



BULLS vs BEARS

MPC Markets – Weekly edition

FOUNDED BY INVESTORS, FOR INVESTORS



Now comes as a podcast!



MPC IN THE MEDIA

Kai joined Kochie and David Lane for The Call on Monday covering a few “Market darlings” like Wisetech, Life360 and Realestate.com owner, REA Group.

Kai also covered one of MPC’s favourites, Paladin Energy.

The stock of the day was perennial disappointment, Star Entertainment Group (SGR) which Kai flagged as an “avoid”



HAWKISH FED SPEAKERS SLOWLY ERASE RATE CUT HOPES

Treasury yields continued to trend higher rate-cut expectations continued to take knock following remarks from Fed speakers calling for patient on cuts, while others flagged the possible of resuming rate hikes should inflation pick up pace. Interest are in a “good place”, New York Federal Reserve President John Williams said Thursday, though cautioned that “if the data are telling us that we would need higher interest rates to achieve our goals, then we would obviously want to do that.” Atlanta Fed president Raphael Bostic reiterated that rate cuts aren’t likely to begin until the end of the year the path to the 2% inflation target would be slow and bumpy.



Most of the US investment banks have now moved their rate cut expectations back to September at the earliest, many have pushed them to 2025.

Critically, the US2Y treasury approached the critical level of 5%. Any significant surge above 5% is likely to see growth stocks sold heavily



STOCKS

HIGHLIGHTS OF THE WEEK

Droneshield (DRO)

DroneShield released its first-quarter update and reported record first-quarter revenues of \$16.4 million. This was a massive 10x increase from \$1.6 million in the prior corresponding period. The NATO Support and Procurement Agency (NSPA) has approved the first counter-small UAS (CUAS) procurement framework agreement in NATO history. NSPA is NATO's lead organisation for multinational acquisition, support, and sustainment in all domains. NSPA procurement framework agreement is "significant". The company "rewarded" shareholders with a \$75m capital raise at 80c after a 30% rally to \$1.12

Resmed (RMD)

For some time it has been well understood that weight loss drugs like Ozempic could help sufferers of obstructive sleep apnoea (OSA). This has largely been both theoretical and anecdotal.

However, this has now been proven through a clinical trial undertaken by pharmaceutical giant Eli Lilly, which has spooked investors.

Pilbara Minerals (PLS)

Quarterly update was delivered Friday with realised prices lower by 28%, offset by an increase in production of 3% and Unit operating costs decreasing marginally. March Qtr production was a record, with over 80k DMT produced. Offtake agreements with 3 major Chinese lithium refiners who supply major car manufacturers including BYD, Tesla and Hyundai

Evolution Mining (EVN)

Evolution Mining delivered a 15% increase in gold production during the third quarter to 185,252 ounces of gold.

Also going down well with investors is news that this increased production was achieved with a 9.6% lower all-in sustaining cost (AISC) of A\$1,464 per ounce (US\$963 per ounce).

With the gold price hurtling higher during the quarter, it certainly was a great time to deliver higher production and lower costs.

For example, Evolution Mining's average realised price was A\$3,171 for the three months. This led to the company recording an all-in cost margin of A\$947 per ounce, which represents a sizeable 40% increase quarter on quarter.



US EARNINGS

FINANCIALS AND HEALTHCARE



Goldman Sachs (GS) Investment bank Goldman Sachs reported a jump in Q1 profit, fuelled by a recovery in underwriting, deals and bond trading in the first quarter that lifted its earnings per share to the highest since late 2021. Charles Schwab stock rose 2%, after brokerage reported first-quarter earnings that topped Wall Street estimates, driven by a surge in asset management fees in Q1.

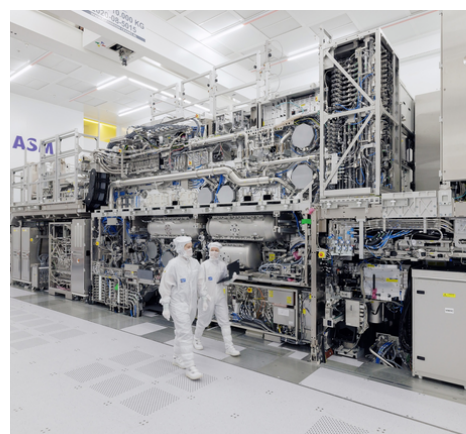
Netflix (NFLX) delivered better-than-expected first-quarter results after blowout subscriber growth, but the streaming giant forecast weaker-than-expected revenue for the current quarter amid expectations for slower net additions in Q2 seeing the stock fall 5%

The beat on the bottom line was driven by stronger than expected subscriber growth in the quarter. Netflix added 9.33m users, beating analyst expectations of about 4.8m



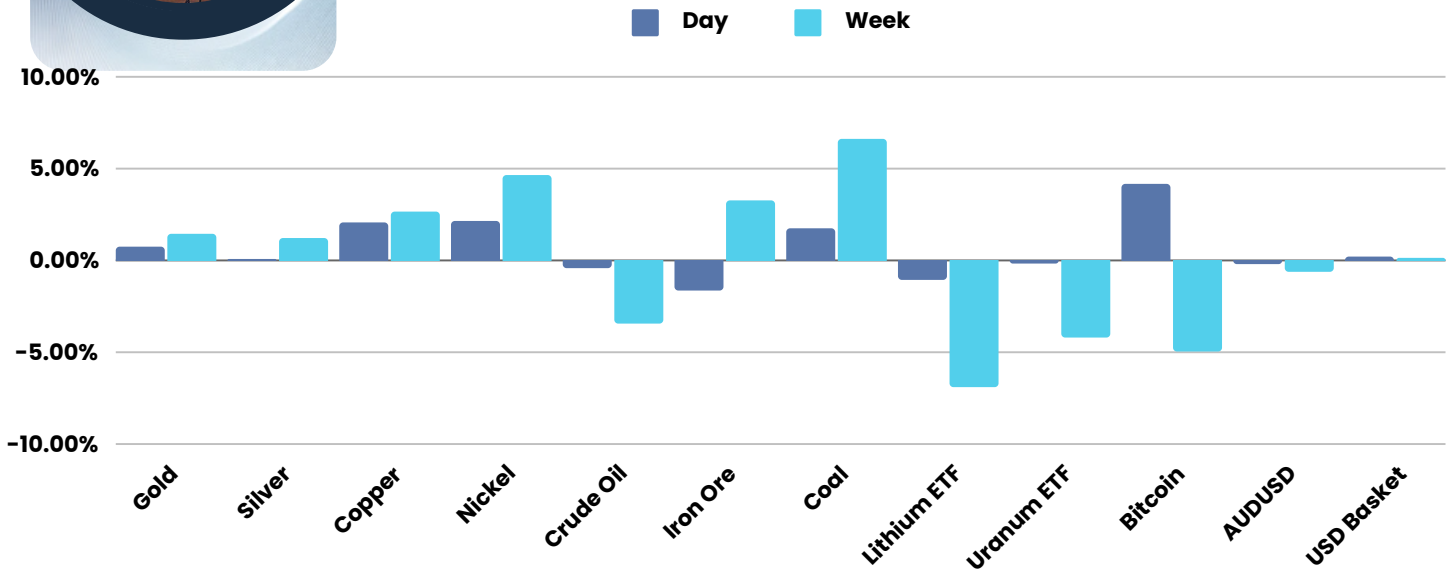
Taiwan Semiconductors (TSMC) the world's largest contract chipmaker, fell 5% as its lowered forecast for overall semiconductor growth offset first-quarter results that topped Wall Street estimates, driven by strong demand for all things AI. Some on Wall Street remain sanguine on the chipmaker on expectations for an ongoing boost from AI-led demand.

ASML (ASML) offered up a mixed first-quarter report earlier Wednesday, with its first-quarter profit beating expectations while sales missed forecasts, even with strong sales to China. That said, Europe's biggest tech firm kept its full-year financial forecasts unchanged, expecting a boost in the second half of the year. ASML is one of the most important semiconductor firms in the world, producing tools known as extreme ultraviolet lithography machines, which are required to manufacture the most advanced chips globally.





COMMODITIES & FX



Gold - Gold made a fresh record high on Monday and ground lower for the rest of the week. the "Store of Value" trades like Gold and silver have been capped by rising bond yields this week

Silver - Silver surged early in the week but has taken a breather after a stellar 30% run over the last month. We see a pullback in the "store of Value" trades like silver in the coming weeks due to higher bond yields

Copper - hit 2-year highs as the World Copper Conference and CESCO Week - the premier industry event in the Copper Calendar - will take place on 15-17 April in Santiago, Chile.

Lithium - Lithium has a quiet week with no major movements

Crude Oil - Geopolitical concerns turned to white noise this week as the market stopped listening to the constant chest beating from Iran and Israel

Iron ore - spiked around 5% higher on improving steel markets, however the worsening Chinese housing market is likely to cap gains

Uranium - Uranium spot prices have continued to hover around \$90. Uranium stocks have been under pressure as "Hot money" seemingly left the Uranium trade as treasury yields took the momentum out of growth stocks

Bitcoin - Continues to hold the \$70k level but still not able to make a new high yet



ECONOMY & POLITICS

Rate cuts?

Atlanta Federal Reserve Bank President Raphael Bostic on Thursday said that if inflation does not continue to move toward the U.S. central bank's 2% goal, as he expects it will, central bankers would need to consider an interest-rate hike. "If inflation stalls out or even starts moving in the opposite direction, away from our target, I don't think we'll have any other option but to respond to that," Bostic said at the University of Miami.

"If it seems that the level of restrictiveness that we're at today is not enough to do the job or get the job done, I'd have to be open to increasing rates."

Progress toward the Fed's 2% inflation goal has slowed in recent months, and U.S. central bankers have generally said that means they will likely hold rates at current levels for longer, with no urgency to cut them.

Risks to the economic outlook today are "broadly balanced," he said.

US Vote on Ukraine, Israel Aid

The U.S. House of Representatives will have its long-awaited vote on aid for Ukraine, Israel and the Indo-Pacific as soon as Saturday, Republican Speaker Mike Johnson said on Wednesday, paving the way for its possible passage despite fierce objections from the right wing of his conference.

The security aid effort gained urgency following Iran's weekend attacks on Israel in retaliation for a suspected Israeli airstrike on Iran's embassy compound in Damascus on April 1.

The Indo-Pacific measure totals \$8.12 billion.

Johnson said he would give House members 72 hours — until midday Saturday — to review the bill and offer amendments before a vote on final passage.

He also said he would release a separate border security bill, meeting a demand from conservatives.

WHAT WE ARE READING



[The upcoming bitcoin halving](#)



[what needs to happen for Tesla stock rally?](#)



[Meta's new AI assistant is rolling out](#)



TRADE OF THE WEEK

Physical Silver ETF (ETPMAG)

Balanced Portfolio

Entry Price: \$32.70

Trimmed half at \$40.60 (+23%)

Re-buy: <\$37

This week we trimmed our exposure to silver after a stellar 30% run in the last few weeks. The recent run in Silver and the “store of value” trade is at odds with the interest rate outlook and we will likely see a pullback as geopolitical tensions ease.



Webinar. Exploring AI Investment Landscape

Dive into AI investing essentials in our upcoming webinar. Learn to make informed decisions, understand the AI boom, and prepare for future changes. Gain insights, practical tips, and discover actionable AI stock investments to potentially transform your portfolio.

[Sign-up for the Webinar](#)

