

FINANCE

WINNERS FOR THE WEEK ▲

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 4/7	PRICE 4/13	CHANGE
-	-	-	-	-	-	-

LOSERS FOR THE WEEK ▼

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 4/7	PRICE 4/13	CHANGE
Popular Inc.	BPOP	26.72	45.96	40.08	38.54	-1.54
Evertec Inc.	EVTC	13.11	18.60	16.05	15.45	-0.60
OFG Bancorp	OFG	7.02	14.48	11.20	10.65	-0.55
First BanCorp	FBP	3.11	7.05	5.54	5.33	-0.21
Triple-S Management Corp.	GTS	16.49	27.70	18.05	17.87	-0.18

U.S. STOCKS (AS OF 4/13)

	M	T	W	TH	F
DOW	0.01%	-0.03%	-0.29%	-0.67%	-
S&P	0.07%	-0.14%	-0.38%	-0.68%	-
NASDAQ	-0.0004%	-0.0039%	-0.004%	-0.003%	-

U.S. FUELS AVERAGE PRICE (AS OF 4/13)

Regular Gasoline	\$2.706
Premium Gasoline	\$2.927

EUR/USD (AS OF 4/13)

	M	T	W	TH	F
OPEN	-	-	-	-	-
CLOSE	1.0596	1.0602	1.0666	1.0614	1.0612

USD/JPY (AS OF 4/13)

	M	T	W	TH	F
OPEN	-	-	-	-	-
CLOSE	110.94	109.62	109.03	109.09	108.64

IPOs, Trumpolitics; 100 Days of Rosselló

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P.R. UPDATE: 100 DAYS OF GOV. ROSSELLÓ

IPOs: RECENTLY PRICED PERFORMANCE

The following are recent IPOs, noting that the Renaissance IPO Index (IPOUSA) has so far returned 9.9% during the year, outpacing the S&P 500, which has had a 4.7% return. Highlighted are recent IPOs and their performance after going public. For April, Brazilian companies Netshoes and Azul are the most notable, with the latter's founder & CEO also having founded JetBlue.

TRUMPOLITICS

President Donald Trump continues to surprise everyone, from his decision to attack Syria and his acceptance that NATO was not obsolete after all. All of this was happening while Secretary of State Rex Tillerson was meeting in Russia with Vladimir Putin and Foreign Minister Sergey Lavrov, with both sides mentioning their more than two-hour meeting was substantive and very frank. The Syria attack had a chilling effect on Russia since it is a close ally with that nation.

Below is a way to measure and recognize success to observe developing trends in Puerto Rico's economy. With the establishment of benchmarks, improvements in the economy can be observed. On April 12, the island reached the much-expected first 100 days of the Rosselló administration.

The administration took over an economy in disarray, with massive migration, enormous liquidity problems, several defaults to its bondholders, no access to capital and a fiscal plan rejected by the Financial Oversight & Management Board (FOMB). One of the initial steps the administration implemented was a clear and detailed communication strategy. The government provided a sense of optimism and a path toward improving finances, focusing on economic development by opening the doors to investment. By last count, the government has implemented more than 20 executive orders and signed more than 13 laws on a diverse array of topics. Most notably were changes in public-

Company	Ticker	Offer Date	Deal Size	Price 4/12	Return
Netshoes	NETS	4/11	\$149M	\$16.16	(10.2%)
Azul	AZUL	4/10	\$573M	\$21.90	8.8%
Okta	OKTA	4/06	\$187M	\$23.25	36.8%
Elevate Credit	ELVT	4/05	\$81M	\$7.75	19.20%
Schneider National	SNDR	4/05	\$550M	\$18.85	(0.8%)
Hess Mid	HESM	4/05	\$340M	\$25.89	12.6%

private partnerships, permits, labor reform, the destination marketing organization for tourism and Enterprise Puerto Rico Inc. to bring in new capital and create jobs, placing the private sector at the forefront of administration efforts. It has been long-advocated that any activity the private sector can perform better and more efficiently, or at lower cost, the government must step aside and pass on to the private

sector. While all this activity is a move in the right direction, much more must change before Puerto Rico can claim any victories.

The FOMB's approval of the administration's fiscal plan was a significant milestone that needed to occur. Although the plan is not the best solution to all problems, it provides an austere direction in which to build a new "Yellow Brick Road" for Puerto Rico. Some initiatives in

the plan will be tough to implement, hard to adapt and most likely difficult to swallow because they will change decades of habits the island can no longer afford. For more than 10 years, the government's expenses have been outpacing its revenues. In the most recent Comprehensive Annual Financial Report, Puerto Rico has an accumulated deficit of more than \$50 billion, and the only way to undo these habits is for the government to be forced to do so.

One of the bigger obstacles is the impending bondholders restructuring, with a limit of \$800 million in debt service, or 25% of the total due through 2027. The severity of this reduction significantly reduces chances of a creditor agreement before May 1, when the stay on litigation ends. The government has been conducting mediations in New York; however, prospects for litigation against the fiscal plan as well the FOMB by all creditor types is very much present, and this accelerates the probability of diving the government into Title III of Promesa, the Puerto Rico Oversight, Management & Economic Stability Act. ■

Francisco Rodriguez-Castro, president & CEO of Birling Capital, has over 25 years of experience working with government, multinational and public companies.

Benchmark	01/02/2017	4/12/2017	Change
Gas Price	64.9¢ per liter	69.5¢ per liter	5¢ Increase
Electricity Price	18.45¢ per kWh	18.45¢ per kWh	Unchanged
Unemployment	11%	12.2%	1.2% Increase
GNP	(-2.2%)	(1.8%)	(0.04%) Increase
Labor-Force Participation	40.6%	41.4%	0.80% Increase
Homeownership	74%	74%	Unchanged
Median Household Income	\$18,628 per year	\$18,628 per year	Unchanged
Puerto Rico Debt	\$69 billion	\$69 billion	Unchanged
Credit Rating	S&P (D); Moody's (Caa3); Fitch (D)	S&P (D); Moody's (Caa3); Fitch (D)	Unchanged
Market Access	None	None	Unchanged
Puerto Rico Stock Index	2,551.91	2,247.44	(12%)