



Daily US Equity Opening News - 17th March 2025

BIDU launches AI models; Klarna takes coveted WMT BNPL deal from AFRM

TODAY'S AGENDA:

- **DAY AHEAD:** In Europe, ECB President Lagarde is due to speak today, but there will not be a text release. Elsewhere, the Business Inventories data for January is expected to rise 0.3% M/M (from a prior -0.2%); in wake of the data, the Atlanta Fed will update its GDPnow tracking estimate for Q1, which is currently modelling growth of -2.4%. It is worth noting that analysts have suggested that the Atlanta Fed's latest tracking may be overstating the gloom; the model saw a hefty downward revision after the US trade deficit rose to a record in January, driven by stockpiling ahead of potential tariffs, but this might have been a function of gold imports, which do not directly impact activity – indeed, the Atlanta Fed said that the gold-adjusted tracking estimate was at -0.4%, still in contraction, but less severe than its headline.
- **RECAP - CHINA ACTIVITY DATA** - China's economic performance exceeded forecasts at the start of 2025. Retail sales grew by 4% Y/Y (exp. 4.0%, prev. 3.5%), industrial output rose 5.9% Y/Y (exp. 5.3%, prev. 5.9%), and fixed-asset investment increased by 4.1%, all surpassing expectations. This growth comes despite pressures from US tariffs on Chinese exports. Capital Economics said "China's economy had a decent start to the year, likely driven by fiscal stimulus," and the consultancy expects the recovery to continue over the coming months, "but given the wider headwinds weighing on China's economy, we don't expect any near-term improvement to be sustained for long." Elsewhere, China introduced a "special action plan" to boost household consumption, aiming to address both immediate demand and long-term consumption environment improvements; the plan outlines eight key strategies to tackle challenges faced by Chinese households amid economic weakness.
- **BROKER MOVES:** NCLH upgraded at JPM, with LI downgraded at Macquarie. [To see the full Broker Moves list, please click here.](#)
- **MAJOR MORNING MOVES RECAP:** INTC, AFRM, BIDU, NEE, NCLH. [To see the full list, please click here.](#)
- **WEEK AHEAD:** Highlights include policy announcements from the FOMC, BoJ, BoE, SNB; US Retail Sales, Aussie jobs, Japan and Canada CPI are also on the docket.
- [Click here for our week ahead briefing.](#)

EQUITY NEWS:

MACRO

- **Tariffs** - President Trump reiterated plans to impose both broad reciprocal tariffs and additional sector-specific tariffs on April 2nd, and said that, in some instances, both types of levies will apply to foreign goods imported into the US. Trump has no intention of creating exemptions on these steel and aluminium tariffs. Elsewhere, EU Trade Chief Sefcovic said he had an important exchange with US Commerce Secretary and the USTR, noting that there is a lot of work to be done ahead.
- **US Economy** - The US Senate passed a Republican spending bill on Friday, preventing a government shutdown just before the midnight deadline. The approval deepened internal divisions within the Democratic party over how to respond to President Trump. Elsewhere, an NBC News poll shows that while optimism about the nation has risen with President Trump's second term, voters are increasingly dissatisfied with the state of the US economy. Additionally, a majority hold negative views on Trump's adviser Elon Musk.
- **US-Ukraine-Russia** - President Trump will speak with Russian President Putin on Tuesday, aiming to push for a ceasefire in Russia's war in Ukraine. Trump expressed optimism, stating that there is "a very good chance" for a deal, with potential announcements expected after the talks. Elsewhere, Trump announced the appointment of Keith Kellogg as his special envoy for Ukraine, narrowing Kellogg's responsibilities after being sidelined during US-Russia talks. Trump described the shift as a positive move, with Kellogg now focusing exclusively on Ukraine, having previously handled both Ukraine and Russia.
- **US-China** - Global CEOs, including those from Qualcomm (QCOM) and Saudi Aramco, are set to meet President Xi Jinping in Beijing on March 28th, Bloomberg reports. The gathering will involve top executives discussing key business matters. However, the details of the meeting are still subject to change.
- **US-Yemen** - The US has vowed to continue "unrelenting" military strikes on Yemen's Houthi militants until they cease attacks on civilian and military vessels in the Red Sea. Pentagon chief Hegseth stated that operations will persist to ensure freedom of navigation, with an end to the campaign contingent on the Houthis halting their attacks. Reports suggested that Iran's Foreign Minister Abbas Araghchi visited Oman following US strikes on Houthi forces; the trip aligns with broader diplomatic efforts aimed at reviving talks between Iran and the US, including discussions on a potential new nuclear deal (Oman previously mediated between the two sides).

TECH

- **OpenAI** - OpenAI and Elon Musk have agreed to fast-track a trial over OpenAI's shift to a for-profit model. Musk has accused OpenAI of straying from its original mission, while OpenAI argues the change is necessary for raising capital and competing in the AI sector. The trial is expected in the Autumn.
- **ByteDance** - US VP JD Vance expects President Trump to finalise a deal for TikTok that addresses national security concerns and allows for a separate American TikTok entity. Vance, involved in the negotiations for the forced sale, expressed confidence in reaching a high-level agreement before next month's deadline.
- **SoftBank (SFTBY), OpenAI** - SoftBank has acquired part of Sharp's Sakai Display Products factory in Osaka for JPY 100bln. Co. plans to transform the site into the world's first AI agent data centre, in collaboration with OpenAI.
- **Apple (AAPL)** - Senior director overseeing Siri, Robby Walker, admitted that delays in key features of the virtual assistant have been "ugly and embarrassing," Bloomberg reports. During an internal meeting, he acknowledged the team's struggles and the misstep of promoting technology before it was ready, with no clear timeline for the updates' release. In other news, iPhone 17 "Air" is set to lay the foundation for major design changes in future devices, including possible portless and foldable iPhones.
- **NAND Prices** - NAND flash prices are expected to rise as Micron (MU), Samsung Electronics (SSNLF), SK Hynix (HXSCL), and Yangtze Memory Technology plan to hike prices in April, following SanDisk's announcement of a price increase, DigiTimes reports. The price rebound is driven by tight supply conditions in the market, it added.
- **ASML Holding (ASML)** - China's Changchun Institute of Optics, Fine Mechanics, and Physics (CIOMP) is offering uncapped salaries to PhD researchers as part of its drive to develop a domestic alternative to ASML's advanced semiconductor lithography technology, DigiTimes reports. The move is in response to escalating US technology restrictions, which have limited China's access to ASML's cutting-edge equipment.
- **Intel's (INTC)** - New CEO plans to overhaul the chip design and manufacturing business, plans to restart AI efforts and produce chips at annual cadence as it looks at further cuts. CEO aims to improve efficiency and revive Intel's manufacturing prowess and plan likely to include management reorganisation. CEO is considering broadening Intel's AI business too.

ENERGY

- **Oil Prices** - Goldman Sachs cuts its December 2025 Brent crude forecast by USD 5.00, to USD 71/bbl, and WTI to USD 67/bbl. It also lowered its 2025 global oil demand growth estimate to 900k bpd from 1.1mln bpd. The bank cites weaker US growth due to tariffs and increased OPEC+ output, as crude price fall recently on ample supply, weak Chinese demand, and rising trade tensions. Meanwhile, Citigroup warned that if WTI prices remain around USD 65/bbl, US shale operators might halt 25 drilling rigs, keeping production flat; a further price decline could reduce crude output, threatening President Trump's push for more domestic oil production.
- **US Energy** - President Trump is set to meet with top oil executives at the White House this week. It will be his first meeting with a large group of oil and gas leaders since his inauguration. The meeting comes as the industry faces challenges from falling crude prices and tariff uncertainties.
- **Woodside Energy (WDS)** - Signed a 15-year LNG supply deal with China Resources Gas International, marking the first such agreement between Chinese and Australian firms in years. Starting in 2027, Woodside will supply 600k tons annually, as China avoids further US imports due to tariffs on American gas.
- **Excelerate Energy (EE)** - Excelerate Energy and PV Gas have signed an MoU to secure US LNG supply for Vietnam from 2026. The partnership will assess PV Gas' LNG needs and establish a strategic sourcing framework. Excelerate sees this as a step towards supporting Vietnam's energy demand and expanding the US LNG market.

INDUSTRIALS

- **Airlines** - Major US airlines have challenged a January court ruling that upheld the DoT's authority to impose a rule requiring upfront disclosure of airline service fees. The court's decision blocked the Biden administration's 2024 fee disclosure rule, with airlines arguing it would disrupt operations without clear benefits.
- **Boeing (BA)** - The US Transport Secretary criticised Boeing for losing public trust following safety incidents involving the 737 MAX, including a mid-air emergency in January 2024 and prior fatal crashes. He emphasised Boeing must rebuild trust and improve manufacturing practices before the FAA lifts the 38-plane production cap. Duffy highlighted that Boeing's leadership is making progress, but further scrutiny is necessary. Meanwhile, Boeing Friday said it is still negotiating a revised deal to resolve the criminal case tied to the 737 Max crashes with US prosecutors; the original deal, blocked due to a diversity provision, is being reconsidered after leadership changes at the DoJ since Trump's presidency. A status report will be provided by April 11th. Elsewhere, Boeing appointed Don Ruhmann as its new chief aerospace safety officer, tasked with rebuilding the Cos. reputation and safety culture. The 36-year Boeing veteran was previously vice president of airplane development.
- **Lockheed Martin (LMT)** - Turkish President Erdogan urged the US to lift sanctions on Turkey's defence industry, imposed in 2020, and to reinstate Turkey in the F-35 initiative. During a call with US President Trump, Erdogan stressed the need for a shift in US policy, aligning with Turkey's national security concerns. Elsewhere, Canada PM Carney has initiated a review of the country's F-35 contract with Lockheed Martin following rising tensions with the US over tariffs and expansionist rhetoric from President Trump; Canada will assess whether the F-35 is the best choice for Canada's needs, or if alternative options should be considered. Separately, Lockheed Martin secured a USD 122.6mln US Air Force contract modification to expand production of Joint Air-to-Surface Standoff Missiles and Long-Range Anti-Ship Missiles.
- **GE Aerospace (GE)** - Secured a USD 5bln US Air Force contract for F110 engines under a five-year FMS agreement. The deal includes Saudi Arabia, Jordan, Bulgaria, and future FMS cases.
- **AeroVironment (AVAV)** - Secured a Defense Innovation Unit contract under Project Artemis to advance autonomous

precision munitions. The award supports the rapid testing of long-range uncrewed aircraft for the US Department of Defense.

- **Rocket Lab USA (RKLB)** - Successfully launched its 61st Electron mission on March 15, 2025, for Japanese customer iQPS, deploying the QPS-SAR-9 spacecraft into a 575km Earth orbit. This follows a previous launch in December 2023. Additionally, Rocket Lab's third Pioneer spacecraft for Varda Space Industries, launched on March 14, 2025, is now operational, following the successful re-entry and landing of Varda's W-2 mission just 15 days prior.
- **Joby Aviation (JOBY)** - Virgin Atlantic has partnered with Joby Aviation to launch an air-taxi service in the UK, offering seamless travel to and from airports once approved, Bloomberg reports. CEO Weiss mentioned that the service could eventually link locations like Canary Wharf to airports, enhancing convenience for passengers, particularly those in London's financial district.
- **ProSiebenSat.1 Media (PBSFY)** - Close to a deal with General Atlantic, offering up to a 10% stake through a convertible bond. In exchange, General Atlantic will provide its minority stakes in NuCom Group and ParshipMeet Group. ProSieben's supervisory board could approve the transaction as soon as today.

MATERIALS

- **Glencore (GLNCY)** - Restructuring its Canadian copper and zinc operations, including merging its Quebec copper plants with the global zinc smelting division to improve efficiency. The move follows job cuts and aims to address the slump in processing margins, driving cost-cutting efforts within the Co.
- **ArcelorMittal (MT)** - ArcelorMittal South Africa unit is seeking a ZAR 3.1bn (USD 170m) rescue package from the Industrial Development Corp. to prevent the closure of its steel mills in South Africa. The funding would avoid the loss of 3,500 jobs by keeping the long-steel plants operational, which are set to close in Q2.
- **First Quantum Minerals (FQVLF)** - Paused its arbitration against Panama, which could facilitate new negotiations over the Cobre Panama mine. Co. had previously sought USD 20bn in compensation through the International Court of Arbitration following the mine's closure but now focusing on resolving the dispute through talks.
- **US Steel (X)** - DoJ has filed a motion to extend briefing deadlines in CFIUS. DoJ reschedules oral argument in CFIUS litigation to week of May 12th. US Steel consented to the motion, which remains subject to court approval.

FINANCIALS

- **Berkshire Hathaway (BRK.B)** - Increased its stakes in Japan's largest trading houses, including Mitsubishi, Marubeni, Mitsui & Co., Itochu, and Sumitomo, Bloomberg reports. The move comes three weeks after Warren Buffett's annual letter to shareholders, which had fuelled speculation about such investments.
- **BlackRock (BLK)** - Chinese authorities ramped up criticism of CK Hutchison Holdings' plan to sell its Panama ports stake, reposting a second commentary from Ta Kung Pao. The article raises concerns over the deal, questioning whether it harms China and benefits malicious entities. It follows a previous attack by a Chinese newspaper, leading to a sharp drop in CK Hutchison's shares.
- **HSBC (HSBC), UBS Group (UBS)** - Cos. are expanding their wealth management arms in India following a record IPO year, FT reports. UBS may acquire shares in 360 ONE, while HSBC plans to double its branches.
- **Klarna Group (KLAR)** - Filed for a US IPO, aiming to list on the NYSE under "KLAR", despite market volatility. The listing could value the BNPL firm at up to USD 15bn, the FT said. In other news, Klarna will be the exclusive provider of buy now, pay later loans for **Walmart (WMT)**, taking a coveted partnership away from rival **Affirm (AFRM)**.
- **Bunds** - Germany's debt issuance is expected to remain contained in 2025 but rise significantly in 2026, driven by planned fiscal measures including infrastructure and defence investments, WSJ reports. The increase could lead to volatility in bond yields and asset swaps. Markets reacted negatively to the fiscal plan, particularly affecting German bonds, but analysts anticipate stabilisation in the duration of the selloff.
- **JGBs** - Pimco has shifted its stance on Japanese government bonds, moving from an underweight position to neutral. The firm now sees value in 30yr JGBs, as yields have reached their highest levels since 2006, amid expectations that the BoJ will continue raising interest rates this year.
- **Capital One (COF)** - February net charge-offs at 6.35% (prev. 6.12%), delinquency rate 4.52% (prev. 4.61%).
- **JPMorgan (JPM)** - February net charge-offs at 1.68% (prev. 1.64%), delinquency rate 0.91% (prev. 0.88%).

COMMUNICATIONS

- **Baidu (BIDU)** - Launched two new AI models: Ernie 4.5, the latest version of its foundational model, and Ernie X1, a reasoning model, TechCrunch reports. Ernie X1 is claimed to be on par with DeepSeek R1 but at half the price, while Ernie 4.5 boasts improved emotional intelligence, handling memes and satire. Both models support multimodal processing. Baidu plans to release the next version, Ernie 5, later this year.
- **IAC (IAC)** - Increasing its buyback programme by 10m shares.

CONSUMER DISCRETIONARY

- **Porsche (POAHY), Volkswagen (VWAGY)** - VW's largest shareholder Porsche SE stated it is not considering selling any voting shares in the carmaker, refuting a report by Bild suggesting that Porsche and Piech families were contemplating divesting shares. Porsche emphasised that it remains committed to its long-term investment in Volkswagen.
- **Volkswagen (VWAGY)** - In partnership with FAW Group, will introduce 11 new models tailored for the Chinese market, including six EVs, two plug-in hybrids, and two range-extended EVs, Bloomberg reports. The lineup, starting in 2026,

includes the first electric Jetta model for the entry-level market, and responds to increasing EV demand in China.

- **Tesla (TSLA)** - Tesla China launches limited time-trial of FSD function from March 17th to April 16th.
- **Guess (GES)** - Board has received a non-binding proposal from WHP Global to acquire it for USD 13/shr in cash. Note, GES closed Friday at USD 9.70/shr.
- **American Eagle Outfitters (AEO)** - Announces USD 200mIn accelerated share buyback programme.

CONSUMER STAPLES

- **Church & Dwight (CHD)** - Appointed Lee McChesney as Executive Vice President and CFO, effective March 24th. He succeeds Richard Dierker, who will become CEO on April 2nd following Matthew Farrell's retirement.
- **PepsiCo (PEP)** - To acquire Poppi for USD 1.95bln. Note, in-fitting with recent source reports.

HEALTHCARE

- **AbbVie (ABBV)** - Final analysis of the Phase 3 MIRASOL trial showed ELAHERE significantly outperformed chemotherapy in treating platinum-resistant ovarian cancer. At 30.5 months median follow-up, ELAHERE demonstrated a 37% reduction in progression risk and a 32% reduction in death risk, with median progression-free survival and overall survival of 5.59 and 16.85 months, respectively.
- **AstraZeneca (AZN)** - Will acquire biotechnology firm EsoBiotec for up to USD 1bln; the deal includes an initial payment of USD 425mIn and potential contingent payments up to USD 575mIn, depending on development and regulatory milestones. The transaction is expected to close in Q2 2025, and will not affect AstraZeneca's 2025 financial guidance. Elsewhere, Imfinzi was approved in EU for limited-stage SCLC.
- **Incyte (INCY)** - Phase three trial data for a skin condition treatment. Incyte said that the trials of its drug met the primary endpoints. However, the drug was effective for less than half of the participants who took it in the trials.

UTILITIES

- **NextEra Energy (NEE)** - Leadership changes; President and CEO of NextEra Energy Resources Rebecca Kujawa will be retiring, with Brian Bolster replacing her.

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