



CARMA NEWS BRIEF

Finance Media Roundup

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Welcome to the first edition of CARMA's Finance Media Roundup. We bring you the top news in the finance industry, curated by our sector experts.

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Notable Stories

Q2, 2023 US Banks Reporting Amid Federal Reserve's Inflation Policy



Major US banks have released their second quarter financial results for 2023 amidst economic uncertainty and geopolitical tension. Despite these challenges, organisations such as the Bank of America, Morgan Stanley and Blackrock have navigated the environment effectively, delivering results that surpassed estimates and fostered positive sentiment in the US market. In response to the Federal Reserve's 2% inflation increase, media outlets, ranging from Reuters to Bloomberg, have actively disseminated the US' current economic status through [analysis](#), [opinion pieces](#), and [forecasts](#). [Reuters](#) / [Wall Street Journal](#) / [CNN](#)

Why it matters

Encouraging Q2 earnings reports have strengthened the media's narrative of [resilience](#) and strategic adaptation. Despite economic uncertainties, their ability to exceed estimates showcases their robust business models and adaptability. The media's role in disseminating these results and the ongoing debate on the Federal Reserve's policies indicate that these financial organisations have to showcase agility, proactivity and strong strategic messaging for their medium to long-term plans.

KPMG Pledges \$2 Billion Towards AI and Cloud Services Expansion

KPMG has announced a strategic move, committing at least \$2 billion in AI and cloud services over the next five years. The media narrative has hailed this significant investment as a testament to KPMG's forward-thinking approach, with the professional services firm betting big on the transformative power of generative AI. [Reuters](#)



Why it matters

KPMG's partnership comes after [PwC](#) announced a \$1 billion investment into generative AI, and [EY's](#) integration of Microsoft AI tools into its tax platform earlier this year, signaling a broader trend in the accounting industry to optimize processes. The media's focus on KPMG's plan to harness generative AI to create a ChatGPT-type assistant for tax functions not only underlines the transformative potential of AI in the consulting sector but also underscores the leverage tech holds in KPMG's business model growth.

EY Head 'Criticizes' PwC Australia over Tax Leak Controversy



EY has publicly critiqued rival PwC for alleged misuse of confidential government information, sparking an intense media debate about professional ethics in the consulting industry. The narrative emphasizes the importance of integrity in the sector, bringing to light the potential reputational implications of such controversies. [The Guardian](#)

Why it matters

The media scrutiny following EY's public criticism highlights the importance of trust and ethical conduct in the consulting industry. It emphasizes the potential damage to both firms' reputations and the broader impact on the sector. Furthermore, the media attention on the Senate inquiry and the call for transparency continues to underscore the sector's need for rigorous ethical standards and governance.

Notable Quotes & Commentary

"We ended the quarter overall in a better place, with a better tone." [Reuters](#)

James Gorman – CEO at Morgan Stanley

"Just as the Fed misjudged the inflationary risks of its loose money policies, it should not now underestimate the potential impact of the jaw-dropping pace of its tightening. The safest choice is to stay put." [Financial Times](#)

Sheila Bair – Former Chair at the US FDIC

"The rate hike this week is more strongly justified by the robustness of growth and hiring than the incoming data on inflation." [Wall Street Journal](#)

Brian Sack – Economist and Former Senior Executive at the New York Fed

"Today, we're expanding our partnership with KPMG, as we bring together AI innovation across the Microsoft Cloud with KPMG's tax, audit, and advisory expertise." [Twitter](#)

Satya Nadella – Chairman and CEO at Microsoft

"You distinguish yourself from PwC and you're telling us that you're different and better, but for me, it's deeds, not words, that people are looking for." [ABC News](#)

Senator David Pocock – Australian Politician

In Case You Missed It

Compared to Counterparts, HSBC More Frequently Opposes Major Oil Companies, Study Reveals

HSBC's investment arm has been leading the charge in backing shareholder resolutions pushing oil majors to adapt to climate change. The media narrative underscores the bank's proactive stance towards environmental sustainability and the rise of ESG investing. [The Star](#)

Masdar, UAE's Premier Renewable Energy Firm, Debuts Its First \$750 Million Decade-Long Green Bond

Masdar has successfully completed its first green bond issuance for \$750 million. The media narrative lauds the company's initiative, emphasizing the strong investor interest and the bond's potential to fund 'dark green' renewable energy projects. [Bloomberg](#)

Deutsche Bank Hit with \$186 Million Penalty by Federal Reserve

The Federal Reserve has imposed a \$186 million penalty on Deutsche Bank for ongoing "unsafe and unsound practices." Despite attempts to improve, the bank faces potential additional penalties due to persistent compliance risks. [CNN](#)

Ahead of Elections, Declining UK Inflation Offers Respite to Prime Minister Sunak

A larger-than-expected drop in UK inflation offers a political boost to Prime Minister Rishi Sunak, potentially aiding his pledge to halve inflation this year and helping the UK evade a possible recession. [Bloomberg](#)

Demand for Investment Products Drives Nasdaq to Surpass Profit Forecasts

Nasdaq surpassed Q2 profit estimates, attributed to sustained demand for its investment products and shift towards financial technology services amid a dry U.S. IPO market. [Reuters](#)

Bloomberg Analyst Predicts \$30 Trillion Wealth Surge Following BlackRock Bitcoin ETF Approval

BlackRock's application for a Bitcoin spot ETF could potentially unlock \$30 trillion in capital from U.S. financial advisors, marking a significant advancement for the cryptocurrency industry. [Coin Telegraph](#)

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