



# BULLS vs BEARS

MPC Markets – Weekly edition  
**FOUNDED BY INVESTORS, FOR INVESTORS**



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## MPC IN THE MEDIA

On Ausbiz's 'The Call,' Mark Gardner from MPC Markets and Henry Jennings offer detailed insights into a selection of stocks, including EVT, Playside Studios, Accent Group, Viva Leisure, Sigma Healthcare, Nanosonics, AVITA Medical, Bravura Solutions, Argo Investments, and PSC Insurance Group. The discussion highlights key market trends and individual stock performance, with a special focus on the stock of the day, Cochlear (COH).



**Watch the episode**

## EARNINGS LAY BARE THE HITS AND MISSES

This week's ASX earnings season has been a mixed bag, with several key companies experiencing the impact of heightened market expectations. Origin Energy faced a sharp 10% drop in its stock after posting strong but below-expected earnings, highlighting the challenges of navigating the energy transition. Cochlear also disappointed investors with profits at the lower end of guidance, leading to a 7.5% share price decline. On the other hand, Goodman Group delivered solid results, bolstering its position in the data center market. Overall, the week emphasized the fine line companies must walk between delivering solid results and meeting market expectations.

**Read the Full article here**





# STOCKS

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## HIGHLIGHTS OF THE WEEK

### Challenger (CGF)

Challenger Limited's financial results for FY2024 exceeded market expectations, particularly in terms of profitability, EPS growth, and stronger-than-expected dividends, despite slightly lower total Life sales. The company's performance was marked by an increase in ROE and has been positively received by most analysts. However, the statutory net profit was lower due to asset and liability experiences and other one-off items, and the Funds Management division underperformed slightly compared to the previous year, which may have fallen short of market expectations.

### Origin (ORG)

experienced a significant drop in its share price, falling approximately 10% to \$9.55 from \$10.60. This decline occurred despite the company reporting strong financial results for FY 2024, including a statutory profit increase of 32% to \$1.40 billion and a 58% rise in underlying profit to \$1.18 billion. The market reaction appears to be driven by concerns over a less favorable outlook for FY 2025, with expectations of lower earnings in the Energy Markets segment due to decreased electricity profits and rising costs

### Pro Medicus (PME)

Pro Medicus Limited is set for continued growth, driven by key factors. The company secured nine significant contracts in North America, worth a minimum of \$245 million, expanding its U.S. market presence. Its focus on cloud-native solutions, increasingly adopted by clients, is expected to boost growth and margins. PME's investment in AI and the Visage 7 platform positions it well in medical imaging and healthcare technology. With a debt-free status and strong cash reserves, PME has the flexibility to invest in future growth while providing shareholder value through dividends. Overall, the company is expected to sustain strong revenue and profit growth.

### QBE (QBE)

Cohclear experienced a significant market reaction this week, with its share price dropping 7% following the release of its FY24 results. Despite reporting a 27% increase in underlying net profit to \$386.6 million and a 15% rise in revenue to \$2.26 billion, investor sentiment turned negative due to concerns over future profit growth and guidance for FY25, which projected only 6% to 11% growth. The company also announced a 20% increase in its final dividend to \$2.10 per share, but the market's expectations were not met, leading to the decline in share price.



# ASX EARNINGS

“Outlook” will be the key word this earnings

## THE WEEK AHEAD



	Mon-19th	Tue-20th	Wed-21st	Thu-22nd	Fri-23rd
EARNINGS					
ECONOMIC					

## PREVIEW



Analysts have lowered their FY24 EPS forecasts for Ampol, with Macquarie expecting a full year dividend of 210.00 cents and EPS of 228.00 cents, UBS forecasting 136.00 cents and 194.00 cents respectively, and Morgan Stanley projecting 176.00 cents and 219.00 cents. The consensus seems to be that Ampol is navigating the challenges well, but earnings expectations have been revised downwards for FY24.



Most analysts have a positive outlook on Northern Star Resources (NST), with Buy or Outperform ratings and target prices ranging from \$14.35 to \$18.65. Thus, the average target price from the brokers is \$16.38. Analysts hold mixed views on Northern Star Resources Limited (NST) ahead of its August 22, 2024

earnings report, with a consensus rating of Hold reflecting cautious optimism. The projected earnings per share (EPS) of AU\$0.22 for Q4 2024 suggests potential growth from previous quarters. Despite significant year-over-year growth, including a 1373.17% increase in EPS last quarter, the stock has seen a recent decline of 3.74% over the past three months. Some analyses indicate the stock may be undervalued by around 29%, presenting a potential buying opportunity. Investors are advised to closely monitor the earnings report as it could impact future ratings and stock performance.



Telix's strong growth potential in the biopharmaceutical sector, particularly given its focus on niche markets such as radiopharmaceuticals for cancer treatment. Telix Pharmaceuticals presents a compelling investment opportunity in the biopharmaceutical sector, particularly given its focus on niche markets such as radiopharmaceuticals for cancer treatment. Telix Pharmaceuticals presents a compelling investment opportunity in the biopharmaceutical space, driven by its innovative product pipeline and strong market performance, although potential investors should remain mindful of the inherent risks associated with biotech investments.

## ASX200 Net Chg for the Week





# US STOCK NEWS

## Tech Rally Resumes

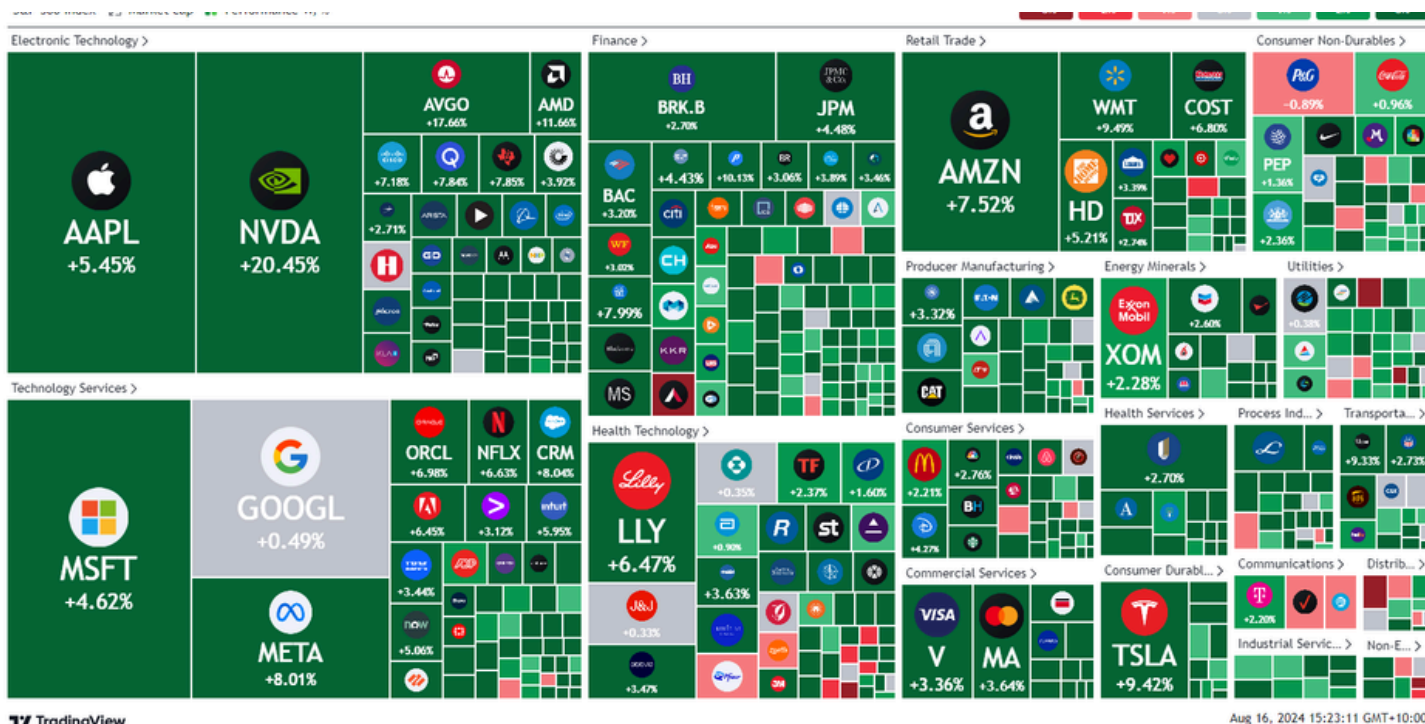
**Take-Two Interactive +4.4%** – videogame publisher climbed 4.4% as it expects net bookings to grow in fiscal years 2026 and 2027.

**Expedia +10.2%** – after the online travel agency beat analysts' expectations for second-quarter profit.

**Riley Financial Inc (RILY) -52%** – lost half its \$500m value overnight after the investment bank said it's suspending its dividend due partly to the fallout from a loan it provided to help the former chief executive of Franchise Group Inc. acquire the company last year

**Walmart +7%** – the retail giant, often considered as a bellwether for retail demand, reported its second-quarter earnings on Thursday, topping analyst expectations, driven by robust e-commerce growth and improved margins.

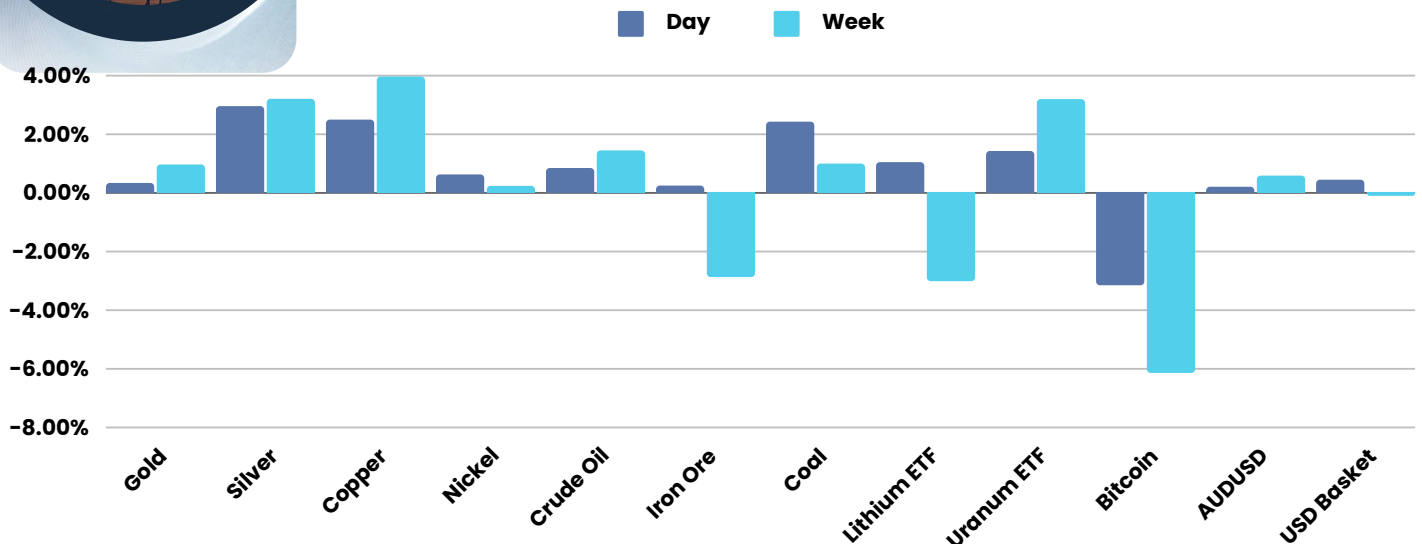
**Cisco Systems +5.6%** – the networking equipment giant reported better-than-expected fourth-quarter earnings and announced a restructuring plan.



Weekly S&P500 Heatmap



# COMMODITIES & FX



**Gold:** Gold prices rallied early in the week to test highs around \$2480. Gold has fallen back to mid range for the week around the \$2450 level

**Silver:** Silver had a slow move higher for the week trading just above \$28 today. Silver has been relatively steady for the last two weeks as the bounce off recent lows continues

**Copper:** Copper continues to rise and had a sharp recovery to trade near \$4.19 to end off the week. Like silver, copper has continued to move higher after trading under the \$4 level last week.

**Lithium:** Lithium continues to drift lower. PLS did put a takeover bid on LRS, so corporates are using these low prices to buy some good assets

**Crude Oil:** Oil prices had a sharp jump to \$80, early in the week on the back of Middle East tensions over the weekend. Oil has now edged lower down to \$78.

**Iron Ore:** Baowu Steel warned that winter is coming and saw Iron Ore producers fall sharply. It felt like there was a capitulation bottom put in as producers gapped up today and look better

**Uranium:** Uranium spot price remains stable around \$80. Uranium producers remain near lows but have managed a small bounce for the week.

**Bitcoin:** BTC was relatively quiet for the week ranging between \$57k and \$60k. ETH was similar trading around the \$2600 level.



# ECONOMY & POLITICS

## US Retail Sales

US retail sales jumped 1% in July, marking the strongest gain since early 2023, driven by a sharp rebound in car sales and solid increases in electronics and appliances. Despite high prices and borrowing costs, consumer spending remains resilient, though increasingly reliant on credit, raising concerns about its sustainability. E-commerce saw modest growth, spurred by Amazon Prime Day and other promotions. The report also highlighted a cooling labor market, influencing expectations of potential interest rate cuts by the Federal Reserve next month. Walmart's earnings reflected a more cautious consumer, with shoppers becoming more selective and seeking value amid economic uncertainty. Treasury yields and stock indexes rose in response to the retail sales report and declining jobless claims, signaling continued economic strength despite underlying challenges.

## Zelensky's Gamble

Ukraine's surprise incursion into Russia's Kursk region presents a significant dilemma for President Biden and his administration. The bold move, reportedly involving up to 12,000 troops, has caught both Russian and Western leaders off guard. This operation, the largest foreign military incursion into Russia since World War II, raises pressing questions about the extent to which the U.S. will support Ukraine's use of American-supplied arms for cross-border attacks. While U.S. officials insist Ukraine remains within policy boundaries, the assault challenges the careful limits Biden has set to avoid escalating the conflict with Russia. Zelensky's daring move may be aimed at pushing Washington to further support Ukraine's military efforts, despite the considerable risks involved.

## WHAT WE ARE READING



[Japanese stocks head for best week in 4 years as fading growth fears lift markets](#)



[NZ central bank chief flags two mores cuts by Christmas, more in 2025](#)



[Biden, Harris hail Medicare drug price cuts that will save billions](#)



# TRADE OF THE WEEK

## Telix Pharmaceutical (TLX)

### Balanced Portfolio

Trade Date: 16/08/2024

Entry price: \$19.1

Target Price: \$26.00

Stop Loss: \$16.5 (15% Trailing Stop)

Telix Pharmaceuticals Limited (ASX: TLX) offers a compelling investment opportunity due to its strong growth potential in the biopharmaceutical sector, particularly in the niche market of radiopharmaceuticals for cancer treatment. The company's share price has surged by 80.4% over the past year, significantly outperforming the broader Australian market. Despite recent volatility, with the stock down 11.4% from its 52-week high, Telix's robust financial performance, including AU\$576.27 million in revenue and a 63.68% gross margin, underpins its value. The company's expanding product pipeline and recent regulatory approvals further enhance its long-term growth prospects. However, investors should be cautious of the inherent risks in biotech investments, particularly as the stock remains susceptible to market fluctuations and regulatory hurdles.

