



BULLS vs BEARS

MPC Markets – Weekly edition

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MPC IN THE MEDIA

Kai joined Mathan and Andrew for The Call on Monday. The stock list was LLC, SGP, GEM, IEL, CBA, NHF, ASB, ILU, BOE, WDS and WBC was stock of the day. The experts had similar views on most stocks as both were cautious about the market. The only double buy was Boss Energy as it has been rallying hard along with the whole Uranium sector



POWELL DESCRIBES STAGFLATION, WITHOUT MENTIONING STAGFLATION

While Powell highlighted continued solid economic activity and a robust labor market, he was candid about the mounting risks that threaten both price stability and employment. Powell noted that the unemployment rate remains historically low, and wage growth, though moderating, is still outpacing inflation. This suggests that the labor market itself is



not currently driving price pressures. However, inflation persists above the Fed's 2% target, with core measures remaining stubbornly elevated. The persistence of these price increases, especially in sectors like shelter, auto insurance, and healthcare, complicates the path forward for monetary policy.

A central theme in Powell's commentary was the uncertainty generated by recent trade policies, particularly the imposition of new tariffs. He warned that if these tariffs are sustained, they are likely to push prices

higher while simultaneously slowing economic growth and increasing unemployment. This dual threat puts the Fed's dual mandate—maximum employment and stable prices—under strain, as addressing one risk could exacerbate the other. Powell acknowledged that the central bank may soon face a difficult trade-off, requiring it to prioritize which mandate to pursue more aggressively if both inflation and unemployment rise together. Despite these headwinds, Powell emphasized patience and data dependency. He reiterated that the Fed is "well positioned" to respond as the situation evolves, but is not in a hurry to adjust rates until there is greater clarity. The current approach is to maintain the policy stance while closely monitoring incoming data and the impact of tariffs on both inflation and the broader economy



STOCKS

HIGHLIGHTS OF THE WEEK

Light & Wonder (LNW) maintained its 2025 earnings outlook of \$1.4 billion in pre-tax earnings after posting steady Q1 net profit of \$82 million, unchanged year-over-year. Despite missing revenue and EPS forecasts, the company saw 11% EBITDA growth and improved margins, while ongoing efficiency measures are expected to offset near-term cost pressures from US trade policy.

Pro Medicus (PME), via its US subsidiary Visage Imaging, signed a \$20 million, five-year contract with University of Iowa Health Care to provide imaging solutions across its three campuses. The rollout begins immediately, with full implementation set for late 2025, serving nearly 20,000 staff including 1,200 physicians and dentists.

Bapcor (BAP) expects to achieve cost savings at the top end of its \$20–30 million target for FY25, driven by simplifying specialist networks, consolidating warehouses, and reducing head office roles. Retail and wholesale operational reviews are nearly complete, supporting further efficiency improvements and a more streamlined business structure.

Super Retail (SUL) flagged ongoing margin pressure, driven not by discounting but by increased theft—especially in Victoria—and a shift to lower-margin products. CEO Anthony Heraghty highlighted choppy consumer demand, with shoppers buying less. Despite a strong Easter, retail conditions remain subdued, though like-for-like sales grew 3.1% in the second half.

Coles (COL) CEO Leah Weckert sees major growth ahead for Coles 360, its retail media arm, citing high-margin potential and untapped opportunities. Retail media in Australia is still emerging, but strong advertiser demand, digital innovation, and data-driven targeting are driving double-digit growth, positioning Coles 360 as a key future profit drive.

Guzman y Gomez (GYG) expects to exceed its full-year net profit guidance for FY25, targeting 31 new restaurant openings and aiming to increase corporate restaurant margins to around 17.8%, up from 17.4% last year. The company reported strong first-half margins of 21.8%, driven by operational efficiency and sales growth.

Transurban (TCL) will cut about 300 jobs—7% of its workforce—after a workforce review to streamline operations. The restructure aims to deliver annual cost savings of over \$50 million, with CEO Michelle Jablko stating the changes will make the company more efficient and effective, without impacting safety.



US STOCK NEWS

Global Earnings and News

Palantir (PLTR:NASDAQ) Palantir's Q1 revenue rose 39% to \$884 million, beating expectations, with U.S. commercial revenue up 71%. Operating income surged 73% to \$391 million. Despite raising full-year guidance, shares dropped 9.3% as high expectations were already priced in. The company's valuation remains very high, fueling concerns about future upside despite strong growth.

Advanced Micro Devices (AMD:NASDAQ) AMD's Q1 gaming revenue reached \$647 million, beating expectations, but the segment faces pressure as Sony and Microsoft consoles enter later life cycles and tariffs drive up prices. Microsoft raised Xbox Series X prices by \$100 and first-party game prices to \$79. Unlike laptops and desktops, consoles aren't tariff-exempt, impacting AMD's gaming outlook.

DoorDash (DASH:NASDAQ) DoorDash is acquiring Deliveroo for \$3.9 billion and SevenRooms for \$1.2 billion, boosting its international reach and tech capabilities¹³⁵. DashPass membership hit record highs, driving order frequency and retention¹⁶. However, large investments and Deliveroo's lower margins may pressure short-term profits. Regulatory uncertainty and intense European competition remain key challenges for DoorDash's expansion

Novo Nordisk (NVO:NASDAQ) Novo Nordisk cut its 2025 outlook after compounded semaglutide sales surged, with over a million Americans using these alternatives. The rise, fueled by online pharmacies and telehealth, hurt branded Wegovy's market share and forced Novo to partner with cash-pay platforms. Though the FDA will halt compounding semaglutide, Novo expects the impact to linger until late 2025.

Disney (DIS:NYSE) Disney shares jumped 10% after reporting strong Q2 results, with adjusted EPS of \$1.45 and revenue of \$23.62 billion, both beating expectations. Disney+ subscribers rose to 126 million, defying forecasts of a decline. Disney also announced plans for a new theme park in Abu Dhabi, its seventh globally, and raised its full-year profit outlook by 16%.

BAE Systems (BAE:LSE) BAE Systems is forecast to deliver strong growth through 2027, with analysts expecting double-digit earnings increases: 10% in 2025, 11% in 2026, and 10% in 2027. Rising global defense spending, especially from NATO and the UK, supports this outlook. However, uncertainty in the US market and high valuations remain risks, though BAE appears well-positioned overall.

Ferrari NV (RACE:NYSE) Ferrari reported Q1 EPS of \$2.30, beating estimates, with revenue at \$1.79 billion, up 13%. Despite strong results and a "great performance" financial health score, Ferrari's 2025 EPS guidance of \$8.46–\$8.60 fell short of analyst expectations. The stock closed at \$466.46, up 16% over the past year.



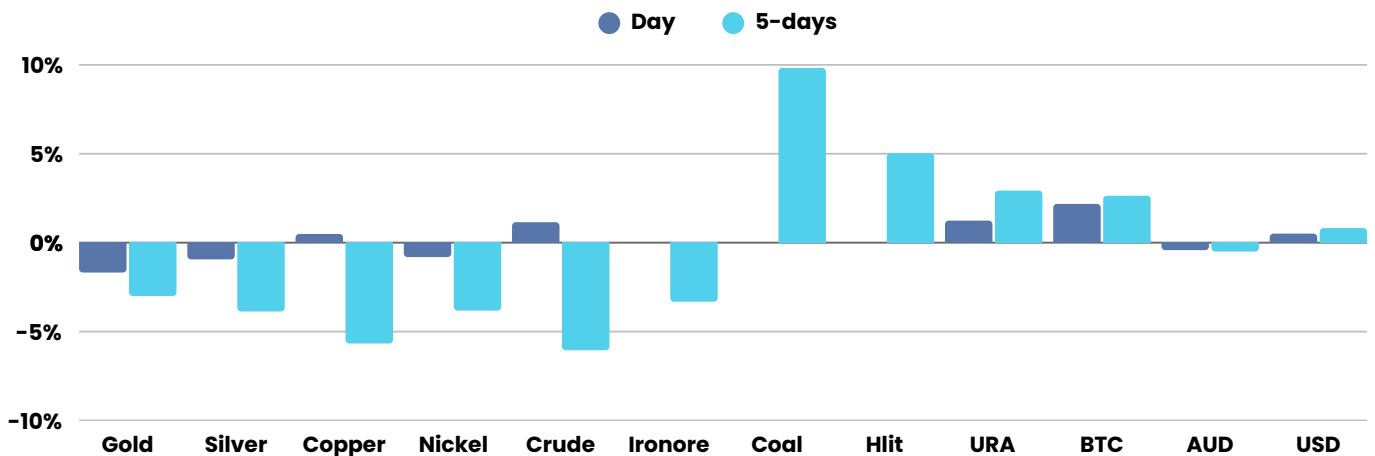
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COMMODITIES & FX



Gold: Gold had a strong surge at the start of the week which saw it trade above \$3400. This bounce has retraced and its back around the \$3300 level. It looks like Gold is trying to consolidate around these levels. Gold miners continue to be bid though

Silver: Silver had an early week bounce but this also retraced and is back around the \$32.50 level. Overall Silver is still within a larger trading range and needs prints near around the \$34 level for the bulls

Copper: Copper has been weak this week as it has fallen from \$4.80 down to \$4.50. This is on the back of slowing economy worries. The \$4.50 level needs to hold for the bulls as a drop below that level opens up a move down to \$4

Uranium: Uranium has continued the bounce higher and has made more new highs this week. Miners have also been bid, so the sector looks healthy for now

Crude Oil (WTI): Crude gapped lower on the Monday open as Opec+ signalled increased production. This saw it trade under \$56 a barrel. From that point though Crude has steadily risen and is back at \$60

Iron ore: Iron ore futures have dipped under \$100 this week. This is the lower end of the longer term trading range so needs to hold for the Bulls

Bitcoin: Bitcoin broke out overnight as it traded as high as \$103k and has settle around the \$105k level. The \$108k highs printed at the start of the year are the first obvious target but overall BTC does look bullish

US Dollar: The DXY has shown the first signs of breaking out of the most recent consolidation around the 99.50 level as it printed 100.70 today. It is now above the lows of 2024, so could see more strength which is exactly what Trump is trying to avoid



ECONOMY & POLITICS

Search Engine Shake-Up: How AI and New Rivals Are Redefining Google's Dominance

Alphabet, Google's parent company, saw its stock plummet over 7% on Wednesday, erasing \$140 billion in market value, after Apple executive Eddy Cue testified that Google search traffic on Apple devices had declined for the first time in over two decades.

Cue attributed this drop to users increasingly turning to AI-powered alternatives like ChatGPT and Perplexity, signaling a shift in how people access information online.

The testimony, delivered during a high-profile antitrust trial, revealed that Google pays Apple tens of billions annually to remain the default search engine on Safari. Investors were rattled by Cue's comments that Apple plans to add more AI search options to Safari in the coming year, intensifying fears that Google's core advertising business could face serious threats from AI competitors.

The trial's outcome could force Google to end its lucrative default search deals or even divest its Chrome browser, with a ruling expected in August. The case underscores the growing impact of AI on traditional search and the mounting regulatory and competitive pressures facing Google as the search landscape rapidly evolves.

Steel, Wheels, and Deals: US-UK Trade Pact Sparks Market Optimism

The new US-UK trade deal, announced by President Donald Trump and Prime Minister Keir Starmer, marks the first major agreement since the US imposed sweeping "Liberation Day" tariffs in April. For markets, the deal offers targeted relief: US tariffs on British steel drop from 25% to zero, and tariffs on up to 100,000 British-made cars fall from 27.5% to 10%. In exchange, the UK will lower tariffs on US goods, including agricultural products, and provide greater market access.

Financial markets responded positively, with US equities and the dollar rising on renewed trade optimism. However, the agreement is limited in scope. The baseline 10% tariff on most UK exports to the US remains, meaning many British goods will still face higher costs. While the deal is a political win and reduces uncertainty, analysts view it as a modest step unlikely to significantly boost overall trade volumes or alter global market dynamics.

Macro Movers: Global Stocks in Focus Amid Tariff Talks and Trade Breakthroughs





TRADE OF THE WEEK

Bitcoin ETF (EBTC)

Trade Rationale

BTC has held in very well during the April volatility and managed to test the lows around \$76k but bounced out of that area very strongly and now trading around the \$97k level. The way it has performed during this volatility gives it more credence to being a digital store of value. From a technical perspective EBTC is now trading above the lows made in Dec to Feb (\$14.50), so chances are it can rally towards the recent highs around \$16.50. Downside risk is easy to manage here with a stop around \$11.50. With inflation sticky and tariff news being headline news, BTC is looking like one of the assets that should continue to rise in these volatile times

Trade Strategy:

- Buy EBTC up to \$14.80
- Stop Loss \$11.50
- Initial profit target \$18.10



GENERAL ADVICE ONLY

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