



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Kai joined Kochie and Mathan Somasundaram for The Call this week to discuss 10 stocks sent in from Ausbiz viewer.

Resmed and Clarity Pharma were the favourites in the episode, while one stock given a sell rating went into receivership the following day, emphasising the need to sell those “bottom draw” holdings and get your money back to work

Watch the episode



MPC MARKETS INTRODUCES STRUCTURED PRODUCTS

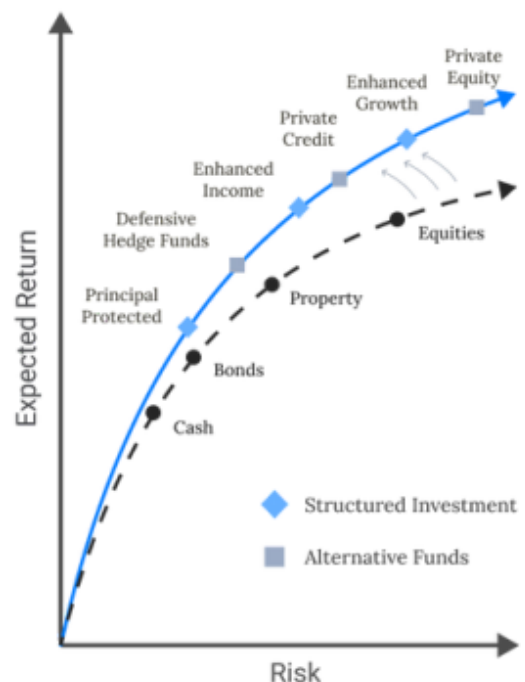
Over the last year, MPC has been firmly focused on our ASX Balanced portfolio performance and with our first year now under our belt, and a solid outperformance of the index **after fees**, we are now broadening our product range to include Structured Products and Private credit.

Structured products are pre-packaged investment strategies based on derivatives, designed to offer specific risk-return profiles tailored to investors' needs.

We plan to launch our own custom structured product focused around our favourite thematic in Commodities & Energy over the next 2-years

These investments are available to Sophisticated Investors only

How *Structured Investments* fit in a portfolio ¹





STOCKS

HIGHLIGHTS OF THE WEEK

Santos – Saudi Aramco and Abu Dhabi National Oil Co have been separately studying potential bids for Santos, as the Middle Eastern energy giants seek to ramp up their gas investments overseas. While this is highly unlikely to be approved by the Foreign Investment Review Board (FIRB) it highlights potential value in the energy sector on the ASX as private equity circles

New Hope – cash-rich coal miner New Hope was out with a \$300 million convertibles raising last night. There was no reason cited for the capital raise apart from “balance sheet flexibility” which is a stock-standard answer. Watch out for M&A.

Regal Partners – said it achieved net inflows of \$300 million for the June quarter to take total funds under management to \$12.2 billion. The group also said it expects to earn performance fee revenue between \$55 million and \$56 million in financial 2024. The group’s valuation has lifted 25 per cent over the past year and it will post full-year results on August 26.

Liontown – LG Energy Solution and Liontown Resources entered a strategic partnership to enhance their collaboration in the global lithium sector. The agreement includes a convertible note subscription, an extended 15-year offtake agreement for lithium spodumene from Liontown’s Kathleen Valley Project, and a feasibility study for a lithium refinery. LG Energy Solution will invest US\$250 million in Liontown to support the production ramp-up of the Kathleen Valley Project, with the first lithium spodumene production expected by the end of July. This partnership aims to secure a sustainable and stable lithium supply chain, emphasizing innovation and long-term value creation.

Booktopia – Australian online book retailer Booktopia has entered voluntary administration, leaving customers uncertain about their orders. Three administrators from McGrathNicol Restructuring will assess Booktopia’s assets for a possible sale or restructure. Booktopia’s shares have not traded on the ASX since June 13 due to funding issues. The company, which debuted on the ASX in 2020, has seen its stock plummet by over 98%, last trading at \$0.045. Booktopia reported a \$16.7 million loss for the six months ending December 31. Economic challenges and a weak Australian book market have hurt its business. Founded in 2004, the company also faced issues with a new \$12 million robotic warehouse.



US STOCK NEWS

US earnings kicks off late next week

First Quarter Earnings review

High interest rates increase borrowing costs for consumers and corporations, weighing on economic growth and profitability.

Fortunately, S&P 500 companies have reported better-than-expected first-quarter earnings growth of 6% year-over-year, and they have remained resilient in a difficult inflationary environment. In fact, the S&P 500 is on track for its best quarter of earnings growth since the first quarter of 2022.

Some market sectors are experiencing more of an earnings bounce than others:

- The communication services sector has reported the highest year-over-year first-quarter earnings growth at 33.9% followed by the utilities sector at 33.4%.
- The materials sector, healthcare sector and energy sector earnings are each down more than 20% in the quarter.

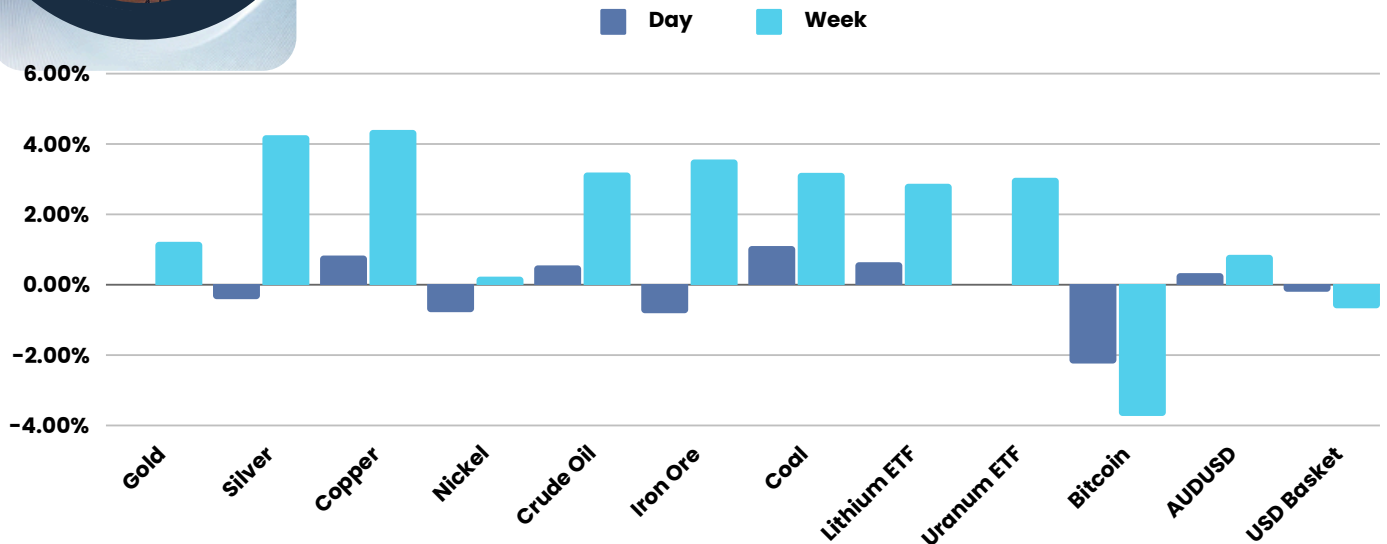
Looking ahead to second quarter reports, analysts are calling for:

- S&P 500 earnings to increase 9.3% compared to a year ago
- S&P 500 earnings growth to accelerate in the second half of the year
- Full-year S&P 500 earnings growth of 11.4% in 2024
- Full-year S&P 500 revenue growth of 5% in 2024





COMMODITIES & FX



Gold: Gold caught a bid tone on increased bets that the Fed will cut rates in September

Silver: Silver regained some ground as Fed Chair Powell's panel discussion in Portugal this week was taken as dovish. We expect the long term uptrend to resume

Copper: Copper rebounded over the week to \$4.56lb, a 4.4% rally for the week and 6 positive days out of the last 7 session suggesting the pullback from recent record highs is complete. We expect Copper to potentially test the \$5.10lb highs again in the coming months

Lithium: The pain for lithium investors continued as a feature article in the AFR outlined that the major investment houses have called the death of lithium. Usually this type of hyperbole and capitulation correlates to a low forming

Crude Oil: Oil continued to grind higher this week as US driving season and rumours of Chinese stockpiling of oil supported prices. This tops off an impressive 15% rally in the last month

Iron Ore: Iron ore prices bounced out of recent lows on the broken record line "hopes of China stimulus" this saw the Iron ore majors lift out of their lows and stabilize

Uranium: Uranium spot prices remained steady to slightly firmer this week while Uranium stocks on the ASX this week, recouping heavy selling into the EOFY

Bitcoin: Bitcoin finally cracked under 60k with critical support now around 56k. A breach of this levels could see significant selling pressure as many retail investors have leveraged holdings



ECONOMY & POLITICS

UK election & Biden under threat

UK's Center-Left demolishes the conservative Party at election

The U.K.'s Labour Party won a decisive victory in Thursday's general election, defeating the ruling Conservative Party after 14 years, according to an official exit poll. Labour is projected to secure 410 seats, achieving a majority of 170, while the Conservatives are expected to win 131 seats, losing 234 since Boris Johnson's 2019 victory. Liberal Democrats are set for 61 seats, and Nigel Farage's Reform Party is projected to win 13. Labour leader Keir Starmer will become the next prime minister. The Conservative Party has seen five prime ministers since the 2016 Brexit referendum. Economic strains from the pandemic and Brexit limited fiscal flexibility for both parties. Despite recovery arguments from Prime Minister Rishi Sunak, voters favored Labour's promise of long-term growth.

Biden under threat after poor debate performance

US President Joe Biden blamed travel fatigue for his poor performance in last week's debate against Donald Trump, amid growing pressure within his party to end his re-election bid. Support has slumped in polls since the debate, with some Democrats calling for him to withdraw. Biden, 81, explained that extensive travel before the debate left him exhausted. Representative Lloyd Doggett publicly urged Biden to step aside, while Nancy Pelosi acknowledged concerns about Biden's ability to continue. Polls show Trump gaining a significant lead, with a USA Today Suffolk poll showing Trump at 41% over Biden's 38%. Concerns about Biden's age and fitness have intensified, with calls for a White House meeting to discuss his campaign.

WHAT WE ARE READING



[U.K. Labour Party wins landslide election over Conservatives](#)



[why the next three weeks are critical for Biden](#)



[Senate committee recommends major overhaul for corporate watchdog](#)



TRADE OF THE WEEK

Ampol (ALD)

Balanced Portfolio Recommendation

Trade Date: 28/06/2024

Entry price: \$32.50

Target Price: \$41.00

Stop Loss: 15% Trailing Stop

Ampol presents a compelling case for investment due to its significantly undervalued status and attractive valuation metrics, suggesting substantial upside potential. Additionally, Ampol offers a superior dividend yield of 8.5%, enhancing income for the portfolio. The company is strategically positioned within the energy sector, with strong operations, market presence, and a focus on sustainable energy solutions. Improved refinery margins and operating efficiencies in the convenience stores will see Ampol's results improve this earnings season, with continued special dividends likely to be paid.

