THE CONTROL GROUP

THE FED FLASHPOINT PLAYLIST

10 INVESTMENTS TO MAKE BEFORE THE NEXT FINANCIAL CRISIS

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In April 2024, a private club room in Mar-a-Lago hosted a meeting between President Trump and 20 of the country's top oil executives, including ones from Chevron, Exxon, and Occidental Petroleum.

"You'd get it on the first day," was what President Trump promised these executives.

And what did he promise? An instant undoing of Biden's idiotic green energy policies and environmental regulations, and a complete block of any new one being carried out.

Quickly, these executives threw their support behind him, because they knew that solving America's energy crisis had always been one of his main priorities.

And it's not just the energy sector that President Trump is planning to revive either.

Over the past decade, the stock market has heavily favored big tech companies like Microsoft and Nvidia.

However, with the almost near certainty of a second Trump term, I predict that we'd see a significant shift back to traditional industries like energy, mining, agriculture, and manufacturing.

This report focuses on these "old economy" sectors stocks, which could regain attention due to Trump's political and trade policies.

The stocks discussed in this report are not typical tech stocks. Instead, they belong to foundational economic sectors that have been overshadowed by tech's rise but are now poised to rebound.

With expected changes in regulations and a renewed focus on domestic industries, these stocks could have a 100% - 200% potential upside over the next four years.

After watching the markets closely and running the numbers meticulously through our proprietary system, *Capitol Gains Trader*, we handpicked these 10 best stocks you can invest in to grow wealthy during a Trump presidency.

The thing is, for now, these stocks are perceived in the market as "elderly" stocks - meaning, they are past their prime and will die out in a few years - which is precisely why you should make your move now. Consider investing in these stocks now, before the public catches on.

However, we have to advise you not to be hasty nor faint-hearted - some of these stocks are sensitive to the economy's performance, and therefore are likely to react to the next Fed rate cut. Do not panic sell. These investments should be viewed with a long-term perspective, as our CFA picked them with a 4-year horizon in mind.

Dive in for the necessary insights to make informed decisions about these promising investment opportunities in sectors expected to rise in the coming years. Read till the very end for advice on actions to take for each of these stocks.

Energy Sector

President Trump has been very vocal about his support for old, traditional energy sources like oil and natural gas.

He openly promised that he's ramp up oil drilling on public lands and offer tax breaks to oil, gas, and coal producers; and roll back on electric cars incentives and and reversed pollution limits.

Below are three energy companies that we predict would profit the most from a Trump's second term.

Devon Energy Corporation (DVN)

Our proprietary system has alerted us to the potential of Devon Energy Corporation (NYSE: DVN), which we covered in *Capitol Gains Trader* months ago. Based in Oklahoma and a major operator in the Permian Basin, Devon stands to gain from Trump's policy changes that favor the oil and gas industry.

Devon Energy is an oil and gas company that operates extensively in the U.S., primarily in the Permian Basin which accounts for about two-thirds of its output. Additionally, it has significant operations in the Anadarko, Eagle Ford, and Bakken basins.

By the end of 2023, Devon reported having 1.8 billion barrels of oil equivalent in net proved reserves. The company's daily production in 2023 averaged about 658,000 barrels of oil equivalent, consisting of 73% oil and natural gas liquids and 27% natural gas.

The company's valuable holdings in the Permian Basin, which spans Texas and New Mexico, have been crucial to the surge in U.S. oil production. If the government enacts policies that encourage drilling, Devon could see reduced operational costs and higher profits, which may lead to better earnings forecasts.

The oil sector has been viewed skeptically in recent years, often seen as declining due to the rise of electric vehicles and renewable energy. Yet, this view might be hasty. Global energy demand is still increasing, and the shift to renewable sources is not without its hurdles, indicating that oil and gas companies like Devon may remain relevant longer than the market expects.

A significant aspect to consider is the potential increase in Devon's stock value if perceptions about the longevity of oil companies change. If investors start believing in a more extended future for these companies, they might be willing to pay more for Devon's earnings.

Devon is also leading in adopting advanced drilling techniques that boost efficiency and cut costs, including a collaboration with Fervo Energy and PrePad. In the Bakken play, the entry of larger operators like Devon is expected to bring more advanced technologies, such as longer laterals and enhanced recovery methods, to increase well output. This technological advantage positions Devon to manage market fluctuations and seize growth opportunities effectively.

Our proprietary system noted that several members of Congress who have historically successfully traded in energy sector investments have been accumulating DVN shares.

Number of Congress Members Who Have Traded: 2

Number of Trades in the Last Three Years: 25

Total Transaction Amount: $445,000

DVN (Devon Energy Corporation)'s Stock Performance Over The Years

Liberty Energy Inc. (LBRT)

The market hasn't yet caught up to the real value of this stock, which looks set to change as the oil sector evolves. There have not been any reports on active purchases from inside Congress either.

Liberty Energy (NYSE: LBRT), an oilfield services company, specializes in hydraulic fracturing, particularly pressure pumping, across major North American basins.

Liberty Energy, with its large fleet of pressure pumping equipment, plays a vital role in extracting oil from tough shale areas. This equipment is essential for companies like Devon that need it for drilling in the Permian Basin.

In 2020, the company significantly expanded by acquiring Schlumberger's OneStim business, becoming one of North America's *largest pressure pumping providers*. This acquisition also brought additional capabilities including wireline operations, two frac sand mines in the Permian Basin, and enhanced technological resources.

Liberty achieved record pumping efficiencies and safety performance during Q2 2024. The company also reported the highest diesel displacement in its history through its natural gas-powered technologies.

In the first quarter of 2024, Liberty reported revenue of $1.1 billion, net income of $82 million, and Adjusted EBITDA of $245 million.

While the company has been stable - Liberty Energy reported revenue of $1.2 billion for the second quarter of 2024 - there's potential for significant growth in revenue and earnings if drilling activity increases.

The long-term outlook for Liberty's stock will improve if the industry continues to rely on its services for the next few decades.

LBRT (Liberty Energy Inc.)'s Stock Performance Over The Years

Arch Resources Inc. (ARCH)

Arch Resources Inc. is a company that produces metallurgical and coking coal. It supplies coal to power plants, steel mills, and industrial facilities. The company operates two main segments: Metallurgical (MET) and Thermal, with the Metallurgical segment bringing in most of its revenue. The majority of its sales are made in Asia.

After exiting Chapter 11 bankruptcy about a decade ago, Arch shifted its focus away from the declining thermal coal market in the U.S. to concentrate on metallurgical coal. This type of coal is essential for producing steel using blast furnaces, a method prevalent in China and many emerging markets.

Arch's operations are strategically located in the Appalachian Mountains, providing direct rail access to export facilities in Baltimore. This location is key for distributing coking coal internationally, especially to regions heavily involved in traditional steelmaking. Moreover, Arch's recent merger agreement with Consol Energy is expected to cut costs and improve efficiency.

The ongoing global demand for steel means there'd be a continued need for Arch's metallurgical coal. Arch is well-positioned to support the steel industry for the foreseeable future.

Arch Resources' stock has been volatile in recent years, with the share price ranging from around $120 to $187 over the past 12 months.

ARCH (Arch Resources Inc.)'s Stock Performance Over The Years

Manufacturing and Heavy Industry

Manufacturing: PHIN (Phinia Inc.)

Phinia Inc. is a company that designs and manufactures key parts and systems for commercial and light vehicles, specifically for engines that use both traditional fuel and hybrid technology. These products help vehicles run more efficiently, perform better, and produce fewer emissions.

Phinia supplies these parts to many of the world's leading vehicle manufacturers and also offers a variety of services and products for vehicles that are no longer under warranty. Their extensive product lineup includes fuel injection systems, fuel delivery modules, various engine components like starters and alternators, sensors, control modules, and the software that helps run them all.

BorgWarner, seeing the shift toward electric vehicles, spun off Phinia. This move was part of BorgWarner's strategy to focus on electric vehicle (EV) technologies and to separate its internal combustion engine (ICE) components from its electric propulsion business.

On September 2023, Sen. JD Vance introduced a legislation to remove a $7,000 EV tax subsidy. Vance argues the current EV subsidies "penalize UAW workers who build popular, gas-powered vehicles" and "offshore their jobs to China". He wants to instead incentivize domestic auto manufacturing.

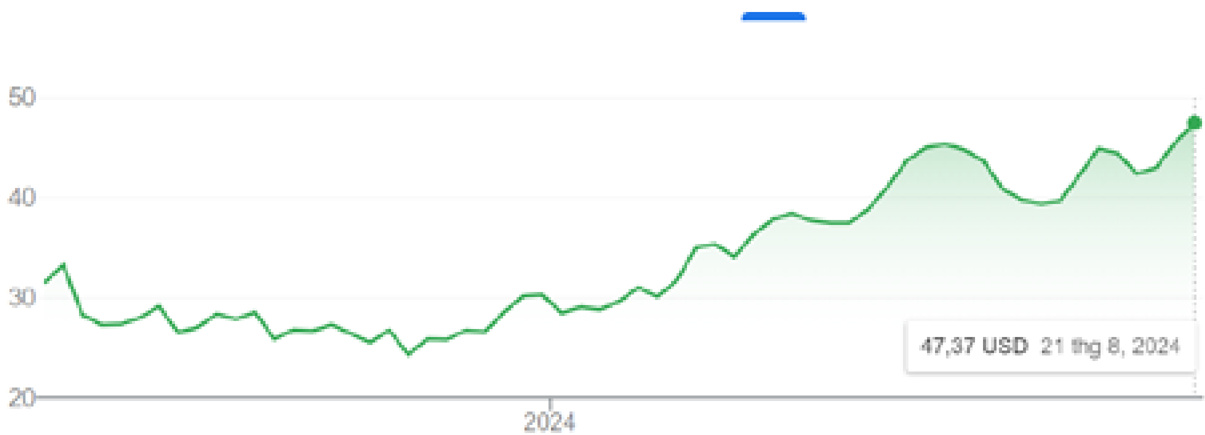
This bill proposes to redirect these subsidies to support vehicles with internal combustion engines (ICE) and strengthen U.S. manufacturing.

Given that Phinia's products now have the backing of a Vice President candidate, Phinia's position could lead to favorable short-term and long-term stock market returns.

PHINIA reported $863 million in net sales for Q1 2024. Its operating income was $71 million and the company paid $12 million in dividends.

Despite this solid financial performance, PHINIA's stock has experienced a decline of about 26% since its spin-off from BorgWarner. This decline may be due to market perceptions favoring BorgWarner's focus on electric vehicles (EVs) over PHINIA's legacy internal combustion engine (ICE) components - which we predict will soon change after it becomes clear that Trump will take office.

PHIN (Phinia Inc.)'s Stock Performance Over The Years



United States Steel Corporation (X)

United States Steel Corporation (NYSE: X) primarily operates in the United States and has steel production facilities in Slovakia. The company is divided into several segments: North American Flat-Rolled (Flat-Rolled), Mini Mill, U.S. Steel Europe (USSE), and Tubular Products (Tubular).

The Flat-Rolled segment encompasses U.S. Steel's integrated steel plants and associated entities in North America that produce slabs, strip mill plates, sheets, and tin mill products. This segment also covers all U.S. iron ore and coke production.

It mainly supplies customers in North America across various industries including service centers, conversions, transportation, construction, containers, appliances, and electrical.

The comapny has received a [$15 billion buyout offer from Nippon Steel], a major Japanese steel company. This proposal has met bipartisan resistance, particularly from Democrats in Pennsylvania who are concerned about its impact on union jobs.

There is also a broad political agreement on keeping critical industries like steel under U.S. control. Allowing a foreign takeover, even from an ally like Japan, could threaten U.S. economic security.

Consequently, U.S. Steel is likely to see significant political support to block the buyout and reduce competitive pressures, which ensures its continued operation.

X (United States Steel Corporation)'s Stock Performance Over The Years

Mining and Minerals:

Freeport-McMoRan Inc. (FCX)

Freeport-McMoRan is the world's largest producer of molybdenum and a major copper producer. The company's major segments include the Morenci, Cerro Verde, and Grasberg (in Indonesia) copper mines, along with Rod & Refining operations and Atlantic Copper Smelting and Refining. Its primary source of revenue comes from copper sales.

Its Grasberg mine in Indonesia is one of the most valuable on the planet. Freeport recently secured a permit extension here, which was contingent on their commitment to increase investments in local smelting operations.

Copper demand is expected to grow significantly in the coming years. This is due to several factors:

1. Increased electrification of various industries, especially vehicles
2. Growth in distributed power systems (like wind and solar)
3. More copper needed per unit of electricity produced in these systems

At the same time, there's a lack of investment in new copper mines. This problem has been building for about 10 years. Major copper mining companies haven't been spending enough on developing new mines to replace their aging ones. This underspending means copper production might not keep up with demand.

Meanwhile, FCX owns rights to significant untapped copper deposits Arizona. The company operates several key mines there, including Morenci, Bagdad, Sierrita, Safford (which includes the Lone Star project), and Miami; with each mine producing around 200 - 300 million pounds of copper per year.

Freeport produced 1.1 billion pounds of copper in Q2 2024, with a production guidance of 4.4 billion pounds for the full year. For Q2 2024, Freeport-McMoRan reported revenues of $5.4 billion, driven by strong copper prices and production levels. The company also reported an EBITDA of $1.6 billion.

FCX (Freeport-McMoRan Inc.)'s Stock Performance Over The Years

Agriculture and Chemicals:

FMC Corporation (NYSE: FMC)

FMC Corporation is a leading global crop protection company, ranking among the top five in patented products. It specializes in developing new chemical and biological products to enhance crop yields.

FMC is the top producer of pesticides and herbicides, crucial for maintaining high crop yields necessary for global food supply. Despite criticism from public figures like RFK Junior about pesticide use, these products are essential to feed the global population.

The company is at the forefront of agricultural technology, constantly innovating to improve crop production. FMC has a significant international presence, with a strong market in Brazil.

Recently, FMC's stock has dropped significantly, about 60-70% from its highest point, mainly due to low crop prices in the U.S., like corn and soybeans. This decline followed a few strong years ending in 2022. As market conditions stabilize and inventory issues resolve, FMC's earnings and revenue are expected to recover, potentially raising its stock value.

FMC (FMC Corporation)'s Stock Performance Over The Years

Martin Marietta Materials Inc. (MLM)

Martin Marietta Materials is one of the largest producers of construction aggregates—such as crushed stone, sand, and gravel—in the United States. In 2023, the company sold 199 million tons of these materials.

Its most significant markets include Texas, Colorado, North Carolina, Georgia, and Florida, which are the primary sources of its revenue.

Besides aggregates, Martin Marietta also produces cement in Texas and utilizes its aggregates in its asphalt and ready-mixed concrete businesses. Additionally, the company's magnesia specialties business produces magnesia-based chemical products and dolomitic lime.

Martin Marietta operates quarries where it extracts the raw materials used in making concrete and building roads. Despite the seemingly low value of these activities, the company benefits from what can be described as local monopolies.

This advantage comes from the low value-to-weight ratio of aggregates, which makes it economically impractical to produce them in low-cost countries and ship them to the U.S. due to the excessive shipping costs relative to the material value.

This allows Martin Marietta and a few competitors to dominate local markets by controlling many of the local quarries, which are strategic assets due to their essential role in supply chains for construction materials.

On the supply side, Martin Marietta faces little competition due to its established control over strategic local resources.

On the demand side, the company is buoyed by the U.S. infrastructure stimulus bill, which, though only about 20-30% of the allocated funds have been spent so far, promises continued investment.

MLM (Martin Marietta Materials Inc.)'s Stock Performance Over The Years

Technology and Defense:

Cognex Corporation (CGNX)

Cognex Corporation (NYSE: CGNX), founded in 1981 and headquartered in Natick, Massachusetts, is a leading force in the global machine vision industry. As the world's leading provider of machine vision systems, Cognex has shipped over 1 million vision-based products since its founding.

The company operates across more than 20 countries and caters to a wide range of industries, including automation, consumer electronics, food and beverage, pharmaceuticals, logistics, and semiconductors.

Its product portfolio is diverse, featuring vision systems, vision software, 3D laser profilers, fixed-mount barcode readers, handheld barcode readers, and vision sensors. Its solutions play a critical role in various manufacturing processes, including inspection, guidance, and identification.
In terms of financial performance, Cognex has consistently shown profitability and growth. In 2022, it achieved revenues of $1.1 billion, marking a 3% increase from the previous year.

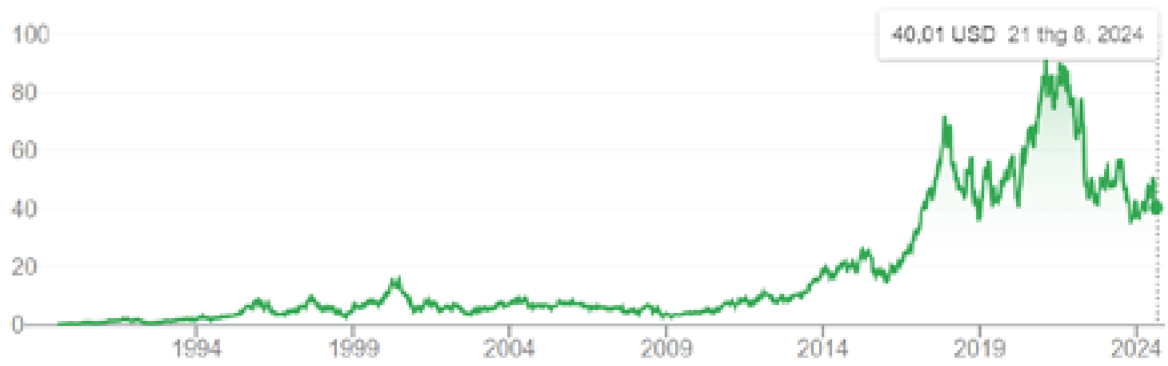
The company maintains a strong balance sheet with a healthy cash position and minimal debt, underscoring its financial stability.

Cognex continues to invest heavily in research and development to enhance its product offerings. Notable advancements include the introduction of the In-Sight D900 embedded vision system in 2020, which integrates deep learning software within an industrial-grade smart camera.

The acquisition of ViDi Systems in 2017 expanded Cognex's capabilities in deep learning software.

Looking forward, the demand for machine vision technology is expected to continue growing, driven by the increasing adoption of automation and Industry 4.0 initiatives. The company's focus on developing advanced technologies, such as deep learning and 3D vision, positions it for future growth in the industry.

CGNX (Cognex Corporation)'s Stock Performance Over The Years



L3Harris Technologies Inc. (LHX)

L3Harris Technologies (NYSE: LHX) is the top choice in the defense sector—a "golden" investment option that offers both strong growth potential and security.

We believe that it is the best pick because it operates in an industry that consistently receives strong government support. With steady defense spending expected to continue, L3Harris is in a prime position to benefit from ongoing demand for its products and services.

The company operates across multiple sectors, including communications, integrated mission systems, space and airborne systems, and more.

L3Harris Technologies primarily works with the U.S. Department of Defense, developing major defense systems such as aircraft and ships.

The company is one of the top U.S. government contractors in the aerospace and defense industry, with an annual revenue of $17 billion.

They specialize in advanced communication systems and electronic warfare technology, which can disrupt or misdirect enemy communications and weapons. These technologies are crucial in modern warfare, as demonstrated in conflicts like the ongoing war in Ukraine.

As a top defense contractor, L3Harris leads projects from design and engineering to manufacturing, specializing in communications, electronic warfare, and secure radio systems. They produce technology that uses the electromagnetic spectrum to disable enemy systems and misdirect missiles, effectively neutralizing threats.

L3Harris Technologies has been providing its Vehicle Agnostic Modular Palletized ISR Rocket Equipment (VAMPIRE) system to Ukraine to help counter Russian drone attacks. The Ukrainian military has released footage showing the VAMPIRE successfully engaging and destroying Russian Shahed-136 suicide drones.

In July 2023, the company acquired Aerojet Rocketdyne, a key supplier of rocket motors to the space and defense industry.

L3Harris benefits from bipartisan support in the U.S. for robust defense spending, boosting its revenues through contracts both at home and with international allies such as Saudi Arabia, Japan, Poland, and Germany. Their high-margin electronic components are critical to systems like the F-35 jets, though they may not be visible in the final products.

L3Harris plays a significant role in the C4ISR market, providing everything from unmanned aerial vehicles to maintaining critical communication infrastructure for the Federal Aviation Administration.

LHX (L3Harris Technologies Inc.)'s Stock Performance Over The Years

Investment Performance and Strategy

When considering how these stocks might perform, it's important to recognize that they're more sensitive to the overall economy than to short-term changes in interest rates.

While the Federal Reserve may be expected to cut rates, we're also looking at an environment where earnings estimates might fall and the economy could weaken.

There's no need to panic if the stock prices dip temporarily. Each of these stocks has been selected with a four-year investment horizon in mind.

If you invest in them now, before the upcoming election, and hold on despite any market volatility, they are expected to significantly outperform major indexes like the S&P 500 or the Dow.

Looking at the potential growth, each of these stocks could see an increase of 100% to 200% over the next four years. This is based on historical performances during favorable cycles in the market.

But if you still want an exit strategy, **consider using a trailing stop order**.

ACTION: Set a 20% to 30% trailing stop order, meaning if the stock price falls 30% from its highest point after purchase, it triggers a sale.

When allocating investments in these stocks, it's wise to vary the amount based on the risk profile of each stock.

For example, L3Harris Technologies (LHX), being a large, established company with steady government contracts, represents a lower-risk investment and might warrant a larger portion of your portfolio.

On the other hand, a newer and more volatile company like Phinia would represent a higher risk but also a higher potential return, which means a smaller allocation.

For detailed allocation, please check out the table below:

ticker	Price	Realized Volatility	Portfolio Weight	$10,000 portfolio * weight	$10,000 portfolio shares
DVN	$45.14	5.4%	10.3%	$1,031.22	23
LBRT	$20.89	6.1%	9.2%	$917.18	44
CGNX	$39.53	10.7%	5.3%	$526.43	13
FMC	$65.20	5.2%	10.9%	$1,087.28	17
FCX	$45.20	8.2%	6.9%	$688.39	15
ARCH	$123.15	11.7%	4.8%	$478.95	4
LHX	$228.95	3.6%	15.6%	$1,555.82	7
PHIN	$48.84	5.2%	10.8%	$1,084.87	22
X	$37.83	4.2%	13.4%	$1,337.10	35
MLM	$543.57	4.3%	12.9%	$1,292.76	2
			100.0%	$10,000.00	

Parting Words

Under Trump's administration, robust support for traditional industries, coupled with potential regulatory rollbacks, could catalyze significant growth in these sectors.

The stocks we've discussed have been meticulously chosen to capitalize on these shifts and allow you to gain substantial returns. Consider these investments with a long-term horizon. Volatility is inevitable, particularly in sectors sensitive to policy changes and economic cycles, but we believe that the underlying value and growth prospects of these companies remain strong.

Thank you for trusting our insights.

You're either in control or being controlled,
The Control Group