09/10/2026

Weekly Webinar

INTRODUCTION – FOCUS ON FUNDAMENTAL ANALYSIS

An analyst for several decades

Senior Analyst - Value Notes

CFO - CPA firm, business consulting

Analyst - Motley Fool and Seeking Alpha

CFO - L Capital, family office, project analysis and capital allocation

At Fountainhead, we believe that investing in businesses, whether it's a massive Google or a startup with $200Mn in revenues. Every business must be valued based on their fundamentals, irrespective of their daily price movements over which we have little control. But we do have analytical ability to analyze and value businesses and base our decisions on how well they perform. If you've been familiar with my work in the past year and a half, I really like to go for businesses which are market leaders, and have strong, competitive advantages, very strong balance sheets, and great margins which allows them to price their products or services way higher than the competition. To me the biggest incentive to invest in a company is its "moat" or significant competitive advantages. The term "moat" was coined by the great Warren Buffett signifying an unbreachable competitive advantage, like a deep moat surrounding a castle to keep out intruders. The hugely successful Peter Lynch, also placed a tremendous emphasis on investing only in great businesses and not worrying about the market.

Four examples of companies with great moats are Nvidia with its high-powered GPUs, Google with search, Taiwan Semiconductor with its manufacturing operations, and ASML with its EUV lithography machines, without which you cannot create a high-powered GPU.

MARKETS CONTINUE TO LOOK WEAK

	09/04/2026	09/10/2026	Change	Iran War Low	52 Week High 08/13	Bounceback at top	Change from top	Note
S&P 500	7,718.42	7,607.72	**-1.43%**	6,316.91	7,816.70	**23.74%**	-2.67%	
Nasdaq Comp	26,506.99	26,144.92	**-1.37%**	20,690.25	27,190.21	**31.42%**	-3.84%	Looking Shaky
S&P 500 - 50 Day Moving Average					**7,551.43**	**Support level 1**	**Could be tested**	
S&P 500 - 89 Day Moving Average					**7,424.14**	**Support level 2**		
S&P 500 - 200 Day Moving Average					**7,113.35**			

It's been a short week with Monday's holiday, but the markets have dropped every day of the week, including today and last Friday. Given the rise of treasury yields and high inflation as seen in the Producer Price Index, I do see weakness in the market continuing.

The CPI inflation report is due tomorrow with expectations of a 0.4% MoM, and 3.4% YoY increase with a 0.2% MoM, and 2.4% YoY increase for the core CPI.

I suspect that anything less than a downward miss will hurt the markets.

Strongly suggest that investors remain cautious.

MARKETS ASSESS THE BOND BUYBACK AS WEAKNESS

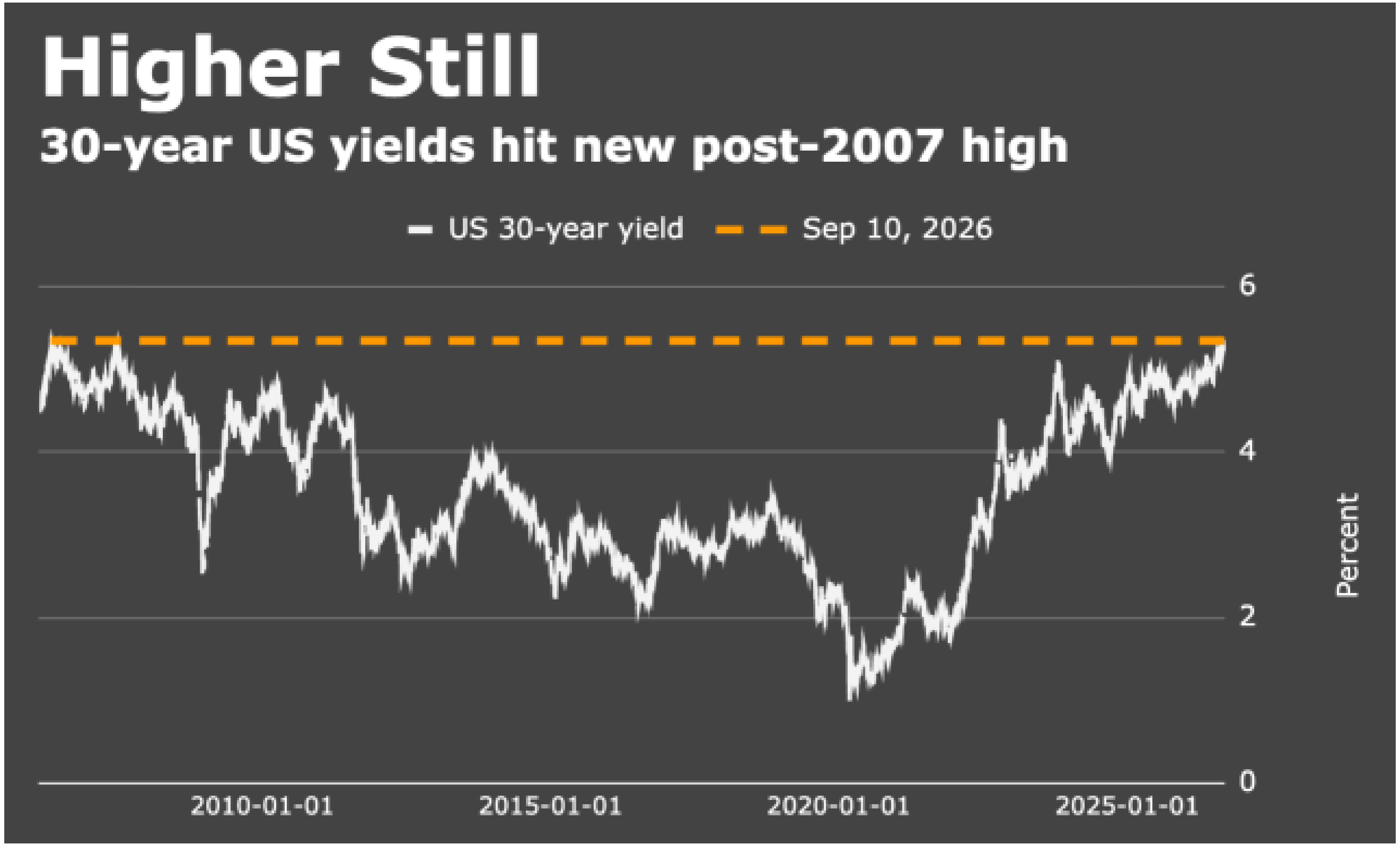
Bessent's gamble to buy back treasury bonds to reduce interest rates is not going to pay off as a warmish wholesale inflation report underscored the threat from a return to triple-digit crude prices.

The price action across US rates constituted an unmitigated disaster for The White House. The beleaguered long bond, which Bessent's trying to rescue, saw new post-2007 yield highs. At 5.34%, yields are now meaningfully above last month's peak, reached just before Treasury announced upsized buybacks.

Markets were disappointed on Wednesday when Treasury "merely" tripled the size of 10- to 20-year repurchases. Thursday's selloff came ahead of a closely-watched 30-year supply event.

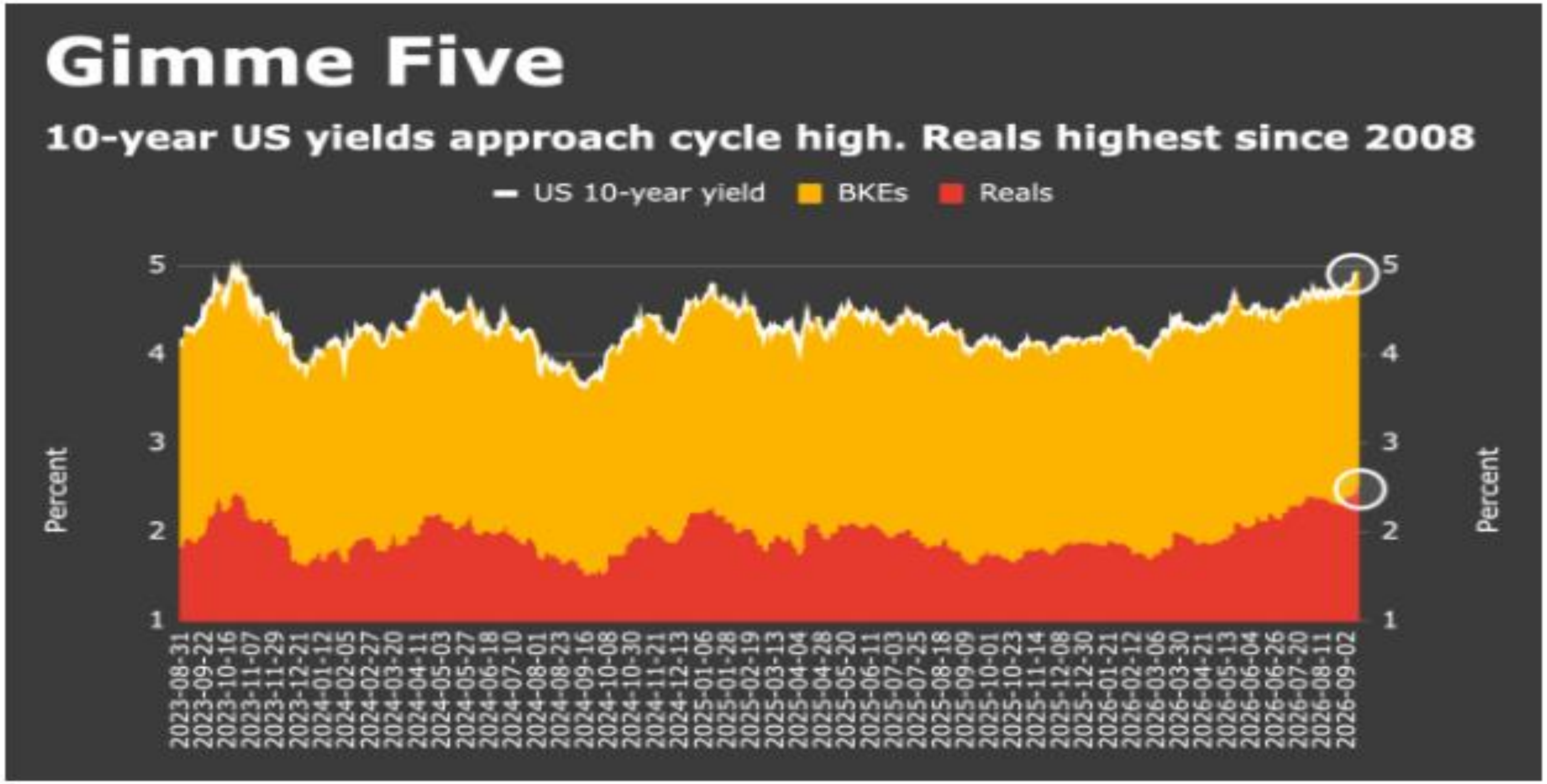
"Today is a bad day for global bond markets," former Goldman FX chief Robin Brooks said. "The problem with trying to artificially cap long-term yields with Treasury buybacks is that yields jump if markets think buybacks are too small."

MARKETS ASSESS THE BOND BUYBACK AS WEAKNESS



MARKETS ASSESS THE BOND BUYBACK AS WEAKNESS

Five-handle 10s, should we get there, would be insult to injury for angry American voters. That’d translate into seven-handle mortgages. Or worse.



NON-FARM PAYROLLS REPORT FOR AUGUST 2026

What Bloomberg Economics Says...
"The strong August jobs report raises the risk of a Fed rate hike in September. It leaves the August CPI report (due Sept. 11) as the determining factor — and we expect that reading to be just borderline acceptable to the doves. The September FOMC meeting is shaping up to be a very close call."
— Anna Wong, Andrew Sacher and Eliza Winger
Average hourly earnings rose 0.3% from July and 3.1% from a year earlier, the slowest since 2021. At the same time, an increase in average hours worked to the highest in more than two years helped lift weekly pay, which could support consumer spending in the months ahead.
[12:00 PM, 9/4/2026] Bhavesh: A strong report like this hike up the chances of interest rate increases, so far though treasury yields have held unchanged while the S&P 500 is down just 0.4%.

STOCKS LIKELY TO SEE A WEAK SEPTEMBER

Markets are telling Warsh he needs to raise rates yesterday. And raise them another two times in fairly short order. That as Trump (and JD Vance) are calling for rate cuts. Trump went so far last week as to tell Warsh that if the Fed doesn't cut, The White House will "stop trading" with any country that runs a surplus with America.

It felt on Thursday like we breached the "too much crazy" threshold. Bonds aren't gonna take it anymore. They're making a mockery of Bessent's "I am the house" gloat. Indeed, he's at risk of losing the long-end, a perverse outcome befitting of the transparently political motives behind last month's misguided intervention.

As for Warsh, he better pray — seriously pray — for a favorable CPI release on Friday. Because a hold next week, "hawkish" or not, against this kind of pressure in the US rates complex absent BLS air cover will be viewed as an admission that Trump's succeeded in hijacking US monetary policy.

I'll repeat what I mentioned last week that September will remain weak, and the price action in bonds this week certainly reinforces my case. Higher interest rates will be front and center in the absence of corporate earnings and will lead to a low- to medium single-digit drop in the indices through the end of October.

Bond yields have risen to 4.76%, and 5.35%, respectively for the 10-year and the 30-year , even as Treasury gambles with buybacks and loses. The jobs report and the PPI certainly hurt the case for lower interest rates and I suspect that the markets will continue to call treasury out for desperate buybacks

PPI IS ANOTHER NAIL IN THE COFFIN

Producer Price Index (PPI) rose as forecast: Treasury yields shoot up

The PPI feels the brunt of the war/blockade/attrition with Iran. The PPI for August 2026 showed renewed pressure from rising energy prices with a gain of 0.4% MoM and a whopping 5.4% YoY. The chances of an interest-rate hike at the Federal Reserve's meeting next week has risen to 80%.

The Core PPI excluding food and energy, advanced 0.2% last month and 4.6% from a year ago, so its not just energy that is causing damage to large sections of Americans.

Here are the numbers from Bloomberg: The markets have reacted negatively to it - the indices are down 1%, and treasury yields have climbed up - the 30 year has shot up to a high of 5.35%. That is not a good sign, I think we could see renewed selling pressure.

The rise in inflation caused by higher gas prices continues to hurt the US customer and could lead to higher interest rates, which will hurt the U.S. equity markets, and the economy.

I don't believe investors are paying enough attention to rising interest rates and will eventually capitulate when it gets too high. It would be prudent to reduce exposure before the stampede to the exit.

NEBIUS' TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD.

Nebius' tie-up with Palantir is a huge win for the leading neocloud.
Palantir's (PLTR) tie-up with Nebius (NBIS) to provide a full stack of Palantir's ontology on Nebius' platform led to another 7% surge in Nebius' stock price yesterday. In the last four days Nebius has jumped about 55 points or 25% from $192 to $247. To many Nebius watchers over the past two years, this isn't surprising, the stock has a 23% short interest so both up and down moves tend to be exaggerated. However, this tie-up gives me a lot of confidence - I strongly believe that this is the start of another long-term uptrend in Nebius' stock price, and this one will carry it past its previous all-time high of $299.86.
It is my largest holding with about 6.6% of my portfolio; I strongly recommend a Buy

How does this collaboration help Nebius and what are the specific contours of the deal?
The collaboration delivers a complete "sovereign" infrastructure stack for enterprise customers. Palantir brings its ontology layer providing software, and application tools, whereas Nebius brings the Compute for training and inference with the full stack of infrastructure from hardware to its AI/token factory.

NEBIUS’ TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD

One key aspect is that this whole endeavor will be based on a multitude of open-source models instead of being wedded to Anthropic or OpenAI. Nebius lists over 60 such models available to its commercial customers.

The deal will expand its on-premises private cloud business model and will compete directly with the hyperscalers.

Arkady Volozh, Founder and CEO, Nebius had this to say at the Goldman Sachs Technology Conference. I have edited for clarity.

“Well, what Palantir calls sovereign is sovereign for the companies. The companies use AI, by using what they produce as a lot of data. This data goes back to the models, improves the models, produces even more data and this loop continues. And the companies have actually today a choice. They can go to commercial models and start feeding their data back to them and improve their models or they can actually use open source, open-weight models on their own -- under their own control, feed data to these models. Keep improving these models for themselves, not sharing that data with the whole world. And actually, the practice shows that if you do this with generally open-weight models are lower quality than commercial models. But commercial models are very universal, very expensive.

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"Open-weight models could be trained with this data in repetitive loops. So that in this specific narrow domain of this enterprise could be trained better to a higher level of intelligence than general models. And there's a lot of cases in our practice, in which it works. Just recently, one of our clients, Shopify,, used an open-weight model, trained it with their own data repetitively, and they achieved the quality which is higher than they had with GPT 5.6. Open model, That's what enterprises should be doing. And by this, they don't share their data. They keep their data. They don't train the whole world, potentially their competitors."

Palantir, NVIDIA and Nebius see this as one of the most important trends in the future of Artificial Intelligence. Simply, enterprise customers making repetitive use of their own data, using open-source models to improve the model/outcome/analysis - a self reinforcement virtuous loop that is not shared with commercial frontier models like ChatGPT and Anthropic. I completely agree with this assessment - this data remains private as it should, why should you give away data to train your competitor? Besides, the value addition from an AI solution to a specific vertical or domain is far higher than a general-purpose solution. The use of open-weight models in specific narrow verticals/domains would lead to a higher level of intelligence than general models.

NEBIUS' TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD.

Palantir and Nebius can make this happen as a better, private and cheaper alternative to Big Data. From Chief Revenue Officer, Marc Boroditsky, edited for clarity.

"Well, as Arkady just shared, there's a very powerful value proposition that we share with Palantir with regards to how we believe enterprise adoption is likely to take place. So working together, combining the full stack capabilities we have and the tooling that they have. And more importantly, the credibility and momentum that Palantir has in the enterprise. We're confident that we're going to be able to jointly develop opportunities that go well beyond the existing market adoption in the enterprise and actually will accelerate our overall enterprise business and contribute to the customer diversification that we have at Nebius."

I think that this is a big big deal and amplified Nebius' quest to own at least 50% of non-hyperscaler revenue. For the past year, Nebius kept aside capacity for enterprise customers; they always wanted to go to a wider base of clients and this is another big opportunity.

How durable is the AI infrastructure cycle?

CEO, Arkady Volozh, edited for clarity

"Everybody sees what's going on with the prices. It's obvious that demand today is much higher than the real world can build for this demand. And the prices always reflect this imbalance.

NEBIUS' TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD.

"What's going on is that AI is creating a lot of added value in some way in real life in the industries, be it coding or recently security or office work and many, many other areas which are to come. If we wanted, we could sell all the 2027 demand today, we have much more demand than we can physically serve."

Arkady is obviously in good company when he talks about supply constraints. Jensen Huang and Hock Tan made the same lament in the last two weeks. Arkady claimed demand visibility for 24 months but conservatively is only going to forecast for 18 months - that's how strong the demand is.

Moving beyond hyperscalers and using open source models are big trends

The move to collaborative on-prem private AI token factories/optimization is being played elsewhere. Broadcom along with its software arm VMWare, is also offering similar solutions - tools plus compute services indicating that this is a strong trend as the alternative to the hyperscaler public cloud hegemony of AWS, Azure and Google Cloud. The trend is Nebius' friend, and I do believe that it will have a first mover advantage.

NEBIUS’ TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD.

Another example; Nvidia too will remain in the forefront of AI compute by buying Hugging Face, the largest AI open source platform in the world. It has more than 18 million developers, researchers and creators, and uses more than 3 million models, 500,000 datasets and 1 million applications. More than 200,000 companies use the platform to discover, evaluate, customize and deploy AI.

I believe that open source, open weight models are almost entirely hosted locally on developer systems, and part of the explosion in local LLMs that will gain market share from cloud based models. Nvidia is smart enough to stay ahead of the curb and cover its bets. The Data Center segment is driving revenue growth right now, but the massive expansion can’t go on forever.

Nebius has made a very good decision to partner with Palantie, and it adds to their strategy of expanding with the asset light model and bringing on the full stack compute layer without the expensive build outs.

The Palantir deal is part of a broader trend, with Nebius getting significant increases in its pipeline with platform companies that themselves serve enterprise customers. Better still, some are looking at Nebius as their first non-hyperscaler supplier for training post-training and inference across the full AI lifecycle.

NEBIUS’ TIE-UP WITH PALANTIR IS A HUGE WIN FOR THE LEADING NEOCLOUD.

Doing more with less

Older GPUs are contributing heavily, because many workloads, including RAG infrastructure, text prediction and image generation, can be run more economically on older hardware, giving customers a better TCO, without compromising reliability and performance. They’ve had new customers proactively seek older generation chips

The asset light model

The asset-light model is helping Nebius surmount physical and financial constraints. Here’s how: Nebius’ asset light partners are typically electricity or data center companies that already have land, power and, in many cases, access to cheap financing, but lack the expertise to move higher up the AI infrastructure stack. Nebius provides the data center infrastructure including racks, the software stack and the customer demand to monetize the operation. This is a fairly long and expanding list of customers, with capacity expected to come online from 2027.

NON-FARM PAYROLLS REPORT FOR AUGUST 2026

[The August increase of 162,000 shockingly topped all estimates in a Bloomberg survey.
US job growth surged in August and the unemployment rate held steady, suggesting the labor market has more momentum than previously thought.
Nonfarm payrolls increased 162,000 last month and July's job losses were revised away, according to Bureau of Labor Statistics data out Friday. The August increase topped all estimates in a Bloomberg survey. The unemployment rate remained at 4.1%.
The report indicates the labor market is powering through uncertainty from the Iran war and pressure from inflation. Federal Reserve officials will likely read it as bolstering the argument for raising interest rates, though next week's consumer price data will prove key to the central bank's decision later this month. The broad advance in payrolls was led by a rebound in leisure and hospitality employment following big declines in June and July. Local government education also added about 42,000 jobs following outsize cuts last month. That category can be volatile in the summer as many teachers fall off of payrolls before returning again as the school year begins. Manufacturing payrolls rose by the most since 2023, while construction firms added the most jobs since January. Many economists have pointed to the data-center buildout as a driver of demand for construction labor this year.

REDDIT – (RDDT) $157 BUY THIS STOCK ON DECLINES

Shares of Reddit (RDDT) rose about 7% on Thursday, snapping a four-session losing streak, after Piper Sandler said the social-media platform's average users grew 8% month over month in August, the strongest monthly increase this year.

Total audience growth accelerated to 18% year over year in August from 12.8% in July, according to the brokerage's analysis of Reddit (RDDT) Ads Manager data.

International users grew 29.3% in August, accelerating from 19% in July, while U.S. users increased 5.2%, Piper said. The brokerage also noted that weekly user momentum has been strong since early July, driven largely by the International Feed.

Piper cautioned that changes to Reddit's (RDDT) Ads Manager forecasting model are expected to reduce September audience-size estimates by about 20%. The brokerage said the one-time reset reflects changes to the methodology and does not indicate a deterioration in underlying user trends. The changes affect forecasting rather than auctions, optimization, or ad delivery.

Reddit's (RDDT) own third-quarter ad-spending growth estimate was raised 30 basis points.

A GOOD DEFENSIVE BUY - 5 TAKEAWAYS FROM TODAY'S APPLE EVENT

Apple's iPhone event and John Ternus's first keynote was excellent. At $324 Apple is an excellent defensive pick.

Here are the top takeaways from the event:

1. Pricing

Wall Street expected Apple to introduce pricing changes to its latest products as component costs continue to pressure margins.

The most notable change came with the iPhone 18 Pro lineup. The new 18 Pro starts at $1,199 while the iPhone 18 Pro Max starts at $1,299. They're $100 more than their predecessors. Apple also held off on introducing a base model iPhone to its 18 series. That's expected to come this spring, leaving only the highest priced options for those looking to upgrade during the upcoming holiday season.

Apple also revealed a long-awaited foldable phone called the iPhone Duo, starting at $1,999. It's the most expensive iPhone ever but is still $100 cheaper than some experts anticipated. BofA Securities analyst Wamsi Mohan wrote earlier this week that he expected the phone to start at $2,099.

Meanwhile, AirPods got a price adjustment too, to the downside. The base AirPod 5 model now includes active noise cancellation and starts at $129. That's $50 less than the previous comparable generation.

2. More Camera Updates

iPhone camera updates have become synonymous with the annual iPhone event, and this time around was no exception.

Apple is marketing the iPhone 18 Pro camera as its most advanced camera system. The cameras will have an adjustable aperture feature, allowing users to better control lighting and depth of field.

3. A Chip Performance Boost

Apple introduced its A20 Pro chip on Wednesday, an improvement from its predecessor for memory, speed, and graphics processing. The company said the accompanying neural engine will double in size, allowing for more on-device AI.

4. So Long, Qualcomm

Apple has been phasing out its partnership with Qualcomm for a while now, but Wednesday's phone announcements signaled a new phase in the divorce.

The iPhone 18 Pro, Pro Max, and Duo all use a C2 modem built in house by Apple. According to Apple, C2 "brings AI-powered improvements to cellular quality and reliability." It's a significant change from last year when Apple's iPhone 17 lineup still used Qualcomm modems.

Investors won't be surprised by the news, and Qualcomm stock was was up 1.0% in afternoon trading. Yesterday, Qualcomm announced a major deal with tech giant Amazon.com that has helped boost the stock.

5. Major AI Update Coming Sept. 14

iOS 27 will be available for all users to download on Sept. 14, including many of those with older phones. iOS 27 will come with a beta version of Siri AI, which is intended to be a more conversational and capable version of the digital assistant.Initially, AI Siri will only be available in English, before rolling out in French, Japanese, Korean, Portuguese, and Spanish in October. Siri AI won't be available in the EU or China. Apple said that some AI features will have usage limits because they rely on "powerful server models."