AUEB Students' Investment & Finance Club

Market Report – Volume 2, December 2021

AUEB Students' Investment & Finance Club

Our purpose

AUEB Students' Investment and Finance Club is a non-political and non-profit student initiative, and the first Finance Club amongst Greek Universities, founded in 2013.

It aims to promote the social dimension of Finance, demonstrate the potential positive impact of investments on society, train and inspire its members on different functions of Finance.

For this purpose, we plan and implement innovative activities which are mainly related to:

- Investments and Stock Markets
- Consulting
- The broad universe of finance through activities such as insight days, internships, workshops and involvement in research
- Building a strong network with other European finance clubs and maintain a strong alumni base

Last but not least, we emphasize on the cultural fit of our members, in order to ensure the Club's success, and for this purpose we have established a selection process. Thus, our members are well-rounded and highly motivated individuals with a genuine interest in Finance.

Organizational Structure

General Assembly	Management Board	Audit Committee

- The **General Assembly** consists of the members of the Club as well as honorary members. It is held annually and decides on any matter of the Club.

- The **Management Board** is consisted of 5 members of the Club with one year incumbency. It is elected by the Annual General Assembly and their role is the management of the Club and achieving the objectives of the Club.

- The **Audit Committee** is elected by the Annual General Assembly as well with one year incumbency. Their role is to supervise and monitor the financial management of the Club.

AUEB Students' Investment & Finance Club

Global **M&A** activity reached all-time records in 2021, topping $5.5 trillion according to data provider Refinitiv. Specifically, global M&A jumped 63% to $5.63 trillion, while U.S. deal-making nearly doubled to $2.61 trillion. Activity in Europe was up 47% to $1.26 trillion and in Asia-Pacific up 37%. To put that into perspective, M&A has never previously topped $3.5 trillion. It should also be mentioned, that it wasn't only soaring valuations but also an unprecedented number of deals, topping 58,000 globally that led towards this record-breaking year.

Pharmaceutical companies have built up huge cash reserves during the pandemic and are looking forward to spending it in M&A. Pfizer's acquisition of Arena Pharmaceuticals for $6.7 billion and CSL's acquisition of Pharma for $11.7 billion are just the beginning. According to Wall Street analysts, 18 of the largest global drug companies will have a combined $538 billion of cash by the end of 2022 and more in-depth debt-financing power.

Another sector that saw a lot of movement was the energy sector which during this month came across a lot of M&A's and deals. Notable transactions were the following: Woodside Petroleum Ltd.'s merger with BHP Group for $28 billion, Saudi Aramco signing a $15.5 billion deal for its gas pipeline network with BlackRock, Harley-Davidson's electric motorcycle division going public, and both Shell and BP getting involved in deals concerning Solar power and EV charging stations accordingly. Also, this month following the green energy trend, automakers are funneling their money towards electric vehicles.

During the first week of December, European **Equities** fell except for the DAX, while American and Asian were mixed. Uncertainty about the COVID-19 omicron variant mostly impacted European and Asian stocks. In the second week of December, major indices rebounded and reached their peak on December 7th with European stocks rising 2-4% and American 2,6-3,5%. Asian stocks rose at a slower pace, at approximately 2%. By the end of the second week, indices experienced pressures, with daily gains constrained at about 0,7%-1,4%. In the third week of the month, stocks experienced growth in the region of 1% with the Hang-Seng index declining for the rest of the month. However, by December 20th, most indices reached a growth of 0,4%-0,9% with CAC and EUROSTOXX slightly retracting. Lastly, in the final week of December except for the Hang Seng index, all indices recorded high growth levels of ≈2,8-4,5%, ending December at a much higher level than that of last months closing prices.

In the **Foreign Exchange Market**, news regarding the Monetary Policy Decision of the Central Banks and the highly-contagious omicron variant acted as the main driving factors. Overall, despite the recent surge in COVID cases all around the world, the fact that the new COVID-variant is not so severe as delta along with the scientific reports that booster vaccine doses seem to offer protection against it, brought optimism to investors. As a result, the risk-on sentiment towards the end of the month undermined the demand for safe-haven currencies, with the US Dollar registering losses against major rivals such as the Euro and the British pound, while gaining ground against the Yen.

The path for this month's rates was unclear for **Fixed Income** Markets as two counterbalancing events took place. One is inflation that continued its upward trend causing Central Banks to increase rates and start a faster tightening of monetary policy. The other is the appearance of the new COVID-19 variance "OMICRON" which added pressure and a trend for lower rates. The combination of the above, left investors confused. Asian Markets on the other hand were not much affected by these events, with Central Banks keeping their monetary policy unchanged and rates close to last month's levels.

An accelerating trend that caught our eye this month is the rate at which Las Vegas hotels change hands. This year's historic number of deals have reshaped the gambling industry in the US. Seven deals saw a casino's property or its operations snapped up this year — the most since at least 2015, per CreditSights. The Mirage is the latest to land a new owner: MGM Resorts said it would sell the hotel and casino's operations to Hard Rock International for about $1 billion in cash. The changes come amid a wild frenzy for casino operators to nab gaming licenses and set up shop in other nascent betting hubs, including New York City.

Indices	Close	Net	1M %Chg.	Open	1 Year %Chg.
FTSE 100	7,403.01	+343,56	+4,87%	7,059.45	+14,59%
S&P 500	4,801.63	+234,61	+5,14%	4,602,82	+27,83%
Dow Jones	36,505.91	+2,022.19	+5,86%	34,483.72	+20,05%
NASDAQ	15,584.83	+317,14	+2,04%	15,537.69	+23,19%
DAX	15,884.86	+784,73	+5,20%	15,100.13	+15,79%
CAC 40	7,173.23	+291,36	+4,23%	6,830.34	+29,21%
SMI Switzerland	12,875.66	+609,20	+4,97%	12,266.46	+19,90%
TSX Canada	21,402.00	+743,15	+3,60%	20,659.99	+21,98%
Euro Stoxx 50	4,306.07	+126,07	+3,04%	4,179.15	+20,81%
EUROTOP 100	3,570.40	+199,37	+5,91%	3,463.86	+23,87%
HANG SENG China	23,112.01	-363,25	-1,55%	23,475.26	-15,13%
ASX 200 Australia	7,513.40	+257,40	+3,55%	7,256.00	+14,06%
NIKKEI 225	28,791.71	+969,95	+3,49%	27,821.76	+5,63%

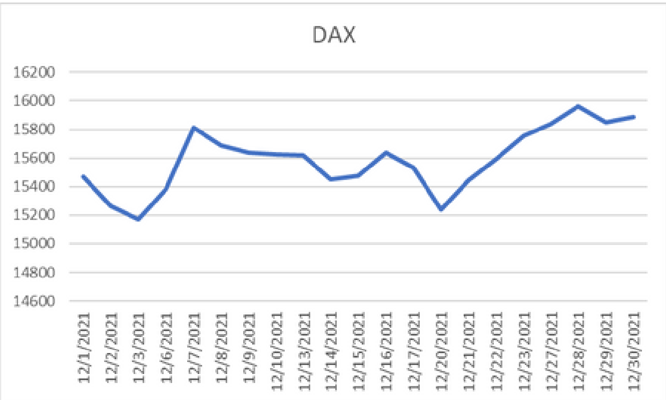
Data ranging from 31-Nov.2021-30-Dec.2021

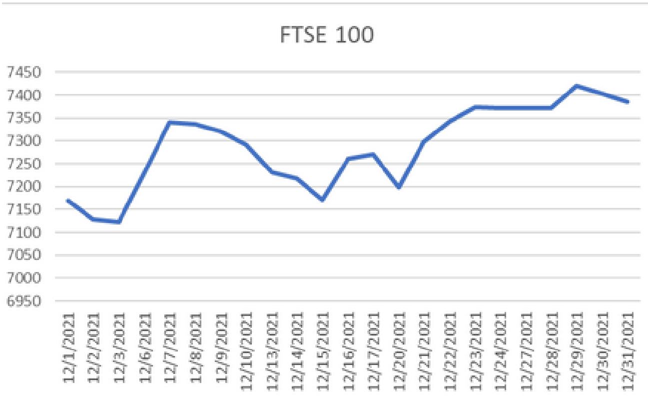
FX Pairs	Close	YTD %Chg.
USD/JPY	115,12	+11,43%
EUR/USD	1,1316	-7,24%
GBP/USD	1,3499	-1,12%
USD/CHF	0,9143	+3,23%
EUR/GBP	0,8383	-6,20%
EUR/JPY	130,28	+3,36%
EUR/CHF	1,0348	-4,23%

Commodity	Close	Net Month	YTD %Chg.
Gold Spot US Dollar	1,814.96	+43,9	-5,26%
Brent Crude Oil	79,30	+8,73	+53,09%
WTI Crude Oil	76,74	+10,09	+33,23%

EUROPEAN MARKET-INDICES

On the first 5 days the German, French, and British indexes fell because of "Omicron " concerns. On the 6th. DAX, CAC and FTSE were higher 1.39%, 1.49% and 0.7% respectively as the Technology Retail Services and Food sectors led shares higher. From this day until 12th of December the European indexes were lower (DAX 0.10%, CAC 0.24%) as losses in the Food and Drugs, Retails and Software sectors impacted shares. On the 13th of December the DAX in Germany traded 0.7% higher, the CAC 0.2% and the U.K.'s FTSE 100 climbed 0.2%. Central bank meetings had to account for an uncertain economic outlook, as countries imposed on restrictive measures to curb the spread of the Omicron Covid-19 variant. Then on 15th-16th, European stocks were higher (FTSE 0.73%,DAX 1,03% and CAC 1,12%) after the close on Thursday, as gains in the Foods & Drugs, Gas & Water and General Financial sectors led shares higher. On the other hand from 17th to 20th of December the stock were lower (FTSE 0.73% DAX 1.88%,CAC 0.82%) mainly due to losses in the Retail, Construction and Food & Beverages sectors as well as persisting concerns about the spread of the omicron Covid-19 variant and the worsening inflation outlook. Lastly, European markets were slightly higher in a holiday-thinned trading session on Monday with many markets still closed due to the Christmas festivities.

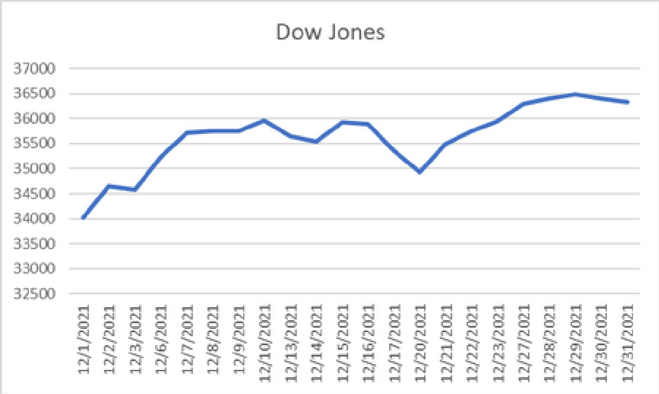


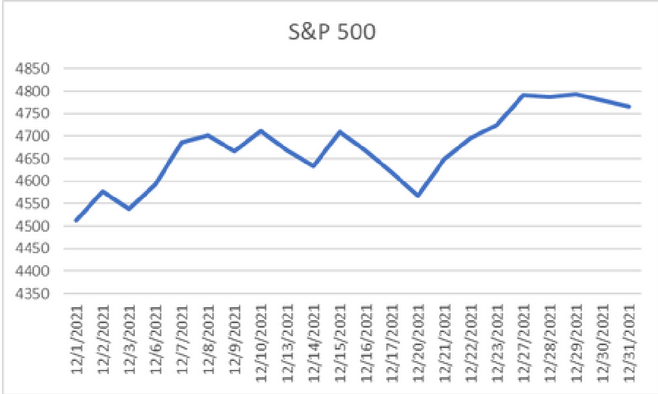


AMERICAN MARKET-INDICES

On the first two days of December the American Stocks climbed back as oversold stocks rose. The S&P 500 rose 1.4%, the Dow Jones Industrial Average gained 1.82% and the Nasdaq added 0.83%. On the third day of the month the S&P 500 fell 0.8%, the Dow Jones Industrial Average slipped 0.17% and the Nasdaq fell 1.9% as investors weighed up a "colossal miss" in job gains for November at a time when the Federal Reserve looked likely to step up the pace of monetary policy tightening. Then, until the 8th of December, the S&P 500 rose 0.3% to close above 4,700 for the first since Nov. 24. The Dow Jones Industrial Average rose 0.10% and the Nasdaq climbed 0.6% due to positive vaccine news and a record high in Apple as the iPhone maker neared an unprecedented $3 trillion market cap. Then after two days the S&P 500 rose 0.95% to close at a record of 4,712.02. The Dow Jones Industrial Average added 0.60%, or 216 points shrugging off the the fastest pace of inflation in 39 years as investors continued to pile into tech stocks as U.S. Treasury yields fell. Also, from 10th to 14th the S&P 500 fell 0.7%, but had been about 1.4% lower intraday. The Dow Jones Industrial Average slipped 0.30%, or 105 points and the Nasdaq fell 1.7% following a stumble in tech while the Federal Reserve got its two-day monetary policy meeting underway. In Contrast until the 21st The S&P 500 fell 1.2%, the Dow Jones Industrial Average lost 1.2%, and the Nasdaq slipped 0.9% as an Omicron-fueled surge in Covid-19 cases stoked worries about the global economic recovery, sending cyclical stocks including financials sharply lower. Finally, during the last days of the month the S&P 500 index ended at a record high, its fourth straight session of gains, as strong U.S. retail sales underscored economic strength and eased worries from Omicron-driven flight cancellations that hit travel stocks and he Dow Jones Industrial Average rose 351.82 points, or 0.98% and the Nasdaq climbed 0.73%.

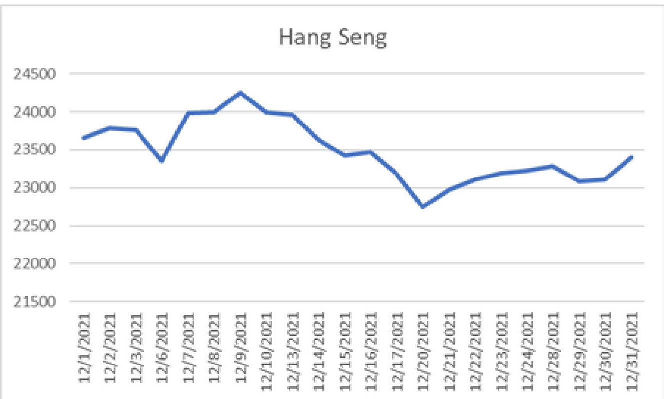
References: Bloomberg, Investing.com, Reuters, CNBC, Financial Times, Refinitiv

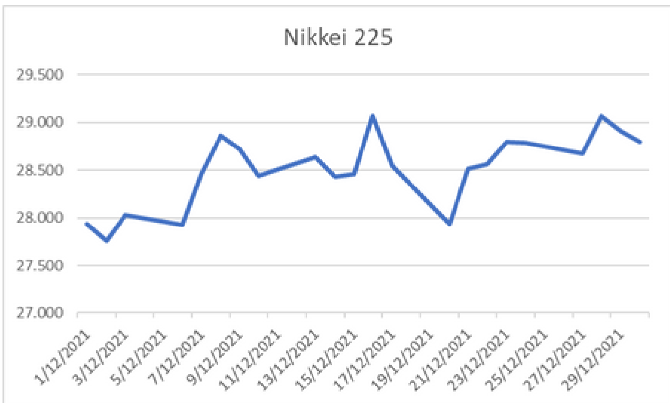




ASIAN MARKET-INDICES

On the first six days Asian-Pacific stocks were mixed as uncertainty about omicron lingered. Hong Kong's Hang Seng index that rose 0.55% to close at 23,788.93, reversing earlier losses. Shares of Razer in the city, however, dropped 7.87% on the day. The company said a consortium offered to take it private at 2.82 Hong Kong dollars each, about 5.62% higher than Razer's close. Mainland Chinese stocks closed in negative territory, with the Shanghai composite falling fractionally to 3,573.84 and the Shenzhen component slipping 0.194% to 14,765.56 while the Nikkei 225 in Japan declined 0.65%. Then until 10th of December Stocks across Asia-Pacific jumped, bouncing back from losses as Wall Street rallied on optimism that the omicron variant risk might not be as bad as feared. Hong Kong's Hang Seng jumped 2.72%, Tencent was up 3.57% and the Nikkei 225 rose 0,77%. Then for the next five days, stocks declined as investors reassess omicron risk. Hong Kong's Hang Seng index led losses, tumbling 1.33%, Tencent losing 1.46% but Japan's Nikkei 225 jumped 1.89%. On 15th and 16th Asia-Pacific markets were mostly down, with Chinese markets declining 1,52% as investors digested key Chinese economic data, and Japan's Nikkei 225 retracting by 0,1% and 1,7% intraday respectively. At the same time Chinese biotech firm Bei Gene made its debut in Shanghai. Then for the days until the 23rd of December shares in Asia-Pacific rose as fears over the omicron Covid variant eased. Hong Kong-listed shares of Chinese e-commerce titan JD.com plunged 7.02% while Tencent surged 4.24% and Nikkei 225 in Japan slipped 0.37% and in the final days of the month Asia-Pacific stocks mixed as multiple regional markets are closed for Christmas holidays. In the 30th of December, shares of Chinese artificial intelligence firm SenseTime Group rose more than 4% from their issue price in early trading following their Thursday debut in Hong Kong, with Hang Seng advancing 0,11% while Nikkei 225 fell 0,4%.





References: Bloomberg, Investing.com, Reuters, CNBC, Financial Times, Refinitiv

EUR/USD

After a volatile November, EUR/USD traded within familiar ranges during December. The pair finished the first week of Dec., which featured the US Nonfarm Payrolls release (increased by 210k jobs vs 550k expected), above the 1.1300 level. In the second week of Dec., the pair initially lost some ground on positive omicron news (milder symptoms, less hospitalizations) which supported the hawkish policy of the Fed and consequently the dollar, but eventually the shared currency bounced back to end the week around 1.1310 as the US CPI rose by 0.8% in November as expected. On Dec. 15 the US Central Bank announced that it would double the pace of its QE taper to $30B a month from January. The US dollar rallied with the headline, but turned south within Chair Powell's press conference to finish the day just below 1.1300. On Dec. 16, the ECB kept rates on hold and confirmed the Pandemic Emergency Purchase Program will end in March 2022. Following the report, the pair finished the day higher around 1.1325. EUR/USD ended the third week of the month at 1.1240 as concerns about the spread of Omicron cases undermined the risk sentiment. Finally, as we approached the Christmas Holidays and NYE, investors began closing their books and risk sentiment was the main driving factor for EUR/USD which concluded the year around 1.1370.

GBP/USD

GBP/USD lost some ground during the first week of the month and settled around 1.3230 following the US Nonfarm Payrolls Release. During the second week of Dec., the cable initially pulled back on news that the UK could implement some restrictions to battle the omicron wave, but the pound managed to conclude the week around 1.3270 as the US CPI came out in line with expectations (rose by 0.8% in November) and investors had been bracing for a higher reading. Following the Fed monetary policy announcement on Dec. 15, the British pound dipped to 1.3170 but then bounced back near 1.3200. On Dec. 16, the Bank of England increased the benchmark rate to 0.25% and decided to maintain the amount of QE at £895b. Following the report, the British pound ended the day higher at 1.3315. However, GBP/USD lost its momentum and finished the week around 1.3240 on covid fears. Risk sentiment was the main catalyst for the pair as we approached the end of the year, with GBP/USD finally settling at 1.3530 after an impressive run.

USD/JPY

The safe-haven yen edged higher against the dollar during the first week of Dec. on fears regarding the spread of the omicron variant, with the pair settling at 112.80. USD/JPY surged during the second week of the month settling around 113.40 as omicron fears abated and thus the market sentiment improved, while the US CPI Release did little to trigger a big move. The pair ticked even higher after the Fed announced a faster QE reduction starting from January and finished Dec. 15 just below 114.00. USD/JPY ended the third week of December around 113.70. Finally, the dollar gathered further strength and the pair concluded the year around 115.00, supported by the positive market sentiment.

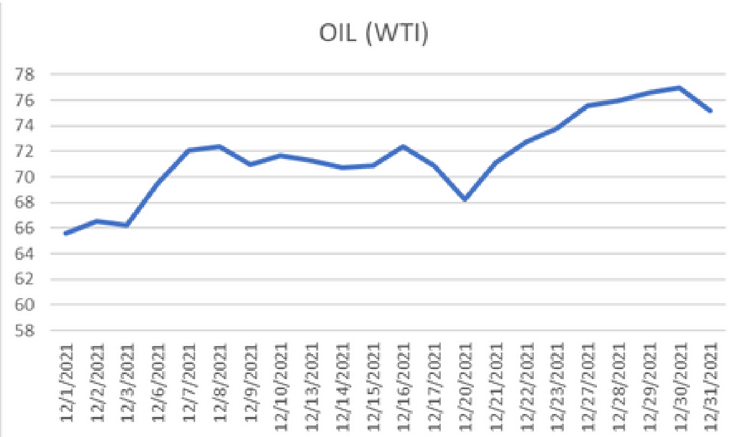
USD/CHF

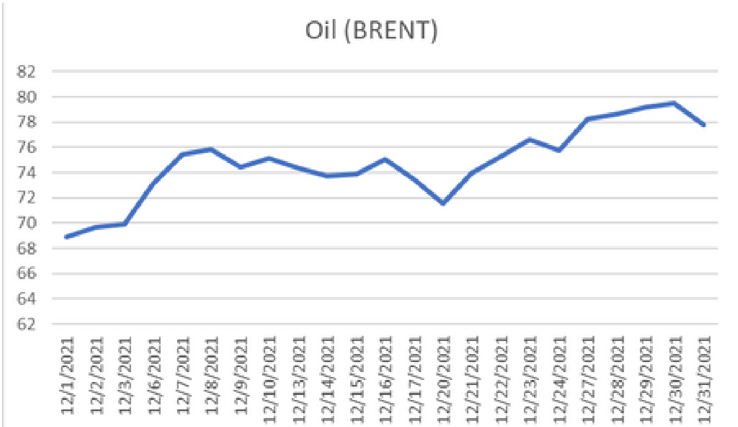
USD/CHF finished the first week of December around 0.9180 as omicron fears and lower-than-expected US Nonfarm Payrolls Release undermined the attractiveness of the greenback. In December's second week, the pair soared to 0.9250 as improved risk sentiment and higher US Yields boosted the dollar, but it finally pulled back to finish the week just above 0.9200 as the US CPI came out in line with expectations. USD/CHF started the third week of the month strong and settled near 0.9250 following the Fed monetary policy announcement on Dec. 15. On December 16, the SNB maintained its expansionary monetary policy to ensure price stability and kept rates unchanged at -0.75%. The USD/CHF pair concluded the day at 0.9190, but it eventually trimmed most of its losses to finish the week around 0.9235. Finally, the US dollar lost some ground as traders prepared their year-end books and USD/CHF finished December around 0.9120.

References: Bloomberg, Investing.com, Reuters, Financial Times, FXStreet

Oil

Crude oil futures experienced some losses in the first days of December, as fears that the Omicron variant could reduce global oil demand intensified among investors. Oil prices declined for the sixth week in a row on Dec. 3 (Brent crude futures: $69.88 a barrel, US West Texas Intermediate- WTI crude futures: $66.26 a barrel). The following week, headlines that the effects of Omicron appeared to be less severe than previous variants and optimism about next quarter's energy demand led to a substantial rise in oil's price. In the second week of the month, Brent advanced 7.7% and WTI gained 8.1% (December 10 - Brent crude futures: $75.15, WTI crude: $71.67). On Dec. 14 oil prices dropped as the International Energy Agency (IEA) warned for oversupply market conditions and as a result decreased the Q1 forecast for global oil demand by 600,000 barrels per day (Brent crude futures: $73.70, WTI crude: $70.73). On Thursday, Dec.16, oil prices bounced back as the Fed revised the US economic recovery positively and a report of a huge drop in US crude inventories indicated that oil's demand remained strong (Brent crude futures: $75.02, WTI crude: $72.38). However, on Friday, Dec. 17, alarming Omicron updates had a negative effect on both Brent and WTI, resulting in a negative week for oil (Brent crude futures: 73.91$, WTI crude: $71.36). On Dec. 21, prices fell once again due to Omicron news, but on Tuesday, Dec. 22 the Petroleum Status weekly report by the Energy Information Administration revealed a drop in crude stockpiles, bumping up the prices (Brent crude futures: $75.29, WTI crude: $72.76). On Dec. 29, inventory data and increased travel and festivities due to Christmas holidays resulted in another price surge (Brent crude futures: $79.23, WTI crude: $76.56). Finally, crude futures ended the year on a high note, with consecutive price increases.

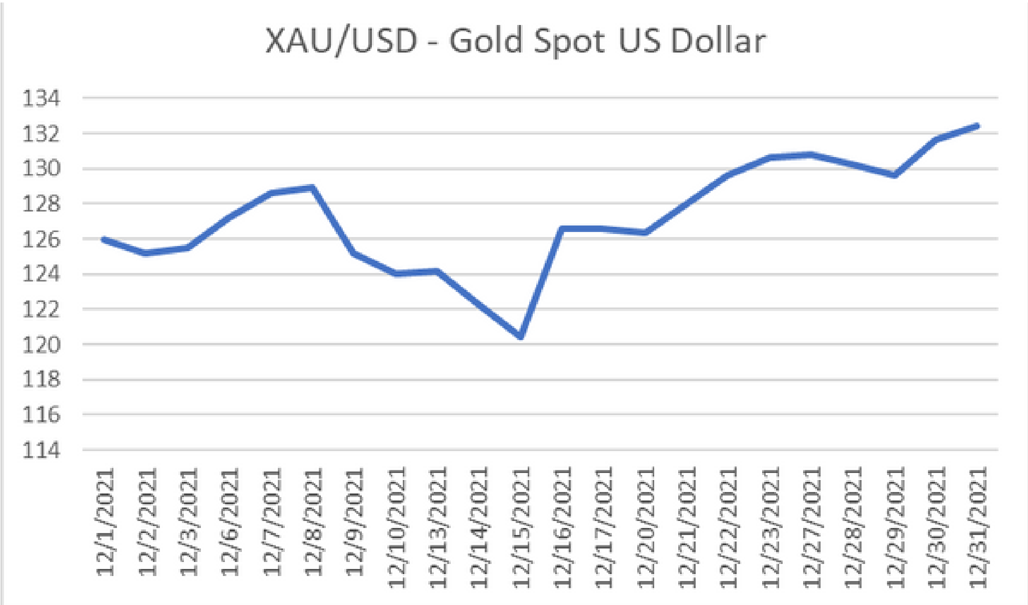




References: Bloomberg, Investing.com, Reuters, Financial Times, FXStreet

Gold (XAU/USD)

During the first days of December, gold remained steady and concluded the first week of the month at $1,783.74 a troy ounce. On Tuesday, Dec.7, optimism about the Omicron variant boosted the commodity sector and helped gold recover from the multi-week lows of the previous days (XAU/USD: $1,782.06). Gold futures gained further ground on Dec.10, finishing the week at $1,782.51 a troy ounce, as fears of an early rate hike in the US eased and the Consumer Price Index for November was high but in line with expectations. The following week, gold entered a solid phase which led to some gains. The market remained cautious during that period, benefiting investments such as gold and bonds. Also on Dec. 16, fears of stagflation and US dollar weakness lifted gold's price by 1.24%. The precious metal closed the third week of the month at $1,797.68. With gold continuing to be used for hedging the dollar's weakness, XAU/USD passed the $1,800 mark, reaching 1,803.40 on Dec.22 and ultimately ending the week at $1,808.11. After 4 positive days, gold witnessed some losses on Dec.28 (XAU/USD: $1,805.37), as an improvement in the market sentiment drove investors away from safe-haven assets such as gold. XAU/USD ended Dec. 29 around 1,803, as the intraday losses were trimmed and it managed to defend the $1,800 level. Finally, on Dec. 31, the yellow metal rose by 0.74% after US real yields started to fall, ending the year just under $1830 a troy ounce.



References: Bloomberg, Investing.com, Reuters, Financial Times, FXStreet

Fixed Income Highlights

It's no news that almost every central bank has a different view when it comes to increasing rates, but the fact is that, in December, almost all of them had to answer the same question; how will they speed up monetary policy tightening with the lowest market disturbance. Since the Bank of England increased for the first time rates, since the coronavirus pandemic and massive bond-buying programs are coming to an end, it's no secret that the enormous amount of money printed by central banks will soon belong to the past. Besides some central banks' indecision and high inflation, investors also had to digest the arrival of "Omicron" in Europe and US among with lockdowns and restrictions that were introduced. Lastly, Evergrade's default made the environment worst for fixed income instruments as it caused a huge increase in Chinese junk bonds.

In the US market, inflation hit a record high in November as CPI rose by 6,8%, the highest since 1982 well above the Fed's target of 2%. Investors (especially after IMF's urge for monetary tightening) seemed to expect Fed to increase rates three times in 2022 and that drove US Treasury yields higher as they do not expect inflation to be transitory. Additionally, some economists lowered their growth forecasts after Senator Joe Manchin refused to approve Biden's $1.75 trillion spending plan. At the same time, the spread of omicron and the uncertainty over the vaccine's effectiveness increased investors' appetite for safe investments. According to some investors Covid-19 pandemic had the greatest influence on the bond market in 2021 and a study from South Africa indicated that people infected with the omicron coronavirus variant were 80% less likely to be admitted to hospital than if they contracted other strains, which pushed US Treasury yields higher. During the whole of December, omicron's spread and Fed's monetary policy tightening seemed to drive US Treasury yields in two different ways making it difficult for investors to find a direction.

On the other side of the Atlantic, inflation remains the same problem as it reached 4.9% in November, the highest since 1997, putting pressure on the divided ECB to review its policy of negative rates. Although, Lagarde made clear that an increase in rates in 2022 is very unlikely as inflation is mainly driven by increased energy prices and supply chain imbalances. On the other side omicron spread and restrictions in many countries didn't let German Bund yields pinch as some countries went to lockdown even before holidays. Possible elections left Italy's bond yields increased after Draghi's signals that he might be willing to become president.

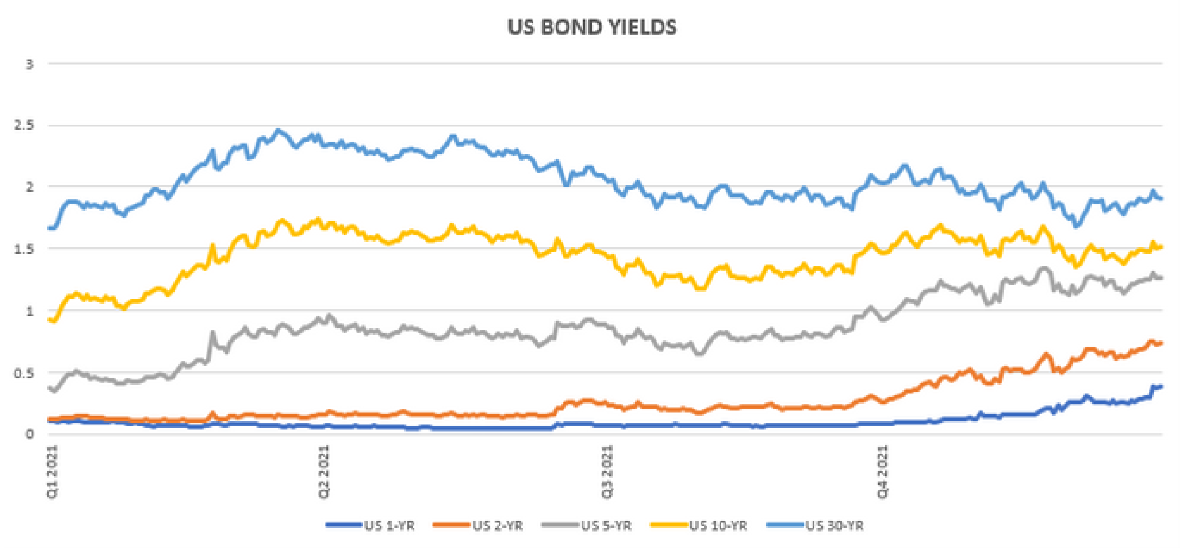
In the United Kingdom, the IMF and inflation put pressure on BoE and signal the beginning of the end for zero rate environment as Governing Council decided to raise rates 15 basis points. The BoE became the world's first major central bank to raise borrowing costs since the coronavirus pandemic as it expects inflation to hit 6% in April, three times above its policy target. Although the rapid spread of Omicron might delay tightening.

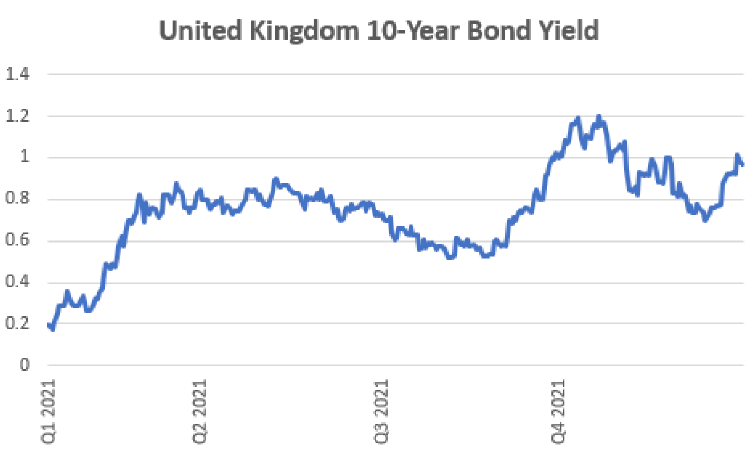
Inflation does not seem to be a big concern for the Bank of Japan. Its target to stabilize borrowing costs close to zero was successful. However, the covid-19 pandemic especially now with omicron did influence Japan's government bonds. Lastly, BoJ decided to taper its corporate debt purchases to pre-pandemic levels and scale back some of its emergency funding scheme.

In China concerns about Evergrande's future after its default (it didn't manage to pay a coupon) drove junk bond yields significantly high and pulled pressure on the Bank of China to loosen its monetary policy, especially after concerns that real estate might face a crisis. Bank of China lowered the bank reserves on December to boost the economy.

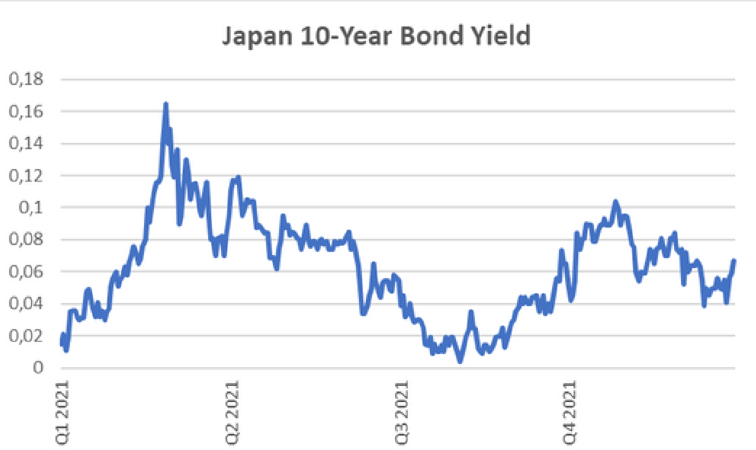
References: Bloomberg, Investing.com, Reuters, CNBC, Financial Times, Morning Star

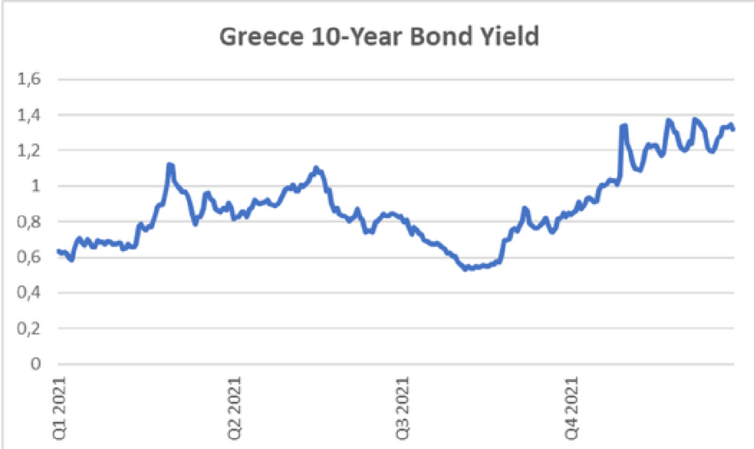
BOND YIELDS


US BOND YIELDS
3
2.5
2
1.5
1
0.5
0
Q1 2021
Q2 2021
Q3 2021
Q4 2021
US 1-YR
US 2-YR
US 5-YR
US 10-YR
US 30-YR


United Kingdom 10-Year Bond Yield
1.4
1.2
1
0.8
0.6
0.4
0.2
0
Q1 2021
Q2 2021
Q3 2021
Q4 2021


Germany 10-Year Bond Yield
0
-0.1
-0.2
-0.3
-0.4
-0.5
-0.6
-0.7
Q1 2021
Q2 2021
Q3 2021
Q4 2021


Japan 10-Year Bond Yield
0,18
0,16
0,14
0,12
0,1
0,08
0,06
0,04
0,02
0
Q1 2021
Q2 2021
Q3 2021
Q4 2021


Greece 10-Year Bond Yield
1,6
1,4
1,2
1
0,8
0,6
0,4
0,2
0
Q1 2021
Q2 2021
Q3 2021
Q4 2021

Grab plunges 21% in biggest Wall Street debut by a Southeast Asian company:

The Southeast Asian unicorn Grab had a rough first day on Wall Street. The Singaporean startup closed down nearly 21% as it began trading on New York's Nasdaq. Grab went public by merging with a special-purpose acquisition company, or SPAC. The deal — in which Grab raised $4.5 billion, and was valued at nearly $40 billion — was the biggest of its kind on record, according to data provider Dealogic.

Real Madrid and Barcelona seek to thwart CVC's €2bn La Liga deal:

Real Madrid and Barcelona have launched a late bid to thwart private equity group CVC's €2bn cash injection into Spanish football, with a counter-offer they claim is economically superior. Spain's two most successful clubs, along with Athletic Bilbao, have written to the heads of the 39 other teams in the first and second divisions of Spanish football, urging them to reject the CVC deal and back their alternative. Bank of America, JPMorgan and HSBC are working with the three clubs on the funding, said people with knowledge of the matter.

US regulator sues to stop Nvidia's acquisition of Arm:

US regulators have sued to block Nvidia's multibillion-dollar acquisition of UK chip design company Arm from SoftBank, one of the most serious threats yet to a deal that has already run into scepticism from EU and UK authorities. The Federal Trade Commission said in a statement that the cash and stock transaction — which has a valuation of $82bn and would be the largest takeover of a semiconductor group — would give one of the world's biggest chip groups control over computing technology and designs that competitors rely on to create their own chips.

Walgreens lines up Goldman Sachs to explore options for UK's Boots chain:

Walgreens Boots Alliance is lining up advisers to explore options including the sale of Boots, five years after it took full ownership of the UK retail pharmacy chain. Goldman Sachs will be asked to examine the hiving off of the Boots chain, which was founded in Nottingham by a Methodist family in 1849, potentially via a sale or separate listing.

Odyssey buys drugmaker BenevolentAI in Europe's biggest SPAC deal:

Amsterdam-listed Odyssey has agreed to buy BenevolentAI in a deal valuing the British-based pharmaceuticals firm at up to 1.5 billion euros after the transaction, the biggest acquisition by a European special purpose acquisition vehicle (SPACs) to date.

Samsara IPO Seeks $11.5 Billion Valuation:

Samsara, an internet of things company, set terms for its initial public offering. Samsara said it plans to offer 35 million shares at $20 to $23 each, according to a Dec. 6 prospectus. It will trade under the ticker IOT on the New York Stock Exchange. Morgan Stanley, Goldman Sachs, JP Morgan and Allen & Co. are lead underwriters on the deal.

Rentokil/Terminix: ratcatcher sees chance of a killing in $6.7bn US deal:

Old-school exterminators impressed gullible customers with "rat kings": captured rodents tied by their tails to create a super organism. Rentokil, the UK's biggest terminator of termites and other pests, is in the same game. It is paying $6.7bn in cash and shares for Terminix of the US to become the world leader in the $22bn pest control industry.

References: CNN, Financial Times, Reuters, MarketWatch

GM EV Battery Partner LG Energy Seeks Up to $10.8 Billion in Record IPO:

LG Energy Solution plans to raise as much as 12.75 trillion won ($10.8 billion) in what would be South Korea's biggest-ever initial public offering, defying concerns over fires involving its batteries that led to a mass recall of Chevrolet Bolt electric vehicles.

Hong Kong's AIA Group Sells Nearly $10 Billion of Coal Investments:

AIA Group Ltd. has sold off almost $10 billion of investments in coal mining and coal-fired power businesses as pressure grows on financial firms to cut ties with the sector.

BuzzFeed Suffers Wave of SPAC Investor Withdrawals Before Going Public:

BuzzFeed Inc. will raise roughly $16 million from its public listing, after the blank-check company it is merging with suffered a wave of investor withdrawals, according to a securities filing and people familiar with the situation. BuzzFeed in June announced plans to go public through a merger with 890 5th Avenue Partners Inc., a special-purpose acquisition company, or SPAC.

Monzo valuation hits $4.5bn on back of drawing thousands of new customers:

British digital bank Monzo's valuation has surged to $4.5bn, an increase of more than 200 per cent since the start of the year, as thousands of new customers helped double revenues.

Brookfield Asset Management sees raising more than $15B for impact fund:

Brookfield Asset Management projects that its new impact fund will raise more than $15B, exceeding its prior forecast of $12.5B.

Nestle trims L'Oreal stake with $10 billion sale:

Nestle SA said it would cut its stake in L'Oreal to about 20% by selling shares worth 8.9 billion euros ($10 billion) back to the French cosmetics brand, moving to reduce the weight of the beauty giant on its books for the first time in 7 years.

UniCredit shines on Orcel's $18 billion investor payout promise:

Investors welcomed a pledge by new UniCredit Chief Executive Andrea Orcel to return at least 16 billion euros ($18 billion) to them under his new strategy to 2024, sending the Italian bank's shares to a 22-month high.

Fertitta's hotel company, SPAC call off $8.6 bln merger:

Billionaire Tilman Fertitta's hotel company Fertitta Entertainment Inc and blank-check company FAST Acquisition Corp said they had mutually agreed to terminate their $8.6 billion merger agreement.

Facebook sued for $150 billion over violence against Rohingya in Myanmar:

Law firms in the United States and United Kingdom have launched a legal campaign against Meta, Facebook's parent company, over allegations that executives knew of anti-Rohingya posts, groups and accounts on the social network, and did little to curb them, they said in a statement.

Maersk makes "big bet" on Asia with $3.6 bln logistics deal:

Container shipping giant Maersk agreed to buy Hong Kong-based LF Logistics for $3.6 billion in an all-cash deal that will add hundreds of warehouses in Asia and help it expand beyond its core ocean freight business.

References: Bloomberg, Reuters, CNN, Financial Times, Seeking Alpha, Insurance Journal, The Wall Street Journal

Advent, Carlyle considering bid for DuPont's $12 bln unit:

Carlyle Group Inc and Advent International Corp are among several buyout firms considering a bid for DuPont Inc's mobility and materials unit, Bloomberg News reported, citing people familiar with the matter. Apollo Global Management Inc and CVC Capital Partners are also studying the business, which could be valued at as much as $12 billion, according to the report.

French football league attracts PE interest:

Some of the world's biggest buyout shops are eyeing up the media rights to France's football league in the latest sign of private equity appetite for the sport. CVC Capital Partners and Bain Capital are among the private equity houses preparing preliminary bids for a €1.5bn ($1.7bn) stake in the Ligue de Football Professionnel's media rights business, according to Reuters.

Pfizer bets on Arena Pharmaceuticals' promising bowel disease treatment in $6.7 billion deal:

Pfizer said on it would buy drug developer Arena Pharmaceuticals for $6.7 billion in cash, to add a promising treatment candidate that targets diseases affecting the stomach and intestine. The $100 per share offer is double the last closing price of Arena's shares, which surged 92% to $95.90 in premarket trading. This is the latest deal Pfizer has struck this year to expand its treatment pipeline.

Canada's CPP Investments seeks to sell insurance groups in strategy U-turn:

Canada Pension Plan Investment Board is seeking to sell its Wilton Re and Ascot Group insurance platforms, marking a strategic U-turn for the fund in the face of intense competition. CPP Investments is preparing to launch the sale processes in the new year. The investment bank working for the fund on the sale of Wilton Re, which the sources said could be valued at more than $4 billion plus debt, has already begun informally reaching out to potential bidders to gauge their interest. It is not clear what valuation Ascot Group could attain.

SoftBank SPAC to take Symbotic public in $5.5 bln deal:

Symbotic, an artificial intelligence-based supply chain technology startup, said it would go public through a merger with a blank-check firm backed by SoftBank Group Corp in a deal valued at $5.5 billion.

Toyota to spend $35bn on electric push in effort to take on Tesla:

Toyota said it will pour $35bn into a shift towards electric vehicles as the world's biggest carmaker sets itself up for direct rivalry with Tesla and joins other groups in a push for carbon neutrality.

Veolia and Suez gain EU green light for $14.7 bln deal:

French waste and water management companies Veolia and Suez won EU antitrust approval for their 13 billion euro ($14.7 billion) tie-up to create a global group better able to compete against Chinese rivals.

Bank of Montreal expands U.S. presence with $16 bln purchase of Bank of the West from BNP Paribas:

Bank of Montreal said it will buy BNP Paribas' U.S. unit, Bank of the West, for $16.3 billion in its biggest deal ever, allowing the Canadian lender to double its footprint in the world's biggest economy, while giving France's largest bank a huge step up in firepower for deals. The deal gives BMO, Canada's fourth-largest lender, a large-scale presence in California, whose population is bigger than the bank's home country. It will add 1.8 million customers, increase the United States' contribution to total adjusted pre-provision, pretax earnings to 44% from 36% in fiscal 2021 and give the Canadian bank the ability to deploy almost all of its excess capital, which has been a drag on returns.

References: Reuters, CNBC, Financial Times, Private Equity News

Australia regulator approves Woodside merger with BHP's petroleum arm:

Australia's competition regulator approved Woodside Petroleum's agreed $28 billion merger with BHP Group's petroleum arm, saying it would not reduce competition in the domestic gas market.

ADIA Invests in $7.5 Billion Insurance Broker Ardonagh:

Abu Dhabi Investment Authority has acquired a stake in Ardonagh Group in a transaction valuing the U.K. insurance broker at $7.5 billion.

Chip materials supplier Entegris to buy rival CMC in $6.5 bln deal:

Entegris Inc, a supplier of semiconductor materials, said it would buy smaller rival CMC Materials in a deal valued at $6.5 billion, as it looks to build scale amid an unprecedented global chip shortage.

3M combines food safety business with Neogen in $5.3B deal:

Michigan-based Neogen is combining with 3M's food security business in a tax-free, $5.3 billion deal. Existing 3M shareholders will own 50.1 % of the combined company once the transaction closes in the second half of 2022. The company will receive $1 billion in cash and $4.3 billion in equity. The deal is tax-free due to a reverse Morris trust structure.

Norway's Aker BP in $14 bln deal to buy Lundin Energy's oil and gas:

Norway's Aker BP will buy the oil and gas business of Sweden's Lundin Energy, forming the second-largest listed petroleum firm on the Norwegian continental shelf, the two companies said.

BlackRock, Saudi asset manager Hassana sign deal for Aramco's gas pipelines:

Saudi Aramco said it has signed a $15.5 billion lease-and-leaseback deal for its gas pipeline network with a consortium led by BlackRock Real Assets and state-backed Hassana Investment Co.

Reddit Files for IPO:

Social media site Reddit revealed on Dec. 15, 2021 that it has made a confidential filing with the U.S. Securities and Exchange Commission in preparation for an initial public offering. Reddit reportedly is aiming for a valuation of $15 billion when its IPO comes to market.

Oracle to buy Cerner for $28.3 bln in healthcare sector push:

Business software maker Oracle Corp said it would buy Cerner Corp for $28.3 billion in its biggest ever deal, gaining access to a trove of data from one of the biggest healthcare IT firms in the United States.

Anchorage Capital Is Closing $7.4 Billion Flagship Hedge Fund:

Anchorage Capital Group, one of the biggest hedge-fund investors in distressed debt, is closing its flagship fund after 18 years and returning the $7.4 billion it manages to clients, citing a market environment in which cheap money has helped keep stock and bond prices elevated while suppressing corporate defaults.

Tencent is giving away $16 billion of its stake in JD.com:

Tencent plans to distribute more than $16 billion worth of its stake in JD.com to its shareholders as a one-time dividend, the Chinese gaming and social media giant said Thursday in a stock exchange filing. The 457 million shares that Tencent plans to give out represent 86.4% of its stake at JD.com, or 14.7% of JD.com's total issued shares.

References: Bloomberg, Reuters, CNN, The Wall Street Journal, Post Bulletin, Investopedia.com

Largest Mergers & Acquisitions (M&A) Deals in December 2021		
Buyer	Seller	Deal size
Oracle	Cerner	$28.3 billion
Woodside Petroleum Ltd	BHP Group	$28 billion
BMO	Bank of the West	$21.1 billion
BlackRock Real Assets and Hassana Investment Co.	Saudi Aramco	$15.5 billion
CSL	Vifor Pharma	$11.7 billion
Aker BP	Lundin Energy	$10 billion
Rentokil	Terminix	$6.7 billion
Pfizer	Arena Pharmaceuticals	$6.7 billion
Entegris	CMC Materials	$6.5 billion
Quidel	Ortho Clinical Diagnostics	$6 billion
Permira	Mimecast	$5.8 billion
CentralGroup and SignaHoldings	Selfridges & Co	$5.4 billion
3M	Neogen	$5.3 billion
Blackstone	Bluerock Residential Growth REIT	$3.6 billion
Maersk	LF Logistics	$3.6 billion
Securitas	Stanley Black & Decker's Electronic Security Solutions	$3.2 billion
Thoma Bravo	Bottomline	$2.6 billion
Saint-Gobain	GCP Applied Technologies	$2.3 billion

Athens General Index

From December 1st to December 6th the General Index remained relatively stable, trading at a range near November's closing price, fluctuating daily from -0,4% to 0,2%. On December 7, the GI rose 1,53% as omicron variant fears eased. This rise continued up to December 10, with daily gains in the region of 0,1%-0,6%. On December 13, the GI fell by 1,18% and continued falling 0,2% per day for the next two sessions, principally due to rising COVID-19 cases, and due to the european and greek central banks' negative outlooks. The GI rebounded on December 16, gaining 1,1% but over the following two days fell by 0,6% and 1,2% respectively, as cases continued to increase. In the final days of the month, the GI rose daily 0,5%-0,7% (except Dec. 27, falling by 0,6%) due to Greek and European governments reassurances to the public that the omicron variant situation is controllable. Finally on the 30th, the GI fell slightly by 0,23%, ending 2021 at 893,34.

News Headlines

Eurobank to sell 80% of merchant acquiring unit to Worldline Global

Deal is valued at € 320m, subject to customary adjustments as of the date of completion of the deal. Barclays was the sole financial adviser to Eurobank with Bain & Company Italy being its business adviser.

Alpha Bank agrees to sell its Albanian unit to OTP Bank

OTP Bank will pay € 55m to buy a 100% stake in the asset. Rothschild & Co and UniCredit acted as the financial adviser to Alpha Bank, while White & Case LLP, and KALO & ASSOCIATES acted as legal advisors

Greece's National Bank teams up with EVO on merchant acquiring business

National Bank of Greece (NBG), one of Greece's largest lenders, has clinched a deal to form a joint venture with EVO Payments (EVOP.O) which will provide merchant acquiring and payment services

Melissa Kikizas S.A. acquired Terra Creta

After the finalization of the agreement between the new buyer and the current owner of the company, IOGR Group. PwC acted as the exclusive financial and legal advisor of Melissa Kikiza for the transaction

HELLENIC PETROLEUM Group of Companies

Hellenic Petroleum announced the signing of definitive agreements for the acquisition of the companies "Eoliki Energiaki Evias S.A." and "Eoliki Energiaki Achladotopos S.A. The consideration for 100% of the shares of the two companies amounts to € 85m.The two windfarms are situated in South Evia and have been in commercial operation since October 2018 and December 2019 respectively. PwC acted as financial advisor to ELPE Renewables S.A.

References: Dealtracker, Naftemporiki, Capital.gr, Reuters

Authors:

Simos Galatis (President - Board Member)
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Foivos Moraitinis (Head of Corporate Finance)
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Our emblem, a symbol of the creation and the deeper mentality of our club.

In the center, there is the legendary mermaid, the Medusa's head, which had the ability to turn into stone whoever dared to look it in the eyes. It's undoubtedly an Ancient Greek element. The choice of the mermaid is a kind of allegorical gate. Looking Medusa is like looking into yourself in the eyes and putting the greatest effort to overcome your biggest fears. You can either step back or proceed forward in a way that will make you considerably stronger.

At the bottom, the phrase «esse est percipi» is written. The deeper meaning of this expression is that the perception of something, is what really establishes the foundations of its existence. It consists of an element of the philosophy of "plasticity" that describes the world, or in other words it is a basis that highlights the fundamental importance of the power of ideas and analytical thinking in its creation, by providing many different alternative dimensions and perspectives.

Last but not least, the background is dominated by the exciting wheel of luck (rota fortunae). As it is lyrically mentioned in the poem collection Carmina Burana of the 13th century, "Fortune rota volvitur; descendo minoratus; alter in altum tollitur; nimis exaltatus; rex sedet in vertice; caveat ruinam!"