

A photograph of a modern building facade featuring large concrete blocks and glass panels. The building has a complex, angular design with some windows illuminated from within. In the foreground, a glass-enclosed staircase is visible, with several people walking up it. The overall tone is dark and architectural.

JEME CAPITAL

WEEKLY NEWSLETTER

*March 24<sup>th</sup>, 2025*

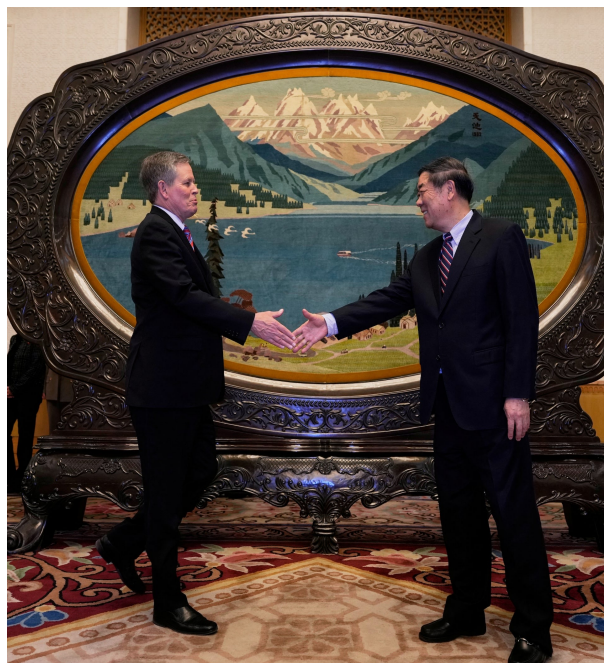
## FINANCIAL DASHBOARD

Index	1w ch. %	Bonds 10yrs		Commodities	
STOXX 600	0.56%	BUND	2.769	GOLD	3,023.35
S&P 500	0.51%	OAT	3.470	WTI Crude Oil	68.27
NIKKEI 225	2.41%	BTP	3.880	EUR/USD	1.09
MSCI WORLD INDEX	0.66%	UST	4.250	EUR/GBP	0.84
ISHARES MSCI EEM	0.04%	JGB	1.513	EUR/JPY	162.42

## MARKETS &amp; POLITICS NEWS

**Sino-American Trade War:** China is considering measures that would **limit exports** to the **US** to blunt any **further tariffs**. This is **identical** to a measure taken by **Japan** during the **1980's trade war**. However, unlike **Japan's high-margin** car exports, China's reliance on **low-margin, high-volume** goods makes this move likely more **self-damaging** than **effective**.

**Xi Jinping's** government still indicates a desire to **cut a deal** with **Trump** to stop the trade war from escalating further. Montana Senator and close Trump ally, **Steve Daines**, arrived in **Beijing** on Friday, stating that he is "**carrying President Trump's America First agenda**", as he meets with Chinese officials to **discuss trade policy**.

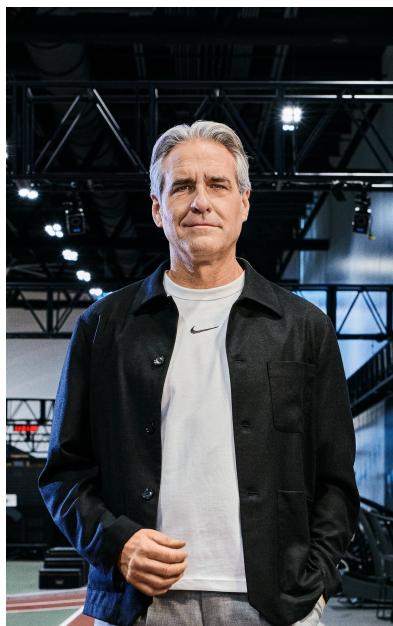


**East-Asian Talks:** Senior officials of **China**, **Japan**, and **South Korea** met in Tokyo on Saturday to discuss **security and economic issues** against a backdrop of **increasing global uncertainty**. Japanese foreign minister, **Takeshi Iwaya**, described the meeting as occurring at a "**turning point in history**," with Trump's upending of traditional alliances. This presented **China** with an opportunity to **strengthen regional ties**. However, **significant divisions** persist due to key issues which include China's support of **North Korea**, ongoing disputes over **Taiwanese sovereignty**, and the deployment of **US forces** nearby.

**Global Growth Forecasts:** The **OECD** has revised its **global economic growth forecasts**, projecting a slowdown from **3.2% in 2024** to **3.1% in 2025**, and **3.0% in 2026**. Both 2025 and 2026 were **previously projected at 3.3%**. This adjustment reflects concerns over **escalating global protectionism**, which is expected to **reduce investment and household spending**.



## CORPORATE NEWS

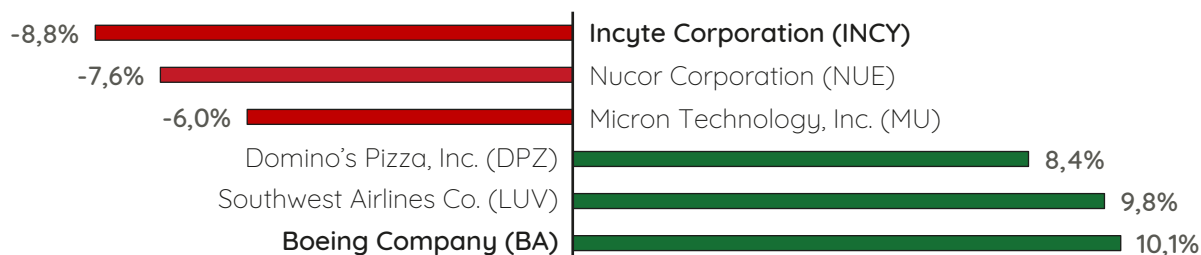


- **FedEx** reduced its **profit outlook** for the **third consecutive quarter**, now anticipating an **EPS between \$19-\$20**, from the expected **\$20-\$21**, creating a **9.41% drop** premarket on Friday.
- In a European Commission decision on Wednesday, **Apple** and **Google** have been reprimanded under the Digital Markets Act, to promote **fair competition** and **innovation** in tech.
- **Southwest Airlines** stock is **up 9.8%** this week following the announcement of changes designed to **enhance revenue**, such as **fees for checked baggage** and **assigned seating**.
- **Boeing** shares have **surged 10.1%** this week to lead the **S&P 500** after President Trump had named the plane maker the **winner** of a contract to build the next-gen Air Force **fighter jet**.

## JEME CAPITAL'S HIGHLIGHTS

- **Nike** shares reached a **five-year low** on Friday after reporting a **9% revenue decrease** in the third quarter and predicting that **fourth-quarter sales** would drop “in the mid-teens” due to **geopolitical instability** and **tariffs**.
- **Alphabet** has announced an **all-cash acquisition** of Israeli cybersecurity startup **Wiz** for **\$32B**, aiming to improve its cloud security offerings amid increasing cyber threats.
- **Francesco Gaetano Caltagirone** took out a **€500M loan** from **Intesa Sanpaolo**, backed by his stakes in Mediobanca, Generali, and MPS, to **reinforce his position** ahead of **shareholder meetings** at **MPS** and **Generali**.
- The **acceptance period** for **Banco BPM's** takeover bid for **Anima** began Monday, March 17<sup>th</sup>. **Anima's** shareholders who will adhere to the offer will receive **€7 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-Mar	New Home Sales (Feb)	657K	26-Mar	UK CPI (YoY) (Feb)	3.00%
27-Mar	Goods Trade Balance (Feb)	-153.26B	28-Mar	French PPI (YoY) (Feb)	-2.10%
27-Mar	Initial Jobless Claims	223K	28-Mar	French CPI (YoY) (Mar)	0.80%
27-Mar	GDP (QoQ) (Q4)	3.10%	28-Mar	UK GDP (YoY) (Q4)	0.90%
28-Mar	PCE Price index (YoY) (Feb)	2.50%	28-Mar	Italian PPI (YoY) (Feb)	4.40%

## U.S. Tariffs

The impact of **escalating tariffs** is becoming more evident across major economies, with **global trade slowing** and industries facing rising costs. The imposition of **US tariffs on steel imports** has led affected countries to **redirect their products**. The **UK**, a **major steel producer** industrially **interconnected** with the **US steel sector**, is now facing an **influx of cheap imported steel**, in addition to **decreased demand** for exported steel.

## U.S. Events &amp; Indicators

Key US economic data will be released next week. On Thursday, the **QoQ GDP** for **Q4 2024** is projected to come in at **2.3%**, consistent with February's estimate but lower than December's 3.1%. Meanwhile, the **PCE Price Index (YoY)** (the Federal Reserve's preferred inflation gauge) for February is **forecasted** at **2.7%**, up from **2.5% in January**, suggesting **persistent inflationary pressures** that may affect the central bank's policy stance going forward.

## EU Indicators

Important economic data from the EU will be published in the upcoming week, potentially altering market sentiment. On Friday, **France's YoY PPI** is expected to show **negative 0.1%**, signalling a slight decrease in input costs for producers and a possible shift in inflationary momentum. In contrast, **Italy's YoY PPI** is forecasted to be **5.8%**, indicating upward pressure on production costs that may translate into **broader inflationary trends** as well.

## Asia's Market Signals

Crucial Asian economic reports will be released in the upcoming week, providing insights into regional growth. On Monday, **Taiwan's unemployment rate** is forecasted to be **3.4%**. **Singapore's CPI (YoY) for February**, also on Monday, is **forecasted at 1%**, with last month's value not **exceeding 1.2%**. On Tuesday, **Japan's BoJ core CPI** will reveal trends on underlying **inflationary trends** expected to be consistent with the **target of 2%**.

## WHAT'S AHEAD NEXT WEEK FOR CORPORATES

### Key Earnings Report



### 24/03/25

- **BYD** predicts **HKD 271.75B in revenue** (\$34.97B) and **HKD 5.34 EPS** (\$0.69). The company has announced an ultra-fast charging system that can charge EVs within 5 to 8 minutes, relying on silicon carbide power chips with voltage levels of up to 1,500W.

### 25/03/25

- **Terna** forecasts **€1B in revenue** and **€0.11 EPS**. The firm recently declared that it will invest more than €23B to upgrade the Italian power grid system over the next 10 years.

### 26/03/25

- **Bank of China** anticipates **CNY 135.64B in revenue** (\$18.71B) and **CNY 0.19 EPS** (\$0.03). The bank recently established a fund worth CNY 50B (\$6.9B) to invest in tech startups.
- **Porsche SE** forecasts a **loss of €21.70B** and **€3.68 EPS**. This is primarily due to a €19.9B impairment on its Volkswagen stake and €3.4B impairment on its investment in Porsche AG, with only the latter being reported in the company's annual financial statements.
- **Jefferies** predicts **\$1.93B in revenue** and **\$1.02 EPS**. The investment bank is serving as financial advisors to Intra-Cellular Therapies, in its \$14.6B acquisition by Johnson & Johnson, at \$132 per share, with the deal expected to close by year-end.

### 28/03/25

- **ICBC** anticipates **CNY 177.31B in revenue** (\$24.52B) and **CNY 0.27 EPS** (\$0.04). It recently unveiled several measures to support foreign exports, including a special credit fund of CNY 300B, pledging to assist Chinese enterprises in expanding into global markets.



### **Disclaimer**

*Market valuations, terms and calculations contained herein are estimates only. Over time, there may be changes to the information currently supplied in this document. We take no responsibility for amending or correcting any previously supplied information. This material is for your private information only and we are not soliciting any action based upon it. This document is not to be construed as an offer to sell or the solicitation of an offer to buy any investment product. The document is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.*