LLOYD TEVIS
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The Market Commentary

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1 Executive Summary

Fully 60% of this month's report is devoted to tracking domestic and international political developments. Many of these developments are driven by a hyperactive White House and will we suspect pass by with few lasting consequences. The one definite development of note was upheaval in Iran, It would seem the theocratic regime may be approaching the end of its life along with that of its aging leader (going on 86.) Depending on what comes next for Iran, there could be wide regional consequences. January was a quiet month in the economy and in the markets. Here the EU's trade deals are probably the important long term development. We also make a survey of an emerging industry - solar power farms. These are poised for massive long term growth.

2 Geopolitics

2.1 Iran

The Iranian regime has reacted to the widespread protests in the country as if they are an existential threat. The official rhetoric maintains that the protests are stoked by Israeli and US intelligence services and represent a continuation by covert means of the shooting war of last July. Security forces have been machine gunning crowds and carrying out street executions. They have invaded hospitals to kill the wounded receiving treatment. Estimates of those killed range from 5,000 (semi–official figures) to 16,500 (informal estimates from hospitals.) Some 25,000 people have been imprisoned with hundreds still being rounded up each day. Those injured in the fighting may be as high as 300,000 (hospital estimates.) The number of security personnel killed is given semi-officially at about 500. It is likely the judiciary will hold brief trials, condemn several thousand to death but then have the head of State pardon about 80% of them, reduce the sentences of another 10% and actually execute 5% to 10%. The figures are a few multiples of initial estimates and may grow again as the scale of the revolt becomes clearer.

Some defections from the security forces appear to be occurring. Iran appears stretched for security forces as it is calling in aid from some of the Iraqi based militias it patronizes. Trump has threatened Iran with interventions if it further escalates its conflict with the populace. He has set executions as a red line and moved a

carrier task force to the region. Iran has shown its teeth - ordering two day naval exercises threatening the US forces and shipping passing out of the Persian Gulf into the Arabian sea. The Iranians are also dangling diplomatic initiatives in front of Trump in an apparent effort to stall him with talks. However the evidence available in public sources strongly suggests the Iranian government is inflexible in pursuing its nuclear program - the initial trigger for the summer war. Further conflict is more likely than peace at this juncture.

Russia has sent Tehran substantive aid in the form of armored vehicles and attack helicopters. So far the equipment has been out of date and nearly worthless on a battlefield, but still useful for suppressing at best lightly armed protesters.

The heavy security lockdown appears to have suppressed protests for now, but it has done nothing to resolve underlying issues. The lockdown also is not sustainable long term. The regime has bought itself at best some breathing room.

A bank has failed in Iran with B$ 5 in losses. The Central bank has folded it into a regime controlled bank and printed money to cover the losses. Regime leaders are reported to have moved several billion dollars in personal funds to offshore banking centers. There is speculation that a sequence of Iran-Russia military flights in early January were moving gold reserves out of country. The US Treasury has been sanctioning individuals closely involved in suppressing protests.

Israel has had little to say. We think Netanyahu is eager to overthrow the current regime. We also believe Israel has significant covert operations in the country. This operation likely directs its efforts to both intelligence gathering and to covert anti-regime action. But the protests have been too widespread and have shown too much vigor to be anything other than a genuine upheaval of the Iranian people. A succession of prior protests and regime failures have led a large section of the public to the point of revolution. The latest failure is mismanagement of water supplies which have resulted in the capital city being threatened with water starvation.

For the moment repression seems to be working for the regime. But in Iran there is a definite limit to how far repression can be carried. People's true loyalties are to their close knit and much extended families. Their commitments to state, party or ideology are very secondary. A regime exceeds its lease on life when every family has some member who has been arrested or killed. Where this limit lies is uncertain - possibly around 100,000 victims. The regime is not at this limit yet but the limit is now visible after the latest paroxysm of violence.

At present the protest movement appears spontaneous and unorganized. For it to become a more potent threat to the regime it needs to acquire some organization. So far regime lethality has confined organized resistance to the out of country diaspora. Here the Crown Prince is an important but not universally accepted resistance

figure. Iran has ethnic separatist movements in the Kurdish and Balochi communities, located at the western and eastern ends of the country respectively. They are not natural allies of Persians, who mostly favor a unitary state. However if the Persian based opposition came to an understanding with the ethnic minorities which permitted an anti-regime organization to be set up in safe havens maintained in the minority areas that would significantly raise the threat level to the regime. Creating such understandings is a way Israeli intelligence could play a significant role.

Although the Crown Prince may not be an effective nucleus for a new regime to form around, he may still make the Ayatollahs nervous. The founding story of Shi'a Islam is the lost Prince martyred by evil men whose line is eventually restored by loyal followers who work tirelessly in the shadows to bring down the evil regime. This story is no myth, but rather actual history embroidered by much emotion in the retelling.

Currently Iran is organized as a managed democracy. It goes through the motions of electing a parliament and president. But the self appointing clerical establishment supervises the government - deciding who is eligible to stand for office, vetoing government initiatives and playing a role in all policy formulation. It is a democracy in the same sense in which Medici Florence was - in form but not in fact. This structure nominally facilitates a revolution as all that is necessary to create a democracy is a removal of the Ayatollah's supervisory powers. However all existing politicians are compromised by working with the clerical regime. We think the possibility of compromise between the regime and the public is no longer there. At some point the regime will fall and its personnel will be swept away. So even if the forms of government are there, there is a vacuum of untainted politicians to make the machinery work.

Actually the Ayatollah's powers are maintained by the regime's security force's and the country is in fact if not name a fascist dictatorship. Absent a catalyzing defeat in war, the displacement of such regimes is typically a slow bloody process. It is possible that at some point the security forces will turn on their masters and consign them to the rubbish bin of history. This is approximately how the Shah's dynasty was founded in the first place. But the current forces are blighted by their long history of abusing the public. We doubt very much that a generalissimo from such a background can stabilize a new regime.

US interventions to date have significantly weakened the regime. Further US military action might indeed push it to the point of overthrow. But Iran possesses ways of counter-attacking. It could close the Persian Gulf to the oil trade. Or it could get its allied militias to attack US bases and allies in the region. Any action against Iran which invites such a response is likely to be proceeded by action to

neutralize these threats.

Collapse of the Ayatollah's state would have broad ramifications in the world. It would be a negative for Russia which has drawn aid in its Ukrainian war from Iran. However, China would likely fill any supply gaps which might open up. So we do not see this as a major change. Support for Iran's allied militias would presumably stop. This would be a significant blow to Hezbollah, the Houthis, Iran's allies in Iraq and perhaps marginally the Palestinians. The result would be a substantial diminishment of threat to Israel and significant security increases for the US's Arab allies. It would be a very big step towards pacifying the Mideast. China would be only marginally effected by the event. China has been happy to sell the Iranians military supplies and to buy its sanctioned oil at a discount. But these are largely commercial relationships. China and Iran share a hostility to the US, but that does not make them deeply allied. China would be disappointed by the loss of a useful regime, but would not thereby be stirred to sacrifice or reprisals.

In the US the fall of the Ayatollahs would be welcome in all quarters - and specially with the large Iranian exile community in the US. If Trump played a significant role in bringing it about it might temporarily stoke his popularity. But it probably would not pay electoral dividends at the midterms. Israel, by contrast, would be over the moon with happiness at the fall of the regime - even if the successor was ongoing political turbulence rather than a pacific constitutional regime.

2.2 Russia-Ukraine

Russia continues trying to press forward. Reportedly urban warfare in and around Povkrosk has turned it into a kill zone for Russian forces. However, pressure on the Ukrainians is also high. Gradual improvement in Russia's drone capability makes supplying the front increasingly difficult and dangerous. Ballistic missile attacks on the rear damage infrastructure and make civilian life difficult. Europe continues to supply arms and other supplies. But not enough to shift the battlefield materially in Ukraine's favor. The UK and France have committed to send a force of between 15,000 and 30,000 as a security guarantee to Ukraine to cement any settlement which might be arrived at. This is a good deal less than the NATO and EU memberships Ukraine actually needs, but it is a currently achievable step forward.

2.3 China-Taiwan

China's preparations for war with Taiwan seem to have shifted from building capabilities to actively preparing for hostilities. It is actively rehearsing blockade tactics and

leadership decapitation strikes. It seeks to intimidate Japan and the Philippines into remaining neutral. Its manned aircraft and spy drones regularly test Taiwan's air defenses, seeking to lull the defenders into assuming every incursion is just another test.

Normally China's military is controlled by a six person committee consisting of the party chairmen Xi Jinping and 5 appointees drawn from the military and political branches. Recently Xi Jinping sacked two generals. These sackings build on the sackings of last year, so there are now four vacancies on the committee. The only remaining member is a political and not a military man. As a result Xi Jinping now directly controls China's operational military. The explanations of the sackings are opaque references to corruption and to undermining Xi Jinping's leadership. The latter nonexplanation has given rise to florid online stories of a failed coupe attempt. Notably the two generals purged were quite close to Xi. The most senior was a second generation friend and ally of Xi's family. These are remarkable events, but what they may mean other than Xi further aggrandizing his power is unclear.

The White House appears to be distracted by Greenland, Nigeria, Venezuela, Gaza, Iran, North Korea and Iran. It not only seems not to be paying attention to Taiwan but not even to have tasked an important official with keeping an eye on the situation. This is a very casual way to handle strategic conflict with the world's second power.

Trump has allowed the SALT treaty to end. The treaty limited the number of nuclear waheads the US and Russia could deploy. It had an in-built expiration date which came up last year. Putin suggested a one-year renewal while a more formal extension was negotiated. Biden accepted, but Trump apparently had no interest in follow through. Nominally the treaty imposed parity on the two powers. The two sides view that very differently, however. The US assumes the two forces are equally potent and therefore the treaty is beneficial as ending a destabilizing and expensive rivalry. The Russians probably suspect only a fraction of their armament would work and so they judge parity as purely symbolic. But they think enough of their sysems would work to effectively deter the US. And symbolic equality has value in recognizing Russia's weight in world affairs. The Trump administration likely evaluates the treaty as out of touch with current realites. It would include China in any new treaty. China would likely insist on including the UK and France.

2.4 Israel and Its Neighbors

The Gaza peace plan has moved to stage two. A committee of apolitical technocrats has been appointed to assume Hamas's role in governing the territory. It is super-

vised by a committee of diplomats from interested powers. The personnel of neither committee has been announced to date, which suggests the peace process is not going smoothly. Indeed Israel seems fairly uncomfortable with the direction of events. On the senior board we have been told that invitations were extended to France, Canada and Russia. The first two declined, while Russia's view is not yet public.

Hezbollah and Iran appear to be detaching from one another as each is focused on its own survival. Israel continues to push for disarming Hezbollah.

The Kurds are often identified as the largest ethnicity without a state of their own. Their difficulty is a history which has left them spread across four countries: Turkey, Iran, Iraq and Syria. For decades a Kurdish separatist movement in Turkey (the PKK) conducted a terror campaign against the Turkish state. However, Turkey seems to have suppressed it within its borders and the leaders of the PKK who remain alive and at liberty seem to have fled abroad. In Iraq the Kurds have negotiated substantial provincial autonomy and a share of the country's oil revenue. These arrangements appear to be working and the Kurds are loyal to the Iraqi state. In Iran the Kurds were prominently involved in the Masha Amini protests. Since the suppression of that movement they have been keeping a lower profile, but clearly are not supporters of the current regime. In Syria the Kurds fought against the Assad regime and their militia (the SDF) controlled the eastern third of the country. However, part of that territory is occupied by Arabs (i.e. non-Kurds.) This circumstance created tension and weakened the hold of the SDF on its territory. The SDF and the Damascus government (common foes of Assad) have been trying to reach an accommodation which would stabilize the country. The Kurds look for an autonomous arrangement similar to Iraq, but Damascus worries that similar demands from other groups could result in the dissolution of the state. It insists on a unitary state and offers the Kurds the possibility of folding their militia into the national security forces such that Kurds would dominate on the ground public order in their territory - thus ensuring the safety of their population (which suffered important massacres during the recent conflicts.) Turkey worries that any Kurdish organization in Syria could become a safe haven for PKK irredentists, and it has been threatening to attack the SDF unless it accepts a dominant role for the central government. The Syrian Kurds appear divided between a group of actual PKK sympathizers and a group more concerned with the needs of the Syrian Kurdish community. In a recent fast moving offensive the government forces pushed the SDF back to the core Kurdish heartland. It is now threatening to overrun that territory also. The Kurds have asked for and been granted a brief ceasefire to try to gain internal acceptance of the government's latest proposals.

The US in its efforts to suppress ISIS has mainly worked with the Kurds. The

Kurds will look to the US to help them with Damascus. In addition the Kurds are holding about 10,000 ISIS POWs in camps - some of which were recently seized by Damascus. A number of ISIS personnel escaped in the fighting - which will be a considerable concern to the US. The US appears to be urging Damascus to show restraint after its recent military success and look for a peaceful settlement rather than an unsteady conquest.

2.5 Yemen

The Houthis dominate North Yemen. Their opponents are based in South Yemen. Historically South Yemen divided into a British colony based on the port city of Aden and a loose British protectorate over the Hadramaut - a semi-arid agricultural district to the east of Aden. The Houthi opposition has split along this historic divide. The group in Aden is principally allied to Saudi Arabia, while the group based in the Hadramaut is allied with the United Arab Emirates. Saudi Arabia and the UAE seem at diplomatic logger heads over this and some low grade fighting has occurred between the two factions they patronize. For the moment this takes pressure off the Houthis - who are probably relieved as their patron Iran is in no state to aid them currently.

2.6 US-Venezuela

Not much has happened since the raid that captured Maduro. Mexico is providing oil to Cuba, so the Cuban government looks safe for the moment. But the US is eager for regime change in Havana. It is pressuring Mexico to halt oil deliveries. The US continues chasing sanctioned tankers. The core question is whether the Venezuelan government decides to cooperate with the US or just pretend to do so. Cooperation with the US could lead to the lifting of sanctions and economic improvement for the country. How much reform the US will demand in return is unclear. At a minimum it will want Venezuela to distance itself from Russia and China. That much should be an easy give for the regime after the recent poor performance of its expensively acquired military kit. But internal reform that paves the way for the return home of Venezuela's large refugee community will be a much more contentious issue.

2.7 US-Greenland

Trump gave a two hour interview to the *New York Times.* In it he stated the primary benefit of owning Greenland was psychological. At the Davos conference he said he

would not grab the territory unilaterally. Vague references to a compromise deal allowed him to claim a negotiating success. These moves followed a two day plunge on the stock market (a total 4% drop.) While Trump has litte respect for people or institutions, he does appear to have a healthy regard for the capital market's capacity to emasculate political leaders.

Greenland remains an unexplained interest of the President's which feeds speculation about its being a vanity project. Within his Administration Stephen Miller is the voice most closely associated with a forward policy on Greenland. His view seems to be "We want it. We will take it, no one can stop us." A US move to grab Greenland militarily would violate Article One of the NATO treaty which calls for disagreements between members to be resolved peacefully. It would effectively dissolve the treaty alliance. Trump has wanted to withdraw the US from NATO for years, but Congress has forbidden him to do so. Five alliance partners have sent token military forces to Greenland to underline that the country is not empty land into which the US can simply walk. Nearly 100% of Democrats and 50% of Republicans are opposed to Trump's Greenland policy. The Republican leader of the Senate has indicated there is a veto-proof majority in the chamber which would vote a restrictive War Powers measure were Trump to escalate to the military level. Defiance of such a measure could well result in a third impeachment proceeding against Trump.

We are cautiously hopeful Trump is backing off this misadventure.

2.8 Havana Syndrome

The US states that it purchased on the black market a back pack sized device which it is investigating as a possible cause of Havana syndrome. Havana Syndrome refers to a disabling constellation of symptoms which first appeared among US diplomats in Havana. Later it was reported elsewhere in the world but apparently confined to employees of the US government and to territories allied to Russia, China or both. This epidemiology would make any thinking person suspect a covert attack. Publicly the US chose to pooh-pooh that idea since admitting it would amount to a *casus belli* (an attack on diplomats is an attack on their country in international law.) The device which the US has purchased is presumably a man portable directed energy weapon. It is probably a big battery pack coupled to a compact generator of a focused microwave beam. Whether its primary purpose is espionage or covert incapacitation is unclear. It could be intended for espionage purposes but have unhealthy side effects in susceptible individuals. Presumably the US knows the answers to these questions. We take the public announcement as a warning to some foreign power that the US has secured physical evidence against them. Victims of the syndrome

have had difficulty pursuing disability claims and they welcomed the announcement as legitimizing their effort to be compensated for employment related injury.

3 Domestic Politics

3.1 Federal Reserve

Trump has announced criminal charges against Jerome Powell, chairman of the Federal Reserve. The charges arise from management of a building renovation project which Powell has *ex officio* presided over. Trump has previously used Federal criminal prosecutions to pursue perceived enemies - namely former FBI chief Commey and the New York state prosecutor Laetitia James who secured a criminal conviction of Trump (for falsifying business records.) These prosecutions have not fared well in the Courts and are likely to eventually be dismissed.

The prosecution of Powell is quite another matter. In the first place he is not Trump's enemy except to extent Trump chooses to make him one. Second, he holds an office with the very highest degree of responsibility. Third, the charges are *prima facie* not credible. Powell has given a speech saying the purpose of the prosecution is to coerce him and the Board of Governors of the Federal Reserve into accepting Trump's guidance on interest rates. Indeed this is obviously the case. Coercion of this nature is flagrantly wrong.

The risk here is of crashing the dollar, the stock market and the economy resulting in a long drawn out depression. We assume Trump is not actually seeking those consequences and would back off if they started to emerge. However, playing with this idea is a way to stoke ongoing capital withdrawal and push the bull market in precious metals. Possibly that is an end which Trump does seek. There are significant indications that Trump is engaged in ongoing manipulation of the capital markets for the enrichment of his inner coterie. Certainly that is a possibility investors need to keep on their radar.

Secretary Bessent stated he was not in favor of prosecuting Powell. This statement primarily advised us that Trump is not consulting his principal economic adviser on a matter of grave importance for the economy.

Apparently enough unease was created that Trump thought it prudent to nominate a conventional candidate as Powell's successor. He selected Kevin Warsh who is a known quantity having previously served on the Fed's Board of Governors. His reputation as a sound selection was comforting to the market. Silver, which has had a substantial run up of 260%, pulled back by 20% as speculators reckoned the US was not going to go over a cliff in the near term. But Trump has three more years

to stir the public policy pot. Low volatility seems a doubtful forecast to make.

3.2 Populist Flourishes

Trump continues to throw out ideas which are popular with his base. But their consequences are often not benign, so after collecting the good feelings of the base the ideas are put on the slow road to no where. This is standard issue populist politics of which Trump is a competent practitioner. Mostly the number of such flourishes is indicative of how much need Trump feels to keep the base on side. Two such flourishes are currently in play.

First, after outcry about how tariffs were pushing up living expenses for the working class, Trump proposed sending $2000 checks to compensate. If this were done the results would be to stoke consumption likely resulting in higher inflation. For the moment the idea seems to have died, but it is likely to be revived if mid-term election angst builds further.

Second, Trump has proposed capping consumer loan rates at 10% for a temporary period. If this were enacted the result would be to reduce credit to the working class and reduce consumption at the lower end of markets. That might have a contractionary effect on the economy. We think this idea also will be allowed to quietly die. Meanwhile the proposal is a modest negative for banks and other providers of consumer credit.

3.3 ICE and Visas

After the shooting in Minneapolis DHS has flooded the city with additional ICE agents. The result has been a second fatal shooting - in this case an ICU nurse who had a full magazine emptied in to him as he lay prone on the ground. Attorneys have been seconded from the defense department to assist with Federal prosecutions. This response is highly confrontational and has embittered community relations. Trump has threatened to invoke the Insurrection Act to quell alleged opposition to Federal Law Enforcement. Previous invocations of the Act are limited to the War of 1812 and the two world wars. As a measure dealing with foreign invasions, it was not invoked during the Civil War or the wars with Mexico and Spain. Those who fear a dictatorial takeover by Trump fear that this confrontation is being stirred up deliberately either as a pretext for suspending the midterm elections or to test the public response to further strong arm tactics planned for down the road. We think it more likely the Administration has drunk the Kool-aid of its own fully flavored rhetoric and is reacting out of that mindset. In other words it is crazy rather than

scheming.

ICE is instructing its agents that they may conduct forcible entry of homes on the basis of warrants issued by immigration judges. These officials are employees of DHS and not federal judges appointed under Article Three of the US Constitution. Historically forcible entry required a warrant issued by an Article Three judge. This innovation will undoubtedly be litigated and we expect judgment against DHS. Not only are Article Three judges in general protective of their prerogatives, but also the recent decisions of the Supreme Court have been to cut down the powers of administrative law judges. Indeed there is a substantial tension in the conservative movement generally between those who want to empower ICE and those who want to limit or reduce the powers of the "Deep State." While electoral politics can manage to hold two irreconcilable ideas in its head at once, judicial decisions are more controlled by the requirements of sanity.

3.4 Gerrymandering

Where political deliberation is more apparent is in gerrymandering and other more conventional preparations for the midterm elections.

Indeed preparations are already under way for the 2028 presidential election. On the Democrat side the hopefuls currently being talked about are Governor Newsom of California, Senator Kelly of Arizona and Governor Shapiro of Pennsylvania. The Republican team is actively working to smear all three men. On the Republican side Vice President Vance has post position to succeed Trump. So far he has been reasonably adept at smearing himself and his effort to establish his loyalty to Trump has likely repulsed most swing voters cool on Trump himself. But it is still early days. The Democratic hopefuls are all from the moderate wing of their party - generally closer to Biden than to Harris or Sanders. A hopeful to voice the Progressive side of the party is likely to emerge. On the Republican side a lot depends on how strongly Trump backs Vance. If Trump anoints him as the designated successor, Vance will likely only face unserious challenges - likely from traditional anti-Trump Republicans. However, if Trump prefers not to pick a successor, leadership of MAGA is likely to be contested. In this case a more moderate alternative might succeed in unifying the party and reaching out to anti-MAGA conservatives.

3.5 Budgets

Congress is attempting and failing to pass another funding bill without shutting down the government. There was little evidence of appetite for another prolonged

shutdown on the part of either party. But then ICE stepped into the breach with its Minneapolis killings. This energized the Democrats to demand reform as the price of legislative peace. The Administration responded by relieving its agent on the ground and sending in its border czar Tom Homan to defuse the situation. Homan is professional enough to deplore the mess created even though it was called forth by the policies for which Homan stands. As with Greenland and the Federal Reserve the Administration is exhibiting, if not retreat from its controversial stands, at least an unaccustomed prudence in picking its fights carefully.

3.6 Health

CNN reports that Health Secretary Kennedy is developing a vogue as a Republican wellness guru. Some of his wisdom is remarkable only for how long it has been in circulation. You author well remembers how when red dye number two was fingered c. 1972 as no good for ones health the *cri de couer* that went up that "Old Fashion's will never be the same again." Similarly replacing corn oil with olive oil and eating whole foods was embraced by the counter culture about the same time. If Kennedy has brought the news to the Republican circles most resistant to the counter culture - well diffusion of ideas is a real thing. However, when Kennedy embraces beef tallow as a health food and takes a stand against vaccines and fluoride we feel we have stepped back to the world of General Jack Ripper and his concern with precious bodily fluids (1964.)

An interesting recent publication "Dinner With The President" (Alex Prud'homme) chronicles the surprisingly engaging and sad history of the White House's dinner arrangements. Kennedy's aunt Jacqueline established the practice of plucking an executive chef from one of the country's leading restaurants to lead the White House team of sous chefs and scullery hands. And by universal agreement Jack and Jacqueline knew how to deploy these forces for the creation of a steady stream of memorable parties. But the typical US President has been a hard campaigning man who forged his way to the White House on endless meals of rubber chicken and whose culinary education was formed by that experience. The typical First Lady has been a loyal political wife with no interest in kitchen or party giving as creative outlets. In this department Melania is at one with Betty, Rosalyn and the other dictatresses of the now demolished East Wing. The result is that the White House Chef gets to strut his stuff a few times a term when the Secretary of State books a dinner for out of town guests. But the rest of the time he is turning out an endless succession of the deplorable meals his employer favors and which frankly most Americans would not eat. It is well known that the older Bush, despite his sophisticated background, had

trouble with broccoli and Japanese food. Less well known is what he considered a better dinner to tuck into and which got served several times a week - a nice bowel of cheerios. His son was a slightly more modern man with an appetite for overcooked cow and root vegetables slathered in Tex-Mex sauce in an effort to rehydrate it- the sort of meal you might get served in a middle grade retirement community. Trump famously patronizes the least healthy offerings of the budget restaurant chains. These happen to be Republican presidents, but an invitation to dine with the Carters was equally dreaded by possessor's of a developed palette. And the grand dame of First Ladies, Elanor Roosevelt, had the nasty habit of serving the crumbs from prior meals bound together with gelatin. Her husband - a more balanced soul - could look forward to her road trips as a time to indulge in surreptitious bowels of turtle soup. If a second Kennedy can lead the country's masters to a better meal - well such leadership is sorely needed. And if the public wonders why its Presidents seem crazy - well perhaps the explanation is that the selection process favors deeply unbalanced individuals.

3.7 Flooding the Zone

Flooding the Zone refers to a PR strategy the Administration is known to have a fondness for. Faced with a PR problem, this strategy responds by ignoring the problem and instead whipping up a host of other news stories which crowd out the issue of concern. Certainly there is an uptick in things happening at present and it is reasonable to ask if a PR strategy could be being deployed.

Some events the Administration has control of and can drive the news coverage. Other stories, however, are out of its control and it is reduced to a reactive role. We classify currently active stories as shown in table 1. The evidence does suggest fomentation of a fair amount of unnecessary news. The story to be managed is of course the Epstein files. The Department of Justice is doing its best to help by releasing three million pages of mostly drivel to stall the hungry press corps. We admit a certain sympathy for the President on this one. Today Epstein is skunk number one and anyone who hung out with him even a little bit is now walking around perfumed with odor of skunk under the accusatory question of "how could you not have seen, why did you not know, how could you do nothing." Trump, as apparently Epstein's boon companion for a decade, is obviously most at risk from this direction. And his case is not helped by the individuals, who if they can, now tell anyone who will listen that they always found the man a creep and steered well clear of him. The reality lost sight of in the brouhaha is that even Epstein may not have known he was a skunk, that his behavior evolved over his lifetime and that he

Table 1: Active News Stories

Prominence	Controlled	Not Controlled
Front Page	Greenland	Iran
	Venezuela	Gaza
	ICE	
Back Page		Russia/Ukraine
	Tariff Checks	Epstein Files
	Interest Limits	Mideast
	Federal Reserve	
	Havana Syndrome	
Not Covered		China/Taiwan

could deploy considerable charm when he so pleased.

We have seen scandals like this before - the scandal of child abuse by first Catholic clergy and then other adults supervising children/young adults comes to mind. These scandals start as a low rumble on the internet, make their way to the front page and crest with the realization that they were both much larger and more complex than initially undersood. With the Epstein mess we are probably early in the cresting phase.

4 The Economy

Its still there. Still expanding. US GDP growth for 2025 was probably 4%. While not exactly a jobless expansion, the labor market was weak - particularly at the low skill end. Inflation ended the year at 2.7%, just barely decellerated from 2024. It was a good year for high earners and stockholders. It was less fun for everyone else. We expect 2026 to be similar. In consumer goods, high end should outperform low end. In capital goods the dominant theme will be incorporation of AI. Thanks to Trump the domestic picture for electric vehicles, pharmaceuticals, defense equipment and green energy is clouded even as it remains bright abroad. The digital technology sector remains the main growth driver in the US. Here Trump has been more supportive. Our wish for the Administration is that it realize the economy self optimizes and the best thing the Administration can do is nothing at all - i.e. keep policy steady.

Some important trade deals have occured as the world seeks to insulate itself from the erraticism of the White House. The EU has inked substantial trade deals with India and South America. India has reached agreement with Trump to switch its supply of heavy oil from Russia to Venezuela in return for US tariff reductions.

5 Desert Solar Power

Deserts by definition have little rain and usually not much cloud cover resulting in lots of sunlight. They also tend to be very sparsely inhabited and have land currently not in use. This makes them obvious places to site solar power plants. The implication is that currently unproductive land could become substantially productive - to the point of altering the regional economy. These ideas are obvious and have occurred to many people. Here we look at a number of cases to see how the idea is working out in practice.

5.1 Overview

There are some common elements to all these plants, so we begin by describing a generic plant. Our discussion of individual cases can then focus on its particular details. One begins with an array of solar panels. These are spread over a considerable area, but linear dimensions are not so great. For instance a solar array spread over 100 square miles if realized as a square would be just ten miles on a side. Local geography might prefer a rectangular shape, say 8 miles by 12.5 miles or even an irregular layout. But the array will always be fairly compact to keep wiring to central collection points short. Deserts are remote regions and the power to be useful must be transmitted to distant population centers. The panels produce low voltage direct current. This is collected and transformed to alternating current. The alternating current is run through transformers to transform it to high voltage current. It may also be reconverted to direct current for transmission. Generally AC transmission is preferred if the link is by overhead power lines and the distances are 500 miles or less. Longer links or links with underground or underwater portions will prefer DC transmission. A fairly typical AC link would be three phase current at 350 kilovolts transmitted over 4 cables (one per phase plus a fourth for backup in case of breaks.) A fairly standard DC link would be 800 kilovolts delivered over two cables, each cable powered to $\pm$400 kilovolts. In case of a break such a system can deliver half power using an earth ground as a virtual cable. The power conditioning circuitry is realized today by heavy duty semiconductor chips. The current is divided many times to keep the voltage flowing through any one chip at low amperage and voltage. As a result massive banks of chips are called for. Redundancy ensures the equipment keeps working in the case of random chip failures. At the destination end a second power conditioning station converts the transmitted power to the requirements of the user. For instance a local utility may be running a local distribution grid as a 40 kilo volt three phase AC supply. Incoming high voltage DC must be converted to

phase synchronized AC and stepped down to the distribution voltage.

Raw power production will wax and wane according to the combination of a daily and seasonal cycle. This variation is highly predictable and can be planned for. Generally there is not much weather driven variation is solar production, but ocassionally cloudy weather or sand storms can reduce production. Weather forecasts allow these dips to be anticipated a few hours to days ahead of time. So while production is variable it is not random. In the basic collection arrays and power conditioning units there is massive redundancy, so failure of individual parts has no impact on delivered power. Other than a storm knocking down a transmission line, the system is highly reliable - more so than conventional thermal plants where failure of key components can cause unscheduled full or partial shutdowns.

Operational lives are long - forty to seventy years. The shortest lived component are power conditioning units and these are still experiencing significant technological advance such that replacement units are cheaper than original units. Construction times are fast. It took China 20 years to construct the Three Gorges hydropower plant. That facility has a nominal output of 22.5 GW. China can install a solar farm with equal output in three weeks. Staffing of a solar plant is not high. A 10 GW facility might require an operational staff of 350, implying about 70 workers per shift. Staffing at thermal plants is a few multiples of this. No fuel costs, low unit component costs, low operational costs, and low construction financing charges combined with long lives all make solar power the cheapest form of power.

Historically solar operators delivered variable production power and left it up to the grid operators to do the load balancing. Recently solar operators have begun incorporating energy storage into their systems so they can deliver dispatchable power. Battery storage can provide large power draws for short periods. Batteries are typically located at the metropolitan end of the transmission circuit to avoid the cost of installing batteries in remote desert locations. Pumped hydro can also be added to the system. It will typically be located in a third geography. Pumped hydro can store enormous amounts of energy but typically only delivers a power output that is much lower. Combining pumped hydro with batteries provides large dispatchable power over long service periods. The battery component of the system is enjoying rapid technological improvement and costs of dispatchable solar power are beginning to become competitive with even the most efficient thermal plants.

Solar operators are looking for ways to make their power production ever more useful. One idea which is being explored is producing hydrogen by electrolysis. Hydrogen can be stored, transmitted and burned much as fossil fuels are but without the problems of green house gas production. But hydrogen gas (the relevant phase) has low energy per unit volume implying enormous volumes of fuel are required. Also

hydrogen is a difficult to contain material and leakage losses can be significant. A possible fix is powdered iron. Iron powder can be burnt in thermal plants much as powdered coal is. No green house gasses are produced and nitric oxide production is lower than for coal plants. The combustion ash is commonly known as rust. It can be collected and reduced by reacting it with hydrogen to produce new fuel. The volume energy density of powdered iron is comparable to gasoline, but the energy per kilo is only about one tenth of gasoline due to the high weight of iron. This makes iron a suitable fuel only for stationary applications or perhaps large ships. Iron has many attractive properties - abundant, well understood, cheap, neither explosive nor toxic. It can be transmitted easily by rail or slurry pipeline. It can be stored long term with minimal energy loss during storage. Currently production of hydrogen by electrolysis is a sufficiently costly process that neither hydrogen nor iron is a cost competitive fuel at present. However electrolysis procedures also are enjoying rapid price improvement and such ideas may become economically viable in the future.

Let us say a word about measurement units. Power production is measured in gigawatts (GW) A gigawatt is a billion watts. A typical US home draws on average around a kilowatt, so a gigawatt roughly equates to the draw from a million homes. A gigawatt hour (GWh) is production of one gigawatt for an hour. It is a measure of energy production. There are 8,760 hours in a year so steady production of one gigawatt for a year would amount to 8.76 terawatt hours (TWh) of energy since a terrawatt is a thousand gigawatts. Power plants have a nameplate capacity which is the engineering maximum sustainable power production. The ratio of actual production to the theoretical maximum is the capacity factor. Even nuclear plants, which are built to operate continuously at constant load, typically have capacity factors below 100% as they must shut down for maintenance, refueling or because equipment goes off line. Excellent plants achieve capacity factors of 80% to 95%, whereas troubled ones may be around 50%. In the case of solar maximum production occurs at noon, is less in the early morning and late afternoon and stops entirely at night. As a result the capacity factor for solar plants is typically 25%. While name plate capacity gives a sense of how big a plant is, annual production provides a better means of comparing plants with different technologies. Power consumption in the US is about 4,000 TWh per year. The residential cost of a terrawatt hour is about M$ 180. Industrial power costs can be a fraction of this number and peak hour prices a multiple of this average.

We turn now to surveying a range of projects.

5.2 China

China's largest solar farm is located in the alpine desert of the Tibetan plateau. The high elevation (12500 feet) increases the power of the solar rays, while the naturally cool environment keeps the equipment from over heating and thus operating at its most efficient temperature. The Talatan solar park is in the Qinghair province. It covers an area of 162 square miles. The land is dual use solar farm and sheep grazing with the panels mounted on pillars sufficiently high as to permit unobstructed passage to the sheep. Name plate production is 15.6 GW which is twice the size of the largest thermal plants (both fossil fuel fired and nuclear.) The Chinese are building a large hydropower complex of five dams on the plateau. These will provide significant pumped hydro power storage. They have also located a large AI data center near by. It operates with about 40% of the power consumption of a standard facility as the cooler environment reduces the air conditioning load. A high voltage DC line links the power to metropolitan China. Drones were employed to help string the lines from the towers.

A more normal Chinese facility is the Midong project located in the Gobi desert. It covers 133 square miles and has a nameplate capacity of 3.5 GW. Its annual production is 6 terawatt hours (TWh.) It has 5.26 million individual solar panels. A 208 mile 750 kv transmission line links it to the national grid. The cost in 2024 was B$2.13. Dust storms are frequent and robots are employed to keep the panels clean and fully productive.

5.3 Australia

Australia's most ambitious project is the Powell Creek project in the Northwest Territory. For financial reasons it is being built in stages to a nameplate capacity of 20 GW. A 500 mile high voltage DC line will transmit the power to Darwin. In phase one 0.9 GW will be delivered to the Darwin grid. In phase 2 a submarine cable of 2500 miles will be layed to deliver power to Singapore. Singapore's uptake will be 1.75GW. This part of the project is known as the Australia-Asia power link. Also in phase two an additional 3GW will be delivered to Darwin. Possibly in phase three power delivery will be made to Indonesia by subsea cable. Plans also call for installing 20 GWh of battery backup divided between the Darwin hub and Singapore landing.

In all construction of the project will have taken almost twenty years. Negotiating the necessary contracts with Singapore and Indonesia has taken a number of years. The initial founding team dissolved in a board room fight over whether to include hydrogen in the project. One of the initial founders has taken the project forward

but has had to turn to a staged build out to control the financial exposures.

5.4 India

The Bhadla Solar Park is a 2.245 GW facility in the Thar Desert. Its 10 million panels cover a 56 square mile area. It was built by a partnership of the provincial and national governments at a cost of B$ 2.1.

5.5 Arabia

The Mohammed bid Rashid Al Maktoun Solar Park is a project of the Dubai electric and Water Authority. Currently 2.86GW is operational and construction is underway to achieve a target capacity of 5 GW. It will produce 2.8 TWh per year. It is a fairly compact solar facility - occupying just 30 square miles.

Saudi Arabia also is planning on a substantial solar facility despite sitting on enormous oil reserves. It has four motivations. First, it recognizes solar power is cheaper even when you face no risk of disruption to fuel supply. Second it wants to maximize the use of oil as a foreign currency earner. Third, it believes it can profitably export power to the wider Middle East with long line transmission lines. Fourth, it would like to be a supplier of green hydrogen if that should emerge as a fuel which displaces oil consumption. Saudi Arabia's thinking is interesting as showing that both oil and solar can be part of the same portfolio. This is in marked contrast to the politicized thinking in the US where oil is viewed as "red", solar as "blue" and the two are assumed to be incompatible rivals.

5.6 North Africa

Egypt took the Benban Solar Park operational in 2019. This is a 1.65GW facility covering 14 square miles near Aswan. It produces 3.8 TWh per year. The construction took eighteen months and cost B$4. Comparing those costs to the more recently built Indian project we see that the cost per GW has declined by two thirds in just five years.

Otherwise the solar story in North Africa is one of lost momentum. When the nuclear power plant accident at Chernobyl occurred public sentiment in the EU turned decisively against nuclear power development (2006.) Solar was identified as an alternative. Two major initiatives were launched - Desertek and MedGrid - both of which looked to develop power in North Africa and export part of the production to Europe. After beginning separately these two initiatives coalesced.

Some considerable concepting and design studies were done, but the effort was poorly managed for impact. There is, for instance, no central online archive of the initiatives publications. Primarily work centered around an older technology - concentrated solar power (CSP.) These systems use mirrors to concentrate sunlight to heat a working fluid. That fluid can drive a thermal generation process or be stored for generation production during the dark hours. At the time CSP was cost competitive with photovoltaic power generation and project leaders believed that the solar plant needed to replicate the dispatchable character of thermal plants to gain admittance to the grid. One pilot plant was built in Moroocco, but the initiative was widely seen to have failed by 2018. There were two basic obstacles to the plan. First CSP power was more expensive than wind power. Second the European countries were nervous about drawing substantial power from North African countries. The combination of political turmoil in some countries and the bad experience with the oil cartel OPEC of being held up by producers both drove this reluctance. Instead the EU placed its primary effort on offshore wind.

The random variability of wind, however, leads to a high storage requirement as the UK study discussed in our November *Commentary* noted. The EU needs to take a second look at North African power production based on the newer technology of photovoltaics and separating the power generation and power storage functions rather than looking for a single unified facility. The previous work identified three possible export routes. First export from Morocco to Spain under the straits of Gibraltar. This is an unchallenging sea link (14 miles) but unfortunately Spain is poorly integrated into the wider European grid. Substantial work would be needed on the land portion for this route to reach its potential. The second route runs from Tunisia to Sicily and up the Italian peninsula to Germany. Alternately one can run through Sardinia and Corsica to Southern France. The Italian land portion is already well developed, so the main challenge is the sea portion. Here 1000 mile long links are required, whereas currently the longest submarine power cable (UK-Norway) is 750 miles. So there is some technical challenge, but by no means extreme. The observation is that building new land transmission lines can be a permitting nightmare. The third concept embraces the freedom of submarine links from most of this trouble. It proposes a 2000 mile cable linking Morocco to the UK. Most studies indicate that solar power potential of the Sahara has the lowest cost and highest potential production of anywhere on the planet. If the EU could effectively partner with the North Africans to develop this resource it could transform itself from having the most expensive power of the major economies to having the lowest cost power. This could be transformative of its general industrial competitiveness.

In passing we note that the African Development Bank also has drawing board

plans in this area. It is looking at a 4.5GW project in Tunisia and a 10GW power project for the subsaharan region. These are mainly ideas for supplying regional grids and not for building a power export business.

5.7 Chile

The French utility company EDF has built a 0.48GW plant in the Atacama desert. This 1.7 square mile facility is home to almost 900,000 panels. A 1.2 Gwh battery storage facility is being built to provide night time power.

5.8 US

The largest solar facility in the US is the Edwards Sanborn Solar Farm. It is an 0.875 GW facility with a 3.3 GWh battery storage. Complementing utility scale power, the US has about 1.1 GW of installed roof top solar production. US Solar is a comparative laggard - its largest facility is only half the size of Egypt's plant at Aswan. Several factors are in play. First, solar proponents often emphasized rooftop solar because of its distributed power characteristics. This created a false tension between rooftop and utility scale solar. Second, the permitting environment in the US is not good from the perspective of builders. Third, the greatest solar potential is in the Southwest, but developing this potential requires building long line transmission facilities. Absent the Federal government taking charge and executing the project as a national priority, these lines are unlikely to be built. Finally the current administration is hostile to solar power and focused on protecting incumbent gas and oil producers. With all these obstacles to utility scale power, the focus on rooftop solar becomes comprehensible.

5.9 Comparison and A Reflection

Table two (next page) permits easy comparison of the projects we have discussed. It is organized chronologically to highlight the improving economics and technical performance as we move along the learning curve with this technology. Over a 5 year period an investment of one billion dollars has gone from buying one terrawatt hour of annual production to buying three terrawatt hours. We note that annual global electricity production is about 30,000 TWh. If we suppose half of that production is ultimately provided by solar, we infer a capital investment of about five trillion dollars. To meet the commitments under the Paris Climate Accord that investment should occur over the next 25 years. If so, then the annual market size for such solar

Table 2: Comparison of Select Solar Power Projects

Year	Country	Facility	Nameplate (GW)	Production (Twh/yr)	Size (sq mi)	Cost (B$)
2019	Egypt	Benban	1.65	3.8	14	4
2020	India	Bhadla	2.24		56	2.1
2022	China	Talatan	15.6	18	162	
2022	UAE	M.b.R. Al Maktoum Solar	2.86	2.8	30	
2023	US	Edward Sanborn	0.875	0.146	7.1	2
2024	China	Midong	3.5	6	13	2.15
2024	Chile	CEME1	0.48		1.7	

Note: The UAE facility includes a CSP unit which stores power as molten salt. The Edward Sanborn facility includes 3.2 GWh battery storage unit. The UAE and Talatan plants were built in stages starting in 2011/12.

farms will be about B$ 200 per year. Not a shabby number for a market barely in existence five years ago. With a typical farm costing B$2, one might have 100 farms being built or expanded each year. These figures are very rough. Actually the electricity market will grow considerably faster than GDP driven by emerging demand from electric vehicles, data centers and robots. Offsetting that more efficient use of power and dropping costs of solar power will reduce the capital spend. Finally economic forces could well accelerate build out above the mandated Paris rate. Clearly this will be an important market and also a substantial source of financing demand. The low technical risks and fast cycle times of these projects suggest that that financing will mostly take the form of high quality bank project finance and bond issues. Equity investors may enjoy nicely leveraged returns. This is a considerable shift from the recent character of investment in utilities as stodgy low growth opportunities beset with project misery. Reflecting on this data, we remember that at one time the US was the leader in large engineering projects. The list is long and storied: Panama Canal, Hoover Dam, TVA, Manhattan Project, the Interstate Highway System, Apollo Moon Landing. There was a clear progression of bigger and bolder projects. But since Apollo the US has lost its appetite for such projects. It has been largely in maintenance mode and its thinking has contracted to fairly small scale projects. The engineers and project managers who delivered the earlier

projects have all retired and most have died. So the very capacity to tackle leading edge projects may no longer be there. Very clearly we see that engineering/technical leadership currently rests with China. The loss of leadership by the US is remarkable, because the projects we identified were widely seen as successes which brought transformative benefits to the country. They were also executed by both Republican and Democratic Administrations and the United States's complex governance structure was not allowed to stand in the way of the projects. While President Trump is off point about many things, he is correct to urge Americans to think big again. In this he echos President Biden who identified infrastructure projects as something about which Americans could shed their political differences and come together to accomplish something useful.

Whether or not the US chooses to participate, desert solar power is a happening thing from the Middle East to China. It is creating the foundation for those countries to have low cost industrial production in the future.

6 The Capital Markets

It was a quiet month in the Capital Markets (see table 3 next page.) Megacap technology continued to move forward, but most equity sectors were dead in the water. International developed pulled back in likely profit taking after a strong run up. Somewhat cushonning the blow the Euro resumed its ascent against the dollar after falling in prior months. In fixed income, TIPS out performed the other sectors. Oil fell while gold rose. However gold tumbled at the start of February as precious metals in general succumbed to profit taking on what had become a momentum driven trade. Profit taking on highly profitable positions is typical early in the tax year and generally not informative about trends for the coming year.

7 Advice

The geopolitical situation sees an explicitly anti-American coalition working against our interests in an arc from Eastern Europe through the Mideast to Taiwan and Korea. In general Great Powers expand their zone of control until checked by physical boundaries or by the countervailing pressure from another Great Power. When both powers accept the common border it can be peaceful. More commonly, however, the border sees pressure and border wars that continuously test the other side's commitment to the defense of the present border. Moving the border generally just relocates these testing conflicts rather than eliminating them. The US should expect

Table 3: Market Performance to January 30, 2026

Asset Group	Asset Class	6-month trend	3-month return	1-month return
Equity	US Large Cap	rising	5.78%	2.65%
	...Large Cap Growth	rising	9.61%	2.68%
	...Large Cap Value	rising	0.59%	0.88%
	...Growth – Value	rising	9.02%	1.80%
	US Mid/Small Cap	rising	4.86%	0.39%
	Intl Developed	rising	-10.50%	-7.66%
	Intl Emerging	rising	-3.89%	1.50%
Fixed Income	Treasury 3-7 year	flat	-0.54%	0.49%
	Treasury 7-10 year	flat	-1.59%	0.62%
	TIPS	flat	0.05%	1.1%
	Municipal	flat	-0.46%	0.29%
	Investment Grade	flat	-1.40%	0.64%
	Medium Grade	flat	0.40%	0.0%
	Preferred	flat	-3.14%	0.19%
	REIT	flat	-4.69%	0.26%
Commodity	Euro	rising	-4.40%	1.04%
	Gold	rising	3.01%	4.35%
	Crude Oil	falling	4.68%	-6.79%

to be continuously tested in this way. It can minimize the burden and aggravation by demonstrating a firm resolve to protect its defense perimeter. Currently that resolve is not clear to our adversaries.

The economic situation is disrupted by the new policy directions Trump has pushed through. Car companies for instance are taking multi-billion dollar write downs as Trump diminishes the value of their investment in manufacturing electric vehicles. Offshore wind farms, another active investment area, have seen their licenses abruptly canceled. Trump intervenes erratically in strategic business decisions for many industries. Overall this creates an atmosphere of confusion and caution. The market can shrug off these factors for some time. But stagnation, if it deepens, is something which it cannot successfully ignore.

Overall our assessment remains cautious. Specifically we advise readers to

1. Approach investing with an emphasis on capital preservation rather than capital enhancement.

2. Maintain robust liquidity. Be prepared to commit some of that liquidity should a panic create a buying opportunity.

3. Emphasize high quality assets (those with clear pricing models and good retention of liquidity even in troubled markets.)

4. Ensure real assets can handle any likely economic downturn.

5. Once the core position has been fortified one may consider growth initiatives, but these should be kept very well diversified in terms of the growth drivers.

8 About Our Cover

Our cover displays four leading power plants. Each image says something about its form of power. The Three Gorges Hydropower plant (top left) is the world's largest power plant with nameplate output of 22GW. The raw power of that number is much on display. The dam also controls flooding down stream along the densely populated river. The impounded lake behind the dam stores enormous latent energy. Were the dam to fail the devastation would likely be history's largest industrial catastrophe by a large margin.

By contrast the portion of the Talatan plant displayed here (top right) exhibits the massive simplicity of solar power. The vast blue sky of its site also is prominently on display. With a nameplate of 15 GW it is the worlds largest solar plant and second largest power plant. Unlike Three Gorges it presents no risks of catastrophic failure.

The Kashiwaki-Karwa plant (bottom left) is located on the sea of Japan at about the latitude of Tokyo. It is the world's largest nuclear plant. Its eight boiling water reactors deliver 8GW. The cleanliness and compactness of nuclear power are much on display in this photo. But fears of catastrophic failure have taken it offline for 15 years while safety upgrades are installed.

Finally the world's largest thermal plant is the Jebel Ali power and desalination plant (bottom right) near Dubai. It is located between the artificial islands of Palm Jumeirah and Palm Jebel Ali. Its nameplate production is 8.6Gw. Prominent in the picture are the smokestacks which make this power technology the most dangerous to human welfare of the four technologies on display.

Finally we call the viewer's attention to the fact that all four plants are in Asia. There can be no doubt who are the industrial powers of the twenty first century.

9 About Lloyd Tevis Investments, LLC

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In evaluating political and social developments our perspective is that of long term investors. We believe the investor's interest is best served by a stable environment in which change occurs incrementally as broadly supported policies rather than by an environment of abrupt changes and frequent U-turns driven by transient partisan advantages. Finally, our assessments should always be read as what we consider likely to occur and not as expressions of what we would like to see come about. To learn more about our firm visit us at lloydtevis.com.