



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Mark joined Sanjee Narendran for the Call this Thursday on Ausbiz. It was the first time this year there were no double buys. and plenty of double sells!

Stocks covered:

Resolute Mining, Viva Energy, Charter Hall, Scentre Group, Aristocrat Macquarie, Bendigo Bank, Fisher and Paykel Wesfarmers, Eagers Automotive

Stock of the Day: oohMedia!



STRONG AUSSIE EMPLOYMENT SQUASHES FEB RATE CUT HOPES

Australia's unemployment rate unexpectedly dropped to 3.9% in November, marking the first time it has fallen below 4% since March. Employment increased by 35,600 people, with full-time positions growing by 52,600 while part-time jobs decreased by 17,000. This robust job market performance has dampened expectations of a February rate cut by the Reserve Bank of Australia (RBA). The strong employment figures, combined with a slowing private sector, suggest that most new jobs were created in government-funded industries such as public

service, healthcare, and education. Treasurer Jim Chalmers viewed the data positively, stating that falling unemployment and moderating inflation indicated the government's success in achieving a soft landing for the economy. However, some economists now believe the February rate cut is less likely, with expectations shifting towards a potential cut in May, after the federal election.





STOCKS

HIGHLIGHTS OF THE WEEK

Insignia Financial (IFL) – Financial services giant Insignia Financial has received a non-binding takeover offer from Bain Capital at \$4 per share. Sources said the Boston-based private equity player, which bought out Virgin Australia in the depths of the COVID-19 pandemic and swept aged care business Estia Health off the ASX in 2023, is working with Bank of America on a possible takeover approach. It is unclear if formal contact has been made between the two companies. Major shareholder John Wylie's Tanarra Capital is sitting on a 15.2 per cent stake, the sources added, potentially opening the way for Bain to make a move.

Resolute Mining (RSG) Resolute Mining chief executive Terry Holohan has announced a leave of absence from the company until 31 January 2025, as the company announced its final settlement payment to the Government of Mali. The final sum of \$US30 million (\$47.13 million) will be made at the end of 2024 from the company's existing cash reserves. It is the final instalment of a \$247 million payout to settle a tax dispute with Mali that resulted in the arrest of the ASX-listed gold miner's chief executive and two other staff. Chief financial officer Chris Eger will take the reins as acting CEO during Holohan's leave of absence, while Dave Jackson will be acting CFO.

Downer (DOW) and Ventia (VNT) The ACCC has launched a price-fixing case against senior executives from Downer EDI's Spotless division and rival contractor Ventia Services, alleging collusion over multibillion-dollar Defence Department contracts. The allegations involve Spotless, Ventia, and Canada's BGIS (owned by CCMP Capital Advisors), with accusations of price-fixing arrangements between April 2019 and August 2022 for maintenance and service operations across 200 Defence bases nationwide. Spotless holds a \$4 billion Defence contract, while Ventia's is worth \$5.8 billion, both expiring in mid-2025. Following the announcement, Ventia shares plummeted 23% to \$3.31, their lowest since February, while Downer's stock fell 6% to \$5.37. The case underscores heightened scrutiny on competition practices in the government services sector.

DigiCo (DGT) DigiCo will debut on the ASX at midday Friday, led by HMC Capital's David Di Pilla, just 14 weeks after he hinted at a major deal during The Australian Financial Review Property Summit. In that time, Di Pilla secured the \$2 billion acquisition of Sydney data centre operator Global Switch and raised \$1.995 billion in equity, despite challenging conditions for IPOs over the past three years. Listing at \$5 per share, DigiCo will have a market capitalisation of \$2.75 billion. The float, strategically designed to attract retail investors via broker networks, has gained significant traction, with many seeing DigiCo as a promising entry point into the burgeoning AI sector. DGT traded as high as \$5.10 after opening and is currently around the \$5 level.



US STOCK NEWS

US Earnings and News

Warner Bros (WBD) - on Thursday decided to separate its declining cable TV businesses such as CNN from streaming and studio operations such as Max, laying the groundwork for a potential sale or spinoff of its TV business as more cable subscribers cut the cord.

Shares of Warner jumped after the company said the new structure would be more deal friendly and it expected to complete the split by the middle of 2025. Warner shares closed at \$12.49, up more than 15%.

Media companies are considering options for fading cable TV businesses, a longtime cash cow where revenues are eroding as millions of consumers embrace streaming video.

Alphabet (GOOGL) - Google has unveiled Willow, a new quantum chip that claims to address a major challenge in quantum error correction. The chip can reportedly reduce errors exponentially as the number of qubits increases, performing a computation in under five minutes that would take a supercomputer 10 septillion years. However, experts argue that this breakthrough lacks practical applications. With 105 qubits, Willow is still too small for useful calculations, and its superconducting qubit technology may face scaling limitations due to cooling requirements. While Google aims to develop algorithms beyond classical computers' capabilities for real-world problems, the field of quantum computing still awaits its "ChatGPT moment" to demonstrate practical usefulness. Despite these limitations, the development adds to the excitement surrounding quantum computing and increases confidence in the potential for building practical quantum computers in the future.

Nvidia (NVDA) - Shares of chip maker Nvidia lost over 3% as China said on Monday it has launched an investigation into the company over suspected violations of the country's anti-monopoly law, in a move widely seen as a retaliatory shot against Washington's latest curbs on the Chinese chip sector. The statement from the State Administration for Market Regulation (SAMR) announcing the probe did not elaborate on how the U.S. company, known for its artificial intelligence (AI) and gaming chips, might have violated China's anti-monopoly laws. It said the U.S. chipmaker is, in addition, suspected of violating commitments it made during its acquisition of Israeli chip designer Mellanox Technologies under terms outlined in the regulator's 2020 conditional approval of that deal.

Adobe Systems (ADBE) - stock slumped over 14% after the software giant issued a disappointing annual sales outlook, indicating that the company's recent measures to incorporate artificial intelligence into its offerings were taking longer than expected to generate returns.

Adobe, known for its software for creative professionals, has ramped up its investments in AI amid increased competition from smaller players, whose image generating software is expected to eat into Adobe's market share.



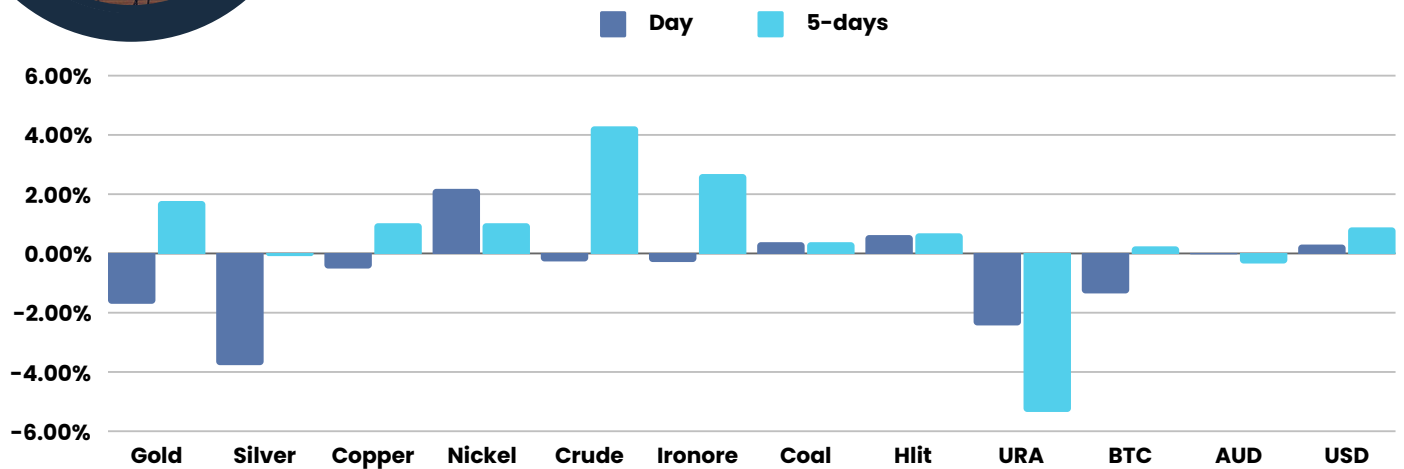
US STOCK NEWS

S&P500 Weekly Heatmap





COMMODITIES & FX



Gold: Positive week for Gold as it bounced at the start of the week from \$2640 and touched \$2725 before pulling back to \$2680. It looks like \$2625 is nice support so any dips towards that level should be bought

Silver: Silver had a strong start to the week bouncing to \$32.20 but has since retraced back to sub \$31 to be pretty much unchanged for the week. The bounce is encouraging, so continue to look for dips to buy

Copper: Copper continues to grind higher in a steady fashion as it printed new recent highs around the \$4.33 level this week. Look for any dips to \$4.20 for a long entry

Uranium: The physical Uranium ETF has been steady this week but Uranium producers have taken a hit and the charts look weak

Crude Oil (WTI): Crude has been strong this week as it bounced from the \$67 support level and tested the \$70 level again. Overall Crude has been stuck in a tight range for a few weeks, so will need a new catalyst to break out

Iron ore: Iron ore had another rising week as it traded up to \$115. China rewording their policies to show more possibilities of stimulus has also helped

Bitcoin: Bitcoin continues to trade around the \$100k level as any dips towards \$95k seem to be finding buyers. ETH looks well supported also as it looks to break the \$4000 level

US Dollar: DXYUSD has found support again this week as DXY is back at the 107 level again. AUD is one of the weaker currencies as it is under 64c



ECONOMY & POLITICS

President Bashar al-Assad overthrown

Syria's decades long Assad regime ended abruptly Sunday as rebel forces captured Damascus following a rapid offensive across the country. Hassan Abdul-Ghani, senior commander of Hayat Tahrir al-Sham (HTS), announced the victory, declaring Damascus free from the Assad regime and calling for displaced Syrians to return.

Verified social media footage showed Syrians celebrating in Damascus and other cities, toppling statues of Hafez al-Assad and marking the end of Bashar al-Assad's rule. Assad fled the country, confirmed by Russia, which had long supported the regime during Syria's civil war.

Russia's Foreign Affairs Ministry stated that Assad stepped down and left Syria following negotiations, transferring power peacefully. Russian state media confirmed Assad fled to Moscow, where he has been granted asylum.

US Producer Price Index

The U.S. Producer Price Index (PPI), a key inflation gauge, has exceeded expectations, signaling potential strength for the U.S. dollar (USD). The latest PPI figure rose 0.4%, surpassing the forecast of 0.2%, and marking an increase from the previous 0.3%. This uptick suggests rising costs for manufacturers, often a precursor to higher consumer prices and inflation.

As a leading indicator of consumer price inflation, the PPI is closely tracked by investors and economists. Its rise indicates producers may pass on higher costs to consumers, potentially prompting the Federal Reserve to raise interest rates. Higher rates typically bolster the USD by attracting foreign investment.

The bullish PPI data highlights inflationary pressures, strengthening the case for USD appreciation.

WHAT WE ARE READING



[New China tech that could hurt our Iron Ore industry](#)



[Jim Cramer interviews Donald Trump at the NYSE](#)



[Elon Musk is now worth over \\$400 Billion](#)

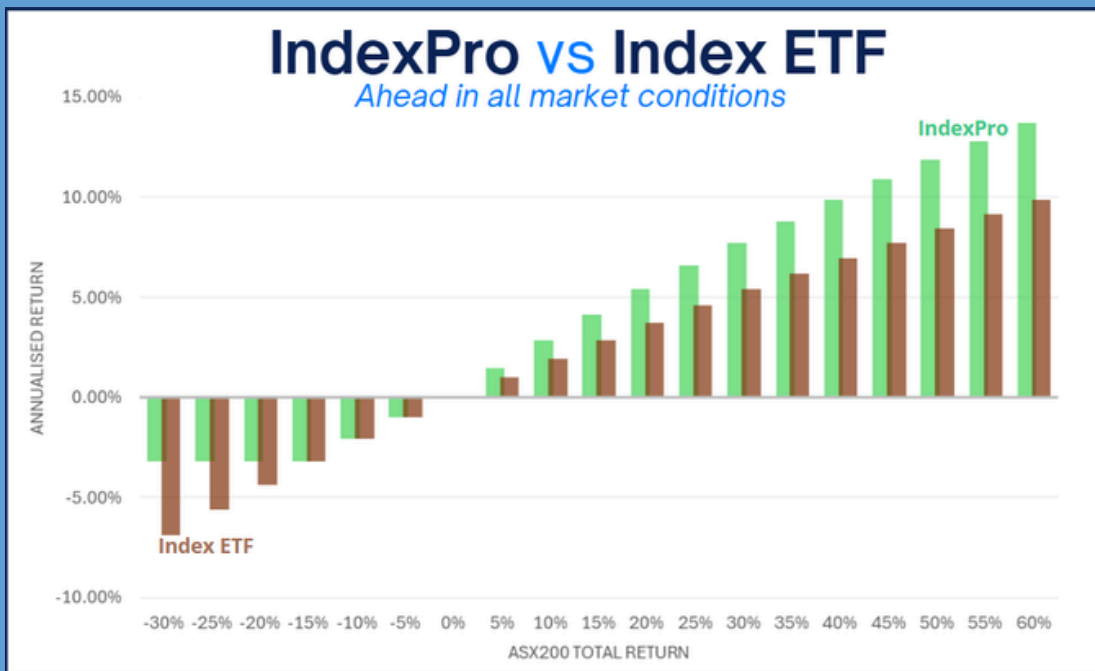
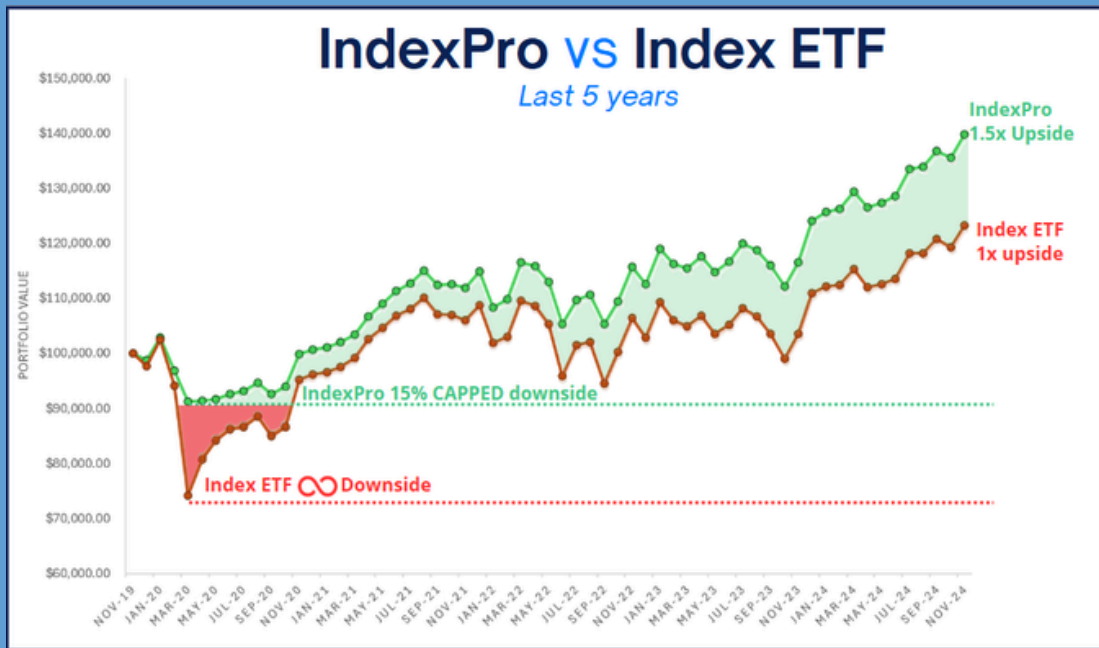


TRADE OF THE WEEK

Structured Investment – IndexPro

At MPC, we have developed our own Index ETF “killer” called IndexPro

With a finely balanced use of leverage, capital protection and fixed income, we have ensured a low-risk, high return that beats the index by 3%+ in all market conditions



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