

STOCK MARKET

FINANCE

WINNERS FOR THE WEEK ▲

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 1/27	PRICE 2/3	CHANGE
Triple-S Management Corp.	GTS	18.62	27.70	19.28	20.00	0.72
OFG Bancorp	OFG	4.69	14.48	13.40	13.40	0.00

LOSERS FOR THE WEEK ▼

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 1/27	PRICE 2/3	CHANGE
Popular Inc.	BPOP	23.51	45.71	45.06	44.09	-0.97
First BanCorp	FBP	2.09	7.05	6.73	6.59	-0.14
Evertec Inc.	EVTC	11.27	18.60	17.30	17.20	-0.10

U.S. STOCKS

	M	T	W	TH	F
DOW	-0.61%	-0.54%	0.14%	-0.03%	0.94%
S&P	-0.57%	-0.07%	0.00%	0.04%	0.68%
NASDAQ	-0.74%	-0.23%	0.70%	-0.34%	0.47%

U.S. FUELS AVERAGE PRICE

Regular Gasoline	\$2.296
Premium Gasoline	\$2.795
Diesel	\$2.562

EUR/USD

	M	T	W	TH	F
Open	1.0689	1.0692	1.0796	1.0766	1.0756
Close	1.0695	1.0798	1.0769	1.0758	1.0784

USD/JPY

	M	T	W	TH	F
Open	115.08	113.73	112.79	113.24	112.77
Close	113.78	112.04	112.61	112.03	112.28

U.S. Job Growth, the Fed, Trump-onomics & Puerto Rico Debt Face off

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The U.S. economy added 227,000 jobs in January, which was 52,000 more than the anticipated market consensus of 175,000 new jobs. This growth was not enough to avert an increase in unemployment to 4.8%, from the previous rate of 4.7%, as more people began looking for work.

As expected, the Fed policy committee voted unanimously to keep the federal fund rates in a range of 0.50% to 0.75%. Federal Reserve Chair Janet Yellen stated, "Measures of consumer and business sentiment have improved of late, but business investment remains "soft."

Moving on to Trumponomics, this was an active week for President Donald Trump, who continued his plans to realign the USA toward his "America First" pledge, and the list of actions that are being undertaken is large and varied.

President Trump held a meeting in the White House Feb. 2 on the North American Free Trade Agreement (Nafta), and

focused on either a revamp or the creation of a new Nafta, with an additional "F" as in "Fair." The president claims Nafta has been unfair to U.S. workers and a catastrophe for stateside corporations.

Another highly expected gathering was held between CEOs of major corporations and the president to discuss the border-adjustability tax, which is being

capture worldwide news was the travel ban on seven Islamic countries that created havoc for airlines and thousands of travelers worldwide. With large protests in most of the 50 states and in other parts of the world, the economic, social and political effects of these actions are only beginning to be assessed.

However, the big news is that even with all the headwinds that

The item that continues to capture worldwide news was the travel ban on seven Islamic countries.

evaluated using a "pro & con scenario." Those CEOs who talked to the media mentioned the president wanted monthly meetings with CEOs, and that all major issues were discussed with the administration. Although this may be the topic of discussion this week, the real end game is the tax reform the president promised as part of his campaign.

The item that continues to

the president is facing, the U.S. market closed higher on Friday, and the Dow returned above the 20,000 level in a rally that lifted most major indexes into positive territory for the week. The higher move followed news that President Trump had taken steps to roll back financial industry regulations, including the Dodd-Frank Act.

Moving on to Puerto Rico, the



President Donald Trump

Fiscal Agency & Financial Advisory Authority, or FAFAA, is drafting a new fiscal plan to meet the standards of the Financial Oversight & Management Board (FOMB). As part of their efforts, Gov. Ricardo Rosselló announced several new initiatives that would generate \$118 million in annual savings. This step, combined with long-term structural reforms, cost savings, agency eliminations and the enactment of an aggressive public-private partnership plan could allow the government meet its debt obligations.

At the same time, it is crucial to define and stipulate which services constitute "essential services" and how to best deliver them.

On Feb. 1, the government announced that the following issuers satisfied their interest

obligations on their debt, including the P.R. Sales Tax Financing Corp. (Cofina), P.R. Industrial Development Co., P.R. Aqueduct & Sewer Authority, Municipal Financing Corp., Employees Retirement System and the P.R. Highways & Transportation Authority. As we have seen in the news media, the Puerto Rico general-obligation (GO) bondholders are contesting the validity of the payments to Cofina. The GO bondholder group uses the constitutional priority guarantee, while Cofina bondholders maintain they are considered a legally separate revenue stream, external to the Commonwealth's income statement. One thing is for sure: Puerto Rico must unite to fix its fiscal situation with a "once and done" approach. ■