



JEME CAPITAL

WEEKLY NEWSLETTER

June 2nd, 2025



FINANCIAL DASHBOARD

Index	1w ch. %	Bonds 10yrs		Commodities	
STOXX 600	0.65%	BUND	2.510	GOLD	3,290.23
S&P 500	1.88%	OAT	3.174	WTI Crude Oil	60.76
NIKKEI 225	2.17%	BTP	3.487	EUR/USD	1.13
MSCI WORLD INDEX	1.60%	UST	4.410	EUR/GBP	0.84
ISHARES MSCI EEM	(1.54%)	JGB	1.500	EUR/JPY	163.45

Markets: Stocks extended their **climb** this week, capping a **strong May performance** driven by **trade optimism** and outsized tech gains. The **S&P 500**, **Nasdaq 100**, and **Russell 2000** advanced **1.88%**, **2.03%**, and **1.30%** in the final week of the month, sealing their **best monthly performance since November 2023**. The rally was **led by heavyweight names** such as **Nvidia**, whose **earnings release** positively surprised investors, and **Tesla**, which not only posted gains in the last week but also delivered **outstanding performances** for the **month**, rising over **20%**. Meanwhile, **government bond yields declined** as investors weighed ongoing **economic uncertainty**, signalling a shift in **risk sentiment** and **expectations** of **tariff** policies.

POLITICS & ECONOMIC NEWS

Tariffs: On Wednesday, a **federal court** ruled that President Trump's **tariffs** were **unconstitutional**, finding he **exceeded his authority** under the **International Emergency Economic Powers Act (IEEPA)**. The decision **blocked 10% tariffs** on most U.S. trading partners, as well as **duties on China, Mexico, and Canada**. The court said such broad tariff powers require formal congressional approval.

On May 30th, a **federal appeals court** temporarily allowed the tariffs to **remain in place** while the legal process continues. The Trump administration defended the tariffs as **essential for ongoing trade negotiations**. Trade adviser **Peter Navarro** said the White House may turn to other legal tools, like **Section 301 or 338**, if courts ultimately strike down the current measures.



U.S. President Donald Trump speaks during the 157th National Memorial Day in Arlington, Virginia.

Italian Banking Risiko: On May 30th, **Bank of Italy Governor Fabio Panetta** presented his **final considerations** with the 2024 Annual Report. He gained **support from Italian bankers** while urging **consolidation** that **backs the real economy** and **business growth** over short-term gains. He also said mergers must **boost stability** and **efficiency** in the banking system.

CORPORATE NEWS



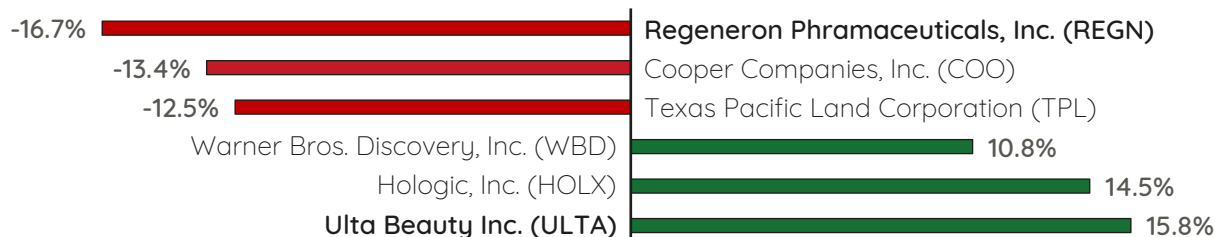
Tim Cook, CEO of Apple Inc.

- **Apple** accelerated its "Made in India" plan, boosting iPhone **exports from India to the U.S. by 76% YoY**, to offset potential **U.S. tariffs on Chinese shipments**.
- **Xiaomi** reported a **47% YoY revenue increase in Q1 2025**, reaching ¥111.3B (\$15.5B), driven by strong **smartphone sales** and a **59% surge in IoT and lifestyle products**.
- **Volkswagen CEO Oliver Blume** said that **talks with the U.S. regarding major investment plans have been constructive** and may result in a **reduction of the 25% automotive tariff**.
- **Royal Bank of Canada** posted an **8% increase in adjusted net income to C\$4.53B**, driven by its **acquisition of HSBC Canada** and strong performance in wealth management.

JEME CAPITAL'S HIGHLIGHTS

- **Nvidia** reported a **record \$44B in Q1 FY2026 revenue** but warned of a **potential shortfall** due to **U.S. export restrictions on H20 chips**. CEO **Jensen Huang** stated that the **policy shuts Nvidia out of a \$50B AI market**, advantaging **Chinese rivals**.
- **X** signed a **\$300M cash-and-stock deal** with **Telegram** to distribute its **Grok chatbot** to 1B+ users, **sharing 50% of subscription revenues** generated on the platform.
- **Dai-ichi Life** announced the acquisition of a **15% stake in M&G** as part of a **strategic partnership** with the hopes of boosting revenues by **\$6B** in five years, reflecting Japanese insurers' push for **overseas growth** amid a **shrinking domestic market**.
- **UniCredit** doubled its **stake in Greece's Alpha Bank to 20%**, aiming to **strengthen its presence in the Greek market** and enhance **cross-border banking operations**.

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
02-Jun	ISM Manufacturing PMI (May)	48.70	49.00	02-Jun	Italy Manufacturing PMI (May)	49.30	49.80
04-Jun	Non-Manufacturing PMI (May)	51.60	52.00	03-Jun	EU CPI (YoY) (May)	2.20%	2.10%
05-Jun	Imports (Apr)	\$419B	\$351B	05-Jun	EU PPI (YoY) (Apr)	1.90%	0.60%
06-Jun	Nonfarm Payrolls (May)	177K	130K	05-Jun	ECB Interest Rate Decision (Jun)	2.25%	2.00%
06-Jun	Unemployment Rate (May)	4.20%	4.20%	06-Jun	EU GDP (YoY)	1.20%	1.40%

U.S. and EU Trade Negotiations

Next week, the **U.S.** and **EU** are scheduled to have **trade talks** on the **sidelines** of the **OECD Ministerial Council Meeting** in Paris, taking place June 3–4. According to Reuters, an EU official said, “The **uncertainty** as to the **legality** of the ‘reciprocal’ tariffs certainly **gives** us **extra leverage**.” The official added, “The talks will continue, as formally we still look for **zero-for-zero tariffs**,” especially with the current U.S.-EU **tariff truce** set to **expire** on **July 9th**.

U.S. Indicators

May data is expected to paint a **mixed economic picture**. Manufacturing activity is seen **improving slightly**, with the **ISM PMI** rising to **49.0** from **48.7**, while services remain solid, with the **Non-Manufacturing PMI** up to **52.0** from **51.6**. **Imports for April** are forecast to **drop** to **\$351B** from **\$419B**, and **job growth** is expected to **cool**, with **130K payrolls added** versus 177K in April. The **unemployment rate** is likely to **stay** at **4.2%**.

EU Indicators

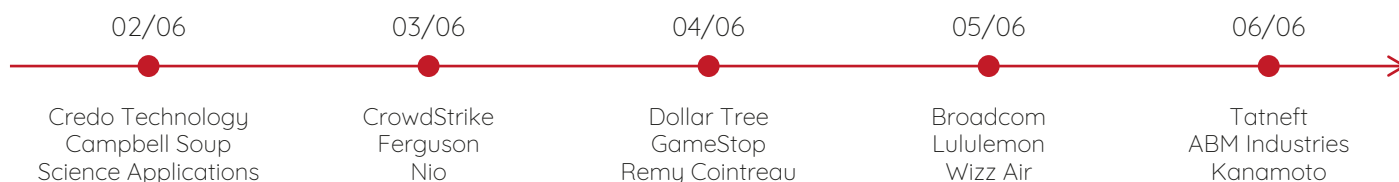
Attention is on the **ECB’s June 5 rate decision**, where a **25 bps cut** to **2.00%** is widely expected, marking the **eighth consecutive reduction** in the current easing cycle. The move comes as **eurozone inflation** is seen **easing** to **2.1%** from **2.2%**, and **PPI slowing sharply** to **0.6%** from **1.9%**. **GDP growth** is expected to **tick up** to **1.4%** from **1.2%**, while **Italy’s Manufacturing PMI** is forecast to **rise** to **49.8** from **49.3**, edging closer to expansion.

Asia’s Market Signals

China’s **Caixin Manufacturing PMI** for May is forecast to **fall below** the **50 mark** to **49.5** from **50.4**, pointing to a contraction in factory activity. The **Philippines’ CPI** is expected to **edge down** to **1.3%** from **1.4%**, while **Taiwan** and **Vietnam** see slight **increases** to **2.1%** and **3.2%**, from **2.0%** and **3.1%** respectively. **Thailand’s CPI** is projected to **decline further** to **-0.7%** from the previous **-0.2%**, deepening deflation concerns.

WHAT'S AHEAD NEXT WEEK FOR CORPORATES

Key Earnings Report



03/06/25

- **CrowdStrike** anticipates **\$1.10B** in **revenue** and **\$0.66 EPS**. Ahead of its earnings report, CrowdStrike's **stock** reached an **all-time high** of **\$474.2**, reflecting investor optimism despite a projected 29% year-over-year decline in earnings per share.
- **Nio** is forecast to report **HK\$13.4B (\$1.71B)** in **revenue** and **HK\$-2.75 (\$-0.35) EPS**. Analysts are anticipating a **net loss** of **\$977M**, marking a **36% net loss increase** from **Q1 2024**, as the company continues to grapple with profitability challenges.

04/06/25

- **Dollar Tree** is expected to announce **\$4.72B** in **revenue** and **\$1.21 EPS**. The firm announced plans to **close** approximately **400 stores**, including 370 Family Dollar locations, as **part of a strategic restructuring** following the sale of its Family Dollar subsidiary.

05/06/25

- **Broadcom** projects **\$14.95B** in **revenue** and **\$1.57 EPS**. Broadcom's **stock surged** to **\$243.17** on Friday, nearing its **record high** of **\$248.58** in **December 2024**, driven by **robust AI chip demand** and a **bullish analyst outlook** projecting significant revenue growth.
- **Lululemon** is projected to report **\$2.36B** in **revenue** and **\$2.58 EPS**. Morgan Stanley recently reduced Lululemon's **price target** from **\$373** to **\$346**, citing **concerns over slowing growth** ahead of the company's earnings release.
- **Wizz Air** is expected to post **£1.12B (\$1.51B)** in **revenue** and **£0.11 (\$0.15) EPS**. The company announced plans to **switch engine suppliers** for its **A321neo fleet**, moving away from Pratt & Whitney's engines **due to reliability issues** that have grounded numerous aircraft.



The NIO House in Hangzhou, China.

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