



BULLS vs BEARS

MPC Markets – Weekly edition

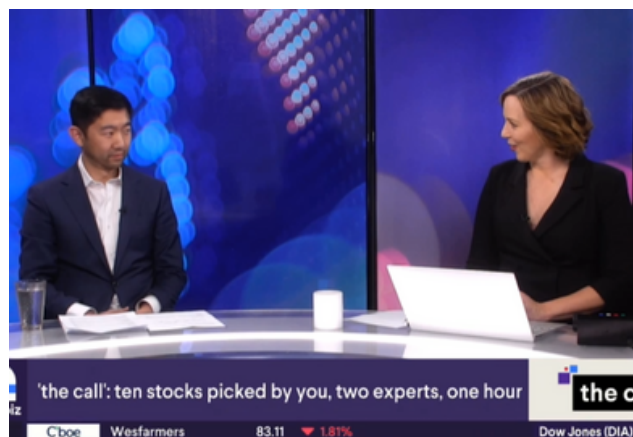


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MPC IN THE MEDIA

Kai Chen joined David Lane and Nadine on The Call on Monday. The stocks covered were South32 (S32), Sunrise Energy Metals (SRL), Mader Group (MAD), GrainCorp (GNC), Xero (XRO), TPG Telecom (TPG), NextDC (NXT), Technology One (TNE), Smartgroup Corporation (SIQ) and Corporate Travel Management (CTD). Stock of the day was Nanosonics (NAN). Kai's favourite stock was Mader Group



TRUMP'S NEW TARIFFS ON COPPER: WHAT'S GOING ON?

President Donald Trump has announced a new 50% tariff on all copper imports to the United States, starting August 1, 2025. This means any copper brought into the country from abroad will be taxed much more heavily than before. The Trump administration says the main reason for this move is to protect national security and support American copper producers. By making imported copper more expensive, the government hopes that more U.S. companies will buy copper from domestic sources instead of from overseas. Copper is an important material used in many products, including electronics, cars, and home wiring. When the price of copper goes up, the cost of making these items usually rises too. After the announcement, copper prices quickly jumped to record highs as businesses rushed to buy copper before the new tariff takes effect.

The United States imports a large amount of copper, especially from countries like Chile. With the new tariff in place, these imports will cost much more. Some American manufacturers are concerned that higher copper prices will make it harder for them to compete, since they rely on foreign copper to make their products. Other countries, such as those in the European Union, are paying close attention to this decision and may respond with their own trade measures. For now, Americans should be prepared for possible price increases on gadgets, cars, and other products that use copper.





ASX STOCKS

HIGHLIGHTS OF THE WEEK

Johns Lyng Group (JLG) Pacific Equity Partners Launches \$1.1 Billion Takeover for Johns Lyng Group. JLG, a leading Australian building services company, has agreed to a takeover by Pacific Equity Partners (PEP) in a deal valuing the firm at approximately \$1.1 billion. Under the Scheme Implementation Deed announced on July 11, 2025, PEP will acquire all JLG shares at \$4.00 per share in cash—a 26% premium to the last closing price. Key management, including CEO and major shareholder Scott Didier, may retain an equity stake in the business post-transaction. The offer follows a period of exclusivity granted to PEP for due diligence. While the board has unanimously recommended the scheme, the deal remains subject to shareholder and regulatory approvals. The transaction underscores continued private equity interest in Australia's infrastructure and services sector.

Ventia Services Group Ltd (VNT) has announced a contract amendment with NBN Co, securing an additional ~\$280 million in revenue over 3.5 years. The extension covers the upgrade of 43,400 premises from Fibre to the Node (FTTN) to Fibre to the Premises (FTTP) technology in a new geographic region. This expansion further strengthens Ventia's position as a key player in Australia's telecommunications infrastructure and reinforces its expertise in managing large-scale, complex programs. Ventia is a leading essential infrastructure services provider across Australia and New Zealand, employing over 35,000 people at more than 400 sites. The company operates across multiple sectors, including defence, social infrastructure, water, electricity and gas, resources, transport, and telecommunications—delivering customer-focused, innovative, and sustainable services to government and private sector clients.

Lifestyle Communities (LIC) Faces Debt Covenant Risk Amid Tribunal Ruling. Lifestyle Communities may breach its interest coverage ratio (ICR) covenant following a VCAT ruling invalidating its deferred management fees. The decision triggered a 37% share price drop and prompted Citi to downgrade the stock to "neutral/high risk." Analyst Suraj Nebhani cited potential earnings pressure from weak sales—only 98 lots sold in H1 FY25—and reputational damage. The company, appealing the ruling, has temporarily revised its fee structure to mitigate impact. Hedge fund Wickhams Hill warned of covenant breaches, citing up to \$131.5 million in potential refunds. While Citi and Barrenjoey assume compliance is achievable, they flagged risks if sales fail to recover. Lifestyle, which generated over \$10 million annually from exit fees, may face heightened scrutiny over its land lease model as market conditions evolve.



US STOCK NEWS

Global Earnings and News

Nvidia Corp (NVDA:NASDAQ) Nvidia made history by becoming the first publicly traded company to reach a \$4 trillion market capitalization, surpassing Apple and Microsoft. The AI chipmaker's stock surged as demand for its processors, crucial for generative AI and data centers, soared. Nvidia's meteoric rise reflects the global AI boom, with tech giants investing heavily in its hardware. CEO Jensen Huang's fortune has also soared alongside the company's growth.

Amazon.com Inc (AMZN:NASDAQ) Amazon's Prime Day sales reportedly dropped 41% on the first day compared to last year, according to Momentum Commerce. The decline is attributed to shoppers delaying purchases during the new four-day event, hoping for better deals. Amazon disputed the report as "highly inaccurate," while overall online sales across retailers rose nearly 10% year-over-year.

Tesla Inc (TSLA:NASDAQ) Tesla will expand its robotaxi service in Austin this weekend, increasing coverage beyond the initial launch area. The service, which began June 22, remains in a test phase: no human is in the driver's seat, but a Tesla employee sits in the front passenger seat for safety. Reports of erratic driving have surfaced but remain unverified.

TSMC (TSM:NYSE) TSMC, the world's largest contract chipmaker, reported second-quarter sales of T\$933.8 billion (US\$31.9 billion), surpassing analyst expectations. The results were driven by robust demand for advanced chips, particularly for artificial intelligence applications. Market forecasts had predicted revenue of T\$927.8 billion. TSMC's strong performance highlights its central role in the global semiconductor supply chain.

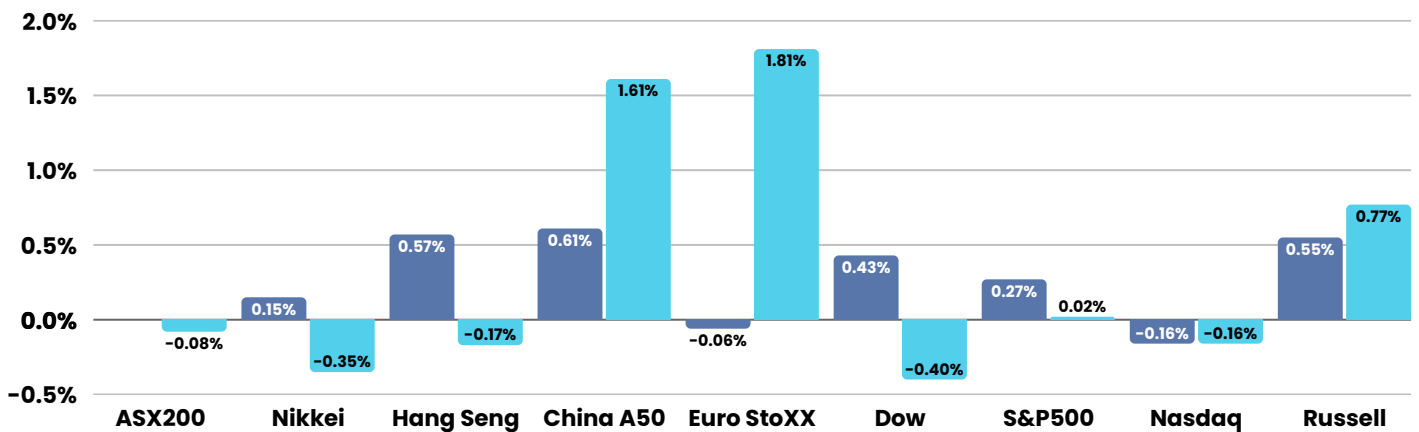
WK Kellogg Co (KLG:NYSE) Ferrero is acquiring WK Kellogg Co for \$3.1 billion, paying a 30% premium per share. The deal expands Ferrero's North American footprint and cereal portfolio, combining iconic brands like Froot Loops and Special K with Ferrero's confectionery lineup. The acquisition, expected to close later in 2025, reflects ongoing consolidation in the global food industry.

Levi Strauss (LEVI:NYSE) Levis Strauss beat Q2 earnings expectations, posting adjusted EPS of 22 cents (vs. 13 cents expected) and 6% revenue growth to \$1.45 billion. Gross margins hit a record 62.6%. The company raised its fiscal-year guidance, now forecasting EPS of \$1.25–\$1.30 and 1–2% revenue growth, despite higher tariffs. Shares rose 7.7% after hours.



US & Global indices

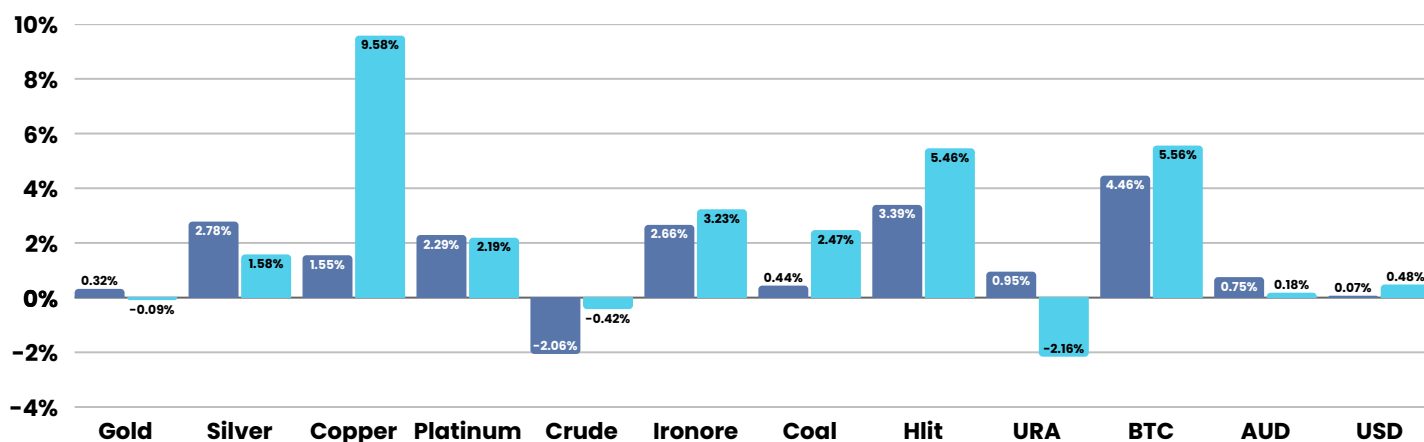
Weekly S&P500 heatmap





COMMODITIES & FX

● Day ● 5-days



Gold: Spot gold has traded in a narrow range since last Friday, hovering near \$3,320 per ounce. The metal saw mild gains midweek, supported by a weaker dollar and ongoing trade tensions. Despite minor fluctuations, gold remains stable, reflecting investor caution amid central bank buying and global economic uncertainty

Silver: Spot silver has climbed steadily since last Friday, rising from around \$36.77 to \$37.15 per ounce by July 11. The price action was driven by a softer US dollar, falling Treasury yields, and renewed safe-haven demand amid global trade tensions and expectations of US interest rate cuts

Platinum: Platinum futures have pulled back since last Friday, falling from recent highs above \$1,400 to around \$1,398 per ounce by July 11. The decline follows a record quarterly rally, as traders grow cautious amid expectations of softer Chinese demand and recovering South African mine supply

Copper: Copper futures surged to near all-time highs above \$5.60 per pound this week after President Trump confirmed a 50% tariff on copper imports starting August 1. The tariff announcement drove a sharp premium in US contracts, but prices eased to \$5.56 per pound by July 11 as traders digested the news

Crude Oil (WTI): Crude oil futures have traded between \$66.50 and \$67.10 per barrel since last Friday. Prices dipped early in the week on OPEC+ output concerns and weak demand forecasts, but rebounded after Houthi attacks in the Red Sea raised supply risks. US tariffs and global growth worries continue to weigh on sentiment

Bitcoin: Bitcoin surged to a new all-time high above \$117,000 this week, up over 4% since last Friday. The rally was fueled by strong ETF inflows, bullish corporate moves, and aggressive short liquidations, with nearly \$600 million in shorts wiped out as traders bet on further gains toward \$120,000



ECONOMY & POLITICS

Global Defence Spending: Macro Trends and Recent Developments

Global defence spending has surged to record levels in 2024–2025, with a 9.4% increase pushing worldwide military expenditure to \$2.72 trillion. This marks the tenth consecutive year of growth, driven by mounting geopolitical tensions, ongoing conflicts, and renewed great-power competition. Countries across Europe, Asia, the Middle East, and North America are rapidly modernising their armed forces, focusing on advanced technologies and enhanced interoperability with allies.

Key factors behind this escalation include heightened threats from state and non-state actors, the proliferation of drones and hypersonic weapons, and the need to reinforce alliance commitments, especially within NATO and the Indo-Pacific. Governments are prioritising investments in missile defence, cyber capabilities, and next-generation surveillance systems, often funding these initiatives through increased borrowing despite fiscal pressures.

This week alone, several major defence contracts have been signed globally, reflecting these priorities. Notable deals include Australia's \$2.12 billion investment in medium-range missiles, an \$11.7 million contract for AI-based counter-drone technology with a Five Eyes partner, a \$270 million extension for defence base support services, and a \$47 million aviation safety upgrade. These contracts underscore a shift from counterinsurgency to preparing for high-intensity conflicts and state-on-state warfare.

Overall, the rapid rise in defence spending signals a strategic pivot as nations seek to deter adversaries, maintain technological superiority, and ensure national security in an increasingly volatile global landscape. This trend is expected to persist as governments adapt to evolving threats and reinforce their military capabilities.

WORLD'S TOP 10 DEFENSE SPENDERS

This image highlights the top 10 countries by defense spending as of 2025





TRADE OF THE WEEK

Alpha Trade – BUY Polymetals (POL)

Polymetals Resources (ASX: POL) is an Australian mining company operating at its 100% owned Endeavor Silver Zinc Mine, located in the Cobar Super Basin, NSW, Australia. The company has the potential to be a +20-year producer in one of Australia's most prolific polymetallic mining districts

POL did a cap raise at 80c, so an entry here at the bottom end of the recent ranges is at a discount to the larger investors who showed faith in the company. They have just released a June quarterly and while it didn't wow the markets, it did show that everything was on track and the company plans to produce 5 million ounces of silver over the coming two years. So an entry at these levels with Silver nearing highs again is one that is easy to manage and could easily see it back at 80c in short time



Trade Strategy:

Buy POL up to 78c

Stop Loss 60c

Initial profit target \$1.00

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

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Promotion

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