Nike, Walmart, BT Group, Rank Group, Google, Kellanova, National Grid, Home Depot, On Holdings, JetBlue - Markets Defused

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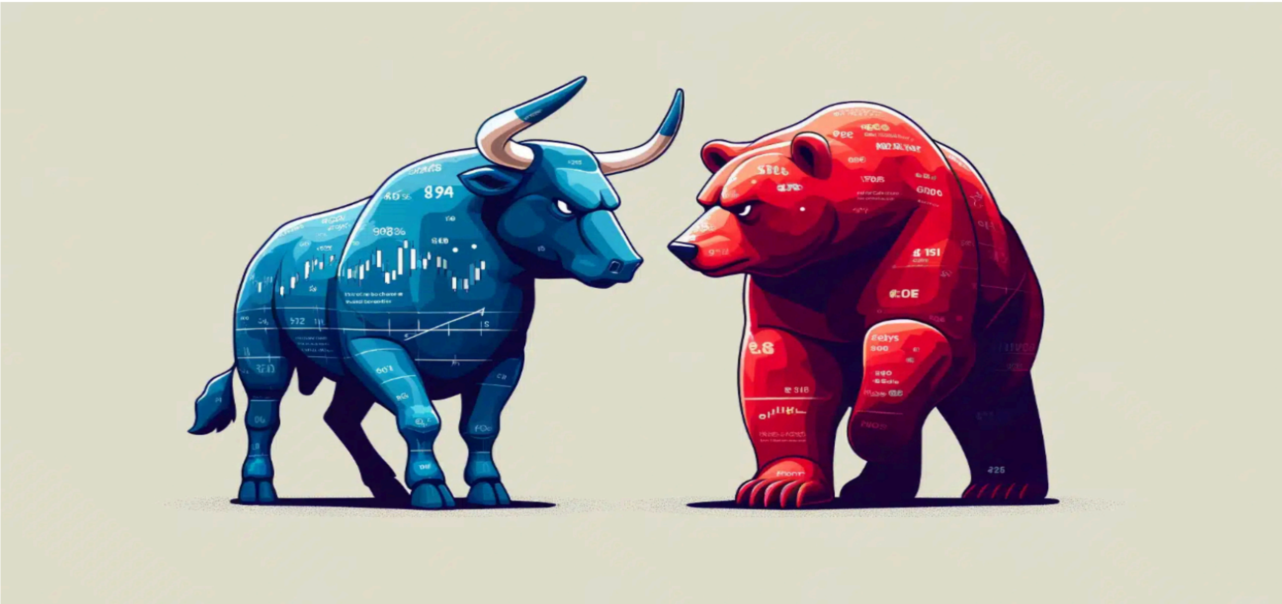

Markets Defused is an easy-to-understand and straightforward recap of the day's most engaging business and stock market news.

- Nike rallied on activist investor stake building
- Walmart new high after financials impressed
- Rank Group trades up after returning to profit
- Google owner may face forced breakup
- AstraZeneca's UK vaccine hub under threat
- Pringles owner bought by Mars
- National Grid and SSE greenlit for UK power 'superhighway'
- Home Depot investors not shocked by profit warning
- Roger Federer's On Holdings put front-foot forward
- BT Group stake bought by Indian billionaire
- JetBlue hit by debt sale that sparked S&P and Moody's downgrade

Nike rallied on activist investor stake building

Nike Inc (NYSE:NKE, ETR:NKE) shares traded higher as famed activist investor Bill Ackman acquired a new stake in the sportswear company.
Ackman's investment company Pershing Square Capital Management, which recently flirted with an IPO before shutting the process down, has bought around 3 million Nike shares, according to a stock market filing.
Stiff competition from Adidas, which has seen a number of key lines 'trending' in 2024, as well as new rivals like Hoka and Roger Federer's On brand has seen Nike lose market shares and measure sales declines.
Notably, Nike has this year seen softer sales in China.

Read the full story here

Walmart hit new high after financials impressed Wall Street

Walmart Inc (NYSE:WMT, ETR:WMT) shares rose to a record high in Thursday's trade thanks to a largely upbeat earnings report card for its second quarter.
It highlighted strong sales growth, consumer-friendly price reductions and traction with its own-labelled product lines.
Revenue for the quarter totalled $169.34 billion, up nearly 5% from the same period last year and above market expectations that were pitched at $168.63 billion. Earnings (adjusted) per share came in at 67 cents, beating Wall Street's consensus forecast of 65 cents.
Overall, Walmart reported higher foot traffic and higher spending, particularly among these higher-income consumers.
Read the full story here

Rank Group trades up after returning to profit

Shares in Mecca Bingo owner Rank Group PLC (LSE:RNK) were up 'lucky seven' percent in Thursday's dealing after the firm reported a return to profit.
Pre-tax profit for the financial year ended 30 June amounted to £15.5 million, compared to a £123.3 million loss a year ago. Revenue was up 9% for year at £734.4 million, with growth seen across all of Rank's casino and bingo brands.
John O'Reilly, the CEO of Rank Group, stated that the company has seen continued improvement in trading due to ongoing investments in people, products, and facilities.
Read the full story here

Google faces a forced breakup

Shares in Google parent company Alphabet Inc (NASDAQ:GOOG) fell more than 2% on Wednesday as the threat of a forced breakup loomed.
The US Department of Justice (DOJ) is said to be contemplating the breakup of the company - which dominates search and online advertising, whilst owning YouTube and also the Android smartphone operating system - in the wake of a federal court ruling that the company holds an illegal monopoly over the internet search market.
A breakup is one of several potential remedies the DOJ is reportedly exploring as a result of the ruling.
Read the full story here

AstraZeneca's UK vaccine hub under threat

AstraZeneca PLC (LSE:AZN) shares closed Wednesday's session slightly lower amid reported that its proposed £450 million investment in a vaccine manufacturing hub in Merseyside is under threat due to potential funding cuts from the UK government.
Rachel Reeves, Britain's Chancellor of the Exchequer is reportedly considering reducing the state aid for the project from the £65 million initially promised by her predecessor, Jeremy Hunt, to £40 million. The cut is part of a broader review of investment decisions made by the previous government, as the new leadership aim to address a £22 billion deficit in public finances.
AstraZeneca has meanwhile warned that if the funding is not secured, the project may be relocated to France.
Read the full story here

Pringles owner bought by Mars

Pringles owner Kellanova (NYSE:K) popped nearly 8% higher in Wednesday's deals with the confirmation that it will be bought by Mars in a $36 billion all-cash deal.
Kellanova (NYSE:K), which also owns the Pop-Tarts, and Cheez-It brands among other, is being priced at $83.50 per share, which is a 33% premium. The deal is expected to close in the first half of 2025, pending shareholder and regulatory approval.
The acquisition by privately owned Mars will see the new company significantly expanded, adding the Kellanova brands to a portfolio already comprising the likes of Mars, Snickers, M&Ms, Twix, Skittles, along with pet-food brands such as Pedigree and Whiskas.
Read the full story here

National Grid and SSE greenlit for UK power 'superhighway'

Investors in National Grid PLC (LSE:NG.) and SSE PLC (LSE:SSE) each saw their shares trade up 1% on Tuesday after the British authorities greenlighted a so-called "electric superhighway" project.

It will see high volumes of renewably generated power transmitted between Scotland and England.
Ofgem approved the project, called the Eastern Green Link 2 (EGL2), which will be a subsea electricity transmission project connecting Peterhead in Scotland with Drax in Yorkshire. Its predicted to cost £4.3 billion and is being described as the largest ever single investment in the UK's electricity transmission infrastructure. The project will comprise a 507-kilometer-long high-voltage direct current (HVDC) cable capable of carrying enough renewable electricity to power two million homes.
EGL2 will be built as a joint venture between National Grid and SSE and its scheduled to be operational by 2029 as part of the UK's effort to modernise its electricity grid and support net-zero targets.
Read the full story here

Home Depot investors not shocked by profit warning

Home Depot Inc (NYSE:HD, ETR:HDI) investors were well braced, with the share up slightly in New York, despite downgraded forecasts for full-year sales and profit.
Consumer demand for home improvement projects has weakened amidst higher interest rates and broader economic uncertainty, the DIY retailer highlighted (somewhat unsurprisingly).
Home Depot reported a 3.6% decline in US comparable sales for its second quarter, which was notably worse than a 2.5% drop predicted by Wall Street analysts. Customer transactions decreased by 1.8%, and the average amount spent by customers also declined.
Revenue came in at $43.18 billion, a shade above the $43.06 billion predicted by Wall Street, whilst earnings per share was reported at $4.60 which similarly outperformed the market estimate.
Read the full story here

Roger Federer's On Holdings put front-foot forward

Shares in On Holding AG (NYSE:ONON), the sports shoe company made famous by brand ambassador and shareholder Roger Federer, were on the front foot on Wednesday after reporting financial results.
Sale for the second quarter totalled 567.7 million Swiss Francs (CHF), and was up some 27.8% compared to the same trading period last year and was ahead of market consensus of CHF 561.6 million.
The company pointed to tight stock volumes as a drag on its sales performance, especially in its direct-to-consumer business.
Earnings (adjusted EBITDA) rose 45% to CHF 90.8 million, compared to a forecast of CHF 85.9 million, though gross profit margin was slightly short of analyst expectations pitched at 60.1%.
On kept an upbeat guidance forecast, but did not upgrade. It currently estimates it will increase net sales by at least 30% this year, which would take it to CHF 2.26 billion. Whilst it said it expected gross profit margin to reach 60%.
Read the full story here

BT Group stake bought by Indian billionaire

BT Group PLC (LSE:BT.A) shares gained around 7.5% in Monday's dealing with the news that Indian billionaire Sunil Bharti Mittal, via the company Bharti Global, has become the UK telecoms firm's largest shareholder.
Bharti has acquired a 24.5% stake in the company from French conglomerate Altice.
completed after clearance under the UK National Security and Investment Act.
Read the full story here

JetBlue hit by debt sale that sparked S&P and Moody's downgrade

JetBlue Airways (NASDAQ:JBLU) saw its stock descend 17%, to $5.00, after it launched a $3.15 billion debt funding.
The America budget airline told investors it is designed to bolster liquidity, whilst it manages its corporate finances amid ongoing challenges.
It is to be cornerstoned through a $2.75 billion bond sale, secured against JetBlue's loyalty program, TrueBlue. A further $400 million is expected to come through the sale of convertible debt securities, which can be exchanged for new company equity in the future.
This is the latest refinancing in the sector, following similar initiative by the likes of Delta and United, which have also used loyalty programs as collateral to raise funds.
It has, meanwhile, earned the airline a downgrade by credit ratings firms S&P and Moody's which moved the airlines further down the 'junk' tiers - S&P moved to 'B-' from 'B' whilst Moody's moved to 'B3' from 'B2'.

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