

## **Turkey's Political Crackdown Sparks Market Chaos**

Turkey's financial markets are in turmoil following the arrest of Istanbul Mayor Ekrem İmamoğlu, President Erdogan's most formidable political rival. İmamoğlu, who was widely expected to run for president in 2028, was jailed on corruption charges that critics call politically motivated. His detention triggered the largest wave of opposition protests in over a decade, with more than 1,100 people arrested nationwide.

The economic fallout has been severe. The Turkish lira hit a record low of over 40 to the dollar, prompting the central bank to burn through nearly \$12 billion in foreign reserves to prop up the currency. In an effort to stem further panic, regulators banned short-selling and relaxed buyback rules. But investor confidence has already taken a hit, threatening to derail the fragile recovery engineered by Finance Minister Mehmet Şimşek.

As Erdogan tightens his grip, analysts warn Turkey may be sliding further into autocracy—at the expense of market stability.

## **BYD Overtakes Tesla as China's Auto Champion Hits \$100bn Milestone**

Chinese EV giant BYD has officially surpassed Tesla in annual revenue for the first time since 2018, crossing the \$100 billion threshold as its hybrid strategy pays off. The Shenzhen-based automaker reported 2024 sales of \$107 billion, up 29% year-on-year, as surging demand for plug-in hybrids boosted domestic growth.

While Tesla remains ahead in profit terms, BYD's momentum is hard to ignore. The firm sold 4.3 million vehicles last year (more than Honda) and unveiled rapid-charging and self-driving technologies tailored to China's market. Shares are up 91% in the past 12 months.

Having edged out Tesla at home, BYD is ramping up its overseas push, raising \$6 billion for international expansion and opening factories in Thailand and Uzbekistan. But scrutiny is rising: the EU has imposed tariffs on Chinese EVs, and BYD's \$1bn Brazil project was recently delayed over labour concerns.

## **SAP Becomes Europe's Most Valuable Company**

SAP has surpassed Danish pharma giant Novo Nordisk to become Europe's most valuable company, capping a 40% rally in the past year for the German software group. Shares climbed 1.4% on Monday, pushing its market cap to €313 billion; just ahead of Novo, whose stock slipped after underwhelming drug trial results.

The milestone reflects both investor enthusiasm for AI-driven cloud software and waning confidence in Novo's next-gen obesity treatments. SAP now carries more weight in Frankfurt's DAX index than Germany's entire car sector—prompting Deutsche Börse to launch an uncapped version of the index after SAP repeatedly breached its 15% cap. Analysts forecast 29% growth in SAP's cloud revenue this year. While shares are down nearly 10% from February's all-time high, SAP's long-term return (up 160% since late 2022) leaves Europe's other tech and pharma contenders in the dust.

Novo, which once battled LVMH for the top spot, has seen its valuation fall sharply as the hype around its obesity pipeline cools.

### **Wall Street Rebounds as Tech Leads Rally Amid Softer Tariff Outlook**

US equities had a sharp rebound on Monday, driven by renewed strength in technology stocks and easing fears over the severity of Donald Trump's upcoming tariff measures. The S&P 500 rose 1.8%, while the Nasdaq Composite gained 2.3%, led by a nearly 12% surge in Tesla. The rebound followed reports that the White House may scale back its reciprocal tariff plans ahead of the April 2 rollout, dubbed "Liberation Day" by Trump. Comments from the president suggesting "flexibility" helped temper concerns around escalating trade tensions.

The shift in sentiment comes after a challenging period for US markets, with the S&P recently breaking a four-week losing streak. Analysts noted that bearish positioning may have become overextended, and the latest rally reflects a reappraisal of US resilience. Economic data also supported the upbeat tone: S&P Global's flash composite PMI rose to 53.5 in March, a three-month high, thanks to continued expansion in the services sector.

While disappointing earnings guidance from companies like FedEx and Nike added some caution, investors appear increasingly willing to look through near-term volatility. US Treasury yields rose as risk appetite returned, with the 10-year yield climbing to 4.34%, and the dollar strengthened modestly. In contrast, European markets remained muted. As attention turns to the implications of wider policy reforms in Washington, including Elon Musk's appointment to lead the new Department of Government Efficiency, investors are recalibrating their outlooks considering softening trade rhetoric and tentative signs of economic strength.