NIC Undergrad Review

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NIC

— Undergraduate Division —



Editor's Note.

Dear reader,

As editor-in-chief for the current academic year, it gives me great pleasure to present to you the second NUR edition of this academic year. As we strive for excellence and honour the legacy of Portugal's oldest student-run business magazine, I am confident this edition exceeds expectations with its array of top-tier articles. Each piece provides insightful analysis, stimulating perspectives, and valuable insights into the dynamic landscape of business and finance.

As usual, this edition starts with a comprehensive review of Iberian financial markets and global M&A transactions for the first quarter of 2024. Subsequently, an industry overview along with an exploration of a prominent company within the sector. In this edition, you will dive into the Mining Industry, featuring an analysis of the Glencore Company. Additionally, you will encounter an insightful article highlighting recent developments in Argentina. Finally, we present the intriguing history of FTX. To conclude this issue, we bring an exclusive interview with Francisca Anselmo, a distinguished alumna of NIC.

I extend my deepest gratitude to our dedicated teams of writers, Miguel Patrício, Madalena Morgado, Pedro Rebelo, Bernardo Figueiredo, Leonel Lucas, Raquel Mendes, Beatriz Almeida and Afonso Freitas, whose effort and support were crucial in putting this newspaper together.

Warm regards,

Rita Fernandes

Editor-in-chief





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Quick Take on Iberian Markets



Miguel Patrício

Iberian countries face political turmoil. Both Iberian countries were marked in the last months by political turmoil. Spain's 2024 budget bill was abandoned with the previous one being rolled over into this year. This was the result of the Catalan political turmoil that is obstructing Pedro Sánchez's agenda again after a snap regional election in May. Simultaneously, Portuguese legislative elections occurred on the 10th of March with the centre-right Democratic Alliance scoring a narrow result but falling far short of a majority with CHEGA, a far-right party. CHEGA was the biggest winner of the night and the Socialist Party the biggest loser, losing a parliament majority. As the Portuguese parliamentary system shifted from two main parties to three there isn´t a clear governing solution. The future is uncertain, and every proposal will need to be negotiated with different parties resulting in times of instability likely in new elections soon.

Farmers protest: Rallying against agricultural policies. The last months were marked by several protests by farmers across Europe including Portugal and Spain. These protests were sparked by several factors such as the drought that gets worse each year that passes, the conditioning by the EU, the opening of the market to Ukraine that flooded the market with cheaper products and other inequalities in comparison to EU outside countries.

Inditex`s shares rose to an all-time high. Shares of the world's biggest fashion retailer rose as much as 5.9% on the 13th of March after it reported sales growth of 11% from Feb. 1 to March 11 and an annual net profit jump of 30% to 5.4 billion euros, as expected.

PSI companies are preparing to distribute 2.6B in the form of dividends. After profits in 2023 in the order of 5 billion euros, the biggest publicly traded Portuguese companies are preparing to distribute around 50% of it to their shareholders. The highlight goes to EDP which wants to distribute 815,9 million euros, around 86% of its profits.

Greenvolt purchase by KKR advances. In December of last year, a unit of the U.S. private equity fund, KKR, announced a full takeover bid for Portuguese renewable energy company Greenvolt. On the 28th of February, it got an advancement on a still long way to go with the Portuguese competition authority giving a green light for this operation. This is only one of the several approvals required with KKR establishing the 30th of September as the limit to receive all approvals.

Portugal recovers almost the total of the injection on CGD. After Caixa Geral de Depósitos reported a profit rise superior to 50% (from 843 million to 1291 million euros), following the tendency of the Portuguese banks, it will pay to the Portuguese State 545 million euros only on dividends. With this payment, the state has recovered around 90% of its 2017 capital injection in the bank.

Spain sets the record for the largest-ever order book for a sovereign bond. Spain drew €138bn of bids for €15bn of new 10-year debt (with a yield of 3.26%) - record demand for an individual government bond. Bankers said the prospect of a series of interest rate cuts by the ECB had encouraged big orders from fund managers betting on further gains. The record number of orders for Spain's debt also reflected investor confidence in the "outperformance" of Spain's economy.

Luz Saúde pretends to get back to the Portuguese stock market. After getting bought by Fidelidade in 2015 and getting out of the market Luz Saúde wants to get listed once again through a new IPO. Fidelidade will remain with the majority of the capital. With this move, the company expects to get around 100 million euros and reach a capitalization of 1 billion euros.

M&A Analysis



Madalena Morgado

Could rate cuts help boost M&A deals in 2024?

Overview

After a year when mergers and acquisitions activity sank below $3 trillion for the first time in a decade (in 2023), experts were very optimistic that they would witness a pick-up in deals in 2024. Conditions in 2024 were likely to be better after a year marked by uncertainty and the interest rate rise by central banks battling inflation. They believed that lower interest rates and economic soft landing would likely boost deal activity.

In contrast to the previous year, which was marked by uncertainty, where investors did not know what the top end of the rates was, 2024 is going to be a year where interest rates are expected to have stability and where investors are confident that they are not going any higher.

Certain sectors likely represent a continuation from the last quarter, including technology deals, which have experienced a significant downturn, alongside private equity investments. On the contrary, healthcare and energy/natural resources are two sectors which have experienced significant M&A activity. This can be explained since, for strategic deal-making led by corporates, the current interest rate environment is largely baked in, and executives get comfortable with the cost of capital today. Also, with a slowing economy, M&A becomes an important way of creating growth, which results in more corporate transactions. As for leverage deal-making, on the private equity and venture capital side, they are more sensitive to seeing the specific timing and size of the rate cuts. Private equity-backed mergers and acquisitions in Asia are set for their worst start to the year in nearly a decade.

According to S&P Global, the first quarter of 2024 is set to record the highest number of large M&A deal announcements since the second quarter of 2022.

Most relevant deals in the first quarter of 2024

Announced Date	Target	Buyer	Target Region	Target Industry	Value
12/02/2024	Endeavor	Diamondback Energy	US	Energy	$26 billion
19/02/2024	Discover	Capital One	US	Bank	$35,3 billion
21/02/2024	Enerplus	Chord Energy	US and CA	Energy	$11 billion
05/03/2024	Spirent Communications	Viavi Solutions	US	Telecommunication	$1,3 billion
07/03/2024	Virgin Money	Nationwide	UK	Financial Services	$2,9 billion
15/03/2024	Vodafone Italy	Swisscom	EU	Telecommunication	$8,7 billion

Capital One acquires Discover

Deal Structure

On February 19th, US lender Capital One agreed to buy rival Discover Financial for $35.3bn, which is set to unite two of America's largest credit card companies. Under the terms of the deal, Discover shareholders would receive 1.0192 Capital One shares for each of theirs, representing a premium of 26.6% based on Discover's closing price of $110.49 on February 16, 2024

The Rationale

The acquisition aims to add scale and investment, enabling the Discover network to be more competitive with the largest payment networks, such as Visa, Mastercard and American Express. This is a key foundation in Capital One's pursuit to build a global payments company. The acquisition will accelerate the company's effort to work directly with merchants to leverage its customer base, technology, and data ecosystem

"Through this combination, we're creating a company that is exceptionally well-positioned to create significant value for consumers, small businesses, merchants and shareholders as technology continues to transform the payments and banking marketplace," said Richard Fairbank, founder and chief executive of Capital One.

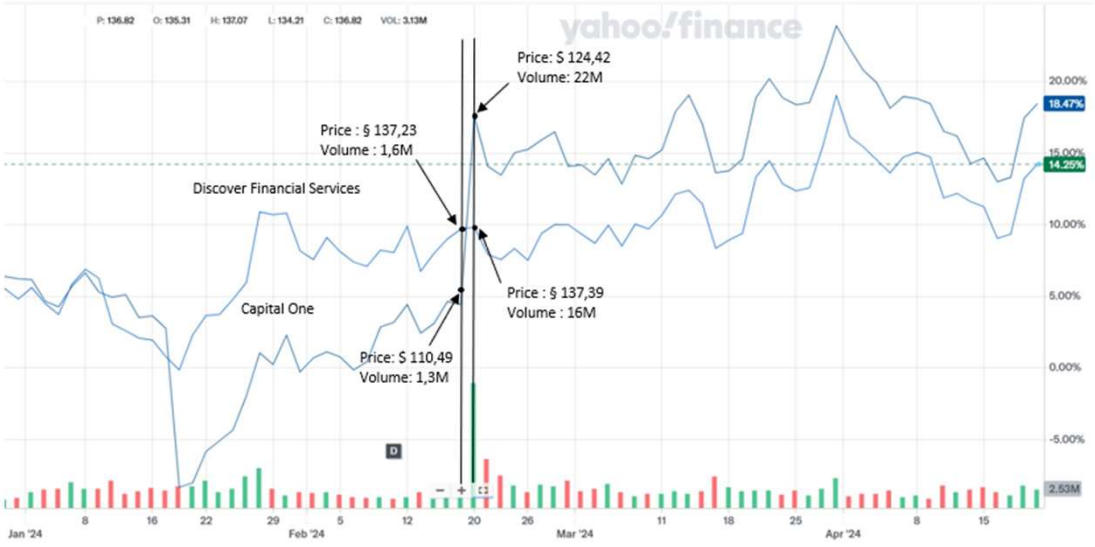
This merger would shake up the US credit card landscape and mark one of the industry's biggest deals since the 2008 financial crisis. The last big merger between two banks occurred almost five years ago, when regional lender BB&T bought SunTrust for about $28bn in a $66bn deal, forming Truist.

The deal could make Capital One the largest issuer of credit cards in the USA, on top of giving it access to Discover's valuable payment network. The companies said they expected the deal to close by late 2024 or early 2025 when US regulators are planning to reform bank merger rules.

Market Reaction

Initially, the acquisition's news boosted both Capital One and Discover's stock prices. Investors were very optimistic about two major credit card companies joining forces. Capital One's and Discover's stock prices saw a notable increase, signalling investor confidence in the company's prospects under the proposed merger. However, some analysts expressed concerns about potential regulatory hurdles. The regulatory environment, along with the Biden Administration's emphasis on promoting competition in the banking sector, raised uncertainties about the deal's approval process and timeline.

Moreover, the announcement induced mixed reactions. While some industry experts and stakeholders highlighted the potential benefits of creating a viable alternative to industry giants like Visa and Mastercard, critics expressed concerns about diminished competition.-



Capital One and Discover stock performance (Source: Yahoo Finance)

Industry Overview:
Mining

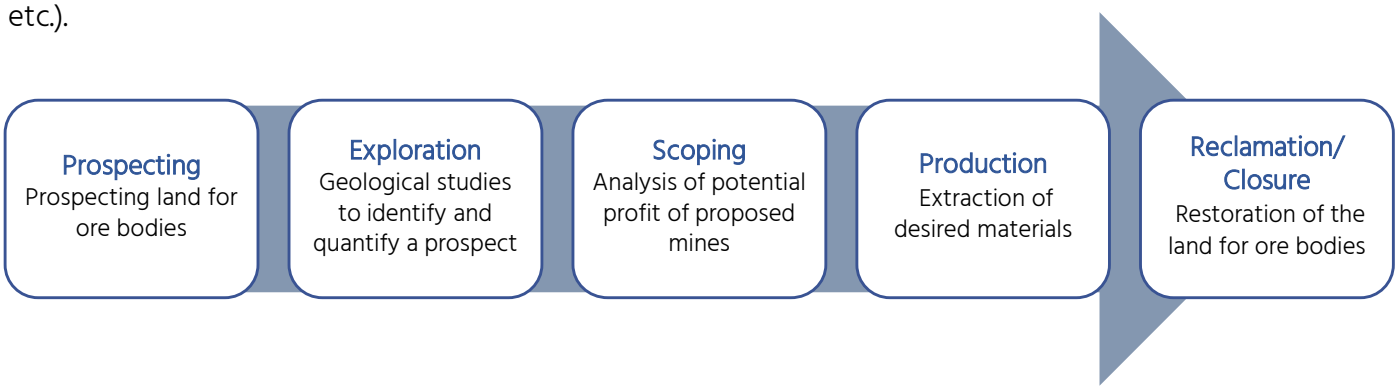


Pedro Rebelo

Navigating the Mining Industry: Pathways to Sustainable Growth

The mineral and metal industry is an important foundation of the world's economic development, directly impacting infrastructure, landscapes, defence, and other significant sectors. However, with the increasing concerns about geopolitical tensions and the urgent need for the energy transition to progress towards net zero, questions about this industry's outlook rise. Can companies overcome ESG matters and decarbonization goals while producing more? Is supply going to be enough to support demand for such a transition? This article will focus on some of these questions, delving into the industry's history, characteristics, challenges, and future perspectives.

To start, mining is extracting useful natural materials from the earth's crust, as such materials cannot be found or produced through agricultural or laboratory processes. From the most important geological resources like copper and iron ore (the key input of refined iron and steel products) to critical minerals (the ones that are essential for a specific purpose and carry a considerable level of risk) namely lithium and aluminum, there is a wide variety of extracted products and procedures (surface, underground, sea mining, etc.).



From pre-historic beginnings to modern extraction

As one of the world's oldest industries, mining started thousands of years ago, and the first signs of such go back to pre-historic times when flint, a type of stone, started being extracted to create tools and weapons. Later, from using minerals for ornamentation and pottery in Egypt to innovations in mining techniques in Rome and Greece, ancient civilizations showed how this activity had a major role in their communities. Techniques gradually improved along generations, shaped by revolutions and innovation, and what started with picks and hammers, became an industry that used dynamite, mechanical drills, and then steam engines for its operations, reaching the state of pure and complex development we witness nowadays.

In today's world, revenues from the biggest companies in the sector have been increasing, along with the exploration of critical materials such as copper and lithium. In 2022, revenues held steady at US$711bn, although costs contributed to smaller EBITDA margins (from 32% to 29%, the previous year). Additionally, the market cap of the top 40 miners tripled from US$400bn in 2003 to US$1.2trn in 2022. In 2023, there was a decrease in trade profitability because energy prices boosted processing costs and commodity prices came down from the highs of 2022. The market is dominated by some key players from all over the world. Nickel production increased significantly in 2023—largely because of Indonesia—while lithium saw a weak growth rate. Companies like Vale (Brazil), Glencore (Switzerland), Chalco (China), Rio Tinto, BHP, and Fortescue (Australia) are the main ones.

Industry Trends

Now, let's look at some of the emerging trends we have been witnessing for the last couple of years that are set to continue impacting this industry.

Navigating global (geopolitical) uncertainty

The mining industry is highly exposed to the volatility of markets fuelled by rising geopolitical tensions and other global macroeconomic events. The cyclical nature of commodity prices is one of the most important factors to consider. During 2023, the level of uncertainty that mining businesses were required to handle reached new heights, and it is not expected to slow down meaning companies will need to develop more agile planning strategies.

The Russia-Ukraine war continued to disrupt markets with trade sanctions and productive capacities being affected, as well as the escalation of the Middle East conflict that has highly impacted supply chains and will continue to do so. In the last months, trade allies tried to secure critical resources to counterbalance the greater influence of Russia and China in investments in Central Africa, a rich region for exploration, while potential South China Sea conflicts are threatening the world's busiest shipping routes. This is relevant because critical minerals like lithium and cobalt are still sourced in politically unstable parts of the globe like Asia. China, for instance, is the world's largest iron ore importer and dominates the global supply chain for rare earth elements (REEs) with a 70% stake in extraction and 90% in processing. Additionally, Russia is the world's largest exporter of nickel and accounts for a significant share of refined aluminum exports.

Commodity price change between 2023 and 2022, %



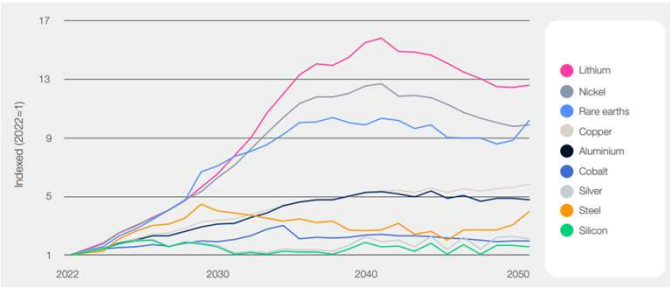
(Source: World Bank Commodity Markets - McKinsey & Company)

Powering the energy transition while contributing to decarbonization

Mining plays a fundamental role in powering the global transition to clean energy and net zero emissions, although it is also the greatest challenge it faces. Batteries, EVs, and solar and wind energy generation are the main drivers to achieve such goals and the demand for critical minerals (the ones used to produce them) has been increasing. For example, battery electric vehicles are generally 15-20% heavier than the ones with internal combustion engines meaning rising amounts of materials are needed for the same quantity of output. The International Energy Agency predicts that demand for lithium is projected to grow more than 40-fold by 2040. Complementing this first force is the role of critical minerals in national defence, technologies, and weaponry.

However, the extent to which companies can reinvent their operations to meet the high demand for these minerals is unclear, as there is a delicate balance between increasing production and potentially undermining global decarbonization efforts. According to a PwC survey, around 35% of 4000 mining CEOs interviewed, see their company as highly or extremely exposed to climate-related risks within the next 5 years.

Growth in demand for metals used for clean energy transition under BloombergZNEF's Net Zero Scenario



(Source: BloombergNEF, 2022)

Environmental Impact of Mining and the Importance of ESG

Although mining fuels the modern world and is set to continue powering the energy transition worldwide, it has vast environmental consequences. Firstly, mining can cause erosion and deterioration of soils, loss of diversity, and destruction of habitats, changing deeply the landscape. Then, the use of chemicals in the

process contaminates the soil and waters used in agriculture, reaching the products humans and other animals consume. Similarly, carbon emissions are frequently liberated in huge volumes, contributing to climate change. To mitigate the impact of their operations, companies in the sector are beginning to adopt a "do-no-harm mindset" concerning indigenous communities, primarily situated around Amazon forests. Even with strict environmental and rehabilitation codes in place, many mining sites particularly in developing countries, are abandoned without undergoing proper closure and restoration, exacerbating these issues. For many mine operators worldwide, mine closure and decommissioning will be a key consideration in their ESG efforts. Industry surveys indicate that nearly 20% of currently operating mines will likely close in the decade ahead. This ongoing local engagement, both during operations and in recovery phases, along with the adoption of frameworks promoting decarbonization and transparency is emerging as a growing trend.

And finally, there is the problem of the waste of materials at the end of the process. 99 tons of waste are generated per ton of copper, and batteries that use mainly lithium are not recycled when their useful life ends. This brings us to the contemporary question: "Are EVs and batteries the optimal sustainable solution?". Portugal has the biggest lithium reserves in Europe and the 8th biggest in the world with 60 000 tonnes. However, efforts have been made by the population to stop exploration to go ahead given the irreversible impact on the ecosystems and communities around the mining sites. As per the Energy Transitions Commission (ETC), there exists no inherent scarcity of essential raw materials needed to support the global transition to a net-zero economy. Geological reservoirs surpass projected cumulative demand from 2022–2050 for key materials. However, the extraction of these non-renewable resources at an accelerated pace puts pressure on natural reserves, posing significant long-term challenges.

Organizations that can build trust through ESG are more likely to increase their market share and access greater availability of finance. We have seen companies with higher ESG ratings show better market performance and outperform the broader market, delivering shareholder returns that averaged 10% higher than the general market index. In addition, improved sustainability provides a way to differentiate operations and products on the market – for example, low-carbon aluminum can command a premium price.

Inspiring new talent and addressing workforce challenges

On the other hand, the mining sector is often associated with human rights violations and dangerous working conditions. It is one of the sectors, workers are less attracted to, where companies are having trouble meeting labour and expertise needs. The risk of death due to accidents related to machinery, transportation, structural collapses, and health complications due to the constant exposure to dust, noise, and toxic chemicals is a constant in the industry. It is an industry with a wide gender gap (only around 14% of executive jobs are held by women). In addition, skills shortages, an ageing workforce, and difficulty appealing to younger talent also require changes in the mining market structure. For example, more than half of the US's mining workforce is set to retire by 2029. To contradict this trend, companies should start attracting workers by changing their perspective on the industry. As specialized professors in the area say: "We have to rebrand ourselves as stewards of the earth's resources".

This is where technology might take part as a solution. The global pandemic accelerated a technological shift beyond just enabling higher productivity rates, it propelled automation, AI, and optimization to the forefront as solutions for enhanced transparency and the development of workers' capabilities. This transformation underscores the importance of digitalization and establishing robust data foundations to boost productivity and unlock the full value of existing assets.

Understanding the role of Governments and Regulations

Besides the environmental regulations, governments are increasingly assuming a pivotal role in the market. Governments choose to

establish alliances and agreements, enact policy and legislation, and provide strategic funding to address these matters. For example, the US Department of Defence signed a contract with Graphite One to secure the mineral supply for the future, while, Contemporary Amperex Technology Co. has acquired critical mineral assets. Government funding is essential due to limited project financing accessibility. The European Raw Materials Fund will invest 2bn Euro in critical minerals this year to support the energy transition.

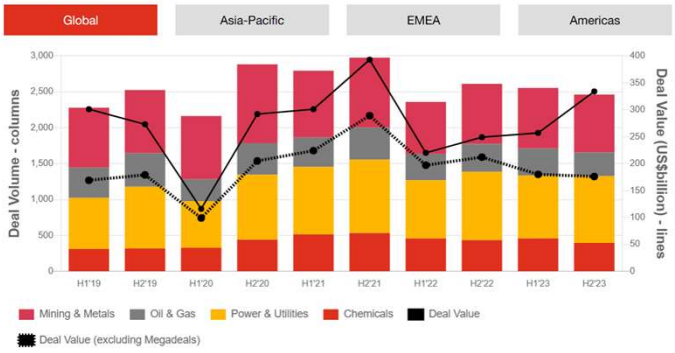
On the other hand, complex environmental assessments, extensive consultation requirements, and permitting by governmental organizations have been demonstrated to be lengthy processes. For example, S&P Global concluded that the average mine takes 15.7 years to reach commercial production. With climate targets becoming near in time, regulations and policies pose great challenges for the industry.

Rethinking minerals and metals investments

Joint ventures and partnerships offer mining companies an effective way to secure supply, with analysts anticipating increased investment and competitiveness in the coming years. For instance, BHP acquired OZ Minerals in May 2023 to gain exposure in nickel and copper and Rio Tinto began tellurium production at its Utah copper operations, becoming one of only two miners in the US supplying this critical mineral used in photovoltaic panels. In recent years, we have seen an increase in critical mineral deal value (mainly lithium and nickel) compared to other minerals and metals. Copper represented 56% of the total top 40 M&A in the industry in 2022, while rises in commodity prices allowed big players to invest either in new mines, diversification of new metals, or other innovative ventures.

However, with so few significant discoveries coming to light in commodities, such as copper, and an industry-wide shift away from grassroots exploration, sooner or later options for M&A could deteriorate. To counteract this trend, major miners may increase exploration spending, striking a balance between acquisitions. Ultimately, both pathways are vital. Exploration budgets are intricately tied to commodity prices, with capital expenditures in copper focused on extending existing assets rather than developing new ones. Conversely, the lithium sector saw a substantial 90% surge in exploration spending in 2022, contributing significantly to the 20% rise in global exploration expenditure for that year.

Energy, utilities and resources deal volumes and values, 2019 - 2023



(Source: LSEG and PwC analysis)

Conclusion

The mining industry remains a cornerstone of the global economy and continues to adapt to meet evolving demands, despite facing many challenges like fluctuating commodity prices, talent shortages, and regulatory and environmental concerns. Nevertheless, growth opportunities are also numerous, namely the use of AI and process automation, focusing on sustainable solutions like renewables, better planning strategies, innovation, and rebranding the industry. By embracing these challenges and bringing stakeholders, partners, and communities together, the industry will be able to evolve, contribute to the energy transition, and represent a trusted entity for investors.

Business Deep Dive
Glencore



Bernardo Figueiredo

Glencore PLC, headquartered in Switzerland, operates as a leading producer and marketer of natural resources. The company's extensive portfolio includes a diverse array of metals and minerals - copper, cobalt, zinc, nickel, and ferroalloys. Additionally, Glencore is involved in the marketing of aluminium and iron ore sourced from third-party suppliers. With coal mines located in Australia, Africa, and South America, Glencore further solidifies its presence as a prominent producer of coal. Moreover, the company engages in the marketing of crude oil, refined products, and natural gas. Leveraging its global supplier network, Glencore sources commodities and products, subsequently distributing them to customers worldwide. The company's operations also extend to the recycling of copper and precious metals, highlighting its commitment to sustainable practices and resource efficiency.

Markets

Glencore's origins trace back to 1974 when Marc Rich+CoAG was established, initially concentrating on the marketing of ferrous and non-ferrous metals and minerals, crude oil, and oil products. Following a management buyout from Marc Rich in 1993, the company underwent a renaming to Glencore. In May 2011, it initiated an IPO valuing the business at $61 billion. The initial share price stood at $6.16 but experienced a rapid decline, hitting an all-time low five years later on January 10, 2016, at $0.95. Since then, Glencore has solidified its position as the fourth-largest company in the mining industry by market cap. Glencore's shares predominantly belong to institutional investors (46.32%), with notable holdings from entities like Capital Research & Management Co. (3.67%) and Vanguard Group (3.59%). In 2013, Glencore merged with Xstrata, an Anglo-Swiss multinational mining company. Throughout the COVID-19 pandemic, as other mining companies, Glencore faced substantial declines in its stock prices, due to diminished demand for commodities. However, post-2020, the company's stock witnessed exponential growth, attributed to the easing of pandemic restrictions and the surge in commodity prices, particularly silver, the primary commodity mined by Glencore, which experienced a 200% increase from March 2020 to June 2021.

Company Data	
Price	£48,995
YTD Performance	-12.09%
52-week Range	£ 42,770 - £ 57,080
Shares Outstanding (bn)	12.15
Market Cap (bn)	£59.55
Enterprise Value (bn)	£87.53

Source: Yahoo (note: market data from 24/03/2024

Price Performance

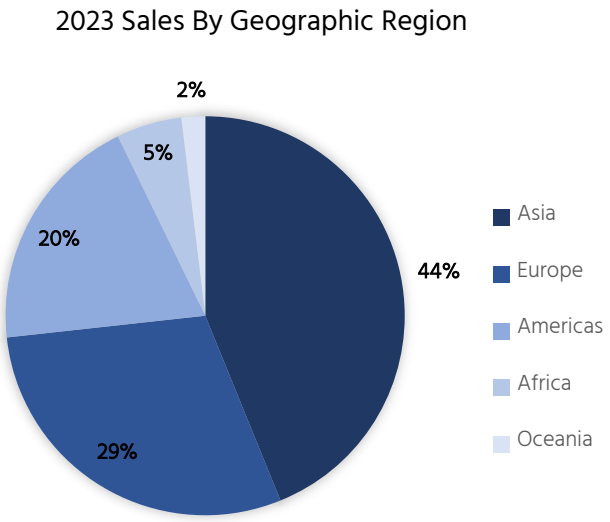


Business Model

Glencore operates across several critical segments, comprising Metals, Minerals, Energy, Marketing, and Recycling. Its Mining and Commodity Trading division stands out as the primary revenue generator, contributing approximately 58% to the company's total revenues. In this segment, Glencore focuses its resources on the extraction of various metals and minerals such as silver, zinc, and copper. These mines are scattered around the world the focus point being in South America and Australia.

Following closely behind is the Energy segment which encompasses the production and marketing of thermal coal extracted from mines situated across Australia, Africa, and South America. Furthermore, the Energy segment oversees the marketing of crude oil, refined products, and natural gas. Notably, Glencore derives a significant portion of its revenues from these energy resources, with a particular focus on serving markets in Europe and North America.

Throughout its existence, Glencore has also made several key acquisitions that have contributed to the company's development, such as the merger with Xstrata in 2013. This merger was significant as Xstrata was a major producer of coal, copper, nickel, primary vanadium, zinc, and the world's largest producer of ferrochrome. Additionally, the recent acquisition of 77% of Teck's steelmaking coal business marks a significant milestone for Glencore. This strategic move positions the company as a dominant player in the global coal market, strengthening its foothold and enhancing its competitive advantage. By acquiring a substantial stake in Teck's coal business, Glencore expands its portfolio and gains access to valuable assets, including mines, infrastructure, and reserves. This acquisition reinforces Glencore's position as a leading coal supplier and offers opportunities for synergies, cost efficiencies, and revenue growth. Glencore has the goal of reaching net zero emissions by 2050. Its strategy includes not only cutting emissions but also investing in the mining of the main minerals needed for the zero goal. Minerals, such as lithium, cobalt, and copper, are building blocks of renewable energies and electric vehicles and, therefore, vital for delivering a transition to net-zero emissions and safeguarding future economic resilience.



Peer Analysis

The mining industry is a very competitive industry with each company focusing on a sub-sector of the industry itself. This leads to several discrepancies in worldwide rankings like market cap, revenue, and profitability. Currently, BHP holds the highest market cap in the industry at $144.4B and the highest earnings at $23.55B. Glencore leads the ranking of highest revenue with $255.98B in 2023. The industry is also very distributed due to the changes that are seen in one company to another when comparing the minerals and metals they each focus on. Coal and nonmetal minerals are predominant in the U.S. mining industry, with China holding most of the world's rare earth minerals. China also leads the iron trade and most of the other metals needed for infrastructures. Rio Tinto is the main provider of those. Volatile prices of commodity minerals impact the profitability of the mining industry. Because of this, most companies in this sector have similar stock patterns depending on what product they focus on. Smaller companies and individuals are typically involved in the exploration aspects of the industry. Meanwhile, large companies, such as the top mining companies in the world, tend to focus on mining production and operations to generate profit.

Risk and Catalyst

Risks

• Glencore's business heavily relies on commodities such as metals, minerals, and energy products. These items are very exposed to fluctuation, which can be caused by a variety of factors like inflationary tendencies, geopolitical tensions, and changes in regulations regarding, for example, environmental quotas or taxation laws. A decrease in the price of commodities or an overall increase in business expenses could lead to a decrease in profit margins, impacting the company's financial performance.

• Adapting to environmental norms presents a significant challenge for Glencore, as it often requires substantial investments in technology, infrastructure, and operational changes. Compliance with stringent environmental regulations can increase operational costs and reduce profitability, particularly for companies operating in regions with stricter environmental standards. Additionally, the implementation of environmentally friendly practices may lead to disruptions in production schedules and require the adoption of new, potentially unproven technologies. Furthermore, uncertainties surrounding future regulatory requirements and evolving environmental norms can create risks for long-term planning and investment decisions.

• Glencore's history regarding ESG score poses a risk. The company is placed in the 88th percentile in the industry group, displaying a 38.6 risk rating, which is considered high. This rating diminishes the likelihood of future investments. Coupled with analysts' consensus regarding future earnings, this could increase investors' caution and potentially impact the company's access to capital and market competitiveness.

Catalysts

• The growing concerns for an environmental transition to net zero are becoming increasingly prevalent worldwide. This shift entails a rising demand for minerals such as copper, lithium, and cobalt. Given Glencore's dominant position in the extraction of these crucial resources, the company stands well-positioned to capitalize on this growing demand and play a pivotal role in supporting the transition to a sustainable, low-carbon economy.

Valuation and Outlook

In recent years, Glencore has faced a notable downturn across various key indicators, with a significant decline observed in its financial performance. Revenues experienced a year-on-year decrease of 14.91%, plummeting from $255.98 billion to $217.83 billion. This decline was further exacerbated by an increase in the cost of goods sold expense, resulting in a substantial impact on net income. Glencore's net income plunged from $17.32 billion to $4.28 billion, representing a noteworthy decrease of 75.29%. Additionally, Glencore has a total debt-to-equity ratio of 85.91%, which aligns with the industry average. However, its return on equity stands at 9.21%, lower than the industry average, indicating potential challenges in generating returns for shareholders compared to industry peers. These downward trends highlight the challenges and pressures faced by Glencore, necessitating strategic measures to address and reverse the decline in its financial metrics. Given its poor performance in the last year, Glencore's low valuation is evident, with its enterprise value standing at only 38% of its sales.

Environmental concerns represent a forthcoming challenge for Glencore, particularly as regulatory pressures escalate and new legislation mandates companies to reduce their emissions and progress towards achieving net-zero emissions. Despite the potential challenges in maintaining profits, Glencore is well-equipped to thrive under these conditions. As one of the largest mining companies in the sector, Glencore possesses the financial strength required to make essential investments to meet regulatory quotas. Furthermore, the increasing demand for its products is expected to boost sales, enhancing the company's profitability and its overall market position.

What is happening in Argentina ?



Leonel Lucas

How to save a sinking country

Much has been said about the recent Argentinian election, with special focus given to the new internationally notorious president, but what is truly behind all the fuzz?

During the last year, inflation soared all around the world, but some suffered more than others. That is the case in Argentina, where 2022's inflation rate came at 72.43% and was running by more than 160% yoy by November 2023. Following intense elections in December, the presidency of the country took a radical turn to the first openly libertarian president in modern history. What should we expect from the South American republic?

Rise and fall of Argentina

Argentina's place as one of the world's top economies is long gone. The country presented an annual inflation of just above 250% for 2023 and has defaulted 3 times on its sovereign debt over the last 25 years.

> The current picture is dark, so we should ask. What led to it?

After it declared independence in 1810, internal disputes between federalists and unitarians drew the country to war until the 1853 constitution delivered some stability back to the government. Argentina is still, in part, ruled by this initial constitution which mimics the federalist dynamics of the US, providing provinces with high administrative independence and a federal power controlled by an executive government.

The initial constitution kickstarted a liberal period from the 1860s onwards, followed by a more conservative government from 1880 to 1916. It was during this period that Argentina reached the top of the rankings for economic development.

It was also a period of various internal disputes that during the coming decades would entirely shift the country's political landscape.

As the world fell into the Great Depression of 1929, a series of coups d'état fragilized the economy, and in 1943 a revolution partly led by Juan Peron set the course of the country away from liberal ideology following several protectionist and socialist reforms. Peron is the father of "Peronism", a political ideology that endures until modern days.

From this point onwards, Argentinian politics were characterized by increasing state control, consecutive deficits, and regular money printing, leading to 1989 hyperinflation, five currency changes, and a reputation for defaulting on sovereign debt obligations.

Roar of the Lion: "No Hay Plata"

Javier Milei is an Argentine economist turned politician known for his libertarian views and anti-establishment rhetoric. He gained prominence during the 2021 legislative elections when he ran for a seat in the Chamber of Deputies representing Buenos Aires as part of the La Libertad Avanza coalition.



Milei on its inauguration speech to the country (10th of dec.)

In the run for office, Milei's campaign emphasized positive budgets, tax reductions, and inflation control, appealing to voters by presenting a detailed road map for his ideas.

His confrontational debates, unconventional campaigning methods (like riding a motorcycle through Buenos Aires), and charismatic style helped him achieve a staggering 30% of votes in the first round, although he could only get the final push to the presidency by allying with his former rival Patricia Bullrich during the final round.

Despite obtaining 55,6% of votes, his position is all but stable. To pass a law it must go through two different chambers deputies, with 257 seats, and senate, with 72 seats. From these, Libertad Avanza, the president's party, only holds 38 and 8 seats respectively, forcing them to negotiate every proposal with the opposition.

This presents a big threat to its main proposals.

Main political proposals

Among Milei's most debated proposals is the drastic cut in government size, proposing to reduce the number of ministries from over twenty to just eight, focusing on essential services such as security and finance. This move aims to slash public spending and enhance governmental efficiency.

Another bold step is the complete dollarization of the Argentine economy, transitioning to the U.S. dollar to combat the persistent inflation and currency instability that has marred Argentina's economic landscape. Milei believes this will anchor Argentina to a stable monetary system, attracting foreign investment.

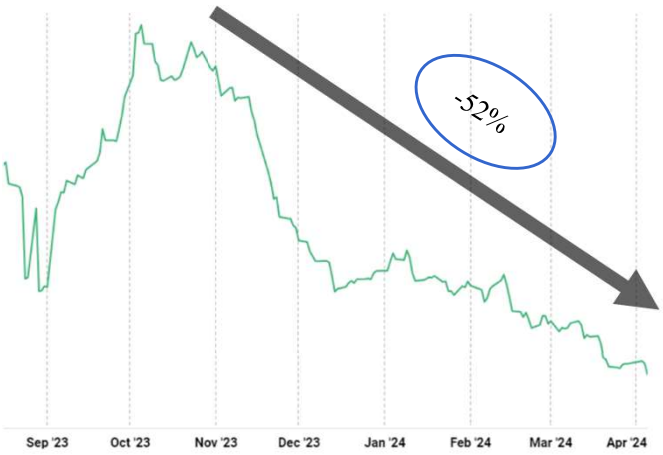
Perhaps Milei's most radical proposal is the elimination of the Central Bank of Argentina, aiming to curb the country's endemic inflation and devaluation issues by removing what he sees as the main source of monetary mismanagement. This step is part of Milei's broader libertarian vision to minimize governmental intervention in the economy, promoting a market-driven approach to economic decisions.

These proposals mark a significant shift from Argentina's historical economic policies. Milei's plan for a streamlined government, a dollarized economy, and the absence of a central monetary authority reflects a dramatic rethinking of Argentina's approach to economic management. Overall, the goal is to shield the country from endlessly repeating its past.

The question is, can he do it?

Empty promises or structural change?

The first four months of government have been notorious for a variety of reasons. Starting with over 40% poverty, 160% inflation, and a timing bomb in public debt servicing, the executive has found a way to inspire confidence in markets by taking bold, transparent action.



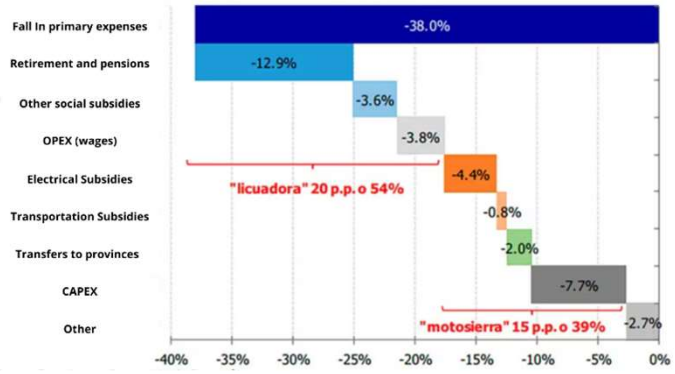
Credit Default swap fell from 2.600bp to around 1.200bp

Fiscal Adjustments

The new year started with good news as the government achieved a twin surplus in the monthly budget for both January and February. The first in over a decade.

These impressive results come from a combination of the so-called Chainsaw (nominal cuts in spending), and the infamous Blender (increasing spending below inflation). The government almost eliminated discretionary transfers to provinces and froze (or only slightly increased) budgets and salaries, to achieve a combined reduction in real spending of more than 15%.

Shockwaves could be felt across the whole economy, as the positive budgets reflect first proof of the administration's commitment, and second a signal to the markets that the demand for pesos can not only be frozen but also start decreasing as the government becomes a net lender.

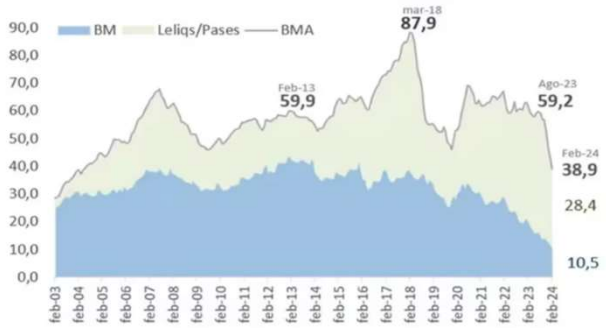


Composition of the adjust regarding January and February

(Source: Econviews en base a Min. de Economia

Monetary Adjustments

Leliqs and passes combined already represented close to 10% of GDP when Milei took office, and they were mentioned during the inaugural speech as one of the main threats to the economy. After all, these inter-bank short-term derivatives presented a galloping 133% interest rate, being renegotiated every 28 days, forcing a rapid increase in the effective monetary basis.



Amplified monetary basis (billions of pesos)

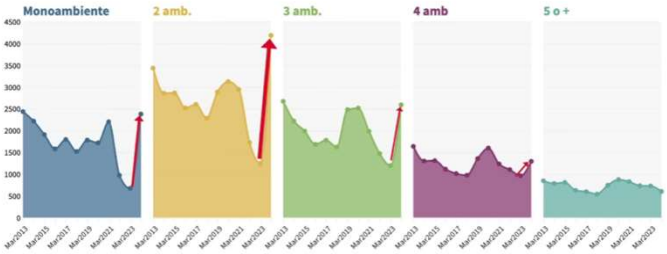
BCRA changed its benchmark monetary policy facility to the "passes passivos" (i.e. reverse repo), with an interest rate of 100%, and stopped auctioning its Leliq notes. Despite the problems of lowering rates in a period of high inflation, the focus is on cleaning the central bank's balance sheet.

During its first week in office, the government implemented a 100% devaluation of the official exchange rate, to align with the secondary market rate of 800 pesos per dollar.

At the same time, the government offered a solution to importers emitting BOPREAL bonds that allow them to invest pesos now to receive a future principal and interest in dollars, effectively delaying the due date on dollar obligations.

Deregulation

Less than a month into office, Milei announced an emergency decree, the DNU (Decreto Nacional de Urgencia). Effective immediately, it covers 366 articles to simplify bureaucracy, including revoking the controversial "Ley del Alquiler".



Surge in home rentals after revoking the "ley del Alquller"

The document was initially approved by Congress after tough negotiations, however, when passing to the detailed discussion of each article, the tables turned and the chamber was consistently voting against the articles, leading the vice-president to postpone the debate to keep the decree alive.

Apart from the DNU, the executive also endorsed the approval of the "Ley de bases y puntos de partida para la Libertad de los Argentinos", also called "Ley Ómnibus", a restructuring package rewriting laws from insurance premium control to book prices and passing through a labor reform. As with the DNU, the project was rejected by the chambers and is currently being rewritten before a second vote.

So far this has been the least productive front of Milei's plan. Despite continuous efforts, the lack of support from the chambers limits its ability to approve legislation, and it is expected to remain this way until new deputies are elected.

Looking Forward

Milei has proven to be non-conventional in its methods, and his true impact in Argentina is yet to be determined.

So far, he has achieved a decrease in monthly inflation to 13.2%, and the stock market has risen 29% signnaling confidence from investors. However, yoy inflation still stands at 276%, and with poverty levels close to 45% the country is far from safe ground.

The Rise and Fall of FTX



Raquel Mendes

How Poor Management Led to the Downfall of FTX

Introduction

In the fast-changing world of finance, where traditional banks face solvency issues and scandals of large proportions, the rise of alternatives like cryptocurrency exchanges seemed promising. However, in the case of FTX, once considered the pinnacle of innovation in this field, it ended in catastrophic bankruptcy in November 2022. To understand the rapid rise and sudden fall of FTX, we must delve into its origins and the controversial figure leading it.
in the, changing how products and services are offered. AI will change how we work, communicate, make decisions, and perceive the world.

The rise of FTX

Founded in 2018 by Sam Bankman-Fried, a former trader at Jane Street Capital, FTX emerged onto the scene with a bold vision: to revolutionize cryptocurrency trading. Bankman-Fried, a Massachusetts Institute of Technology (MIT) graduate, brought to the table a combination of quantitative and entrepreneurial expertise. His early career at Jane Street laid the groundwork for his understanding of market inefficiencies, which he aimed to use in the growing cryptocurrency market.

In the beginning, FTX operated under the motto of being "built by traders for traders", positioning itself as a platform serving both retail and institutional investors. Bankman-Fried's co-founding of Alameda Research in 2017 further solidified his reputation as a proficient trader, with early successes in arbitrage trades driving him into the spotlight of the crypto world.

As FTX began to make progress, attracting investments from industry heavyweights like Binance and Sequoia Capital, its valuation soared to $32 billion by 2021. Bankman-Fried's supposed commitment to philanthropy, under the principle of effective altruism, added credibility to FTX's rapid rise.

FTX Products

FTX offered a diverse range of trading options designed to meet the preferences of both new and experienced cryptocurrency traders. Its platform included various products such as spot markets, futures contracts, leveraged tokens, options, and MOVE contracts, all accessible via user-friendly desktop and mobile apps.

In the spot markets, investors could trade over 100 cryptocurrency pairs, including popular options like BTC/USDT, ETH/USDT, XRP/USDT, and FTX's native token FTT/USDT. For futures trading, FTX offered more than 100 quarterly and perpetual futures pairs, allowing traders to take both long and short positions with margins of up to 20x.

Leveraged tokens provided traders with up to 3x leveraged exposure against underlying trading pairs without any margin requirement. Additionally, options contracts allowed traders to speculate on future price movements and hedge their positions effectively.

MOVE contracts enabled traders to bet on the volatility of cryptocurrency prices over a specific period, generating profits based on the magnitude of price movements, regardless of their direction.

FTX US served U.S. customers with numerous crypto spot trading pairs alongside fiat currencies. International users could transact in nine fiat currencies via wire transfer, including USD, EUR, GBP, AUD, CAD, CHF, BRL, GHS, and ARS, with limited support for TRY and JPY, and potential future inclusion of HKD, SGD, and ZAR.

FTX's downfall: key factors

Leadership Issues

FTX's CEO, Sam Bankman-Fried (SBF), initially presented himself as an advocate of effective altruism, aiming to donate the majority of his earnings to charity. However, his actions contradicted this image. Despite claims of a modest lifestyle, SBF lived lavishly, with reports of extravagant spending and questionable investments. Additionally, his alleged drug use and lack of focus during meetings raised concerns about his leadership abilities.

Lack of Oversight

FTX ignored warnings about potential risks and failed to implement necessary governance structures. Despite repeated internal and external concerns, the company lacked essential controls, including a board of directors and proper accounting practices. For instance, in 2019, Alex Pack, a venture capital investor, raised concerns about FTX's risk-taking behaviour and poor infrastructure, but his warnings were disregarded. Similarly, in 2021, an employee flagged a US$2 billion discrepancy in Alameda's balance sheet, but no action was taken.

Financial Mismanagement

FTX made several critical financial mistakes, including excessive borrowing and reckless spending. These decisions coupled with poor risk management led to significant losses. For example, Alameda, an affiliated firm, faced liquidity issues and potential bankruptcy due to its reliance on FTX's native token (FTT) as collateral.

Communication Failures

During the crisis, FTX's communication with stakeholders was inadequate. Reports of leaked balance sheets and concerns about the company's financial health led to panic among investors and customers. FTX's delayed admission of financial difficulties and inconsistent messaging further damaged trust and contributed to mass withdrawals.

Understaffed and Inexperienced

FTX operated with a lean team of 320 employees, half of whom focused on customer support. This understaffing and a lack of experienced professionals led to overworked staff, mistakes, and low morale. FTX's culture discouraged questioning and learning from mistakes, further exacerbating operational challenges.

Strategic Design

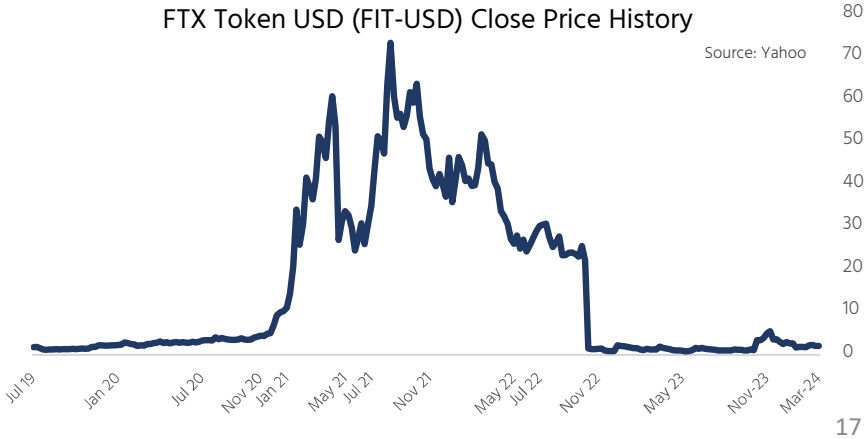
SBF adopted a blue ocean strategy, offering a wide range of products and leveraging high leverage ratios to attract novice and experienced traders. Additionally, FTX sought political influence to shape regulations favourably, donating significant sums to politicians and lobbying efforts. These strategies positioned FTX as a leading crypto exchange in the US.

Fraudulent Scheme

Alameda's initial offer of risk-free investments evolved into a sophisticated scheme, allowing unlimited withdrawals from FTX depositors' accounts. SBF manipulated financial records to conceal these withdrawals and used customer funds for various investments, marketing campaigns, and personal expenses. Employees who discovered the scheme were silenced through agreements and financial incentives.

Employment Bonus

FTX offered low base salaries but high bonuses in FTT, a token later revealed to have no value. Employees were encouraged to invest heavily in FTT, leading to significant losses when FTX collapsed. Many international workers relied on the FTX exchange as a bank, investing their entire life savings, resulting in devastating financial consequences when the company failed.



The Month of FTX's Bankruptcy

As FTX faced increasing pressure and scrutiny internally, the month before its bankruptcy saw several crucial events that ultimately led to its collapse. Here's a summary of the main events during this time:.

Nov. 2 – The Alameda Revelation

News emerged regarding the close relationship between FTX and Alameda Research, sparking concerns about the capital reserves at Alameda Research and, consequently, at FTX. A significant portion of Alameda Research's assets were found to consist of FTT, the token created by FTX.

Nov. 6 – Binance's Announcement

Changpeng Zhao, CEO of Binance, announced the sale of all of Binance's holdings in FTT, amounting to $580 million worth of the token. This triggered a wider sell-off, similar to a bank run, placing immense pressure on FTX to meet sudden demands for customer withdrawals.

Nov. 8 – FTX's Proposed Acquisition by Binance

FTX reached a deal to sell itself to Binance, but the acquisition fell through as Binance withdrew from the deal citing concerns over mishandled customer funds and alleged US agency investigations.

Nov. 10 – Regulatory Intervention

A Bahamian financial regulator froze FTX's assets amid concerns about mishandled and mismanaged customer funds.

Nov. 11 – FTX's Bankruptcy Filing

FTX filed for Chapter 11 bankruptcy protections as it assessed the value of its remaining assets. Sam Bankman-Fried resigned as CEO, and John J. Ray III was appointed to navigate the company through bankruptcy proceedings.

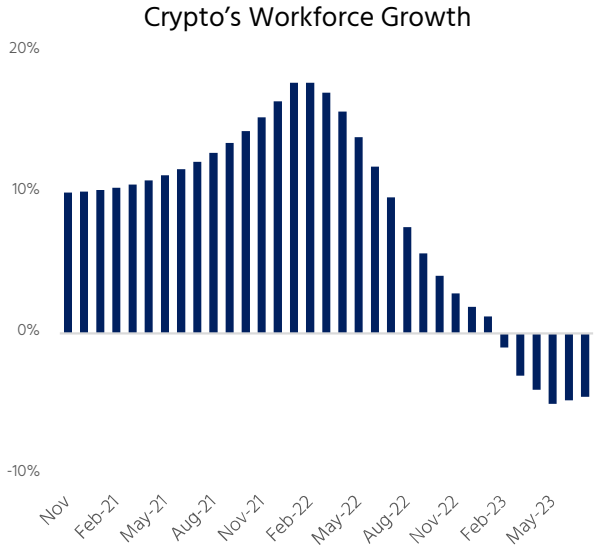
These events highlighted the underlying problems and regulatory challenges that led to FTX's collapse, marking a significant turning point in the company's history.

Aftermath of FTX's Collapse

The collapse of FTX had a profound impact on the cryptocurrency industry, leading to widespread consequences that affected jobs, funding, and regulatory scrutiny.

Job Losses and Industry Impact

Many people lost their jobs in the cryptocurrency sector due to FTX's collapse. Companies linked to FTX and others in the crypto market had to downsize, creating a sense of instability in the industry.



Crypto's Shrinking Workforce
(Source: Revelio Labs)

Funding Challenges and Reputation Damage

FTX's downfall made it harder for crypto startups to get funding. Venture capital deals targeting crypto and blockchain projects decreased sharply, reflecting a loss of confidence among investors. The industry's reputation was also adversely affected, making it challenging for businesses to gain trust and secure investments.



Volume of U.S. venture capital investments in cryptocurrency and blockchain companies, in billions of dollars
(Source: Pitch Book)

Legal Issues and Regulatory Scrutiny

FTX's collapse led to legal battles and regulatory investigations. Its leader, Sam Bankman-Fried, was sentenced to 25 years in prison for stealing billions of dollars in customer funds to make risky bets. Other crypto firms like Genesis Global and Voyager Digital also faced legal problems, adding to the industry's challenges.

Cautious Optimism Amid Uncertainty

Despite the challenges, some individuals within the cryptocurrency community remain cautiously optimistic about progress and institutional involvement. However, uncertainty remains as the industry struggles with the aftermath of FTX's collapse.

Conclusion

In essence, FTX's journey from success to collapse illustrates how unpredictable the cryptocurrency world can be. It highlights the crucial role of ethical leadership and following regulations. It is a clear lesson that innovation needs to go hand in hand with honesty and good management to protect investors and keep trust alive. Going forward, the industry needs to focus on being transparent, managing risks well, and complying with the rules to keep growing safely in this fast-paced digital landscape.

Interview with



Francisca Anselmo

/in/francisca-anselmo/

Francisca Anselmo is an accomplished professional with an inspiring career. Her achievements demonstrate her passion for the finance industry and the macroeconomic scene.

She graduated from Nova SBE with a bachelor's degree in Management and a master's in Finance in 2020. Francisca joined NIC-UD in her first year and became president during her master's. During her studies, she secured different internships, particularly at HSBC London, Accenture and BIG.

After finishing her master's, she moved to London to work at BlackRock. She currently holds an associate position. At Black Rock, Francisca works in the Fundamental Equities division in the European Team.

Q : How significant do you think your experience at NIC-UD was for your future success?

When I started my bachelor's in management at Nova, I had no idea that I would like to pursue a career in Finance. However, I was very interested in Macroeconomics and politics and just being on top of what was going on in the world.

I heard that NIC was a great club with very driven, interested, hardworking people and, back in the day, I just wanted to surround myself with like-minded peers. It was very important for me to join NIC in my second semester, to not only deepen my knowledge about finance, and financial markets but also to have a good career toolkit to leverage. In NIC I had people to help me train for assessment centers and interviews. Also, I had access to a lot of resources and could develop my network, as the alumni from the club were already starting very promising and interesting careers and could provide me with great advice when doing the applications. My first professional experience was in consulting in my second year of university at Accenture in the Technology team, in 2016. A lot of important macro events were happening that year, like Brexit and the US elections, however, no one spoke much about it at Accenture – it wasn't a hot topic. That was when I realized that, maybe, consulting was not for me, as I wasn't seeing the interest in markets that I had materialized there. So, the year after, I joined the Fintech Academy at BIG. I enjoyed that experience. There, I was working next to the trading team and to the Macro Hedge Fund research team. There, I realized that a career in Finance, but more specifically in Financial Markets, was what I wanted to pursue.

In my bachelor's, I only had one high-level Finance course and, from there, I knew I wanted to develop my technical skills a bit further. So, after that, I joined a master's in Finance in 2018, along with NIC Masters, where I became president of the club in that year too. Again, the club was key to developing my network. In the club, I was part of the Financial Markets division, and my Master was very focused on it as well. That year I felt a massive difference in terms of the people I was meeting networking-wise and how much further I was coming through in the selection process.

I joined the Private Banking team of HSBC for my Summer intake in 2019, as an Investment Counselor. The year after, I joined BlackRock. It is interesting because BlackRock had not been in the Nova Campus ever. That year, I was able to connect with one of the founders of NIC, Pedro Castro - director at BlackRock. He managed to get the BlackRock HR team over for a talk, which was relevant to my process. From there, I joined BlackRock for my graduate program in the Fundamental Equities team, where I covered European Equities.

Q : Could you discuss the importance of obtaining a master´s degree in finance at Nova for your career and do you believe Nova was the right decision?

I did my exchange program at IE, in Spain. Back then, I had chosen IE deliberately because I felt my CV was not being screened for many of the applications I was doing for Finance or International roles. I wanted to have a university in my CV that could potentially help during the screening. In fact, after I had IE in my CV, I felt a bit of a difference. When choosing where to do my master's, I wanted to be somewhere where I could have and leverage the best possible network. So, what I thought: "Where can I leverage a good set of differentiated experiences?". Being part of an Investment Club shows massively on your CV, namely that you're already making efforts to work in the area.

In addition, I can mention the students' portfolio: managing a portfolio with real money, doing stock recommendations, and having a little bit of overall experience in the area. Those experiences contributed to my decision to stay at Nova. And I 100% think it was the right one.

I think the standards, ability, and technical skills that Nova provides you with are rarely seen in any other peer from other universities. I say this based on the people that I've done assessment centres and worked with and, nowadays, based on the interns and the analysts that I train. I do think that Nova, particularly in the master's, provides you with a skill set that puts you miles ahead of others. For example, when I first joined BlackRock, my manager was very impressed with what I was bringing from my studies. NOVA is it's quite tough and technical. It not only provides you with great technical skills but also a work ethic. Your development is unparalleled. I'm happy with my choice.

Q : You completed the CFA´s institute level 1, 2, and 3 exams. Can you elaborate on the preparation process for these exams and their importance for your career?

I work in Markets, in Fundamental Equities, and what our team do is select the businesses in the European universe that we believe are the best well-creating businesses and constructing portfolios. Our major objective is to outperform the market. So, from day one, it was very clear from my manager that the CFA would be quite an important exam to go through, to further develop all the necessary technical abilities, and also to generate credibility in the industry. I don't think you would be less credible without it, but I think the CFA does say a lot about one's resilience, discipline, and ability to deal with such a high-intensity performance.

It’s not an easy exam to go through, but it's very worth it, and I'm glad to have done it. The exam is about learning technical knowledge, and how that can help yourself being better at your work. Then, comes the distinction that it brings, and in a later stage, the network it provides you, by being part of the CFA society.

Well, it’s an exam where you have to study, on average, 300 hours while you're working - it's quite a lot. In terms of preparation, I did the three levels, one each year, and passed them all first time. Usually, I find that it's about, on average, six months of preparation, where the first two months tend to be a little bit softer, just going through the books. In my case, BlackRock sponsored classes with Kaplan. Then, I would say that the four months before the exam are the ones that tend to be more intense and that require weekly studying, with the two months prior, requiring your full weekends, at least from my experience.

It's all about managing your time very well and having the discipline to get it done. I think when you're going through it, you still want to perform well at work, but then you don't want to fail, right? So, I guess it is about sleeping well, eating well and exercising. Those were the three things that I did not forego. Then, in social terms, it gets a little bit harder to manage. Nevertheless, I think after Nova you have the skills to learn all the CFA materials with some ease.

Q : Can you provide us with some insights into the application process for your position as product strategist at Blackrock´s European Active Equities group?

I think my path was unusual. Typically, students do the Spring Program. If they succeed, they usually move forward to the Summer Program. After that, they typically apply to the Graduate Program, to which I applied directly. Therefore, my chances were low. I always recommend doing the step-by-step process. Unfortunately, I feel like the spring program is very oriented to UK students. The reason why I was not part of this process was because I was not quite sure if I wanted to work in asset management, in particular. During my master's, that changed a lot, as I took an asset management course with Professor Jorge Teixeira. I developed a passion for the industry and having worked at a private bank, HSBC, where I covered a very wide range of asset classes, I realised that equities were the one I was more interested in. That was when I decided to apply to BlackRock. When doing so, you can choose between two business areas, completely independent of each other. I applied to both, equities and fixed income. The process is standard, you start by sending your CV and a video cover letter, then you proceed to phone interviews. I did two of them. You finalize the process with an assessment centre, which I flew to London to do.. What I think was the key reason why I had the chance to be in front of the analysts in a phone interview was the fact of getting to know a campus recruitment team on the Nova campus and standing out with good questions throughout the BlackRock session at Nova. It is all about how you can differentiate yourself, get your skills out there and

make people interested in interviewing you. You should think of yourself as a brand and develop your story and narrative. Unfortunately, after the assessment centre, I did not get the offer, which left me devastated. Nevertheless, a couple of months later, I was told they were looking for someone to be a product strategist in fundamental equities, and due to my background in private banking, they thought I could fit the role well and offered me an interview. I went through the whole process again and was successful this time. I was resilient, and it paid off.

Q : Can you elaborate on how a typical workday at Blackrock goes and how has it changed throughout your career path?

I am a product strategist, which means I work closely with the research analysts and portfolio managers, establishing the connection between them and the clients and sales teams. Our clients are global, they can be private banks, asset managers that use our fund in their portfolios, and institutional clients that use our fund, for example, for pension funds.

Usually, my day starts early, a little before 8 am. The first thing I do is check our team's chat, company and market news, I see what is going on with the holdings in our portfolios, and I check my inbox. Then I usually move forward to some clients' requests or deliverables that our team might have. This can be, for example, getting materials ready, data on the funds ahead of a client meeting, and questions they might have. A lot of what we do as strategists is focus on the narrative of the product. As the industry evolves, the role of a fund in a portfolio is quite important, so it is relevant to develop these narratives. Is it a growth-oriented fund? Is it more of a defensive portfolio, that can provide you protection when the markets go down? Is it value-oriented?

In terms of how my role has changed over the years, I guess that, in what I do, learning is quite compounding. After 4 years in the team, I have a better context of the background history now than when I started, which allows my work to add more value to the company, as I start to be independent, running client's meetings and walking them through our funds and performances. Part of what I do passes also by empowering the members of my team, by providing them with knowledge and training them, so they can succeed.

Q : Can you talk to us about a project you worked on at BlackRock that you found particularly interesting and/or challenging?

I think the most interesting piece of work that I have been working on is related to sustainability. It has been a very fast area of asset management. When I joined, back in 2020, sustainability had just become a big part of what BlackRock does, and it has changed at a very fast pace for the last 3 years. It is very exciting what we're doing now in terms of transition. There are companies that, today, can be big polluters, but are key for a transition into a low-carbon world. At the moment, a big part of what we're doing involves launching new products, developing a narrative, working with investors and seeing how we can best identify these enablers of a carbon-neutral economy and businesses. By being something completely new, it is a very complex piece of work that I am very excited to be working on.

Q : What do you find most exciting or rewarding about working in asset management, particularly at a prestigious firm like BlackRock?

So, for me, I am a team player. Whatever I do, the most important thing is a team. I think that's why I found BlackRock as the place to be. It's such an inclusive culture. It's all about connecting with other teams and collaboration. That's what I always strive to do for, I don't know, in school, then in university, and nowadays in my professional career.

What motivates me the most is precisely that in my job, I have the privilege to work with some of the most interesting people in the world, but also some of the nicest people as well. It's a very stimulating place to be, especially at this stage. You're like a sponge, you just want to learn all the time. In this industry, you cannot take a break in the way that things are changing all the time. For you to stay relevant, you need to be learning all the time. You need to be surrounded by those people that are interested, that are curious and keen to do always more. I see in my team that very deep intellectual curiosity, but also in BlackRock more general.

It's a great place to be in, a very healthy environment of growth. I can feel that my career development is not just a concern of my own, it's a concern of my team, of my manager, it's a concern of the firm. There are several talent development programs. BlackRock makes sure that good talent is rewarded and that there are opportunities for you to grow and continue to develop your toolkit and your skill set.

Q : Looking ahead, what are your career aspirations or goals within BlackRock, and how do you plan on achieving them?

At the moment, it's career development month at BlackRock, so it's actually a month that we're having a lot of conversations with our peers, and managers, about the next steps and where we want to be. I enjoy a lot what I do in my role. I enjoy not only the technical bits of it because I'm so connected to the investors and to the markets, but also more of the strategic business development sides of it.

I suppose the next step for me and what I see as really important for my long-term career is to continue to have these growth opportunities. It's very hard to say, exactly what I want to do in five years. At least I find it. I think it's a continuous process, and it's all about opportunities. Make yourself relevant and continue to enlarge or adapt your skill set flexibly.

So, for me, it's all about constant growth and having the support to grow within the firm. That's greatly influenced by the team and by your manager. You can sometimes think that the grass is greener elsewhere. I don't think a good team and a good management team can be taken for granted. I'm super lucky with that. I trust my manager a lot in terms of how my career is heading and how I am developing. I'd say developing within my role is still kind of my next immediate step. There's still so much to learn and so much to develop to add more value to the team. For example, the asset management industry is changing a lot in Latin America. (6:44) Speaking the local language is fantastic. I'm looking forward to working more closely with those markets. In addition, I'm also looking forward to travelling more to Lisbon to be more connected to my local market and local clients

Q : Finally, do you have any last message for young people who are just starting their careers and are interested in asset management?

Of course! So for me, I think it's to stay curious. This is a constant process, so keep on learning. Be involved and strive to understand what makes you tick. Ultimately, I think the best people I work with, in the industry, are the ones that don't see this as just a job in the way that they just love what they do. Whatever makes you tick, it's what you should go towards. You'll be simply the best because it's just so natural for you to keep on growing. This would be my advice number one - understand what you love and you're passionate about.

My advice number two would be to be involved because it's the best way for you to get to know yourself but also get to know what is out there. It's super important to know your skill set and where your skills are mostly needed. Because then if you find out that, you have value to add. You'll be needed in that team and in that place and you'll be in the right place to grow. Understand that very well, it's your value proposition if you think of yourself as a product. .



Beatriz Almeida



Francisco Faria



Rita Fernandes

Message from the Co-presidents.

Dear reader,

Once again NIC-UD is proud to present the second edition of this new and renewed NIC Undergrad Review. The NIC Undergrad Review was the first student-run business magazine in Portugal. It is one of our most cherished heritages passed down from classes of alumni, that helped build this community of ambitious people, with a deep curiosity about finance, business and economics.

In this edition, you will find a wide variety of interesting topics, that span from an overview of M&A activity to a deep analysis of the Argentinian economy and its prospects for the future. We also had the pleasure of interviewing Francisca Anselmo, an esteemed NIC-UD alumna, providing us with invaluable insights regarding her career within Asset Management particularly within BlackRock.

As always it is a pleasure putting forward some of the work we do within NIC-UD, and we thank every reader for being a part of this exceptional community.

Best regards,

Manuel Grilo

Co-President NIC-UD



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