



EPISODE
409

**DO THEY EAT
TACOS IN IRAN?**

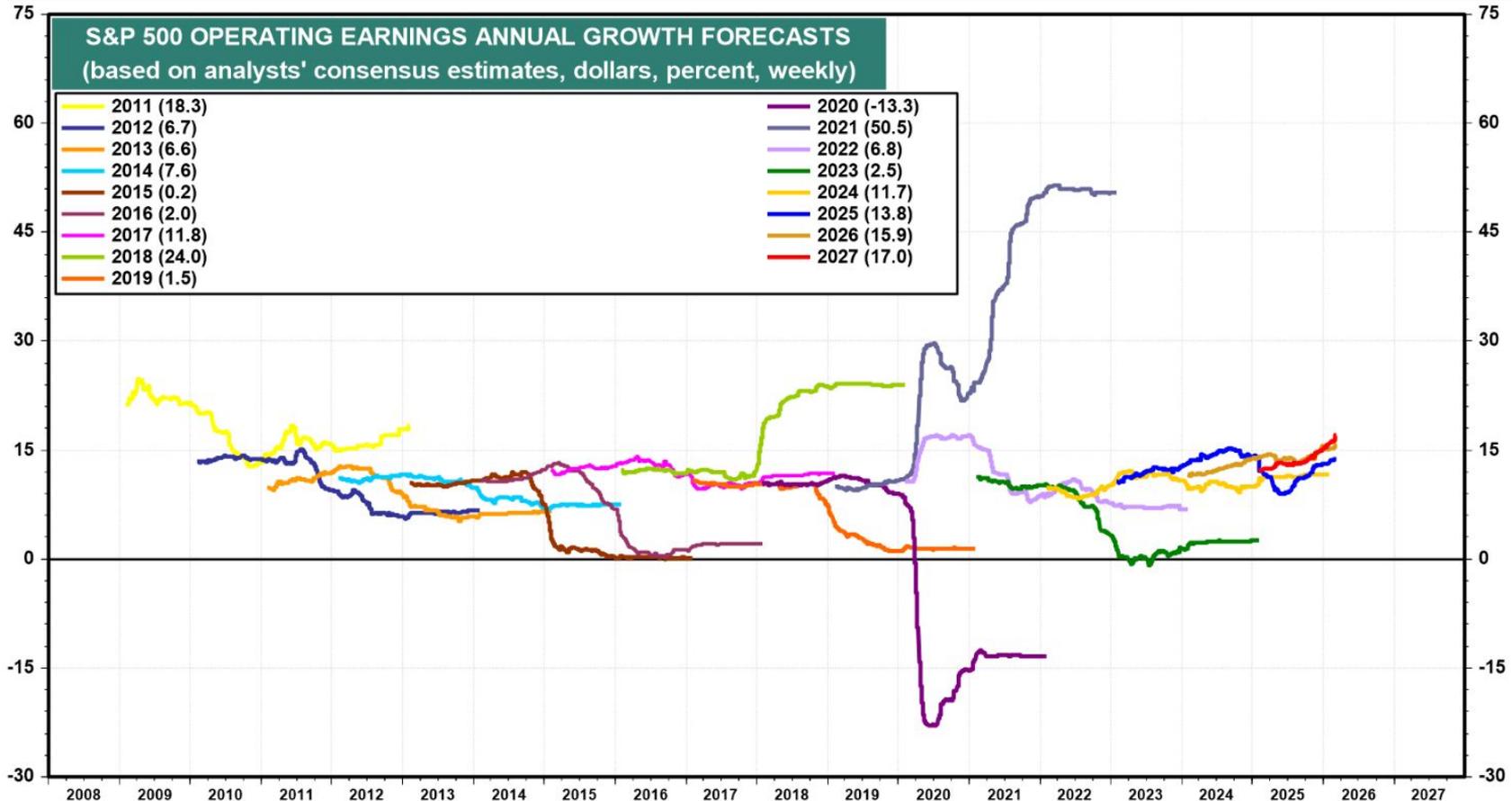


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If You Ignore the Plumes of Smoke...

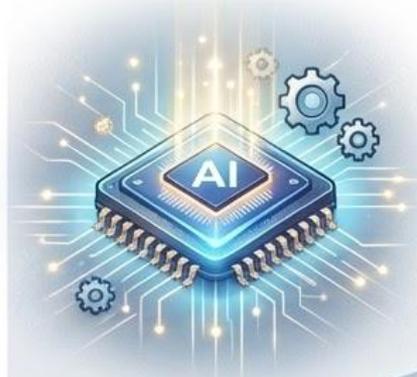


Source: LSEG Datastream and © Yardeni Research.

If You Ignore the Plumes of Smoke...



Earnings: S&P 500 margins remain at historic highs.



The AI Engine: Capex isn't slowing; it's accelerating.



Macro Tailwinds: Cooling inflation + Weakish consumer = Rate cuts (ex-Australia).



The 'Trump Trade': Deregulation + Abundant Gov Spending = Margin expansion.

Trump TACO Trade



The Thesis: Transactional Deal-maker

Trump as the “Transactional Deal-maker”.



The “Deal”: Enrichment

Potential enrichment of Iranian power brokers/generals.



The Result: Reopening & De-escalation

Reopening the Straits of Hormuz, walking away from war.



The Market View: Most Likely Outcome

Currently pricing this as the *most likely* outcome.

Why Market Stability is the Enemy of a Deal

The Conflict:

- If the market stays high, Trump feels no pressure to pivot.



- He needs a **catalyst of pain** (Falling stocks or \$6 Gas) to move.

The Irony:



The more the market **expects** the TACO, the less likely Trump is to **serve** it.

Why We've Raised 20% More Cash



The Two-Way Play: Downside Protection

Buffers the portfolio if the \$200 oil shock hits.



The Call Option

Allows us to buy the "wreckage" once the Minsky Trap snaps and Trump finally deals.



The Cost of Waiting: Minimal

Valuations are high enough that sitting out a few percent of upside is cheaper than eating the downside.

Not All Hedges are Created Equal



Oil & Gas

High profits today, but energy insecurity accelerates the industry's death (Europe/China pivot).



US Energy

Beware "America First" export bans that trap profits domestically.

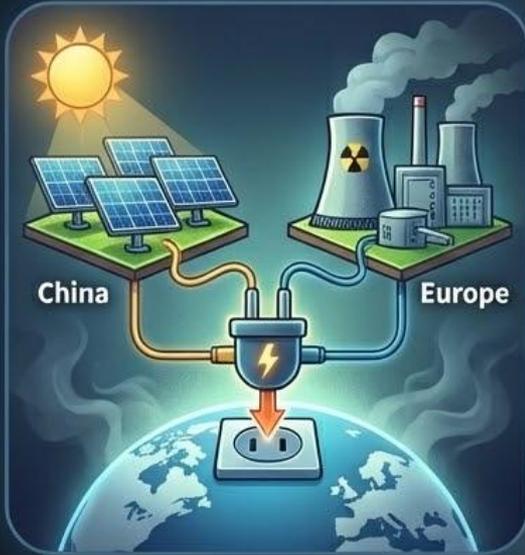


Uranium

A 20-year bet on a 2-month crisis. Too much execution risk.

Electricity Services Sector

Why We Like It:



The Infrastructure Mandate

Whether it's solar in China or nuclear in Europe, everything needs to be "plugged in."



The Grid Overhaul

Massive spending regardless of the geopolitical outcome.



The "Plumbing"

Buying the companies that change, build, and connect the new energy world.

Other trades



Healthcare

GSK, Pfizer, IQVIA



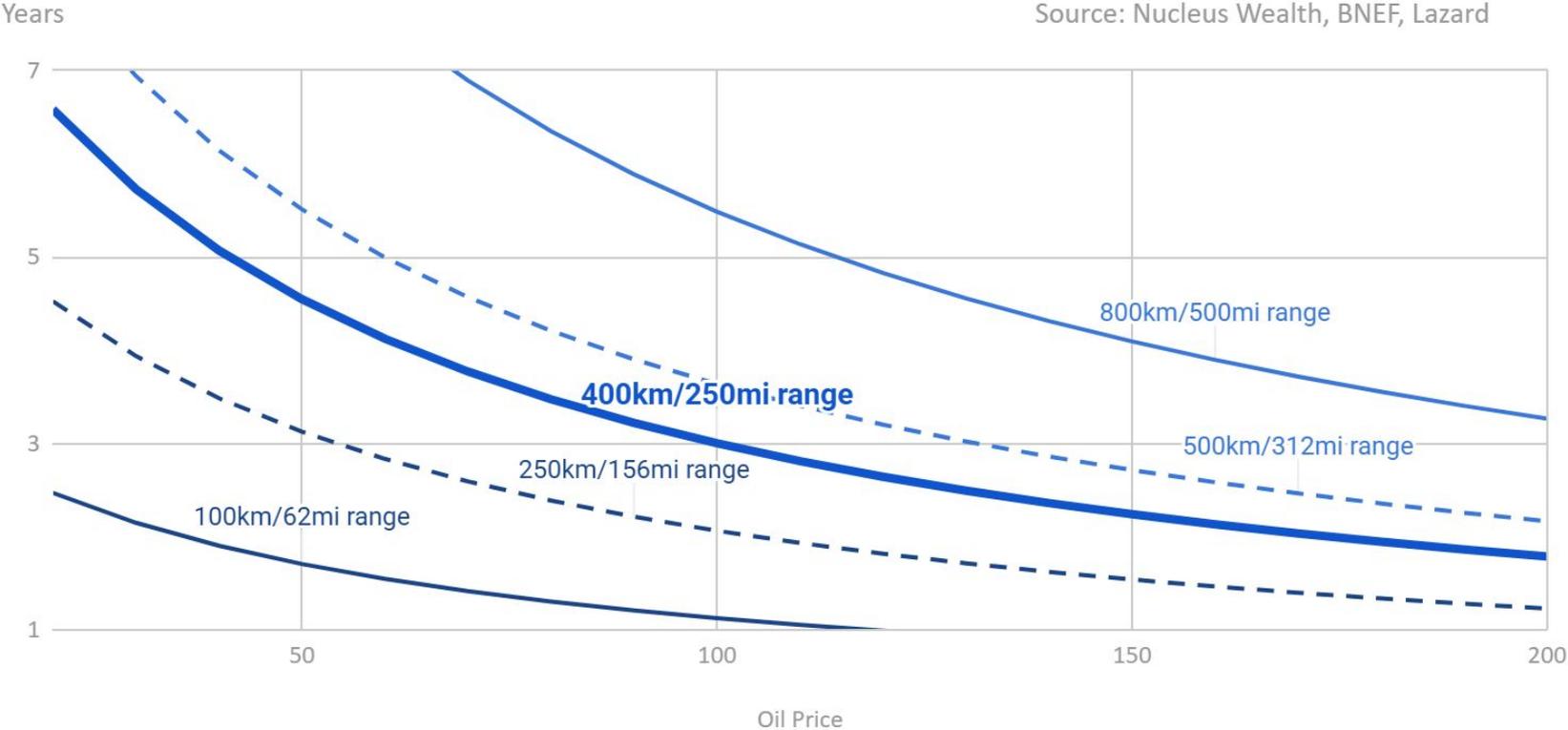
Software bargain bin



Defence stocks

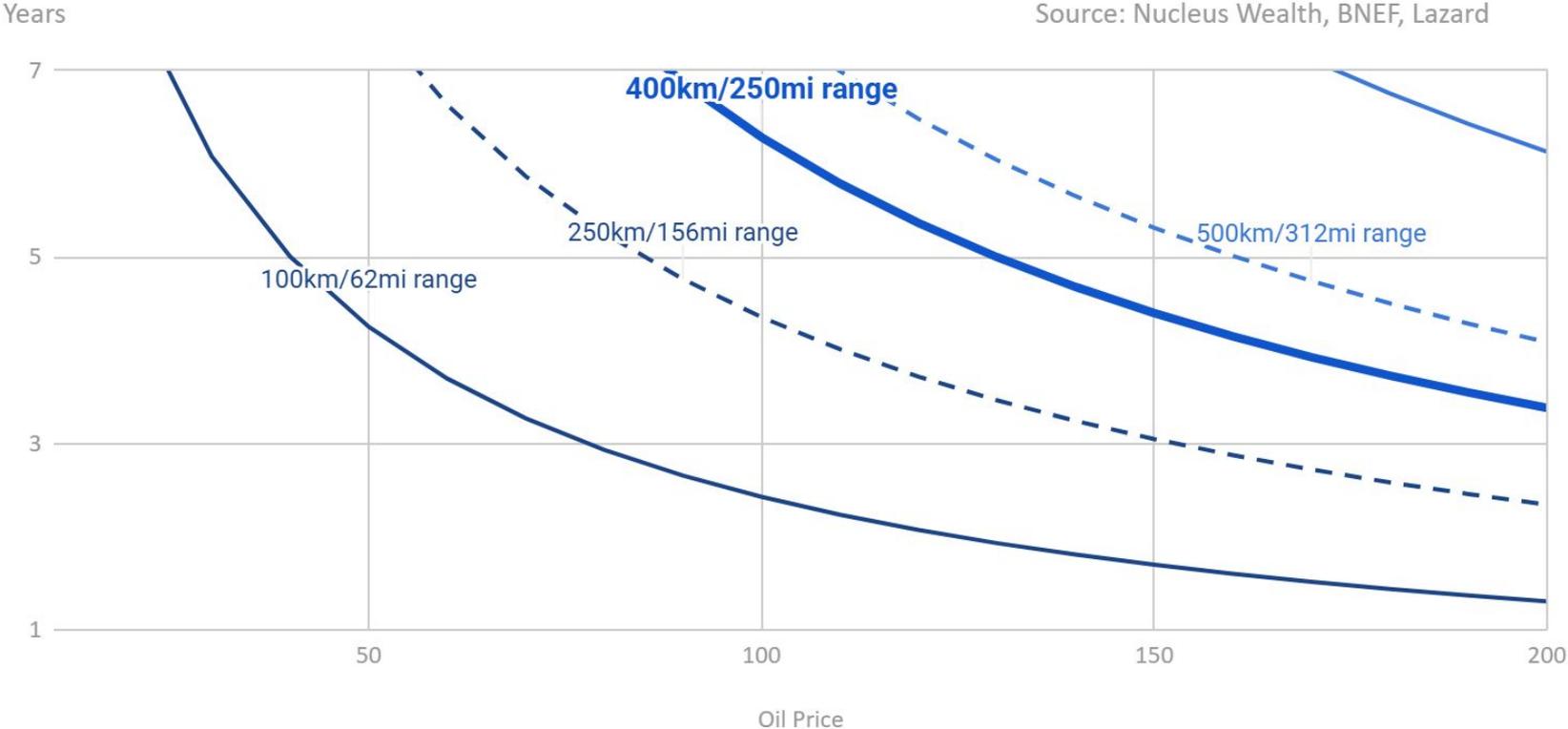
Oil / EV Trade

Electric Vehicle Battery Payback Period: US Average Consumer



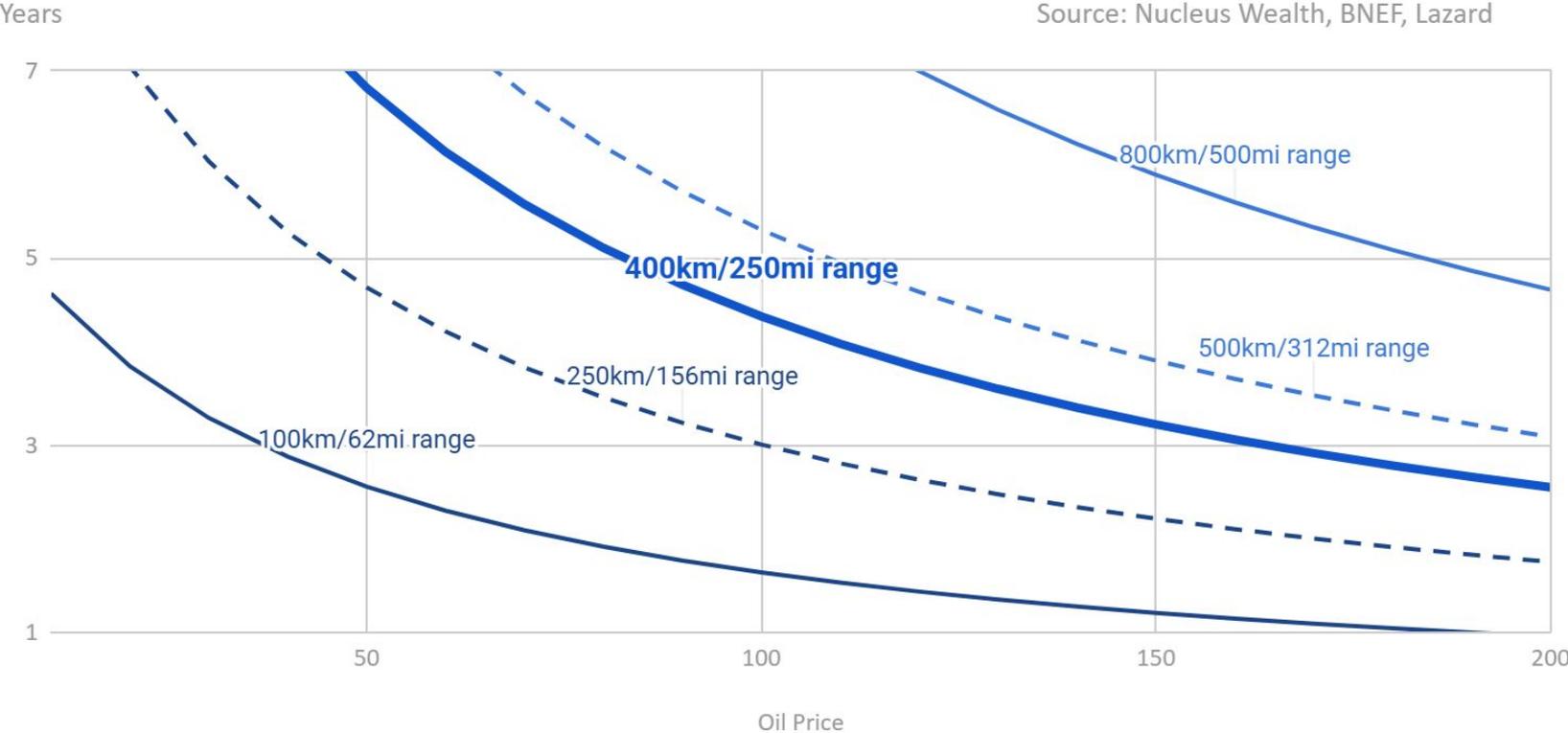
Oil / EV Trade

Electric Vehicle Battery Payback Period: China Average Consumer



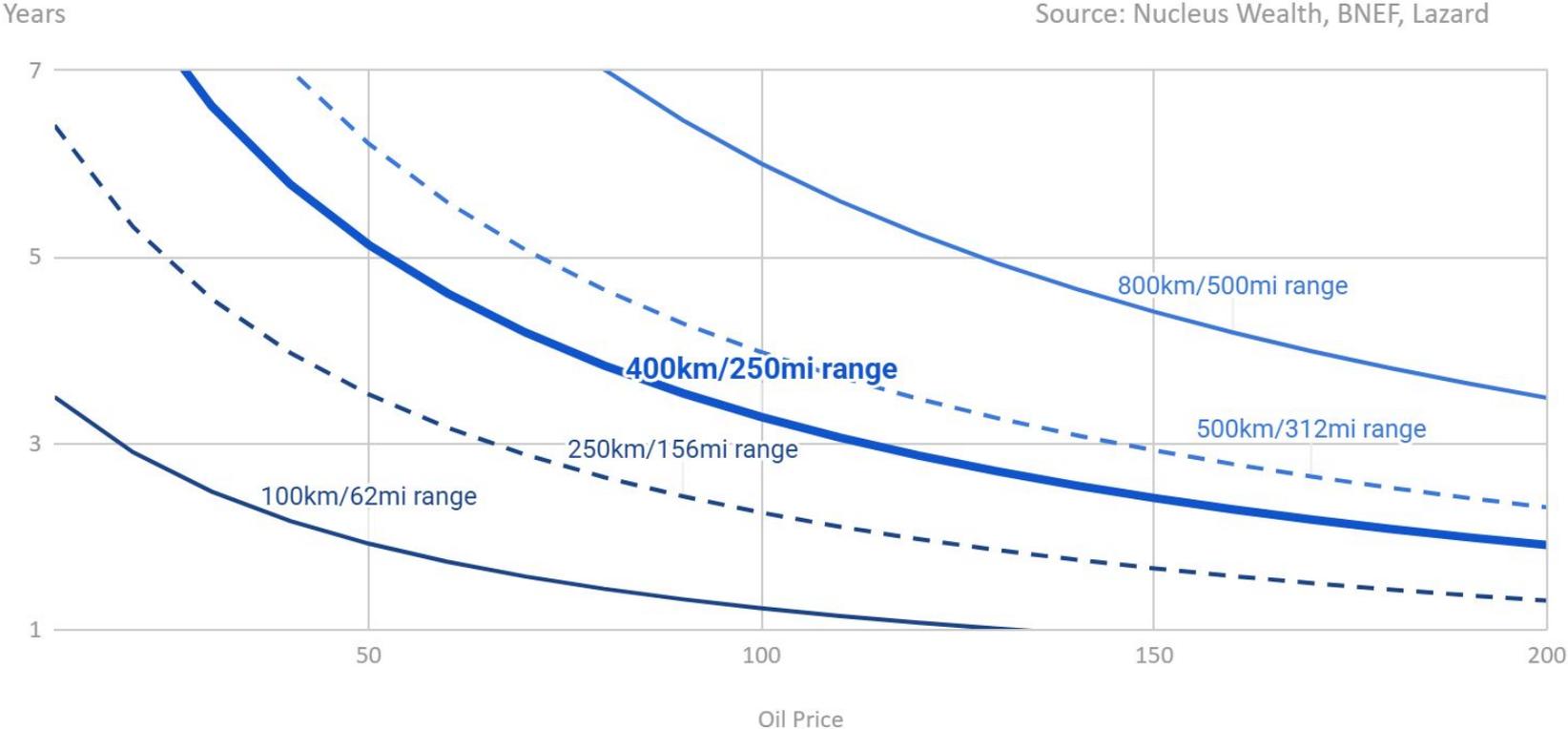
Oil / EV Trade

Electric Vehicle Battery Payback Period: Australia Average Consumer



Oil / EV Trade

Electric Vehicle Battery Payback Period: Europe Average Consumer

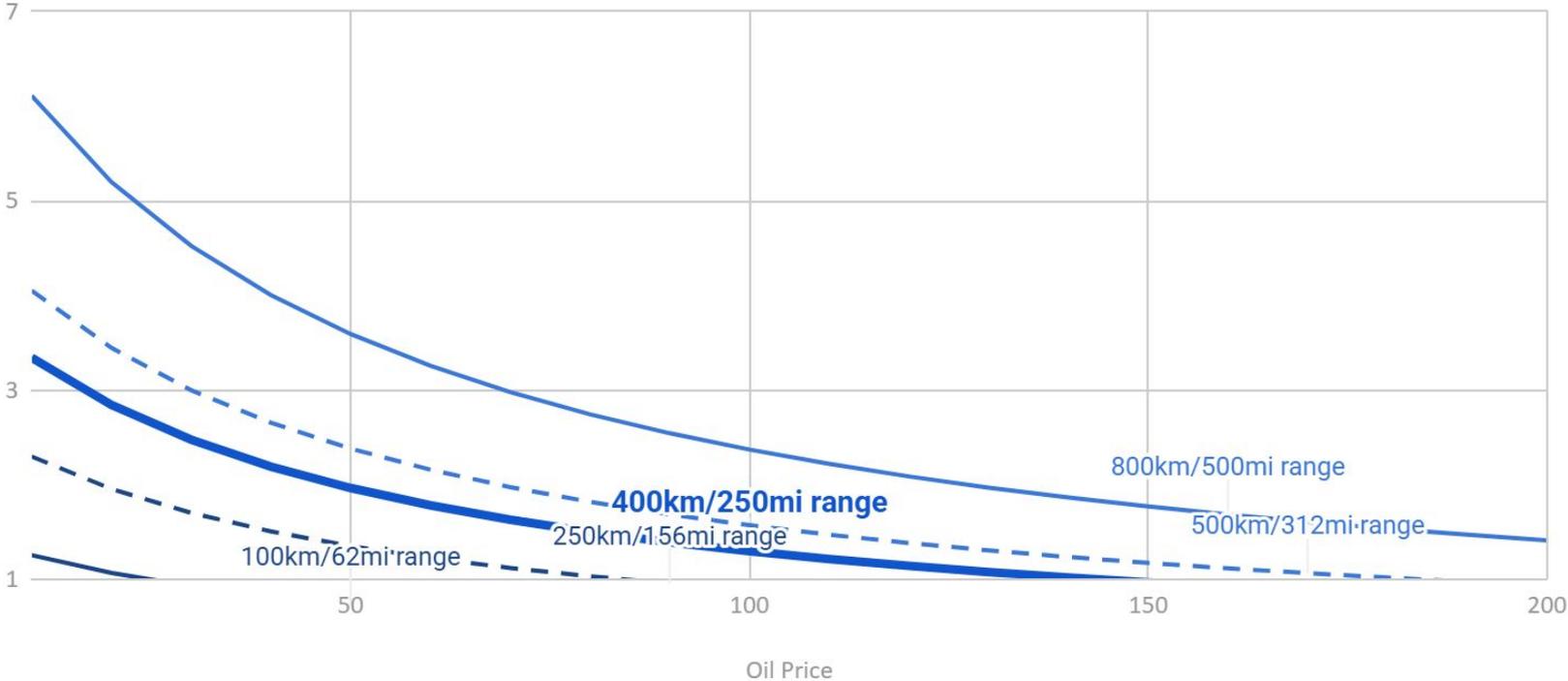


Oil / EV Trade

Electric Vehicle Battery Payback Period: US 31,000mi/50,000km per year

Years

Source: Nucleus Wealth, BNEF, Lazard

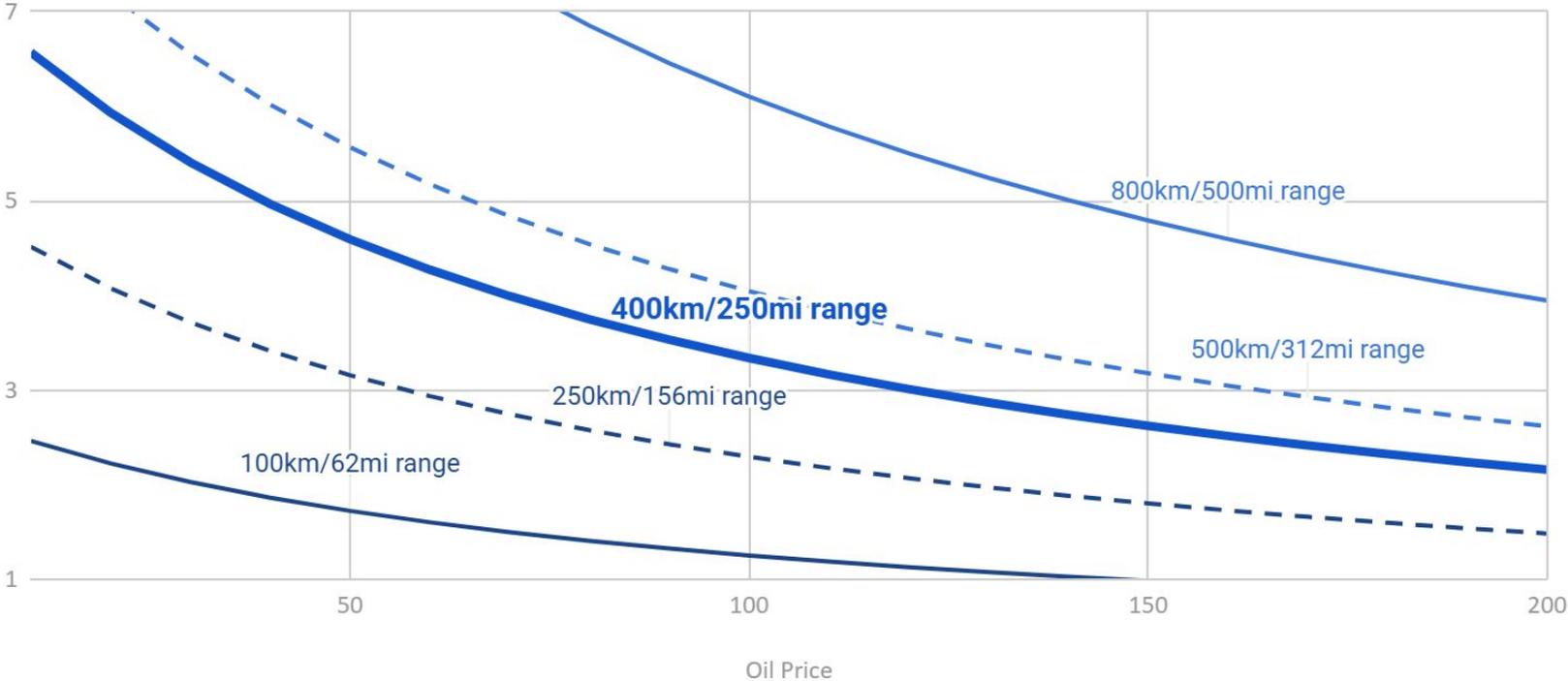


Oil / EV Trade

Electric Vehicle Battery Payback Period: Australia Average Consumer from Solar

Years

Source: Nucleus Wealth, BNEF, Lazard



Investment View

Final Word:
The Trump **TACO**
is a trade, not a
guarantee.



Our Posture:



Loaded in **Green Power/Electricity Services**, stability where we can see it



Holding **20%** Cash.



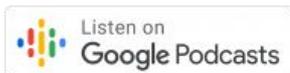
Waiting for the catalyst.

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