



JEME CAPITAL

WEEKLY NEWSLETTER

*May 26<sup>th</sup>, 2025*



## FINANCIAL DASHBOARD

Index	1w ch. %	Bonds 10yrs		Commodities	
STOXX 600	(0.75%)	BUND	2.571	GOLD	3,358.48
S&P 500	(1.27%)	OAT	3.270	WTI Crude Oil	61.54
NIKKEI 225	(1.57%)	BTP	3.598	EUR/USD	1.14
MSCI WORLD INDEX	(1.50%)	UST	4.510	EUR/GBP	0.74
ISHARES MSCI EEM	(0.06%)	JGB	1.544	EUR/JPY	142.57

**Markets:** U.S. equities fell last week, with the **S&P 500 (-1.3%)**, **Nasdaq (-2.5%)**, and **Russell 2000 (-3.5%)** reversing prior gains. Apple (-7.6%) led a broad **Big Tech sell-off**, while losses also hit banks, airlines, and homebuilders. **Defensive pockets**, like utilities (+1.6%) and healthcare/biotech (+2.1%), **outperformed** as investors rotated on **macro uncertainty**. **Treasuries declined** across the curve, with the weakness more pronounced at the long end; the 30-year yield rose 14bp on the week, **closing just above 5%**. The dollar retreated (**DXY -1.9%**), while **gold rallied 5.6%** on renewed **safe-haven flows**. **Crude oil** edged **down 0.7%** amid mixed headlines on **OPEC+ output** and **Middle East geopolitical tensions**.

## POLITICS &amp; ECONOMIC NEWS

**Tariffs:** U.S. President Donald Trump announced plans to impose a **25% tariff on iPhones** not manufactured in the United States, eventually **extending the levy to other smartphone makers** like Samsung. The move aims to **pressure companies to shift production domestically**, despite logistical and technological challenges.

Trump also declared a **50% tariff on all European Union imports**, set to take effect on **June 1<sup>st</sup>, 2025**. He cited **stalled trade negotiations** and a **significant trade deficit** as reasons for this aggressive measure, highlighting how products manufactured in the U.S. would be exempt from this tariff. The **EU** responded by **urging mutual respect** in trade relations and expressed **readiness to defend** its interests.



U.S. President Trump salutes during the playing of the national anthem while attending a state dinner.

**Italian Rating Update:** On Friday, **Moody's revised Italy's credit outlook to positive**, while **affirming its Baa3 rating**, citing improving economic **resilience**, **falling debt-to-GDP**, and **strong reform momentum**. This raises **optimism for a future upgrade**, though **challenges** like high debt and structural inefficiencies **persist**.

## CORPORATE NEWS



Wang Chuanfu, CEO of BYD.

- CATL's Hong Kong debut, the **largest IPO** in 2025, raised **\$4.6B**, with **shares surging** as much as **18.4%** on their first day of trading, driven by **plans** for **European expansion**.
- **BYD surpassed Tesla** in European **EV registrations** for the first time despite higher EU tariffs, **recording 7,231 units** in April 2025, compared to **Tesla's 7,165**, down 49% YoY.
- **OnlyFans owner** Fenix International Limited is in talks to **sell the U.K.-based platform for \$8B** after an **astonishing growth** in revenues from **\$375M** in 2020 to **\$6.6B** in 2023.
- **Temu and Shein** could soon face **new EU regulations** including a **€2 parcel-handling fee** and the **removal** of the **€150 duty-free threshold**, affecting **4.6B imports** annually.

## JEME CAPITAL'S HIGHLIGHTS

- **OpenAI** is acquiring **lo**, the **AI hardware startup** led by **former Apple designer Jony Ive**, for **\$6.4B**. This is, by far, their largest deal yet, weeks after buying **coding startup Windsurf** for **\$3B**, aiming to **develop a groundbreaking AI-powered device**.
- **Nvidia CEO Jensen Huang** criticised **U.S. chip export restrictions** as a "failure", pointing to the **company's market share** in China **plummeting** from **95% to 50%**.
- **UniCredit** has **appealed the Italian government's conditions** on its **€14.4 billion takeover bid for Banco BPM**, which is currently **suspended** by Consob, **contesting** the national security-based "**golden power**" restrictions.
- **Generali** posted a **Q1 2025 net profit** of **€1.2B**, **beating** the **€1.1B forecast**. This upturn was **driven by the Non-Life segment**, up 8.6% to €10.4B.

## LAST WEEK BIGGEST MOVERS IN S&P 500





## WHAT'S AHEAD NEXT WEEK IN THE MARKETS

- Date	- Event (U.S.)	- Prev. Value	- Exp. Value	- Date	- Event (EU)	- Prev. Value	- Exp. Value
27-May	House Price Index (YoY) (Mar)	3.90%	3.90%	27-May	French CPI (YoY) (May)	0.80%	1.00%
29-May	GDP (QoQ) (Q1)	(0.30%)	(0.30%)	28-May	French GDP (YoY) (Q1)	0.80%	0.80%
29-May	Initial Jobless Claims	227K	230K	30-May	Italian CPI (YoY) (May)	1.90%	1.90%
30-May	PCE Price index (YoY) (Apr)	2.20%	2.30%	30-May	Italian PPI (YoY) (Apr)	3.90%	3.80%
30-May	Personal Income (MoM) (Apr)	0.50%	0.40%	30-May	Italian GDP (YoY) (Q1)	0.50%	0.60%

### U.S. Trade Negotiations

Next week, **Japan's** top trade negotiator will be in **Washington** to continue talks on **U.S. tariffs** targeting **Japanese steel** and **autos**. **India** is aiming to wrap up the first phase of a **trade deal** with the **U.S.** ahead of new reciprocal tariffs set to hit this summer. **ASEAN leaders** will meet in **Malaysia**, where **U.S. tariffs** and their regional impact will be high on the agenda. The **EU** is bracing for new **U.S. tariffs** starting June 1<sup>st</sup>, with **negotiations** still ongoing.

### U.S. Indicators

The **House Price Index** for March is forecast to **hold** at **3.9% year-over-year**, reflecting stable housing conditions. **First-quarter GDP** is projected to **contract** by a modest **0.3% quarter-over-quarter**, unchanged from the prior reading. Inflation remains in focus with **April's PCE Price Index** forecast to **rise** to **2.3% from 2.2%**, alongside a **slight dip** in **personal income** growth to **0.4% from 0.5%**, signalling persistent price pressures and softer wage momentum.

### EU Indicators

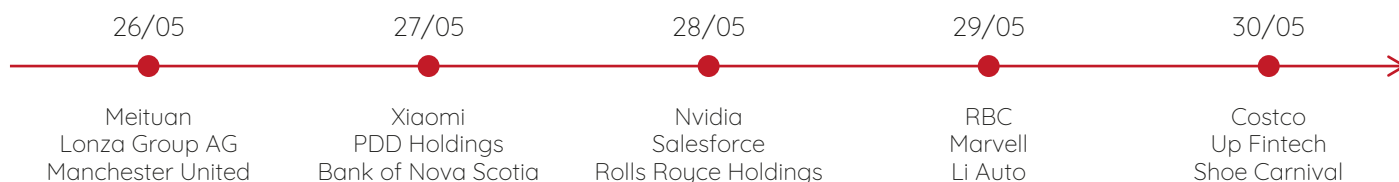
In **France**, **May year-over-year CPI** is forecast to **rise** to **1.0% from 0.8%**, while **Q1 GDP** is expected to **remain unchanged** at **0.8% year-over-year**. **Italy's** economy is projected to grow slightly faster, with **Q1 GDP** rising to **0.6% from 0.5%**, though **inflation** is expected to remain **stable** at **1.9%**. **Italian producer prices** are additionally seen **easing marginally** to **3.8% from 3.9%**, suggesting a gradual moderation in input cost pressures.

### Asia's Market Signals

**Taiwan's Q1 GDP** is expected to **surge** to **5.37% year-over-year from 2.9%**, driven by strong exports and tech sector performance. In contrast, **India's Q1 GDP** growth is forecast to **ease slightly** to **6.0% from 6.2%**, while **manufacturing output** is seen **rising modestly** to **3.1% from 3.0%**. **Singapore's PPI** is projected to **fall sharply** to **2.0% from 3.9%**, and **Sri Lanka's PPI** is expected to **remain in deflation**, improving slightly to **-3.0% from -3.6%**.

## WHAT'S AHEAD NEXT WEEK FOR CORPORATES

### Key Earnings Report



### 26/05/25

- **Meituan** anticipates **¥85.42B (\$11.86B)** in **revenue** and **¥1.58 (\$0.22) EPS**. While its Q1 revenue is projected to grow **18% year-over-year**, intensified competition with **JD.com** in food delivery has led to a **combined market value loss** of **\$13B** for both companies.

### 27/05/25

- **Xiaomi** is forecast to report **¥106.47B (\$14.78B)** in **revenue** and **¥0.27 (\$0.04) EPS**. In May, the company announced a **\$6.9B investment** over the next decade to **develop in-house semiconductor chips**, aiming to enhance its competitiveness in the smartphone market.

### 28/05/25

- **Nvidia** projects **\$43.12B** in **revenue** and **\$0.89 EPS**. In May, Nvidia announced a **\$40B deal** to supply **400,000 GB200 AI chips** for **OpenAI's** new data centre in Texas, marking a significant expansion in its AI infrastructure footprint.
- **Salesforce** is projected to report **\$9.75B** in **revenue** and **\$2.54 EPS**. The firm resumed **acquisition talks** with data-management firm **Informatica**, potentially marking its largest acquisition deal since acquiring Slack (business communication platform) in 2021.

### 29/05/25

- **Royal Bank of Canada** is expected to post **CA\$15.63B (\$11.38B)** in **revenue** and **CA\$3.16 (\$2.30) EPS**. The company recently established a **new artificial intelligence team** within its capital markets division to enhance trading and risk management capabilities.
- **Li Auto** is expected to announce **¥26.43B (\$3.67B)** in **revenue** and **¥1.12 (\$0.16) EPS**. In April, Li Auto **delivered 33,939 vehicles**, marking a 31.6% year-over-year increase, though it reportedly **lowered** its 2025 **sales target** to **640,000 units**.



Nvidia's office in Sunnyvale, California, United States.

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