

News Recap

German Export Rise

German exports improved in September 2025, though the overall trend remains subdued. According to Statistisches Bundesamt, calendar- and seasonally-adjusted goods exports rose by 1.4% compared with August, reaching approximately €131.1 billion. At the same time, imports climbed by 3.1% to about €115.9 billion, resulting in a trade surplus of roughly €15.3 billion for the month. On a year-on-year basis, exports increased by 2.0% and imports rose by 4.8 %, underscoring that import growth continues to outpace export gains.

Delving deeper into regional flows, exports to the EU registered a month-on-month increase of 2.5%, with shipments valued at around €74.3 billion. In contrast, exports to non-EU countries remained flat, while imports from these third-countries surged by 5.2%. Notably, exports to the U.S. jumped 11.9% month-on-month to about €12.2 billion, though they remained well below their level of a year earlier. Meanwhile, exports to China fell by 2.2% to approximately €6.7 billion.

The headline data offers a mixed picture: On the one hand, the uptick in exports suggests a modest recovery of Germany's external trade after a weaker phase. On the other hand, the stronger increase in imports and the reduction of the trade surplus from about €16.9 billion in August to €15.3 billion in September indicate that the export is losing momentum relative to the import side.

For Germany's export-oriented economy, the implications are significant. A modest rebound in foreign demand is welcome, but the fact that exports remain tepid and imports are rising faster signals that growth cannot rely solely on external markets. In a globally competitive environment with shifting supply chains, rising costs and geopolitical risk, the country may need to lean more heavily on domestic demand, innovation and cost competitiveness in order to sustain momentum heading into 2026. *(Sources: Tagesschau, Statistisches Bundesamt)*

Google to invest \$6.4 billion in infrastructure in Germany

Alphabet's Google recently announced a sweeping \$6.4 billion (€5.5 billion) investment into their infrastructure in Germany spanning from 2026 to 2029 which also

marks one of the company's largest commitments yet to the country. The objective is to expand the data centre capacity, artificial intelligence and cloud infrastructure.

The plans include building a new state-of-the-art data centre in Dietzenbach (Hesse) and significantly enlarge its existing facility in Hanau, which also expresses Google's further commitment to the metropolitan region of Frankfurt and the surrounding Rhine Main area. Beyond just data centres, the company is also strengthening its physical presence across Germany by also expanding its offices in Munich, Frankfurt and Berlin.

On the economic, social and political side, this major investment is expected to be a significant employment driver as the firm projects that up to 9.000 jobs will be supported through 2029. This move is seen as a future investment in innovation, climate-neutral transformation and digital sovereignty by German politicians. Another focus is sustainability; for example, the newly planned location in Dietzenbach is expected to support up to 2.000 local homes in the area with heat and warm water supply as the excess heat from the data centre is envisioned to be utilized in that way.

In sum, Google's \$6.4 billion plan is more than just a financial injection – it's a strategic bet on Germany as an important hub for technological data infrastructure and as a part of Europe's present and future digital and economic transformation. *(Sources: Reuters, Tagesschau, Die Zeit)*

BMW Secures Major Hydrogen Funding

BMW has secured €273 million in public funding to push forward its next generation of hydrogen-powered vehicles, marking one of the most substantial governmental commitments to fuel-cell mobility in Europe. Both the German federal government and the State of Bavaria are contributing to the project, which is officially classified under the EU's IPCEI program for strategically important hydrogen technologies. The funding will support BMW's HyPowerDrive initiative, an effort focused on developing a third-generation fuel-cell system that the company aims to bring to market later this decade.

BMW continues to position hydrogen as a complementary path alongside battery-electric mobility. The company stresses that relying on a single technology would be risky and that hydrogen offers advantages in long-distance travel, rapid refueling, and heavy-duty applications. The upcoming generation of BMW's SUV lineup is even expected to offer five different drivetrain types, illustrating how seriously the company takes its multi-technology strategy. Still, despite political enthusiasm and BMW's optimism, significant challenges remain. The network of hydrogen refueling stations

across Europe is still sparse, and fuel-cell vehicles remain costly to produce, raising doubts among analysts about whether hydrogen cars can move beyond niche use in the passenger market.

The funding package, however, sends a clear signal that Germany intends to keep hydrogen as part of its long-term mobility strategy. For BMW, it provides breathing room to refine the technology and prepare it for potential commercial rollout. For policy-makers, it demonstrates a commitment to sustaining industrial competitiveness and safeguarding thousands of jobs connected to future drivetrain systems. Whether consumers ultimately embrace hydrogen SUVs on a large scale remains uncertain, but with this level of government backing and BMW's engineering resources behind it, hydrogen mobility has taken a meaningful step forward. *(Source: Tagesschau)*

Telekom and NVIDIA Team Up on Industrial AI Cloud in Germany

Deutsche Telekom and NVIDIA have announced a major partnership to build one of Europe's most advanced artificial-intelligence data-centres, to be based near Munich. The companies say the "Industrial AI Cloud" will go live in the first quarter of 2026 and will strengthen Germany's digital infrastructure and data-sovereignty by combining Telekom's telecommunications network and data-centre capabilities with NVIDIA's AI hardware and software platforms.

With an investment reported at around one billion euros, the project is described as an "AI factory"-style initiative that will give companies and public institutions access to large-scale computing power and AI services from within Germany. The facility is expected to increase Germany's available AI computing capacity by about 50 percent. From a market perspective, this collaboration marks a strong strategic move for both companies. For Telekom, it expands beyond traditional telecoms into the high-growth area of industrial AI services. For NVIDIA, the partnership reinforces its role as a key player in the European technology and AI infrastructure ecosystem. The challenge ahead remains to deliver the project on time and ensure that regulatory, energy-supply and business-model implications are managed effectively. *(Sources: Telekom, Handelsblatt)*

Crisis in Germany's Chemical Industry: A Turning Point

Germany's chemical sector, once a bedrock of its industrial strength, is now facing a deep and structural crisis. According to a recent survey by the ifo Institute for Economic Research, the business climate index dropped to -19.4 points from -12.0 in September, while expectations fell sharply to -13.3. The order backlog index sank to -68.9 points,

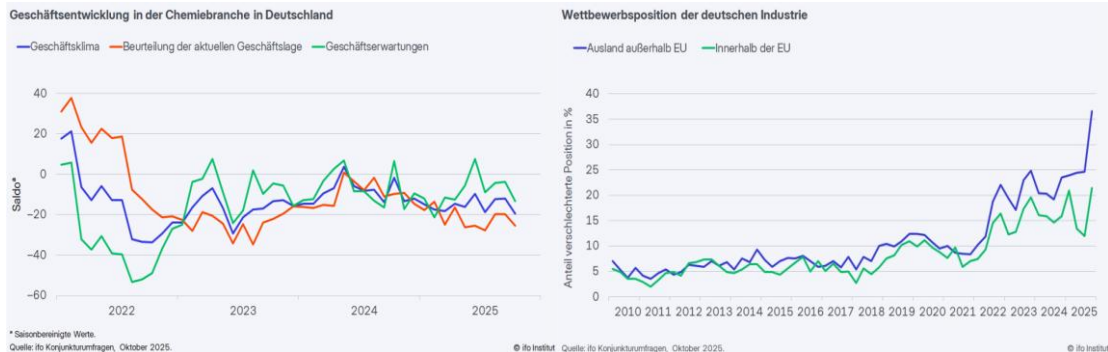
its lowest level in more than 30 years, and capacity utilization dropped to just 71%, well below the ten-year average of 81%. This decline is taking place against the backdrop of a broader stagnation in private investment across the German economy, a key component of long-term growth that has been weakening for several years.

The causes are manifold. German chemical firms are under increasing competitive pressure from abroad, forcing many to cut prices. High production costs (especially energy), bureaucratic burdens and weak demand are further squeezing margins. As a result, many companies are scaling back investments and laying off staff. As ifo president Clemens Fuest recently noted, the persistent fall in private investment signals weakening growth forces in the German economy and reflects an environment in which companies lack the confidence to expand capacity.

The German Chemical Industry Association (VCI) emphasizes that the situation is no longer just cyclical. In recent reports, the association highlights persistent underutilization of capacity and declining production, sales and prices. The first half of 2025 showed continued contraction in the chemical segment with companies increasingly postponing any hopes of recovery. Rising government consumption in recent years has not been able to offset these trends, as debt-financed public spending can provide only temporary relief but cannot replace private capital formation in such a capital-intensive industry.

The crisis mirrors broader European trends. According to S&P Global, Europe's chemical industry remains stuck in one of its most severe downturns, burdened by overcapacity, high costs and declining prices. Some firms are relocating production abroad or permanently shutting down plants.

This situation underscores the need for a broad growth agenda supported by structural reforms. Germany will likely require policies that stimulate innovation (both in start-ups and established firms), reduce bureaucratic hurdles, and ease social security burdens on labor to make employment more attractive and cost-effective. Such reforms are essential not only for the chemical industry but for restoring Germany's overall economic dynamism after years of stagnation.



(Sources: Ifo Institute for Economic Research, Verband der Chemischen Industrie, S&P Global Commodity Insights and Reuters)

Rare Earth Price Surge Increases Pressure on the German Automotive Industry

The recent and pronounced surge in prices for several key rare-earth elements, fundamental inputs for high-performance magnets and electric drivetrains, is intensifying the competitive and financial pressure on Germany's automotive industry at a critical phase of its transition toward e-mobility. These materials, heavily sourced and processed in China, form a strategic bottleneck for manufacturers, exposing how dependent Europe's largest industrial sector still is on concentrated global supply chains that are increasingly shaped by geopolitical tension.

As costs rise sharply, margins across OEMs and suppliers come under renewed strain, forcing industry to choose between absorbing the financial hit, passing it on to consumers, or accelerating costly shifts toward alternative motor technologies that minimize or eliminate rare-earth usage.

Beyond the immediate impact on production economics, the price escalation amplifies long-standing concerns about supply resilience, prompting firms to explore diversified procurement channels, invest in recycling capabilities, and consider deeper vertical integration to mitigate long-term risks.

For investors, this development signals both a near-term earnings headwind and a structural challenge that could reshape competitive dynamics, innovation priorities, and capital allocation strategies across the European automotive landscape in the years ahead. (Source: Tagesschau)

M&A/VC News

Dayforce investors back \$12.3 bln Thoma Bravo take-private deal

Stockholders of HR software provider Dayforce approved a \$12.3 billion acquisition by private equity firm Thoma Bravo after 88.4% of votes came in favor. The endorsement comes a month after Dayforce's largest shareholder, T. Rowe Price, initially opposed the deal as "underwhelming," but the buyout ultimately overcame that resistance. Thoma Bravo had agreed in August to buy Dayforce for \$70 per share in cash, betting on the company's resilient subscription-based revenue amid a choppy economic climate. The transaction is expected to close by early 2026, taking Dayforce private as Thoma Bravo integrates it into its software portfolio. *(Source: Reuters)*

Merck to buy Cidara for \$9.2 bln, bolstering pipeline with flu drug

Merck & Co. agreed to acquire Cidara Therapeutics for nearly \$9.2 billion in cash, securing an experimental long-acting influenza prevention drug as it girds for the loss of patent protection on its Keytruda cancer therapy. Merck will pay \$221.50 per share, a 109% premium that caused Cidara's stock price to double on the news. The deal is part of Merck's strategy to broaden its pipeline ahead of Keytruda's expiration, following other big-ticket buys like its \$11.5 billion Acceleron purchase. Cidara's lead drug, a single-dose "universal" flu preventative, could help Merck diversify into respiratory antivirals and drive growth through the next decade. *(Source: Reuters)*

Chaos Industries lands \$510 mln amid boom in defense tech funding

Counter-drone radar startup Chaos Industries raised \$510 million in a Series D round led by Valor Equity Partners, valuing the Los Angeles-based firm at \$4.5 billion. The funding - which closed last month but was disclosed by CEO John Tenet in November - will be used to ramp up production and hiring as Chaos scales its long-range radars that can detect small drones from hundreds of kilometers away. Venture investment in defense technology has surged to nearly \$30 billion this year amid wars and geopolitical tensions, giving rise to new military tech unicorns. Chaos, founded in 2022 with backing from notable figures like former CIA director George Tenet, has now raised about \$1 billion in total and is positioning itself as a key player in next-generation defense systems. *(Source: Reuters)*

Clio raises \$500 mln, acquires vLex in bid to build AI-first legal platform

Legal software provider Clio secured a \$500 million funding round that values the Canadian company at roughly \$5 billion. Announced alongside the financing, Clio also completed a \$1 billion acquisition of legal research firm vLex, moves aimed at transforming Clio into an “AI-first company” in the legal tech sector. Clio, based in Vancouver, offers cloud-based practice management and client engagement tools for law firms. The new capital - one of the largest raises in the legal technology space - will help Clio integrate vLex’s artificial intelligence capabilities and expand its platform at a time when AI investment is flooding into the legal industry. *(Source: Reuters)*

Cursor raises \$2.3 bln in Coatue-led round, valuation soars to \$29 bln

San Francisco-based AI startup Cursor secured \$2.3 billion in a Series D funding round led by hedge fund Coatue Management and venture firm Accel. The massive infusion - which nearly tripled Cursor’s valuation to \$29.3 billion in just five months - drew new strategic investors including Nvidia and Google’s parent Alphabet. Cursor, which develops code-generating AI tools to automate software development, said it has surpassed \$1 billion in annualized revenue after a 100-fold surge this year. The raise underscores frenzied investor appetite for generative AI startups, even as some warn valuations may be outpacing fundamentals. *(Source: Reuters)*

Outlook

Earnings and key events

- 17.11.: Xpeng
- 18.11.: Baidu, Xiaomi
- 19.11.: Eurozone HICP, Nvidia
- 20.11.: Walmart
- 25.11.: Alibaba, Autodesk, Dell, NIO
- 28.11.: Germany HICP Flash

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