

# Sprint, T-Mobile Stocks Jump on Nikkei Merger Report

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Both Sprint and T-Mobile are surging in the markets after [Nikkei reported](#) [1] SoftBank has reached an agreement to buy a controlling T-Mobile stake from Deutsche Telekom (DT).

Sprint was up nearly four percent and T-Mobile was up 1.5 percent as of 1:15 p.m. CT.

The new report from Nikkei echoes many of the details [Reuters shared last month](#) [2]. Sprint has reportedly lined up eight banks to finance the deal, including a \$40 billion debt package. Sprint will reportedly purchase just more than 50 percent from DT—which owns 67 percent of T-Mobile—for \$40 per share or \$16 billion.

Reuters reported an announcement confirming the deal could come in August.

The companies will still have to convince skeptical U.S. regulators on the merits of the merger, a process the Nikkei report suggests could take a year or two. DT is reportedly concerned capital could dry up during the regulatory review process and wants SoftBank's commitment to compensate for any losses.

As Sprint gets a boost from the merger report, another gloomy financial quarter could be on the horizon. After Verizon CEO Lowell McAdam yesterday said his carrier is [expecting 1.4 million subscriber additions in the second quarter](#) [3], analysts are estimating a good chunk of those gains came at Sprint's expense. UBS's John Hodulik figures Sprint will lose 350,000 subscribers next quarter on a combination of handset losses and higher churn with stronger tablet sales offsetting the losses, [according to Barron's](#) [4]. He said the T-Mobile would likely once again lead all carriers with about 800,000 net subscriber additions.

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<http://www.wirelessweek.com/news/2014/07/sprint-t-mobile-stocks-jump-nikkei-merger-report>

### Links:

[1] <http://asia.nikkei.com/Business/Deals/SoftBank-nearing-deal-for-Sprint-T-Mobile-merger>

[2] <https://finance.yahoo.com/news/exclusive-sprint-closer-40-billion-214404657.html>

[3] <http://www.wirelessweek.com/news/2014/07/mcadam-verizon-postpaid-additions-hit-14m-2q>

## **Sprint, T-Mobile Stocks Jump on Nikkei Merger Report**

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[4] <http://blogs.barrons.com/techtraderdaily/2014/07/11/verizon-net-sub-upside-driven-by-tablet-computers-says-ubs/>