



BULLS vs BEARS

MPC Markets – Weekly edition

FOUNDED BY INVESTORS, FOR INVESTORS



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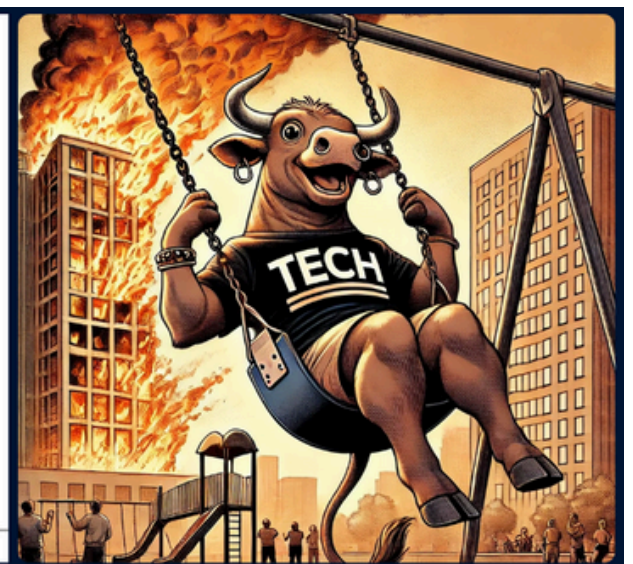
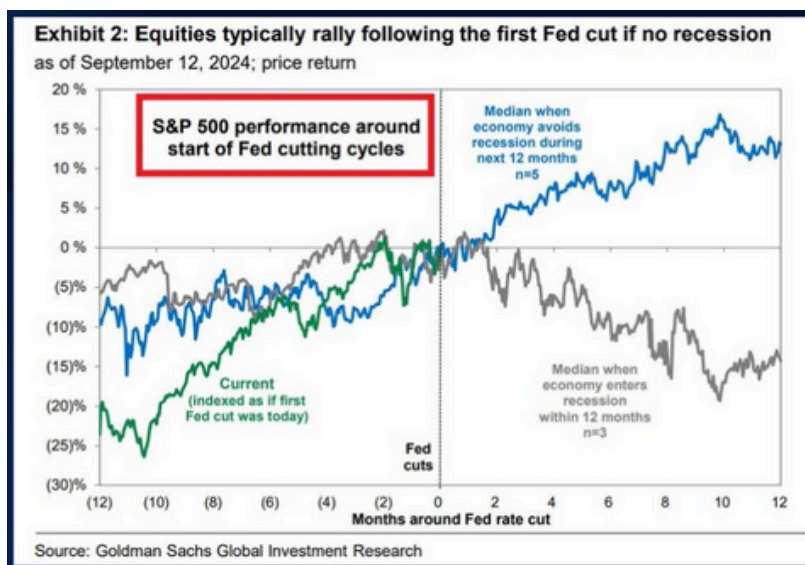
MPC IN THE MEDIA

Jonathan joined Adam Dawes and Andrew Geoghehan on The Call. A few double Buys came out in ORI, MQG and DUR. We also got asked if the market being at record highs is justified here in Australia. Jonathan suggested that price is price and hard to say the market is wrong, it may not make sense logically but fact is its trading here. Jonathans favourite stock was NST, being the self proclaimed Ausbiz Gold Bug



HISTORY ISN'T ON THE SIDE OF BULLS, OR IS IT?

with all the talk of statistics in relation to the equity market move after the first rate cut, history is not on the side of a bullish move after the Fed's first rate cut was 50bps, with the last 2 occasions seeing the S&P500 fall 39% and 54% over the following 12-18 months and the Fed underestimating the spike in unemployment by half. Both occasions ended in a recession. However, this time the Fed seem to more ahead of the curve than in 2001 & 2007 which may result in a softer landing than previous occasions. Below show the market move if a recession is avoided





STOCKS

HIGHLIGHTS OF THE WEEK

Telix Pharmaceuticals (TLX)

Telix Pharmaceuticals announced that it has selected Cardinal Health as its U.S. commercial distributor for Zircaix® (TLX250-CDx), an investigational PET imaging agent for kidney cancer diagnosis, pending regulatory approval. The partnership aims to make Zircaix widely available across the United States through Cardinal Health's extensive nuclear pharmacy network. This agreement builds on their existing collaboration, which has been central to the commercial success of Telix's Illuccix® PSMA-PET imaging agent. Following the announcement, Telix's stock price jumped 7% on Friday, reflecting investor optimism about the potential impact of Zircaix on kidney cancer diagnosis and the company's growth prospects.

Platinum Asset Management (PTM)

Regal Partners, led by co-founder Phil King, has made a bid to acquire Platinum Asset Management in an effort to revive the struggling firm. While Regal's shares have risen 45% this year and its funds under management (FUM) have grown to \$16.5 billion, Platinum has seen its shares decline over 85% in nine years, with FUM dropping from \$24 billion to \$12.2 billion. Regal aims to leverage its investment expertise to improve Platinum's performance and halt fund outflows. Platinum's co-founder, Kerr Neilson, who holds over 21% of the company, is reportedly supportive of the proposed acquisition.

Austal (ASB)

Australian shipbuilder Austal plans to raise debt to fund a \$US300 million (\$440 million) expansion of its U.S. shipyard in Mobile, Alabama, to build larger, steel-hulled vessels for the U.S. Navy. CEO Paddy Gregg prefers debt over equity due to market undervaluation and strong cash generation, noting they won't need to borrow the full amount. Austal recently accepted a \$US24 million penalty to settle a U.S. fraud investigation related to financial reporting from 2013 to 2016. The company has also attracted takeover interest from South Korea's Hanwha Group, but concerns over foreign ownership and security clearances have hindered progress.

ALS Ltd. (ALQ)

Macquarie has reduced ALS Ltd's price target by 7% to A\$15 and lowered its earnings per share estimates for FY25-27 by 9%, 7%, and 7%, respectively, due to a weak half-year forecast. Despite this, ALS shares rose 1.9% to A\$13.92, after dropping 8.6% the previous day—their worst decline in over four years—following an expected 5% reduction in half-year underlying net profit after tax (NPAT). Macquarie analysts expect ALS's exploration cycle to recover in 2025, supported by higher U.S. gold and copper prices and improving economic activity. Morningstar also cut its FY25 NPAT forecast by 5% to A\$295 million but sees limited long-term implications despite the downgrade.



US STOCK NEWS

The Week that was in US Stocks

The market was effectively on hold until the Fed decision on Wednesday, which made for a very boring market in the early part of the week.

Post Fed, the initial move was up, then down, then up again, triggered by Asian and European session buying on Thursday.

The buying was mainly focused in the Magnificent 7, broad based buying was still missing.

Federal Reserve speakers returned to the spotlight following the 'black out' period, with remarks from Philadelphia Fed president Patrick Harker and Fed Governor Michelle Bowman in focus.

Fed Governor Michelle Bowman said Friday that she voted against the central bank's decision to begin the rate-cutting cycle with jumbo cut to avoid stoking expectations that the Fed has won its battle against inflation.

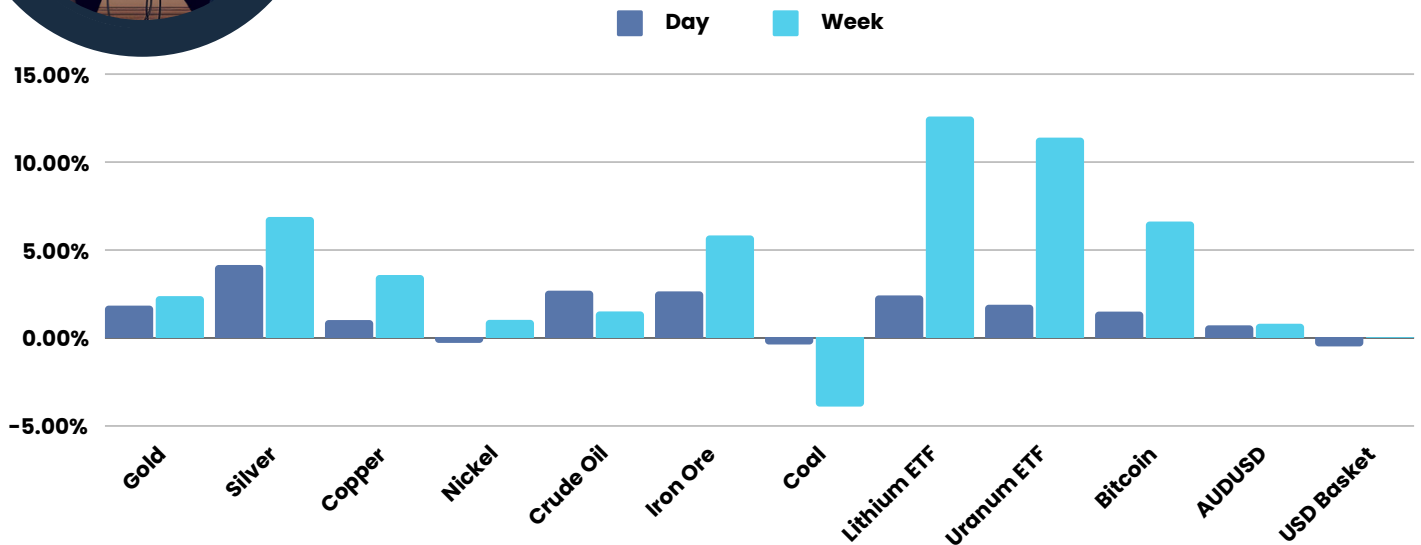
Bowman was the sole voting Fed member who voted against the Fed's 50 basis point cut in September in favor of a lesser 25bps cut.



Weekly S&P500 Heatmap



COMMODITIES & FX



Gold: Gold prices surged to new record highs this week, surpassing \$2,600 per ounce, driven by expectations of Federal Reserve rate cuts and a weaker U.S. dollar. Investor demand remains strong amid economic uncertainties.

Silver: Silver prices surged this week, reaching multi-year highs above \$30 per ounce. Strong investor demand, industrial usage expectations, and a weaker U.S. dollar contributed to the rally, with silver outperforming gold

Uranium: Uranium prices held steady around \$79.65 per pound this week, near their lowest since November 2023. Investors remain cautious about global supply, with Kazatomprom revising production guidance downward for 2025

Crude Oil (WTI): Oil prices remained volatile this week, influenced by concerns over Chinese demand and OPEC+ production cuts. Brent crude hovered around \$90 per barrel, with market participants closely watching economic indicators and geopolitical developments

Copper: Copper prices climbed above \$4.39 per pound this week, reaching a one-week high. Improved demand from China, declining inventories, and a surge in electric vehicle sales contributed to the price increase

Iron ore: Iron Ore rebounded this week and trading above \$93. Miners have also bounced and we are seeing signs that an intermediate low may have formed.

Bitcoin: BTC has rallied this week and touching \$64k today, highest its been in a month. Chart looks ready to break out but needs to spend some time above \$65k to attract more momentum traders



ECONOMY & POLITICS

Larger-Than-Expected Rate Cut

The U.S. Federal Reserve has initiated a surprising 50 basis point interest rate cut, signalling the start of a new phase of monetary easing. Despite Fed Chair Jerome Powell's efforts to downplay worries by forecasting smaller future cuts, fund managers caution that this significant reduction may indicate a rapidly weakening economy. Global investors, including those in Australia, are apprehensive about whether central banks can achieve a soft landing without triggering a recession. Luke McMillan of Ophir Asset Management describes the current period as a "danger zone," emphasizing the risk that rate cuts may not avert an economic downturn. While sectors like consumer staples and healthcare are traditionally seen as safe havens, many of these stocks are already at record highs, adding extra risk. The Reserve Bank of Australia is expected to cut rates soon due to the struggling economy, but uncertainty remains about whether this will prevent a recession.

Harris Seen as Likely Winner

A recent CNBC Fed Survey indicates that Vice President Kamala Harris is now seen as the most likely winner of the upcoming U.S. presidential election, surpassing former President Donald Trump for the first time. Conducted among 27 investment strategists, economists, and fund managers from September 12 to 14, the survey shows 48% of respondents predicting a Harris victory, while 41% expect Trump to win. This marks a shift from July's survey, where 50% anticipated a Trump win and only 37% foresaw a Harris victory. While more respondents believe Trump would be better for the stock market and the economy, a majority feel Harris would be better for the country overall. The survey also highlights that 100% of respondents expect Harris to respect the Federal Reserve's independence, compared to only 42% for Trump. With economic policies and Fed independence at stake, the survey reflects growing investor confidence in Harris's leadership as the election approaches.

WHAT WE ARE READING



[Israel intensified airstrikes on Iran-linked targets in Syria](#)



[Gold prices hit record high as rate cut bets build](#)



[Trump rules out another presidential debate against Harris](#)



TRADE OF THE WEEK

Smart Entry Note – NEM & NST

SMART ENTRY NOTE

When equities seem overpriced, investors often pivot to bonds or cash for more predictable income, sacrificing potential equity gains. We have formulated a 12-month structured investment (Smart-Entry Note) that address this by offering regular fixed income and the opportunity to buy into the market at a lower price during a downturn.

HOLDING STOCK	PERFORMANCE	SMART-ENTRY
-17%	Average Drawdown	NIL
-21%	Avg rate cut cycle Drawdown	NIL
2.9%	Current Average Yield	8.5% (2.9x)

*Average yield of stocks (INCLUDING FRANKING)



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