AUEB Students' Investment & Finance Club

Market Report – Volume 5, May 2022

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.

May saw several high-valued M&A deals, especially in the Technology sector with an emphasis on semiconductor and infrastructure software. Broadcom agreed to buy cloud-computing company VMware for $61 billion in one of the largest technology deals of all time. Additionally, MaxLinear a maker of chips for broadband communications, agreed to acquire Silicon Motion Technology Corp. in a cash-and-stock deal valuing the Taiwanese semiconductor firm at $3.8 billion. Of particular interest was Elon Musk's big plans for Twitter, claiming he would increase Twitter's annual revenue up from $5 billion last year and popularize a digital payments service.

Inflation, stagflation, recession, outflows, and rate hikes were the terms that describe best the global economy and especially fixed income markets. It is no surprise that in May the trend of increasing inflation was once again of utmost importance for every western economy. Central bankers around the globe are lifting rates in a fashion never seen for more than a decade to tame inflation, but with extreme caution not to cause liquidity problems and therefore slow down the economy. Following these events, bond yields in Europe, the US, and the UK, climbed to record levels. In the fog of uncertainty and a global recession, investors exited their bond positions. Specifically, starting of the month the first week recorded massive outflows in global bond funds, worth $11.99 billion, and was the fifth week in a row. This sell-off in combination with rising rates impacted emerging markets as well. In other news, Russia once again avoided default as its creditors got their bond payments, but that doesn’t change the fact that Fixed Income markets in the Baltics and Finland show big instability and investors are exiting these markets.

The fear of a potential global recession due to surging inflation, the ongoing conflict in Ukraine and the lockdowns in China, as well as the aggressive rate hiking (FED performed the biggest interest rate hike in 22 years), had a very severe impact not only in the US market, but also on European equities, affecting multiple industries and leading to poor investor sentiment. As a result, during the first three weeks, the three major U.S. market indexes, suffered heavy losses with Dow marking its first eight-week losing streak since 1923 and S&P 500 falling briefly into bear market territory on May 20. On the other hand, intense volatility was the main issue, as far as the European market is concerned. It wasn’t until the final days of May that stocks rebounded thanks to a Wall Street rally after the minutes of the FED’s May policy meeting helped calm some worries about slowing economic growth.

May was an interesting month for FX. USD remains extremely expensive despite the drop it recorded during the last two weeks of the month. As a result, this adds to inflationary pressures around the globe, as it increases commodity and energy costs. Furthermore, all major currencies included in this report concluded higher than the month before, as Fed’s “modest” 50bps rate hike was unable to support the greenback. Notably, over the last two weeks, we observed a flight towards safe-haven assets such as the CHF and the YEN.

The oil market is demonstrating incredible resilience against all the struggles that economies are facing as of now. Usually, when the stock market has underperformed in such a manner, oil goes along. For a few months now we have seen a completely different outcome. Oil has seen a 10% rise in the last four weeks. During May, the WTI Crude Oil Spot Price remained above 100 $. The driver of this rise is the Russia – Ukraine war. Reduced demand in oil in combination with possible bans on Russian exports, which comprise a significant percentage of Europe’s oil consumption, have drastically increased prices.

EUR/USD

May was a month of a significant rebound for this pair, especially during the last two weeks of trading. This upward movement seems to be the end of a long depreciation trend that started in the mid of 2021 and continued in 2022. Nevertheless, USD continues to be extremely expensive according to Bloomberg's Dollar Index Spot, a fact that intensifies the inflationary pressures around the world. Another important macroeconomic event of this month was the Fed's 50bps interest rate hike, which ultimately didn't impact the pair. On the other side of the Atlantic, the Eurozone recorded an 8.1% inflation rate in May. There is also a lot of concern about the impact of the Ukrainian crisis on euro countries and especially on sovereign debt, where the spreads are rising. However, analysts expect a 25bps rate hike at July's meeting, an assumption that supported EUR during the last two trading weeks. For our week-by-week analysis, as we mentioned before the 50-bps hike didn't satisfy the bears of the pair, as FOMC denied the 75-bps hike proposed by its hawks. Therefore, on May 4 EUR/USD topped at 1.06 before declining to 1.055 which was around the weekly average. For the second week of May, we observed a major decline for the pair which reached its 5-year low at 1.038, with analysts suggesting that parity is close. This reduction was driven by a massive sell-off in the US stock market, as the USD was considered a safe asset. Not even the reassurance of ECB's key officials couldn't reverse this trend. In the course of the third week, bulls took the lead and we noticed an increase from 1.038 to 1.053. The general concern about the US economy and skepticism about Fed's future hikes were probably the reasons behind this increase. Over the fourth week, the common currency continued its path against the parity as it stabilized around 1.0732 on May 27.

GBP/USD

GBP/USD followed a similar path with EUR/USD during May. It initially dropped to a 2Y low during the second week of May, but it quickly rebounded. BoE also hiked its main interest rate a day after FED by 25 bps. There has also been a lot of concern about a potential recession and it has been announced by the BoE that a Q4 GDP decline is on the table. This macroeconomic situation may reduce the central bank's ability for further monetary tightening. Another potential risk faced by the pound investors is a probable withdrawal from the post-Brexit agreement with the EU, which would harm both economies. Finally, on May 26 Sunak, chancellor of the Exchequer, announced a 15-billion-pound financial aid that will boost consumption. For the first week of the month, we noticed a peak at 1.2644 on May 4, as Fed's rate hike didn't fulfill the expectations of a more hawkish approach, but similarly BoE's modest hike combined with recession concerns led to a drop at 1.2575. During the second week, the downward movement continued and the pair reached its 2-Y low of 1.22. In the third and fourth trading weeks, we saw a clear improvement of the pair mainly driven by a weaker USD and the announcement of the financial aid plan.

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

USD/JPY

With a 16.20% y-o-y increase on the pair, it is fair to characterize this period as "enyasu" or period of cheap Yen. During this month, even though it surpassed the 130 benchmark at the beginning of May, we observed a similar reversal against the greenback. BoJ has decided to retain an extremely accommodative monetary approach to support the economy, which is plausible since it doesn't face high inflation rates. It is also believed that a cheap Yen can help the GDP's increase by boosting Japanese exports, even if large exporting companies face serious backlashes due to higher commodity and energy costs. In the first week of May, the pair closed at 130.53, a rate close to its 10Y high. After this bad week for the Yen, the pair noticed a steady decline closing around 129 on May 13 and at 127.75 on May 20. During the last week of the month, the price balanced around 127. This drop was mainly driven by USD fundamentals but also by Yen's appreciation as a safe-haven asset.

USD/CHF

The Swiss Franc, which performed great during the covid crisis, faced a significant decline in the last days of April. This trend continued in the first two weeks of May as it reached parity against the greenback, before increasing massively and regaining almost all its losses thus proving its safe-haven asset characteristics. More specifically, on May 2, the first trading day of the month, the pair closed at 0.98. On May 13 USD/CHF topped at 1.001, surpassing the parity, induced by Thomas Jordan, SNB's chairman commitment to low-interest rates and currency intervention. On the contrary, the pair dropped to 0.97 and finally to 0.96 on May 22 and May 27 respectively.

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

Oil

Brent oil has risen by 6%, while Crude has almost doubled. The PCK Schwedt refinery in Germany is facing a shortage of crude because of the latest EU Russian sanctions. Natural gas has skyrocketed by 21%, with the EU taking steps to ramp up liquefied natural gas (LNG) imports to move away from piped Russian supply and the U.S. All the above have fueled energy-related inflation to reach all-time highs thus hurting economies that are mainly importers of oil and gas.

GOLD

Gold prices fell by 3% on the month, similarly to silver, counteracting the adverse situation in the general commodity market. Instead of higher rates and a stronger dollar weighing on gold, we have seen investors flock to safe havens, lowering yields marginally while lifting gold.

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

Fixed Income Highlights

EUROPE

Inflation in the Eurozone continues to rise in a very quick and uncontrollable manner, reaching 8.1% for the zone in May, while the war in Ukraine seems that will last for the following months. This mix of events has shaken the world and especially Fixed Income markets. With European countries being on the verge of imposing an embargo on Russian oil that would bring turmoil in the markets, the zone is facing serious problems. The talk about interest rates has shifted from whether the ECB will raise rates to when it will do it. But as the ECB's approach is more subtle, European countries are worried about their consumers, and even some of them e.g., Italy, unveiled a stimulus pack as the economic outlook darkens.

ECB is set to start a sequence of rate hikes as of July this year, that will put its benchmark rate in positive territory after more than a decade of accommodative monetary policies being adopted by the eurozone's policymakers.
Even though ECB's rates are untouched as of now, with most probable a July rise, the markets have already moved in this direction. At the beginning of May, the policy tightening by the ECB sent euro-zone borrowing costs soaring to multi-year highs. Thus leading, mainly periphery countries, to face the problem of higher funding costs and slowing growth. Germany's 10-year government bond yield — a benchmark for the eurozone's debt markets — climbed above 1 percent for the first time since 2015, while Italian bonds surpassed the 3% threshold, reaching their highest point since December 2018.

On the first ten days of May, U.S. inflation was announced, reaching 8.3%, this increase was above analysts' expectations, and fuelled upward pressures in Eurozone Government bond yields. Worries also were expressed that a weaker Euro threatens price stability in the zone, after tumbling 9% since February, which also helped Yields to stay at their multiyear highs. Later, a small rise in the EUR/USD pair sent a more optimistic signal, leading to decreasing yields. During the second week of May, Eurozone's April inflation was revised down to 7.4%, still being an all-time high. Closing the month, inflation for May soared to 8.1%. The data prompted a fall in eurozone bond markets. Italy's 10-year government bond yield rose 0.11 percentage points to 3.11 percent on Tuesday. The spread between Italian and German 10-year bond yields rose to almost 2 percent,

It is important to note that as of now energy and food are not the only drivers of inflation, as inflation excluding these items was 3.9% in April. Worries about an economic slowdown and the outlook for stagflation, slowed down investors' expectations for big rate hikes in the coming months, sending Germany's 10-year yield below 1% once again. Closing May, Yields for French and Italian 10-year bonds rose by 0.07 and 0.1 percentage points respectively. EU bonds were impacted by ECB's chief economist, interest raise plan for July and September for a 0.25 percentage point increase, as inflation reached 8.1%.

Apart from government bonds, during May, we witnessed a European corporate bond sell-off which was the highest in 20 years, widening the spread between corporate bonds and government debt. This came because of investors' fears of a recession, which led them to exit the market.

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

Fixed Income Highlights

UNITED STATES

The US has acted more aggressively than Europe in tackling Inflation. The FED has shown its determination to tame inflation by lifting rates to the point where monetary policy will not stimulate demand.

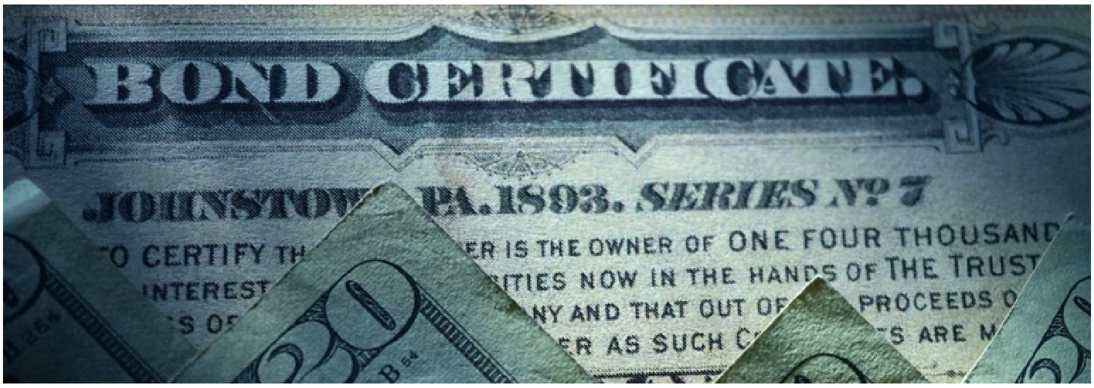
The FED raised once again its rates, since doing so in March, this time with its first implementation of a half-point interest rate rise since 2000, giving also forward guidance that similar rises might be reconsidered but always having in mind that these raises are increasing the chances for an illiquid market and drive the economy towards a recession. Data released in May, set the inflation rate for the U.S. at 8.3%, remaining at a 40-year high, even though this rate is below the 8.5% increase recorded in March. The benchmark US 10-Year Treasury fluctuated between 3.2% and 2.7%.

Later this month, yields on shorter-dated Treasuries also dropped, reflecting bets on a more moderate increase in interest rates. The policy-sensitive two-year yield fell by 0.05 percentage points to 2.62 percent. At the beginning of May, the US 10-year Treasury yield reached 3% for the first time since 2018, tightening financial conditions after two years of the coronavirus pandemic. The narrative for this month is that the Bond Bull market has come to an end as rate hikes take place, one after the other and these higher rates are here to stay. In the first days of May, a massive $23 trillion US Treasury market sell-off caused turmoil in the markets.

Outflows continued for the whole of May. The first week of the month, was the 17th week in a row in which U.S. bond funds recorded record outflows with the U.S. benchmark 10-year Treasury yield hitting nearly a 3-1/2-year high of 3%. This trend carried on onto the second week, with an almost double outflow as last week, topping $ 10 billion. Significant players in this sell-off were Japanese Investors, who are usually holding loads of foreign debt, for the past 3 months have sold almost $60 billion of it. In a recent release by a BofA executive, he estimated that U.S. bond sales will likely decline by 10% this year.

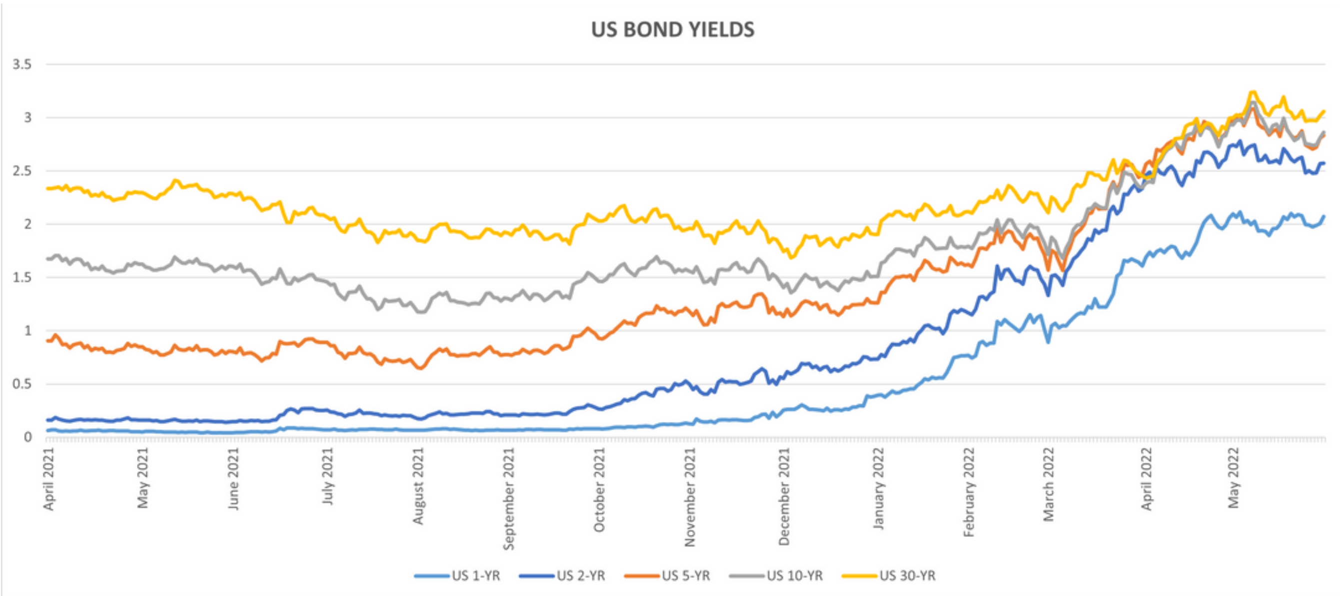
In the corporate bond sector, rising rates have pushed some yields above 10% giving negative signals to investors who are already exiting their positions in the riskier corporate bonds. Since the start of the year, the amount of debt that trades at distressed levels has doubled. Convertible bonds dropped in price, as the companies that sold such bonds are now facing sinking equities and rising rates.

As far as the $ 1.5 trillion US junk bond market is concerned, now that the era of low-interest rates has come, riskier companies start to show signs of stress under the high levels of inflation and the new supply chain bottlenecks caused by China. A characteristic index for junk bonds is the Ice Data Service High yield index from BofA. The index reached, in mid-May, one of its highest points in the past decade, 7.6%, and then retreated to 7%.



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

BOND YIELDS


US BOND YIELDS
3.5
3
2.5
2
1.5
1
0.5
0
April 2021
May 2021
June 2021
July 2021
August 2021
September 2021
October 2021
November 2021
December 2021
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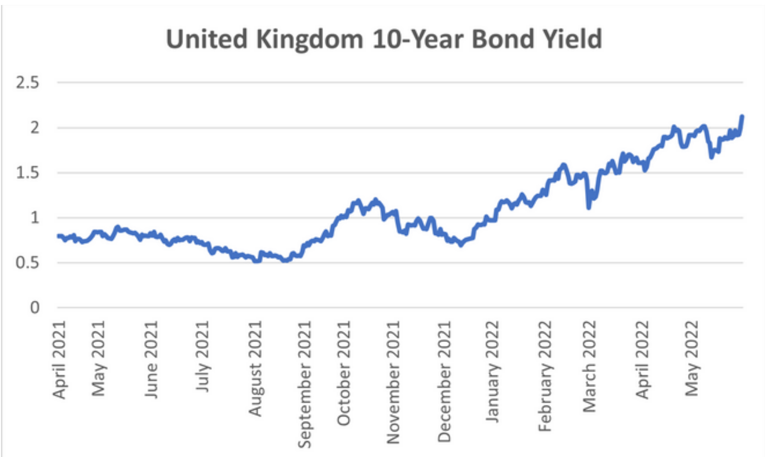
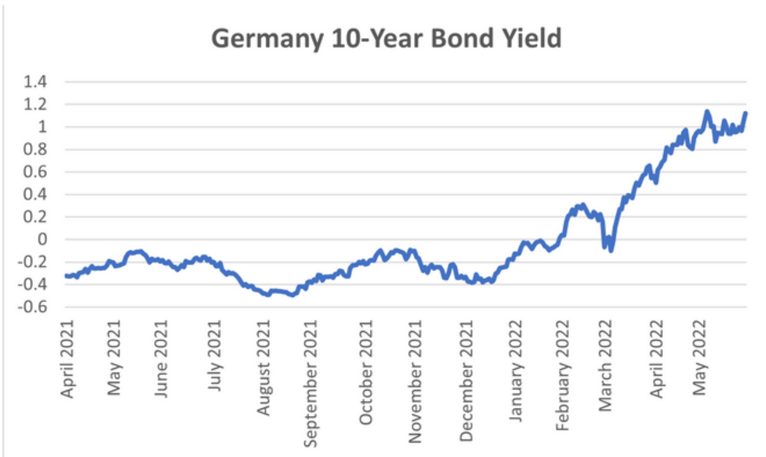
April 2022
May 2022
US 1-YR
US 2-YR
US 5-YR
US 10-YR
US 30-YR


United Kingdom 10-Year Bond Yield
2.5
2
1.5
1
0.5
0
April 2021
May 2021
June 2021
July 2021
August 2021
September 2021
October 2021
November 2021
December 2021
January 2022
February 2022
March 2022
April 2022
May 2022


Germany 10-Year Bond Yield
1.4
1.2
1
0.8
0.6
0.4
0.2
0
-0.2
-0.4
-0.6
April 2021
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August 2021
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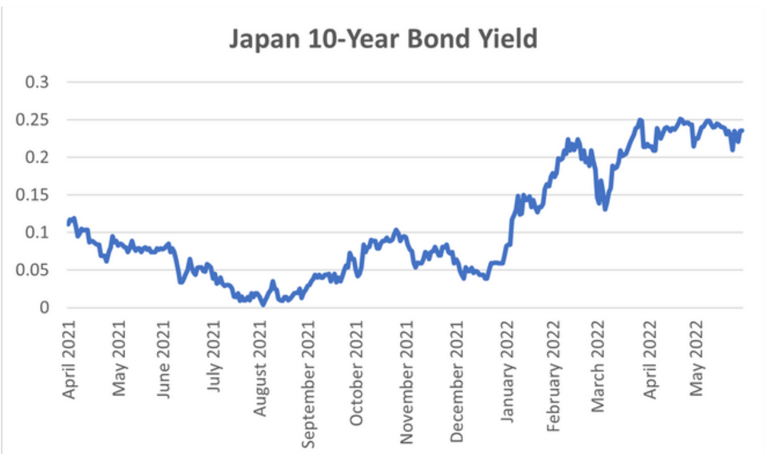
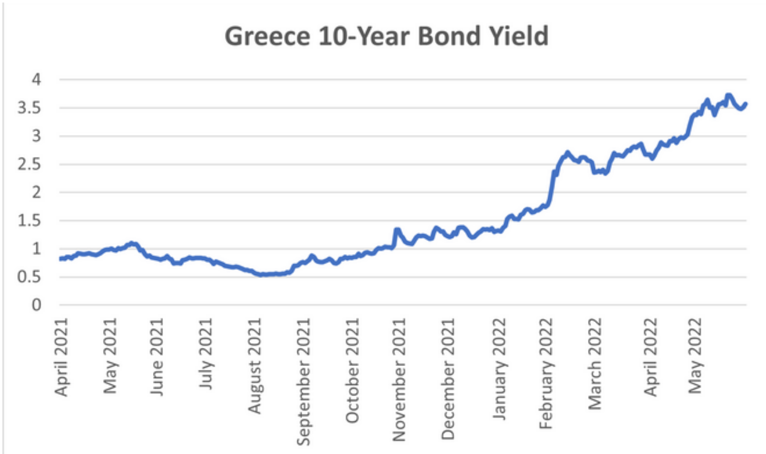
October 2021
November 2021
December 2021
January 2022
February 2022
March 2022
April 2022
May 2022


Japan 10-Year Bond Yield
0.3
0.25
0.2
0.15
0.1
0.05
0
April 2021
May 2021
June 2021
July 2021
August 2021
September 2021
October 2021
November 2021
December 2021
January 2022
February 2022
March 2022
April 2022
May 2022


Greece 10-Year Bond Yield
4
3.5
3
2.5
2
1.5
1
0.5
0
April 2021
May 2021
June 2021
July 2021
August 2021
September 2021
October 2021
November 2021
December 2021
January 2022
February 2022
March 2022
April 2022
May 2022

American Market - Indices

In the first week of May, the Dow Jones Industrial Average finished down 0.24%, while S&P 500 and Nasdaq ended up with losses of 0.21% and 1.54%, respectively. Nasdaq closed about 25% below its record high from last November. On Wednesday May the 4th, the Fed increased its benchmark interest rate by 50 basis points-the biggest rate increase since 2000. Stocks moved sharply higher when chairman Jerome H. Powell said that the central bank was not considering an even more aggressive hike in future meetings and as a result Dow, S&P 500 and Nasdaq rose 2.81%, 2.99% and 3.19% respectively. It was the biggest gain since 2020 for both the S&P 500 and the Dow. However, stocks pulled back sharply in the following session, in a stunning reversal that delivered investors one of the worst days since 2020, with Dow Jones and Nasdaq having the worst single day drops since 2020, while S&P 500 fell 3.56% to 4,146.87, marking its second worst day of the year.

The following week was also in negative territory, with the Dow Jones marking a six straight day fall and the S&P 500 hitting a new low for 2022. The major averages posted losses for the week, with Dow dropping 2.14%, while S&P 500 fell 2.4%, hitting its longest weekly losing streak since 2011, with Nasdaq slipping 2.8%. Despite Joe Biden's effort to tone the heavy selling down by promising to tame red-hot inflation, stocks fell sharply after April's consumer price index showed slower than expected, with the price surge remaining near the 40-year high pace of 8.5% seen in March. The combination of high rates and a potential recession affected negatively the market. At the same time, investors continued to monitor the ongoing conflict in Ukraine and lockdowns in mainland China.

In the third week, the Dow lost 2.9% for its first eight-week losing streak since 1923. Nasdaq lost 3.8% for the week, while the S&P 500 shed 3.8%, dipping briefly into a bear market territory, with both posting seven-week losing streaks. After an attempt to recover from following weeks of steep losses, marked by the significant gains that the major averages had on May 17th, markets returned to heavy selling when Target and Walmart reported much lower first-quarter earnings than estimated because of higher costs and lower consumer demand, with Dow slumping on May 18 1,164.52 points, or 3.57%, the average's biggest decline since June 2020. The S&P 500 traded 4.04% lower to 3,923.68, also the worst drop since June 2020. The Nasdaq Composite slipped 4.73% to 11,418.15, which is the largest fall in the tech-heavy index since May 5.

It was inevitable that the losing streak would come to an end, since bear markets are always followed by 'up' markets, and that happened during the final days of May. All three major U.S. stock indexes brought a decisive end to their longest weekly losing streaks in decades, with Dow finishing up 6.2%, S&P 500 closing 6.5% higher and Nasdaq rising 6.8%. Investor Sentiment got the initial boost when President Joe Biden stated that he was considering reducing tariffs on some products imported from China and stocks climbed on May 25th minutes after the Federal Reserve's May policy meeting which showed that the central bank is prepared to raise rates further than the market had anticipated. The better-than-expected consumer spending, as well as the strong earnings from the retail sector sent signs of peaking inflation and fueled hopes and optimism that the Fed will be able to tighten monetary policy without tipping the economy into recession.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

European Market - Indices

During the first days of May, the focus in Europe was not only on the crucial monetary policy decision from the Fed, but also on the Bank of England, which raised interest rates to their highest level in 13 years in a bid to tackle soaring inflation, by approving a 25-basis point taking the base interest rate up to 1%. On May 06 the blue-chip FTSE 100 closed down 1.5% resulting in weekly losses of 2.1%, following the warning by the Bank of England (BoE) on Thursday that Britain risked the double-whammy of a recession and inflation above 10%.

Markets started the new week with DAX, CAC and FTSE trading in negative territory and moving lower by 2.15%, 2.75% and 2.3% respectively, while the pan-European Stoxx 600 ended down 2.8%, hitting its lowest level since March 8. From that point on, the European stocks managed to regain some ground and rebound from a broad sell-off in the past days and on May 12, prompted mainly by concerns over a potential global recession and the hotter-than-expected US inflation data, which sparked concerns that a path of a more aggressive interest rate hiking lies ahead. The European indices rallied at the end of the week (DAX 2.10 %, CAC 2.52%, FTSE 2.6%) managing to finish in positive territory with travel and leisure stocks playing a significant role.

Another volatile trading week followed as European stocks remained choppy. On May 17, European stocks tried to build on some positive momentum (DAX 1.59 %, CAC 1.30%, FTSE 0.7%) as almost all sectors and major bourses finished in positive territory, but on the following two days the major indices closed lower with the pan-European Stoxx 600 dropping 1.1%, as global markets were rattled by fears over rampant inflation (British inflation leaped in April to its highest annual rate since 1982 as data showed inflation surged by 9% last month).

From May 23rd to May 27th, European shares marked their best week since mid-March taking heart from a Wall Street rally after the Federal Reserve suggested it could pause its rapid rate hikes later this year, which helped calm some worries about slowing economic growth that had roiled markets. The pan-European STOXX 600 took weekly gains to 3%, while Germany's DAX ended at an over one-month high, up 1.6% with improved German business sentiment helping the tone. The FTSE 100 also recorded its best weekly return since mid-March, despite the announcement of a 25% windfall tax, aimed at tackling the country's cost-of-living crisis. CAC also edged higher, mainly thanks to gains in the Oil & Gas, Utilities and Industrials sectors.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Asian Market-Indices

The overnight drop on Wall Street on May 5th, after the decision of the Fed to increase its benchmark interest rate by 50 basis points, in combination with China's zero-Covid policy, resulted in a sharp decline in Asia-Pacific on the first days of May. Hong Kong's Hang Seng index led losses regionally in the first week as it fell 3.81%, while in mainland China the Shanghai Composite slipped 2.16%. Japanese stocks and Nikkei 225 despite seeming to buck the overall trend regionally, returned to positive territory on May 6 after the holiday season. Nikkei 225 eventually fell 2.53% to close at 26,319.34 on May 09.

Until the 13th of May stocks in Asia-Pacific markets saw a rollercoaster week, while the Mainland Chinese stocks managed to register some gains, outperforming the broader region. Despite the higher-than-expected Chinese inflation, April's Chinese trade data that came in better-than-expected, as well as the existing optimism that omicron could come under control, seemed to play their part in the Shanghai Composite closing of 2.67% for the week. On May 12 tech stocks sold off following overnight losses on Wall Street, but on the following day, much of the lost ground was regained as the Hang Seng index jumped 2.68%, while the Nikkei 225 in Japan closed 2.64% higher at 26,427.65, with shares of Japanese SoftBank Group jumping more than 12% despite reporting a record loss at its Vision Fund investment unit.

On the highlights of the next week, on May 20 China cut its five-year loan prime rate (LPR), which influences the pricing of mortgages, by 15 basis points, a sharper cut than had been expected, and led the Shanghai Composite 1.6% higher, with Hang Seng index and Nikkei 225 rising 2.96% and 1.27% respectively, after having suffered heavy losses on the previous day.

Asian shares fell sharply on 23rd and 24th, as not only stricter COVID-19 measures in Beijing reignited worries over slowing growth, but also investors weighed a possible thawing of US-China trade relations after Joe Biden floated the idea of tariff cuts on Chinese goods. The market found some relief on the 25th and 26th of May thanks to strong results from regional tech firms (Alibaba posted better-than-expected fourth-quarter earnings per share), while investors also took comfort from Fed minutes revealing a consensus to raise interest rates quickly and possibly more than markets anticipate to tackle inflation.

References: Investing.com, CNBC, Financial Times, Bloomberg, The Washington Post, Reuters

Broadcom splashes $61 billion for mega-acquisition of cloud giant VMware in record deal for a chipmaker

Broadcom Inc. agreed to buy cloud-computing company VMware Inc. for about $61 billion in one of the largest technology deals of all time, turning the chipmaker into a bigger force in software. VMware shareholders can choose to receive either $142.50 in cash or 0.2520 shares of Broadcom stock for each VMware share, according to a statement on Thursday. The offer represents about a 44% premium to VMware's closing price on May 20, the last trading day before Bloomberg News reported potential takeover talks.

Clayton, Dubilier & Rice and TPG to acquire Covetrus in $4bn deal

Funds affiliated with Clayton, Dubilier & Rice (CD&R), a global private investment firm, and TPG Capital, the private equity platform of global alternative asset management firm TPG (TPG), are to acquire Covetrus, a specialist in animal-health technology and services, for $21.00 per share in cash, representing an enterprise value of approximately $4 billion. CD&R and its affiliates currently beneficially own approximately 24% of the Company's outstanding shares of common stock. The transaction delivers significant value to Covetrus' shareholders and represents a 39% premium to Covetrus' 30-day volume weighted average price per share as of the unaffected stock price.

EQT Mulls Sale of Stake in $7.5 Billion Nordic Fiber Arm

Private equity firm EQT AB is considering the sale of a minority stake in Nordic fiber network operator GlobalConnect, people with knowledge of the matter said. EQT's infrastructure arm is working with advisers on the potential divestment, which could attract interest from other investment funds as well as pension managers, the people said. A deal could value GlobalConnect at between 7 billion euros ($7.5 billion) and 10 billion euros including debt, according to the people, who asked not to be identified because the information is private.

Carlyle to buy U.S. defense contractor ManTech for $3.9 billion

ManTech International Corp (MANT.O) agreed to a $ 3.93 billion all-cash deal with Carlyle Group Inc (CG.O) as the private equity firm strengthens its U.S. portfolio. defense contractors. Carlyle has offered $ 96 per ManTech share held, representing a 17% premium to the stock's closing on Friday. The company shares were up about 15% in early trading in a weak broader market.

Oracle to win unconditional EU nod for $28.3 billion Cerner deal

U.S. business software maker Oracle Corp (ORCL.N)is set to gain unconditional EU antitrust clearance for its $28.3 billion acquisition of U.S. healthcare IT company Cerner Corp (CERN.O),

Saudi Arabia's Public Investment Fund buys 5% stake in Nintendo for around $ 3 billion

Saudi Arabia's Public Investment Fund has made a big investment in Nintendo. It acquired a 5% stake in the Japanese company, which makes it the fifth-largest shareholder.The purchase of a 5.01% stake was made for investment purposes, Bloomberg reported, citing a filing to Japan's Finance Ministry. There are not many details about the deal, but Gearoid Reidy from Bloomberg News in Tokyo noted that it is worth around $3 billion.

VW set to get unconditional EU nod for Europcar deal

A consortium led by Volkswagen Group is set to win unconditional EU antitrust approval for its 2.9-billion-euro ($ 3 billion) bid for French car rental company Europcar, two people familiar with the matter said. VW teamed up with asset manager Attestor Limited and Dutch mobility group Pon Holdings last year to launch the bid for French-listed Europcar, placing a bet on fast-growing mobility services. With an international network in more than 140 countries and a fleet of over 350,000 vehicles, Europcar would help VW to increase its presence in lucrative mobility services.

References: Bloomberg, Financial Times, The Wall Street Journal, New York Times

Intercontinental Exchange, has agreed to acquire mortgage data firm Black Knight for $13.1 billion

Intercontinental Exchange, the owner of the New York Stock Exchange, has agreed to acquire mortgage data firm Black Knight for $13.1 billion, the companies announced Wednesday. The cash and stock deal comes at $85 per Black Knight share, about a 13 percent premium to the share price as of mid-morning Thursday.The acquisition is expected to close in the first half of next year, pending approval from Black Knight shareholders. Jacksonville-based Black Knight employs close to 6,500 people.

Shell to acquire Indian solar developer for $1.55 billion

JPMorganShell has announced plans to acquire Indian renewable energy developer Sprng Energy and expects to close the transaction later this year. Group subsidiary Shell Overseas Investment will acquire Sprng Energy from UK investor Actis, which owns Sprng through its Mauritius-based arm, Solenergi Power.
Shell Overseas Investment has agreed to acquire 100% of Solenergi Power for $1.55 billion and, with it, the Sprng Energy group of companies.

The maker of Marlboro cigarettes is betting big on nicotine pouches placed under your upper lip

Marlboro-maker Philip Morris International confirmed a $16 billion bid to buy rival Swedish Match as part of its accelerated push into smoke-free tobacco alternatives. Shares of Stockholm-based manufacturer hit a record high in early trade after its board agreed to the 161.2 billion krona cash offer from the U.S.-Swiss tobacco giant. Swedish Match is now trading at a 32% premium since talks between the two companies were first announced Friday. Following a bumpy ride,Philip Morris International stock is trading marginally higher. The deal, which is now subject to shareholder approval, marks the latest phase in Philip Morris International's ongoing efforts to reduce its reliance on traditional cigarettes amid growing public scrutiny.

Chelsea confirm terms agreed Todd Boehly-led consortium to buy club

Chelsea Football Club has confirmed that terms have been agreed with a consortium led by Los Angeles Dodgers part-owner Todd Boehly and backed by Clearlake Capital over the acquisition of the English Premier League soccer team.
The Stamford Bridge-based outfit announced the 4.25 billion pound ($5.2 billion) deal for the reigning European champions.

MaxLinear to Buy Chipmaker Silicon Motion in $3.8 Billion Deal

MaxLinear Inc., a maker of chips for broadband communications, agreed to acquire Silicon Motion Technology Corp. in a cash-and-stock deal valuing the Taiwanese semiconductor firm at $3.8 billion. Carlsbad, California-based MaxLinear is offering the equivalent of $114.34 for each of Silicon Motion's American depositary shares, the companies said in a statement Thursday. The proposal includes $93.54 in cash and 0.388 MaxLinear share.

LTI-Mindtree merger to create an $18 billion company challenging Tech Mahindra

Larsen & Toubro Infotech (LTI) and Mindtree will merge to form a larger IT services company that could be more capable of challenging bigger rivals for digital transformation contracts and global talent as the demand for tech services rises. LTIMindtree would become India's sixth biggest IT services company by revenue, with combined sales of more than $3.5 billion for the year that ended March 31, 2022. The combined entity would be the fifth biggest IT company by market cap, at $18.3 billion, surpassing Tech Mahindra's $16.2 billion,Tech Mahindra remains larger, by revenue, with annual sales of over $6 billion.
LTI and Mindtree together, had profit after taxes of $530 million, cash of nearly $1 billion, and headcount of 82,000 at the end of FY22.

References: Reuters, Investopedia, Financial Post, Wall Street Journal,bloomberg

Duke Realty Rejects Nearly $24 Billion Buyout Offer From Prologis

PrDuke Realty Corp. rejected the nearly $24 billion buyout offer from the warehousing giant Prologis Inc., calling the unsolicited offer insufficient. "We believe the latest offer, virtually unchanged from its prior proposals, is insufficient in that regard," Duke Realty said in a statement, adding it will have no further comment on the proposal at this time.Prologis controls more than 1 billion square feet of industrial real estate that is used by companies such as Amazon.com Inc., Home Depot Inc. and FedEx Corp. to store merchandise and fulfill online orders.

DigitalBridge to Buy Switch for $11 Billion as Data Center M&A Binge Continues

Data center developer Switch will be acquired by DigitalBridge and infrastructure investors IFM in an all cash deal valued at about $11 billion, the companies said today. DigitalBridge and IFM will pay $34.25 a share for Switch, about an 11 percent premium to the share price at the close of trading Tuesday.
Switch will once again become a private company, continuing a trend in which public data center REITs have been bought by large investors and taken private. Over the past year, QTS Data Centers, CyrusOne and CoreSite have al been acquired for more than $10 billion.
The deal brings together two leading innovators in the digital infrastructure in DigitalBridge's Marc Ganzi and Switch founder Rob Roy. It also adds to DigitalBridge's constellation of data center companies, which includes Vantage Data Centers and DataBank and investments in key players in edge computing, telecom towers, small cells and fiber.

Tiger Global hit by $ 17bn losses in tech rout

Tiger Global has been hit by losses of about $ 17bn during this year's technology stock sell-off, marking one of the biggest dollar declines for a hedge fund in history. The run of poor performance means the firm - one of the world's biggest hedge funds and a big investor in high-growth, speculative companies whose shares have tumbled since their pandemic peaks - has in four months erased about two-thirds of its gains since its launch in 2001, according to calculations by LCH Investments.

Inside Elon Musk's Big Plans for Twitter

Elon Musk has never been accused of dreaming small. He has reinvented at least two industries with Tesla, his electronic vehicle company, and SpaceX, the rocket company — and now his ambitions are carrying over to his $44 billion acquisition of Twitter.
Mr. Musk, the world's richest man, has presented a pitch deck to investors in recent days outlining his grand — some might say incredible — plans for Twitter and its financial targets. The New York Times obtained the presentation. Here's a peek into what Mr. Musk sees for the social media service in the years ahead.
In his pitch deck, Mr. Musk claimed he would increase Twitter's annual revenue to $26.4 billion by 2028, up from $5 billion last year.
Under Mr. Musk, advertising would fall to 45 percent of total revenue, down from around 90 percent in 2020. In 2028, advertising would generate $12 billion in revenue and subscriptions nearly $10 billion, according to the document. Other revenue would come from businesses such as data licensing.
Twitter would bring in $15 million from a payments business in 2023, according to the document, which would grow to about $1.3 billion by 2028. The company's payments business today, which includes tipping and shopping, is negligible. There has been speculation that Mr. Musk may introduce payment abilities to Twitter given that he helped popularize PayPal, the digital payments service.
With all of these changes, Mr. Musk anticipates he can lift Twitter's average revenue per user — a key metric for social media companies — to $30.22 in 2028 from $24.83 last year, according to the document.

UAE telecoms group e & buys 9.8% stake in Vodafone for $ 4.4 billion

DUBAI / LONDON, May 14 (Reuters) - United Arab Emirates-based telecoms company e & (ETISALAT.AD) has bought a 9.8% stake in Vodafone (VOD.L) for $ 4.4 billion, days after saying it was looking to expand into new markets and related areas such as financial technology.

References: New York Times, WSJ, Reuters, , Bloomberg, Financial Times

Acquiring Company	Acquired Company	Deal Size
Intercontinental Exchange	Black Knight	$13.1 Billion
MaxLinear	Silicon Motion	$4 Billion
Brookfield Asset Management	Watermark Lodging Trust	$3.8 Billion
Shopify	Deliverr	$2.1 Billion
Blackstone Real Estate	PS Business Parks	$7.6 Billion
Ares Management	Middle Market Lending Portfolio	$2.4 Billion
Pfizer	Biohaven Pharmaceutical	$11.6 Billion
DigitalBridge Partners II and IFM Investors	Switch	$11 billion
Grindr	Tiga Acquisition Corp.(Merger)	$2.1 Billion
Intercontinental Exchange	Black Knight	$13.1 Billion
MaxLinear	Silicon Motion	$4 Billion
Brookfield Asset Management	Watermark Lodging Trust	$3.8 Billion
Shopify	Deliverr	$2.1 Billion
Blackstone Real Estate	PS Business Parks	$7.6 Billion
Ares Management	Middle Market Lending Portfolio	$2.4 Billion

Reference: intellizence

Athens General Index

During the first five trading days, the General Index declined 6.8%, having consecutive bearish sessions and closing on May 09 at 859.18 points with a banking sector almost "wounded" after nine consecutive sessions of losses- something unseen in more than four years. Besides, the General Index, within a few days, lost all the gains of April. The dip was in accordance with the trend seen across Europe and the negative sentiment prevailing in almost all markets of the world. Investors lacked confidence and there wasn't any risk appetite, due to the concerns about higher interest rates, the energy crisis and a potential recession.

From May 10th to May 12th, high volatility was the main feature of the General Index, which could be easily swayed by even the slightest hope or fear. The shift in the MSCI indexes, the suppressed demand for bank stocks, whose index recorded 12 consecutive days of decline, a new 10-year record, and the positive corporate results released in the last couple of days created a strong positive sentiment, leading to a significant rebound on May 13 for the benchmark of the Greek stock market that offset all the second week's losses. The General Index closed at 867.03 points, adding 2.43% to the previous day's 846.46 points and on a weekly basis it advanced 0.03%.

From May 16th to May 19th, the GI suffered some significant losses, mainly due to the universal decline in the international stock market, narrowly managing to retain the 850-point mark, but on May 20 slowly recovered. As a result, at the end of the week, the General Index closed at 860.06 points and contracted 0.80% on a weekly basis.

During the last days of May, despite the geopolitical tensions that arose with constant Turkish overflights in Greek airspace, the General Index closed the week at its highest point since early May, as traders seemed to focus instead on corporate results and the positive news and announcements from the Q1 reports. The somewhat calmer European markets also played their role in the boost of the Greek stock market, and as a result the general index closed on May 27 at 891.41 points, advancing 3.65% on a weekly basis.

References: Dealtracker, Naftemporiki, Capital.gr, Bloomberg, Greece Investor Guide

News Headlines

Cosmos Aluminium and ETEM Merger:
Cosmos Aluminium and ETEM signed a memorandum of cooperation which provides for the merger by absorption of the second company from the first and Viohalco to acquire an indirect minority percentage of Cosmos Aluminium.
The company with the new scheme is expected to have a projected turnover of over €300m and a total production capacity of over 70,000. Core Capital Partners SA acted as financial advisor to the transaction.

Motor Oil acquisition:
The deal between Motor Oil and ELLAKTOR GROUP has been signed, with Motor Oil acquiring 30% of Ellaktor's shares from D. Bakos and G. Kaimenakis. Sources want the price to be close to € 190m, i.e. at € 1.75 per share.

Lamda agreement:
LAMDA Development S.A. announces an agreement to purchase a minority stake (31.7%) in its subsidiary LAMDA MALLS S.A., held by Värde Partners, for a cash consideration of € 109m. The transaction is expected to be completed within Q3 2022, upon fulfillment of the contractual conditions that mainly relate to the approvals by the financial institutions.

Greece to spend another 3.2 billion euros to shield consumers from energy crisis:
Greece plans a new 3.2-billion-euro ($3.97 billion) package of measures to relieve pressure on household budgets and businesses from soaring energy prices, Finance Minister Christos Staikouras said on Friday. Like many other countries, Greece has been in the grip of surging gas, electricity, fuel and food prices since last year, exacerbated after Russia's Feb. 24 invasion of Ukraine.

Greek Tourism:
Greek tourism is already making an explosive comeback in 2022! In Q1 of this year, over 1 million travelers have already come to Greece, a 342.2% increase over the same period in 2021. These visitors have boosted the economy to the tune of about €470 million , says the Bank of Greece. 592.3 thousand visitors have come from within the EU, while 480.4 have arrived from outside countries.

Greek Green Projects:
Greece continues to work towards a greener future through its submission of €10-12 billion in green projects to the RepowerEU scheme. In the same way that was done through RRF funds, Greece's portion of €6 billion could be leveraged to attract further private sector investment - a major win for the country's energy sector.

References: Dealtracker, Naftemporiki, Capital.gr, Bloomberg, Greece Investor Guide

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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!"