

978 FUND

Befitting an Englishman who trades the US markets, and having previously lived in California, the language herein is an odd mix of English and American. Reports are written in haste on Monday mornings, usually after having that extra glass of cabernet the night before. As a result, there will be plenty of poor grammar, typos, and the occasional irrational rant, especially if I'm still on my first cup of coffee. The commentary is intended to be irreverent, but not offensive; however it may occasionally cross the line. **'Reader Discretion Advised'**

Forlorn With The USA

February 2nd 2026

Disclaimer – in order to avoid offence, persons of a sensitive nature should stop reading this report when they reach the handily positioned snowflake alerts.

Back in the 1980's it was the UK that was supposed to become America's 51st State, and I was secretly looking forward to it. The idea of being a gun-toting redneck driving a truck the size of Southport, running on gasoline at a buck a gallon, whilst [snowflake alert] drinking a quart of bourbon concealed in a brown paper bag and blasting 'Born in the USA' out of the subwoofer had a certain adolescent appeal. Throw in the simple political choice of Republican vs Democrat and the promise of 4 election-free years in between, the ability to brandish firearms at the usual Friday night ruck in The White Horse, and the freedom to double-up your denims without being sneered at, and I was sold. What's not to like? Washington was apparently right up for it, with plans to let London rip as the rogue trading capital of capitalism in the world's fourth largest economy, convert Kent into a giant ballistic missile base, and turn Buckingham Palace into an amusement arcade (and wasn't that bit gloriously prophetic)?

Roll on through the tides of time to the Roaring 20's (do we really have to?) and it seems the UK is no longer the preferred candidate for number 51. Where the hell did we go wrong? Instead it now appears that Donny Orange of the Oval Office wants Greenland instead. Or Venezuela. Or maybe even Cuba if the damned Senate won't let him have it all his own way.

Frankly, I'm offended. Back in those halcyon days of Bowie, Bananarama, British Bentley's, and the BBC in its prime, we had a lot to offer. Near the town where I grew up, Ellesmere Port, I served my engineering apprenticeship at British Nuclear Fuels, Capenhurst. Within a few short miles was British Steel in Shotton and British Aerospace in Broughton. All three sites were bastions of British industry. Two of them have long since vanished, the other amalgamated into BAE. Now all we've got is Brexit & Chips. Both China and India now have stronger economies than the UK, which has slipped from 4th place to 7th in the GDP rankings, with California – in its own right – also overtaking us. Yep, the Golden State, with a population just a little over half the size of The Sceptered (Septic?) Isle, has a greater output of GDP. Even Blair's wonderfully contrary New Labour got old and boring again, with a cabinet that seems less like it was assembled on the basis of political merit, and more like it was assembled upon political correctness; the only surprise being that they haven't yet formed a Ministry of Woke. Maybe they just couldn't find a [snowflake alert] fat transgender dwarf to head it up. But I digress. Surely – surely – we have more to offer than a block of ice in the arctic, a South American oil slick, and a communist rum bar in the middle of a shark infested sea? In the beauty pageant for the grand prize of being America's new sweetheart, would you choose the mineral-rich ice queen, the [snowflake alert, snowflake alert] sultry Latina with enormous untapped oil reserves, the tempestuous & passionate tango star, or the [snowflake alert, big fucking snowflake alert] pale, woke-ish androgynous thing with an identity issue? Well, now that you put it that way ...

Having now had time to consume sufficient caffeine alongside this morning's headlines, I am emerging out of the fog of irascibility that often descends when reading the newswires. And with the clarity comes the realization that the energy sector, the cornerstone of the inaugural 978 FUND, is again offering strong value if you look hard enough, even in a market that is showing signs of overheating.

We are going to polar opposites of the energy field this week, adding old fave Transocean (RIG), and green tech staple Enphase Energy (ENPH) to our portfolio. At less than 5 bucks a pop, RIG – surely the biggest beneficiaries of Trump’s ‘Drill, baby drill’ mantra – offers great value in the current economic cycle. As ever, we closely monitor California’s pioneering green sector, and having put Enphase on our watchlist a couple of weeks ago, the time has come to strike. The company manufactures solar micro-inverters, and specializes in battery energy storage and EV charging stations, primarily for residential customers. Whilst it has struggled recently, it is about to bring new contracts and products to the fore. The appealing share price and outlook, supported by the steadily converging 50 and 200-day moving averages, make it a compelling buy.

Seeking further diversification in alternative sectors, Verizon (VZ) represents good value, with a healthy P/E ratio and likely decent yield. There’s plenty of spring left in the old Bell Atlantic stalwart yet, and it looks primed to bounce above the \$50 mark. Corning Incorporated (GLW) is making significant strides in the AI data centre market, and the \$6 billion fibre optic supply deal with Meta, announced last Tuesday, should see the current buying frenzy continue in the short term. However, we need to tread carefully here with a little history lesson. At the turn of the century Corning enjoyed similar hype, but the share price surge was equalled by the plunge when the NASDAQ fell off a cliff. A cautionary tale should dictate caution, so whilst we’re on the hunt for strong profit here, let’s not be too greedy. Both of the above create classic opportunistic short-term trades.

Company:	Buy at \$:	Sell at \$:
RIG	4.90	6.00
ENPH	36.50	45.00
VZ	45.00	50.00
GLW	110.00	135.00

Talking of cautionary tales and the NASDAQ implosion of 2000, I am increasingly uncomfortable with a market that shows multiple signs of running out of steam. Therefore, we will compile a Bear watchlist in the coming weeks, as hedging – if not outright short selling – needs to be incorporated into our strategy.

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