



GRIFFIN RESEARCH GROUP

WEEKLY MARKET LETTER

Week of October 19, 2026

Prices as of October 16, 2026 close

Market Backdrop

Rough week: the S&P 500 fell about 2% to 7,659.44 and the Nasdaq fell more than 4% (its worst week since June) on a hot inflation print and an AI/tech sell-off. Energy and consumer staples led as Brent crude closed at \$109.86 on Strait of Hormuz attacks.

At a Glance

#	COMPANY (TICKER)	HORIZON	PRICE	CONVICTION
SHORT-TERM PICKS				
1	ConocoPhillips (COP)	Short-term	\$146.51	HIGH
2	RTX (RTX)	Short-term	\$193.92	MEDIUM
3	Walmart (WMT)	Short-term	\$118.81	MEDIUM
4	Estee Lauder (EL)	Short-term	\$104.54	MEDIUM
5	UnitedHealth Group (UNH)	Short-term	\$401.43	MEDIUM
LONG-TERM PICKS				
1	Taiwan Semiconductor (TSM)	Long-term (1-3 yrs)	\$412.61	HIGH
2	Microsoft (MSFT)	Long-term (1-3 yrs)	\$529.05	MEDIUM
3	Fair Isaac (FICO)	Long-term (1-3 yrs)	\$771.19	MEDIUM
4	Humana (HUM)	Long-term (1-3 yrs)	\$413.16	MEDIUM
5	Nike (NKE)	Long-term (1-3 yrs)	\$37.13	LOW

All prices are closing prices as of October 16, 2026.

I. Short-Term Picks

Momentum, days to weeks

1. ConocoPhillips (COP)

\$146.51 **HIGH CONVICTION**

COMPANY	One of the largest U.S. independent oil and gas producers, with big Permian, Alaska and LNG assets.
WHY NOW	New 3-month closing high at \$146.51 (+9.3% on the week, +26.7% over 3 months), well above its 20-day average (~\$131.64). Energy was a top S&P 500 sector this week as Brent hit \$110 for the first time since May.
LEVELS	Entry \$142-147 Stop \$135 (below this week's low) Target \$158
CATALYST	Oil headlines from Hormuz and Russia/Ukraine; Q3 results Nov 5.
RISK	Very extended; a de-escalation headline could knock crude and the stock lower fast.

2. RTX (RTX)

\$193.92 **MEDIUM CONVICTION**

COMPANY	Aerospace and defense giant behind Raytheon missiles, Pratt & Whitney engines and Collins Aerospace.
WHY NOW	Jumped 3.7% Friday to \$193.92 on about 1.8x normal volume, reclaiming its 20-day average (~\$187). Fresh Navy and Pentagon awards (SM-6 deal worth up to \$24.4B, SM-3 up to \$6.3B) plus Middle East tensions are pulling money into defense.
LEVELS	Entry \$189-195 Stop \$180.50 Targets \$200 (50-day average), then \$210
CATALYST	Q3 earnings Tue, Oct 20 before the open.
RISK	Earnings next week is a coin flip; the stock is still below its 50-day average.

3. Walmart (WMT)

\$118.81 **MEDIUM CONVICTION**

COMPANY	The world's largest retailer, with a fast-growing e-commerce and advertising business.
WHY NOW	Up 6.7% on the week and 11.3% over a month to \$118.81, above its 20- and 50-day averages, as money rotates from tech into defensive leaders. It is pressing against its 3-month high of \$121.38.
LEVELS	Entry \$116-120, or add on a close above \$121.38 Stop \$110.90 Targets \$128, then \$134 (record close)
CATALYST	Defensive rotation while tech is under pressure.
RISK	If tech bounces hard, defensive leaders can lag.

4. Estee Lauder (EL)**\$104.54****MEDIUM CONVICTION**

COMPANY	Global prestige beauty company (Estee Lauder, Clinique, MAC, La Mer) in the middle of a turnaround.
WHY NOW	Up 25% over 3 months to \$104.54 after a fiscal Q4 beat (organic sales +5%). Barclays upgraded it to Overweight (\$108 target) and Morgan Stanley raised its target to \$112.
LEVELS	Entry \$100-105 Stop \$95.90 Target \$112
CATALYST	Analyst upgrades; fiscal Q1 results Nov 2.
RISK	China and travel-retail demand is still uneven; it pulled back 2.5% Friday from a 3-month high.

5. UnitedHealth Group (UNH)**\$401.43****MEDIUM CONVICTION**

COMPANY	The largest U.S. health insurer (UnitedHealthcare) plus the Optum health-services and pharmacy business.
WHY NOW	Beat Q3 estimates (\$4.69 adjusted EPS vs about \$4.13 expected) and raised its 2026 outlook to at least \$20.50. The stock closed at \$401.43, back above its 50-day average (~\$387), on about 2x normal volume this week.
LEVELS	Entry \$392-405 Stop \$371.90 Target \$437 (3-month high)
CATALYST	Managed-care rally after the 2027 Medicare Star Ratings; follow-through after the beat.
RISK	Lower Star Ratings could cut 2028 bonus payments; policy headlines hit the group fast.

II. Long-Term Picks*Beaten-down, compounders, re-rates; 1-3 years***1. Taiwan Semiconductor (TSM)****\$412.61****HIGH CONVICTION**

COMPANY	The world's largest contract chipmaker; it builds the leading-edge chips for Nvidia, Apple, AMD and others.
THESIS	Quality compounder on sale. Q3 revenue rose 50.9% year over year with a 66.4% gross margin, and Q4 guidance (\$52.3-54.3B) points higher. Yet the shares are down about 15% from the \$487.47 high in the AI sell-off.
CATALYSTS	AI chip demand and TSMC's monthly sales reports.
RISK	AI spending pullback, Taiwan geopolitics.

2. Microsoft (MSFT)

\$529.05

MEDIUM CONVICTION

COMPANY	Software and cloud leader (Azure, Office 365, Windows), and a major AI platform.
THESIS	Durable compounder with recurring revenue and huge cash flow; buy on weakness during the AI-trade wobble. It is about 4% below its recent \$551 high.
CATALYSTS	Fiscal Q1 earnings Oct 28 (Azure growth, AI revenue, capex).
RISK	Fiscal 2026 capex was about \$175B and rising; investors may punish more spending.

3. Fair Isaac (FICO)

\$771.19

MEDIUM CONVICTION

COMPANY	Maker of the FICO credit score and decisioning/fraud software used by most U.S. lenders.
THESIS	Beaten down: about 39% lower over 3 months, after regulators let lenders use VantageScore on equal terms. Early signs the moat holds: United Wholesale Mortgage will keep pulling FICO on every broker loan. A 15% job cut should protect margins. Shares rebounded 15.5% this week.
CATALYSTS	Lender adoption news; fiscal Q4 results in early-to-mid November.
RISK	Further mortgage share loss to VantageScore; over \$5B of debt.

4. Humana (HUM)

\$413.16

MEDIUM CONVICTION

COMPANY	A leading Medicare Advantage insurer serving seniors.
THESIS	Re-rate story. 95% of members will be in 4-star-or-better plans for 2027, up from 20% for 2026, which Evercore estimates could bring about \$4.8B in 2028 bonus payments. The stock is about 9% off its \$456.50 high.
CATALYSTS	Q3 results Nov 6; 2027 enrollment and pricing.
RISK	Already priced richly (about 25x forward earnings by one estimate); Medicare policy risk.

5. Nike (NKE)

\$37.13

LOW CONVICTION

COMPANY	The world's largest athletic footwear and apparel brand.
THESIS	Deep-value turnaround. It hit a 13-year low after revenue fell 4%, and it has a \$2.5B cost plan. If the brand stabilizes, today's price could look cheap in 2-3 years. This is a patient, speculative idea, not a quick trade.
CATALYSTS	Investor Day Nov 17.
RISK	Analyst targets (\$24-33) sit below the price; the cost savings mostly land in 2029-30.

III. Recommendation Performance

Week-over-week tracking of every published idea

Entries are Oct 9 closes. The ideas are one week old, so week-over-week equals since-pick. Result = exit level for closed ideas, Friday close for open ones. The 10 new picks start tracking from the Oct 16 closes below.

PICK	ENTRY	OCT 16 CLOSE	WOW	RESULT	STATUS
Chevron (CVX)	\$211.98	\$224.99	+6.1%	+2.7%	Closed - target \$217.78 hit Oct 13
Procter & Gamble (PG)	\$151.23	\$159.35	+5.4%	+2.0%	Closed - target \$154.32 hit Oct 13
TJX Companies (TJX)	\$138.76	\$147.33	+6.2%	+6.2%	Open - first target \$144.50 hit Oct 15; second target \$150.85
Cloudflare (NET)	\$360.93	\$296.30	-17.9%	-8.6%	Closed - stop \$330 hit Oct 14
Lamb Weston (LW)	\$47.87	\$53.59	+11.9%	+11.9%	Open - stop \$45.50

Four of five ideas from the first issue moved our way. Chevron and Procter & Gamble hit their targets, TJX hit its first target, and Lamb Weston is up 11.9%. Cloudflare was stopped out in the tech sell-off. Average result: +2.8% (closed ideas counted at their exit level).

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