



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Jonathan went on The Call with Philip Pepe and Kochie on Wednesday. This was a Christmas special with all stocks having some link to this special time of year. Stocks discussed included B4P, ZIP, MHJ, MYR, KMD, QAN, HLO, ALD, CSS and CWY. There were double buys for B4P and QAN and mixed views on the rest. Jonathan was his normal bullish self for the show, thinking the bullish seasonality would help keep the market heading higher but seems that the market reaction to the FED this week has him starting to get cautious



BOND YIELDS GATECRASH 2024 RALLY

The Federal Reserve cut interest rates by 25 basis points overnight, but halved the number of rate cuts expected for next year as the battle to bring inflation down toward the central bank's target is now expected to take longer than previously expected. In what was the third rate cut of the year since the first cut in September, Fed members now appear to be easing away from a deep rate cut cycle. Fed members now see the benchmark rate falling to 3.9% for next year, suggesting just two rate cuts, compared with a prior forecast in September for four cuts. Rates are seen falling to 3.4% in 2026, up from a prior forecast of 2.9%.

Powell pointed to stronger economic growth in second half of 2024, a lower downside risks for the labour market as well as uncertainty on inflation as factors that contributing to the slower path of rate cuts. The Fed chief also pointed to expectations that a higher neutral rate suggests that destination end game for interest rates cuts are closer than previously expected. The Fed lifted its expectations for longer-run interest rate to 3% from 2.9% previously.





STOCKS

HIGHLIGHTS OF THE WEEK

Vulcan Energy (ASX: VUL) Vulcan has secured a €879 million (\$1.45 billion) conditional debt commitment from Export Finance Australia and seven commercial banks to fund Phase One of its Lionheart Project in Germany. Targeting 24,000 tonnes of lithium hydroxide monohydrate (LHM) annually—enough for 500,000 EVs—the project's total funding requirement is €2.2 billion (\$3.65 billion), with €1.4 billion in capital expenditure. The debt package, expected to reach €1.5–€1.6 billion, includes contributions from EFA, the European Investment Bank, and additional export credit agencies. CFO Felicity Gooding highlighted strong institutional backing, reinforcing Lionheart's position as Europe's leading integrated lithium and renewable energy project. Final financing agreements are anticipated by mid-2025.

Novonix (ASX: NVX) Novonix has secured a conditional commitment for a US\$754.8 million (\$1.185 billion) loan from the US Department of Energy to partially finance its new synthetic graphite facility in Chattanooga, Tennessee. This funding, under the DOE's Advanced Technology Vehicles Manufacturing Loan Program, will support North America's first large-scale production of battery-grade synthetic graphite for EV batteries. The facility aims for initial production of 20,000 tonnes annually in 2025, scaling to 31,500 tonnes by 2028 to supply lithium-ion batteries for 325,000 EVs annually. CEO Chris Burns highlighted its strategic role in strengthening US energy independence and localising the battery supply chain. Offtake agreements with Panasonic Energy, Stellantis, and PowerCo further solidify market leadership.

Wesfarmers (WES) Wesfarmers has agreed to sell its Coregas business to a subsidiary of Nippon Sanso Holdings (NSHD) for \$770 million. Upon completion, Wesfarmers anticipates a pre-tax profit of \$230–\$260 million from the transaction. Coregas, part of Wesfarmers' industrial and safety division, is one of Australia's largest manufacturers and suppliers of industrial, medical, and specialty gases. The sale aligns with NSHD's strategy, a Tokyo Stock Exchange-listed company headquartered in Japan. The transaction remains subject to approvals from the Australian Competition and Consumer Commission and the Foreign Investment Review Board, with finalisation contingent on these regulatory consents.

Uranium Outlook UBS has lowered its uranium outlook, cutting its price forecast by 9% to \$US78 a pound for 2025–26, citing weak buyer interest. The broker reduced share price targets for Paladin Energy by 5% to \$9.90 and Boss Energy by 3% to \$3.40, as 2024's uranium market recovery faltered with spot prices down 15% year-to-date. Uranium traded at \$US76.40 on Monday, prompting a sell-off in miners. Paladin Energy fell 4.2% to \$7.62, and Boss Energy dropped 8.1% to \$2.40, ranking among the ASX's most shorted stocks.



US STOCK NEWS

US Earnings and News

Triple Witching Wall Street faces its next test with Friday's quarterly "triple-witching" options expiration, involving \$US6.5 trillion in contracts tied to stocks, indexes, and ETFs. This marks the largest expiration of 2024 and a pivotal moment amid the Federal Reserve's cautious stance on further rate cuts. Historically, these expirations increase trading volumes and can cause sharp price movements as traders adjust their positions. The expiring options skew two-to-one in favor of calls, supporting recent market gains. Key stocks impacted include Tesla, Nvidia, Apple, Microsoft, Meta, and Amazon. Analysts anticipate stability through Friday as traders unwind December puts, but warn that removing these positions could reignite volatility heading into year-end, potentially shaping market direction in the final weeks of 2024.

Insider Selling Corporate insiders are selling stock at unprecedented levels, with cumulative sales 79% above the 10-year average, according to InsiderScore. This comes as the S&P 500 hovers near all-time highs, raising questions about market sentiment. Historically, insiders sell for personal reasons—such as funding lifestyle purchases—but the current sell-to-buy ratio of 30:1 suggests a broader market-wide bearish outlook. Notably, Elon Musk recently sold billions in Tesla shares, exemplifying this trend. Despite their primary roles as executives, insiders are often savvy traders of their own stocks, and following their trades has proven profitable over time. However, the disparity between sales and purchases signals cautious sentiment, with corporate executives showing less confidence in future valuations. Investors may find this a critical indicator to monitor.

Dow Jones Losing Streak The Dow Jones Industrial Average endured its worst losing streak since 1974, falling for 10 consecutive sessions before closing up slightly overnight to break the slide. On Wednesday, the Dow dropped 1,123.03 points, or 2.58%, to 42,326.87, marking its sharpest single-day decline since August and the second 1,000-point drop this year. Investor sentiment was rattled by a disappointing rate outlook from the Federal Reserve, adding pressure to the broader market. The streak underscores heightened market volatility as economic uncertainty continues to weigh on equities. Despite the overnight recovery, concerns remain about the Fed's policy trajectory and its impact on valuations.

Amazon (AMZN) Amazon workers across seven facilities in New York, Georgia, California, and Illinois went on strike Thursday, demanding better wages, benefits, and safer conditions. Organized by the Teamsters union, the strike aims to pressure Amazon to negotiate during the critical holiday shopping season. Teamsters President Sean O'Brien criticized Amazon for ignoring deadlines to negotiate, attributing potential package delays to the company's "insatiable greed." Amazon dismissed the strike as a campaign of "outsiders" attempting to mislead the public, stating it remains focused on holiday deliveries. The Teamsters claim 10,000 Amazon workers have joined their ranks, marking Thursday's action as the largest strike against Amazon in U.S. history.



US STOCK NEWS

S&P500 Weekly Heatmap



2024 has been a great year for investors!

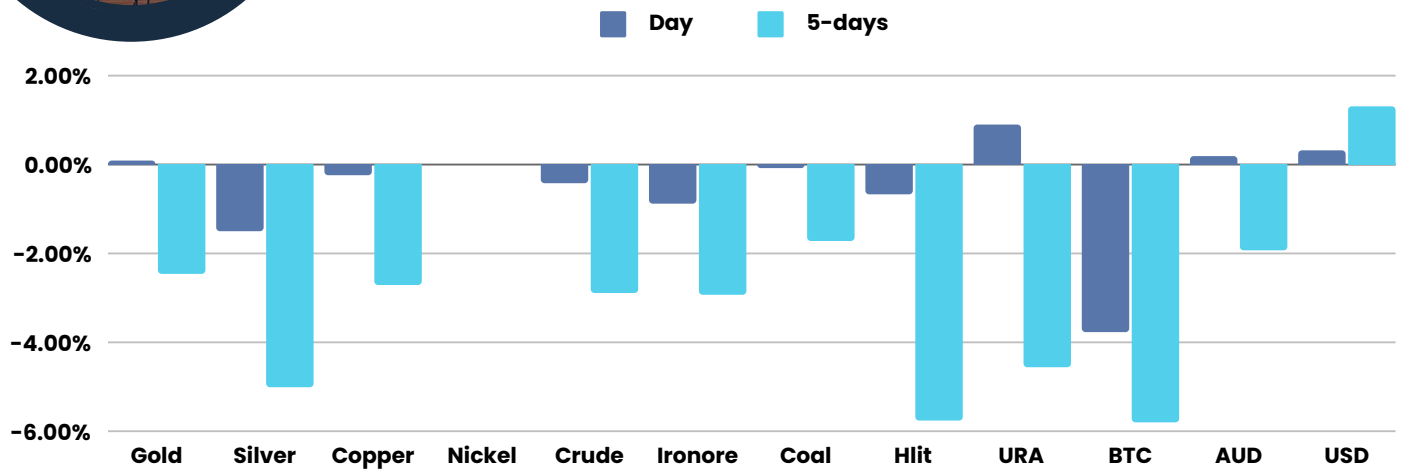
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COMMODITIES & FX



Gold: Weak week for Gold as it got sold off along with equities after FED outlook. Gold started the week at \$2650 but is now trading under \$2600. The November low around \$2550 is the next target for bears. Bulls need that level to hold

Silver: Silver has broken the support level around \$30 and looks weak as it trades around the \$29 level. Silver bulls will need to see some buying soon or else the down trend could see the price drop down to \$27

Copper: Copper has retraced back to \$4.09, which has been the support or lows since November. Bulls will need this level to hold to halt or slow down the current down trend

Uranium: UBS rained on the Uranium outlook as it lowered its price target down to mid 70s for spot. Miners remain weak

Crude Oil (WTI): Crude was quiet this week trading in a tight \$1 range. The price action suggests this compression should lead to a strong breaking move once this spring is released

Iron ore: Iron ore had another quiet week but did make some lower lows as it traded around the \$105 level. Miners have been sold off along with the rest of the equity market

Bitcoin: Bitcoin has had a wild ride this week as it made a new high at \$108k but has since been sold off along with other risk assets to be currently around \$98k. ETH has been sold off harder along with the other Altcoins

US Dollar: DXY has broken out to new highs as it trades above the 108 level. The USD rising is actually not a good sign for the world economy as an expensive USD means its difficult to get enough USD in the system to pay off global debt



ECONOMY & POLITICS

Post Fed correction could last through January, Yardeni says

Yardeni Research suggests that the sharp market reaction to the Federal Reserve's recent hawkish interest rate cut marks the beginning of a long-anticipated market correction. The firm attributes this to overly optimistic rate-cut expectations for 2025 among investors. The correction could persist through January due to various uncertainties, including a potential government shutdown and geopolitical factors. Despite this short-term outlook, Yardeni maintains a bullish long-term view, predicting the S&P 500 to reach 7,000 by the end of 2025. The Fed's 25 basis point rate cut was met with negative market reactions, with major indices dropping and Treasury yields rising. The bearish sentiment stemmed from the Fed's hawkish tone in its updated economic projections, which revealed increased concerns about persistent inflation and fewer anticipated rate cuts for 2025. Yardeni suggests that this development may lead to fewer or no rate cuts in the coming year.

Trump wants to scrap debt ceiling

President-elect Trump's call to eliminate the debt ceiling has added complexity to government funding negotiations, just days before a potential shutdown. The debt ceiling, a legal cap on federal debt, has been a contentious issue in recent years. Trump argues it's ineffective and wants Republicans to raise it, clearing the way for potential tax cuts. However, many GOP members oppose increases without spending cuts, citing the \$36 trillion national debt. Some Democrats support eliminating the debt ceiling, viewing it as an ineffective tool that causes more harm than good. Critics argue it doesn't prevent excessive spending and was never intended to do so. Despite this, House Republican leadership plans to vote on a spending agreement that would suspend the debt ceiling for two years.

The situation highlights the ongoing divide between parties and within the GOP itself, as lawmakers grapple with fiscal responsibility, potential shutdowns, and the looming threat of a debt default.

WHAT WE ARE READING



[Post Fed correction could last through January, Yardeni says](#)



[Thousands of Amazon drivers on strike in the thick of the holiday package season](#)



[Queensland producers most confident in the nation after seasonal conditions improve](#)



TRADE OF THE WEEK

Clarity Pharmaceuticals (CU6)

Buy Clarity Pharmaceuticals (CU6)

Buy Recommendation: Clarity Pharmaceuticals Limited (CU6:ASX) Clarity Pharmaceuticals is a clinical-stage radiopharmaceutical company developing next-generation targeted copper theranostics (TCTs) for the diagnosis and treatment of cancer. The company's proprietary SAR Technology platform leverages the "perfect pairing" of copper-64 for imaging and copper-67 for therapy, offering potential advantages in efficacy, safety, and logistics over current radiopharmaceuticals

Clarity has been falling since hitting a high around \$8.50 in September and dropped as low as \$4.50. This is roughly a 50% retracement which is why it found some support at that level. In the last few days CU6 announced an expansion of their pipeline which the market has taken positively. So this gives us an opportunity to buy CU6 at levels where the downside risk is easy to manage



*****GENERAL ADVICE ONLY*****

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