

BANKING/ FINANCE

Facebook Plunges After Slowing Growth Draws Analyst Downgrades



JASON DOY

Facebook “will now need to increase its execution around stories engagement and ad innovation.”

by Jeran Wittenstein and Moxy Ying

A 20 percent plunge in Facebook Inc.’s shares after the close of normal U.S. trading hours Wednesday, has led to target price cuts from analysts at Morgan Stanley and RBC Capital Markets. Yet, neither of them have lost faith in the social-media giant.

“Facebook has shown an ability to innovate and execute through previous challenges,” Morgan Stanley analyst Brian Nowak wrote in a note on Thursday. “We still believe FB has among the leading ROI of any ad platform, which in our view is important to advertiser allocation decisions.”

Still, not all analysts are as confident, and two downgraded the stock as of early Thursday morning. UBS analyst Eric Sheridan cut his rating to neutral from buy while Raymond James’s Aaron Kessler moved it to outperform from strong buy.

Here is a round up of analyst commentaries following the results:

Morgan Stanley, Brian Nowak

One of the “most notable” challenges for Facebook is the company’s decision to push core users to use “stories” format at a faster rate. But the fact is, that format is still monetizing at “materially lower” rates than News Feed.

Facebook “will now need to increase its execution around stories engagement and ad innovation.”

The analyst reiterated the stock’s overweight rating, while cutting his price target to \$185 from \$215. Facebook’s share price fell to \$173.50 in post-market trading Wednesday.

RBC Capital Markets, Mark Mahaney

Fundamentals weakened in the second quarter, with revenue growth decelerating and operating margin falling.

But the analyst says “don’t unfriend FB now,” noting that Facebook’s guidance on revenue and margin may be “overly conservative.”

“FB still owns two of the largest media assets in the world and the two largest messaging assets in the world,” Mahaney says. “Our checks and management commentary suggest no material change in marketer views of the at-

tractiveness of FB platforms. This likely constitutes One of the Best Entry Points you can get on FB.”

Mahaney has an outperform rating on the shares and cut his price target to \$225 from \$250.

Baird, Colin Sebastian

“Clearly, Facebook is more focused this year on strengthening content quality and platform security, which likely accounts for part of the deceleration in revenues and user growth,” the analyst says. “Stronger Instagram performance (according to our checks) was not enough to offset some of the core app headwinds.”

Sebastian has an outperform rating.

Jefferies, Brent Thill

“Fundamentals remain intact, and we believe that there was no incentive for a blowout quarter in light of recent news,” according to Thill. “We continue to believe that Instagram is a catalyst for ’18 & ’19 as users continue to flock to the platform and upside to advertiser demand continues.”

Given the stock’s gains this year, “results were not what was needed to continue momentum.”

Thill recommends buying the stock.

GBH Insights, Daniel Ives

“We ultimately believe the advertising revenues and underlying MAU/DAU metrics were ‘good enough’ and show the worries of a massive fundamental and user deterioration at Facebook post Cambridge was more bark than bite.”

“So far the fundamental damage to the Facebook platform has been very contained in our opinion and is generally better than feared.”

Ives has a highly attractive rating on the shares.

CICC, He Wei

The analyst expects compliance costs to rise as global regulators tighten rules targeting technology giants.

“With its strong management execution, the company remains one of the best online ad platforms in the mid-to-long term.”

Jeran Wittenstein and Moxy Ying report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **Zoning Workshop** on **Monday, August 6, 2018 at 6:00 PM**. This meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, FL 33166** to consider the following public hearing application:

HEARING NO.: 18-08-DOR-03

APPLICANT: Larry Rojas (“The Applicant”)

PROJECT NAME: Home2 Doral

PROJECT OWNER: Chris Desai

LOCATION: 8975 NW 25th Street

FOLIO NUMBER: 35-3028-023-0210

SIZE OF PROPERTY: 1.909± Acres

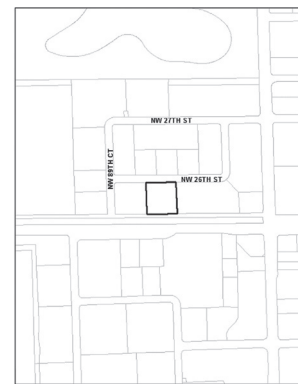
PRESENT LAND USE: Industrial

PRESENT ZONING: Industrial Commercial

REQUEST: The Applicant, on behalf of Chris Desai, is proposing to develop the property with a new 6-story, 135-room hotel.

LEGAL DESCRIPTION: MIAMI INTERNATIONAL PARKWAY AMD PB 153-37 T-19992 LOT 7-A LESS E25.47FT & LOT 8 LESS W99.4FT BLK 3 PER W/P #20594 LOT SIZE 83200 SQFT 0170 0190 0200 0220 0230-0280 F/A/U 30-3028-023-0210

Location Map



ZONING WORKSHOP PROCESS: The zoning workshop consists of two sessions:

1. **First Session.** The first session of a zoning workshop shall provide a forum for members of the public to learn about proposed developments within the city. Developments may be presented to the public simultaneously, in several locations within the meeting site. During this session, members of the public are encouraged to ask questions and to provide feedback to the applicant about the proposed development. The applicant shall provide visual depictions, such as renderings, drawings, pictures, and the location of the proposed development. In addition, representatives of the applicant shall be available to answer questions that members of the public may have about the proposed development. The members of the City Council shall not be present during the first session of the zoning workshop. No meeting shall start before 6:00 PM Eastern Standard Time and shall take place at a time and date to maximize public participation.

2. **Second Session.** The second session of a zoning workshop shall provide a forum for the City Council to learn about the proposed developments discussed at the first session of the zoning workshop. No quorum requirement shall apply. Developments shall be presented by the applicants sequentially, one at a time, for the City Council’s review and comment. The applicant shall again present visual depictions of the proposed development. In addition, the applicant shall be available to answer any questions that members of the City Council may have about the proposed development.

No quorum requirement shall apply nor will any vote on any project be taken, but roll call will be taken, as it is a publicly noticed meeting.

Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, FL 33166**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **8401 NW 53rd Terrace, Doral, FL 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, CMC
City Clerk
City of Doral

7/27

18-64/0000335064M