



BULL & BEAR
RESEARCH

Fall 2025 Market Insights Report

Issue II



TABLE OF CONTENTS

- 3 Global Outlook
- 5 America This Week
- 5 Macro Highlights
- 7 Industry News
- 9 M&A Environment
- 10 Trade of the Week & Analyst Outlook

Market Insights Team



Rahul Kapur

Director

(203)-232-8735

kapur.ra@northeastern.edu



Kelly Yam

Associate

(917)-480-1761

yam.k@northeastern.edu



Riya Pallamreddy

Analyst

(617)-306-9556

pallamreddy.r@northeastern.edu



Ahmad Shaikh

Analyst

(214)-973-6325

shaikh.ah@northeastern.edu



Dhilan Vyas

Analyst

(609)-285-7493

vyas.dhil@northeastern.edu



Jake Eisner

Analyst

(919)-519-0856

eisner.ja@northeastern.edu



Franklin Indra

Analyst

(617)-778-4580

indra.f@northeastern.edu

Global Outlook

China Tightens Grip on Rare Earth Exports

The People’s Republic of China announced harsh new restrictions on the exports of rare earth metals. These metals consist of 17 elements on the periodic table that are essential to the production of modern technology. Foreign firms will now need to get approval from China’s government prior to exporting any product that contains “even trace amounts of certain rare earths” from China. The U.S. quickly responded with threats of retaliation, reflecting the escalating trade tensions between the two nations. President Donald Trump has warned that he may halt the trade of cooking oil in response to Beijing’s rejection of purchasing American soybeans.

China’s rare earth production has been nothing short of dominant, as the country accounts for close to 70% of global output. China's rare earth production accounts for nearly 70% of global output, with roughly 270,000 tons produced annually compared to just 45,000 tons in the United States, establishing the country as a dominant force in the industry. The economic impact will directly depend on how China applies these new rules, but governments and firms alike have begun looking for counter-measures.

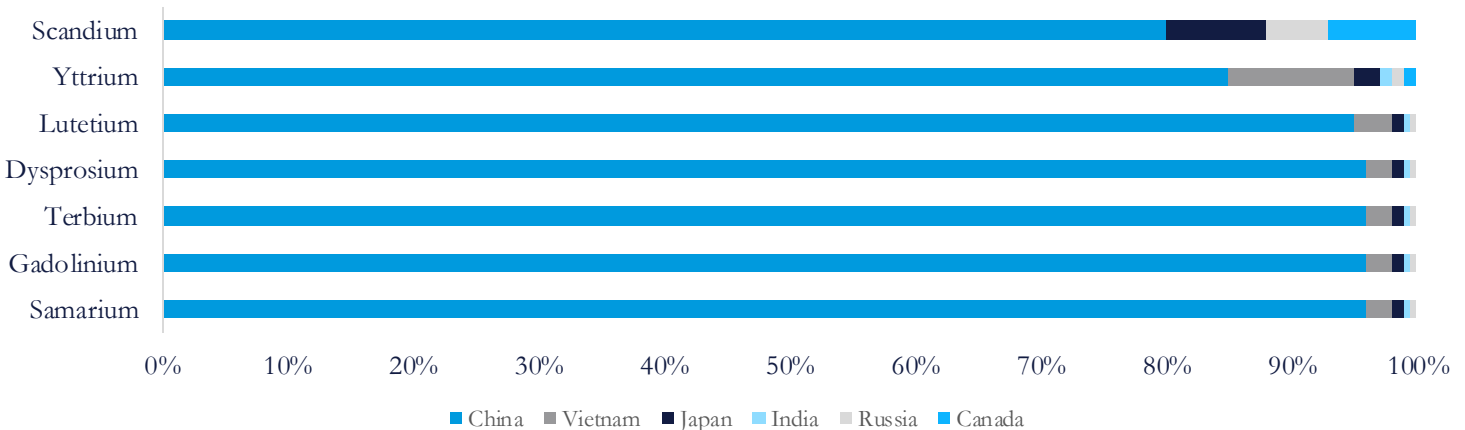
U.S. Treasury Secretary Scott Bessent discussed gaining support from Europe, India, Japan, and South Korea to fight this trade battle. Additionally, Indian automakers initiated testing on alternatives such as ferrite magnets. Although this is a “geopolitically safer substitute”, rare earths are significantly more efficient. Kung Ming-Hsin, the economic minister of Taiwan, urged domestic companies to recycle their rare earths in an attempt to maintain supply for local drone, automotive, and motor industries.

After decades of economic growth and development, China now has real material and technological advantages over the U.S. Despite this, China’s leverage may backfire if the nation is too aggressive. A barrage of overly intrusive disruption in the supply chain will likely fuel efforts from other countries to build alternate methods of production, which would undermine China’s dominance.

China’s new rules on overseas manufacturing will begin on 12/01/2025. Apart from the countless negotiations and relations in the global space, China’s desire to stay ahead of the innovation curve will manifest by controlling access to technology and disrupting production.

Metric	\$ (USD)
S&P 500	\$6,664.01 +0.53%
DJIA	\$46,190.61 +0.52%
NASDAQ	\$22,679.97 +0.52%
Russell 2000	\$2,452.17 -0.60%
FTSE 100	\$9,354.57 -0.86%
Nikkei 225	\$47,582.15 -1.44%
WTI Crude	\$57.64 +0.17%
10-yr Treasury	4.014%

RARE EARTH METAL PRODUCTION BY COUNTRY



Note: The US has zero refined production of these elements

Global Markets Mixed Amid Trade Tensions and Government Shutdown

Global markets opened the week with mixed performance as renewed U.S.-China trade tensions and the ongoing U.S. government shutdown created uncertainty across global equities. U.S. stock futures rose on Monday, with the S&P 500 up 1.5%, the Dow Jones Industrial Average gaining 1.4%, and Nasdaq futures increasing 2.1% following comments from President Trump suggesting progress in trade negotiations with China. However, Asian markets closed lower amid persistent trade concerns. Hong Kong’s Hang Seng Index fell 2.1%, the Shanghai Composite declined 0.2%, and South Korea’s Kospi edged down 0.7%.

In Europe, sentiment was moderately positive. The Stoxx Europe 600 gained 0.5%, supported by advances of 0.7% in France’s CAC 40 and 0.4% in Germany’s DAX, while London’s FTSE 100 added 0.2% amid rising precious metal prices. Moreover, gold futures rose 1.3%, with mining stocks such as Fresnillo and Hochschild Mining gaining 6.1% and 4.9%, respectively.

Currency markets showed caution and mild optimism. The U.S. dollar index (DXY) moved down 0.1% to 98.87, while Bitcoin rebounded 0.2% to \$115,929 after recent volatility. In commodities, despite easing Middle Eastern tensions, Brent crude rose 1.6% to \$63.71 per barrel, and WTI climbed 1.5% to \$59.39.

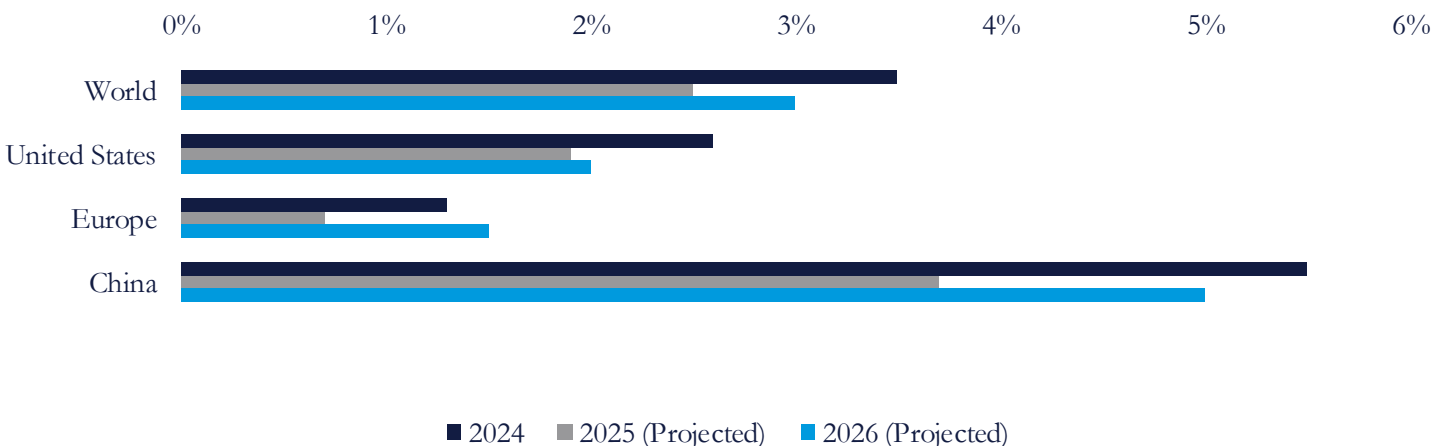
IMF Cuts Global Growth Forecast Amid Mounting Trade Frictions and Inflation Risks

The International Monetary Fund (IMF) is a global organization consisting of 191 member nations. Its primary mission is to oversee and promote the stability and health of the global economy. On October 14th, The IMF announced that the global economy is expected to grow by 2.6% by the end of 2025. This figure reflects a downward revision from July’s 2.7% forecast and a notable deceleration from 2024’s 3.6% growth. U.S. Growth is also projected to decrease to 1.9% this year from 2.4% in 2024, an improvement from the 1.7% estimate at the IMF’s July meeting.

Although the United States has avoided the bulk of initial fears from the trade barriers announced by the Trump administration, there may be potential problems ahead. Concerns with the American labor market, increasing inflation, and mounting state-side debt levels are all major potential pain points. Rate cuts and the surge of AI investment have continued to stimulate the economy, but monetary easing can risk inflation. Additionally, the IMF’s chief economist, Pierre-Olivier Gourinchas, believes that constant trade threats are making business and consumers uncertain about the state of the American economy.

The U.S. is not alone, as corresponding challenges have been affecting countless other nations. A laundry list of countries is also fighting to overcome pools of debt and may be tempted to push their respective central banks to cut interest rates to stimulate their economies.

ECONOMIC GROWTH (IN %)



Note: Measured on a 4Q/4Q basis

America This Week

California Expands Regulatory Oversight of Private Equity Healthcare Deals

On October 11th, California Governor Gavin Newsom signed a new bill expanding state authority to review healthcare transactions in an attempt to enforce greater restrictions on private equity healthcare deals. The measure, effective January 2026, requires firms to submit proposed medical buyouts to the Office of Health Care Affordability, which oversees access to care and cost containment.

The proposal follows another bill signed one week earlier granting California greater power to investigate corporate investors that interfere with patient care. Together, the two legislations represent the most sweeping state-level efforts to regulate private-equity involvement in healthcare. Between 2019 and 2023, private-equity investors spent \$46.9 billion acquiring healthcare providers nationwide, including \$4.3 billion in California alone, according to the California Health Care Foundation.

Legal experts say the bill will not block deals but will make them more time-consuming and costly, as firms must now disclose internal financial documents to regulators. Added compliance costs for private-equity firms and may slow the pace of healthcare consolidation, potentially curbing profit-driven acquisitions. Because of California's economic size, the new framework is expected to influence other states and set a precedent for nationwide oversight. Industry analysts believe this could stabilize healthcare pricing and improve transparency, though slower dealmaking may also reduce capital inflows into the sector.

U.S. Regulators Approve "Erebor" Bank Backed by Tech Billionaires & Trump-Linked Investors

On October 15, 2025, U.S. regulators approved the launch of Erebor, a new bank backed by a group of prominent tech investors with connections to President Donald Trump. Erebor is being positioned to fill gaps left by the collapse of Silicon Valley Bank, serving the 'innovation economy' which includes firms in AI, defense tech, crypto, and manufacturing that tend to be underserved by traditional banking.

Initial capital for Erebor is reported to be \$275 million, with early backing from high-profile figures like Palmer Luckey, as well as Peter Thiel's Founders Fund and Haun Ventures. Some observers saw the approval speed as signaling a conservative business plan intended to avoid regulatory pushback. The venture highlights the interconnected nature between politics, finance, and technology, and signals that financiers tied to the Trump era are seeking to reassert influence in America's financial infrastructure.

Macro Highlights

Trump Threatens 100% Tariff on China, Citing Restrictions on Rare-Earth Elements

Global markets fell sharply on Friday, October 10, 2025, after President Trump announced plans for a new 100% tariff on Chinese imports and additional export controls on critical U.S. software, in retaliation for Beijing's sweeping restrictions on rare-earth mineral exports. The S&P 500 dropped 2.7%, its worst day since April, while the Nasdaq slid 3.5% and the Dow lost nearly 900 points.

China's export restrictions target rare-earth minerals used in semiconductors, electric vehicles, and military equipment. The move, seen as a display of economic leverage, shocked U.S. officials who believed progress was being made in trade talks. Trump responded by setting the new tariffs to take effect on November 1, leaving a month-long window for negotiation before Beijing's December 1 export control deadline.

The standoff has raised concerns about supply disruptions in critical U.S. industries. Automakers and defense contractors warn they could face production halts if rare-earth imports from China stop. The restrictions require companies to obtain approval from Beijing if Chinese minerals account for as little as 0.1% of a product’s value, adding uncertainty to global manufacturing supply chains.

While the U.S. and China may use the staggered deadlines to de-escalate tensions, the renewed conflict underscores how fragile trade relations remain despite months of negotiations. Trump has also hinted he may cancel an upcoming summit with Chinese leader Xi Jinping, increasing geopolitical risk ahead of November’s tariff implementation date.

The tariffs heighten pressure on both economies, with potential inflationary effects in the U.S. and reduced export revenue for China. Economically, the dispute threatens global supply stability for high-tech industries and reinforces the urgency for the U.S. to diversify its critical minerals supply chain away from Chinese dominance.

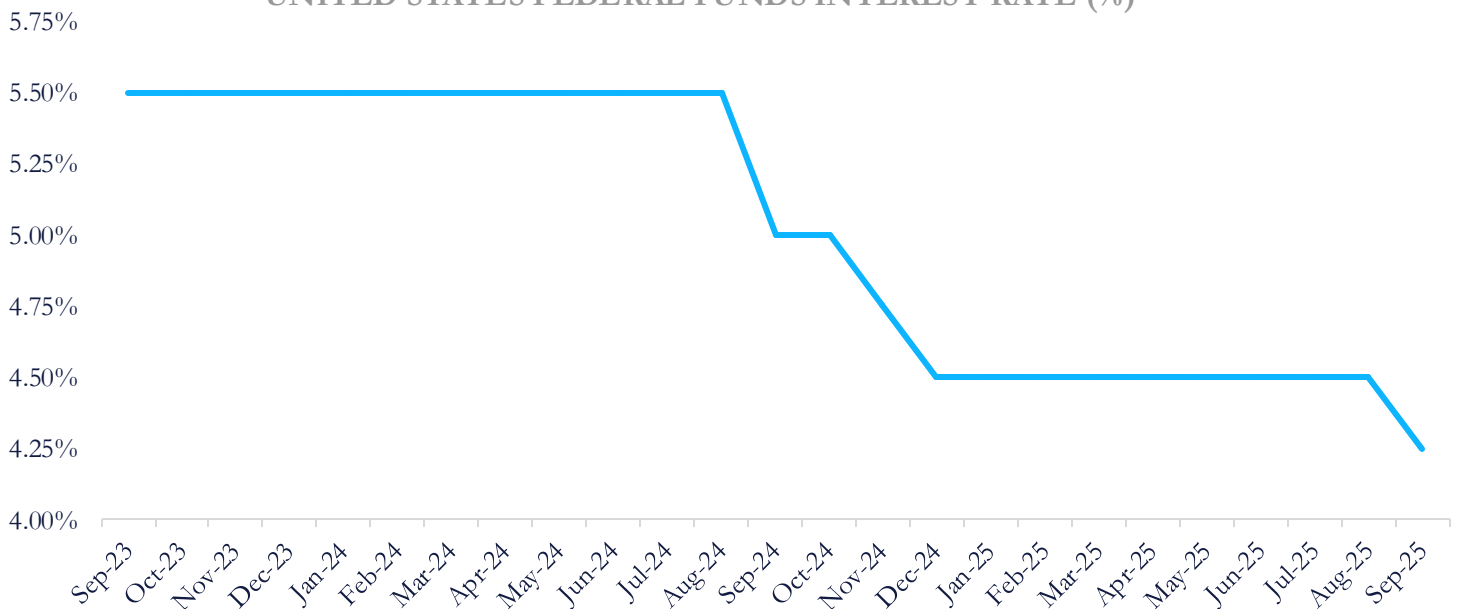
Powell Signals Continued Rate Cuts as Labor Market Weakens

Federal Reserve Chair Jerome Powell signaled that the Fed remains on track to cut interest rates in late September, citing weakness in the labor market. At the National Association for Business Economics Conference, Powell noted that while inflation appears to be increasing gradually, both labor supply and demand have declined sharply, creating a U.S. labor market with significant downside risk.

Powell also indicated that the Fed may soon end its three-year balance sheet reduction program, which has gradually decreased the Fed’s \$6.6 trillion asset portfolio of Treasury and mortgage-backed securities. This reduction has drained reserves from the financial system, prompting concerns about liquidity.

The ongoing U.S. government shutdown has temporarily cut off access to key economic indicators used by the Fed to make monetary decisions. Powell acknowledged the challenge of assessing economic conditions without this data. While he refrained from confirming an October rate cut, Powell reiterated the Fed’s commitment to an easing path that supports the labor market without reigniting inflation.

UNITED STATES FEDERAL FUNDS INTEREST RATE (%)



Industry News

GM to Take \$1.6B Charge as EV Strategy Falters Amid Policy Shift

General Motors' third-quarter release is expected to include a \$1.6 billion hit as its electric vehicle strategy falls short of projections. The Detroit automaker announced that \$1.2 billion of the loss would be non-cash, from charges related to adjustments to its EV capacity, whereas \$400 million in cash would be from contract cancellation fees and commercial settlements related to EV investments.

The company said its reassessment of EV capacity and manufacturing footprint is ongoing, with the possibility of further charges following up in the future. The move is part of GM's broader strategy to pull back from an aggressive EV expansion, amid slower adoption rates and changes to U.S. policies that eliminated federal tax credits for EV purchases. Despite the EV market growing 13.8% this year, GM's performance has fallen short of its own earlier expectations.

The decision reflects a similar move by the Ford Motor Company, which last faced a \$1.9 billion charge related to revisions to its EV plans. Analysts expect more automakers to face similar write-downs as the industry recalibrates its expectations for electric vehicles in a policy-shifting environment.

Rayonier and PotlatchDeltic Merge in \$3.4B All-Stock Deal

Rayonier Inc. has agreed to buy PotlatchDeltic Corp. in a full-stock deal valued at \$3.4 billion. The merger will create one of the largest publicly traded timber companies in North America, controlling 4.2 million acres of land. The deal follows the Trump administration's implementation of tariffs to support the industry, which has historically struggled with low prices amid a weak housing and construction market.

Under the deal, PotlatchDeltic holders will receive 1.7339 shares of Rayonier for each share held. This puts a 7.8% premium on PotlatchDeltic's closing price and gives Rayonier shareholders 54% of the combined company. The merger will create a vertically integrated timber giant operating seven wood manufacturing facilities, including six lumber mills and one plywood mill.

Executives expect the deal to create strategic and financial benefits that go beyond what each company could have achieved independently. Mark McHugh, CEO of Rayonier, will lead the combined company, with Eric Cremers, CEO of Potlatch, serving as the executive chairman for two years. The merger is expected to close by early 2026.

Stellantis Doubles Down on U.S. Manufacturing with \$13 Billion Investment

Stellantis announced on Tuesday, October 14, 2025, a \$13 billion investment over four years to expand its U.S. manufacturing footprint and reduce reliance on imports. The plan includes reopening the Belvidere, Illinois plant, launching a midsize truck in Toledo, Ohio, and upgrading facilities in Michigan and Indiana to support SUV, EV, and engine production. The company aims to boost U.S. vehicle output by 50 percent and create over 5,000 new jobs.

The investment marks a key step in Stellantis' turnaround plan as the automaker faces pressure from tariffs, declining U.S. shipments, and soft profitability. Executives said the move reflects a long-term commitment to building vehicles closer to American consumers while cutting costs associated with overseas production. The company's North American performance has lagged rivals in recent quarters, and higher import costs have intensified the need for local capacity.

Analysts view the investment as both defensive and strategic. Increasing domestic production could help offset tariff exposure, stabilize profit margins, and improve the company's credit outlook after recent downgrades. However, the turnaround will depend on execution, as factory retooling and supply chain shifts often carry high costs and delays.

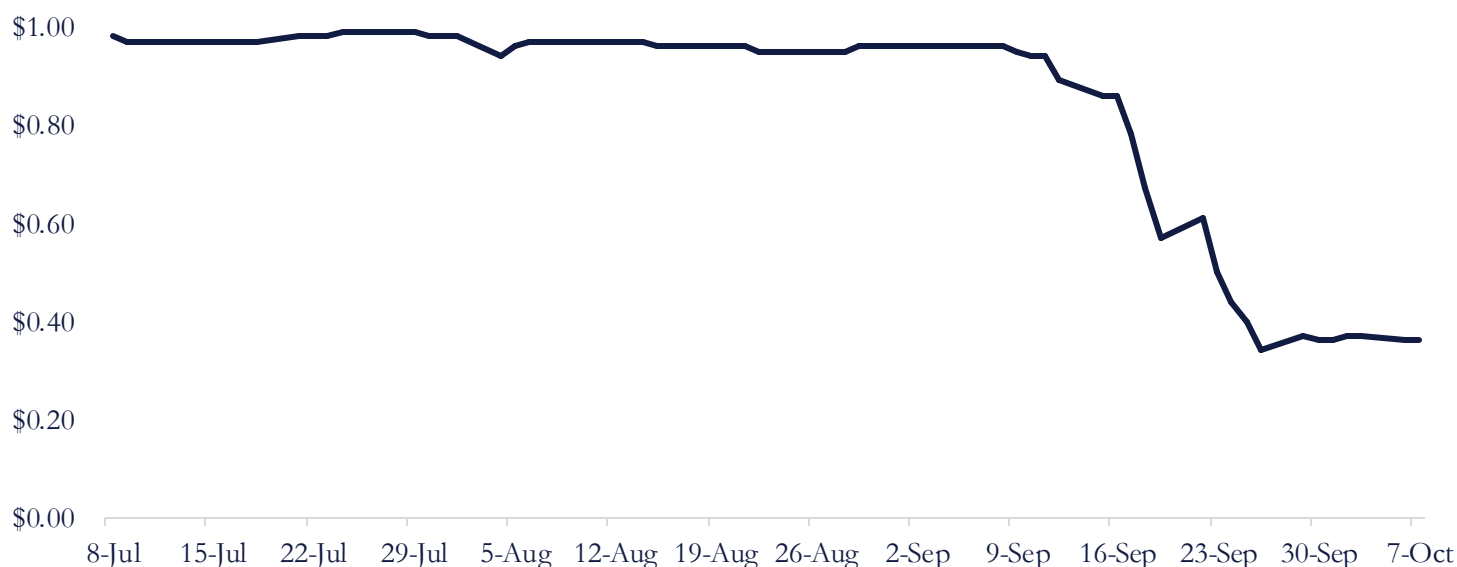
“First Brands” Collapse Exposes Jefferies, UBS to Hidden Credit Risks

On October 9, 2025, Bloomberg reported that the collapse of First Brands Group, a major U.S. auto-parts supplier, has left Jefferies and UBS facing significant financial exposure. Jefferies’ asset management division, Point Bonita Capital, holds about \$715 million in receivables tied to First Brands, while UBS-linked funds are exposed to roughly \$500 million in similar financing structures.

First Brands’ downfall stemmed from liquidity pressures and aggressive use of off-balance-sheet financing, which masked the company’s debt levels and weakened investor visibility. The company’s failure to forward payments in September triggered a cascade of defaults across trade finance and asset-backed lending structures. Both Jefferies and UBS are now assessing losses as creditors move to recover assets through bankruptcy proceedings.

The collapse has shaken confidence in the private credit and supply-chain finance markets, where complex structures can hide real exposure. It is expected to prompt tighter risk management and regulatory review across banks and alternative lenders. Broader effects could include reduced liquidity in auto-sector financing and greater scrutiny of nonbank credit vehicles that have grown rapidly in recent years.

FIRST BRANDS 2021 TERM LOAN PRICE (IN USD)



Note: The loan was part of the more-than \$4 billion in the company's first-lien debt maturities due in March 2027.

BlackRock-Led Partnership Drives \$40 Billion Bet on AI Infrastructure

Global investment firms BlackRock, Global Infrastructure Partners (GIP), and Abu Dhabi’s MGX have launched a \$40 billion acquisition of Aligned Data Centers from Macquarie Asset Management. The deal marks one of the largest data infrastructure transactions in history and is part of an initiative to fund the rapid expansion of AI-driven data capacity.

The investment group, called the AI Infrastructure Partnership, plans to deploy \$100 billion in capital to create and acquire high-efficiency data centers across the U.S. and Latin America. This total includes \$30 billion in equity and \$70 billion in debt financing.

BlackRock CEO Larry Fink emphasized that the initiative will help hyperscalers such as OpenAI, Google, and Meta expand computing capacity without incurring direct infrastructure costs. After constructing these specialized data centers, the partnership will lease them to the aforementioned firms.

M&A Environment

Goldman Bets on Venture Capital Growth with \$7B Industry Ventures Buyout

Goldman Sachs has agreed to acquire Industry Venture, a San Francisco–based venture capital firm with \$7 billion in assets. The deal is structured as \$665 million in cash and equity upfront, with an additional \$300 million in performance-based earnouts through 2030. The deal is expected to close by the first quarter of 2026 and is a move to strengthen Goldman’s \$540 billion alternatives platform. With this acquisition, Goldman is expanding its access to venture capital and the secondary market ecosystem, giving clients exposure to fast-growing startups.

Founded over 25 years ago, Industry Ventures has been a pioneer in Venture Capital secondary investments, having made over 1000 investments with an 18% internal rate of return (IRR). The acquisition demonstrates Goldman’s push toward bridging traditional finance and tech investing, giving Goldman a stronger foothold in private markets and positions the firm to serve entrepreneurs and institutional investors better.

S&P Global Bets \$1.8B on Private Markets with ‘With Intelligence’ Acquisition

S&P Global has agreed to acquire With Intelligence, a data and analytics firm, for \$1.8 billion, marking a strategic push into the fast-growing private markets sector. The firm is expected to generate around \$130 million in revenue in 2025. The acquisition will integrate With Intelligence’s proprietary data, benchmarks, and workflow platforms into S&P’s broader analytics suite, enhancing its reach in alternative asset markets.

The move gives S&P access to a vast private markets database that includes coverage of thousands of private equity, real estate, and hedge fund participants. As public markets stagnate and exits become less frequent, demand for granular private asset pricing and performance data is rising. Though the deal is expected to be slightly dilutive to EPS initially, S&P anticipates adjusted earnings per share gains by 2027.

For the U.S. markets and financial data industry, this acquisition underlines how firms are expanding into the less transparent segments of finance. S&P’s move reflects confidence that private markets will increasingly demand transparency, analytic rigor, and benchmarking services. The consolidation also raises the competitive bar for rivals (e.g. Bloomberg, MSCI) to bolster their private asset offerings.

Novo Nordisk to Acquire Omeros’ Rare-Disease Drug in \$2.1 Billion Agreement

On October 15th, Danish pharmaceutical giant, Novo Nordisk (NOVO), announced a major deal with Omeros Corporation (OMER), a bio pharmaceutical firm developing Zaltenibart, a candidate drug to treat rare blood and kidney disorders. Omeros will initially be eligible for a \$340 million payout and up \$2.1 billion that is contingent on R&D, commercial milestones, and royalties.

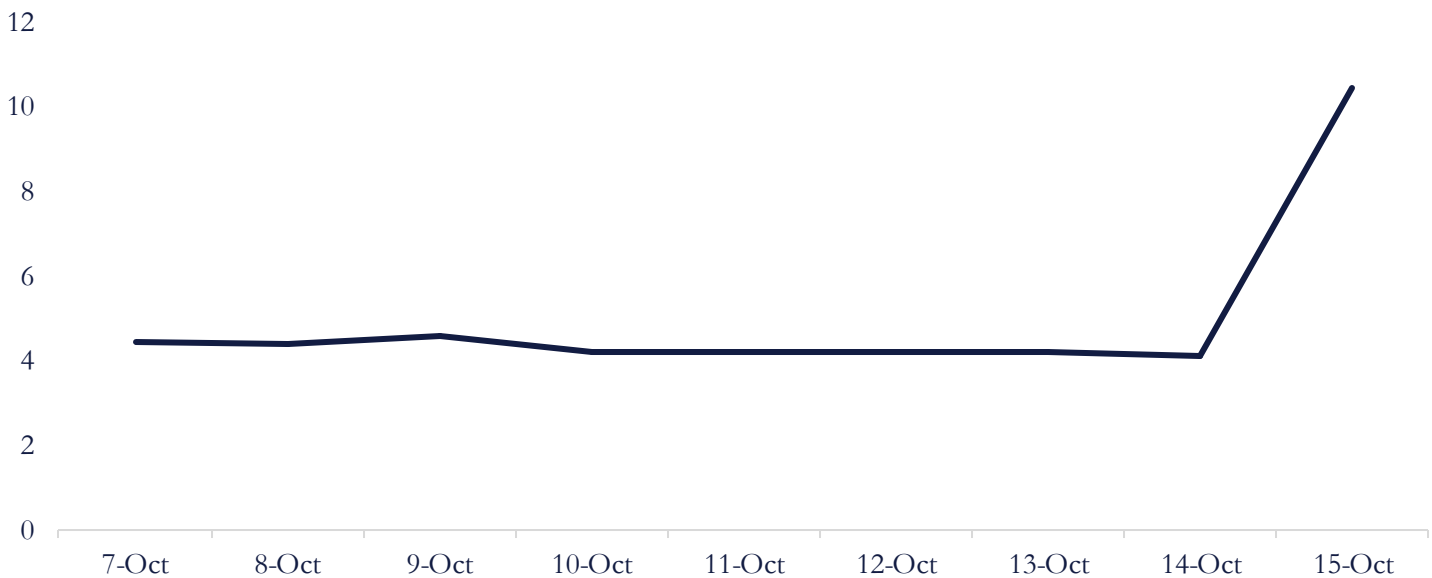
The candidate drug, Zaltenibart, is designed to inhibit a key protein, MASP-3, which has been found in the pathophysiology of a number of rare diseases when acting incorrectly. The antibody has seen promising results across a suite of blood and kidney ailments, making it an attractive asset for Novo Nordisk.

Omeros’ equity soared on the 15th from \$4.05 to more than \$11.00, while Novo Nordisk’s stock price increased by less than a percentage point. This agreement is an incredible show of confidence from the Danish firm, with chief scientific officer and executive vice president of research and development, Martin Holst Lange, saying, “Novo Nordisk is in a strong position to build on the work done by Omeros to maximize the value of this asset...”

Novo Nordisk plans to initiate a Phase 3 study for Zaltenibart to explore potential applications for additional rare blood disorders following the completion of the deal. This comes after Novo Nordisk promised to invest \$1.2 billion into new Danish production facilities in late 2024.

The acquisition is still subject to regulatory approvals, but is expected to close during Q4.

OMEROS CORPORATION STOCK PRICE (IN USD)



Note: Based off of closing price (Oct 7-15)

Trade of the Week

Jake Eisner – Long Intel (INTC)

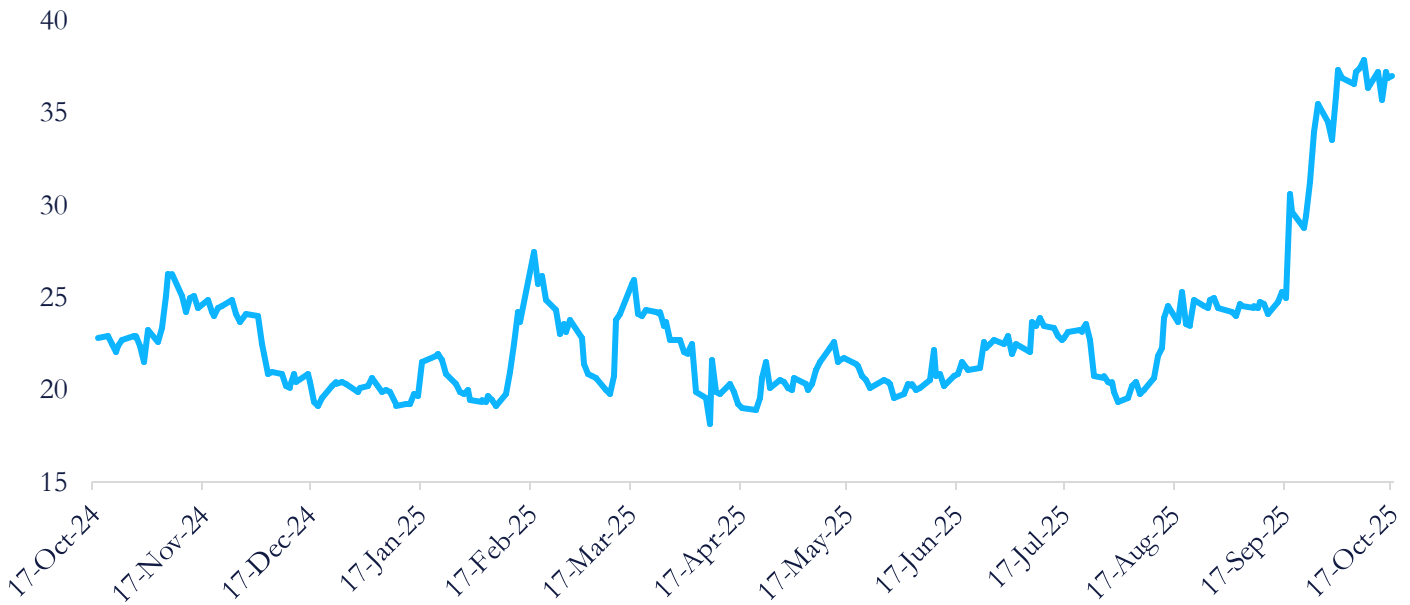
Intel has recently emerged as a compelling opportunity, thanks in large part to a historically large investment from the U.S. Government. In August, Washington announced a historic commitment to the American tech firm, with an \$8.9 billion injection of common stock. This equates to a passive stake of 9.9% funded partially from CHIPS Act grants of \$5.9 billion, and other programs. A key sign has become clear: Intel is now critical to technology sovereignty and keeping semiconductor manufacturing onshore. Policymakers are clear in their stride to make domestic chip manufacturing a non-negotiable asset in the U.S.

From a Macro view, the American government’s involvement has created a unique setup, as the state will likely do whatever it can to prop up Intel.

The company’s new fabrication facilities, where the chips are made, in Arizona and Ohio, are already receiving early tax-credit inflows, which appear to signal a shift from consumer chipmaker to national-security infrastructure. These multi-billion-dollar plants are heavily subsidized under the CHIPS Act, pointing to another reason that Washington is too invested to let Intel fail. Internally, Intel is building credibility through next-gen GPU “Crescent Island”, slated for testing in 2026 to compete in AI inference, which is currently dominated by Nvidia.

Long Intel aligns with both U.S industrial policy and market fundamentals, giving investors the opportunity to ride the intersection of geopolitics and technological necessity.

INTEL CORPORATION STOCK PRICE (IN USD)



Note: Based off of closing prices

Analyst Outlook

Franklin Indra – China and U.S. Tariff Dispute

Global markets remain on edge as tensions between the United States and China continue to reshape trade and technology. Following Trump’s threat of a 100 percent tariff on Chinese imports, Beijing responded with new export restrictions on rare-earth minerals that are critical for producing semiconductors, electric vehicles, and AI hardware. Both sides are trying to project strength while managing domestic economic risks, creating an environment of uncertainty that has already triggered market volatility and supply chain concerns.

China’s restrictions target materials used in chip fabrication and advanced electronics. Although Taiwan’s TSMC leads global semiconductor manufacturing, it still relies indirectly on materials refined in China. If these exports remain limited, global chipmakers could face higher costs and delays, tightening supply across the semiconductor sector.

For the United States, the move exposes its dependence on Chinese processing of rare-earth elements. Automakers, defense companies, and AI hardware producers could all face slower production and increased costs if supply disruptions continue. Rising input prices would squeeze corporate margins and may push up prices for consumer electronics and data center components. Investors have already shifted toward safer assets as they brace for continued trade uncertainty.

The broader AI supply chain also faces risks. Companies such as NVIDIA and AMD could experience higher manufacturing costs or shipment delays, affecting the rollout of data centers and the next generation of AI processors. However, the standoff is also accelerating efforts in the U.S., Australia, and Canada to develop new refining and mining operations to reduce dependence on China.

The dispute has now shifted beyond short-term tariffs into a competition over control of the technology supply chain. Both countries are investing heavily to secure access to critical materials and reduce vulnerability to external shocks.