

# News paper summary



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U. S. Corn Farmers Face a Cash Crunch Growing fears about corn prices dropping continue to haunt U. S. farmers. Prices have fell by 30% for three months in a row. The prices are a benefit to companies that depend on feed, and consumers particularly in nations where the cost of bread accounts for a huge spending outlay. Farmers doubt whether they will be able to cover their costs. Demand for farm equipment has since decreased attributing from the fact farmers dialing back spending. Despite farmers experiencing low profits, investors are not apprehensive because farmers carry small debts. Analysts predict farmers could recover if a dry spell hits the Midwest, but if promising climate endures, farmers will continue counting their losses. They further project the net U. S. farm income to fall by 27% to \$95. 8 billion.

#### Investor Retreat From Junk Bonds

The article concentrates on investors who are selling jumble bonds resulting from fears of fresh interest rates and geopolitical turmoil. Borrowers have reacted by delaying debt sales and negating scheduled deals. Investors doubt adding to their holdings resulting from the Federal Reserve winding down the monthly stimulus. According to analysts, investors are not being compensated the risk in high-yield bonds effectively. They further state that investors sell the high-yield bonds because the look expensive and their performance have been weakening. Investors have responded by steering clear of high-yield exchange-traded funds because of rising worries about how they will fare in a slump.

#### Wall Street a Shine to Argentine Bonds

Financial firms are planning an exit strategy for Argentina, which is involved in a legal stalemate with some hedge-funds bondholders that intend to rug the country into default. Argentina, Wall Street best client for the past 10

years, is receiving several deals from banks, but none has won the approval of Argentine officials. Banks stand to benefit greatly at a time when revenue is under pressure from soft economic growth, stiffer rules, and regulatory review. Negotiations with banks are on a standstill following a ruling by the U. S. Supreme Court that the country might be on the danger of breaking a clause in its bonds that capacities equal treatment to all bondholders. The officials refused to negotiate with the holdouts claiming they refused to accept the reformatations that most bondholders had agreed to. The country faces \$14. 5 billion claim from bondholders, but the country project to raise billions of dollars through bonds to repay the holdouts.

#### AbbVie's Plans Hinge on Humira

AbbVie seeks to expand its stock in a deal worth \$54 billion by acquiring Shire PLC. The firm compares its savings in the future with those Humira, the world's top seller drug company. FactSet predicts Humira to generate \$70 billion depending on timing of patent expirations and the success of rival drugs. Analysts are dump on the matter, and they project earnings to rise from 66 cents to 67 cents a share. AbbVie could save billions if U. S. politicians respond positively towards the proposed tax inversion. If the tax advantages are reversed, the foregone tax benefit could be \$5 billion to \$8 billion, and the decision will cost AbbVie the equivalent of about eight months of estimated Humira sales during the year.

#### Barclays Files to Dismiss New York Attorney General's Dark-Pool Complaint

Barclays Bank was back in the decks challenging the prosecutor for using ambiguous information and weak facts to back his allegation that the bank lied to its clients concerning high-speed traders in its dark pool. The bank said its clients were aware that its dark pool created room for trading by

high-speed firms. It further states that the lawsuit fails to identify fraud and victims thus no actual harm was caused. The suit has caused several clients to pull away from the pool hence leading to decreased trading volume. It further defends itself by stating the attorney general is going surpassing its mandate by trying to control dark pools, and he failed to include noteworthy details from documents mentioned in the complaint.

#### Morgan Stanley to Pay \$275 Million in Mortgage Bond Settlement

The article essences on Morgan Stanley agreement to compensate \$275 million to investors with the intention of settling allegations it misled them in a pair of mortgage bonds. The firm has reduced the risk-weighted assets within fixed income and commodities, and it continues to make progress on strengthening its profitability. However, it continues to rely heavily on capital market businesses than many of its peers hence losing a lot of creditor confidence. The firm is happy because of settling the matter having reached an agreement on the pact with the SEC. Earlier, SEC accused the firm of underreporting the delinquency of the loans backing the mortgage bonds in a time the country was facing a financial crisis thus denying investors the necessary facts needed to make informed investment decisions.

#### Works cited

##### Articles

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