Week in Review **Amazon**

Corporate week in review, September 8

Amazon breaks $1tn; Nike, US shale, Twitter and WPP



SEPTEMBER 7, 2018

A round-up of some of the week's most significant corporate events and news stories.

Amazon joins the $1tn club

Amazon broke through the $1tn market capitalisation level this week, capping an extraordinary surge in which the ecommerce group's stock has more than doubled in the past 12 months.

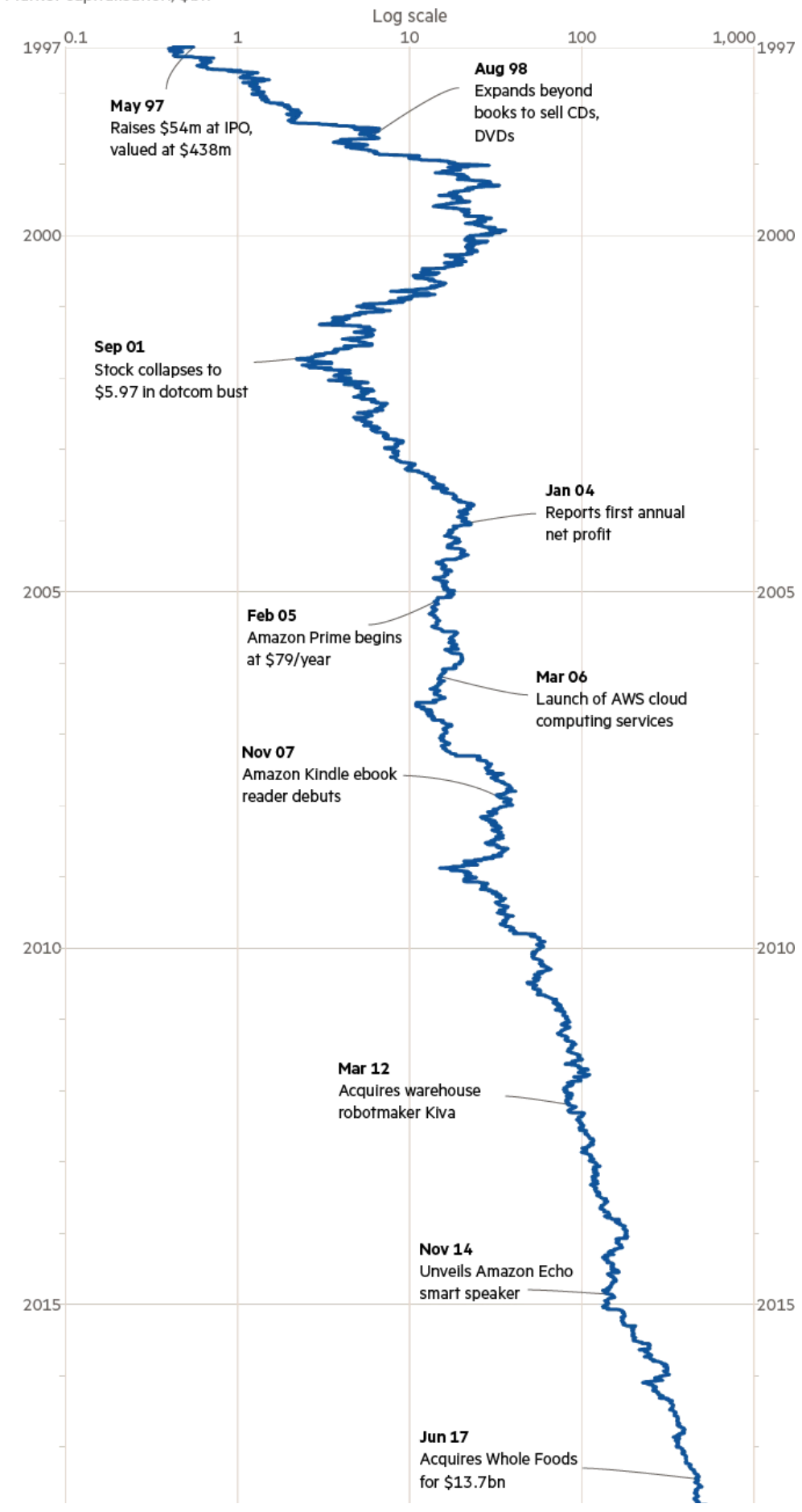
Although it fell back from the mark in subsequent trading, the group joined exclusive company: Apple was the first to break the barrier last month. "I've made billions of dollars of failures," Amazon founder Jeff Bezos, now the world's richest person, said in 2014.

Feedback

Feedback

Amazon hits a trillion

Market capitalisation, $bn



Feedback



Source: Bloomberg
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"Experiments are by their very nature prone to failure. But a few big successes compensate for dozens and dozens of things that didn't work," said Mr Bezos, who founded the group in his garage in Washington state in 1994.

Nike rolls dice with controversial Kaepernick



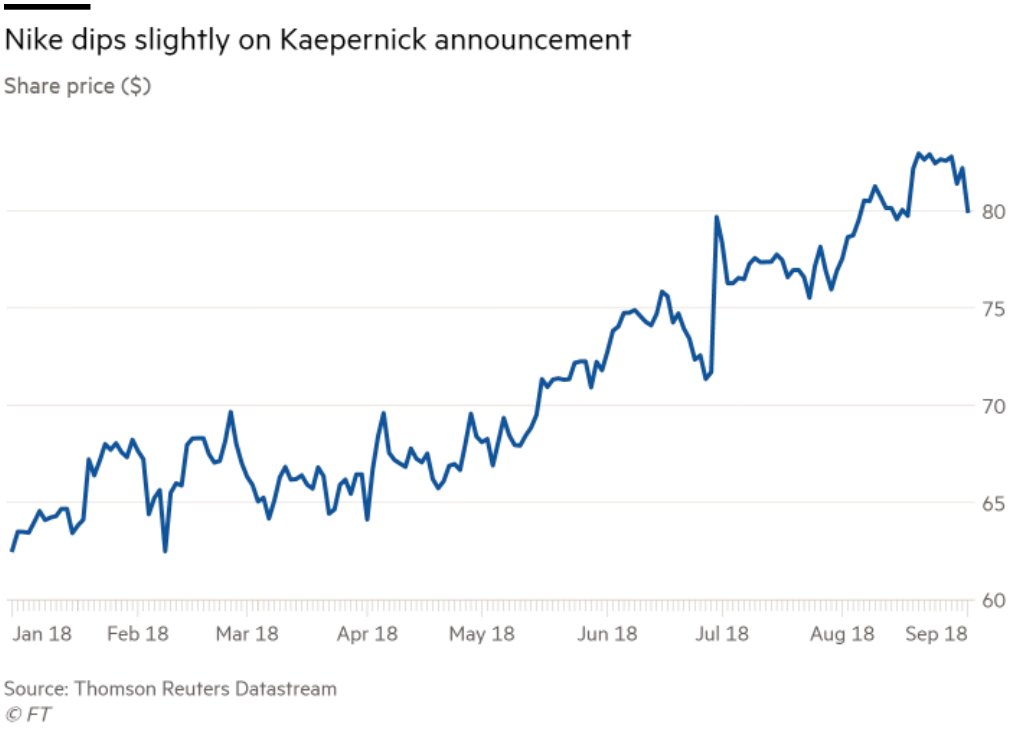
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Nike was confronted with a consumer backlash, a sell-off in its shares and an attack from Donald Trump, the US president, after the sportswear maker launched an ad campaign featuring the controversial American footballer Colin Kaepernick.

Feedback

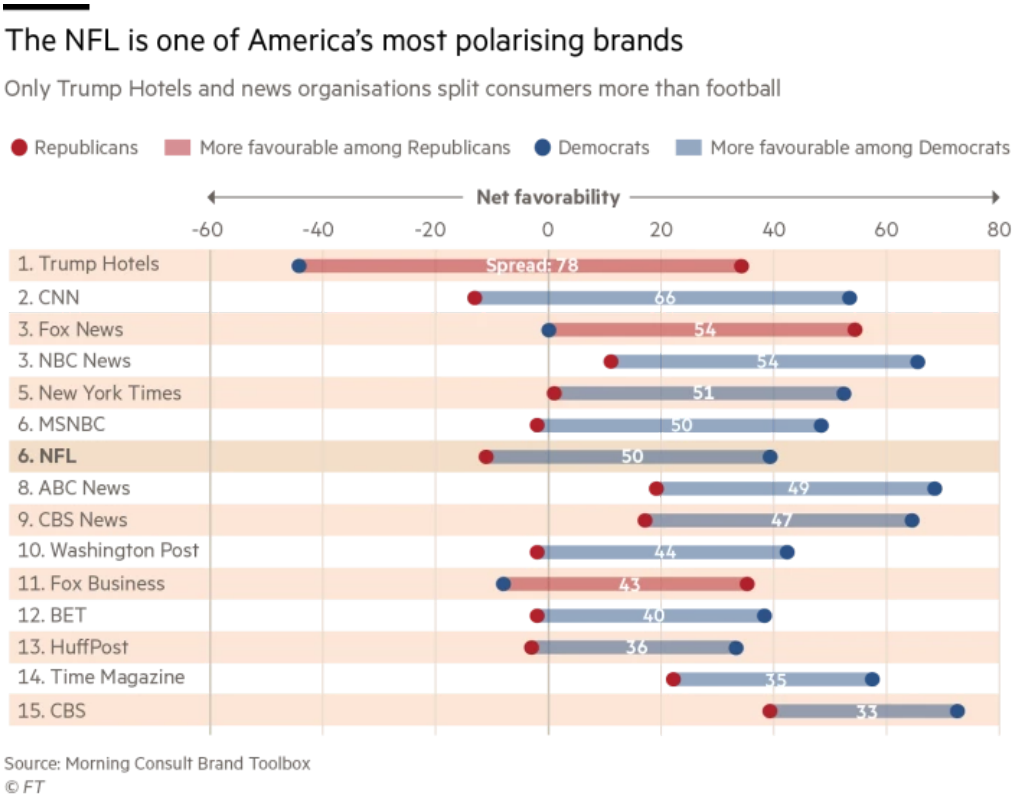


Mr Kaepernick refused to stand for the national anthem before games in a protest over police brutality. He is now an unsigned free agent.



Feedback

The company is the official clothing sponsor of the NFL, and some fans quickly took to social media to vent their anger by destroying Nike shoes and threatening to boycott the brand. Marketing experts defended the move, saying consumers increasingly wanted companies to take a stand on social issues.



WPP lowers profit guidance in tumultuous year

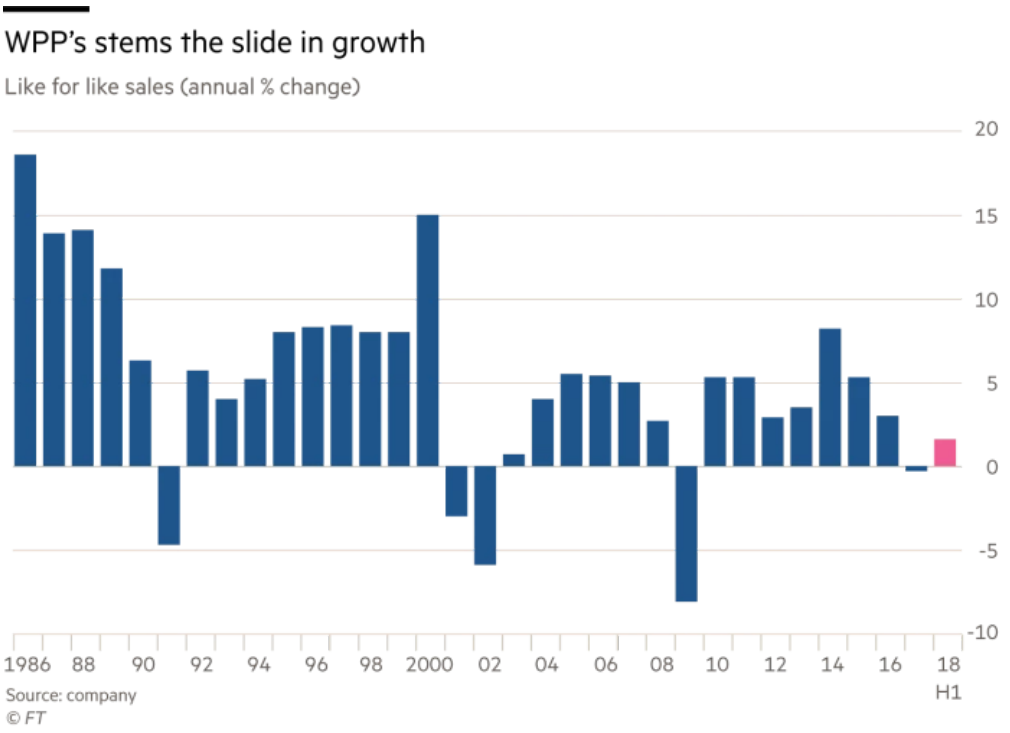


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Shares in WPP, the world's largest advertising group fell as much as 8 per cent on Tuesday after it lowered its profit margin guidance for the year.

Mark Read, the new chief executive, promised a strategic review of the company, which was rocked by the acrimonious departure of its founder and former chief executive Martin Sorrell earlier this year.

Feedback



Shareholders must wait until the year-end for the results of the review. Ian Whittaker of stockbroker Liberum said WPP was likely to sell "at least significant parts of" its market research business Kantar.

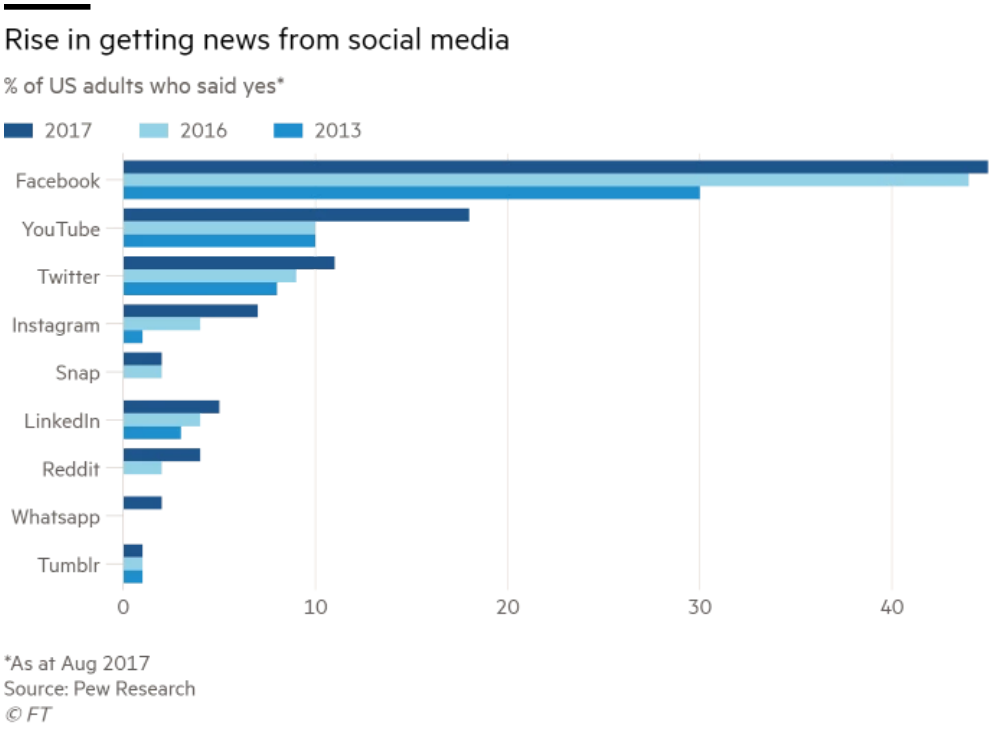
Twitter chief says politics do not play a role in decisions

In written testimony published before a congressional hearing on Wednesday, Jack Dorsey, the chief executive of Twitter, defended the social media platform's political neutrality after Mr Trump accused it of "shadow-banning" rightwing voices.



The hearings come amid increasing scrutiny on social media companies ahead of the midterm elections, both in terms of what they are doing to address foreign efforts to influence American voters and how they treat different political voices on their platforms. Senator Mark Warner, the Democratic vice-chair of the committee, warned: "The era of the wild west in social media is coming to an end".

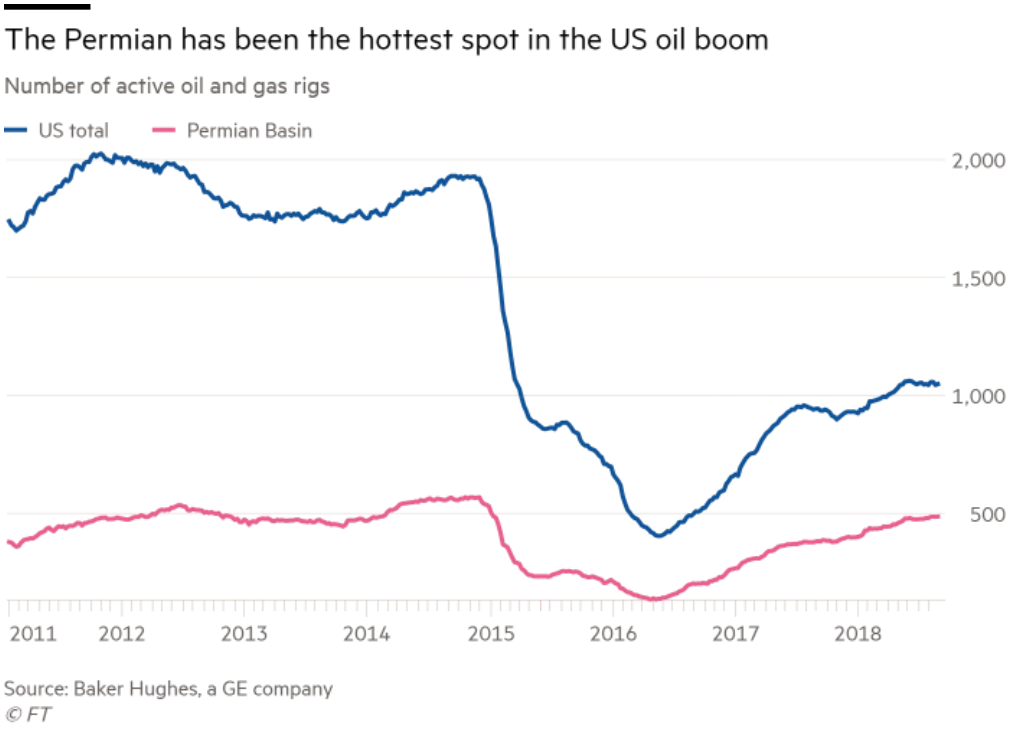
Feedback



US shale boom begins to cool

The US shale oil industry is slowing as logistical challenges including labour costs and a lack of adequate pipeline capacity pile up, the chief executives of some of the largest production and oilfield services companies warned this week.

Jeff Miller, chief executive of Halliburton, spoke of a "decrease in customer urgency" that had put pressure on the prices the company could charge in parts of the US.



He said the slowdown would cut 8-10 cents from Halliburton's third-quarter earnings per share, which had been expected to be about 52 cents.

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FT Digital Energy Summit

London
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