



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Kai Chen from MPC Markets dive deep into the latest stock insights on 'The Call.' They provide expert analysis and market perspectives on a range of companies, including Endeavour Group, Frontier Energy, West African Resources, Brickworks, Freightways Group, SiteMinder, Neuren Pharmaceuticals, Race Oncology, Harvey Norman, Coles, and Guzman Y Gomez. From established industry leaders to innovative newcomers, they break down the key factors driving these stocks and offer valuable insights for investors looking to stay ahead in the market.



INVESTORS GET READY TO RUMBLE - US PAYROLLS FIGURES

Friday's August jobs report is highly anticipated on Wall Street, with significant implications for Federal Reserve policy. The consensus forecast expects 161,000 nonfarm payroll growth and a slight unemployment rate decrease to 4.2%. Recent data, including downward revisions to previous counts, suggests a potential hiring slowdown. Markets are certain the Fed will begin lowering interest rates soon, with the possibility of a larger cut depending on the report's outcome. The July report showed only 114,000 job growth, raising concerns about economic weakness. ADP's latest report indicated just 99,000 private job gains in August, the smallest i

ncrease since January 2021. These figures have increased expectations for Fed rate cuts, with traders pricing in significant reductions through 2025. Despite overall economic resilience, job market sentiment is declining. The Zeta Economic Index shows increasing concerns about job stability, with its job market sentiment measure falling 1% in August and 4.6% year-over-year. This cautious outlook persists even as the broader economy shows signs of a "soft landing".

EXPECTATIONS

+164k jobs

Unemployment rate 4.2%





STOCKS

HIGHLIGHTS OF THE WEEK

Rea Group Ltd (REA)

REA Group's interest in acquiring Rightmove, the leading property-listing platform in the UK, has raised skepticism among analysts. While the acquisition could unlock significant shareholder value and transform REA into a global business, concerns have been raised about the lack of strategic synergies between the two companies. Despite Rightmove's market dominance, its share price has been weak, and REA's financial position may require additional capital raising to fund the acquisition, potentially diluting its stock. The market responded with Rightmove's shares soaring 27% and REA's shares falling by 5.3%, reflecting mixed investor sentiments.

Challenger (CGF)

Challenger has affirmed its commitment to working with Apollo Global Management despite Apollo's decision to sell a 10% stake in the annuities and fund management company. Apollo has engaged Goldman Sachs and Jarden to offload the \$460 million stake at a floor price of \$6.51 per share. Challenger's CEO, Nick Hamilton, noted that Apollo's decision would boost the company's free float and trading liquidity. Apollo's head of Asia-Pacific, Matthew Michelini, emphasized that Challenger remains one of its key global strategic partners, and the firms will continue collaborating on asset management and product development.

NextDC (NXT)

NextDC had an impressive 8% jump, bringing its share price to \$17.38. Despite the absence of specific news from the company, investor interest in data centers has surged this week, largely driven by the \$23 billion buyout of AirTrunk, a prominent player in the sector. This heightened attention suggests growing confidence in the future of data centers as a critical infrastructure for digital services.

Mineral Resources (MIN)

The broader lithium sector continues to face challenges, driven by a 0.8% drop in 99.5% battery-grade lithium carbonate prices in Shanghai, bringing the price to 74,050 yuan (\$US10,397). Prices have been on a steady decline since peaking in 2022.

UBS forecasts African lithium production will increase from 10% to 15% of global supply by 2028. Despite hopes of production cuts to stabilize prices, Atlas Funds Management's Hugh Dive noted this is unlikely to occur. Sluggish electric vehicle sales and global protectionism, including Canada's 100% tariff on Chinese-made EVs, are also exacerbating the sector's challenges.

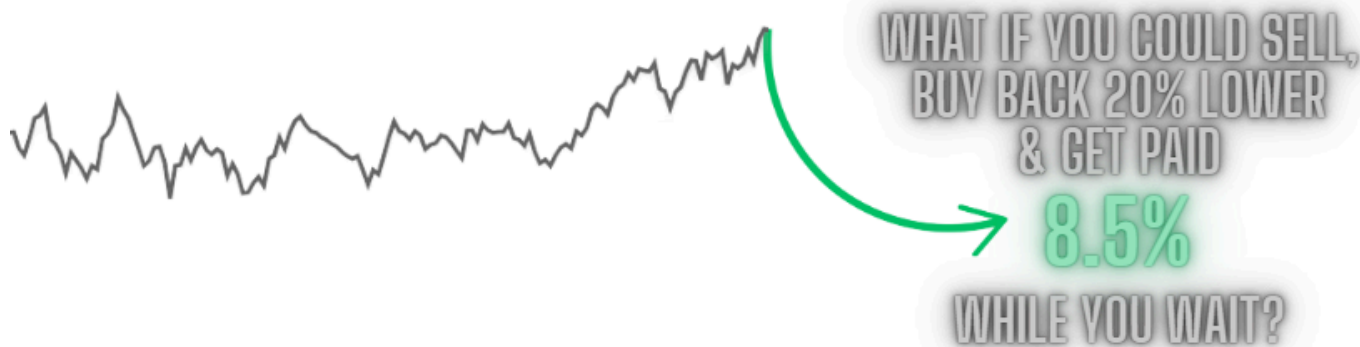


ALTERNATIVE ASSETS

GET PAID FOR PATIENCE

Many investors are asking

"Should I take profits and buy back lower?"



STRUCTURED INVESTMENT OFFERS

Smart-Entry Note - Australian Diversified Basket

Basket	Reference Assets	Smart-Entry Level (Strike)	Term	Coupon p.a.
AU Diversified	WES, MQG, CBA, XRO	80% (-20% from today's price)	12 Months	8.50% (Paid Monthly)

Want to know more? Watch the Investment Webinar



Store of Value - Enhanced Growth

Reference Asset	Term	Exposure	Max Returns
Worst-Of (WO) Basket: SDPR Gold Shares (GLD UP), Silver Spot (XAGUSD)	1 Year	\$100,000 exposure per \$10,000 cash outlay	∞

Want to know more? Watch the Investment Webinar



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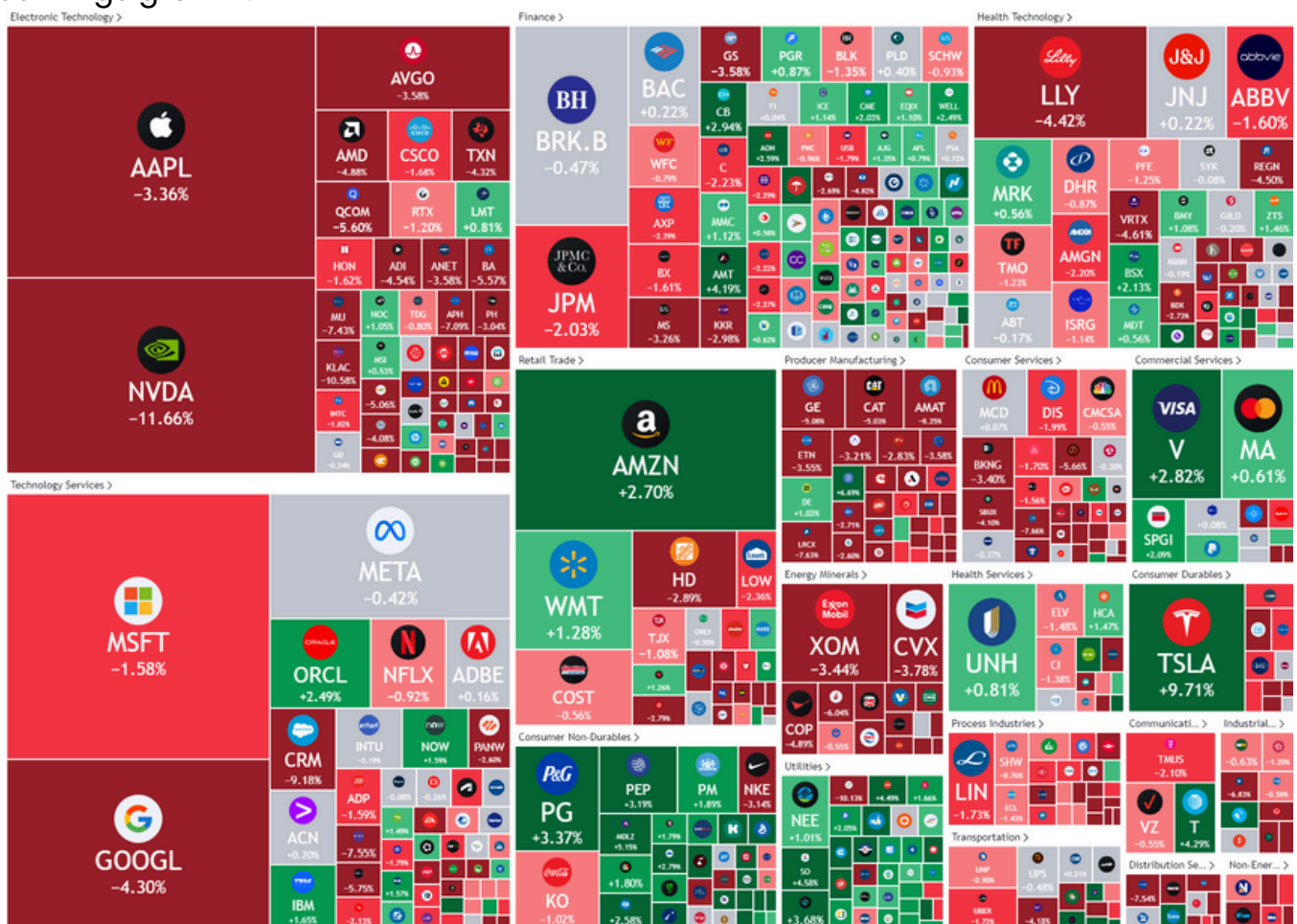
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US STOCK NEWS

The Week that was in US Stocks

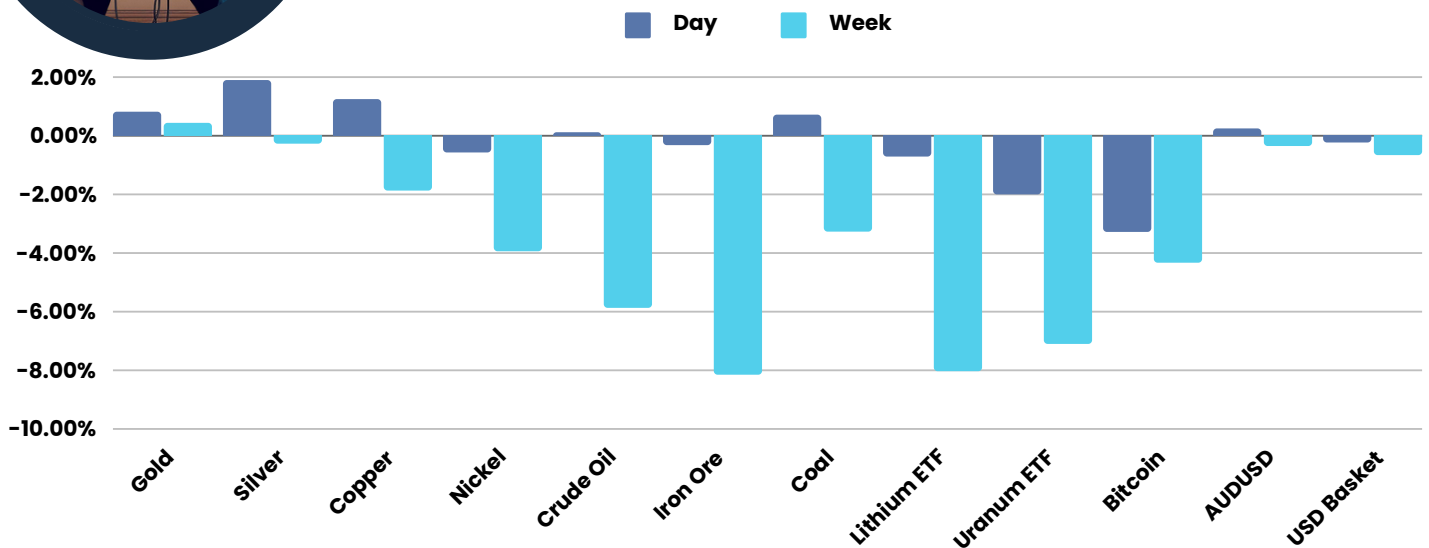
The week began with positive stock market performance due to favorable inflation data, suggesting potential Fed rate cuts. However, the mood quickly shifted as recession signals emerged. Nvidia's stock slump led to a broader tech sector decline, with the Nasdaq experiencing its largest one-day drop since August. Economic concerns intensified as manufacturing activity data disappointed investors returning from Labor Day. Job market data showed mixed signals throughout the week. Job openings fell more than expected in July, indicating a cooling labor market. Private payrolls increased less than anticipated in August, while unemployment claims decreased slightly. These mixed results have increased uncertainty ahead of Friday's crucial nonfarm payrolls report. The "buy the dip" strategy, previously popular among investors, has been largely abandoned as economic indicators continue to worsen. Seasonal weakness in September, particularly pronounced in election years, adds to market concerns. Investors are now closely watching Friday's jobs report, which could significantly impact market sentiment and future Fed decisions. Expectations for the report include 164,000 jobs added, a 4.2% unemployment rate, and 0.3% average hourly earnings growth.



Weekly S&P500 Heatmap



COMMODITIES & FX



Gold: Gold was looking weaker earlier in the week trading as low as \$2470 but has recovered and back at \$2520 and looking to test the all time highs again

Silver: Silver continued the recent slide from \$30 earlier in the week but found support just below the \$28 level, then bounced nicely back to \$29 today. Overall Silver has been much more choppy than Gold but chart still looks constructive

Uranium: Uranium is back on decline as last weeks Kazatomprom news has been quickly forgotten. Spot Uranium still relatively steady in comparison

Crude Oil (WTI): WTI crude oil got belted this week falling from \$75 to under \$70. \$67 to \$69 has been the bottom end of the range for the last two years so a break of these levels could open up the floor for lower prices

Copper: High-grade copper has been relatively quiet the last few weeks as it trades around the \$4.15 level. The \$4 level looks like a decent support level now and could form a base where it can run higher from here.

Iron ore: Iron Ore has falls below \$100 again on weak China steel outlook.

Bitcoin: BTC has been weak all week, failing to get above the \$60k level and is back around \$56k. ETH also looks weak and is trading around the \$2400 level

Yen: USDJPY is now below the closing levels when the Nikkei lost 13% on that volatile Monday a few weeks back. Nikkei is the weakest of all indices this week, so could start some volatile moves again



ECONOMY & POLITICS

Wall Street's Big Bet on Jumbo Fed Cuts Hangs on Jobs Report

Wall Street's big bet on a jumbo Federal Reserve interest rate cut hangs on the upcoming US jobs report. Citigroup Inc. and JPMorgan Chase & Co. predict a half-percentage-point cut, but a quarter-point reduction is still favored by traders and economists.

Interest-rate swap contracts show a 35% chance of a jumbo cut when the Fed meets on September 17-18.

The split has increased the potential for significant gains and losses in the Treasury market around the jobs report. Fed Chair Jerome Powell has emphasized the labor market's importance in determining the timing and extent of rate cuts. Market expectations for a larger cut grew after weak data on July job openings and soft private-sector job growth in August.

The jobs report will likely resolve the uncertainty by the end of the week, with traders pricing in about 34 basis points of easing.

Election prediction Guru, Nate Silver Predicts Trump Win

Nate Silver's latest election forecast shows former President Donald Trump's chances of victory in November at 58.2%, the highest in over a month, while Vice President Kamala Harris stands at 41.6%. Despite Harris leading in national polling averages by 3.4 percentage points, Silver notes that recent polls are coming in below current averages for her.

The model predicts Trump securing key battleground states like Arizona, Georgia, Pennsylvania, Nevada, and North Carolina to reach the necessary 270 electoral votes. Michigan remains a toss-up, while Wisconsin leans slightly towards Harris. Experts caution that Harris' momentum may be deceiving, citing historical underestimation of Trump's support in polls.

The forecast gives Harris a higher probability of winning the popular vote, but Trump's path to an electoral college victory remains strong.

WHAT WE ARE READING



[China faces new shock as local governments scramble for cash, worsening crisis](#)



[China's Economic Pain Is an Opportunity for India](#)



['Economic refugees' flee from New Zealand as cost-of-living crisis deepens](#)



TRADE OF THE WEEK

SNAS – Leveraged Short Nasdaq ETF

ALPHA RECOMMENDATION

Trade Date: 06/09/2024

BUY SNAS @ 1.55

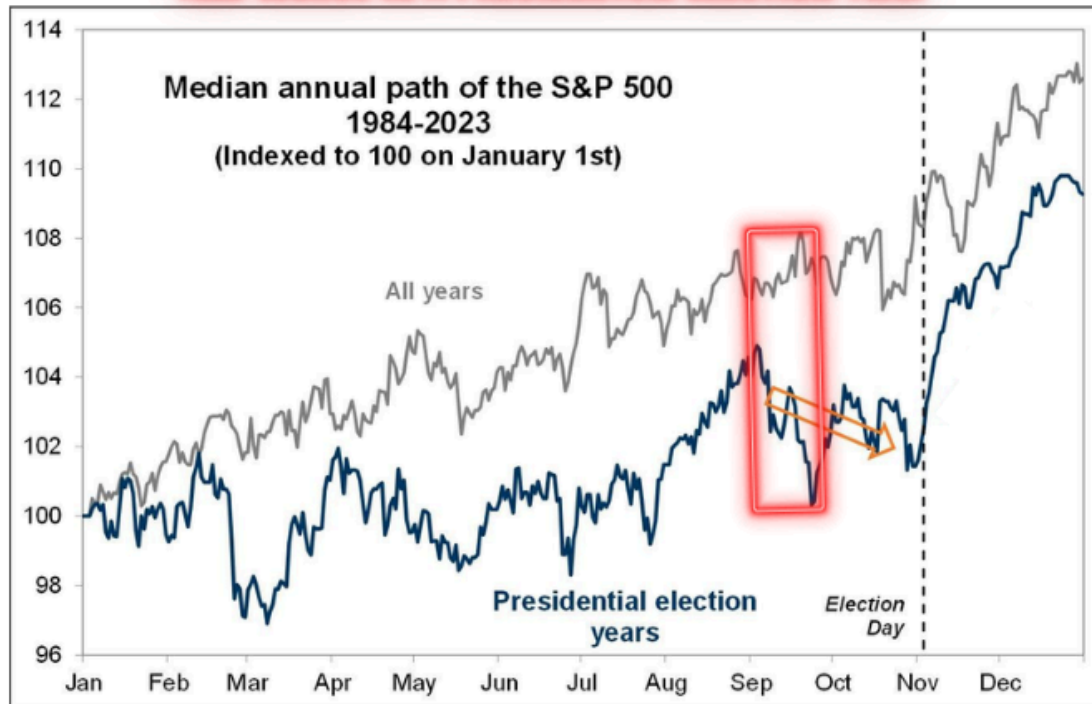
TARGET: 2.25

Stop loss: 1.30

SEPTEMBER IS STATISTICALLY THE WORST MONTH FOR US STOCKS



AND WORSE IN A PRESIDENTIAL ELECTION YEAR



GENERAL ADVICE ONLY

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