



The Fed moved once. *The bond market moved everything else.*

WEEK OF 12 OCTOBER 2026
PREPARED FOR M. SHENHER · MDS CAPITAL
DATA AS OF CLOSE, FRI 9 OCT 2026

The hike arrived on schedule and did less than the term premium that followed it. The US 10-year is at a 24-year high, the ten-year real yield has gone from 1.90% to 2.94% this year, and gold took the consequences. The ten below are re-ranked for a market where the discount rate, not the commodity, is setting prices.

S&P 500	S&P/TSX	US 10-YEAR	WTI CRUDE	GOLD	SILVER	COPPER	URANIUM	FED FUNDS	USD/CAD
7,812	35,665	5.35%	\$91.66	\$4,194	\$60.80	\$6.66	\$90.00	4.00%	1.4255
+19.2% y/y	+19.5% y/y	24-yr high	+55.6% y/y	+4.5% y/y	+20.9% y/y	+38.9% y/y	+14.1% y/y	~27% Oct hike	CPI 3.4% / 3.0%

Copper and uranium in USD/lb. Fed funds shown at the upper bound of the 3.75–4.00% target range. CPI figures are August prints for the US and Canada respectively.

WHAT CHANGED SINCE LAST WEEK

Five things moved, and only one of them was a stock

SINCE LAST ISSUE · 8 SEPTEMBER TO 9 OCTOBER

- The Fed hiked 25bp on 16 September, 12–0, and then the bond market took over.** The 10-year is at 5.35% and the 30-year at 5.70%, both the highest since 2002. The ten-year TIPS real yield has gone from 1.90% to 2.94% this year. That is the move that mattered, and it was not a Fed decision.

2. **Gold's retreat is a discount-rate event, not a demand event.** Bullion fell 6.4% in September and the world's fifty largest miners lost \$264B of market value — the second-largest monthly decline on record for that ranking. Silver fell 9%. Nothing in the fiscal or central-bank-buying case got worse; the denominator did.
3. **Kinross broke.** On 23 September it cut 2026 *and* 2027 production guidance by roughly 8% and lifted all-in sustaining cost guidance to \$1,850–1,900/oz from \$1,730. The stock is down 21.8% since last issue. It was ranked second. It is now tenth, with its quality score cut from 8 to 6. Detail below.
4. **USD/CAD went from 1.3781 to 1.4255 — and did more for your book than any pick.** A 3.4% currency move in five weeks flatters every unhedged US holding and makes every new US purchase more expensive. It is also a direct earnings tailwind for Canadian producers selling USD barrels from a CAD cost base.
5. **The congressional stock trading ban died.** The Senate voted it down 53–47 on 30 September, seven short of cloture. Last issue said to expect this input to degrade. It has, and I am formally demoting it to a footnote rather than quietly dropping it.

The reframe that follows from all of this

Last issue argued that commodity-led inflation with a hiking Fed behind it would re-rate real assets. The first half happened. The second half did not, because the hike was accompanied by a global bond rout that raised the discount rate on *everything* — including the real assets. Gold, the most duration-sensitive asset in the complex, took the worst of it.

The more useful lens now is duration, not commodity exposure. **Core US CPI is 2.4%, the lowest since March 2021.** Headline is 3.4%, and the gap between them is energy and nothing else. So the inflation that is driving the Fed is a single supply shock, while the yield move is a term-premium and fiscal story — a \$1.9T federal deficit, roughly \$489B of AI-related bond issuance this year, and sympathetic selloffs in Japan, Britain and France. Those are different problems with different half-lives, and a portfolio built for one is not built for the other.

What survives a 5.35% long bond is cash generated soon, bought at a low multiple. What struggles is a good business whose cash arrives in the 2030s. That principle, applied honestly, is why a defence prime with a \$194B backlog moved up this list and the highest-upside gold miner on the board moved down it.

FORCE 01 • MONETARY

One hike done, the next one in doubt

Fed funds at 3.75–4.00% after a unanimous September move; sixteen of nineteen dots show at least one more in 2026. But October hike odds have collapsed from 64% to roughly 27% on CME FedWatch and Kalshi as core inflation cooled. Williams: “no need for urgency.” The 28 October meeting is now a genuine coin-toss the market has already picked a side on.

FORCE 02 • RATES

The long end is doing the tightening

10-year at 5.35%, 30-year at 5.70%, both 24-year highs, with real yields up more than a point this year. This is term premium and supply, not a growth signal. It compresses every equity multiple, and it compresses the long-dated ones hardest — which is the mechanism behind September's metals drawdown.

A pause in the conflict, not an end to it

Trump said the US will not strike Iran before the 3 November midterms, and crude came off roughly \$3. But Gulf flows have recovered to above 81% of pre-war levels precisely *because* Iran has stepped up tanker attacks to contest them — at least one incident a day since 2 October. Brent is still above \$100 and about 40% of exports now bypass the strait entirely.

Ottawa designated a pipeline; Washington did not pass much

On 1 October Carney named Pacific Link Canada's first Project of National Interest — 1,200km, Bruderheim to Delta, +1M bbl/d. Four days later Cenovus committed C\$5.7B to Athabasca Oil. In Washington the stock-trading ban and the data-centre ratepayer bill both died in the Senate, and the FY2027 defence budget was announced at \$1.5 trillion.

METHOD

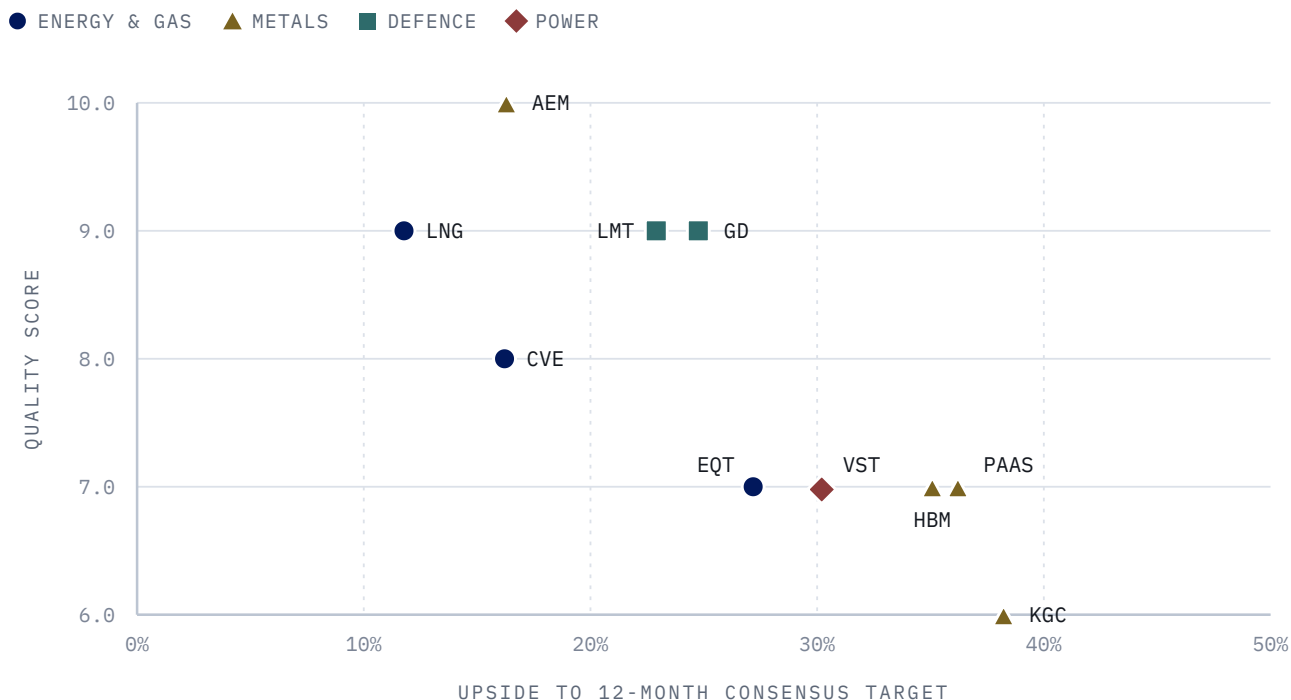
How this list is built

1. **Universe.** Every company listed on the major US and Canadian exchanges. No sector is off limits.
2. **Screens applied first.** Minimum US\$1B market capitalisation; public for at least three years, so no IPOs; at least five covering analysts; and a promotion screen that removes any name whose recent move traces to marketing rather than an earnings or contract event. The current pattern being screened for is small Asia-domiciled sub-\$10M IPOs on the Nasdaq Capital Market promoted through WhatsApp groups.
3. **Five inputs.** (a) Monetary policy and rates — Fed and Bank of Canada decisions and next meeting dates, US and Canadian CPI, index levels, USD/CAD. (b) Commodities and geopolitics — oil, gold, silver, copper, uranium and other minerals, the Middle East and Strait of Hormuz, and supply-side developments. (c) New and pending legislation in Canada and the US — tariffs and the US–Canada trade war, USMCA, critical minerals and Defense Production Act funding, Canada's Major Projects Office approvals, energy and defence appropriations. (d) Disclosed political trading flow — US congressional STOCK Act filings via altindex.com, capitoltrades.com and quiverquant.com, plus the status of the congressional stock trading ban that passed the House 232–198 on 22 July 2026. (e) Published sell-side consensus, ratings and target changes.
4. **Two scores per name.** Business solidity — a 1–10 in-house score on balance sheet, asset or reserve life, jurisdiction, free cash conversion and management record. And potential return — the upside to published 12-month analyst consensus.
5. **Ranked solidity first, return second,** over a 6–24 month horizon. Every name gets a two-paragraph thesis and an explicit “what would break this” line. Where a prior week's thesis has broken or completed, it is said plainly rather than quietly dropped.

What this is not. This is information gathering and research, not investment advice, not a recommendation, and not a solicitation. Full disclosure and disclaimer at the foot of this memo.

Solidity against return, plotted

Business quality vs. upside to consensus target



Quality is my own 1–10 score on balance sheet, reserve or asset life, jurisdiction, free cash conversion and management record. Upside is to the published 12-month consensus target as of 9 October. Each sector carries a distinct marker shape as well as a distinct colour, so the chart reads without colour vision. Names toward the upper right offer the better trade-off; names on the left are held for durability, not headline return.

The horizontal axis has reversed its bias, and that is a trap

Last issue I warned that in a fast-moving commodity tape, sell-side targets lag spot *on the way up*, so published upside understates return. The same inertia now runs the other way. Eight of these ten fell over the past five weeks while consensus targets barely moved; the average published upside on the list widened from roughly 20% to 26% **without a single business improving**. Kinross is the clearest case: its gap to target widened to 38% in the same month it cut production guidance for two consecutive years and raised its cost base by 7%.

A widening gap to target during a drawdown usually measures analyst inertia, not opportunity. Expect a wave of target cuts over the next six weeks that shrinks every number in the right-hand column mechanically. I have therefore weighted the vertical axis harder than last issue, and the ordering below reflects that.

What held, what broke, what completed

Nothing here is dropped silently. Every position taken last issue is accounted for below before the new ranking starts.

BROKE	Kinross Gold, ranked 2nd. The thesis was “cheapest quality senior producer with visible growth.” The 23 September operational update removed the growth — 2026 and 2027 attributable production cut about 8% to 1.84–1.86Moz on La Coipa weather and Round Mountain grades — and raised 2026 AISC guidance to \$1,850–1,900/oz from \$1,730. Scotiabank cut its target from \$41 to \$39. The cheapness argument survives at 8.46× forward; the quality argument does not survive intact. Demoted to 10th, quality 8 → 6.
COMPLETED	“Plan for the congressional-trading input to degrade.” It did, decisively. The Senate rejected the Stop Insider Trading Act 53–47 on 30 September. I am not going to keep running a section that implies a signal I no longer think is actionable — it is now a footnote in Other Factors.
COMPLETED	“A hawkish Fed lifting real yields is gold’s classic headwind.” That was the stated watch item on Kinross and it is exactly what happened — real yields up, gold down 6.4% in September, gold miners down \$79B or 12.7%. The risk was correctly identified and insufficiently weighted. The fix is the duration framework above, not a different list.
HELD	Vistra, ranked 4th as “the best pure risk/reward and the only genuine contrarian entry.” Up 6.4% since, and the 6 October Google–Constellation 890MW agreement repriced the whole merchant group. Still 26% below its 52-week high with 30% to target. Thesis intact.
HELD	The Canadian-crude carve-out and the integrated-oil call. Crude remains outside the tariff schedule, Cenovus closed MEG and agreed to buy Athabasca, and Pacific Link was designated on 1 October. Cenovus is down 5.0% in USD on a softer crude tape — but roughly flat in Canadian dollars, which is the currency you spend.
HELD	Valero, benched only because it traded above consensus. It is up 13.3% since, to \$433.75, and still trades 10.4% above the published target. The bench reason was right and the bench decision cost return. It stays on the bench for the same stated reason — consistency is worth more than one good call.

Ranked by solidity first, return second

Every name below is a profitable, established, index-liquid business that clears all four screens. The membership of the ten is unchanged from last issue; the ordering is not. A list built for a six-to-twenty-four-month horizon that turns over every five weeks was never a six-to-twenty-four-month list — what should change at this frequency is weight and rank, which is what has changed.

01

Cenovus Energy NYSE: CVE · TSX: CVE

INTEGRATED OIL

CANADA

6-18 MONTHS

RANK 1 → 1

Holds the top spot on duration as much as on commodity. Cenovus converts barrels into cash inside the next twelve months at 10.3× forward earnings, which is precisely the profile that survives a 5.35% long bond. It is integrated, so it captures both the crude price and the refining margin that the Hormuz outage keeps wide. And it is Canadian: USD-denominated revenue against a CAD cost base, with the loonie 3.4% weaker than at last issue.

The strategic position improved materially in five weeks. MEG Energy closed, and on 5 October Cenovus agreed to buy Athabasca Oil for C\$5.7B — roughly C\$12 a share, a 13.4% premium — adding about 45,000 boe/d of thermal production expandable to 115,000 bpd by 2032, plus full ownership of Duvernay Energy. Four days earlier, Ottawa had designated the Pacific Link pipeline a Project of National Interest. Those two facts are related, and the second is why the first was affordable.

WATCH Two large acquisitions in thirteen months — C\$8.6B for MEG, C\$5.7B for Athabasca. Integration risk is now a real line item, and the 2026 buyback has a competing claim on cash. If Q3 on 30 October shows capital discipline slipping, the ranking is wrong.

PRICE	\$31.39
MKT CAP	\$57.8B
FWD P/E	10.29
YIELD	1.94%
CONSENSUS	Buy · 16
TARGET	\$36.48 · +16%
QUALITY	■■■■■■■■■■

02

General Dynamics NYSE: GD

DEFENCE

UNITED STATES

12-24 MONTHS

RANK 5 → 2

Promoted three places on a better entry and a harder catalogue of orders. At \$331.27 the stock sits \$24 above its 52-week low after a 7% decline since last issue, on 18.9× forward with a covered 1.92% yield and 24.7% to consensus across 24 analysts. The business did not get worse; the multiple did.

The contracted base is the entire point in a 5.35% world. GD holds \$76.6B of Navy submarine awards, and on 31 August it signed seven-year framework agreements alongside Lockheed to triple PAC-3 MSE interceptor output and roughly quadruple THAAD — with the government guaranteeing minimum annual quantities and GD Ordnance and Tactical Systems supplying motor cases, seeker housings, midsections and shroud-deployment systems. The announced FY2027 defence budget is \$1.5 trillion. Gulfstream adds a genuine private-cycle earner on top. This is the clearest non-correlation available to a book otherwise levered to one macro trade.

WATCH Multiyear frameworks are authorisations, not cash — every dollar still depends on annual appropriations, and the FY2026 bill funded only 8 of 13 requested multiyear initiatives. Shipyard schedule slip remains the classic way a prime misses. Q3 lands 30 October.

PRICE	\$331.27
MKT CAP	\$89.5B
FWD P/E	18.88
YIELD	1.92%
CONSENSUS	Buy · 24
TARGET	\$413.11 · +25%
QUALITY	■■■■■■■■■■

03

Cheniere Energy NYSE: LNG

LNG EXPORT

UNITED STATES

12-24 MONTHS

RANK 3 → 3

Still the highest-quality cash-flow machine on the list and the one least dependent on the commodity price. Cheniere sells liquefaction capacity under long-dated take-or-pay contracts; the spot gas price largely passes through. It has also kept building — Bechtel is lined up for the Sabine Pass expansion ahead of a 2027 final investment decision, with the first offtake contract signed and limited notice to proceed already issued. Strong Buy across 22 analysts.

It holds third rather than first for one reason, and it is the reason this issue is organised around duration: Cheniere is a capital-intensive, levered infrastructure business whose contracted cash flows run into the 2040s. That is a wonderful asset at a 3% long bond and a more expensive one at 5.35%. The quality score is unchanged at 9; the rank reflects what the discount rate does to a 2040s annuity, not a doubt about the business.

WATCH Refinancing arithmetic. Every 50bp on the long end is a real cost to this capital structure, and a 2027 FID on Sabine Pass expansion commits more of it. If the 10-year goes to 6%, this is the name on the list that re-rates most and deserves to.

PRICE	\$278.18
MKT CAP	\$57.5B
FWD P/E	15.89
YIELD	0.80%
CONSENSUS	Str. Buy · 22
TARGET	\$310.86 · +12%
QUALITY	■■■■■■■■■■

04

Agnico Eagle Mines NYSE: AEM · TSX: AEM

GOLD

CANADA

6-24 MONTHS

RANK 6 → 4

Promoted two places — not because gold got better, but because the sector's drawdown finally put a price on the best operator in it. AEM is 26% below its 52-week high at \$189.02, on 15.2× forward with 16.3% to consensus across 22 analysts. Last issue the upside was 6% and I said plainly it was the least mispriced name on the board. That objection is now substantially answered.

This is the gold position for a real-yield shock rather than a gold-price bet. Assets sit almost entirely in Canada, Finland and Australia — no expropriation risk, no permitting theatre — and the balance sheet does not need bullion at \$4,200 to function. September was a reminder of what the alternative looks like: the world's gold miners lost \$79B of value, and the ones that lost most were the ones with an operating problem underneath the macro one. Agnico did not have one.

WATCH Quality is the whole thesis, so an operational disappointment would break it the way one broke Kinross. Q3 is expected late October. Beyond that, a sustained move in the 10-year above 5.5% keeps real yields rising and gold equities will not fight it.

PRICE	\$189.02
MKT CAP	\$95.7B
FWD P/E	15.15
OFF 52W HIGH	-26%
CONSENSUS	Buy · 22
TARGET	\$219.82 · +16%
QUALITY	■■■■■■■■■■

Lockheed Martin NYSE: LMT

DEFENCE

UNITED STATES

12-24 MONTHS

RANK 10 $\rightarrow$ 5

The largest promotion on the list, and the sell side moved first. Consensus has shifted from Hold to Buy across 23 analysts since last issue — the specific thing I said was holding the stock back. It trades at \$509.59, 26% below its 52-week high, on 16.4× forward with a 2.71% dividend yield and 22.8% to target. In a market paying 5.35% for a ten-year Treasury, a 2.71% yield attached to a \$194B backlog — roughly two and a half times annual sales — is a different proposition than it was two years ago.

Lockheed is prime on both PAC-3 MSE and THAAD and therefore sits at the centre of the 31 August seven-year interceptor frameworks. Interceptor demand remains the most durable second-order consequence of a contested Hormuz, and unlike crude it does not unwind on a ceasefire headline — magazines that were emptied have to be refilled either way. The FY2027 budget request of \$1.5 trillion is the backdrop.

WATCH Classified-programme charges are a recurring feature here, not a one-off; 2025 earnings fell 6% on them. That is the reason for the discount and it has not gone away. Appropriations risk applies here as it does to GD.

[illegible]

06

Vistra NYSE: VST

POWER & NUCLEAR

UNITED STATES

12-24 MONTHS

RANK 4 $\rightarrow$ 6

The thesis worked and the stock is still cheap, which is why it slips two places rather than ten. VST is up 6.4% since last issue to \$161.48, on 15.8x forward with 30.2% to target across 21 analysts — the second-widest gap on the list. On 6 October, Constellation signed a twenty-year, 890MW power purchase agreement with Google covering uprates at reactors in Illinois, Pennsylvania and New Jersey; CEG rose 12% and Vistra rose 8% on read-through alone. That is the market putting a price on firm, around-the-clock generation, and Vistra owns a great deal of it in ERCOT and PJM.

It moves down for the same reason Cheniere does not move up: a merchant generator's value sits in a long stream of future megawatt-hours, and the discount rate on that stream just went to a 24-year high. There is also a policy wrinkle. On 30 September the Senate rejected the Ratepayer Protection Act 57-43, which would have pushed states to make large users such as data centres cover incremental grid costs. Near term that is helpful to the generators. Medium term, an unresolved "who pays" question in front of an electorate facing higher bills is a political risk, not a tailwind.

WATCH Merchant power is genuinely cyclical and the balance sheet carries leverage — still the highest-beta name in the ten. Q3 lands 6 November. A PJM capacity-auction or interconnection delay hits the contracting story directly.

[illegible]

07

EQT Corporation NYSE: EQT

NATURAL GAS

UNITED STATES

12-24 MONTHS

RANK 8 → 7

Still the laggard trade, and it is starting to work at the commodity level even as the equity drifts. Henry Hub is at \$3.20/MMBtu, up 13.0% on the month, and the EIA's October Short-Term Energy Outlook sees prices strengthening substantially into winter on LNG export pull and power demand. EQT is the largest gas producer in the United States, vertically integrated into transmission after Equitrans, in the lowest-cost basin, with Strong Buy from 26 analysts and 27.2% to target at \$52.83 — \$5 above its 52-week low.

One honest flag that was not in last issue's entry. **EQT's forward P/E of 17.04 is above its trailing P/E of 12.25**, which means consensus expects earnings to fall, not rise, over the next twelve months. That is not a reason to avoid the name — the structural demand curves from LNG export capacity and data-centre load arrive after the forecast window — but anyone reading "27% upside" without reading that multiple inversion is reading half the picture. It is why EQT's quality score comes down from 8 to 7.

WATCH Gas is weather-levered and has a persistent habit of disappointing. A mild winter breaks the near-term case regardless of the structural one. Q3 releases 27 October with the call on the 28th. Note again: the "EQT / McGill and Partners" insurance headlines refer to *EQT AB*, the Swedish private equity firm, not this company.

PRICE	\$52.83
MKT CAP	\$33.1B
FWD P/E	17.04
TRAILING P/E	12.25
CONSENSUS	Str. Buy · 26
TARGET	\$67.19 · +27%
QUALITY	

08

Hudbay Minerals NYSE: HBM · TSX: HBM

COPPER

CANADA

12-24 MONTHS

RANK 9 → 8

The cleanest dislocation on the list. Copper is essentially unchanged since last issue at \$6.66/lb — up 38.9% year-on-year and within reach of its all-time high — while Hudbay fell 9.9% to \$26.12. The equity de-rated with the metals complex; the metal did not. Strong Buy from 23 analysts with 35.1% to target at 14.3× forward.

The supply side got worse in September, which is the direction that matters here. BHP lost production at Escondida after a fatal accident and a strike vote, and First Quantum fell 19% after a Panamanian commission recommended renegotiating rather than simply restarting Cobre Panama. Copper producers as a group shed \$44B of market value in a month in which the metal was flat. Hudbay remains the mid-cap way to hold the exposure with an actual balance sheet behind it — Copper Mountain in British Columbia alongside Peruvian and Manitoban assets.

WATCH Jurisdiction cuts both ways here, and Peru is the live part. Beyond that, a Chinese demand disappointment is still the fastest route to copper giving back a dollar, and the market cap has roughly doubled in a year — this is not an undiscovered name.

PRICE	\$26.12
MKT CAP	\$11.6B
FWD P/E	14.28
52W RANGE	\$14.34–32.15
CONSENSUS	Str. Buy · 23
TARGET	\$35.28 · +35%
QUALITY	

Pan American Silver NASDAQ: PAAS · TSX: PAAS

SILVER & GOLD

CANADA

6-18 MONTHS

RANK 7 → 9

Down two places on jurisdiction, not on valuation. PAAS is at \$46.27, 34% below its 52-week high, on 10.7× forward with 36.2% to target — the second-largest gap on the list and the cheapest forward multiple among the metals names. Silver at \$60.80 is still up 20.9% year-on-year despite a 9% September, and PAAS remains the largest primary silver producer with meaningful gold by-product, so it gives leverage to both metals in one liquid instrument.

The demotion is a deliberate application of the quality axis I said I would weight harder. Assets sit across Peru, Mexico, Chile and Brazil. In a month when First Quantum lost a fifth of its value on a Panamanian commission recommendation and BHP lost \$26B on a Chilean accident and strike vote, resource-nationalism and operational-jurisdiction risk stopped being theoretical and started being priced. Only nine analysts cover it — the thinnest coverage on this list, and the least reliable consensus on the board.

WATCH Any single-asset disruption in Peru or Mexico hits harder than the headline diversification suggests. And silver's industrial leg — solar, grid, electronics — is the part of the thesis most exposed to a Chinese capex slowdown.

PRICE	\$46.27
MKT CAP	\$19.3B
FWD P/E	10.70
OFF 52W HIGH	-34%
CONSENSUS	Buy · 9
TARGET	\$63.03 · +36%
QUALITY	■■■■■■■■■■

Kinross Gold NYSE: KGC · TSX: K

GOLD

CANADA

12-24 MONTHS

RANK 2 → 10

This thesis broke, and the demotion is the point of printing it rather than deleting it. On 23 September Kinross cut attributable production guidance for both 2026 and 2027 to roughly 1.84–1.86Moz — about 8% below the prior midpoint — on harsh winter weather and adverse copper-sulphide grades at La Coipa in Chile and lower rates, grades and recoveries in the Phase S pit at Round Mountain in Nevada. All-in sustaining cost guidance for 2026 went to \$1,850–1,900/oz from \$1,730. The stock fell 12.5% that day and is down 21.8% since last issue. Scotiabank cut its target from \$41 to \$39.

What is left is a cheaper stock and a worse operator. At 8.46× forward and 8.85× trailing it is the lowest multiple on the list by a wide margin; the balance sheet still carries its S&P BBB upgrade; Paracatu and Tasiast are performing to plan; and management raised the 2026 shareholder-return target to 50% of attributable free cash flow from 40%. That combination keeps it inside the ten by a narrow margin — Permian Resources at 10.1× forward was the alternative. But the ranking method puts solidity first, and a two-year guidance cut with a 7% cost increase is a mark against management record, which is explicitly one of the five quality inputs. Quality goes 8 → 6, and the rank follows it.

WATCH The 38% gap to consensus is the widest here and it is the least trustworthy number on the page — targets have not yet fully absorbed the September update. A second operational revision at Q3 would take this off the list entirely rather than down it.

PRICE	\$23.74
MKT CAP	\$28.1B
FWD P/E	8.46
AISC 2026E	\$1,850–1,900
CONSENSUS	Buy · 18
TARGET	\$32.81 · +38%
QUALITY	■■■■■■■■■■

Ten more that made the screen but not the cut

These clear the quality filter and would be in the ten on a different week or at a different entry price. Three are excluded only because they trade above published consensus — a reason I am keeping consistent even though it cost return on Valero this month.

TICKER	COMPANY	PRICE	FWD P/E	TO TARGET	WHY IT IS ON THE BENCH
VLO	Valero Energy	\$433.75	7.54	-10%	Up 13.3% since last issue on the widest crack spreads in years, and 7.5× forward is the cheapest earnings multiple in this universe. Bench for the single stated reason that it trades above consensus. If targets catch up it goes straight into the ten.
MPC	Marathon Petroleum	\$455.03	6.48	-10%	New to the bench. Cheapest forward multiple on the whole board at 6.5×, same refining-margin thesis as Valero, same disqualifier — \$45 above the published target. Buy consensus across 19.
CNQ	Canadian Natural Res.	\$49.65	12.09	-3%	Best long-life reserve base in Canada and a 3.58% yield that matters more at 5.35% than it did at 3%. Still marginally above consensus; Pacific Link is a direct structural positive if it ever gets built.
SU	Suncor Energy	\$72.23	11.34	-3%	Sitting at its 52-week high with a 2.40% yield and heavy buyback. Above consensus, and a CEO transition lands April 2027. Cenovus remains the cleaner integrated.
PR	Permian Resources	\$23.29	10.11	+17%	The name that nearly displaced Kinross. Strong Buy from 23, 10.1× forward, 2.75% yield, near its 52-week high. Pure Delaware Basin shale beta with no refining or integration — held back only on diversification, not quality.
CEG	Constellation Energy	\$298.07	24.08	+15%	Won the Google 890MW twenty-year PPA outright and still trades 28% below its 52-week high. At 24× forward against a 5.35% ten-year, Vistra at 15.8× remains the cheaper way to hold the same demand story.
WPM	Wheaton Precious Metals	\$138.65	24.54	+29%	Streaming model with no cost-inflation exposure — structurally the highest-quality precious-metals business anywhere, and the September drawdown finally gave it a 29% gap. Still 24.5× forward, which is a lot of duration to own right now.
LHX	L3Harris	\$236.97	18.70	+37%	Trading within \$5 of its 52-week low with the largest consensus gap in defence and a 2.11% yield. The governance overhang from the CEO departure is the stated reason it stays benched, and I have not seen it resolved. Review when it is.
CCJ	Cameco	\$88.06	61.27	+44%	Uranium at \$90.00 and Westinghouse optionality, down 35% from its high. 61× forward earnings is a valuation you have to talk yourself into, and a 24-year-high discount rate is the worst possible backdrop for doing so.
MP	MP Materials	\$46.14	130.3	+58%	Only integrated US rare-earth and magnet producer, with a \$400M Pentagon preferred-equity position, an NdPr price floor and 10X magnet offtake. Still loss-making and 54% off its high. The 10 January 2027 expiry of the US–China truce is the live catalyst. A speculative sleeve, not a core position.

The disclosure signal, and why this is the last time it gets a section

Congressional filings over the last 30 days show **157 disclosed trades worth roughly \$4.8M, split 19% buys to 81% sells** — a decisive flip from the 45/55 split reported last issue. The largest single disclosed transaction was a \$750K purchase of a

mutual fund by John Rose. The largest individual-stock buy was \$383K of Microsoft. Josh Gottheimer led buyers at \$399K across four purchases. Sector concentration ran to industrial products (10% of trades) and oil and gas (9%). That is a sell-heavy, fund-heavy tape going into a midterm, which is what you would expect from members managing personal risk ahead of an election rather than a view on any company.

The structural news settles the matter. **On 30 September the Senate rejected the Stop Insider Trading Act 53–47**, seven votes short of the 60 needed for cloture. It had passed the House 232–198 on 22 July. Senate Democrats blocked it on the grounds that it did not go far enough — it would have permitted members to retain existing holdings and buy private company shares, it excluded presidential trading, and it carried a voter-identification rider that Schumer called a poison pill. The Senate's last session day before the midterms followed two days later. Nothing passes now before the new Congress seats.

So the input stays legal, stays sparse, and stays reported on a 45-day lag that makes it a coincident indicator at best. Last issue said to plan for it to degrade; it has. I will keep reading the filings as part of input (d) of the method, because the method says I will, and I will flag anything genuinely anomalous. But it does not get a standing section after this one, and it has never earned a position size.

OTHER FACTORS

Eight things worth weighing that were not in the brief

01 Rank these names by duration, not by sector

The single most useful change you can make to how you read this list: stop grouping by commodity and start grouping by when the cash arrives. Cenovus, Valero, Suncor and Permian convert to cash inside twelve months. General Dynamics, Lockheed, Cheniere and Vistra own contracted streams running into the 2030s and 2040s. Agnico, Hudbay and Pan American sit in between, with reserve lives measured in decades but pricing marked daily.

At a 3% long bond the second group is the better business. At 5.35% the first group is the better investment, and the gap is wider than most sector-based allocation will show you. That is the entire reason Cenovus holds first place over Cheniere despite Cheniere scoring higher on quality.

02 The currency did more work than the stock picking, and you should decide whether that continues

USD/CAD went 1.3781 → 1.4255 between issues, a 3.4% move. Lockheed is down 5.0% in US dollars over that span and roughly 1.7% in Canadian dollars. Cenovus is down 5.0% in US dollars and close to flat in the currency you actually spend. If you measure this book in CAD, the currency contributed more than any individual thesis did.

That cuts both ways and the decision is now, not later. New US purchases are 3.4% more expensive than five weeks ago. Five of the ten — Cenovus, Agnico, Kinross, Pan American and Hudbay — are dual-listed and buyable on the TSX in Canadian dollars, which removes the conversion spread entirely. Five are not: General Dynamics, Lockheed, Cheniere, Vistra and EQT. If you think 1.4255 is near the top of the range, use the US lines for the dual-listed names too. If you think the move extends, buy the TSX lines and leave the USD exposure to the US-only names. Doing it by accident is the only wrong answer.

03 There is a natural hedge inside the Canadian names that is worth naming

A weaker loonie is not simply a translation effect for Cenovus, Suncor and Canadian Natural — it is an operating tailwind. They sell USD-priced barrels from a predominantly CAD cost base, so every cent of CAD weakness widens the netback. The same logic applies to Agnico's Canadian and Australian mines against USD gold.

The practical consequence: the Canadian producers are partially self-hedging against exactly the currency move that hurts your US-dollar purchasing power. The US-only names are not. That is an argument for holding the Canadian exposure in CAD on the TSX and accepting unhedged USD risk only where you are paid for it in contracted backlog.

04 **Account location matters more this month than it has in twenty years**

The standing point is unchanged: US dividends held in a TFSA suffer the 15% US withholding tax with no foreign tax credit recovery; held in an RRSP under the Canada–US treaty they generally do not. What changed is that yield now competes with a 5.35% risk-free alternative, so the leakage is no longer a rounding error.

On this list that argues most strongly for **Lockheed (2.71%)** and **General Dynamics (1.92%)** sitting in the RRSP — roughly 41bp and 29bp a year of recovered withholding respectively — along with Cheniere, Vistra and EQT, which are US-only and cannot be bought in CAD anyway. The higher-torque, lower-yield Canadian names fit the TFSA, where their capital gains stay sheltered and the withholding question does not arise on the TSX lines. On the bench, Canadian Natural at 3.58% and Williams at 2.89% make the same point more loudly. Confirm the specifics with your accountant; this is a structural observation, not a filing position.

05 **The screens caught two names I would otherwise have ranked, and that is the test of a screen**

Talen Energy rose 5.4% on the Google read-through and trades at 12.7× forward with 21.7% to target across 17 analysts — on the numbers, a better entry than Vistra. It is excluded because it has been listed under three years, having re-listed on Nasdaq in 2024 following its emergence from Chapter 11. **Imperial Oil** at 11.4× forward would be a credible alternative to Suncor, but carries no published consensus rating or analyst count on my primary data source, so it fails the five-analyst screen as I can source it.

Neither exclusion is a judgment on the business. A screen that only ever removes names you did not want anyway is decoration. On the promotion screen itself, the pattern is unchanged — sub-\$10M IPOs of Asia-domiciled issuers on the Nasdaq Capital Market, promoted through messaging groups by people presenting as advisers, using the exchange listing as the credential. None of it comes within reach of a \$1B floor, which is the entire point of having one.

06 **Pacific Link is being priced as construction risk when it is really an option on capital returning to the oil sands**

On 1 October Carney designated Pacific Link — roughly 1,200km from Bruderheim, Alberta to Delta, BC, carrying an additional million barrels a day to Asia — as Canada's first Project of National Interest under the Building Canada Act. Cost is estimated at \$35.2–43.7B with governments covering roughly 90%, Pembina holding a non-binding option on 10% rising to 20%, and a 10% Indigenous equity stake. Conditions are due September 2027 and operation is targeted for 2032–33. Officials conceded legal challenges are “probably” ahead and no private proponent has agreed to fund it in full.

The market is right to discount the pipe. It is wrong to discount the signal. Within four days of the designation Cenovus committed C\$5.7B to Athabasca Oil, and EY's Lance Mortlock expects in-situ expansions of 150,000–200,000 bbl/d to restart. Egress optionality is what unlocks oil-sands capital allocation, and producers re-rate on the *prospect* of egress years before a weld is made. That is a 2029–2033 story in the ground and a 2026–2027 story in the share price, which puts the second half of it inside this memo's window.

07 **Portfolio correlation improved — involuntarily — but a new shared factor replaced the old one**

Last issue I wrote that seven of the ten were one trade wearing four costumes. September de-correlated them the hard way: defence and power held or rose while metals fell 10–22%, with Kinross down 21.8% against Vistra up 6.4%. The single-commodity-driver count is now six of ten — Cenovus, EQT, Agnico, Kinross, Pan American and Hudbay — against four genuine diversifiers.

But do not bank the improvement. General Dynamics, Lockheed, Cheniere and Vistra are all long-dated contracted-cash-flow businesses, which means they now share a *rate* driver even though they no longer share a commodity driver. Four names that all re-rate together if the 10-year goes to 6% is a correlation, just a different one. The honest summary is that this list has two factors rather than one, which is better than it was and still not diversification.

08 **The Hormuz headline and the Hormuz reality have come apart, and the tape is trading the headline**

Crude fell about \$1 on 9 October because Trump said the US would not strike Iran before the 3 November midterms. That is a calendar commitment, not a settlement, and it expires in three weeks. Underneath it, the operational picture got *more* hostile, not less: UKMTO has logged at least one attack a day in the Strait or the Gulf of Aden since 2 October, including a Kuwaiti-flagged VLCC set on fire on 1 October.

Gulf flows have recovered above 81% of pre-war levels — roughly 18.3M bpd on Kpler's seven-day average — but about 40% of that now bypasses the strait, much of the rest moves ship-to-ship offshore, and Saudi Aramco's chief executive estimates nearly three billion barrels of cumulative supply lost with up to two years needed to rebuild inventories. Brent is above \$100 with G7 members releasing up to 100 million barrels of strategic reserve. The useful conclusion for position sizing: this is a system running at capacity with no inventory cushion, which means headline risk is two-sided and violent in both directions. Stage entries into the energy names; do not buy the list in one session.

RISK REGISTER

What breaks this memo

HIGHEST PROBABILITY

The Fed holds on 28 October and the market calls it dovish

Hike odds have already fallen from 64% to about 27%. If Warsh holds and signals that a December move would be the last, real yields fall, gold snaps back hard and the entire metals complex re-rates within days. That is a risk to this *ranking*, not to the portfolio — I have just weighted toward short-duration cash flow, and the demoted names are the ones that would run.

HIGHEST IMPACT

Hormuz actually settles

Trump's no-strike pledge expires 3 November. A genuine US–Iran agreement with permanent reopening takes the premium out of crude, normalises refining margins and removes the only component keeping US headline CPI above core. Six of the ten are directly exposed, and the refining names on the bench are exposed twice over.

UNDERPRICED

The term premium keeps going

10-year at 5.35%, 30-year at 5.70%, inflation expectations at 4.6%, a projected \$1.9T federal deficit and roughly \$489B of AI-related issuance this year, with sympathetic selloffs in Japan, Britain and France. At 6% on the ten-year, multiple compression is indiscriminate and quality does not save you — it only determines the order in which things fall.

STRUCTURAL

Consensus targets are now stale on the downside

Eight of ten fell while targets barely moved, which is why the average published upside widened to 26%. Expect a wave of target reductions over the next six weeks that shrinks every number in the right-hand column without one business changing. Kinross is the live example and will not be the only one.

Standing exclusions

- ◇ No IPOs or companies public under three years — this week that removed Talen Energy, which the numbers would otherwise have ranked.
- ◇ No name with fewer than five covering analysts on my primary data source — this week that removed Imperial Oil.
- ◇ No sub-\$1B market capitalisation, regardless of thesis quality.
- ◇ No pre-revenue or story-stage mining and biotech, however good the geology or the data.
- ◇ No name whose recent move traces to promotional flow rather than an earnings or contract event.
- ◇ Tankers and shipping equities remain deliberately excluded. Rates exist because war-risk cover was withdrawn from Hormuz; they mean-revert violently when it returns. A legitimate tactical trade with a stop, but it fails the six-to-twenty-four-month fundamentals test.

CALENDAR

What moves the list over the next eight weeks

WED 14 OCT	US September CPI . Consensus 3.4%, Trading Economics modelling 3.6%. Core is the number that matters — another sub-2.5% print makes the October hold almost automatic.
MON 19 OCT	Canada September CPI , nine days before the Bank of Canada decision. Consensus 3.0%.
TUE 27 OCT	EQT Q3 release, with the call on the 28th. First real test of the winter gas-demand thesis.
27–28 OCT	FOMC decision . Roughly 27% priced for a hike, down from 64%. The guidance on December matters more than the decision.

WED 28 OCT	Bank of Canada , same day. Effectively a coin flip at 2.25%; RBC and Desjardins expect a hold through 2026, Capital Economics calls it close.
FRI 30 OCT	General Dynamics Q3, and Cenovus Q3 — the first look at MEG integration and the capital plan after the Athabasca commitment.
TUE 3 NOV	US midterm elections , and the expiry of the pledge not to strike Iran before them. The single most two-sided date on this calendar.
FRI 6 NOV	Vistra Q3 — the read on whether hyperscaler contracting is converting to signed megawatts outside Constellation.
10 NOV – 10 JAN	The extended US–China trade truce window. Rare earths remain the largest unresolved file; magnet buyers may stockpile into the deadline. Directly relevant to MP Materials.
DECEMBER	Expected close of Cenovus / Athabasca Oil . Ongoing: EIA weekly petroleum inventories, OPEC+ communiqués and Hormuz tanker tracking remain the highest-frequency inputs to six of the ten.

Standing note. Every price, multiple, rating and target above is as published at the close of Friday 9 October 2026 and will be stale within days. Consensus targets are the sell side's opinion, not a forecast I endorse. Quality scores are my own judgment. Do your own work on anything here before committing capital, and speak to your own advisers about tax and account structure.

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Sources · Federal Reserve, 16 Sep statement · Schwab, FOMC recap and dot plot · Forbes, 24-year-high yields · Yahoo Finance, October hike odds · TCF, Bank of Canada 28 October preview · Trading Economics: crude, gold, silver, copper, uranium, natural gas, TSX, S&P 500, USD/CAD, US CPI, Canada CPI · Al Jazeera, Hormuz attacks and flows · Rio Times, 9 October oil close · MINING.COM, top-50 miners drawdown · Benzinga, Kinross guidance cut · BNN Bloomberg, Cenovus-Athabasca · CP24, Pacific Link designation · The Energy Mix, Pacific Link detail · 24/7 Wall St, Google-Constellation PPA · TheStreet, interceptor frameworks · AEI, defence appropriations · Forbes, Senate trading-ban vote · Benzinga, Senate blocks both bills · AltIndex, congressional trades · TheStreet, US-China rare-earth truce · Canada-US trade war chronology · NGI, Sabine Pass expansion offtake · company data from stockanalysis.com