Why JPMorgan Chase is building a travel agency

CE Noticias Financieras English

August 2, 2022 Tuesday

Length: 856 words

Body

The Wall Street Journal reported that **JPMorgan Chase** ?has been assembling the pieces to launch a full-service travel business where customers can plan and book trips ranging from a simple domestic flight to an extravagant safari?
"He bought a reservation system, a restaurant review company and a luxury travel agency. It is building its own airport lounges and a force of thousands of travel agents. A new website will be launched in the coming months," WSJ reports.

The big question, of course, is why. According to the article ?the idea is for **JPMorgan** to control the entire shopping experience to excite customers. Cars and homes could be next, executives said.....

What is JPMorgan Chase thinking here?
Allison Beer, the bank's head of cards explained, ?These are big customer spending circles where we have a real opportunity to differentiate what it means to use Chase products.?

Yes, sure, but the amount of money it has cost Chase, and will continue to require from the bank, to build a full-service travel business is not just about serving existing customers. **It's about acquiring new customers and changing the nature of competition in the credit card space.**
Today, large card issuers compete with rewards for top spenders. Rewards are a big differentiator and motivator in the credit card space, and Chase will certainly continue to battle on the rewards fronts with the other big issuers.
However, an integrated travel business changes the nature of how Chase can reach prospects and offer a more targeted credit card offering.

Chase has **co**-branded credit card relationships with travel-related companies, including Southwest, United, Aer Lingus, British Airways and Iberia airlines. In addition, it offers cards for hotel chains such as IHG, Marriott, Hyatt and Disney. Accepting (and making) travel reservations for consumers gives Chase the opportunity to make instant offers for its **co**-branded card portfolio at the point of sale.
For existing Chase cardholders, the travel business would potentially be able to make smart buy now, pay later (BNPL) offers based on past purchase and redemption behavior.

The big picture: activity-based marketing
In 2019, I published a report titled Point of Sale: the new battleground for bank marketers. The premise of the report was that the debate between the superiority of inbound marketing versus outbound marketing was overlooking the emergence of a new type of marketing, activity-based marketing, defined as:

?marketing within the context of the research, purchase and/or buying activity performed by a customer or prospect?
Activity-based marketing is an imperative for banks because, for many categories of purchases, decisions are based on buying processes (or research) rather than past relationships.

As the report noted, ?activity-based marketing changes consumer behavior and the process by which they make their product and supplier choices. It changes the point of interaction for banks, bringing that point much closer to identifying the need or desire for the product or service. It also provides education within the context of the activity about which the consumer is being educated?

Benefits of activity-based marketing include:

- **Brand awareness and affinity.** Anyone, not just existing customers, can use the activity-based marketing applications of the financial institutions mentioned above. In effect, the applications are a form of advertising that creates brand awareness and positive affinity for those companies.
- **Early engagement in the buying cycle.** The well-known challenge facing banks with respect to many loan products (auto and housing, in particular) is that the choice of loan provider is generally not considered prior to product selection. By providing a tool to assist with the product selection process, a bank that provides an activity-based marketing application is engaging prospects earlier in the buying cycle than they have been able to in the past.
- **Consumer insights.** McKinsey & **Co**.'s recipe for marketers to develop personalization capabilities includes 1) Assembling a rich, real-time view of customer engagement and 2) Mining data to identify consumer signals along the customer journey. One problem with this recipe is that bank marketers don't have that information. Activity-based marketing helps address that problem by establishing the activities and processes that create the data.
- **Tender steering.** With activity-based marketing, banks can help guide customers to use their debit and credit cards with rewards and/or discount offers or be there when a customer needs point-of-sale (POSF) financing.

I had anticipated that banks would start with the home and auto buying processes (as USAA and Commonwealth Bank of Australia have already done), not the travel experience. But with its portfolio of travel-related **co**-branded credit cards, the travel business is a smart place for Chase to revolutionize.

Chase may not call what it is doing "activity-based marketing" (it prefers the term "connected commerce"), but the bank continues to demonstrate that it is willing to make big bets and take big risks to change the world of financial services.

Load-Date: September 7, 2022

What's the Fed's next move? This is what Wall Street bankers are saying

CE Noticias Financieras English

July 28, 2022 Thursday

Length: 341 words

Body

Wall Street's biggest banks are not declaring an end to the Federal Reserve's interest rate hikes, though they differ on the size of the next increase in September.

The Fed raised its benchmark rate Wednesday by 75 basis points for the second straight meeting and Chairman Jerome Powell said even tighter monetary policy was likely. He stated that a similar increase in September might be appropriate depending on new data, although the guidance was less explicit than after other recent meetings.
Stock investors seemed to celebrate when they took the view that Powell was signaling a turn toward slowing or a halt to the hike, a conclusion that many seasoned Fed watchers resisted.

Economists at Citigroup and Wells Fargo even see another 75-point hike in September. While those at Goldman Sachs Group and **JPMorgan Chase** & **Co**. see a downward shift to a 50 basis point hike at that time, they still don't see the Fed holding back for now.
Here's what the big banks predict:

Bank of America
The Fed will raise its benchmark rate by 50 basis points in September Then shift to 25 basis point increases in November and December. Officials will pause as rates will be in tightening territory.

Citigroup
The Fed will raise its benchmark rate by another 75 basis points in September. It will raise rates to 4 percent by the end of the year with more hikes likely in 2023.

Goldman Sachs
The Fed will raise its rate by 50 basis points in September It will follow with two 25 basis point hikes in November and December Rates will peak at 3.25 -3.50 percent.

JPMorgan Chase
Fed to hike 50 basis points in September. Will raise benchmark rate 25 basis points twice more this year Will pause at the end of the year.

Morgan Stanley
Fed to change its rate by 50 basis points in September Rates will peak at around 3.5 -3.75 percent later this year. Policymakers will cut 25 basis points by December 2023

Wells Fargo
There will be another 75 basis point increase in September.

And Bloomberg Economics says.
"Based on July FOMC data, we expect a 50 basis point hike in September."

Load-Date: September 7, 2022

Nigeria to continue with $3.5bn civil suit against Eni, Shell in Italian courts

Intellinews - Nigeria Today

July 20, 2022

Length: 530 words

Body

Abuja will move ahead with a civil lawsuit against Shell (UK) and Eni (Italy) in the Italian court system in connection with the acquisition of Oil Prospecting Licence (OPL) 245, despite a previous ruling that barred further pursuit of criminal claims, Olabode Johnson, a lawyer for the Nigerian federal government, has said.

Johnson told Bloomberg by telephone on July 19 that Nigerian federal authorities were still determined to appeal an Italian court's decision in March 2021 that acquitted the companies, along with several of their present and former executives, on corruption charges.

However, he indicated that the appeal would be pursued in the civil court system. Additionally, he said that Abuja would be seeking $3.5bn in compensation in civil court. The Nigerian government has arrived at that figure because that is the true value of OPL 245, the licence acquired by Shell and Eni, he commented.

Johnson was speaking shortly after Italian criminal prosecutors announced that they would not consider overturning the March 2021 ruling. Shell and Eni have hailed the prosecutors' decision, saying it upholds their long-standing contention of their own good faith.

Eni said in a statement that Italian judicial authorities' refusal to consider overturning the ruling on criminal corruption charges demonstrated that the acquittals were "full and final." It also lamented the "serious and unfair reputational damage" the company had sustained as a result of the lawsuit.

A spokeswoman for Shell, meanwhile, made similar remarks in an email message to Bloomberg. "We have always maintained that the 2011 settlement was legal and were pleased that the court found, in 2021, [that] there was no case to answer for Shell or its former employees," she wrote.

The Shell spokeswoman was referring to the deal that her company and Eni struck with the Nigerian government on the acquisition of OPL 245 in 2011. Abuja has argued that executives from Eni and Shell knew at the time that most of the $1.1bn they had agreed to pay into an escrow account set up for the deal would be spent on bribes rather than held by the Nigerian government.

The bribes are said to have gone to Dan Etete, who served as Nigeria's Minister of Petroleum Resources from 1995 to 1998, during the presidency of General Sani Abacha. Etete has a well-deserved reputation for corruption and was found guilty of money-laundering by the French court system in 2007. He allegedly acquired title to OPL 245 in 1998, while serving as minister, and agreed to accept funds from Shell and Eni in exchange for giving up his claim and surrendering the asset to the Nigerian government so that the IOCs could buy it in 2011.

Abuja has been pursuing claims against Shell, Eni and other parties involved in the OPL 245 transaction, such as the US-based banking giant **JPMorgan Chase** & **Co**., in multiple venues, including the UK and the US, over the last several years. To date, it has not won any of its cases. Earlier in July, the UK High Court of Justice ruled that the Nigerian federal government would not be allowed to appeal a previous ruling dismissing a GBP1.4bn ($1.69bn) claim against **JPMorgan Chase** & **Co**.

Load-Date: July 22, 2022

Wall Street starts trading Russian bonds again

CE Noticias Financieras English

August 15, 2022 Monday

Length: 219 words

Body

Major Wall Street banks have begun offering to facilitate Russian debt trades in recent days, giving investors another chance to divest themselves of assets deemed toxic by the West. The information is from Reuters, replicated by Forbes.

According to the publication, "Banks that are in the market now include **JPMorgan Chase** & **Co** , Bank of America Corp, Citigroup Inc, Deutsche Bank AG, Barclays Plc and Jefferies Financial Group Inc. Most U.S. and European banks pulled back from the Russian market in June after the Treasury Department banned U.S. investors from buying any Russian securities as part of economic sanctions to punish Moscow for invading Ukraine."

According to Terra, "about $40 billion in Russian sovereign bonds were outstanding before Russia began what it calls a 'special military operation' in Ukraine in February. About half were held by foreign funds. Many investors were stuck with Russian assets as their value plummeted, buyers disappeared and sanctions made trading difficult. Regulators have since taken steps to help ease investors' pain."

The Treasury provided further guidance on July 22 to help settle default insurance payments on Russian bonds. It also clarified that banks could facilitate, clear and settle Russian bond transactions if it helped U.S. holders reduce their positions.

Load-Date: September 7, 2022

End of Document

Banks offer tools, advice to help small businesses cope with inflation

Daily Record, The (Baltimore, MD)

July 15, 2022 Friday

Section: NEWS

Length: 865 words

Byline: Gina Gallucci-White

Body

Inflation has increased even more than expected. According to the U.S. Bureau of Labor Statistics, the consumer price index, which measures the cost of everyday goods and services, rose 9.1% in June over the same month last year. The increase is the sharpest since November 1981.

Already weary after two years of COVID-19 lockdowns and restrictions, hiring difficulties, rising interest rates and supply chain snafus, small businesses now must deal with higher prices for goods and determine how much of the burden to pass on to their customers.

“Like most changes to the economy, rising interest rates produce ripples that can impact business owners' bottom lines,” said Chi Eze, vice president, small business banker manager for Bank of America in Owings Mills. “Higher interest rates lead to more expensive loan payments, so it's important for business owners to carefully consider their long-term cash flow and budget needs when considering funding sources. ”

Hasan Mannan, business banking market manager at **JPMorgan Chase** & **Co**., said that a number of factors affect small businesses and that it is important to look at the overall picture.

“The cost of doing business, to be honest with you, has just become more expensive and it is starting to put a strain into the bottom line of even the most profitable, successfully run businesses,” he said.

In a Bank of America survey of small business owners conducted in March and April, nearly 90% indicated inflation was a top challenge.

“I think what is happening in the rate market is it is really causing business owners and our clients to take a pause and really think through and honestly analyze in a better way what they plan to use capital for,” saidJason Weisberg, senior vice president and business banking team leader for Greater Baltimore atM&T Bank.

Area banks are helping their small business customers in a number of ways in the higher-rate environment.

“At M&T, our philosophy is really around relationship banking and looking at longer-term goals,”Weisberg said. “As we are meeting with clients, one of the No. 1 things we talk about and we hear about right now is around the higher-rate inflation. ”

Weisberg said M&T works tounderstand the impact of higher rates on clients.

“Every business is unique in where they are in their life cycle,” he said.

Bank of America’s Eze said the bank provides small business clients with advice, tools and resources to navigate challenging markets.

“Our small business specialists provide guidance specific to business owners' unique goals and priorities,” she said.

Bank of America recently launched Start a Business Center, a digital resource that offers small business clients and aspiring business owners business plan templates and information on business legal structures, marketing strategies and financing options, among other topics.

JPMorgan Chase & **Co**. continues to open branches not only as a place to handle deposits and withdrawals but also as a resource center, Mannan said.

“If you are a small business owner and you just don't know what is available to you, you are welcome to come to one of the branches and we will sit there and walk you through all of the opportunities and choices you may have,” Mannan said.

When discussing inflation, banks look beyond the short-term impacts to help small business clients prepare for the long term.

Weisberg said M&T works with clients to evaluate their long-term goals. He posed the situation of a business that faces a lease renewal and a large rent increase.

“It may be a great time to evaluate their longer-term plans and potentially buying a property to help fix in some of their real estate or operational costs, such as having space to run their business,” he said. “We can definitely help evaluate their finances and understand their longer-term goals and provide capital for what that project may be. ”

Bank of America’s Eze said banks can help business owners by providing tools that make visualizing and managing key aspects of their business as simple as possible, as well as credit options to help with financing needs. Small business specialists can also provide advice to help small business owners handle the impact of inflation, from business plan reviews to customer loyalty strategies to identifying potential revenue streams.

When looking at the long term, **JPMorgan Chase**’s Mannan said he wants to explore how well a business is equippedto take advantage of the market once interest rates subside.

“We are seeing more conversations around mergers and acquisitions and how do companies become more efficient,” he said. “Should they do an asset contribution and increase their product output? Things of that nature are the conversations that you need to start having now because planning does take some time. ”

Mannan emphasized that small business owners must understand what is happening in the global, national and local realms and that they speak to experts.

“It will take some time to plan, so my perspective is, start thinking through what you have set up for the next 12 to 16 months and then how well are you equipped to take that advantage once the market turns,” he said.

Load-Date: August 17, 2022

Use of personal devices to cost Morgan Stanley US$ 200 million

CE Noticias Financieras English

July 17, 2022 Sunday

Length: 254 words

Body

Morgan Stanley said it expects to pay a US$200 million fine related to a wide-ranging U.S. investigation into the use of unapproved personal devices.

The amount is based on the company's discussions with the U.S. Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), which have been investigating the matter on Wall Street.

Financial firms are required to scrupulously monitor communications related to their business. That system, which has been challenged by the proliferation of mobile messaging apps, came under even more pressure with remote work shortly after the onset of the COVID-19 pandemic. Entities have investigated banks such as **JPMorgan Chase** & **Co**, Citigroup Inc. and Goldman Sachs Group Inc.
Morgan Stanley disclosed the expense figure in its second-quarter earnings statement, saying the $200 million was "related to a specific regulatory matter regarding the use of unapproved personal devices and the firm's record-keeping requirements." Total noninterest expense was $9.71 billion, above the $9.53 billion expected by analysts.
In December, the SEC and CFTC levied $200 million in fines against JPMorgan, saying that even the bank's CEOs and other senior supervisors had evaded regulatory scrutiny by using services such as WhatsApp or personal email addresses for work-related communication.
In February, Citigroup said in a filing that it was cooperating with the SEC as the regulator investigated "communications sent through unapproved electronic messaging channels."

Load-Date: August 17, 2022

Recession fears hit banks and pull down the S&P 500

CE Noticias Financieras English

July 15, 2022 Friday

Length: 626 words

Body

The New York Stock Exchange's S&P 500 stock index closed slightly lower on Thursday after trimming some of its early session losses, after investors digested disappointing quarterly results from two large U.S. banks and higher-than-expected inflation data.

Initially, the three major U.S. stock indexes fell sharply following second-quarter results from **JPMorgan Chase** & **Co** and Morgan Stanley.

Both banks reported lower earnings and warned of an impending global economic slowdown.

There was an irrational response to the JPMorgan and Morgan Stanley results," said Jay Hatfield, chief executive officer and portfolio manager at InfraCap. "It was no surprise that investment banking was weak."

JPMorgan CEO Jamie Dimon sounded a note of caution about the global economy, while Morgan Stanley's investment banking unit struggled to cope with a slump in big business.

Shares of **JPMorgan Chase** (-3.49%) and Morgan Stanley (-0.39%) fell on the New York Stock Exchange, as did the broader S&P Banks index, which was down 1.92%, having earlier in the day lost nearly 3.10%, its lowest level since December 2020.

The drop in JP Morgan's stock price Thursday came after the bank reported a larger-than-expected 28% decline in quarterly profit and suspended share buybacks to set aside more resources to cover potential losses.

Contagion

Morgan Stanley declined on Wall Street after the bank failed to meet analysts' profit estimates for the first time in nine quarters, as its investment banking unit struggled to cope with the downturn in global business.

In Mexico, banks also lost profits, Grupo Financiero Banorte dropped 1.18%, Banco del Bajío fell 1.58% and Banco Santander 2.49%.

In Spain, on Thursday, banks continued with the negative trend in the stock market affected by the taxes announced on Tuesday by the Prime Minister, Pedro Sánchez, and since that session they have lost more than 16.2 billion euros in capitalization.

At the close of the session, the IBEX 35 lost 1.77%, the capitalization of the banks listed on the index, Santander, BBVA, CaixaBank, Sabadell and Bankinter, reached 93,662 million euros, compared to 102,462 million with which it closed last Monday.

This Thursday, Santander fell 4.46%; Bankinter 3.58%; BBVA 3.11%; CaixaBank 2.3%; and Sabadell 1.90 percent.

Meanwhile, on Wall Street, losses narrowed as the session progressed. Rising share prices of microprocessor makers helped give the NASDAQ Composite index a boost to a nominal gain.

The S&P 500 lost 0.30%, to end at 3,790.38 units, while the NASDAQ Composite gained 0.03%, to 11,251.19 points and the Dow Jones Industrial Average fell 0.46%, to 30,6308.17 integers.

Recession worries

Concerns about the slowdown were compounded by a Labor Department report on producer prices, which reinforced fears over Wednesday's consumer price index data showing higher-than-expected inflation in June.

The decline moderated after Federal Reserve Governor Christopher Waller said he favored another 75 basis point interest rate hike in July, easing concerns that the hike would reach 100 basis points.

"The Fed is going to raise rates by 75, but it shouldn't," Hatfield said. "The Fed has already done a lot to reduce inflation, but they're not going to realize it until they see it in the rearview mirror."

In Mexico, stock markets also lost. The S&P/BMV IPC, the Mexican Stock Exchange (BMV) index with the 35 largest companies, ended with a loss of 1.52%, at 46,741.31 units. The FTSE BIVA, of the Bolsa Institucional de Valores (Biva), fell 1.39% to 971.93 points.

Within the benchmark index, most stocks fell, with 24 in the red and 11 in the green. The shares of mining giant Grupo México pressured the market, falling 4.29%, as well as América Móvil, owned by magnate Carlos Slim, which lost 3.12%.

Load-Date: August 16, 2022

Global stocks fall on recession fears; Italian political crisis also contributes to 1.5% drop in pan-European Stoxx 600 index

The Irish Times

July 15, 2022 Friday

Section: FINANCE; Pg. 4

Length: 608 words

Body

European shares fell yesterday amid mounting fears about a global recession as investors bet that the US Federal Reserve will hike rates more aggressively to tackle soaring inflation. Italian stocks slid during the session as the country's government faced implosion.

The pan-European Stoxx 600 index closed 1.5 per cent lower, adding to a 1 per cent fall on Wednesday when a hot US inflation reading spurred bets that the Fed could go for a bigger hike than the 0.75 percentage point move markets had priced in for this month.

Wall Street indexes also tumbled yesterday after weaker-than-expected earnings from big US banks **JPMorgan Chase** & **Co** and Morgan Stanley underscored growing fears of a sharp economic downturn.

DUBLIN Banking stocks were out of sorts, with Bank of Ireland down 3.8 per cent

, while **AIB** lost 0.7 per cent as investor followers monitored weak earnings reports from US banking giants JP Morgan and Morgan Stanley and the European Commission cut its forecasts for economic growth in the euro zone for this year and next and revised up its estimates for inflation.

"There is a recessionary fear that continues to be on top of investor minds," said Bert Colijn, a senior economist covering the euro zone at ING. But he said worries also stem from a bigger discrepancy between the European Central Bank and the Fed, with the former seen sticking to a 0.25 percentage point hike next week despite inflation at record highs.

Meanwhile, the euro plunging below parity to a 20-year low against the dollar also spells more trouble for euro zone inflation.

Bucking the trend, **Ryanair** gained 4.3 per cent, while fellow tourism-related player **Dalata Hotel Group** moved 1.5 per cent higher, in line with the wider European travel and leisure sector.

LONDON UK stocks fell as investors worried about the prospect of a more aggressive stance by major central banks to curb inflation, with a slew of worrying forecasts from companies and weak commodity prices also hurting sentiment.

The blue-chip FTSE 100 slid 1.6 per cent, while the domestically oriented FTSE 120 index declined 1.2 per cent.

Money markets are now pricing close to a 75 per cent likelihood of a 0.5-point rate hike by the Bank of England in next month's meeting.

Britain's largest homebuilder **Barratt Developments** fell 1.5 per cent after it reported fewer home completions than expected for fiscal 2022.

Ashmore Group shed 6.3 per cent after the emerging markets investment firm said assets under management tumbled by $14.3 billion as key global markets buckled under rising geopolitical tensions and inflation spooked investors.

EUROPE Italy's MIB index dropped 3.4 per cent to close at its lowest since November 2020 after the Five Star Movement, a coalition member, failed to support a parliamentary confidence vote including measures to offset Italy's cost-of-living crisis.

Italian bond yields rose sharply, widening spreads with German counterparts.

Oil and gas stocks and miners dipped 3.8 per cent each tracking commodity prices, while banks slipped 3.1 per cent.

Hugo Boss rose 2.4 per cent after the German fashion house raised its 2022 outlook.

NEW YORK

On Wall Street, stock indexes tumbled yesterday after weaker-than-expected earnings from big US banks **JPMorgan Chase** & **Co** and Morgan Stanley underscored growing fears of a sharp economic downturn.

Wednesday's data showed US consumer prices jumped 9.1 per cent year-on-year in June. The data was seen as firming the case for the Fed to raise rates aggressively.

The Dow Jones Industrial Average fell 0.46 per cent, the S&P 500 lost 0.30 per cent and the Nasdaq Composite added 0.03 per cent. - Additional reporting: Reuters

Load-Date: July 14, 2022

GM sells first green bonds in bid to challenge Tesla

CE Noticias Financieras English

July 28, 2022 Thursday

Length: 297 words

Body

(Bloomberg) -- General Motors **Co**. is selling green bonds for the first time, joining competitors in tapping the market for sustainable debt to finance the transition to electric vehicles to compete with Tesla Inc.

The automaker will sell green bonds in up to two parts, according to a person with knowledge of the matter. The longer part of the offering, a 10-year security, could yield 3.2 percentage points above Treasuries, said the person, who asked not to be identified because the details are private.

GM expects to allocate the net proceeds from this offering exclusively to clean transportation solutions, including investments in design, development or manufacturing of clean transportation technology and enabling solutions, the person said.

The Detroit-based company this year released a sustainable finance framework, which will guide GM, GM Financial and its subsidiaries in issuing sustainable debt, including bonds and loans. That will allow GM to align its financing with an all-electric vision, according to the framework.

GM competitors such as Ford Motor **Co**, Toyota Motor Corp. and Honda Motor **Co**. have tapped the sustainable debt market to finance their transition to electric cars. In November, Ford raised $2.5 billion in green bonds in November, which at the time was the largest such offering by a U.S. corporation. In March, Tokyo-based Honda topped that figure by selling US$2.75 billion in dollar-denominated green bonds.

Barclays Plc, BNP Paribas SA, Bank of America Corp, Citigroup Inc, Credit Agricole SA, Goldman Sachs Group Inc, **JPMorgan Chase** & **Co**. and Morgan Stanley are managing the bond sale, the person said.

Original Note:

GM Selling First Green Bonds in Push to Challenge Tesla

More stories like this are available on bloomberg.com

Load-Date: September 7, 2022

Musk issues subpoenas for Wall Street banks' advice to Twitter; Technology

Financial Times (London, England)

August 4, 2022 Thursday

Edition 1, National Edition

Section: NEWS; Pg. 8

Length: 402 words

Byline: JOSHUA FRANKLIN ;SUJEET INDAP

Body

Elon Musk has subpoenaed Goldman Sachs and **JPMORGAN Chase** for details on how the two Wall Street banks advised Twitter on his proposed $44bn buyout of the social media company, which the Tesla chief executive is now seeking to abandon.

It is the latest legal manoeuvre in the litigation between Musk and Twitter, which is trying to force him to complete the deal after he claimed the company had breached their merger agreement.

Both sides have cast a wide legal net for information ahead of their fasttracked trial starting in October in Delaware. In the latest subpoenas, Musk is seeking any documents and communications exchanged between Twitter and the banks.

He is after information about the banks' analysis of Twitter's financial performance, discussions with the company about the merger and any analysis on Twitter's valuation.

Musk is seeking to depose representatives from JPMorgan and Goldman on August 25 and 26.

Twitter has in recent days sent subpoenas to the Wall Street banks lending $13bn to Musk to help finance the deal, his **co-**investors and other Musk associates. Musk also subpoenaed Allen & **Co**, which advised Twitter along with Goldman and JPMorgan.

JPMorgan declined to comment, while Goldman and Allen & **Co** did not respond to requests for comment.

Goldman stands to earn $80mn from advising Twitter on the deal but only $15mn if the transaction fails to close. JPMorgan stands to make $53mn but just $5mn if Musk walks away.

The banks are not named as defendants in Twitter's lawsuit to force Musk to close the transaction. But the subpoenas raise the risk of any embarrassing messages being aired in public, as happened last year in a legal dispute surrounding health insurer Anthem's failed takeover of rival Cigna.

When Musk's Twitter buyout was agreed in April it was cheered on Wall Street as one of the deals of the year. But the legal dispute, as well as concerns about potential losses on the $13bn in debt financing for the banks, has increasingly soured the sentiment around the transaction.

In response to Twitter's lawsuit seeking to force Musk to go ahead with $54.20 per share acquisition, Musk has countersued Twitter.

The billionaire has previously argued that Twitter breached the merger agreement by not sharing sufficient information about fake accounts.

The protracted takeover has left Twitter struggling with staff departures, falling morale and reduced spending by advertisers.

Graphic

Elon Musk: seeking information from JPMORGAN and Goldman

Load-Date: August 3, 2022