Entertainment Stocks had wild ride in 2016

LOS ANGELES: Merger and re-merger mania, worries about cord-cutting, concerns about the strong dollar overseas and fretting about the erosion of TV's traditional advertising market all contributed to an eventful year for media and entertainment stocks. Most of showbiz's core conglomS finished out the year on an up note-with Viacom, Lionsgate and AMC Networks being notable exceptions. The Dow index was up 13.4% for the year, thanks in part to a strong run that began in early November. The Nasdaq gained 7.5% for the year while the S&P 500 spiked 9.5%.

Time Warner was the big winner for the year with a 49% boost coming as AT&T surprised the biz with its aggressive and whirlwind courtship that ended with the $85.4 billion merger announcement on Oct. 22. But Time Warner shares were buoyant for most of the year before AT&T came into the picture.

CBS also benefitted from the market speculation about deals afoot, coupled with strong earnings and momentum demonstrated for its CBS All Access streaming service. The drama surrounding the fate of CBS controlling shareholder Sumner Redstone's empire took a toll on the stock in early February but it began to recover the following month.

CBS shares never sagged again despite the potential for the re-merger with its ailing corporate sibling Viacom-a flirtation that was called off by the Redstone clan earlier this month. Like other media congloms, CBS began a steady climb in early November that padded its double-digit year-to-date gain.

Viacom, on the other hand, felt the pinch of all the turmoil surrounding the management of the company. Shares were down more than 20% in early February as the Redstone-related pressure began to heat up. The stock felt the seesaw effect through the summer and fall but it has held mostly steady since late September.

Disney's bumpy year

Disney had a bumpy year after a big "Star Wars: The Force Awakens" run-up in the second half of 2015. Concerns about subscriber losses and mounting costs at ESPN dogged the stock for most of the summer and fall, but Disney managed to stay essentially flat for the year after a jump in early December as the release of "Rogue One: A Star Wars Story" approached.

Comcast, on the other hand, rode positive news for its cable unit, growth at NBCUniversal and the acquisition of DreamWorks Animation to a steady upward march for most of the year, with the exception of a brief dip just after the Time Warner-AT&T union was unveiled.

Lionsgate's ho-hum year at the box office took a toll on the stock but the closing of its acquisition of Starz gave it a late-year bounce to cut its year-to-date loss down from 19% in early December to about 14% as of Dec. 30.

AMC Networks was stalked throughout the year by concerns about its dependence on "The Walking Dead" franchise as an earnings driver. Although the AMC drama remains TV's highest-rated scripted series in the adults 18-49 demo, viewership declines after several seasons of explosive growth raised red flags for Wall Street. The sharply lower ratings for season two of the spinoff series "Fear the Walking Dead" also were a bad omen for AMC. — Reuters

NEW JERSEY: In this Wednesday, Oct 26, 2016, file photo, an attendant at a Shell gas station pumps gas for a motorist in Hasbrouck Height. — AP

Energy companies and banks led rally on S&P 500 in 2016

How the 11 industry sectors in the S&P 500

NEW YORK: In 2016, the Standard & Poor's 500 index jumped 9.5 percent and bounced back from a flat result the year before, and energy companies and banks made some of the largest gains as investors bet on a stronger economy that will lead to more lending and spending. Health care companies slumped as drug prices came under intense scrutiny. Here's a look at how the 11 industry sectors in the S&P 500 fared for the year:

ENERGY: Up 23.7 percent

At the beginning of the year it looked like 2016 would be another painful one for energy companies. In February oil traded at $26 a barrel, down from more than $100 in mid-2014. But over the next few months oil prices rose gradually rose above $50, which reduced the scope of their losses. Late in the year, OPEC and other oil producers agreed to cut their production in 2017. The price of US crude finished the year up 45 percent. Oil and gas company Oneok more than doubled in value for the year while Chevron had its best year since 1989.

FINANCIALS: Up 20.1 percent

Banks and other financial companies sank early in 2016 as investors worried about slowing global economic growth. After that they struggled as the Federal Reserve continually held off on raising interest rates. But the sector caught fire leading up to the election and afterward, as investors felt banks will be major beneficiaries of a Donald Trump administration. Banks stand to benefit from increased government spending and borrowing connected to greater spending on infrastructure, as well as faster economic growth, looser regulations and rising interest rates. Huge gains in the weeks after the election took bank stocks to their highest levels since 2008.

INDUSTRIALS: Up 17.8 percent

Companies that make construction equipment, engines and aircraft also made large gains as the U.S. economy picked up steam. Investors bet that the election of Trump, and a Republican Congress that could approve his spending proposals, will lead to more spending on construction, manufacturing, and transportation. The sector, which includes companies like Boeing and General Electric, reached all-time highs at the end of the year. Caterpillar was the best-performing Dow Jones industrial average component in 2016 while farm equipment maker Deere rose to an all-time high.

TELECOMMUNICATIONS: Up 16.1 percent

Phone company stocks surged early in 2016 as the market got off to a historically bad start. Investors bought those stocks, which are often compared to bonds because of their large dividend yields and relative stability. Low bond yields have helped make the small sector attractive as well, drawing in investors who sought income. Later the stocks gradually lost steam as investors saw signs the economy was picking up and hoped for faster growth. Thanks to AT&T's biggest gain since 2006, the stocks ultimately bounced back from two years of declines.

MATERIALS: Up 14.1 percent

Companies that make materials like packaging, specialty chemicals and mine for metals also rebounded, partly because precious metals prices bounced back in 2016 after several years of losses. Copper, which is linked to expectations for economic growth because of its uses in construction, climbed 17 percent. Higher metals prices led to big gains for gold and copper producer Freeport-McMoran, gold miner Newmont Mining and steel maker Nucor. Building materials companies like Martin Marietta also climbed.

UTILITIES: Up 12.2 percent

With government bond yields at their lowest levels in many years and investors nervous about the state of the economy, utility companies were in the unusual position of leading the market in early 2016. Electric and gas utilities were a safe harbor for worried investors. But as confidence in the economy picked up, they lost that leadership position. Overall they recovered the previous year's losses and rose a bit more than the S&P 500.

TECHNOLOGY: Up 12 percent

Technology companies rose for the eighth year in a row. The stocks surged this summer as the U.S. economy appeared to gain strength, while critical overseas markets also looked healthier. The technology sector didn't do as well following the election, however, as investors wondered if Trump's trade and immigration policies and his inflammatory rhetoric would hurt their sales overseas. Graphics processor company Nvidia more than tripled in value and performed better than any other S&P 500 stock, while Hewlett-Packard's breakup left two stocks that both did well.

CONSUMER DISCRETIONARY: Up 4.3 percent

Consumer discretionary stocks, including retailers, media companies and other companies that rely on consumer spending, rose for the eighth year in a row as shoppers remained a critical part of the still-growing US economy. But the gains were smaller than last year. Athletic apparel makers Nike and Under Armour both slumped as their competition appeared to grow more costly, while fallout from food safety scares continued to hurt Chipotle Mexican Grill.

CONSUMER STAPLES: Up 2.6 percent

Companies that make and sell common household goods are generally considered a safe investment. But in 2016, investors preferred stocks that will benefit more from faster economic growth. The stocks did rise for the eighth consecutive year, however. Food distributor Sysco climbed 35 percent after it acquired European competitor Brakes, and Wal-Mart made a partial recovery after a 27-percent drop last year.

REAL ESTATE: Up less than 0.1 percent

Real estate has been one of the strongest-performing asset classes in recent years. That's been good news for real estate investment trusts, which were split off as a separate sector this year. Investors poured money into REITs starting in February, when the market reached its recent lows. But starting in the summer, faster growth in the U.S. economy made other types of investments more appealing.

HEALTH CARE: Down 4.4 percent.

Drug makers were pummeled in 2016 as their pricing strategies came under repeated criticism and Congressional scrutiny. Investors wondered if the government will intervene to reduce those hikes. Biotechnology companies like Vertex and Alexion were hit especially hard. Endo slumped thanks to legal costs and weak earnings and Mylan fell during a controversy over the rising price of its EpiPen allergy shot. Some insurance companies, including UnitedHealth and Aetna, traded higher. One reason is that Wall Street thinks the possible repeal of the Affordable Care Act will strengthen their profits. Overall, health care stocks fell for the first time since 2008. — AP

Brave investors rake in big returns on Brazil stocks

SAO PAULO: It was a surprisingly great year for investors brave enough to put money in Brazilian stocks, even though the country spent 2016 floundering through its worst recession in a century and rocked by political instability. Paradoxically, this year of economic crisis, presidential impeachment and unending corruption scandals in Latin America's largest economy was also a boom year for the Sao Paulo stock exchange.

The Ibovespa index gained 38.9 percent on the year, its first year in the black since 2012. That happened despite the political turbulence caused by the impeachment of president Dilma Rousseff, a massive corruption scandal at state oil giant Petrobras, and the economy shrinking an estimated 3.49 percent-its second year of deep recession.

The market may have gotten a confidence boost from the resolution of the drawn-out impeachment drama, which ended with the installation of center-right President Michel Temer in August. But more importantly, analysts say, signs of a rebound for Brazil's key commodity exports gave companies like Petrobras and mining giant Vale a major shot in the arm. Petrobras shares gained 121.9 percent on the year. Shares in Vale, the world's largest iron ore producer, rose 129 percent. And shares in steel producer Gerdau soared 189.2 percent.

"The stock market and the Brazilian real took off in 2016 compared to other world markets. I don't think that has to do with domestic matters like the political crisis or impeachment. That played a part, but it's really about commodity prices, especially oil," said Andre Perfeito, chief economist at consulting firm Gradual Investimentos.

"The Brazilian market is very sensitive to external variations because it's very large. The Brent crude price rose by 50 percent in 2016. If you compare its progress with the Sao Paulo stock market's gains in dollars, you'll see the two graphs are very similar."

Uncertain 2017

Brazil's currency also registered big gains. After hitting a record low on January 21 — 4.166 to the dollar-it finished trading Thursday at 3.252, up more than 20 percent on the year. That made it the best-performing currency against the dollar in a worldwide basket followed by Gradual Investimentos. But the firm warned the trend could be reversed in 2017.

"The average projection for end-2017 is 3.5 reals to the dollar in the (Brazilian central bank's) Focus report. And the consensus among international analysts is that the arrival of (US President-elect Donald) Trump should translate into a stronger dollar because of the US Federal Reserve's reaction to his fiscal ambitions," said the consulting firm.

Looking inward, Brazil is facing a tricky year, too. Markets may have breathed a sigh of relief when Temer took over from Rousseff, ending months of instability. Temer quickly launched austerity reforms meant to get the troubled economy back on track. But his own government was soon caught up in the Petrobras scandal, which has felled several ministers accused of playing a part in the multibillion-dollar fleecing of the state oil company.

The ongoing investigation appears to pose a growing threat to Temer. "There's a certain optimism with the new government. But the reforms are still at a very early stage, and the political question is still very delicate because of Operation Carwash," the Petrobras investigation, said Perfeito. Brazil looks poised to finally exit recession in 2017. But it is still a long way from the emerging markets boom of the 2000s, when it was an investor darling thanks to a "commodity super-cycle" that fueled breakneck growth. The government is forecasting the economy will grow 0.8 percent next year. Economists are predicting just 0.5 percent, according to the latest survey by the central bank. — AFP

HONULULU: In this June 18, 2015 file photo, an ahi tuna sits packed in ice waiting to be auctioned at the United Fishing Agency. — AP

US issuing new rules to curb illegal fishing, seafood fraud

PORTLAND: The Obama administration is issuing new rules it says will crack down on illegal fishing and seafood fraud by preventing unverifiable fish products from entering the US market. The new protections are called the Seafood Import Monitoring Program, and they are designed to stop illegally fished and intentionally misidentified seafood from getting into stores and restaurants by way of imported fish.

The rules will require seafood importers to report information and maintain records about the harvest and chain of custody of fish, officials with the National Oceanic and Atmospheric Administration said. The program will start by focusing on "priority species" that are especially vulnerable to illegal fishing, such as popular food fish like tuna, swordfish, Atlantic cod and grouper. The government hopes eventually to broaden the program out to include all fish species, NOAA officials said.

"It sends an important message to the international seafood community that if you are open and transparent about the seafood you catch and sell across the supply chain, then the US markets are open for your business," said Catherine Novelli, a State Department undersecretary. Estimates of the economic damage of illegal fishing vary, but conservation group Oceana reported in a 2013 study that illegal fishing causes more than $10 billion in global losses every year. Some other estimates are higher.

The rules will help make sure that importers are able to supply "the who, what, why, when, how of fishing," said Beth Lowell, a senior campaign director with Oceana. "For the first time ever, some imported species will be held to the same standard that domestic wild caught species are," Lowell said. The new rules are an outgrowth of a presidential task force established in June 2014 to crack down on illegal, unreported and unregulated fishing and seafood fraud. NOAA officials said the new requirements will allow regulators to trace seafood from its point of entry into the US to the point when it was harvested from the sea.

The information submitted by importers to comply with the rules will be kept confidential, and there is not a consumer labeling component. The National Marine Fisheries Service, an arm of the National Oceanic and Atmospheric Administration, will administer the program, NOAA officials said. The rules go on the books Jan. 9 and compliance from importers is expected by Jan 1, 2018. Shrimp and abalone are included in the plan, but implementation for those species will come later because of gaps in availability of information, NOAA officials said. —AP

Oil down, ends year with biggest gain since 2009

NEW YORK: Oil prices settled slightly lower on Friday, the year's last trading day, but attained their biggest annual gain since 2009, after OPEC and partners agreed to cut output to reduce a supply overhang that has depressed prices for two years. A two-rig rise in the oil rig count in the United States, the ninth weekly increase in a row, as reported by oilfield services provider Baker Hughes Inc, added to bearish sentiments. But the total count of 525 for the week, the last for the year, was still below last year's level by 11 rigs.

US benchmark West Texas Intermediate (WTI) crude futures were down 5 cents, or 0.1 percent, at $53.72 a barrel, while Brent fell 3 cents, or 0.1 percent, to $56.82. "Some profit-taking ... very light trading - a lot of people have already done what they needed to do for the year." said Elaine Levin, president of Powerhouse, an energy-specialized commodities broker in Washington. Brent rose 52 percent this year and WTI climbed around 45 percent, the largest annual gains since 2009, when the benchmarks rose 78 percent and 71 percent respectively.

Oil prices have slumped since the summer of 2014 from above $100 a barrel. The price rout, due to an oversupply thanks in part to the US shale oil revolution, was accentuated later that year when Saudi Arabia rejected any deal by the Organization of the Petroleum Exporting Countries (OPEC) to cut output and instead fought for market share. But a historic OPEC agreement struck over three months from September that will reduce production from Jan 1, marked a return to the 13-country group's old objective of defending prices. — Reuters