

News Recap

US labor market weakens further

The US labor market report is one of the most important economic indicators, as it provides key insights into the state of the economy and directly shapes the Federal Reserve's monetary policy. The latest US labor market report for August paints a bleak picture. Only 22,000 new jobs outside agriculture were created, far below the expected 75,000. While July's figure was revised slightly upward to 79,000 from 73,000, June's data saw another sharp correction. Instead of a gain, the month registered a loss of 13,000 jobs. Overall, revisions for June and July show 21,000 fewer jobs than previously reported.

The unemployment rate rose to 4.3% in August, up from 4.2% in July, yet still within the range considered full employment by the Federal Reserve. Analysts and market participants interpret the weak data as a clear sign of economic slowdown, reinforcing expectations that the Fed will lower interest rates at its next meeting on September 17. According to market observers, even a larger rate cut of 50 basis points is now being discussed.

The report comes at a politically charged moment. President Donald Trump dismissed the head of the Bureau of Labor Statistics, Erika McEntarfer, after repeated downward revisions of job numbers for previous months. He accused the agency of political bias, though without providing evidence. Her interim successor is William Wiatrowski, while Trump has nominated economist E.J. Antoni as a permanent replacement. Economists warn that frequent revisions reflect not manipulation but the survey-based methodology of the BLS, which relies on employer responses often arriving after initial publication. Nonetheless, concerns are growing over the reliability and independence of US labor market statistics amid political pressure.

At the close of last week, financial markets reacted positively, as investors bet that the Fed will resume a more expansionary monetary policy. With job creation slowing to a crawl, the pressure on Fed Chair Jerome Powell to act has intensified.

(Source: Handelsblatt)

Klarna plans Wall Street IPO next week

The Swedish payment service Klarna is preparing to go public in New York, with trading on Wall Street expected to begin next Wednesday under the ticker "KLAR". The

company filed details of its initial public offering with the United States Securities and Exchange Commission earlier this week. Klarna aims to raise up to 1.27 billion dollars, largely through the sale of shares held by existing investors including Sequoia, Atomico, Redalpine, Northzone and SoftBank from Japan.

The plan foresees the placement of 34.3 million shares at a price between 35 and 37 dollars each. At the top of this range, Klarna would reach a valuation of around 14 billion dollars. Final pricing information is expected on Tuesday.

Klarna had originally filed for an IPO in March, but postponed the process when trade tensions under United States President Donald Trump unsettled financial markets. Known primarily for its “buy now, pay later” service, the company has expanded to million users worldwide and now describes itself as a global digital bank. It is also entering the telecommunications sector with mobile contracts in the United States, the United Kingdom and Germany, further broadening its neobank offering.

The firm was once Europe’s most valuable private startup, peaking at nearly 46 billion dollars during the pandemic before its valuation fell sharply to about 7 billion dollars when interest rates rose and technology shares slumped. A successful IPO under current conditions would represent a strong recovery, though Klarna still remains far behind listed competitors such as Affirm and PayPal in terms of market value.

(Source: Handelsblatt)

Porsche AG drops out of DAX after index adjustment

Almost three years ago, Porsche celebrated one of the biggest IPOs in German history and quickly entered the DAX. Now the Stuttgart-based sports car maker is heading back out. As of September 22, it will drop into the MDAX, alongside Sartorius, while Scout24 and GEA move up. CEO Oliver Blume insisted that the move was largely the result of index rules, not a decline in substance. “The DAX is losing one of Germany’s most valuable companies,” he said. “With our iconic products and clear strategy, our ambition is to return as soon as possible.”

Behind the technical explanation, however, lies a tougher reality. Porsche shares have lost more than half their value since their peak, sliding from nearly €120 down to about €45. Profitability has shrunk, and the company is struggling with weak sales in China, tariffs in the US, and disappointing demand for electric models. Management has launched cost-cutting measures, announced job reductions, and shut down its Cell-force battery project. Blume defended the course of action: “The substance of Porsche

is strong, and the potential is still there. We think long-term, and that is the foundation for future success.”

For investors, the DAX exit means more than a symbolic loss of prestige. Funds that track the index will have to sell Porsche shares, creating additional downward pressure on the stock. Short-term declines are therefore likely, though some investors may see lower prices as an opportunity to buy. “I am sure the market will continue to recognize the value of our stock,” said Blume, expressing confidence despite recent turbulence. The broader picture is striking. A decade ago, automakers represented more than 15 percent of the DAX. Today their weight has shrunk to below five, while technology, infrastructure, and defense companies gain ground. Porsche’s relegation is not just about one company, but part of a structural shift in the German economy. History shows that a fall from the DAX is not necessarily permanent, and companies such as Commerzbank have returned after setbacks. Whether Porsche can follow that path will depend on how convincingly it addresses its challenges, rebuilds growth, and restores investor confidence. For now, one of Germany’s best-known brands is facing a difficult stretch, with its forced step down serving as a reminder of how much the balance of power in the country’s leading stock index has already changed.

(Source: tagesschau, FAZ)

EU fines Google \$3.5 billion for ad-tech violations

The European Union has issued a fine of €2.95 billion (approximately \$3.5 billion) against Google, marking its fourth antitrust penalty in the past decade. The European Commission concluded that Google abused its dominant position in the digital advertising technology sector, particularly by favoring its own AdX (ad exchange) and DFP (DoubleClick for Publishers) platforms, disadvantaging competitors and harming advertisers and publishers.

As part of the ruling, Google must end its “self-preferencing” practices and address conflicts of interest within 60 days, or face more severe measures, potentially including partial divestiture of its ad-tech operations.

In response, Google announced it will appeal, calling the ruling “unjustified” and warning that the required changes could negatively impact thousands of European businesses.

The decision drew immediate criticism from US President Donald Trump, who denounced the fine as “very unfair” and accused the EU of discrimination against

American tech firms. He also threatened retaliatory actions, including trade tariffs and investigations. (Source: tagesschau)

M&A/VC News

TELUS Corporation consolidates digital operations with \$2.9 billion acquisition

In a strategic move to strengthen its digital capabilities, TELUS Corporation announced on September 2, 2025, its agreement to acquire TELUS International (Cda) Inc., also known as TELUS Digital, in a deal valued at \$2.9 billion. This acquisition represents a significant consolidation within the TELUS ecosystem, bringing the company's customer experience and digital solutions subsidiary fully under the parent company's umbrella. The transaction is expected to enhance TELUS's ability to deliver integrated digital transformation services to enterprise clients while streamlining operations and achieving cost synergies across the combined organization. (Source: Reuters)

Aviation industry sees major consolidation as Air Lease Corporation faces \$3.5 billion buyout

Air Lease Corporation entered into a transformative merger agreement on September 2, 2025, to be acquired by a consortium led by Sumitomo Corporation, SMBC Aviation Capital Limited, and Apollo Funds for approximately \$3.5 billion. This landmark transaction in the aviation leasing sector reflects the growing consolidation trend as major financial players seek to capitalize on the recovering aircraft leasing market. The deal combines Sumitomo's industrial expertise, SMBC's aviation finance capabilities, and Apollo's private equity resources to create a formidable force in the global aircraft leasing industry, positioning the combined entity to better serve airlines' fleet modernization needs in the post-pandemic recovery phase. (Source: Reuters)

Insurance sector consolidation continues with Sompo's \$3.5 billion Aspen acquisition

Sompo Holdings announced on August 27, 2025, its agreement to acquire Aspen Insurance Holdings Limited in an all-cash transaction valued at \$3.5 billion. This strategic

acquisition significantly expands Sompo's global footprint in the specialty insurance and reinsurance markets, particularly strengthening its presence in Bermuda and London. The deal reflects the ongoing consolidation trend in the insurance industry as companies seek scale to navigate challenging market conditions, including increased catastrophe losses and evolving risk landscapes driven by climate change and cyber threats. *(Source: Reuters)*

Predoc secures \$30 million to revolutionize healthcare data management

New York-based healthtech startup Predoc raised \$30 million in Series A funding on September 2, 2025, led by Base10 Partners with participation from Northzone, ENIAC Ventures, and ERA Ventures. The company's AI-native platform is transforming healthcare data workflows by automating health information management and reducing record retrieval times by up to 75%. With an impressive 700% year-over-year revenue growth, Predoc serves clinical and research clients including The Oncology Institute by converting fragmented patient records, including legacy formats like faxes, into streamlined digital workflows. The funding will accelerate expansion across oncology groups, research networks, and virtual care providers as the healthcare industry continues its digital transformation journey. *(Source: Reuters)*

CHARM Therapeutics raises \$80 million to advance AI-powered cancer drug development

UK-based precision oncology biotech CHARM Therapeutics closed an oversubscribed \$80 million Series B round on September 2, 2025, co-led by NEA and SR One, with participation from OrbiMed, F-Prime Capital, Khosla Ventures, and NVIDIA. The company is leveraging its proprietary DragonFold AI platform to develop next-generation cancer treatments, specifically advancing a menin inhibitor for acute myeloid leukemia (AML) into clinical trials. What sets CHARM apart is its AI-designed drug candidate that remains effective against all known resistance mutations, showing robust tumor regression in preclinical models with favorable safety profiles. With total funding now exceeding \$150 million, CHARM represents the growing convergence of artificial intelligence and drug discovery in the fight against cancer. *(Source: Reuters)*

Leo AI attracts \$9.7 million to build the future of mechanical engineering

Massachusetts-based Leo AI secured \$9.7 million in seed funding on September 2, 2025, led by Flint Capital with participation from an Andreessen Horowitz scout, Tech Aviv, Two Lanterns VC, and Google VP Yossi Matias. The startup is developing an AI-powered "copilot" specifically designed for mechanical engineers, featuring a Large Mechanical Model (LMM) trained on technical literature, sketches, and engineering materials. Engineers can interact with the platform through text prompts, sketches, or 3D designs to search for specific parts or visualize complex engineering concepts, dramatically reducing time spent on repetitive tasks like component lookup. With major corporations including Scania, HP, and Siemens already among its clients, Leo AI is positioned to transform how mechanical engineering work gets done in an increasingly digital world. *(Source: Reuters)*

Outlook

Earnings and key events

- 09.09.: Oracle
- 11.09.: Adobe, Kroger
- 18.09.: FedEx

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