BULLS vs BEARS

MPC Markets - Weekly edition

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MPC IN THE MEDIA

Jonathan joined Juliette on The Trade on Wednesday and talked up his favourite commodity and that is Gold. Jonathan talked about how the miners have lagged spot over a 3 year period but since the start of 2025, Gold miners have out performed spot. This means that miners large and small have been hot this year. Jonathan then talked about Golden Horse (GHM) and Firefly Metals (FFM) which have since jumped since airing

GLOBAL BOND MARKETS SIGNAL INVESTOR ALARM OVER RISING DEBT AND FISCAL POLICY

Investor confidence in long-term government debt is deteriorating, with sharp rises in yields across the U.S., Japan, and the UK reflecting growing concerns about fiscal sustainability and inflation. This week's weak U.S. 20-year bond auction and Japan's worst issuance since 2012 underscore the shift. Bond vigilantes are pushing back against expansive fiscal policies, particularly tax cuts and deficit spending, amid uncertain global growth and the impact of President Trump's renewed trade war.

The U.S. 30-year yield has surged to 5.09%, up 70 basis points since March, while UK 30-year gilt yields have reached levels not seen since the late 1990s. Moody's recent downgrade of the U.S. credit rating highlights concerns over debt projected to rise from 100% to 134% of GDP over the next decade.

The focus is now on term premium—the additional yield required for holding long-duration bonds. At just 0.79% for U.S. 10-year Treasuries, it appears underpriced. Investors are now reassessing risk premia amid budget concerns and rising inflation expectations.

ASX STOCKS

HIGHLIGHTS OF THE WEEK

Tabcorp (TAH) Tabcorp Launches Live Sports Betting in Pubs to Drive Growth. Tabcorp will trial live in-play betting via its app in select NSW pubs, aiming to boost market share and modernize its retail wagering offering. CEO Gillon McLachlan unveiled the initiative at the Macquarie Australia Conference, highlighting regulatory approval in NSW and plans to expand to 20 venues in coming weeks. The tap-in-play feature allows punters to place live bets by tapping their phone on terminals within licensed venues. Currently, just 4% of Tabcorp's turnover is from in-play betting, compared to 54% in the U.S. McLachlan sees strong interest from venue partners and expects personalized localised offers to follow. With access to 3700 pubs and clubs nationwide, Tabcorp is in talks with other states to expand the rollout, leveraging its costly retail licences to drive digital growth.

Uranium (URNM) Uranium Stocks Surge as Trump Eyes Nuclear Energy Boost. Uranium stocks rallied sharply on Friday amid reports that U.S. President Donald Trump is preparing executive orders to revive the nuclear sector. The orders are expected to streamline reactor approvals and strengthen domestic fuel supply chains, potentially declaring a national emergency over reliance on Russian and Chinese enriched uranium. The news triggered a short squeeze across ASX-listed uranium stocks, with Boss Energy up 12.1%, Deep Yellow 7.8%, and Paladin Energy 6.9%. Heavy short positioning in the sector, driven by falling uranium prices and reduced AI-driven energy demand, left hedge funds scrambling to cover. Boss remains the most shorted ASX stock, though short interest has dropped to 21.7%. Uranium was trading at US$70/lb on Friday, rebounding from April lows of US$64 but down from last year's US$100 peak.

James Hardie (JHX) James Hardie Flags US Market Weakness Amid $14bn Azek Acquisition. James Hardie has warned of a weaker-than-expected U.S. renovations market, as it presses ahead with its $14 billion acquisition of Azek, a company heavily reliant on home improvement demand. CEO Aaron Erter defended the deal despite criticism over valuation and market timing, citing long-term growth potential and synergy gains of $775 million. However, shares dropped over 5% to $36.44, now down a third since the deal's March 24 announcement. Investor concerns are mounting as U.S. housing activity softens amid rising mortgage rates and uncertainty from President Trump's tariff policies. FY25 profit fell 17% to US$424 million, with revenue down 1% to US$3.88 billion. No dividend was declared. James Hardie expects a further contraction in U.S. construction volumes into FY26, though management remains confident in its brand strength and cost control measures.

US STOCK NEWS

Global Earnings and News

Palo Alto Network Inc (NASDAQ) Palo Alto Networks reported strong fiscal Q3 2025 results, with revenue rising 15% year-over-year to $2.29 billion, slightly beating analyst expectations. Adjusted earnings per share were $0.80, topping estimates of $0.77. The company's next-generation security annual recurring revenue jumped 34% to $5.1 billion, and remaining performance obligations grew 19% to $13.5 billion. Palo Alto raised its full-year guidance, now expecting revenue of $9.17–$9.19 billion and adjusted EPS of $3.26–$3.28, both above prior forecasts. Despite the beat and raised outlook, shares slid over 3% after hours, as investors looked for stronger catalysts for future growth

Home Depot (NYSE) Home Depot reported mixed Q1 2025 results, with revenue rising 9.4% year-over-year to $39.9 billion—beating expectations—while adjusted earnings per share fell 3% to $3.56, missing forecasts. Same-store sales declined 0.3%, and net income dropped to $3.4 billion. Despite ongoing tariff pressures, Home Depot announced it will not raise prices, leveraging its scale and diversified supply chain to absorb costs1. The company reaffirmed its full-year outlook, expecting 2.8% total sales growth. CEO Ted Decker cited softer demand for large projects but steady engagement in smaller ones. Shares dipped slightly as investors await clearer signs of housing market recovery

Target (NYSE) Target shares fell 7% after the company missed first-quarter earnings and revenue expectations and lowered its full-year sales forecast. Adjusted EPS came in at $1.30, below analyst estimates of $1.64, while revenue dropped nearly 3% year-over-year to $23.85 billion, also missing forecasts. Comparable sales declined 3.8%, with in-store sales down but digital sales up 4.7%. CEO Brian Cornell cited weak consumer sentiment, tariff pressures, and backlash from rolling back DEI programs as key challenges. Target now expects a low-single-digit sales decline and adjusted EPS of $7 to $9 for fiscal 2025, down from previous guidance.

Bai Du (NASDAQ) Baidu's U.S.-listed shares fell 4.3% despite beating Q1 revenue estimates, as ongoing concerns about its core advertising business overshadowed strong AI-driven growth. The company posted a 3% year-over-year revenue rise to 32.45 billion yuan ($4.47 billion), driven by a 42% surge in AI Cloud revenue, though adjusted earnings dropped 7% to 18.54 yuan per ADS. Online marketing sales, Baidu's largest segment, declined 6% amid macroeconomic pressures and competition. While Baidu's AI initiatives show promise, its stock has only gained 1.7% year-to-date, lagging behind Chinese tech peers Alibaba and Tencent.

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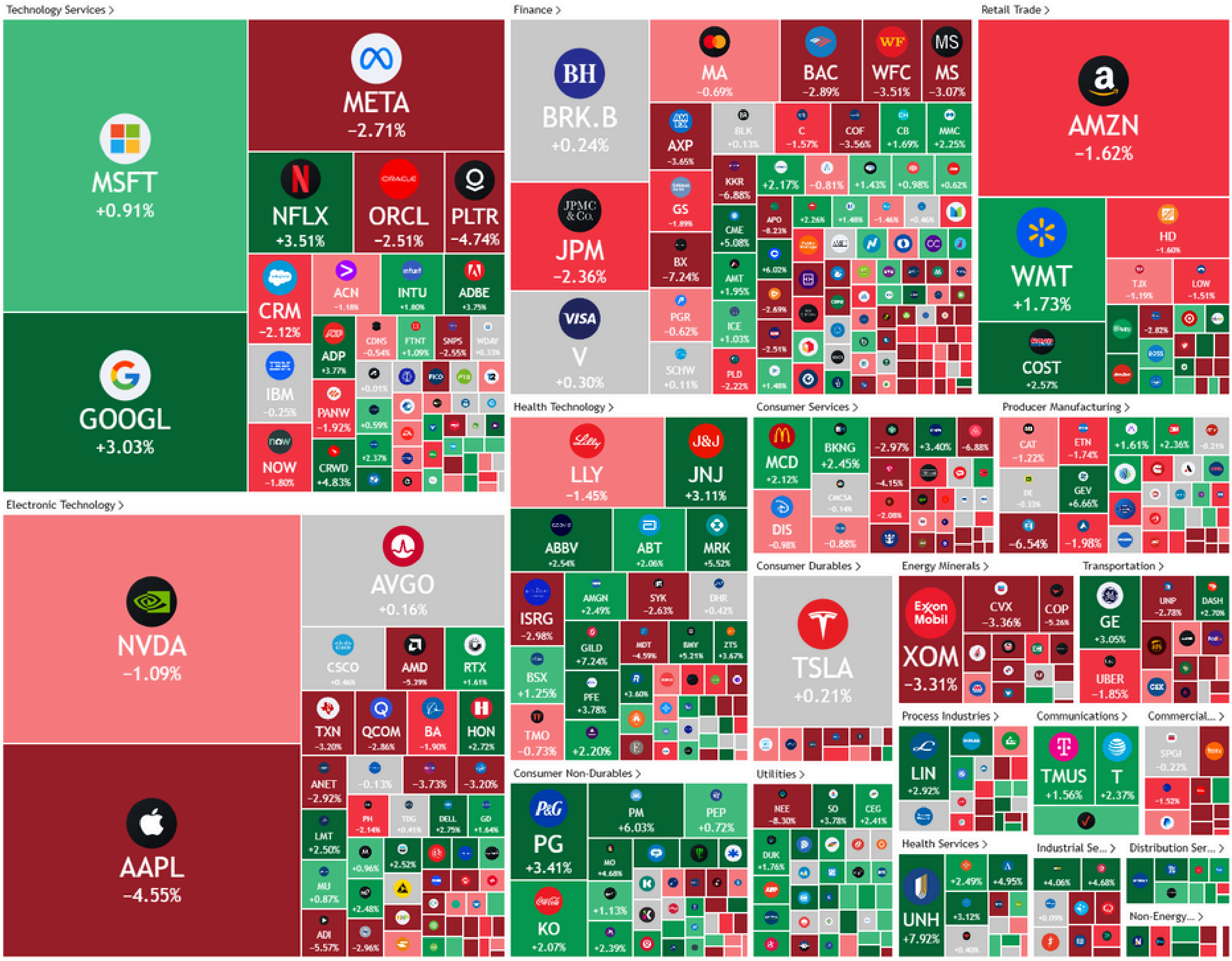
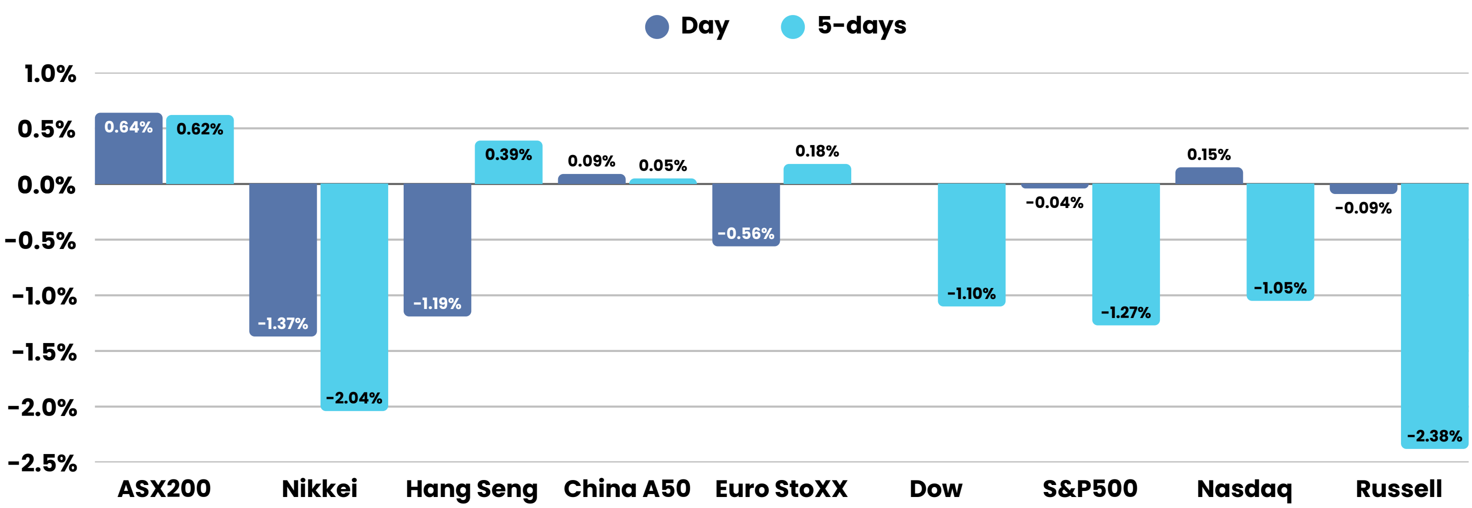
US STOCK NEWS

US Earnings and News

Weekly S&P500 heatmap





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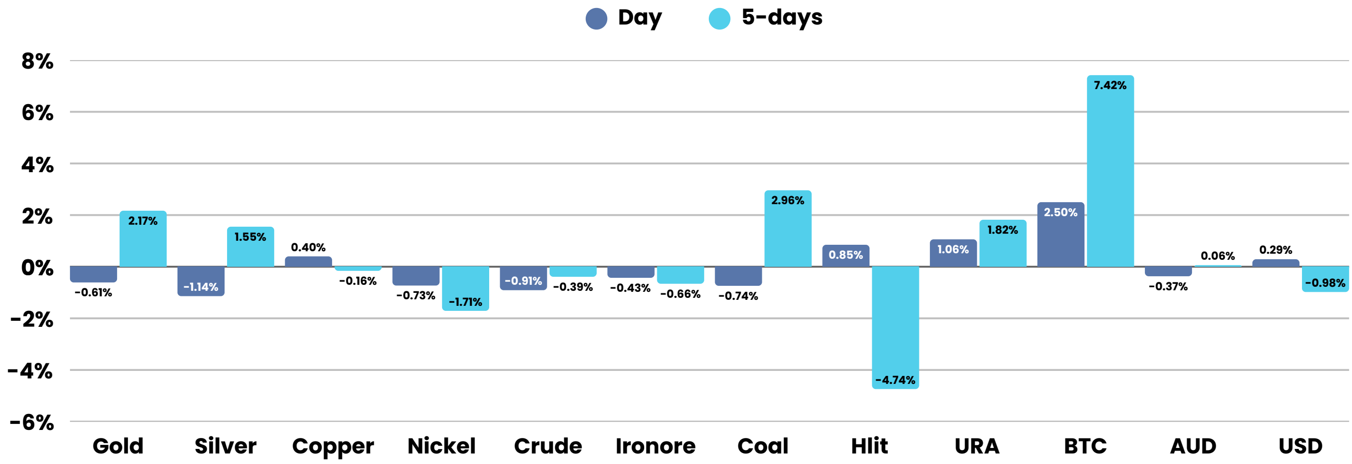
COMMODITIES & FX



Gold: Spot gold rebounded early this week after last week's steep decline, rising from around $3,216 on Monday to approximately $3,234 by day's end, buoyed by renewed safe-haven demand following Moody's US credit downgrade and a weaker dollar. However, sentiment remains mixed, with analysts debating whether gold has already peaked near $3,500 or could rally further on new geopolitical tensions.

Silver: Spot silver began the week near $32.35 per ounce and climbed steadily, reaching $33.17 by Thursday. The rise was driven by safe-haven demand amid fiscal concerns and robust industrial buying, especially from the solar sector. Silver tested three-week highs as the dollar weakened and geopolitical tensions supported investor interest

Copper: Copper futures opened the week near $4.63 per pound and showed modest fluctuations, trading between $4.61 and $4.68. Prices were supported by Chinese stimulus and a weaker dollar but capped by rising US inventories and robust South American supply. Overall, copper futures consolidated after recent volatility, reflecting mixed global demand and supply signals

Crude Oil (WTI): Crude oil futures started the week near $62.60 per barrel and traded in a narrow range, briefly dipping before rebounding above $63 on Wednesday amid renewed Middle East tensions and supply concerns. However, rising US inventories and global economic uncertainty capped gains, leaving oil prices relatively stable but well below last year's levels

Bitcoin: Bitcoin opened the week at $106,030 and climbed steadily, reaching $111,560 by Friday. The rally was fueled by bullish sentiment, a weakening dollar, and strong institutional demand. Bitcoin set a new record above $112,500 midweek, reflecting robust investor confidence and marking a 5% gain since Monday

US Bond Yields: Bond yields surged this week, with the long end of the curve making new highs. The 10-year Treasury yield climbed from 4.46% on Monday to 4.58% by Wednesday, while the 20-year yield hit a record 5.05%. Rising yields reflect persistent supply concerns and shifting investor sentiment

ECONOMY & POLITICS

Emerging Markets Take Center Stage: The Next Bull Run as Investors Look Beyond the U.S

Emerging markets are once again in the investment spotlight as confidence in U.S. assets wanes and global investors seek new growth opportunities. Recent events, including Moody's downgrade of the U.S. credit rating and a selloff in U.S. Treasurys and equities, have fueled a "sell U.S." narrative. In response, major financial institutions like Bank of America and JPMorgan have become increasingly bullish on emerging market equities, calling them "the next bull market."

Several key factors are driving this shift. A weaker U.S. dollar, peaking U.S. bond yields, and signs of economic recovery in China are making emerging markets more attractive. The MSCI Emerging Markets Index, which tracks major stocks across 24 developing countries, has climbed 8.55% so far this year—significantly outperforming the S&P 500's 1% rise. This divergence became especially noticeable after the U.S. announced new tariffs in April, with emerging market equities gaining 7% while the S&P 500 dropped over 5% in the following weeks.

Analysts say the search for geographical diversification is intensifying. Many U.S. investors currently have just 3–5% of their portfolios in emerging markets, compared to the 10.5% weighting in the MSCI Global Index. With emerging market stocks trading at just 12 times forward earnings—well below developed market valuations—there is significant room for increased investment.

Experts highlight several standout opportunities within emerging markets. India is often cited as a top long-term growth story, while countries like Argentina, Greece, and Brazil are drawing attention due to sovereign upgrades and attractive valuations. Malcolm Dorson of Global X ETFs notes that, after a decade of underperformance, emerging markets are now uniquely positioned to outperform, thanks to low investor positioning and robust growth prospects.

A weakening U.S. dollar, pressured by rising debt and fiscal concerns, has historically supported emerging market flows and currency stability. Analysts like Ola El-Shawarby of VanEck believe this cycle could be more durable than previous rallies, as it is supported by structural reforms, discounted valuations, and historically low investor allocations.

In summary, with U.S. assets under pressure and emerging markets showing improving fundamentals and attractive valuations, many analysts believe a new era of outperformance for emerging markets may be underway.

Macro Movers: This Week's Stock Standouts: Highs & Lows

CVS pharmacy | RYANAIR | THE HOME DEPOT | LZMH

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TRADE OF THE WEEK

Alpha Recommendaion - Buy Golden Horse Minerals (GHM)

Golden Horse Minerals Limited (GHM) is a mineral exploration company primarily focused on the acquisition, exploration and development of tenure in the vicinity of Southern Cross, Western Australia which is considered prospective for gold

GHM was recommended as a buy on 11/04/2025 when it was trading around 36c

GHM was then recommended as a buy on 21/05/2025 on Ausbiz when it was trading around 40c

GHM had an investor webinar on 22/05/2025 with good news about gold recovery levels and now GHM is trading around 50c

GHM is trading around a $50M mcap so still plenty of upside if drill results keep coming back positive

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

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