

Disney, Fox in focus on Wall Street as deal talk heats up

NEW YORK - Walt Disney Co. and 21st Century Fox shares were in the spotlight on Wednesday amid reports the two media-entertainment powerhouses were readying a major deal for some of Fox's prized television and film assets.



[AFP / Mark Ralston](#)

The Wall Street Journal reported the deal -- in which Disney would acquire the famed Fox Hollywood studios and key television operations of the Murdoch family-controlled group -- could be announced as early as Thursday.

Fox shares closed down 3.9 percent at \$32.75 in a pullback after sharp gains over the past few weeks. Disney shares rose 0.17 percent to \$107.61.

The Journal reported the deal would raise the value of Fox to \$40 per share including \$29 per share for the assets being sold.

According to CNBC television and The Financial Times, Disney is expected to pay \$60 billion for the assets. CNBC said the deal would give Fox shareholders 25 percent of an expanded Disney empire.

Disney is believed to be bidding for the Fox studios known for their film and television productions as well as the cable

channels FX and National Geographic, plus the company's 39 percent stake in British-based pay TV group Sky.

The deal would likely shrink the empire created by billionaire Rupert Murdoch, and controlled by him and his two sons, leaving the Fox broadcast network, Fox News and sports cable channels.

The tie-up is seen as a response to the shifting landscape in the media-entertainment sector disrupted by streaming giants such as Netflix and Amazon.

The plan could nonetheless face scrutiny from anti-trust regulators because it could concentrate power in the Hollywood studios -- and potentially in broadcast sports.

Analyst Brian Wieser of Pivotal Research said a reduced Fox "may lose scale and related efficiencies with the transaction, (but) may benefit from focus, financial leverage and changes to US media ownership rules."

In a research note, Wieser said that "international exposure is likely positive for Disney (and) the loss of international exposure is negative for Fox."

Source: AFP

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