

MONEY

3 big acquisitions are announced

The Associated Press

Monday brought the announcements of three major mergers and acquisitions:

Nexstar and Tribune Media

Nexstar is offering to buy Chicago's Tribune Media for about \$4 billion, four months after the collapse of a similar bid from Sinclair Broadcast Group.

The deal would make Nexstar, whose stations reach nearly 39 percent of all U.S. television households, the biggest operator of local TV stations in the U.S. Yet it still must be approved by federal regulators, as well as shareholders.

Tribune's stock closed Monday at \$44.98, up \$4.72, or 11.7 percent. Nexstar's shares were \$88.32 up \$5.68, or 6.9 percent.

GlaxoSmithKline and Tesoro

Shares of Tesoro soared Monday more than 50 percent after GlaxoSmithKline

said it would pay about \$5.1 billion in cash to buy the cancer drugmaker.

Glaxo plans to pay \$75 per share for Tesoro, which makes the ovarian cancer treatment Zoladex. That represents a premium of more than 60 percent to the stock's \$46.38 closing price Friday.

Shares of Tesoro Inc. closed at \$73.50, up \$27.12, or 58.5 percent. Shares of GlaxoSmithKline were \$38.61, down \$3.26, or 7.8 percent.

Unilever and GlaxoSmithKline unit

Unilever has agreed to buy GlaxoSmithKline's health food drinks business in India and Bangladesh, including popular Horlicks brand products, for 3.3 billion euros (\$3.8 billion).

GSK CEO Emma Walmsley says proceeds will be used to support the group's strategic priorities, "including investing in our pharmaceutical business." Unilever shares closed in New York at \$55.59, up 8 cents.



Ernest Werlin

Over the past six weeks, U.S. crude oil prices have dropped from close to \$75 a barrel to below \$50, the lowest since October 2017. It is almost inconceivable that just a few weeks ago, President Trump was urging Saudi Arabia to increase production because of fears that oil would top \$100 per barrel because the U.S. imposed oil sanctions on Iran in November.

Initially, oil analysts predicted that Iran's oil exports would drop from 2.5 million barrels daily to about 1.7 million barrels. But because Iran has taken meaningful steps to avoid sanctions, Iran is exporting some 2.2 million barrels daily. Two of Iran's biggest trading partners are India and China, which have gotten waivers from the Trump administration to import Iranian oil.

Last Wednesday, the U.S. Energy Information Administration disclosed that U.S. oil inventory had increased by 3.8 million barrels over the past week, the 10th consecutive week it had risen.

In response to the dramatic decline in oil prices, the Organization of Petroleum Exporting Countries might announce a production cut of 1.3 million barrels daily at its meeting scheduled for Thursday. In order to make a meaningful reduction, two of the world's largest producers, Saudi Arabia and Russia,

DOC'S PRESCRIPTION

How oil prices have become a double-edged sword for the US

would have to take concerted action. To date, Russian President Vladimir Putin has stated that his country can accept current Brent prices at \$60 barrel. Brent is the major benchmark price of oil outside the United States.

Saudi Arabia's ability to drive prices higher has been impaired because of the politics surrounding the killing of journalist Jamal Khashoggi. Tariq Zahir, managing member of the investment advisory firm Tyche Capital Advisors said: "I think the Saudis are really pointed in a corner."

Because the U.S. has not built up sufficient infrastructure to export its oil production, U.S. crude oil prices are about \$10 below Brent levels.

Oil prices have a bifurcated effect on the U.S. economy.

Because the U.S. is now the world's largest oil producer, the petroleum industry is a major employer in states such as Texas, Oklahoma, North Dakota, New Mexico and Pennsylvania, where drilling crews, loader operators, truck drivers and diesel mechanics are needed.

In the past, because the cost of producing oil from shale in the U.S. is more expensive than the simple pumping method used in most of the rest in the world, a sharp drop in oil prices has financially hurt many of the financially leveraged U.S. operators. According to estimates by Barclays, a research consultancy, a \$20 drop in oil prices results in a 20 percent drop in earnings before interest and depreciation for U.S. oil companies.

On the other hand, a drop in fuel prices means lower transport costs, cheaper

airline tickets and reduced utility and manufacturing costs. Since the U.S. consumes some 20 million barrels daily, a \$25 reduction saves the American consumer some \$500 million a day.

This economic benefit should boost consumer expenditures for other goods and services.

Oil prices have certainly been volatile in 2018. Depending on your seat at the table, your opinion about oil prices varies.

Certainly, lower oil prices reduce inflation and put more money into consumers' pockets. One rule of thumb is that every penny of reduction in gas prices puts more than \$1 billion into the hands of consumers. A \$1.50 reduction in the price at the pump stimulates our economy by \$150 billion a year. It isn't just motorists who benefit mightily from low energy prices. Energy is the fundamental input in everything we produce in America.

On the other hand, now that we are the largest producer of oil in the world, we need to recognize that the United States is extremely dependent on the strength and health of the oil and gas industry. If oil can remain above \$50, we might have reached a compromise between helping the consumer and providing sufficient economic incentive to U.S. oil producers.

Sarasota resident Ernest "Doc" Werlin spent 35 years in fixed income as a trader and corporate bond salesman, including time as a partner at Morgan Stanley in charge of corporate bond trading. Send suggestions and comments to doc.werlin@gmail.com. Read past columns at adwcorl.com.

Pelican Cottage site brings \$1.4 million

By John Hielscher

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OSPREY — The owner of two furniture stores here has combined them and sold one of the buildings for \$1.4 million.

Hoke Investment Co. has merged Pelican Cottage and The Flamingo's Nest Furniture Store and sold the former Pelican Cottage building at 820 S. Tamiami Trail.

The consolidated store is called Pelicans and Flamingos. It sells new and used furnishings and operates out of the 23,120-square-foot property at 758 S. Tamiami Trail.

"The seller was operating two businesses out of adjacent buildings and decided the time was right to sell and consolidate their current operation," said Nick DeVito II, partner at Ian Black Real Estate who represented Hoke. "With the current industrial market very strong, this allowed them to leverage their

equity in the property and reinvest in their business."

The former Pelican Cottage location, an industrial building totaling 13,950 square feet, was purchased for personal use by Longevity LLC, a Sarasota company managed by D. Scott Libertore Jr., state records show.

The property is zoned for commercial intensive in the front and residential in the back. Hoke, an Osprey company managed by Darrell F. Hoke and Monique C. Hoke, retained the residential space.

"This zoning made the sale somewhat challenging, as it required the seller to separate the property into two separate parcels," DeVito said. "The commercial parcel is the perfect fit for the buyer because it provides a versatile space for his current and future needs."

Joanna Ginder of Ian Black Real Estate also represented the seller. Adam Seidel of American Property Group represented the buyer.

WILLE

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the Herald-Tribune's Business Weekly section.

His quest to purchase the property, which first hit the market in 2007, took 20 days.

He queried plaza people, later learning the twisted tale of liens, unpaid taxes and foreclosure. The liens and taxes kept piling up over the years, finally reaching \$22,000 by the time Guido uncovered the evidence.

He tracked down the owner, who expressed doubt about her ownership since the property went through a foreclosure. Problem was, Manatee County officials could not find the address of the Clock Tower, so it wasn't included in the official record.

Once listed for sale at \$145,000 and later to \$49,000, Guido

and the owner haggled before settling on a sale price of \$37,000.

The tower was once earmarked to serve as the ticket booth for the Golden Apple Theater, which hoped to open a place on the plaza. That idea fell apart.

Inside, the tower has little space, 220 square feet, but only retail can occupy the building due to development restrictions.

"It should be something kinda fun," he said. "I don't have it solved."

That leads to another challenge.

"There is a unique factor to it," Guido said. "I only have functionality of the condo at the base of clock."

The San Marco Plaza Condominium Association maintains access to the clock via a metal ladder. Surely, the association wants the clock repaired, too. And the bells signaling the time.

"Electronic speakers play bells on the hour," Guido said. "We gotta get those bells going, for sure."

DILBERT | SCOTT ADAMS



MARKET REPORT

For online investing tools, go to heraldrtribune.com/stocks

NYSE AND NASDAQ LISTINGS														MUTUAL FUNDS						
Stock	Close	Chg.	Stock	Close	Chg.	Stock	Close	Chg.	Stock	Close	Chg.	Fund	NAV	Chg.	Fund	NAV	Chg.			
BlkAm	28.54	+14	ColgPalm	63.76	+24	HSBC	43.47	+93	Norfolk	172.18	+144	SimonProp	186.95	+126	American Funds A:	Growth	68.80	+12.0		
BKML	419.37	-26	Comcast	39.15	+14	HSBC prA	d25.41		Northrop	261.47	+159	SonyCoP	54.17	+135	AmcA p	43.15	+41	Schwab Funds:		
BkMont g	74.88	+38	Conoco	69.11	+2.93	HomeDp	181.74	+1.42	Novartis	91.51	-0.2	SouthCo	44.19	+16	AMulA p	32.53	+17	S&P Sel	43.28	
BkNYMcl	50.64	-67	Constella	198.21	+2.45	Honda	28.72	+55	NovaNord	46.04	-58	Starbucks	67.50	+78	BalA p	27.52	+22	Vanguard Admiral:		
BBB Ltd	20.31	+0.3	Costco	232.08	+8.9	Hornhill	148.98	+2.23	Nvidia	170.04	+6.81	Shykr	173.89	-157	CapItA p	59.39	+27	EgAdm n	79.29	+41
AFLAC s	46.07	+33	CumCstls	u13.70	-1.20	Humara	333.48	+4.01	OutPet	71.32	+1.05	SunHydr	42.24	+56	CapItGA p	48.42	+62	500ADM	258.58	+2.80
ASML Hd	177.68	+6.31	Danaher	u108.64	-9.0	ICI Ck Bk	10.13	+0.4	Oracle	49.83	+1.07	Suncor g	32.49	+2.0	FidmW p	62.68	+91	GmAdm	77.12	+122
AT&T Inc	31.71	+4.7	Deere	162.21	+73.3	ING	12.28	+2.0	Orange	16.76		Syso	67.04	-36	GvthA p	13.30	+41	HicCr	94.42	+7.9
AbbVie	93.66	-6.1	BerHa A	330921	+4921	Diageo	144.64	+29	Illumina	350.25	+12.75	POT Inc	19.57	+3.0	GwthA p	52.91	+72	InrGrAd	91.61	+187
AbbVie	93.66	-6.1	BerKa B	220.81	+25.7	Disney	115.74	+25	Inhl	50.13	+8.2	PNC	135.90	+1.2	ICAA p	40.23	+35	ITAdm	13.78	
Accenture	166.82	+2.30	Bogen	332.19	-153	DonEngy	75.13	-83	IntellEvc s	101.3	+8.2	PNC	135.90	+1.2	ICAA p	40.23	+35	ITAdm	13.78	
ActivisBlz	446.60	-3.28	BlackRock	434.87	+6.86	DownDuPrt	59.16	+1.31	IBM	125.31	+1.04	PepsiCo	118.98	-2.96	Textnst	101.17	+1.32	ITAdm	9.29	+0.1
AdobeInc	255.26	+4.37	BloomInBr	19.53	-0.2	DukeEngy	u89.62	+1.05	Intuit	213.52	-1.01	PetChina	72.42	+2.92	ThermoFis	u251.98	+2.43	ITAdm	9.29	+0.1
AirProd	168.62	+5.75	Boeing	359.96	+13.20	ENI	33.21	+96	IntiSur s	548.93	+18.06	Petrobras	15.04	+48	3M Co	208.76	+84	ITAdm	9.29	+0.1
Alliaba	163.74	+2.88	BookingHl	1919.70	+2782	EIG Rescs	108.11	+4.80	JPMorgCh	112.24	+1.05	Pfizer	u45.99	-2.4	TorDBk g	55.22	-1.08	ITAdm	9.29	+0.1
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NYSE INDEX				DOW JONES				FOREIGN				MUTUAL FUNDS				
High	Low	Last	Chg.	High	Low	Last	Chg.	Brussels	Last	Chg.	Brussels	Last	Chg.	Brussels	Last	Chg.
12624.75	12500.36	12577.54	+120.00	25980.21	25670.51	25826.43	+287.97	10914.04	10850.44	+50.07	10914.04	10850.44	+50.07	10914.04	10850.44	+50.07
10620.19	10570.59	10570.59	+76.66	748.80	724.97	748.56	+63.64	7062.41	7062.41	+82.17	7062.41	7062.41	+82.17	7062.41	7062.41	+82.17
8376.60	8298.59	8338.40	+68.29	8669.30	8569.35	8619.47	+73.64	11465.46	11465.46	+208.22	11465.46	11465.46	+208.22	11465.46	11465.46	+208.22
5300.81	5256.57	5275.70	+53.64	56.00	53.26	56.00	+32.74	27182.04	27182.04	+675.29	27182.04	27182.04	+675.29	27182.04	27182.04	+675.29
8654.49	8575.65	8615.66	+39.69	332.67	326.40	328.47	+1.62	3190.62	3190.62	+73.01	3190.62	3190.62	+73.01	3190.62	3190.62	+73.01
10979.73	10637.98	10751.56	+273.24	1905.59	189.32	1905.59	+16.67	5856.26	5856.26	+106.95	5856.26	5856.26	+106.95	5856.26	5856.26	+106.95
7822.34	7730.50	7774.50	+60.74	2800.18	2773.38	2790.37	+30.20	15274.98	15274.98	+77.16	15274.98	15274.98	+77.16	15274.98	15274.98	+77.16
16529.80	16431.00	16515.23	+9.81	1244.34	1231.92	1238.63	+13.44	9106.56	9106.56	+68.80	9106.56	9106.56	+68.80	9106.56	9106.56	+68.80

KEY RATES				FOREIGN EXCHANGE				WHAT THE MARKETS DID									
Rate	Previous Day	Change	Direction	Currency	1 US \$	Net Chg.	%Chg.	NYSE	NASDAQ	MOST ACTIVE (\$1 or more)	Stock	Vol (000s)	Close	Chg.			
Prime Rate	5.25	5.25		Britain Pound	7857	+0.009	+1.1	Advances	1,913	Declines	1,017	Unchanged	142	High/Low	7.81	+3.1	
Federal Funds	2.00-2.25	2.00-2.25		Canada Dollar	1,321.2	-0.070	-5.3	New highs	75	New lows	85	Total vol	2,536,753,149	Up vol	1,941,118,226	Down vol	571,499,720
3month Tblills	2.33	2.39		China Yuan	6,883.3	-0.756	-1.10	Bank Index	332.67	326.40	328.47	+1.62	1905.59	189.32	1905.59	+16.67	
6month Tblills	2.56	2.52		Euro Euro	8817	-0.025	-2.8	S&P 500	2800.18	2773.38	2790.37	+30.20	1244.34	1231.92	1238.63	+13.44	
10yr Tblill	2.99	3.07		Japan Yen	113.69	+0.8	+0.7	Interapp	1703	+14	BChlp	109.13	+184	Income	11.77		
30yr Tblill	3.27	3.32		Mexico Peso	20,380.7	-0.166	-0.8	Price Funds	1703	+14	BChlp	109.13	+184	Income	11.77		
3month LIBOR	2.74	2.69		Switzerland Franc	9989	-0.009	-0.9	Price Funds	1703	+14	BChlp	109.13	+184	Income	11.77		