

# Stellantis CEO Tavares abruptly resigns

New CEO to be found by first half of next year

REUTERS

MILAN – Stellantis Chief Executive Carlos Tavares resigned abruptly on Sunday, two months after a profit warning at the maker of Jeep, Fiat and Peugeot cars that has lost around 40% of its value this year.

The company said it would seek to find a replacement CEO in the first half of 2025. Senior Independent Director Henri de Castries said in a statement the decision for Tavares to leave resulted from different views emerging in recent weeks among major shareholders, the board and Tavares.

Previously regarded as one of the most respected executives in the auto industry, Tavares came under criticism after Stellantis issued a profit warning on its 2024 results. That included a forecast for a cash burn of up to 10 billion euros (\$10.6 billion), mostly due to slow sales and bloating inventories in its North American market, the group's profit powerhouse.

The warning triggered a wide reshuffle of the group's top management, including changes of its chief financial officer and of its head of North American operations, but initially spared Tavares.

After that, however, Stellantis said Tavares was not seeking a new CEO term and would retire at the end of his



Stellantis CEO Carlos Tavares inaugurates the group's new electrified dual-clutch transmission assembly facility in the Mirafiori complex in Turin, Italy on April 10.

MASSIMO PINCA/REUTERS

current mandate, in early 2026.

Stellantis shares have lost around 40% of their value this year, while shares of U.S. rival Ford Motor are down 7% this year and General Motors up 55%.

"The Company's Board of Directors, under the Chairmanship of John Elkann, accepted Carlos Tavares' resignation today from his role as Chief Executive Officer with immediate effect," Stellantis said in a statement.

Elkann, the scion of the Agnelli family which founded Fiat and is the top

Stellantis shareholder through its investment company EXOR, thanked Tavares for his role in the creation of Stellantis, the world's fourth largest carmaker by sales.

Other big shareholders include the Peugeot family and the French government, through public investment bank BPI France.

Stellantis said the process to appoint the new permanent CEO was well under way and would accelerate to conclude within the first half of 2025. In the meantime, a new interim executive

committee, chaired by Elkann, would be established.

The process to select a new CEO was initially set to be completed by the final quarter of next year.

'It couldn't get worse'

Jeff Laethem, who owns a Stellantis dealership in Detroit, said he was relieved at the news of Tavares' resignation. The last year has been punishing for him as inventory has built up and sales of once-dependable vehicles dropped.

"It couldn't get worse," Laethem said, adding his nearby GM dealership has not faced the same challenges.

Stellantis dealers have become more vocal with their displeasure in the last few months, sending a letter outlining their concerns to Tavares in September. Sales of the automaker's vehicles through the third-quarter of this year were down 17% in the U.S. compared to the year-ago period, with significant losses across the Dodge, Ram, Jeep and Chrysler brands.

The automaker has been struggling to sell even 2023 model-year cars, data provided to Reuters by car-shopping app CoPilot shows.

There are 112 days of supply on dealer lots of Ram 1500 pickup trucks and Jeep Wagoneers, CoPilot data shows, about 20 days higher than their respective rivals, the Chevrolet Silverado and Ford Expedition.

## WALL ST WEEK AHEAD

### Jobs data set to pave way for rates path, stocks

Lewis Krauskopf

REUTERS

NEW YORK – The coming week will give investors a fresh view into the health of the U.S. economy with the release of a closely watched employment report that could help determine the trajectory of interest rates in the months ahead.

Stocks are heading into December with the benchmark S&P 500 near record highs following an over 25% year-to-date gain. Part of that performance has been fueled by expectations that the Federal Reserve will continue cutting interest rates into next year, after reducing borrowing costs by 75 basis points in 2024.

But uncertainty over the Fed's rate trajectory has increased in recent months as a spate of robust economic data – including a blowout jobs report for September – stirs concerns inflation could rebound if the central bank lowers rates too far, undoing two years of progress in tamping down prices.

While investors have largely welcomed evidence of economic strength, another round of strong jobs data on Dec. 6 could further erode expectations for Fed cuts and fuel wariness over inflation, investors said.

The jobs data "is going to provide a more clear picture of the underlying trend, which is important as there's a lot of debate and uncertainty around the path for interest rates by the Fed," said Angelo Kourkafas, senior investment strategist at Edward Jones.

Wall Street has already tempered expectations for cuts over the coming year. Fed funds futures show investors betting the rate will fall to 3.8% by the end of next year, from its current 4.5% to 4.75% range. That is more than 100 points higher than what they had priced in September.

Fed Chair Jerome Powell said earlier this month that the central bank does not need to rush to lower rates, citing a solid job market and inflation that remains above its 2% target.

The Fed is "starting to question out loud how much more easing the economy, especially the labor market, really needs," said Sameer Samana, senior global market strategist at Wells Fargo Investment Institute.

Futures late on Wednesday were pricing a roughly 70% chance that the central bank will cut rates by 25 basis points at its Dec 17-18 meeting, according to CME Fedwatch.

Economists polled by Reuters expect payrolls to have climbed by 183,000 jobs in November, and a report that far exceeds those forecasts could shake confidence in a December move and bruise stocks, said Anthony Saggiombene, chief market strategist at Ameriprise Financial.

## Bangladesh wants to renegotiate deal

Adani founder faces U.S. bribery allegations

Krishna N. Das

REUTERS

DHAKA, Bangladesh – Bangladesh wants to sharply lower prices under a power purchase deal with India's embattled Adani Group unless it is canceled by a court, which has called for an investigation into the 25-year deal, its de facto energy minister told Reuters on Sunday.

Adani Group founder Gautam Adani is already facing allegations by U.S. authorities that he was part of a \$265 million bribery scheme in India, charges he has denied, even as one Indian state reviews a power deal with the group and France's TotalEnergies pauses its investments.

In Bangladesh, based on an appeal by a lawyer demanding the power deal's potential cancellation, the High Court last week ordered a committee of experts to examine the contract under which Adani supplies power from a \$2 billion coal-fired plant in eastern India. The investigation is expected to be concluded by February, when the court is due to make its order.

The deal was signed in 2017 by Adani and a government entity under Prime Minister Sheikh Hasina, who was ousted this year amid a popular uprising and accusations of widespread corruption. Supply from the 1,600 megawatt plant, which uses expensive imported coal, started last year and meets about a tenth of Bangladesh's consumption.

"Renegotiate in case of anomalies in the contract. Cancel only in case of irregularities such as corruption and bribery," Muhammad Fouzul Kabir Khan, Bangladesh's power and energy adviser, said in an interview in his of-



Solar panels are installed at the Adani Green Renewable Energy Plant in Khavda, in India's Gujarat state. The plant consists of some 60 million solar panels and 770 wind turbines spread over 208 square miles — almost the size of the sprawling megacity Mumbai. PUNIT PARANJPE/AFP VIA GETTY IMAGES

fice.

"Both based on the findings of the court-ordered investigations."

He said some issues, such as Bangladesh not benefiting from some Indian tax exemptions to the power plant, have already been flagged to Adani and could partly form the basis of a deal renegotiation.

Adani did not immediately respond to a request for comment on the weekend. Adani Power Ltd said in its latest annual report that the plant in India's Jharkhand state would provide Bangladesh uninterrupted, reliable and affordable electricity and "significantly reduce the average cost" for the end consumer.

Khan said the U.S. corruption allegations against Adani themselves may not have any bearing on the Bangladeshi deal.

A separate committee formed by Bangladesh's interim government is already probing the Adani deal and six other power contracts with the aim to

ensure the investigations "will be acceptable in international negotiations and arbitration", said a government statement.

At 14.02 taka a unit, Adani charged the highest rate for Indian-generated power to Bangladesh in the 2022/23 fiscal year, compared with an average price of 8.77 taka (\$0.0737), according to the state-run Bangladesh Power Development Board.

Adani's rate fell to 12 taka a unit in 2023/24, still 27% higher than the rate of India's other private producers and as much as 63% more than Indian state-owned plants, Reuters has reported.

The retail price in Bangladesh is 8.95 taka per unit, which results in an annual power subsidy bill of 320 billion taka for the exchequer, Khan said.

"Because the prices are high, the government has to subsidize," Khan said. "We would like power prices, not only from Adani, to come down below the average retail prices."

## 'Moana 2,' 'Wicked' lift box office to new record

Dawn Chmielewski and Lisa Richwine

REUTERS

LOS ANGELES – Walt Disney's animated musical "Moana 2" debuted with an estimated \$368 million in global ticket sales through Sunday and combined with "Wicked" and "Gladiator II" to deliver the biggest Thanksgiving weekend in U.S. and Canadian box office history.

A sequel to the 2016 animated film, "Moana 2" reunites Auli'i Cravalho as the wayfinding title character with demigod Maui, voiced by Dwayne Johnson, on a voyage to break a curse and reunite the people of the ocean.

Initially envisioned as a series for the Disney+ streaming service, "Moana 2" racked up a record \$221 million from domestic ticket sales over the Thanksgiving period from Wednesday through Sunday. That surpassed "Frozen 2's" holiday haul of \$125 million in

2019.

For all movies in theaters this weekend, the domestic total hit \$420 million, smashing the 2018 Thanksgiving record of \$315.6 million led by "Ralph Breaks the Internet" and "Creed II."

The results provided Hollywood studios and cinemas a reason to celebrate after prolonged closures during the COVID-19 pandemic and concerns that audiences might abandon theaters in favor of staying home to watch streaming TV.

"If you make the right movie, a movie with heart and humor that appeals to audiences, they will come to the theater," Disney Entertainment Co-Chairman Alan Bergman said at a recent "Moana 2" screening in Los Angeles.

The figures also showed Hollywood had rebounded from disruptions caused by strikes by writers and actors last year. Chains such as AMC Entertainment and Cineworld were left with a thin schedule for moviegoers in the first

half of 2024.

"Wicked," the adaptation of a beloved Broadway musical that is a prequel to "The Wizard of Oz," brought in \$117.5 million over Thanksgiving. Its global total after two weekends in theaters reached \$359.2 million, distributor Universal Pictures said.

Paramount Pictures' action epic "Gladiator II," the sequel to a best picture winner two decades ago, hauled in \$44 million domestically over the holiday and brought its global total to \$320 million.

Before the weekend, year-to-date domestic ticket sales had hovered nearly 11% behind the same point in 2023, according to Comscore. The Thanksgiving tally narrowed the deficit to 6.4%.

Still, the receipts remained significantly below pre-pandemic levels. Through Sunday, domestic ticket sales for 2024 were roughly 24% lower than the pace of 2019.