

Weekend Press Summary

A round-up of the main financial stories of interest from the weekend papers

MONDAY, 29th April, 2024

Saturday 27th April 2024

Irish Independent

Mike Lynch lands £300m mid-trail pay day with sale of AI cybersecurity firm

Controversial tech entrepreneur Mike Lynch and his family are in line for an almost £300m (€350m) pay-day even as he is on trial in the US over what prosecutors claim was the "biggest fraud in the history of Silicon Valley".

Microsoft and Alphabet show that AI investment bets are paying off

Both Microsoft and Google owner Alphabet sent a clear message to investors on Thursday: Our spending on artificial intelligence and cloud computing is paying off.

Charlie Weston: Mortgage price war heats up as Spanish bank sends shockwaves through Irish market

The banking market in this country is set for its biggest shake-up in almost two decades after the shock move by Spain's Bankinter to set up a full banking operation here. It is now expected to offer attractive deposit rates to savers.

State to get €1bn from AIB next Friday after off-market share buyback

Move will take taxpayers' stake in the bank to about 31pc.

Irish Times

Spain's Bankinter plans to enter Irish banking market with online service.

Spanish banking group Bankinter is planning to enter the Irish banking market on the back of the success in its fledgling Avant Money mortgage and consumer finance offering.

Ireland may struggle to fill future biopharma jobs, says report.

Ireland will struggle to produce and attract enough talent to meet the hiring requirements of the multinational-dominated biopharmaceutical sector, which could create as many as 21,000 jobs here over the next three years, a new study from the National Skills Council has highlighted.

Smurfit Kappa declines to unpack details of Westrock acquisition.

The chairmen of Smurfit Kappa has urged shareholders anxious for further information about the Dublin-listed groups' acquisition of US paper and packaging rival Westrock to be patient, after declining to answer questions on the subject at its annual general meeting in Dublin yesterday.

Three solar farms to power 10,000 Irish homes a year.

Dublin-based developer BNRG and asset manager Impax Asset Management have reached financial close on the development of three solar farms that will have a combined peak capacity of 43MW, which is enough renewable power to supply 10,000 homes a year.

Kingspan firm being investigated in US over accusations of anti-union activity.

A subsidiary of Cavan-based insulation specialist Kingspan is the subject of a number of allegations of anti-trade union behaviour being investigated by the US National Labor Relations Board.

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Sunday Times

LDA clears hurdle to build 1,000 homes on Leopardstown site. Horse Racing Ireland and agency agree terms after year-long battle over land.

Ireland's serial entrepreneur dipping into five-star hospitality in Kenmare.

Bryan Meehan has built many businesses, but the Park Hotel Kenmare is his first dip into the five-star hospitality trade.

Competition is back with Bankinter licence.

Beware of Spanish rescues. The chieftain of Merrion Street, Michael McGrath, clearly has. Last week he welcomed Bankinter's decision to establish a full licence.

The data centre dilemma — should Ireland pull plug on tech boom?

Debate around the country's relationship with Big Tech and its power-hungry data centres has been thrown back into the spotlight.

Irish investor makes killing out of fashion victim.

Causeway Capital netted a big return on In the Style, an AIM company that was marketed by reality TV stars but quickly ran out of cash.

Anderson 'had secret Movies@ stake'.

Tom Anderson, a scion of one of the country's best-known cinema families, secretly held a 25 per cent stake in the Movies@ chain of multiplexes.

Sean Quinn's former Prague hotel to go up for sale.

The Hilton Prague, a trophy asset in Seán Quinn's former empire, is set to come to market in weeks with a price tag of about €280 million, writes Linda Daly.

Eddie Jordan pushes the boat out with Monaco Grand Prix bash.

Former F1 boss is hosting a lavish trackside party with Guinness on tap for his boutique investment advisory group.

Royal Mail may stop six-day letter deliveries after union gives in.

Union leaders have conceded for the first time that they will accept an end to six-day-a-week letter deliveries, clearing the way for Royal Mail to enact historic cuts to postal services.

Darktrace's exit for the US rocks Britain's tech scene.

The Cambridge tech firm says its \$5bn sale to private equity house Thoma Bravo will be good for it and for Britain. But that may not be so for the London stock market.

Will mega-deals in the City jolt London's market back to life?

Investors have been selling out of shares and floats on the FTSE have stagnated — but some believe a fresh flurry of activity could be a 'trigger' for a change in sentiment.

Glencore is the predator to watch as Big Aussie stalks Anglo American

Last month, in what already seems like the distant past, I interviewed Duncan Wanblad.

Distressed debt investors go fishing at Thames Water.

Specialist US lenders famed for taking risky bets on troubled WeWork and the Hollywood studio MGM are snapping up debt in troubled Thames Water.

Harvey Nichols owner pumps in another £25m.

Sir Dickson Poon's move to sell and lease back the Knightsbridge store has left the retailer on the hook for hefty rent payments.

P&O Ferries heads into fresh storm over French labour laws.

Asian workers face the chop as new legislation on pay and hours is set to come into force.

Jobs boost at Microsoft as UK revenues hit £8bn.

Growing demand for cloud storage services leads tech giant to invest billions and hire 600 extra staff.

Sunday Independent

Value and number of Irish venture capital deals nosedive as expectations of founders and would-be investors fail to match

The value of venture capital (VC) investments in Ireland has fallen 80pc in the first three months of the year and the number of deals is also down sharply.

Irish arm of Grant Thornton start mediation over alleged role in US investment firm fraud case

Insurance executives representing Grant Thornton's Irish arm are due to sit down today with a mediator in an effort to reach a settlement in a US case connected to another legal action that has embroiled the accountancy firm in Florida.

Children's summer camps to cost families up to €1,500 this year

Parents have been warned to expect high prices for sending children to summer camps during the school holidays and are being advised to plan ahead.

Ryanair boss Michael O'Leary: 'I'm like Pep Guardiola – I deserve my €100m pay deal'

Ryanair boss Michael O'Leary has defended his proposed €100m bonus by comparing himself to football managers Pep Guardiola and Jurgen Klopp.

Jobs boost as Tesco creates 200 roles across Ireland amid strong 'growth phase'

Supermarket giant Tesco Ireland has created around 200 roles amid a flurry of new store openings nationwide.

Kerry-based Fexco Group has built up war chest for M&A action

Fexco, the Co Kerry-headquartered financial services group, has accumulated a war chest for future mergers and acquisitions.

Galway's creative enterprise hub gives valuable space for start-ups to blossom

The sky's the limit for creative entrepreneurs and innovators throughout the west of Ireland with the opening of CREW, the new creative enterprise and innovation hub in Galway.

Microsoft and Alphabet show that AI investment bets are paying off

The companies trounced Wall Street estimates with their latest quarterly results, lifted by a surge in cloud revenue – fuelled in part by booming use of AI services. Alphabet shares surged as much as 12pc, the biggest gain since July 2015, to their highest level ever. The rally pushed Alphabet's valuation past \$2trn. Microsoft rose as much as 3.5pc.

Hong Kong investor leads bid for Northern Ireland's biggest gas distributor Phoenix Energy

According to Bloomberg, a consortium of investors including Hong Kong's CK Infrastructure Holdings has agreed to buy the gas operator for £756m (€880m).

Car rental firm Hertz hit by huge loss as it reverses big bet on Teslas

Hertz reported a loss that was nearly three times worse than analysts expected as it accelerated sales of electric vehicles to reduce its fleet of Tesla models that have weighed on profits for the past year.

Penneys owner anticipates 'significant growth' in profits

Penneys owner Associated British Foods (ABF) said that it is expecting to deliver "significant growth" in profits in its current financial year following a 39pc rise in the first half.

Elon Musk's robotaxi ambitions have driven Tesla into a state of chaos

Elon Musk's underlings at Tesla are accustomed to chaos. It comes with the territory of working for a chief executive who sets exacting targets and often abruptly switches directions.

Mike Lynch lands £300m mid-trail pay day with sale of AI cybersecurity firm

Controversial tech entrepreneur Mike Lynch and his family are in line for an almost £300m (€350m) pay-day even as he is on trial in the US over what prosecutors claim was the "biggest fraud in the history of Silicon Valley".

'Green' jobs soar by 93pc but fewer people applying over fears of low pay

FEWER people are looking for "green" jobs although the number of vacancies has soared by 93pc.

JPMorgan boss fears political polarisation

America's most influential banker, JPMorgan Chase CEO Jamie Dimon, told investors yesterday that he continues to expect the US economy to be resilient and grow this year.

Taoiseach Simon Harris promises to prioritise small businesses before likely March 2025 general election.

Taoiseach Simon Harris has said making progress for "small businesses" is among his highest priorities of his 11 months in office before a likely general election in March 2025.

Irish hotel transactions set to top €1bn this year

The value of Irish hotel properties changing hands reached a record quarterly level of more than €600m in the first quarter of the year, putting the market in a position to achieve €1bn in sales in 2024, according to research from CBRE.

Business Post

Building lobbyist's head of ESG: Dublin City Council has it wrong on demolition rules

PJ Ryan of the Construction Industry Federation has said measures in Ireland prevent the sector from maximising re-use of materials.

Week ahead: AGM season swings into action with AIB, Glanbia, Flutter and more....

This week, a slew of AGMs will dominate the business agenda with heavy hitters such as AIB, Glanbia, Flutter, and Grafton Group lining up to face shareholders.

The number of shareholder gatherings peaks on Thursday when Glenveagh, Kerry Group, Mincon all hold their AGMs while Smurfit Kappa and Kerry also issues trading updates.

Exclusive: McGrath warned government 'can't reach 50,000 homes' target without investment funds

Officials led by John McCarthy, the chief economist at the Department of Finance, said a 'new housing model' with private capital at the core of it was needed. Taoiseach Simon Harris has pledged to build 250,000 homes over the next five years.

Red C poll: Crisis for Martin as Fianna Fáil suffers fresh slump in support

Party is feeling squeezed from Fine Gael under fresh leadership of Simon Harris. The latest Business Post/Red C poll shows support for Fianna Fáil has dropped 2 points to 14 per cent.

Dalata chief on why minimum wage must rise despite increasing costs for business

Dermot Crowley says high rents are damaging the economy and a lower Vat rate for hospitality that excluded hotels would be positive.

Lorcan Allen: Bankinter has its work cut out to bring real competition to Ireland's mortgage market

The Spanish lender will need time to grow its market share in Ireland as it seeks to erode the dominance of the two big pillar banks.

Ben Dunne's gym business posted ten-fold profit increase in year prior to his death

The colourful entrepreneur died in November last year following a suspected heart attack.

Construction sector 'operating at just 80% capacity'

New survey by Turner & Townsend shows contractors expect construction material inflation to level off over coming three-year period. The finding from a survey of Irish construction contractors would indicate the sector has capacity to significantly ramp up construction activity with Matthews adding that a total output of 40,000 homes per annum would be possible at full tilt.

Irish medtech scores €15m AI partnership with Novartis

Deciphex uses AI to interrogate tissue sections from biopsies to accelerate workflows and improve patient turnaround time and diagnostic accuracy.

Spain's Bankinter to enter Irish market

The bank would be the first new entrant since 2005 after a series of exits following the financial crash. The company said it will seek a full banking license to service Irish customers and plans to expand its product and services, starting with deposit products.

Microsoft sales and profit beat expectations on AI demand

Revenue in the third quarter, to March 31, rose 17 per cent to \$61.9 billion.

Alphabet beats revenue estimates as AI fuels cloud growth

The Google parent company said it would pay a dividend of 20 cents a share, its first ever, and repurchase an additional \$70 billion in stock.

Colm Lauder: Why there are new signs of life for investors in UK property

British real estate investment market conditions improving in early months of 2024. Investors got their first sense of how the UK commercial property market is performing in the early months of 2024 with the release of the industry benchmark MSCI/IPD dataset. The much-watched monthly index, which contains over £26 billion of professionally managed and independent valued property, recorded an encouraging uptick in performance in March, with capital value declines trimmed to less than 0.2 per cent nationally, indicating one of the best monthly performances since the onset of base rate hikes in early 2022.

Analysis: Calls grow to reverse 2035 ban on fossil fuel cars as EV sales stagnate

The European Court of Auditors was the latest body to raise concerns about the proposed 2035 EU ban on internal combustion engine cars.

Kingspan's warning on input costs suggests the ECB's war on inflation may not be over

The Cavan-based insulation giant issued an upbeat trading update for the first quarter of 2024 but warned input costs may rise again. Group sales approached €2 billion for the three-month period to March 31 and were 1 per cent behind prior year, or down 8 per cent on an underlying basis. The company said that trading volumes, overall, have been positive with pricing stable since the turn of the year, albeit behind year-on-year due to lower raw material prices.

Editorial: Arrival of a new entrant to the banking sector for the first time in almost 20 years is good news

For a country with one of the youngest and wealthiest workforces in Europe it has long been a source of curiosity why international retail banks are so put coming here.

Maples: Despite supply shortages aircraft lessors are set for a bumper 2024 - here's why

With airlines and lessors waiting up to a decade for the delivery of new aircraft, this year is likely to see further M&A deals in the aircraft leasing sector.

Higher for longer: How businesses are struggling with sky-high costs even as inflation eases

Inflation has begun to cool as interest rate hikes take effect but energy, food and wage costs remain significantly higher than before - and are unlikely to fall.

Explainer: What are AT1 bonds and are they in trouble?

AIB raised €625 million in additional tier one bonds this week as the notes' future is being discussed on the global stage. On Tuesday, AIB announced it had raised €625 million from the market through the issuance of additional tier one (AT1s) bonds, just days after reports that Basel Committee on Banking Supervision, the global banking regulator, had held a high level meeting to discuss the future of this debt type. AIB's fundraise was not unusual - AT1 bonds are used by most European banks to meet their capital requirements, with the market valued at \$260 billion (€243 billion) last year.

Workday reiterates commitment to Dublin after dropping office plan

The software giant had planned a 550,000 square foot campus in Grangegorman.

Financial Times

Blackstone seeks to end bidding war for Hipgnosis Songs Fund with \$1.6bn offer

Blackstone has agreed a deal to acquire Hipgnosis Songs Fund for almost \$1.6bn in the latest salvo in the bidding battle for the listed music rights owner. The US private equity group said it had agreed to offer \$1.30 per share, or 104p, trumping a rival bid by Apollo-backed US investment group Concord. The board of Hipgnosis Songs Fund recommended that shareholders support the offer, which is priced at 4 per cent above the most recent Concord bid or 48.1 per cent above the closing price before the takeover battle started this month. Blackstone, which co-owns the manager of the Hipgnosis fund, will hope its revised offer will land a knockout blow in the bidding war for the music rights business.

Philips reaches \$1.1bn settlement over sleep apnea devices

Dutch health technology group Philips has reached a \$1.1bn settlement over personal injury litigation claims filed in the US. The agreement follows the recall of millions of its sleep apnea devices in the past three years. Philips took a €982mn provision in first-quarter results posted this morning. "The approved consent decree and economic loss settlement are significant milestones and provide further clarity on the way forward for Philips," said chief executive Roy Jacobs. The company said revenues were €4.1bn in the quarter, with comparable sales growth of 2.4 per cent.

Yen rebounds amid speculation of intervention by Japanese authorities

The yen strengthened against the dollar in the early afternoon of Monday in Asia, triggering speculation that the Japanese authorities had finally stepped into the market to support the currency. From roughly 1pm Tokyo time, the yen began strengthening sharply from around ¥159.5 to a level of ¥155.2 about 50 minutes later — a huge shift that traders in Hong Kong said could have been produced by the Japanese authorities after weeks of warnings that Tokyo was standing by to support the yen if trading became too volatile. The same traders warned, however, that they as yet had no solid evidence that an intervention had taken place, and that the sheer volatility of trading and rumour-mongering could have convinced speculative investors to unwind some of the huge bets they have amassed against the yen in recent weeks.

US executive pay jumps 9%, widening transatlantic gap

The median pay for S&P 500 chief executives jumped 9 per cent to \$15.7mn in the year to April 15, widening the gulf in remuneration between US and UK bosses. The rises came despite the underperformance of some US companies last year, according to analysis by ISS-Corporate, a division of Institutional Shareholder Services. In the UK, FTSE boards are under pressure to increase chief executives' pay. UK bosses complain they are underpaid in comparison with their transatlantic peers, with several warning of a talent exodus unless their pay is more competitive.

Israel may delay assault on Rafah in exchange for hostages

Israel has said that it would be willing to delay a long-planned assault on Hamas's last stronghold in the Gaza Strip if a deal to secure the release of Israeli hostages can be agreed. Hamas said over the weekend that it was studying a new proposal by Egypt and Israel that, according to reports, would lead to a halt in the fighting and a further withdrawal of Israeli forces from Gaza in return for the release of two to three dozen of the Israelis seized during the militant group's October 7 assault on the Jewish state. Israel has begun preparations for the civilian evacuation of Rafah, Gaza's southernmost city and the last population centre controlled by Hamas, ahead of an expected attack that could come "within weeks", according to one Israeli official.

French government seeks to buy key assets from Atos

The French government has proposed buying key assets of Atos, the heavily indebted technology company, because Paris wants to keep them in national hands. The state wants to purchase three strategic parts of Atos: super calculators for quantum computing, which are used by the French army for the country's nuclear weapons programme; secure communications tech also utilised by the military; and certain cyber security assets. Amid concerns in Paris that foreign investors, including hedge funds, could gain control of Atos in an upcoming restructuring of its €3.9bn debt load, finance minister Bruno Le Maire said on Sunday that the state had sent a non-binding letter of intent to the French company about purchasing the assets.

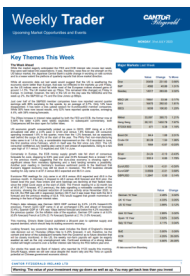
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