Cabot MOMENTUM TRADER

Discover the Market's Strongest Stocks

Mike Cintolo, Chief Analyst
mike@cabotwealth.com | @MikeCintolo
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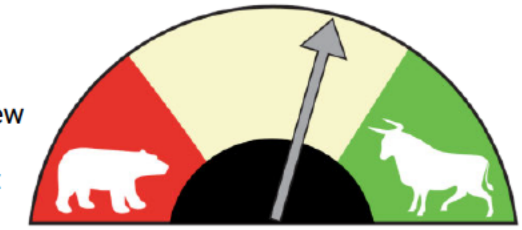
Improving but Some Hurdles Ahead



Current Market Outlook

We can't say much bad about the market's rebound from its pre-Thanksgiving low area, as the major indexes have tested (in some cases nosed out to) new highs, breadth has improved in a big way and some new leadership (and new setups) have emerged from a variety of areas (even outside growth). That said, we wouldn't say the rally has been decisive at this point—most indexes are still battling with resistance, growth funds have been lagging and the number of new highs is far below where it was a few weeks back as rotation makes things trickier. That's not bearish, but simply a fact that the recovery needs to continue to progress—a bad two or three days from here could get iffy, though continued strength would likely bring a spate of breakouts in the indexes and many stocks. As always, we'll just take it as it comes—right here, we're encouraged and are extending our line, but are going slow until we see more stocks confirm on the upside. Our Market Monitor stands at a level 6.

This week's list reflects some of the broadening out we see in the market, with names from many different nooks and crannies. Our Top Pick is Analog Devices (ADI), a chipmaker that sat out the dance during the past year and a half but has recently emerged on big volume after earnings as growth accelerates. Try to buy on weakness.

Stock Name	Price	Buy Range	Loss Limit
Analog Devices (ADI) ★ Top Pick ★	279	267-274	243-247
Carvana (CVNA)	448	412-430	365-375
CNX Resources (CNX)	41	39-40	35-35.5
Five Below (FIVE)	175	171-176	152-155
Keysight Tech (KEYS)	210	201-206	182-184
Micron Technology (MU)	247	226-237	195-200
MongoDB (MDB)	419	405-420	348-355
Pan American Silver (PAAS)	44	41.5-43	37-38
Solaris Infrastructure (SEI)	54	50-52.5	42.5-44
Vita Coco (COCO)	54	50.5-52.5	45-46

Stock 1
Analog Devices (ADI)
★ Top Pick ★

Price	Buy Range	Loss Limit
279	267-274	243-247

Why the Strength

Analog Devices holds a top position in analog, mixed signal, and radio-frequency semiconductors, as well as a key position in power management. The firm's chips accurately convert real-world analog signals like sound, pressure, motion and power into digital data. Aside from this year's upturn in the analog chip market (the analog IC/inventory glut of recent years is finally easing), the company is benefiting from tailwinds in multiple industries, including (what else?) data centers, advanced robotics, autonomous vehicles, healthcare and consumer electronics, all of which account for its recent strength. In Analog's recently released fiscal Q4 (ended October) report, the firm underlined what it called "a robust year of both cyclical and idiosyncratic growth," with EPS growth of more than 20% during the fiscal year with record free cash flow of more than $4 billion (larger than net income), along with a "fast-growing pipeline" that should lead to even better times in the quarters ahead. Indeed, records were set across several of its operating segments, including aerospace/defense (A&D) and a particularly stellar year in automotive, where growth outpaced industry-wide light vehicle production. Q4 revenue of $3.1 billion rose 26% from a year ago, with earnings of $2.26 beating estimates by three cents and gross margin improving 37%. Despite continued macro uncertainty, Analog sees the broad cyclical recovery across its business segments continuing in fiscal 2026 and reported "healthy" bookings trends in Q4, with excellent growth in its industrial end market and notable strength in its communications business. Management said it returned 96% of free cash flow to shareholders in fiscal 2025 via a modest share buyback program (share count down 1.1% from a year ago) and dividend (currently a 1.4% yield). Going forward, it also said Analog is prioritizing record R&D investments to advance leadership in analog, mixed signal and power technologies, with data center, automation and A&D anticipated to drive accelerating growth in fiscal 2026. Analysts see revenue up by high-teens percent in 2026, with earnings growth of 27% anticipated, which given the way these trends go, will likely prove conservative.

Market Cap	$138B	EPS $ Annual (Oct)	
Forward P/E	29	FY 2024	6.38
Current P/E	36	FY 2025	7.79
Annual Revenue	$11.0B	FY 2026e	9.89
Profit Margin	41.5%	FY 2027e	11.28

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($B)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	3.08	26%	2.26	35%
One qtr ago	2.88	25%	2.05	30%
Two qtrs ago	2.64	22%	1.85	32%
Three qtrs ago	2.42	-4%	1.63	-6%

Technical Analysis

After a strong rebound from its early April trough, ADI did poke out to a token new high over in early September, but the move didn't stick, with shares seeing several more weeks of backing and filling after that, including a few kisses of the 40-week line. But the recent earnings release late last month was a game-changer, as ADI shot up after the report and the buyers haven't let up since. It's a bit extended here, so we advise looking to enter on a normal exhale.

Weekly Chart

Daily Chart

Stock 2
Carvana (CVNA)

Price	Buy Range	Loss Limit
448	412-430	365-375

Why the Strength

Carvana is still thought of as a small, upstart online used car dealership, but the fact is it's an emerging blue chip in the (gigantic) sector, with growth and margins that far and away lead the industry as it rapidly takes share no matter the environment. Indeed, the company's comprehensive website obviously has far more selection than a brick-and-mortar competitor, while the buying process is easier and the firm has many protections (seven-day money-back guarantee; no cars sold that have been in reported accidents, etc.) that offer some security. The firm nearly went belly-up a few years back after a huge spending spree when money got a lot tighter—but it survived, and ironically, all of that (and subsequent) investment spending built the firm's operation out (boosting capacity, broadening its same-day delivery offerings), laying the foundation for the growth Carvana is enjoying today. In Q3, sales and earnings growth was huge, margins were the best in the industry by a mile and unit growth of 44% compared to zero for the industry as a whole. And the top brass is thinking big: The firm will have capacity at year-end for 1.5 million retail unit sales annually, or about two and a half times the Q3 sales run rate, with management having a long-term goal of three million annual sales (five times the current run rate) with higher EBITDA margins than today, too. Of course, execution will be key, but the odds favor Carvana getting much bigger in the years ahead. Of note, the stock popped today due to an announcement Friday that the stock will be added to the S&P 500, which makes entering tricky, but there's no question the underlying story is supportive of higher prices over time.

Technical Analysis

CVNA was hit very hard during the market's early-year decline, but shares came out of it nicely, hitting new highs by May. However, shares began to stall out in June, with some churning after the late-July earnings report set up a top near 400 and an eventual drop to the 40-week line. But after stabilizing here for a while, CVNA has picked up steam the past two weeks, with today's S&P addition-inspired rally bringing the breakout. We'll aim to get in on a minor pullback given today's news.

Market Cap	$87.2B	EPS $ Annual (Dec)	
Forward P/E	58	FY 2023	0.75
Current P/E	91	FY 2024	1.59
Annual Revenue	$18.3B	FY 2025e	5.04
Profit Margin	6.4%	FY 2026e	6.89

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($B)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	5.65	55%	1.03	61%
One qtr ago	4.84	42%	1.28	814%
Two qtrs ago	4.23	38%	1.51	557%
Three qtrs ago	3.55	46%	0.56	N/A

Weekly Chart

Daily Chart

Stock 3
CNX Resources (CNX)

Price	Buy Range	Loss Limit
41	39-40	35-35.5

Why the Strength

Natural gas prices have been surging since mid-October, notching their highest levels since late 2022 as a major reduction in Russian exports (particularly pipeline gas to Europe), strong U.S. liquified natural gas (LNG) exports and cold weather forecasts for the winter all hit at once. CNX is a premier natural gas development, midstream, and technology company in the energy-rich Appalachia basin, with operations primarily in the Marcellus and Utica Shales in Pennsylvania, Ohio and West Virginia. The Pittsburgh-based company also develops coalbed methane properties in Virginia and runs an extensive methane capture and abatement program in conjunction with other companies. Not surprisingly, with gas prices on the upswing, the Marcellus and Utica Shale region is seeing increased activity, with the number of new wells "fracked" (via hydraulic fracturing) up over 50% from a year ago in August, with even more fracking expected in the months ahead as Pennsylvania and other states are seeing a sustained trend of higher new well permits being issued in late 2025. Beyond the factors just mentioned, the fracking spike is also supported by the nationwide drive to build out AI-related infrastructure, which requires increased energy production for data center power needs. To that end, CNX is positioning itself to supply its Remediated Mine Gas (RMG, a product of captured and upgraded residual waste gases like methane) to data centers, as it sees the AI boom as a key growth market. Financially, CNX is in a strong position as highlighted by recent earnings beats, consistent free cash flow (FCF), plus an aggressive share buyback program (Q3's share count was down about 6.5% from a year ago). In Q3, revenue of $584 million increased 38%, with earnings of $1.21 per share beating estimates by a whopping 87 cents (a reason for the stock's latest strength), while FCF of $226 million more than quadrupled, totaled over $1.30 per share and marked the 23rd consecutive quarter of positive FCF—a result that included $68 million from asset sales and prompted an updated full-year 2025 FCF guidance of around $640 million. Analysts see continued boom times from here, even with a modest price environment, driven by an anticipated margin expansion, new revenue streams and higher carbon credits—and free cash flow could go wild if the recent pricing uptick continues. It's a solid commodity story.

Technical Analysis

CNX had a tough opening to 2025, with shares plunging to 27 in January, down from a peak north of 40 last November. Shares actually nosed higher through the market downturn but never could really get going , with a retest of the January low in August. But CNX has improved since then, with seven weeks up in a row and, after a two-week rest, another seven weeks up (all signs of persistent institutional demand), bringing the stock back to its highs. We'll aim to enter on a bit of an exhale.

Market Cap	$5.57B	EPS $ Annual (Dec)	
Forward P/E	17	FY 2023	1.86
Current P/E	17	FY 2024	1.78
Annual Revenue	$1.77B	FY 2025e	2.25
Profit Margin	17.8%	FY 2026e	2.50

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($M)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	584	38%	0.49	23%
One qtr ago	962	199%	0.59	64%
Two qtrs ago	82	-79%	0.79	76%
Three qtrs ago	137	-86%	0.57	-14%

Weekly Chart

Daily Chart

Stock 4
Five Below (FIVE)

Price	Buy Range	Loss Limit
175	171-176	152-155

Why the Strength

Five Below had probably the best cookie-cutter story we've ever come across a few years ago, with a rapid store buildout and buoyant same-store sales growth as the firm saw huge success selling lower-priced goods (usually less than $5, though it's bumped that up to $10 to $15 for many offerings since the recent inflation) for kids and pre-teens in a variety of areas including beauty, room and holiday décor, sports goods, candy, cheap technology gadgets and much more. However, the past few years have been tougher, as a series of macro headwinds (tariffs and inflation mainly), rising costs (shipping and labor) and a misstep or two from management served to slow growth, pull down earnings some and (most important for us) damage investor perception. But the peak worry came in April, and while growth probably won't match what it was a few years ago, the story increasingly seems back on track due to a better environment and better performance from the top brass, which is doing a good job of having enough attractive products at the right time. In fiscal Q3, not only did sales (up 23%) and earnings (up 62%) breeze past estimates, but same-store sales boomed 14.3% (growth came from both improved traffic and larger tickets; average revenue per store is finally getting back to peak 2021 levels) while the company opened 49 new stores in the quarter (now 1,907 in total, the store count was up 2.6% sequentially), including many of the best new openings in terms of sales results in the firm's history. Indeed, store economics remain a big part of the story here—new openings paid back about 85% or so of the initial investment in the first year, which of course allows for continued rapid expansion ahead. With a long-term goal of 3,500 locations, Five Below should have plenty of growth ahead.

Market Cap	$9.75B	EPS $ Annual (Jan)	
Forward P/E	29	FY 2024	5.37
Current P/E	29	FY 2025	5.05
Annual Revenue	$4.43B	FY 2026e	5.77
Profit Margin	4.9%	FY 2027e	6.18

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($B)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	1.04	23%	0.68	62%
One qtr ago	1.03	24%	0.81	50%
Two qtrs ago	0.97	20%	0.86	43%
Three qtrs ago	1.39	4%	3.48	-5%

Technical Analysis

FIVE embarked on a big decline in early 2024, with the tariff uncertainty earlier this year causing it to knife to lower lows in April—but the stock's recovery from there was impressive, surging to multi-month highs in early June. Since then, it's been in a two-steps-forward, one-step-back advance with the occasional shakeout to or below the 50-day line. The most recent shake lower came last month, but FIVE has pushed higher again, helped by last week's encouraging post-earnings reaction. We're OK entering here or (preferably) on dips.

Weekly Chart

Daily Chart

Stock 5
Keysight Tech (KEYS)

Price	Buy Range	Loss Limit
210	201-206	182-184

Why the Strength

Keysight is a leading provider of advanced electronic measurement and test tools, allowing its clients to design, validate, manufacture, and deploy next-generation technologies in areas like 5G/6G, automotive/EV electronics, AI/data-center and emerging fields such as quantum-related hardware—with a growing focus on software-centric tools and services. The stock's latest show of strength was courtesy of a stellar fiscal Q4 (ended October) report which blew past consensus estimates and underscored Keysight's accelerating order momentum. Revenue of $1.4 billion increased 10% from a year ago, while earnings of $1.91 rose 15% and beat estimates by eight cents, driven by "major innovation waves" from AI and accelerated compute, non-terrestrial networks, next-gen semiconductors and defense modernization. Wireline orders and revenue grew by double digits both in Q4 and for the full fiscal year, setting a new record for that business, thanks largely to AI infrastructure build-outs. Wireless orders and revenue, meanwhile, grew by high single digits for the full year and outperformed expectations, driven by non-terrestrial networks and early 6G research. The company operates under two main segments, the Communications Solutions Group (CSG, roughly 70% of annual revenue) and the Electronic Industrial Solutions Group (EISG), with CSG revenue of $990 million increasing 11% in Q4, driven by a 12% leap in commercial communications sales and a 9% increase in aerospace, defense and government revenue, while EISG sales of $429 million rose 9%, with software and services accounting for around 37% of revenue and carrying with it a solid recurring revenue base. A big part of the story (and of the future) is on the M&A front, with Keysight spending a whopping $1.7 billion on buyouts during the past year, bolstering its automated testing offerings, design engineering software and more. Looking ahead, those acquisitions are expected to add around 7% in revenue growth for fiscal 2026, with management guiding for wireline AI exposure of around 10% of total sales, all of which should lead to accelerating top- and bottom-line growth.

Technical Analysis

KEYS has been a nothing-burger for the better part of four years, stuck in a wide range with resistance in the 180 to 190 area. And that's what makes the chart stand out now, as after a long listless period following the post-April snapback, the stock began to show signs of accumulation in late October, and after one more shakeout, KEYS broke out on the upside following the latest earnings report. We're not chasing it here, but we're also not expecting a big pullback if the market remains on its feet.

Market Cap	$36.2B	EPS $ Annual (Oct)	
Forward P/E	26	FY 2024	6.27
Current P/E	29	FY 2025	7.16
Annual Revenue	$5.38B	FY 2026e	8.07
Profit Margin	27.1%	FY 2027e	9.21

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($B)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	1.42	10%	1.91	16%
One qtr ago	1.35	11%	1.72	10%
Two qtrs ago	1.31	7%	1.70	21%
Three qtrs ago	1.30	3%	1.82	12%

Weekly Chart

Daily Chart

Stock 6
Micron Technology (MU)

Price	Buy Range	Loss Limit
247	226-237	195-200

Why the Strength

Micron (covered in the September 15 issue) continues to benefit from what analysts are calling a "memory supercycle," characterized by tightening supplies, growing pricing power and the structural limits in memory-chip manufacturing capacity. Driving this trend is the explosive demand for high-performance memory solutions essential for AI workloads and data center customers—demand Micron serves via its dynamic random-access memory (DRAM) and high-bandwidth memory (HBM) offerings. Industry-wide semiconductor billings surged 33% year-on-year in October, according to data just released from the Semiconductor Industry Association, with DRAM accounting for much of the jump as DRAM billings surged 90% to nearly $13 billion, with Micron being one of the primary beneficiaries of this trend. Aside from DRAM—and in particularly high demand right now—are Micron's HBM3E and next-generation HBM4 products, which are essential for training large language models and for assisting with AI tasks. On that score, its HBM offerings are integral to Nvidia's AI platforms, thanks in part to their power efficiency, while also contributing to higher profit margins for Micron. (Its entire allocated HBM supply is completely sold out this year, and the firm expects to ramp up HBM4 to high-volume scale in 2026, which it sees "aligning with expected customer demand cycles for next-gen AI hardware.") Last week, Micron announced plans to exit its consumer memory business amid a global supply shortage in order to focus more of its attention on its AI data center memory customers. The firm's latest move is part of an increased focus on its HBM business, which it views as a "core engine" for future growth and the lynch pin of its transition from a cyclical memory supplier to a dominant player in AI infrastructure. But the company isn't hanging its hat entirely on data centers, with strength in other, higher-margin sectors like mobile devices, AI-enabled PCs and automotive, all of which should require its memory solutions. Business and earnings estimates have been soaring, though the next big reveal will come next Wednesday (December 17) when Micron releases Q4 results—analysts see sales up 46% and earnings up 115%, but as always, any talk about pricing and the big-picture outlook will be key.

Technical Analysis

MU built a huge launching pad from June of 2024 through August of this year before breaking out powerfully as prospects improved. And the run from there was a huge one, as shares nearly doubled within 12 weeks! That run might require a longer rest and pullback … but it might not, as so far MU has shaken out normally, with support after a sharp dip to the 10-week line and a good-looking bounce that's recouped most of the decline. We wouldn't bet the farm, but a small buy on dips and a loose stop into earnings seems like a solid risk-reward.

Market Cap	$264B	EPS $ Annual (Dec)	
Forward P/E	13	FY 2024	1.30
Current P/E	27	FY 2025	8.29
Annual Revenue	$37.4B	FY 2026e	17.74
Profit Margin	34.8%	FY 2027e	21.55

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($B)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	11.3	46%	3.03	157%
One qtr ago	9.30	37%	1.91	208%
Two qtrs ago	8.05	38%	1.56	271%
Three qtrs ago	8.71	84%	1.79	N/A

Weekly Chart

Daily Chart

Stock 7
MongoDB (MDB)

Price	Buy Range	Loss Limit
419	405-420	348-355

Why the Strength

Two blow-out quarters in a row and a new CEO have MongoDB primed to take advantage of what it says is a “generational” opportunity in the enterprise database business. MongoDB’s enterprise database software manages cloud-based databases differently from traditional data storage, which splits data sets for storage and then reconstructs them when they need to be accessed, a process that maximizes what used to be costly storage space. That makes little sense now that storage is dirt cheap, so MongoDB stores data sets whole, allowing for faster retrieval and, hence, much higher productivity and a more flexible platform, which is why today most of the Fortune 100 uses the firm’s Atlas database. In its fiscal third quarter reported a week ago, MongoDB blew past consensus estimates for the second straight period, producing $1.32 in earnings per share, compared to $0.79 expected, on sales of $628 million, $35 million better than projected. In a notable switch of tone, management dropped its previously cautious view of AI and said that it sees MongoDB as the beneficiary of a wholesale move toward its systems by AI-focused datacenters. That’s because the way Atlas stores information not only is faster (an obvious plus for AI) but also makes it easier for AI designers to track down what causes hallucinations (when an AI system provides incorrect or seemingly fabricated information) and to have better “knowability” over how AI comes to the answers it proposes; knowability is a crucial element for deploying AI in fields where regulators want to be able to see how a company makes decisions. New CEO CJ Desai, meanwhile, is a tech and database veteran. He’s expected to lead MongoDB to a Q4 sales gain of 22%, to $670 million, and net income per share up 20 cents to $1.48, with fiscal 2027 (starting next February) probably showing 20% sales growth over this year with EPS of $5.66, compared to what should be $4.80 EPS this year.

Technical Analysis

MDB was a terrible performer through the early part of this year, but the stock rebounded after the April low and then gapped decisively above its 40-week line after earnings in September. However, shares didn’t do much from there, with the late-October push to new highs failing with the market during the recent selloff—but last week’s earnings gap changed the landscape again, with shares holding at 21-month highs. We’re OK starting a position here or (preferably) on weakness.

Market Cap	$32.9B	EPS $ Annual (Jan)	
Forward P/E	72	FY 2024	3.42
Current P/E	86	FY 2025	3.66
Annual Revenue	$2.32B	FY 2026e	4.74
Profit Margin	22.8%	FY 2027e	5.58

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($M)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	628	19%	1.32	14%
One qtr ago	591	24%	1.00	43%
Two qtrs ago	549	22%	1.00	96%
Three qtrs ago	548	20%	1.28	49%

Weekly Chart

Daily Chart

Stock 8
Pan American Silver (PAAS)

Price	Buy Range	Loss Limit
44	41.5-43	37-38

Why the Strength

After years of remaining in the shadow of its “sister” metal gold, silver has suddenly emerged as one of the market’s hottest performers in late 2025, thanks to a surge in demand for the metal’s use in alternate energy applications and growing expectations for further Fed policy easing, both of which have led to a widely publicized structural supply deficit that has prompted short covering. Stronger silver prices have also boosted the share prices of the metal’s top miners, including Vancouver-based Pan American Silver, which has acknowledged seeing the benefits of higher silver prices heading into the new year. In its recently released Q3 report, the company’s impressive headline metrics were a supporting reason for investors’ renewed interest, as revenue of $854 million jumped 19% from a year ago and earnings of 48 cents a share soared 50%—driving the upbeat quarter were records in cash flow from operations (up 37%) and free cash flow (up 67%), thanks to a “significant contribution” from its recently acquired 44% interest in MAG Silver’s high-grade silver-gold-zinc-lead Juanicipio mine in Mexico. Total attributable silver production in the quarter was 5.5 million ounces, unchanged from a year ago, with zinc production up 12%, lead up 20% and copper down 38%. Gold production was also down, by 18%, due in part to mining-related delays, but management said it expects the gold end of its business in South America to pick up heading into 2026, with production at the Juanicipio mine anticipated to “meaningfully contribute” and with gold grades “ticking higher.” As a result of the mostly sanguine results, Pan American raised its full-year 2025 silver production guidance to around 22.5 million ounces (up 7% if realized) and lowered its estimated all-in sustaining costs (AISC, a key metric) for the firm’s silver segment to reflect Juanicipio’s strong contribution to its portfolio. Wall Street sees dramatic improvement to Pan American’s financial prospects in 2026, with full-year sales and earnings expected to rise 27% and 56%, respectively, as the higher silver prices fall right to the bottom line—and even that should prove conservative if silver’s bull run continues.

Technical Analysis

PAAS exited a multi-month holding pattern in June after overcoming a key resistance at 28. An extended rally didn’t follow immediately, as the stock spent two more months consolidating before the fireworks really began; shares broke out strongly above 30 on earnings in early August, then kited up to 42 over the next couple of months before running out of steam. A correction followed (down 21%), with the stock turning up again early last month and rallying to new highs on the back of the silver price surge. If you want in, aim to enter on dips of a point or two.

Market Cap	$16.2B		EPS $ Annual (Dec)	
Forward P/E	13		FY 2023	0.12
Current P/E	26		FY 2024	0.79
Annual Revenue	$3.26B		FY 2025e	2.19
Profit Margin	31.7%		FY 2026e	3.42

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($M)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	855	19%	0.48	50%
One qtr ago	812	18%	0.43	291%
Two qtrs ago	773	29%	0.42	999%
Three qtrs ago	815	22%	0.35	N/A

Weekly Chart

Daily Chart

Stock 9
Solaris Infrastructure (SEI)

Price	Buy Range	Loss Limit
54	50-52.5	42.5-44

Why the Strength

Solaris owns and installs gas turbine power generation at customer sites and sells electricity through multi-year contracts. The company is primed to benefit from a grid bottleneck that has developed, given the fast rise of data center electricity demand. Solaris' edge is that it is typically able to deliver power about three years faster than a utility in a given area; a recent Morgan Stanley report said that three-year advantage is something AI hyperscalers are willing to pay $11 per watt for, compared to Solar's cost of perhaps $1.30 a watt. The business is growing seemingly as fast as AI: Solaris operated 750 megawatts of electrical production last quarter, up 600 MW from the same in 2024, and the business just secured 480 MW of orders, which management says puts it on track to have 2,200 MW (or 2.2 gigawatts) in its portfolio by the start of 2028. Solaris focuses on medium-sized turbines that are easier to transport and build on a customer site than a full-size natural gas plant. Solaris is also expanding its services to include fuel cells, batteries, sophisticated voltage management equipment and renewable energy production on site, too, in an "all of the above" approach that it feels will help it meet demand from data centers. Much of Solaris' data center business is at facilities that are expected to double and triple their demand in time, so its existing customer base should continue to be a source of growth in addition to new sign-ups. Power infrastructure isn't cheap, but management has been using declining interest rates to refinance existing loans, leading to lighter expenses in the periods ahead. For the current Q4, consensus is for revenue to rise 72% to $166 million, with earnings per share of $0.34, up from $0.11 a year ago. Management thinks it can nearly double annual sales to $609 million next year before accounting for existing customer expansion orders that should come in. It's an intriguing story.

Technical Analysis

SEI spent February through August building a huge launching pad, with the change of character coming in early September, leading to a monstrous run over a few weeks that took it to 56. After some choppiness, shares did get hit hard during the recent growth stock selloff (falling under 40)—but SEI's bounce since then has been excellent, returning to its old highs in a show of great relative strength (compared to its peers and most other growth titles). We'll set our buy range down a bit from here and advise using a loose stop for this very volatile name.

Market Cap	$3.73B	EPS $ Annual (Dec)	
Forward P/E	37	FY 2023	0.83
Current P/E	57	FY 2024	0.48
Annual Revenue	$403M	FY 2025e	1.14
Profit Margin	18.8%	FY 2026e	1.49

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($M)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	167	122%	0.32	300%
One qtr ago	149	102%	0.34	162%
Two qtrs ago	126	86%	0.20	25%
Three qtrs ago	96.3	52%	0.11	-27%

Weekly Chart

Daily Chart

Stock 10
Vita Coco (COCO)

Price	Buy Range	Loss Limit
54	50.5-52.5	45-46

Why the Strength

Coconut water isn't as sexy as the latest AI or semiconductor trends, but it looks like one of the next big health foods/drinks that people are gravitating toward thanks to many health benefits—it's rich in electrolytes with lots of potassium, magnesium and calcium, making it great for hydration, the heart and even weight management (it's very low calorie). While it's still niche, the segment is growing fast, with 22% U.S. and 32% U.K. growth so far in 2025, and many think the category is just starting to go from niche to mainstream, which, of course, means big growth ahead. All of that leads us to Vita Coco, the top coconut water brand in the U.S. with a 43% market share, though it does do a good business overseas (U.K. and Germany mainly) and it dabbles in some private-label sales, too. Growth has been solid for a while, but there have been headwinds this year, mainly from tariffs, which hiked costs and led to a rare second price hike this summer, though all told, the moves were relatively modest (prices up 7% from two years ago), and management was monitoring if demand slackened because of the moves. However, while the firm was surviving just fine under the new tariff regime, good news has arrived: Tariffs will be dropped for certain agricultural products not made in the U.S., and that includes Vita Coco's inputs, which the company has said should drop the effective tariff rate from 23% to just 6%—that will obviously bolster the bottom line and give the firm room to pare back the most recent price hike if needed. Now, to be fair, the underlying story here is dependent on the sector as a whole—if coconut water stays relatively niche (growth slows), all bets are off. But we've seen many healthy-type food and drink categories come into favor over the years, and this could be next up. It's an intriguing story.

Technical Analysis

COCO was hitting new highs late last year and early this year, but that ended up being a lasting top—the market pulled it down into April, of course, but while shares did rally from there, they never could really get going, with the 40 level providing resistance; net-net, COCO made very little net progress from February through November. But the tariff relief news has brought out the buyers, with the stock moving up to new highs on good volume over the past few weeks. If you want in, aim to enter on a small retreat.

Market Cap	$3.07B	EPS $ Annual (Dec)	
Forward P/E	36	FY 2023	0.79
Current P/E	47	FY 2024	0.94
Annual Revenue	$609M	FY 2025e	1.21
Profit Margin	16.8%	FY 2026e	1.49

	Qtrly Rev	Qtrly Rev Growth	Qtrly EPS	Qtrly EPS Growth
	($M)	(vs. yr-ago-qtr)	($)	(vs. yr-ago-qtr)
Latest qtr	182	37%	0.40	25%
One qtr ago	169	17%	0.38	19%
Two qtrs ago	131	17%	0.31	29%
Three qtrs ago	127	20%	0.06	-45%

Weekly Chart

Daily Chart

Previously Recommended Stocks

Date	Stock	Symbol	Top Pick	Original Buy Range	12/8/25
HOLD					
[redacted]					
WAIT					
	None this week				
SELL					
[redacted]					
DROPPED					
[redacted]					

The next *Cabot Top Ten Trader* issue will be published on December 15, 2025.

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President & Publisher: Ed Coburn
Publisher Emeritus: Timothy Lutts
Cabot Heritage Corporation, doing business as Cabot Wealth Network
2 Margin St. Unit 2049 Salem, MA 01970, United States
800-326-8826 | support@cabotwealth.com | CabotWealth.com