



# BULLS vs BEARS

MPC Markets – Weekly edition

FOUNDED BY INVESTORS, FOR INVESTORS



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## MPC IN THE MEDIA

Jonathan join Andrew Geoghegan and Ben Clark on The Call on Thursday. Jonathan went ultra bullish and gave out a near record number of BUYs. His main thesis is that there were a lot of large caps on the list and they are enjoying the money flowing in from Superfunds and ETFs. These flows don't do homework, if money comes in, they buy based on market cap



## US RALLY BROADENS AS MAG7 SLIPS

This week has witnessed a significant shift in investor focus, moving away from the "Magnificent 7" tech stocks towards cyclical sectors. The Magnificent 7, comprising Apple, Microsoft, Amazon, Alphabet, Meta, Nvidia, and Tesla, have been driving the S&P 500's gains for the past two years. Recent economic data, including strong employment figures and persistent inflation concerns, have led investors to doubt the Federal Reserve's anticipated interest rate cuts. This has put pressure on growth-oriented tech stocks while benefiting cyclical sectors like financials, energy,

and industrials, which typically outperform during economic expansions. The market rotation is evident in the performance of different indices. The tech-heavy Nasdaq has struggled, while the Dow Jones Industrial Average, which includes more traditional blue-chip companies, has shown resilience. Consumer discretionary and automotive sectors have also seen gains. This shift highlights the importance of diversification and suggests potential opportunities beyond the recent focus on mega-cap tech stocks.





# STOCKS

## HIGHLIGHTS OF THE WEEK

**RIO Tinto (RIO:ASX)** – Rio Tinto, the world's second-largest miner valued at \$US103 billion, is reportedly considering a merger with Glencore, valued at \$US55 billion. This potential combination could create a mining giant surpassing the current industry leader, BHP Group, which is worth about \$US126 billion. The proposed merger comes amid a wave of deal-making in the mining industry, driven by the desire to expand copper production, a metal crucial for global decarbonization efforts. Both companies own some of the world's best copper mines, but Rio Tinto still heavily relies on iron ore profits. [READ MORE](#)

**Myer (MYR) and Premier Investments (PMV)** – Two of Australia's largest retailers, Myer and Premier Investments, have issued profit warnings following sluggish sales during the critical Christmas and Boxing Day trading period, resulting in sharp declines in their share prices. Myer, a department store operator, and Premier Investments, owner of brands like Peter Alexander and Just Jeans, are the first to report December trading updates, signaling potential challenges for their industry peers. While November retail sales data showed growth, particularly in department stores and clothing due to Black Friday and Cyber Monday discounts, households remain cautious with discretionary spending amid rising living costs. Myer also cited tough trading conditions, store closures, and higher costs impacting its performance as it prepares to acquire apparel brands from Solomon Lew's Premier.

**Star Group (SGR)** – A mystery Macau businessman, Xingchun Wang, has emerged as a significant shareholder in Star Entertainment, acquiring a 5.5% stake worth \$35 million in the embattled casino operator. The disclosure comes as Star struggles with insolvency concerns, recently warning it has just \$79 million in cash after burning through \$108 million in three months. ASX filings show Mr. Wang purchased \$1.7 million in shares on Friday, crossing the substantial holding threshold. Star shares surged 13.6% to 12.5¢ on Monday but remain down over 50% in the past year. Mr. Wang's intentions are unclear, but the Macau-based address links him to a prominent Hong Kong-listed businessman.

**Tabcorp (TAH)** – Tabcorp's new CEO, Gillon McLachlan, is set to make another major hire, with Hong Kong Jockey Club executive Michael Fitzsimons expected to lead Tabcorp's wagering operations, sources revealed on Wednesday. This follows the recent appointment of former Paramount executive Jarrod Villani to head Sky Racing and commercial operations. While Fitzsimons has yet to formally accept the role or resign from his current position, sources indicate negotiations are well advanced. Tabcorp declined to comment at the time of publication.



# US STOCK NEWS

## US Earnings and News

**Bank Of America**— Bank of America (NYSE:BAC) reported strong Q4 2024 results on January 16th, 2025, surpassing analysts' expectations with earnings per share of \$0.82, revenue of \$25.3 billion, and net interest income of \$14.36 billion. The bank demonstrated solid performance metrics, including a return on average equity of 9.37% and a return on average tangible common equity of 12.6%. Despite returning \$21 billion of capital to shareholders in 2024 and maintaining a 2.9% dividend yield, the stock experienced a 1.6% decline during the earnings call. CEO Brian Moynihan emphasized growth in deposits and loans above industry rates, as well as revenue increases across all sources. With a current stock price of \$46.64 and a market cap of \$357.86 billion, Bank of America's P/E ratio stands at 9.2x, while analysts' mean price target is \$50.85, suggesting potential upside.

**Goldman Sachs** - Goldman Sachs (NYSE:GS) reported impressive Q4 2024 earnings, significantly surpassing analyst expectations with revenue of \$13.52B, up 25.9% year-over-year, and net income of \$4.11B. The company's EPS of \$11.95 exceeded estimates by \$3.83, driving the stock price to \$612.99. With a strong ROE of 12.6%, a P/E ratio of 15.3x, and a dividend yield of 2.1%, Goldman Sachs demonstrates solid performance metrics. Notable developments include potential early termination of the Apple card partnership and positive analyst updates, with Keefe, Bruyette & Woods raising their price target to \$690. Trading near its 52-week high and boasting a 66.5% 1-year return, Goldman Sachs maintains a strong market position with a consensus price target of \$634.65 among 20 analysts, suggesting further upside potential.

**Taiwan Semiconductor Manufacturing Company Limited** - (TWSE:2330) (TSM:NYSE) reported impressive Q4 2024 earnings, with revenue up 39% year-over-year to NT\$868.46B and net income rising 57% to NT\$374.68B, exceeding analyst estimates. The company's growth was driven by strong demand for advanced 3-nanometer chips and robust AI-related orders from key customers like NVIDIA and Apple. Analysts remain bullish, with Goldman Sachs raising its price target to NT\$1,355 and projecting 26.8% revenue growth in 2025. However, TSMC faces challenges from new US regulations potentially limiting chip flow to China. The company's stock price stands at NT\$1,105.00, with a market cap of NT\$28.66T and a P/E ratio of 17.2x. Analysts maintain a positive outlook, with a mean price target of NT\$1,412.72 and 31 out of 32 analysts recommending a Buy rating.

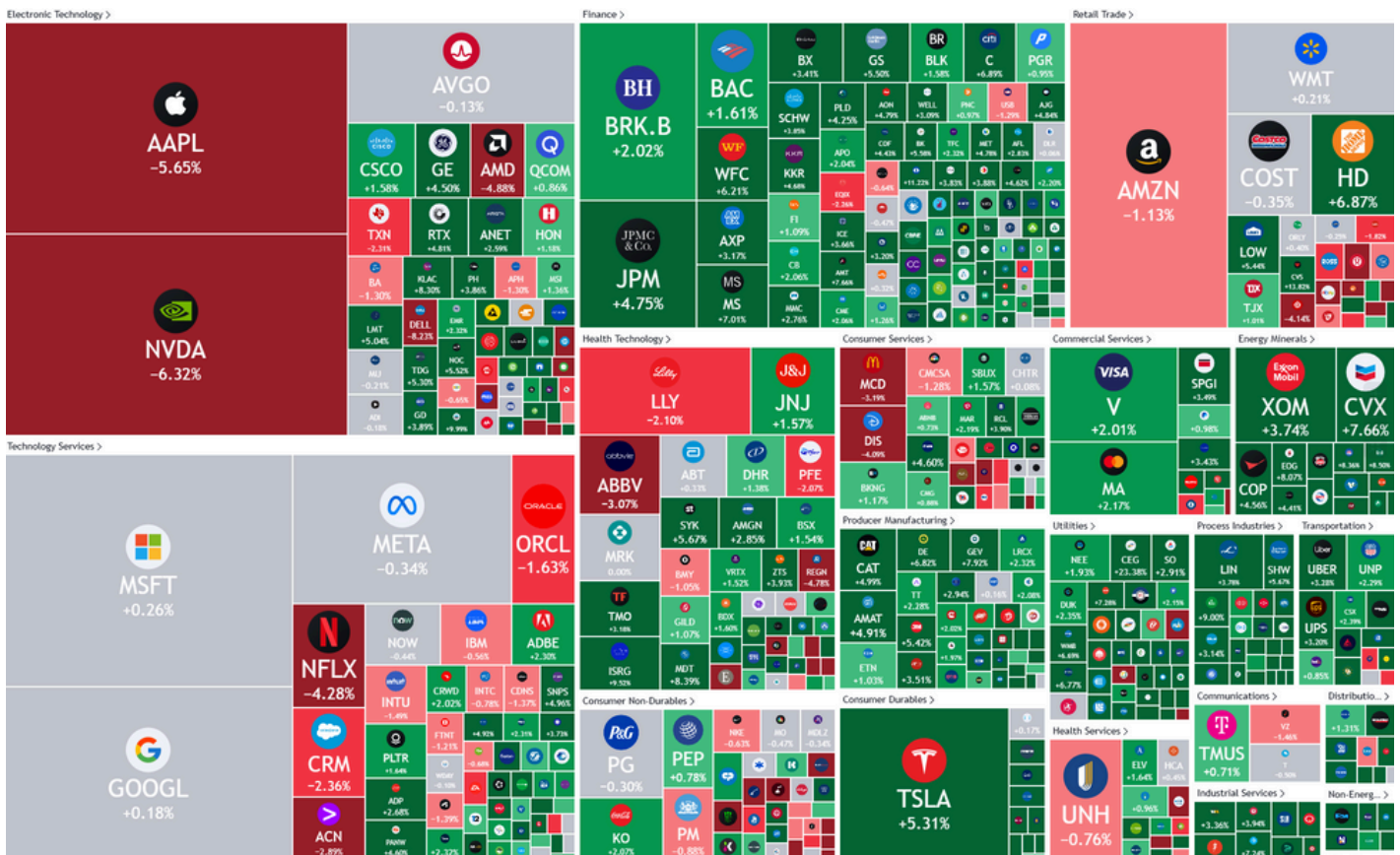
**Apple AAPL** - Apple has suspended a new AI feature following criticism over repeated inaccuracies in its news headline summaries. The service, which sent notifications appearing to originate from news apps, faced backlash from media outlets, including the BBC, after falsely reporting sensitive news. Apple stated it is working on improvements to be included in a future update. The feature had also misrepresented headlines from major outlets like the New York Times and Washington Post, sparking concerns over misinformation and declining trust in AI-generated news content.





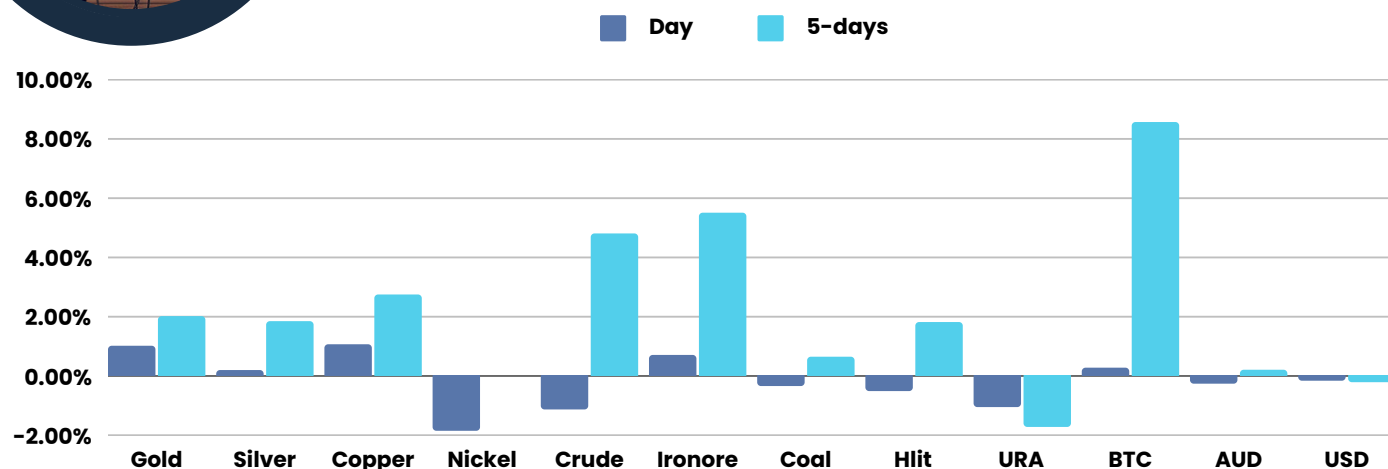
# US STOCK NEWS

## US Earnings and News





# COMMODITIES & FX



**Gold:** Gold had a good week as it steadily rose to \$2715. This was the same peak reached in Nov and Dec, so a break of this level sets it up for a run to the record highs around \$2785

**Silver:** Silver recovered this week after a slow start and is trading just below the \$31 level. This bounce off the \$30 level looks constructive, so a continuation move to \$32 looks likely

**Copper:** Copper continues its strong bounce over the last two weeks as it has roared to \$4.48. The move from the \$4.02 level at the start of the year is an 11% move and very welcome from Copper bulls. Copper stocks have not been as strong so that could present an opportunity

**Uranium:** Uranium has been in a small range for the week as it has failed to continue higher despite more bullish sentiment from media

**Crude Oil (WTI):** Oil has shown more strength again this week as it traded as high as \$79.30 a barrel. Its back trading around \$78 but as most other commodities the price action looks bullish

**Iron ore:** The iron ore price is again defying bearish consensus analyst forecasts and is instead charging back above US\$100 per tonne.

**Bitcoin:** Bitcoin has recovered from the recent dip under \$90k and is back above \$101k. Altcoins seem to be leading the rally with crowd dividing XRP making new highs around \$3.30

**US Dollar:** DXY has pulled back slightly this week to 109 after touching 110 earlier. The up trend from 100 at the end of September to its current level remains in tact, so watch for a trendline break to signal if that was the top of the move



# ECONOMY & POLITICS

## Ceasefire in Gaza

Prime Minister Benjamin Netanyahu announced a deal to release hostages held in Gaza, set for approval by Israel's security Cabinet and government. The agreement would pause the 15-month Gaza war, exchanging hostages held by militants for Palestinian prisoners and allowing displaced Palestinians to return home. Initially delayed due to disputes, the deal follows negotiations mediated by the U.S. and Qatar. The announcement comes amid tensions in Netanyahu's coalition and implementation concerns. Meanwhile, Israeli airstrikes continued, with 72 reported deaths in Gaza on Thursday. This development marks a significant step towards de-escalation, potentially bringing relief to Israeli families awaiting hostages' return and affected Palestinian civilians. The deal's approval and implementation could reshape the conflict's trajectory, offering a glimmer of hope in the prolonged Israel-Gaza crisis.

## Potential Impacts of US Tariffs

Canada's Trade Minister Mary Ng warns that President-elect Trump's proposed 25% tariffs on Canadian imports could trigger retaliatory measures, including potential tariffs on U.S. goods or an export tax on Canadian oil and gas. Ng stresses these tariffs would increase costs for American consumers, affecting products with Canadian components. The Canadian government is preparing a list of U.S. exports that could face additional tariffs if tensions escalate. However, Canada also seeks increased collaboration with the U.S., including potentially purchasing more American military equipment. Ng emphasizes Canada's efforts to diversify trade relationships globally. The situation is evolving amid recent leadership changes in Canada, with Prime Minister Trudeau's resignation and former Deputy PM Freeland stepping down due to policy differences.

## WHAT WE ARE READING



[How "Mega-Political Forces" Are Shaping Finance In 2025](#)



[Bitcoin above \\$100k as Trump reportedly plans crypto push](#)



[The LA fires – Australian premiums could soar as a result](#)



# TRADE OF THE WEEK

## VULCAN ENERGY (VUL)

**Vulcan has produced the first battery quality LHM at its downstream optimisation plant, by processing high purity lithium chloride concentrate extracted from brine at the upstream, Adsorption-type Direct Lithium Extraction (A-DLE) optimisation plant (LEOP) in Landau**

**This represents the first fully integrated, battery-quality LHM produced in Europe, from raw material to final product. The product is fully domestically produced using an integrated and secure supply chain, including upstream raw material production from the LEOP, strengthening Europe's raw material independence and advancing the green mobility transition**

### **Rationale:**

**VUL came out with positive production news last week and the share price has reacted positively. VUL raised \$164 million at \$5.85 in early December 2025, so this gives us an opportunity to buy VUL at the same price as the last cap raise with less risk as the company has achieved significant milestones**

**Trade Strategy: Buy Vulcan Energy (VUL)**

**Entry: Buy VUL up to \$5.95**

**Exit: Target \$7.50 | Stop Loss \$5.05 (Use a 30% trailing stop)**



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



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