

# WINNERS & LOSERS

WEEKLY PERFORMANCE OF PUERTO RICO STOCKS

## WINNERS FOR THE WEEK

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 8/29	PRICE 9/5	CHANGE
Evertec Inc.	EVTC	20.64	26.33	23.03	23.10	0.07
First BanCorp	FBP	4.36	6.63	5.21	5.23	0.02

## LOSERS FOR THE WEEK

STOCK	SYMBOL	52-wk LOW	52-wk HIGH	PRICE 8/29	PRICE 9/5	CHANGE
Doral Financial Corp.	DRL	1.87	24.74	6.71	6.11	-0.60
Popular Inc.	BPOP	23.97	34.95	30.96	30.50	-0.46
Triple-S Management Corp.	GTS	14.70	20.55	19.14	18.98	-0.16
OFG Bancorp	OFG	14.05	19.10	15.90	15.76	-0.14

## WEEKLY COMMENT ON PUERTO RICO STOCKS

Despite a weaker-than-expected jobs report, U.S. stocks ended up higher last Friday, with Standard & Poor's (S&P) 500 Index establishing a new closing high. Although stocks had traded lower following the release of the jobs report, major indexes turned positive by early Friday afternoon led by utilities stocks. Investors took the jobs report, which showed fewer U.S. jobs were created in August than expected, as a sign the Federal Reserve won't begin raising interest rates anytime soon. The S&P utilities index gained 1.2% as investors turned to the group for its income appeal, with bond yields falling in response to the payrolls data. Power generator NRG Energy Inc. rose 1.9% to \$30.89, and XCEL Energy Inc. advanced 1.9% to \$32.48. Shares of Apple Inc. edged up 0.9% to \$98.97 after the company said it planned to add new security measures to its iCloud service, which was recently attacked by hackers. For the week, the Dow Jones Industrial Average and the S&P 500 gained 0.2% to 17,137.36 and 2,007.71, respectively. The Nasdaq Composite Index rose 0.6% to 4,582.90.

On the local front, the Government Development Bank's Puerto Rico Stock Index (PRSI) ended last week in the red, with four out of six components reporting weekly losses. For the week, the PRSI lost 15.64, or 0.71%, to close at 2,177.52. Leading the list of gainers last week was First BanCorp, which added two cents, or 0.38%, to close at \$5.23. It was followed by Evertec Inc., which edged up seven cents, or 0.30%, to close at \$23.10. Topping last week's list of non-gainers was Doral Financial Corp., which erased 60 cents, or 8.94%, to close at \$6.11. It was followed by Popular Inc., which edged down 46 cents, or 1.49%, to close at \$30.50. Shares of OFG Bancorp lost 14 cents, or 0.88%, to close at \$15.76. Triple-S Management Corp. skidded 16 cents, or 0.84%, to close at \$18.98.

By José L. Carmona  
Senior Reporter, Banking & Finance  
CARIBBEAN BUSINESS

# WEF report: Government remains main obstacle

'Must remove its fist from the private sector's face'

BY JOSÉ L. CARMONA  
josec@caribbeanbusiness.pr

As a result of Puerto Rico's pressing fiscal and economic problems, the government can no longer play its paternalistic role and conditions must be created to allow the private sector to become the island's main economic engine.

That was the main message conveyed by representatives of the island's top private-sector organizations last week, following the release of the 2014 World Economic Forum (WEF) Global Competitiveness Index report on Puerto Rico.

José Vázquez, president-elect of the Puerto Rico Chamber of Commerce; Ricardo Cardona, president of the Puerto Rico Products Association; and Carlos Rivera, vice president of the Puerto Rico Manufacturers Association, participated in a roundtable to discuss the results of the WEF report on Puerto Rico.

Ingrid Rivera, executive director of the Puerto Rico Tourism Co., represented the government at the roundtable hosted by the Puerto Rico International Competitiveness Institute and the Puerto Rico 3000 initiative.

### PRIVATE SECTOR NEEDS 'FERTILE GROUND'

Wishing the government would remove "its fist from the private sector's face," Vázquez said the only thing the private sector needs to grow is "fertile ground."

"It would help us tremendously if we can at least reduce that sense of fear and uncertainty that permeates with respect to excessive tax regulations, high tax rates, restrictive labor regulations and the high cost of energy that drag our competitiveness down," Vázquez said. "We must regain the desire to invest in our businesses, to take risks."

For Cardona, the government must reduce its workforce and become more efficient through employee training to deliver better services.

"I believe that slowly but surely, we have begun to learn to work

together and have fewer protagonists role playing by the organizations and have started to put Puerto Rico first," Cardona said. "This is something the private sector and non-government organizations must do."

For the Manufacturers Association's Rivera, there must be a single vision for Puerto Rico, one that everyone—from children to politicians and small merchants—must be clear about: where the island is headed collectively.

"We must also integrate our efforts without protagonist roles. Once we achieve these two goals and start doing positive things, Puerto Rico will definitely change in a very radical way for the better," Rivera said.

For the Puerto Rico Tourism Co.'s Rivera, the challenges pointed out in the WEF report are "areas of opportunity" that can't be resolved overnight.

"Nevertheless, we are moving in the right direction, with a one-stop shop to obtain government permits in 24 hours, for example," Rivera said. "The energy and tax reforms are extremely important, and this administration is focused on achieving these."

### WEF REPORT

This year, Puerto Rico slid on the global ranking of the world's most competitive economies, scoring 32 out of 144 countries, but still outpacing all other countries in Latin America and the Caribbean. It was the third year in a row that the island economy was ranked as the most competitive in the region.

However, it was the first decline after five straight year of positive movement on the WEF Global Competitiveness report. Puerto Rico ranked 30 in 2013, 31 in 2012, 35 in 2011, 41 in 2010, and 42 in 2009.

Puerto Rico slid from 54 to 68 overall in the basic requirements index, which measures four of the WEF's 12 defined pillars of competitiveness: institutions, infrastructure, macroeconomic environment, and health and primary education. ■