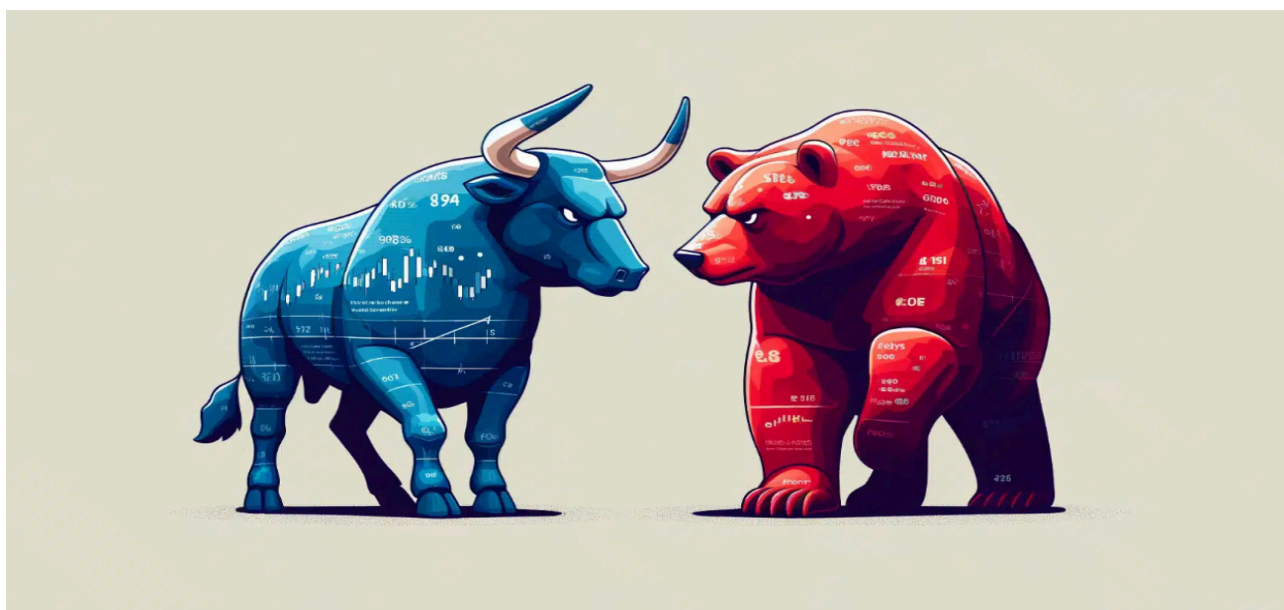


Author: Jamie Ashcroft / First published: 09:21 17 August 2024



- 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

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'.

## General Disclaimer and copyright

The above has been published by Proactive Investors Limited (the "Company") on its website and is made available subject to the terms and conditions of use of its website (see T&C ).

All information used in the preparation of this communication has been compiled from publicly available sources that we believe to be reliable, however, we cannot, and do not, guarantee the accuracy or completeness of this communication.

This communication is intended for information purposes only and does not constitute an offer, recommendation, solicitation, inducement or an invitation by, or on behalf of, the Company or any affiliates to make any investments whatsoever. Opinions of and commentary by the authors reflect their current views, but not necessarily of the Company, its affiliates or any other third party. Services and/or products mentioned in this communication may not be suitable for all recipients and may not be available in all countries.

This communication has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, investors should consider the suitability of the transaction to their individual circumstance and objectives. Any investment or other decision should only be made by an investor after a thorough reading of the relevant product term sheet, subscription agreement, information memorandum, prospectus or other offering document relating to the issue of securities or other financial instruments.

Nothing in this communication constitutes investment, legal accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate for individual circumstances or otherwise constitutes a personal recommendation for any specific investor. The Company recommends that investors independently assess with an appropriately qualified professional adviser, the specific financial risks as well as legal, regulatory, credit, tax and accounting consequences.

Past performance is not a reliable indicator of future results. Performance forecasts are not a reliable indicator of future performance. The investor may not get back the amount invested or may be required to pay more.

Although the information and data in this communication are obtained from sources believed to be reliable, no representation is made that such information is accurate or complete. The Company, its affiliates and subsidiaries do not accept liability for loss arising from the use of this communication. This communication is not directed to any person in any jurisdiction where, by reason of that person's nationality, residence or otherwise, such communications are prohibited. This communication may contain information obtained from third parties, including ratings from rating agencies such as Standard & Poor's, Moody's, Fitch and other similar rating agencies. Reproduction and distribution of third-party content in any form is prohibited except with the prior written consent of the related third-party. Credit ratings are statements of opinion and are not statements of fact or recommendations to purchase, hold or sell securities. Such credit ratings do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied upon as investment advice.

Where this communication constitutes a financial promotion issued in the UK that is not exempt under the Financial Services and Markets Act 2000 or the Orders made thereunder or the rules, it is issued or approved for distribution in the UK by Proactive Investors Limited. Persons dealing with the Company or its affiliates outside the UK are not covered by the rules and regulations made for the protection of investors in the UK.

In addition to generating its own content, the Company publishes various reports, articles and communications on the Site that are prepared by third party customers discussing various financial products and investments. Such reports, articles and communications have not been approved by the Company or any other authorised person and, to the extent such communications constitute financial promotions, the Company relies upon the application of the Journalist Exemption. The Company derives commissions or fees from such third parties when customers invest in the financial products promoted by such reports, articles and communications.