

Just a short update and a recommendation from me today.

Buy some MP materials. (MP)

MP has been a tiny holding with us, a remnant of the commodity plays we've made over the last year. It's been disappointing, at least compared to the other commodity plays we've made, particularly in Lithium with Albermarle (ALB) and in copper using proxies like Southern Copper (SCCO) and Freeport-McMoran (FCX). When we bought those two more cheaply in late '23 and early '24, we saw a really nice move in both. Since early '24, the copper plays have moderated a lot in the interim, but have still provided very quality returns between their dividends and options premium. If you're like me, you were assigned on both at some point in 2024 and haven't yet seen a good level to reestablish in them (I've been waiting for a sub-\$90 price in SCCO, for example).

With MP, you've not been so lucky. It's just plain languished, reaching a pitifully low \$10 bucks a share in July, making a very nasty line in my P&L (although not for big \$\$). It never had the dividend to offset the line loss, nor the liquidity or the volatility to make the calls a reasonable hedge – so it just sat there, begging me to sell it.

I'm glad I didn't.

Trump's tariff threats are making all the difference with the stock in recent months.

Don't get me wrong, I'm not banking on any of these threats to make our investment decisions. Trump's statements have cast tariffs as his ['one size fits all' response](#) to all things economic, threatening Canada and Mexico with a 25% tariff, an across the board 10% additional tariff on China, supposedly based upon immigration inaction, and a 100% tariff on BRICS nations if they 'seek to undermine the US Dollar as the global reserve currency'. Wait, what? How do you determine that?

Whatever. I'm mostly convinced that Trump is just a disruptor, angling for responses to threats, as opposed to actually carrying them out.

Except with China.

With Chinese tariffs, he has a history. And to him, it was a successful one. I fully expect Trump's threats on tariffs to become real when he takes office – with China.

China seems to understand this too. Today, they proactively [began a counter-offensive](#), banning completely the sale of gallium, germanium, antimony and other rare earth metals to the US. These metals, as I've noted in the past, are critical in the manufacture of semiconductors and other computer parts as well as advanced technology in solar panels, batteries and other items. China is by far the largest supplier/exporter of rare earth metals in the world.

MP materials is a small fish in this game, but it does operate mining assets in rare earth metals here in the US. I was surprised that the shares dropped as low as they did, and it was short-sighted of me to not see that as an opportunity to pick up shares at a much lower price.

But I also think that the Trump threats on China are the most likely to be broad and deep when he takes office, and these slowdowns of rare earth metals from China are only the beginning of the marginal trade wars in commodities we're about to see.

That makes stocks like MP materials (and Albermarle eg) an excellent play, even at double the price of their recent low. I didn't have much invested with them previously, but I plan on doubling down on that investment today.

FYI – I've been trying to find an entry point on nuclear stock Centrus (LEU), but it's been just too volatile. It made a move briefly under \$70 a few weeks ago, and I think established a new floor right about there, although it's a weak one. Still, I'm going to look for a price near there to start a position. It's dropped under \$80 again this AM, so maybe we won't have long to wait.

that's all for today.

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