AACHEN INVESTMENT CLUB

Newsletter CW 09/10

News Recap

Oil Prices Rise as Supply Risks Increase

Oil prices have climbed to their highest level in more than two years amid rising concerns about disruptions to global energy supply. Brent crude increased by more than 9 % and briefly exceeded $93 per barrel, while analysts warn that prices could rise further if supply constraints persist.

The increase is largely driven by uncertainty around oil and gas production in the Gulf region, which plays a critical role in global energy markets and shipping routes. Qatar's energy minister Saad al-Kaabi indicated that prolonged disruptions could force several Gulf exporters to reduce or temporarily halt production. If the conflict continues, some analysts estimate that oil prices could approach $150 per barrel.

Higher oil prices tend to affect the broader economy through multiple channels. They directly increase fuel costs for transportation and raise production costs for firms that rely heavily on energy. Over time, this can feed into higher prices for goods and services, potentially putting upward pressure on inflation.

Consumers are already beginning to feel the effects. In the UK, petrol and diesel prices have risen noticeably in recent days, reflecting the increase in crude oil prices. Energy costs for households could also rise in the coming months if wholesale prices remain elevated.

A key concern for markets is the Strait of Hormuz, a major shipping route through which roughly 20 % of the world's oil supply normally passes. Any disruption to traffic through this corridor can significantly affect global supply and lead to higher price volatility in energy markets.

Economists note that the overall economic impact will depend largely on the duration of the disruption. A short-term supply shock would likely cause only temporary price increases, while a prolonged reduction in energy exports could slow global economic growth by raising energy costs for businesses and households.

(Source: BBC)

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Germany's Bundesbank Central Bank Records €8.6 Billion Loss in 2025 as Financial Burdens Ease

Germany's Bundesbank remained in the red in 2025, reporting a loss of €8.6 billion. While still significant, this marks a clear improvement from the €19.8 billion loss recorded in 2024, meaning the annual deficit has more than halved. The result suggests that the financial pressure created by the euro area's recent monetary-policy cycle is beginning to ease.

The main reason remains the same as in previous years: the Bundesbank is still holding large portfolios of low-yielding bonds acquired during the period of ultra-loose monetary policy, while it has had to pay much higher interest on commercial bank deposits following the ECB's rate hikes. In 2025, however, this burden became less severe as average policy rates were lower than in 2024 and parts of the bond portfolio continued to mature.

This improvement is visible in the figures. Net interest income, while still negative, improved substantially from -€13.1 billion in 2024 to -€4.2 billion in 2025. The negative result from the pooling of monetary income also declined. Even so, the Bundesbank has now accumulated losses of €27.8 billion in total. President Joachim Nagel nevertheless emphasized that the central bank's balance sheet remains sound and that no external support is needed.

For Germany's federal budget, the implication is unchanged: there will again be no profit distribution from the Bundesbank. More broadly, the result shows that the financial side effects of the ECB's past asset-purchase programmes are still being felt. At the same time, the trend is now moving in a more favorable direction, with losses shrinking rather than widening.

(Sources: Bundesbank, Reuters)

China Orders Export Halt for Diesel and Petrol

China has instructed several state-owned oil refiners to suspend exports of refined petroleum products, including diesel and gasoline, prioritizing domestic supply as authorities seek to stabilize fuel availability in the world's second-largest energy market. The directive reportedly applies to major refining groups such as Sinopec and PetroChina, which together account for a significant share of China's refining capacity. China is typically one of Asia's largest exporters of refined products, supplying diesel and gasoline to markets across Southeast Asia and the Pacific region. A temporary halt in

exports could therefore tighten regional fuel balances, particularly in markets that rely on Chinese supply during periods of elevated demand.

The decision comes as domestic fuel consumption shows signs of strengthening following a period of weaker industrial activity. Seasonal transportation demand and policy efforts to ensure stable energy availability are also likely factors. Chinese authorities closely manage exports of refined products through a quota system, and adjustments to these quotas can quickly reshape regional trade flows. Analysts note that the suspension may signal that current export quotas have been largely exhausted or that regulators are deliberately limiting additional allocations.

For regional markets, reduced Chinese exports could place upward pressure on Asian diesel and gasoline prices, particularly if inventories remain tight. Refining hubs such as Singapore, South Korea, and India may see increased demand for their output to compensate for the missing supply. Diesel markets are especially sensitive to such shifts because of strong demand from transportation and industrial sectors.

From a policy perspective, the move underscores Beijing's focus on energy security and domestic price stability. By directing refiners to prioritize the domestic market, authorities aim to reduce the risk of supply shortages and limit volatility in fuel prices. While the suspension may prove temporary, it highlights how regulatory decisions by large energy producers can quickly influence regional fuel markets and trading dynamics.

(Sources: Bloomberg, Financial Times, Reuters, S&P Global Commodity Insights)

Japan, France, Canada work on alternatives to US-led trade bloc for rare earth supplies

Canada, France and Japan are reassessing how best to secure supplies of rare earths, signaling a potential divergence from a U.S.-led initiative designed to coordinate Western supply chains.

Officials from the three G7 economies have begun exploring alternative policy frameworks aimed at reducing reliance on China, which holds a strong grip over the market, as China accounts for roughly 60-70 % of global rare earth mining output and more than 90 % of processing capacity. Options under discussion include import quotas on certain minerals, targeted subsidies for mining projects, and the creation of a coordinated purchasing alliance among allied countries.

The debate follows Washington's proposal for a preferential trade bloc covering critical minerals. Announced earlier this year by U.S. Vice President JD Vance, the initiative

seeks to align allied economies around common pricing mechanisms and supply agreements to counter China's market power.
However, some partners appear reluctant to anchor their strategies exclusively within a U.S.-centered framework. Canadian officials have instead promoted the concept of a buyers' club, in which participating countries would pool demand and provide long-term purchasing commitments to support mining and processing projects outside China. Proponents argue that such arrangements could provide greater market certainty for investors while avoiding rigid trade structures.
Japan and France are also examining additional instruments to diversify supply chains. These include incentives for domestic industries to invest in overseas mining ventures and regulatory measures requiring greater sourcing diversification for strategic materials.
Meanwhile, Canada is intensifying international cooperation in the sector. To date Ottawa has concluded 30 agreements with twelve countries, covering mining and technology investments totaling approximately C$12.6 billion (about US$9.2 billion).
(Sources: Handelsblatt, Reuters)

OpenAI and Oracle Cancel Expansion of Texas AI Data Center

OpenAI and Oracle have cancelled plans to expand a large artificial intelligence data center in Abilene, Texas. According to Bloomberg, the companies failed to reach an agreement on financing and on OpenAI's changing infrastructure requirements. The expansion was part of the Stargate project, a major initiative involving OpenAI, Oracle, and SoftBank that aims to build AI infrastructure worth up to 500 billion US dollars.
The Abilene campus was expected to increase its computing capacity from 1.2 gigawatts to 2 gigawatts. Negotiations between OpenAI, Oracle, and the local data center operator Crusoe had been ongoing since mid-2025. However, the talks ended without a deal after OpenAI repeatedly revised its technical requirements and the parties could not agree on a financing model. Tensions between Oracle and Crusoe reportedly also increased after reliability problems at existing facilities during a winter storm in Texas.
Despite the cancelled expansion, both companies said their broader partnership remains unchanged. Oracle is still expected to build around 4.5 gigawatts of data center capacity for OpenAI under an agreement reached in 2025. Meanwhile, the available site in Abilene has reportedly attracted interest from Meta, which is exploring the possibility of leasing the space to support its growing AI infrastructure.
(Sources: ComputerBase, finanzen.net)

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M&A/VC News

Zurich Insurance to acquire Beazley in $11 billion specialty insurance expansion

Swiss insurer Zurich Insurance Group has agreed to acquire UK-based specialty insurer Beazley in a deal valued at about $11 billion, strengthening its position in high-margin specialty insurance markets. Under the agreement, Beazley shareholders will receive 1,310 pence per share in cash plus a 25 pence dividend, valuing the company at roughly £8.1 billion. Zurich said the acquisition will significantly expand its presence in areas such as cyber, marine, aviation and fine-art insurance while enhancing underwriting expertise and global distribution. The combined business is expected to generate about $15 billion in pro forma gross written premiums, potentially accelerating consolidation across the specialty insurance sector.
(Source: Reuters)

Rosebank Industries to buy two U.S. industrial firms in $3.05 billion expansion

UK-listed investment firm Rosebank Industries has agreed to acquire two U.S. industrial businesses, MW Components and CPM, in a transaction valued at about $3.05 billion. The deal marks a significant push by Rosebank to expand its footprint in the American manufacturing sector and deepen its exposure to specialized industrial supply chains. MW Components produces precision metal parts used across aerospace, medical and industrial applications, while CPM manufactures process equipment for food, energy and other heavy industries. Executives said the acquisitions align with Rosebank's strategy of acquiring established businesses with strong engineering capabilities and improving operational performance before pursuing long-term growth opportunities.
(Source: Reuters)

AI concerns cool private equity appetite for data-company acquisitions

Private equity firms are showing greater caution toward acquisitions of data-analytics companies as rapid advances in artificial intelligence reshape the sector's competitive landscape. Industry advisers told Reuters that while demand for high-quality data assets remains strong, investors are increasingly scrutinizing whether traditional data

providers can maintain pricing power as generative AI tools become capable of synthesizing or replicating certain datasets. The shift has led to more selective dealmaking and more complex valuation discussions in ongoing transactions. Buyers are focusing on companies with proprietary data, long-term contracts and defensible market niches, aiming to ensure that their assets remain valuable as AI-driven technologies continue to evolve.
(Source: Reuters)

Telura Raises €4 Million Pre-Seed to Unlock Next-Generation Geothermal Energy

In a development highlighting the growing interest in climate infrastructure, German startup Telura emerged from stealth with a €4 million pre-seed round this week. The company is developing a novel geothermal drilling technology based on electric impulse drilling, which aims to dramatically reduce the cost and complexity of accessing deep geothermal energy. Unlike conventional drilling methods that rely on mechanical drilling heads, Telura's approach fractures rock through high-energy electrical pulses. This allows access to deeper geothermal reservoirs that were previously economically unfeasible.
The funding will allow Telura to accelerate prototype development and conduct initial field trials. With Europe urgently seeking reliable baseload renewable energy sources, geothermal technologies like Telura's are increasingly attracting venture capital interest.
(Source: EU-Startups)

Tytan Technologies Secures €30 Million Series A to Scale Defence Drone Production

Munich-based defence tech startup Tytan Technologies closed a €30 million Series A round as European investors increasingly focus on dual-use technologies. The round was backed by prominent investors including Lakestar, Visionaries Club, and the NATO Innovation Fund.
Tytan develops interceptor drones designed to protect critical infrastructure and military assets from aerial threats. The fresh capital will be used to scale manufacturing capabilities in Germany and allied markets while accelerating the development of next-generation autonomous defence systems.

The investment reflects a broader trend in European venture capital: defence and security technologies are becoming one of the fastest-growing deep-tech sectors due to geopolitical tensions and rising defence budgets.
(Source: vestbee)

Axelera AI Raises $250 Million to Strengthen Europe's AI Chip Ecosystem

European AI chip startup Axelera AI secured an additional $250 million in funding, marking one of the largest recent investments in a European semiconductor startup. The Eindhoven based company develops highly energy-efficient inference chips designed for industrial artificial intelligence applications.
The funding round was led by Innovation Industries and included participation from major investors such as BlackRock. Axelera plans to use the capital to scale production of its upcoming "Europa" AI chip and further expand its software ecosystem that simplifies AI deployment for enterprise customers.
With Europe seeking greater technological sovereignty in semiconductors and AI infrastructure, the investment signals strong investor confidence in locally developed AI hardware platforms.
(Source: Reuters)

Outlook

Earnings and key events

- 10.03.: Oracle, Volkswagen Group
- 11.03.: US Consumer Price Index, Henkel, Porsche AG, Rheinmetall
- 12.03.: ECB Monetary Policy Meeting, US Producer Price Index, Adobe, BMW, RWE
- 17.03.: FOMC Meeting, Tencent
- 18.03.: Nike
- 19.03.: Micron Technology, FedEx
- 20.03.: Euro Area HICP Inflation

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