

# AIC

AACHEN INVESTMENT CLUB

## Newsletter CW 05/06

### News Recap

#### ECB Holds at 2% as Germany Re-accelerates and Eurozone Inflation Hits a Multi-Year Low

The inflation picture in Europe is increasingly mixed. On the one hand, the European Central Bank has opted for policy continuity, leaving its key interest rates unchanged. On the other hand, Germany's inflation rate has ticked up again, while the euro area as a whole is seeing renewed disinflation, with measures of underlying inflation easing to levels last seen in 2021.

At its 5 February 2026 meeting, the ECB kept its three key rates unchanged, with the deposit facility rate remaining at 2.00%, while the main refinancing operations rate stands at 2.15% and the marginal lending facility at 2.40%. The ECB reaffirmed a data-dependent approach, signaling that it wants further confirmation on the inflation path before considering the next policy move.

Germany, however, is currently moving somewhat against the broader euro area trend. Preliminary estimates suggest that Germany's consumer price inflation is expected to reach 2.1% year-on-year in January 2026, with prices rising 0.1% month-on-month compared to December 2025. Core inflation, excluding food and energy, is estimated at 2.5%, indicating firmer underlying price dynamics than the headline figure suggests.

In contrast, inflation across the euro area is moderating again. Annual inflation is estimated at 1.7% in January 2026, down from 2.0% in December 2025. Services remain the strongest contributor, with prices increasing by 3.2% year-on-year, while energy prices are exerting downward pressure, declining by 4.1%. Core inflation is also softening to approximately 2.2%, the lowest level since late 2021.

Taken together, the data explain the ECB's cautious stance. Germany's renewed uptick argues against declaring victory over inflation prematurely, while softer aggregate inflation and easing core pressures support a wait-and-see approach. For markets and corporates, the key signal is continuity: the ECB appears to be waiting for broader confirmation that inflation will stabilize around target across the currency union, including in persistent components such as services.

*(Sources: Destatis, Deutsche Bundesbank, European Central Bank, Eurostat, Reuters, Tagesschau)*

## Bitcoin crash wipes out post-Trump rally gains

The cryptocurrency market has suffered a sharp sell-off, with Bitcoin falling below 60,000 US dollars and erasing all gains made since the re-election of U.S. President Donald Trump. The decline marks the steepest weekly drop since 2022 and has reignited concerns about a broader loss of confidence in digital assets.

According to market observers, the sell-off reflects a broader retreat from riskier investments. While analysts do not yet describe the situation as a sudden crash, they warn of a gradual but persistent decline in valuations and risk appetite. Over the past three weeks alone, Bitcoin has lost more than 35 %, prompting renewed talk of a possible “crypto winter”.

The reversal is particularly striking given the optimism that followed Trump’s return to the White House. As a self-declared “crypto president”, Trump oversaw a loosening of U.S. crypto regulations, which helped push Bitcoin to a record high above 125,000 dollars. At current levels, the cryptocurrency is trading more than 50 % below that peak, suggesting that political tailwinds were unable to offset broader market pressures.

One key factor behind the sharp drop is the widespread use of leveraged trading. Many large investors borrow funds from trading platforms to amplify positions, increasing both potential gains and losses. As prices fell, margin calls triggered forced liquidations, accelerating the downward spiral and adding further pressure to prices.

The ongoing decline is now putting major Bitcoin holders under scrutiny. Among them is Michael Saylor, whose company Strategy holds more than 700,000 Bitcoins, financed largely through debt. With Bitcoin trading well below the company’s average purchase price of around 76,000 dollars, investors fear that financial stress among large holders could increase volatility further.

Despite Trump’s pro-crypto stance, hopes of state support remain unrealistic. U.S. Treasury officials have made clear that the government has no legal authority to intervene in crypto markets. For investors, the episode serves as a reminder that Bitcoin remains highly sensitive to leverage, sentiment and shifts in global risk appetite.

*(Source: Tagesschau, F.A.Z.)*

## Chemical Industry Faces Its Deepest Crisis in Decades

The global chemical industry is experiencing one of its most severe downturns in decades, with Europe under particularly acute pressure. A weak demand environment across industrial end markets, persistent cost disadvantages versus the United States and parts of the Middle East, and intensifying import competition are compressing

margins and pushing producers from temporary shutdowns toward permanent capacity decisions.

Recent indicators suggest the European downturn is no longer purely cyclical. ICIS reports that meaningful portions of European chemical capacity are already scheduled for closure, with petrochemicals among the most affected segments. This is consistent with a broader pattern of declining utilization and limited pricing power in commoditized value chains, where fixed cost absorption becomes a major earnings headwind when plants run below optimal rates.

A defining feature of the current crisis is the investment response. The Financial Times reports a sharp collapse in European chemical investment during 2025 alongside accelerating closures, reflecting deteriorating confidence in the region's ability to compete on cost and policy certainty. The same reporting highlights concerns about rising dependency risks for critical materials, given the role of chemicals as inputs to sectors such as healthcare, automotive, and defense related supply chains.

Industry data and advocacy groups frame the competitiveness gap as structural. Cefic points to a sustained disadvantage driven by energy and feedstock costs, regulatory burdens, and carbon related costs, and it has recently published work indicating that the pace of closures has accelerated materially since 2022. In parallel, Cefic's trends reporting signals that output expectations for Europe remain weak, with uncertainty amplified by trade disruptions and a less favorable external demand backdrop.

From a strategic perspective, companies are increasingly reallocating capital toward advantaged regions and higher value segments. Consulting and industry analyses describe a shift from waiting for a rebound to redesigning portfolios, focusing on resilience, specialty exposure, and selective decarbonization where economics are viable. The near term challenge is that capacity rationalization is slow and global oversupply dynamics remain a constraint, limiting the speed at which pricing can normalize even if demand stabilizes.

*(Sources: Cefic, Financial Times, ICIS, McKinsey)*

## Telekom Launches Massive AI Factory in Munich

Deutsche Telekom has brought a large-scale AI factory online in Munich, presenting the new Industrial AI Cloud as a building block for sovereign AI computing in Germany and Europe. Built over roughly six months with NVIDIA and data-center partner Polarise, the facility is intended to provide companies, research institutions, and public-sector users with high-performance AI infrastructure under German jurisdiction.



Strategically, Telekom is positioning the project as a industry-oriented platform. A key element is the “Deutschland Stack”, developed with SAP, which aims to combine Telekom’s infrastructure and platform services with SAP’s business software and AI applications. The idea is to offer a more integrated route from compute infrastructure to deployment for enterprise customers with higher compliance requirements.

Sustainability and location are central to the project. The AI factory repurposes a modernized data-center site in Munich’s Tucherpark. It is stated to run on renewable electricity and plans exist to reuse waste heat for the surrounding district.

Early users cited by Telekom include Agile Robots and PhysicsX, and the company says the facility was already operating at over one-third utilization at launch. Beyond enterprise workloads, Telekom links the Munich compute to broader European AI ambitions. One named initiative is SOOFI (Sovereign Open-Source Foundation Models), which aims to develop a sovereign open-source European language model trained and operated entirely in Europe, with a focus on European languages and industrial applications.

Still, the sovereignty project has limits. Even if operations, data handling, and governance are localized, the critical accelerators come from the US, as the GPUs are supplied by NVIDIA, underlining Europe’s reliance on foreign processing units.

*(Source: Handelsblatt)*

## SpaceX acquires xAI

Elon Musk announced on Monday, 2nd of Feb. 2026, that SpaceX has acquired his AI startup xAI. The transaction is set to be the largest M&A deal in history, valuing xAI at \$250 billion and SpaceX at \$1 trillion. According to a source from Reuters SpaceX and xAI set a share exchange ratio at 0.1433 shares of SpaceX for every share of xAI. With the acquisition Musk unites his space and defense company with an AI developer that acquired his social media company X just the year before. The synergy effects could strengthen the position of Musk’s companies in the competition with data giants Google, Amazon, and Meta in the AI sector. The M&A could also draw the attention of regulatory bodies and investors over governance, monetary valuations of companies, and conflict of interest due to Musk’s roles across his different companies as well as the movement of contracts, technology and know-how. Furthermore, SpaceX is a contractor for NASA, DoD, and several intelligence companies, all having the right to review M&A transactions for among others national security purposes. The M&A appears before the planned IPO of SpaceX in 2026.

*(Source: Reuters)*

## M&A/VC News

### **KKR to buy Arctos in \$1.4 billion strategic acquisition**

U.S. private equity firm KKR has agreed to acquire alternative investment specialist Arctos Partners in a transaction valued at approximately \$1.4 billion, marking a notable expansion into sports investment and secondaries markets. The deal will bring Arctos' expertise in professional sports franchise stakes and customized financing solutions into KKR's broader asset management platform. Arctos holds minority interests in several major sports teams and manages significant assets across multiple leagues. Executives said the acquisition is expected to strengthen KKR's position in high-growth alternative investments, combining complementary capabilities across real assets and capital solutions.

*(Source: Reuters)*

### **NatWest nears £2.5bn takeover of wealth manager Evelyn Partners**

British lender NatWest Group is closing in on a takeover of leading wealth management firm Evelyn Partners in a deal reported at around £2.5 billion (\$3.4 billion). The potential acquisition, which would be NatWest's most significant corporate purchase in nearly two decades, comes after rival Barclays also submitted an offer. Evelyn's private equity owners, Permira and Warburg Pincus, initiated the sale process last year, drawing interest from multiple financial institutions. NatWest declined to comment on the report, and the transaction has not yet been formally confirmed by either party.

*(Source: Reuters)*

### **TPG acquires majority stake in Sabre Industries in \$3.5 billion deal**

Private markets firm TPG has agreed to buy a majority stake in U.S. power infrastructure company Sabre Industries in a transaction valuing the business at roughly \$3.5 billion. The deal, struck with Blackstone, will see Blackstone retain a significant minority interest in the Texas-based engineering and manufacturing group, which supplies critical components to utilities and communications networks. TPG's investment reflects growing private capital appetite for infrastructure assets tied to the buildout of data centers and technology-enabled utility systems. Sabre employs about 2,800 people and has seen strong demand amid long-term digital infrastructure trends.

*(Source: Reuters)*

## European Investment Bank Backs Twaice with €24 Million for Battery Analytics

Addressing the critical need for efficiency in the energy transition, the European Investment Bank (EIB) granted a €24 million venture debt loan to Munich-based software firm Twaice. As the automotive and energy storage sectors face immense pressure to improve performance and sustainability, Twaice's "digital twin" technology has become essential infrastructure. Their software predicts battery health and optimizes lifespan, which are crucial factors for the electric vehicle market's viability. The EIB's involvement highlights a strategic European push to support deep-tech software layers that can bolster the continent's competitiveness in green technology, even as hardware manufacturing slows down.

*(Source: European Investment Bank)*

## Fintech Duna Raises €30 Million Series A to Revolutionize B2B Identity

Adding to the fintech momentum, the startup Duna successfully closed a €30 million Series A round this fortnight. While consumer fintech has cooled, Duna's success highlights the robust demand for B2B infrastructure. The company focuses on digital identity platforms specifically designed for business clients, a sector that is becoming increasingly critical due to tightening compliance regulations and the growing threat of deep-fake fraud in corporate communications. This substantial Series A allows Duna to scale its engineering team and integrate further into the European banking backend ecosystem.

*(Source: VentureCapital Magazin)*

## Enua Secures €25 Million from Deutsche Bank to Consolidate the Cannabis Sector

In a deal that underscores the rapid maturation of the European medical cannabis market, Cologne-based Enua finalized a €25 million financing agreement with Deutsche Bank during this period. This transaction is particularly notable as it involves a tier-one traditional bank backing a cannabis business, effectively signaling the industry's transition into the financial mainstream. Enua plans to utilize this substantial debt facility to aggressively capture market share during the current industry consolidation phase. The funds are explicitly earmarked for international expansion, with the



company preparing to launch operations in the United Kingdom in Q1 2026, followed by a market entry into Poland later in the year.

*(Source: F.A.Z., Startbase)*

## Outlook

### Earnings and key events

- 10.02.: AstraZeneca, Coca-Cola, S&P Global, BP
- 11.02.: US CPI, Cisco Systems, McDonald's, T-Mobile US, TotalEnergies
- 12.02.: Mercedes-Benz Group, Siemens
- 13.02.: Eurozone 4Q GD, Enbridge, TC Energy

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