

América Móvil shares fall to 4-year low

BY GABRIEL STARGARDTER
Reuters

MEXICO CITY - Shares of Mexican tycoon Carlos Slim's América Móvil telecom company fell to their lowest since 2009 on Tuesday, the day after Mexico presented a reform bill aimed at spurring competition in the telephone and television sectors.

Shares of Televisa, the main Mexican broadcaster, fell as much as 1.2 percent early on Tuesday but recovered to trade flat by early afternoon.

The new bill aims to shake up

the telecom sector by allowing increased foreign ownership of media and phone companies, and giving regulators the power to make players controlling more than 50 percent of the market sell assets.

Mexico's peso currency, which has been boosted by expectations of economic reform, strengthened, trading at its highest level since October 2011. Ratings agency Standard & Poor's said the country's credit outlook had improved.

Slim, the world's richest man, dominates Mexico's telecommunications market, controlling about 70 percent of its mobile market

and 80 percent of its fixed phone lines.

The planned reform has rattled confidence in América Móvil, which has already taken a hit over the past year from costly investments in Europe, tougher regulation and disappointing fourth-quarter results.

Earlier on Tuesday, Credit Suisse cut its rating on América Móvil stock from "outperform" to "neutral."

Shares of América Móvil, a one-time darling of investors in Latin America's No. 2 economy, have trailed Mexico's benchmark IPC

index. The shares fell by as much as 3.2 percent on Tuesday before recovering slightly.

The stock is down nearly 14 percent for the year and off more than 30 percent since last May, raising awkward questions about how the company will adapt to the changes required of it.

"We still don't know what they're going to have to lose," said Gerardo Roman, head of stock trading at Actinver brokerage in Mexico City. "If they chop off 25 percent of their best-paying business then it would be horrible, it would ruin them."