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mXa Business & Economic Updates
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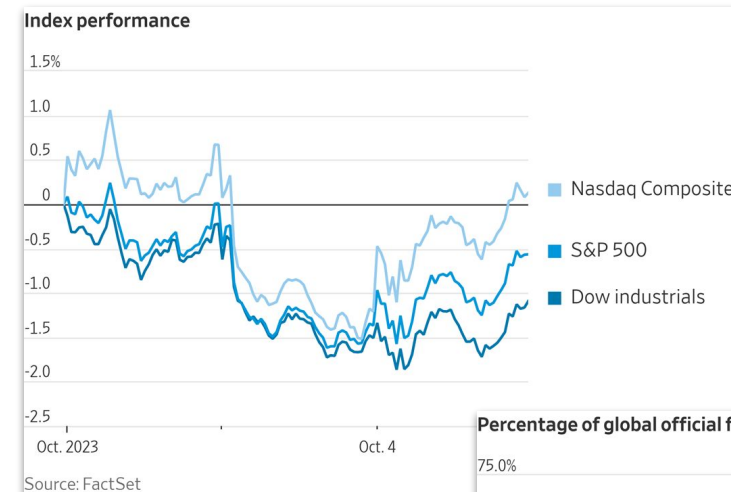
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Equity and bond markets highlight public anxiety of a future environment of both high interest rates and large debt burdens

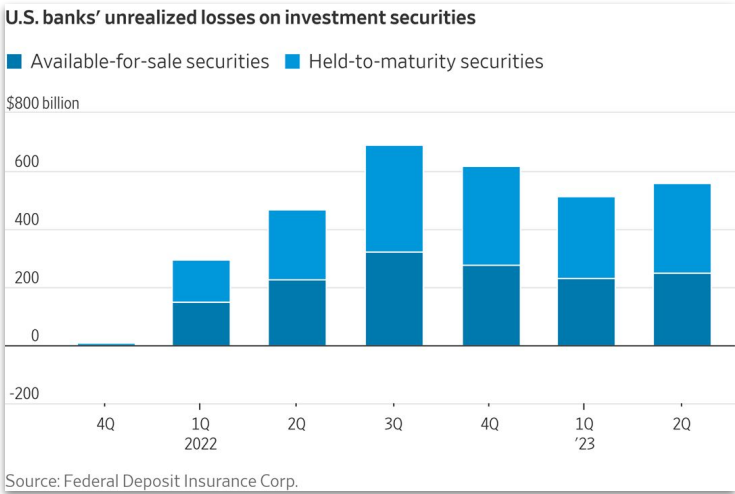
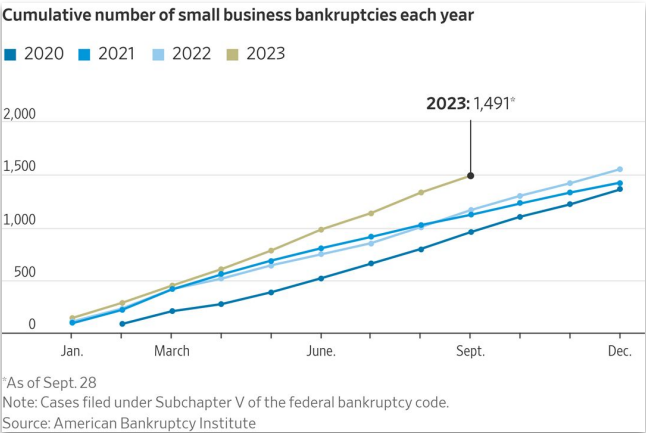
Macroeconomic Updates

- The S&P 500 is down ~1%, the Nasdaq is down ~0.5%, and the Dow Industrials is down ~1.25% WTD; a continued environment of economic uncertainty and halted AI hype continue to hinder public equity and bond markets
- The 10-Yr U.S. Treasury yield has increased 0.1% to a current 4.714%, whereas the 30-Yr U.S. Treasury yield increased 0.15% to a current yield of 4.88%; the likeliest causes for the recent climb appear to be expectations around U.S. growth and concerns of large federal deficits [WSJ]
- Amidst high interest rates and uncertainty for future developments, the U.S. Dollar continues to strengthen amidst pending sentiment of “de-dollarization”; the Asia Dollar index is at a 1-year low and the share of foreign exchange reserves in U.S. currency is at a 25-year low [WSJ]
- In the avoidance of a government shutdown, federal spending continues to damage debt levels with \$300B of debt added this week [X]



Amidst supply and demand complexities, both oil and housing markets dealt with significant financial loss this week

Macroeconomic Updates



- Crude oil suffered a ~10% drop off of a \$92/bbl last week to a current \$83/bbl; the slide came after JPMorgan strategists warned “demand destruction” has begun for the commodity globally and the Energy Information Administration revealed U.S. demand for gasoline declined 5% year-over-year during the four-week period ending Friday [FRB]
- US mortgage rates reached their highest level since November 2000, with rates topping 7.5% last week; with a multi-decade low of applications for house purchases, the U.S. housing market continues to slow with higher interest rates and elevated prices [WSJ]
- A surge in interest rates likely worsened unrealized losses on bonds and loans held by U.S. banks in the third quarter, further straining their balance sheets as they face pressure to pay more to keep depositors [WSJ]
- Small-business bankruptcy filings are rising this year, a signal that increased interest rates, tighter lending standards and higher operating costs are straining entrepreneurs [WSJ]

Despite high interest rates, the M&A market moved in the direction of medium-sized deal-making within energy, biotech, and food

M&A Updates

THE CARLYLE GROUP



AT&T

Medtronic



DIRECTV

- **Civitas Resources** will buy acreage in the Permian Basin from global energy trader Vitol's upstream venture **Vencer Energy** for \$2.1B [RT]
- **Carlyle Group** is in exclusive negotiations to acquire a majority stake in the **patient monitoring and respiratory interventions businesses of Medtronic** at a valuation of over \$7B [RT]
- PE firm **Bridgepoint Group** is exploring a sale of **Humanetics Group** that could value the safety systems technology company at \$1.5B, including debt [RT]
- **Eli Lilly** will acquire **Point Biopharma Global** for \$1.4B, gaining access to targeted cancer therapies [RT]
- **Krispy Kreme** is exploring options for its **Insomnia Cookies** unit, including a potential sale [RT]
- **AT&T** is exploring options for its 70% stake in **DirectTV** [BBG]

Outside of macroeconomic updates and M&A developments, the removal of House Speaker McCarthy and the 2030 World Cup bid led news cycles

Additional News Updates

- Congress averted a government shutdown by passing legislation Saturday that bought lawmakers a few more weeks to negotiate its spending priorities, but in the aftermath Rep. Matt Gaetz said he would seek to oust fellow Republican and House Speaker Kevin McCarthy from his leadership role [WSJ]
- Kevin McCarthy no longer speaks for his party, as for the first time in US history, a House speaker was removed from their post; after McCarthy worked with Democrats to avert a government shutdown, a faction of hard-right Republicans pushed to oust Kevin McCarthy from the speakership, and they secured enough support to vote him off the island [AP]
- FIFA will host the 2030 World Cup across Spain, Portugal, and Morocco, with Uruguay, Paraguay, and Argentina each hosting an opening match to mark 100 years since the first World Cup; the decision could pave the way for Saudi Arabia to host in 2034 [CNN]



Recent developments across four key industries highlight the impact of FTC regulation, OPEC+ supply, and organized strikes

Energy & Natural Resources

- Factors like declining cigarette sales, rising convenience store wages, and increased card payment fees have contributed to the significant rise in retail gasoline prices, despite similar crude oil prices. [WSJ]
- Analysts expect the next OPEC and non-OPEC meeting to maintain the current production schedule due to stable oil prices and concerns about economic uncertainties in various regions, with a cautious approach likely to persist [RT]

Healthcare & Life Sciences

- More than 75,000 nurses, pharmacists and other employees of the Kaiser Permanente health system walked off the job Wednesday in the largest U.S. healthcare strike on record [WSJ]
- University of Pennsylvania scientists Karikó and Weissman won the Nobel Prize in medicine for work that enabled mRNA vaccines [FOX]

Tech, Media, and Telecom

- Two years after a splashy market debut and an expectation among industry watchers of becoming the “Tesla of trucks,” Rivian has blown through half of its \$18 billion cash pile [WSJ]
- Microsoft CEO Satya Nadella warns of ‘nightmare’ future of AI if Google’s search dominance continues in the FTC’s antitrust case against Google [CNN]

Financial Services

- The criminal trial that will determine whether former FTX CEO Sam Bankman-Fried committed massive fraud while building his now-collapsed \$32 billion crypto empire is ongoing in New York [NYP]
- Rising interest rates mean deficits finally matter; although the Treasury itself is a last-resort lender, it now is itself a source of risk [WSJ]