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Tariff Arbitrage 2026

Who actually gets paid when the US and Canada go dollar-for-dollar — the sector map, the government-money ledger, and the three companies we'd study first.

77
US-listed companies mapped

23
government equity / loan / contract deals

~200
sources cited, priced Aug 28 close

The situation in 60 seconds

Tariffs under a never-used 1930 law were proclaimed July 20, paused three days for talks, and took effect Aug 22 when the talks collapsed. Ottawa answered dollar-for-dollar; Washington threatened to double auto tariffs on Jan 1. Here is what is actually in force.

Aug 22
US 50% tariffs (Section 338) on ~$20B of Canadian goods: alcohol, dairy ingredients, furniture, plywood, hockey gear, electronics, cosmetics. No USMCA carve-out; goods already under §232 excluded.

Aug 24
Trump: Section 232 tariffs on Canadian autos, parts and steel rise to 50% on Jan 1, 2027. US-built vehicles exempt.

Sept 8
Canada's C$27.6B (≈US$20B) counter-tariffs: 50% steel/aluminum/dairy/pulp/furniture, 25% appliances/cheese/lumber, 15% electronics.

Aug 28
Fed Chair Warsh, Jackson Hole: inflation running above the 2% target (PCE 3.7%). Sept 16 hike odds ~56% (Investing.com Fed Monitor). The biggest risk to every "winner" trade.

Five things the viral "do magnets" story gets wrong

01
Rare earths are not a Canada trade

Myth: the Canada tariffs make MP Materials go up. **Reality:** critical minerals are not on either side's list. MP's story is real — a DoD $110/kg price floor, Apple's $500M, a 10X magnet plant in 2028 — but it's a China story. The rare-earth ETF fell 4% the week Canada escalated. Watch Nov 10, when China's export-control truce expires.

02
The real Canada trade is aluminum

The US imports ~60% of the aluminum it uses and Canada is ~56% of those imports (USGS 2026); US primary output was ~660kt in 2025. There is no near-term domestic replacement. The failed deal — which would have cut Canada's rate to 25% — is estimated by CRU to be worth ~30–40¢/lb of Midwest premium to the one large US primary producer (see profile).

03
Government money is the moat, not tariffs

By CFR's and Forbes' counts Washington now holds stakes in ~30 companies: Intel 9.9%, MP ~15%, USA Rare Earth ~10%, Lithium Americas 5%, Trilogy Metals ~10% (signed Aug 28). July alone: $76.6B for submarines, $58.6B for PAC-3 missiles, $1.07B for HALEU fuel. A tariff can be struck down in court; a signed contract or equity stake carries a different, slower kind of risk.

04
The Canada tariff is the most fragile on the books

Section 338 has never been used, has no regulations and no case law; legal scholars (Volokh Conspiracy, Aug 23) argue it is likely unlawful, and the IEEPA tariffs were already struck down Feb 20 ($166B ordered refundable, paid in phases since April). Steel, aluminum and lumber tariffs sit on Section 232 and AD/CVD — decades of precedent. Weigh the law, not the headline.

05
The losers are more concentrated than the winners

Canada's list spares pork, beef, ethanol, corn, soybeans and big tractors. It aims at swing-state dairy, seafood, lumber and hay tools. On the US side, the Jan 1 auto doubling is the single biggest event: GM builds ~17% of Silverados in Oshawa, Stellantis builds the Pacifica only in Windsor, and parts cross the border repeatedly — taxed each time. Whirlpool, the poster child for "tariffs help US appliances," now pays 50% on steel *and* 25% going into Canada.

The sector map

Eight sectors, 77 companies. Counts show WINNER / MIXED / LOSER. Full theses, tiers, government connections and catalysts for every ticker live in the member database.

SECTOR · TICKERS COVERED	VERDICT	W / M / L
Rare Earths & Magnets MP · USAR · UUUU · LAC · PPTA · TMQ · NB · UAMY · ALB · METC · IDR	**China story, not Canada** Substance in gov't backing (MP price floor, USAR SPV, UUUU-VAC). Rare earths are on neither Canada-round list. Key date: Nov 10.	8 / 3 / 0
Steel, Aluminum & Copper CENX · NUE · STLD · CLF · CMC · AA · KALU · FCX · ATI · RS	**THE Canada trade** §232 at 50% is durable; failed deal removes the 25%-rate bear case. Canada ≈ 56% of US aluminum imports; no near-term replacement.	5 / 5 / 0
Lumber, Paper & Furniture BCC · WY · RYN · PKG · LPX · IP · TREX · LZB · ETD	**Modest / housing-capped** Plywood & panels at 50% is real; softwood duty actually FALLS in Oct. Housing starts -13.5% override tariffs.	6 / 3 / 0
Energy, Uranium & Potash LEU · UEC · IPI · CEG · VST · MOS	**Not on either list — threat premium only** Neither side listed energy, potash or uranium. Trade is optionality (IPI, UEC) + policy quality (LEU).	3 / 3 / 0
Agriculture, Dairy & Beverage MGPI · SAM · LWAY · ADM · TSN · BF.B · AGCO · DE	**Narrower than headlines** Canada spared pork, beef, ethanol, corn/soy, tractors. Real losers: dairy exporters, seafood, hay tools, Brown-Forman.	3 / 3 / 2
Reshoring, Industrials & Semis ETN · ROK · PWR · FIX · MU · TXN · INTC · GFS · JBL · WHR · GM · F · STLA · LEA · TSLA	**The bottleneck names** ETN/PWR/FIX + US fabs (MU, TXN). Jan 1, 2027 auto doubling is the biggest single event — Detroit OEMs carry the most exposure into it.	8 / 2 / 5
Defense & Government Contracts LMT · GD · HII · LHX · PLTR · AVAV · KTOS · RCAT · EOSE · LLY	**Government money is the moat** $76.6B subs, $58.6B PAC-3, $1.07B HALEU, $500M C-UAS — all July/Aug 2026. Appropriated, tariff-insulated.	9 / 1 / 0
Losers & Avoid LEN · HD · W · HOG · PII · BALL · MPC · MERC	**Most exposed** Homebuilders, HD/LOW, Wayfair, powersports, can makers. §338's legal weakness is their main upside scenario.	0 / 1 / 7

Three companies we'd study first

One per thesis: the government-backed magnet chain, the direct Canada-round beneficiary, and the policy-backed nuclear-fuel monopoly. Full profiles, free.

MP MP Materials

WINNER CORE

PRICE (AUG 28, 2026)	MARKET CAP	52-WK RANGE	SECTOR
$56.13	**$10.0B**	**37.81–100.25**	**Rare Earths & Magnets**

WHY IT MATTERS UNDER TARIFFS

Only US mine-to-magnet chain (Mountain Pass CA → Fort Worth TX). Independence plant shipping magnets; 10X plant (10,000 tpa) commissioning 2028.

US GOVERNMENT CONNECTION

DoD: $400M convertible preferred + warrants (~15% stake), 10-yr $110/kg NdPr price floor (paid $17.6M in Q2'26), 10-yr 100% offtake for 10X magnets, $150M loan.

CUSTOMERS & PARTNERS

Apple $500M recycled-magnet deal; GM anchor customer; new gadolinium offtake with US aerospace/defense customer.

NEXT CATALYST

Q3 results early Nov; heavy-REE (Dy/Tb) separation ramp; Nov 10 China export-control truce expiry.

KEY RISK

On China's June 2026 entity export-ban list; NdPr market price below $110 floor (gov't subsidy carries margin); ~45% below 2025 peak.

TARIFF DURABILITY / CANADA LINK

China/DoD story — NOT a Canada story. Rare earths are not on either side's Aug 2026 list.

Source: https://investors.mpmaterials.com/investor-news/news-details/2026/MP-Materials-Reports-Second-Quarter-2026-Results/default.aspx

CENX Century Aluminum

WINNER CORE

PRICE (AUG 28, 2026)	MARKET CAP	52-WK RANGE	SECTOR
$46.59	**$4.6B**	**21–70**	**Steel, Aluminum & Copper**

WHY IT MATTERS UNDER TARIFFS

Largest US primary aluminum producer; sole US high-purity supplier. US imports ~60% of the aluminum it uses and Canada is ~56% of those imports (USGS 2026; US primary output ~660kt in 2025) — no near-term domestic replacement. The failed Canada deal (which would have cut the Canadian rate to 25%) is estimated (CRU) to be worth ~30–40¢/lb of Midwest premium.

US GOVERNMENT CONNECTION

$500M DOE funding for Inola OK 750kt smelter (JV with EGA being formalized). New half-rate import program for firms building US smelters.

CUSTOMERS & PARTNERS

US rolling mills, defense/aerospace high-purity buyers.

NEXT CATALYST

Inola FID (pending; not yet dated by the company); Midwest premium (~95¢/lb pre-collapse, record >$1.00 Jan 2026); Q3 late Oct.

KEY RISK

A future US–Canada deal cutting the 232 rate; stock fell 4.6% (Aug 19 close) on deal hopes and rose ~5% Aug 24 when they died.

TARIFF DURABILITY / CANADA LINK

Section 232 (durable) — the most direct Canada-round beneficiary we found.

Source: https://www.bnnbloomberg.ca/tariffs/2026/08/26/the-president-says-the-us-doesnt-need-anything-from-canada-exports-say-otherwise/

LEU Centrus Energy

WINNER CORE

PRICE (AUG 28, 2026)	MARKET CAP	52-WK RANGE	SECTOR
$175.78	**$3.51B**	**142–464**	**Energy, Uranium & Potash**

WHY IT MATTERS UNDER TARIFFS

Only US-owned uranium enricher. Russian LEU ban + potential Canadian uranium leverage (Canada = 32% of US reactor uranium; Cameco's Port Hope is the only non-US conversion in N. America) make it indispensable.

US GOVERNMENT CONNECTION

DOE $900M task order (July 1, 2026) + $170M HALEU options = ~$1.07B; >1,900 kg HALEU delivered; 12 t/yr capacity by 2029.

CUSTOMERS & PARTNERS

DOE; US utilities.

NEXT CATALYST

Q3 early Nov; financing.

KEY RISK

Fell 9.75% on Aug 28 (rates); ~60% off high; capital-intensive.

TARIFF DURABILITY / CANADA LINK

Policy-backed; least Canada-exposed, most policy-backed uranium name.

Source: https://www.prnewswire.com/news-releases/centrus-signs-contract-with-department-of-energy-for-900-million-award-intends-to-transition-haleu-production-cascade-to-commercial-operation-302816385.html

How we score a company

Role: WINNER / MIXED / LOSER

Direction of the tariff effect on revenue or margin, netting US tariffs, Canadian retaliation, and input costs. Whirlpool is a LOSER even though it's "US-made" because it pays 50% on steel and 25% into Canada.

Tier: CORE / SATELLITE / WATCH / AVOID

CORE = strongest evidence plus policy backing (a contract, a price floor, an equity stake). SATELLITE = real but narrower or riskier. WATCH = optionality that hasn't proven out. AVOID = wrong side of the tape.

Durability

Which legal authority the thesis rests on. Section 232 and AD/CVD survive courts and deals; Section 338 may not survive either. A CORE name on fragile law is still fragile.

Catalyst & risk

Every profile carries a dated next event and the single risk most likely to break the thesis — so the report card can grade whether the story is playing out or not.

The government-money ledger

Equity stakes, loans, price floors and contracts in tariff-protected sectors, from company filings and agency releases; items we could not confirm from a primary source are marked unverified. Ten of 23 shown; the rest unlock with membership.

TICKER	AGENCY	INSTRUMENT / TERMS	AMOUNT	DATE
MP	DoD	Convertible preferred + warrants (~15%); $110/kg NdPr floor; 100% 10X offtake; $150M loan	$400M + $150M	Jul 10, 2025
USAR	Commerce (CHIPS) + Dept of War SPV	~10% equity + warrants; $1.55B take-or-pay SPV with Dy/Tb price floors	up to $1.6B + $1.55B SPV	Jun 3 / Aug 24, 2026
LAC	DOE	ATVM loan; 5% warrants in LAC + 5% of Thacker Pass JV	$2.23B	Sep 30, 2025
TMQ	Dept of War	~10% stake via units + warrants ($17.8M to Trilogy, $17.8M to South32); Ambler Road financing support	$35.6M total	Aug 28, 2026
UUUU	DoW Office of Strategic Capital	Conditional 20-yr senior secured loan	$725M	Jun 18, 2026
PPTA	EXIM	Senior secured 13-yr loan	$2.9B	May 21, 2026
NB	DoD / EXIM	Award up to $10M; EXIM technical review	$10M+	2025–26
AREC (ReElement) / Vulcan (private)	DoW + Commerce	$620M loan + $50M equity (Vulcan); $80M loan (ReElement); warrants	$1.4B package	Nov 3, 2025
INTC	Commerce	9.9% common equity (~433M sh) + 5-yr warrant for 5% (~218M sh) at $20; $3.2B Secure Enclave	$8.9B → ~$40B value	Aug 2025
MU	Commerce (CHIPS)	Direct grant	$6.44B	Jun 2025
TXN	Commerce (CHIPS)	[redacted]	$1.61B	Dec 2024
GFS	Commerce (CHIPS/NIST)	[redacted]	$1.59B + $375M	May 21, 2026
CLF	DLA	[redacted]	$400M	Jul 1, 2026
GD / HII	US Navy	[redacted]	$76.6B	Jul 30, 2026
LMT	Dept of War	[redacted]	$58.62B	Jul 29, 2026
LHX	Pentagon	[redacted]	$1B	Jan 13, 2026
PLTR	US Army	[redacted]	$10B ceiling	Aug 2025
LEU	DOE	[redacted]	$900M–$1.07B	Jul 1, 2026
AVAV	US Army	[redacted]	$500M + $117M	Jun–Jul 2026
KTOS	Dept of War / NNSA	[redacted]	~$400M + $156M	Jul 14, 2026
EOSE	DOE LPO	[redacted]	$303.5M	Dec 2024
PFE / LLY	White House (MFN)	[redacted]	—	Sep/Nov 2025
Sector-wide	EXIM Project Vault	[redacted]	up to $10B	Feb 2, 2026

Sources: company 8-Ks and press releases, defense.gov, energy.gov, exim.gov, CFR Government Deal Tracker. Track new awards yourself: defense.gov/News/Contracts (daily, 5pm ET), sam.gov, usaspending.gov, energy.gov/lpo, exim.gov/news, SEC EDGAR full-text search for "Office of Strategic Capital".

How the tariffs affect *you*

Yale Budget Lab puts the Canada round at roughly $30 per US household per year — small in aggregate, sharp in specific aisles. All 2026 tariffs combined: ~$840–1,100 per household (Tax Foundation / Yale).

ITEM	MECHANISM	ESTIMATED EFFECT
New home / lumber	Canadian softwood ~25% of US supply; ~45% all-in duty today (35.16% AD/CVD + 10% §232); plywood on the 50% list	NAHB has estimated tariffs add roughly $10,000+ per new single-family home (2025 estimate)
Cars & trucks	Canadian-built vehicles/parts 25% now → 50% Jan 1, 2027; parts cross the border multiple times	Collected at the US border from US dealers and buyers; OEMs skew mix to trucks/SUVs
Beer, whiskey, wine	Canadian beer/cider/whisky on the US 50% list; provinces pulled US spirits	Moosehead/Labatt/Crown Royal +$1–3 per six-pack, +$5–15 per bottle over time (illustrative)
Hockey & sporting goods	Skates, sticks, golf, fishing rods explicitly on the 50% list	A $300 Bauer/CCM stick → $400+ if fully passed through
Furniture	Canadian upholstered furniture 25% §232; other Canadian furniture 50% §338 (§338 excludes §232 goods); US furniture faces 50% into Canada	Furniture CPI already +2.2% YoY; 'marginal' further increase (Yale)
Appliances	US-made appliances face 25% going INTO Canada; steel/aluminum inputs at 50%	Direct US price effect second-order; hit is to Whirlpool/GE volumes
Groceries & dairy	Fluid milk, cheese, butter, yogurt from Canada are EXEMPT; honey, seeds, ingredients on the list	Negligible for US shoppers; material for Wisconsin/NY dairy exporters
Electronics	Cameras, smartphones, consoles on the US list (Canada is a minor source)	Small for US buyers; Canadian retailers bracing
Gasoline (Midwest)	Energy not on either list; old 10% IEEPA energy tariff died Feb 24	No tariff effect today; tail risk only if Ontario/Alberta restrict exports
Fertilizer / food	Potash not on either list	No direct effect; export-restriction tail risk
Cosmetics, coats, toys, holiday decor, paint	All on the US 50% list	Q4 seasonal timing is unhelpful

Catalyst calendar

DATE	EVENT
Aug 22, 2026	US 50% Section 338 tariffs (proclaimed July 20) on ~$20B of Canadian goods take effect after a 3-day pause; talks collapsed Aug 21
Aug 24, 2026	Trump: Section 232 on Canadian autos/parts/steel to 50% effective Jan 1, 2027
Aug 28, 2026	Fed Chair Warsh at Jackson Hole: inflation running above the 2% target (PCE 3.7%); Sept hike odds ~56% (Investing.com Fed Monitor)
Sept 2, 2026	Section 232 drone tariff (100%) effective
Sept 8, 2026	Canada's C$27.6B (≈US$20B) counter-tariffs take effect (15/25/50%)
Sept 9, 2026	AeroVironment FQ1 earnings
Sept 10, 2026	NioCorp earnings; RH earnings
Sept 16, 2026	FOMC decision
Sept 23, 2026	Uranium Energy FY results
Sept 29, 2026	Pharma Annex III (17 large pharmas) phased into §232 pharma tariffs; Trilogy Metals earnings
Sept 30, 2026	Micron FQ4 earnings; Trilogy/DoW deal closing window
Oct 2026	Commerce AR7 final on softwood lumber (Canadian duty ~35% → ~25%); CENX Inola FID (Q4)
Oct 15–21, 2026	CMC, STLD, CLF, LMT Q3 earnings
Nov 3, 2026	US midterm elections
Nov 10, 2026	China's suspension of Oct 2025 rare-earth export controls EXPIRES
Dec 31, 2026	Section 48D 25% semiconductor investment credit sunsets for new construction starts
Jan 1, 2027	Canadian autos/parts/steel §232 rate doubles to 50%; furniture §232 25%→30%; cabinets 25%→50%

Which tariffs survive

AUTHORITY	COVERS	DURABILITY	WHO DEPENDS ON IT
Section 232 (national security)	Steel 50%, aluminum 50%, copper semis 50%, autos 25%, lumber 10%, furniture 25%, pharma 100%, drones 100%	**HIGH** — decades of case law; courts deferential	Steel, aluminum, lumber, pharma, defense winners
Section 301 (unfair practices)	China legacy; new 10–12.5% on ~60 economies; Brazil 25%	**MEDIUM-HIGH** — statute tested; global 'forced labor' rationale novel	Reshoring / import-substitution theses
AD/CVD (softwood lumber)	Canadian softwood 35.16% (→ ~25% after AR7 final, Oct 2026)	**HIGH** — routine trade remedy	US sawmills
Section 338 (1930 Act, first-ever use)	Canada 50% on ~$20B (excludes goods already under §232)	**LOW** — no regulations, no case law; legal scholars (Volokh Conspiracy, Aug 23) argue it is likely unlawful; no suit yet located	Plywood, furniture, whiskey, beer, hockey — the Canada-specific trades
IEEPA	Nothing — struck down Feb 20, 2026; $166B ordered refundable, refunds paid in phases since Apr 20	**DEAD**	—

The uncomfortable summary

The only scenario in which *all* the winner sectors work is escalation — the outcome Republicans facing a Nov 3 vote least want. Steel and lumber winners are protected by §232 and AD/CVD regardless of Canada, but they're the most exposed to a hawkish Fed. Rare earths and reshoring were never a Canada story at all. Durability matters more than headlines.

What members get

Member

- All 77 company profiles with CORE / SATELLITE / WATCH / AVOID tiers
- Live scorecard: prices, distance from 52-week range, move since report
- Full 23-deal government-money ledger, updated as awards drop
- Catalyst calendar with earnings, policy and court dates
- Weekly report card by email

Pro

- Everything in Member
- Daily movement alerts and report cards to your inbox
- Entry / exit framework applied to each CORE and SATELLITE name
- "Most upside" rankings from our aggregated scoring
- Monthly live call: what changed, what we're watching
- Published, public track record from day one

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