

AIC

AACHEN INVESTMENT CLUB

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News Recap

Trump hits EU cars and trucks with 25% tariffs

In a renewed escalation of transatlantic trade tensions, U.S. President Donald Trump announced plans to impose 25% tariffs on cars and trucks imported from the European Union, effective as early as next week. The move marks a sharp increase from the previously agreed ceiling of 15%, raising concerns about a potential breakdown in trade relations between the two blocs.

Trump justified the decision by accusing the EU of failing to comply with a 2025 framework agreement that had aimed to stabilize trade conditions. While the exact points of contention remain unclear, the earlier deal included mutual concessions, such as reduced EU tariffs on U.S. industrial goods and improved market access for American agricultural products. Its implementation, however, has been delayed amid political disputes and legal uncertainty in the United States.

The new tariffs are expected to hit the European automotive sector particularly hard, with Germany among the most exposed economies. Industry representatives warned that the measures could significantly increase costs for manufacturers and ultimately impact U.S. consumers through higher vehicle prices. At the same time, Trump reiterated that vehicles produced within the United States would remain exempt, reinforcing his broader strategy of encouraging domestic manufacturing investment.

The European Commission reacted sharply, signaling that it may consider countermeasures if the tariffs are implemented. EU officials emphasized their commitment to a stable and mutually beneficial trade relationship but made clear that they are prepared to defend European economic interests if necessary.

Beyond the immediate economic impact, the move highlights growing geopolitical friction and uncertainty in global trade. With both sides still formally committed to the existing agreement, the coming weeks will be crucial in determining whether tensions escalate further or give way to renewed negotiations.

(Sources: Handelsblatt, Tagesschau)

UAE Exits OPEC, Reshaping Global Oil Dynamics

The United Arab Emirates (UAE) announced on April 28, 2026, that it will leave the Organization of the Petroleum Exporting Countries (OPEC), with the withdrawal taking

effect on May 1. The decision ends nearly six decades of membership and comes amid a broader energy crisis linked to geopolitical tensions in the Middle East, particularly disruptions in the Strait of Hormuz. As one of OPEC's largest producers, the UAE's exit represents a significant structural change within the global oil market.

The UAE had been producing around 3.4 million barrels of oil per day under OPEC quotas, despite having a significantly higher production capacity of up to 4.8 million barrels per day. The country cited strategic and economic considerations, including the desire for greater flexibility in production policy and alignment with long-term national interests. The move removes OPEC's third-largest producer and reduces the group's spare capacity, weakening its ability to regulate global supply and stabilize prices. At the same time, oil markets remain under pressure from external factors: crude prices have exceeded \$100 per barrel, while disruptions in the Strait of Hormuz have constrained exports across the region. Within OPEC+, remaining members have continued to adjust production targets, but recent increases have been largely symbolic due to logistical constraints on actual output.

The UAE's departure highlights growing internal tensions within OPEC, particularly regarding production quotas and strategic direction, and reflects a broader shift toward more independent national energy policies among major producers. While the immediate market impact is limited due to ongoing supply disruptions, the exit alters the structure of coordination among oil-exporting countries and reduces the collective influence of OPEC in global energy markets.

(Sources: Al Jazeera Media Network, BBC, Reuters, ZDFheute)

ECB Holds Rates Steady Despite Rising Inflation Pressures

The European Central Bank has kept interest rates unchanged despite renewed inflationary pressure in the euro area. The key deposit rate remains at 2.0%, as policymakers decided to wait for more data before adjusting monetary policy.

The decision comes as inflation has risen clearly above the ECB's 2% target again, driven mainly by higher energy prices following the escalation in the Middle East. This puts the central bank in a difficult position: raising rates could help contain inflation expectations, but it could also further weaken already sluggish economic growth.

For now, the ECB appears to view the latest rise in inflation as a supply-side shock rather than a sign of overheating demand. However, the risk remains that higher energy costs could spill over into wages, services, and broader consumer prices. If that happens, a rate hike later in the year becomes more likely.

Overall, the decision to leave rates unchanged signals caution rather than confidence. The ECB is keeping its options open, with future moves depending heavily on whether the inflation surge proves temporary or becomes more persistent.

(Sources: Tagesschau, Financial Times)

Big Tech Doubles Down on AI as Spending Tops \$700bn

Big Tech is accelerating its artificial intelligence buildout, with Amazon, Microsoft, Alphabet, and Meta now expected to spend more than \$700bn combined in 2026 on AI-related infrastructure and broader capital expenditure. The scale of investment shows that leading technology companies continue to view AI as a long-term strategic priority, despite growing investor concerns about margins, cash flow, and the timing of monetization.

The latest company results underline the same trend across the sector. Alphabet reported Q1 capital expenditure of \$35.7bn, largely directed toward technical infrastructure such as servers, data centers, and networking equipment. Microsoft reported quarterly capital expenditures of \$31.9bn, while its AI business surpassed a \$37bn annual revenue run rate. Meta raised its 2026 capex guidance to \$125bn–\$145bn, mainly to support data center expansion and AI capacity. Amazon also continued to increase infrastructure spending, with higher purchases of property and equipment mainly reflecting investments in artificial intelligence.

Strategically, the message is clear: AI leadership is becoming a scale game. The largest technology platforms are investing heavily to secure computing power, cloud capacity, and data center infrastructure before demand fully materializes. For investors, the key question is no longer whether Big Tech is committed to AI, but whether future AI revenues will justify one of the largest capital expenditure cycles in the sector's history.

(Sources: Amazon, Bloomberg, Meta, Microsoft, Reuters)

S&P 500 Closes at Fresh Record High

The S&P 500 closed at a fresh record high, extending the recent rally in U.S. equities as strong corporate earnings and renewed appetite for technology shares continued to outweigh concerns over geopolitical uncertainty and elevated energy prices. The index rose 0.3% on Friday to an all-time closing high of 7,230.12, while the Nasdaq Composite gained 0.9% and closed above 25,000 for the first time.

The move reflects a sharp turnaround in market sentiment following a volatile start to the year. April marked one of the strongest months for U.S. equities in years, with the S&P 500 rising more than 10% and the Nasdaq advancing more than 15%. Technology

stocks remained the main driver, supported by stronger-than-expected results from major companies and continued investor confidence in artificial intelligence-related growth. Apple also contributed to the rally after reporting better-than-expected quarterly results and a more optimistic outlook.

Earnings momentum has become an important pillar of support for the market. According to FactSet, the blended year-over-year earnings growth rate for the S&P 500 in Q1 2026 stands at 27.1%, which, if confirmed, would represent the strongest earnings growth since Q4 2021. Communication Services, Information Technology, and Consumer Discretionary are among the leading sectors, underlining the continued dominance of large-cap growth and technology-linked companies.

Nevertheless, the new record also raises questions about valuation risk and market concentration. The rally remains heavily dependent on a limited number of large technology firms, while higher oil prices, geopolitical tensions, and uncertainty around the Federal Reserve's policy path could quickly challenge risk appetite. For investors, the latest move confirms the resilience of U.S. equities, but also reinforces the importance of monitoring earnings quality, sector breadth, and macroeconomic risks.

(Sources: Bloomberg, Investopedia, FactSet, Yahoo Finance)

M&A/VC News

French telecoms trio raise bid for Altice's SFR in \$24 billion takeover push

A consortium of French telecom operators, including Orange, Bouygues Telecom, and Iliad, has increased its offer to acquire SFR from Altice in a deal valued at roughly \$24 billion. The revised bid underscores intensifying consolidation efforts in France's competitive telecom market. If completed, the transaction would significantly reshape the industry by reducing the number of major operators and unlocking synergies through network integration and cost efficiencies. The deal remains subject to regulatory scrutiny, particularly on antitrust grounds.

(Source: Reuters)

QXO to acquire TopBuild in \$17 billion expansion into construction services

Building products distributor QXO has agreed to acquire TopBuild in a deal worth approximately \$17 billion, marking a major step in its strategy to scale within the construction supply chain. The transaction, which includes debt, aims to create a vertically integrated platform spanning distribution and installation services. Executives highlighted strong demand for energy-efficient building solutions as a key growth driver. The deal is expected to deliver operational synergies and broaden QXO's footprint across North America's fragmented construction market.

(Source: Reuters)

Shell to buy ARC Resources in \$16.4 billion deal to boost LNG portfolio

Energy major Shell has agreed to acquire Canadian natural gas producer ARC Resources in a \$16.4 billion transaction aimed at strengthening its liquefied natural gas (LNG) portfolio. The acquisition enhances Shell's upstream gas position in North America and supports its long-term strategy to expand LNG supply amid rising global demand. The deal is expected to generate synergies through operational integration and improved resource optimization. It also reflects continued consolidation in the energy sector as companies position for the transition toward lower-carbon fuels.

(Source: Reuters)

Ineffable Intelligence closes Europe's largest-ever seed round at \$1.1 billion

In a historic financing round for the European deep-tech sector, London-based AI research company Ineffable Intelligence has raised \$1.1 billion in seed funding. The round was led by Sequoia and Lightspeed, with participation from Nvidia and the U.K. Sovereign AI Fund. Founded by former DeepMind researchers, the startup is now valued at \$5.1 billion. The company is developing a new class of reinforcement-learning-based algorithms ("Superlearners") capable of generating new knowledge in complex physical environments. The capital will be used to expand computing capacity and strengthen its position in the global AI race. This record-breaking round reinforces London's status as a leading hub for advanced AI research.

(Source: EU-Startups)



Axelera AI secures more than \$250 million to scale edge AI infrastructure

European semiconductor startup Axelera AI has raised more than \$250 million in a funding round led by Innovation Industries, with support from BlackRock and the EIC Fund. The company develops highly energy-efficient inference chips specifically optimized for industrial AI and edge applications. As data centers increasingly hit power and cooling constraints, Axelera's platform enables complex AI models to run directly on end devices. The additional funding will be used to accelerate growth, scale manufacturing, and further expand the software ecosystem for enterprise customers. Investors emphasized that the investment is an important signal for Europe's technological sovereignty in the semiconductor sector.

(Source: Innovation Industries)

EIC Fund invests in European deep-tech champions through the STEP Scale-up program

In April 2026, the European Commission announced that eight promising European deep-tech companies will each receive between €10 million and €30 million from the EIC STEP Fund. This investment initiative focuses on strategic key technologies such as semiconductors, net-zero technologies, and biotechnology, with the goal of reducing Europe's dependence on non-European supply chains. Companies already supported include semiconductor startup Axelera AI. The initiative is designed to close a funding gap in scale-up rounds between €50 million and €150 million, which is often critical for bringing capital-intensive technologies to market. The EIC Fund aims to use this program to attract additional private venture capital into key future sectors. *(Source: European Commission)*

Outlook

Earnings and key events

- 04.05.: Palantir
- 05.05.: AMD
- 06.05.: Disney, Infineon, Novo Nordisk, Uber
- 07.05.: Rheinmetall, Shell
- 08.05.: Sony, Toyota, U.S. NFP
- 12.05.: Eurozone GDP Flash, Münchener Rück, Siemens Energy, U.S. CPI
- 13.05.: Alibaba, Allianz, Cisco, Deutsche Telekom, Siemens, Tencent

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