



BULLS vs BEARS

MPC Markets – Weekly edition

'FOUNDED BY INVESTORS, FOR INVESTORS'

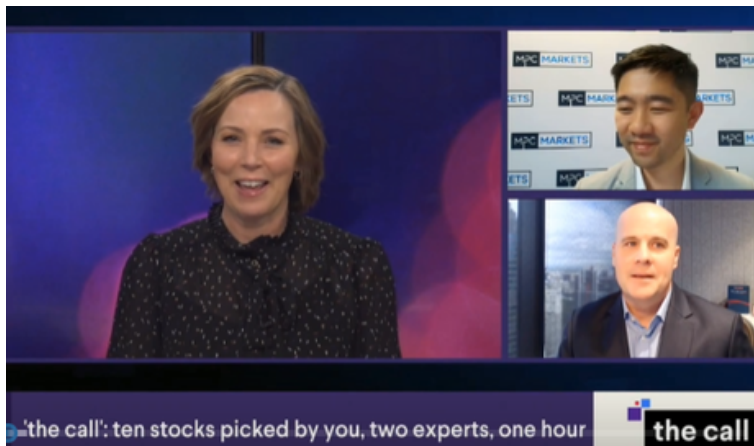


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MPC IN THE MEDIA

Kai Chen joined Nadine and David Blane on The Call on Monday, both guests chose to dial in for the segment. Nothing on the list jumped out for both experts except the port operator QUB. Adairs was stock of the day as it reported and fell sharply earlier that morning. In terms of sells both experts didn't like IDP Education as the company continues to keep coming out with more bad news about their revenues and profits



MIDDLE EAST PEACE?

Over the past week, a sudden ceasefire between Israel and Iran ended 12 days of intense conflict. The truce, brokered by the United States and Qatar, began on June 24, 2025, after U.S. strikes on Iranian nuclear facilities and Iran's retaliatory missile attack on a U.S. base in Qatar. President Trump announced the ceasefire via social media, with both sides agreeing to halt hostilities, though initial hours saw mutual accusations of violations—Israel claimed Iran launched missiles into northern Israel, while Iran accused Israel of continued drone strikes. Despite these tensions, the ceasefire has largely held. Israel lifted wartime restrictions, reopening airports and public spaces, while both nations declared victory and used the truce to bolster their domestic and international standing. However, uncertainty remains: U.S. and Israeli claims that Iran's nuclear program was set back "years" are disputed by intelligence suggesting only a temporary delay. Iran's parliament has since moved to halt cooperation with the IAEA, raising concerns about future nuclear transparency. Arab and Western diplomats are pushing to leverage the ceasefire for broader regional peace, but experts warn that, without structured negotiations, the truce may prove fragile and temporary.





ASX STOCKS

HIGHLIGHTS OF THE WEEK

Virgin Australia (VGN) Virgin Australia soared 7.5% to \$3.12 on its ASX debut under the ticker VGN, buoyed by easing geopolitical tensions and falling oil prices. CEO Dave Emerson highlighted the airline's domestic focus as a key strength amid global aviation volatility. Virgin, now under Bain Capital's ownership, has re-emerged with a streamlined Boeing 737 fleet, low leverage, and a disciplined investment strategy focused on shareholder returns. The airline plans to fund growth through cash flow, avoiding high debt levels. While it avoids long-haul international flying, its Velocity loyalty program offers access to partner airlines like Qatar Airways. JPMorgan sees upside in Velocity's growth potential, citing its capital-light model. Listed at \$2.90, Virgin debuted at a 30% discount to Qantas, which rose over 4% on the day. Virgin plans \$900 million in capital expenditure going forward.

Xero (XRO) XRO bets big on US Expansion with \$3.9b Melio Deal. Xero has announced its largest acquisition to date, acquiring US-based accounting and payments platform Melio for \$3.9 billion (US\$2.5 billion) in a bid to accelerate its long-awaited push into the North American market. CEO Sukhinder Singh Cassidy said the deal—her first major move since taking the helm in 2023—will nearly triple Xero's US revenue and fast-track growth in the highly competitive SME payments space. To fund the acquisition, Xero will raise \$1.85 billion via an institutional placement at \$176 per share, a 9.4% discount, with the remainder funded through cash, debt facilities, and share issuance to Melio investors. A further US\$500 million in earn-outs will be paid to Melio staff if performance milestones are met. The deal follows a similar US push by WiseTech Global.

Reece (REH) Reece Group has announced that Ross McEwan will step down as non-executive and lead independent director, effective June 30, to focus on his role as chairman of BHP. This follows his recent resignation from the board of QinetiQ. Meanwhile, Reece has provided a cautious FY25 outlook, forecasting group EBIT between \$548 million and \$558 million, down from \$681 million in FY24. CEO Peter Wilson cited continued macroeconomic headwinds, with soft trading conditions persisting across Australia and New Zealand despite recent rate cuts. In the U.S., Reece's high exposure to residential new construction, particularly in the Sunbelt, has weighed on performance, with elevated mortgage rates and affordability issues dampening demand. Wilson noted increased competition and margin pressure across all U.S. segments but remains confident in the company's long-term strategy through cyclical downturns.



US STOCK NEWS

Global Earnings and News

Tesla (NASDAQ:TSLA) Tesla Shares Slip as Weak EU Sales Offset Robotaxi Optimism. Tesla shares edged 0.4% lower on Thursday, extending Wednesday's 4% decline as soft European sales dampened enthusiasm from the launch of its long-anticipated robotaxi service in Austin. Despite the pullback, the stock remains up 1.7% for the week, supported by an 8% surge on Monday following the robotaxi announcement. Year to date, Tesla shares are down approximately 15% as investor sentiment remains cautious ahead of its Q2 vehicle delivery report, due next week. Analysts expect deliveries of 377,000 units—below the 390,000-unit consensus tracked by FactSet. While deliveries remain a core focus for investors, some analysts suggest that near-term excitement around the robotaxi rollout may overshadow delivery numbers, at least temporarily. The report will be closely watched as a barometer of Tesla's performance in a challenging global EV market.

QuantumScape Corporation (NYSE: QS) QuantumScape Shares Surge on Cobra Battery Breakthrough. QS has gone up 78% in two days after announcing a major milestone in battery production. The company has successfully integrated its advanced Cobra separator process into baseline cell production, significantly enhancing manufacturing efficiency. Cobra offers a 25x improvement in heat treatment speed and requires far less space than the prior Raptor process, positioning QuantumScape to scale its solid-state battery technology more effectively. CEO Dr. Siva Sivaram said the Cobra platform marks a key step toward commercialization, enabling faster, energy-efficient production with a smaller equipment footprint. The company plans to build on this foundation with higher-speed, higher-volume B1 sample production. While the stock rallied on the news, options market activity suggests rising investor interest amid lingering caution tied to QuantumScape's historically volatile performance and market execution risks.

Xiaomi (HKEX: 1810) Xiaomi Shares Hit Record High on Strong Demand for YU7 EV. Xiaomi's shares surged over 5% to a record high on Friday after unveiling its new YU7 luxury SUV, priced at 253,500 yuan (US\$35,322)—10,000 yuan below Tesla's Model Y. CEO Lei Jun highlighted the vehicle's competitive pricing and performance metrics, although he acknowledged Tesla still leads in driver-assist features. The YU7's most advanced driver-assist system runs on Nvidia's Thor chip. Pre-sales opened Thursday night, and Xiaomi reported over 200,000 orders within three minutes. Citi had forecast the YU7 to be priced between 250,000 and 320,000 yuan, with expected monthly sales of 30,000 units. Annual volumes could reach up to 360,000. The launch intensifies China's EV price war and builds on the momentum of Xiaomi's SU7 sedan, which also undercut Tesla's Model 3.



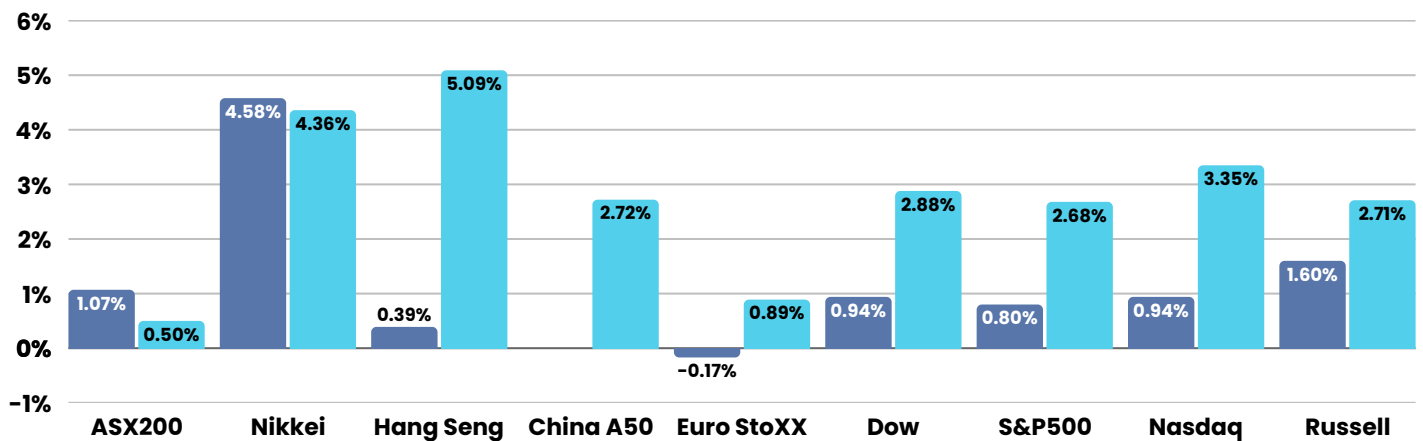
US STOCK NEWS

US & Global indices

Weekly S&P500 heatmap



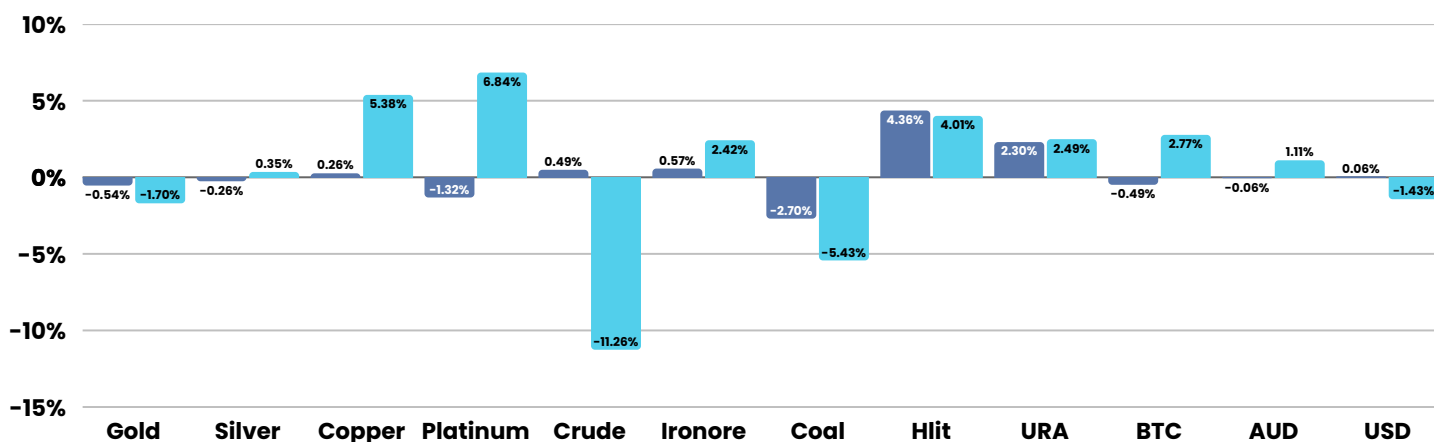
● Day ● 5-days





COMMODITIES & FX

● Day ● 5-days



Gold: Spot gold has declined since last Friday, breaking below \$3,400 and reaching two-week lows near \$3,300 amid easing geopolitical tensions and a fragile Israel-Iran ceasefire. A weaker US dollar provided some support, but gold struggled to recover as investor risk appetite increased and consumer confidence dipped

Silver: Spot silver has slipped since last Friday, falling from around \$36.00 to \$35.75 per ounce by Wednesday, reflecting a 0.49% decline. The easing of geopolitical tensions and a slightly stronger US dollar weighed on silver, despite ongoing strong industrial demand and structural supply deficits

Platinum: Platinum futures surged since last Friday, reaching an 11-year high of \$1,416 per ounce on Thursday. The rally was driven by supply concerns, a deepening market deficit, and strong investment demand, especially from China. Prices rose nearly 5% this week, reflecting tight market conditions and speculative buying

Copper: Copper futures have surged since last Friday, rising over 3% to touch \$5.16 per pound on Thursday. The rally was fueled by pre-emptive US buying ahead of possible import tariffs, creating a wide premium over LME prices, while global inventories remain tight despite a looming surplus

Crude Oil (WTI): Crude oil futures fell nearly 12% this week, dropping from above \$74 to around \$65 per barrel, as the Iran-Israel ceasefire eased Middle East supply concerns. Prices rebounded slightly on Friday, supported by rising US summer fuel demand, but the overall weekly trend remained negative

Bitcoin: Bitcoin surged over 9% since last Friday, rebounding from below \$99,000 to trade near \$107,800 by June 27. The rally was driven by short liquidations and technical breakouts, but momentum has paused near the \$108,000–\$110,000 resistance zone as traders await the outcome of major options expiries

US Dollar (DXY) The DXY declined since last Friday, falling to around 97.20 overnight. The greenback weakened 2.19% over the past month, pressured by softer US economic data and shifting expectations for Federal Reserve policy, contributing to broad dollar softness against major currencies



ECONOMY & POLITICS

White House Signals Flexibility on July Tariff Deadlines The White House indicated that President Trump may extend upcoming July 8–9 deadlines for reinstating higher tariffs on imports from most countries, signaling a more flexible stance on trade. Press Secretary Karoline Leavitt said Thursday the deadlines are “not critical” and could be extended at the president’s discretion. Trump had imposed reciprocal tariffs in April, with rates varying across countries. A 90-day pause was granted for tariffs exceeding 10%, set to expire July 8. In late May, he also delayed a planned 50% tariff on European Union imports to July 9, following a request from European Commission President Ursula von der Leyen for more time to negotiate. Leavitt emphasized that if countries fail to reach deals by the deadlines, the president may impose tariffs he deems beneficial for American workers. Earlier, Council of Economic Advisers Chairman Stephen Miran said that extensions are likely for countries negotiating in “good faith,” downplaying the likelihood of immediate tariff hikes. Markets responded positively, with equities rising to session highs on the news.

Fed Expected to Hold Rates Steady, Markets Eye Forward Guidance. While the Federal Reserve is widely expected to keep interest rates unchanged at its policy meeting ending Wednesday, investors will closely watch for forward guidance that could move markets. Key areas of focus include the Fed’s inflation outlook, updated rate projections via the “dot plot,” and Chair Jerome Powell’s response to mounting political pressure for cuts. The March forecast signaled two cuts in 2025, but a shift by just two FOMC members could lower that to one. Bank of America expects no cuts this year but anticipates Powell will keep options open amid soft labor data and muted inflation. Complicating matters are geopolitical risks—Trump’s tariffs and tensions in the Middle East—which could impact inflation and energy prices. Analysts expect Powell to maintain a wait-and-see tone, signaling that policy remains “in a good place” barring any major shifts.

Retail Sales Drop 0.9% in May, Missing Expectations. U.S. retail sales fell 0.9% in May, deeper than the 0.6% decline forecast, signaling cautious consumer behavior amid economic uncertainty. Excluding autos, sales dropped 0.3%, also missing estimates. However, the control group—which excludes volatile categories like autos, gas, and building materials—rose 0.4%, supporting GDP calculations. Key declines were seen in motor vehicles (–3.5%), gasoline stations (–2%), and building materials (–2.7%). Bars and restaurants slipped 0.9%. Conversely, online sales rose 0.9%, furniture climbed 1.2%, and miscellaneous retailers gained 2.9%. Despite an uptick in consumer sentiment surveys during May, shoppers appear increasingly selective, with lingering concerns over tariffs and inflation. First-quarter GDP fell 0.2% annualized, but Q2 growth was tracking at 3.8% ahead of the retail release, per Atlanta Fed estimates. In separate data, import prices were flat while export prices dropped 0.9%. Markets remained under pressure, with equities and Treasury yields falling post-release.



TRADE OF THE WEEK

Buy Findi (FND)

Buy Recommendation: Findi Limited (ASX: FND)

Findi Limited (ASX: FND) is well positioned for significant share price appreciation, underpinned by two major catalysts: the upcoming IPO of its Indian subsidiary on the Bombay Stock Exchange and the company's strong FY25 results. Findi has appointed DAM Capital and Ambit as lead managers for the IPO of Transaction. Solutions International (India) Pvt Ltd (TSI), targeting completion by the end of 2026. The indicated pre-money IPO valuation range for TSI is INR 4,000–5,112 crore (A\$727–\$926 million), which is a substantial premium to Findi's current market capitalisation on the ASX. This is supported by the fact that comparable Indian fintech and ATM companies typically trade at much higher valuation multiples than their Australian counterparts. Listing TSI in India is expected to unlock significant value for Findi shareholders, as the Indian market is willing to pay a premium for high-growth, technology-driven financial services companies. The IPO will also provide a direct liquidity event and is a clear step in Findi's strategy to close the valuation gap between the ASX and Indian exchanges.

Recommendation: Re-Buy on India IPO Catalyst
Trade: BUY under 4.10 (small allocation)



GENERAL ADVICE ONLY

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