

Spotlight: Big Data

Big Data is a terminology thrown around loosely by the media – but what does it mean and how is it used? In this edition of Street Wise, we will examine Big Data and why tech start-ups are positioning themselves to offer Big Data services.

What is Big Data? Big Data is a collection of data so large and complex that its collection becomes difficult to process. In the past, large data sets proved to be a difficult obstacle to overcome. For instance, in the early 1880s the U.S. census took 8 years to tabulate, and it was estimated that the 1890s census would have taken even longer using the then-available methods. The intractable nature of data made the undertaking of the U.S. census nearly impossible. Today, Big Data is ubiquitous, providing a dynamic market for emerging tech companies.

Why Tech-Starts Ups? According to Forbes, only 15% of Fortune 500 companies used Big Data analytics to gain a competitive advantage in 2015. Realizing this niche in the market, tech start-ups have been providing value to firms by bringing the tools and expertise needed to gather, process and store big data. Businesses can now gain insights on their core competencies and implementation of their various strategies by using data management and analytics platforms such as Hadoop.

Things to Watch for in 2016 Going Forward

After the July 28th meeting, the Fed’s outlook improved due to strong economic data from jobs, retail sales and consumer spending. However, the Fed chose to keep rates unchanged due to uncertainties over geopolitical developments, particularly Brexit. Furthermore, with the upcoming election, the Fed may choose to increase benchmark interest rates at the beginning of 2017.

Investment Banking Terminology:

Comparable Company Analysis “Public Comps” – A process used to determine the value of a company using the metrics of similar sized businesses in the same industry.

Market Snapshot as of August 8, 2016

As of August 8 th	August 8 th	MTD% Δ	YTD% Δ	LTM % Δ
S&P 500	\$2,180.89	0.46%	7.00%	5.27%
Gold	\$1,335.23	(1.65)%	23.81%	20.59%
Oil	\$43.02	(1.03)%	1.82%	(15.19)%
10 Yr. T-Note	1.59%	(.05) bps	(.30) bps	(.29) bps

Activist Hedge Fund Manager Wins Big on Pokémon Go

Oasis Management’s Seth Fishers efforts finally paid off, as Nintendo’s shares more than doubled within the first few weeks of the release of Pokémon Go. Mr. Fisher, who has 1% of his \$1 billion fund in Nintendo, has been advocating its expansion into mobile gaming since 2013. The Japanese gaming company has been loyal to the original fan base since Pokémon’s 1996 release. In a letter sent to Nintendo in February of 2014, Mr. Fischer stated that “the children who spent hours playing old Nintendo favorites are now a demographic whose engagement on their smartphone is valued by the market at well over \$100 billion.”

M&A Focus

Twitter (NYSE:TWTR) has agreed to acquire Magic Pony Technology, a London based tech start-up that uses neural networks and machine learning to enhance a picture or video taken on a mobile phone, for \$150 million. Magic Pony Technology was developed in 2014 by graduates from Imperial College London, with backgrounds in computer science, mathematics and neuroscience. The company uses a technology that can significantly enhance lower quality images. In an effort to keep up with Facebook and Snapchat, Twitter has acquired several of these types of tech companies. These acquisitions create synergies with already acquired ventures such as, Vine and Periscope, to boost their video streaming and picture quality.

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