

GS TMT SPEC SALES: Nvidia GTC; Memory pricing inflects; Accenture/IT Services in focus; Tencent preview; DT files schedule 13D; WPP; ITV, Vivendi
FICC and Equities | 17 March 2025 | 7:54AM UTC

GS TMT SPEC SALES – Monday 17th of March

This week **Nvidia GTC conference** where Jensen will talk up what's next in agentic AI, robotics, accelerated computing. March 17-21. The rhetoric has been about toning down on CPO, CoWoS, and Blackwell production/shipment so will be interesting to see if this is dispelled. In memory Micron should be interesting as some of the view that pricing has now bottomed and **TrendForce** reporting **Samsung and SK Hynix** are gearing up to raise NAND wafer prices as have **Micron** and **SanDisk**

Accenture – I am told market research firm Cleveland came out last week pretty bearish on **IT services names (ACN & IBM in particular)** while we saw several analysts change view on the **Indian IT services** companies when earlier this year there was a race to upgrade them and make comments about how 2025 was trends were going to improve now 2 months later we are seeing the opposite. Bears flagging read to **CAP** (fair) BUT the big difference between them is that when CAP gave cautious guidance that takes into account no macro improvements. [GIR on CAP](#) Jim our US [IT Services is more bullish](#) and sees as cyclical headwinds continue to abate, we believe Accenture is among well positioned to capture a recovery in discretionary spending as it occurs. Likely lots of focus on the call on its exposure to the US government and fall out from DOGE.

BIG earnings week in China TMT space- Xiaomi / Tencent / PDD / Meituan reports on **18 / 19 / 20 / 21 Mar** this week ([see preview from Ronald](#)). For **Prosus Tencent** in focus where GIR- expect slight moderation in ads growth (+12% yoy), faster games (+17% yoy), soft fintech and business services (cloud & eCommerce) acceleration. Est group adj. EBIT of Rmb60.0bn (+22% yoy). For 2025E EPS, we are slightly above V.A. consensus at +14% vs. consensus +11% yoy.

News flow wise – DTE filing to participate in TMUS buyback (schedule 13D). **Sage** on Friday getting a few questions around their exposure to US nonprofits and what the risk is given DOGE. **VOD** – article on Friday suggesting that Liberty maybe looking to buy VOD out of the Dutch JV suggests that VOD could walk away with some cash when many had assumed zero equity value given the leverage – let's see. **Swisscom** – [Andrew reiterating his sell](#) as Swiss weakness outweighs benefits from potential Italian consolidation.

Telecom Italia up ~+6% on Friday on press that Post Italiane could look to acquire Vivendi 23.75% stake nothing more over the weekend. But on Vivendi Spanish press reporting that the Spanish government and TEF CEO putting pressure on them to sell its stake in Prisa.

ITV per the [Mail on Sunday](#) in talks to combine ITV, All3Media that would see ITV Studios merged with RedBird's All3 and listed in London while broadcast and streaming business remaining separately listed.

WPP to retain Coke BUT with PUB also added as a partner. **ProSieben:** General Atlantic near deal to take up-to-10% stake in ProSieben per Bloomberg.

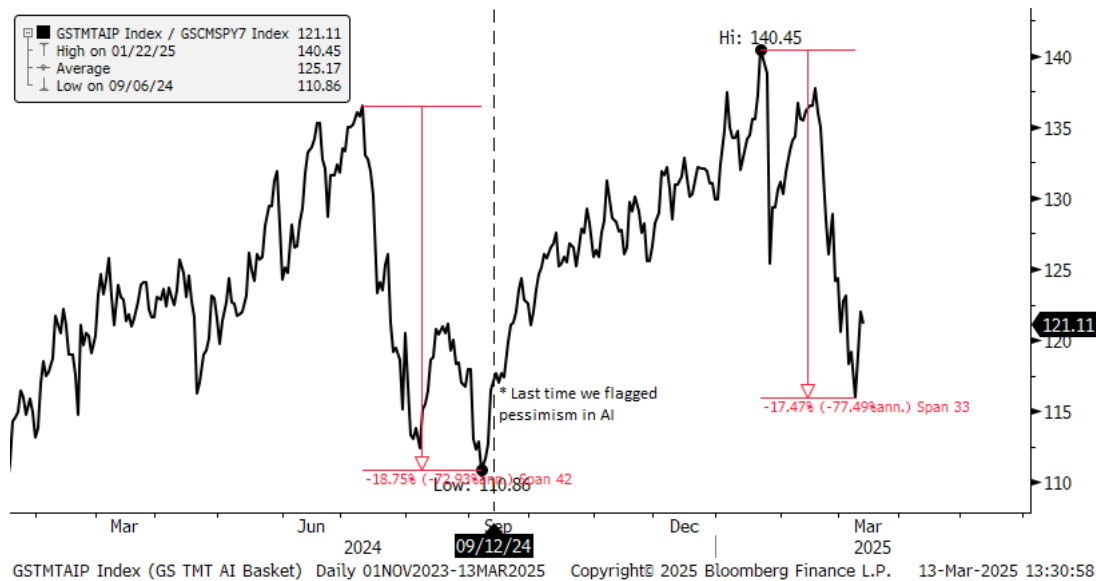
AWAY FROM GS: Siltronic downgraded to hold from buy at Jefferies; **Telia** Cut to Sell at Nordea; **Accenture** Raised to Outperform at Baird;

Digital Assets - Crypto Markets Update and Q2 Outlook on **March 26th at 9:30am GMT** | **Please register here**

TECH SNAPSHOT

- **Sage** on Friday getting a few questions around their exposure to US nonprofits and what the risk is given DOGE. Per Sage 4Q24 transcript - the management mentioned: "we still see a very sizable addressable market in the US, and we are very focused on the verticals where **we are strongest**, so **non-for-profit**, construction, software, financial services, healthcare, et cetera". Bears pushing an example of nonprofit organizations across San Diego County are facing financial instability and have been forced to cut staff and services as they navigate recent federal policy changes, [funding freezes](#) and [executive orders](#).
- **MEMORY: NAND continues to break higher..** **Kioxia** +7% **SNDK** +13% as Micron and SanDisk have decided to kick off price hikes next month, with SanDisk set to raise NAND prices by over 10% starting April 1. In addition, Samsung and SK hynix may not be far behind, as industry sources suggest they're also gearing up to raise NAND wafer prices next month. (TrendForce)
- Deep dive on **AliCloud**- GIR Roanld Keung **below-street capex forecasts**, as we continue to factor in AI hardware supply uncertainties/constraints, while we are **above-street for Alibaba Cloud FY26-27E revenue(+24%/ +26% y/y in FY26/27) growth and margin (EBITA margin of 11.9%/12.0% in FY26/27E) forecasts**, as we expect Alibaba's AI capex ramp up (that kicked off in 2024).

- **GTC week: The Broad AI space has sold off -17.5% after DeepSeek (h/t Faris Mourad)**



Source: Goldman Sachs FICC and Equities and Prime Services data as of 14-Mar-25. Past performance is not indicative of future results. All references to “we/us/our” refer to the views and observations of the desk unless specified otherwise.

- **AI** two more models updates over the weekend from **GOOG** and **BIDU**. Baidu releases Ernie X1, an AI model that articulates its reasoning similarly to DeepSeek R1, and upgrades its flagship foundation model to Ernie 4.5, both free (Bloomberg). Google has unveiled a new series of Gemma AI models that can run on a single Nvidia H100 chip (Bloomberg)

TELCO SNAPSHOT

- **VOD** – article on Friday that Liberty maybe looking to buy VOD out of the Dutch JV is a small +ve as many had felt the asset was over levered (E11bn of debt in the entity generating 1.8bn of EBITDA in 2025. There is a shareholder loan (900 from both VOD/LBTY)) and VOD would get little out (have heard zero equity value several times. In the past the entity has paid out over 100% of the FCF out.). It levered 6x. Over 2bn for VOD’s stake implies that Liberty will pay 8.2x 2025 EV/EBITDA. Article suggests that Liberty would merge Telenet and Ziggo – something that has been speculated on before but questionable how significant cross border synergies are.
- **Swisscom** – [Andrew reiterating his sell](#) as Swiss weakness outweighs benefits from potential Italian consolidation. Swisscom operates within

challenging Swiss and Italian market structures, which face greater competition than other European markets. It has lower than average ability to monetize its fibre in Switzerland as unique regulation grants competitors cheap access to its network. Andrew's note shows that the poor structural quality of Swisscom's telco markets suggests its returns likely do not rise over the next three years. This appears unconvincing vs the ramping returns of the broader European telco sector. GIR show that while potential Italian mobile consolidation could improve group returns, Swisscom would still be in the bottom quartile vs the sector.

- **Telecom Italia** shares ~+6% amidst Dagospia post about Poste Italiane rumoured to acquire 23.75% stake from Vivendi. Dagospia adds that the Vincent Bollore's family is split over Poste Italiane's proposal to acquire Vivendi's 23.75% stake in TIM, as the dispute is about the "premise" that will accompany the amount deriving from the stock market capitalization of their stake
- **Crown Castle** to sell off its network business to Zayo and EQT for \$8.5bn (Telecoms.com)

MEDIA & INTERNET SNAPSHOT

- **ITV:** Talks to combine ITV, All3Media progressing per the [Mail on Sunday](#) that reports that talks are now very detailed on a plan that would see ITV Studios merged with RedBird's All3 and listed in London as a £3B entity, with ITV's broadcast and streaming business remaining separately listed.
- **PUB** - Adweek confirmed on Friday what had been speculated in the press that Publicis has won the US Media & Data business for Coke from WPP. WPP IR flagging that WPP will see its position renewed BUT with PUB also added as a partner to Coke to \$700m of billings. Per WPP the lion's share of the economics of its relationship are associated with the integrated creative/production mandate and this mandate is being renewed. On Friday was a positive for PUB and negative for WPP, but the BIG account under review is MARS. PUB IR are out there saying that the win was already included in their guide, some debate there with investors. As most were surprised that it was already in guide
- **ProSieben:** General Atlantic near deal to take up-to-10% stake in ProSieben per Bloomberg. It seems that ProSieben's supervisory board may approve a deal today in which General Atlantic gets the holding via a convertible bond in exchange for General Atlantic's holdings in NuCom

Group and ParshipMeet Group. It seems the potential deal, which was announced 5-Mar, is related to ProSiebenSat's attempts to sell its stakes in Verivox and flaconi held via NuCom, and that ProSiebenSat is close to an agreement to sell Verivox to Moltiply Group.

- **Vivendi:** Le Point reporting that Spain is putting pressure Vivendi to sell its stake in Prisa. It reports that the Spanish Minister of Digital Transformation, Oscar Lopez Águeda, accompanied by TEF CEO, Marc Murtra, met with Arnaud de Puyfontaine, chairman of Vivendi on 12-Feb and . during the meeting, the Vivendi Chairman was pressured to sell its stake in Prisa to businessmen close to the government. In an interview on La Sexta's Xplica program, López confirmed that the meeting with Vivendi in Paris took place but denied that it was done "to provoke a change in shareholders."
- **Rightmove:** UK Property market faces '[massive log-jam](#)' ahead of Stamp Duty changes with more than half a million moves trying to beat the Stamp Duty deadline,

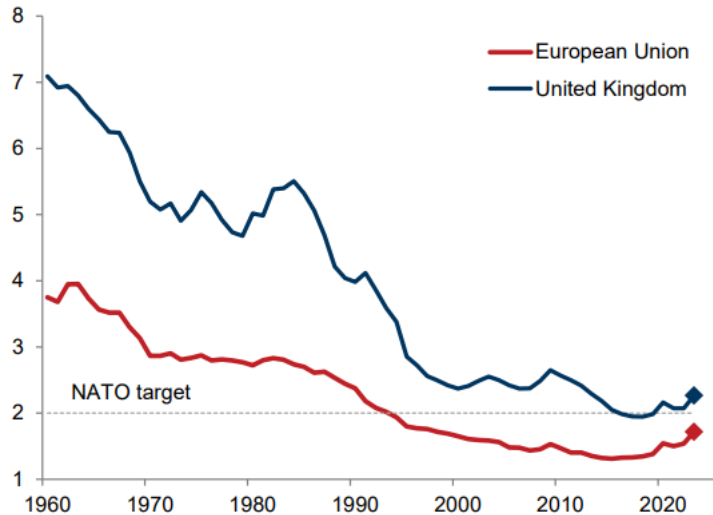
MACRO/FLOW & MORE DETAILS

- **US trading flow** - Tech: We saw a steady drumbeat of LO supply though Thursday, most pronounced in Semis & Cyclical. Closing out the week today, it was constructive to A) not have any meaningful asset mgr supply & B) see a return of broad based demand on signs of index stability, predominately driven by LO community (buyers live higher).
- GS Prime data: **Fundamental LS** managers **up 0.2%** last week (Mon-Fri), driven by alpha (+1.3%, best weekly alpha since 2022) but down 1.5% MTD and up 0.5% YTD. **Systematic LS** managers **up 1.2%** for the week, up 1.6% MTD, and 8.4% YTD. Highest turnover week since Covid. Fourth consecutive week of net selling activity, driven by both long and short selling. All regions were net sold led by Europe (seeing largest weekly selling flows since 2015) followed by EM. Across sectors, 5/11 were net sold led by Communication Services while Energy was the most net bought.
- **Worth a listen** – Tony's "The breaks of the game" this week with Josh Schiffrin and Dominic Wilson which discussed the underperformance of US markets, the rally in Europe, Fed's path and more -- [link](#).

- Per John Flood ([see full email](#)): 1) HFs - unwound gross risk as the momentum unwind accelerated last Friday (3/7) / this past Monday (3/1). The degrossing that took place on 3/7 and 3/10 combined was the largest 2-day de-grossing in 4 years. Industrials was the most unwound sector and the 2-day risk-off flows in the sector was the largest on our PB records (data goes back to 2016).
- However, fundamental L/S HFs “re-grossed” and added back risk across long and short books in each of the 3 sessions from Tuesday 3/8 - Thursday 3/13. Our PB data from yesterday won't officially settle until Monday but would expect to see more re-grossing and about 100bps of gains on the day bringing fundamental L/S HF performance to essentially flat on the year (systematic fairing much better and multistrats worse). Net Leverage continues to move sharply lower and is in 1st percentile over 1 year look back and 14th percentile on the 3yr.
- 2) Asset managers – were significant sellers last week. In fact we just witnessed the 2nd largest cumulative 15-day net sell skew across our floor in the past 3 yrs from the long only community. Not only does this supply need to stop (which we saw signs of yesterday) but need longer duration investors to step in as buyers in order for the market to trend higher. Bar to do this is high with cash levels at all time lows (1.3% of total AUM).
- **Budget committee approves Germany's massive borrowing plans*** -
 - Germany's parliamentary budget committee on Sunday approved plans for increase spending in defense and infra. Seems like things are going towards the right direction and **for the 500bn euro infra bill, the parliamentary vote is scheduled for Tuesday this week** which would require a two-third majority. Names like **Makita** reacting positively today +3% but would note fundamental impact from infra spending may be underwhelming .. Re-flagging comments from Daniela/GIR's [note](#) -- *“there are limited details on what might be considered under the €500bn Infrastructure budget spend, but local policy papers mention significant allocation to areas such as municipal infrastructure, railways, highways, housing, schools and universities and likely also a share towards decarbonization, thus we think utility spend could be included (power grid, renewables and cleaner generation). It is important to note though that Germany represents c5% of our sector sales and if we just focus on the fixed investment impact of €500bn added over a decade, the uplift to fixed investment could be >40%, thus 2pp of organic growth for those names purely capex exposed, with this **impact likely to come to full run rate only in a few years.**”*

- **Defense spending in Europe** has fallen as a share of GDP since the 1960s, reaching the lowest level in the last decade, but it began to rise in 2022 following Russia's invasion of Ukraine

Military expenditure, % of GDP



Source: World Bank, Goldman Sachs GIR

MORE DETAIL

TECH

FINTECH/PAYMENTS

- **Shift4 Payments** emerges as Smartpay's second suitor - The Australian, citing sources. SmartPay had confirmed NZ\$1/sh takeover offer from Tyro Payments, and that it had also received second non-binding indicative proposal
- **AvidXchange** considers sale. Four years after going public, business payments automation firm AvidXchange is considering a sale after receiving takeover interest. The company has called in adviser Financial Technology Partners after receiving approaches from private equity firms. [Finextra](#)

SOFTWARE & IT SERVICES

- **Airbus and Dassault Systemes** and more than 90 smaller European technology companies and lobby groups have urged European Commission President Ursula von der Leyen to create a sovereign infrastructure fund to ramp up public investments in cutting-edge technologies. The companies and groups said recent U.S. and EU

developments and U.S. measures underscored the urgency of Europe taking measures to maintain its strategic autonomy in key sectors. [Reuters](#)

- **Hexagon** today announced the appointment of Gordon Dale as the President of its Autonomous Solutions (AS) division, reporting directly to Norbert Hanke, interim President and CEO, Hexagon. Gordon Dale has been with Hexagon for 16 years, having joined after the acquisition of NovAtel, the global leader in high-precision positioning technology. [Hexagon](#)

?

SEMISAND HARDWARE

- **AI:** NVIDIA's GTC event, their flagship AI conference, kicks off in the US tonight and may bring some positivity to the TW AI suppliers. Press notes that ROBOTICS, LIQUID COOLING, CPO and BACKUP BATTERY UNIT will be among the segments in focus
- **HONHAI (2317):** 4Q24 EPS came in at TWD3.34 vs bbg cons of TWD3.88, although gross margin beat slightly (6.15% vs cons 6.12%), as the miss was due to bigger than expected non op losses. Mgmt expects 1Q25 AI server biz to grow >100% YoY and reach >40% mkt share.
- **Powertech (6239):** Micron reportedly placed DRAM-related OSAT orders with Powertech, with the orders to be completed with POP technologies and will prompt Powertech's POP-related orders to rise by 50% QoQ in 2Q24. (ED)
- **Optical:** Amazon and AAOI reached agreement to buy 1.3m AAOI shares tapping into optical module which should also indirectly Taiwanese companies including LuxNet, PCL and Elite Advanced laser for 80-0G and 1.6T market footprint. (CT)
- **FLASH:** SanDisk announced NAND flash price hike starting from 1st April while media also reported Micron, Samsung, SK Hynix, and YMTC will also follow suit raising prices from April according to Digitimes. (DT)?

CORPORATE ACCESS

- **Sensata Technologies Holding [ST] | 17 Mar | Virtual | CEO, CFO, Head of IR, VP Finance**
- **JCDecaux [JCDX PA] | 18 Mar (London), 25 Mar (Boston), 26 Mar (New York), 27 Mar (Chicago), 28 (Los Angeles) | Co-CEO, IR**
- **Tyler Technologies Inc [TYL] | 19 Mar (Frankfurt), 20 Mar (Paris) | EVP & CFO, IR**
- **Deutsche Telekom [DTGn DE] | 20 Mar | London | CEO**

- **Nordic Telecoms Field Trip [Helsinki (Telenor Finland, Regulator Traficom, Telia Finland, Elisa), Stockholm (Telia Sweden, Telia Company, Tele2, Regulator PTS, Telenor Sweden, Hutchison 3), Oslo (Regulator NKOM, Telia Norway, Telenor Norway, Telenor Group)] | 24-25 Mar (Helsinki), 26 Mar (Stockholm), 27 Mar (Oslo) | Field Trip**
- **Digital Infrastructure Conference | 22 May | London | Conference | Save the Date**
- ☐ **Disruptive Technology Symposium | 25-26 Jun | Munich | Conference | Save the Date**

Thanks

Regards

Sean