

News Recap

Volkswagen Approves Restructuring Plan Including Up to 100,000 Job Cuts

Volkswagen has approved plans to cut around 100,000 jobs worldwide in what is set to become the largest restructuring in the German carmaker's history. The decision forms part of the company's new "Future Plan 2030", designed to reduce costs and strengthen Volkswagen's competitiveness as the global automotive industry undergoes a major transformation. The Volkswagen Group's supervisory board unanimously approved the restructuring plan on September 3. Around 50,000 additional positions are expected to disappear on top of roughly 50,000 job reductions that had already been agreed. With Volkswagen employing more than 650,000 people globally, the planned cuts represent roughly 15% of the group's workforce.

The decision comes as Volkswagen faces pressure from several directions. Competition from Chinese manufacturers has increased significantly, particularly in electric vehicles, while Volkswagen has been losing market share in China, historically one of its most important and profitable markets. At the same time, tariffs in the United States and high production costs in Europe are putting additional pressure on profitability. Volkswagen's operating margin fell to 3.8% during the first half of 2026, compared with 7.9% in 2022. The restructuring extends well beyond employment: Volkswagen plans to reduce its model portfolio by as much as 50% and cut the complexity of its product offerings by up to 75%, while production capacities and corporate structures will also be streamlined. Management hopes these measures will make decision-making faster, reduce overhead costs and allow capital to be concentrated on the company's most competitive products, technologies and markets.

Germany is likely to feel a significant part of the impact. Volkswagen has already agreed to reduce employment at Volkswagen, Audi, Porsche and software subsidiary CARIAD in Germany. CEO Oliver Blume previously indicated that around half of the additional personnel-related savings could have to come from German operations. The future of plants in Emden, Hanover, Zwickau and Audi's Neckarsulm site also remains uncertain once existing production programmes end, though negotiations with unions mean outright factory closures are not yet confirmed. The political implications are significant: Lower Saxony, where Volkswagen is headquartered, owns 20% of the

company's voting rights, while employee representatives hold substantial influence through Volkswagen's supervisory board, a structure that has historically made major workforce reductions politically difficult. Trade union IG Metall has pushed Volkswagen to protect industrial employment and find alternative uses for potentially affected factories.

For investors, however, the agreement was initially seen as an important breakthrough. Volkswagen shares rose around 6% following the announcement and reached their highest level in roughly eleven weeks. Investors appear to welcome management's willingness to tackle Volkswagen's high cost base, although analysts warn that announcing job cuts is easier than successfully implementing such a large restructuring. Volkswagen's Future Plan 2030 therefore represents more than a cost-cutting programme: it highlights the wider challenge facing Europe's automotive industry, where traditional manufacturers must reduce costs while simultaneously investing heavily in electric vehicles, software and new technologies. Whether Volkswagen can execute this transformation without damaging its industrial base will be one of the company's most important questions over the remainder of the decade. *(Sources: Reuters, The Guardian, Volkswagen Group)*

Iran War Escalation Pushes Oil Above \$96 a Barrel

Brent crude rose above \$96 per barrel in early September 2026 as renewed U.S.-Iran military escalation increased concerns about disruptions to oil supplies from the Middle East. On September 4, Brent settled at \$96.28 per barrel, while U.S. West Texas Intermediate (WTI) closed at \$91.48. Brent gained 7.6% over the week, marking its strongest weekly increase since mid-July.

The price increase was driven by heightened uncertainty surrounding oil production and transportation in the region, particularly around the Strait of Hormuz, a major route for global energy shipments. Shipping activity through the strait has fallen significantly amid the conflict, increasing concerns about the movement of crude oil and refined products. However, the market reaction has so far been driven primarily by supply-risk concerns rather than a comparable decline in global oil production.

The rise in crude prices has broader economic significance because oil is a key input for transportation, manufacturing and energy production. Higher oil prices can increase costs across the economy and contribute to inflationary pressure, while higher crude prices directly affect revenues and margins across the energy sector. For investors, developments in the Middle East therefore remain relevant to commodity prices and energy-related financial markets.

The move above \$96 per barrel highlights the direct connection between geopolitical developments and global energy markets. The combination of higher crude prices and reduced shipping activity has made Middle Eastern supply conditions an important market factor in September 2026.

(Sources: Reuters, CNBC)

Fed Chair Warsh's Hawkish Jackson Hole Speech Flips Rate Bets Toward a Hike

Federal Reserve Chair Kevin Warsh said on August 28 that the central bank will still have work to do if policymakers are not confident that underlying inflation is returning to its 2% target, marking the closest he has come to acknowledging that interest rate hikes may be needed to ease price pressures. Speaking at the Kansas City Fed's annual symposium in Jackson Hole, Wyoming, Warsh reaffirmed the Fed's 2% inflation goal as a firm target and said short-term interest rates remain the central bank's primary policy tool, while explicitly declining to offer forward guidance on the Fed's next move. Markets reacted quickly to the unexpectedly hawkish tone. Short-term Treasury yields sold off, with the 2-year yield rising to its highest level in a month, while the dollar index gained and gold fell as Asian equities declined. The implied probability of a quarter-point hike at the Fed's September meeting, tracked by CME Group's FedWatch tool, jumped to roughly 60% in the days following the speech, having stood at just one-in-three only days earlier.

The speech unfolded against a backdrop of sustained political pressure on the Fed. President Donald Trump, who appointed Warsh in May after repeatedly clashing with predecessor Jerome Powell over interest rates, has continued to publicly demand lower borrowing costs, even as some of his own economic advisers have recently signaled more patience with Warsh's approach. Warsh has maintained that the president has had no impact on his decisions and has pointed to the Fed's steady rate path this year as evidence of its independence.

Reactions among market strategists were mixed on how much weight to give the speech itself. Several analysts described Warsh's remarks as calculated ambiguity dressed in hawkish language, noting that he avoided any explicit commitment on next steps. Others read his pairing of a stable labor market with persistent inflation concerns as a genuine tilt toward tightening, one that would need to be confirmed or undercut by incoming data in the weeks ahead.

The episode leaves the Fed chair's own credibility, as much as the rate decision itself, under scrutiny heading into September, with the balancing act between market expectations, White House pressure, and the Fed's stated independence still playing out. *(Sources: CNBC, Forbes, Reuters)*

U.S. Payrolls Smash Forecasts as Report's Composition Raises Questions

The U.S. economy added 162,000 jobs in August, nearly triple the 56,000 economists polled by Reuters had expected, the Bureau of Labor Statistics reported on September 4. The unemployment rate held steady at 4.1%, marking the strongest monthly payroll gain since March and a sharp rebound from a sluggish early summer. Revisions further strengthened the picture: June's gain was raised from 20,000 to 31,000, and July's previously reported loss of 23,000 jobs was revised to a gain of 21,000, adding a combined 55,000 jobs to prior estimates.

A closer look at the report's composition tempered the headline strength. About a third of August's job growth came from food services and drinking establishments, a sector with historically lower average pay, while local government education roles also accounted for a large share of the total gain. Year-over-year wage growth, meanwhile, slowed to its weakest pace in five years, even as average hourly earnings rose 0.3% to \$37.75 for the month. Economists at Pantheon Macroeconomics described the pickup as a rebound following two unusually weak months rather than a durable acceleration in hiring.

The household side of the report told a broadly consistent story. The labor force participation rate edged up to 61.6%, household employment rose by 569,000, and an alternative measure of unemployment that includes discouraged and involuntary part-time workers fell to its lowest level since mid-2025. The number of long-term unemployed rose to a five-year high, pointing to continued difficulty for job seekers even as overall hiring picked up.

President Trump welcomed the figures publicly as a strong result that beat forecasts, while White House spokesman Kush Desai credited an ongoing investment boom and pointed to more than a million private-sector jobs created under the administration's reindustrialization agenda. Coming just a week after the Fed signaled a possible shift toward tighter policy, the report's mixed underlying signals, with solid headline hiring alongside cooling wage growth, leave the central bank's next move dependent chiefly on the inflation data still to come before its September meeting.

(Sources: CNBC, CNN, Reuters)

German Manufacturing Hits 51-Month High on Defense and Data-Center Orders

Germany's manufacturing sector accelerated sharply in August, as a jump in new orders drove the strongest production growth since January 2022, a business survey showed on September 1. The final S&P Global Purchasing Managers' Index for German manufacturing rose to 54.3 for the month, up from 52.2 in July and slightly above a preliminary reading of 54.1, marking its highest level in 51 months. New orders rose for a third consecutive month, with similarly strong gains recorded in export business. Surveyed firms cited increased defense spending, data-center construction, and inventory stockpiling as the main drivers of the pickup in demand. The manufacturing recovery has now regained momentum after showing signs of stalling earlier in the year, with business sentiment improving noticeably to its brightest level since the outbreak of the Middle East conflict in early 2026.

The stronger order books came with mounting supply-side strain. Supplier delivery times lengthened to their greatest extent in three months, and purchasing activity grew at its fastest pace since May 2022 as manufacturers moved to secure raw materials amid tightening availability. Input cost pressures, which had already been building over the summer, showed further signs of accelerating alongside the pickup in activity. The manufacturing upturn stood in contrast to a services sector that remained in mild contraction. The final Services PMI came in at 49.7 for August, down slightly from 49.8 in July, though well above an initial flash estimate of 48.5. Businesses in the sector pointed to tougher financial conditions, elevated costs, and hesitant customers as ongoing headwinds, even as new business rose for a second straight month and export sales returned to growth for the first time since February. The final Composite PMI, which combines manufacturing and services and covers more than two-thirds of Germany's economy, rose to 51.8 in August from 51.3 in July, indicating that factory strength was enough to offset the drag from services.

The divergence between a booming industrial order book, fueled substantially by defense procurement following Germany's easing of constitutional debt-brake limits on military spending, and a still-struggling consumer-facing services sector underscores the uneven nature of the country's economic recovery as it heads into the final months of 2026.

(Sources: Reuters, S&P Global)



M&A/VC News

Aon to Acquire USI Insurance Services From KKR in \$17 Billion Deal

Aon agreed to buy rival insurance broker USI Insurance Services from private equity firm KKR for \$17 billion, marking one of the largest insurance brokerage acquisitions in recent years. The deal expands Aon's presence in the fast-growing U.S. middle-market insurance segment, following its \$13 billion purchase of NFP in 2024. Aon plans to fund the acquisition entirely through debt and does not expect near-term share buy-backs as it prioritizes paying down debt. The transaction is expected to close in the fourth quarter of 2026.

(Source: Reuters)

SLB to Acquire Cooling Technology Firm Kelvion for \$4.1 Billion

Oilfield services company SLB agreed to acquire thermal management and heat-exchange technology provider Kelvion from Apollo-managed funds and Triton for approximately \$3.4 billion in cash, plus the assumption of about \$0.7 billion in debt. The deal expands SLB's Data Center Solutions business as AI-driven infrastructure investment accelerates demand for cooling technology. The transaction is expected to close in the first half of 2027, subject to regulatory approvals.

(Source: Reuters)

Apollo Buys Into Atlantic Aviation at Near \$10 Billion Valuation

Apollo Global Management is acquiring a co-controlling stake in private-jet fixed-base operator Atlantic Aviation from rival KKR, in a deal that values the company at nearly \$10 billion. KKR is retaining a significant stake after the transaction. KKR originally acquired Atlantic Aviation from Macquarie Infrastructure for about \$4.5 billion in 2021; the network has since expanded to more than 100 locations across the U.S., providing fueling, hangar, and maintenance services for private aircraft.

(Source: Bloomberg)

Identity Verification Startup Socure Raises \$156 Million at \$5.2 Billion Valuation

Identity verification startup Socure raised \$156 million in a Series E extension round that valued the company at \$5.2 billion, Chief Marketing Officer Colton Pond said. The extension comes nearly five years after the company's \$450 million Series E at a \$4.5 billion valuation. Socure also announced it is acquiring Fravity, an agentic AI startup that automates fraud, risk, and compliance work.

(Source: Reuters)

Nvidia-Backed Lambda in Talks to Raise \$3 Billion Ahead of Possible 2027 IPO

AI cloud-computing provider Lambda is in talks to raise as much as \$3 billion in a round that could position it to go public next year, at a valuation of \$12 billion or more. The California-based "neocloud" firm, which rents access to Nvidia chips and other AI infrastructure, is expected to earn more than \$1.5 billion in revenue this year and has already received multiple term sheets for the round.

(Source: Bloomberg)

Crusoe Raises Over \$3 Billion in Funding at \$30 Billion Valuation

Data center developer and cloud-computing provider Crusoe, which counts Meta, Microsoft, and OpenAI as customers, has raised over \$3 billion in a funding round that values the startup at roughly \$30 billion. Atreides Management and Valor Equity Partners co-led the finalized round, with participation from Mubadala Capital. The raise comes after Crusoe signed a roughly \$13 billion, five-year cloud contract to supply quantitative trading firm Jane Street with GPUs and AI infrastructure, and marks a tripling of its valuation from about \$10 billion just ten months earlier.

(Source: Bloomberg)

Outlook

Earnings and key events

- 10.09.: Adobe, ECB Meeting, Oracle
- 11.09.: U.S. CPI
- 16.09.: Fed Meeting
- 17.09.: BoE Meeting

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