1st August 2025

BULLS vs BEARS

MPC Markets - Weekly edition

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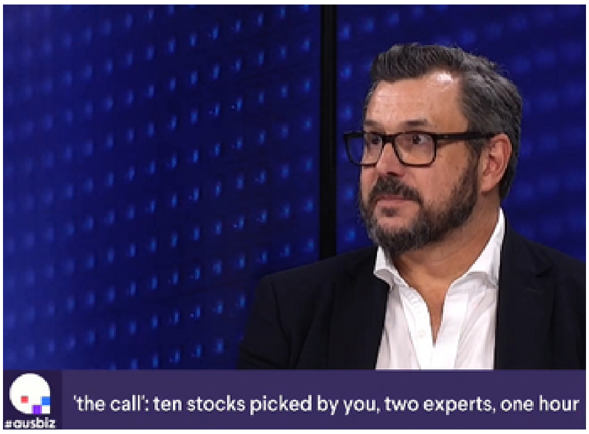


Mark Joined Nadine and Mark Moreland for a “Hybrid” episode of the Call where the first half of the show was based on viewers picks from the ASX, then viewer picks from the US market.
It was an interesting way to do “the Call” and required a fairly significant shift in mindset when reviewing the 10 stocks.
Stock of the day was Microsoft after the tech giant knocked it out of the park on earnings

BULL RUN LOOKING TIRED DESPITE OUTSTANDING MAG7 EARNINGS

with Microsoft and Meta delivering outstanding earnings, and a couple of fresh record highs made during the week, it would be easy to to argue that saying the rally is looking tired is a silly thing to say, however there were some clear red (maybe orange) flags this week that lead me to think we may have seen the top for now. Earnings in the US on Wednesday saw 9 out of the 10 largest companies miss earnings and be smacked anywhere from 2%-30%, Amazon beat both top and bottom lines and investors were still disappointed, seeing the stock be sold 8% in the aftermarket, and the incredible results from Meta and Microsoft, normally a signal for investors to release the bulls, the following session was concerningly negative.
That sort of price action is usually a good clue that the market has run out of steam and with Trumps “deadline” already passed, this weekend could see some wild statements. We are also heading into the seasonally worst 9 weeks of the year, meaning that being early on picking up on the early warning signs, is a definite statistical advantage!

We are returning to cash over the next fortnight in preperation for a mild correction, and will likely get back to a cash level over 30% but
As our clients saw in April, the benefits of having a nicely timed pot of cash is one of the best opportunities you can get in investing, its like boxing day sales, but without the elbows and pushing, you get a bargain, but only if you’re smart and don’t buy on Christmas eve!

HIGHLIGHTS OF THE WEEK

ResMed (RMD) delivered robust Q4 FY2025 results, reporting revenue of $1.35 billion, up 10% year-over-year, and GAAP EPS up 30% to $2.58. Strong free cash flow of $1.7 billion drove a net cash position of $541 million, reflecting enhanced financial flexibility. The company's diversified revenue mix spans devices (52%), masks (36%), and software (12%) across 140 countries. Capital allocation favored R&D, M&A, buybacks, and dividends, with a 13% dividend increase to $0.60 per share announced. Real-world data suggest GLP-1 medications may further boost PAP therapy adoption. Management remains confident in ResMed's long-term growth, targeting 500 million lives impacted globally by 2030, underpinned by a substantial addressable market, sustained innovation, and clear digital health leadership.

Woodside (WDS) has entered an agreement to become operator of the Bass Strait gas assets, taking over from ExxonMobil Australia, with completion targeted for 2026 pending regulatory approvals. The takeover consolidates key offshore production facilities, gas processing, and pipeline infrastructure under Woodside's control, while equity stakes and decommissioning plans remain unchanged. The move is expected to deliver operational synergies exceeding US$60 million, enhance asset reliability, and create economies of scale by integrating ExxonMobil's experienced workforce. Woodside's strategy includes evaluating up to four new development wells, potentially adding 200 petajoules of sales gas via existing infrastructure. This expansion strengthens Woodside's position in the Australian energy market and supports its commitment to reliable domestic supply and sustained infrastructure value, while allowing for future development opportunities in the Bass Strait region.

Commonwealth Bank (CBA), one of the nation's largest employers, has announced 45 job cuts in its customer call centres following the rollout of an AI chatbot to manage inquiries. This marks the first time a major bank has linked redundancies to artificial intelligence advancements. CBA stated the move enables staff to focus on complex queries, while affected employees are being offered redeployment, upskilling and wellbeing support. The Finance Sector Union criticised the cuts, urging the bank to retrain impacted workers and questioning CBA's assurance that jobs are not being offshored. CBA maintains it is proactively creating new roles, with more than 9,000 hires and 670 open positions, and underscores its investment in technology to accelerate customer service. The bank reported a 6% increase in interim net profit to $5.1 billion earlier this year.

US STOCK NEWS

Global Earnings and News

- **Apple +2% -** reported strong fiscal third-quarter results, outperforming Wall Street expectations with earnings of $1.57 per share on $94.04 billion in revenue, buoyed by a 13% jump in iPhone sales to $44.58 billion as demand rebounded in China and services revenue reached a record $27.42 billion. Despite ongoing trade tensions, production shifts to India and Vietnam, and looming U.S. tariffs, Apple saw its Americas sales rise 9.3% and set new highs in its active device base across all segments. CEO Tim Cook noted early purchases likely contributed to sales growth, while Apple continues to invest significantly in artificial intelligence and faces regulatory and competitive pressures globally. Wearables and iPad sales missed estimates, but Mac sales surpassed expectations, and gross margins reached 46.5%, beating analyst forecasts. Concerningly, AI was discussed during Apple's Q3 2025 earnings call, but it was not a dominant or recurring theme; the main focus remained on iPhone and services sales, trade tensions, and margin impacts from tariff

- **Amazon -7% -** second-quarter 2025 revenue rose 13% to $167.7 billion and net income reached $18.2 billion, both exceeding expectations. Amazon Web Services (AWS) revenue grew 17.5% to $30.9 billion, yet AWS margins narrowed and its cloud growth lagged behind Microsoft and Google. Despite beating forecasts and offering an optimistic third-quarter sales outlook, investor concerns persist over slower AWS growth and increasing operating pressures. AI investments are driving innovation, but Amazon faces rising costs from tariffs and goods sourced from China, even as its core e-commerce dominance remains strong

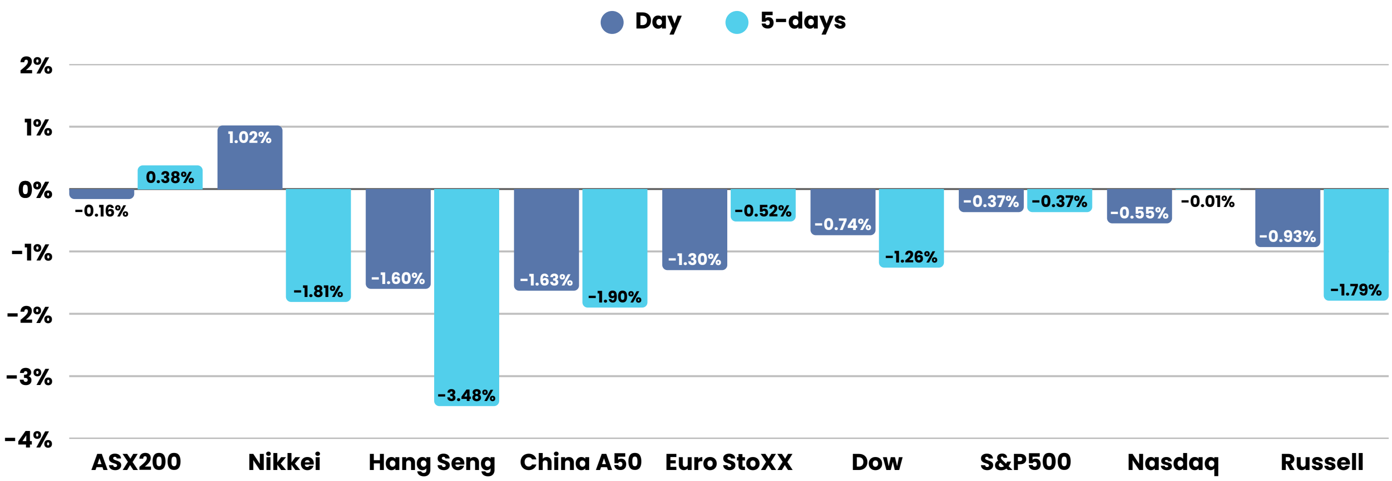
- **Microsoft +7.5% –** the Tech giant surpassed Wall Street expectations in its fiscal fourth-quarter earnings, reporting an 18% year-over-year revenue increase to $76.4 billion, higher than the forecasted $73.8 billion. Driven by strong demand for artificial intelligence and cloud services, Azure revenue climbed 39% for the quarter and exceeded $75 billion for the fiscal year, outpacing analyst estimates. Total Microsoft Cloud revenue reached $46.7 billion, a 27% annual growth, with overall quarterly earnings per share at $3.65, also beating projections. Shares jumped over 6% in extended trading, reflecting optimism in the company's ongoing cloud and AI momentum, even as industry-wide capacity constraints and intensified competition persist

- **Meta Platforms +10% –** reported strong second-quarter earnings, surpassing analyst expectations with earnings of $7.14 per share and revenue of $47.52 billion, both well above estimates. The company's daily active user base grew 6% to 3.48 billion, signaling continued engagement across its family of apps. Looking ahead, Meta issued upbeat guidance for third-quarter revenue at a midpoint of $49 billion, outpacing analyst forecasts. However, the company cautioned that year-over-year growth could slow in the fourth quarter of 2025 due to tough comparisons. Capital expenditures for 2025 are projected between $66 billion and $72 billion, slightly narrowing previous estimates, mainly due to infrastructure and employee cost

US STOCK NEWS

US & Global indices

Mon-4th	Tue-5th	Wed-6th	Thur-7th	Fri-8th
Palantir, Berkshire Hathaway Inc.	AMD, Pfizer, CAT, Eaton, Arista, Amgen	Disney+, Uber, McDonald's, Shopify, DoorDash, airbnb	Lilly, ConocoPhillips, Constellation	
Mitsubishi	أرامكو السعودية Saudi Aramco	novo nordisk, REA Group, Pinnacle	Toyota, Siemens	QBE
	Caixin Services PMI, ISM Services		BOE Meeting	



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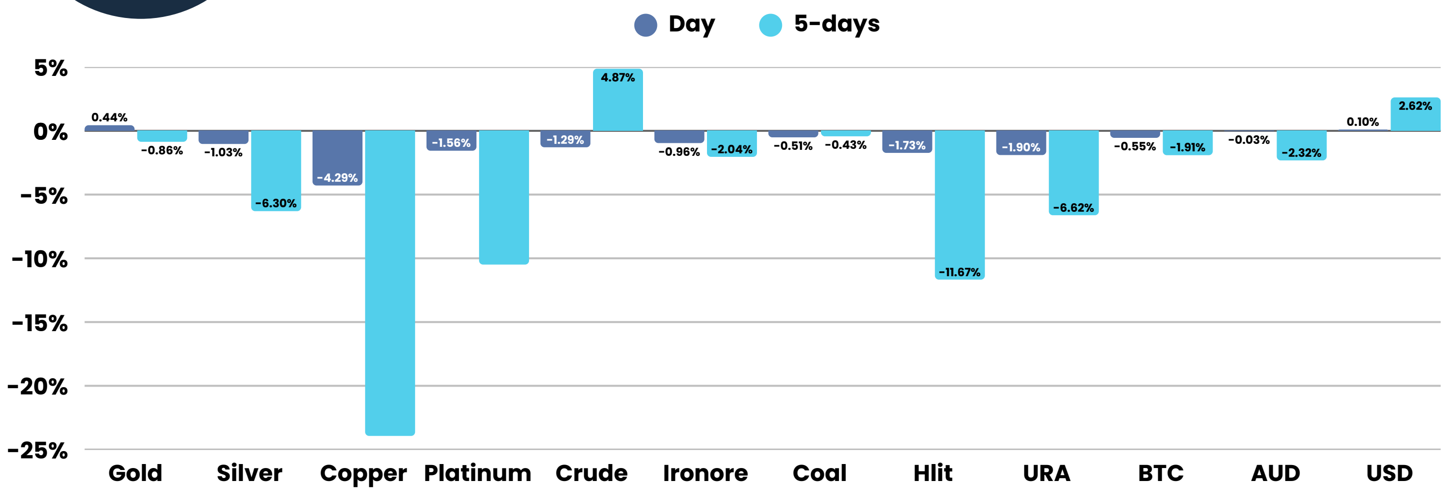
COMMODITIES & FX



Gold: Gold futures have traded lower since last Friday, dropping from above $3,370 to near $3,340 per ounce as a stronger US dollar and reduced rate cut expectations weighed on prices. Despite a minor rebound midweek, gold ended July down about 2.8% for the week

Silver: Silver futures have retreated since last Friday, falling from above $39 to around $38.20 per ounce as of August 1. The drop was driven by a stronger US dollar and reduced expectations for Federal Reserve rate cuts, with prices touching their lowest levels since early July despite strong industrial demand

Platinum: Platinum futures dropped sharply since last Friday, falling from around $1,472 to about $1,284 per troy ounce by July 31, a decline of more than 12%. The selloff followed turbulence in precious metals markets, with platinum hitting its lowest level in over a month despite strong year-on-year gains

Copper: Copper futures have plunged since last Friday, dropping from a record high near $5.95 per pound to around $4.34 by July 31. The sharp selloff was triggered by US tariffs effective August 1, which unexpectedly exclude refined copper, causing traders to unwind bullish bets and prices to fall almost 22%

Crude Oil (WTI): Crude oil futures fell sharply since last Friday, dropping from above $70 to around $69.30 per barrel by July 31. The decline was driven by the looming US trade tariff deadline and a surprise build in US crude inventories, which offset strong gasoline demand and recent gains in July

Bitcoin: Bitcoin and Ethereum both experienced choppy trading since last Friday. Bitcoin slipped from around $118,350 to approximately $117,830, pressured by profit-taking following recent highs and macroeconomic uncertainty. Meanwhile, Ethereum rose from about $3,708 to near $3,807, buoyed by positive ETF inflows and ongoing institutional demand, outperforming Bitcoin’s subdued weekly return

ECONOMY & POLITICS

TRUMP SIGNS ORDER WITH UPDATED LIST OF TRADE TARIFFS

On Thursday evening, President Donald Trump accelerated his administration's push for stricter trade policies, signing an order that imposes a broad range of new tariffs on a diverse lineup of U.S. trading partners. Coming just hours before his self-imposed August 1 deadline, this updated list marks a significant escalation in Trump's ongoing efforts to recalibrate America's international economic relationships and address what he calls "unfair trade imbalances."

The latest move introduces what Trump described as "reciprocal" tariff rates, intended to reflect and, in some cases, retaliate against the trade practices of targeted countries. These measures will take effect in seven days and are expected to directly impact global commerce in the months ahead.

The United Kingdom faces a 10% tariff, while Japan, South Korea, and certain European Union goods will see 15% levies. India, which had already been singled out in previous policy updates, is subject to a 25% tariff. Some of the steepest penalties are reserved for countries such as Syria—which will face a 41% tariff—as well as Laos and Myanmar, both set at 40%. Switzerland doesn't escape scrutiny, receiving a 39% tariff. South Africa's goods will be subject to a 30% tariff, and Taiwan, Bangladesh, Vietnam, and Sri Lanka each find themselves facing a 20% levy.

Most of these rates are somewhat lower than the initial, more aggressive figures floated by the White House earlier in April. The administration's current approach appears to focus on countries with large trade surpluses with the U.S., in line with Trump's longstanding calls for "fairness" and "reciprocity" in global trade.

For countries not appearing on Thursday's detailed list—or those maintaining either a trade deficit or a minimal surplus with the U.S.—a flat 10% tariff will be introduced. The administration also included a stern warning: goods transshipped—a tactic used to circumvent tariffs—will incur an additional 40% tariff, as part of efforts to close potential loopholes.

Canada, historically a close trading partner, was singled out with a significant tariff hike from 25% to 35%. Trump cited ongoing frustrations about Canadian border control and Ottawa's foreign policy stances—including its position on Palestinian statehood—as driving factors behind the move.

Brazil received a complicated designation. While Thursday's list set a "reciprocal" 10% tariff, an executive order earlier in the week brought Brazil's overall exposure to U.S. tariffs up to 50%. The heightened scrutiny reflects recent diplomatic tensions, including Trump's criticism of Brazil's prosecution of former President Jair Bolsonaro.

Notably, Mexico was given a 90-day reprieve, offering space for extended negotiations. As these dramatic policy shifts take shape, the world's trading nations must now navigate an even more complex and unpredictable landscape shaped by a renewed U.S. emphasis on strong, reciprocal trade measures.

TRADE OF THE WEEK

Buy ON Semiconductor (NASDAQ:ON)

ON Semiconductor (NASDAQ:ON), headquartered in Scottsdale, Arizona, is a leading provider of intelligent power and sensing solutions. At around $58 per share, onsemi offers an attractive long-term entry point. The company is strategically positioned in two major growth sectors: AI and EVs. It recently announced a partnership with NVIDIA to supply power management chips for next-generation AI data centers. On the EV front, onsemi is a key supplier to Tesla, providing SiC components used in the Cybertruck and Model Y. SiC technology improves EV range and charging speed—core performance metrics in the race for EV dominance. The company also benefits from the U.S. CHIPS Act, with tax credits and subsidies supporting its $2 billion expansion in New Hampshire. Its U.S.-based supply chain reduces geopolitical risk and aligns with domestic sourcing mandates.

Trade Strategy:
Buy ON up to $59
Stop Loss $49
Initial profit target $79

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

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