



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Kai joined Nadine on The Call on Monday just as the markets were reacting to tariffs. The list of stocks discussed included Lovisa, CTD, Judo, News Corp, SUL, Mirvac, Goodman, ALS, Worley and GNE. Stock of the day was Fisher & Paykel. Kai was generally positive about the stocks on the list especially Judo which is a house favourite.



INVESTORS START TO QUESTION A.I. CAPEX

Google's announcement of a \$75 billion capex for 2025, a 43% year-over-year increase far exceeding the \$58 billion estimates, aimed at AI and data centers, caused investor unease this week, with the skepticism flowing over into other MAG7 stocks as Amazon, Apple and Microsoft also drifted lower.

While Amazon and Alphabet face scrutiny over balancing AI capex with near-term profitability, Palantir is capitalizing on niche AI adoption. The deceleration in AWS and Google Cloud growth contrasts sharply with Palantir's 64% surge in U.S. commercial revenue. This earnings season underscores how the market rewards clear monetization strategies while punishing opaque spending plans, even for companies with significant scale advantages.



TOP PICKS TO BENEFIT FROM TRUMP TRADE WARS

Several stocks may potentially benefit from the recently announced US tariffs on imports from Canada, Mexico, and China. Here are some sectors and companies that could see positive impacts:



STOCKS

HIGHLIGHTS OF THE WEEK

News Corp (NWS) shares surged 5.8% to \$56.28 after reporting \$US2.24 billion (\$3.6 billion) in quarterly revenue, a 5% increase driven by strong growth in REA Group. Earnings climbed 20% to \$US478 million, excluding Foxtel, which News Corp is selling to Dazn for \$3.4 billion. Sky News Australia, now part of the news media division, generated \$27 million in revenue. The media division saw a revenue dip to \$US570 million but improved earnings to \$US74 million due to cost efficiencies and growth in British Times Radio. News Corp’s portfolio includes Dow Jones, HarperCollins, and major global newspapers.

Domino’s Pizza Enterprises (DMP) announced key outcomes from its strategic review, driving a 22.2% share price surge. The company will close 205 underperforming stores (172 in Japan) to enhance profitability, delivering \$15.5m in annual savings at a one-off cost of ~\$97m. H1 FY25 underlying NPBT is expected between \$84m-\$86m, within guidance. Net debt rose \$15m to \$705.1m, impacted by FX translation. A 55.5 cps unfranked interim dividend is planned, subject to a fully underwritten DRP. Same-store sales (SSS) fell -0.6% in H1 but rebounded +4.3% in early H2. The review focuses on Japan, France, and long-term value creation.





US STOCK NEWS

US Earnings and News

Amazon (AMZN:NASDAQ)

Amazon's Q4 performance showed strong growth, with revenue reaching \$187.8 billion, a 10% year-over-year increase. This was driven by AWS, which grew 19% to \$28.8 billion, and robust holiday sales in e-commerce, totaling \$75.5 billion. The company's net income doubled to \$20 billion, resulting in earnings per share of \$1.86, surpassing the estimated \$1.49. Operating income surged 60% year-over-year to \$21.2 billion, with AWS contributing significantly at \$10.6 billion, a 48% increase.

Despite these positive results, Amazon's Q1 2025 revenue guidance of \$151-155.5 billion fell short of the \$158.6 billion analyst estimates, partly due to \$2.1 billion in foreign exchange headwinds. The company's plans to invest over \$105 billion in capex for AI and data centers in 2025 raised profitability concerns, even as AWS showed momentum. Consequently, Amazon's shares dropped 3% following the announcement, although 2024 free cash flow rose to \$38.2 billion, a 4% year-over-year increase.

Alphabet (GOOGL:NASDAQ)

Alphabet's Q4 highlights included a 12% year-over-year revenue growth to \$96.5 billion, narrowly missing estimates by \$90 million, while earnings per share beat expectations at \$2.15. Google Cloud revenue grew 30% year-over-year to \$11.96 billion but fell short of the \$12.19 billion estimates, sparking growth concerns. YouTube ads and Search outperformed, growing 14% and 13% year-over-year to \$10.47 billion and \$54 billion, respectively.

The company's announcement of a \$75 billion capex for 2025, a 43% year-over-year increase far exceeding the \$58 billion estimates, aimed at AI and data centers, caused investor unease. Alphabet's shares plunged 7.5% as investors questioned the return on investment amid cloud deceleration and competition from emerging players like China's DeepSeek. The CFO acknowledged cloud capacity constraints, noting that demand outpaced supply in Q4.

Palantir (PLTR:NASDAQ)

Palantir delivered a record-breaking quarter with revenue surging 36% year-over-year to \$828 million, beating estimates by \$52 million. This growth was driven by strong performances in both U.S. commercial and government segments, which grew 64% and 45% year-over-year, respectively. The company closed 32 deals worth over \$10 million each, with U.S. commercial contract value up 134% year-over-year to \$803 million. Adjusted free cash flow hit \$517 million, representing a 63% margin, and the company provided FY2025 revenue guidance of \$3.74-3.76 billion, projecting 31% year-over-year growth. CEO Alex Karp emphasized the "commoditization of AI" via Palantir's AIP platform, which now serves over 140 industries. Shares soared 22-24% to all-time highs, though valuation remains steep at 170 times forward P/E. Analysts caution about sustainability given the reliance on government contracts (45% of revenue) and rising competition.



US STOCK NEWS

US Earnings and News



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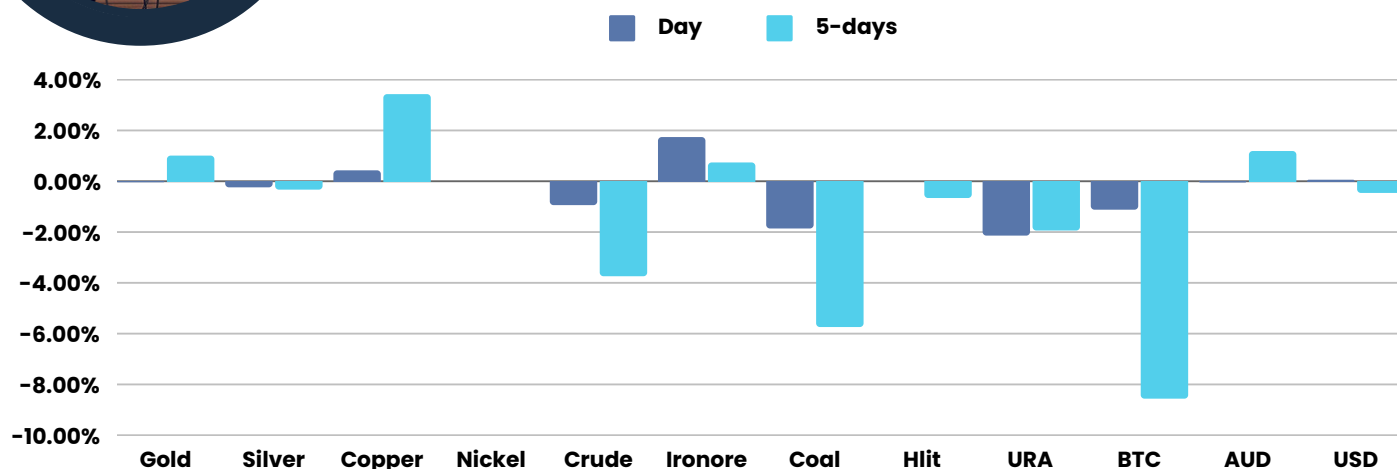
Where to Invest in the
Second Wave of AI

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BUY TO LEVERAGE
THE SECOND WAVE
OF AI INVESTMENT?



COMMODITIES & FX



Gold: Gold has had another strong week making a new high at \$2880 and currently trading around \$2860. Any dips are shallow and quickly bid, so looking for Gold to test the \$3000 level over the coming weeks

Silver: Silver had a solid week as it traded as high as \$32.50. This level has been rejected a few times in 2024, so a break and follow through this level means that \$35 is on the cards

Copper: Copper has had the best week out of the metals as it has bounced from \$4.25 to \$4.50. This means it has printed a new high for 2025 and opens the door for a move to \$4.70. Copper miners have lagged, so there could be some opportunity in those names

Uranium: Spot Uranium has been disappointing this week as it remains at the lower end of the recent ranges and looks vulnerable for a break lower. The individual Uranium miners do look more positive, so better to look for trades there

Crude Oil (WTI): Oil has broken through that \$72 level of support and is trading just above the \$70 level. The fact that prices have not been able to recover the \$72 level opens the way for a test of the 2024 lows around \$67

Iron ore: Prices have firmed on Iron ore as it starts to find support above the \$105 a tonne level. The Tariff news seems to have not affected Iron ore prices greatly

Bitcoin: Bitcoin had a large fall over the weekend and into Monday Asia as it traded as low as \$92k on the back of tariffs. This was met with big buying and sent it back above \$100k. Seems that there was more leveraged longs liquidated on that move than back in FTX days, which shows how much larger the trading pool is.

US Dollar: DXY has been extra volatile this week as it traded near 110 on Monday and is back around the 107.50 level. Seems the range has been set between 107 and 110, so look for these levels to break to indicate the next move



ECONOMY & POLITICS

Trump Watch

President Trump made several significant announcements this week, sparking domestic and international reactions. On trade, he imposed 25% tariffs on imports from Canada and Mexico (excluding 10% on Canadian energy products) and 10% on Chinese goods, effective February 4.

Markets reacted sharply, with the Dow Jones dropping nearly 500 points and automaker stocks plunging.

Regarding Gaza, Trump unveiled a controversial plan to “take over” the territory and temporarily relocate Palestinians to Egypt and Jordan for reconstruction, aiming to transform Gaza into a “Riviera of the Middle East”.

While officials later clarified displacement would be temporary, Egypt and Jordan condemned the proposal, warning it risks reigniting conflict.

Domestically, Trump announced a task force to combat “anti-Christian bias” in federal agencies, appointing Attorney General Pam Bondi to lead the initiative.

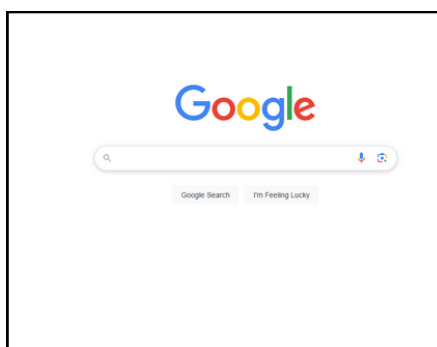
On immigration, he expanded migrant detention capacity at Guantánamo Bay and signed the Laken Riley Act, enabling faster deportation of undocumented immigrants accused of crimes.

Finally, Trump sanctioned ICC officials investigating U.S. allies and froze foreign aid, disrupting global anti-slavery programs. These moves reflect a blend of economic protectionism, unilateral foreign policy, and domestic social conservatism.

WHAT WE ARE READING



[IMF says too early for precise analysis on Trump tariff impact](#)



[Google scraps diversity-based hiring targets](#)



[Teaching Your Kids About Investing: A Comprehensive Guide for Parents](#)



TRADE OF THE WEEK

Palantir PLTR:NASDAQ

MPC Markets High Conviction Watchlist – US Stocks

Palantir PLTR:NASDAQ

Added to High Conviction on the 10th of January 2025 @ \$67

Currently +69% in JUST 20 TRADING DAYS @ \$111

Find out BEFORE the move with MPC Members Portal

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