



BULLS vs BEARS

MPC Markets – Weekly edition



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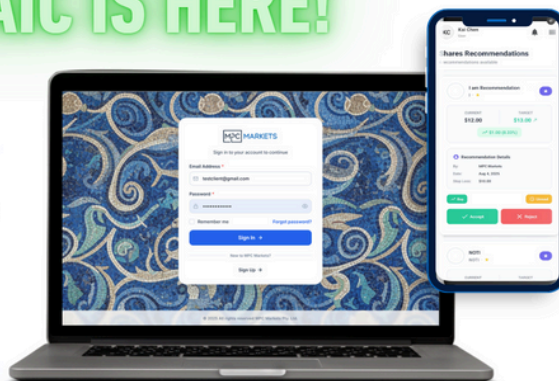
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BE ALERT, BUT NOT ALARMED...YET

Credit spreads—the gap between corporate and government bond yields—are starting to widen, signaling potential risk in credit markets and a need for investor vigilance. Historically, widening spreads have preceded equity market sell-offs, but current levels remain moderate, with the USAA-Rated Bond Index OAS at 0.5 and other indicators showing low stress as of October 13, supporting the recent S&P 500 rally.

However, early warning signs are emerging. Jamie Dimon of JPMorgan Chase points to recent bankruptcies, including auto lender Tricolor Holdings and First Brands Group, as evidence of cracks in the \$2 trillion private credit sector—often called "shadow banking"—where non-bank lenders face less oversight. Hidden liabilities and off-balance-sheet risks may be more widespread. Regional banks also show stress, as stocks like Zions Bancorporation and Western

Alliance dropped over 10% amid loan charge-offs and fraud allegations. Most banks reported lower earnings per share and shrinking margins due to higher rates and loan quality concerns.

Widening credit spreads can increase borrowing costs, lead to defaults, and trigger stock market anxiety, echoing past crises like 2008. Analysts warn of parallels with "subprime 2.0," and some predict major consumer credit problems. While these aren't systemic yet and reforms have strengthened banks, investors are advised to stay alert, diversify portfolios, prioritize bond quality, and monitor credit market indicators for signs of further stress.





ASX STOCKS

HIGHLIGHTS OF THE WEEK

James Hardie Industries (ASX: JHX) saw its share price surge this week after rebounding strongly from recent lows. The stock started the week around \$29.50 and dipped slightly lower before mounting an impressive rally, closing as high as \$33.30 by Thursday, marking a move of almost 13% over the past seven days. The catalyst for this sharp bounce was a market-beating second-quarter update, with the company reporting net sales of US\$1.29–1.30 billion—well above expectations—and forecasting robust earnings for the quarter. This strong performance, combined with positive signs from the integration of the recently acquired AZEK business, reignited investor optimism and drove the stock higher. JHX's rapid recovery from its 52-week lows suggests renewed confidence in long-term growth and ongoing operational momentum.

Mesoblast Limited (ASX: MSB) delivered a strong performance this week, bouncing decisively off recent lows. The stock began the week near \$2.59 after a sharp selloff but rebounded strongly, climbing as high as \$2.95 by Thursday for a gain of approximately 14% in just a few sessions. This sharp reversal followed a period of notable volatility for MSB, which had previously dropped despite more than doubling from earlier 52-week lows. Renewed investor confidence appears to be driven by optimism about the company's clinical progress and broader recovery in the biotech sector, allowing shares to recapture momentum. Overall, MSB's price action this week illustrates its volatile nature, but also suggests resilience and continued market interest in its prospects following the recent strong bounce from support levels.

Guzman Y Gomez (ASX: GYG) experienced significant volatility this week, highlighted by a sharp sell-off that followed an initial bounce on positive news. After the announcement of a first quarter trading update alongside a \$100 million share buyback, shares initially jumped to a high of \$27, reflecting renewed optimism about company growth and capital management. However, this surge proved short-lived as the market quickly reversed course. Investors locked in profits amid continued concerns about plateauing same-store sales growth in Australia and persistent losses in GYG's US expansion. The stock subsequently tumbled back, closing at \$26.39 by Thursday—paring back much of the earlier gains and demonstrating the stock's currently fragile sentiment.

Copper Miners Large copper miners enjoyed a strong week on the ASX, buoyed by a surge in copper prices to a 14-month high and robust global demand. Major players like BHP rallied 2.9% to \$43.11, while Rio Tinto gained 1.6% and Sandfire Resources jumped over 5%, underscoring sector-wide momentum. The rally was fueled by tightening copper supply and positive sentiment linked to electrification and infrastructure investment, which lifted the materials sector and drove the broader market higher despite weakness elsewhere. ASX copper miners' outperformance highlighted increased investor confidence in the industry's outlook.

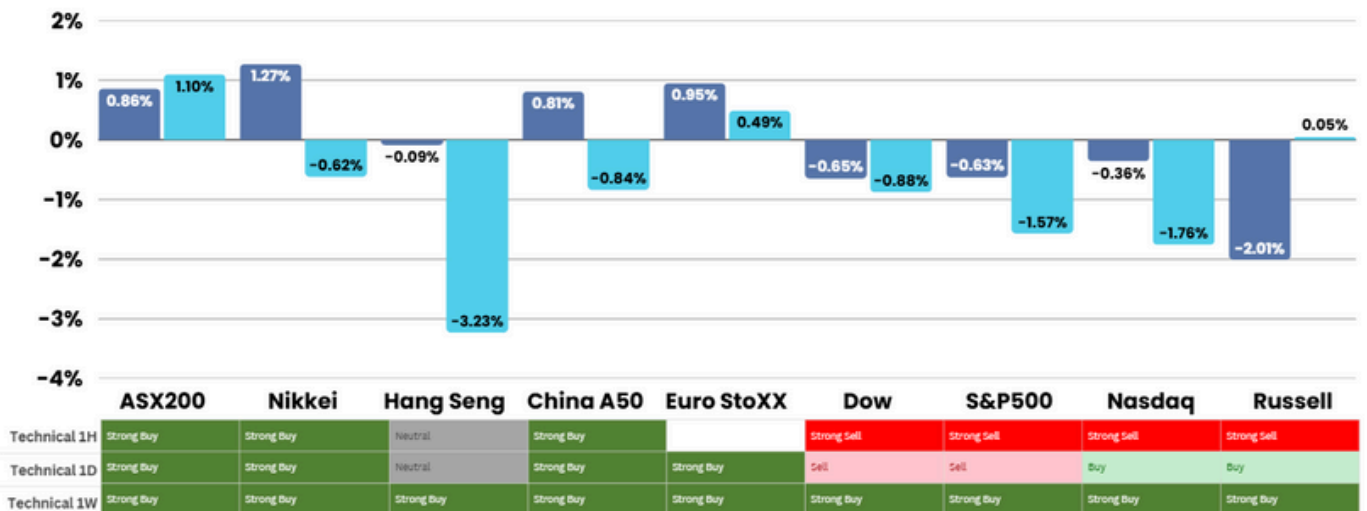


US STOCK NEWS

US & Global indices



● Day ● 5-days



	Mon-20th	Tue-21st	Wed-22nd	Thur-23rd	Fri-24th
EARNINGS	Berkley logitech els CROWN Steel Dynamics, Inc.	NETFLIX NORTHROP GRUMMAN general motors charles SCHWAB Capital One GE Aerospace	TESLA SAP Coca-Cola AT&T BOEING ThermoFisher SCIENTIFIC IBM servicenow	Mobile UNION PACIFIC KKR Honeywell L3HARRIS S&P Global	P&G HCA Healthcare AON NatWest Group sanofi ICICI Bank
ECONOMIC	Columbus Day				
	NO ECONOMIC FIGURES - US GOVT SHUT DOWN				



US STOCK NEWS

US & Global indices

Corporate Earnings

- Bank of America (BAC) +4.45% – raised the lower end of its full-year net interest income guidance after a better-than-expected quarter. It topped profit estimates, helped by a surge in investment banking revenue and steady consumer lending growth. The bank reported healthy loan demand and disciplined expense management.
- Morgan Stanley (MS) +4.44% – posted a notable profit increase in the third quarter as dealmaking momentum returned. Its investment banking division grew sharply amid improving equity underwriting and advisory activity. Wealth management results were steady, supported by higher client assets and fee income.
- Goldman Sachs (GS) -0.72% – beat analysts' forecasts, driven by strong investment banking fees and renewed activity in mergers and acquisitions. Trading activity remained robust across both fixed income and equities, adding to the earnings beat.
- JPMorgan Chase (JPM) +1.48% – revised its full-year net interest income forecast higher after a robust quarter marked by strong loan growth and continued margin expansion. The bank also benefited from healthy consumer spending and lower credit provisions.
- Wells Fargo (WFC) +2.12% – reported profit ahead of Wall Street estimates, citing higher institutional deal volumes and an improved credit picture. The lender saw particular strength in its corporate banking and mortgage divisions.

Over the past 24 hours, U.S. regional banks have faced significant turmoil, driven by concerns over loan quality and potential credit issues. The catalyst was Zions Bancorporation's \$50 million charge-off on two troubled commercial loans, sparking a sector-wide sell-off. Stocks like Zions and Western Alliance dropped over 10%, with a regional bank ETF falling 4%. Western Alliance's shares slid 5.4% after accusing a borrower of fraud, though it later stabilized by reaffirming strong 2025 guidance. Market sentiment has been jittery, with a "sell first, ask questions later" approach, exacerbated by recent automotive sector bankruptcies exposing vulnerabilities in private credit markets.

Regional banks are grappling with elevated credit and funding costs, higher charge-offs, and shrinking net interest margins due to persistent high interest rates. While some, like U.S. Bancorp, reported solid quarterly results, most banks saw lower earnings, with 24 of 35 reporting sequential declines. Analysts stress that banks must prove these issues are isolated to restore confidence.

JPMorgan Chase CEO Jamie Dimon warned of broader risks in private credit, likening current issues to "cockroaches" signaling more trouble. He highlighted lax underwriting standards and opaque risk exposures in the rapidly growing private credit sector, predicting more defaults if economic conditions worsen. Though not systemic, these challenges could intensify, particularly for less rigorous lenders. The sector faces ongoing scrutiny over risk management and credit quality, with volatility likely to persist amid economic uncertainty.





GLOBAL ALPHA

Global Earnings and News

It was another wild week on Wall Street. Stocks zig-zagged through a mix of strong corporate earnings, renewed trade drama, and ongoing government gridlock. The S&P 500 and Nasdaq managed small gains midweek, lifted by upbeat results from banks like Morgan Stanley and Bank of America, while strong tech stocks—think Broadcom, Intel, and AMD—helped keep sentiment afloat.

Still, the overall tone was cautious. President Trump's latest tariff comments reignited tension with China, sparking a sharp sell-off earlier in the week that wiped out over \$2 trillion in market value in a single day. Investors briefly found hope as officials hinted at a potential Trump–Xi meeting later this month, but that optimism was fragile.

Gold prices meanwhile hit another record high as traders looked for safety, and Treasury yields eased slightly with whispers of further Fed rate cuts circulating.

In short, it was a week that summed up 2025's market mood so far—some bright earnings spots, plenty of political fireworks, and investors nervously balancing between greed and caution. The message heading into next week? Keep your seatbelt fastened; volatility clearly isn't going anywhere.

So yeah, it was a mixed bag—some bright spots in earnings but plenty of storm clouds overhead. The takeaway? Investors are still optimistic but with one hand hovering over the sell button. All eyes are now on the next batch of economic data and what the Fed does next. Buckle up; this ride's not slowing down anytime soon



Oracle set for Growth



Blackrock Crypto Bet

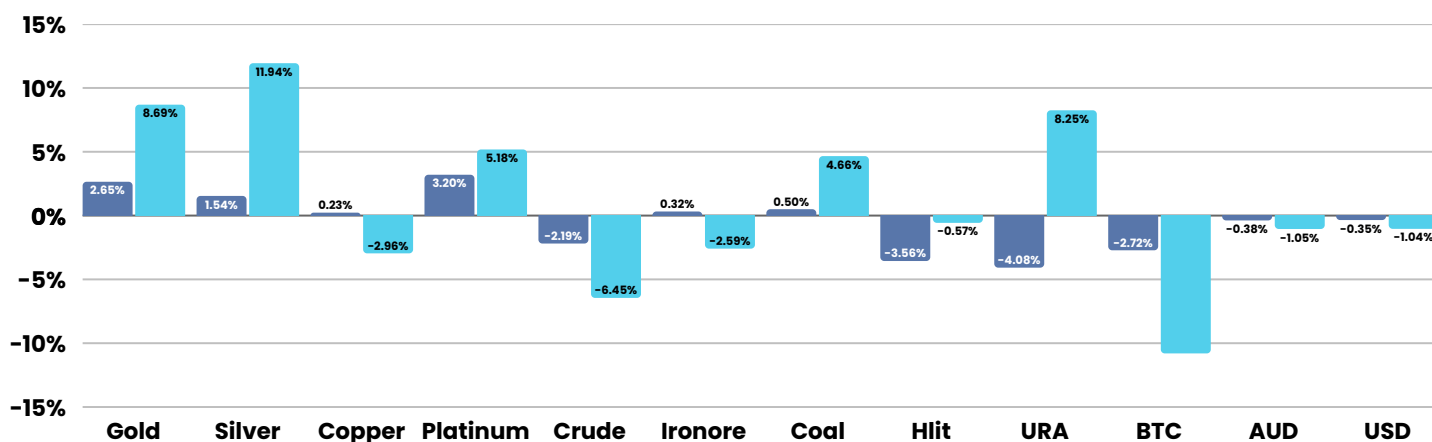


Ramping up Production



COMMODITIES & FX

● Day ● 5-days



Gold Gold futures made history this week by trading above \$4,000 per ounce for the first time, peaking at a record \$4,059. After this milestone, prices retreated slightly as investors took profits, but gold remains in a powerful uptrend due to safe-haven demand, central bank buying, and expectation of U.S. interest rate cuts.

Silver Silver futures soared this week, breaking above \$50 an ounce for the first time in history. After reaching a peak of \$51.27, prices saw some profit-taking but remained strong, driven by robust investment demand and safe-haven flows amidst global financial uncertainty and market volatility.

Copper Copper futures surged above \$5 per pound this week, buoyed by supply disruptions at major mines in Chile and Indonesia. After reaching over two-month highs, prices held firm on Thursday and Friday as expectations grew for more rate cuts by the U.S. Federal Reserve and strong industrial demand.

Platinum and Palladium Platinum futures surged to a 13-year high, reaching \$1,701 per ounce early this week before easing slightly. Palladium futures also rallied, climbing to a two-year high near \$1,482 per ounce as safe-haven demand and expectations of U.S. rate cuts drove strong momentum in precious metals markets.

Oil Crude oil futures fluctuated this week, starting near \$61.50 per barrel and rising modestly to \$61.59 by Friday. After initial optimism surrounding a US-Iran sanctions move, prices dipped as Middle East tensions eased but stayed firm, finding support from restrained OPEC+ production. Crude oil futures fluctuated this week, beginning around \$61.50 per barrel, briefly rising after new US sanctions on Iran, then easing as Middle East tensions cooled. The contract settled at \$61.59 by Friday, supported by restrained OPEC+ output and steady demand expectations.



DIGITAL ASSETS

Crypto & Blockchain

Crypto markets plunged this week, with a \$19 billion liquidation wave, marking the largest crypto liquidation event in history. Triggered by U.S. President Trump's sudden 100% tariff on Chinese imports and new tech export controls. The crash was amplified by excessive leverage, a \$90 million "pricing error" on Binance, and market maker withdrawals. Perpetual futures open interest hit a record \$230 billion before the drop, with long positions making up the bulk of liquidations. De-pegging events on Binance caused forced liquidations across DeFi platforms, while a \$60 million Bitcoin selloff before the news raised concerns over possible front-running or oracle manipulation.

Paypal's crypto partner, Paxos mistakenly mints a whopping \$300 trillion in stablecoins in a 'technical error' during an internal transfer. The tokens were burned within ~20 minutes, and Paxos affirmed there was no security breach and that customer funds remained intact. Yet the episode underscores the extreme power centralized stablecoin issuers wield—and the risks that come with it.

Bitcoin mining stocks surged this week as news of a \$40 billion buyout of Aligned Data Centers by BlackRock, Nvidia, Microsoft, and xAI lifted AI-linked infrastructure valuations to \$8 million per megawatt—far above miners' \$3 million/MW averages. The move sparked bullish sentiment for miners pivoting to AI workloads. Cipher Mining, TeraWulf, and Hut 8 are among top beneficiaries, repurposing capacity to tap into AI demand. Government incentives under the CHIPS Act further fueled the narrative, positioning these firms for major re-ratings.

Bitcoin is currently in the transition from being a risk-on to a risk-off asset. It still behaves like a risk-on asset but shows signs of evolving into a strategic, portfolio-diversifying asset akin to digital gold. This transition offers trading opportunities, with a focus now on accumulating Bitcoin as the altcoin cycle loses momentum. Given current volatility and systemic risks, caution and prudent risk management remain essential.



Crypto Market Plunge



Blackrock BTC Mining Deal



Paxos \$300T Error



TRADE OF THE WEEK

Review your portfolio



US/China Trade Tensions



US Government shutdown



Credit spreads widening



US stockmarket vs GDP 220%



2nd largest 6m rally in 30 years

Return to cash ✓

Review portfolio ✓

Trim or sell profitable or unwanted positions ✓

Compile list of stocks you would like to buy and price for future reference

DO NOTHING



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