

Newsletter CW 03/04

News Recap

ECB Keeps Key Interest Rate Unchanged

The European Central Bank has decided to keep its key interest rates unchanged, as it did at its previous meeting in December, continuing its cautious approach as inflation pressures ease. According to *Handelsblatt*, ECB policymakers currently see no need for an adjustment, arguing that the existing policy stance remains appropriate given the euro area's economic outlook.

The deposit facility rate has stood at 2.0 % since the ECB's last rate cut in mid-2025, following a series of easing steps after inflation declined significantly from its peak. Policymakers now want to give previous measures time to take effect and are closely monitoring incoming data before considering further moves. ECB officials also stressed that monetary policy is already operating in a less restrictive range, reducing the urgency for additional near-term action.

ECB representatives highlighted that inflation has moved closer to the central bank's target, while economic activity has shown signs of stabilization. At the same time, uncertainty remains elevated due to geopolitical risks and uneven growth momentum, reinforcing the Governing Council's preference for a wait-and-see strategy. In this environment, policymakers are keen to avoid premature moves that could undermine confidence or complicate the inflation outlook.

For financial markets, the message is one of continuity. With the key rate unchanged for several months and no immediate pressure to act, the ECB is signaling policy stability while keeping its options open should economic conditions shift. The next interest rate decision is scheduled for early February.

(Sources: Handelsblatt, Tagesschau)

IPOs Outlook 2026

After several years of subdued activity, the global market for initial public offerings is expected to move toward a gradual recovery in 2026. Improving macroeconomic conditions, easing monetary policy expectations, and a growing backlog of private companies seeking public capital are likely to support a more constructive issuance environment. Although market risks remain, sentiment among issuers and investors has improved compared to previous years.



Recent IPO activity has been shaped by restrictive monetary policies implemented by major central banks between 2022 and 2024. Elevated interest rates and valuation uncertainty significantly reduced listing volumes across regions. Looking ahead to 2026, forecasts by major investment banks suggest that inflationary pressures will continue to moderate, allowing central banks in the U.S. and Europe to adopt a more accommodative stance. Lower interest rates are expected to reduce discount rates and improve valuation visibility, thereby supporting a broader reopening of equity capital markets.

From a geographic perspective, the U.S. is expected to remain the most significant IPO market globally. Deep capital markets, strong institutional investor demand, and renewed appetite for technology driven growth companies should underpin issuance volumes. In Europe, IPO activity is projected to recover more slowly, constrained by weaker economic growth and political uncertainty. Nevertheless, regulatory initiatives aimed at improving market competitiveness, particularly in the United Kingdom, could provide incremental support. In Asia, IPO trends are likely to diverge, with India and Southeast Asia benefiting from strong domestic growth, while China's market may experience a selective recovery amid ongoing regulatory adjustments.

Sector trends are expected to play a critical role in shaping IPO activity in 2026. Technology companies, especially those focused on artificial intelligence, cloud infrastructure, and cybersecurity, are widely expected to reemerge as key drivers of issuance. Healthcare and life sciences should remain resilient due to demographic tailwinds and continued innovation. Fintech listings may regain momentum as business models mature and regulatory clarity improves following recent market corrections.

Regulatory developments will remain central to IPO decision making. Enhanced disclosure requirements and expanding environmental, social, and governance reporting standards may increase compliance costs but are also expected to strengthen investor confidence. According to PwC, jurisdictions that successfully balance regulatory oversight with listing flexibility are likely to attract a larger share of global IPO activity.

In conclusion, the IPO outlook for 2026 points to a measured recovery rather than a rapid rebound. Companies with strong fundamentals, credible growth strategies, and transparent governance structures are expected to be best positioned to access public markets successfully.

(Sources: EY, Financial Times, Goldman Sachs Research, PwC, Reuters)



Natural gas prices and energy security

European natural gas prices increased in early 2026 as colder weather and declining storage levels tightened supply across the region. Dutch TTF benchmark prices climbed to around €38 per MWh, the highest since late 2025, while gas inventories in several EU member states, including Germany and France, fell below 70 % of capacity, below seasonal averages.

The rise reflects ongoing adjustments in the European gas market following the reduction of Russian pipeline imports. The EU continues to rely heavily on liquefied natural gas, with LNG shipments from the US, Qatar, and other sources offsetting some supply shortfalls. Data from Eurostat show that gas prices and storage levels vary significantly between member states, highlighting differences in national market conditions, taxation, and infrastructure.

These developments underscore the sensitivity of European gas markets to supply and demand factors. Natural gas remains a key component of the EU's energy system, supporting both households and industry, and keeping energy security a central concern for policymakers and consumers alike.

(Sources: Tagesschau, Eurostat)

Germany's Gold in the U.S.: Why the Debate Over Repatriation Is Resurfacing

Germany holds one of the world's largest national gold reserves, and a substantial share remains stored abroad, most prominently at the Federal Reserve Bank of New York. This arrangement is not new, but the public debate over whether Germany should bring its gold back to Frankfurt has returned with fresh intensity in early 2026, driven by a broader discussion about geopolitical risk and institutional trust.

Historically, keeping part of Germany's gold in New York and London served a practical purpose: these are major trading and financial centers where gold can be mobilized quickly in a crisis, for liquidity operations or currency transactions, and where holding reserves abroad also reduced single-location risk. The Bundesbank has long defended this diversification logic and has repeatedly stated that it regularly verifies its holdings and considers its custodians reliable.

The question is resurfacing now because critics argue the risk calculus has shifted. In recent reporting, German economists and taxpayer representatives have urged repatriation, pointing to heightened geopolitical uncertainty and concerns that political turbulence could, in an extreme scenario, complicate access to assets held abroad. This



is less about doubts over legal ownership and more about “tail risk” thinking, what happens in a low-probability but high-impact breakdown of cooperation.

Germany has already tested the mechanics of moving gold. After launching a repatriation program in 2013, the Bundesbank relocated significant quantities from New York and Paris back to Frankfurt and later reported that the transfers were completed as planned. That precedent both reassures supporters that repatriation is feasible and encourages them to ask why Germany should keep such a large share in New York today.

For investors, the debate matters mainly as a signal rather than a market-moving flow story. Even a decision to repatriate would typically be an inventory and custody shift, not a sale, so it would not mechanically increase supply. The more important takeaway is what this discussion reveals about the current environment: central banks and political actors are placing greater weight on resilience, access, and trust in cross-border financial arrangements, issues that can shape reserve policy and, over time, the tone of international economic cooperation.

(Sources: msn, The Guardian)

TikTok Ban Averted as Joint Venture Offers Compromise

A potential ban on TikTok in the U.S. appears to have been averted for now, as a proposed joint venture offers a compromise to address political and regulatory concerns. After months of intense debate, the arrangement aims to keep the popular short-video platform operational in the U.S. while giving authorities greater assurances over data security and governance.

At the heart of the controversy were concerns that TikTok’s Chinese parent company, ByteDance, could gain access to sensitive user data. Under the joint-venture proposal, data storage and processing would be handled entirely within the U.S. and overseen through enhanced compliance and monitoring structures. In addition, U.S. investors are expected to gain greater influence, a move intended to demonstrate increased transparency and operational independence.

For TikTok, the agreement represents an important step toward strategic stability. The U.S. market is one of the company’s most significant growth drivers, both in terms of user engagement and advertising revenue. An outright ban would have had far-reaching consequences, not only for TikTok itself but also for creators, advertisers, and small businesses that rely on the platform. The joint-venture model buys the company time to rebuild trust and reduce regulatory risk.



However, challenges remain. Critics argue that structural changes alone may not be sufficient to fully resolve broader geopolitical tensions between the U.S. and China. Other Western governments are closely watching developments and may consider similar measures. In the near term, though, the compromise signals a de-escalation and highlights an attempt to balance national security concerns with economic and technological interests.

Whether this solution proves durable will depend on consistent execution and future political developments. For now, the latest steps suggest that a full TikTok ban has been avoided, at least temporarily.

(Sources: Reuters; Financial Times; The Wall Street Journal; The New York Times)

M&A/VC News

Medical AI startup OpenEvidence doubles valuation to \$12 billion in latest round

Medical AI startup OpenEvidence has raised \$250 million in a fresh funding round, boosting its valuation to approximately \$12 billion in just three months. The Series D financing was co-led by Thrive Capital and DST Global, bringing the company's total funding to nearly \$700 million. OpenEvidence's AI tools, used by physicians in the U.S. to quickly search and synthesize clinical information, have seen rapid adoption, with the platform reportedly used in over 40 % of U.S. hospitals and medical centers. The valuation surge reflects growing investor enthusiasm for specialized AI applications in healthcare, where demonstrable clinical utility and revenue adoption increasingly drive capital deployment.

(Source: Reuters)

German AI startup Parloa triples valuation to \$3 billion in latest fundraise

Berlin-based AI customer service automation provider Parloa secured \$350 million in a Series D funding round that more than tripled its valuation to \$3 billion within a year. The financing was led by General Catalyst, with existing backers including EQT Ventures, Altimeter Capital and Durable Capital Partners also participating. Parloa's platform enables enterprises to automate tasks like package tracking and returns with minimal coding, and the company reports annual recurring revenue exceeding \$50



million. The latest capital will support expansion into the U.S. and European markets, including hiring and new office openings, underscoring robust demand for AI-driven customer experience solutions.

(Source: Reuters)

Indian AI startup Emergent raises \$70 million in Series B funding

Indian AI software startup Emergent has raised \$70 million in a Series B financing round led by SoftBank Vision Fund and Khosla Ventures, marking a notable return of SoftBank to Indian startup investing. Other participants included Lightspeed Venture Partners, Prosus, Together Fund and Y Combinator. Emergent, which has amassed more than 5 million users and reached \$50 million in annual recurring revenue within seven months of its launch, plans to use the funds to expand its research and engineering teams in San Francisco and Bengaluru. The company focuses on tools that democratize software creation, tapping into a trend where users build applications on top of AI-powered platforms.

(Source: Reuters)

Deutsche Börse to acquire Allfunds for about €5.35 billion

German exchange operator Deutsche Boerse has agreed to acquire Amsterdam-listed fund trading platform Allfunds in a transaction valued at approximately €5.35 billion (about \$6.25 billion). The deal will see Allfunds shareholders receive a mix of €6 in cash per share, a stake in Deutsche Boerse, and a dividend, representing a significant premium to prior trading levels. Deutsche Boerse expects to capture cost and capital expenditure synergies, strengthen its position in Europe's investment fund ecosystem, and expand its service offerings across fund distribution and custody. The transaction, which reflects continued consolidation in financial infrastructure and platform services, is expected to close in the first half of 2027, subject to regulatory approvals.

(Source: Reuters)

EQT to acquire Coller Capital in a \$3.2 billion deal

Swedish private equity firm EQT AB announced a definitive agreement to acquire British investment firm Coller Capital for a base consideration of \$3.2 billion, with contingent consideration of up to \$500 million payable in cash based on future performance metrics. The acquisition will be primarily financed through newly issued EQT ordinary shares, marking a strategic expansion for EQT into the secondary private equity market. Coller Capital is a leading participant in secondary stakes in private equity funds,



and the transaction underscores ongoing investor interest in scaling capabilities in the secondaries segment amid dynamic private capital market conditions. The deal broadens EQT's investment platform and positions the firm to capture growth in private equity's evolving landscape.

(Source: Reuters)

Zurich Insurance offers £7.67 billion for UK insurer Beazley

Zurich Insurance Group publicly announced a takeover bid valuing UK specialty insurer Beazley at £7.67 billion (about \$10.3 billion), offering 1,280 pence per share in cash and other consideration, a roughly 56 % premium to Beazley's share price before the bid was disclosed. The Swiss insurer's offer sent Beazley's stock sharply higher, reflecting investor optimism about consolidation in specialty insurance markets including cyber, marine, aviation and fine art coverage. Beazley had not immediately recommended the proposal at the time of reporting, and under UK takeover rules Zurich has until mid-February to make a firm offer or withdraw. The bid signals Zurich's strategy to deepen its specialty insurance footprint, even as negotiations on valuation remain unresolved.

(Source: Reuters)

Outlook

Earnings and key events

- 28.01.: FOMC Meeting, Microsoft, Meta Platforms, Tesla
- 29.01.: Apple, SAP
- 30.01.: Exxon Mobil
- 03.02.: US JOLTS Job Openings
- 04.02.: Euro Area HICP Flash, Alphabet
- 05.02.: Amazon
- 06.02.: US Employment Situation

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