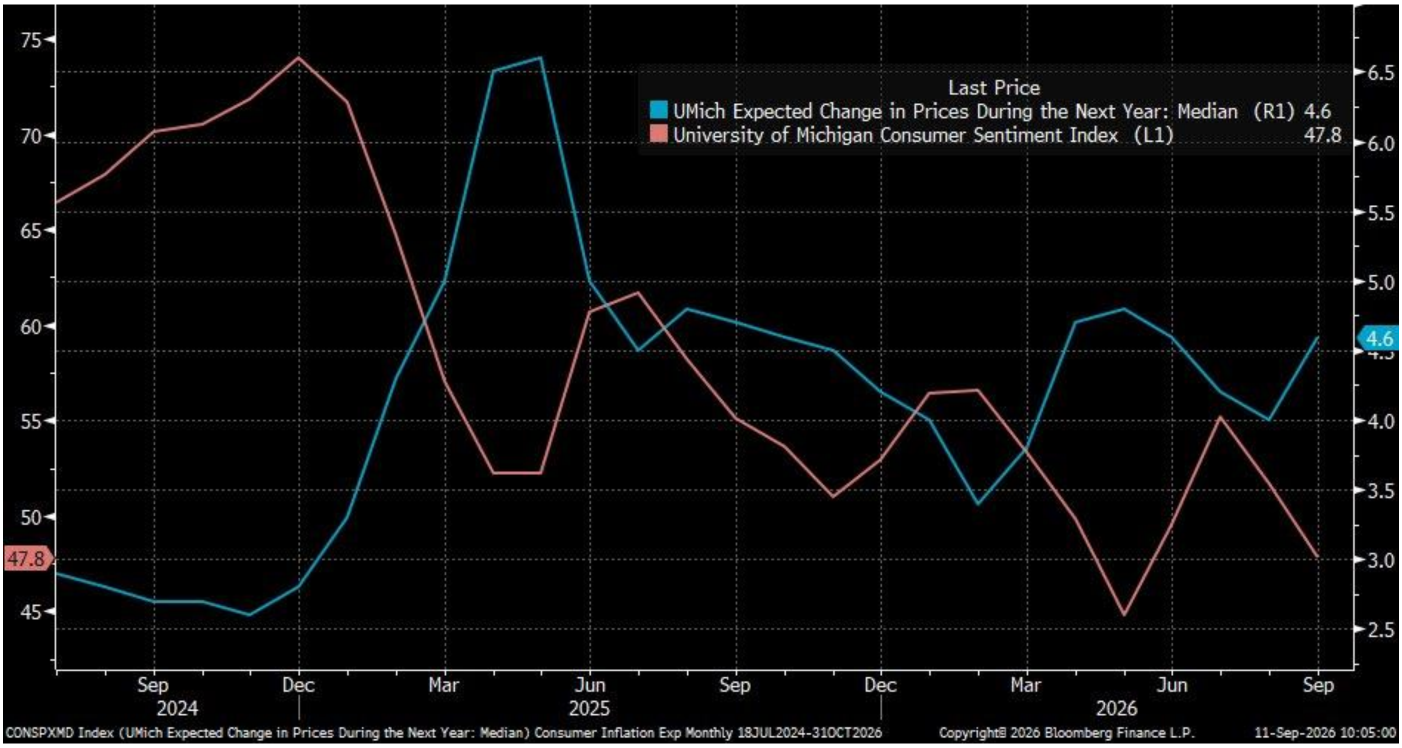
- The most direct way that rising headline inflation flows through to core is through diesel prices.
- Traded diesel prices are now at all time highs, above the '22 surge.

Daily National Average Gasoline Prices Diesel



Michigan Consumer Sentiment

Big drop in the University of Michigan's consumer sentiment index from 51.7 to 47.8 (est was 51.0), driven by the future expectations component. The Iran war & oil prices are likely playing a role, as inflation expectations have also moved higher.



9-9-26 on AI, Rates & Energy

Energy was the only sector higher today and the only sector with positive breadth. It was the eighth time this year that a single sector was in the green; of those, six (including today) were when Energy was the only gainer.

Higher energy prices are pulling US equities back toward the immediate post-Iran playbook: Semiconductors and energy are regaining leadership as the broadening trade of the last few months fades.

The methodical grind higher in oil and other parts of the energy complex are firming inflation expectations and driving Treasury yields higher, weighing most heavily on cyclical and more rate-sensitive stocks. Brent's climb above $100 on increased US-Iran tensions and an underwhelming buyback announcement have exacerbated the rise in yields. Research from Brean Capital calculates the daily correlation between oil and Treasury yields since Aug. 31 is at 0.85, which would be the highest monthly average since the Iran war began if it holds for September.

Equities have absorbed the move relatively well at the index level, though the internals are deteriorating. Fundstrat notes the equal-weight S&P 500 has broken its uptrend as the consumer discretionary, health care and financials sectors weaken, while semis and the Magnificent 7 prop up the SPX and Nasdaq 100. That marks a reversal from the past few months, when energy prices fell from their initial war-driven spike and the positive earnings pulse broadened participation beyond the AI capex winners.

In a recent note to clients, Nomura flagged that a semiconductors-and-energy barbell portfolio has re-emerged as one of the highest-Sharpe and strongest-performing baskets. The setup reflects renewed demand for exposure to the bottlenecks behind the AI-capex buildout in compute and memory after much of that positioning was washed out while also gaining from rising oil prices.

That rebuilding is increasingly visible in the options market. Call skew is rising due to notable upside buying across semiconductor names, suggesting investors are chasing the rebound through convex exposure rather than simply adding stock, reviving the spot-up, vol-up dynamic.

Treasury Buybacks Not Working

Bessent learned an important lesson on 9/9.

- Once you show markets that you are willing to adjust policy when they move against you, they will ALWAYS demand more.
- The U.S. Treasury had already announced at least a doubling of longer-maturity bond buybacks. Today, Bessent tripled the size of operation "Treasury Twist" to $6 billion.
- What did bond yields do?
- They went UP.

With the attention-grabbing fervor around Treasury buybacks fading and inflation data inbound, traders will be forced to refocus on the more important cross-asset threat: a broadening commodity inflation impulse that risks pushing yields higher, tightening policy expectations and weighing on risk sentiment.

Wednesday reinforced that shift. Treasury tripled its initial 10- to 20-year buyback to $6 billion, yet 10-year yields rose toward 4.85% as traders had positioned for a larger, more aggressive intervention. A solid 10-year auction, helped by the sizable concession into the sale, steadied Treasuries and reduced worries that poor demand is driving the selloff. The market is absorbing supply. It increasingly requires higher yields to do so.

None of this addresses the deeper structural pressure on the Treasury market. Heavy government borrowing is colliding with a growing corporate calendar, worsened by the AI capex boom, all competing for global savings. The average G-7 10-year yield moved above 4% for the first time since 2008, according to BMO. As a result, buybacks are little more than a Band-Aid for a deeper wound that ultimately requires more serious surgery.

If supply concerns weren't enough, the inflation backdrop is worsening as well. Brent above $100 alongside the historical tightness in product markets won't be affecting this week's PPI and CPI results, but there will be an eventual pull higher on core inflation as rises commodity prices works their way through. Copper reaching new all-time highs broadens the move beyond energy. Agriculture is joining as well, with higher diesel and fertilizer costs from Hormuz disruption, tighter Black Sea grain flows and the risk of a powerful El Niño increasing the upside tail for food prices.

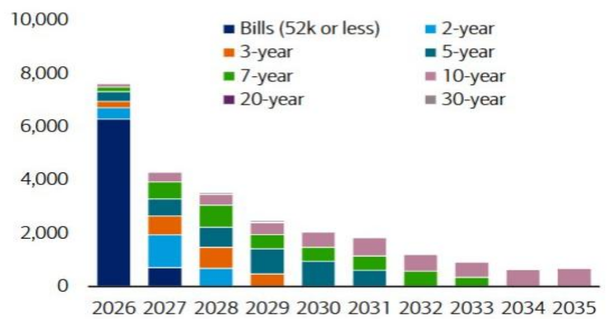
There is a timing wrinkle. Headline commodity inflation reaches core measures with a lag, while coming BEA revisions may mechanically suppress near-term core PCE readings. That risks making the next inflation prints look calmer than the forward backdrop. However, markets tend to look through things like that when the longer-term story is becoming harder to ignore:

Energy, metals and agriculture price increases are creating a 2027 core inflation problem. Buybacks may influence where Treasuries trade on a given day. Commodities increasingly look set to determine where yields, policy expectations and risk appetite go next.

BofA on T-Bill Issuance

$7 trillion of Treasury bills are currently outstanding, the vast majority of which mature within one year. Assuming the Fed hikes rates by 75bp this year as we expect, annual interest costs on outstanding T-bills alone could increase by roughly $50 Bn or ~15bps of GDP" – BofA

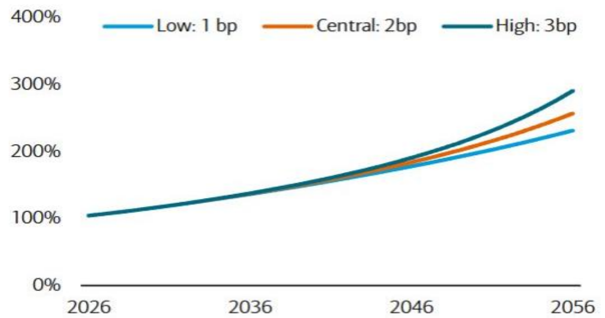
Exhibit 3: Maturing debt will likely face higher refinancing costs
Maturity profile of marketable treasury debt ($bn)



Source: US Treasury, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 4: There is a feedback loop between interest rates and debt-to-GDP
Debt-to-GDP simulations assuming different interest rate responses to a 1% increase in debt-to-GDP



Source: BofA Global Research
Notes: We assume primary deficits are 3% in each fiscal year an d nominal growth is 4%. Our scenarios are based on research from CBO, the Federal Reserve Board and the Dallas Fed. Other estimates are higher than our high scenario.

Midterm Elections & Trump Dividend Bribe Could Cost $1.3 Trillion

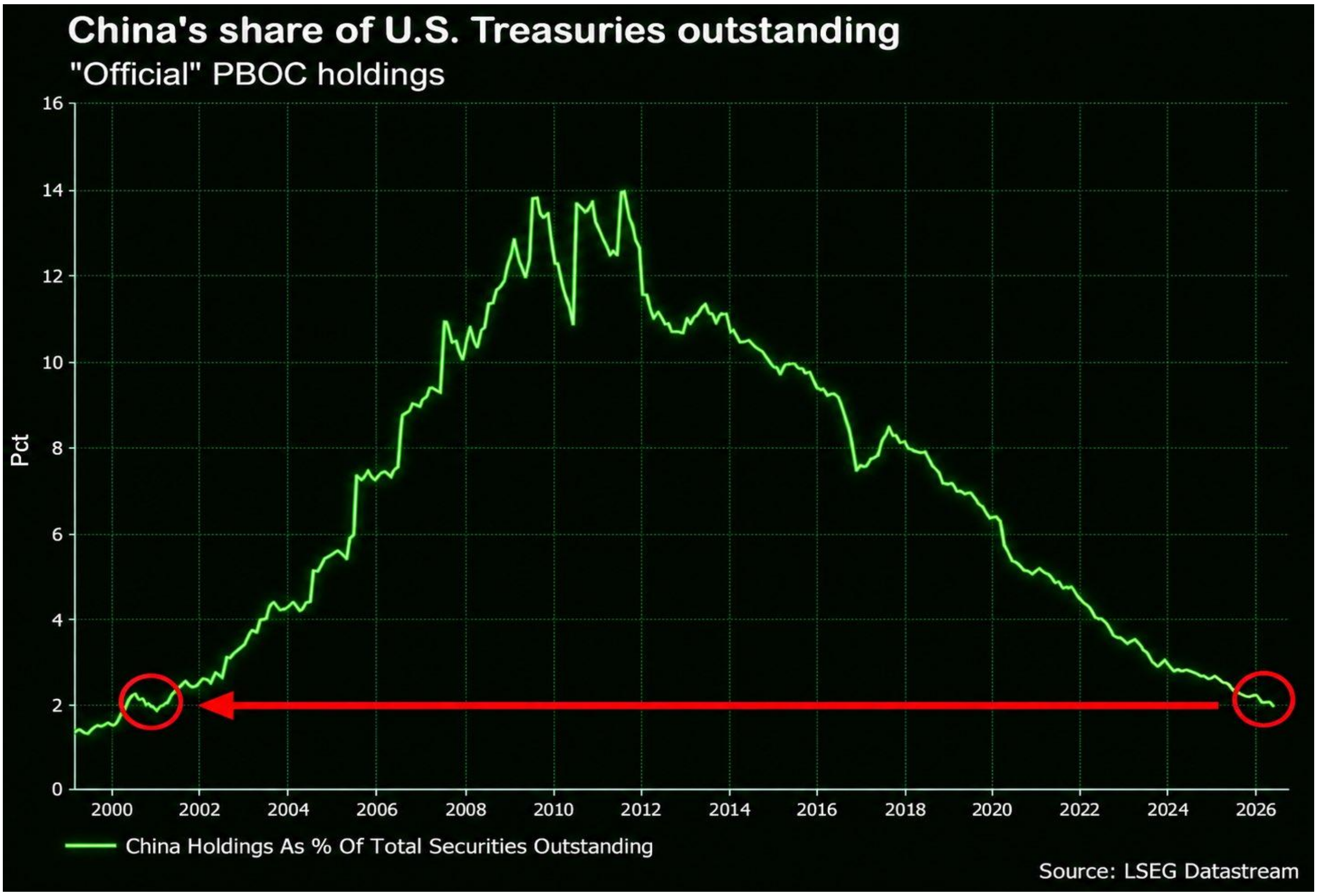
President Trump makes a major promise at the Republican midterm convention in Dallas: $5,000 for every adult U.S. citizen if Republicans win both the House and Senate in the midterms. **We currently have $40 trillion in debt.**

“I will issue a dividend to every adult citizen in the United States of America for $5,000.”

Still waiting for my DOGE dividend, where is it?

- "DOGE Dividend" ($5,000): Proposed payments funded by redirecting savings generated through federal efficiency cuts.
- "Tariff Dividend" ($2,000): Proposed rebates funded by revenue collected from federal import tariffs. Affordable Care Act (ACA)
- "Savings" ($1,000+): Projected checks sourced from expiring federal health insurance subsidies.
- Midterm Campaign Promise ($5,000): Proposed $5,000 payments contingent on Republicans securing a victory in the midterm elections.

China Treasury Holdings Back at 2001 Levels



BoJ Rate Hike Coming on September 18th

Bank of Japan Governor Kazuo Ueda will aim to strike a balanced tone and prevent one-sided interpretations of the monetary policy outlook at his news conference following the expected rate hike to 1.25% at the Sept. 17-18 meeting, seeking to limit further yen and bond market volatility in either direction.

BOJ officials are worried a dovish interpretation of Ueda's remarks could weaken the yen again, benefiting exporters and Prime Minister Sanae Takaichi, who favours easy monetary policy, but increasing upward pressure on inflation. The Bank wants to avoid the yen moving back towards JPY160 against the U.S. dollar. Meanwhile, the Bank wants long-term interest rates to reflect market views on monetary policy and the economy, but is concerned that surging rates could undermine the foundation for economic recovery.

Conversely, a hawkish interpretation could reinforce the yen's recent appreciation to JPY153.4 and lead markets to price a higher terminal rate and faster hikes, despite the BOJ not yet deciding whether to accelerate the pace of increases.

While Ueda is unlikely to elaborate on a specific terminal rate or the pace of future hikes – as these will depend on evolving economic and price conditions – his comments on the influence of past hikes on the economy and prices, the time lag before their effects are fully felt, and the cumulative impact of monetary tightening, including the hike expected this month, will represent a key market focus. Ueda is also unlikely to comment on the yen's recent performance, instead pointing out that a stronger currency theoretically lowers import prices and inflation but can also dampen exporters' corporate profits.

German Far Right Gaining Power

The electoral success of the far-right Alternative for Germany should prompt the country's governing coalition to look again at a proposal to scrap the right of those who have worked for 45 years to retire at 63, though the overall reform agenda will remain intact, an advisor to Finance Minister Lars Klingbeil said.

Jens Suedekum, like Klingbeil a member of the Social Democratic Party, junior partners to Chancellor Friedrich Merz's Christian Democratic Union, said Berlin needs to face up to the challenges thrown up by last weekend's state election result in Saxony-Anhalt, where the AfD took 43.8% of the vote on an 80% turnout. His comments add to evidence of SPD nerves over Merz's reform agenda.

Proposals such as ending retirement at 63 for workers with 45 years of social security contributions, known as "Rente mit 63" may now be up for debate, Suedekum said in an interview.

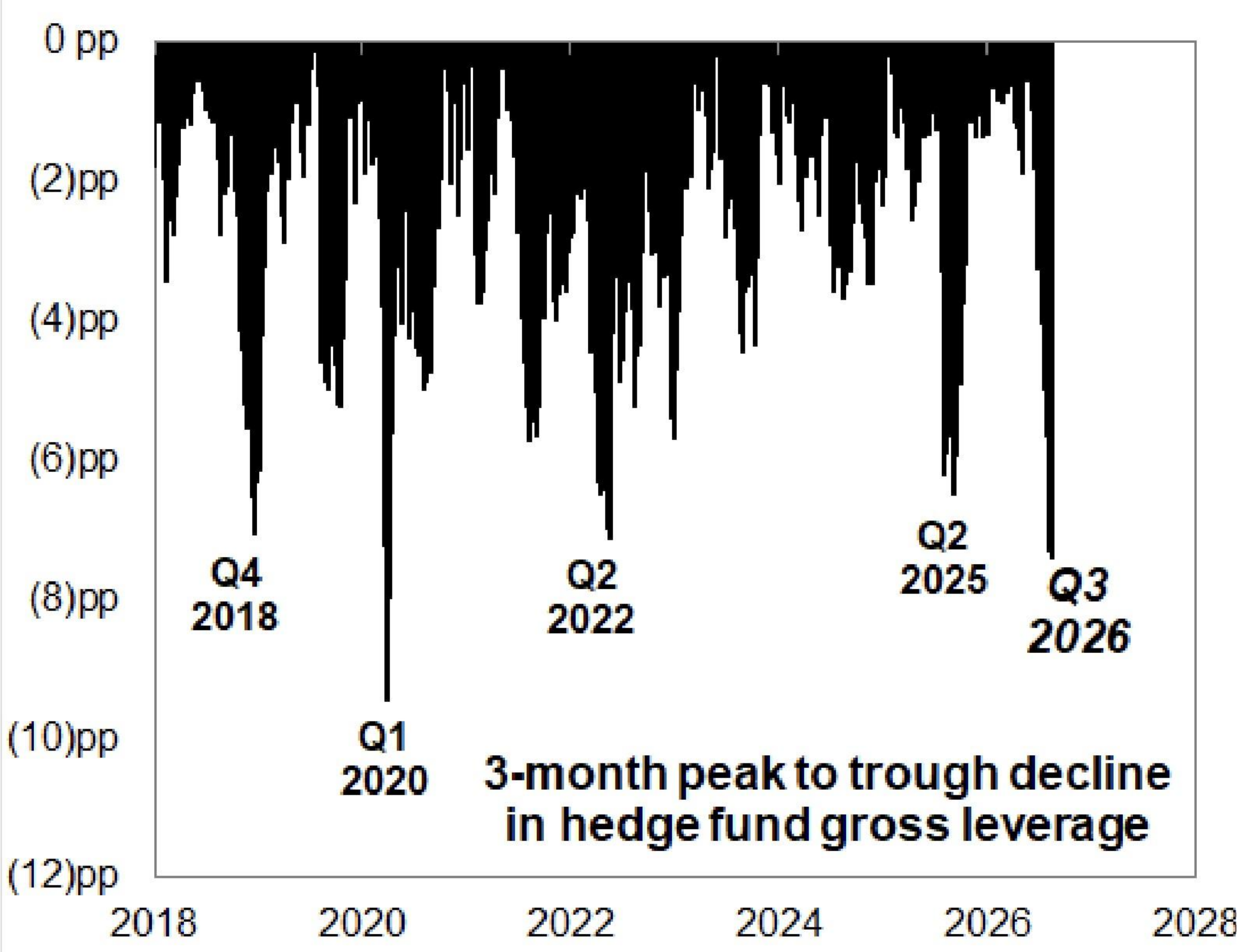
"What more can be done? That is the acute discussion after the election results in Sachsen-Anhalt. Some people consider that there is a risk the federal government will backpedal on their reform agenda. I don't think that this will happen, because both coalition partners are very clearly committed to moving in that direction," Suedekum said.

"That does not mean there won't be discussions about single aspects of this reform agenda, such as the changes proposed to Rente mit 63, which is a very sensitive issue, especially in eastern Germany," he said. "But that doesn't mean that you abolish the entire reform agenda. Too much backpedalling would lead to the whole reform package breaking down, and neither the CDU nor the SPD has any interest in allowing that."

Higher GDP projections suggest reforms enacted so far are starting to pay off, Suedekum said, calling a revision by the Munich-based ifo Institute to its 2026 German growth estimate to 1.4% from 0.8% a "substantive increase."

Suedekum attributes the improvement to overall exports holding up – "despite a substantive decrease in exports to China and the U.S" and to public investment.

Hedge Fund Deleveraging



Jefferies Initiates on Nuclear

Nuclear – initiating coverage; Buy: BWXT, CCO CN, DML CN, EU, MIR, NXE CN, SOLS, KAP LN. Hold: GLO CN, LEU, UEC. Laurence sees $55tn By 2100 Hinging On AI, Drones, Climate, Security & Replacement . JefCo Research Analyst Laurence Alexander launched coverage on 11 nuclear companies. He forecasts ~$55tn of nuclear-related capex through 2100: this is arguably conservative, given the confluence of data center energy demand, the broader electrification needed for "physical AI", and pressure from climate stress on aging nuclear power plants and refineries. For a long cycle, with frequent fly-ups, he favors the integrated producers (Buy-rated NXE, CCJ, KAP) and global capex (Buy-rated MIR).

- CCO CN: Cameco is the West's largest listed integrated uranium company – operating mining, conversion, and a reactor (via Westinghouse) business lines. The investment thesis on Cameco hinges on an increase in global nuclear capacity and an upcoming uranium contracting cycle. Combining operating discipline and a strong balance sheet, Cameco is, in our view, a prime beneficiary of the West's nuclear build-out, given full vertical integration across the fuel cycle.

- KAP LI: State-owned Kazatomprom is the world's largest uranium producer, with some of the lowest production costs globally. An upcoming structural uranium supply deficit should drive realized prices higher, meaning EPS growth for KAP over the coming decade. With first-quartile costs, supply discipline and one of the industry's highest realized-price sensitivities to spot, we expect improved ROIC and reduced volatility over the next cycle price.

- MIR – uniquely positioned which is underappreciated by investors, in Laurence's view. Positive value-chain exposure across Nuclear instrumentation, radiation detection and measurement, dosimetry, and reactor monitoring systems across the operating fleet and fuel cycle. Well positioned in Laurence's view for high-spec measurement and safety-systems supplier; low direct uranium commodity exposure; defensive nuclear-growth tied to fleet utilization and new-build cycle. Key upside drivers in Laurence's view: New-build nuclear (SMRs and large-scale), global fleet life extensions, advanced-reactor monitoring contracts, defense nuclear instrumentation programs.

Company Name	CCY	Ticker	Rating	Mkt Cap ($M)	Last Close	Price Target	% to PT	EV ($M)
Integrated Miners								
Cameco Corp	CAD	CCO CN	BUY	$57,756	$132.7	$190.0	43%	$57,714
NAC Kazatomprom JSC	USD	KAP LI	BUY	$18,596	$72.1	$106.0	47%	$19,821
Encore Energy Corp	USD	EU	BUY	$231	$1.2	$1.4	19%	$258
				25,528				25,931
Project Developers								
NexGen Energy Ltd	CAD	NXE CN	BUY	$9,249	$14.1	$21.0	49%	$9,080
Uranium Energy Corp	USD	UEC	HOLD	$5,736	$11.6	$11.5	-1%	$5,604
Denison Mines Corp	CAD	DML CN	BUY	$4,010	$4.4	$5.2	17%	$3,533
Global Atomic Corp	CAD	GLO CN	HOLD	$265	$0.5	$0.6	11%	$242
				4,815				4,615
Services & Equipment								
Centrus Energy Corp	USD	LEU	HOLD	$3,358	$171.5	$169.0	-1%	$2,731
BWX Technologies Inc	USD	BWXT	BUY	$14,801	$155.7	$181.0	16%	$15,674
Mirion Technologies Inc	USD	MIR	BUY	$3,863	$15.6	$20.0	28%	$4,735
Solstice Advanced Materials In	USD	SOLS	BUY	$9,806	$61.0	$86.0	41%	$10,927
				7,957				8,517

Goldman Sachs Communacopia + Technology Conference Day 3 wrap

Again, AI was the clear thread across the day, but the debate has moved from model capability to infrastructure scale, power, ROI and real enterprise adoption. Nvidia and SpaceX framed AI compute as a new industrial asset class, while Shopify, Capgemini and Goldman Sachs' CIO pointed to agent-led workflows as the next software paradigm. Cybersecurity again stood out as one of the most direct AI beneficiaries, with Palo Alto and CrowdStrike both arguing for more automation, model diversity and platform consolidation. Palo Alto CEO also saying that "the AI security industry has not even been built yet" (the market cap of the 2 is circa.$490bn vs. AI companies in the trillions and Cyber security has been the no 1 theme/concern/debate at the conference as agentic workflows start to go mainstream). Semis remain tight and constructive, led by AI, memory and advanced logic demand, while TMUS pushed back on satellite disruption and highlighted network quality, fixed wireless and edge AI as differentiators.

Bottom line: AI demand is broadening across the stack, but investors still need proof that capex converts into durable revenue, margins and cash flow.

Investor sentiment and debate: regardless of the near-term oil concerns this week's TMT datapoints were broadly positive, with healthy consumer commentary, steady enterprise demand and a tight semi supply/demand backdrop, but investors remain hesitant to fully re-commit to the AI infrastructure trade. Bottom-up indicators are still constructive — tight supply, robust token demand and improving product innovation — yet top-down concerns persist around volatility, rates, geopolitics, policy uncertainty and the law of large numbers. The central debate is whether AI capex can convert into durable, profitable growth: hyperscalers need to turn backlogs into sustained enterprise AI revenue, customers are shifting from "token maxing" to ROI-led "token optimising", and constraints across power, memory, datacentre buildout and capacity could keep the market tight until 2028.

AI infrastructure: Nvidia and SpaceX

- Nvidia: the central message was that AI is not just another technology cycle but a fundamental shift from retrieval computing to generative computing, with "AI factories" emerging as a new asset class that produces intelligence rather than simply storing data.
- On the key investor concern around AI ROI: NVIDIA argued that AI's addressable market is still expanding, with future value creation extending well beyond chatbots into cybersecurity, enterprise automation and optimisation of virtually every codified business process.
- On durability of AI spending: Demand is broadening rather than narrowing, with the next growth vectors including regional AI clouds, autonomous systems, robotics and physical AI.
- Bottlenecks: the bottleneck has shifted from chips to power. Nvidia is increasingly tracking global power availability and datacentre buildout, implying that infrastructure deployment rather than end demand is becoming the key constraint on AI growth.
- Asset-backed compute: Nvidia argued that AI infrastructure is evolving from depreciating hardware into a productive asset that generates economic output, to the extent that Nvidia systems are now being used to secure loans and financing.
- SpaceX CFO presentation: the key message was that SpaceX increasingly sees itself as an integrated AI infrastructure platform, not just a launch or satellite operator, with vertical integration across rockets, power, compute infrastructure, AI models, customer relationships and Starlink connectivity positioned as its core advantage. CFO Bret Johnsen said he has even more conviction in the $100bn ARR target for year-end after signing another hosting deal worth about $1.11bn per month from 1 December, with capacity expected to rise from just over 2GW at year-end to 5–10GW next year. Near-term growth is being driven by terrestrial AI infrastructure and expanding compute capacity, while 90-day hosting commitments reflect SpaceX's belief that its own Grok products can monetise above the $30–50 per-watt hosting range. Longer term, Starship reusability should lower launch costs and enable orbital compute, with the first orbital compute satellites expected next year, while Starlink is moving beyond consumer broadband into enterprise connectivity and direct-to-device mobile services, including global roaming ambitions and 5G-quality service targeted for 1H28. Overall, the presentation linked AI models, terrestrial compute, Starlink, Starship and orbital compute into one ambitious infrastructure growth story.

Agentic software and commerce: VC panel, Adyen and Shopify

Venture capital panel: the key message was that demand for AI-driven solutions is surging, creating both significant opportunity and uncertainty for investors and founders. Developers and agents are becoming a new power centre as automation makes software creation and workflow execution far more productive, pushing companies from product-led growth towards agent-led growth. The panel saw room for both frontier and open-weight models: cutting-edge closed models can capture value at the top end, while open models address needs around control, sovereignty and cost. AI adoption is also broadening into biotech, industrials, robotics and other verticals, but rising token consumption is forcing enterprises to optimise inference costs by mixing frontier, open-weight and custom models. Cybersecurity was a major theme, with AI-generated code and agents expanding attack surfaces and driving demand for "AI to fight AI", potentially making security one of the fastest-growing AI markets. Traditional moats such as distribution, trust, scale and brand still matter, but the contested middle layer — combining agents, data, workflow and context — is becoming a key battleground. The next technical frontier is world models, where AI moves beyond text into domain-specific reasoning across structured, multimodal and longitudinal data.

Adyen weakness and disintermediation questions

- Adyen weakness appears to be driven less by PayPal's comments and more by US hedge fund concerns that Stripe Link and agentic personal-shopping agents could disintermediate Adyen over time by reducing wallet share at the merchant level. That bear case feels overstated: consumers can still transact normally with Adyen merchants without using Stripe Link, and even if Link becomes more important, Adyen could potentially orchestrate Link, Shop Pay and other future agent-led payment flows within its broader payments platform. Stripe Link is Stripe's digital wallet and one-click checkout product, allowing consumers to save and reuse payment credentials across Link-enabled merchants. This feels similar to the stablecoin debate: there is a lot of noise, but the reality is that agentic commerce is likely to run on multiple payment rails and, as Shopify noted, should simply become another channel for retailers. To me, the PayPal issue feels more PayPal-specific, as Mastercard, Visa and Shopify all suggested trends remain broadly similar to Q2, while PayPal cited tariffs as a headwind to its China-Europe business. Adyen made no similar reference at the conference.

- Shopify: Shopify's key message is that it is positioning itself at the centre of the AI-driven commerce ecosystem by reducing barriers to entrepreneurship and helping merchants sell across every consumer channel, including emerging AI assistants and agentic interfaces. The company sees AI as a major tailwind rather than a threat, with tools such as Sidekick and Autopilot making it easier for entrepreneurs to launch and run businesses, while new AI-powered discovery channels are driving higher conversion and expanding merchant reach. Management believes commerce will increasingly be shaped by AI agents, but Shopify's unique advantage is providing merchants with a single platform to manage traditional, social, and AI-native channels while maintaining the same economics regardless of where customer demand originates. More broadly, Shopify highlighted accelerating AI adoption across industries, rising demand for AI infrastructure and inference, growing cybersecurity needs, and the emergence of agent-led software workflows, reinforcing the view that AI will drive significant innovation, investment, and business creation over the coming years.

Cybersecurity: Palo Alto and CrowdStrike

- Palo Alto: Palo Alto highlighted that AI is already transforming cybersecurity, particularly in vulnerability detection, where tools such as Mythos can identify and remediate issues much faster than traditional approaches. A key takeaway was that a multi-model AI strategy is essential, as different models, including Mythos, OpenAI and others, uncover different vulnerabilities and blind spots, making a diversified approach more effective than relying on a single model. Management also stressed that while AI is highly effective for mainstream security tasks, it still struggles with edge cases and contextual understanding. More broadly, Palo Alto argued that the future of cybersecurity will be driven by platform consolidation, deeper data integration and AI-powered automation, as enterprises seek to simplify increasingly fragmented security stacks. The emphasis on using multiple AI models echoes similar comments from Google, which has also highlighted that different frontier models exhibit distinct strengths and weaknesses, making model diversity an important factor in achieving better outcomes and broader coverage.
- CrowdStrike: CrowdStrike highlighted how AI is reshaping cybersecurity, with its new SafeLine platform combining continuous penetration testing, proprietary threat data and digital twin environments to automate both attack simulation and defence using AI models. The company sees growing risks from autonomous "agentic" attacks that can exploit systems at unprecedented speed, driving demand for continuous AI-powered security, zero standing privileges, stronger identity controls and real-time monitoring. Management believes agentic security and AI-driven detection and response will become essential enterprise security layers, with cybersecurity increasingly acting as an enabler of technology adoption rather than a barrier.

Enterprise AI and IT services: Capgemini and GS CIO

- Capgemini: CEO Aiman Ezzat framed enterprise AI as a shift from traditional IT services towards broader business transformation, with clients preparing for agentic AI to be embedded directly into live workflows. That creates a more complex services opportunity around governance, security, sovereignty, cost control and orchestration across agents, routers, control planes and knowledge graphs. While AI should drive cost deflation in parts of the delivery model, Ezzat argued the addressable market is expanding as clients look for step-change productivity gains across whole business processes, not just incremental IT efficiencies. On models, he expects a hybrid world: open-source/open-weight models will gain adoption where customisation, observability and cost matter, but total cost of ownership means they will sit alongside proprietary frontier models rather than fully replace them. On growth and margin outlook, he reiterated guidance and appeared confident on medium-term organic growth given the new AI opportunities and improved execution.
- GS CIO — Marco Argenti: enterprise AI adoption is accelerating, but the real challenge is not the technology itself; it is modernising decades-old infrastructure, building robust data platforms and driving a workforce mindset shift centred on adaptability and continuous learning. He highlighted the importance of cloud migration, avoiding data fragmentation and investing heavily in peer-led training to ensure organisational readiness keeps pace with rapidly advancing AI capabilities. On model selection — frontier, open-weight or open-source — he used a compelling Formula 1 analogy: for most enterprise use cases, "good enough is good enough", and organisations should optimise for cost and efficiency using standard or lightweight models. However, in highly competitive domains such as trading, investing and cybersecurity, where tiny performance advantages can generate outsized outcomes, frontier models remain essential. Just as milliseconds determine the winner in F1, marginal AI performance gains can create meaningful competitive advantage, making state-of-the-art models worth the premium in alpha-generating applications.

Semis and Semicap: LRCX and STM

- LRCX: CFO Doug Bettinger struck a very bullish tone, calling the industry "fundamentally sold out" and saying leadership is more concerned about missing the upside than managing through a downturn. Lam expects 2027 WFE growth to remain DRAM-led, with leading-edge foundry/logic closing the gap and NAND also growing solidly, while cleanroom availability remains a key constraint until additional capacity comes online through the end of 2027. Technology inflections including Gate-All-Around and backside power delivery should expand Lam's opportunity, with each incremental 100k wafer starts adding roughly $1bn to SAM. New datapoints included Lam being "deeply engaged already" with SpaceX's Terafab, described as a very large opportunity, a $3bn US lab and engineering investment including a new Oregon lab, China WFE slightly up this year but declining as a share, and a company-wide no-M&A stance beyond tuck-ins. The broader implication for semis is that AI-led demand is still translating into real equipment intensity and multi-year capacity tightness, supporting a stronger-for-longer WFE cycle, particularly for memory, advanced logic and process-control exposed parts of the supply chain.

- STM: STM is seeing strong demand from data centre and infrastructure markets, but supply remains constrained by long equipment lead times and multi-year capacity planning. The company is increasing capex, bringing capacity online quarter by quarter, and seeking greater customer alignment through long-term commitments, prepayments and cash deposits. Around 40% of revenue already comes from engaged customer programmes, with a target of 60% by 2027. Pricing actions have largely been accepted, inventories are being closely monitored, and the medium-term outlook remains positive as STM expands in microcontrollers, silicon photonics and power solutions, despite some normal share moderation as major customers diversify suppliers.

Telcos: TMUS

TMUS: TMUS reinforced its Q2 message, pushing back on satellite risk and making clear it has no interest in offering MVNO rights to players such as SpaceX. Management remains confident that network leadership, product value and customer experience can continue to drive share gains, particularly among network seekers, suburban and rural customers, and business accounts. Fixed wireless access also remains a strength, with customer satisfaction ahead of even fibre in some comparisons and Wi-Fi speeds that management argues are comparable to fibre for how most customers actually use broadband. AI is another opportunity: low-latency edge and physical AI use cases should make network quality a bigger differentiator, while internal AI adoption should support efficiency gains across customer service, coding, network operations and customer experience. There were no questions.

Blackstone's Head of Real Estate Is Leaving the Firm

Nadeem Meghji's departure adds to the list of real-estate executives departing Blackstone over the past three years

By Craig Karmin and Peter Grant
Updated Sept. 8, 2026 at 7:49 pm ET

Nadeem Meghji VICTOR J. BLUE/BLOOMBERG NEWS

Blackstone's global head of real estate is leaving the firm, according to people familiar with the matter, the latest in a recent wave of departures from one c e world's larges wsj.com successful

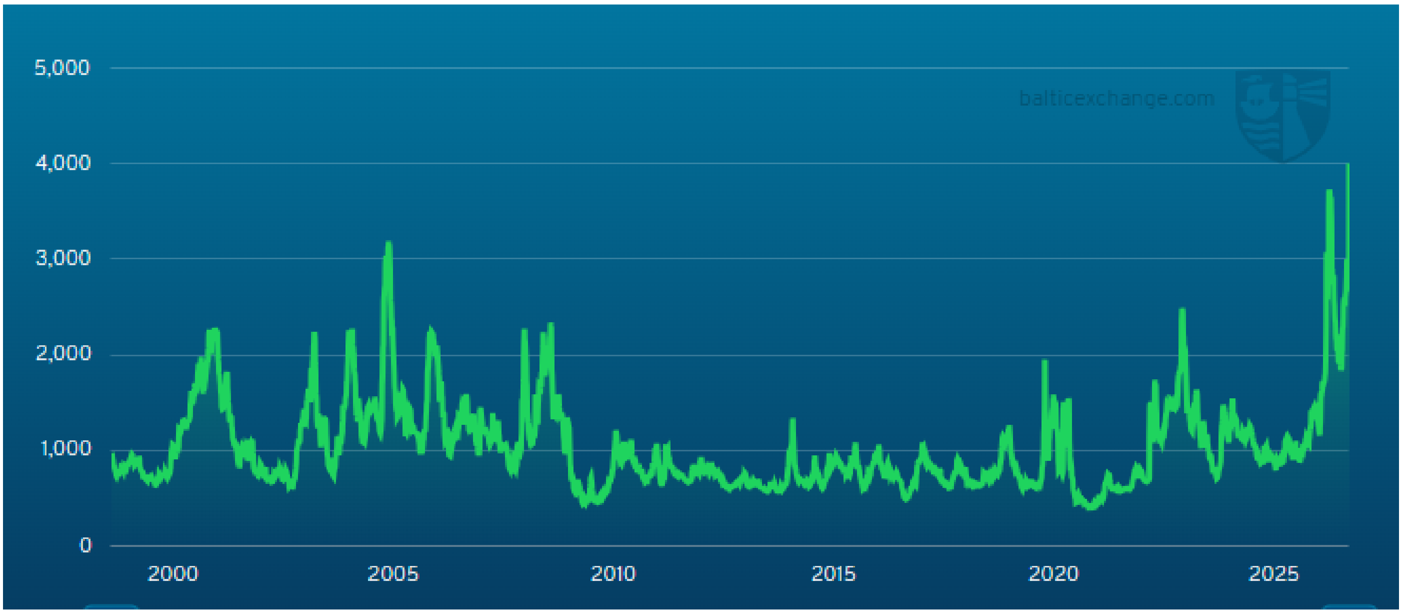
Billionaire couple trying to sell firm at top of the credit market cycle

Palmer Square Capital Management, a credit firm run by Chris and Angie Long, is exploring a sale of the business. - The firm has grown to become one of the biggest issuers of collateralized loan obligations, with a CLO platform that accounts for about $27 billion of total assets under management. - Palmer Square engaged bankers to field offers and whittle down a list of potential bidders, according to people with knowledge of the matter.

Tanker Rates at All Time Highs 800k per Day and Oil Refining Capacity at All Time Lower

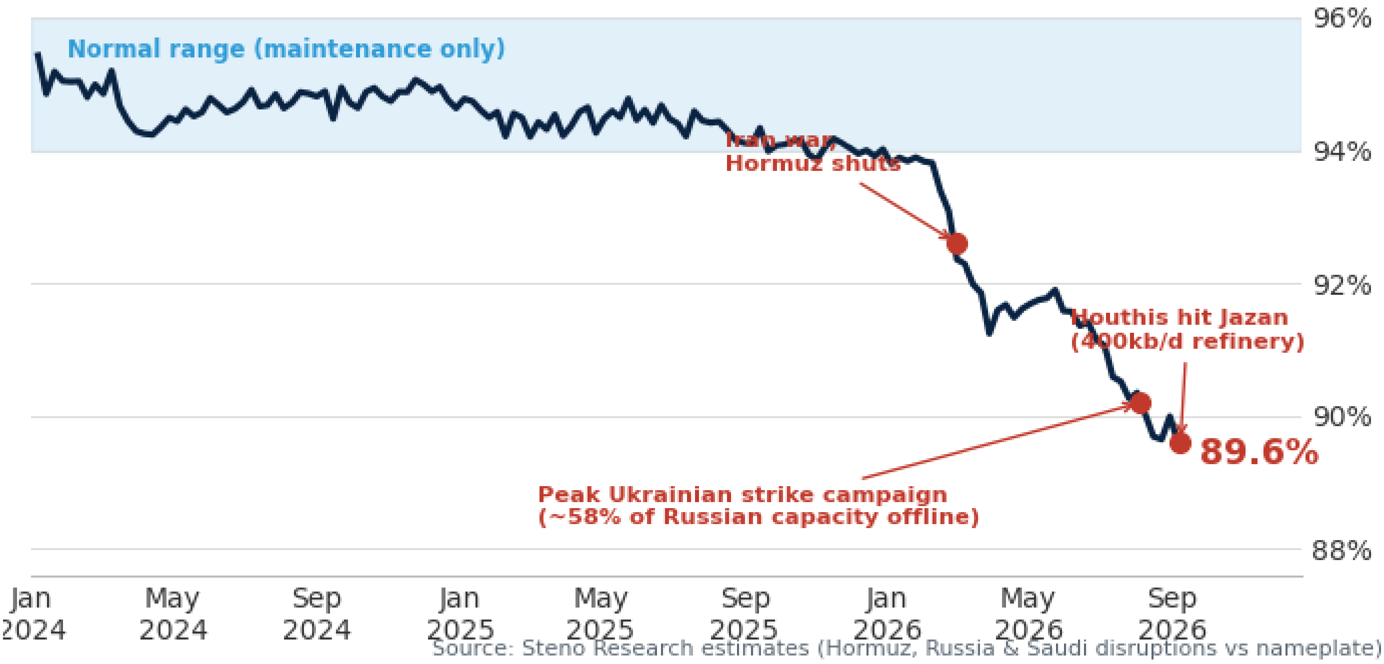
Still Own IMPP

Baltic Dirty Tanker Index up 43% in One Week!



Refining capacity ONLINE is the lowest in modern history

Estimated effective refining capacity online, % of global nameplate (~104 mb/d)



Source: Steno Research estimates (Hormuz, Russia & Saudi disruptions vs nameplate)

Dan Niles Update Post Labor Day

Last week despite WTI +10% & ylds +2-7 bps across the curve, S&P/Nas/R2K +0.1%/+0.4%/+0.1%. $NVDA acquisition of Hugging Face & $Meta release of Muse Spark 1.3 last week make both names more attractive into year-end.

My view is that LLMs increasingly bifurcate into 90%+ usage of open-source/ open-weight models in the future as companies optimize the right models for the right task. Since the focus on controlling AI expenditures, the Silicon Data token cost has fallen over 50% since late May but the weekly usage of tokens in models across OpenRouter has increased by 3.6x over this same time.

In addition, enterprises are increasingly focused on making sure their own proprietary data does not leak out when they use third party closed frontier LLMs. Hugging Face is the premier central collaborative platform, repository, and toolkit for open-source and open-weight AI with over 18 million developers.

Nvidia has three customers that accounted for 44% of their revenues over the past six months and their largest customers are increasingly designing their own ASICs and in some cases selling them externally. A more diversified customer base that owns their own AI compute stack instead of renting from the big cloud service providers would help Nvidia with both of these issues. With this acquisition, Nvidia is in an even better position to sell enterprises a complete alternative AI stack (from the model to chips) where the customer will own their own data.

Valuation is also compelling. Nvidia trades at a 15x CY27 PE versus their own guidance for 70% revenue growth and the Big 3 public cloud service providers at 21-23x for 15-26% total revenue growth. The S&P trades at 19x for 9% revenue growth for comparison. Nvidia is also up “just”24% versus the Semiconductor Index up 66% following underperformance last year at up 39% versus 42%.

As for Meta, the stock is down 7% year-to-date after being up just 13% last year driven largely by concerns that 1) they can only monetize their near doubling in AI capex spend through efficiencies in their own business and 2) they were falling behind in the AI model race. The launch of the Muse Spark 1.3 API last week, catapulted Meta back to near frontier status (Top four in the Artificial Analysis Intelligence Index out of 10 models) but with aggressive token pricing (Bottom four in Cost per Task.) Open-weight versions of the Muse Spark lineup are coming soon. This will give the company another way to monetize their aggressive capex plans.

This follows Meta's settlement in late August with state AGs on their youth addiction trial which was another overhang on the stock. Trading at 16x CY27 PE for 20% revenue growth is compelling with the settlement and Spark 1.3 launch as catalysts.

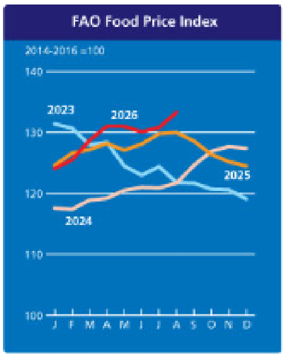
From a broader market perspective, I recommend caution between now and the US mid-terms for reasons I have fleshed out in prior posts including:

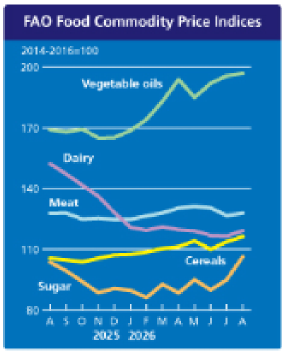
1) Don’t Fight the Fed given I believe a 9/16 hike is likely 2) September -0.5% on avg & up only 48% of the time
2) S&P drawdowns of 10% in lead-up to mid-terms
3) Bipartisan pushback against datacenter expansion
4) Iran dragging out hostilities through US mid-terms

https://www.fao.org/worldfoodsituation/foodpricesindex/en/

FAO Food Price Index rises in August amid broad-based increases, led by sugar

RELEASE DATE: 04/09/2026





Download datasets:

Excel: Nominal and real indices from 1990 onwards (monthly and annual)

CSV: Nominal indices from 1990 onwards (monthly)

Excel: Nominal and real indices from 1961 onwards (annual)

For export quotations of various foodstuffs and national retail/wholesale prices of foods please visit FAO's Food Price Monitoring and Analysis (FPMA) Tool

For more information contact us.

» The **FAO Food Price Index* (FFPI)** averaged 133.3 points in August 2026, up 2.5 points (1.9 percent) from its revised July level. All commodity groups recorded higher price indices than in the previous month, albeit with marked differences in the magnitude of the increases. Compared to last year, the FFPI stood 3.3 points (2.5 percent) higher but remained 26.9 points (16.8 percent) below its peak reached in March 2022.

» The **FAO Cereal Price Index** averaged 116.3 points in August, up 2.5 points (2.2 percent) from July and marking its highest level since May 2024. International cereal prices increased across all major grains in August, supported by robust demand, weather-related concerns over crop prospects in key producing regions, and continued uncertainty surrounding Black Sea export flows. World wheat prices rose by 2.6 percent month-on-month, standing 15.0 percent above their year-earlier level, amid persistent disruptions to Black Sea export logistics, lower production prospects in parts of Europe following hot and dry weather, and a weaker United States dollar, which enhanced the competitiveness of dollar-denominated export supplies. International maize prices increased by 2.5 percent from July, underpinned by mounting concerns over yield prospects in parts of the Corn Belt of the United States of America and deteriorating production prospects in the European Union due to prolonged heat and dryness, with additional support from strong demand from the ethanol and feed sectors and disruptions to Ukrainian export flows. Concerns over input supplies following the closure of the Strait of Hormuz provided additional support to maize prices. World sorghum and barley prices also increased in August, up by 3.9 percent and 2.6 percent, respectively, broadly reflecting firmer conditions across feed grain markets. Meanwhile, the FAO All Rice Price Index increased by 0.5 percent in August 2026, as a combination of currency movements, sustained purchases by Asian and African countries, and prospects of tighter supplies underpinned Indica quotations.

» The **FAO Vegetable Oil Price Index** averaged 196.9 points in August, up 1.1 points (0.6 percent) from July, marking its third consecutive monthly increase and reaching its highest level since June 2022. The rise reflected higher world palm and soy oil prices, which more than offset lower quotations for sunflower and rapeseed oils. International palm oil prices continued to increase, driven by robust global import demand and concerns over the potential impact of El Niño-related weather conditions on production prospects in Southeast Asia. Soyoil prices of South American origin remained firm, supported by strong export demand, while quotations in the United States of America declined moderately amid uncertainty surrounding biofuel policies and their implications for domestic feedstock demand. Meanwhile, international sunflower and rapeseed oil prices dropped slightly, reflecting subdued import demand and expectations of ample supplies of both oils in the 2026/27 season.

» The **FAO Meat Price Index** averaged 127.9 points in August, up 1.2 points (1.0 percent) from its revised July value and close to its level a year ago. The increase reflected higher poultry, pig and ovine meat prices, which were partly offset by lower bovine meat quotations. International poultry meat prices rose, reflecting a rebound in Brazilian export prices amid strong global import demand. Pig meat quotations also surged, principally driven by higher prices in the European Union, where high temperatures continued to slow animal growth, limiting the availability of slaughter-ready pigs. The increase was partly offset by lower Brazilian prices amid ample supplies. Ovine meat prices increased on firmer quotations in New Zealand, underpinned by persistently limited export supplies and strong global import demand. By contrast, international bovine meat prices declined. With Brazil's allocation under China's beef safeguard import quota nearing full utilization, exports slowed further amid prospects of higher tariffs on additional shipments, while Australia had already reached quota thresholds in China and the Republic of Korea. This intensified competition for alternative destinations, exerting downward pressure on export prices in both countries.

» The **FAO Dairy Price Index** averaged 119.2 points in August, up 2.7 points (2.3 percent) from July, marking its first increase in four months, while it remained 21.7 percent below its level a year earlier. The increase was driven by higher milk powder and cheese prices, while butter quotations were broadly stable. Skim milk powder (SMP) and whole milk powder (WMP) prices rose by 3.0 percent and 2.4 percent, respectively, as firmer quotations in the European Union more than offset seasonal declines in Oceania. In the European Union, tightening milk supplies, compounded by hot and dry weather in several major producing regions, supported prices, while sustained import demand added upward pressure, particularly for SMP. In Oceania, by contrast, increasing seasonal milk production weighed on milk powder markets. Cheese prices increased by 2.7 percent during the month, extending the recovery that began in July. Higher quotations in the European Union, underpinned by limited milk availability, more than offset further price declines in Oceania, where expanding export supplies and continued market competition from the United States of America weighed on prices. Butter prices remained broadly unchanged from July, as firmer European quotations, reflecting tighter milkfat availability, were offset by lower prices in Oceania amid increasing seasonal supplies.

» The **FAO Sugar Price Index** averaged 106.4 points in August, up11.3 points (11.9 percent) from July and reaching its highest level since June 2025. The price increase mostly stemmed from growing concerns over the global sugar supply outlook in the 2026/27 season. Persistent hot and dry weather led to a downward revision of sugarbeet yield forecasts in the European Union, where planted area was already anticipated to decline from the previous season, while El Niño-related weather conditions continued to affect production prospects in key producing countries in Asia. Lower sugar production in Brazil's key Center-South growing region also contributed to the tighter supply outlook. Additionally, India's announcement of duty-free raw sugar imports further contributed to the increase in international sugar prices.

** Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.*

The Trump administration is seeking to rescind a rule that was put in place to stop private equity funds from bribing public officials, following a raft of pay-to-play scandals.

3 hours ago - Business

SEC wants to end pay-to-play prohibition for private equity

Dan Primack

Add Axios on Google

Illustration: Aïda Amer/Axios

The Trump administration is seeking to rescind a rule that was put in place to stop private equity funds from bribing public officials, following a raft of pay-to-play scandals.

The big picture: The Securities and Exchange Commission claims that the Rule 206(4)-5 of the Investment Advisers Act stifles "free speech" and had too many unintended consequences.

- It did not propose any sort of replacement, instead arguing that existing state and local laws would suffice — even though it was the failure of those very laws that led to the rule's creation in the first place.

Letter of the law: Rule 206(4)-5 prohibits "covered associates" from providing advisory services to a government client for two years after contributing to certain candidates and/or elected officials (federal candidates are generally exempted, unless they hold relevant state office). Other sorts of gifts are also prohibited.

Tuesday Market Recap, September 8

1. Palantir $PLTR named Nebius $NBIS its preferred sovereign AI infrastructure partner, announcing a strategic partnership to integrate Nebius compute and inference endpoints directly inside Palantir's enterprise perimeter. The integration will allow eligible Palantir commercial customers to run open AI models on Nebius infrastructure, continuously adapt them using proprietary company data, and maintain control over their compute, models, and data. The companies also plan to bring new AI compute capacity online faster, including modular data-center deployments in locations where power is already available. Palantir CEO Alex Karp said, "Nebius' compute infrastructure powers your ability to run your own AI models under conditions you control. Our ontology and their infrastructure will undergird the sovereignty our partners are demanding." Nebius CEO Arkady Volozh added that the partnership will help commercial clients run optimized open models on trusted infrastructure while maintaining control over their data and models.

2. The EU and Canada are reportedly set to announce a major "all-encompassing" partnership spanning trade and security after President Trump's latest tariffs, according to Bloomberg. The goal is to build a new alliance that helps offset global power politics dominated by the U.S. and China. The partnership is expected to be announced on September 16, with Canada and the EU reportedly aiming to get "as close as legally possible" short of EU membership. Canada has also become the first country outside the EU to join the bloc's $175B military procurement fund, underscoring how quickly trade tensions are pushing allies toward deeper economic and defense cooperation.

3. BlackRock's Bitcoin ETF $IBIT has attracted $3.7B of inflows so far this quarter, putting it on pace for its largest quarterly intake since Q3 2025. The fund has already added $459.8M in September inflows, following $3.0B in August, its biggest monthly inflow since October 2025. As a result, $IBIT AUM has climbed to $62.6B, near its highest level since mid-May. Since the start of July, the fund's AUM has increased by $19.6B, or 46%, showing renewed institutional and retail demand for Bitcoin exposure through ETFs.

4. OpenAI CFO said at the Goldman Sachs conference that the consumer business is accelerating, with July revenue up 20% MoM. The enterprise business grew even faster, with July revenue up 32% MoM. OpenAI's revenue mix is now roughly 50/50 between enterprise and consumer, showing that growth is broadening beyond ChatGPT subscriptions and into business adoption.

5. Schwab retail activity in August shows investors selling the software rip and buying the semiconductor dip. The top retail buys were $SPCX, $MU, $NVDA, $INTC, and $GOOGL, while the top sells were $NOW, $ADBE, $MSFT, $PLTR, and $ORCL. The shift points to more active portfolio management from retail investors, with money rotating out of crowded software winners and into AI, chips, and compute-related names after pullbacks.

6. Copper prices on the LME have surged to a record $14,533/ton, now up 47% over the last 12 months. The move is being driven by tight supply and rising demand from data centers, renewable energy, and power grids. Expectations that President Trump could expand tariffs to refined copper imports have also pushed U.S. Comex prices above global prices, creating an incentive for traders to ship hundreds of thousands of tons of copper into the U.S. to capture the price spread. As a result, global stockpiles are becoming increasingly concentrated in the U.S., draining LME inventories to critically low levels and leaving less readily available copper for buyers elsewhere.

7. Meta $META launched Muse, a personal AI agent that can take actions across apps and the web, including sending emails, booking travel, filling out forms, and making purchases with user approval. Muse runs on Meta's new Muse Secure VM, giving each user a dedicated cloud environment with a separate Sentinel agent that reviews actions before they reach the internet. The agent can continue working after the app is closed, remember user preferences, and proactively move longer-term tasks forward. Meta is also integrating Stripe Link for checkout, with Shop Pay and 1Password support coming later.

8. IREN said its 2-GW Sweetwater Hub has been conditionally included as base load in ERCOT Batch Zero. Sweetwater 1 accounts for 1.4 GW and Sweetwater 2 for 600 MW, both part of IREN's broader 5 GW+ global data-center development pipeline. At Sweetwater 1, the high-voltage substation is already energized, with 300 MW of gross data-center capacity under construction and targeted for delivery in Q4 2027. IREN also said additional large-scale projects across its development pipeline have been included in Batch Zero, though ERCOT classifications remain conditional and subject to further approvals.

9. The top 10 most active options today by contracts traded were $TSLA with 2.4M contracts, $NVDA with 2.2M contracts, $INTC with 1.3M contracts, $SPCX with 847K contracts, $AAPL with 689K contracts, $MU with 673K contracts, $AMD with 615K contracts, $META with 568K contracts, $AMZN with 524K contracts, and $CRWV with 477K contracts.

10. The U.S. government is backing Rigetti $RGTI and D-Wave $QBTS with up to $200M for quantum computing R&D. Rigetti signed a definitive $100M agreement with the U.S. Department of Commerce to address key scaling bottlenecks in superconducting quantum systems, including cryogenics, readout electronics, and high-connectivity chip fabrication. D-Wave separately finalized access to up to $100M to advance its annealing and gate-model platforms, including work on a 100,000-qubit annealing system and a 10,000-qubit gate-model system targeting 100 logical qubits. As part of the funding, the Commerce Department will receive minority, non-controlling equity stakes in both companies.

11. Uber $UBER President and COO Andrew Macdonald purchased 70,000 shares for roughly $5.3M. Macdonald is one of Uber's longest-tenured executives, making the insider buy notable given his deep knowledge of the business, operations, and long-term strategy.

12. U.S. data center construction spending surged 57% YoY in July to a record annualized rate of $75B, following a 46% YoY increase in June and marking the fastest growth since mid-2025. Since the start of 2021, data center construction spending has soared by $66B, or 717%. Since the end of 2023 alone, spending has risen by $51B. Over that same period, all other private construction spending — including housing, shopping centers, and offices — has declined by $120B, showing how dramatically AI infrastructure is diverging from the rest of the construction market.

Wednesday Market Recap, September 9

1. Apple $AAPL introduced iPhone Duo, its first foldable iPhone, featuring the largest display ever on an iPhone while folding into a pocketable form. The device includes a 5.4-inch outer display and 7.6-inch inner display, a titanium frame, IP68 rating, and color options including Star White and Night Sky. Apple says Duo uses a custom variable-torque hinge with magnets to keep it closed, a flatter foldable display designed to reduce the visible crease and plastic feel, and a new “perceptually flat” nanotexture display. The phone also adds Touch ID in the side button, Apple Pencil support, a two-camera system, side-by-side apps, multi-window support, and new Duo layouts for Slack, Zoom, and Netflix. Pricing starts at $2,000.

2. The U.S. Treasury announced a new $6B buyback of longer-dated debt, but yields did the opposite of what the policy was supposed to signal: they spiked. The exact size of the buyback is less important than the message Bessent was trying to send: that Treasury can help support liquidity in longer-duration bonds and calm pressure in the market. Instead, credit markets appear to be rejecting that signal, with the 10-year Treasury yield rising to 4.85%, its highest level in 3 years. The takeaway is that investors are not just watching buyback headlines; they are demanding higher compensation for duration, deficits, inflation risk, and long-end supply.

3. Nebius $NBIS said AI infrastructure demand is still running well ahead of supply, with visibility now stretching to 24+ months and customers already asking for 2028 capacity, including tens of thousands of Vera Rubin GPUs. Management also framed the Palantir $PLTR partnership as a major enterprise channel, with Nebius providing the AI cloud stack and Palantir adding its software layer and customer base. The key takeaway: demand is broadening from AI-native customers into enterprise platforms, older GPUs remain economically useful for certain workloads, and Nebius is pushing an asset-light model with power and data-center partners to scale faster.

4. Google $GOOGL plans to invest €13B in Finland AI infrastructure over the next 2 years, marking its largest-ever single investment in Europe, according to Bloomberg. The buildout includes 3 new data centers in Kajaani, Muhos, and Vaala, along with an expansion of Google’s existing Hamina site. Google is also adding new wind-power agreements and a 94 MW battery system at Kajaani, while Fortum signed a 22-year power deal that will eventually cover 50% of output from its two-reactor Loviisa nuclear plant. The projects are expected to support more than 37,000 jobs during construction and about 7,000 jobs once completed, underscoring how AI infrastructure growth is increasingly tied to long-term power access across Europe.

5. The top 10 most active options today by contracts traded were $TSLA with 2.9M contracts, $AAPL with 2.8M contracts, $NVDA with 2.4M contracts, $META with 1.5M contracts, $MU with 1.1M contracts, $INTC with 956K contracts, $SPCX with 852K contracts, $AMD with 778K contracts, $GOOGL with 635K contracts, and $AMZN with 624K contracts.

6. Amazon $AMZN is tapping the UK bond market for the first time, selling its first-ever sterling bonds in a four-part deal with maturities ranging from 3 to 19 years, according to Bloomberg. The move comes as Amazon continues diversifying its funding sources to support its AI infrastructure buildout. The company has already sold more than $92B in bonds this year, making it the largest hyperscaler debt issuer of 2026. This is Amazon’s fourth non-dollar bond market this year after euros, Swiss francs, and Canadian dollars. The bigger question is investor appetite, with recent AI-linked bond deals seeing weaker demand and higher borrowing costs, making the 19-year tranche a key test of how much long-duration AI debt the market is willing to absorb.

7. Anthropic researcher Jacob Coxon, a 27-year-old former OpenAI employee, is leaving the AI industry over concerns that the race to superintelligence is moving too fast. Coxon joined Anthropic earlier this year because of its safety-focused reputation and says the company’s efforts are genuine but believes competition between labs makes safety trade-offs difficult to avoid. “We’re on track for a lot of the most aggressive of these scenarios whereby the end of next year things could be out of control already,” he said. He added that researchers inside the industry are increasingly using terms like “crunchtime” and “endgame” to describe the pace of capability gains. His departure is notable because Anthropic has positioned itself as one of the more safety-focused AI labs, even as it pushes toward more capable models and a potential IPO. Coxon’s view is that the problem is now bigger than any one company and may require meaningful coordination across industry or government before self-improving AI systems become much harder to control.

8. The Bank of Japan remains the dominant force in Japan’s bond market, now holding roughly 46% of all Japanese government bonds. That is down 8 percentage points from its 2023 peak and the lowest share since 2021, but the BoJ still owns more JGBs than banks, life insurers, pension funds, and foreign investors combined. For context, the BoJ held just about 10% of JGBs in 2013. This comes even after BoJ JGB holdings fell by $310B over the 12 months ending in July, the largest 12-month decline on record. Total holdings are now down to roughly $3.3T, the lowest since 2020, but still about 400% above 2012 levels.

9. OpenAI is calling for mandatory federal AI safety rules, saying Congress should create capability-based requirements for the small number of labs building the most advanced AI systems. The company says those rules should include independent testing, stronger cybersecurity standards, and incident reporting, but should not broadly apply to startups, small developers, or open-weight models. OpenAI is also backing four California bills headed to Gov. Gavin Newsom covering independent AI safety assessments, AI-auditor standards, protections for minors using

companion chatbots, and gene-synthesis screening. The company also said it is prepared to slow or stop development or deployment if safety risks become unacceptable, and that fully autonomous recursive self-improvement should not be pursued unless it can be done safely.

10. White House advisers privately warned President Trump that Iran may be able to resist U.S. pressure through January 2029, despite his public prediction of a swift end to the conflict, according to WSJ. Vice President JD Vance, Secretary of State Marco Rubio, and other advisers reportedly discussed the possibility of the war extending beyond Inauguration Day in 2029. At the same time, Iran's IRGC warned it would hit 20 targets for every 2 or 3 Iranian targets struck, while also demanding an end to hostilities, an Israeli withdrawal from Lebanon, an end to Yemen's blockade, and the release of $24B in frozen Iranian assets.

11. U.S. mortgage demand fell as rates moved higher again, with mortgage applications dropping 2.7% last week, according to the Mortgage Bankers Association. Refinancing applications declined 6.2%, while home-purchase applications slipped 0.2%. The average 30-year mortgage rate rose 6 basis points to 6.85%, adding more pressure on borrowers and keeping the housing market stuck between elevated financing costs and weak affordability.

12. Trump said the Iran war will end "immediately after" the election, arguing Iran "can't hold out any longer." He said the U.S. is "not looking for a deal," though he left the door open to negotiations, saying talks "could possibly happen." Trump also said the conflict will "take longer than the midterms," tying the timeline directly to the election calendar. The comments keep Iran, oil, and geopolitical risk front and center for markets as the conflict continues.

Thursday Market Recap, September 10

1. Nvidia $NVDA and Palantir $PLTR expanded their AI partnership, building a new stack that combines Palantir's sovereign AI platform with Nvidia's custom Nemotron open models. The technology is being deployed first across Nvidia's own supply chain, using AI to capture operational intelligence and accelerate the process from "wafer to first token." Other companies will be able to deploy the same architecture across their own supply chains, either in the cloud or on-prem. The partnership, first announced in October 2025, has continued compounding into new verticals, use cases, and sovereign AI deployments built around one core idea: enterprises and governments want to own, control, and make sense of their own data. Palantir also hosted its 11th AIPCon today, where partners showcased how they are using Ontology, Foundry, AIP, and Sovereign AI to solve complex operational problems.

2. U.S. PPI came in slightly hotter than expected, rising 5.4% YoY versus 5.3% expected, while monthly PPI rose 0.4%, in line with estimates. Core PPI was 4.6% YoY, matching expectations, while core monthly PPI rose 0.2%, below the 0.3% estimate. Initial jobless claims came in at 206K versus 205K expected, showing labor-market claims remain broadly steady even as producer inflation stays elevated.

3. Microsoft $MSFT plans to triple its global data center capacity, expanding from roughly 12 GW today to more than 38 GW by 2032, according to Bloomberg. That would add about 26 GW of capacity, with AI-specific compute expected to grow from around 2 GW today to roughly one-third of total capacity by 2032, or about 13 GW. The target excludes compute rented from neoclouds like CoreWeave. The buildout comes after capacity shortages forced Microsoft to restrict some cloud subscriptions and turn away AI and cloud demand. Microsoft spent $145B in capex last fiscal year and has $329B in future data center lease commitments.

4. Oracle $ORCL delivered more than 300,000 GPUs to AI cloud customers since the end of Q4, nearly tripling the capacity delivered in Q4 FY26. The company's RPO surged by $209B YoY to $664B after booking more than $30B of additional AI cloud contracts in Q1. Q1 revenue came in at $19.3B versus $19.14B expected, up 30% YoY, while adjusted EPS was $1.92 versus $1.74 expected, also up 30% YoY. Cloud revenue reached $11.6B, up 62% YoY, led by cloud infrastructure revenue of $7.4B, up 121% YoY. Oracle also guided FY revenue to at least $90B and adjusted EPS to $8.10, while disclosing $28.5B of capex, -$5.4B of free cash flow, and a $20B ATM equity program.

5. The top 10 most active options today by contracts traded were $AAPL with 2.8M contracts, $NVDA with 2.3M contracts, $TSLA with 1.6M contracts, $SPCX with 1.2M contracts, $MU with 769K contracts, $META with 750K contracts, $ORCL with 733K contracts, $INTC with 628K contracts, $GOOGL with 475K contracts, and $AMZN with 409K contracts.

6. Adobe $ADBE reported Q3'26 revenue of $6.8B versus $6.69B expected, up 13% YoY, with adjusted EPS of $6.13 versus $6.09 expected, up 15% YoY. ARR reached $27.5B, while RPO came in at $22.2B and AI-first ARR growth was 150%+. Adobe also raised its FY26 guide, now expecting revenue of $26.58B-$26.63B and EPS of $24.45-$24.50, both ahead of estimates. Segment strength remained broad, with Customer Groups revenue at $6.6B, up 14% YoY, and Creative & Marketing Professionals revenue at $4.7B, up 13% YoY. The company also crossed 1B+ monthly active users, calling it a defining moment for Adobe.

7. Uber $UBER CEO Dara Khosrowshahi bought 141K shares for about $10M at an average price of $70.96. The purchase marks Dara's first open-market buy of Uber stock since May 2022, when he bought 200K shares at roughly $26.73. A $10M insider buy from the CEO is a notable confidence signal as investors continue watching Uber's growth, margin expansion, buybacks, and long-term autonomous vehicle strategy.

8. Nvidia $NVDA CEO Jensen Huang says cybersecurity is likely AI's next major market, as AI-generated code accelerates both software development and the vulnerabilities that come with it. Huang said rapidly evolving threats should drive more demand for AI-powered security and automated defenses, creating another major growth vertical for the technology. He also pushed back on the idea that Nvidia's AI financing is "circular," saying, "We put a little bit of money in and a lot of money comes back. We put in 1 and 100 comes back in." Huang added that the

financing only happens because the off-take is already there: “That off-take is $100B. It’s lined-up contracts. It is real stuff.” He said Nvidia knows where the demand is coming from, understands the quality of that demand, and that its financing is only a “very small part” of these projects.

9. SpaceX $SPCX CFO Bret Johnsen said the company signed another AI compute hosting deal that will generate $1.11B of revenue per month, or $13.3B annually, starting December 1, 2026. “Earlier this month, we closed another hosting deal. By the end of this year, with annualizing our December number, we're on track to hit $100B of ARR,” Johnsen said at Goldman Sachs’ Communacopia and Technology Conference. The update highlights how quickly SpaceX’s AI compute business is scaling into one of the largest infrastructure revenue stories in the market.

10. GameStop $GME CEO and Chairman Ryan Cohen bought 1M shares at an average price of $20.38, a purchase worth roughly $20.4M. His Form 4 shows 39.35M shares directly owned, while a new 13D reports 43.1M shares beneficially owned, equal to an 8.5% stake. The buy adds another insider-confidence signal at a time when investors are watching how Cohen plans to deploy GameStop’s balance sheet and reshape the company’s long-term strategy.

11. Robinhood HOOD ended August with 28.6M funded customers, up 7% YoY, while total platform assets reached $383.7B, up 8% MoM and 26% YoY. Net deposits were $4.0B. Trading activity stayed strong, with equities at $335.4B up 68% YoY, options at 292.5M contracts up 50% YoY, crypto at $17.5B up 61% MoM but down 38% YoY, and event contracts at 4.7B, down 23% MoM but up 15x YoY. Interest-earning assets also continued scaling, with margin balances at $21.5B up 72% YoY, cash and deposits at $19.6B up 37% YoY, and cash sweep at $31.2B up 7% MoM. Robinhood also expanded the platform with agentic options and crypto trading, Robinhood Earn, Smart Income, UK crypto trading, 190+ stock tokens on Robinhood Chain, and additional Cortex and IPO Access features for RIAs.

12. Saudi oil output fell to its lowest level since 1990, as Saudi Arabia told OPEC its production declined again. At the same time, OPEC cut its 2026 global oil-demand growth forecast to 380K bpd from 580K bpd, while raising its 2027 demand-growth outlook to 2.36M bpd from 2.16M bpd, signaling a potential rebound next year. OPEC+ crude production averaged 38.05M bpd in August, up roughly 300K bpd from July. The backdrop is getting more complicated for markets, with oil pushing past $100/barrel and the 10-year Treasury yield near 4.9%.