



JEME CAPITAL

WEEKLY NEWSLETTER

February 24th, 2025



FINANCIAL DASHBOARD

Index	1w ch. %	Bonds 10yrs		Commodities	
STOXX 600 (EUR)	0.26%	BUND	2.469	GOLD	2,949.70
S&P 500	(1.66%)	OAT	3.170	Crude Oil WTI	70.24
NIKKEI 225	(0.95%)	BTP	3.561	EUR/USD	1.05
MSCI WORLD INDEX	(1.39%)	UST	4.424	EUR/GBP	0.83
ISHARES MSCI EEM	1.10%	JGB	1.422	EUR/JPY	156.09

MARKETS & POLITICS NEWS

Russia-Ukraine War: On Wednesday, U.S. Secretary of State Marco Rubio met with Russian Foreign Minister Sergey Lavrov in Riyadh to discuss ending the war, but with Ukraine excluded and no concrete results, the talks fueled frustration in Kyiv and among Western allies.

Amid this, on Tuesday, Trump claimed that Ukraine “should have never started” the war, contradicting the fact that Russia invaded in 2022, sparking backlash.

By Friday, Trump backtracked on Fox News Radio, admitting that Russia had invaded under Putin’s orders. He also said that Kyiv was close to finalizing a minerals deal with the U.S., granting American companies access to Ukraine’s resources to support its recovery.



United States: President Donald Trump is escalating his trade war with new 25% tariffs on cars, chips, and drug imports starting April 2. On Friday, he also ordered an investigation into tariffs on countries taxing U.S. tech companies.

Europe: The euro area saw minimal economic growth in February, with France’s economy struggling due to weak services, contributing to fears of stagnation. In response to Trump’s suggestion for Europe to buy U.S. weapons, European officials are preparing a defense spending package. Meanwhile, the UK economy faces challenges, with consumer confidence low and inflation at 3%, leading to job cuts as businesses anticipate further decline.

Germany: On Sunday, Germany held early federal elections, with Friedrich Merz’s CDU/CSU at 28.5%, followed by AfD at 20.6% and the SPD, which declined to 16.5%. Voter turnout was high at around 84%.

CORPORATE NEWS

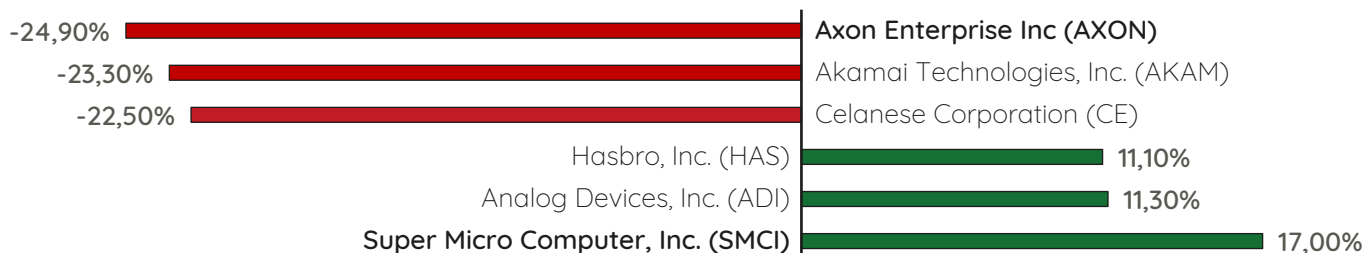


- **BHP** reported a 23% drop in first-half profit from the previous year, falling short of expectations.
- **HSBC** plans to cut expenses by \$1.5 billion annually, announced a \$2 billion share buyback, and posted higher than expected pretax profit.
- **Southwest** will cut 15% of its corporate positions, or 1,750 jobs, in its first-ever layoffs.
- **Honda** will resume merger talks with Nissan if CEO Makoto Uchida steps down, following previous disagreements over Nissan's subsidiary status.
- **Key ByteDance** investors including SoftBank marked up the TikTok owner's valuation to more than \$400 billion.

JEME CAPITAL'S HIGHLIGHTS

- **Berkshire Hathaway** reported a record \$14.5 billion operating profit in Q4 2024, a 71% increase, while holding \$334.2 billion in cash. The company chose not to repurchase shares, as it does not consider the stock undervalued.
- **Shein** posted 19% sales growth, overshadowed by a 40% drop in net profit, prompting a cut in its \$30 billion IPO valuation.
- **Leonardo** beats expectations, with a 12.2% rise in orders and strong cash flow. The company also secured a new partner for its aerostructures unit, addressing Boeing challenges.
- **Poste Italiane** reported €12.6 billion in revenue for 2024, a 5% increase, with a record net profit of €2.01 billion and a proposed dividend of €1.08 per share.

LAST WEEK BIGGEST MOVERS IN S&P 500



WHAT'S AHEAD NEXT WEEK IN THE MARKETS

- Date	Event (US)	Prev. Value	- Date	Event (EU)	Prev. Value
25-Feb	CB Consumer Confidence (Feb)	104.10	24-Feb	EU CPI (YoY) (Jan)	2.50%
26-Feb	Crude Oil Inventories	4.63M	25-Feb	GER GDP (QoQ) (Q4)	-0.20%
27-Feb	Initial Jobless Claims	219K	27-Feb	ECB Acct. of Monetary Policy Meeting	-
27-Feb	GDP (QoQ) (Q4)	2.30%	28-Feb	ITA CPI (YoY) (Feb)	1.50%
28-Feb	Core PCE Price Index (YoY) (Jan)	2.80%	28-Feb	GER CPI (MoM) (Feb)	-0.20%

Key U.S. Indicators

Next week, key U.S. economic data will be released, including the February Consumer Confidence Index, expected to indicate **stable consumer sentiment**. Initial jobless claims, forecasted to show **continued strength** in the **labor market**, and Q4 2024 GDP growth, expected to reflect **moderate economic expansion**. The February Core PCE Price Index is projected to **rise slightly**, possibly influencing the Federal Reserve's interest rate decisions.

Asia's Market Signals

Asian markets brace for key economic releases next week, beginning with **Japan** on Thursday, which will report January's **industrial production data**. On Friday, **China** will unveil **manufacturing** and **non-manufacturing PMI indexes**, reflecting business activity, while **India** will announce **GDP data**, potentially shaping monetary policy. Additionally, **South Korea** will report **trade figures**, offering insights into global demand trends.

EU Policy & Data Outlook

Several important economic events and data releases in the EU next week are set to impact market sentiment. On Monday, the **EU CPI** will offer a more specific picture of **price changes across the eurozone**, helping to shape the broader inflation outlook. On Thursday, the ECB will publish the **account of its monetary policy meeting**, providing valuable insights into its **stance on interest rates** and inflation management.

Germany Elections & Economic Signals

Next week, key events and data releases in Germany will capture market attention. On Tuesday, **Q4 GDP** data is expected to reflect a slight **economic contraction**, followed by Friday's February **CPI**, which could indicate a temporary **easing of inflationary pressures**. In addition, the impact of the **recent elections** and the CDU/CSU victory will come into focus, shaping the country's economic and political landscape.

WHAT'S AHEAD NEXT WEEK FOR CORPORATES

Key Earnings Report

**24/02/25:**

Earnings season continues to capture investor attention in February. **Domino's Pizza Inc** is expected to report **\$1.49B in revenue** and **\$4.96 EPS**, with investors watching global same-store sales growth and pricing strategies. **Zoom Video** anticipates **\$1.18B in revenue** and **\$1.3 EPS**, with analysts focusing on enterprise revenue growth and the adoption of Zoom's contact center and phone services. **Li Auto** forecast **\$44.13B in revenue** and **\$3.07 EPS**, with analysts focusing on vehicle delivery growth, profitability, and the company's strategy for expanding its electric vehicle lineup.

26/02/25:

As earnings season progresses, February 26 will bring another wave of key financial reports. **NVIDIA** is forecasted to post **\$38.02B in revenue** and **\$0.85 EPS**, with attention on its growth in data center sales and AI-driven demand. **Salesforce Inc.** anticipates **\$10.04B in revenue** and **\$2.61 EPS**, reflecting strong performance in cloud computing and enterprise software. **Stellantis NV** is projected to report **\$39.35B in revenue** and **\$0.41 EPS**, with a focus on its electric vehicle sales and global automotive market trends.

27/02/25:

In the second part of the earnings week, investors will closely monitor other key reports. **Dell Tech** is expected to report **\$24.55B in revenue** and **\$2.51 EPS**, with a focus on demand for AI servers. **HP Inc.** is forecasted to post **\$13.38B in revenue** and **\$0.74 EPS**, as analysts assess the impact of economic conditions on its printing and PC services. **Eni S.p.A.** anticipates **\$21.59B in revenue** and **\$0.36 EPS**, with analysts focusing on the company's performance in the energy sector, particularly oil and gas production and its renewable energy investments.



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