Winter 2026

Here's a rule nobody teaches at school: every dollar you owe is a dollar that can't compound for you —
Charlie Munger

Debt is a silent killer. It starts small, almost unnoticed, like a tiny leak in your boat. Left unchecked, it compounds relentlessly, quietly eating away at your future. You don't fix a sinking boat by buying a faster engine—you patch the hole first. Debt is the hole. Paying it off is the best risk-free return you'll ever find.

Getting rich isn't about being smart. It's about staying in the game long enough for compounding to work—and debt kicks you out early. Buffett and Munger built Berkshire Hathaway almost entirely debt-free.

Earn the right to invest. Buy back your freedom first by killing the debt that owns you. Once you're free, compounding finally becomes your ally. Stay debt-free.

Full transparency: these potent financial insights aren't my own. They belong to the late Charlie Munger, shared in the final year of his life. I merely borrowed them to pass on. I hope this wisdom deeply resonates with, and inspires, at least a small handful of young people.

However, not all debt is equal. A low-interest mortgage is technically debt, but it usually doesn't kick you out of the game the way credit cards or personal loans do. You might still carry a mortgage while investing—but any debt that threatens your financial freedom must go first.

When "Smart Money" Gets Stupid

The pitch sounded bulletproof: borrow $10,000 at just 3% and invest it in a blue-chip bank stock returning 20%+ on equity. You'd pocket the spread, ride the dividends, and laugh all the way to early retirement. Except one investor who made exactly this bet in 2005 isn't laughing. They're still nursing their wounds 19 years later.

Picture this: every single year, without fail, you owe $300 in interest. It doesn't matter if the market crashes. It doesn't matter if you lost your job. It doesn't matter if your "sure thing" stock just cratered 80% in the financial crisis. The bank still wants its $300. For 19 consecutive years. Total damage: $5,700 in cold, hard cash—money that had to come out of your checking account, whether you had it or not.

Remember Bank of America in 2005? The ROE machine printing 20%+ returns? By 2009, it was a stock fighting for survival. Our investor watched their $10,000 investment plunge to around $2,000 and spent the next decade in purgatory, waiting... hoping... praying for it to just get back to break-even. Fast forward 19 years: The stock finally crawls back to roughly $10,000. No gain. No glory. Just relief to see daylight again.

"But wait," you're thinking, "what about dividends? Weren't they supposed to cover the interest?" They were. Until they weren't. When the financial crisis hit, BAC's dividend didn't just drop—it was essentially slashed almost entirely. A 99% cut. For years, the income stream our investor counted on to service the debt simply... vanished.

Over 19 years, total dividends collected: somewhere between $2,500 and $3,000—depending on the exact timing of the purchase. Either way, nowhere near enough to cover the interest payments.

After nearly two decades of stress, sleepless nights, and holding through the worst financial crisis in 80 years, here's what our investor has to show for it:

- Stock value: $10,000
- Principal owed: $10,000
- Net from stock: $0
- Interest paid out: $5,700
- Dividends received: $2,500-$3,000
- Net cash destroyed: -$2,700 to -$3,200

The cruel irony? If they'd just invested their own $10,000, they'd at least have their original money back. Instead, they're thousands of dollars poorer and 19 years older. Leverage doesn't just amplify your gains—it transforms mediocrity into disaster and turns survival into defeat. Every dollar you borrow is a promise you must keep, no matter what the market throws at you. And the market *will* throw everything at you.

The Eighth Wonder of the World

Compounding has been called "the eighth wonder of the world"—a quote often attributed to Albert Einstein. Hyperbole? Not when you understand its true, silent power. Compounding is the reason fortunes are built, and it's a force available to everyone who simply masters time and patience.

The magic is simple: when you invest, you earn a return. But when you immediately reinvest that return, your next return is calculated on a larger base (your original money + your gains). It's earning interest on top of interest.

Picture a tiny snowball being rolled down a long hill . In the beginning, it seems slow and unimpressive; it barely grows. But with every rotation, the surface area increases, and it picks up exponentially more snow. This is the difference between simple and compound interest. Simple interest is a straight line; compounding is the hockey stick curve that bends sharply upward. Time is the hill.

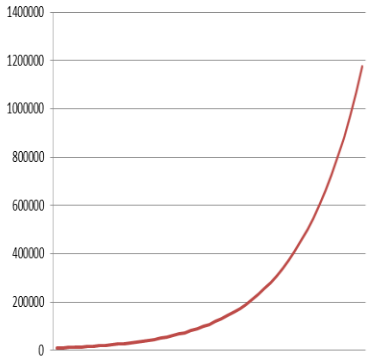
Compounding’s true wonder is that it makes time more valuable than money. The person who starts investing $100 a month at age 25 will almost certainly end up with far more money than the person who starts investing $200 a month at age 35, even though the latter contributed more total cash.

In a compounding journey, the first decade might only net you a fraction of your final wealth, but the last three years could account for more gains than the first fifteen combined. This is why the first financial lesson is to start now, not to be the smartest investor. Every day you wait is a day that the compound interest clock isn't ticking for you.

Owning a stock in a strong company isn’t about timing the market; it’s about letting your money work quietly and steadily. While debt magnifies losses and forces constant stress, compounding works best without pressure. Even a modest, well-chosen investment, started early and held long-term, can grow exponentially — turning patience into wealth.

If you really want to see what smart money looks like, you don’t need leverage, derivatives, or a clever spreadsheet. You just need time. Take a simple example: someone who invests $10,000 into a great business earning 10% a year. No debt. No stress. No margin calls. Just quiet, steady compounding.

After 10 years, the investment grows to about $26,000. After 20 years, it grows to roughly $67,000. After 30 years, it becomes almost $175,000. After 40 years, it crosses $450,000. After 50 years, that initial $10,000 turns into more than $1.1 million.



No tricks. No leverage. No sleepless nights. Just the unstoppable math of compounding. That’s the Buffett lesson: the real “secret” to wealth isn’t debt-fueled bets — it’s owning pieces of great businesses and letting time do the heavy lifting.

Circle the Wagons

The goal now becomes deceptively simple: stay out of debt and own a handful of long-term compounders. That’s it. Nothing more. Nothing less.

In the Autumn 2020 edition, I added XPEL to the “Intelligent Cloning Portfolio” when it traded at $15. Today it trades around $52 — a 25%+ annual return over five years. Impressive, yes, but here is the crucial part: this is only the warm-up. Selling now would interrupt the most powerful force in investing — multi-decade compounding.

Most investors never experience the true magic of compounding because they interrupt it too early. They cut the flowers and water the weeds. They sell their best companies because they “doubled,” and hold on to the mediocre ones hoping to get back to even. This is precisely the behavior that destroys long-term results.

Mohnish Pabrai developed a powerful antidote to this destructive instinct — a mental model he calls “Circle the Wagons.” The idea is simple but transformative:

- Do not cut the flowers. Hold on to the great businesses for dear life.
- Do not pay fancy prices, no matter how good the business is.
- Focus on elite businesses with elite people and very long runways.
  - ✓ Wide, durable moats.
  - ✓ Proven ability to reinvest capital at high rates.
  - ✓ Real economics, not accounting smoke.
  - ✓ Minimal leverage — returns driven by the business, not the balance sheet.

If you find a company that meets these criteria, you "circle the wagons" around it. You protect the position. You do not sell because of noise, volatility, or boredom. You think like a business owner, not a stock trader.

XPEL is a textbook example of why this mindset matters. Five years of strong returns is nice, but the real wealth comes in years 15, 20, and 30 — where compounding quietly turns a good decision into a life-changing one. The only requirement is that you do not interrupt the process.

There is a nuance to it though. N*ot interrupting the process* does not mean blind loyalty. You still have to continuously monitor the business. If the fundamentals deteriorate and the company slips from "great" to merely "good" — or worse — you sell, no matter how long you've held it. The point is to avoid cutting the flowers and watering the weeds, not to hold on stubbornly.

Most investors fail not due to lack of intelligence, but due to lack of patience. "Circle the Wagons" is a way to systematically avoid that failure — while staying disciplined enough to exit when the moat erodes and the original thesis no longer holds.

Here is why I believe holding on to the stock makes sense. XPEL's latest earnings reveal more than just another solid quarter—they signal a fundamental transformation in how this protective film leader plans to compete over the next decade. Here's what investors need to understand about this pivotal moment.

XPEL delivered $125.4 million in revenue for Q3 2025, marking 11.1% year-over-year growth. For the first nine months, revenue reached $353.9 million, up 13.1%—putting them on track for roughly $470+ million in annual revenue. This represents remarkable momentum for a company that was doing under $400 million just two years ago.

But the headline number conceals a detail: gross margins compressed to 41.8% from 42.5% in Q3 2024. CFO Barry Wood was candid about the cause—"unfavorable, non-tariff related price increases that were not in line with the market." Translation: their suppliers squeezed them, and competitive dynamics prevented passing costs through fully.

The silver lining? Operating cash flow hit an all-time record of $33.2 million in the quarter, demonstrating the underlying strength of the business model even as margins temporarily dipped.

Here's where things get interesting. XPEL announced plans to invest $75-150 million over the next two years in manufacturing and supply chain infrastructure through capital expenditures, acquisitions, and joint ventures. The target? Gross margins of 52-54% and operating margins in the mid-to-high 20% range by the end of 2028.

CEO Ryan Pape called this "a meaningful inflection point for the potential future profitability of the business." And he's not wrong. Moving from 42% gross margins to 52-54% would be transformative—adding roughly $50+ million in additional gross profit at current revenue levels, let alone what they'll be doing by 2028.

XPEL's historical business model has been notably "asset-light." They've outsourced much of their film manufacturing to third parties while focusing on conversion, quality assurance, software (their proprietary DAP platform), and their certified installer network.

This strategy worked brilliantly during the growth phase—low capital requirements, high returns on invested capital. But it created a vulnerability: supplier pricing power, exactly what bit them in Q3 2025. By bringing more manufacturing in-house, XPEL is:

- Protecting margins from supplier squeeze
- Improving product innovation speed with direct control over production
- Enhancing quality consistency across their premium product line
- Creating barrier to entry through vertical integration

Think of it as XPEL graduating from scrappy disruptor to established industry leader with the infrastructure to match.

XPEL's geographic diversification continues to accelerate. In Q3 2025, XPEL generated $125.3M across four key regions.

Region	Revenue (M)	Growth YoY (%)
United States	71.7	11.1
- Canada	13.0	-10.0
- North America	84.7	7.2
Asia Pacific	15.6	21.0
- China	10.1	11.2
- Other Asia	5.5	44.0
EU, UK, Africa	16.5	28.8
India, M-**East**	5.7	7.9
Latin America	2.8	0.5

The geographic mix reveals XPEL's successful international expansion strategy. While North America still drives two-thirds of revenue, the international regions now represent 32.4% of sales and are growing significantly faster than the core market. Europe's 28.8% growth and the 44.0% surge in Asia outside China reflect the multi-year investments in local distributor networks, installer training programs, and regional manufacturing capacity. This diversification not only reduces concentration risk but also positions XPEL to capture growth in markets with rising vehicle values and increasing consumer awareness of paint protection solutions.

The late Q3 acquisition of their China distributor's assets positions them for more direct control in what remains a complex but enormous market opportunity.

XPEL is successfully diversifying beyond pure paint protection film, with total product revenue increasing 9.8% year-over-year (YoY) and representing 76.1% of total revenue. Highlighting this diversification, total window film revenue saw a stronger increase of 22.2% YoY, now accounting for 22.0% of total revenue. Furthermore, total service revenue increased by 15.7% YoY, contributing 23.9% to total revenue, and total installation revenue (which combines labor and product) grew significantly by 21.3% YoY.

XPEL's brand positioning has evolved significantly over the past five years, especially relative to its main competitors:

XPEL's Differentiation:

- Proprietary DAP software (Design Access Platform) creates precise, cut-to-fit patterns—a genuine technical moat that ties installers into their ecosystem
- Self-healing PPF technology with 10-year warranty positions them at the premium end
- Certified installer network ensures quality and protects brand reputation
- Platform + service mindset, not just a product company

A concise summary of the competitive landscape reveals distinct core competencies among the key players:

- XPEL → Precision, performance, software ecosystem, installer-centric
- 3M → Reliability, global brand trust, enormous scale
- Eastman (LLumar & SunTek) → Manufacturing power, chemistry expertise, worldwide distribution
- Avery Dennison → Diversified materials giant, broad but shallow presence
- STEK → Design-forward aesthetics and niche customization

The Key Insight: XPEL has carved out the premium performance segment (best protection, best self-healing, best software), while for instance 3M owns reliable mainstream, and STEK owns design-forward niches. This is why XPEL's vertical integration move is so strategically important. It allows XPEL to retain its premium identity and installer-first moat while closing the one gap that Eastman, 3M, and Avery had over them—cost of goods and manufacturing control.

The balance sheet supports their ambitious manufacturing plans:

- Cash: $64.5 million (up from $22.1M at year-end 2024)
- Minimal debt: Only $185K in total notes payable
- Operating cash flow: $64.3 million for first nine months of 2025

- Inventory: $128.7 million (strategic build-up ahead of manufacturing expansion)

With this cash generation and virtually no debt, financing $75-150M over two years is eminently achievable—either from cash flow, modest debt, or strategic partnerships.

XPEL is making a calculated bet that vertical integration at this stage of their maturity will create a sustainable competitive moat while dramatically expanding profitability. They're transitioning from a high-growth, asset-light distributor model to a vertically-integrated, premium manufacturer with global reach.

The $75-150M investment isn't just about saving costs—it's about taking control of their destiny in an industry where they've built the strongest brand among installers and enthusiasts but remained vulnerable to supplier dynamics.

If they execute, the 2025-2028 period could see XPEL transform from a $500M revenue, 10-12% operating margin business into a $650-700M revenue, 25%+ operating margin powerhouse. That's not just growth—that's a business model evolution.

Trading Bots

From long-term compounders to short-term momentum—the other half of the strategy. Over the last six months, I have designed, back-tested, and deployed a suite of 0DTE SPX trading bots using the Interactive Brokers API. These systems automate iron condor strategies as well as directional bull and bear vertical spreads, implemented in both credit and debit structures.

In a previous edition, I highlighted the dangers of selling naked 0DTE SPX options. The concern was straightforward: what happens if an API glitch, partial fill, or technical failure leaves you with an unintended short position at the worst possible moment? If the API becomes unreachable, you cannot adjust or hedge, and losses could escalate rapidly. The very features that make 0DTE options attractive—extreme leverage, fast time decay, and explosive gamma—are the same characteristics that can devastate a portfolio in minutes.

That concern prompted deeper research into the actual mechanics of how exchanges and brokers handle these scenarios. The findings are worth sharing.

After examining the plumbing—how exchange-level Cancel-on-Disconnect (COD) protocols work, how Interactive Brokers handles combo (BAG) orders, and how multiple layers of risk controls stack together—the picture is more nuanced than my initial assessment suggested.

The key findings:

- Exchange COD protection: If connectivity drops, exchanges automatically cancel all resting orders. You are never left with a stale order executing minutes later.
- IB's combo execution: Combo orders are routed as linked executions with a synthetic net price. Legs execute near-simultaneously or the entire package is rejected. The "one leg filled, three pending" scenario is rare.
- Stacked risk controls: Pre-trade margin validation, naked-risk prevention logic, and gateway-level Cancel-on-Disconnect all operate independently. If a transient naked position appears, IB's risk engine can auto-liquidate without waiting for your bot.
- SPX structural advantages: European exercise, cash settlement, and no pin risk. Even worst-case scenarios involve mark-to-market exposure, not assignment chaos.

For a lasting naked short to materialize, multiple simultaneous failures would need to occur: one leg executes while others do not, followed by exchange disconnect, gateway disconnect, bot crash, risk engine failure, and violent market movement—all at once. Not impossible in theory, but astronomically unlikely in practice. The detailed mechanics-level analysis is available in the companion research document: [Risk Assessment 0DTE SPX].

Given these mechanics, what about offering 0DTE SPX Trading Bots as a Service? The research suggests the risk is not trading risk but operational tail risk. With proper infrastructure, it moves into the same category as other low-probability operational failures that professionals manage routinely.

This does not mean the risk is zero. Servers crash, APIs lag, exchanges halt, and markets can move faster than systems react. A kill switch is a safety net with holes—it catches many errors but not every black swan. For retail participants without rigorous safeguards, the dynamite factory analogy still applies.

But the framing matters. The question is not whether 0DTE SPX can produce catastrophic outcomes—it can. The question is whether, with institutional-grade execution logic, stacked exchange and broker protections, and appropriate position sizing, the residual risk is acceptable for your situation.

Every investor trading 0DTE SPX should understand these mechanics and make their own assessment. The companion research document provides the technical detail; this chapter provides the context. Whether you conclude the risk is manageable or prefer to avoid the instrument entirely, that decision should be informed, not assumed.

For any potential TBaaS offering, this research clarifies that professional and institutional participants—those with infrastructure, experience, and appropriate risk tolerance—have a path forward. Whether retail access makes sense remains a separate question, one where caution continues to be warranted.

The bottom line: technology and exchange safeguards push 0DTE SPX risk into manageable territory for properly equipped traders. But "manageable" is not "eliminated." Every participant must decide where their own line falls.

The risks of 0DTE SPX—even with sophisticated automation—clearly necessitate exploring alternatives. That work is underway. The technology behind the 0DTE SPX Trading Bots has now evolved beyond index options. The same software framework can be seamlessly adapted to build fully automated trading bots for stocks, currencies and ETFs—opening the door to a far larger and more compelling trading universe.

And while more technically challenging, I also developed a Crypto Trading Bot that integrates directly with the Coinbase API that operates 24/7, with fully automated entries and exits. With both trading engines now operational, the universe of tradable assets has expanded dramatically. The key question becomes: which assets are best suited for these bullish momentum bots?

Let me take you through the journey so far. At a certain point, it became clear that one trading bot consistently outperformed the others: the crypto trading bot. Trading major cryptocurrencies such as Bitcoin, Ethereum, and Solana, it outpaced all alternative strategies. In the battle of the bots, the crypto bot emerged as the clear winner.

Importantly, these were not theoretical back-tests or paper trading. The crypto trading bot results were generated from live trading with real capital, albeit in small size—$100 per trade. Since November 4, a total of 200+ live trades have been executed and recorded. The standout performer thus far was a 32-minute Bitcoin trade on 21 November 2025, 22:22:10 CET, returning +4.1%.

Think of such a bullish momentum trade like the flight of a clay pigeon. When the clay leaves the trap, it is chaotic—accelerating hard, rising steeply, and wobbling unpredictably. A novice shooter fires immediately and misses. A skilled shooter appears to “wait,” but in those split seconds, they are doing intense work: reading the wobble, calculating the lead, and anticipating the target’s path.

However, there is a critical difference. A clay pigeon shooter has the luxury of tracking the target across a wide arc before committing. In the crypto markets, that window of opportunity is minuscule. If you wait for the “perfect” curve, the bird has already flown—the move is over.

The model must therefore achieve the shooter’s conviction in a fraction of the time. It has to interpret the wobble and infer the trajectory almost instantly, while the move is still forming. This is where high-speed, real-time data processing becomes an unfair advantage.

When a crypto move begins, price action is volatile and deceptive. The real skill—and the real difficulty—lies in the entry: identifying the shift early enough to participate, but late enough to avoid false starts. The bot continuously tracks price action, evaluates momentum dynamics, and waits only for the brief stabilization required to confirm that the move is genuine. The moment that confirmation appears, it acts.

Once the entry is made correctly, the trade’s payoff becomes asymmetrical. If the trajectory develops as anticipated, the exit is straightforward: the bot manages the position methodically to lock in gains. If the trajectory fails, there is no hesitation. The position is exited immediately, often at a small loss, before instability can compound. This is not a failure of the system; it is a feature. The “hard shot” is the entry. The exit is simply the discipline to act once the trajectory reveals its true direction.

Ultimately, the bot does what a human shooter cannot. It processes the chaos of the launch in milliseconds, identifies the true trajectory while it is still emerging, and pulls the trigger at the precise instant conviction is justified—capturing opportunities long before a human brain could even register that the target had stabilized.

It’s too early to dive into the results in detail, but what makes these first 200+ results particularly noteworthy is the environment in which these trades occurred. Throughout this period, the Crypto Fear & Greed Index remained below 30, indicating a “low-liquidity, high-fear" environment. Looking ahead, I expect a more favorable crypto environment in 2026. If that materializes, the performance of a bullish momentum-based crypto trading bot should, in theory, improve further. Time will tell.

There is, however, an important caveat. Trading crypto on platforms such as Coinbase comes with a maker/taker fee structure. To achieve the lowest possible fees—fees that are essential for sustaining the achieved level of performance—you effectively need to operate at institutional scale. In other words, you must trade like an institutional participant to fully capture the edge.

This realization led to an important new insight. An increasing number of crypto ETFs have been launched, most notably the Bitcoin IBIT ETF. Strikingly, these ETFs exhibit the same bullish breakouts as their underlying cryptocurrencies. This opens the door to a much more efficient execution framework: avoiding punitive crypto exchange fees and instead trading via Interactive Brokers, where transaction costs are materially lower and the API infrastructure is best-in-class.

One could argue that this approach sacrifices one of crypto’s key advantages: 24/7/365 trading. For now, that is true—but likely only temporarily. I expect that in the coming years, crypto ETFs will become tradable around the clock, potentially including weekends. Moreover, crypto ETFs are already accessible on European and Asian exchanges.

In fact, this approach extends far beyond crypto alone. These trading bots can operate on stocks and ETFs across virtually any exchange supported by Interactive Brokers—and, in principle, through any broker offering a robust and well-designed API.

While 200+ live trades already provide a solid foundation for assessing whether this trading bot may achieve statistical relevance (past performance is not indicative of future results), it is still too early to publish formal results or raise expectations. I will therefore continue testing and optimizing the Crypto ETF trading bot throughout 2026 and reassess its performance next year.

A Quiet Revolution?

Something remarkable happened while the crypto skeptics weren't looking. The argument shifted.

The debate surrounding cryptocurrencies has undergone an irreversible transformation. Only a few years ago, mainstream finance viewed crypto as a speculative anomaly destined to collapse under its own volatility. That consensus has dissolved—not because Bitcoin suddenly became stable, but because the underlying infrastructure has proven superior to legacy financial systems.

Major institutions—BlackRock, Fidelity, J.P. Morgan, ABN AMRO—aren't embracing decentralization ideology. They are pragmatists moving assets on-chain because the economics, efficiency, and structural advantages are undeniable. The question is no longer whether blockchain will reshape finance, but how quickly traditional rails will be replaced.

Everything that can be owned—government bonds, equities, real estate, carbon credits—is now being represented on-chain. Tokenization enables:

- Instant settlement: BlackRock's tokenized Treasury fund settles in minutes rather than days.
- Programmability: Assets carry their own rules (interest, revenue distribution, collateral calls).
- Fractionalization: Illiquid assets become divisible, liquid, and globally tradeable.
- Embedded compliance: Jurisdiction limits, lock-ups, and ownership constraints enforced by code.

This is not faster paperwork—it’s a total re-architecting of the global ledger for the internet age.

USD stablecoins now settle over $6 trillion annually, exceeding Visa's monthly settlement volume. They are:

- The default rail for global remittances
- The backend for fintech payments

- A de facto offshore eurodollar system running outside traditional banks

Visa, Mastercard, PayPal, and Stripe have already deployed stablecoin settlement in production environments across dozens of markets.

Traditional finance depends on dozens of siloed systems—banks, brokers, custodians—each maintaining separate ledgers. Reconciliation, audits, batch processing, and intermediaries introduce risk, friction, and high operational cost.

Blockchains collapse this complexity:

- One global ledger
- Finality without intermediaries
- 24/7/365 markets
- Instant auditability
- Near-zero marginal settlement cost
- Open interoperability standards

The result is a system that is cheaper, faster, safer, and far more transparent. For instance AI agents require instant settlement, programmable assets, global liquidity, 24/7 markets and verifiable identity. Only blockchain-based infrastructure satisfies these requirements.

Furthermore, late 2025 marked a structural turning point in Bitcoin's evolution—not in its technology, but in how capital accesses it. Bitcoin remains technically decentralized: anyone can still self-custody, transact peer-to-peer, and interact with the network without permission. What changed is the dominant access path for institutional capital.

Major financial institutions moved decisively to intermediate that access:

- JPMorgan launched volatility-linked structured notes referencing BlackRock's Bitcoin ETF.
- Vanguard reversed its long-standing anti-crypto stance, enabling platform-wide ETF access.
- Bank of America authorized advisors to recommend 1–4% crypto related client allocations.
- Goldman Sachs acquired a defined-outcome ETF specialist to package Bitcoin exposure into regulated products.

The result is not the centralization of Bitcoin itself, but the centralization of economic exposure. For pensions, advisors, and balance-sheet investors, Bitcoin exposure now flows primarily through fee-bearing wrappers, custodians, and regulated intermediaries.

This pattern is familiar. Credit cards did not eliminate banks; banks absorbed the innovation by owning the networks. Electronic trading did not displace incumbents; they built ECNs and internalized flow. Bitcoin did not remove intermediaries; the ETF wrapper became the toll booth. The technology survives. The dominant access model no longer reflects the original disintermediated vision.

All three macro trends—tokenization, AI, and global round-the-clock blockchain markets—are converging into a new financial environment:

- Assets are fully programmable
- Infrastructure is always on
- AI agents transact autonomously
- Settlement is instant
- Liquidity is global
- Compliance is embedded in code

This is the ideal environment for autonomous algorithmic trading at scale. The largest financial institutions are already building this infrastructure—just under different branding. Trading Bots as a Service (TBaaS) is emerging as a natural byproduct of the new rails.

The rails are in place. The only question is: who builds the applications that will define the next era of finance?

So here we are…

My mission for 2026 is simple: find another XPEL and continue hardening the Crypto ETF Trading bot. The coming year will be the ultimate proving ground. First, will the transition from trading native cryptocurrencies on Coinbase to crypto ETFs on Interactive Brokers deliver superior execution, robustness, and scalability? Second, will the strategy's performance improve under more constructive conditions—namely a clearer regulatory framework and a more favorable market regime?

Thank you for reading my letter. Happy New Year!

Peter

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The Value Firm®
27 December 2025

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