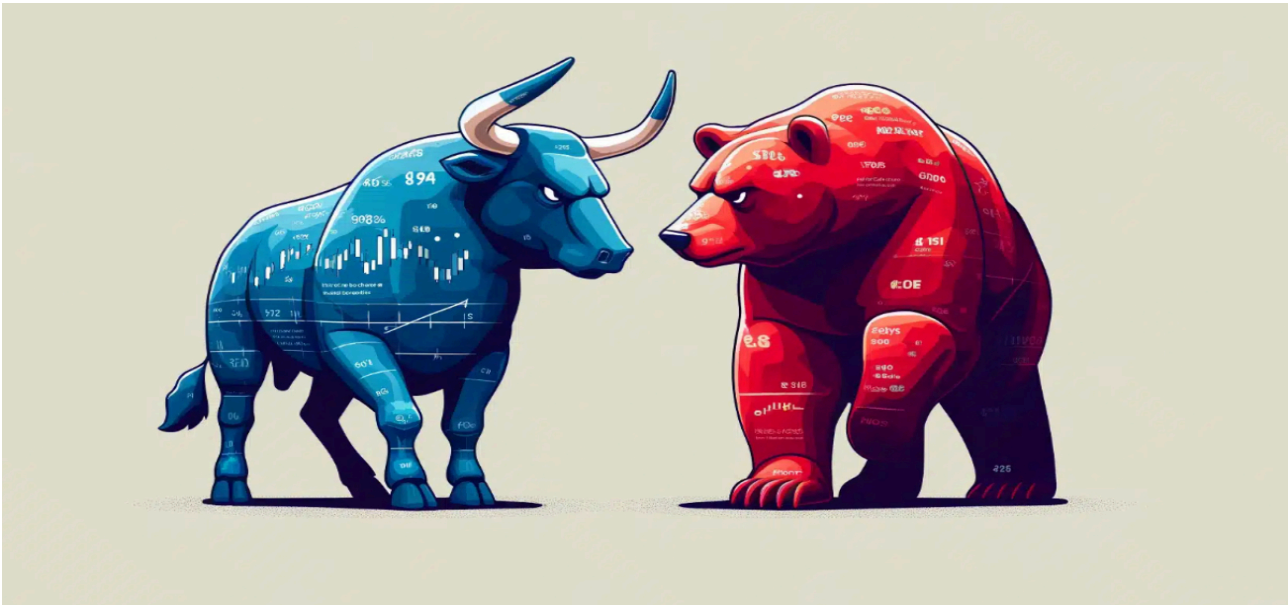


# Adidas, Nike, Nokia, Infinera, Warren Buffett - Markets Defused

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Markets Defused aims to give an easy-to-understand and straightforward recap of the day's most engaging business and stock market news.

- Adidas is getting a big football boost, analyst says
- Nike stock dropped sharply on downgraded forecasts
- Nokia strikes \$2.3bn deal to tap into datacentre demand
- Warren Buffett donates over \$5 billion

## Adidas is seeing a big football boost, analyst says

adidas AG (OTCQX:ADDYY) is benefitting from on-trend "brand heat" for its Terrace lines, amidst the UEFA Euro 24 championship, that's according to analysts at Deutsche Bank.

The 'Terrace' trend is continuing and is likely to be bolstered further by the football-related apparel sales, analyst Adam Cochrane highlighted.

"The positive Terrace impact will be felt across most regions and in the gross margin," he said in a note.

Adidas' terrace lines include retro designs, particularly those based on the European football culture of the late eighties and nineties - including the likes of the iconic Gazelle, Samba and Spezial trainers.

Cochrane added that the DB team expects to see Adidas report second quarter sales growth pushing toward 10%, which would be a big step up from the 5% seen in the year's first three months.

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## Nike stock dropped sharply as 2025 forecasts are downgraded

Nike Inc (NYSE:NKE, ETR:NKE) stock dropped some 20%, to \$75.24, in Friday's deal after it downgraded guidance for the 2025 financial year, amidst 'mixed' fourth-quarter financials.

The downgraded outlook comes due to softer consumer demand in North America and China.

Nike told investors that it expects full-year revenue to drop by mid-single digits next year, with its first-quarter revenue seen down about 10% - this compares to a market forecast of a 3% decline. Analysts had projected a roughly 3% decline.

The sportswear brand plans to invest \$1 billion in consumer-facing activities and accelerate product creation through its new "Speed Lane" which is described as a streamlining of production.

For its fourth quarter, Nike reported adjusted earnings of \$1.01 per share on \$12.6 billion in revenue, missing the \$12.9 billion revenue forecast by Wall Street analyst consensus. Quarterly sales fell by 2% year over year, notably direct-to-consumer sales were down 8% offset somewhat by a 5% improvement in wholesale.

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### **Nokia strikes \$2.3bn deal for Infinera to tap into data centre demand**

Nokia Corporation (ADR) (NYSE:NOK) has agreed to acquire California-based data centre networking business Infinera in a deal worth \$2.3 billion.

It is a premium-priced deal, at \$6.65, pitched around 28% above Infinera's closing price on Thursday.

The Nordic telecoms firm is to pay 70% in cash, with the rest paid in shares, for the company is seen as bolstering Nokia's position to benefit from rising demand created through the adoption of AI.

The so-called 'picks and shovel' industries supporting the AI boom are seen as key opportunities for consolidation.

By acquiring Infinera, Nokia is seen as become the world's second-largest vendor in the optical networking market, with a 20% market share - whilst China's Huawei is the leader in the market vertical.

Pekka Lundmark, Nokia chief executive, described the deal as "a strong strategic fit".

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### **Warren Buffett donates over \$5 billion of Berkshire Hathaway stock**

Warren Buffett has offloaded \$5.3 billion of his Berkshire Hathaway stock, gifting it to charity, as part of his ongoing philanthropy plan which aims to give away almost all of his wealth.

It is his largest annual gift since he began this program of donations in 2006. Over these years he has so far donated \$57 billion.

This is part of his stated plan to give away 99% of his fortune.

Buffett, who is 93 years old, has named his children executors of his will to run his estate after his death with express instructions for his charitable trust to "help people that haven't been as lucky as we have".

The latest donation, of 13 million shares, was distributed to The Bill & Melinda Gates Foundation, The Susan Thompson Buffett Foundation, named after Buffett's late first wife, the Howard G. Buffett Foundation, Sherwood Foundation, and NoVo Foundation.

He still owns about one-seventh of Berkshire Hathaway, with his stake valued at some \$127 billion.

Berkshire Hathaway, the investment company led by Buffett, is worth \$880 billion that owns dozens of businesses, including the BNSF railroad and Geico car insurance, and stocks such as Apple.

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