



BULL & BEAR
RESEARCH

Fall 2025 Market Insights Report

Issue VII



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Global Outlook

EU Pledges €7 Billion for Renewable Energy in Africa

On November 21st, the E.U. committed €7 billion to expand renewable energy and electricity access across Africa. Ursula von der Leyen, President of the European Commission, made the announcement at the Global Citizen event in Johannesburg, where she declared that the money would help millions gain access to power. With the new pledge, the E.U.'s total commitments to renewables in Africa reached €15.5 billion. Italy contributed the most at €2.4 billion, Germany added €2 billion, with the remaining covered by EU financial institutions.

With 600 million people without electricity, the pledge comes at a desperate time. Separately, the World Bank and African Development Bank have conducted the Mission 300 program, which plans to electrify communities of 300 million people by 2030. Von der Leyen and World Bank President Ajay Banga agreed to sync the two initiatives. The announcement came just before the G20 summit in Johannesburg. For Europe, there's more at play than just aid, the investment builds relationships with African governments and gives European companies a foothold in Africa's energy infrastructure boom.

Canada's Inflation Drops, Easing Domestic Bank Pressure

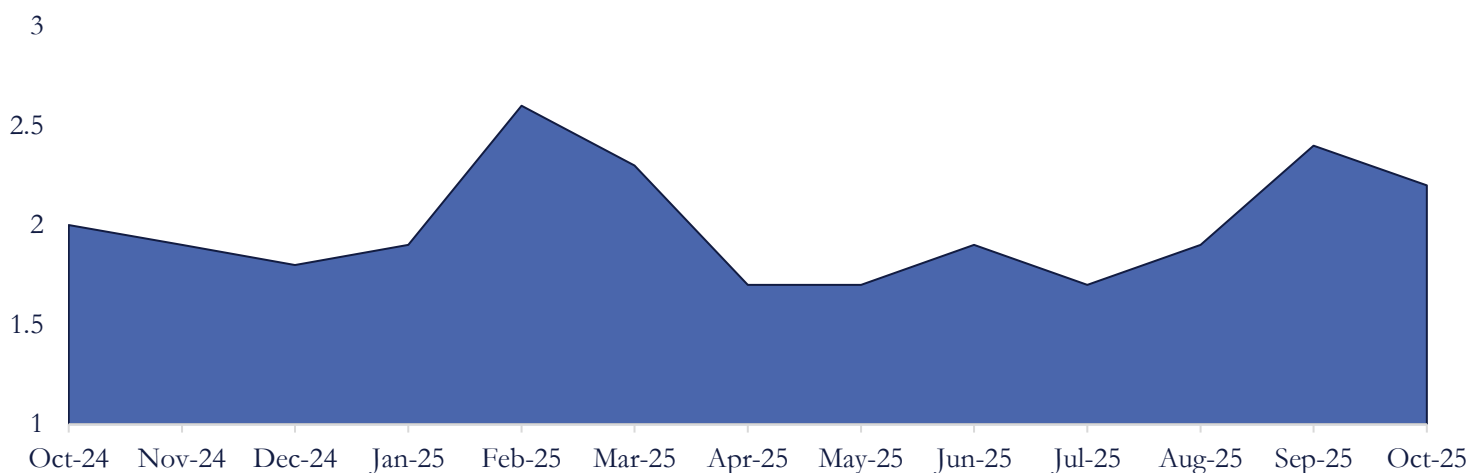
Canada's annual inflation rate fell to 2.2% in October, down from 2.4% in September, as declines in gasoline and slower food-price growth helped moderate price pressures. Gasoline prices dropped sharply year-on-year, with a 9.4% decrease in October versus a 4.1% decline in September. Food-price inflation also eased, rising 3.4% in October compared to 4.0% in the prior month.

For the first time in over three years, mortgage-interest expenses, a major factor in housing inflation, increased by just 2.9%. Nonetheless, rent inflation continued rising, surpassing 5% per year, highlighting ongoing strains in the housing market.

Considering the recent rate drop, the Bank of Canada's (BoC) case to keep its benchmark interest rate at 2.25% in the near future is strengthened by the slowing rate of inflation. However, experts warn that additional policy easing by the central bank will only be possible if disinflation is sustained and economic growth slows.

Metric	\$ (USD)
S&P 500	\$6,602.99 +0.98%
DJIA	\$46,245.41 +1.08%
NASDAQ	\$22,273.08 +0.88%
Russell 2000	\$2,369.59 +2.80%
FTSE 100	\$9,539.71 +0.13%
Nikkei 225	\$48,625.88 -2.40%
WTI Crude	\$57.98 -1.73%
10-yr Treasury	4.068%

CANADA INFLATION RATE (IN %)



EU Plans to Curb Aluminum Scrap Exports Next Year

On November 18, the European Commission plans to restrict exports of aluminum scrap beginning in 2026, warning that rising outflows risk leaving Europe short of a critical input for its decarbonization goals. EU trade chief Maros Sefcovic said Brussels will develop a “balanced” measure that preserves access to competitively priced scrap for domestic producers while considering the needs of recyclers and downstream manufacturers.

Industry groups say the shortage is already visible. An estimated 15% of EU recycling furnace capacity is idle due to insufficient scrap availability, as supply is increasingly diverted abroad, especially to the U.S, after President Trump doubled tariffs on steel and aluminum imports earlier this year but exempted scrap, making Europe an attractive source. Strong Asian demand has added further pressure on availability.

Producing aluminum from secondary materials uses significantly less energy and results in lower emissions, making secure scrap access essential for Europe’s circular economy and decarbonization strategy. EU officials view aluminum scrap as a strategic commodity because it supports both emissions reduction and industrial autonomy.

The Commission plans to finalize the new export measure by spring 2026, with industry leaders calling the move necessary to protect investment in recycling and ensure Europe retains enough material to meet rising demand for low-carbon aluminum.

America This Week

Nvidia’s Best Wasn’t Enough to Prop Up a Wobbly Stock Market

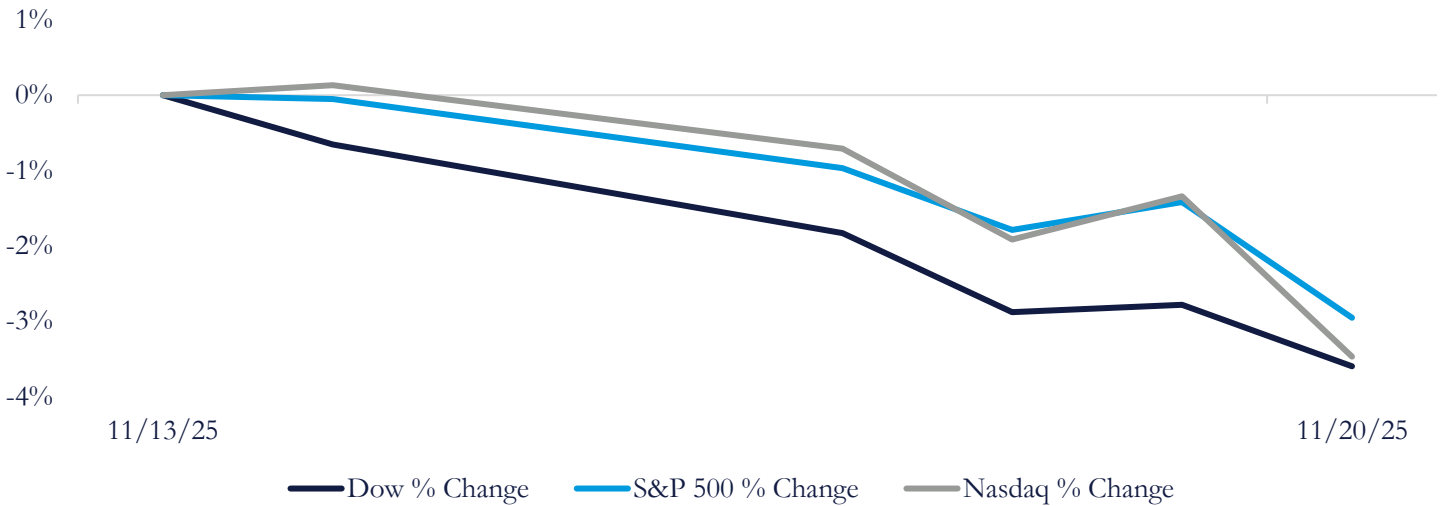
On November 20, U.S. stocks swung sharply after Nvidia’s blockbuster earnings initially triggered a global rally before markets reversed and fell into the largest intraday comeback loss since April’s tariff-driven turmoil. Nvidia reported a 62% jump in AI data-center chip sales and raised its quarterly outlook, sending the Nasdaq up as much as 2.6% early in the session. But concerns about stretched valuations, heavy AI-related capital spending and bubble risks resurfaced quickly, dragging major indices lower. By the close, Nvidia had erased a 5% morning gain to finish down 3%, while the Nasdaq fell 2.2%, the S&P 500 dropped 1.6% and the Dow closed 387 points lower.

Markets also reacted to the first major economic release since the government shutdown. The delayed September jobs report showed the U.S. added 119,000 jobs, beating expectations, but the unemployment rate unexpectedly rose to 4.4%. Investors said the data felt stale and mixed, offering little clarity on whether the Federal Reserve will cut rates in December. Rate-cut odds sat near 40%, up from 30% the previous day but far below the nearly 99% probability priced in a month earlier. Treasury yields edged slightly lower, with the 10-year ending at 4.1%.

AI-linked stocks sold off broadly as investors questioned the sustainability of massive spending on chips and data centers. Micron fell 11%, Western Digital dropped 8.9% and AMD slid 7.8%. Traders pointed to rising credit stress as a warning sign, noting that default-protection costs on Oracle bonds have increased nearly 50% since mid-October. Analysts said the moves suggest investors are uneasy with highly leveraged funding structures that have become common in the AI build-out.

With earnings season winding down and few data releases expected before the Fed’s next meeting, strategists said uncertainty may keep pressure on markets as both institutional and retail investors trim positions and lock in gains from earlier in the year.

UNITED STATES STOCK INDEXES (NOV 13-20)



Note: % Change based off closing price

Macro Highlights

Crypto Markets Face Their Sharpest Decline in Years

Since October 6th, nearly 30% of Bitcoin’s value has been erased, with a total crypto decline of more than \$1 trillion. This sell-off is likely due to increasingly inflated tech giant valuations and decreasing U.S. interest rates. Bitcoin, now valued at \$91,700 per token, has fallen since its peak six weeks ago and is now trading about flat since January 2025.

Digital assets continued dropping, as the crypto market has seen immense highs during the Trump administration, as the president himself pledged to turn America into a global “bitcoin superpower”. Additionally, new concerns have been raised about whether rates will be cut by the Fed in December, and the effect this would have on tech companies pouring capital into artificial intelligence.

Cryptocurrencies, among other volatile asset classes, tend to be more attractive investments during low-interest-rate periods, as they reduce the allure of investors holding U.S. treasuries. The scale of this sell-off is largely different than other times because the positions are bigger, but other cryptocurrencies have also seen gains destroyed, with six of the top 20 falling by more than 40% this year.

Some analysts believe that the sharp crypto sell-off on October 10 may help explain the recent declines in certain parts of the US stock market. A Goldman Sachs index of unprofitable tech companies has dropped 19% since reaching a high on October 15. “There’s been a clear pullback in overall retail activity in US equities since around mid-October,” said Viraj Patel, partner and deputy head of research at Vanda, which tracks retail trading flows. He added that flows into defensive ETFs tied to the broader market have risen during the same period.

Morgan Stanley Sells \$104M in Bitcoin-Linked Structured Notes

Morgan Stanley sold \$104 million worth of structured notes tied to BlackRock’s iShares Bitcoin Trust (IBIT) in November, a deal five times larger than the next most popular crypto-linked note in the U.S. The two-year notes give clients exposure to Bitcoin’s price swinging within strict boundaries, promising payouts if the ETF stays flat or rises at maturity and modest gains if it falls less than 25%. However, if the ETF drops below 75% of its initial price, investors face a full loss with no protection.

The notes target wealthy investors seeking exposure to the crypto space without the day-to-day volatility of Bitcoin. If IBIT closes at or above its initial level after a year, the note automatically returns the principal paid with an additional 28%. Despite Bitcoin's nearly 30% drop from recent highs, Wall Street banks continue building products that offer crypto exposure with downside protections, catering to investors seeking controlled access to the volatile asset. Early crypto-linked notes were tied to equities such as Coinbase, adding company-specific risk to Bitcoin exposure. Still, IBIT has emerged as a regulated vehicle with \$72 billion in assets, enabling banks to create more direct structures that are easier to price and manage. The surge in Bitcoin-linked structured products demonstrates how cryptocurrency, built initially to bypass Wall Street, is now being reshaped by traditional finance.

Bonds Surge as Markets Bet on Rate Cuts

Bonds are on track for their strongest year since 2020, as falling interest rates and a cooling economy have pushed prices higher. The Federal Reserve has already cut rates twice in 2025, and investors expect that slowing job growth and softer consumer spending will prompt additional rate cuts. Those shifts have helped the Bloomberg U.S. Aggregate Bond Index return about 6.7% this year, far outpacing short-term Treasury bills.

This rally reflects investors' demand for safety after years of volatility connected to the pandemic and surging inflation. Moderate inflation readings and fewer signs of economic overheating have reassured markets that the Fed can keep easing. Treasury yields, which move in the opposite direction to bond prices, have fallen sharply. More specifically, the 10-year yield has dropped nearly half a percentage point this year.

However, some analysts warn that the U.S. credit market looks stretched, with investment-grade spreads recently falling to their lowest levels since the late 1990s. Others point to the federal government's \$1.8 trillion budget deficit, which could require heavier borrowing and eventually push yields higher. Even so, many investors believe rates have further room to decline and are positioning around shorter-term bonds in anticipation of additional Fed cuts.

YIELD ON 10-YEAR U.S. TREASURY NOTE (IN %)



Markets Selloff Among Changing Economic Conditions

On November 17th, Financial markets saw a selloff, with declines in nearly every primary asset class. The Dow logged its worst three-day stretch since April, and both the S&P 500 and Nasdaq fell below their 50-day moving averages for the first time in months. This 50-day moving average is a signal traders often view as a shift in market momentum.

Tech stocks led the retreat, with Nvidia, Meta, Amazon, and key AI-infrastructure firms all falling. Crypto markets tumbled as well, with Bitcoin sliding sharply. Even gold, which usually acts as a defensive asset, moved lower.

The pullback reflects concerns about expensive valuations, slowing economic data, and the Federal Reserve’s next rate decision. Futures markets now show elevated odds of a rate cut by early next year, but officials have warned that inflation and weak job growth could complicate policy. For now, markets seem to be adjusting to the idea that not all companies and asset classes will thrive as the economic environment changes.

Industry News

Lilly's Weight Loss Wins Propel It Toward the \$1 Trillion Mark

Eli Lilly (LLY: NYSE) has just joined 11 other mega firms in the trillion-dollar club, a group defined by countless tech names, Saudi Aramco, and Berkshire Hathaway. The firm has amassed a large foothold in the ever-growing weight loss drug market, as star-treatment Zepbound has pulled ahead of competitor Novo Nordisk’s (NOVO: NYSE) drug, Wegovy. Unlike most +\$1 trillion names, LLY’s forecast is not reliant on Artificial Intelligence sentiment or the cloud infrastructure capital cycle. The pharmaceutical giant’s trajectory is based on the acceleration of obesity drug technology and the accompanying market.

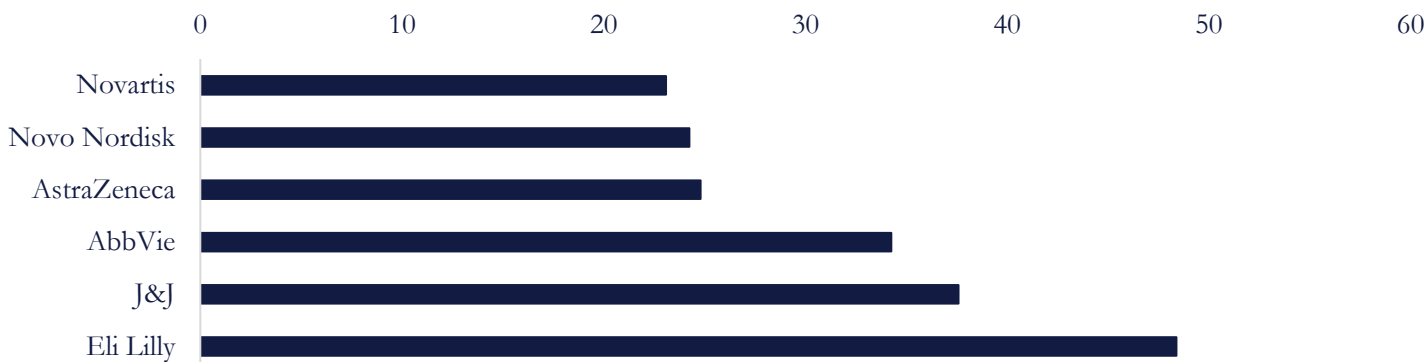
Similar to the current AI boom, the growth of GLP-1 weight loss drugs is still young. Eli Lilly initially started selling Zepbound in 2023; furthermore, the Food and Drug Administration (FDA) recently declared in 2024 that there was no longer a shortage in the supply of obesity treatment drugs. Additionally, Zepbound passed Wegovy due to increased production and emerging clinical data. LLY’s success can be found largely in the past year and a half: NOVO was worth \$500 billion in March 2024, while LLY was worth \$700 at the same time. Now, NOVO has crashed to roughly \$200 billion, while LLY has progressed to \$900 billion.

The Trump administration recently struck a deal with major GLP-1 drugmakers to lower prices, under the conditions that the medications will have more widespread Medicare and Medicaid coverage. According to Eli Lilly, this will translate into access of their drugs for more than 40 million Americans.

Now, the most concerning risk for Eli Lilly, like any pharmaceutical manufacturer, is patent law and how the patent system affects pharmaceuticals. Once Zepbound, loses its patent, the floodgates will open, and revenue will likely decline. As Citi Analyst Traver Davis says, “This will be the biggest patent cliff of all time”.

This is a vital issue to address, though a resolution is years away. In the interim, Eli Lilly’s upward trajectory has immense room for continued capital growth.

PROJECT PHARMACEUTICAL PROFITS BY THE END OF THE DECADE (IN \$B)



Note: Analyst estimates for 2030 net income

Microsoft, Nvidia, and Anthropic Forge a \$30B Partnership to Accelerate AI

On October 18th, Nvidia, Microsoft, and Anthropic announced a partnership that includes up to \$30 billion in spending towards boosting artificial intelligence development. In this breaking deal, Nvidia and Microsoft will each front more than \$15 billion to Anthropic, a lead competitor to OpenAI. In exchange, Anthropic has committed to purchasing \$30 billion in Microsoft Azure and NVIDIA's artificial intelligence services.

This team is part of a global rush towards the development of artificial intelligence, with many companies investing in direct competitors of their previous investments, such as Microsoft with OpenAI and now Anthropic. Satya Nadella, the Chief Executive of Microsoft, added, "We are increasingly going to be customers of each other", referencing Nvidia's GPUs being integrated into Azure.

For now, Anthropic has promised to purchase as much as 1 gigawatt from Microsoft, although if the \$30 billion commitment does not achieve this, Anthropic may shell out even more capital towards the spending total. Nadella announced that this bond between Microsoft and OpenAI will deepen Microsoft's equity in OpenAI, which is already about \$135 billion.

Anthropic's CEO Dario Amodei noted that Microsoft's focus on enterprise platforms aligns well with Claude, the company's AI assistant that is widely used in business settings. He added that Anthropic requires substantial funding and computing power to keep up with its well-resourced rivals.

CSL to Invest \$1.5 Billion in U.S. Drug Manufacturing

Australian drugmaker CSL Ltd. plans to invest approximately \$1.5 billion in U.S. manufacturing. With the U.S. being the world's leading source of plasma, the company is looking to expand its production capacity for plasma-derived therapies derived from donated blood. These therapies treat serious diseases, including immune system and bleeding disorders. CSL already operates over 300 collection centers and employs nearly 19,000 people in the U.S., about 65% of its global workforce.

President Donald Trump has made bringing drug production back to America a cornerstone of his administration's agenda. After launching a national security investigation into pharmaceuticals and threatening tariffs on imported drugs, he offered exemptions to domestic manufacturers. That push has worked with multiple drugmakers pledging tens of billions in U.S. investments through Trump's recent pricing deals with Eli Lilly, Novo Nordisk, Pfizer, and AstraZeneca.

The expansion comes at a challenging time for CSL, which recently cut its 2026 growth outlook and delayed the spin-off of its vaccine arm, Seqirus, due to weak flu vaccine demand. Still, the company is betting that securing U.S. manufacturing capacity will be critical to competing in America's massive pharmaceutical market as Trump continues to pressure companies to produce domestically or face tariffs.

Distillate Supply Concerns Pull Crude Futures Higher

On November 18, crude futures moved higher as a strong rally in diesel and gasoil prices signaled tightening global distillate supplies. WTI settled 1.4% higher at \$60.74 a barrel and Brent gained 1.1% to \$64.89. The jump came as diesel prices surged, with Nymex diesel up 6.1% and ICE gasoil up 7.1%, following Ukrainian strikes on Russian refineries and U.S. sanctions set to begin later this week. The combination raised concerns that refined fuel availability may tighten just as cold weather lifts seasonal demand.

Earlier in the session, crude prices moved between small gains and losses as the market balanced distillate strength against broader expectations for a more comfortable crude supply picture. Crude is increasingly being supported by the diesel market, which continues to show signs of stress despite U.S. inventories being adequate heading into winter.

The article highlighted that Europe's gasoil market is already tightening, with traders scrambling for supply and bidding up distillate prices much faster than crude. Analysts pointed to the widening crack spread as clear evidence that diesel demand, geopolitical disruptions and weather patterns are shaping the direction of the energy market more than crude fundamentals alone.

Overall, crude futures ended higher because the pressure in distillates outweighed concerns about a softer global crude balance. With sanctions approaching, refinery disruptions ongoing and winter demand rising, refined products have become the main force supporting crude prices in the near term.

M&A Environment

Akzo Nobel Buys Axalta to Create \$25 Billion Paint Giant

On November 18th, Dutch paint maker Akzo Nobel agreed to acquire rival Axalta Coating Systems in a deal that would create a combined company with nearly \$17 billion in annual sales and an enterprise value of \$25 billion. Under the agreement, Amsterdam-based Akzo Nobel will own 55% of the combined entity, which will trade on the New York Stock Exchange after three decades in Amsterdam. Akzo Nobel shareholders will receive a €2.5 billion special dividend, while each Axalta shareholder will receive 0.6539 Akzo Nobel shares. The combined company will be led by current Akzo Nobel CEO Gregoire Poux-Guillaume, with Axalta Chairman Rakesh Sachdev heading the board. Brands in the portfolio range from Dulux and Cuprinol to Cromax, spanning over 160 countries.

The deal follows years of consolidation attempts, with talks between the two companies breaking down in 2017 after they failed to agree on terms. The combination comes as tariffs and a slowing economy weigh on the coatings industry, with Akzo Nobel cutting its earnings outlook last month as automotive clients hit by extra duties reduced spending. The companies expect the merger to generate about \$600 million in cost savings, with 90% realized within three years. Poux-Guillaume said the targeted synergies were "mechanical" and should reassure shareholders, adding that both companies face the same challenging conditions. The deal adds to a flurry of activity in the sector, with Carlyle Group agreeing in October to buy control of BASF's coatings business, as companies consolidate to weather industry headwinds and build scale.

Sealed Air Corporation to Go Private in ~\$10.3 B Acquisition by PE Firm

Sealed Air, the U.S. packaging company best known for its "Bubble Wrap" brand, has agreed to be acquired by private-equity firm Clayton, Dubilier & Rice (CD&R) for an enterprise value of approximately \$10.3 billion, including debt. The transaction offers shareholders \$42.15 per share in cash, representing a nearly 41% premium over its unaffected share price as of mid-August. Sealed Air will be delisted from the New York Stock Exchange under the terms of the acquisition, which is anticipated to close in the middle of 2026, pending regulatory and shareholder clearance.

The sale points to a larger shareholder preference for industrial and packaging platforms with steady cash flows and has been driven by pressure from an activist investor. Serving more than 117 nations, Sealed Air's food care and protection solutions division brought in around \$5.4 billion in revenue in 2024. The acquisition offers CD&R an opportunity to restructure and boost growth away from the scrutiny of public markets. Despite ongoing macroeconomic uncertainty, analysts saw the move as a sign of private equity's continued significant buying activity in industrials.

Amundi Takes 9.9% Stake in ICG as It Pushes Into Private Credit

Amundi, Europe's largest asset manager, announced it is acquiring a 9.9% economic interest in London-listed ICG (Intermediate Capital Group), as part of a long-term strategic partnership.

The deal will be executed in two parts: Amundi will buy 4.64% of ICG’s ordinary shares on the open market, then subscribe to 5.26% in non-voting shares, with ICG simultaneously launching a buyback to avoid diluting existing shareholders.

Under the 10-year agreement, Amundi will become the exclusive global distributor (outside certain regions) of selected ICG “evergreen” private-markets products to its wealth-management clients. The two firms will also co-develop new private credit and private equity-fund strategies tailored to wealthy investors.

Amundi CEO Valérie Baudson said the deal aligns with the firm’s 2025–2028 strategic plan, which targets growth in private assets and aims for over €300 billion net inflows. By gaining a meaningful stake in ICG, Amundi strengthens its position in the lucrative private credit market, while ICG benefits Amundi’s broad retail distribution network.

Trade of the Week

Jake Eisner - Long Rheinmetall AG (RHM.DE)

Rheinmetall stands out as one of the most compelling ways to express the accelerating global defense-spending cycle, especially in Europe. The firm has recently transitioned from a cyclical industrial manufacturer into a high-visibility defense supplier. This is largely due to large order backlogs and their relevance in NATO’s procurement during the Russia-Ukraine war.

Through the first half of 2025, RHM’s total revenue hit a staggering €4.7 billion, up roughly 24% in comparison to 2024. Additionally, the firm’s order backlog has increased by 14 billion euros year-over-year, indicating a strong inflow of demonstrated demand. Geopolitical tensions are incredibly high now, and with defense budgets increasing across the globe, Rheinmetall is able to benefit. Key products the German company produces are armored vehicles, ammunition, defense technology systems, and anti-drone systems, all of which may see multi-year capital inflows.

The largest risk to this thesis, and inherent in defense, is regulatory risk: changes in export controls, policy shifts around arms sales, and supply chain bottlenecks could all hurt RHM. Still, these issues appear manageable given the firm’s integration in Europe’s defense ecosystem. Tactically, a long position in Rheinmetall offers exposure to one of the strongest themes in global markets: the normalization of defense spending after decades of underinvestment. With a robust backlog, favorable policy trends, and continued contract momentum, the stock remains a high-conviction way to express the defense-modernization trade.

RHEINMETALL AG STOCK PRICE (IN EUR)

