

GS TMT SPEC SALES: Nvidia GTC = +ve Besi; VOD watch TRY; DSY deal; Adyen expands Tap to Pay

FICC and Equities | 19 March 2025 | 8:17AM UTC

GS TMT SPEC SALES - Wednesday 19th of March

SOX -1.6%. NVDA -3.4% closed lower despite unveiling its plans for more powerful chips and partnerships as it failed to excite investors. Jensen keynote was a two-hour emphasized the increasing computational demands of "agentic AI," autonomous AI agents, stating that these demands are significantly higher than previously anticipated (100x more than last year). It featured updates on next-gen Blackwell Ultra, Rubin, and Rubin Ultra architectures. The launch of Dynamo – NVDA's inferencing software designed for the optimization of reasoning models within data centers (the operating system for AI Factories). Robotics breakthroughs (GROOT N1 a family of fully customizable models that NVIDIA will pretrain for robotics developers, NVIDIA Quantum-X silicon photonics networking switches & GM deal).

[See GIR take](#) **Read to Europe:** Bulls of the view this is potentially a +ve read to **Besi** given Jensen talking up Co-Package Optics (CPO) and watch for TSMC orders. For STM would note that Mobileye got dinged on the partnership between NVDA and GM. Mixed views on semicaps and memory .

While in the US a **second day in a row of intense Mag 7 underperformance** – for context, this is the first time that the Mag 7 has lagged the NDX by >1% on back-to-back days in ~30 months. Across the pond China Tech space rallies and **Xiaomi** hit all time highs after 4Q24 beat – revenues +49% with its smartphone business +16%. [See GIR take](#)

This is ironic: Chinese commerce minister is potentially **blocking BYD from opening a plant in Mexico** because “China is concerned that Mexico would gain unrestricted access to BYD’s technology and potentially allow the US access to it, the Financial Times reports, citing two unidentified people familiar with the matter”

VOD - Turkish Lira under pressure given the political opposition leader detained – **watch the TRY** (down 1.6% so far) and **knock on impact to VOD** that is exposed to Turkey and flags this as its fastest growing business. -

Watch **Spanish pricing** as **Orange** cuts convergent plans

Prosus – note that Tencent reports post HK close and this is Prosus biggest driver – GIR expecting a decent set of numbers


AWAY FROM GS;

Our flagship TechNet China will be held in Shanghai this year on 21-22

May with 50+ tech companies across AI, internet, hard tech, software, industrial tech. We are also hosting a Taiwan Computex Tour on 20 May in Taipei. [Link](#) to invite

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

TECH SNAPSHOT

- **Dassault Systèmes** announces investment in Click Therapeutics; financial details not provided. Click Therapeutics, a player in in prescription digital therapeutics and software-enhanced drug therapies. [Dassault](#)
- **Temenos** – nice financing deal - **Temenos** issues CHF 250m 5-year bond. The senior unsecured instrument carries an annual fixed-rate coupon of 2.22% and matures in April 2030. Pretty similar to its current cost of debt at around 2.1% . [Temenos](#)
- **Adyen** has officially enabled Tap to Pay on iPhone in nine new markets: Bulgaria, Finland, Hungary, Poland, Portugal, Slovakia, Slovenia, Switzerland and Liechtenstein. The functionality allows businesses the all-in-one solution for the hospitality industry, to enable iPhones to accept contactless payments without the need to purchase or manage additional hardware. [Adyen](#) 
- **Meta** has seen strong demand for its "open" AI model family, Llama. Mark Zuckerberg said Llama has now [surpassed 1 billion downloads](#), which is particularly notable because the company hit 650 million downloads just three months ago.

TELCO SNAPSHOT

-  **VOD** –are always super bullish Turkish organic growth.....lets see how the currency holds up with the latest political moves (a leading opposition leader detained - <https://blinks.bloomberg.com/news/stories/STCYP8T0AFB4>) For VOD have a look at the moves in the EM markets currencies {EURTRY Curncy } ..its lost 10.5% since the beginning of yearor {EURZAR Curncy } lost 2% or the {EUREGP Curncy} lost 5%. Note that Turkish inflation is now at 39% or 40% CPI Ex energy food & non-alcohol..... it NEEDS to grow....
- **Spain gets more competitive** - Orange Spain (MasOrange) has begun offering a number of convergent rates at around half their usual cost in 'ad personam' promotions not currently included on the operator's website. They include a plan with broadband at symmetric speeds of 1Gbps plus two mobile lines with unlimited calls and data, Orange TV

plus a choice of Netflix, Prime, Disney+ or Max for EUR 44 a month instead of EUR 86. Another includes Orange TV, Netflix, Prime, Disney+ as well as Max for EUR 53 a month instead of EUR 96 while a third has 600Mbps fibre plus Orange TV, Netflix and Disney+ for EUR 49 a month instead of EUR 91. ([Telecom Paper](#))

- Proximus is planning to split management of its domestic and international activities, according to the criteria for its CEO search. Newspaper L'Echo reports the company is searching for two CEO profiles to replace Guillaume Boutin, who said last month he is leaving for Vodafone. ([Telecom Paper](#))
- **Ukrainian telco Kyivstar**, moves towards a Nasdaq listing, as its parent company, VEON, announces the signing of a business combination agreement with Cohen Circle Acquisition Corp. ([Capacity](#)).
- **SES** has outlined plans for a more streamlined board of directors, but one of the satellite operator's biggest shareholders says the changes don't go far enough amid mounting competition in the space industry. ([SpaceNews](#)) SES also kicked off a search for a director with capital markets experience after hedge fund Appaloosa called for an [overhaul of its share capital and board structure](#).

MEDIA & INTERNET SNAPSHOT

- **JCDecaux – [GIR hosted](#)** co-CEO Jean-Francois Decaux & IR key topics: (i) the current trading environment by market, overall reiterating confidence in its c.5% group organic growth guidance for Q1, (ii) the environment in China, which remains subdued with no inflection, while highlighting that its profitability will improve given agreed contract adjustments, (iii) the significant opportunities in programmatic, with the recent Vistar Media acquisition demonstrating the potential value of VIOOH, its own digital OOH SSP, and (iv) its strategic priorities, which centre around investing behind its key markets and delivering its 2026 financial targets.
- **Prosus – note that Tencent reports post HK close:** We 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. Key debates into the print: Capex (buyside boogies too high? any guidance?); Ads growth outlook; Gaming 2H25 comp; and to the upside- to what

multiple can it gets rerated to? (Many cite Meta as a benchmark.. only that the benchmark has dropped quite a lot of late..)

- **Adobe** rolls out AI agents for online marketing tools. The new tools use AI technology to help brands target marketing messages to different users based on their online activity. [Reuters](#)

MACRO/FLOW & MORE DETAILS

- □ No smoking gun on the move lower which felt mostly macro driven with a handful of cross currents still; Tariffs still on for April 2nd, awaiting feedback from Trump/Russia conversation on Ukraine, Middle East tensions ratcheting with Israel/Gaza + Houthis in Yemen, Jensen's Keynote, etc. Second day in a row of intense Mag 7 underperformance (TSLA now down ~11% in 2-days) – for context, this is the first time that the Mag 7 has lagged the NDX by >1% on back-to-back days in ~30 months. Anecdotally, feels telling of the times & sentiments that the China Tech space rallies on seemingly the 'same' AI model progress headlines over and over (vs Tech/AI names lagging on the 'same' AI competition / complexity headlines). TBD what 'breaks' this.

FOMC main event today, will likely reiterate that it is not in a hurry to deliver further interest rate cuts and intends to remain on the sidelines until policy changes under the new administration become less volatile and uncertain and the outlook becomes clearer. We expect the FOMC's median economic projections to show a 0.3pp upward revision to 2025 core PCE inflation to 2.8% and a 0.3pp downgrade to 2025 GDP growth to 1.8%, mainly reflecting the tariff news. We have revised our own forecasts by more than this (0.5pp in both cases), but FOMC participants are likely to adjust a bit more cautiously until tariff policy becomes clearer.🔗

- Our floor was a 5 on a 1-10 scale in terms of overall activity levels. Our floor finished -325bps vs -104bps 30 day avg. LOs finished -\$2b net sellers driven by supply in supercap tech, industrials, and macro products. HFs finished were balanced, finished slight (-\$300m) net sellers driven by supply in macro products and discretionary.

MORE DETAIL

MEDIA & INTERNET

- **China eComm tracker:** China January + February online retail goods GMV grew by +5% yoy accel vs. 11Dec-24/4Q24 (+4%/+3% yoy), driven by continuation of consumption goods trade-in and CNY shopping

festival sales across major platforms. We fine-tune our 1Q25E industry online GMV growth to 4% (from 7% prior), and 1Q25E industry parcel volume growth of 16% (from 18% prior) reflecting the slower March trends, assuming low-single-digits online retail growth/15% parcel growth for March.

SOFTWARE & IT SERVICES

- **SAP** is embedding its generative AI copilot Joule into SAP Concur solutions, bringing the portfolio one step closer toward a fully automated travel and expense management process. SAP Concur also announced an expanded partnership with American Express to simplify expense management for shared customers. SAP Concur and American Express are launching a real-time authorization data capability whereby American Express Corporate Card purchases automatically generate and categorize expenses in Concur Expense at the time of spend. [SAP](#)
- **Cash App** has joined with **Afterpay** to offer buy now, pay later services at online merchants. The roll out begins with access to Pay-in-4 products at the outset, and Pay Monthly in coming months. [Finextra](#)

SEMISAND HARDWARE

- **Mediatek** +ve: The Information reportedly said Google is preparing to partner with Mediatek on the next version of its AI chip, Tensor Processing Units, that will be made in 2026, citing people involved in the project. Bruce Lu has been talking up MTK's design wins in TPUs from last year and his most recent call on upside is from Automotive- MTK has been securing design wins from major mainland China customers, thanks to its better cost performance, superior R&D support and customer services. By 2026E/2027E, Bruce sees MediaTek's automotive business to contribute 3.6%/6.8% of its total revenue, up from 1.8% in 2025E. SAM could be US\$1.7bn, representing around 7% of MediaTek's revenue in 2027E
- Xiaomi's 4Q24 results continued to beat expectations. **Group revenue** grew **+49% yoy** to Rmb109bn (3%/6% above GSe/Visible Alpha Consensus Data), while **group adj. net profit** grew **+70% yoy** to Rmb8.3bn (26%/32% above GSe/consensus). This concluded the year of 2024 when Xiaomi regained growth momentum (+35%/42% revenue/net profit growth); that said, we continue to believe that **2024 was just the beginning of Xiaomi's multi-year growth trajectory (27%/36% revenue/net profit CAGRs for Xiaomi in 2024-27E)**,

underpinned by its Human x Car x Home integrated ecosystem expansion, enhanced investments in six core strategies, and rising brand appeal to global consumers. **Multiple share price catalysts in months ahead:** **i) Mar:** *Xiaomi SU7 Ultra* to take on Nürburgring; **ii) Apr:** Product launch event around Xiaomi's 15th anniversary; **iii) Apr-Jun:** EV factory progress; **iv) Apr-May:** Shanghai Auto Show; **v) Jun-Jul:** YU7 release; **vi) Jun:** 6.18 shopping festival.

- **AI/NVIDIA:** at the GTC 2025, Nvidia unveiled its latest AI platform Blackwell Ultra and long-expected GB300 which feature 150% stronger performance vs. GB200, expect shipments in 2H25. +VE for suppliers TSMC, HonHai (2317), Quanta (2382), Wistron (3231), Inventec (2356)... (ED)
- **APPLE FOLDABLE PHONE:** mkt chatter Apple is likely to launch its first foldable smartphone that will be priced at US\$2300 in 2026 at the earliest, suppliers HonHai (2317), Largan (3008), ShinZuShing (3376) (ED)
- **AI CAPEX:** Media reported AI next step transforming to Reasoning Model from LLM and US CSP capex will increase from this year US\$371bn to US\$525bn by 2032 and survey indicated training will decline to 14% while inferencing increase to 40% in 2032. (CT)
- **Memory:** pricing hike in April and DRAMeXchange raised DDR5 estimate for Q2 PC 16Gb to US\$3/9 from US\$3.3 and Q3/Q4 to reach US\$4.2 while Gartner also estimated AI PC shipment to reach 114m or up 165% YoY and DRAM inventory in Q4 down to 13 weeks from 15 weeks. (CT)

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**

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Regards

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