

News Recap

Eurozone Inflation: A Subtle Rise, Strategic Pause

According to the latest data from Eurostat, inflation in the eurozone reached 2.2% in September 2025, up from 2.0% in August. This level is slightly above the European Central Bank's (ECB) target of around 2.0%.

The main reason for this small increase was higher services prices, which rose 3.2% from 3.1% in August, while energy costs declined by only 0.4%, compared with a 2.0% drop previously (-0.4% vs. -2.0% in August). These numbers show that inflationary pressure is still present, even if it is not very strong. Core inflation, which excludes food and energy, remained close to 2.5%, indicating that the eurozone is near the ECB's goal but not yet fully stable.

The rise in service prices was mainly driven by higher wages and strong demand in the tourism and hospitality sectors. Meanwhile, the slower decline in energy prices suggests that cheap energy is no longer helping inflation to fall as much as before.

From a policy perspective, this situation makes it more likely that the ECB will pause rate cuts for now. Some ECB officials, including Pierre Wunsch and Robert Holzmann, recently said the bank should not "overreact to small inflation changes." Financial markets interpreted this as a signal that interest rates may remain high for a while longer. Following the release of the new inflation data, European stock markets edged slightly lower.

Overall, inflation in the eurozone increased modestly but remains largely under control. However, the persistent rise in service prices and the slower drop in energy costs mean that returning precisely to the 2% target will take more time. *(Source: Eurostat, ECB, Reuters, LSEG Datastream)*

Gold Hits New All-Time High Amid Global Market Uncertainty

Gold has reached new record levels above 4,200 U.S. dollars per ounce and briefly surpassing the 4,300-dollar mark. The increase reflects sustained demand for the metal as investors seek stability amid U.S.-China trade tensions and expectations of further FED rate cuts.

Analysts attribute the rise to several factors, including strong inflows into gold-backed exchange-traded funds and continued central bank purchases aimed at diversifying

reserves away from the U.S. dollar. In Europe, gold prices have also set new records of more than 3,600 euros per ounce, while silver has followed a similar trend but remains slightly below its previous peak. According to market observers, the current price movement reflects investors' preference for safe assets during a period of economic uncertainty. Weaker equity markets, declining bond yields, and a softer U.S. dollar have further supported demand for precious metals.

Gold remains one of the best-performing assets of 2025, supported by monetary policy expectations and geopolitical risks. Whether the rally continues will depend largely on developments in trade relations, inflation trends, and central bank decisions in the coming months. *(Source: Handelsblatt, Reuters)*

Strong EV Sales Boost VW's Position in Europe

Volkswagen Group has reported a robust increase in its battery-electric vehicle (BEV) deliveries in Europe, underlining the company's accelerating shift towards electrification. In the first three quarters of 2025, the Group dispatched approximately 717,500 BEVs globally, an increase of about 42 % compared with the same period a year earlier. Within Europe, the growth rate was especially pronounced, rising by nearly 78 %. This strong performance helped Volkswagen secure a market share of around 27 % in the European BEV segment, positioning it as a clear leader in the region. The company's success has been supported by its modular electric platform strategy and a growing fleet of models aimed at both mainstream and premium buyers. Despite this encouraging trend, Volkswagen remains cautious about its headline global delivery growth: overall vehicle deliveries rose only modestly, and the company continues to face competitive pressures, particularly from lower-cost electric vehicle makers and shifting market dynamics in China. All in all, Volkswagen's strong uptake of fully electric vehicles in Europe signals that the company is gaining momentum in its transition away from internal combustion engines. For investors, the trend highlights Volkswagen's growing exposure to the EV market and its potential to benefit from the broader acceleration of electric-mobility adoption in Europe. *(Source: Handelsblatt, Spiegel)*

Nestlé announces 16,000 job cuts

Nestlé's new CEO, Philipp Navratil, has announced a far-reaching restructuring plan that will see the company cut 16,000 jobs worldwide over the next two years. The measure is part of an intensified cost-saving program aimed at reducing annual

expenses by 3 billion Swiss francs by the end of 2027, an increase of 500 million compared to previous targets.

According to Nestlé, around 12,000 of the positions will be eliminated in administrative functions across various regions, while approximately 4,000 roles in production and supply chain operations will also be affected. The reduction corresponds to nearly six percent of the company's total global workforce of 277,000 employees. Navratil described the move as a "difficult but necessary decision," emphasizing that the company must adapt more quickly to a changing world.

The cost-cutting effort is designed not only to improve efficiency but also to strengthen Nestlé's financial position. The company plans to reduce its debt load of roughly 60 billion Swiss francs through operational savings and potential divestments, including a possible partial sale of its mineral water business.

Navratil, who took over as CEO in September, acknowledged that parts of the company have underperformed in recent years. He committed to restoring growth and market share, noting that Nestlé must "move faster" to remain competitive. Chief Financial Officer Anna Manz added that the company had, in some cases, raised prices too aggressively, leading to a loss of consumer connection. Price adjustments are now being made to regain competitiveness in key segments.

The restructuring announcement coincided with stronger-than-expected financial results. Nestlé reported sales of 65.9 billion Swiss francs for the first nine months of 2025, representing organic growth of 3.3 percent and continued acceleration in the third quarter. The company confirmed its outlook for the year, expecting organic growth above last year's 2.2 percent and an adjusted operating margin exceeding 16 percent.

Following the announcement, Nestlé's share price rose sharply, reflecting investor confidence in the new leadership's decisive actions. Nevertheless, both management and analysts agree that significant work remains to bring the world's largest food company back on track and close the performance gap with key competitors. *(Source: Handelsblatt, Tagesschau)*

German Insolvencies Climb as Economic Pressures Mount

Germany faces a marked rise in insolvencies as companies and consumers struggle with higher costs and tighter financing conditions. Official data from the Federal Statistical Office show that 12 009 insolvency petitions were registered by local courts in the first six months of 2025, a rise of 12.2 percent compared with the same period last year.



For the full year 2024 the statistics office reported 21 812 company insolvency filings, about 22 percent more than in 2023. Independent research cited by international news agencies found that the final quarter of 2024 contained the highest number of company failures since the financial crisis of 2009 with 4 215 cases and nearly 38 000 jobs affected. Analysts attribute the increase to prolonged high interest rates, elevated input costs and the end of pandemic support measures.

Sectoral pressures are visible in manufacturing services and among medium-sized suppliers where demand weakness and financing stress are particularly acute. Local chambers and business associations warn that unless demand recovers and credit conditions ease more firms will face insolvency proceedings later this year. (Source: Reuters, VID, Statistisches Bundesamt)

Stellantis sets course for major U.S. expansion

Stellantis, the parent company of Opel, has announced the largest U.S. investment in its history, committing around 13 billion dollars over the next four years to expand production in the United States. The move underlines the strategic importance of the American market for the group, which includes core brands such as Jeep, Ram and Dodge. Central to the plan is the reopening of the Belvidere plant in Illinois, which was closed in 2023. The factory will be revived to produce Jeep models, with roughly 3,300 jobs tied to that location alone. In total, more than 5,000 new positions are expected to be created across several Midwestern states, including Illinois, Ohio, Michigan and Indiana.

The timing reflects the importance of the U.S. market, particularly in the profitable segments of SUVs, pickups and large vehicles. Stellantis hopes that a stronger domestic footprint will improve its competitiveness and margins while also reassuring stakeholders that the group is committed to long-term investment in the country. At the same time, the company is pursuing a dual-track approach by continuing to develop traditional combustion-engine vehicles alongside its electrification plans, acknowledging that the American market still has high demand for conventional powertrains.

This strategy is not without risks. Converting such a large investment into sustainable profitability requires careful execution, especially as the automotive industry faces rapid shifts in consumer demand, stricter environmental regulations and global supply-chain pressures. Still, Stellantis' bold commitment signals a recalibrated approach to North America. If successful, the investment could help the group regain manufacturing strength, reduce tariff exposure and secure a more resilient position in one of its most critical markets. (Source: Tagesschau)

M&A/VC News

ADNOC launches €14.7 billion bid for German chemical firm Covestro

Abu Dhabi's state-owned energy company ADNOC has made a €14.7 billion offer to acquire Covestro, one of Germany's leading chemical manufacturers. The proposed takeover is undergoing review by the European Commission, with ADNOC offering remedies to address antitrust concerns. If approved, the acquisition would significantly expand ADNOC's downstream operations and strengthen its position in global petrochemicals. The company described the deal as a strategic milestone aligned with its ambition to become one of the world's top five chemicals producers. *(Source: Reuters)*

Baker Hughes agrees to acquire Chart Industries for \$13.6 billion

Energy technology firm Baker Hughes has reached an agreement to acquire Chart Industries in an all-cash deal valued at \$13.6 billion. The offer of \$210 per share follows Chart's earlier merger talks with Flowserve and was approved by Chart's shareholders. The acquisition is expected to enhance Baker Hughes' exposure to LNG, industrial gas and data center markets. Executives said the deal broadens the company's portfolio across fast-growing energy and industrial segments. *(Source: Reuters)*

Reflection AI secures \$2 billion in fresh funding backed by Nvidia

Reflection AI has raised \$2 billion in new financing, boosting its valuation to \$8 billion. The company, founded by former DeepMind researchers, builds tools that use artificial intelligence to automate software development. Backers of the round included Nvidia, former Google CEO Eric Schmidt, Citi, and 1789 Capital, along with Lightspeed and Sequoia. The raise comes amid a sharp rebound in AI venture investment, with nearly half of global VC dollars in Q3 going to AI startups. *(Source: Reuters)*

Stoke Space raises \$510 million to scale reusable rocket development

Space technology company Stoke Space has raised \$510 million to accelerate the development of its fully reusable Nova rocket. The funding round was led by the U.S. Innovative Technology Fund and joined by investors such as Breakthrough Energy

Ventures, 776 Foundation, and General Innovation Capital. Analysts say investor appetite remains strong for bold projects in the space sector. Stoke also holds a U.S. Space Force contract to support medium lift launch capacity. *(Source: Reuters)*

Kalshi raises over \$300 million for regulated prediction market

Kalshi has raised more than \$300 million in a funding round led by Sequoia Capital and Andreessen Horowitz, bringing the event-trading platform's valuation to approximately \$5 billion. The platform allows users to trade contracts on real-world outcomes such as elections, sports, and economic events. The raise follows a regulatory breakthrough allowing Kalshi to operate under oversight from the U.S. Commodity Futures Trading Commission. Backers include Paradigm, Coinbase Ventures, and CapitalG. *(Source: Reuters)*

Outlook

Earnings and key events

- 21.10: Netflix, Coca-Cola, GE Aerospace, Texas Instruments
- 22.10.: Tesla, IBM, SAP
- 23.10.: Intel, Ford
- 24.10.: U.S. CPI Release, Procter & Gamble
- 28.20.: PayPal, HSBC
- 29.10.: Microsoft, Alphabet, Meta, Mercedes-Benz Group, BASF, Airbus SE, Boeing, Deutsche Bank
- 30.10.: ECB Meeting, Amazon, Apple, Volkswagen Group, Coinbase

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