

MONDAY MORNING: THE URGE TO MERGE

*In my eyes, indisposed
In disguises no one knows
Hides the face, lies the snake
The sun in my disgrace*

– excerpt, Black Hole Sun by Soundgarden

Looks like this week is all about mergers. Enjoy this simulation on replay several times while listening to Soundgarden's Black Hole Sun while we dig in.

Roll Call

- Yahoo's vulnerability brings all the nasty suitors to the yard (MarketWatch) – If Daily Mail wins, Yahoo will be one massive tabloid, and Tumblr will become a cesspool. Bidding's open until next Monday; what other potential buyers may emerge this week?
- Big names in hotels to join after shareholders approve Marriott offer for Starwood Hotels (UPI) – The vote came last Friday after Chinese insurance holding group Anbang withdrew from bidding.
- Merger of beer producers SABMiller and A-B InBev still in holding pattern (Milwaukee Business Journal)

- The deal is languishing for approval by South Africa's Competition Commission. Part of SABMiller was once South African Brewing.
- UK balks at Hutchins and Telefonica tie up (Reuters)
 - Cousins across the pond better watch out; this proposed merger, even if shot down by regulators, portends another telecom marriage ahead. With UK's Competition and Markets Authority recommending a spin-off of either Three Mobile or O2 mobile network business in order to approve the deal, a divestment of one of these may happen anyhow.

The Yahoo and Hutchins-Telefonica deals bear scrutiny for their potential for mass surveillance depending on how the proposals play out. Yahoo could end up operating under UK laws, and some part(s) of either Hutchins or Telefonica could end up with a non-UK or non-EU partner.

All of these proposed mergers were in the works before the Panama Papers were released; none of them appear to be motivated solely by tax reduction, but instead by economies of scale and weak market conditions. It'd be nice if executives of all companies raking in profits realized that failing to pay their hourly workers well has a direct impact on overall market demand. Their businesses could retain autonomy instead of spending time and money on

M&A they could spend on employees' wages.

Speaking of Panama Papers: revelations still shaping policy and politics

- U.S. Treasury still working on tax rules to reduce tax avoidance and evasion by offshoring (Bloomberg) – Many large holding company structures use intra-group loans to move money out of the U.S. The new rules which may limit these moves may affect not only U.S. corporations but foreign corporations with subsidiaries in the U.S.
- UK's PM David Cameron facing heat about tax avoidance strategies used by his family (Scotsman) – Strategies included a tax-free gift of 200,000 pounds to Cameron from his mother. He is supposed to appear before Parliament for questioning.
- Mossack Fonseca still getting hacked due to poor security response (The Register) – At what point do we ask if MossFon is really just a honeypot, given continued insufficient security?

Just for fun: Rockets!

If you didn't watch SpaceX's Falcon 9 launch on

Friday, you really ought to make some time to do so for entertainment purposes. The first stage of the rocket returned successfully for reused, nailing a landing on a drone ship – a DRONE SHIP AT SEA. I missed the fact the landing pad was a drone vessel when I watched the first attempts. It's a really narrow thing, landing on a speck of a pad in the ocean which is pushed around a bit by ocean currents in spite of the drone ship's programming and/or remote control. (I would love to know who named the drone ship, 'Of Course I Still Love You' and why...)

What's similarly remarkable is the SpaceX team – their excitement is off the map, rather like watching a K-12 FIRST LEGO robotics competition than an aeronautics business at work. Note in the video the team's reaction just seconds (about 27:30) to the first stage return landing; it's as if they KNEW they had it nailed before it happened. Wouldn't you love to know just how they knew?

Also for grins: compare SpaceX's landing on Friday (start at 23:48 into video) to competitor Blue Origin's recent rocket return. Blue Origin is owned by Amazon's Jeff Bezos; the return is so smooth and slick, but it's in the west Texas desert where potential disruption of the landing has been minimized. Important to keep in mind that SpaceX actually delivered a payload after reaching orbit, where Blue Origin is still limited to sub-orbit elevation.

With that our week's been launched – let's go!