



WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

Lucky 13?

Economics and Strategy

Market View - Fiscal offsets required in the U.S. (as tariff revenues fall short

NBF discusses the US Fed fiscal landscape as tariff revenues haven't met expectations and now appear at risk.

This won't come as news, but the U.S. federal government is on an unsustainable fiscal path. The CBO offered up another reminder of this with the publication of their latest Budget and Economic Outlook. Deficits are set to remain large and steadily grow in the 2030s, pushing the debt burden even higher. And even though tariffs were promised to be a source of fiscal consolidation, the broader deficit / debt burden outlook has worsened relative to the CBO's prior (Jan-25) projections. Through 2035, the CBO now sees an additional \$1.4 trillion of red ink being accumulated vs the previous outlook. Tariff revenues, assuming they are sustained, could add nearly \$3.0 trillion to the bottom line over the next decade, though that impact is overshadowed by the \$4.7 trillion associated with the One, Big, Beautiful Bill (2025 Reconciliation) Act. Stricter immigration policy is also fiscally relevant, as the CBO estimates a budgetary impact here of \$0.5 trillion over ten years.

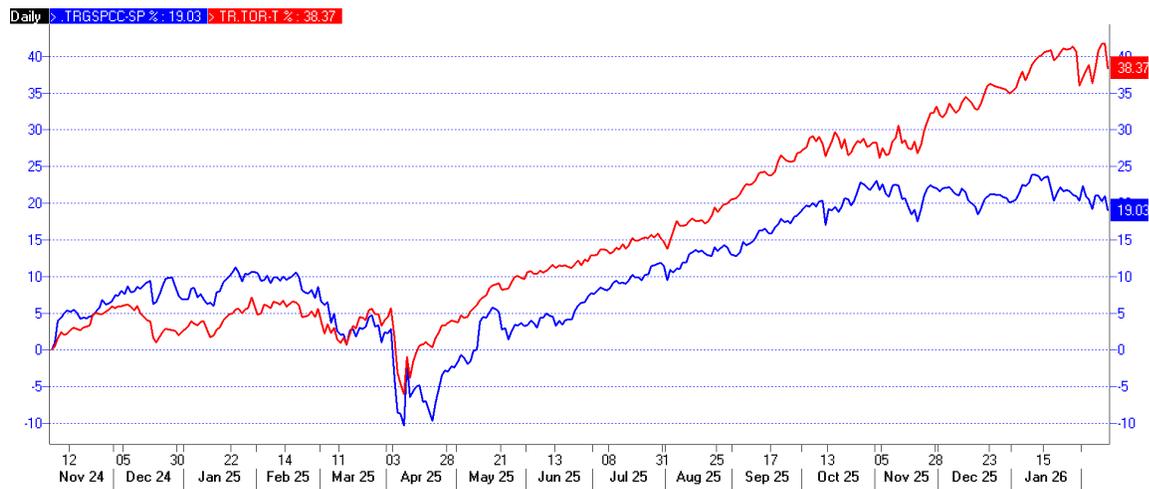
[Market View - Fiscal offsets required in the U.S. \(as tariff revenues fall short\)](#)

Fortunately, the US has levers to pull provided political will exists. We believe the adults will eventually show up. We remind readers: When something can't continue, it won't.

As we've repeated, history says control of the House of Representatives is very likely to pass to the Democrats in this November's mid-term elections. The Senate also now appears in play. At the very least, Mr. Trump will face an energized Democratically controlled House. Mr. Trump enjoys Presidential immunity. This is not the case for his cabinet picks. Very difficult congressional oversight is likely. While any legal risk could be removed via Presidential pardon's the investigations could be very damaging. Is the tide turning?

This week the US House of Representatives rebuked both the GOP Speaker Mike Johnson and the Trump administration by [refusing to extend a 6 month prohibition](#) on debating the Trump tariffs enacted by executive order under broad interpretation of the International Emergency Economic Powers Act (IEEPA) of 1977. The House also moved to [reverse the Trump Administration’s tariffs on Canada](#). The latter is largely symbolic as Trump has veto power, overriding which requires a 2/3’s ‘super majority’ in both the House and Senate which appears unlikely. Despite this, we believe it’s a significant signal that GOP members may be feeling the political winds shifting against them. Investors agree. For the first time in decades, the total return of Canada’s SP/TSX Composite had outpaced the S&P in **Canadian dollars**. Sectors sensitive to the US imposition of tariffs have seen a massive relief rally. Our tilt towards Canada and those sectors has been rewarded.

TSX Comp TR (TR.TOR red) vs SP500 TR (TRGSPCC Blue) \$CDN Trump election to date



Source: LSEG, NBF, Hilberry – mid-session Feb 13, 2026

Nov 4, 2024 to Feb 13, 2026 Canada’s main equity index (+38%) has double the S&P500 (+19%). The S&P500 is flat since mid-October and up barely 8% since January, 2025.

Magna Intl (MG-TSX-\$92.11) daily ranges since Nov 2024 Trump Election



Source: LSEG, NBF, Hilberry mid-session Feb 13, 2026



Magna is Canada's leading auto parts manufacturer. With operations in Canada, the US and Mexico, they are in the crosshairs of Trump's tariffs. They are also an integral part of the North American auto parts supply chain, not easily dismissed. We continued to see value in Magna, adding to our positions in 2025. Around the April 2025 Liberation Day flop, we bought under \$54 CDN. On Friday Magna hit a 52-week high over \$93 after the company posted stronger than expected profits and gave an optimistic view of their future. Not selling into the 2025 tariff narrative was half the battle won. More on Narratives below.

DISCLOSURE: We hold Magna International personally, for family members and for client accounts over which we have trading authority. We have traded in the security within the past 60 days.

Is AI power demand narrative a bubble?

Siemens Energy CEO Sees Data Center Boom Lasting on Power Needs – Energy Now Feb 12, 2026

[Siemens Energy CEO Sees Data Center Boom Lasting on Power Needs - Energy Now Feb 12, 2026](#)

If the power demand curve is likely to remain this should continue to support power producers. Canada's Emera Corp originated from Nova Scotia Light and Power. It's yet another 'boring' company in our Canadian dividend portfolio.

Emera Cop (EMA-TSX-\$70.31) monthly 20 years



Source: LSEG, NBF, Hilberry mid-session Feb 13, 2026

We view Emera as selling shovels to gold miners. AI demand, EV demand, electrification of energy use? Picking winners in those sectors could be exciting. We'll take the low road thanks.

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Investing 101: Beware 'Narratives'. The market will meet the hunger...



There is a market for everything. In the previous decade, valid concerns over climate change drove impacts on food supplies, studies showing live animal methane is a problem, concerns over dietary impact of animal vs vegetable proteins, saw interest in soya-based protein alternatives. Suddenly there was money to be made! When there's a will, there's an IPO. Wall Street hunted for product to meet the demand.

Beyond Meat (BYND-NASDAQ) specializes in vegetable based 'patties' designed to resemble hamburger. Voila! The company went public May 6, 2019. The Initial Public Offering (IPO) was 9.6 million shares at \$25 = \$240 million USD. Due to demand the offering was bumped to 11.07 million shares generating \$276.7 million in cash. Of the 11.6 million shares issued, 3 million shares were sold by insiders into the offering, meaning Beyond Meat Corp did not receive the \$75 million proceeds of those 3 million shares. \$75 million went to the insiders selling into the IPO. The total number of shares issued (not sold to the public but available for future sales) were 60.5 million shares. At \$25 IPO the potential value was \$1.5 billion. It was all in the prospectus. [Beyond Meat SEC IPO Prospectus May 6, 2019](#)

The stock price opened at \$46 and closed at \$65.75 giving the company a day-one market capitalization (all outstanding shares X market price) of \$3.7 billion.

Beyond Meat (BYND-US-\$0.71) monthly ranges – May 2019 - Feb 2026



Source: LSEG, NBF, Hilberry mid-session Feb 12, 2026

The frenzy continued. Beyond Meat hit an all-time high of \$239.71 in July 2019 giving the company a market cap of approximately \$14.45 billion. Investors were paying for a LOT of growth. Initially, they got it...sort of. BYND's 4th quarter 2019 results posted a 238% increase in revenues and a net profit for the quarter of 6 cents per share. The company showed an annual loss of 29 cents per share for fiscal year 2019. Oh, oh.

The company continued to show operating losses up to 2024. 2025's annual report is scheduled for May 2026. Street Consensus is a net loss of **-\$1.19** per share for 2025 and losses out to 2028. It turns out food demand is fickle. Selling meat-flavored soya patties is

harder than it looks. From Beyond Meat's \$239 per share highs, you could buy all you wanted this week around \$0.70 per share for a 99.7% loss of capital. Beware narratives. Look for actual profits. Don't overpay for 'em either. What you don't do matters

DISCLOSURE: We do not hold, and have not held, Beyond Meat personally, for family members or for client accounts over which we have trading authority.

Have a Great Long Weekend

Steve & Anna Hilberry



FOR THE RECORD Feb. 12, 2026 close

DOW INDUSTRIALS:	49,451
S&P 500:	6,832
S&P/TSX COMP:	32,465
WTI:	\$62.68
LOONIE IN \$USD:	\$0.7349 \$US

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