THE MIKE ALKIN SHOW

TALKING STOCKS OVER A BEER

Announcer: Free and clear of the chatter from Wall Street, you're listening to Talking Stocks Over a Beer hosted by hedge fund veteran and newsletter writer Mike Alkin, who helps ordinary investors level the playing field against the pros by bringing you market insights and interviews with corporate executives and institutional investors. Mike sifts through all the noise of mainstream financial media and Wall Street to help you focus on what really matters in the markets. And now, here's your host, Mike Alkin.

Mike Alkin: Welcome to the podcast. It is Monday, January 14th, 2019. Hope you had a great weekend. If you're a football fan, you had your fill of football. Since we last did the podcast, gosh, it's a good thing I don't make my living predicting football score outcomes. Holy crap. I left the last podcast with, "Roll, Tide, Roll," thinking that Alabama would beat Clemson. Alabama got crushed. I mean, it was just nasty. I'm not a huge Alabama fan. I thought they would continue their momentum, though the week before, when Oklahoma put up all those points, I should have known. I just thought it was an anomaly, but it was really the sign of a defense that really was tired and struggling. Kudos to Clemson. A lot of my friends are Clemson Tiger fans, so that was great. I got that wrong.

This weekend was great. Pat Mahomes, Chiefs' quarterback, man, what just a stud. This kid is something else. Two years out of college, just really playing at such a high level. It really was fascinating to watch him play throughout the season, to watch the throws he can make and his mobility. His dad was a major league baseball player, and he grew up as a shortstop and a pitcher through in the high nineties, but playing shortstop gave him such, he had the skillset, the athletic ability, to play. You could see it the way he makes his throws on the run, all angles, blindside, no-look throws. Really, really fun to watch. Many, many, many years ago playing quarterback in high school, I just look at some of these throws that he made, and I laugh. I couldn't even contort my body the way he does let alone throw it like that. It's kind of fun to watch.

Saturday night, kind of boring. The Rams beat up on the Cowboys, but it was good. Nice storyline. CJ Anderson, who was cut I think three times during the season. He let the Ram rushing attack, racked up a hundred and twenty-three yards, so it was good to see him. I love the underdog. Always love to see a guy who's struggling and he turns it around and has a nice moment. I always feel good for them, and so that was good to see.

Oh, man, I owe my Pat fans a mea culpa, man. I thought this year they were vulnerable. They may still be, but, my God, they just dominated the Chargers, who hadn't lost a game on the road I don't think going into the season. They played in some tough environments. I didn't think the cold would bother them. I felt like Philip Rivers had ... this was might be his year, but, man, they just got crushed. The Chargers got crushed. Brady was Tom Brady. Those who listen know I think Drew Brees ... You can argue, right? It's all open to interpretation, and it's fun to go back and forth, but no arguing with Brady's five Super Bowls, but I think Brees is just a tad better, in my mind, but I'm a huge Brady admirer. They just dominated. The Pats were the Pats, and they showed everyone that a so-so season for them didn't mean anything. They're just hitting their stride.

The late game was the great Eagle-Saints. I thought for sure, Eagles start out fourteen-nothing. Frank Kersey is a huge Eagles fan, but I thought for sure ... The Eagles start out fourteen-nothing in a really tough place to play, in the Dome. I was in the Dome watching the Saints game in probably eighty-six, eighty-seven, something like that, and I couldn't even hear myself think. The sound level yesterday was crazy, listening to it on TV. But the Eagles jumped off to a big start, and then they settled in. Then the game settled in, took on its own pace. Drew Brees brought them back, and they're up by a few.

But towards the end of the game, the Eagles were driving there, like the 25-yard-line, and it just had that feeling that Nick Foles, backup quarterback, who came in last year when Carson Wentz, the Eagle's starting quarterback, got hurt, he took the Eagles to the promised land, won a Super bowl. Then this year Wentz gets hurt again. He comes in and it doesn't look like at that time in the season the Eagles were going to make the playoffs, but Foles just does his magic. Here he is marching them down the field, and you thought for sure with a minute and change to go that they were going to score. One of the most sure-handed receivers in the NFL, Alshon Jeffery, perfect pass from Foles right through his hand interception. Again, you feel for the guy. It was just, the air just left the building for the Eagles, for the Saints and the Saints fans. The sound was deafening.

Going to be some really good games on tap this weekend, and I'm really looking forward to watching them. My wife is very excited that the season is winding down now, but I made it a point, because I knew we had a lot of football to watch, and I had a lot of football to watch, but I still had my list, my chores, so I took my netted Christmas lights that go over my bushes, no ladders involved, took those down. Finished a little paint job on my daughter's bedroom. She remodeled her bedroom, and I did a little touch-up painting, got some, organized some closets, so it was good. It was one of those weekends.

What better way to wrap up a nice weekend with family, some football. My daughter and her best friend made a great dinner Saturday night, so what better way to wrap up a weekend than the on-a-tear New York Islanders just crushing the League's top team, the Tampa Bay Lightning, the Lightening who had won eighteen of their last twenty games, came in to the Barclays Center, a shit hole, but it is where the Islanders play a few more games. Most of them are now at the Coliseum, but the Islanders beat them last night five-one.

It was such a big turnaround, because the night before, the Islanders had won nine out of their last ten. They had beat the Rangers at the Garden, and then the Rangers beat them two-on on a cheap goal with a few minutes to go, but, God, and the Rangers, no offense, Rangers sucked this year, but it's okay. It's a rebuilding year for them. But Islander-Ranger rivalry, think about it, but they came back the next night, last night, and just dominated. I said dominated the Tampa Bay Lightning.

Now, I know, I know, you people have been given me crap all year long about the Islanders, that they'll fade. Well, they're sitting in the seventh spot. Right now, if the season ended today, they're in the playoffs and hitting their stride, so I'm going to antagonize a few of you who don't like the Isles. We're going to see how this goes, but right now I'm feeling pretty good. That was the weekend. Ended on a great note. Nothing like the Islanders beating the Lightening.

How about the markets? Do you like volatility? Let me see. How many commentators, how much TV talking heads, how many podcasts were out there when the market was down, getting hammered, saying, "Here's what you need to be doing. You need to be preparing. You need to be doing this and doing that and doing that," right? Telling you in the moment what's happening. Since the bottom it's up ten and a half percent.

When everyone's out telling you what their forecasts are and how bad it's going to be, you always listen to me, and I don't jump up and down, bearish or bullish, and I always say this, but I have a view, risk on, risk off, and I'm going to keep repeating it. If you don't like it, listen to another podcast. I don't know what to tell you. But that's the reality is, is there's volatility. That's crazy. You have to weigh whether or not the appetite for risk is there, and here you could see, just in the last month of December, on certain stocks it felt like there were no bids. People couldn't sell them fast enough. Just getting pounded. Then how do you explain, since Christmas Eve low, the market's up ten and a half percent.

The S&P gained two and a half percent last week. It was the third straight week. That's up ten and a half, ten-four, ten-five, since Christmas Eve. The Dow was up two and a half, the Nasdaq up three and a half. The Russell was up almost five percent. Every S&P 500 sector was up. The industrials were up four percent. Real estate was up. Consumer discretionary stocks were up almost four. Energy was up three and a half, IT. information technology, up three and a half, all outperforming the broader market when Apple shit the bed on earnings.

Think about that. Apple had bad earnings. Awful. They blame China. I blame, you're at a point where people are done with the upgrade cycle. They don't need to spend a thousand-plus dollars on a new phone. It doesn't really do much. It's not that different. There's kind of fatigue on the upgrade cycle. Used to be what? Twenty-two months. Now it's in the thirty-some-what-month range. Yeah, no kidding, because you run out and you spend a fortune. You get locked into a contract with a carrier, to realize, "It's okay, but really I'm kind of pissing money away here. What's the point of all that?"

Anyway, impressive to see that tech had rallied in the face of that. Who knows? Was it just a rally? The technical people who follow the technicals will say it was just a rally from a really oversold market, or obviously there's improved sentiment, and what's driving that? Okay, so let's go to the usual suspects. December employment report, that was stronger than people thought. There's reports that US-China trade talks, among the deputy officials, are kind of progressing well. Or was it the big one, that Fed Chair Powell said they're going to be patient with their policy approach. Read between the lines. There may be no more rate hikes this year. I think the market liked that more. Try figuring that out week-to-week, month-to-month.

Really, what that drove I think is you saw this willingness of investors to come in and buy the dips, intra-day dips. That makes the market much more resilient to selling. Think about buying the dips. That's been a pretty successful recipe for almost a decade now, right? You had this little period here where people were scared out of their wits, and that wasn't happening, but it started piecing it together. That's why I think you hear me, last week I talked about if I don't have anything to say, I might not do a podcast one week, and I got a bunch of emails saying, "No, no, we want you to do the podcast."

What am I going to do? Come out and tell you when the market's getting pounded, "Hey, I've been talking about this for ten months. I've been saying to position yourself for this," because now when it happens I'm on to look at the next thing and see what's going to happen. But when you have to fill airtime, when you're on TV or you're committed to doing this time and time again, I'm not going to come up here and say, "Hey, look what I told you. I think this could happen." We're going to look, it's kind of a rolling narrative, a commentary.

This past week, the last few weeks, the resilience to this selling a bit bad news has brought people back into the market. When I say bad news, yes, Fed Chairman Powell signaling maybe no more rate hikes, that's good, but earnings, Macy's, horrific numbers. American Airlines, bad. Apple, bad. Samsung, bad. Skyworks, bad. When a market's as fragile as this market had been, it wouldn't have been unusual to see continued selling. That's why I think the Fed commentary is really playing a big role in there.

Obviously, investors seeing some room for trade optimism. There was a scheduled two-day trade meeting at Beijing. It went into a third day. There's progress. Vice Premiere Liu is coming here at the end of the month, so there's optimism there. When you start to put it all together, you're still in an, "Uh." It's still precarious, right? It's fragile. One comment from a Fed Chairman or one comment on trade talks or something else that goes on, so I continue with my view of know what you own, know the valuations of what you own, don't be a pig. Bulls and bears make money. Pigs get slaughtered. Don't have to rush in hand-over-fist thinking you missed anything. Just keep a sober outlook on what's going on, and just stay in line.

I talked last week on a podcast about the importance of geopolitics and what's going on around the world. Things that I'm paying attention to this week, things that I think are worthy of attention and for you to think about how to think these through and the impacts. As I think about what's going on, what's happening that will catch my attention this week, there's a big Brexit vote that's looming. It's British Prime Minister Theresa May's, her moment of truth, because the House of Commons is going to vote on the 15th, tomorrow, on her Brexit plan. She's been trying like the dickens to win support from these rebel members of the opposition Labor Party while she's also trying to get reassurances from the EU about the nature of this controversial plan and its impact on Northern Ireland and the Customs Union. At the end of the day, she's still expected to lose the vote.

Now, what does that mean? It doesn't necessarily mean a disorderly Brexit, because she does get a chance to come back and present an updated plan to Parliament, and they could hold new votes. She can ask the EU for an extension of the negotiating period. I don't know how that's going to go with them right there. They're going to want to see I think a pretty solid plan of action for them to accept delaying it, but it's going to be interesting, because here, if you're in the US or Canada, you may not be noticing it every day, but there are wide ranging ramifications from it. Just keep your eye on what's going there.

Trade talks, obviously, you can't avoid it, because it's had such an impact on the market. These were really mid-level officials from China and the US that met, but it's a little bit of progress, and hopefully you'll see a little bit more by the end of January. A lot of people were saying earlier in the year that they didn't think trade talks would matter. Well, they do, right? They matter to investor sentiment, so that's something that I think you need to notice.

I think when you think about some of the topics that are going through, one of the big areas is China's access and purchasing of US agricultural and energy products. According to what I was reading, some of those differences were narrowed. They're working on solutions around really just Chinese structural reforms. How do you get better protection of intellectual property? That's a big deal for companies doing business there. It's hard, because it's a real big issue in terms of how much IP the Chinese want, take. We're going to see how that plays out. Keep watching that.

Kim Jong-un, the North Korean leader, he surprised everyone by showing up in Beijing. I think it was his fourth trip to China this year. He's trying to walk a tightrope and play both sides of the aisle, because he's supposedly going to be meeting with the US and South Korea. He wants to assure China that they're still a North

Korean partner in the face of these second-rounded discussions with the US, and he also wants to make sure that he has their economic support. Another thing to keep an eye on.

Mexico, there's been a government strategy to curb fuel theft from the state-owned refineries. They've gone in and audited them, enclosed them, and it's led to fuel theft and fuel shortages. The government has been using the armed forces to go out and audit these major refineries and fuel terminals around the country. They shut down major pipelines as part of the audit. In Mexico City, Guadalajara, massive lines at fuel stations. Fuel tankers piling up at the ports. Going to see how long that lasts and if that leads to possibly some social unrest if these shortages last much longer. A lot of manufacturing done there, so things to think about.

Huawei, I never say it right, but the massive Chinese tech giant that's been in the news a lot in the last few months. Not getting better for them. They continue to struggle. I think on Friday Polish authorities arrested one of the executives there and charged him and a Polish national with espionage. Huawei is facing ... It's a tech giant. Think Chinese government. Think one and the same. But they're facing continued pressure on really what its global image is and, more importantly, access for them to Western markets. Didn't get much better for them. Keeping an eye on that is because it's something I think worth noting.

On the Middle Eastern front, Mike Pompeo, Secretary of State, he's really trying to convince the allies in the Middle East that the US is still committed to their security and its anti-Iran strategy, and he's visiting there trying to let them know that while we're withdrawing from Syria, we still will support you. We'll see how that goes, but we know that the Russians and the Iranians are quite thrilled that the US is leaving. Anything of major note like that is worth keeping an eye on.

Something else that caught my eye, and it has to do with the Commerce Department draft auto tariff report, which laid out some choices for Trump. The latest draft report on Commerce's investigation into whether auto imports could pose a threat to national security under Section 232 by all accounts and reports by inside US trade is that they're drafting three options for Trump. One is to put a twenty to twenty-five percent blanket tariff on autos and auto parts. Also, a narrow list, which contains tailored restrictions in technologies related to automated connected electric and shared vehicles. Then the third option that's more comprehensive but a little less restrictive than a blanket tariff.

Why does that matter? Because it's looking, based upon the draft reports options, that the report will conclude that auto imports harm US national security. If you think about that, Commerce has I think until the middle of February to submit its final report to the president, and then he'll have ninety days to decide. It's interesting in regard to how the US auto and auto parts segment are imports are a threat to national security. It's useful in thinking about how they're thinking about it. If you think about the thing that's near and dear to my heart, the Section 232 on uranium imports into the country, where Energy Fuels and Ur-energy, the two US miners, have asked the Commerce to investigate based on the grounds of national security threat the importation of uranium into the United States market.

For those of you who have heard of this before, you'll hear it again. For those of you who are new to the podcast, the US consumes roughly fifty million pounds of uranium per year, and in the mid-eighties it produced as much as it used to consume and imported very little. Today it produces about a million pounds of uranium and imports nearly all of it. In any given year, it could be thirty-five, forty, forty-five percent come from the Russians, the Uzbeks and the Kazaks. Those are basically state-owned operators. They have been, the Kazak state entity, Kazatomprom just went public for a small portion of the company.

The US miners are basically saying, look, low costs over there, difficult working conditions, they don't have the environmental concerns. They can produce it cheaper, and they pump it in here, but at the end of the day nuclear power is twenty percent of our electric grid. The Nuclear Navy relies upon it. Then here we are in something as important and critical as nuclear power, both civilian and military, we are completely dependent on outside sources. That was in January. They brought the complaint to Commerce. Commerce initiated a review in July, and they have until April to rule on it. Again, I've said this before. You never know where it's going to fall, but don't be surprised, because it's the government, right? What seems obvious doesn't mean it's going to happen. Interesting to see that they view autos as an issue.

Anyway, speaking of uranium, I'm going to bring back my guest who was Part One a few weeks ago, before the holidays, Art Hyde from Segra Capital. Art, like me, runs a uranium-based hedge fund, and really knowledgeable, very good friend of mine, he and his partner, Adam Rodman, and I'm going to bring Art back on for Part Two.

Art, welcome back.

Arthur Hyde: Thanks a lot, Mike. Nice talking to you.

Mike Alkin: Well, you know, I promised listeners that we would finish our discussion, because we had some I thought unfinished business from our last call right before the holidays. We're going to get back at it and talk uranium. How you feeling, by the way? I know you had the flu.

Arthur Hyde: I'm feeling a lot better. I was on death's door, so apologies for missing last week. I've got some two-year-old ... Sorry, three-year-old twins that pretty much pick up every germ possible and bring it home, so ...

Mike Alkin: Absolutely. I'm sure your wife was thrilled with three young ones under three years old around the house while you're lying in bed and she's trying to get through the holidays. I'm sure everything was hunky-dory there, right?

Arthur Hyde: Oh, yeah, having the flu on a relative basis might be the easy way out.

Mike Alkin: Art, you and I talk about this, and you talk to investors. I talk with investors and people who are prospective investors, and we always hear the same question. It's so compelling, the risk reward, the supply-demand, the way you're laying it out makes it compelling. What's going on? How come we're not seeing these stocks just rip, because we have seen such a decoupling, it really started in October, but if you look through the performance of commodities throughout the fourth quarter, the price of uranium on the spot market didn't budge really, basically stayed where it was, up or down a few cents while the market's getting pounded and we saw other things getting pounded, yet the equities just really rolled over.

I get the question a lot. People would say, "If the market tanks, how are these stocks going to perform?" I would say, "That's a really good question. They are junior miners. They are highly speculative. Your guess is as good as mine until the market sees that the fundamentals are as strong as we think they are." In the early stages of a recovery, it's not apparent, but my view is always, in the early stages I don't expect them to certainly outperform, and being they're junior miners, highly speculative, junior miners, being very, very volatile, with betas of one and a half, some even higher, it means they'll move a lot more than the market moves.

Yet, we saw while they got pounded in December, on a relative basis, they were okay. The commodity held in okay, but the decoupling is there. The stocks have not done what the commodity has done.

From my point of view, and we're really close, I think, to those fundamentals starting to come through, and I think 232 clearing plays a role in that, but when that happens, my view has been, the market seeks out what's working. There's the old saying, "There's a bull market somewhere. You got to go find it." That's when it will happen, but how are you viewing what has been a period where fundamentals appear on the surface and below the surface, as you and I do, with our teams, improving, but the stocks aren't. How are you thinking this, thinking it through?

Arthur Hyde: You know, it's a good question, and I think we talked a little bit last time about, the question we get maybe more than anything else, which is, "If you guys are so right, why is the opportunity there?" It's worth talking about. The fourth quarter was maybe a little bit different. I think the damage done to investors in this space over the bear market can't really be overstated. You're talking about a group of companies whose market cap has been absolutely shattered, and you've also had a number of false dawns.

You had some excitement in 2015 when the Chinese started really putting some more concrete numbers around their build out over the next several decades. You had all of these opportunities where the supply demand fundamentals looked like they were just a few quarters out from improving, and those false dawns ended up I think really just crushing whatever optimism was left in the space.

I think the market generally is skeptical of the bull thesis, because they've maybe heard this story once or twice, and when you saw little bounces in the commodity price, nowhere near the nine- or ten-dollar move we've seen over the last year, but when you saw little bounces, traditionally you saw equities actually outperform. That beta moved to the upside.

What's different this time is it just hasn't happened. I think that shows you that investors just don't trust this move. They maybe believe that part of this, maybe twenty-nine bucks or so, is artificial. Maybe it's engineered by Cameco. Maybe they're waiting for some solid, long-term contracts to be disclosed to market before they're willing to recommit. I understand that.

The other thing, I guess high-level, until you see real long-term contracting come back to this market, I think it's going to be hard for people to move to the next phase of valuing uranium equities to really put the juniors through BCF, to really take that next stab to say these are real businesses.

I would also say that in an under-covered small market cap space, where retail flows can push names around quite a bit, whenever there's a market pull-back with the violent nature of what we saw in December, if you're not creating an incremental buyer day-to-day, there tends to always be a seller. I think that you saw some exacerbated moves on the month, especially in some of the more liquid names ...

Mike Alkin: Yes.

Arthur Hyde: ... where you just saw a buyer's strike, and people were unwilling to step in and catch a falling night. Also, highlight if people follow URA, I know you've spoken about it in your program before. It's obviously changed components. There was a big rebalancing last summer. I think your average investor expected the selling to kind of end with that rebalance. I think what they should really be focused on is the shares outstanding for URA as the ETF moves away from being uranium focused and adds some general companies and some gold companies, hysterically, you're going to see less and less investors view that as a way to play the cycle.

So, they may sell URA, and in theory, they're going to turn around and buy uranium stocks with that capital, so it shouldn't have that big an impact over time, but in a hard down market like we saw in December, where URA is losing assets and is a price incentive seller, you might see those investors not recycle capital individual names in real time. I think maybe some of the bounce we saw in January was that capital finally being put to work as individuals sold out of URA and maybe redeployed their money.

I guess the answer is, the when has always been to question this trade, and while we certainly saw some of the downside volatility associated with any junior mining sector, but uranium specifically in December, I don't think it's all that shocking, and I think what investors need to remember ... Every retail guy likes to pull up the chart of [Paladin 00:33:43] from the last cycle just because it's a pretty chart, but I think what they forget is, from the start of that chart to the peak, you saw many pullbacks. It's quite a violent ride, and I think if you're going to focus on this space and really the long-term fundamental thesis here, I think if you're day-trading it or looking to get in and out kind of week to week, you're going to end up missing things.

I look at it as committing capital. I look at pullbacks as an opportunity generally for the names I like, and I think as long as you have the right risk management framework in place when you choose your names and put together your portfolio, you can't really be that worried about the week to week.

Mike Alkin: Art, when I think about the narrative, one of the things I hear, and I get this question asked a lot is, all right, you've had production cuts. They may, may not be enough, but even if they are enough, as soon as you get uranium back to where it was, you're going to see all these mines turn back on, and it's just going to flood the market again. I disagree with that. I think it's complicated to restart. I think that it's been a multi-year bear market where these companies have been just absolutely destroyed, and at the first sign of the ability to get a little bit of pricing, they're not going to jump into the market. I think they're going to sit back and continue the course. How do you guys view that?

Arthur Hyde: I think it's a good point. When I step back and I ask, why are you so much more committed to the thesis today than you were eighteen months ago, they often point to supply cuts. I also talk to the changing site, the utility that we've certainly started to see. They're much more focused on the supply demand in balance that's going to occur at or the next decade than I think they were eighteen months ago.

Let's just step back and look at what's really happened on the supply side. Langer Heinrich came off. I don't think there's any way that you see that come back online at forty. Maybe people can debate me on that specific topic, but I don't think it's likely that at forty dollars they could forward sell their production in the high thirties or forty dollars if that would come back online, so I think it's a higher priced asset. I think that Cameco's been relatively clear where they want to sell their pounds. My view is that high forties into the fifties is where they'd like to start, and if they could get a six handle on pounds, it would be fantastic for them.

Outside of those two sources that come online, I would say, we could debate what quickly is, but they could come online if prices did move, I don't actually see a lot of global production that gets restarted with a four handle. We could talk about what the production cuts really were in Kazakhstan. I think they're misunderstood.

Mike Alkin: Let's talk about that, because we have a similar viewpoint on that, but why don't you share with listeners the misunderstood nature of the cuts and also the potential for production going forward. Let's just focus on that for a second.

Arthur Hyde: Yeah. I don't know that I blame the market. I think the commentary out of Kazatomprom was a little bit confused on that initial twenty percent.

Mike Alkin: Going back to December of '17?

Arthur Hyde: Correct, yeah. There were some Reuters headlines I think initially that said Kazakhstan's going to cut production by twenty percent. People got very excited. I think what the market really didn't understand was how those assets are operated. There's something called a subsoil use agreement, which effectively governs the production from each asset within Kazatomprom's portfolio. When those subsoil use agreements were initially put in place, they generally had upward sloping production profiles, and they had kind of a game plan of year by year what each asset would produce.

Prior to the Kazatomprom IPO prospectus and the disclosure that came out of that process, I don't think many people had much clarity about how Kazatomprom was viewing its portfolio, what production plans looked like. There was some disclosure through JB Partners, but they didn't have the overarching kind of game theory behind the organization, and we do now.

Getting back to, what they were cutting was twenty percent off of their planned production, so they had some future forecast by asset of production, and within most subsoil use agreements, they were allowed between ten and twenty percent deviation to the downside from targets. I think the market expected to basically take their 2017 production, chop twenty percent off it, and say that's the new baseline for Kazakhstan, and that's not the case.

I think the market's misunderstanding there probably confused a number of people, and then you saw once they realized they were talking about cutting off of projection and not cutting off of prior production, you saw the market start to question what was going to occur. I don't mean to go into too much detail on that. I would tell people if they're interested, the majority of these documents can be found online. It's worth reading through the prospectus. I'd say Mike and I were probably two of the only people globally that sat down and read it, seven-hundred-page disclosure document, the morning they registered, but it's worth piecing too. It does give you a better sense of what the organization's trying to do.

But the only other point I'd make on that is that there was some, in the investment community, there was some skepticism that there could be further cuts as a result of learning about these subsoil use agreements. Some people said, well, the agreements allow for a twenty percent cut. Well, now they've done that. Is there some floor to production so that the market doesn't rationalize, and if this isn't enough, are you going to see the Kazaks forced into production if it's more than the market can take?

I think that what was helpful to me is, in attending the IPO Roadshow, I asked that question directly. Anybody in New York probably met me that day, because I was the one that wouldn't stop asking questions from the back of the room, but they were pretty clear in their response. They said those agreements were negotiated with the government well before the bear market in most cases, and if there's one overarching point that we want to get across, it's that flexibility is now the name of the game. They understand that they impact the market with production. The government wants to optimize the value creation from these deposits. They are trusting Kazatomprom to give them market color and guidance, and if that means that additional cuts are required and it means that you have to go back to the government and renegotiate some of the subsoil use agreements, my takeaway was that they'd be willing to do so.

I think that, hey, the IPO of Kazatomprom was extremely important. I think it's taught us a lot. I think we're going to get a lot of disclosure in the future. It's going to be exciting to see them give market updates alongside Cameco, but I think that when people sit back and try to say has the cut been enough, I think we first have to define what exactly has occurred, and then we can analyze on an asset-by-asset basis how impactful these cuts have been.

Mike, not to jump to the point, but I come to the same conclusion as you, that fundamentally we are in a deficit and the shift has been quite dramatic. It is taking buyers a little bit of time to realize what that means over the long-term.

Mike Alkin: I agree with you there, Art. I think too in that document people look at it and they see the potential nameplate capacity, and they may get a little nervous that the Kazaks could increase it even meaningfully more if they want. We kind of view nameplate capacity and actual capital being spent at said currency rate that they hoped for going way into the future, and having to do some catch-up capital spending and getting the recovery rates that will be required for that is far from a no brainer.

Like you said, bringing in really by floating this company to the public and taking a value over volume strategy, again, remains to be seen, but they're signaling everything that makes sense that they'll do that. I also think it's interesting if you look at the shareholders of that fifteen percent that was floated, I believe about thirty percent of that went to the Kazak pension fund, the state-owned pension fund. I don't believe that they're in the business of hurting their own financial position. It is going to be interesting to see how that plays out.

Arthur Hyde: Not to interject, but the other thing we learned from those documents that I don't think anybody really had a great handle on was that there's not a ton of excess inventory there. I think that one of the worries, at least I and analysts had prior to that disclosure was, we don't really know what's sitting in stockpiles. We didn't really have a good sense for whether there was an extremely large inventory position that maybe put a couple year headwind on top of this market. Maybe break down, they walk through their inventory practices, and much like Cameco, there's a baseline of inventory they'd like to have on hand on a running basis to support their operations.

Then in and above that, at the June 30th mark, whenever the disclosure was out, they had an extra eight million pounds. Well, that was basically sold to Yellowcake, so it's no longer there. I think the idea that they're operating in a lean capacity without excess inventory is certainly a good sign for investors and kind of answers one of the key questions that were out there from a number of individuals.

Mike Alkin: That's primary supply. Secondary supply's been a big, it's been a big problem for the supply side the last seven, eight years, and it comes in all different forms. It comes in mixed oxide fuels. It comes in Department of Energy, the US selling some into the market. It also comes in what we've talked about before, underfeeding, which occurs at the enrichment phase of the fuel cycle.

Those numbers could be as much as twenty-five million pounds a year that it's been putting in. If you think of MacArthur River at eighteen million pounds, and MacArthur River being the biggest mine in the world, you essentially at some point in time had an extra mine and a half providing enriched uranium product into the market, and that really beat it up for a while.

As we think about that, it's something you really have to get a handle on when you're thinking about it. I was at this Nuclear Energy Institute Conference I spoke at in October. Both URENCO and TENEX, TENAM, the Russian enricher, and URENCO being the Dutch-English, indicated that the world is not awash in separative work units and finished ... and inventory, and they're not in the business of underfeeding, that they are really going to underfeed to the extent to fund internal research development.

One of them indicated that they would not be replacing retiring cascades, which they use to spin the uranium in, and UF6. So, our view is that there is a decline, and as well as having spoken with you guys over the past several months, that there's also a physical design limitation that comes into play. How are you viewing this eight-hundred-pound gorilla of underfeeding that has been in the market and its impact as we go forward into a new contracting cycle that's going to need to occur between the utilities and the miners?

Arthur Hyde: I think it's a specter of secondary supply is always something that has put people off for this market. I do think that underfeeding has surprised a lot of people, and I think the question you need to ask yourself, and I'm going to be relatively high level here, and if people want to follow up with me, they always can. But what you need to really ask yourself is, okay, now we have a certain amount of production coming from underfeeding. What is the scenario in which you see a drastic increase ...

Mike Alkin: Not to interrupt you, Art, sorry to interrupt you.

Arthur Hyde: Sure.

Mike Alkin: People can always follow up? I'll show you my inbox some days. You may want to rethink that.

Arthur Hyde: Yeah, it's a fair point. I'll probably get ...

Mike Alkin: I'm kidding, but they'll come out of the woodwork, so anyway ...

Arthur Hyde: I had a few after our last discussion. If I haven't gotten back to you yet, I will. But I think the point is, people need to ask themselves whether they think global enrichment capacity is increasing. I think for the most part, maybe China's plans aside, it's not. I think as a business, as a spread business, enrichment's at its lows. What I mean by that is when you talk to people on the enrichment side, I almost think that current negotiations are around, hey, we need

X amount just to operate the facility, and if you don't give us that, we as a business no longer make sense.

Tell me, is that generally what you've heard when you've talked to folks within the fuel cycle?

Mike Alkin: Yeah. Yeah, pretty much. Very similar. What we've heard in our discussions is that underfeeding is ... I hate to use the term peaked. You see peak gold, peak oil, peak all that stuff, but really that underfeeding is going to recede. From both an economic standpoint, these contracts that the enrichers had in the last contracting cycle, which is similar to a contract between a utility and a miner, they could be seven, eight, nine, ten years, they were getting SWU pricing of a hundred and fifty to two hundred dollars per separative work unit, and now it sits at thirty-eight.

They're not going to reenter those contracts. That's not where they make their money, and so it is, it's something that they are cognizant of. Look, if you think about it, this market, from both the miners and the enrichers, you talk about oligopolies and really duopolies, you talk about a really tightly controlled market. We think about uranium. What? Over sixty percent is controlled by the top two players. You talk about enrichment. You've got basically three of them that control the market. If they're not making money, it behooves them to show discipline, and I think that's what they're starting to do.

Arthur Hyde: Yep. I think what people can do is, people can go ... Have you walked through on this podcast the basics of enrichment? Have you ...

Mike Alkin: I have. I have along the way. What I've tried to do is try avoid going down a rabbit hole in doing that, because you know, it's complicated and it's a lot of math, but from a high level, and I have when I've spoken publicly, I talk about it, so not to the extent that you and I have done it but enough to hopefully give a little overview, but feel free. Have the floor on it.

Arthur Hyde: No, without going down too much of a rabbit hole, I guess at a high level, and you can go online and WNA website will break this down at a high level. Then there's, you can go on URENCO's website. They actually have different calculators where you can do different scenario analysis about price of uranium, price of SWU, et cetera, and derive what your optimal tail's assay would be in different scenarios.

I guess the scenario I've always been maybe a little bit focused on is, in the event where you have a run-up in uranium prices due to supply demand dynamics that we often discuss, but you don't necessarily see a run-up in SWU prices, because you continue to see overcapacity from an enrichment standpoint, in theory, your optimal tail's assay goes lower, and so in that scenario, I think many people have been focused on ... Maybe not many people but people that have [crosstalk 00:51:25]

Mike Alkin: The five people [crosstalk 00:51:26] who pay attention.

Arthur Hyde: Could you really see an increase in underfeeding which would result in excess supply in the secondary market? Long story short, when you break it down, you look at both the design specifications of URENCO's facilities and the Russian facilities and you compare them to where we are today in terms of an optimal tails assay, long story short, you get to the point where we are kind of peaking. I don't believe I've been able to come up with a scenario where you see large amounts of increased secondary supply as a result of these dynamics.

Again, people probably just want us to come on and talk about Cameco and contracting and all that stuff, maybe just a little bit more in the weeds, but if you're going to be focused in this space, I do think understand that [inaudible 00:52:25] cycle is extremely important and spending time at each part of the process to understand how it could impact supply and demand.

Mike Alkin: I think that's a great point. It's critical. I think about all the questions that I get asked on a regular basis, and I get asked a lot about 232, which way is it going to go. I have no idea. I was just saying before you came on, I was saying on the podcast, how the latest draft report on the Commerce Department's investigation into the auto imports posing a threat, Section 232, the draft report looks like they're going to recommend to the president that it is a threat to national security. I was saying in my introduction, okay, well, if selling BMWs into the US ... I didn't say that, but selling cars into the US is a threat to national security, one would think there's some basis for something in 232 to be worked through, but you don't know. It's the government. They could do anything.

The way I have viewed the Section 232 petition is, like any market, uncertainty is not conducive for higher prices. It creates fear. It creates that uncertainty. It creates a paralysis sometimes in decision making. My view has been that the Section 232 outcome, one way or the other, provides the seeds for the next phase of the recovery that you and I both believe is there, but for the market participants who are actually committing capital to purchasing uranium, will start to realize.

More importantly, they will be prepared to start committing capital. As you think about the waterfall of expirations that occur in the contracting cycle, whether it's thirty or thirty-five percent by 2020 and then it accelerates rapidly from there, the utilities are in a position where they're going to need to come into the market to start contracting here. When it clears, that provides some clarity on it. Then it leads to price discovery, and that's where negotiations take place, and that's where somebody's asking for sixty, and they're saying the price is twenty-nine at spot right now. Are you out of your mind? Okay, great, we're not going to do it, or we are going to do it.

My view is we start to see that long-term pricing start to move up higher. What's your view? How are you thinking about 232 and its role in all of this?

Arthur Hyde: We talked a little of this last time. I would say 232 is extremely important, and I think you're right. From my standpoint, for the macro to trade, the high-level supply demand, what price should uranium be over time and what should the valuation of these assets be over time. I don't think it matters. I think it certainly matters for US producers. I'll stay away from discussing any single names, but I would say that clearly the viability of some producers is dependent on this outcome. I think globally for the trade, this delay has given utilities time to start to think about what their needs are and start discussions.

I think those are ongoing. I believe that utilities, can't say for certain, but I believe the utilities are currently talking to producers and potential producers about pricing in different years. Why you haven't seen much go through in the market, I think that the wheels are turning. I would say that, I've talked about how I think the cost curve is misunderstood and how I think specifically in the US there's maybe been some over-promising on what could be produced in different time periods and under different cost assumptions. That's simply because I think that there's going to be significant cost inflation if US production has to ramp up quickly.

I think that it's not as if twelve million pounds or ten million pounds, or whatever ends up happening ... I'm not sure it will, but let's say it does, I don't that that's going to drive global pricing. The tail won't wag the dog that much. But I do think maybe there's going to be some winners chosen. I think that what people have to remind themselves about these assets is when somebody says they can produce two- or three hundred thousand pounds for five hundred thousand for an asset, generally with ISR we're not talking about twenty-year projects here. There's significant CAPX, maybe you can expand the asset, but we're talking four- to six-year assets a lot of the time.

I think the question for these producers ends up being, even if top tier producers get contracts and they end up ramping up, what does that pipeline look at if you're signing a ten-year contract. How do you fuel that in out years? I think anyway there's a lot of interesting analysis to be done within the US. There's a lot of different permutations that this could take, but I think, yes, for the next six months, it's an extremely important component of the thesis, and I think that it's what's holding back contracting.

I don't know. If you asked me six months ago or so, I would have said that I expected some sort of a settlement to occur. I felt that Commerce didn't necessarily want to administer this program. I felt it was complex to have them involved in the contract dynamics, and I felt that some sort of a settlement between the petitioners and maybe a large group of uranium producers and utilities was likely, and it was going to be a win-win for everybody, US production was maintained. Utilities got a small portion of the uranium domestically, but generally if you continue to go into the open market, they didn't have to deal with Commerce on a month-to-month basis.

I guess my view is that maybe the horse is out of the barn and that there will be a resolution one way or another. What form that takes is maybe a broader debate, but that's my current thinking.

Mike Alkin: Art, as we take our stroll down the bear case, we just talked about production cuts. We talked about mines easily being turned back on, as the bears would have it. We talked about their belief that underfeeding could be growing. You of course can't have a discussion about nuclear power without talking about China and its role, being it is so critical to the growth of nuclear power over the coming decades.

Some bears will argue that you haven't seen new construction starts in a while, even though they've been on a binge for a while where they were starting them, and now they're coming online, but you haven't seen it come online, where we think that, from everything we have learned, there is the same commitment to nuclear power, and nothing has changed on that front, and the narrative is consistent with nuclear power being a key part of the energy portfolio for the Chinese for decades to come because of the base load clean nature of it and that they were waiting for a few, the newer generation reactors, to get up and running, and to then decide which route they're going to go from a reactor standpoint. How do you guys view the China part of the equation?

Arthur Hyde: It's a good question. I think that this probably goes back to how I introduced our firm in the last discussion. Fundamentally, we have been an emerging and under-followed market shop. We came at this thesis starting with the Chinese demand backdrop. We're not traditionally, quote, unquote, "uranium guys." We like this trade because we think the supply-demand dynamics are extremely attractive, and China's a huge part of that.

What I would say is, yes, there has been a delay in construction starts. Largely, we believe that's due to the fact that [gentry 01:01:07] reactors are not online yet. You've now seen a few AP1000s come online, an EPR unit. You've got a [qual-on-one 01:01:16] unit coming online, internet, six to nine months.

I think one of the more bearish things that could have happened in the thesis is if those units were delayed an additional year or two. As late as last spring, you still had some analysts questioning whether those units would be online at all before 2020. The idea that we now have several up and running with operating histories and you have ... I think this also has to do a little bit with that East versus West investor psyche.

In the US you guys may not have seen it, but if you follow Chinese newspapers, they have done a massive victory lap, being the first country to have the AP1000s online. It's been a huge point of pride for the government. They've been touting themselves as the leader in nuclear power globally, and you've seen countless articles effectively saying that the US has stepped back from their role, and this was a Russia and China driven industry.

I think that the reason you see construction starts was that they didn't have a game plan, per se, as to which technology is going to be the front runner for their next wave of reactor development. The Chinese tend to build reactors in waves, so it's not just like two a year running. They tend to announce eight to ten of them. Then there's a pause, another eight to ten. I think that now that we have operating histories for a number of units, you'll actually start to see in the next six to twelve months a game plan put in place and a build-out schedule put in place.

We have tons of contracts ... Sorry, contacts in country [inaudible 01:03:05] that we spend a lot of our time on. I would say that the story we're hearing on the ground is much more bullish than it was six to twelve months ago, so that's where I sit.

Mike Alkin: One of the questions I get quite a bit, and I'm sure you guys do too, is, well, there's a pipeline of mines under development that could come online, to which I answer, hey, there's no new green field production coming online. This is not like Shell Oil or LNG. From application to production ... to discovery, to application, to production, it could take a couple of decades. But, importantly, and depending on a jurisdiction, this industry works in dog years and that when you look at many of the major projects ... I think we had it down to thirty-two that we were looking at that had economics attached to them, and the math simply doesn't support in any way, shape or form, capital expenditures being spent. There's not a chance they're going to get financing to build these mines unless we see the price of uranium north of fifty dollars.

As you believe, as I believe, I think you believe, when you look at just pure demand for uranium heading out into the future and including a Draconian assumption on closures around the world and adding the new starts, without getting crazy on any proposed reactors or planned reactors, there's a shortage of uranium that's going to require new mines coming online. We don't see any possibility of these mines coming online unless you see a near doubling of the price of uranium from here. How are you viewing new capacity, green field expansion, into your thinking?

Arthur Hyde: From my end, and I kind of want to hesitate to go into any real asset-specific ...

Mike Alkin: Yeah, yeah, no.

Arthur Hyde: But at a high level, I'd say that the overstatement of production has been an issue for this industry for quite a while. If you just look at the WNA comes out every year with reports that will outline what they believe supply and demand's going to be. If you just look at the category of mines in development, it's included tons of projects that never came into production. They're perpetually delayed or never get financed. They've got everything from Berkeley's projects to several others, that have been, quote, unquote, "in development."

I think what a lot of forecasters, whether it's a consultancy group or whether it's the WNA, what they incorrectly do is assume that because a project is out there with a timeline, it's going to be there regardless of the market. These are extremely price-sensitive developments. If they had their production for what's sold in the contracts, yes, you can start to make assumptions about whether they would be there, but to explain that five million times the production from X project is going to be online in 2022 and then to think that your haircutting your probability by putting a seventy-five percent or a sixty percent likelihood of that occurring into your model isn't really doing analyst work. What you should be doing is saying, in this price environment, under these assumptions, or with this financial backing, we have a project or we don't have a project.

Mike Alkin: Yep.

Arthur Hyde: I think in any other commodity that work would be being done, but I think there's this worry ... I talked a little bit about the great uranium cartel last time and why there's this worry within the industry about being viewed as discussing pricing or discussing market dynamics in a public forum. There's all of this nervousness. People don't want to be viewed as trying to influence prices, but bottom line, these are commodities. At a certain price they work. At a certain price they don't.

When we build out our supply demand projections, we go asset by asset, and then we really calculate what economically is needed and then who the base is that's going to finance it and the likelihood of that occurring. It's really just Commodity Analyst 101, but it's shocking that the industry participants that depend on this information for deciding whether they're going to buy towns or not, haven't gone through the exercise.

I guess we apply a degree of steps, the projections we put forward, and we spend a lot of time with management teams, with consultants, with geologists, but I think that when you look at an industry report that assumes XYZ production, all I'd say is nobody assumed MacArthur was going off two years ago.

Mike Alkin: Right.

Arthur Hyde: When they announced an eleven-month shutdown, you still had the big names in the industry saying, come back online in eleven months. Now if you look at a lot of projections, whether it's on the sell side or from consultants, they'll say, sometime between 2020 and 2022 this thing's going to be fully producing again. The answer is, it's price dependent.

Mike Alkin: A hundred percent.

Arthur Hyde: If you want to assume you're going to have a full year of production in 2020, well, guys, we're making that decision in '22 at the latest. I think people have to understand that there's a delay in this industry, whether it's for new assets or assets coming back online. Before we're going to have to see substantial changes in production we just have to see higher prices.

Mike Alkin: As I said when I spoke to these fuel buyers in October, hey, look, great job. Kudos. You did a wonderful job holding out of the market. The miners should be ashamed of themselves. They increased production. They were counting on megatons to megawatts ending and you'd stop seeing twenty million pounds from down blended Russian warheads entering the low enriched uranium market in the US to power the reactors. They didn't anticipate the US government for a while selling some excess uranium, but because you guys work in an industry that is actually growing, contrary to what conventional thinking is, it's a grower, at least one percent a year, we think, and in different scenarios, could be higher. There's a math problem.

You said something, Art, that ... I used to engage a lot on Twitter, but I don't as much anymore, because you can pick apart and cherry-pick any number and say, aha, this is why it's not going to work, but until you have the total picture, it's a different story, because there are so many things in our viewpoint that could go not quite as we thought, and we're still in a deficit.

I get asked a lot, I don't know about you, is what are your deficit numbers. Give us your supply demand numbers. Yeah, okay, I'm going to share that with the world. Those are proprietary, and that is for you guys to go figure out, someone else to go figure out, but we view it as there. Like you said, it is so price dependent. That is what it is for. If you don't get the pricing, you don't get the uranium. It's that simple. That's how we're viewing it.

I guess, and not getting into specifics at all, but how do you think about portfolio management of your uranium fund? How do you guys think about the, a big position or a little position, and your time horizons, give people a flavor for your thought process there.

Arthur Hyde: I guess starting from the end, from a time horizon perspective, I think that you need to be able to commit capital to this space for ... We're talking quarters, years, not week-to-week and month-to-month. I think if you're in the game trying to play little momentum swings, again, it's just not what we do. We think the fundamental piece is, over the next two years specifically, is very attractive, and we tend to invest at a long-time horizon, so that's part one.

Part two, I think that what's probably undervalued most is quality at this point in the cycle. People talk about pounds in the ground versus enterprise value. I understand why in a junior resource space that might be a simplistic way to look at the world. I think the economics of these assets, the likelihood of being financed and built, are all over the map. I think that one pound is in X jurisdiction with this cost basis is very, very different from Y pound in a tougher jurisdiction with less likelihood of being financed.

It's all about what the market's giving you and what the valuation is currently implying, but I think the quality is mis-valued here, and I think that the dangerous part of this market is, for the smaller cap names, there are some extraordinary opportunities, but there are also some companies that I can't see being valued at, frankly, anything.

Again, I don't want to be cryptic. Ideally, I'd like to be able to go into this more detail. We don't, outside of our investor base, but I would just be extremely skeptical of management teams that are either practicing the urology, which is a bit tongue-in-cheek, but just, hey, we're right next to this asset, so we must be worth something, or companies that are pitching themselves as maybe a platform company, somebody that's going to be able to go out and consolidate and built a portfolio better than the next guy.

I think those are, they may work on paper. They may work in blue sky environments, but I think that there's real value, there are real business models out there. Currently, we always like to think in oil and gas terms, because we're kind of Dallas-based and talk to a lot of energy guys. Permian deep offshore in many cases are being priced the same, so we believe that the relative risk versus the reward if we're right is massively skewed from a quality standpoint.

Mike Alkin: That's a good answer. Anything else that you want to talk about in the world of uranium?

Arthur Hyde: You know, I think that at a high level, this trade's a lot about game theory. I talked about that a little bit in our last discussion, but just understanding the incentives present in the market, understanding the buyer base, understanding what producers are thinking and what they're incentivized to do, we're really talking about a unique commodity in a lot of ways. One of those ways is that upwards of sixty percent really controlled by two players, and I think that when you step back and walk through the permutations of what likely occurs into the end of a contract cycle, you come away with a relatively bearish ... I'm sorry, relatively bullish view. I think that we can follow up as catalysts hitting the space, happy to jump back on if people, again, want to talk uranium and are at an institutional level, let me know. But I think it's going to be an exciting space to watch.

One other thing that I would bring up. We talked high level about these assets that have been taken offline, and we talked a little bit about in different price environments, whether they come on, how long it takes them to come on. The other point I'd make is if prices don't go up and incentivize new kind of green field production into the next decade, we run into a serious problem. You can have MacArthur River and the Kazak cuts get reversed.

In fact, most analysts have those coming back in at the early part of the next decade. Even with those in production, you still run into decently large deficits towards the middle to the end of the decade as you have Cigar Lake Phase 2, which probably doesn't occur at current pricing, at least if you listen to Cameco, we're nowhere near incentive pricing for that investment. Colemanac [so mare rossling 01:16:45], you just have a number of assets globally that are going to come offline.

I think what the market needs to understand or should be focused on is the idea that naturally, due to lack of investment over the last ten years, we have a number of assets globally that are going to run off, not because they're not good assets, per se, but just because they're out of bore for its current investment.

If we don't start to replace those today, then forget if demand's going to grow or not. If demand just kind of trends along where it currently is, we run into real issues. Again, as you've said many times, the investment cycle in this market is long. In order to get that ore out of the ground, through the fuel cycle, and into a fuel buyer's hands, you need seven years, give or take. Maybe you can do it a little quicker in a bull market, but at the end of the day, we should be looking out at 2026, 2027, 2028, today and trying to think about what's needed.

I think if this market really wants to be constantly focused a year or two ahead of it and just looking a couple years out, you're really going to run into significant issues. That's why in some ways the longer this bear market lasts, the better it is for a Cameco or a producer, because they're going to have more pricing power, and it's going to be more violent when it does turn.

I would like to think that this market and the buyer base is rational enough to start putting contracts out and start locking in and incentivizing some development for the middle of the next decade today, but if it wants to wait, it will see the results. Maybe another follow up is kind of right tail risk, this market, but I think underinvestment and shortsightedness eventually comes home to roost.

Mike Alkin: Just imagine if there were environmental regulations put in place in the US on shale and fracking. Just imagine if natural gas wasn't always sub-three-dollars, the impact that that could have. There's a lot of right tail risks that could come into play.

All right, man, great stuff. Always enjoy having you on. Always talk to you ... Well, we talk regularly, so I'll speak to you soon. When there's stuff to have you back on, when there's interesting stuff in the market, we'll get you back on.

Arthur Hyde: Okay, terrific.

Mike Alkin: Thanks, Art. See ya.

Arthur Hyde: Bye.

Mike Alkin: All right. I hope you enjoyed the conversation with my buddy, Art Hyde, a fellow uranium hedge fund manager. Sharp guy. I mean, crazy smart. He and Adam, his partner, Adam Rodman, who I've also had on before, do a ton of work, deep dive, are constantly talking to people in the fuel cycle, good people. I really hope you enjoyed speaking.

I have to run. Got to take my little guy to the doc. We think he has the flu. That or he wanted to stay home and play Xbox NHL. I don't think so. He feels warm, so we're going to go check that out.

We do have room. It's limited seating, but we do have room for those of you who would like to jump on the New York Islanders' bandwagon. I know that it's starting to come. There is a little bit more room for the 25, 15 and 4 with 54.7 place in the playoffs positioning to jump on that bandwagon. We won't hold it against you. We welcome any and all, so ...

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