

FINANCE

WINNERS FOR THE WEEK ▲

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 3/17	PRICE 3/24	CHANGE
-	-	-	-	-	-	-

LOSERS FOR THE WEEK ▼

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 3/17	PRICE 3/24	CHANGE
Popular Inc.	BPOP	26.49	45.96	40.77	38.69	-2.08
OFG Bancorp	OFG	6.26	14.48	12.15	10.95	-1.20
Evertec Inc.	EVTC	12.98	18.60	16.70	15.75	-0.95
First BanCorp	FBP	2.52	7.05	5.98	5.45	-0.53
Triple-S Management Corp.	GTS	16.49	27.70	17.18	16.73	-0.45

U.S. STOCKS

	M	T	W	TH	F
DOW	-0.04%	-1.14%	-0.03%	-1.14%	-0.04%
S&P	-0.65%	-1.18%	0.01%	-0.11%	0.20%
NASDAQ	-0.13%	-1.48%	-0.52%	-0.21%	0.45%

U.S. FUELS AVERAGE PRICE MARCH 13

Regular Gasoline	\$2.321
Premium Gasoline	\$2.816
Diesel	\$2.539

EUR/USD

	M	T	W	TH	F
OPEN	1.0738	1.0737	1.0808	1.0794	1.0782
CLOSE	1.0739	1.0811	1.0797	1.0783	1.0799

USD/JPY

	M	T	W	TH	F
OPEN	112.69	112.53	111.69	111.15	110.93
CLOSE	112.56	111.72	111.16	110.94	111.34

Think Strategically: Art of Failure, Death of an Icon & P.R. Fiscal Oversight Action

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IPOS FOR WEEK

There are no initial public offerings (IPOs) scheduled this week; however, after Snap Inc. (SNAP) had a historic multibillion-dollar IPO, software provider MuleSoft (MULE) had the best first day of the year this past week, closing last Friday up 46%.

ART OF FAILURE: TRUMP'S 1ST DEFEAT

President Donald Trump and Speaker Paul Ryan were given their first major political loss by being forced to pull the American Health Care Act. Speaker Ryan said they simply did not have the votes to pass the measure. The bill would have repealed most aspects of the 2010 Affordable Care Act, better known as Obamacare. What is surprising is that Republicans have been clamoring for Obamacare's repeal for seven years, and the bill they produced was not even a good first draft. Draining the swamp

in Washington is easier said than done; what a great wake-up call. Should the president turn his attention to Tax Reform, will he have the votes to pass it? Will they be able to pass a 2018 budget? Without tax reform, there may be no infrastructure funds, and with this turning out to be the worst 100 days of any new presidency, his agenda is as compromised as will be some gains in the stock market.

DEATH OF AN ICON: DAVID ROCKEFELLER, WORLD'S OLDEST BILLIONAIRE

David Rockefeller, the world's oldest billionaire, passed away of heart failure on March 20 at age 101. Rockefeller was worth an estimated \$3.3 billion and was the 604th richest person in the world. As CEO of Chase Manhattan Bank, he became personally involved in Puerto Rico and saw an opportunity for Chase by supporting Operation Bootstrap. Chase opened branches across Puerto Rico and introduced lending programs for private

purchases of government-owned enterprises. He financed transactions that became iconic in Puerto Rico. He supported many local entrepreneurs and provided the financings to expand their operations. His brothers also invested in Puerto Rico through IBEC, International Charter (now Popular Mortgage) and RockResorts, which developed the Dorado Beach Hotel.

P.R. UPDATE: FOMB NAMES NATALIE JARESKO TO BOARD

Last Thursday, the chairman of the Fiscal Oversight & Management Board (FOMB), José Carrión III, announced the appointment of former Ukrainian Finance Minister Natalie Jaresko as its executive director. Jaresko, born in Chicago of Ukrainian parents, attended DePaul University and received a B.S. degree in 1987 and M.S. in public policy from Harvard University's John F. Kennedy School of Government.

Jaresko has held positions in the private and public sectors.



AP Photo/Efrem Lukatsky

Natalie Jaresko, FOMB executive director

As Finance Minister of the Ukraine Republic, where she was crucial in implementing a broad restructuring of Ukraine's sovereign debt, she obtained a partial write-off with a 20% haircut on Ukraine's \$18 billion privately held debt. As with all subtle actions, we can clearly envision Puerto Rico driven into a severe debt restructuring with substantial implicit debt discounts that are part of the Fiscal Plan that the FOMB approved.

FINAL WORD

With the Fiscal Plan seeking to restructure the debt in a very meaningful way, we could see Puerto Rico dive directly into chapter three, since we have not seen agreements being reached

consensually for Sales Tax Financing Corp. (Cofina) and general-obligation bonds (GOs), so the legal case continues. What remains to occur is if the board's emphasis is on reaching consensual agreements that restructure the debt at a level that is both sustainable for Puerto Rico and does not add to the wealth destruction that has occurred on the island since 2005. Residents of Puerto Rico currently hold about \$15 billion of the public debt and the current debt-service proposals, which establish \$800 million in debt service with needs of \$3.1 billion to \$4 billion, residents could face additional losses of \$6 billion to \$7 billion, which is almost half the \$15 billion held. ■

Francisco Rodríguez-Castro, president & CEO of Birling Capital with over 25 years of experience, has been a key executive in government, global, multinational and public companies as well as a key corporate adviser to multiple entities in a diverse array of market segments. He has participated in structuring over \$10 billion in municipal finance, corporate, commercial, asset-based, P.R. Industrial, Tourism, Educational, Medical & Environmental Control Facilities Financing Authority (Afica), and mergers & acquisitions transactions.