FINANCIAL TIMES

FRIDAY 15 DECEMBER 2023

NATIONAL NEWSPAPER OF THE YEAR

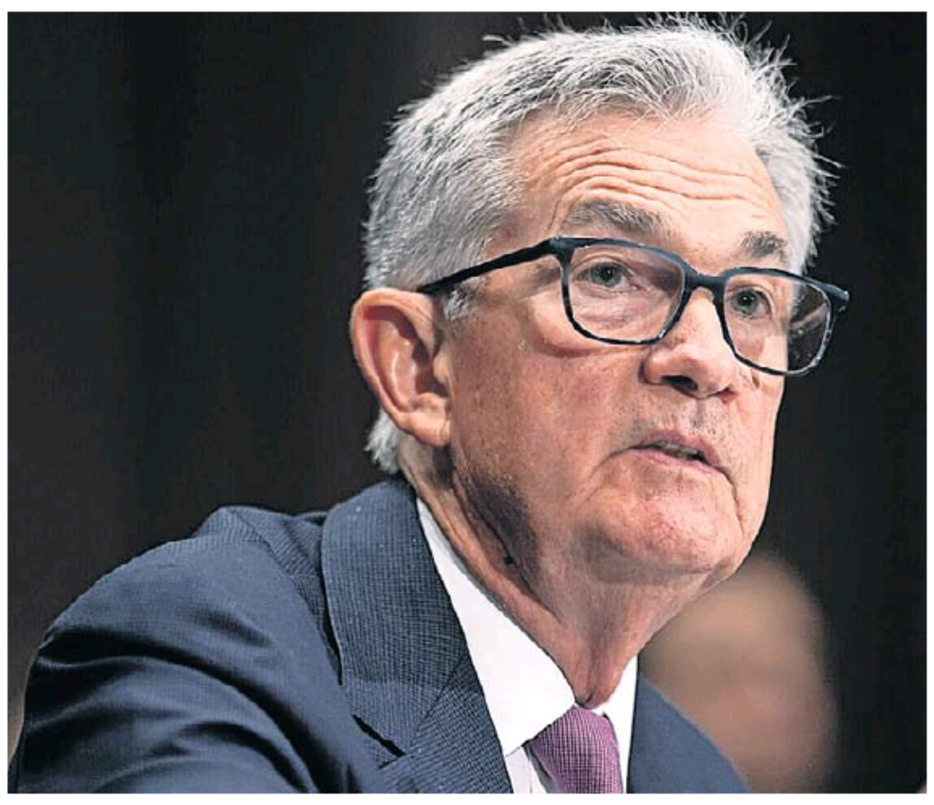
UK £3.50; Republic of Ireland €3.90

Persuading Mrs Watanabe to invest in stocks
BIG READ, PAGE 21

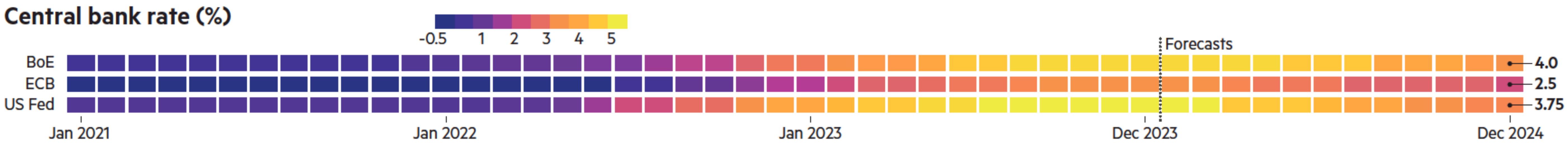
Kyiv needs private sector tech to fight Russia
GILLIAN TETT, PAGE 23

BoE and ECB damp market optimism triggered by Fed's rate cut forecasts

- Inflation fears linger across Atlantic
- Borrowing costs held
- Gains for main European indices



Central bank rate (%)



Source: LSEG   Forecasts for 2024 are market expectations according to data compiled by LSEG and based on interest rate derivatives price

SAM FLEMING AND MARY MCDOUGALL — LONDON
MARTIN ARNOLD — FRANKFURT
JENNIFER HUGHES — NEW YORK

The European Central Bank and the Bank of England have refused to declare victory over inflation, damping a market rally sparked by the US Federal Reserve after it indicated that it would cut interest rates next year.

Christine Lagarde, ECB president, warned yesterday that there was "work to be done" before inflation fell to its 2 per cent target while Andrew Bailey, BoE governor, said there was "still some way to go" in the UK.

Both central banks held interest rates steady — the ECB at 4 per cent and the BoE at 5.25 per cent — with Lagarde cautioning "we should absolutely not lower our guard" against price pressures.

A day earlier the Fed also held rates — at 5.25 per cent-5.5 per cent — but provided forecasts showing US officials believe rates will end next year at 4.5 per cent-4.75 per cent, implying three quarter-point rate cuts.

The unexpectedly dovish stance from Fed chair Jay Powell had boosted markets, with stocks and government bonds surging on hopes of global rate cuts. "A bumper early Christmas present" from the Fed, said Charles Hepworth, investment director at GAM Investments.

But in New York yesterday the S&P 500 was up 0.1 per cent in late trade after having earlier looked like extending the previous day's rise.

The more hawkish stance from the BoE and ECB sapped the life out of the rally. The region-wide Stoxx Europe 600 rose 0.9 per cent, led higher by gains for rate-sensitive real estate stocks. London's FTSE 100 added 1.3 per cent, while France's CAC 40 rose 0.6 per cent, just short of an all-time high.

"Markets were starting to smell a global pivot by central banks after the Fed shifted decidedly dovish last night," said Matthew Landon, global market strategist at JPMorgan Private Bank. "The BoE didn't quite follow suit."

The BoE's Monetary Policy Committee said interest rates would need to be kept high for an "extended period of time" and left open the option of further rate rises if necessary. "There is still some way to go. We'll continue to watch the data closely, and take the decisions necessary to get inflation all the way back to 2 per cent," Bailey said.

The MPC voted six to three to keep the key rate at its highest level in 15 years. After the ECB maintained its benchmark deposit rate at its highest-ever level of 4 per cent for the second consecutive meeting, policymakers repeated their determination to keep borrowing costs at "sufficiently restrictive levels for as long as necessary".

The ECB forecast inflation would slow to its 2 per cent target within the next three years — clearing a key hurdle for them to consider cutting rates. But Lagarde said policymakers would be "a little bit more severe" and aim to hit that milestone by 2025.

In bond markets, the yield on rate-sensitive two-year Treasuries touched a fresh six-month low of 4.28 per cent, down almost a full percentage point from the 17-years highs of just two months previously, before recovering to 4.36 per cent. Two-year German Bund yields, the eurozone benchmark, fell 0.06 percentage points to 2.59 per cent. Ten-year gilt yields were 0.05 percentage points lower at 3.79 per cent.

Rates held & consumer hopes page 2
Lex page 24

Mood swing Economists' caution

Wednesday's guidance from the Federal Reserve brought joy to Wall Street, with stocks rallying and government bond yields falling. But, at a time when the inflation outlook remains uncertain, economists said this was exactly the kind of exuberant outcome the Fed needed to avoid. **Dovish signals** Page 6

The rate stuff: central bank leaders, from left, Jay Powell of the Federal Reserve, Andrew Bailey of the Bank of England and Christine Lagarde of the European Central Bank
Nathan Howard/Bloomberg; Hollie Adams/Bloomberg; Ronald Wittek/EPA-EFE/Shutterstock

Briefing

▸ **Thames Water appoints chief as scrutiny mounts**
The UK's biggest water group, without a permanent boss since Sarah Bentley quit in June, has handed the helm to Chris Weston, former head of power supplier Aggreko. He said that he would aim to deliver recovery.— PAGE 12

▸ **Hospital waiting lists fall**
NHS England data has shown that patients were waiting for almost 7.71mn appointments, from a record 7.77mn in September, as the health service braced itself for a testing winter.— PAGE 3

▸ **UK hosts fighter project**
Britain has been chosen as the headquarters for a joint project with Italy and Japan that aims to have a new supersonic fighter aircraft in the air by 2035.
— PAGE 6; MOD RADIO DEAL, PAGE 3

▸ **Amazon wins tax battle**
The ecommerce group has won a €250mn battle as the EU's top court rejected the argument that a Luxembourg tax deal amounted to illegal state aid. It could affect a similar case over Irish tax.— PAGE 9

▸ **EU joining talks for Kyiv**
The bloc's leaders have agreed to accession talks with Ukraine, after Hungary's prime minister, Viktor Orbán, relented in his opposition to the historic step.
— PAGE 4; GILLIAN TETT, PAGE 23

▸ **Putin vows to fight on**
Russia's president has told a marathon press conference that his invasion of Ukraine would end only when his "goals are achieved", indicating he will fight until Kyiv capitulates.— PAGE 4

▸ **Push for Hizbollah deal**
The US, the UK and France have been exploring ways to convince the Iran-backed militants to pull back from the Lebanon-Israel border in an effort to prevent a full-blown conflict.— PAGE 8

▸ **Allianz defuses time bomb**
The insurance group has fought off a legal challenge brought by Exeter university after declining to cover damage caused by the controlled explosion of a second world war bomb.— PAGE 9

Hospitality sector looks forward to festive period

The hospitality sector, which typically sees the Christmas season as its 'golden quarter', has been blighted over the past three festive trading periods by Covid-19 lockdowns and train strikes. However, large restaurant chains and pub groups this time around are buoyed by table bookings and trading updates that are up on last year. Such bullishness is not shared by smaller operators and the wider sector is fearful of a new year hangover.
Bursting with festive cheer ▸ PAGE 3

Opec+ share of oil supply slips to half as demand dips and US output surges

IAN JOHNSTON AND DAVID SHEPPARD

Opec+ now controls barely half of global oil production as the pace of demand slows "drastically" and US output hits new highs.

The International Energy Agency yesterday said that recent production cuts to prop up the oil price had reduced the market share of Opec+ to 51 per cent, the lowest since the expanded cartel was set up in 2016.

Despite the output cuts, oil prices are lingering below $75 a barrel, against nearly $100 in September, with the IEA noting that "global oil demand growth will slow drastically" in the current quarter.

Citing macroeconomic factors such as higher interest rates and a "fading rebound from Covid-induced lows", it said demand would be almost 400,000 barrels a day lower for the quarter than it had anticipated just last month.

The watchdog added that the sway of Opec+ over the market might fall further next year as increases in production by non-members were expected to be enough to meet the entire rise in global demand forecast for 2024. It noted that record supply from the US and rising output from producers such as Guyana and Brazil would increase oil supplied by non-Opec countries by 1.2mn barrels a day in 2024, more than the 1.1mn b/d forecast for demand growth.

The cartel, which includes Opec members plus countries such as Russia, Mexico and Azerbaijan, has announced several rounds of supply cuts over the past 14 months. But its efforts to support prices above $80 a barrel have been hindered by output by non-members.

The IEA said the US, which is already producing 20mn b/d, would remain the leading source of supply growth next year. "The continued rise in output and slowing demand growth will complicate efforts by key producers to defend their market share and maintain elevated oil prices," the IEA pointed out.

The IEA now expects oil demand growth to tumble from a year-on-year rate of 2.8mn b/d in the third quarter of this year to 1.9mn b/d in this quarter.

It had forecast that demand growth this quarter would be 2.3mn b/d.

The watchdog added that more than half of this revision was due to weaker demand in Europe, "where unprecedented rate hikes in 2022-23 are working their way through an already stagnant manufacturing sector".

The agency also forecasts weaker demand for the Middle East and Russia.

World Markets

STOCK MARKETS

	Dec 14	Prev	%chg
S&P 500	4726.60	4707.09	0.41
Nasdaq Composite	14779.33	14733.96	0.31
Dow Jones Ind	37195.17	37090.24	0.28
FTSEurofirst 300	1880.25	1867.86	0.66
Euro Stoxx 50	4542.29	4530.19	0.27
FTSE 100	7648.98	7548.44	1.33
FTSE All-Share	4176.90	4112.17	1.57
CAC 40	7575.85	7531.22	0.59
Xetra Dax	16752.23	16766.05	-0.08
Nikkei	32686.25	32926.35	-0.73
Hang Seng	16402.19	16228.75	1.07
MSCI World $	3101.08	3067.44	1.10
MSCI EM $	973.47	976.58	-0.32
MSCI ACWI $	709.27	702.59	0.95
FT Wilshire 2500	6101.24	6008.77	1.54
FT Wilshire 5000	47522.30	46788.70	1.57

CURRENCIES

Pair	Dec 14	Prev	Pair	Dec 14	Prev
$/€	1.099	1.079	€/$	0.910	0.926
$/£	1.276	1.253	£/$	0.784	0.798
£/€	0.862	0.862	€/£	1.161	1.160
¥/$	141.690	145.155	¥/€	155.780	156.687
¥/£	180.803	181.814	£ index	81.507	81.812
SFr/€	0.952	0.946	SFr/£	1.105	1.097

CRYPTO

	Dec 14	Prev	%chg
Bitcoin ($)	42525.68	42890.93	-0.85
Ethereum	2276.58	2260.41	0.72

COMMODITIES

	Dec 14	Prev	%chg
Oil WTI $	72.07	69.47	3.74
Oil Brent $	76.99	74.26	3.68
Gold $	1982.50	1980.85	0.08

GOVERNMENT BONDS

Yield (%)	Dec 14	Prev	Chg
US 2 yr	4.33	4.66	-0.33
US 10 yr	3.90	4.15	-0.25
US 30 yr	4.05	4.26	-0.22
UK 2 yr	4.33	4.36	-0.03
UK 10 yr	3.96	4.00	-0.04
UK 30 yr	4.29	4.33	-0.04
JPN 2 yr	0.06	0.04	0.01
JPN 10 yr	0.67	0.68	-0.01
JPN 30 yr	1.61	1.65	-0.03
GER 2 yr	2.55	2.64	-0.09
GER 10 yr	2.11	2.17	-0.06
GER 30 yr	2.32	2.35	-0.02

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Data provided by Morningstar

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NATIONAL

Economic outlook

Consumer confidence hits three-month high

Rising wages and lower mortgage rates boost sense of financial security

VALENTINA ROMEI
ECONOMICS REPORTER

Consumer confidence rose for the second consecutive month in December, according to research company GfK, suggesting households could be more inclined to spend this Christmas.

The consumer confidence index, a measure of how people view their personal finances and broader economic prospects, rose two points to minus 22, its highest level since September and the second-highest since January 2022, data released today showed. Consumer confidence has been volatile in recent months, reflecting contrasting factors in the wider economy.

Elevated prices and high borrowing costs have weighed on household budgets. But wages have begun to rise faster than inflation while mortgage rates are down from their summer peak, supporting people's sense of financial security.

"Despite the severe cost of living crisis still impacting most households, this slow but persistent movement towards positive territory for the personal finance measure looking ahead is an encouraging sign for the year to come," said Joe Staton, client strategy director at GfK.

Investors watch the index closely as an early indicator of spending trends. Households with greater confidence in their financial situation and general economic outlook are typically less inclined to save and more likely to spend, boosting the economy.

> 'This persistent movement towards positive territory is an encouraging sign for the year to come'

The increase in confidence in December could help dissuade markets from raising their bets on how much the Bank of England could cut interest rates by next year. Yesterday, the central bank held rates at a 5.25 per cent high, saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures".

Markets are expecting the BoE to cut rates to 4 per cent by the end of December next year, following a contraction in economic output in October and wage growth slowing more than expected.

The data showed that confidence was also sharply higher from minus 42 in December 2022. For the year ahead, expectations of their personal financial situation rose one point to minus 2 in December, up strongly from minus 29 in December 2022.

Staton said the recovery in that sub-index was encouraging because it was an indication of household "financial optimism and control over personal budgets".

Ellie Henderson, economist at Investec, said some of chancellor Jeremy Hunt's announcements in the Autumn Statement had probably "boosted respondents' perception of their future financial situation".

These included the decision to cut employees' National Insurance contributions by 2p from January and a 9.8 per cent rise in the National Living Wage from April.

But she pointed out that consumer confidence remained well below its long-term average, "reflecting the still challenging economic backdrop".

All change
Liverpool St takes busiest station crown

London's Liverpool Street has replaced Waterloo as the busiest station in Britain, new figures show.

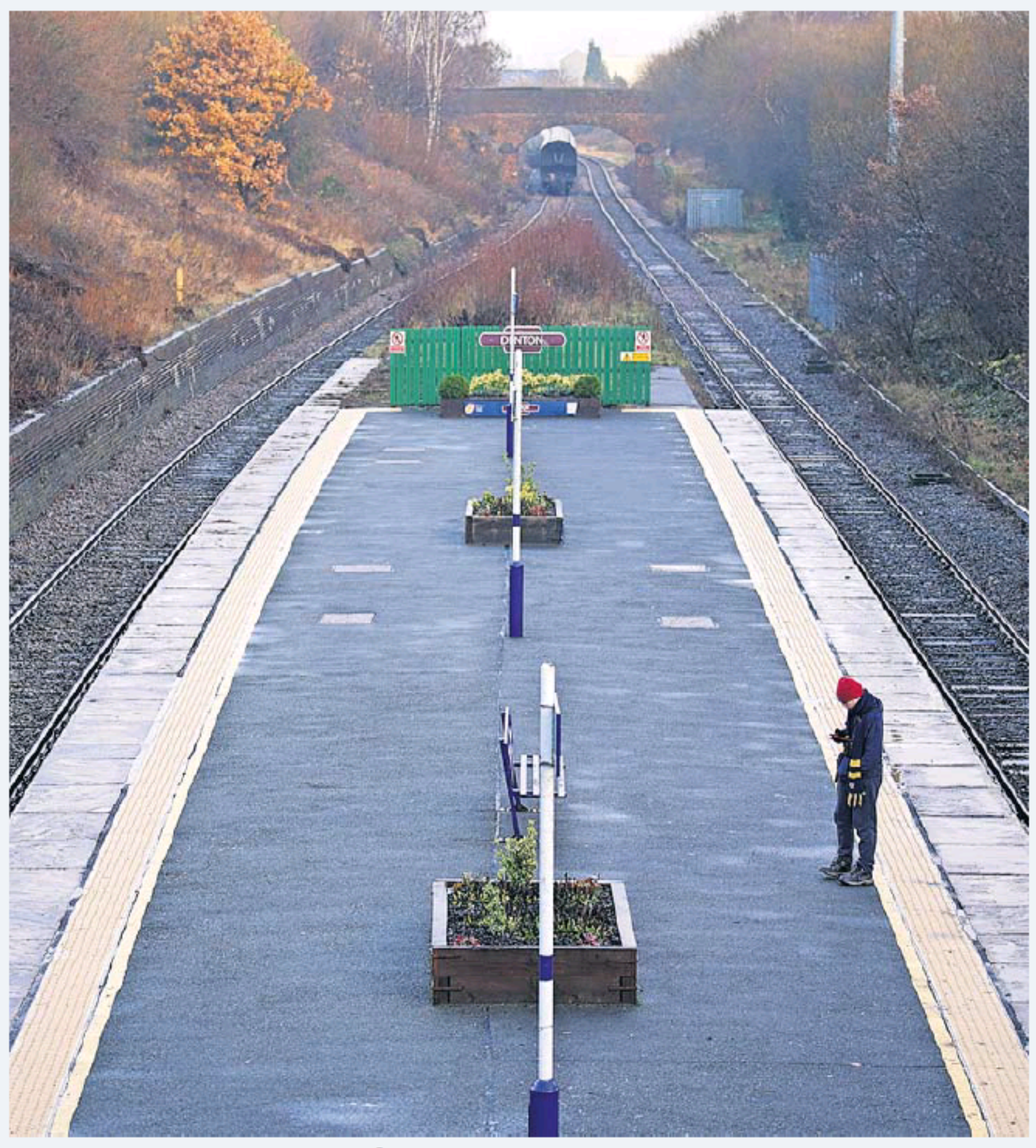
The number of entries and exits at Liverpool Street was 80.4mn in the year to the end of March, the Office of Rail and Road regulator said.

The year-on-year increase of around 50mn was attributed to the opening of the Elizabeth line railway, which serves the station.

The Elizabeth line also caused Paddington to rise to second place with 59.2mn entries and exits.

Waterloo fell to third place with 57.8mn entries and exits.

The least used station that was open throughout the whole year was Denton, Greater Manchester, with 34 entries and exits.



London's Liverpool Street, left, had 80.4mn entries and exits compared with just 34 at Denton, Greater Manchester — Jordan Pettitt/Peter Byrne/PA Wire

Economy. Monetary policy

Stubborn inflation prompts BoE to hold interest rates

Bailey plays down tentative signs of good news despite Fed pointing to favourable trends

SAM FLEMING AND VALENTINA ROMEI
LONDON

As far as the Bank of England is concerned, it is too soon for a pivot in the battle against high inflation.

That was the strong message from Threadneedle Street yesterday, just hours after the US Federal Reserve lit a fire under global markets by heralding rate cuts in the new year.

While Jay Powell, the Fed chair, seized upon favourable trends in US inflation and labour markets as he executed a U-turn on the interest rate outlook, BoE governor Andrew Bailey and his colleagues went to lengths to downplay any tentative signs of good news in the UK economy.

Voting six to three to hold rates at 5.25 per cent, the BoE's Monetary Policy Committee warned it was confronting a more stubborn problem with inflation than its counterparts across the Atlantic — or indeed in the euro area, where the European Central Bank also held rates.

"They are minded to keep policy restrictive well into 2024, and that is a sharp contrast with the Fed," said Jens Larsen, a director at Eurasia Group. "The Fed's [decision] was a surprise and a pivot. The BoE has not pivoted at all."

The hawkish message in London was partly because the BoE remains anxious to avoid domestic criticism that it might underestimate the inflation outlook. Last month a committee of the House of Lords accused the bank — and its peers — of "complacency" about inflation after the Covid-19 pandemic.

But as the minutes to the latest bank decision made clear, policymakers genuinely believe the UK is in a deeper hole with regard to inflation than its peers.

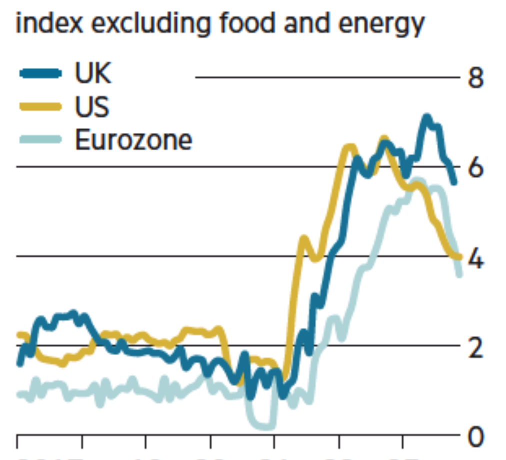
Wage growth is higher in the UK than in the US and euro area, as is services inflation and the "core" measure of prices that strips out food and fuel, the minutes noted.

Like the eurozone, the UK was hit far harder by the energy price upsurge than the US. Most evidence suggests the British labour market is still tighter than before the pandemic, boosting wage growth.

There are 957,000 vacancies in the economy, about 100,000 more than on the eve of the pandemic. A Bank of England survey of chief operating officers in November found that 50 per cent of businesses reported they were finding it harder to recruit new employees compared with normal.

UK core inflation is higher than in other countries

Annual % change in consumer price index excluding food and energy



Source: LSEG

The latest UK figures showed that average wages grew by an annual rate of 7.3 per cent in the three months to October. The number was sharply down from a summer peak of 8.5 per cent but still higher than in the US and the eurozone. US average earnings grew at an annual rate of 4 per cent in November, while in the eurozone negotiated wages rose by 4.7 per cent in the third quarter.

"To the extent that they were broadly comparable, measures of wage inflation were also considerably higher in the United Kingdom than elsewhere, even though there were signs of easing in all three economies," the BoE said yesterday.

This has supported higher services inflation in the UK than elsewhere. Services inflation is closely monitored by policymakers as a better indication of domestic price pressures than headline price growth.

In the UK it is running at 6.6 per cent, compared with eurozone services inflation of 4 per cent in November and 5.2 per cent in the US.

Though the UK figure has softened this year from a July peak of 7.4 per cent and 6.9 per cent in September, the BoE said the decline had been driven by components such as non-private rents and airfares that are "not typically reliable indicators of trends in inflationary persistence".

Even the fall in the consumer price index to 4.6 per cent in October was of "relatively limited" significance, the majority of rate-setters concluded.

The comments were all a very clear rebuff to investors who have been sceptical of the BoE's repeated claims that rates will be kept persistently high for an "extended" period of time.

Even after the BoE's latest statement, traders in swaps markets were pricing in at least four UK rate cuts next year.

The BoE repeated its warning that rates could rise yet further and said the decision on whether to raise or hold had been finely balanced.

Nuclear energy

State cash for EDF's Hinkley Point C reactor ruled out

JIM PICKARD — LONDON
SARAH WHITE — PARIS

The taxpayer will not step in to help France's EDF fund Hinkley Point C after its Chinese partner CGN halted payments to cover mounting cost overruns on Britain's flagship nuclear power project.

The reluctance of the government to intervene comes as the price tag for the power plant under construction in Somerset in the South West is likely to exceed the revised £32.7bn estimate EDF put on it this year, said people close to the talks.

CGN, EDF's partner in Hinkley Point C, had agreed to finance 33.5 per cent of the original £18bn cost of the plant in 2016, with the French group responsible for the remainder.

But after paying its contracted share, CGN has not made payments linked to the overruns in recent weeks, said three people familiar with the matter. The French group warned this year that the Chinese group might refuse to pick up the extra costs.

"There was an expectation this would happen, and now it has," one of them said. "EDF is looking at ways the British government might be able to help, but these discussions could take time."

One official said there were no plans to step in to fill the gap left by CGN, suggesting EDF should pull in other investors. "It is a commercial contract which we obviously don't play a part in financing," they said, adding: "It would first be a matter for the shareholders."

One industry insider said pulling other investors into the project at this stage would be "complicated".

The French economy ministry said it was in contact with London on the issue. "We're working with the British government to ensure the rollout of the UK nuclear programme, including on the financing front," an official in Paris said.

French President Emmanuel Macron ordered EDF to be fully nationalised last year as its finances were hit hard during the energy crisis just as it was gearing up for a huge investment programme to build a fleet of new nuclear power plants in France.

EDF plays a similar key role in Britain where, in a venture with Centrica, it owns and operates the fleet of ageing nuclear power plants, most of which are due to cease operation by the end of the decade. It is also the only company developing new large reactors in the UK, including Sizewell C, a second project on the Suffolk coast, to offset the significant loss of nuclear generating capacity in the coming years.

Plans to build a new fleet of nuclear reactors for the UK have been around for almost two decades but the programme has been dogged by delays and the withdrawal of several private companies as successive Conservative governments struggled to find a financing model that worked.

The £32.7bn bill for Hinkley Point C is being recalculated. Two people familiar with the issue said the cost was likely to rise again and its long-delayed opening, currently scheduled for June 2027, was likely to be delayed again.

The fallout over funding for Hinkley Point C comes as relations between London and Beijing have deteriorated in recent years. Ministers have moved to limit Beijing's influence in UK infrastructure projects, including pushing CGN out of the nuclear programme.

Additional reporting by Edward White

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Environment

Pilot project to heat homes using hydrogen is scrapped

RACHEL MILLARD
CLEAN ENERGY CORRESPONDENT

Plans for a trial to test hydrogen as a replacement fuel in gas-fired boilers have been abandoned, in the latest setback for its prospects of taking a larger role in domestic heating.

Ministers yesterday said they would not proceed with a proposed pilot in Redcar, north-east England, which had been due to start in 2025, blaming a lack of supplies of low-carbon hydrogen.

The decision followed opposition to the project from residents raising concerns about cost and safety, while critics had argued hydrogen was unsuitable for home heating as it was less efficient than alternatives, such as heat pumps.

It comes after ministers scrapped another trial in Whitby, near Liverpool, in July following opposition from residents. Ministers said they would look at the results of a planned trial in Fife, Scotland, due to run next year, and pilot schemes elsewhere in Europe, before making a decision on hydrogen's role in home heating in 2026.

Hydrogen does not produce carbon dioxide emissions when burnt, so is viewed as a potential replacement for natural gas. However, it is mostly produced from natural gas, releasing carbon dioxide in the process.

Producing it in a lower carbon way involves either capturing and storing those emissions or extracting it from water using green electricity to make "green hydrogen", both of which are complicated and expensive.

In an effort to jump-start production of low-carbon hydrogen, ministers awarded the first round of subsidies to "green hydrogen" producers yesterday, with revenue support contracts totalling an estimated £2bn over 15 years to build 145MW of capacity.

But the capacity of the 11 subsidised projects fell short of the government's 250MW target.

Foreign affairs committee

Country 'asleep at the wheel' on access to critical minerals

HARRY DEMPSEY
COMMODITIES CORRESPONDENT

Decades of inaction in policymaking to ensure access to critical minerals has left the UK vulnerable to China's dominance of raw materials, a cross-party group of MPs warned today.

The House of Commons foreign affairs committee found the UK had fallen behind its allies in securing supplies of elements such as lithium, graphite and tin, putting the country's competitiveness in advancing manufacturing under threat.

"The cost of failure will be the loss of key industries, such as the automotive sector and the ecosystems of research, innovation and manufacturing that support green technologies," it said.

The risks of relying on China were underlined this year after Beijing imposed export restrictions on gallium, germanium and graphite. It dominates the global supply chain for all three critical minerals, which are vital for semiconductors and electric car battery manufacturing.

"For three decades we have been asleep at the wheel," said Alicia Kearns, chair of the committee.

"It is particularly clear that we need to confront the weakness created by our dependency on a single state: China. These minerals power modern life and if China pulls the plug, we will all pay the price."

The UK published its first critical minerals strategy in July 2022, followed by a "refresh" this year. But the report said those documents lacked the level of detail and prioritisation needed to be useful.

A government spokesperson said it "will carefully consider the recommendations" in the report but added that it "has played a leading role in developing a co-ordinated response to critical mineral supply chain risks" with other countries.

NATIONAL

Big hospitality businesses burst with festive cheer after bleak winters past

Small operators doubt there is much to celebrate and wider sector is fearful of a new year hangover

OLIVER BARNES

Christmas, normally the busiest period for restaurants, bars and pubs, has generated little festive cheer for the hospitality sector in recent years.

A last-minute lockdown to stop the spread of Covid-19 in 2020, a viral variant 12 months later and a series of train strikes last year have damped the past three festive trading periods, traditionally a key part of what the industry bills as its "golden quarter".

But Martin Williams, chief executive of Rare Restaurants, owners of the Gaucho steak chain, said this year was different. It had "not been very golden" since coronavirus hit, but this time "Christmas has got off to a bang".

Table bookings for December across Rare's 23 sites nationwide were up 21 per cent, compared with last year, as of early December, Williams said.

Will Beckett, co-founder of Hawksmoor, a rival steak chain, said his restaurants were "heaving", with bookings up as much as 30 per cent on last year.

In trading updates in recent weeks, Fuller's and Marston's, two of the biggest listed pub groups, have both reported strong Christmas performances well ahead of last year.

There were early signs of industry bullishness when three-fifths of hospitality executives said they were optimistic about Christmas trading, according to a business confidence survey in October by CGA, the industry tracker.

10.1%	30%
October food and drink inflation after a peak of 19.1% in March	Rise in bookings at Hawksmoor chain compared with last year

Mine host: Matt Todd, of the Wonston Arms in Hampshire, says the festive period is critical. Below, Tony Rudd, of the Copper & Ink restaurant in south-east London, says bookings are down this year
Tom Pilston/Charlie Bibby/FT

In another positive sign for larger players in the sector, separate CGA data published on Wednesday showed sales in managed pubs, restaurants and bars across the country rose 4 per cent year-on-year last month from a 3.2 per cent increase in October.

Rob Pitcher, chief executive of Revolution Bars Group, said the adoption of hybrid working by many employers had led to them viewing Christmas office parties as a means to bring colleagues together, resulting in a rise in corporate bookings.

"The larger corporates are coming out and booking those Christmas functions again," he said.

"Bosses are thinking that with hybrid working, teams aren't together . . . and when they do get the team together, we need to make sure that the whole team is here, and Christmas is the perfect opportunity for that," he said.

While the large restaurant and pub chains are bullish about maximising profits this year, some smaller businesses were more apprehensive going into the festive season. Almost a quarter of independents told the CGA survey they were pessimistic about Christmas, compared with just 8 per cent of executives at bigger groups.

Kate Nicholls, chief executive of UKHospitality, the trade body, said that it was a "matter for viability" for smaller operators to pull in the punters in the run-up to Christmas given the cost of living crisis.

Matt Todd, who runs the Wonston Arms, an independent pub in the village of Wonston in Hampshire, said this crucial period was inspiring as much nervousness as seasonal cheer. "I need the Christmas trade to arrive big time and not just on Christmas Eve," he said, explaining that he had little visibility over demand as he relied on walk-ins.

"My nervousness is that can I make enough of this Christmas, can we get enough of the traffic to deliver the big month that we need so we can make it through the hangover of January and February," he added.

Unlike the bullishness from the bigger restaurant groups, Tony Rudd, the patron chef of the Copper & Ink restaurant in south-east London, said December bookings had disappointed and were 30 per cent down on last year.

"We have less of the traditional Christmas party bookings," said Rudd. "Many hospitality businesses have been struggling all year, but hanging on in the hope that the Christmas trade might sustain them for another few months, but sadly it looks gloomy."

Costs remain high, despite energy and food price inflation abating in recent months. The latest official figures show food and drink inflation fell in October to 10.1 per cent from a peak of 19.1 per cent in March, according to the Office for National Statistics. More recent data from the British Retail Consortium, the industry group, suggested prices could fall further in November.

Yet those signs of relief are offset by an increase in the minimum wage in April, which will add to the wage bills for pubs and restaurants.

"2023 has been a year of cost pressures," said Charlie Gilkes, who runs the Inception Group of bars and restaurants. "We're seeing some improvements [in input costs] but I don't think it's time to celebrate. The big question in all of our minds is what happens to sales and what happens to consumer spending next year."

> 'I think January and February are going to be awful. People are feeling the pinch'
> Alan Morgan, Big Table Group

Like other larger chains, Gilkes said his 14 venues across London, which include the Mr Fogg's bar brand, were busy. Event bookings for December are 10 per cent ahead of this time last year, with strong demand from both corporate and private clients. He added that there was little impact from the limited train strikes last week, compared with Christmas 2022.

But the fear is that after splashing the cash in the run-up to Christmas, consumers will tighten their belts even more dramatically than usual early in the new year.

"I think January and February are going to be awful," said Alan Morgan, chief executive of the Big Table Group, which owns Bella Italia and Café Rouge. "People are feeling the pinch . . . and there is no evidence that Christmas spending is slowing, so history suggests it will bite straight afterwards."

Smaller operators were expected to bear the brunt, said Beckett. When he walked around London's Soho at lunchtime last week, he saw several independent restaurants "that didn't look busy at all" and at least four were closed.

"As with quite a lot of things at the moment in hospitality, the pain falls very unevenly," he added.

NHS England

Hospital waiting lists fall for first time this year

LAURA HUGHES
PUBLIC POLICY CORRESPONDENT

The waiting list for routine hospital treatment in England fell in October for the first time this year, according to figures released yesterday, as the health service braced for one of its most testing winter periods.

Patients were waiting for almost 7.71mn appointments from a record 7.77mn in September, NHS England data stated.

The data offer a small reprieve for Prime Minister Rishi Sunak, who this year made cutting waiting lists one of his five key priorities ahead of the general election expected next year.

However, a number of key targets are still being missed, the figures showed. Some 69.7 per cent of patients were seen within four hours in accident and emergency departments, short of the target of 95 per cent and down from 70.2 per cent the previous month.

The number waiting more than 18 months for an appointment in October was 10,506 from 10,201, underlining the continued failure to eliminate all 18-month waits by April this year.

Sir Julian Hartley, chief executive of NHS Providers, which represents health organisations across England, said the reduction of the elective waiting list had provided "the glimmer of hope we all needed" but cautioned "there's no room for complacency as we plunge into winter, the hardest time of year for NHS".

Separate figures out yesterday revealed that the NHS in England is facing an £11.6bn maintenance backlog, stepping up pressure on Sunak to deliver more money to repair dilapidated buildings.

More than half the backlog relates to buildings classed as posing either a "high" or "significant" risk to patients and staff, at a cost of £2.36bn.

A wave of strikes across the NHS since December 2022 has added to the strain as it approaches the winter months, having led to the cancellation of 1.2mn operations and appointments.

Junior doctors in England are due to walk out in a fresh round of strikes lasting nine days in December and January, after failing to reach an agreement with the government on a better pay offer.

Professor Sir Stephen Powis, NHS national medical director, told the BBC yesterday that more than 1,700 additional paramedics and ambulance support staff had been recruited to help alleviate the pressure on A&E departments this winter, which are currently under huge strain.

Responding to the latest figures, Powis described the overall reduction in the waiting list for elective care as "excellent" progress.

However, he said the service was facing a "challenging winter on a number of fronts, with the number of patients in hospital with flu and norovirus increasing considerably each week, continued issues discharging patients who are medically fit due to a lack of social care capacity, and [further] industrial action ahead of the Christmas bank holidays".

Wes Streeting, Labour's shadow health secretary, said: "People can no longer trust the NHS will be there for us in an emergency."

Parliamentary standards

Ex-Tory MP suspended over lobbying scandal

ANNA GROSS
POLITICAL CORRESPONDENT

Rishi Sunak faces the prospect of another tough by-election after the House of Commons standards committee said former Tory MP Scott Benton should be suspended for 35 days for giving the impression he was "corrupt and for sale".

The verdict came after the Blackpool South MP, who now sits as an independent, was caught on camera in a journalistic sting operation offering to do paid lobbying for a fictitious company.

If the penalty is confirmed by MPs, it will trigger a recall petition and potentially a by-election, creating another problem for Sunak as the prime minister tries to strengthen the Tory party's dire polling numbers.

Benton won the seat from Labour in 2019 with a 3,690 majority. The opposition has a double-digit lead in national polling and has won a number of by-elections in the past year.

"The message [Benton] gave to his interlocutors at the March 7 meeting was that he was corrupt and for sale, and that so were many other members of the House," the committee said yesterday.

The committee, made up of MPs from across the political divide and lay members, also said Benton should lose his salary for the duration of the 35-day suspension. The incident is the latest example of the willingness of MPs to lobby ministers on behalf of companies in ways that breach or stretch parliamentary rules.

Benton was suspended by the Conservative party in April pending the outcome of the investigation.

Rules have been tightened since 2021

> 'The message [Benton] gave to his interlocutors was that he was corrupt and for sale'

when former Tory MP Owen Paterson was found to have breached lobbying rules in what the then parliamentary standards commissioner described as "an egregious case of paid advocacy". Paterson rejected the findings and resigned his seat.

Benton had been approached by reporters from The Times newspaper who posed as representatives of a fictitious foreign investor in the gambling industry and filmed their conversations with him.

The newspaper said Benton offered to provide an advance copy of a forthcoming government policy document on gambling and to pose questions in parliament on the company's behalf.

It also quoted him as saying he had previously put down questions on behalf of companies, including one on February 17. Commons records show that on that day he put down two questions about the average time it took for the Office for Product Safety and Standards to conduct investigations.

The committee found that Benton had committed an "extremely serious breach" of parliamentary rules. It cited as "aggravating factors" Benton's attempt to conceal or withhold evidence and his indication that he may have previously engaged in similar behaviour.

The report noted his apparent remorse about the incident as a mitigating factor. He had approached the parliamentary commissioner for standards the month of the sting operation to inform them about the exchange.

In a letter to the committee in October, Benton apologised "profusely" for giving an inaccurate description of the fake company when he first approached the commissioner, and conceded it had been a "mistake" not to be clearer during the sting meeting about what MPs were not permitted to do. "It is the honour of my life to serve my constituents in parliament and I sincerely regret and apologise for this incident," he wrote.

Military procurement

MoD ends delayed battlefield radio contract

SYLVIA PFEIFER

A £395mn military contract with General Dynamics has been terminated after the US defence company failed to deliver a key part of a programme for the British army's new military communications system.

The £3.2bn next-generation tactical communications system, known as Morpheus, is due to replace technology first introduced almost 20 years ago.

General Dynamics should have provided a "lab tested design" for a key part of the project in December 2020. But James Cartlidge, the defence procurement minister, said yesterday that delivery against the original timescale was "not met" and that progress on the Morpheus project had fallen "short of what we expected".

As a result, he added, the contract "has now been concluded".

Sometimes described as the "brain" of the army's future armoured vehicles, Morpheus is pitched as a network that will connect sensors, commanders and weapons. The project involves both software and hardware, including battlefield radios.

It was due to enter service in the middle of this decade, replacing the current in-service Bowman system but the procurement has been beset by delays, with critics branding it the "next procurement disaster".

The Ministry of Defence in 2017 awarded the contract to General Dynamics as the lead contractor for a key part of the project, to ensure that the new system, once developed, would have an "open data architecture approach", enabling greater flexibility for future upgrades.

Cartlidge declined to provide any details on the discussions with General Dynamics, citing "commercial confidentiality," but added that the arrangements around the cancellation had been "verified" by both the Treasury and the Cabinet Office as "representing the best value for money approach for the taxpayer".

The Morpheus communications system is due to replace Bowman

He added that the MoD had commissioned the Cabinet Office's Infrastructure and Projects Authority to conduct an independent review of the Morpheus project.

Ministers would also proactively reconsider the requirements that the project was due to deliver, with conclusions expected in the spring.

The department would continue to work with General Dynamics to ensure that it delivered a planned update to sustain the Bowman system until Morpheus was in operation, Cartlidge said.

General Dynamics declined to comment. It is the second problematic procurement in which the company has been involved with the MoD. It is also the lead contractor for Ajax, the British Army's long-delayed armoured vehicle programme.

"It is amazing how this has dribbled on for years," said Francis Tusa, editor of the Defence Analysis newsletter, adding that the "strategy for the procurement [of Morpheus] has been flawed from the start".

Additional reporting by Lucy Fisher

INTERNATIONAL

Brussels summit

EU agrees to accession talks with Ukraine

Zelenskyy hails 'victory for all of Europe' as bloc debates €50bn support

HENRY FOY, ALICE HANCOCK, PAOLA TAMMA AND LAURA DUBOIS
BRUSSELS

EU leaders agreed to open accession talks with Ukraine at a charged summit yesterday, after Hungary's prime minister relented in his opposition to the historic step for the war-torn country.

The decision marks a milestone on Kyiv's determined path to join the bloc once the conflict with Russia is over, and represents an endorsement by Brussels of the country's western trajectory.

The decision is part of the EU's proposed support package for Ukraine being discussed at the summit in Brussels, alongside a four-year, €50bn fund from the bloc's shared budget which has yet to be agreed.

The EU's resolve to continue supporting Ukraine has become critical given the US Congress's failure to agree on a $60bn package for Kyiv proposed by the White House.

"The European Council has decided to open accession negotiations with Ukraine and Moldova," said Charles Michel, president of the council, who chairs the summit. "A clear signal of hope for their people and for our continent."

In a video address to EU leaders, Ukrainian president Volodymyr Zelenskyy said the bloc had given his country a "clear schedule" for accession and that delaying the decision would have been a "victory" for Russia's Vladimir Putin.

He later wrote on social media platform X: "This is a victory for Ukraine. A victory for all of Europe. A victory that motivates, inspires and strengthens.

> 'History is made by those who don't get tired of fighting for freedom'
> Volodymyr Zelenskyy

History is made by those who don't get tired of fighting for freedom."

The EU decision came after Hungarian Prime Minister Viktor Orbán chose to leave the room during the debate to allow agreement, according to people briefed on the talks. That followed his threats to block both the start of membership talks and the financial support package, a position that had exposed the bloc's fractured stance towards Kyiv after almost 22 months of Russia's war.

He later wrote on Facebook: "Ukraine's EU membership is a bad decision. Hungary does not want to participate in this bad decision."

EU leaders are also sparring over a proposed top-up to the shared budget.

Some richer members, led by the Netherlands and Sweden, have said they will agree to increase the budget only to help Ukraine, while others — such as Italy and Greece — want capitals to contribute more fresh cash for managing migration and other priorities.

EU officials have started discussions on an alternative means to raise money for Ukraine outside the common budget, but have stressed that their sole objective is to convince Orbán to drop his veto on that financial package.

An off-budget instrument would last only one year, be more expensive and take longer to set up, officials say.

"I'm ready to negotiate. I have packed many shirts [if] it takes us long," said Finland's prime minister Petteri Orpo, suggesting that the summit might extend beyond its scheduled two days. Supporting Ukraine was about "our security and our existence as a credible union. We have to show our unity".

Additional reporting by Andy Bounds and Javier Espinoza in Brussels and Max Seddon in London

Gillian Tett see Opinion

Budget

War taking a heavy toll on Russia's economy, US believes

CLAIRE JONES — WASHINGTON
ANASTASIA STOGNEI — RIGA

Russia's war in Ukraine is damaging its economy, driving up domestic consumer prices and forcing Moscow to spend a third of its budget on defence, the US Treasury department has said.

The combination of war, US allies' sanctions and Moscow's policy response was "putting Russia's economy under considerable economic strain", said Rachel Lyngaas, the department's chief sanctions economist.

The comments appeared in a draft text, seen by the Financial Times, of one of the most comprehensive assessments of the financial consequences for Russia of the president's decision to send troops into Ukraine last year.

Russia's invasion and occupation of parts of Ukraine were "contributing to rapidly growing expenditures, a depreciating rouble, increasing inflation and a tight labour market reflecting a loss of workers" in its economy, Lyngaas wrote.

Russia's economy would be more than 5 per cent bigger if President Vladimir Putin had not launched the war, Lyngaas said, adding that the country was underperforming other energy exporters, including the US.

Moscow was spending more than $100bn on defence, or almost a third of its planned outlay in 2023, according to the Treasury department. The huge spending comes at the same time as the Kremlin has paused some planned public salary increases despite inflation running at 7.5 per cent — far above the central bank's target of 4 per cent.

The Treasury's assessment, in a blog post published yesterday, came as the US government warned that funds for Ukraine could run out by the end of the year, after congressional Republicans last week blocked a White House request for an additional $60bn in security assistance for Kyiv.

There is also mounting scepticism that western sanctions, including the G7 effort to cap the price at which Russia can sell its oil and petroleum products, are working as planned. The FT recently reported that Russia was circumventing the price cap and that almost all its crude was being sold at a figure above the prescribed level.

However, the Treasury claimed that the cap, coupled with the EU embargo on purchases of seaborne crude, "helped reduce Russia's export earnings by forcing sizeable discounts on Russian exporters where the embargo lowered demand". Western sanctions were forcing Moscow to resort to "a costly realignment of supply chains to import lower-quality substitutes", it said.

Russian authorities have said that the country's economy continues to blossom despite sanctions and the extra spending to fund its invasion of Ukraine, with Putin saying last week that gross domestic product would expand 3.5 per cent this year.

But the country's GDP is partly driven by the military-industrial sector, which absorbs economic resources including a labour force already overburdened by war and distorts the economy, say analysts.

The Treasury also noted that emigration had hit historic highs, with 668,000 people leaving the country last year.

TV appearance. Phone-in

Putin vows to fight until 'goals are achieved'

President tackles questions at stage-managed event for first time since invasion of Ukraine

MAX SEDDON AND POLINA IVANOVA
LONDON

Vladimir Putin said his invasion of Ukraine would end only when Russia's "goals are achieved", indicating he intended to keep fighting until Kyiv capitulates.

Speaking at a marathon press conference and phone-in yesterday, Russia's president said he was focused on the "denazification" and "demilitarisation" of Ukraine. The stage-managed event was the first time Putin had taken questions at length since ordering the invasion of Ukraine in February 2022.

"There will be peace when our goals are achieved," said Putin.

His vaguely worded demands, which also include Ukraine abandoning its bid for Nato membership, essentially amount to its wholesale surrender and acceptance of long-term Russian dominance.

Ukrainian President Volodymyr Zelenskyy has refused to negotiate a ceasefire and accept the loss of a fifth of his country's territory, which is currently under Russian control.

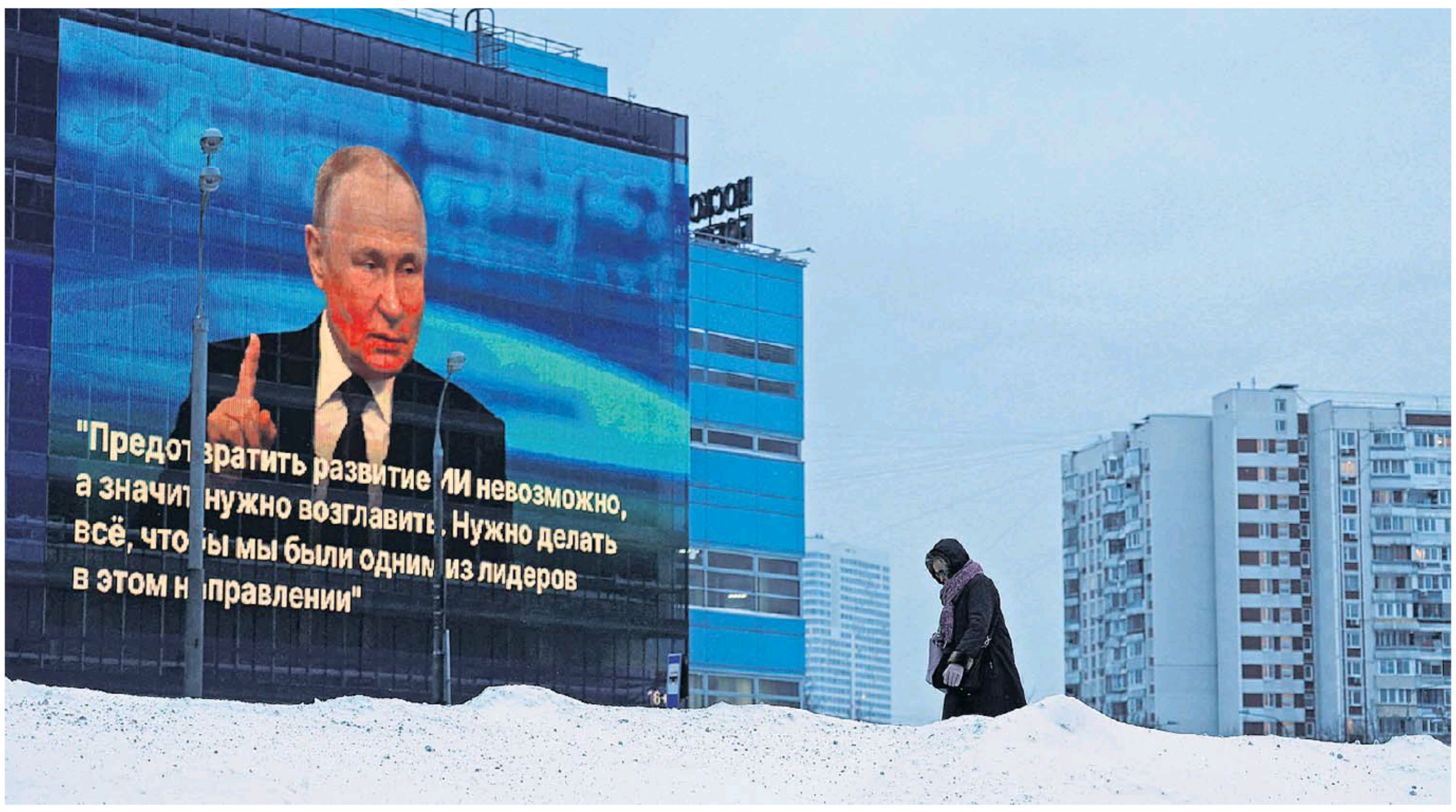
But Ukrainian optimism after inflicting a series of humiliating battlefield defeats on Russia last year has faded recently as western resolve appears to have started to falter.

Zelenskyy this week travelled to Washington but failed to secure additional military support from the US Congress, where the Republican majority is holding up a $60bn bill put forward by the White House.

Meanwhile, EU leaders gathered in Brussels yesterday to begin difficult negotiations to overcome Hungary's opposition to a €50bn funding package for Ukraine for the next four years and to approve the start of EU accession talks with Kyiv.

"Ukraine produces almost nothing today, everything is coming from the west, but the free stuff is going to run out some day, and it seems it already is," said Putin.

He claimed that Ukraine was running out of troops after taking heavy casualties in its counteroffensive, which failed to secure any significant territorial gains this year, and expressed confidence that Russia's army was turning the tide.



Projecting power: a woman in Moscow walks past a screen showing Russian President Vladimir Putin at his question and answer session yesterday
Maxim Shemetov/Reuters

"The enemy announced a big counteroffensive. None of it worked anywhere," said Putin. "I don't even know why they do this. They are just sending their men out to be destroyed."

Kremlin spin-doctors and state media used the telethon to present Putin as an all-powerful, benevolent leader capable of solving ordinary Russians' personal problems while crowing of victories on the battlefield and his prowess as a global statesman.

At one point, Putin took a question from himself in the guise of an AI-generated video in which an "anonymous resident of St Petersburg" asked the Russian president about widespread rumours he uses body doubles. Putin said he had "decided the only one who looks like me and speaks with my voice should be me".

But in a sign of how the war was affecting Russia's society and economy, some questions revealed citizens' concerns about high inflation, frontline soldiers' frustrations and complaints about failing social services. An oncologist in south-east Ukraine said they needed more doctors in annexed regions.

Messages flashed on a large screen behind Putin, including "Why does a box of eggs cost 550 roubles in Dagestan?" and "Why is your 'reality' at odds with our lived reality?"

Putin at times struggled to come up with an answer.

"Of course you're right that things don't always work. The frontline is almost 2,000km long," said Putin. "Of course not everything is delivered everywhere on time."

He reassured Russians that there was no need to draft more men after last year's mobilisation led to mass panic and prompted hundreds of thousands of people to flee the country.

The president ranted at length about what he claimed were the true roots of the Ukraine crisis, blaming the US and former Soviet ruler Vladimir Lenin.

> '[Ukraine] are just sending their men out to be destroyed'

> 'Look at what's happening in Gaza. Nothing like that is happening in Ukraine'

He also hinted Russia had designs on two other Ukrainian regions on the Black Sea, which he said "had nothing to do with" Ukraine. "Odesa is a Russian city. We know that. Everyone knows that. But no, they thought up all sorts of historical nonsense," he said.

Still, he insisted Russia's war was nothing compared with the "catastrophe" of Israel's bombing campaign on Gaza. "Look at . . . what is happening in Gaza and notice the difference. Nothing like that is happening in Ukraine," said Putin.

Putin also said Russia was in talks with the US about releasing Wall Street Journal reporter Evan Gershkovich and fellow American Paul Whelan from prison. In his first comments on the issue since Gershkovich was arrested in March on espionage charges, Putin said Russia and the US were in discussion about a potential swap.

"I hope that we will find a solution, and that the American side will make a decision that will be accepted by the Russian side as well. They should be based on humanitarian considerations."

Brussels setting rules for AI isn't pretty, but someone has to do it

GLOBAL INSIGHT
Alan Beattie

It is a much-stereotyped instinct in Brussels: see a dynamic industry, rush to regulate it. Like the tyrannosaurus rex in *Jurassic Park*, EU officials hunt by movement. If part of the economy is growing fast, they're rapidly on its tail.

Their latest prey is artificial intelligence, on which the EU agreed an outline AI Act last week. The regime seems likely to be classic EU stuff: generally well-motivated in principle but highly complex in practice. When France's president is criticising you for excessive regulatory zeal, you might want to pause for reflection.

The episode underlines, though, that the EU still often sets the regulatory pace even in sectors where its domestic industry is undersized, simply because it is prepared to think and act systematically where other large jurisdictions are not. The General Data Protection Regulation, the EU's data privacy law passed in 2016, was similarly criticised for creating administrative burdens that advantaged incumbent tech giants with big compliance departments over dynamic start-ups.

Some of those critiques were no doubt reasonable, and GDPR certainly hasn't facilitated a world-beating EU tech sector. But it is still the closest we have to an international data protection standard, providing inspiration for regulation across the world. It transpires that the "Brussels effect", where EU rules set global standards, doesn't necessarily require Europe to have large competitive companies in the relevant market.

To be fair to the EU, judging the correct balance of risk for rules on AI is massively uncertain compared with the traditional sectors where the Brussels effect holds, such as chemicals and cars. Even AI's creators have vastly different opinions: a large group of researchers and industry figures in April called for a moratorium on its development while the hazards were assessed.

Even if the EU isn't necessarily the optimal body to regulate AI in theory, it is probably the best available so far in practice. China, although its companies are far ahead of the EU's in developing AI, is far too much of a surveillance state for its rules on tech such as facial recognition to be taken as exemplars.

In the US, as with data protection, there is some legislation on a state level, but Joe Biden's administration has limited itself to issuing a vague "AI Bill of Rights" and an executive order that is more about guidance and reporting requirements than binding law. The administration's attitude to tech governance is unclear and hence the US regulatory environment unstable.

> When France's president is criticising you for excessive regulatory zeal, you might want to pause for reflection

Tech companies complain about EU bureaucracy — Meta's social media app Threads is launching in the EU this week five months after its US inception, thanks to data-sharing issues created by the EU's Digital Markets Act — but it's a devil they know.

Smaller economies, such as the UK, also have ambitions to set standards. Prime Minister Rishi Sunak, always desperate to show the benefits of escaping the EU regulatory stockade with Brexit, has been touting his own looser approach to AI laws. But how much the UK can diverge, given how closely its tech ecosystem is intertwined with the EU's, is not clear.

In practice, it is possible that the EU's AI legislation won't provide a global model in quite the way GDPR does. Because multinationals want to transfer personal data across borders, there is a strong incentive for the EU's trading partners to implement interoperability, if not full harmonisation with GDPR.

In AI, companies can run different algorithms in different jurisdictions with fewer incentives to standardise.

At the very least, though, EU regulation will provide an anchor or triangulation point to which other governments can refer when creating their own rules.

AI is a vast new technology and its potential to change economies and societies is not known. Someone needs to be thinking and legislating methodically about how its power can be channelled for good. The EU has had the first stab at doing so. If the US or anyone else wants to have a go, they are welcome to try.

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INTERNATIONAL

Powell's dovish signal on rates delights Wall Street but raises inflation worries

Economists warn that bout of investor exuberance risks making effort to tame price pressures harder

COLBY SMITH — NEW YORK

For weeks ahead of their final meeting of 2023, Federal Reserve officials appeared to have one goal in mind: keep as much flexibility over monetary policy as possible to finish what has become an arduous fight to tame inflation.

On Wednesday, chair Jay Powell changed the tune.

Between a new tone in the policy statement, fresh projections indicating a less aggressive path for interest rates and Powell's own commentary during a press conference, the signals pointed in one, consistently dovish direction.

The shift overshadowed the US central bank's other, more expected announcement on Wednesday — that it was holding rates for a third consecutive meeting.

Rather, not only did the Fed indicate that its multiyear campaign to tighten monetary policy was now drawing to a close, but officials also began entertaining sharper cuts to borrowing costs next year — a move designed to secure a soft landing for the world's largest economy.

Together, this brought joy to Wall Street, with stocks rallying and government bond yields falling. By Wednesday evening, the yield on the 10-year Treasury had dipped below 4 per cent for the first time since August.

Traders in federal funds futures markets increased their bets that the central bank could begin slashing the benchmark rate as early as March and that rates could end next year below 4 per cent, well below their current level of 5.25 per cent to 5.5 per cent, a 22-year high.

But at a time when the inflation outlook still remains uncertain, economists said this was exactly the kind of exuberant outcome the Fed needed to avoid, or risk making its own job of fully taming price pressures more difficult.

The fear is that looser financial conditions that bring about a cheaper cost of capital could unleash another wave of borrowing and spending by businesses and households, undoing some of the central bank's work to restrain demand and cool the economy.

"It may make the last mile [of getting inflation down to target] harder, because they will not have financial conditions as tight as they need," said Vincent Reinhart, who worked at the Fed for more than 20 years and is now at Dreyfus and Mellon.

"Investors are like the kids in the back seat saying, 'are we there yet' and they are just going to keep saying [that] at every meeting and their pricing will make the journey longer."

The primary risk for the Fed was if the economy — and its robust jobs market — continued to defy expectations of a slowdown, in turn keeping inflation from falling as quickly as officials now expected, said Dean Maki, chief economist at Point72 Asset Management.

"It's not so obvious that the labour market right now is consistent with the Fed's 2 per cent target," he said, referring to the central bank's inflation goal. "I think there is a risk to the strategy at this stage without seeing more inflation or labour market data."

While monthly jobs growth has cooled recently, demand for workers in industries from leisure and hospitality to healthcare remains strong.

Those sectors could sustain a brisk pace of hiring and consumer spending, said Maki.

Powell alluded to those risks on Wednesday, saying it remained "premature" to declare victory over inflation and that further progress "can't be guaranteed".

But while he reiterated that the central bank could raise rates again if necessary, Powell's warning rang hollow.

One reason was a change in the Fed's statement, where it cited the conditions under which it would consider "any" additional tightening. "We added the word 'any' as an acknowledgment that we are likely at or near the peak rate for this cycle," said Powell.

That view was backed up by projections released on Wednesday that showed most of the central bank's officials did not think rates would rise further and that they did expect more cuts next year than shown in the previous "dot plot" of their projections released in September.

They now anticipate the policy rate falling by 0.75 percentage points in 2024 and another full percentage point in 2025, before it stabilises between 2.75 per cent and 3 per cent in 2026.

> It would be 'premature' to declare victory over inflation and further progress 'can't be guaranteed'
>
> Jay Powell, Fed chair

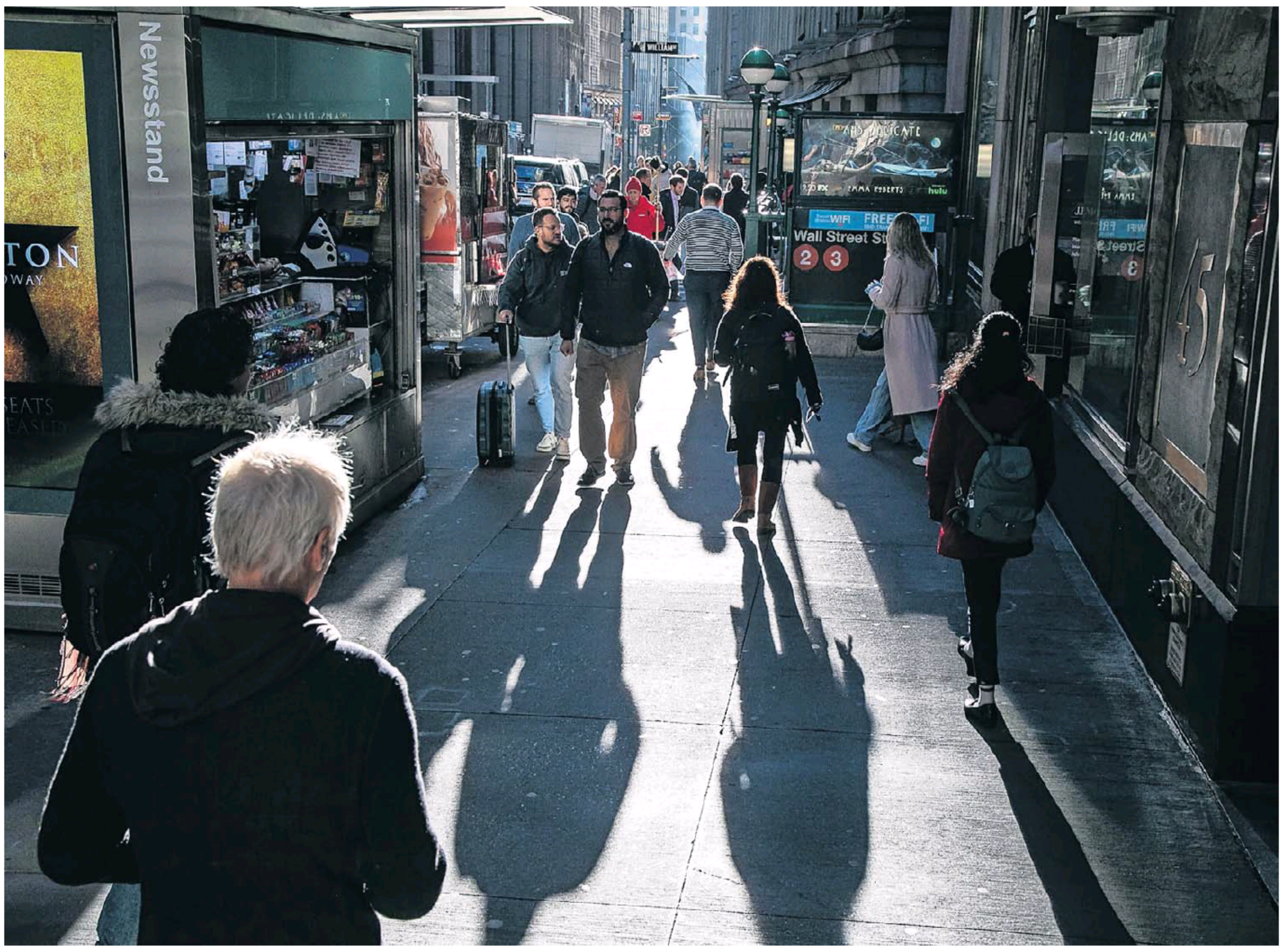
Powell did not spell out which criteria the Fed would use to decide when to start cutting but he did indicate that officials would take into account falling inflation, to make sure rates did not stay too high for households and businesses.

The central bank was "very focused" on not waiting too long to cut rates, he added.

Wednesday's shift was made possible by officials' more benign outlook for inflation, as well as expectations for slower growth and marginally higher unemployment next year. Powell also said that the effects of rising rates since March 2022 had yet to be fully felt across the economy.

Michael de Pass, global head of rates trading at Citadel Securities, said this helped to explain why the Fed did not seem too concerned about looser financial conditions.

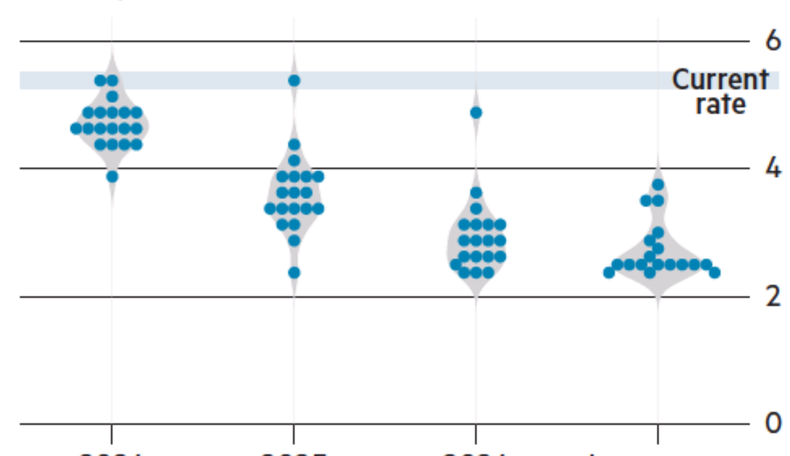
"It seems like they are taking comfort in the pace of the decline in inflation, taking comfort in the fact that they believe the current level of rates is fairly restrictive and taking comfort in the fact that there is still some tightening in the pipeline that hasn't made its way through," he said.



Long shadow: the mood on Wall Street has lifted even though the struggle against inflation remains unfinished business Michael Nagle/Bloomberg

Fed officials hint at steeper cuts next year

Each dot represents one FOMC participant's projection for the midpoint of US interest rates, Dec 2023 (%)



Source: Federal Reserve

Digital platforms

EU settles on regulations to improve gig economy labour rights

JAVIER ESPINOZA — BRUSSELS

EU regulators have agreed to rules that will force ride-sharing and delivery companies such as Uber and Deliveroo to improve employment conditions for workers on their platforms.

The rules laid out five criteria, of which gig economy platforms must meet at least two. If, for example, a company determines a worker's hours and pay, then that person is to be treated as an employee, said legislators.

Nicolas Schmit, the EU's commissioner for jobs and social rights, hailed the agreement as a "historic achievement". The deal follows years of talks in Brussels on improving social and labour terms for gig economy workers.

"The new rules we have agreed ensure platform workers, such as drivers and riders, receive the social and labour rights they are entitled to, without sacrificing the flexibility of the platform business model," said Schmit.

"Platforms will have legal certainty throughout the EU for the first time," he added. "And consumers will continue to enjoy access to platform services at their fingertips. Workers will also understand better how automated decisions are taken."

Gig economy companies, however, are likely to resist the move by Brussels because they envisage being saddled with higher costs, such as extra payments for paternity leave and healthcare. The European Commission estimated the regulations would push up prices for services from companies such as Uber and Bolt by 40 per cent.

Uber and other companies in the sector have said customers, as well as facing higher prices, could experience a lower quality of service. The extra burden could force Uber to stop its services in smaller cities, the company has said.

Online platforms have said that their workers like the flexibility that they offer because it allows them to seek work elsewhere and manage their own working hours.

"The European parliament and the council presidency, in a rush to close a deal by the end of the year, want to force hundreds of thousands of genuinely self-employed drivers into employment status, contrary to what ride-hailing drivers have repeatedly said they want," said Move EU, the European association of ride-hailing platforms that represents companies such as Bolt and Uber.

"The member states will now need to look at the text and decide if they want to approve a provisional agreement very likely to create significant legal uncertainty throughout the EU," said Aurélien Pozzana, chair of MoveEU.

Member states and the European parliament have to ratify the deal.

Platforms can appeal if they can prove that the contractual relationship is "not an employment relationship", said the legislators in Brussels.

China

Beijing puts security before reform in outlook for 2024

JOE LEAHY AND SUN YU — BEIJING
ANDY LIN — HONG KONG

China's leaders have given almost equal weight to security and reform at an annual economic meeting that sets policy for the following year, according to a Financial Times analysis.

Beijing released a detailed statement on the Central Economic Work Conference, which was held on Monday and Tuesday, and pledged to pursue measures ranging from "proactive fiscal policies" to tax breaks for strategic industries in 2024.

An FT analysis that compared key words in the statement with previous years showed that "development", or economic growth, was the most popular term this year with 50 mentions. That compared with 45 in 2022 and 40 in 2019 before the pandemic.

This was consistent with previous years except during financial turbulence in China in 2015 and 2016, when "reform" trumped "development" temporarily.

But despite an economic slowdown, the term "reform" was mentioned only 15 times this year, compared with 13 in 2022 and 28 before Covid in 2019, while references to "security" jumped to 14 from nine in 2022 and one in 2019.

"The growing importance of security in the report suggests the government is feeling insecure about both the domestic and international environment," said Dan Wang, chief economist at Hang Seng Bank China.

She said reform had become increasingly difficult to implement and those measures that had been attempted, such as partial privatisations of state-owned enterprises and redistribution of revenue between central and local governments, had failed to pan out.

The focus on security and the downplaying of reform "sends a negative signal to investors as the government is prioritising security and downplaying reform", she said.

China's economic recovery from the pandemic has faced difficulties from a liquidity crisis in the property market that has weighed on confidence.

Foreign investors are also concerned about Beijing's increasing focus on national security with the launch of data laws they complain are too vague and new espionage regulations.

Analysts advocate reforms to help fuel domestic consumer demand but government loans are pouring into the manufacturing sector, particularly high-technology segments, which Beijing regards as strategic in its competition with the US.

Foreign business has been urging Beijing to remove hundreds of non-tariff barriers to allow them greater market access. But "foreign capital" was mentioned only once in the work conference statement this year compared with five times last year and once in 2019.

Defence

Fighter jet project with Italy and Japan to be based in UK

SYLVIA PFEIFER — LONDON
KANA INAGAKI — TOKYO

The UK has been chosen as the headquarters for a project with Italy and Japan to build a fighter jet by 2035.

Under the deal, confirmed in a trilateral convention signed in Tokyo yesterday, the UK will host the government headquarters of the Global Combat Air Programme, supporting hundreds of jobs.

The joint project office will be led initially by Japan and the role will rotate among the other partners.

Decisions on the project's location and leadership had been keenly awaited due to their political sensitivity, and as the first indication of how the three would divide responsibilities.

The project, announced last December, is an ambitious programme aimed at expanding each nation's defence capabilities to address rising security threats from Russia and China. It merges Japan's F-X with the UK and Italy's Tempest projects to deliver a supersonic jet in about half the time and at much lower cost than aircraft of previous generations such as the Eurofighter Typhoon.

The headquarters will be responsible for delivering "vital military capability, strengthening each country's combat air industrial capability, and achieving value for money", the UK said.

With the headquarters issue resolved, the leading industrial partners on the programme — BAE Systems of the UK, Leonardo of Italy and Mitsubishi Heavy Industries of Japan — are also expected to work out their division of labour next year.

The partners' defence ministers confirmed yesterday that the work distribution would be "proportionate to each country's contribution by financial and technical means under the spirit of equal partnership".

The UK has committed just over £2bn to Tempest alone, with industry partners investing about £800mn. Japan's defence ministry is seeking to set aside ¥72.6bn ($513mn) for GCAP for the 2024-25 fiscal year.

The money will fund the "concept and assessment phase" then a launch of the development phase among the three nations in 2025.

Additional reporting by Amy Kazmin in Rome

An artist's impression of the fighter jet to be built by the three nations

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Environmental policy

France wins partial exemption for banks from EU green rules

ALICE HANCOCK — BRUSSELS

France has secured a partial carve-out for banks from new EU rules to make companies responsible for environmental impacts in their supply chains.

Paris also won, in separate negotiations, assurance that state-backed funding for its nuclear power plants would be possible under a reform of the EU electricity market, the culmination of a concerted effort to champion the low-carbon fuel in the face of opposition from Luxembourg, Austria and Germany.

Agnès Pannier-Runacher, French energy minister, hailed the decision as "excellent news", adding: "It gives us the means to ensure long-term financing for the transformation of our electricity system."

The EU due diligence law agreed yesterday will force companies with more than 500 employees and €150mn in revenue to report and take measures to prevent worker exploitation, deforestation and pollution in their supply chains. Civil society groups will be able to take businesses to court for non-compliance with the rules.

France, backed by countries including Italy and the Czech Republic, has succeeded in making sure that banks, asset managers and investment groups will have to report only on upstream activities, such as purchasing office equipment. They will not have to undertake due diligence on the activities of clients to whom they are offering loans — something for which the European parliament had pushed.

In a note to negotiators this month, the European Central Bank warned that "excluding the financial sector would be counterproductive to the intention of the [law], as it would allow the EU financial sector to continue to fund activities detrimental to the EU [environmental and social governance] agenda".

Arianne Griffith, corporate accountability lead at the NGO Global Witness, said it was "shocking" that EU countries had "sunk plans to ensure that banks stop investing in environmental and human rights abuses".

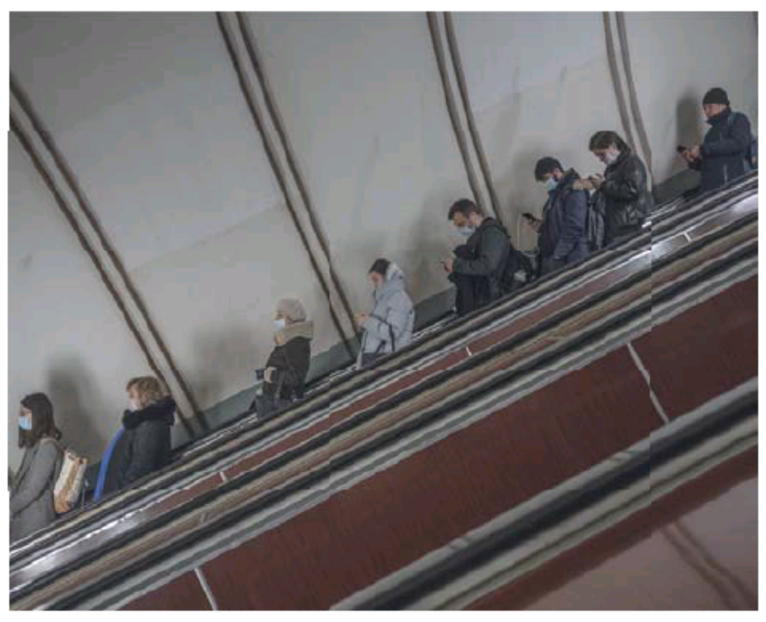
Eelco Van der Enden, chief executive of the Global Reporting Initiative, said it was "disheartening" to see that the French effort had watered down the rules for the financial sector but that a review clause in the agreement could offer the chance to include them later.

However, banks with more than 500 employees will have to draw up and implement climate transition plans to show what they are doing to mitigate their impact on global warming.

Richard Gardiner, head of EU policy at the World Benchmarking Alliance, said that "the significant upside" of the law was the obligation for banks to adopt and implement a "meaningful transition plan", overriding current voluntary pledges to bring carbon emissions to zero.

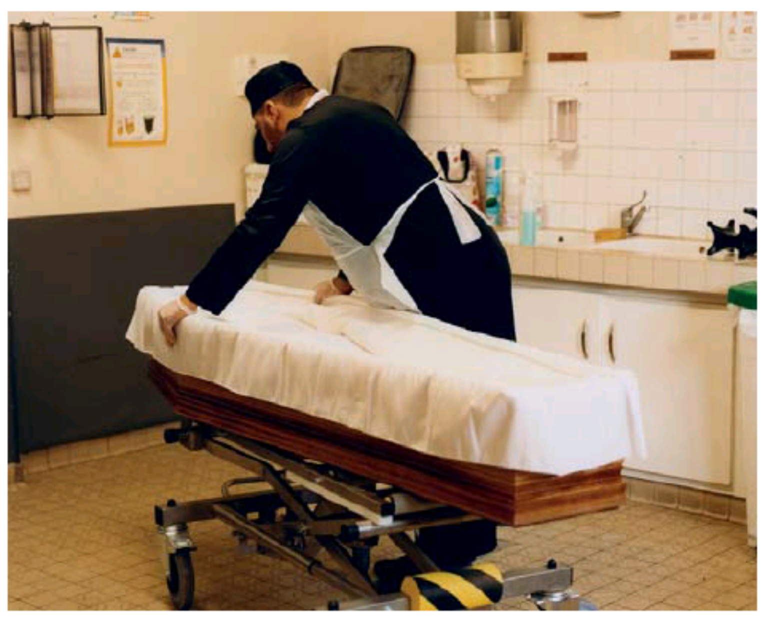
FT Weekend

Yusra Mardini's mandate of hope



Bellingcat founder Eliot Higgins on **how we can prevent disinformation**

Will 2024 be different for first-time buyers?



Samad Akrach: The former care worker upholding Muslim funeral rites for the dead

Lunch with **AI scientist Fei-Fei Li**

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INTERNATIONAL

Containment initiative

US leads push for Israel-Hizbollah buffer

Diplomats hope to persuade militant group to pull back from Lebanon border area

FT REPORTERS

The US, UK and France are exploring ways to convince Hizbollah to pull back from the Lebanon-Israel border in a push to prevent a full-blown conflict erupting between the militant group and Israel.

Under the initiative, western officials have been talking to Lebanon and Israel to try to persuade both countries to implement the long-ignored UN resolution 1701, which requires the Iran-backed group to withdraw its fighters from the border region.

One element under discussion would give Lebanon's army a bigger role in the area in an attempt to establish a buffer zone between Hizbollah and the border.

"People can see what a solution would look like, but getting there is very difficult," said a western diplomat. "You need to get Israel and Hizbollah to stop fighting first, and you need to get Hizbollah to acquiesce."

Israeli forces and Hizbollah have had almost daily exchanges of fire since the war between Hamas and Israel erupted on October 7. The clashes have fuelled concerns of a broader regional conflagration and caused the Jewish state to evacuate tens of thousands of people from its border region.

As such, and after Hamas's attack, Israel has warned it can no longer accept the presence of Hizbollah forces on its northern frontier. It has threatened to act militarily if the 2006 UN resolution is not enforced.

To prevent an escalation, US, UK and French officials have held talks with Israel and Beirut about how to implement 1701, including bolstering the presence and resources of the Lebanese Armed Forces in southern Lebanon, said people briefed on the talks.

The hope is that a deal will ultimately lead to Hizbollah, the dominant political and military force in Lebanon, agreeing to pull back from the border. The ideas being discussed include strengthening Unifil, the UN force stationed in southern Lebanon, and an effort to formally demarcate the Blue Line that represents the de facto boundary between Israel and Lebanon in the absence of an officially-agreed border.

People briefed on the talks cautioned that they were at an early stage and there were significant hurdles. Some officials said the talks were co-ordinated, others said the US, UK and French were holding separate discussions with the parties.

A Lebanese official said resolution 1701 might provide a "road map" for discussions, but added that any deal would have to address Beirut's concerns about Israeli violations of 1701, including incursions into the Arab state's airspace, and Israel's presence in about a dozen disputed areas.

"What the Israelis are trying to do is use their war in Gaza as a lever to try to pre-empt us, or pressure us; it won't work," the official said. "So what we are saying is let's think constructively, put 1701 on the table and see who is violating it and let's try and reinvigorate its implementation."

Hizbollah did not respond to a request for comment.

Reporting by James Shotter in Jerusalem, Raya Jalabi in Beirut, Andrew England in London and Leila Abboud in Paris

Arrests

Germany and Netherlands foil alleged Hamas plot

GUY CHAZAN — BERLIN
RICHARD MILNE — OSLO

Police in Germany and the Netherlands have arrested four suspected members of Hamas who they say were planning terror attacks on Jewish institutions in Europe.

Germany's Federal Public Prosecutor's Office said the four were suspected of membership of a foreign terrorist organisation.

Three men — identified as Abdelhamid Al A. and Ibrahim El-R., both born in Lebanon, and Egyptian national Mohamed B were arrested in Berlin. A fourth, Dutch national Nazih R., was arrested in Rotterdam on a European warrant.

The Israel-Hamas conflict has raised fears that Jewish communal institutions in Europe might be vulnerable to terror attacks. In Berlin, houses with Jewish residents have been smeared with Stars of David and in October unknown assailants threw Molotov cocktails at a synagogue in the city.

Marco Buschmann, German justice minister, thanked those involved in yesterday's arrests, saying they had "contributed to Jews in Europe being able to continue living in safety and peace".

> Arrests had 'thwarted an attack, the goal of which was to kill innocent civilians on European soil'

Prosecutors said one of the four suspects, Abdelhamid Al A., had made efforts to locate an underground weapons cache that Hamas had created and bring it to Berlin to be kept ready for use in "potential terrorist attacks on Jewish institutions in Europe".

They said that in October 2023, Abdelhamid Al A., Mohamed B. and Nazih R. travelled repeatedly from Berlin to look for the weapons, with Ibrahim El-R providing assistance.

The four men were, prosecutors said, "longstanding members of Hamas", had participated in Hamas operations abroad and were "closely linked to the leadership" of Hamas's military wing, the al-Qassam Brigades.

The alleged plot, if confirmed, would mark a big escalation of Hamas's activities in Germany. So far, the militant group has mainly seen the country as a place to gather funds and spread propaganda, and has carried out attacks only in Israel and the Palestinian territories.

Meanwhile in Denmark, police arrested three people on terrorism charges and conducted raids in five regions of the Scandinavian country.

They declined to comment on links to Hamas but said they were tied to the criminal gang "Loyal to Familia", among other international connections.

Danish police declined to speculate on motives but said they had "awareness around Jewish places of interest".

The office of Israeli Prime Minister Benjamin Netanyahu issued a statement saying the Danish arrests had "thwarted an attack, the goal of which was to kill innocent civilians on European soil". It said that Hamas had in recent years "striven to expand its operational capabilities around the world, especially in Europe, in order to realise its aspirations to attack Israeli, Jewish and western targets at any price".

Middle East. Society

Gaza's social fabric torn by loss of entire families

Bombardment has left both children and adults with deep mental, as well as physical, scars

FT REPORTERS

Iman Awad was a protective mother. Before the war in Gaza, she would not allow her youngsters to play in the street unsupervised. "She always feared for her children," said Iman's sister-in-law, Sondos.

Now the family has faced devastation beyond their worst fears. Iman, her husband, their eldest daughter and baby son were all killed in an Israeli air strike last month. Iman's youngest daughter, Iyyam Agha, nine, survived. But she lies beneath hospital blankets, paralysed by a brain injury from the bombing.

The extended Agha family's losses stretch further. About 80 in the family have died since October 7 in the bombardment, said relatives and the family's website. As Israel's bombs pound Gaza, they are among hundreds of families to suffer deaths on this scale.

Like many others in Gaza, Iyyam lived with her extended family in one house, a three-storey building split into six flats. Five uncles and aunts on her father's side, along with their children, all lived under the same roof.

The tradition of extended families living together in multistories, compounded by relatives moving in together for safety in wartime, has meant that hundreds of multigenerational families have suffered like the Aghas, all but wiped out in single or multiple strikes.

About 1,550 families have lost multiple members, according to health officials in the Hamas-controlled territory. At least 312 families had each lost more than 10 people by November 23, the officials said. Aid agencies often refer to the acronym "WCNSF", short for "wounded child, no surviving family".

Before the war, Iyyam's immediate family had believed their prospects were improving. Her father, Mohammed Agha, had a degree in business administration but after struggling to find work began working as an electrician, and this year opened a repair shop.

"He was happy. He was pleased with this," said Iyyam's grandfather Fouad.

Iyyam and her sister Mira were doing well in school. Sondos describes them as sweet girls, "like birds". Before she died, their mother, an education graduate, was looking forward to buying a new sofa and winter clothes for them, Sondos said. "But the war got there first."

Human cost: mourners bury a child from the Agha family killed in an Israeli air strike. Below, Iyyam Agha, third right, with her family before the war, is now paralysed
Ibraheem Abu Mustafa / Reuters; Mai Khaled/FT

It was a visit to Iyyam's maternal aunt and uncle's house, in an area known as the Emirati neighbourhood in Khan Younis, that cost most of the immediate family their lives on November 3. Fouad rushed to the scene. "The house had been crushed," he said. "There was a big crater and masonry thrown around."

Learning that Iyyam was at the hospital injured, but alive, and that her brother Fouad had survived brought some comfort. "When I saw him I felt that part of my soul had returned," said the grandfather.

Muhammad Abu Sultan, who played as a goalkeeper and had dreams of getting married, was another Palestinian killed in Gaza alongside many of his family. Using data from Airwars, a UK-based not-for-profit organisation that documents casualties of air strikes, surviving friends and family members who were killed were identified.

He died with eight family members in a strike on the densely populated Jabalia refugee camp on October 31. At least 126 civilians, including 69 children, were killed in the attack.

"He loved Real Madrid," a childhood friend recalled of Muhammad, whose family had lived in the camp 30 years.

Muhammad died alongside his father, Omar, a carpenter, his mother, Sahar, who worked in the sweets industry, his three brothers, Ahmed, Mahmoud, and Abdullah, his sister, Shahd, and Ahmed's wife and daughter.

"There are no relatives or loved ones left," posted Facebook friend and former Gaza resident Suhil Yahya.

The loss of large family groups such as the Aghas and Abu Sultans is tearing holes in Gaza's social fabric. "Such loss results in the erasure of shared memories and identities for those who survive," said Dina Matar, professor at the School of Oriental and African Studies at the University of London.

> 'Such loss results in the erasure of shared memories and identities for those who survive'

The war, triggered by Hamas's assault on southern Israel on October 7, in which militants killed 1,200 and took more than 200 hostages, has been catastrophic for Gaza's civilians.

Gaza's authorities say more than two-thirds of the 18,205 reported deaths have been women and children, but the data does not distinguish civilians from militants. Israeli officials say a third of deaths were fighters and accused Hamas of using civilians as human shields.

Campaign group Amnesty International documented five cases of air strikes wiping out entire families, saying they should be investigated as potential war crimes. Israel's foreign ministry claimed Amnesty was "an antisemitic and anti-Israeli organisation".

Medical experts warn that such widespread loss will have a long-term psychological impact. A teenager now living in Gaza has survived five periods of major bombardment: in 2008, 2012, 2014, 2021 and now 2023.

Dr Ayesha Kadir, a paediatrician and health adviser for Save the Children, said Gaza's youth faced multiple levels of trauma. Children were witnessing death first-hand, while adults, to whom children turn, were lost in despair.

"[Adults] can't create that sense of safety and security that's a fundamental need for healthy child development."

Matar said the loss of families also had social and historical implications. "The death of whole families means records of these people and their social lives have gone."

This results in "gaps" in the recording of people's existence. "Remembering matters. These are important elements when you want to put together histories and stories of ordinary lives."

Maha Nassar, an expert in modern Middle Eastern history at Arizona university, said that social media tributes to those lost testified to the community's resilience. Gazans were "holding fast to their Palestinian identity", she said.

"As Palestinians around the world read and share these commemorations, their shared sense of loss will forge deep social bonds in Gaza and beyond."

Mai Khaled in Khan Younis, Heba Saleh in Cairo and Lucy Rodgers, Alexandra Heal, Dan Clark, Eade Hemingway and Steven Bernard in London

Asia

Japan ministers sacked over funding scandal

KANA INAGAKI — TOKYO

Fumio Kishida sacked four cabinet members yesterday in a bid to save his premiership amid Japan's biggest political funding scandal in decades.

The purge by the increasingly unpopular prime minister was intended to shield him from a widening slush funds investigation that has involved a large number of politicians from his governing Liberal Democratic party.

Analysts said the gambit, which could dramatically alter the LDP power balances, might succeed if Kishida was able to revamp his image by embarking on bold political reform. But if he fails to win over the public, he could quickly turn into a lame-duck premier and risk having to step down before his term as LDP leader expires in September.

The ousted ministers included Hirokazu Matsuno, chief cabinet secretary and the government's top spokesperson, and Yasutoshi Nishimura, trade minister. Kishida also replaced several vice-ministers and the LDP's policy chief.

For the chief cabinet secretary post, Kishida turned to former foreign minister Yoshimasa Hayashi, who belongs to an LDP faction previously led by the prime minister. He replaced his trade minister with former justice minister Ken Saitō.

"There is no political stability without the trust of the people," Kishida said, as he promised to carry out reform with "a sense of crisis". He added: "I will take the lead and fight to overhaul the workings of the Liberal Democratic party to restore trust in politics."

> 'There is no political stability without the trust of the people. I will fight to restore trust in politics'

Prosecutors are investigating allegations that LDP politicians, mostly members of the powerful faction formerly led by late prime minister Shinzo Abe, systematically failed to report roughly ¥500mn ($3.4mn) in political funding over a period of five years, according to Japanese media.

Some analysts said the practice of concealing political funds was more than two decades old and used to support weaker members of the Abe faction. Other factions appear to be affected, with media reports saying members of one formerly led by Kishida also failed to report some political funds, though prosecutors do not see it as systematic.

The scandal has contributed to a decline in Kishida's popularity, which was already low because of public dissatisfaction with higher living costs and concerns that the prime minister will raise taxes to fund increases in defence and childcare spending.

Public approval for Kishida's administration has plummeted to 23 per cent, the lowest for any prime minister since 2012, according to a poll conducted by the public broadcaster NHK last weekend.

Masatoshi Honda, a political analyst and academic, said Kishida might survive the scandal but only because other senior members of the LDP would not want to take over at a time of such turmoil.

Argentina

Milei party accepts need to make 'concessions'

CIARA NUGENT — BUENOS AIRES

Javier Milei's party will have to make "concessions" to overcome a fragmented congress as it pursues the Argentine president's radical reforms, the lower house leader has said.

"It's the most ambitious package of measures in our history, so naturally some will prosper more easily than others," said Martin Menem from Milei's La Libertad Avanza coalition, who took the lower house presidency on Sunday.

"We will have to make some kind of concessions . . . but always with the sole objective of advancing the president's plan and ending Argentina's decline," he said. "We won't negotiate on the ideas."

Milei, a former television pundit, was elected in November amid an economic crisis, with inflation close to 150 per cent. He pledged to slash public spending and replace the peso with the US dollar. But he has softened his tone, built alliances with the mainstream right, and shelved the dollarisation proposal.

His LLA holds 15 per cent of seats in the lower house and 10 per cent of the senate. None of the 23 provincial governors, some of whom hold sway over legislators, are from the libertarian coalition. This has raised questions about Milei's ability to execute his plans.

"We have an extremely fragmented chamber," Menem said. "No party has enough seats to reach a majority, so everything will be a matter of making agreements to try to reach the necessary numbers."

LLA insiders said the first legislative measures would include tax changes, labour market reform and deregulation of sectors, such as the airline industry.

Martín Menem says the LLA will not negotiate on Javier Milei's ideas

"Milei's greatest challenge will be in congress," said Ana Iparraguirre, an Argentina-based analyst and partner at Washington strategy firm GBAO.

"The average share of congress for presidents since the 1983 return to democracy was 45 per cent, and they all had governors," she said.

The LLA, which has 38 of 257 seats in the lower house, has struck a tentative alliance with the PRO party of Mauricio Macri, former president, which has 40.

About 70 are held by centrist parties and just over 100 by the left-leaning Peronist coalition, which includes some moderates along with more radical politicians loyal to Cristina Fernández de Kirchner, the leftist former president.

Local media reported the labour reform would be limited to a plan to reduce hefty fines and severance packages that are unpopular among employers, without touching redline issues for powerful labour unions, such as their role in health insurance provision.

Menem said early conversations with centrist lawmakers and non-Kirchnerist Peronists had suggested "some kind of rapprochement" would be possible.

Bum notes Private equity companies' billion-dollar rush to buy up music rights slowed by high interest rates PAGE 10

Companies & Markets

Amazon wins battle with EU over €250mn in back taxes

- Court rejects claim of illegal state aid
- Blow for Brussels on corporate deals

JAVIER ESPINOZA — BRUSSELS

Amazon has won a court battle with the European Commission over €250mn in taxes, delivering a blow to efforts to crack down on favourable tax deals between member states and big companies.

The EU's top court ruled yesterday that the commission could not force Amazon to pay €250mn in back taxes to Luxembourg, dismissing the argument that the US ecommerce group's tax arrangements amounted to illegal state aid. The decision by the European Court of Justice, which upheld the findings of a lower court, could also hit a long-running dispute aimed at forcing Apple to pay back €14.3bn in tax to Ireland. An ECJ ruling in the case is expected next year.

> 'Amazon got an early Christmas present, as [it] dodged its decade-old tax bill to Luxembourg'

Yesterday's decision is a significant blow to the commission's campaign against bespoke corporate tax deals in the EU, seeking to push corporations and wealthy individuals to pay more to assist post-pandemic recovery plans.

"The Court of Justice confirms that the commission has not established that the tax ruling given to Amazon by Luxembourg was a state aid that was incompatible with the internal market," the court said in a statement. The ruling is final and cannot be subject to appeal.

The commission said it "takes note of today's judgment of the Court of Justice of the European Union confirming the 2021 judgment of the General Court which annulled the commission's 2017 decision".

Amazon welcomed the ruling, saying it confirmed that the company had "followed all applicable laws and received no special treatment".

The EU court's final say on the case comes days into the return of Margrethe Vestager, the EU vice-president in charge of competition and digital policy who has led the commission's crackdown on sweetheart tax deals. She took unpaid leave to campaign unsuccessfully to become president of the European Investment Bank.

Despite several defeats on the use of state aid law, Vestager has pointed to the backing of the courts in some instances stating that national tax laws must be in line with EU state aid rules.

"Amazon got an early Christmas present this year, as the company dodged its decade-old tax bill to Luxembourg and can continue to till this day," said Chiara Putaturo, EU tax expert at the charity Oxfam. "This is why the EU must come forward with real tax reforms."

Last month, Giovanni Pitruzzella, advocate-general of the ECJ, said a landmark decision quashing the EU's order for Apple to pay €14.3bn in back taxes to Ireland "should be set aside".

Such opinions by advocates-general are non-binding but often influential in final judgments by the EU's top court.

The General Court, the EU's second-highest court, ruled in 2020 that, while it supported the EU's right to investigate national tax arrangements, Brussels had failed to show that Apple had received an illegal economic advantage in Ireland over tax.

Pitruzzella said the court had "committed a series of errors in law" and "failed to assess correctly the substance and consequences of certain methodological errors". As a result, the court needed "to carry out a new assessment".

An ECJ ruling is expected next year.

Time bomb Allianz defeats Exeter university in legal battle over second world war explosive

Blast from the past: the 1,000kg bomb dropped on the outskirts of Exeter in 1942 is detonated — Devon & Cornwall Police

ALISTAIR GRAY

The insurance company Allianz has fought off a legal challenge brought by Exeter university after declining to cover damage caused by a controlled explosion on the grounds that it fell within a "war exclusion" clause.

The Court of Appeal in London ruled in favour of Allianz yesterday over its decision not to pay out after a British Army bomb disposal team destroyed a 1,000kg device that was dropped by the Germans during the second world war in 1942 and lay buried on the outskirts of Exeter.

Workers on a construction site two years ago unearthed the bomb — nicknamed "the Hermann" after Hermann Göring, head of Nazi Germany's air force — and the controlled detonation was so powerful it damaged nearby student halls of residence.

The University of Exeter claimed under its insurance with Allianz both for physical damage and for costs related to the temporary rehousing of students.

But the Munich-based insurer refused to pay out. A High Court judge earlier this year sided with the company, agreeing that the war exclusion applied on the basis that the dropping of the bomb during the war was the "proximate cause" of the damage.

The University of Exeter challenged the decision, noting that second world war ended 76 years before the damage was done.

> The 'effluxion of time did nothing to reduce the potency of the bomb'
> Lord Justice Coulson

David Pliener KC, representing the university, said it was not plausible to argue that the war exclusion could apply to "long-ended historic wars" and that the only direct cause for the damage was the Royal Logistics Corps' intervention.

Isabel Hitching KC, for Allianz, argued that the events since the dropping of the bomb were immaterial compared with the Luftwaffe raid, especially since the ordnance disposal team's actions had not been criticised.

In the ruling yesterday, Lord Justice Coulson said the "effluxion of time did nothing to reduce the potency of the bomb".

The judge said both the act of war in 1942 and the bomb's subsequent detonation decades later had caused the university's loss, and that since one of those causes was expressly excluded from cover, Allianz was within its rights not to pay out.

The bomb was dropped during the so-called Baedeker raids, in which the Luftwaffe targeted historic British cities. It fell on to farmland on the outskirts of the city. The halls of residence were built on the site about a decade ago.

Wirecard's former finance chief faces fraud charge

OLAF STORBECK — FRANKFURT

Munich prosecutors have charged Wirecard's former chief financial officer with fraud more than three years after the payments company collapsed in one of Germany's biggest corporate scandals.

Burkhard Ley, who was CFO from 2006 to 2017 and then worked as an external adviser to Wirecard, was charged yesterday with fraud, breach of trust, accounting and market manipulation.

Ley was arrested in 2020 after the once high-flying payments group crashed into insolvency. He was released in November of that year after spending four months in police custody.

The charges against Ley come as the trial of Wirecard's former chief executive Markus Braun and two other former executives continues. The trial, which started a year ago, is expected to run until at least next summer.

Wirecard was valued at more than €24bn at its peak and feted as a rare German tech success. It failed in June 2020 after disclosing that €1.9bn in corporate cash linked to outsourced operations in Asia did not exist.

Munich prosecutors allege that Ley deceived Wirecard's investors and creditors by inventing the outsourced business in Asia. According to prosecutors, the operations, which accounted for half the company's revenue and almost all its profits, were used to inflate its results and share price.

Braun, Oliver Bellenhaus, a former Dubai-based executive, and Stephan von Erffa, Wirecard's former head of accounting, have been accused by prosecutors of similar deception.

Ley denied the charges. In a statement, his lawyers said: "Our client did not take part in criminal activity that is asserted in the indictment."

The evidence to support the charges was "highly controversial" and in large parts based on "dubious statements" from Bellenhaus, who during the trial has implicated Ley, the statement said.

Braun and von Erffa also deny wrongdoing and accuse Bellenhaus, who turned chief witness for prosecutors, of fabricating the allegations. Braun claims that Wirecard's outsourced operations were real. During his trial, the ex-chief has blamed Wirecard's former second-in-command, Jan Marsalek, who has been on the run since June 2020, and Bellenhaus of having embezzled the proceeds from the operations.

Reality bites as Spotify finally moves to trim its runaway costs

INSIDE BUSINESS
TECHNOLOGY
Anna Nicolaou

It has been a chaotic couple of weeks at Spotify. The tech group's thousands of staff woke on Monday morning last week to mass lay-offs, alongside a pointed statement by chief executive Daniel Ek, who said that there were too many people at Spotify "doing work around the work" rather than making a real impact.

The following day, chief financial officer Paul Vogel sold $9mn in shares, seemingly cashing in on the stock market's positive reaction to the brutal cuts.

Two days after that, Ek announced another bombshell: Vogel was among the employees who were exiting.

In another sharply worded statement, Ek said that Spotify was "entering a new phase and needed a CFO with a different mix of experiences". (A former senior Spotify executive described Ek's comments in their directness as "very Swedish").

Vogel, a former Barclays analyst who joined Spotify in 2016, did not offer a statement. He is set to depart at the end of March.

In total this year, Spotify has fired about 2,300 employees, or roughly a quarter of its staff. Ek himself admitted that the severity of the cuts would come as a surprise to many employees, because Spotify's business has actually been doing quite well.

Before the December 4 lay-offs announcement, Spotify's stock was up 130 per cent this year.

In the first nine months of 2023, Spotify added a staggering 85mn users, including 21mn paying subscribers. It did so even as it raised prices in dozens of countries.

In the video-streaming wars, it is becoming clear that Netflix has run away with its lead over the competition. Spotify is on the cusp of a similarly definitive victory in music streaming.

In spite of its popularity, Spotify has never consistently made a profit. For a long while, the simple excuse was that Spotify's business model itself was flawed. For every dollar that Spotify makes in revenue, it pays about 70 cents back out to the owners of the music on the app.

And what has Spotify been doing with the remaining 30 cents? In recent years Ek embarked on a hiring spree — nearly doubling headcount from 4,405 employees on average in 2019 to 8,359 in 2022, according to regulatory filings. Excluding the fees that it pays to music-rights holders, Spotify's expenses ballooned from €2.3bn in 2020 to €3.6bn in 2022.

> 'We have to become relentlessly resourceful. Being lean is not just an option but a necessity'
> Daniel Ek, Spotify

Spotify in 2021 also borrowed $1.3bn, seemingly to help pay for the surge in spending.

Investors were briefly tantalised by Ek's gusto as he spent $1bn to thrust Spotify into podcasting. But by 2022, Wall Street had lost patience.

Spotify's revenue was rising, but so were its losses. Spotify shares dropped 66 per cent that year. Now, the Swedish billionaire has explicitly called time on that freer-spending era.

"We now find ourselves in a very different environment. And despite our efforts to reduce costs this past year, our cost structure for where we need to be is still too big," Ek said. "We have to become relentlessly resourceful . . . being lean is not just an option but a necessity."

That should satisfy the market. Lightshed analyst Rich Greenfield described last week's mass lay-offs as "tremendous news". Rosenblatt Securities analyst Barton Crockett wrote in a research note that the cost controls could prompt Spotify's profits to "explode". Macquarie analysts estimate the cuts could reduce Spotify's costs by €300mn next year.

Spotify's stock is up about 10 per cent since the cuts were announced on December 4.

It is cold comfort for the thousands of people who have been left unemployed.

In the midst of the swirl of news last week, it was revealed that Spotify also cancelled two prestigious podcasts — *Stolen* and *Heavyweight* — which audio consultant Jay Cowit likened to the *Breaking Bad* or *The Sopranos* of the podcasting world.

Over the years Spotify has tried out a wide range of corporate gambits. (Does anyone remember the dashboard accessory known as the "car thing"?). Recent moves suggest that Ek no longer has lofty ambitions to create *The Sopranos* of podcasting. The coming years for Spotify might resemble more of an autopilot mode: cutting costs, raising prices and perhaps even retreating from countries where it is losing money.

The revolutionary ardour that defined streaming's earlier days has been replaced with the realities of running a publicly traded business. After years of resisting calls to trim its bloated costs, it appears Ek is finally listening.

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Rising interest rates rock private equity's billion-dollar music bets

Wall Street firms that had been vying to snap up song rights have slowed their buying considerably

ANNA NICOLAOU AND ERIC PLATT
NEW YORK

In the span of just one week in October 2021, some of the world's biggest private equity groups — Blackstone, KKR and Apollo — collectively poured more than $3bn into buying music.

Blackstone announced that it had set aside $1bn to buy music in partnership with Merck Mercuriadis's Hipgnosis investment trust, noting his "vision and dynamism". KKR said it was "thrilled" to acquire some 62,000 songs for $1.1bn, which followed a $1bn fund it had arranged with music group BMG earlier that year. Apollo put up $1bn to buy songs with a new investment group called HarbourView.

These were trivial amounts for the three groups, which command more than $2tn in assets across investments ranging from fast-food chains and toy retailers to dental practices and prisons.

But for the music business, it was a watershed moment, seeming to signal that investors were interested in the industry again after it had spent a decade and a half in the doldrums. Longtime music executives described the interest coming from the Wall Street establishment as "unprecedented". Musicians saw their opportunity, too, with artists such as Stevie Nicks and Shakira taking advantage of the bullish mood to sell their life's work at eye-watering prices.

A little over two years later, however,

$3bn	14%
Blackstone, KKR and Apollo's music investment push in late 2021	Drop in the price of song catalogues since their 2019 peak

the Wall Street groups have still not spent the full sums they had committed to the music business, according to people familiar with the matter and Financial Times analysis of the transactions.

Most of the investment groups had planned to lend most of the capital they promised. But as interest rates climbed, catalogue prices fell and they could no longer justify loading the assets with as much debt as they had once contemplated. As a result, several slowed their buying considerably.

KKR, an early investor in music royalties, has not bought music for at least a year, according to a person familiar with the matter. Its $1bn partnership with BMG has only struck "a handful" of deals, this person said, including for songs by ZZ Top and John Legend.

The private equity pioneer, which bought a catalogue from Kobalt Capital worth $1.1bn in October 2021, recently hired advisory firm Raine Group to evaluate options for its music assets after receiving interest from possible buyers, four people briefed on the matter said.

Apollo has not made a new equity investment in song royalties for at least two years, according to a person familiar with the matter. HarbourView's initial fund stopped buying music last year, having spent $200mn of the equity Apollo contributed, but only about $450mn of the $800mn debt the group had considered providing. HarbourView has turned to other investors for a new fund.

Blackstone has reached active, spending a bit less than $700mn of its $1bn target on catalogues such as Justin Bieber and Justin Timberlake. But it has also been ensnared in a shareholder revolt at Hipgnosis, whose investors voted in October to restructure the business and rejected a proposal to sell Blackstone some of its assets.

Nat Zilkha, a former KKR partner who had led the firm's recent music push, said higher interest rates had raised the attractiveness of non-music investments "that are closer to home for lots of these traditional financial players".

High spirits: artists such as Shakira took advantage of the bullish mood to sell their life's work at eye-watering prices. Below, ZZ Top, whose tunes were included in a KKR and BMG deal — Theo Wargo/Getty Images for MTV; Frazer Harrison/Getty Images for Stagecoach

"As a result their interest in less liquid, less well-understood asset classes has waned. Music is near the top of that [list]," said Zilkha, who left KKR at the end of 2021 but is still an adviser.

Many of the financial buyers that pledged to invest in music planned to put only a sliver of new capital in to buy song rights on their own account. Instead, they agreed to provide a mountain of debt to would-be buyers or owners.

It is a similar strategy to how traditional private equity deals are financed — put up just a portion of the cash to fund a deal, and borrow the rest.

But the rise in borrowing costs depressed the value of the future cash flows music owners could expect to earn, meaning that those catalogues could no longer support as much debt as firms such as Apollo and KKR had expected.

One investor argued that — even without the change in interest rates — the cash flows were not large enough on their own to support the level of debt envisaged in the 2021 transactions. Another added that credit rating agencies would generally not tolerate debt exceeding 1.5 to 2 times the equity buyers were investing if they were to assign pristine ratings. That point is critical to insurance companies buying such debt, which typically must own safer assets.

The funds' bets on music rights have similarities to their wagers on commercial real estate. While they are lending against a fixed cash flow, they are also making a bet on the future value of an artist's catalogue, which is highly sensitive to interest rates.

They face the same problem in their core private equity businesses, as higher rates knock valuations of companies they already own. That has made it harder for them to sell companies and recoup their initial investments.

The firms have instead been pushing deeper into the hottest corner in finance: private credit. Lending, they believe, is what will power their growth in the decade ahead, particularly as banks retreat from much of the lending they once did.

It is a philosophy that is core to their music industry investments. Catalogue owners in the past often financed themselves with credit facilities from banks. But many banks have curtailed the types of lending they offer since the global financial crisis, opening the door to so-called non-bank lenders.

It was on view in an Apollo deal with Concord Music late last year, at a time when the music publisher needed to refinance its existing debts.

Apollo raised $2.3bn in debt for the group in deals secured against a catalogue worth roughly $5bn. The asset manager kept a portion of the debt for itself and Athene, its insurance arm, before selling the rest on to other investors and insurers. Hipgnosis and KKR have also raised debt in securitised markets for their music catalogues.

"We remain very bullish on music as an asset class and with our focus on high-grade credit, this is a natural way for us to play it," said Apollo principal Paul Sipio.

"The recent upsizing of Concord's asset-backed securitisation is a great example and we expect to do more financings where we can lend against valuable assets at attractive costs of capital for music and entertainment companies."

> 'Their interest in less liquid, less well-understood asset classes has waned. Music is near the top of that [list]'

> 'It's in everyone's interest to make it seem fine. Headline iconic deals will continue to get high multiples'

As interest rates have risen from near zero to above 5 per cent, prices for songwriting catalogues have fallen 14 per cent from their 2019 peak, according to David Dunn, partner at investment bank Shot Tower Capital, who has advised on high-profile music transactions in recent years.

Music publishing assets have this year averaged a price of about 17 times their historic annual income, compared with 20 times in 2019, Dunn said.

Even so, some investments are still happening.

Carlyle recently acquired Katy Perry's catalogue for $225mn, fending off rival bids from HarbourView and Blackstone's Hipgnosis fund, according to several people familiar with the auction. Blackstone offered $205mn, said one of these people. Separately, Morgan Stanley's credit arm last month committed $700mn to buy song copyrights with music company Kobalt.

Many investors still view music copyrights as a reliable source of income that is uncorrelated to the broader economy, which should keep a floor on their value even in a changed interest rate environment. But the financialisation of music has turned out to be a more nuanced picture than it seemed in the heady days of 2021.

"It's in everyone's interest to make it seem fine. These headline iconic deals will continue to get high multiples, and you'll continue to see these announcements," said one active participant in the music rights market. "But on the inside of it, anything that's below that upper crust [of repertoire] is experiencing a major correction."

Drama at Hipgnosis, the London investor that had helped build the recent hype around the music market, might make some investors more wary, several executives said.

"Lots of money was raised in unstable hands, in funds that promised massive multiple expansions, and that's going to create instability," said one large investor, who added that this instability could prompt asset sales, weighing further on valuations.

Automobiles

Tesla seeks specialist in Nordic affairs amid growing union strikes

PETER CAMPBELL — LONDON
RICHARD MILNE — OSLO

Tesla is seeking to hire a government affairs specialist in Sweden to help resolve escalating strikes against the US carmaker in the Nordic countries.

The company is looking for someone who has "a proven track record of getting regulatory changes made in the Nordics" to be based in Stockholm or Oslo, according to a posting on its careers site.

What began in October as a strike by mechanics against Tesla in Sweden has spread to three neighbouring countries, as dockworkers in Denmark, Finland and Norway have warned they will stop offloading Tesla cars bound for Sweden in the coming days.

The job advert states that the person is needed "to help ensure that the political, regulatory and fiscal frameworks in the 'Nordics' (Norway, Sweden, Denmark, Finland and Iceland) support Tesla's mission".

It added that "significant experience with Nordic legislative and regulatory advocacy is needed".

Although it is unlikely that Tesla will lobby to overturn the collective bargaining model that is at the heart of Sweden's labour market, the situation has entangled the carmaker with the region's politics.

Norway's governing Labour party

> What began in October as a strike in Sweden has spread to Denmark, Finland and Norway

summoned Tesla to parliament last week to answer questions about the affair.

In his reply to the party, Tesla's Norwegian boss, Axel Tangen, said that the company followed all Norwegian laws, including on the labour market, Norwegian media reported.

"Tesla has no form of global policy against organised labour," Tangen added. His comments stand in contrast with chief executive Elon Musk's recent statement that "I disagree with the idea of unions".

Separately, 16 Nordic institutional investors including KLP of Norway and Folksam of Sweden, which together have assets of about $1tn, sent a letter to Tesla's board yesterday asking the carmaker to respect the principle of collective bargaining and change its approach to unions.

Tesla's refusal to allow collective bargaining in its repair workshops in Sweden has been leapt on by unions as a rejection of the country's way of doing business, and has seen the carmaker hit by strikes since October.

Under Swedish law, unions are allowed to go on strike out of sympathy for other, non-unionised workers.

Tesla, which runs a series of repair workshops in the country, has seen some of its workers walk out, while dockworkers are refusing to unload its cars and postal workers are refusing to deliver registration plates.

This week, refuse workers said that they would stop collecting rubbish from its sites from December 24.

Musk has called the walkouts "insane". The company has lodged two legal cases as it tries to keep its sales business in the country operational.

This week a court ruled that Tesla could not collect undelivered registration plates directly from the transport authority, after postal workers refused to deliver them.

Although Sweden is only Tesla's fifth-largest market in Europe, the brand sells more cars in the combined Nordic countries than in any single European country, including Germany.

Tesla did not comment.

Technology

UK media regulator investigates TikTok over 'inaccurate' information on parental controls

CRISTINA CRIDDLE

TikTok is being investigated by the UK media regulator over concerns that the Chinese-owned video app supplied "inaccurate" information about its parental controls as the watchdog intensifies its efforts to protect children from harmful online material.

Ofcom said yesterday it had "reasonable grounds for believing that" ByteDance-owned TikTok had breached its legal responsibilities and said it might take enforcement action.

TikTok, speaking after news of the investigation broke, blamed a technical issue that led to it supplying inaccurate data. The company said it had notified the regulator and was working swiftly to rectify the issue. It said it planned to supply accurate data as soon as possible.

Ofcom had sought information from TikTok to understand and monitor how the video platform's parental controls worked. The regulator said yesterday the "available evidence suggests that the information provided . . . may not have been complete and accurate".

Ofcom is intensifying its work in protecting children from harm as part of its role as the UK's online safety regulator, following a landmark piece of legislation passed in October.

The law is seen as among the strongest online regulations in the world and Ofcom has pushed to hold companies to account for any breaches. This month, it issued guidance to pornography websites, forcing them to introduce stricter technical measures to ensure that their users are over the age of 18.

The regulator has also recently gained powers to regulate video-sharing platforms and has been gathering information since 2021 on the leading companies, including TikTok, Snapchat, Twitch and OnlyFans. It can impose fines of up to 5 per cent of qualifying revenue or £250,000, whatever is greater, for companies that fail to comply with its regulations.

Ofcom highlighted in its report that TikTok, Twitch and Snapchat relied on users declaring their age when signing up, meaning it was easy to gain access by entering a false age. It chose to focus on these three platforms because of their popularity with under-18s.

The three employ other methods to identify underage users, including human moderators and artificial intelligence detection of language that might suggest they are under 18, for example writing their age in their bio on a profile page.

But Ofcom said the effectiveness of such measures was "yet to be established".

It added: "We asked TikTok for information about its parental control system, Family Pairing, and we have reason to believe that the information it provided was inaccurate."

TikTok's Family Pairing feature, introduced in 2020, allows parents to link their accounts with their children in order to set limits on screen time, types of content and who can send them messages on the platform.

Research by the regulator has found that more than a fifth of children aged between eight and 17 have an adult online profile, despite many platforms such as TikTok allowing users to have accounts from the age of 13.

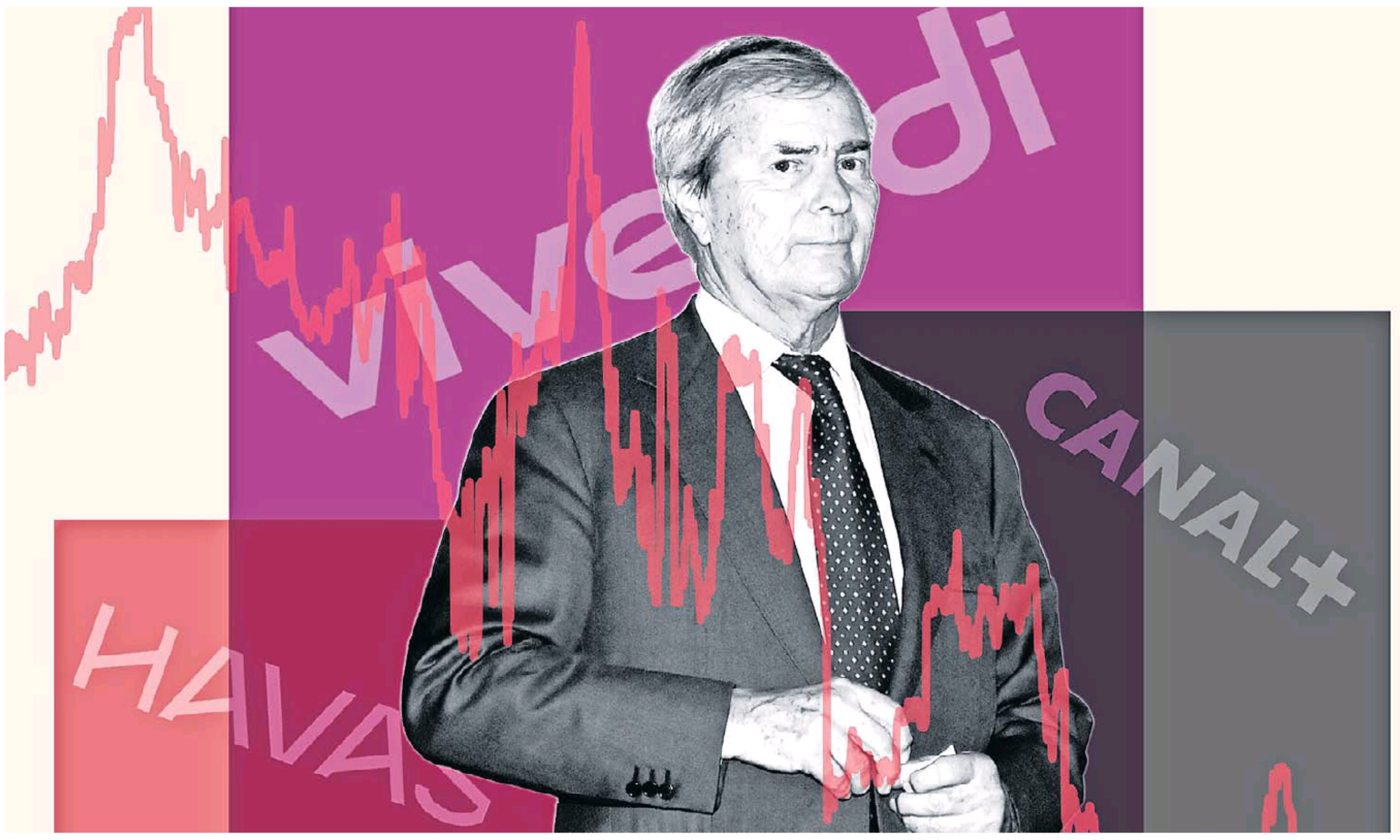
TikTok told the regulator that the number of underage accounts removed between June 2022 and March 2023 was about 1 per cent of its UK monthly active user base.

Media. Conglomerate discount

Bolloré sets sights on Vivendi break-up

Tycoon's change of tack cheers investors who hope billions of euros in value will be unlocked

ADRIENNE KLASA — PARIS
HARRIET AGNEW — LONDON



A break-up of the Paris-based advertising-to-pay TV group represents a new phase in Vincent Bolloré's efforts to reshape his family's holdings — FT montage/Getty

Vincent Bolloré spent years trying to convince investors his media conglomerate Vivendi was not just a collection of disparate businesses. This week, the French billionaire admitted defeat.

The Paris-based advertising-to-pay TV group said on Wednesday evening that it would explore splitting itself into three businesses. Investors welcomed the unexpected change of tack, sending its share price up as much as 10 per cent, and narrowing a large implicit gap between its market capitalisation and the sum of its parts.

"Breaking up the company is fantastic news for Vivendi shareholders," said Olivier Fortesa, co-chief executive of activist Amber Capital, a top 10 investor with about 1.5 per cent of the shares. "Day one, we see at least an additional €8bn in potential value to be unlocked."

The lack of meaningful synergies between Vivendi's businesses has long been a problem for investors — and a source of frustration for Vivendi. Bolloré's 43-year-old son, Yannick, who has run Vivendi since his father retired, said this year that his goal was to show the group was "a coherent company and not a disparate set of holdings".

But the trading discount to the sum of Vivendi's underlying assets, estimated by Barclays analysts at about 40 per cent, has kept growing, nearly doubling since the spin out of the group's most valuable businesses, Universal Music Group, two years ago.

"Despite all the work that's been done, Vivendi has not managed to reduce the discount. So at a certain point you have to be pragmatic," said a person close to Vivendi.

The completion last month of a deal to buy rival French media conglomerate Lagardère Group, which includes publisher Hachette and travel retailer Relay, also gave Vivendi the space to act.

The successful spin-off of Universal Music, whose shares have increased 10 per cent since listing in Amsterdam, means Vivendi believes "a separation of [French pay television] Canal+ and advertising agency Havas could drive further value crystallisation for Vivendi," she added. UMG's market capitalisation stands at €47bn.

A planned break-up represents a new phase in Bolloré's efforts to reshape his family's holdings. The 71-year-old corporate raider has sold several of the businesses held by Bolloré Group, the family's transportation and logistics company, slimming it down before turning attention to Vivendi. Bolloré, who controls Vivendi through a 30 per cent minority stake, remains the key decision maker in the family businesses.

Up until recently, many investors and analysts had speculated that he would simply take the company private — buying out minority shareholders without paying a big premium — using the proceeds from other divestments.

"It's clear that this changes the direction of the project," said a second person familiar with the company's thinking. "The average discount for a conglomerate is 15 to 20 per cent. If it's this pronounced, it means Vivendi has . . . not been able to find shareholders who are interested in the ensemble of these assets."

The company is expected to take up to 18 months to study the plan. In the announcement on Wednesday, it signalled that the break-up would be evaluated based on impact for "all stakeholders", as well as the tax implications.

'Vivendi has not managed to reduce the discount. So at a certain point you have to be pragmatic'

If it goes ahead, both Canal+, which is Vivendi's biggest profit centre, and Havas would become separate listed groups, with the Bolloré family holding company remaining a key shareholder.

Vivendi would then plan to have a third listed branch as an investment group that would house Lagardère, and include other holdings in media and entertainment companies.

Both Havas and Canal+ have grown and made acquisitions to expand into new markets in recent years. Vivendi's hope is that by listing them they will unlock value and give them the ability to use shares for further acquisitions. But not everyone buys this rationale.

"Splitting the company into three would not give Canal+, Havas or Lagardère more money to spend on M&A," said Julien Roch at Barclays. "Vivendi together had arguably more firepower by being able to sell assets."

The move may also make it easier for the Bolloré family holding company to increase its stake in one of the three smaller entities.

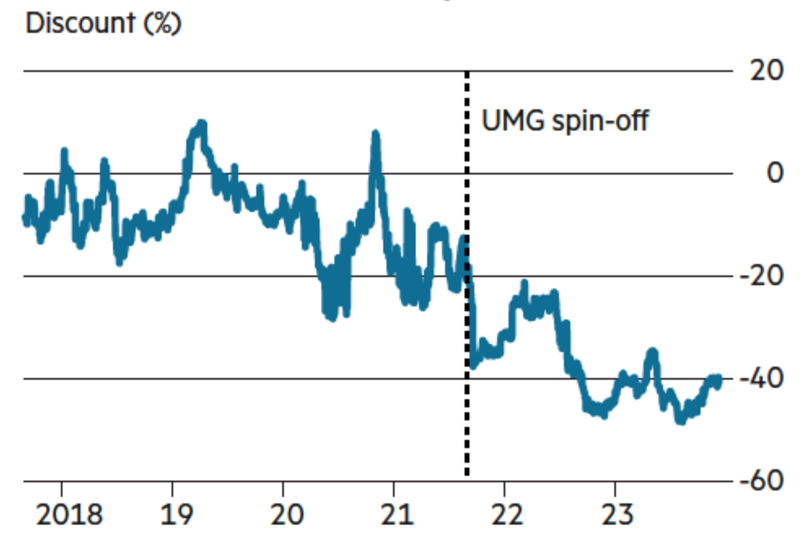
"The split gives more flexibility to Bolloré," Roch said.

"A break-up would make it easier to grow Canal Plus and Havas to their full potential," said Fortesa at Amber, which waged an activist campaign at Lagardère and helped Bolloré secure the acquisition of the media group.

See Lex

'A break-up would make it easier to grow Canal Plus and Havas to their full potential'

Vivendi's sum of parts discount has continued to widen since UMG was spun off
Discount (%)



Source: Barclays

Financials

Apollo and rivals ponder potential bids for PIC

IAN SMITH AND WILL LOUCH — LONDON
AND ANTOINE GARA — NEW YORK

Apollo, Carlyle and KKR are studying bids for Pension Insurance Corporation ahead of a deadline this week, as big private capital groups look for a way into the thriving market for UK corporate pension deals.

London-based PIC has more than 300,000 policyholders amassed through so-called bulk annuity deals, where it takes over pension fund liabilities and the assets backing them from their sponsoring companies. This year it did the biggest UK deal yet, when general insurer RSA offloaded £6.5bn of liabilities to the group.

The three US private equity groups are considering bids ahead of the deadline, according to people familiar with their positions, although their interest remains preliminary and they will not necessarily submit offers, while there may be other potential bidders.

Canada's Brookfield Asset Management also studied a bid but has decided not to move forward, according to two people briefed on the matter.

Investment bank JPMorgan is advising on the deal and has invited bids, said people familiar with the process.

The deal would probably value the group at a discount to its "own funds", according to one market insider, referring to a measure of shareholder equity that was £6bn on an adjusted basis at the end of June.

Apollo, Brookfield, Carlyle, KKR and JPMorgan all declined to comment.

Low interest rates have lifted the corporate pensions market, with improved scheme funding levels meaning hundreds of billions of pounds of pension obligations are set to be transferred from companies to insurers. Private capital groups have spent months exploring how to enter the sector.

Additional reporting by Ivan Levingston

See Lex

Remuneration

Shareholders heighten opposition to bonus plan changes on US boards

PATRICK TEMPLE-WEST — NEW YORK

Investors are rattling more US companies over executive pay, attacking bonuses and other changes to remuneration while shying away from supporting highly politicised environmental and social measures.

Dozens of US-listed companies that proposed to change their pay plans struggled to win support from shareholders this year, according to research from Glass Lewis, a proxy adviser.

These included 17 where pay proposals failed to receive a majority vote, more than doubling from seven in 2022 and the highest in at least five years.

Companies that received less than 75 per cent support for bonus plans jumped to 159 this year from 112 in 2022, Glass Lewis said.

Shareholders' increased vigilance over executive pay comes as they cut back support for resolutions on environmental and social matters in the face of criticism from politicians, even as those proposals have proliferated.

The pay proposals that failed typically involved issuing new shares that dilute current investors.

Ford this year asked shareholders for permission to issue shares to pay its executives and employees but BlackRock, State Street and Vanguard — the carmaker's largest shareholders — voted against the proposal.

The proposed pay changes "excessively" diluted shareholders and contained an "evergreen" provision that automatically issued more shares without fresh investor approval, according to Institutional Shareholder Services, another proxy adviser. A Ford family trust controls 40 per cent of the carmaker's voting power, ensuring that the pay changes still passed this year. Ford declined to comment.

Investor support for environmental and social proposals has declined this year as Republicans escalated a fight against sustainable investing.

Both BlackRock and Vanguard supported far fewer climate, racial equity and other politically tinged shareholder proposals than they did in 2022 and 2021. But investors' concerns about increasing pay suggests that opposition to bonus plan changes is likely to continue, said Maria Vu, senior director for compensation research at Glass Lewis.

'Investors are applying more scrutiny' to executive pay and 'are willing to use their votes'

"Shareholder frustration with executive pay is going to continue to play a role in the passage of these proposals," and investors "definitely are using a higher standard to gauge them", she said. Changes to equity pay plans are typically binding, meaning that, if they were to fail, companies need to propose them again, Vu added.

That means these investor votes "are actually one of the more powerful proposals that shareholders have".

Vanguard this year voted down a proposal to give stock options to the founder of Fastly, an internet infrastructure company. Vanguard also voted against a proposal at uniQure, a Dutch biotech company, to give the board permission to issue shares and options. Both companies failed to win majority support for their pay changes.

A pay change at online travel booker Expedia received just 62 per cent support. BlackRock voted for the proposal but withheld its support for reappointing several board directors including Chelsea Clinton, daughter of former president Bill Clinton. "Poorly structured" pay arrangements prompted it to withhold support, BlackRock said.

Expedia declined to comment. Vanguard pointed to its 2023 voting report, which said the firm backed a vast majority of pay proposals supported by corporate management.

Asset managers have also been supporting executive pay petitions filed by outsiders as opposed to the companies themselves.

BlackRock, Vanguard and State Street endorsed a pay petition for Ford that came from John Chevedden, a longtime boardroom agitator who has been derisively labelled a "gadfly" for his corporate governance activism. Chevedden's Ford proposal called on the company to end its dual-share class structure that gives the Ford family voting control.

Chevedden has also been active in filing executive pay proposals concerning "golden parachutes", which are guaranteed severance payments for executives who leave their company.

"Investors are applying more scrutiny" to executive pay and they "are willing to use their votes", said Caitlin McSherry, director of investment stewardship at Neuberger Berman.

Utilities

Thames Water picks chief to plot revival

Former Aggreko boss sets out to 'deliver turnaround' amid worries over finances

JOHN AGLIONBY AND GILLIAN PLIMMER

Thames Water has appointed Chris Weston, former head of power supplier Aggreko, as its chief executive, as the UK's biggest water company faces scrutiny over its financial health and probes into its treatment of sewage.

The company has been without a permanent chief since Sarah Bentley quit in June after a boardroom row that deepened concern about the group's ability to manage its £18.3bn debt pile and overhaul its ageing infrastructure.

Weston said he would be "focused on delivering the turnaround that the business has outlined and improving performance over the next few years".

Britain's largest water distributor is seeking to raise new equity of £2.5bn from shareholders in coming years, as well as £750mn already pledged. The equity is subject to bill increases that regulator Ofwat has to approve.

Thames Water's chair Sir Adrian Montague said yesterday that Weston was taking over at "a crucial period of delivering our refocused turnaround plan and providing the service that customers rightly expect of us".

This week Montague apologised to MPs for causing "any confusion" when the utility described a loan from shareholders as "equity", as he sought to allay concern over its finances.

> Recruiting Weston is 'one of the things [Thames Water] had to do given the multitude of challenges'

Thames Water faces more than £1bn in debt repayments by the end of 2024, including a £190mn facility in its parent company Kemble Water Holdings maturing in April, according to its accounts published in November.

Recruiting Weston is "one of the things [Thames Water] had to do given the multitude of challenges", said Martin Young, an analyst at Investec. "It's a small step in the right direction."

Weston, who has also led British Gas, is a former member of the army and holds a doctorate and masters in business administration from Imperial College London. He replaces Cathryn Ross and Alastair Cochran, who had been interim co-CEOs after Bentley's exit.

He will be paid a salary of £850,000 and eligible for a bonus of 156 per cent of his salary if he meets undisclosed performance targets.

Thames Water, which launched its three-year turnaround plan this month, is also under investigation by Ofwat over a £37.5mn dividend it paid out in October.

Along with other water companies, it faces legal and regulatory investigations by the Environment Agency and Ofwat into whether it breached laws on the treatment of sewage and the pollution of rivers.

Shareholders have asked for restrictions on regulatory fines as one of the conditions for injecting new equity. Its largest shareholder, the Canadian pension fund Omers, took a 30 per cent writedown on its stake last year, casting doubt over its willingness to back the company further.

Oil & gas

Looney's loss of pay was not 'unduly harsh', BP tells staff

TOM WILSON

BP has denied to senior staff that the board was "unduly harsh" in its decision to claw back millions of pounds in pay from Bernard Looney, in a move that underscores its unease over the abrupt departure of the former chief executive.

In an eight-point question-and-answer memo shared with executives and seen by the Financial Times, one of the points addressed was: "Has the board been unduly harsh in how it has treated Bernard?"

The memo's response stressed that the "great majority" of the pay forfeiture "came as a result of his own decision to resign with immediate effect".

The document was shared internally on Wednesday when BP said it had fired Looney without notice after finding that he committed serious misconduct. This meant he would have to forfeit as much as £32.4mn in bonus, salary, pension allowance and share awards.

Looney resigned in September after BP received allegations that he had failed to disclose past relationships with colleagues. He admitted at the time that he had not been "fully transparent" with the board, led by chair Helge Lund.

Looney's departure has rocked the 114-year-old British energy group, raising questions over the number and nature of his workplace relationships as well as his conduct while at the helm of the group. The allegations that prompted his resignation included an accusation Looney promoted women with whom he had past undisclosed relationships, the FT has reported.

The company explained in both the internal memo and its public statement on Wednesday that as much as 87 per cent of the £32.4mn Looney would forfeit had been lost the day he resigned, in line with BP's "shareholder-approved remuneration policy". The rest was lost due to the misconduct decision.

"The board decided that when Bernard gave assurances around his past relationships with colleagues, he had given inaccurate and incomplete information and knowingly misled the board," it said in the internal memo. "The board decided that this amounted to serious misconduct".

The document's talking points suggest BP's board was concerned about how the decision to dismiss Looney without notice and claw back funds would be received by some BP staff.

The document stressed that Murray Auchinchloss, the FTSE 100 company's interim chief executive, was not involved in the decision, which BP said was taken by the non-executive members of the board.

The decision to fire Looney brought his 12-month notice period to an immediate end. He will forfeit a maximum of £32.4mn, dependent on the value of shares that form part of unvested stock awards. The total includes almost £1mn Looney will have to pay back to the group.

BP and Looney declined to comment.

Looney made his first public comments since his departure on Wednesday, saying he was "disappointed with the way the situation has been handled" and that he was proud of what he had achieved as CEO.

When Looney resigned in September, the company said it had begun an investigation into the allegations with the support of external counsel.

See Lex

Financials

Woodford fund investors vote for FCA-backed redress scheme

ARJUN NEIL ALIM

Investors in Neil Woodford's flagship fund have voted decisively to approve a controversial reimbursement scheme backed by the regulator — with the decision signalling an end to the four-year saga triggered by the collapse of the Woodford Equity Income Fund.

Ninety-four per cent of those who voted, including institutional investors, opted for the "scheme of arrangement" administered by Link Fund Solutions and supported by the Financial Conduct Authority, according to provisional results released by Link yesterday.

More than 54,000 investors participated in the vote, according to Link.

The final results will be published before a court hearing on January 18, which Link hopes will approve the result in order to begin the process of returning up to £230mn to investors.

According to the FCA, this would mark the return of a total 77 per cent of money that was locked up in 2019.

Link Fund Solutions said the vote "demonstrated [investors'] strong support for the scheme".

Roughly 300,000 investors had some £3.6bn stuck in the Woodford Equity Fund after its suspension in June 2019 in what became one of the UK's worst investment scandals.

The fund collapsed after a downturn deflated the value of its public equities and its illiquid holdings meant it struggled to meet investor demands for redemptions.

The vocal minority of Woodford investors and advocates who campaigned against the deal reacted with shock at the scale of the vote.

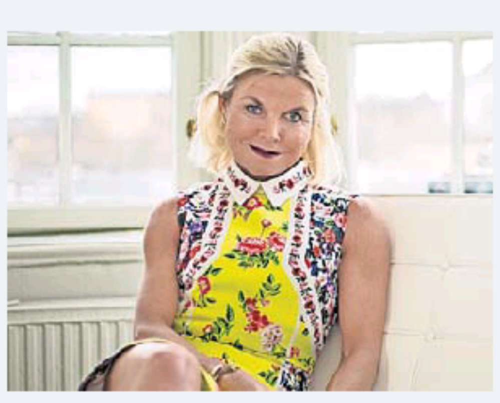
Critics allege that the FCA has misled investors about other — potentially more lucrative — avenues for reimbursement, including litigation or a claim with the Financial Services Compensation Scheme.

"I can't believe my eyes," one investor who voted against the deal wrote in an email.

The FCA said: "This scheme offers the quickest route for redress for the vast majority of people. Payouts through other means such as litigation or the FSCS are not guaranteed and will likely take longer to achieve."

High stakes

Activist calls on Entain to raise its game



Corvex has revealed a 4.4% holding in Ladbrokes owner Entain a day after Jette Nygaard-Andersen resigned as the gambling group's chief — Nigel French/PA

Corvex has become the latest US activist hedge fund to disclose a significant stake in Ladbrokes owner Entain, saying a more radical overhaul was needed to turn around the group's "unacceptable" performance.

The intervention by Corvex comes a day after Entain's former chief executive Jette Nygaard-Andersen resigned having come under fire for the FTSE 100 group's slumping share price this year and a series of botched acquisitions.

Its 4.4 per cent stake makes Corvex, which is run by Keith Meister, a former lieutenant of activist Carl Icahn, one of Entain's top 10 shareholders and raises the pressure on the group's chair Barry Gibson and interim chief executive Stella David to examine a possible sale of the company or some of its assets.

Over the past three years, Entain's board has walked away from two takeover approaches from US gambling operators MGM Resorts International and DraftKings that valued it at a premium to the current share price.

Entain has a joint venture with MGM in the US, where sports betting has recently been legalised in dozens of states. Corvex also has a stake in MGM, where Meister is a board director.

While Entain's "recent management change was a necessary first step, further change is required," Corvex said. "Simply put, Entain's recent performance has been unacceptable and all options must be considered to drive value."

Shares in Entain jumped 8.7 per cent yesterday.

The company was at a "critical juncture", Corvex added, and would benefit from a shareholder with

> 'Entain's performance has been unacceptable and all options must be considered to drive value'

"substantial industry and company-specific experience and expertise".

Nygaard-Andersen's exit came after less than three years in the job and followed reports in the Financial Times that several US activists had taken stakes amid growing internal discontent about her leadership.

Under Nygaard-Andersen, Entain embarked on a spree of bolt-on acquisitions costing more than £2bn while also losing share in several important markets.

Three new board members are expected to be appointed in coming weeks, according to two people familiar with the matter.

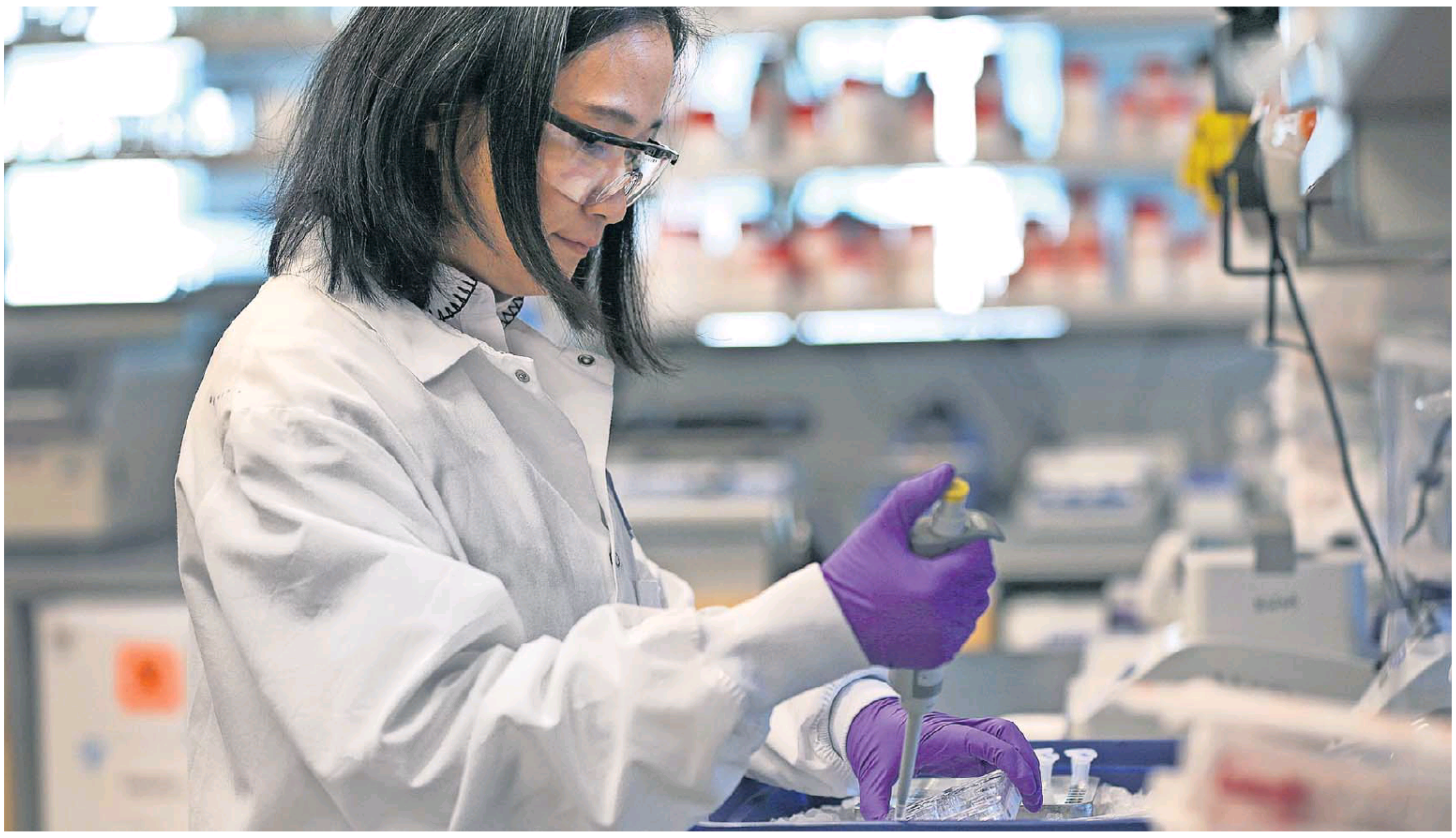
The other activist investors, New York-based activist funds Eminence Capital, Sachem Head Capital Management and Dendur Capital, are pushing to take most, if not all, board seats with the aim of controlling the hiring process for the new chief executive and any future mergers and acquisitions, according to people familiar with the funds' thinking.

Ricky Sandler, founder of Eminence, which owns between 4 and 5 per cent of Entain's stock, is positioning himself for a board seat, and has received public backing from one of Entain's biggest institutional shareholders Janus Henderson.

Corvex said it would "immediately engage" with Entain's Gibson and David. Some activists are unclear whether they can work with Gibson on a sale of the group or its assets after the FT reported earlier this month that MGM chief executive Bill Hornbuckle viewed him as an obstacle to a takeover. *Oliver Barnes and Harriet Agnew*

Equities. Depressed valuations

Biotech stocks make gains after years of 'wreckage'



Painful shot: Moderna's shares have tumbled more than 50 per cent this year as demand for its Covid-19 vaccines wanes
David L. Ryan/The Boston Globe/Getty Images

Sector boosted by shift in rate expectations with 25% rise for shares since start of November

NICHOLAS MEGAW AND ANNA MUTOH
NEW YORK

A rally in biotech stocks has raised hopes of a turnaround from the sector's worst run this century as drug developers suffered from rising interest rates and a backlash to pandemic-era euphoria.

Even as the wider US stock market approaches a record high, the S&P biotechnology index remains more than 50 per cent below its early 2021 peak.

However, the sector has been one of the biggest beneficiaries of a recent shift in interest rate expectations, bouncing more than 25 per cent since the start of November.

A 5 per cent gain on Wednesday pushed it into positive territory for the year after declines of more than 20 per cent in 2021 and 2022.

"In late 2020 and early 2021, many early-stage companies hit valuations that didn't make any sense," said Andy Acker, a healthcare portfolio manager at Janus Henderson. "Now we have the opposite situation . . . [so] we're combing through the wreckage to try to identify companies that have been left for dead."

Some of the biggest contributors to the index's recent weakness include vaccine developer Moderna and Altimmune, which is developing anti-obesity treatments.

Moderna's shares have tumbled more than 50 per cent this year as demand for its Covid-19 vaccines wanes.

Altimmune lost more than half of its value in a single March day after a drug trial showed severe side effects for some patients.

In October, before the recent market rally, a record 232 life sciences companies globally were trading with a market capitalisation below their cash reserves, according to Janus Henderson.

Large drugmakers have also underperformed, with the S&P 500 pharmaceutical sub-index heading for its worst performance relative to the broader S&P 500 in at least 20 years.

Pfizer has been the biggest drag on the S&P 500 this year and on Wednesday hit its lowest level since 2013.

Rising interest rates have weighed on valuations across industries but the effect tends to be particularly damaging in sectors such as biotech where most companies focus on growth far in the future.

The US Federal Reserve on Wednesday left benchmark interest rates at 5.25-5.5 per cent — up from near-zero two years ago — but signalled that cuts will begin next year.

Chris Shibutani, a healthcare analyst at Goldman Sachs, said: "I have never been in a multiyear phase where macro dynamics have had as much influence as now. Almost every investor has had to become an armchair economist."

The impact of rates has been exacerbated by an influx of high-risk companies that went public in 2020 and 2021.

Traditionally, start-ups working on new drugs would raise funding privately until they had clinical data to reassure investors about their chances of success.

When markets were surging at the height of the coronavirus pandemic, however, many companies listed their stock with little data.

"There were companies that, if we were all honest with ourselves, probably weren't ready to be public," said Rahul Chaudhary, head of healthcare equity capital markets at Leerink Partners.

More than 250 healthcare companies listed in the US between 2020 and 2021, according to Dealogic.

Their poor performance has made it harder for others to follow them, with just 24 deals in 2023.

Some companies specialising in areas such as anti-obesity drugs have managed to attract investors despite the tough environment.

"Innovation is still happening in the sector, the problem is some innovation has not been valued highly," said Lorence Kim, managing partner at Ascenta Capital and a former chief financial officer at Moderna.

Kim said that should create opportunities for investors with "a half-off sale in everything" before the macro picture changes.

Shibutani cautioned that the industry would still face challenges even when interest rates begin to fall, including drug pricing reforms and a looming US presidential election.

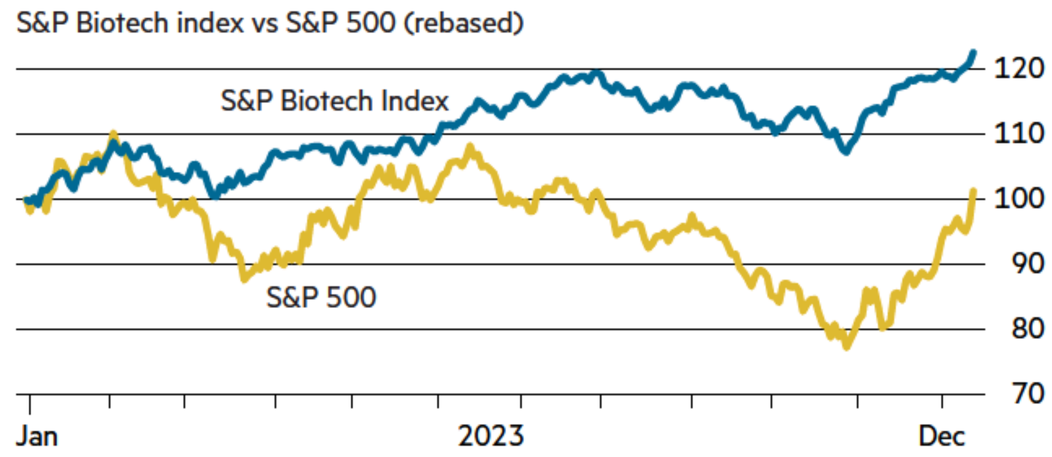
Still, belief that the Fed will soon start cutting rates has already started to boost valuations, with the biotech index up 14 per cent in November and 11 per cent this month.

"I think it is nascent optimism right now," said Chaudhary. "But hope springs eternal and there is hope that next year the lower rate environment will start to help the sector, you'll see more companies be able to access capital and, importantly, you'll see the generalist investors — who have been absent for three years — start to come back."

'Innovation is still happening in the sector, the problem is some innovation has not been valued highly'

Biotech stocks have rebounded, but still lag behind the wider market

S&P Biotech index vs S&P 500 (rebased)



Source: LSEG

Fixed income

Debt costs for poor nations to hit 'crisis' levels, says World Bank

MARY MCDOUGALL

Debt servicing costs in a clutch of the world's poorest countries are set to soar to "crisis" levels as high interest rates damage already fragile economies, according to the World Bank.

Twenty-four of the world's lowest income economies are set to spend a total of $21.5bn on financing their external public debt across this year and next as bond repayments become due and the impact of higher interest rates feeds through, according to calculations from the bank in its latest debt report.

That represents a rise of almost 40 per cent over the previous two years.

"Record debt levels and high interest rates have set many countries on a path to crisis," said Indermit Gill, the World Bank Group's chief economist. "Every quarter that interest rates stay high results in more developing countries becoming distressed — and facing the difficult choice of servicing their public debts or investing in public health, education and infrastructure."

Bond markets have only partially recovered from a sharp sell-off that took benchmark Treasury yields to a 16-year high in October.

The result has been to leave about one in four developing countries in debt distress and, in effect, shut out from international financing, according to World Bank calculations — a sharp increase from less than 5 per cent in 2019. "For the poorest countries, debt has become a near paralysing burden," said Gill.

He added that rising borrowing costs constitute a "grave danger" to the prospects for progress on the UN's global development goals and warrant "quick and co-ordinated" action by debtor governments, private and official creditors and multilateral financial institutions.

In the past three years alone, there have been 18 sovereign defaults in 10 developing countries including the likes of Zambia, Sri Lanka and Ghana — greater than the number recorded in all of the previous two decades, according to the World Bank.

Private creditors have also been pulling out of developing countries, leaving them with fewer financing options.

In 2022, new foreign loans to emerging market sovereigns dropped to their lowest level in a decade. Private creditors received $185bn more in repayments than they disbursed in loans — the first time since 2015 that private creditors received more funds than they put into developing countries.

The World Bank forecasts that, by the end of 2024, economic activity in low- and middle-income countries will be 5 per cent below pre-pandemic levels with growth over the 2020-24 period projected to be the weakest five-year average since the mid-1990s.

'Every quarter that interest rates stay high results in more developing countries becoming distressed'

Fixed income

Country Garden offloads Chinese mall stake in effort to tackle default fallout

THOMAS HALE — SHANGHAI

Country Garden, one of the most prominent victims of China's real estate cash crunch, is selling a Rmb3bn ($420mn) stake in a mall operator to tackle the fallout from an international bond default.

The property developer said in an exchange filing yesterday that it would sell a stake in Zhuhai Wanda Commercial Management Group, a mall operator that is part of Dalian Wanda Group.

It said that the proceeds would be used for "offshore restructuring".

Country Garden, once China's biggest private developer by sales, followed in the footsteps of highly leveraged peers such as Evergrande when it defaulted on international debts in October this year.

Like many of them, it had borrowed on international bond markets and amassed liabilities of Rmb200bn in mainland China as it rode a wave of construction and urbanisation.

That unwound dramatically in 2021 when Evergrande, China's most indebted developer, defaulted.

The slowdown in construction and transactions that followed has not abated despite supportive efforts from Beijing.

Country Garden's default in October, which refocused international scrutiny on China's property market, came less than a year after the company was included in special government measures aimed at supporting "high-quality" developers across a struggling market.

Prices of new homes fell in October for a fourth straight month.

The Zhuhai Wanda stake is being sold to Dalian Wanda and related parties. Dalian Wanda, which was one of the main drivers of an era of outbound investment that ended in 2018, narrowly missed defaulting on a bond itself in July.

Its billionaire founder, Wang Jianlin, this week also reduced the company's stake in its mall operator subsidiary, which is struggling to fulfil plans to list.

In a separate statement to the Shenzhen Stock Exchange, Country Garden said that it had repaid an onshore bond worth Rmb800mn, highlighting a contrast between onshore and offshore repayments.

The company has hired restructuring advisers ahead of likely negotiations with offshore creditors, to whom total debt is about $13bn, according to Bloomberg.

Evergrande, which has more than twice that amount outside China, saw its own restructuring plan derailed in September after two years of discussions with the group citing regulatory constraints, and following the apparent arrest of its chair, Hui Ka Yan.

Additional reporting by Wang Xueqiao in Shanghai

Country Garden was once China's biggest private developer by sales

Media

Peltz pushes for two new directors in hotly contested proxy battle at Disney

ORTENCA ALIAJ AND ANNA NICOLAOU
NEW YORK
CHRISTOPHER GRIMES — LOS ANGELES
HARRIET AGNEW — LONDON

Activist hedge fund Trian Partners plans to nominate two candidates to Disney's board of directors, ramping up a campaign against the media group that is expected to be one of the most contested proxy battles in years.

Trian will put forward its co-founder Nelson Peltz and former Disney executive Jay Rasulo at the company's annual meeting next year, it said on Tuesday.

"The root cause of Disney's underperformance, in our view, is a board that is too closely connected to a long-tenured CEO and too disconnected from shareholders' interests," Trian wrote in a statement.

Disney said it would "review the proposed Trian nominees and provide a recommendation to the board as part of its governance process".

Trian, which controls a stake of about $3bn in Disney, has been at odds with the group since January.

The battle cooled down in February when Peltz called off a proxy fight after Iger unveiled plans to revive the company. But last month Trian renewed its campaign.

Corporate governance experts have accused Disney's board of being too cosy with Iger, granting him contract extensions in 2013, 2014 and 2017.

After he returned as chief executive in 2022 for what was meant to be a two-year term, the board extended his tenure until the end of 2026.

Following Peltz's latest criticism, Iger last month chose two new directors — outgoing Morgan Stanley chief executive James Gorman and former Sky CEO Sir Jeremy Darroch.

Peltz, who is known for his activist investor at companies such as Wendy's, Procter & Gamble and Unilever, had been criticised for not having enough entertainment industry knowledge to serve on Disney's board.

Nominating Rasulo, who had a long career at Disney and left as chief financial officer in 2015, could partly appease that criticism.

Rasulo was well-regarded by Wall Street and had been considered to be a potential successor to Iger, investors say. He joined Disney in 1986 and was selected as the president of its parks and resorts business in 2002. He served as chief financial officer from 2010 until he resigned in 2015.

Rasulo is sometimes mentioned as an example of potential successors to Iger who became frustrated and left the company.

Iger last month said he would slash an additional $2bn in costs at Disney, on top of last year's $5.5bn in cuts, which brought some 7,000 in lay-offs at the company.

His priority is to restore creativity at its movie studios, which have had a string of disappointments this year.

In a recent FT interview, Iger said he was already doing what Peltz wanted.

Disney shares are up about 6 per cent this year, underperforming the broader S&P 500, which has gained about 24 per cent.

'The root cause of Disney's underperformance, in our view, is a board too closely connected to a CEO'

Flatcoins are the way forward as a store of value

Nouriel Roubini

Markets Insight

The launch of Bitcoin in 2009 was accompanied by strident claims that cryptocurrencies would trigger the reform of monetary systems and lead to more inclusive financial systems.

Over the past 15 years, however, despite advances in blockchain technologies, this promise has yet to be realised.

Almost no cryptocurrency has emerged as a reliable store of value and none has developed into a widespread medium of exchange. Thus, a potentially innovative technology — blockchain — has been, at best, used mainly for risky speculation and, at worst, mostly hijacked by bad actors.

What has been the "killer app" of crypto? Insiders now argue it is stablecoins that track the value of major fiat currencies such as the US dollar. Notice the paradox, however: crypto started as a revolt against fiat currencies and the risk of their debasement via inflation.

But this "best" application of crypto is a digital version of fiat currencies with worse flaws — the same risk of debasement; a greater risk of a run than bank deposits as stablecoins do not have access to central banks as lenders of last resort or deposit insurance; a lack of transparency into the assets backing them; worse money laundering problems with stablecoins used to pursue illicit activities; and zero nominal return.

Thus, the potential benefits of stablecoins — speed, portability and privacy — are offset by their many risks and limitations. Moreover, stablecoins may become redundant when safer central bank digital currencies are issued by big central banks.

But despite my longstanding scepticism over such crypto developments, the need for a more secure store of value backed by stable assets that can also be a means of payment is legitimate in a world in which inflation is likely to be higher even in advanced economies, let alone in unstable emerging market economies where poorer households do not have access to a stable currency.

Even the most traditionally safe asset as a store of value — long-duration bonds — is not safe when inflation rises.

Last year, for example, the rise in long yields implied that US Treasury bonds lost more than the S&P 500.

The real solution is secure currencies — or "flatcoins" — such as the one my company is developing. These differ from most stablecoins that are ostensibly pegged to one asset. Instead, flatcoins are backed by a basket of different assets that aim to produce returns in line with a goal such as matching inflation. Flatcoins reflect the value of the underlying basket of assets.

> They can do social good — providing investment in assets that ameliorate the effects of climate change

They are an innovation that merges the benefits of blockchain and fintech — programmable securities backed by a portfolio of assets that protect against a variety of risks.

These include inflation, currency debasement and potential de-dollarisation, as well as political and geopolitical instability and climate change.

Based on historical evidence, the safest assets vis-à-vis the tail risks described above are short-term bonds and inflation-indexed bonds; gold; green metals that are key for the green transition; and sustainable real estate.

The latter includes existing real estate assets with lower risk of huge losses that climate change will cause, as well as new real estate that supports the adaptation that environmental shifts will require.

Thus, a flatcoin can do a social good — providing investment in assets that ameliorate or seek to offset the effects of climate change — as well as doing well by hedging against other tail risks.

Since these assets have negatively correlated returns, a portfolio of them gives good returns with low volatility in stable times and much higher returns when tail risks materialise.

In essence, a flatcoin is a secure currency that is backed by hard assets and financial instruments with low volatility — it becomes a good store of value but also a global means of payment with a positive return rather than the 0 per cent of fiat.

Blockchain technology also allows transactions at unprecedented speed; custody of the underlying assets in a cloud-based account to make holdings transparent and redeemable; the use of smart contracts with anti-money laundering features to prevent illicit financing; and financial inclusion, as flatcoins will be available in unstable monetary systems.

We need to reform the current monetary and currency system to protect existing national currencies while hedging against tail risks and providing financial inclusion. Flatcoins are the way forward.

Nouriel Roubini is a professor emeritus at the Stern School of Business at New York University and a co-founder of Atlas Capital

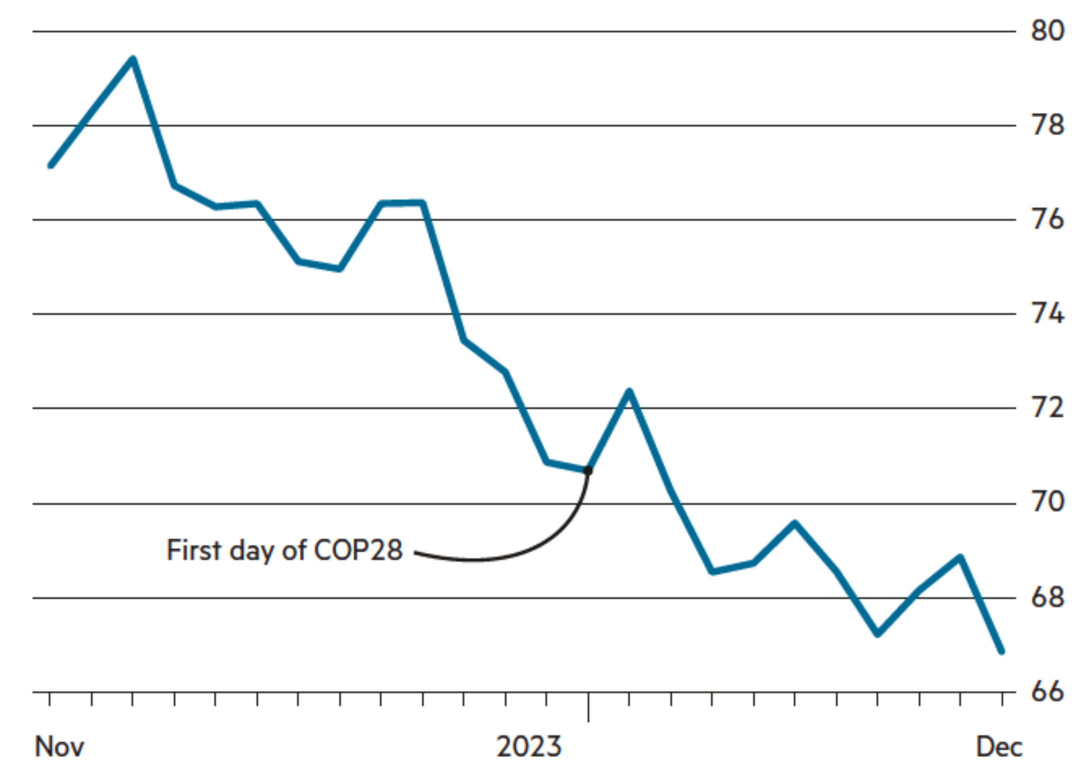
The day in the markets

What you need to know

- Carbon tumbles as investors fret over 'weak' impact of COP28 deal
- EU futures contracts drop below €66 per tonne after traders left unconvinced
- Prices have been under pressure in recent months amid mild winter

The price of emitting carbon in the EU has been falling

EU Emissions Trading Scheme futures price (€ per tonne)



Source: LSEG

The price of carbon fell to its lowest level in 14 months yesterday after traders were unconvinced that the agreement struck at the COP28 summit would lead to meaningful action by governments to address climate change.

Futures contracts tracking the EU's emissions trading scheme (ETS), the world's largest carbon trading market, briefly slumped as much as 4 per cent to below €66 per tonne of carbon emissions in London.

The fall, to its lowest level since October 2022, compared with €71 before talks started, extended the declines of the week when a draft agreement emerged that had dropped references to the phasing out of fossil fuels.

The final deal agreed on Wednesday in Dubai by almost 200 countries recognised the need to transition away from all fossil fuels to reach net zero emissions globally by 2050 for the first time.

Yan Qin, lead carbon analyst at the London Stock Exchange Group, said the "weak" language in the Dubai agreement, and failure to agree on plans for carbon trading between states, both contributed to the fall.

"It's the weakest of all the weak [language]," Qin said in reference to non-binding language in the deal brokered in the United Arab Emirates this week, which called on countries to "contribute" to the transition.

This fell short of demands by some countries including small-island states for a more forceful deal on ending oil, gas and coal production.

Carbon prices had been under pressure in recent months as a mild winter has left the EU's gas stockpiles high.

Other analysts said there were few links between the agreement and the EU carbon price.

Roman Kramarchuk, head of future energy analytics at S&P Global Commodity Insights, said policy changes linked to COP28 were "inherently a long-term story".

The ETS price was more influenced by the gas the EU had been able to store, mild weather and weak economic growth the region.

The conference yielded a mixed bag of results that left some observers outside of the carbon markets torn between acknowledging the historic nature of the deal brokered by COP28 president Sultan al-Jaber, chief executive of the UAE's national oil company, but also pointing out that it did not go far enough.

Kenza Bryan

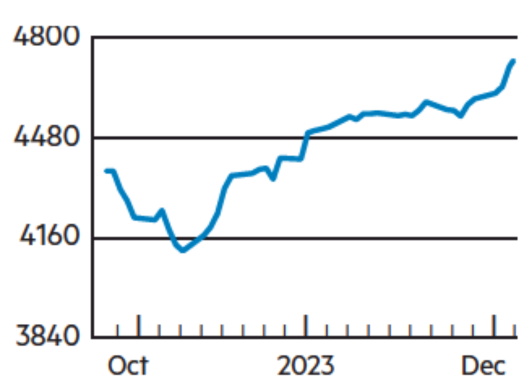
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4726.60	1880.25	32686.25	7648.98	2958.99	130819.81
% change on day	0.41	0.66	-0.73	1.33	-0.33	1.05
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.400	1.099	141.690	1.276	7.132	4.891
% change on day	-0.456	1.854	-2.387	1.836	-0.730	-1.352
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.898	2.112	0.671	3.959	2.656	10.417
Basis point change on day	-25.250	-5.900	-1.380	-3.800	0.000	-15.700
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	472.87	76.99	72.07	1982.50	22.73	3580.50
% change on day	1.13	3.68	3.74	0.08	-1.00	0.00

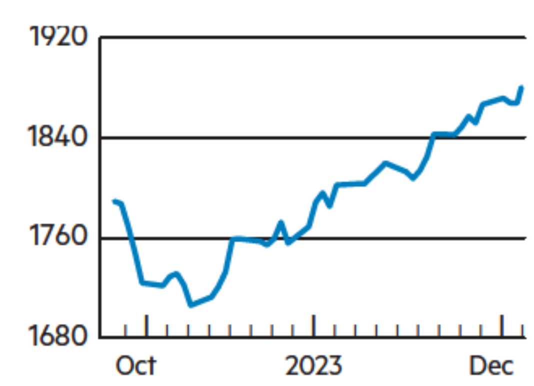
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

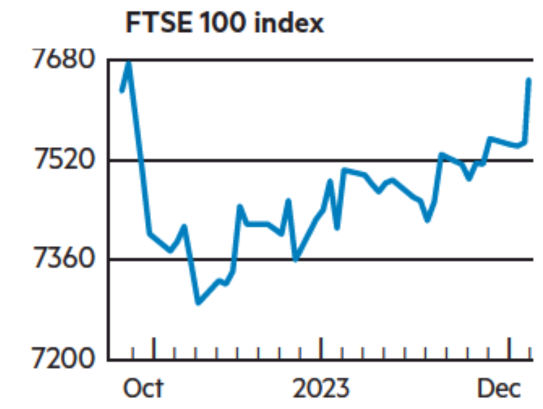
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Solaredge	16.41	Oci	15.40	Ocado	11.62
	Enphase Energy	14.52	Vivendi	10.11	Ashtead	10.16
	Moderna	13.91	Alstom	7.95	Entain	8.67
	Align Technology	12.42	Casino Guichard	6.89	Croda Int	7.75
	Mohawk Industries	12.00	Renault	6.75	Anglo American	7.50
Downs	Arthur J Gallagher & Co	-6.32	Hann.rueck	-5.33	Relx	-3.34
	Everest Ltd	-5.64	Muench Rueckvers	-5.28	Admiral	-3.05
	Adobe	-5.49	B. Sabadell	-5.06	Associated British Foods	-2.09
	Cardinal Health	-5.04	Unicredit	-4.52	Severn Trent	-1.89
	Aon	-4.49	Dt.telekom	-3.84	Bae Systems	-1.88

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Asset management

AQR's Asness says financial markets are becoming less efficient, not more

ROBIN WIGGLESWORTH

The mounting deluge of mostly irrelevant information is overwhelming many investors, making financial markets more chaotic and less efficient at pricing in important data, according to hedge fund magnate Clifford Asness.

The founder of US-based AQR Capital Management — still one of the world's biggest computer-driven investment firms despite a sharp drop in assets in recent years — once studied under the University of Chicago's Eugene Fama, who won a Nobel Prize for his efficient markets hypothesis.

But three decades of exposure to how markets work has eroded Asness's belief in the theory.

"I probably think markets are more efficient than the average person does — long-term efficient — but I think they are probably less efficient than I thought 25 years ago," Asness said in an interview with the FT. "And they've probably gotten less efficient over my career."

Fama's theory was that the overall impact of countless investors and traders continually trying to beat the market meant that information gets quickly baked into prices, making it hard to outperform markets.

Many investors and academics argue markets are becoming more efficient as information and analytics that was once unavailable or scarce becomes easily accessible to anyone online.

> The fund magnate argues the availability of more data is actually making things harder for investors

While the cost of a Bloomberg terminal or FactSet subscription remains prohibitive for many ordinary investors, there are many free or cheap alternatives that offer similar if lighter data and data-crunching capabilities.

Meanwhile, big money managers nowadays use artificial intelligence to sift through vast data sets such as real-time credit card sales and earnings call transcripts in a never-ending attempt to gain an edge over rivals.

But Asness argues that the availability of more data is actually making things harder for most investors — whether they are individuals trading at home or investment professionals at a large financial institution — and compared the belief that more information would make markets more efficient to early optimism about the impact of social media.

Five years ago AQR was one of the industry's biggest hedge fund groups, before most of its systematic, model-driven strategies started to splutter.

As a result, its assets under management have nosedived from a peak of $226bn in 2018 to $98bn.

Analysts dubbed the spell of dismal performance by AQR and many of its rivals as a "quant winter".

However, most of AQR's strategies have rebounded strongly since late 2020, even if that has yet to bring investors back.

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

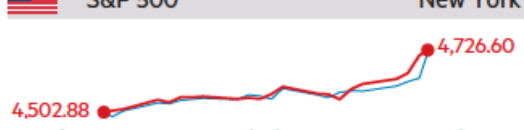
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.41%	0.31%	0.28%	1.33%	0.66%	-0.73%	1.07%	1.13%	1.854%	1.836%	-2.387%	No change	2.30%	0.08%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

Nov 15 - - Index All World

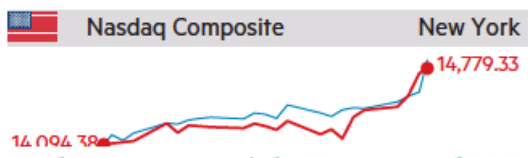
S&P 500 New York



4,726.60 4,502.88

Day 0.41% Month 5.11% Year 18.28%

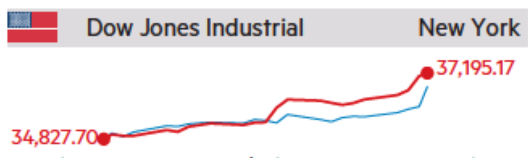
Nasdaq Composite New York



14,779.33 14,094.38

Day 0.31% Month 4.85% Year 32.29%

Dow Jones Industrial New York

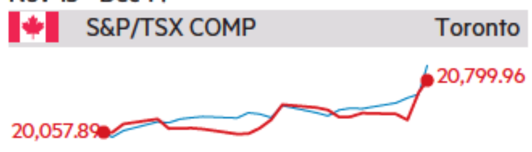


37,195.17 34,827.70

Day 0.28% Month 6.80% Year 9.51%

Nov 15 - Dec 14 Index All World

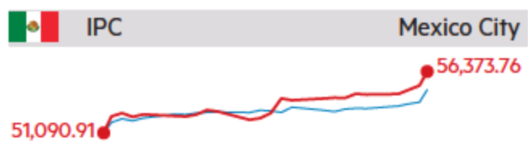
S&P/TSX COMP Toronto



20,799.96 20,057.89

Day 0.74% Month 3.81% Year 4.50%

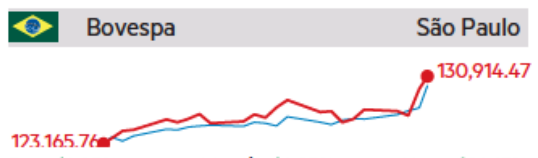
IPC Mexico City



56,373.76 51,090.91

Day 3.30% Month 8.49% Year 13.83%

Bovespa São Paulo



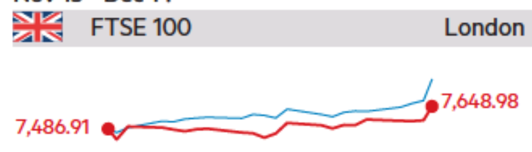
130,914.47 123,165.76

Day 1.05% Month 6.25% Year 26.13%

EUROPE

Nov 15 - Dec 14 Index All World

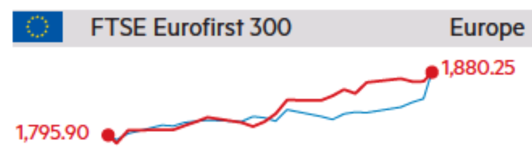
FTSE 100 London



7,648.98 7,486.91

Day 1.33% Month 2.81% Year 2.05%

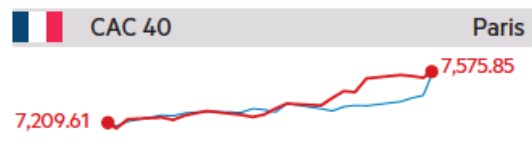
FTSE Eurofirst 300 Europe



1,880.25 1,795.90

Day 0.66% Month 5.16% Year 7.65%

CAC 40 Paris

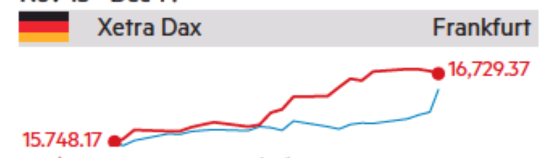


7,575.85 7,209.61

Day 0.59% Month 6.90% Year 12.32%

Nov 15 - Dec 14 Index All World

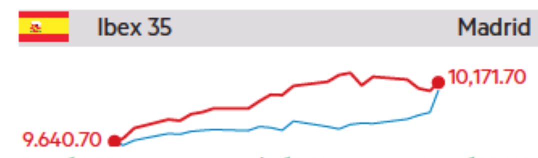
Xetra Dax Frankfurt



16,729.37 15,748.17

Day -0.08% Month 0.58% Year NaN%

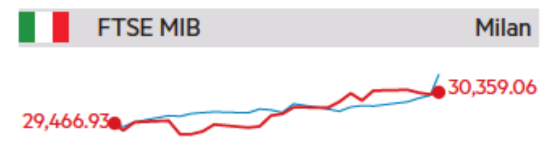
Ibex 35 Madrid



10,171.70 9,640.70

Day 0.75% Month 7.50% Year 22.14%

FTSE MIB Milan



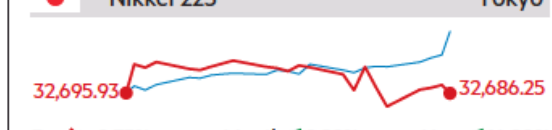
30,359.06 29,466.93

Day 0.21% Month 4.96% Year 23.23%

ASIA

Nov 15 - Dec 14 Index All World

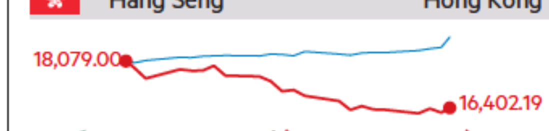
Nikkei 225 Tokyo



32,695.93 32,686.25

Day -0.73% Month 0.29% Year 16.90%

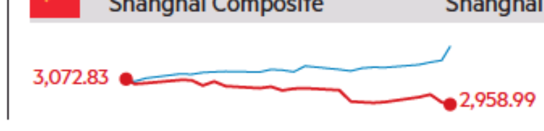
Hang Seng Hong Kong



18,079.00 16,402.19

Day 1.07% Month -6.12% Year -16.51%

Shanghai Composite Shanghai

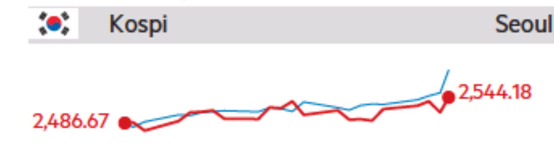


3,072.83 2,958.99

Day -0.33% Month -2.87% Year -6.84%

Nov 15 - Dec 14 Index All World

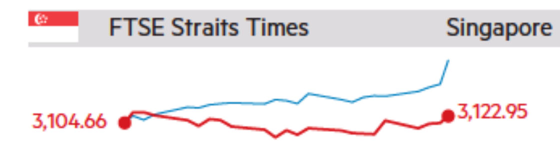
Kospi Seoul



2,544.18 2,486.67

Day 1.34% Month 5.84% Year 7.24%

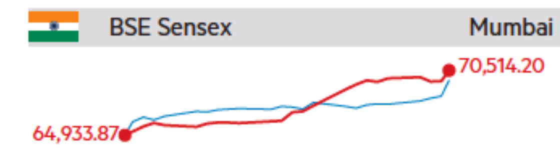
FTSE Straits Times Singapore



3,122.95 3,104.66

Day 0.60% Month 0.60% Year -4.47%

BSE Sensex Mumbai



70,514.20 64,933.87

Day 1.34% Month 8.62% Year 12.79%

Country	Index	Latest	Previous
Argentina	Merval	995064.66	1003483.69
Australia	All Ordinaries	7599.40	7469.10
	S&P/ASX 200	7377.90	7257.80
	S&P/ASX 200 Res	6085.30	5958.20
Austria	ATX	3356.14	3297.85
Belgium	BEL 20	3746.72	3704.01
	BEL Mid	10703.40	10550.31
Brazil	IBovespa	130819.81	129465.08
Canada	S&P/TSX 60	1253.38	1245.58
	S&P/TSX Comp	20783.03	20629.45
	S&P/TSX Div Met & Min	1630.95	1600.97
Chile	S&P/CLX IGPA Gen	30986.57	30323.52
China	FTSE A200	8800.08	8852.49
	FTSE B35	9000.71	8988.96
	Shanghai A	3102.35	3112.62
	Shanghai B	225.65	224.99
	Shanghai Comp	2958.99	2968.76
	Shenzhen A	1919.91	1930.53
	Shenzhen B	1063.97	1073.51
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1388.53	1397.88
Denmark	OMXC Copenahgen 20	2187.27	2180.53
Egypt	EGX 30	24722.82	24773.92
Estonia	OMX Tallinn	1785.51	1777.56
Finland	OMX Helsinki General	9963.94	9789.62
France	CAC 40	7575.85	7531.22
	SBF 120	5747.74	5701.21
Germany	M-DAX	27198.24	26427.65
	TecDAX	3324.94	3282.13
	XETRA Dax	16752.23	16766.05
Greece	Athens Gen	1295.37	1292.35
	FTSE/ASE 20	3134.44	3133.28
Hong Kong	Hang Seng	16402.19	16228.75
	HS China Enterprise	5573.53	5550.90
	HSCC Red Chip	3189.85	3170.13
Hungary	Bux	60475.92	58883.03
India	BSE Sensex	70514.20	69584.60
	Nifty 500	18973.85	18751.45
Indonesia	Jakarta Comp	7176.02	7075.34
Ireland	ISEQ Overall	8562.60	8456.81
Israel	Tel Aviv 125	1802.23	1801.30
Italy	FTSE Italia All-Share	32413.83	32277.05
	FTSE Italia Mid Cap	43677.02	42569.09
	FTSE MIB	30359.06	30295.69
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	32686.25	32926.35
	S&P Topix 150	2023.84	2054.21
	Topix	2321.35	2354.92
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1508.04	1516.18
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1328.49	1314.98
Lithuania	OMX Vilnius	934.91	933.25
Luxembourg	LuxX	1447.71	1400.58
Malaysia	FTSE Bursa KLCI	1456.26	1448.04
Mexico	IPC	56986.58	55167.86
Morocco	MASI	12134.19	12115.02
Netherlands	AEX	789.91	787.02
	AEX All Share	1074.46	1063.51
New Zealand	NZX 50	11552.88	11475.77
Nigeria	SE All Share	72455.83	72299.79
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	65450.19	65280.16
Philippines	Manila Comp	6410.48	6255.74
Poland	Wig	77377.69	76948.60
Portugal	PSI 20	6505.56	6456.88
	PSI General	4757.74	4653.30
Romania	BET Index	15284.66	15191.31
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11542.93	11401.47
Singapore	FTSE Straits Times	3122.95	3104.26
Slovakia	SAX	315.42	315.42
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	75289.86	72640.51
	FTSE/JSE Res 20	54107.59	50258.91
	FTSE/JSE Top 40	69154.73	66563.75
South Korea	Kospi	2544.18	2510.66
	Kospi 200	341.33	336.68
Spain	IBEX 35	10171.70	10096.10
Sri Lanka	CSE All Share	10783.81	10836.82
Sweden	OMX Stockholm 30	2365.25	2322.75
	OMX Stockholm AS	889.11	863.71
Switzerland	SMI Index	11209.95	11188.91
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1378.94	1357.97
Turkey	BIST 100	7813.40	7813.40
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2762.20	2706.00
	FTSE 100	7648.98	7548.44
	FTSE 4Good UK	6925.31	6834.87
	FTSE All Share	4176.90	4112.17
	FTSE techMARK 100	6424.01	6325.81
USA	DJ Composite	12211.38	12110.69
	DJ Industrial	37195.17	37090.24
	DJ Transport	15969.86	15615.86
	DJ Utilities	910.02	907.18
	Nasdaq 100	16568.85	16562.37
	Nasdaq Cmp	14779.33	14733.96
	NYSE Comp	16743.26	16560.71
	S&P 500	4726.60	4707.09
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	55993.44	56971.21
Vietnam	VNI	1110.13	1114.20
Cross-Border	DJ Global Titans ($)	538.40	537.97
	Euro Stoxx 50 (Eur)	4542.29	4530.19
	Euronext 100 ID	1399.95	1388.30
	FTSE 4Good Global ($)	11909.65	11883.25
	FTSE All World ($)	472.87	467.60
	FTSE E300	1880.25	1867.86
	FTSE Eurotop 100	3728.25	3718.91
	FTSE Global 100 ($)	3194.89	3189.29
	FTSE Gold Min ($)	1804.05	1733.25
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3249.69	3223.23
	FTSE World ($)	867.84	858.12
	FTSEurofirst 100 (Eur)	5063.78	5036.80
	FTSEurofirst 80 (Eur)	6152.64	6129.93
	MSCI ACWI Fr ($)	709.27	702.59
	MSCI All World ($)	3101.08	3067.44
	MSCI Europe (Eur)	1897.25	1895.98
	MSCI Pacific ($)	2803.41	2790.76
	S&P Euro (Eur)	1997.82	1986.26
	S&P Europe 350 (Eur)	1934.56	1920.18
	S&P Global 1200 ($)	3438.48	3414.00
	Stoxx 50 (Eur)	4075.12	4074.77

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	201.6	249.69	10.40
Nvidia	90.3	482.26	1.38
Microsoft	62.6	367.11	-7.26
Apple	61.3	197.80	-0.16
Advanced Micro Devices	56.5	137.73	-0.46
Amazon.com	38.8	148.19	-0.65
Adobe	34.8	589.99	-34.28
Meta Platforms	34.6	331.39	-3.35
Broadcom	31.3	1116.60	26.91
Alphabet	20.6	131.21	-1.36

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Solaredge	96.17	13.56	16.41
Enphase Energy	123.24	15.63	14.52
Moderna	89.53	10.93	13.91
Align Technology	260.11	28.75	12.42
Mohawk Industries	109.29	11.71	12.00
Downs			
Arthur J Gallagher & Co	229.71	-15.51	-6.32
Everest Ltd	365.03	-21.80	-5.64
Adobe	589.99	-34.28	-5.49
Cardinal Health	102.60	-5.45	-5.04
Aon	320.27	-15.05	-4.49

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Astrazeneca	264.8	10468.00	78.00
Rio Tinto	240.8	5653.00	157.00
Bp	198.0	465.90	6.05
Hsbc Holdings	196.3	616.30	-0.90
Glencore	180.7	453.75	20.10
Shell	162.0	2520.00	26.00
Barclays	156.2	150.00	8.92
National Grid	154.1	1079.50	6.00
Tesco	140.0	288.10	-0.90
Vodafone	139.8	66.45	1.31

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Cab Payments Holdings	68.50	11.40	19.96
Future	682.00	77.50	12.82
Ocado	718.60	74.80	11.62
Mobico	72.00	7.25	11.20
Genuit	391.50	39.00	11.06
Downs			
Lancashire Holdings	618.50	-25.50	-3.96
Relx	3063.00	-106.00	-3.34
Admiral	2672.00	-84.00	-3.05
W.a.g Payment Solutions	86.60	-2.40	-2.70
Associated British Foods	2390.00	-51.00	-2.09

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Unicredit	569.8	23.85	-1.13
Roche Gs	447.1	258.25	-7.09
Nestle N	445.4	102.63	-0.75
Intesa Sanpaolo	445.3	2.62	-0.06
Asml Holding	374.3	681.90	12.80
Novartis N	347.9	89.88	-1.19
Dt.telekom Ag Na	327.0	21.69	-0.87
Richemont N	263.6	130.49	5.15
Ubs N	261.0	23.60	0.85
Sap Se O.n.	260.3	142.24	-4.26

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Sika N	284.72	19.43	7.32
Sartorius Sted Bio	224.40	14.90	7.11
Orsted A/s Dk 10	6.51	0.36	5.89
A.p. M__ller - M__rsk B A/s	1470.03	67.06	4.78
Kering	428.25	19.25	4.71
Downs			
Muench.rueckvers.vna O.n.	378.30	-21.10	-5.28
Unicredit	23.85	-1.13	-4.52
Dt.telekom Ag Na	21.69	-0.87	-3.84
Roche I	274.74	-9.24	-3.25
Sap Se O.n.	142.24	-4.26	-2.91

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Lasertec	3721.6	33290.00	-620.00
Mitsubishi Ufj Fin	1239.7	1227.00	-45.00
Tokyo Electric Power	1222.0	777.60	-39.30
Toyota Motor	1117.6	2571.50	-102.00
Tokyo Electron	1080.0	24035.00	-410.00
Denso	952.6	2090.50	-43.50
Sumitomo Mitsui Fin	912.5	6985.00	-387.00
Recruit Hldgs Co Ltd	784.7	5826.00	392.00
Softbank .	623.7	5932.00	51.00
Advantest	609.9	4665.00	36.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Recruit Hldgs Co Ltd	5826.00	392.00	7.21
Shin-etsu Chemical Co.,	5174.00	174.00	3.48
Nitori Holdings Co.,	18120.00	585.00	3.34
M3	2186.00	58.50	2.75
Kao	5925.00	135.00	2.33
Downs			
Mitsubishi Motors	422.10	-30.70	-6.78
Toho Co.,ltd	4854.00	-321.00	-6.20
Mazda Motor	1456.00	-91.50	-5.91
Nissan Motor Co.,	534.80	-31.20	-5.51
Jtekt	1180.00	-67.00	-5.37

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Dec 14 price(p)	%Chg week	%Chg ytd
Winners			
Ocado	718.60	16.8	14.9
Entain	920.00	15.4	-30.8
Antofagasta	1631.50	12.3	5.7
Ashtead	5486.00	12.3	14.9
Croda Int	5132.00	9.8	-22.3
Land Securities	708.20	9.4	13.8
Howden Joinery	817.40	8.4	45.0
Convatec	242.20	8.2	4.4
Rs	839.40	7.7	-6.1
Intercontinental Hotels	7076.00	7.4	49.2
Barclays	150.00	7.0	-5.9
Kingfisher	243.50	6.9	3.1
Losers			
Anglo American	1795.40	-19.3	-44.7
B&m Eur Value Retail S.a.	564.80	-7.1	38.0
Vodafone	66.45	-4.8	-21.4
Bt	128.45	-4.4	15.2
Admiral	2672.00	-3.7	25.3
Centrica	143.95	-3.6	49.2
Imperial Brands	1797.00	-3.2	-13.5
Weir	1837.50	-3.2	10.2
Berkeley Holdings (the)	4810.00	-2.6	27.6
Severn Trent	2650.00	-2.6	0.9
Associated British Foods	2390.00	-1.6	51.6
Auto Trader	730.60	-1.5	42.1

FTSE 250	Dec 14 price(p)	%Chg week	%Chg ytd
Winners			
Cab Payments Holdings	68.50	29.2	-
Integrafin Holdings	295.20	15.2	-2.3
Moonpig	169.80	13.7	52.7
Int Distributions Services	277.60	13.6	29.6
Bridgepoint	272.60	12.8	42.1
Genuit	391.50	11.5	37.5
Rhi Magnesita N.v.	3366.00	11.3	50.4
Ip	51.90	11.3	-7.7
Paragon Banking	614.50	10.9	9.1
Wood (john)	153.00	10.5	12.8
Vistry	857.50	10.4	35.8
Virgin Money Uk	164.25	10.3	-10.2
Losers			
Digital 9 Infrastructure	29.10	-10.5	-66.7
Aston Martin Lagonda Global Holdings	205.40	-9.6	35.8
Syncona	118.00	-5.1	-35.4
Lancashire Holdings	618.50	-4.7	-4.2
Direct Line Insurance	187.50	-4.2	-15.1
Redde Northgate	363.00	-3.8	-11.8
W.a.g Payment Solutions	86.60	-3.8	9.1
Helios Towers	75.20	-3.0	-28.9
Balfour Beatty	326.00	-2.8	-3.3
Me Int	126.40	-2.8	9.9
Moneysupermarket.com	272.40	-2.4	41.4
Coats	73.60	-2.4	10.1

FTSE SmallCap	Dec 14 price(p)	%Chg week	%Chg ytd
Winners			
Trifast	90.00	15.4	24.0
Rank	82.00	12.3	0.1
Zotefoams	360.00	12.1	5.9
Oxford Biomedica	201.00	10.3	-54.2
Taylor Maritime Investments	70.40	10.2	-21.8
Smiths News	53.40	9.4	14.2
Videndum	348.00	8.1	-67.3
Trustpilot	141.00	7.5	45.0
Dfs Furniture	116.40	7.4	-24.3
Gcp Asset Backed Income Fund	64.40	7.3	-25.2
Regional Reit	33.40	7.2	-43.9
On The Beach	164.00	7.2	4.9
Losers			
Pod Point Holdings	21.30	-9.0	-65.1
S & U	2100.00	-7.3	0.5
Costain	60.60	-6.5	55.4
Kenmare Resources	376.00	-6.4	-14.4
Metro Bank Holdings	35.65	-6.2	-70.6
Lsl Property Services	217.00	-5.2	-12.0
Vh Global Sustainable Energy Opportunities	71.40	-4.5	-29.3
Treatt	418.00	-4.5	-33.7
Residential Secure Income	57.40	-4.3	-28.6
Vpc Specialty Lending Investments	64.80	-3.9	-22.0
Jpmorgan China Growth & Income	216.50	-3.8	-37.3
Nb Global Monthly Income Fund	66.00	-3.6	-7.8

Industry Sectors	Dec 14 price(p)	%Chg week	%Chg ytd
Winners			
Industrial Transportation	3998.22	11.0	14.7
Chemicals	9660.27	8.3	-17.7
Real Estate Investment Trusts	2395.87	6.2	7.5
Personal Goods	23378.91	5.9	-24.1
Electronic & Electrical Equip.	9850.46	5.5	13.9
Support Services	10481.46	4.8	5.6
Travel & Leisure	7297.87	4.6	17.4
General Financial	14551.19	3.9	26.0
Beverages	22575.54	3.8	-18.8
Aerospace & Defense	8345.77	3.7	63.3
Construction & Materials	9075.40	3.3	31.7
Household Goods	12881.20	3.1	29.7
Losers			
Mobile Telecommunications	1874.93	-4.1	-12.2
Industrial Metals	6521.37	-2.6	-16.9
Nonlife Insurance	3378.84	-2.3	1.1
Food Producers	7362.66	-0.3	29.8
Food & Drug Retailers	3969.66	0.1	-3.6
Gas Water & Multiutilities index	6276.68	0.3	11.1
Media	11010.61	0.5	21.4
Mining	9986.27	0.7	-10.6
Tobacco	26728.72	0.9	-25.1
Automobiles & Parts	1524.53	1.2	2.2
Software & Computer Services	2392.22	1.3	35.4
Electricity	11215.89	1.6	5.3

Based on last week's performance. †Price at suspension.

CURRENCIES

Dec 14	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	800.5305	0.5555	880.1391	16.6082	1021.5148	19.5044
Australia	Australian Dollar	1.4925	-0.0262	1.6410	0.0016	1.9046	0.0023
Bahrain	Bahrainin Dinar	0.3770	0.0002	0.4145	0.0077	0.4811	0.0090
Bolivia	Bolivian Boliviano	6.9100	-	7.5972	0.1382	8.8175	0.1624
Brazil	Brazilian Real	4.8906	-0.0671	5.3769	0.0254	6.2406	0.0309
Canada	Canadian Dollar	1.3422	-0.0152	1.4756	0.0104	1.7126	0.0125
Chile	Chilean Peso	866.2250	-10.7800	952.3666	5.6859	1105.3442	6.8496
China	Chinese Yuan	7.1315	-0.0525	7.8407	0.0860	9.1002	0.1019
Colombia	Colombian Peso	3963.2500	-35.1750	4357.3763	41.2866	5057.2966	49.0606
Costa Rica	Costa Rican Colon	527.7000	0.0400	580.1770	10.5958	673.3702	12.4485
Czech Republic	Czech Koruna	22.1861	-0.5129	24.3924	-0.1100	28.3105	-0.1212
Denmark	Danish Krone	6.7813	-0.1254	7.4556	0.0002	8.6532	0.0023
Egypt	Egyptian Pound	30.9235	0.0511	33.9987	0.6736	39.4598	0.7906
Hong Kong	Hong Kong Dollar	7.8065	-0.0069	8.5828	0.1487	9.9615	0.1748
Hungary	Hungarian Forint	345.1272	-8.2705	379.4482	-2.0259	440.3986	-2.2503
India	Indian Rupee	83.3313	-0.0750	91.6181	1.5855	106.3346	1.8639
Indonesia	Indonesian Rupiah	15497.0000	-163.0000	17038.0972	133.9269	19774.9218	159.9250
Israel	Israeli Shekel	3.6667	-0.0347	4.0313	0.0358	4.6788	0.0426
Japan	Japanese Yen	141.6900	-3.4650	155.7803	-0.9068	180.8031	-1.0111
..One Month		141.6893	-3.4665	155.7797	-0.9080	180.8023	-1.0128
..Three Month		141.6880	-3.4691	155.7787	-0.9101	180.8007	-1.0160
..One Year		141.6829	-3.4798	155.7749	-0.9179	180.8023	-1.0211
Kenya	Kenyan Shilling	153.7500	0.3500	169.0396	3.4524	196.1923	4.0508
Kuwait	Kuwaiti Dinar	0.3074	-0.0009	0.3379	0.0052	0.3922	0.0061
Malaysia	Malaysian Ringgit	4.6725	-0.0335	5.1372	0.0573	5.9623	0.0678
Mexico	Mexican Peso	17.2768	-0.1512	18.9948	0.1822	22.0460	0.2165
New Zealand	New Zealand Dollar	1.6117	-0.0211	1.7720	0.0095	2.0566	0.0115
Nigeria	Nigerian Naira	802.5000	-	882.3045	16.0480	1024.0280	18.8549
Norway	Norwegian Krone	10.4611	-0.4653	11.5014	-0.2931	13.3489	-0.3370
Pakistan	Pakistani Rupee	284.0000	-	312.2423	5.6793	362.3974	6.6726
Peru	Peruvian Nuevo Sol	3.7784	-0.0063	4.1541	0.0687	4.8214	0.0808
Philippines	Philippine Peso	55.8000	-0.2650	61.3490	0.8298	71.2034	0.9791
Poland	Polish Zloty	3.9267	-0.0769	4.3172	-0.0045	5.0107	-0.0041
Romania	Romanian Leu	4.5220	-0.0852	4.9717	-0.0015	5.7703	-0.0004
Russia	Russian Ruble	89.7000	-0.6000	98.6202	1.1461	114.4614	1.3560
Saudi Arabia	Saudi Riyal	3.7513	0.0003	4.1243	0.0753	4.7868	0.0885
Singapore	Singapore Dollar	1.3262	-0.0149	1.4580	0.0105	1.6922	0.0126
South Africa	South African Rand	18.3219	-0.7306	20.1439	-0.4223	23.3796	-0.4846
South Korea	South Korean Won	1295.4500	-24.4000	1424.2758	-0.4328	1653.0557	-0.1254
Sweden	Swedish Krona	10.2006	-0.2422	11.2149	-0.0575	13.0164	-0.0638
Switzerland	Swiss Franc	0.8661	-0.0100	0.9522	0.0065	1.1051	0.0078
Taiwan	New Taiwan Dollar	31.2915	-0.2340	34.4033	0.3732	39.9294	0.4421
Thailand	Thai Baht	35.0250	-0.7650	38.5081	-0.1254	44.6936	-0.1353
Tunisia	Tunisian Dinar	3.0783	-0.0454	3.3844	0.0125	3.9281	0.0154
Turkey	Turkish Lira	28.9879	-0.0643	31.8706	0.5102	36.9899	0.6005
United Arab Emirates	UAE Dirham	3.6726	0.0003	4.0378	0.0737	4.6864	0.0866
United Kingdom	Pound Sterling	0.7837	-0.0147	0.8616	-0.0002	-	-
..One Month		0.7837	-0.0147	0.8615	-0.0002	-	-
..Three Month		0.7837	-0.0147	0.8613	-0.0002	-	-
..One Year		0.7837	-0.0149	0.8602	-0.0002	-	-
United States	United States Dollar	-	-	1.0994	0.0200	1.2760	0.0235
..One Month		-	-	1.0993	-0.1531	1.2761	0.0235
..Three Month		-	-	1.0990	-0.1531	1.2761	0.0235
..One Year		-	-	1.0977	-0.1530	1.2761	0.0233
Vietnam	Vietnamese Dong	24245.0000	-25.0000	26656.0753	457.8332	30937.8181	538.3385
European Union	Euro	0.9095	-0.0169	-	-	1.1606	0.0003
..One Month		0.9094	-0.0168	-	-	1.1605	0.0003
..Three Month		0.9091	-0.0169	-	-	1.1603	0.0003
..One Year		0.9078	-0.0167	-	-	1.1593	0.0002

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Dec 14	Day's chge%	Euro Index	£ Strlg Dec 13	£ Strlg Dec 12	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7648.98	1.33	6921.99	7548.44	7542.77	7495.93	3.90	2.42	10.59	293.48	8168.18
FTSE 250 (250)	19256.96	3.00	17426.71	18695.76	18662.12	19037.92	3.51	1.14	25.08	626.04	16584.27
FTSE 250 ex Inv Co (168)	20086.42	3.60	18177.33	19388.35	19337.95	19525.95	3.64	0.84	32.76	669.60	17671.95
FTSE 350 (350)	4219.87	1.57	3818.80	4154.79	4151.06	4140.49	3.84	2.25	11.54	158.41	8936.06
FTSE 350 ex Investment Trusts (265)	4165.88	1.55	3769.94	4102.23	4098.33	4080.34	3.90	2.26	11.35	158.83	4561.71

FT 30 INDEX

	Dec 14	Dec 13	Dec 12	Dec 11	Dec 08	Yr Ago	High	Low
FT 30	2762.20	2706.00	2708.20	2715.30	2704.50	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2729	2770.7	2776.3	2786.8	2777.4	2771.7	2770.4	2767.5	2759.7	2786.9	2729.0

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	Dec 13		Dec 13
FT Wilshire 5000	47522.30	FT Wilshire Mid Cap	5902.14
FT Wilshire 2500	6101.24	FT Wilshire Small Cap	5401.93
FT Wilshire Mega Cap	6255.54	FT Wilshire Micro Cap	4739.25
FT Wilshire Large Cap	6198.69		

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Aerospace & Defense	62.38	Utilities	9.24	Equity Invest Instr	-0.66
Software & Comp Serv	33.09	Support Services	8.00	Health Care Eq & Srv	-0.66
Construct & Material	30.48	Fixed Line Telecomms	7.32	FTSE SmallCap Index	-0.75
General Retailers	30.02	Industrial Eng	6.74	Health Care	-4.05
Food Producers	28.57	Household Goods & Ho	6.27	Pharmace & Biotech	-4.25
Food & Drug Retailer	26.24	Real Est Invest & Tr	6.02	Oil Equipment & Serv	-10.67
Media	22.48	Real Est Invest & Se	5.98	Personal Goods	-11.39
Industrials	21.20	Financials	5.37	Consumer Goods	-12.00
Consumer Services	21.01	Electricity	5.12	Telecommunications	-12.18
Technology	20.80	Oil & Gas Producers	4.00	Industrial Metals &	-12.34
Financial Services	18.99	Oil & Gas	3.81	Life Insurance	-12.40
Travel & Leisure	15.20	FTSE 100 Index	2.65	Mining	-16.86
Leisure Goods	14.53	FTSE All{HY-}Share Index	2.50	Basic Materials	-16.99
Gas Water & Multi	10.80	Automobiles & Parts	2.41	Chemicals	-18.79
Electronic & Elec Eq	10.73	FTSE 250 Index	2.14	Beverages	-18.90
Banks	9.40	NON FINANCIALS Index	1.71	Mobile Telecomms	-19.79
Industrial Transport	9.39	Nonlife Insurance	1.33	Tobacco	-25.02
		Beverages	31.66	Tech Hardware & Eq	-45.19

FTSE GLOBAL EQUITY INDEX SERIES

Dec 14 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	10077	791.43	1.0	6.6	16.3	1297.94	18.8	2.1
FTSE Global All Cap	10077	791.43	1.0	6.6	16.3	1297.94	18.8	2.1
FTSE Global Large Cap	2000	720.17	0.8	5.6	18.4	1217.61	21.0	2.0
FTSE Global Mid Cap	2293	973.80	1.4	9.1	10.3	1502.84	12.6	2.2
FTSE Global Small Cap	5784	1002.33	2.0	10.2	11.2	1476.25	13.4	2.1
FTSE All-World	4293	467.60	0.9	6.2	16.9	812.26	19.5	2.1
FTSE World	2622	858.12	1.0	6.6	18.5	2000.16	21.1	2.1

Dec 14 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	26	273.40	0.9	-0.3	-1.6	530.85	2.6	4.8
Basic Materials	423	600.59	0.5	5.7	0.5	1148.58	4.1	3.7
Chemicals	209	808.80	0.2	5.1	3.8	1473.49	6.5	2.7
Forestry & Paper	18	251.02	0.5	1.8	-0.4	529.76	3.7	4.5
Industrial Metals & Mining	114	536.79	0.6	7.5	8.6	1070.79	12.7	4.0
Mining	82	891.63	0.9	6.0	-8.8	1826.05	-4.3	4.9
Industrials	841	553.47	0.7	9.0	13.5	902.40	15.8	1.9

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	2370	-20.00	Intertek Group PLC	4125	49.00
Admiral Group PLC	2672	-84.00	Jd Sports Fashion PLC	175.15	5.00
Airtel Africa PLC	120.50	5.20	Kingfisher PLC	243.50	15.70
Anglo American PLC	1795.4	125.20	Land Securities Group PLC	708.20	45.00
Antofagasta PLC	1631.5	67.00	Legal & General Group PLC	245.90	4.00
Ashtead Group PLC	5486	506.00	Lloyds Banking Group PLC	47.54	1.36

UK STOCK MARKET TRADING DATA

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.

For all queries e-mail ft.reader.enquiries@morningstar.com

UK RIGHTS OFFERS

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Braveheart Investment Group	Int	0.046	0.026	0.932L	0.534L	1.150L	0.880L	0.00000	0.00000	-	0.000	0.000
C4X Discovery Holdings	Pre	1.710	2.699	13.416L	10.534L	4.420L	3.570L	0.00000	0.00000	-	0.000	0.000
Currys	Int	4159.000	4473.000	46.000L	548.000L	3.500L	50.800L	0.00000	1.00000	-	0.000	3.150
Driver Group	Pre	42.633	45.074	0.439	1.958L	0.600L	5.500L	0.00000	0.75000	-	0.750	1.500
Gore Street Energy Storage Fund	Int			3.866	22.685	0.800	4.810	0.00000	2.00000	-	1.500	3.000
IntegraFin Holdings	Pre	134.900	133.600	74.700	15.800	15.100	13.300	0.00000	7.00000	-	3.200	10.200
JPMorgan Asia Growth & Income	Pre			21.889	70.601L	22.160	72.860L	3.80000	3.70000	Nov 23	7.800	7.900
JPMorgan European Discovery Trust	Int			87.002L	149.053L	56.200L	95.520L	0.00000	1.20000	-	7.800	6.700
Molten Ventures VCT	Int			3.793L	8.896L	1.700L	4.700L	0.00000	1.00000	-	0.500	2.500
STS Global Income & Growth Trust	Int			1.513	5.968L	1.370	6.180L	0.00000	1.45000	-	1.850	3.200
Sutton Harbour Group	Int	4.446	4.420	0.119L	0.223	0.080L	0.170	0.00000	0.00000	-	0.000	0.000

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
China (HK$) (cont.)							
PingAnIns	33.30	-0.10	64.15	32.65	8.45	6.87	31768.98
PngAnBnk	9.15	-0.01	15.74	9.13	3.18	3.80	24897.9
Pwr Cons Corp	4.88	-0.03	8.15	4.80	2.01	7.47	8944.58
SaicMtr	13.61	-0.16	15.65	13.09	2.53	10.31	22296.95
ShenwanHong	0.08	-	0.15	0.07	-	5.16	85.14
ShgPdgBk	6.64	-0.07	8.22	6.53	4.92	6.14	27328.93
Sinopec Corp	3.84	0.02	5.47	3.65	10.35	7.40	12173.66
Sinopec Oil	1.87	0.01	2.39	1.83	-	63.23	3558.16
Denmark (kr)							
DanskeBk	178.05	-0.25	181.80	128.45	3.96	7.83	22637.71
MollerMrsk	10960	500.00	17265	9800	18.18	1.64	12061.32
NovoB	664.20	-7.60	742.20	448.25	0.93	44.74	336458.9
TevaPha	36.15	0.82	41.25	26.37	-	-4.93	10947.08
Italy (€)							
Enel	6.72	0.11	6.77	4.92	5.78	16.87	75136.54
ENI	14.85	0.10	15.83	11.69	5.90	5.60	55110.7
Generali	19.04	-0.18	20.06	16.39	6.07	7.16	32632.53
IntSPaolo	2.62	-0.06	2.72	1.99	6.23	7.91	52694.5
Unicred	23.85	-1.13	25.78	12.48	4.12	5.58	46797.01
Japan (¥)							
AstellasPh	1659.5	-28.50	2360.5	1640.5	3.56	28.62	21195.12
Bridgestne	5909	-147.00	6245	4548	3.16	11.14	29763.87
Canon	3665	-115.00	3912	2790.5	3.49	14.54	34499.57
CntJpRwy	3707	44.00	3926	2984	0.72	14.10	26947.63
Investor	229.85	2.15	231.10	186.66	1.77	5.38	41053.88
Nordea Bk	123.50	1.48	134.94	103.86	7.24	8.57	42803.63
SEB	135.10	1.60	139.40	105.20	4.74	8.94	28022.87
SvnskaHn	106.50	2.60	112.90	83.92	4.90	8.89	20304.66
Swedbank	202.00	0.50	219.90	161.60	4.74	7.00	22416.94
Telia Co	26.20	0.42	28.92	20.98	7.68	-6.84	10099.58
Volvo	258.15	5.15	258.15	186.50	2.57	14.22	40200.04
Switzerland (SFr)							
ABB	37.45	0.49	37.56	27.78	2.22	19.51	81382.14
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	97.72	-0.71	116.84	97.09	2.93	27.78	301267.13
Novartis	85.58	-1.13	90.16	69.89	3.71	24.49	225052.31
United States of America ($) (cont.)							
AutoZone	2674.15	-45.63	2750	2277.88	-	20.55	47155.29
Avago Tech	1116.6	26.91	1119.45	540.92	1.59	34.65	460860.46
BakerHu	33.69	1.09	37.58	26.12	2.07	82.75	33894.99
Bank of NY	51.71	0.76	52.26	39.65	2.87	14.98	39768.78
BankAm♦	33.90	1.86	37.00	24.96	2.61	9.71	268275.52
Baxter	38.93	1.30	53.35	31.01	2.99	-6.94	19750.1
BectonDick	239.77	-0.70	287.32	228.62	1.51	43.20	69630.41
BerkshHat	550967.37	-4832.63	566569.97	442363.5	-	9.23	315002.37
Biogen	258.57	3.01	319.76	220.86	-	14.05	37466.3
BlackRock	801.40	27.97	803.34	596.18	2.47	23.32	119217.5
Boeing	250.75	-0.16	252.19	176.25	-	-33.31	151697.93
Booking Holdings	3456.83	32.61	3494.98	1907.38	-	30.21	120608.36
Intuit	605.23	-5.00	617.61	370.62	0.51	72.48	169424.27
John&John	156.14	0.35	181.04	144.95	2.94	31.55	375872.48
JohnsonCn	54.67	1.38	70.43	47.90	2.63	18.28	37189.69
JPMrgnCh	163.78	2.72	163.70	123.11	2.45	10.49	473489.35
Kimb-Clark	122.48	-1.14	147.87	116.32	4.01	22.53	41390.89
KinderM	17.79	0.31	18.90	15.89	6.58	15.61	39543.15
KLA Corp	580.84	10.14	586.20	355.88	0.90	23.96	78954.25
Kraft Heinz	37.29	-0.37	42.80	30.68	4.31	14.51	45737.63
Kroger	44.27	-0.46	50.36	42.10	2.33	19.93	31845.28
LasVegasSd	48.69	0.06	65.58	43.77	0.43	53.53	36963.13
LibertyGbl	16.52	0.27	21.89	15.01	-	-2.26	2830.33
Lilly (E)	575.17	-22.34	629.97	302.14	0.74	79.81	546008.3
Venezuela (VEF)							
Bco de Vnzla	7.00	-0.95	9.20	2.10	104.09	-	717.50
Bco Provncl	17.00	-	79400	6.80	-	3.11	191.11

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Avago Tech	1116.60	1089.69	26.91	2.47	167.43	21.1	14.79
Broadcom	1116.60	1089.69	26.91	2.47	167.43	21.1	14.79
Edwards Lifesc.	78.81	75.22	3.59	4.77	6.96	15.5	19.94
Franklin	29.51	27.63	1.88	6.80	1.95	14.9	23.20
Illumina	134.30	126.67	7.63	6.02	9.54	14.7	37.76
Cigna	294.96	297.18	-2.23	-0.75	39.24	14.4	1.66
Vivendi	9.86	8.96	0.91	10.11	0.28	13.6	15.48
VF Cp	20.67	18.81	1.86	9.89	0.61	13.6	32.76
SouthCpr	81.24	77.35	3.89	5.02	5.68	13.3	9.64
USBancorp	44.96	42.49	2.47	5.81	2.76	13.2	24.33
VertexPharm	400.35	405.07	-4.72	-1.17	51.12	13.1	8.23
MorganStly	90.21	85.63	4.58	5.35	5.28	12.3	15.09
CapOne	129.19	125.09	4.10	3.27	9.71	12.0	20.75
CharlesSch	70.47	66.30	4.17	6.29	3.34	11.9	28.58
Walgreen	25.62	24.63	0.99	4.02	1.72	11.8	21.48
GoldmSchs	381.39	362.73	18.66	5.14	18.11	10.7	12.54
BankAm	33.90	32.04	1.86	5.81	1.38	10.6	15.93
Intcntl Exch	124.19	121.54	2.65	2.18	9.01	10.4	12.42
SimonProp	144.83	139.26	5.57	4.00	7.91	10.3	19.90
Zoetis	200.21	197.41	2.80	1.42	15.58	10.1	15.95

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Anglo American	1795.40	1670.20	125.20	7.50	-554.30	-19.3	-16.50
Oracle	100.72	102.99	-2.27	-2.20	-9.88	-10.8	-13.29
Fuji Hvy Ind	2449.50	2583.00	-133.50	-5.17	-135.00	-9.9	-9.99
Denso	2090.50	2134.00	-43.50	-2.04	-167.00	-9.1	-11.01
Toyota	2571.50	2673.50	-102.00	-3.82	-153.50	-9.0	-8.75
Nppn Stl	3174.00	3266.00	-92.00	-2.82	-210.00	-8.7	-3.12
HondaMtr	1395.50	1469.00	-73.50	-5.00	-58.00	-8.6	-10.81
Telefonica	3.68	3.67	0.01	0.30	-0.35	-8.5	-1.81
AstellasPh	1659.50	1688.00	-28.50	-1.69	-121.50	-8.3	-5.88
Nissan Mt	534.80	566.00	-31.20	-5.51	-15.60	-8.0	-8.34
Pfizer	26.35	26.66	-0.31	-1.16	-1.97	-8.0	-9.95
ChinaMBank	24.50	24.60	-0.10	-0.41	-1.95	-7.7	-15.89
Midea	0.33	0.35	-0.02	-5.80	-0.01	-7.1	17.54
Panasonic	1363.50	1427.50	-64.00	-4.48	-40.50	-7.1	-2.37
CNOOC	11.98	12.06	-0.08	-0.66	-0.74	-6.4	-7.44
MitsbCp	6580.00	6736.00	-156.00	-2.32	-236.00	-5.6	-7.72
Canon	3665.00	3780.00	-115.00	-3.04	-78.00	-5.0	-1.64
Bridgestne	5909.00	6056.00	-147.00	-2.43	-163.00	-5.0	1.72
ChinaLife	9.70	9.64	0.06	0.62	-0.56	-4.9	-7.73
Vodafone	66.45	65.14	1.31	2.01	-4.66	-4.8	-9.42

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Dec 14	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Dec 14	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

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INTEREST RATES: OFFICIAL

Dec 14	Rate	Current	Since	Last
US	Fed Funds	5.25-5.50	26-07-2023	5.00-5.25
US	Prime	8.50	26-01-2023	8.25
US	Discount	5.50	01-08-2023	5.25
Euro	Repo	4.0	14-09-2023	3.438
UK	Repo	5.25	03-08-2023	5.00
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

Dec 14 (Libor: Dec 13)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06157	0.010	0.000	-0.003	5.47629	5.64624	5.76050	6.04143
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.001	4.20130	5.34030	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				-0.029	3.83300	3.92500	3.94500	3.75800
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	5.42000	5.50000	5.54000	
Euro CDs				0.000	3.89000	3.91000	3.79000	

Dec 14	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	3.63	3.93	3.70	4.00	3.74	4.04	3.76	4.06	3.64	3.94	3.28	3.58
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	5.13	5.33	5.19	5.39	5.32	5.52	5.40	5.60	5.44	5.64	5.35	5.55
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	208.31	-0.28	-0.62	2.26	2.42	3.47
Corporates(£)	346.01	0.79	2.15	7.08	3.99	5.46
Corporates(€)	221.17	0.24	1.34	6.69	3.06	4.00
Eurozone Sov(€)	219.22	0.42	2.24	5.64	4.33	0.32
Gilts(£)	272.56	1.21	3.17	1.11	4.35	-1.39
Overall(£)	285.46	1.07	2.82	2.51	4.11	0.28
Overall(€)	215.86	0.35	1.96	5.71	3.88	1.30
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	750.87	17.54	-	-	-1.66	2.04
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	329.69	-23.17	-39.02	-58.78	475.45	325.00
Europe 5Y	59.65	-4.78	-7.34	-10.64	90.18	59.26
Japan 5Y	60.05	-2.30	-3.91	-10.19	80.75	60.00
Senior Financials 5Y	67.75	-5.24	-8.52	-13.32	103.71	67.22
Markit CDX						
Emerging Markets 5Y	173.92	-9.74	-12.53	-25.46	245.20	173.92
Nth Amer High Yld 5Y	365.48	-27.04	-42.08	-55.22	447.71	365.48
Nth Amer Inv Grade 5Y	55.50	-4.27	-7.52	-9.82	81.85	55.50

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Dec 14	Day Chng	Prev	52 wk high	52 wk low
VIX	11.97	-0.22	12.19	30.81	11.81
VXD	13.54	0.00	13.54	29.87	3.10
VXN	15.40	0.05	15.35	32.60	5.85
VDAX	12.93	-0.59	13.51	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

[illegible]

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

Dec 14	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Tr 0.125pc '24	99.36	5.19	0.19	-0.57	3.80	48.29	99.36	96.10	35.55
Tr 2pc '25	96.32	4.23	-1.40	-3.86	-5.58	26.65	97.82	92.80	39.93
Tr 0.125pc '26	92.18	4.00	-1.96	-4.99	-4.76	25.00	92.38	87.71	35.32
Tr 1.25pc '27	91.62	3.76	-2.08	-5.53	-7.62	14.29	93.30	86.03	40.99
Tr 0.5pc '29	85.18	3.70	-1.86	-5.85	-9.54	13.85	87.71	78.59	28.92
Tr 1pc '32	80.99	3.73	-1.32	-4.85	-8.80	12.01	110.14	74.53	35.96
Tr 4.25pc '36	102.81	3.96	-1.00	-4.35	-8.33	10.61	109.78	94.63	31.68
Tr 4.5pc '42	103.39	4.24	-0.93	-4.07	-6.81	12.47	113.53	92.93	28.35
Tr 3.75pc '52	91.47	4.27	-1.16	-3.83	-6.36	14.48	103.90	79.70	25.11
Tr 4pc '60	96.40	4.19	-1.18	-4.12	-6.26	17.04	111.84	83.11	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Dec 14	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	82.43	0.17	2414.61	0.97	2.73	3.95
2 5 - 10 Years	148.05	0.39	3224.81	2.74	1.42	3.71
3 10 - 15 Years	156.22	0.41	3701.65	3.93	-0.07	4.00
4 5 - 15 Years	149.13	0.40	3340.71	3.15	1.08	3.85
5 Over 15 Years	204.62	0.81	3651.49	5.45	-4.81	4.21
7 All stocks	133.92	0.44	3070.00	3.05	-0.44	4.08

Index Linked	Dec 14	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	335.73	0.29	0.73	3.54	2867.62	0.73	4.59
2 Over 5 years	529.12	1.15	2.88	-2.83	4058.58	2.88	-2.21
3 5-15 years	463.84	0.63	1.66	2.99	3786.41	1.66	3.95
4 Over 15 years	574.70	1.50	3.70	-6.73	4270.76	3.70	-6.34
5 All stocks	506.68	0.97	2.42	-1.77	3967.18	2.42	-1.09

Yield Indices	Dec 14	Dec 13	Yr ago		Dec 14	Dec 13	Yr ago
5 Yrs	3.67	3.74	3.21	20 Yrs	4.24	4.28	3.77
10 Yrs	3.85	3.90	3.45	45 Yrs	4.08	4.12	3.47
15 Yrs	4.11	4.16	3.68				

Real yield	inflation 0% Dec 14	Dur yrs	Previous	Yr ago	inflation 5% Dec 14	Dur yrs	Previous	Yr ago
Up to 5 yrs	0.50	2.34	0.62	0.11	0.20	2.36	0.32	-0.34
Over 5 yrs	0.86	18.99	0.92	0.43	0.84	19.04	0.90	0.38
5-15 yrs	0.47	9.29	0.54	0.26	0.39	9.30	0.46	0.15
Over 15 yrs	0.96	24.95	1.02	0.47	0.95	24.96	1.01	0.44
All stocks	0.85	15.53	0.91	0.42	0.82	15.60	0.88	0.36

See FTSE website for more details www.ftse.com/products/indices/gilts

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jan	71.07	1.60	Corn♦	Mar	482.50	3.00
Brent Crude Oil‡		76.99	2.73	Wheat♦	Mar	612.25	7.00
RBOB Gasoline†	Jan	2.07	0.05	Soybeans♦	Jan	1311.75	4.25
Natural Gas†	Jan	2.37	0.04	Soybeans Meal♦	Jan	402.50	0.30
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)	Mar	3543.00	-21.00
Aluminium		2214.00	69.00	Cocoa (ICE US)♥	Mar	4298.00	43.00
Aluminium Alloy		1580.00	55.00	Coffee(Robusta)	Jan	2825.00	23.00
Copper		8584.50	245.50	Coffee (Arabica)♥	Mar	190.85	2.20
Lead		2070.00	29.50	White Sugar		632.00	4.40
Nickel		16970.00	570.00	Sugar 11♥		21.55	-0.42
Tin		25395.00	595.00	Cotton♥	Mar	81.93	0.75
Zinc		2519.50	80.50	Orange Juice♥	Jan	365.95	3.30
Precious Metals (PM London Fix)				Live Cattle♣	Dec	167.13	-0.58
Gold		1982.50	1.65	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2272.50	-23.00	Lean Hogs♣	Feb	66.88	-1.38
Platinum		923.00	2.00				
Palladium		979.00	-1.00		Dec 13	% Chg Month	% Chg Year
Bulk Commodities							
Iron Ore		135.03	-0.63	S&P GSCI Spt	536.12	-5.56	-11.09
Baltic Dry Index		2411.00	-27.00	DJ UBS Spot	98.54	-4.70	-13.98
Richards Bay ICE Futures		101.25	-0.25	TR/CC CRB TR	294.12	-6.64	-1.23
				LEBA EUA Carbon	58.91	-1.98	129.94
				LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price Dec 13	Yield Dec 13	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	107.63	1.600	1.672	0.64	5.25	70409.08	8
Fr 0.10%' 25	98.33	1.501	1.490	-0.07	12.79	255317.92	18
Swe 1.00%' 25	128.72	1.693	1.693	0.06	35.93	235291.83	7
UK 0.125%' 26	98.59	0.754	0.872	0.38	13.45	526799.43	31
	-	-	-	-	-	-	-
UK 2.00%' 35	246.92	0.580	0.698	2.48	9.08	526799.43	31
US 0.625%' 26	96.19	2.510	2.801	0.47	42.42	1664468.56	48
US 3.625%' 28	106.50	2.049	2.325	1.14	16.78	1664468.56	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	4.24	2.15	0.21	Netherlands	2.41	0.32	-1.63
Austria	2.57	0.48	-1.46	New Zealand	4.76	2.68	0.73
Canada	3.26	1.17	-0.77	Norway	3.24	1.15	-0.79
Denmark	2.28	0.20	-1.75	Portugal	2.57	0.48	-1.46
Finland	2.55	0.46	-1.49	Spain	2.86	0.77	-1.17
Germany	2.09	0.00	-1.94	Sweden	0.76	-1.33	-3.28
Italy	1.77	-0.32	-2.26	Switzerland	0.72	-1.37	-3.32
Japan	0.34	-1.75	-3.70	United States	4.03	1.94	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

FINANCIAL TIMES SHARE SERVICE

Main Market

	Price	+/-Chg	52 Week High	Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Avon Protection	830.00	-24.00	1154	582.00	4.37	427.61	59.8
BAE Sys	1046	-20.00	1129	820.40	2.31	19.12	5215.3
Chemring	333.00	-	339.00	253.95	1.26	23.13	793.2
Automobiles & Parts							
FordMtr $⊕	11.86	0.62	15.42	9.63	5.08	11.47	42156.2
Banks							
ANZ A$⊕	25.24	0.25	26.08	22.39	5.94	10.65	9090.0
BcoSant	327.00	1.00	343.50	231.46	3.12	6.21	203.7
BnkGeorgia	3465	60.00	3762	2218.14	6.64	3.30	52.0
BankIre Grp €	8.09	-0.12	11.03	7.72	-	9.10	78.2
BkNvaS C$⊕	63.23	1.15	74.41	55.20	6.64	9.78	2017.5
Barclays⊕	150.00	8.92	198.86	128.12	5.13	4.44	104162.7
CanImp C$⊕	61.25	1.21	63.60	47.44	5.61	12.39	1908.5
HSBC⊕	616.30	-0.90	665.60	481.00	5.28	6.53	31850.0
LlydsBkg⊕	47.54	1.36	54.33	39.42	5.30	5.06	206264.6
NWG⊕	222.70	7.40	310.00	168.00	6.96	4.57	28665.9
PermTSB €	2.35	-0.04	2.81	1.18	-	-27.36	65.9
RylBkC C$⊕	130.91	2.29	140.18	107.92	4.07	12.51	1159.0
StandCh⊕	655.00	17.40	799.40	578.80	2.50	12.38	12152.7
..7.375%Pf	103.85	1.95	105.75	94.50	7.10	-	400.0
..8.25%Pf	113.50	0.40	114.50	101.36	7.27	-	140.0
TntoDom C$⊕	84.19	1.60	94.05	75.89	4.53	10.77	2147.4
Westpc A$⊕	22.29	0.15	24.10	20.03	5.79	12.39	6884.7
Chemicals							
Elemntis	124.80	4.60	131.80	96.60	-	-16.88	525.8
Johnsn Mtthey	1699	39.50	2370	22.00	4.12	21.42	460.1
Victrex	1522	68.00	1953.15	1282	3.91	18.12	109.0
Construction & Materials							
Boot(H)	201.00	4.00	255.00	170.00	3.31	13.77	208.5
GalfrdT	229.00	-3.00	249.00	151.20	3.84	28.27	148.6
MorgSdl	2140	50.00	2185	1452	4.72	15.62	23.0
Tyman	297.00	18.50	324.00	214.50	2.69	11.74	580.5
Electronic & Electrical Equip							
Dialight	147.00	-	340.00	142.00	-	-12.64	2.3
Discoverie PLC	750.00	25.00	958.00	586.00	1.35	61.48	144.7
Halma	2266	47.00	2520.95	1802	0.78	32.81	685.7
Morgan Ad	270.50	12.00	326.50	215.50	4.44	13.20	731.9
OxfordIn	2285	95.00	2884.8	1634	0.74	31.22	48.1
Renishaw	3532	148.00	4296	2823.42	2.08	22.12	125.2
Spectris	3756	106.00	3883.85	2917	1.85	12.36	290.5
TT Elect	155.00	7.60	212.03	140.85	4.19	21.53	97.9
XP Power	1258	104.00	2750	682.41	7.31	6.72	108.7
Financial General							
3i	2370	-20.00	2439	1271	1.62	8.21	3908.4
abrdn	182.10	9.70	238.00	149.75	8.02	3.96	6741.5
Bridgepoint Grp Plc	272.60	20.80	273.20	164.80	-	17.04	808.9
CtyLonInv	316.00	6.00	475.00	300.00	10.44	10.68	159.3
CloseBrs	808.00	23.00	1139	721.83	8.23	14.91	318.5
CoinShares Int Ltd SKr	43.10	0.10	56.10	19.00	-	-0.07	31.1
Hargr Lans♦	748.20	36.80	1023.5	676.40	5.15	13.34	2274.4
Indvardn SKr	332.40	4.60	334.00	249.00	2.14	4.84	387.1
ICG	1708.5	67.00	1723.1	1067.97	3.28	9.80	972.4
Investec	521.00	21.70	556.20	401.00	2.50	13.09	996.3
Jupiter	87.45	6.95	158.30	71.30	19.55	3.25	3060.3
Liontrust	565.00	41.50	1300	519.00	8.32	7.07	657.9
LSE Gp⊕	9300	-22.00	9438	7052	1.15	77.11	773.9
RathbnGrp	1782	108.00	2245	1436	4.71	24.48	34.9
Record	73.00	1.00	98.90	61.60	3.15	20.05	18.0
S & U	2100	20.00	2570	1995	6.33	7.78	16.0
Schroder	443.30	22.60	507.00	357.20	26.17	2.04	2394.1
Shires Income	218.00	-	275.00	200.00	6.15	3.04	118.5
StJmsPl	711.00	33.40	1301.5	597.18	8.62	13.54	6384.5
TP ICAP	196.00	5.60	202.60	140.60	3.06	280.00	1306.5
Vanqus	120.00	10.60	248.40	102.60	-	2.25	1167.7
Food & Beverages							
AngloEst	678.00	18.00	886.20	650.50	2.88	7.28	7.3
AscBrFd⊕	2390	-51.00	2485	1539.5	1.83	25.08	1274.4
Barr(AG)	507.00	22.00	565.60	446.00	2.58	16.86	413.7
Britvic	866.00	10.00	950.00	742.00	2.79	19.64	446.3
CarrsGroup	98.85	-2.70	152.02	95.00	5.06	12.20	73.0
Coca-Cola HBC	2296	22.00	2582	1906.5	2.34	18.35	561.1
Cranswk	3936	6.00	4025.91	2850	1.78	20.79	54.8
Diageo⊕	2869	59.00	3779.5	2719	2.71	17.45	3585.4
Grncore	100.10	3.10	103.50	61.00	-	20.02	489.1
HiltonFd	758.00	11.00	799.00	497.00	3.92	61.63	48.1
Kerry €	75.00	-0.50	100.00	71.05	1.16	17.90	185.6
PremFds	132.20	-0.20	139.00	101.00	0.76	13.77	571.2
Tate&Lyl	653.00	14.00	837.50	600.00	4.72	13.98	1192.6
Unilever⊕	3763	-35.50	4868.64	3716.5	3.95	13.45	3619.0
..NV	-	-	-	-	-	-	-
Health Care Equip & Services							
GNStre kr	177.20	15.60	197.85	110.10	-	51.95	2389.5
Smith & Nephew	1082	26.00	1316.75	887.00	2.52	24.55	1769.5
House, Leisure & Pers Goods							
BarrttDev	561.80	19.40	565.00	384.15	6.39	10.68	4312.9
Bellway	2534	70.00	2592	1832	4.64	7.62	378.7
Berkeley	4810	100.00	4980	3634	0.19	12.52	620.2
Burberry Gp	1569	75.50	2656	1435.5	2.71	13.50	1728.0
Cairn Homes	107.00	1.60	115.40	73.90	4.89	11.65	742.5
GamesWk	9845	295.00	11850	7230	2.59	27.11	89.6
Gleeson	454.00	16.00	475.00	331.00	3.30	7.10	52.4
Headlam	211.00	11.00	350.00	176.00	8.25	8.79	96.8
McBride	86.00	-1.00	89.00	19.00	-	-13.03	360.9
Philips €	20.31	1.20	20.94	12.22	-	-34.49	4396.1
PZCusns	150.00	3.80	223.00	124.40	4.27	17.30	347.9
Redrow	588.50	23.50	595.00	423.62	5.44	6.47	645.4
Superdry Plc	39.90	-2.05	164.80	33.40	-	-0.22	481.4
Vistry Group	857.50	66.50	966.50	591.50	6.41	11.99	1338.8
Industrial Engineering							
Bodycote	597.50	25.50	728.50	545.00	3.28	19.15	321.6
Goodwin	5530	30.00	5700	2953.8	1.95	26.74	0.8
Hill&Sm	1826	48.00	1920	1138	1.62	42.96	288.9
IMI	1668	31.00	1687.1	1273	1.37	22.79	515.3
MelroseInd	563.20	-4.80	579.40	350.65	1.24	-234.67	6651.4
Renold	34.05	-0.05	35.90	20.60	-	12.16	434.7
RHIM	3366	174.00	3374	2030	3.74	7.94	39.7
Rotork	320.60	4.40	344.80	277.20	2.70	34.85	1497.0
Severfd	60.20	-1.20	76.20	57.40	4.82	10.75	342.4
Trifast	90.00	3.00	93.50	46.70	2.39	-42.45	107.3
Weir	1837.5	54.00	2072	1614.5	0.63	31.04	594.1
Industrial General							
Coats Group	73.60	3.00	82.70	63.00	2.60	32.15	8269.6
Macfrlne	112.00	2.00	121.00	98.38	3.05	11.00	2753.4
Smith DS	302.30	8.10	367.80	260.50	4.00	17.18	5104.1
Smiths	1729	30.00	1807	1517.5	2.18	27.49	756.4
SmurfKap	3142	142.00	3798.61	2528	3.12	14.33	758.8
Industrial Transportation							
Braemar	273.00	-	324.84	215.00	1.83	9.06	149.7
Fisher J	299.50	9.50	427.50	257.00	-	71.31	40.9
int'ldistser	277.60	8.80	284.60	191.20	4.79	-3.04	2510.6
OceanWil	1125	5.00	1170	816.00	7.11	5.73	12.4
Insurance							
Admiral	2672	-84.00	2811	1813.78	3.06	22.17	834.6
Aviva⊕	431.10	0.10	467.30	366.00	7.19	-21.77	15024.2
Chesnar	259.00	2.50	307.00	242.70	8.99	-7.60	175.2
Direct Line	187.50	-	238.60	132.11	4.05	-21.80	3685.6
Eccles prf	124.50	1.00	140.00	115.00	6.93	-	104.6
Hansard	39.60	-3.40	55.02	37.00	11.24	9.66	109.8
Hiscox	1050	-3.00	1201	926.04	0.81	26.00	786.9
Lancashire	618.50	-25.50	690.00	502.87	1.86	-32.22	335.7
Leg&Gen	245.90	4.00	311.13	203.10	7.25	7.55	14055.3
Old Mut	50.30	0.95	58.30	42.90	6.41	8.06	637.8
PhoenixGrp	519.80	23.60	643.20	436.40	9.77	-6.35	4326.7
Prudntl⊕	883.20	18.60	1357.5	814.00	1.67	8.90	15162.0
LEISURE							
PhotoMe International Plc	107.00	5.00	109.00	55.70	-	18.67	655.5
Media							
4imprint	4650	15.00	5391.87	4038.55	0.24	78.47	94.0
Auto Trader Group PLC	730.60	-0.80	752.60	510.80	0.68	36.04	2663.7
DlyMailA	270.00	-2.50	1178	264.50	8.96	10.31	111.0
Informa	787.00	7.00	798.40	595.10	-	-34.82	2305.7
ITV	63.74	2.86	96.62	58.36	-	6.85	24463.7
Pearson	942.60	-13.40	986.40	749.40	2.10	45.10	1683.6
MEDIA							
Reach PLC	68.20	2.15	111.63	65.20	10.28	75.78	559.1
Media							
RELX PLC⊕	3063	-106.00	3206	2272	1.78	33.59	3704.8
Rightmove PLC	575.00	8.20	610.60	457.70	0.78	32.54	4795.8
STV Grp	192.00	4.25	315.00	175.00	5.89	7.56	686.7
WPP⊕	753.80	30.20	1082	656.00	5.23	15.45	3150.8
Mining							
AngloAmer⊕	1795.4	125.20	3648.5	1630	8.72	13.35	6624.2
AnGoldA R	337.99	27.88	556.88	287.40	2.56	183.79	15579.4
Antofagasta	1631.5	67.00	1815	1280	3.26	16.88	2147.8
BHP Group	2559	73.00	2862	2157	8.26	12.77	1226.4
Ecora Resources	83.70	2.20	159.00	81.40	7.88	-16.12	823.3
Ferrexpo	74.15	1.50	175.31	70.10	19.33	0.58	613.3
Fresnillo	591.00	22.40	996.80	499.30	2.22	25.21	1040.7
Glencore⊕	453.75	20.10	583.25	410.95	6.13	7.59	39831.8
Harmony R	114.22	8.10	120.90	53.86	0.19	15.10	4786.8
PolymtIntl#	215.00	50.00	362.02	125.00	-	5.82	12.0
Rio Tinto⊕	5653	157.00	6354	4509.5	6.79	13.64	4260.1
Troy Res A$	0.04	0.00	0.20	0.03	-	-0.24	3131.9
Oil & Gas							
BP⊕	465.90	6.05	570.57	4.75	4.26	5.95	42500.8
Capricorn Energy	146.20	8.40	837.45	133.60	-	-1.34	88.9
ExxonMb $⊕	101.93	3.01	120.70	97.48	3.55	8.12	10877.2
Gazprom PJSC ADR $#	0.58	-	10.97	0.02	-	-0.61	3213.3
GeoPark $	8.65	0.27	16.16	8.05	5.96	2.73	40.6
HELLENiQ ENERGY €	7.26	0.08	8.68	6.55	1.34	6.77	1381.1
ImpOil C$⊕♦	75.27	1.37	85.11	60.19	2.33	7.89	349.9
TrnCan C$⊕	52.74	0.39	58.62	43.70	7.06	57.56	1678.8
Wood Group (John) PLC	153.00	8.20	228.66	120.54	-	-1.72	2394.5
Pharmaceuticals & Biotech							
AstraZeneca⊕	10468	78.00	12828.45	9778	2.14	33.69	2529.3
GlaxoSmh⊕	1461.8	6.00	1725.81	16.64	3.95	11.54	6351.9
HikmaPhm	1780.5	30.50	2222	1489	2.15	13.35	486.8
Oxfd Bio	201.00	11.00	575.00	164.29	-	-3.15	374.5
RichterG $	25.60	0.80	26.60	19.30	2.52	11.73	0.0
Real Estate							
REITs							
Assura	45.20	1.52	58.25	38.38	6.42	9.04	8944.2
BritLand	413.10	25.40	522.29	287.30	5.62	-3.69	4466.3
Cap&Reg	60.00	2.00	62.28	51.21	8.65	-11.45	10.5
Civitas SH	79.80	-	86.18	51.07	6.81	13.62	115.0
DrwntLdn	2394	164.00	2724	1766	3.15	10.67	353.6
Great Portland	434.60	34.00	605.50	363.20	2.90	-5.45	1416.2
LandSecs	708.20	45.00	738.00	551.20	4.80	-18.49	7990.2
LondonMtrc	200.80	8.80	204.60	152.30	4.76	-3.88	2230.8
Palace Cap	225.00	4.00	265.00	195.00	4.89	10.77	4.4
PrimyHth	101.00	2.80	117.00	84.20	6.14	10.31	3370.6
SEGRO	888.00	43.60	909.20	675.00	2.55	2.63	10584.6
Shaftesbury Cap	133.50	8.70	134.20	99.70	0.37	39.26	3492.4
TritaxBBOX	168.50	7.80	171.60	121.80	4.20	-3.29	11749.9
Wkspace	564.50	38.00	617.00	409.40	4.06	-28.37	347.0
Real Estate Inv & Services							
Grainger	272.20	8.40	278.80	215.40	2.01	16.91	3801.5
Harworth Grp	115.50	3.00	128.50	95.40	1.15	-7.70	46.3
Helical	210.00	11.60	399.00	182.00	4.81	5.07	428.1
Lon&Assc	15.00	-0.50	20.80	7.00	-	-4.26	109.6
Mntview	9700	100.00	12520	9200	4.38	12.09	0.0
Safestre	865.50	77.00	1088	641.00	2.33	4.91	498.3
Savills	915.50	64.50	1049	745.00	2.51	9.17	1262.5
SiriusRE	89.60	0.90	93.15	68.50	3.64	6.99	4658.1
Smart(J)	127.50	2.50	177.00	108.00	2.53	3.49	2.3
U+I	148.50	-0.50	151.50	58.51	-	-2.12	98.8
Retailers							
Caffyns	550.00	-	628.00	450.00	-	7.99	2.0
Dunelm	1109	48.00	1335.53	930.00	3.70	14.79	212.5
Halfords	195.00	-1.70	244.80	164.10	2.56	6.50	934.1
Inchcape	695.50	17.50	941.00	625.00	1.91	23.50	688.2
JDSportsF♦	175.15	5.00	213.12	113.25	0.46	45.73	8009.7
Kingfisher	243.50	15.70	296.24	198.30	5.09	13.99	7054.8
Marks&Sp	265.30	0.70	268.70	116.80	-	204.08	4461.5
Ocado	718.60	74.80	1017	342.00	-	-23.81	3218.4
Saga	126.00	4.20	198.40	102.20	-	-2.78	385.9
Sainsbury (J)	300.30	3.30	304.70	214.60	3.53	25.24	4774.7
Tesco⊕	288.10	-0.90	307.23	219.96	3.78	14.67	48598.9
Support Services							
AshtdGp	5486	506.00	6012	4386	1.16	18.65	906.8
Bunzl♦	3132	12.00	3226.48	2680	2.00	21.56	941.4
Capita	21.00	0.26	44.92	15.26	-	-12.07	8295.6
DCC	5734	80.00	5822	3986	2.79	18.95	200.8
DeLaRue	72.70	-0.80	82.12	29.10	-	-2.54	271.9
Diploma	3536	70.00	3584	2524.5	1.20	63.26	265.3
Essentra PLC	161.40	5.60	246.00	130.20	2.04	-34.34	432.7
Experian	3229	90.00	3241	2366	1.08	41.43	2889.8
Ferguson	14665	155.00	14725	9892	2.14	20.69	150.6
Hays	107.70	3.30	130.95	91.70	2.65	12.64	1972.1
HowdenJny	817.40	44.00	817.40	554.80	1.64	15.42	2979.9
Intertek	4125	49.00	4549	3746	2.56	23.19	277.1
Kin and Carta	115.20	0.20	237.00	55.20	-	-96.00	2394.5
Mitie	99.70	-0.20	110.00	69.50	-	49.85	2256.8
Rentokil	422.50	2.80	663.80	387.80	1.78	29.96	5400.3
Ricardo	492.00	17.00	619.60	421.00	2.20	-25.49	19.9
RbrtWlts	448.00	-2.00	580.00	344.00	3.66	10.25	16.5
RS Grp	839.40	23.40	1029	551.20	2.24	13.94	1168.9
SIG	30.85	0.50	45.38	25.35	-	102.83	568.3
Vp	610.00	-22.50	730.00	460.00	4.10	15.03	4.3
Tech - Hardware							
SpirentCM	119.10	3.70	279.80	79.75	3.84	11.09	1452.2
Tech - Software & Services							
Computcnt	2692	40.00	2810	1868.2	2.52	16.00	153.1
NCC Grp	124.40	2.20	215.50	75.80	3.74	-82.93	762.6
Sage	1172.5	-16.50	1208.5	725.40	1.48	44.96	2639.8
TriadGp	135.00	-	170.00	77.00	1.48	14.82	1.4
Telecommunications							
Airtel Africa	120.50	5.20	135.80	102.20	3.71	17.72	2296.5
BT⊕	128.45	2.35	161.40	109.40	5.99	6.80	26884.6
TelePlus	1518	44.00	2326.47	1412	3.75	38.92	126.2
Vodafone Gp⊕	66.45	1.31	103.24	64.97	11.90	1.77	210405.5
Tobacco							
BrAmTob⊕	2361	72.00	3375.5	2233	7.06	6.10	5683.9
Imperial Br⊕	1797	-4.00	2114	1553.5	7.86	10.21	1507.3
Travel & Leisure							
Carnival	1341.5	64.50	1376.63	554.06	-	-13.18	854.5
Dalata Hotel	382.00	19.00	424.00	270.05	-	10.88	2.3
easyJet	502.60	11.90	582.71	320.50	-	-3.16	5092.6
FirstGrp	168.50	6.40	183.50	92.66	-	40.12	1266.2
Flutter Entertainment	13295	265.00	16832.1	11240	-	-399.25	307.0
Fuller A	692.00	-2.00	712.00	446.00	-	-14.45	18.3
IntCon Htels Gp	7076	178.00	7082	4685	-	66.28	496.8
Intl Cons Air	160.25	4.35	173.58	1.60	-	-3.56	20765.2
TUI	621.00	18.50	766.26	345.66	-	6.51	1539.4
Whitbrd	3494	138.00	3709	2567	-	-28.36	1662.8
Utilities							
Drax	475.50	10.50	728.50	395.20	3.74	35.22	1870.1
Natl Grid⊕	1079.5	6.00	1229.21	918.00	4.78	14.63	14275.9
Pennon	752.50	11.00	975.50	532.83	5.29	19802.63	517.7
Severn Trent	2650	-51.00	2999.02	2243	3.83	-98.51	1002.4
SSE	1896	26.00	1932.5	1485	4.27	7.41	2486.5
UtdUtils	1112	2.00	1139.5	896.76	3.89	102.02	1383.0

AIM

	Price	+/-Chg	52 Week High	Low	Yld	P/E	Vol 000s
Aerospace & Defence							
Cohort	540.00	-	560.00	410.00	2.33	19.38	83.3
Velocity Composites PLC	35.50	-0.50	65.00	26.00	-	-11.83	11.8
Banks							
Caribbean Inv	26.50	-	45.40	24.03	-	3.05	138.6
Basic Resource (Ex Mining)							
CropperJ	620.00	-	960.00	560.00	1.53	114.81	7.3
Chemicals							
Directa Plus PLC	25.80	-1.70	108.00	25.80	-	-4.29	10.2
Versarien PLC	0.33	0.03	11.00	0.25	-	-0.09	3376.5
Construction & Materials							
AccsysTch	61.00	0.20	108.00	58.00	-	-2.09	132.5
Electronic & Electrical Equip							
Checkit	22.00	-	35.00	17.00	-	-2.34	117.8
LPA	81.50	-1.00	104.00	71.00	-	-301.85	44.7
ThorpeFW	350.00	7.00	460.00	320.00	1.66	24.36	16.5
Zytronic	80.00	-	155.00	74.00	-	26.67	3.8
Financial General							
Arbuthnot	1005	-	1150	830.00	1.59	22.23	1.0
BP Marsh	441.00	-	446.00	292.50	0.55	12.15	18.1
Burford Capital Ltd	1084	-13.00	1388	478.00	0.92	11.48	179.4
Gresham House Plc	1102.5	-	1110	652.00	1.45	30.58	14.7
MattioliWds	630.00	-	660.00	481.00	4.22	42.28	234.2
Premier Miton Group	65.00	1.50	137.98	48.10	12.62	7.25	553.6
STM Group	55.00	-	62.60	23.10	1.09	56.70	19.2
Food & Beverages							
Camellia	4800	-140.00	6300	4048.6	3.04	45.71	0.2
Fevertree Drinks	1108	52.00	1489	950.00	1.47	108.60	265.4
Nichols	1085	20.00	1520	882.00	1.71	-18.07	9.1
Health Care Equip & Services							
AVO#	1.93	-	25.75	1.75	-	-0.23	200.0
Tristel♦	457.50	17.50	470.00	290.00	1.43	94.33	41.2
House, Leisure & Pers Goods							
Churchll	1225	50.00	1725	1052	2.57	16.40	5.7
Frontier Developments PLC	114.60	-1.40	1088	95.00	-	-2.14	1121.0
Portmern♦	275.00	-5.00	522.65	230.00	4.73	8.13	12.3
Sanderson Design Grp	117.00	0.50	148.00	95.31	2.99	9.00	89.4
Industrial Engineering							
600 Grp#	2.65	-	13.50	2.00	-	15.50	40.4
MS Intl	885.00	20.00	979.90	442.00	0.40	126.43	58.5
Pres Tech	32.00	-	47.52	24.00	-	-2.94	1.5
IT							
Keywords Studios	1430	89.00	3000	1252	0.16	40.45	218.9
Learning Technologies Group	76.25	4.80	153.10	58.62	2.10	22.19	1341.8
Media							
Mission Group	18.75	0.25	59.00	10.00	12.96	-13.72	156.5
Mining							
AMC#	0.09	-	1.99	0.07	-	-0.55	5981.6
CentAsiaM	171.80	8.20	299.00	151.20	10.87	1282.09	331.1
Gemfields	13.15	-	20.27	12.50	25.03	9.84	96.3
Oil & Gas							
BorSthnPet	2.25	-0.26	3.70	1.70	-	-15.07	138.1
Phoenix Global	6.50	0.25	7.95	3.07	-	-1.63	53.0
UnJackOil	19.00	-	34.00	18.00	1.58	10.05	511.4
Pharmaceuticals & Biotech							
Reneuron	3.60	-0.15	13.00	3.32	-	-0.23	285.3
Sareum	55.00	-5.00	149.00	51.00	-	-18.33	202.3
Real Estate							
Lok'nStor♦	802.00	-8.00	990.00	621.90	1.87	24.32	7.7
Retailers							
Boohoo Group PLC	40.16	3.25	60.94	27.77	-	-5.91	8243.3
CVS Group PLC	1653	89.00	2226	1364	0.42	28.26	161.4
Support Services							
Begbies	112.50	-1.50	148.00	105.50	3.20	59.21	252.7
Christie	92.50	-	167.00	80.00	4.05	62.50	8.8
Impellam	855.00	-35.00	950.00	580.00	-	24.43	134.6
JhnsnSrv	137.40	0.80	141.80	87.30	1.75	17.84	403.3
LonSec	3050	-	3300	2300	2.75	17.18	0.0
NWF	207.50	-	285.00	185.00	3.61	6.89	3.1
Petards	4.15	0.65	12.00	2.13	-	19.76	805.5
Renew	839.00	4.00	859.00	650.00	1.57	20.74	112.6
Smart Metering Systems	960.00	-	971.00	574.00	3.15	79.60	1873.2
Tech - Software & Services							
BoBlue Prism Group PLC	1274	-	1392	747.50	-	-23.65	1869.0
Eckoh	35.00	-	46.00	30.00	1.74	34.31	22.3
Oxford Metrics	99.00	-2.00	121.64	78.00	1.82	43.04	103.2
Travel & Leisure							
gamingrealms	35.60	0.90	39.50	23.00	-	22.53	187.9
Jet2	1280	46.00	1394.5	931.00	-	-6.87	1029.3
MinoanGp	0.65	-	1.30	0.60	-	-4.61	2095.0

Investment Companies

Conventional (Ex Private Equity)	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
abrdnuksm	431.00	13.00	479.50	366.00	1.95	486.9	-11.5
3i Infra	322.00	3.00	342.50	276.74	3.04	347.9	-7.4
AbnAsianIn	199.50	4.00	237.00	183.11	5.11	227.3	-12.2
Abf Sml	1330	26.00	1428	1126	2.55	1483.9	-10.4
Abf Spl Inc	71.70	1.60	80.00	62.00	4.25	78.2	-8.3
abrdn Asia Focus	262.00	4.00	271.00	240.00	2.44	303.8	-13.8
abrdnDivInc&Grwth	83.60	7.40	95.20	72.40	6.58	111.3	-24.9
Abrdn Eqt Inc	306.00	4.50	367.00	292.50	6.73	315.8	-3.1
Alliance♦	1086	8.00	1100	911.00	1.55	1148.5	-5.4
AllianzTech	291.50	0.50	297.35	201.50	-	331.3	-12.0
Art Alpha	320.00	3.00	355.00	260.00	1.66	379.3	-15.6
Asia Dragon♦	346.00	4.00	457.00	327.00	1.88	402.1	-14.0
Aurora Inv	247.00	6.00	247.84	190.00	1.20	270.8	-8.8
AVI JapOpp	120.00	4.00	129.00	103.75	1.29	125.8	-4.6
Axiom#	85.50	-1.00	93.29	65.00	7.02	-	-
BG Euro	91.70	2.20	102.20	75.38	0.38	107.5	-14.7
BG Japan	680.00	-2.00	811.00	633.00	0.88	753.6	-9.8
BG Shin	124.20	1.00	163.87	115.26	-	142.8	-13.0
Baillie Gifford UK	160.80	2.80	180.80	141.40	1.50	188.1	-14.5
Bankers	101.00	0.80	107.00	91.50	2.15	114.2	-11.6
BB Healthcare Trust	144.80	3.80	175.80	119.40	3.81	151.4	-4.4
BiotechGth	849.00	8.00	979.42	715.00	-	920.5	-7.8
BlckRoEne	110.80	2.40	149.50	106.60	3.61	125.0	-11.4
BlckRFrnt	139.50	-	148.00	124.50	3.69	154.8	-9.9
BlckRGtEur	551.00	12.00	566.00	457.50	1.12	589.6	-6.5
BlckR I&G	183.50	-1.50	202.00	170.00	3.92	212.3	-13.6
BlckRSmlr	1352	36.00	1450	1146	2.46	1479.7	-8.6
BlckRckSusAm	188.50	2.00	213.95	172.50	4.24	205.3	-8.2
BlckRThrmt	596.00	15.00	670.00	503.00	1.71	631.0	-5.5
BlckRWld♦	553.00	21.00	774.00	522.00	7.23	587.5	-5.9
Brunner	1155	15.00	1189.67	964.00	1.74	1291.6	-10.6
Caledonia Inv	3530	75.00	3720	3110	1.78	5155.5	-31.5
CanGen C$♦	34.71	0.51	37.40	31.30	2.54	55.1	-37.0
City Lon	404.50	5.00	432.00	371.50	4.96	401.7	0.7
CQSNatRs	168.00	3.50	216.45	160.75	3.33	199.2	-15.7
CTMgdI	110.50	-	129.29	98.00	5.75	110.4	0.1
CTMgdG	225.00	-	245.88	206.00	-	236.4	-4.8
CT Cp&I	302.00	7.00	341.00	269.56	3.84	310.1	-2.6
CT UK HIT B	85.50	1.50	93.00	75.00	6.20	90.8	-5.8
CT UK HIT Ord	87.00	3.00	89.00	71.00	6.09	90.2	-3.5
CT UK HIT UNIT	332.00	4.00	356.00	292.00	-	360.3	-7.9
Dun Inc	279.00	2.00	309.52	248.97	4.77	309.1	-9.7
Edin Inv	676.00	11.00	690.00	611.00	3.55	735.5	-8.1
Edin WWd	147.60	7.80	190.80	120.80	-	174.4	-15.4
EuroAsset	86.00	2.70	97.80	73.00	9.30	95.7	-10.1
Euro Opps	862.00	14.00	866.00	706.00	0.29	939.8	-8.3
F&C Inv Trust	958.00	26.00	992.00	825.67	1.29	1011.8	-5.3
FidAsian	504.00	6.00	536.00	473.73	1.75	528.7	-4.7
FidChiSpS	208.00	1.00	299.46	196.00	2.25	227.7	-8.7
FidelityEmrgMkt	599.00	7.50	649.90	568.10	2.13	678.1	-11.7
Fid Euro	354.00	1.50	362.00	311.50	1.85	382.0	-7.3
Fid Jap	176.00	2.50	187.00	151.00	-	193.8	-9.2
Fid Spec	275.00	7.00	293.50	252.00	2.13	297.6	-7.6
FinsG&I	857.00	9.00	923.00	788.71	2.14	915.4	-6.4
GRIT	0.95	-0.08	2.95	0.80	-	9.6	-90.1
HAN	201.00	-	210.00	161.00	1.59	331.7	-39.4
HANA	191.00	-	197.00	160.00	1.68	331.7	-42.4
Hen Div Inc Tr	68.60	1.00	74.60	60.60	6.41	71.7	-4.3
HenEuroF	171.00	1.00	173.50	140.72	1.83	194.0	-11.9
HenEuro	138.00	0.50	141.00	120.50	2.75	161.3	-14.4
HenFarEs	207.00	2.50	296.92	197.00	11.26	217.3	-4.7
HenHigh	153.00	2.00	181.00	136.00	6.70	167.9	-8.9
HenInt Inc	158.50	-	184.00	148.45	3.79	179.1	-11.5
Hen Opp♦	995.00	30.00	1260	845.00	2.71	1139.1	-12.7
HenSmlr	769.00	23.00	907.00	626.00	3.09	873.3	-11.9
Herald	1874	52.00	1958	1590	-	2151.7	-12.9
HICL Infra	133.60	4.80	170.40	111.00	6.18	159.1	-16.0
Highbridge Tactical	425.00	-	500.00	220.00	-	-	-
Impax Env.	387.50	15.50	458.00	331.13	0.98	425.5	-8.9
Ind IT	420.50	-	583.16	385.00	1.90	-	-
IntBiotech	630.00	2.00	744.00	548.00	4.51	691.4	-8.9
Intl PP	134.20	3.60	157.80	114.60	5.77	155.0	-13.4
Inv AsiaTr	301.00	9.00	374.00	286.00	5.35	336.5	-10.5
Invesco Bond Inc	167.00	-	173.00	154.50	6.81	165.1	1.2
IPST BalR	126.50	9.00	137.00	112.00	-	150.6	-16.0
IP UKSmall	419.00	12.00	478.00	378.00	4.33	457.3	-8.4
JPM Amer	842.00	9.00	852.00	667.00	0.80	852.7	-1.3
JPM Asia	334.00	7.00	402.26	324.00	5.66	363.2	-8.0
JPM China	216.50	-3.00	419.00	214.55	10.53	239.4	-9.6
JPM Emrg EMEA	83.00	-0.30	794.00	55.20	42.17	47.6	74.4
JPM Emrg	103.20	1.40	120.45	96.00	1.37	114.1	-9.6
JPM EurGth & Inc	96.20	-	99.80	83.20	5.93	108.4	-11.3
JPM EuDisc	417.00	14.00	449.00	352.68	1.61	466.2	-10.6
JPM Clavr	672.00	8.00	722.00	622.98	4.61	711.3	-5.5
JPMGblCoreRa	75.00	-	94.80	61.40	5.00	97.6	-23.2
JPM GEI	121.50	-	142.50	116.00	4.20	139.7	-13.0
JPM Gl Gr&Inc	495.00	-0.50	501.00	414.50	3.43	486.3	1.8
JPM Ind	906.00	4.00	916.00	764.00	-	1093.7	-17.2
JPM JpCapSm G&I	304.00	-	339.08	283.74	7.37	345.6	-12.0
JPM Jap	477.50	0.50	521.00	435.00	1.07	524.1	-8.9
JPM Mid	930.00	36.00	974.75	762.00	3.17	1057.8	-12.1
JPM Smlr	280.00	8.00	303.00	229.00	2.04	313.7	-10.7
JPM US Sml	389.00	20.00	444.48	317.00	0.64	431.0	-9.7
KeystoneInv	218.00	6.00	228.50	182.00	5.14	254.9	-14.5
Law Deb	800.00	17.00	871.08	718.04	3.58	801.4	-0.2
LinTrain £	850.00	15.00	1140	713.92	5.54	993.1	-14.4
Lowland	120.00	3.00	135.00	103.25	5.00	133.5	-10.1
Majedie	220.00	5.50	225.68	179.00	5.18	240.2	-8.4
Marwyn Val	79.00	-	100.00	76.48	11.47	167.0	-52.7
MercantIT	218.00	6.50	222.00	177.20	3.07	242.8	-10.2
MrchTst	546.00	9.00	606.00	476.00	5.10	546.3	-0.1
Mid Wynd	736.00	-6.00	750.00	656.03	1.03	754.5	-2.5
Monks	1038	14.00	1056	880.00	0.19	1168.2	-11.1
MontanSm	131.40	3.20	151.20	106.00	0.70	151.4	-13.2
Mur Inc	847.00	11.00	886.00	766.60	4.25	917.0	-7.6
Mur Int	250.50	4.00	275.84	218.50	21.76	-	-
New Star IT♦	111.50	0.50	137.00	105.00	1.26	175.8	-36.6
NthAtSml	3990	30.00	4060	3380	0.55	5077.3	-21.4
PacAsset	372.00	5.00	384.00	338.00	0.62	386.9	-3.9
PacHorzn	540.00	10.00	694.00	508.00	-	591.0	-8.6
PerAsset	469.00	1.00	487.50	457.00	1.19	-	-
Petershill plc	154.80	4.80	185.40	140.00	7.37	-	-
PolarHealth	320.00	8.00	346.25	294.00	0.63	345.8	-7.5
PolarFins	144.40	1.00	164.59	130.40	2.78	162.1	-10.9
PolarTech	2520	45.00	2535	1697.57	-	2817.9	-10.6
RIT Cap	1774	32.00	2218.01	1696	1.99	2362.0	-24.9
Ruffer Inv Pr	267.50	2.00	318.00	260.86	0.97	281.7	-5.0
Schroder ToRt	423.00	3.00	457.00	382.00	2.60	446.6	-5.3
SchdrAsiaP	486.50	7.00	549.75	459.00	1.64	538.3	-9.6
SchdrEurReE	69.00	2.50	89.75	63.77	7.06	110.6	-37.6
Schdr Inc	283.00	6.00	324.00	247.00	4.45	297.7	-4.9
SchdrJap	229.00	-	246.00	198.50	2.14	253.1	-9.5
SchdrOrient	244.00	4.00	280.08	233.50	4.22	256.8	-5.0
SchdrRealEst	46.00	1.25	50.40	39.15	5.50	64.6	-28.8
SchdrUKMd	568.00	24.00	626.00	482.00	2.34	633.7	-10.4
SchdrUKPubPriv	14.73	1.73	26.00	11.50	-	23.1	-36.2
ScotAmer	521.00	7.00	543.00	450.00	2.36	536.3	-2.9
ScottMort	776.00	27.00	792.40	604.80	0.44	868.0	-10.6
ScottOrtll	1275	-	1375	1130	0.90	1460.1	-12.7
Smithson	1370	40.00	1484	1162.2	-	1576.5	-13.1
StrategicEq	314.00	1.00	321.00	264.00	0.64	331.5	-5.3
Temp Bar	236.00	5.00	249.50	211.50	4.07	250.0	-5.6
Tetragon $	10.15	0.05	10.60	9.46	3.71	29.0	-65.0
EurSmlCom	156.50	4.50	172.50	135.50	2.00	182.5	-14.2
GblSmlrTrst	147.40	4.60	162.80	128.20	1.19	168.7	-12.6
TRIG	108.60	0.60	133.80	97.20	6.22	130.8	-17.0
TroyInc&G	69.00	0.60	74.00	63.32	3.85	72.6	-5.0
Utilico Emerging Market	224.00	3.00	234.00	197.50	3.50	260.2	-13.9
UIL Inv	119.00	1.00	168.00	112.00	6.72	184.1	-35.4
VEIL	556.00	4.00	660.00	508.00	-	679.0	-18.1
Witan	232.50	3.00	237.00	209.00	2.37	252.1	-7.8
WwideHlth	306.00	3.00	333.50	286.00	7.19	-	-

Conventional - Private Equity	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
abrdnPvEq	448.50	4.00	494.00	391.00	3.01	769.6	-41.7
BGUSGROWTH	174.40	5.40	174.40	132.11	-	204.4	-14.7
BG China Growth	197.00	-1.25	330.00	193.00	0.86	219.8	-10.4
CT PvtEq	474.00	12.00	534.00	406.00	5.63	694.9	-31.8
HVPE	2320	35.00	2430	1900	-	4038.0	-42.5
HgCapital	414.00	14.00	420.00	317.00	1.69	493.5	-16.1
ICG Ent Tr	1180	24.00	1260	974.00	2.63	1898.6	-37.8
Pantheon Intl	301.00	5.50	306.00	230.50	-	488.6	-38.4
PrincssPE €♦	10.20	0.05	11.15	8.30	3.56	14.6	-30.1
Unbound Group plc#	0.75	-	22.58	0.00	-	-	-

Discretionary Unit Fund Mngrs (1000)F	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
Right &ISS	2030	-	2220	1720.7	1.59	2216.2	-8.4

Conventional - Property ICs	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
Direct Property							
AEW UK REIT	97.90	1.60	108.60	90.00	8.17	101.9	-3.9
Bal ComPrp	71.20	2.50	98.00	60.00	6.74	113.6	-37.3
CT Prop T	82.90	-2.10	89.60	60.00	4.83	-	-
Longbow	20.20	0.20	55.50	20.00	12.38	40.4	-50.0
TR Prop	329.00	13.00	342.50	252.95	4.32	351.0	-6.3
Tritax EuroBEUR €	0.68	0.03	0.82	0.50	7.04	1.0	-32.0
Tritax EuroBGBP	58.10	1.20	73.00	43.55	-	-	-
UKComPrp	59.70	2.30	63.00	47.15	5.70	80.5	-25.8

VCTs	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
Baronsmead 2nd VT	54.50	-	64.50	49.60	11.93	56.7	-3.9
Inc&GthVCT	67.00	-	77.50	65.50	7.46	74.1	-9.6
Nthn 2 VCT	54.00	-2.00	64.32	48.00	6.48	56.8	-4.9
Nthn 3 VCT	84.00	-1.50	86.75	78.50	5.36	88.0	-4.5
NthnVent	57.00	-1.50	60.54	53.50	7.89	60.2	-5.3

Zero Dividend Preference Shares	Price	+/-Chg	52 Week High	Low	HR SP	WO	TAV 0%
Abf Spl Inc	120.50	-	121.97	117.00	-88.7	-100.0	127.3
UIL Finance 2028 ZDP	88.00	-	100.00	85.00	-30.6	-39.1	152.3
UIL Finance 2026 ZDP	107.50	0.50	117.00	105.00	-44.3	-56.8	151.5

Investment Companies - AIM

	Price	+/-Chg	52 Week High	Low	Yld	NAV	Dis(-) or Pm
BB Biotech AG SFr	52.70	-	67.00	49.35	6.2	-	-
CrysAmber	67.00	-	100.44	60.00	3.7	100.9	-33.6
Infra India#	0.50	-	1.28	0.20	-	10.6	-95.3

Guide to FT Share Service

For queries about the FT Share Service pages e-mail ft.reader.enquiries@morningstar.com.

All data is as of close of the previous business day. Company classifications are based on the ICB system used by FTSE (see www.icbenchmark.com). FTSE 100 constituent stocks are shown in bold.

Closing prices are shown in pence unless otherwise indicated. Highs & lows are based on intra-day trading over a rolling 52 week period. Price/earnings ratios (PER) are based on latest annual reports and accounts and are updated with interim figures. PER is calculated using the company's diluted earnings from continuing operations. Yields are based on closing price and on dividends paid in the last financial year and updated with interim figures. Yields are shown in net terms; dividends on UK companies are net of 10% tax, non-UK companies are gross of tax. Highs & lows, yields and PER are adjusted to reflect capital changes where appropriate.

Trading volumes are end of day aggregated totals, rounded to the nearest 1,000 shares.

Net asset value per share (NAV) and split analytics are provided only as a guide. Discounts and premiums are calculated using the latest cum fair net asset value estimate and closing price. Discounts, premiums, gross redemption yield (GRY), and hurdle rate (HR) to share price (SP) and HR to wipe out (WO) are displayed as a percentage, NAV and terminal asset value per share (TAV) in pence.

- ⊕ FT Global 500 company
- ♦ trading ex-dividend
- ■ trading ex-capital distribution
- \# price at time of suspension from trading

The prices listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the information.

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Data provided by Morningstar

www.morningstar.co.uk

MANAGED FUNDS SERVICE

SUMMARY FT.COM/FUNDS

Winners - US Fund Large Growth					
Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
Tanaka Growth Fund	31.57	14.78	14.90	0.65	31.56
Marshfield Concentrated Opportunity Fund	13.23	11.80	13.73	0.81	14.25
Baron Durable Advantage Fund	28.07	10.54	14.69	0.56	19.77
Federated Hermes MDT Large Cap Growth Fund	25.42	9.96	14.90	0.51	20.52
Nicholas Fund	22.27	9.93	12.59	0.56	17.67

Losers - US Fund Large Growth					
Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev
Morgan Stanley Insight Fund	26.88	-15.31	6.12	-0.57	34.64
Transamerica Capital Growth Fund	23.38	-14.30	5.04	-0.52	34.43
Morgan Stanley Institutional Fund, Inc. Growth Portfolio	25.58	-13.48	6.20	-0.49	34.26
Baillie Gifford U.S. Equity Growth Fund	22.45	-11.88	8.19	-0.38	34.15
Morgan Stanley Institutional Fund, Inc. Advantage Portfolio	24.35	-11.13	4.33	-0.44	31.63

Morningstar Star Ratings				
Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr
RobecoSAM Sm.Energy/A	Pound Sterling	★★★	★★★★	★★★★
Brown Advisory US Equity Growth Fund USD B	US Dollar	★★	★★	★★★
Junior Gold C Acc	Pound Sterling	★	★	★
RobecoSAM Sm.Materials/A	Pound Sterling	★	★★★	★★★
Global Technology I USD	US Dollar	-	-	-

Global Broad Category Group - Fixed Income				
Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP
Emerging Bonds	Mexican Peso	-1.85	17.10	2.90
World Bank Loan	Yen	15.14	14.89	8.01
World High Yield Bond US	Yen	12.23	12.06	8.14
World ST Bond/Money	Yen	10.57	11.02	5.94
World High Yield Bond Global	Yen	11.57	8.91	6.76

Advertising Feature

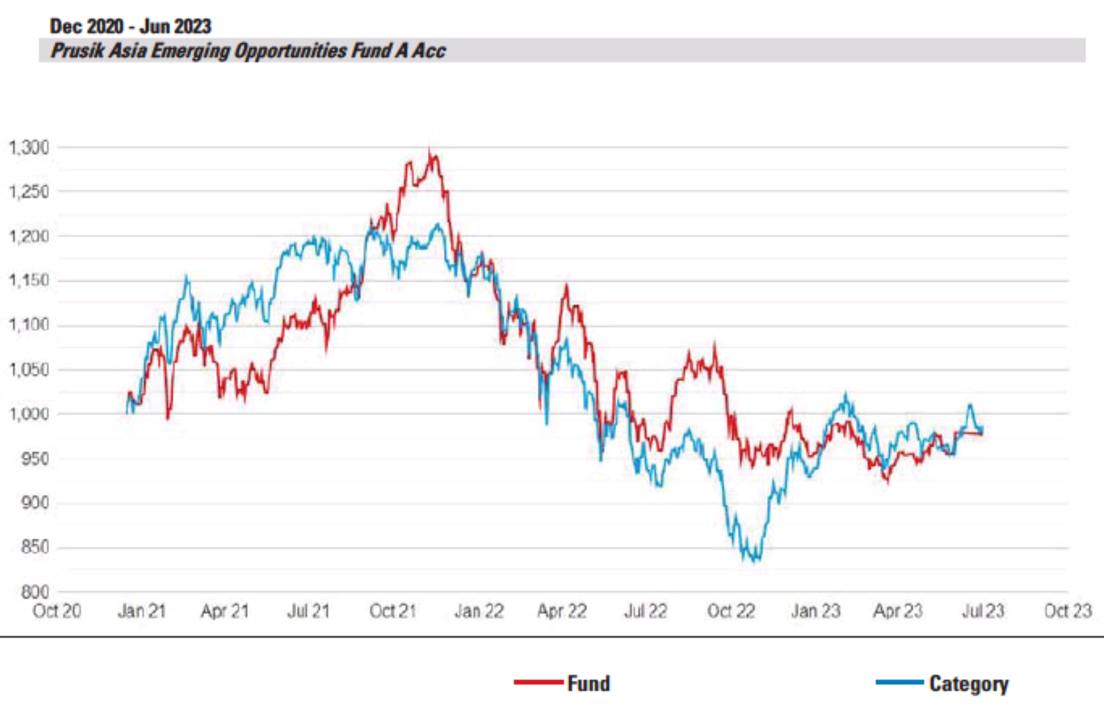
PRUSIK

Please remember that past performance is not necessarily a guide to future performance

Firm Name	
Prusik Investment Management LLP	
Fund Name	
Prusik Asia Emerging Opportunities Fund A Acc	
Morningstar Category	
Asia ex-Japan Small/Mid-Cap Equity	
Max Annual Charge	
10.00	
3Yr Rating	
★★★★	
Morningstar Sustainability Rating	

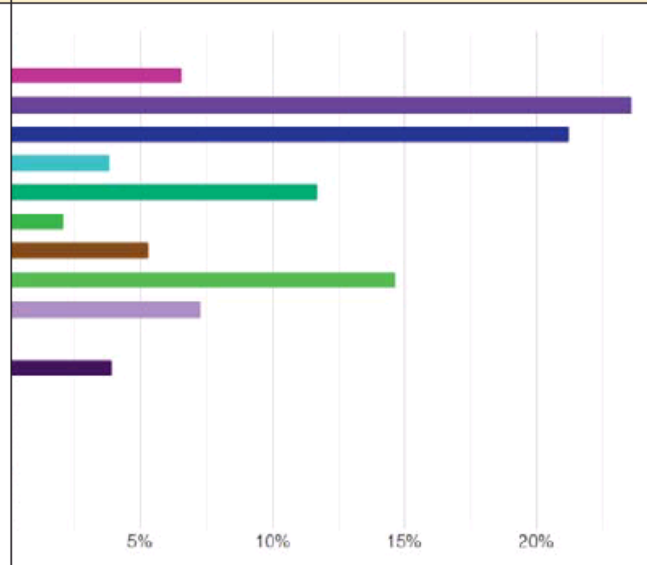
Bid Price	-	KIID Ongoing Charge	2.25
Offer Price	-	Day-End One Year Return	0.96
+/-	1.15	**Total Ret 3Yr**	10.00

Performance



Day 0.64% Month 3.00% Year 0.96%

Weightings - As of 30/04/2023



Sector	Weighting	Cat Avg.
Basic Materials	-	6.12%
Communication Services	6.54%	3.37%
Consumer Cyclical	23.58%	20.50%
Consumer Defensive	21.18%	6.88%
Energy	3.84%	1.82%
Financial Services	11.67%	11.79%
Healthcare	2.09%	6.22%
Industrials	5.28%	14.65%
Real Estate	14.65%	5.00%
Technology	7.25%	18.16%
Utilities	-	1.70%
Cash & Equivalents	3.93%	3.74%
Corporate	-	0.05%
Derivative	-	0.00%
Government	-	0.01%
Municipal	-	-
Securitized	-	-

Top 10 Holdings - As of 30/04/2023

Holding	Sector	Weighting
FPT Corp	Technology	7.25%
PT Bank Central Asia Tbk	Financial Services	5.32%
Saigon Beer Alcohol Beverage Corp	Consumer Defensive	4.57%
Mobile World Investment Corp	Consumer Cyclical	4.30%
Wilcon Depot Inc	Consumer Cyclical	4.11%
Vincom Retail JSC Ordinary Shares	Real Estate	4.09%
Bajaj Finance Ltd	Financial Services	4.07%
Reliance Industries Ltd	Energy	3.84%
Sea Ltd ADR	Consumer Cyclical	3.75%
Tata Consumer Products Ltd	Consumer Defensive	3.60%

Risk Measures - As of 30/06/2023

	1Yr	1Yr Cat Ave	3Yr	3Yr Cat Ave	5Yr	5Yr Cat Ave
Alpha	-5.83	-5.47	1.19	-3.32	-0.15	-1.74
Beta	0.52	0.91	0.69	0.92	0.88	0.92
Information Ratio	-0.67	-1.05	-0.20	-0.54	-0.09	-0.35
R Squared	60.36%	81.96%	60.02%	82.38%	70.90%	84.59%
Sharpe Ratio	-0.20	0.14	0.59	0.08	0.19	0.23
Std Dev	12.87	16.72	15.35	18.15	20.54	19.23

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LGT Wealth Management (CI) Limited (JER)
Sir Walter Raleigh House, 48 - 50 Esplanade, St Helier, Jersey, JE2 3QB
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Volare Offshore Strategy Fund Limited						
Bridge Fund	£2.2454	-	0.0233	2.28	5.09	2.73
Global Equity Fund	£3.5074	-	0.0249	1.45	9.14	5.49
Global Fixed Interest Fund	£0.7602	-	0.0072	5.83	5.92	-3.60
Sterling Fixed Interest Fund	£0.6961	-	0.0084	4.65	5.67	-5.89

Algebris INVESTMENTS

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Algebris Core Italy I EUR	€146.38	-	-0.51	0.00	1.81	7.63
Algebris Core Italy R EUR	€137.90	-	-0.47	0.00	1.06	7.88
Algebris Financial Credit I EUR	€189.33	-	0.97	0.00	8.26	0.52
Algebris Financial Credit R EUR	€161.73	-	0.83	0.00	7.51	-0.10
Algebris Financial Credit Rd EUR	€ 92.91	-	0.48	6.12	7.51	-0.07
Algebris Financial Equity B EUR	€190.61	-	1.46	0.00	19.00	20.36
Algebris Financial Equity R EUR	€158.67	-	1.21	0.00	17.81	19.21
Algebris Financial Income I EUR	€199.68	-	1.10	0.00	11.77	9.45
Algebris Financial Income Rd EUR	€104.82	-	0.57	4.95	10.77	8.47
Algebris Global Credit Opportunities I EUR	€136.60	-	0.11	0.00	8.86	1.88
Algebris Global Credit Opportunities R EUR	€132.87	-	0.12	0.00	8.49	1.49
Algebris IG Financial Credit I EUR	€103.64	-	0.52	0.00	7.27	-2.13
Algebris IG Financial Credit R EUR	€101.52	-	0.51	0.00	6.73	-2.62
Algebris Sust. World B	€114.18	-	0.63	0.00	9.38	-
Algebris Sust. World R	€112.49	-	0.62	0.00	7.97	-

The Antares European Fund Limited
Other International

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
AEF Ltd Usd	$512.26	-	-9.70	0.00	-8.27	-2.74
AEF Ltd Eur	€465.37	-	-8.70	0.00	-9.50	-3.69

ARTEMIS The Profit Hunter

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Artemis SmartGARP UK Eq I Acc	2428.12	-	27.35	-	4.20	12.58
Artemis Corporate Bond I Acc	104.94	-	1.30	-	6.92	-2.63
Artemis SmartGARP Eur Eq I Acc	486.53	-	1.97	-	18.07	11.69
Artemis European Opps I Acc	143.35	-	0.99	-	15.96	6.39
Artemis SmartGARP GloEmr Eq I Acc	173.56	-	0.16	-	10.39	6.60
Artemis SmartGARP Glo Eq I Acc	388.57	-	-0.93	3.06	4.08	7.36
Artemis Global Income I Inc	114.06	-	-0.33	3.43	9.18	9.98
Artemis Global Select I Acc	174.16	-	0.23	0.95	6.75	4.68
Artemis High Income I Q Inc	69.85	-	0.74	6.38	8.23	1.51
Artemis Income I Inc	257.93	-	3.64	4.08	8.10	8.50
Artemis Monthly Dist I Inc	70.31	-	0.32	-	5.40	4.51
Artemis Positive Future Fund	62.75	-	0.54	0.00	-7.91	-
Artemis Strategic Assets I Acc	99.92	-	0.22	-	7.78	6.44
Artemis Strategic Bond I Q Acc	107.20	-	1.54	4.40	5.17	-1.28
Artemis Target Return Bond I Acc	112.38	-	0.35	4.26	7.35	1.95
Artemis UK Select Fund Class I Acc	843.71	-	21.73	-	17.16	8.80
Artemis UK Special Sits I Acc	824.36	-	20.43	-	12.06	5.92
Artemis US Abs Return I Hdg Acc	113.41	-	-0.22	0.24	1.35	0.27
Artemis US Extended Alpha I Acc	369.82	-	-1.13	0.00	15.38	9.35
Artemis US Select I Acc	336.29	-	0.07	0.15	18.59	7.67
Artemis US Smlr Cos I Acc	318.00	-	4.61	0.00	6.79	1.02

Ashmore

Ashmore Group
61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Emerging Markets Equity Fund	$124.57	-	0.69	0.00	7.11	-4.35
Emerging Markets Equity ESG Fund	$140.85	-	0.57	0.00	7.66	-6.55
Emerging Markets Active Equity Fund	$118.56	-	0.33	0.00	0.70	-9.07
Emerging Markets Frontier Equity Fund	$181.81	-	-0.32	-	3.47	4.47
Emerging Markets Blended Debt Fund	$ 55.20	-	0.25	4.70	9.14	-8.03
Emerging Markets Blended Debt ESG Fund	$ 87.21	-	-0.99	0.00	5.48	-6.27
Emerging Markets Debt Fund	$ 60.73	-	0.41	5.24	9.35	-8.12
Emerging Markets Corporate Debt Fund	$ 58.51	-	0.16	6.10	2.62	-8.12
Emerging Markets Local Currency Bond Fund	$ 63.56	-	0.14	4.82	10.88	-3.11

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
American Dynamic	$7213.98	-	74.89	0.00	10.75	3.37
American One	$7903.72	-	137.64	0.00	18.12	7.59
Bond Global	€1575.93	-	5.79	0.00	2.06	1.64
Eurocroissance	€1379.51	-	33.24	-	4.50	4.49
Far East	$948.07	-	3.85	0.00	-5.48	-7.53

BLUE WHALE GROWTH FUND

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk
FCA Recognised - Ireland UCITS

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Blue Whale Growth USD T	$ 11.34	-	0.17	-	26.44	1.90

BROOKS MACDONALD

Brooks Macdonald International Fund Managers Limited(JER)
Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4UF
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Brooks Macdonald International Investment Funds Limited						
Euro High Income	€1.2465	-	0.0092	2.87	3.90	-4.82
High Income	£0.6619	-	0.0090	-	5.63	-5.11
Sterling Bond	£1.2841	-	0.0175	-	5.46	-5.19
Brooks Macdonald International Multi Strategy Fund Limited						
Cautious Balanced Strategy	£1.2760	-	0.0087	0.00	4.17	-1.20
Cautious Balanced Strategy A	£0.9124	-	0.0062	1.77	4.70	-
Balanced Strategy	£0.9467	-	0.0046	1.02	5.25	-
Balanced Strategy A	£0.9478	-	0.0046	0.02	4.22	-
Growth Strategy	£2.0107	-	0.0070	0.00	6.18	1.14
Growth Strategy A	£0.9611	-	0.0034	0.01	5.53	-
High Growth Strategy	£2.8212	-	0.0104	0.00	6.61	1.70
High Growth Strategy A	£0.9622	-	0.0035	0.73	7.15	-
US$ Growth Strategy	$1.8636	-	0.0226	0.00	12.56	-0.30

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

Brown ADVISORY Thoughtful Investing.

Brown Advisory Funds plc (IRL)
http://www.brownadvisory.com Tel: 020 3301 8130
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Global Leaders Fund USD C	$ 24.19	-	0.27	0.00	18.99	6.47
Global Leaders Sustainable Fund USD C	$ 14.55	-	0.17	0.00	17.53	6.25
Global Sustainable Total Return Bond GBP B	£ 9.34	-	0.07	2.70	1.02	-
Global Sustainable Total Return Bond USD B	$ 9.91	-	0.08	0.00	1.64	-
US Equity Growth Fund USD B	$ 56.63	-	0.84	0.00	22.39	1.89
US Flexible Equity Fund USD B	$ 28.70	-	0.33	0.00	26.15	9.82
US Mid-Cap Growth Fund USD C	$ 19.24	-	0.35	0.00	15.76	-1.12
US Small Cap Blend Fund USD B	$ 23.23	-	0.50	0.00	7.55	4.80
US Smaller Companies Fund USD B	$ 36.77	-	0.72	0.00	6.03	-0.32
US Sustainable Growth Fund USD C	$ 29.46	-	0.46	0.00	28.76	8.68
US Sustainable Value Fund USD C Acc	$ 11.59	-	0.18	-	-	-

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
CG Portfolio Fund Plc						
Absolute Return Cls M Inc	£132.53	133.12	0.81	-	0.60	1.96
Capital Gearing Portfolio GBP P	£36414.55	36615.33	222.09	1.79	-0.13	1.94
Capital Gearing Portfolio GBP V	£177.08	178.06	1.08	1.80	-0.12	1.94
Dollar Fund Cls D Inc	£159.52	160.00	2.95	1.92	-1.64	-1.03
Dollar Hedged GBP Inc	£ 91.70	91.98	1.42	1.84	-1.52	-3.41
Real Return Cls A Inc	£190.34	190.91	3.00	2.40	-2.06	-1.51
UK Index-Linked Bond G Inc	£101.64	101.64	0.08	-	-	-

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
CAM-GTF VCC	$299701.56	299701.56	12981.26	-	-6.36	3.78
CAM GTi VCC	$780.49	-	-32.39	-	12.31	4.69
RAIC VCC	$ 1.64	1.64	0.03	2.06	5.74	-1.66

Consistent Unit Tst Mgt Co Ltd (1200)F (UK)
Stuart House, St John's Street, Peterborough, PE1 5DD
Dealing & Client Services 0345 850 8818
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Consistent UT Inc	57.50	57.50	0.37	-	-6.10	2.95
Consistent UT Acc	157.60	157.60	1.00	-	-6.08	2.96
Practical Investment Inc	244.50	244.50	3.60	3.82	7.55	6.26
Practical Investment Acc	1593.00	1593.00	24.00	0.59	7.56	5.67

DODGE & COX® WORLDWIDE FUNDS

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.worldwide.com 020 3713 7664
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Dodge & Cox Worldwide Funds plc - Global Bond Fund						
EUR Accumulating Class	€ 16.78	-	0.06	0.00	6.14	3.85
EUR Accumulating Class (H)	€ 11.09	-	0.12	0.00	6.12	-1.63
EUR Distributing Class (H)	€ 7.68	-	0.08	2.41	3.52	-3.45
GBP Distributing Class	£ 12.43	-	0.09	2.14	3.90	0.97
USD Accumulating Class	$ 13.18	-	0.16	0.00	8.66	0.23
Dodge & Cox Worldwide Funds plc-Global Stock Fund						
USD Accumulating Share Class	$ 32.89	-	0.53	-	14.16	9.91
GBP Accumulating Share Class	£ 42.84	-	0.50	0.00	11.74	11.61
GBP Distributing Share class	£ 28.50	-	0.33	-	10.47	10.91
EUR Accumulating Share Class	€ 45.39	-	0.39	-	11.52	13.92
GBP Distributing Class (H)	£ 14.95	-	0.24	0.24	12.12	7.97
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund						
USD Accumulating Share Class	$ 42.46	-	0.70	-	10.54	11.42
GBP Accumulating Share Class	£ 52.31	-	0.63	0.00	8.21	13.15
GBP Distributing Share Class	£ 31.13	-	0.38	0.83	8.21	13.15
EUR Accumulating Share Class	€ 50.60	-	0.45	-	7.98	15.48
GBP Distributing Class (H)	£ 16.61	-	0.28	0.16	9.18	9.69

DRAGON CAPITAL

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com
Other International Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Vietnam Equity (UCITS) Fund A USD	$ 27.65	-	-0.11	0.00	8.39	3.37

edentree investment management

EdenTree Investment Management Ltd (UK)
PO Box 3733, Swindon, SN4 4BG, 0800 358 3010
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Amity Balanced For Charities A Inc	93.49	-	-1.58	-	10.97	5.01
Amity Global Equity Inc for Charities A Inc	153.00	-	-0.80	3.10	7.87	7.27
EdenTree European Equity Cls A Inc	344.10	-	3.70	-	15.85	9.62
EdenTree European Equity Cls B Inc	348.10	-	3.80	-	16.51	10.23
EdenTree Global Equity Cls A Inc	344.60	-	3.40	0.70	11.63	3.68
EdenTree Global Equity Cls B Inc	347.70	-	3.40	1.26	12.22	4.24
EdenTree Responsible and Sust S Dtd Bd B	95.19	-	0.50	2.46	4.63	-0.54
EdenTree Sterling Bond Cls A Inc	86.71	-	0.98	4.38	4.68	-3.15
EdenTree Sterling Bond Cls B Inc	98.46	-	1.11	4.38	5.33	-2.56
EdenTree UK Equity Cls A Inc	220.70	-	4.50	1.62	2.99	-0.84
EdenTree UK Equity Cls B Inc	220.30	-	4.50	2.21	3.58	-0.29
EdenTree UK Equity Opps Cls A Inc	284.20	-	5.80	1.29	5.96	-0.07
EdenTree UK Equity Opps Cls B Inc	290.30	-	6.00	1.90	6.58	0.48
Edentree Global Impact Bond B	87.82	-	0.81	2.94	4.78	-
Edentree Green Future B Net Inc	102.40	-	1.00	0.83	4.88	-
EdenTree Managed Income Cls A Inc	123.10	-	1.10	-	7.39	4.49
EdenTree Managed Income Cls B Inc	132.10	-	1.20	-	7.99	5.05

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Smaller Cos Cls One Shares	€ 53.94	-	0.42	0.00	3.31	0.83
Smaller Cos Cls Two Shares	€ 34.25	-	0.26	0.00	2.79	-0.26
Smaller Cos Cls Three Shares	€ 17.09	-	0.13	0.00	2.77	-0.58
Smaller Cos Cls Four Shares	€ 22.53	-	0.17	0.00	2.78	0.25

Fidelity INTERNATIONAL

FIL Investment Services (UK) Limited (1200)F (UK)
Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181
OEIC Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Allocator World Fund W-ACC-GBP	£ 2.87	-	0.03	1.38	10.58	7.12
American Fund W-ACC-GBP	£ 61.33	-	-0.35	0.00	19.51	4.74
American Special Sits W-ACC-GBP	£ 23.89	-	0.03	-	6.08	13.38
Asia Fund W-ACC-GBP	£ 14.50	-	0.08	0.83	-5.60	-7.35
Asia Pacific Ops W-Acc	£ 2.77	-	0.04	1.38	-2.97	0.23
Asian Dividend Fund W-ACC-GBP	£ 2.28	-	0.03	3.11	-0.13	3.19
Cash Fund W-ACC-GBP	£ 1.07	-	0.00	1.76	4.53	1.85
China Fund W-Accumulation (UK)	£ 2.20	-	-0.01	0.33	-19.34	-17.73
Emerging Mkts NAV	£ 7.21	-	-0.16	2.31	2.70	-9.69
Enhanced Income Fund W-INC-GBP	£ 0.83	-	0.01	6.93	5.27	8.72
European Fund W-ACC-GBP	£ 26.26	-	0.14	-	12.08	9.80
Extra Income Fund W-ACC-GBP	£ 1.35	-	0.02	4.47	7.43	-2.20
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-	0.01	-	-13.81	-0.91
Sustainable European Equity Fund W-ACC-GBP	£ 5.88	-	0.05	-	10.82	3.99
Sustainable Global Equity Fund W-ACC-GBP	£ 34.38	-	0.25	-	5.85	0.71
Japan Fund W-ACC-GBP	£ 6.27	-	0.02	1.39	14.37	7.37
Japan Smaller Companies Fund W-ACC-GBP	£ 3.66	-	0.02	0.63	4.69	-5.25
Select 50 Balanced Fund PI-ACC-GBP	£ 1.17	-	0.01	1.58	4.01	0.43
Special Situations Fund W-ACC-GBP	£ 44.43	-	0.73	3.30	5.79	9.65
Short Dated Corporate Bond Fund W-ACC-GBP	£ 11.16	-	0.07	3.64	6.66	0.25
Sustainable Water & Waste W-ACC-GBP	£ 1.20	-	0.01	0.53	7.42	3.03
Sustainable Water & Waste W-INC-GBP	£ 1.19	-	0.02	0.54	7.41	2.99
UK Select Fund W-ACC-GBP	£ 3.92	-	0.07	-	8.34	7.27
Global Dividend Fund W-ACC-GBP	£ 3.22	-	-0.01	2.60	9.24	7.02
Global Enhanced Income W-ACC-GBP	£ 2.51	-	0.01	-	9.34	6.82
Global Special Sits W-ACC-GBP	£ 58.75	-	0.25	0.54	10.83	5.61
Index Emerging Markets P-ACC-GBP	£ 1.65	-	0.01	2.95	1.27	-3.75
Index Europe ex UK P-ACC-GBP	£ 2.10	-	0.02	-	13.76	7.68
Index Japan P-ACC-GBP	£ 2.07	-	0.00	2.02	11.61	2.44
Index Pacific ex Japan P-Acc-GBP	£ 1.86	-	0.04	3.89	-3.76	2.06
Index UK P-ACC-GBP	£ 1.66	-	0.03	-	6.50	7.96
Index US P-ACC-GBP	£ 3.91	-	0.00	1.24	15.66	11.90
Index World P-ACC-GBP	£ 3.00	-	0.01	1.59	14.03	9.49
MoneyBuilder Balanced Fund W-ACC-GBP	£ 0.62	-	0.01	-	4.11	2.22
MoneyBuilder Dividend Fund W-INC-GBP	£ 1.29	-	0.03	4.35	5.93	8.95
Sustainable MoneyBuilder Income Fund W-ACC-GBP	£ 12.82	-	0.14	-	6.13	-4.85
Multi Asset Allocator Adventurous Fund W-ACC-GBP	£ 2.27	-	0.02	1.39	8.83	4.76
Multi Asset Allocator Defensive Fund W-ACC-GBP	£ 1.36	-	0.02	-	3.91	-2.10
Multi Asset Allocator Growth Fund W-ACC-GBP	£ 1.95	-	0.02	1.39	7.16	2.37
Multi Asset Balanced Income Fund W-INC-GBP	£ 0.94	-	0.01	4.65	2.38	-1.58
Multi Asset Income & Growth Fund W-INC-GBP	£ 1.00	-	0.00	4.68	3.62	0.15
Multi Asset Income Fund W-INC-GBP	£ 0.85	-	0.01	-	1.97	-3.05
Multi Asset Allocator Strategic Fund W-ACC-GBP	£ 1.66	-	0.02	1.36	5.41	0.06
Multi Asset Open Advent W-ACC-GBP	£ 1.81	-	0.01	1.87	5.54	4.61
Multi Asset Open Defen W-ACC-GBP	£ 1.36	-	0.01	2.48	2.49	-0.39
Multi Asset Open Growth Fund W-ACC-GBP	£ 1.71	-	0.01	2.11	5.03	4.07
Multi Asset Open Strategic Fund W-ACC-GBP	£ 1.54	-	0.01	-	3.42	1.72
Open World Fund W-ACC-GBP	£ 2.42	-	0.01	1.04	8.28	7.56
Strategic Bond Fund W-ACC-GBP	£ 1.24	-	0.02	3.42	4.65	-3.71
UK Opportunities Fund W-ACC-GBP	241.00	-	5.10	1.26	-2.15	-0.94
UK Smaller Companies W-ACC-GBP	£ 3.78	-	0.08	2.18	8.69	11.42
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.88	-	0.01	-	5.96	-5.48
Index UK Gilt Fund P-ACC-GBP	£ 0.75	-	0.01	-	0.23	-9.39
Sustainable Asia Equity Fund W-ACC-GBP	£ 1.72	-	0.01	0.68	-8.27	-5.50
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.98	-	0.01	1.86	5.98	-
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.93	-	0.01	-	4.09	-
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 1.01	-	0.01	1.86	6.75	-

Findlay Park

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
American EUR Unhedged Class	€181.34	-	2.21	0.00	17.71	12.18
American Fund USD Class	$195.80	-	2.63	0.00	19.46	7.98
American Fund GBP Hedged	£ 95.18	-	1.28	0.00	18.31	6.69
American Fund GBP Unhedged	£156.30	-	2.55	0.00	18.24	9.92

Foord Asset Management
Website: www.foord.com - Email: info@foord.com
FCA Recognised - Luxembourg UCITS

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Foord International Fund | R	$ 45.82	-	0.32	0.00	-8.85	-0.35
Foord Global Equity Fund (Lux) | R	$ 16.20	-	0.17	0.00	-0.49	-2.42
Regulated						
Foord Global Equity Fund (Sing) | B	$ 19.42	-	0.20	0.00	0.17	-2.23
Foord International Trust (Gsy)	$ 44.68	-	0.32	0.00	-8.82	-0.32

Fundsmith Equity Fund

Fundsmith LLP (1200)F (UK)
PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815
www.fundsmith.co.uk, enquiries@fundsmith.co.uk
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Fundsmith Equity T Acc	645.67	-	2.62	0.20	11.32	5.92
Fundsmith Equity T Inc	587.96	-	2.39	-	11.33	5.92

GAM
funds@gam.com, www.funds.gam.com
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
LAPIS GBL TOP 50 DIV.YLD-Na-D	£118.86	-	2.02	3.05	-1.42	8.23
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£104.16	-	1.07	1.30	5.39	1.87
LAPIS GBL MED DEV 25.YLD-Na-D	£ 89.43	-	1.93	-	-	-

GUINNESS GLOBAL INVESTORS

Guinness Global Investors

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Guinness Global Equity Income Y GBP Dist	£ 19.84	-	0.15	-	8.73	10.76
Guinness Global Innovators Y GBP Acc	£ 31.87	-	0.41	0.00	28.11	8.77
Guinness Sustainable Global Equity Y GBP Acc	£ 11.55	-	0.21	0.00	3.86	-

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490
International Insurances

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Holiday Property Bond Ser 1	£ 0.50	-	0.00	0.00	0.40	1.15
Holiday Property Bond Ser 2	£ 0.64	-	0.01	0.00	-	0.90

Hermes Property Unit Trust (UK)
Property & Other UK Unit Trusts

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Property	£ 6.01	6.45	-0.08	4.05	-9.58	-1.83

Janus Henderson INVESTORS

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Janus Henderson Asia Pacific Capital Growth Fund A Acc	1100.00	-	7.00	0.21	-3.17	-8.25
Janus Henderson Asian Dividend Income Unit Trust Inc	74.73	-	0.95	5.60	-1.27	-1.46
Janus Henderson Cautious Managed Fund A Acc	294.60	-	5.40	-	5.97	2.10
Janus Henderson Cautious Managed Fund A Inc	141.10	-	2.60	-	5.95	2.11
Janus Henderson China Opportunities Fund A Acc	960.90	-	-6.10	-	-20.46	-18.68
Janus Henderson Emerging Markets Opportunities Fund A Acc	190.40	-	0.80	0.75	-0.47	-6.29
Janus Henderson European Growth Fund A Acc	311.10	-	3.10	-	9.23	6.74
Janus Henderson European Selected Opportunities Fund A Acc	2505.00	-	9.00	-	17.33	8.17
Janus Henderson Fixed Interest Monthly Income Fund Inc	17.40	-	0.27	4.60	1.66	-4.71
Janus Henderson Global Equity Fund Acc	4455.00	-	9.00	0.00	2.48	2.64
Janus Henderson Global Equity Income Fund A Inc	65.89	-	0.18	3.42	4.35	6.38
Janus Henderson Global Sustainable Equity Fund A Inc	514.10	-	1.10	0.00	11.64	4.57
Janus Henderson Global Technology Leaders Fund A Acc	3579.00	-	-14.00	0.00	32.46	7.03
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.18	-	0.02	-	6.28	7.39
Janus Henderson Multi-Asset Absolute Return Fund A Acc	167.10	-	1.50	1.33	4.05	4.08
Janus Henderson Multi-Manager Active Fund A Acc	263.70	-	0.90	-	5.10	2.32
Janus Henderson Multi-Manager Distribution Fund A Inc	124.20	-	0.50	3.41	3.26	0.28
Janus Henderson Multi-Manager Diversified Fund A Acc	88.91	-	0.55	2.99	3.18	-1.36
Janus Henderson Multi-Manager Global Select Fund Acc	330.40	-	0.60	0.14	9.30	5.50
Janus Henderson Multi-Manager Income & Growth Fund A Acc	192.40	-	0.90	-	3.89	0.72
Janus Henderson Multi-Manager Income & Growth Fund A Inc	145.50	-	0.70	-	3.89	0.74
Janus Henderson Multi-Manager Managed Fund A Acc	322.80	-	1.50	0.30	5.11	2.13
Janus Henderson Multi-Manager Managed Fund A Inc	311.50	-	1.50	0.31	5.13	2.13
Janus Henderson Sterling Bond Unit Trust Acc	212.30	-	2.60	-	4.22	-6.07
Janus Henderson Sterling Bond Unit Trust Inc	56.80	-	0.70	-	4.23	-6.06
Janus Henderson Strategic Bond Fund A Inc	101.30	-	1.60	3.31	-1.47	-5.88
Janus Henderson Absolute Return Fund A Acc	176.30	-	0.60	0.64	6.72	3.05
Janus Henderson UK Alpha Fund A Acc	142.10	-	3.40	1.66	5.42	-0.49
Janus Henderson UK Equity Income & Growth Fund A Inc	493.80	-	9.60	-	0.64	6.40
Janus Henderson US Growth Fund A Acc	2009.00	-	-2.00	0.00	22.80	6.76

Lothbury Property Trust (UK)
155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900
Property & Other UK Unit Trusts

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Lothbury Property Trust GBP	£1527.17	1569.12	-15.51	3.63	-11.84	-5.90

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Charifund Inc	1423.81	-	27.68	-	3.29	6.92
Charifund Acc	29763.00	-	578.58	-	3.28	6.91
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.10	-	0.01	3.72	3.88	-1.75
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 40.67	-	0.30	3.19	3.87	-1.75
M&G Charity Multi Asset Fund Inc	£ 0.89	-	0.02	4.42	4.59	6.23
M&G Charity Multi Asset Fund Acc	£110.61	-	1.78	3.99	4.59	6.23

MMIP Investment Management Limited (GSY)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Multi-Manager Investment Programmes PCC Limited						
UK Equity Fd Cl A Series 01	£3080.40	3080.41	-231.75	-	-2.98	13.94
Diversified Absolute Rtn Fd USD Cl AF2	$1688.02	-	45.93	-	-1.51	1.32

Marwyn Asset Management Limited (CYM)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Marwyn Value Investors	£329.72	-	-6.14	0.00	-	-7.17

McInroy & Wood Portfolios Limited (UK)
Easter Alderston, Haddington, EH41 3SF 01620 825867
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Balanced Fund Personal Class Units	6012.60	-	46.50	1.40	3.51	3.53
Income Fund Personal Class Units	2884.30	-	28.90	2.40	3.64	4.32
Emerging Markets Fund Personal Class Units	2063.30	-	7.80	1.48	-10.44	-2.15
Smaller Companies Fund Personal Class Units	6027.90	-	134.20	1.30	1.06	-3.04

MANAGED FUNDS SERVICE

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
North American I USD	$ 38.07	38.07	0.35	0.00	16.74	7.73
Smart Energy I USD Acc $	$ 9.48	9.48	0.14	0.00	1.50	-
Smart Mobility I USD Acc $	$ 8.54	8.54	0.06	0.00	-1.04	-
UK Val Opp I GBP Acc	£ 12.95	12.95	0.34	-	9.19	3.74

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
British Innovation Fund	£121.92	-	2.89	0.00	-	-
MAI - Buy & Lease (Australia)	A$103.45	-	0.50	0.00	-16.53	1.41
MAI - Buy & Lease (New Zealand)	NZ$ 91.20	-	-6.06	0.00	-7.20	-2.67
Milltrust Global Emerging Markets Fund - Class A	$ 88.84	-	0.48	0.00	-4.44	-7.35

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Milltrust Alaska Brazil Fund SP A	$110.91	-	4.04	0.00	50.94	13.39
Milltrust Laurium Africa Fund SP A	$ 93.84	-	1.19	0.00	-10.71	-0.21
Milltrust Marcellus India Fund SP	$138.92	-	0.33	0.00	8.87	6.38
Milltrust Singular ASEAN Fund SP Founders	$124.16	-	0.29	0.00	-4.52	-5.84
Milltrust SPARX Korea Equity Fund SP A	$120.37	-	1.26	0.00	18.46	-8.82
Milltrust Xingtai China Fund SP A	$ 82.86	-	-1.23	-	-17.84	-15.18
The Climate Impact Asia Fund SP A	$ 70.12	-	0.16	0.00	-8.64	-
The Climate Impact Asia Fund (Class B)	$ 69.21	-	0.16	0.00	-9.10	-

Ministry of Justice Common Investment Funds (UK)
Property & Other UK Unit Trusts

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
The Equity Idx Tracker Fd Inc	1953.00	-	24.00	-	6.77	5.52

Distribution Units

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Please find more details on our website: www.mirabaud-am.com
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Mir. - Glb Strat. Bd I USD	$121.83	-	0.84	0.00	4.52	0.04
Mir. - UKEq HA Cap I GBP	£132.46	-	-0.24	-	-3.16	-1.86

Oasis Crescent Global Investment Funds (UK) ICVC (UK)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Oasis Crescent Global Equity Fund USD A (Dist)	$ 35.39	-	0.26	-	1.70	0.83
Oasis Crescent Global Income Fund USD A (Dist)	$ 10.02	-	0.02	3.70	3.14	-0.40
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.40	-	0.10	1.30	1.50	0.11
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.84	-	0.10	0.78	1.73	0.58
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 8.30	-	0.22	-	8.12	2.63
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.93	-	0.00	2.95	2.80	0.32
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.66	-	0.07	0.69	0.38	0.94

Omnia Fund Ltd
Other International Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Estimated NAV	$973.59	-	43.73	0.00	2.91	20.15

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Monument Growth 12/12/2023	£545.57	550.79	2.65	0.00	-0.02	3.38

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Prusik Asian Equity Income B Dist	$171.79	-	3.91	6.10	1.49	3.04
Prusik Asia Fund U Dist.	£196.52	-	1.41	0.00	-6.22	-4.98

Purisima Investment Fds (UK) (1200)F (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 922 0044
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Global Total Fd PCG A	447.47	-	0.61	0.16	21.71	9.05
Global Total Fd PCG B	440.77	-	0.60	0.00	21.41	8.78
Global Total Fd PCG INT	431.53	-	0.58	0.00	21.10	8.51

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
PCG B ✠	345.39	-	5.26	0.00	23.42	5.79
PCG C ✠	335.28	-	5.09	0.00	23.16	5.56

Ram Active Investments SA
www.ram-ai.com
Other International Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
RAM Systematic Emerg Markets Eq	$229.67	229.67	0.20	-	8.02	3.32
RAM Systematic European Eq	€535.54	535.54	-0.26	-	3.81	5.44
RAM Systematic Funds Global Sustainable Income Eq	$161.52	161.52	1.64	0.00	8.51	7.85
RAM Systematic Long/Short European Eq	€151.48	151.48	0.22	-	-0.32	5.49

Royal London (UK)
80 Fenchurch Street, London EC3M 4BY
Authorised Inv Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Royal London Sustainable Diversified A Inc	£ 2.48	-	0.03	1.38	9.17	1.40
Royal London Sustainable World A Inc	372.30	-	2.90	-	10.90	3.46
Royal London Corporate Bond Mth Income	76.33	-	0.80	-	6.62	-3.40
Royal London European Growth Trust	219.40	-	1.40	-	12.36	7.60
Royal London Sustainable Leaders A Inc	805.10	-	13.60	-	7.35	6.16
Royal London UK Growth Trust	642.00	-	12.60	-	7.14	6.21
Royal London UK Income With Growth Trust	206.90	-	4.10	4.92	3.96	5.63
Royal London US Growth Trust	433.60	-	0.90	0.00	21.46	13.43

Additional Funds Available
Please see www.royallondon.com for details

Ruffer LLP (1000)F (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
LF Ruffer Diversified Rtrn C Acc	100.03	-	1.04	2.46	-4.42	-
LF Ruffer Diversified Rtrn C Inc	97.52	-	1.02	2.50	-3.74	-
LF Ruffer Equity & General C Acc	571.54	-	0.44	1.35	2.54	4.89
LF Ruffer Equity & General C Inc	509.42	-	0.39	1.37	2.54	4.89
LF Ruffer Gold C Acc	243.20	-	-12.21	0.42	9.58	-6.26
LF Ruffer Gold C Inc	146.57	-	-7.36	0.40	9.58	-6.26
LF Ruffer Total Return C Acc	528.35	-	0.35	2.46	-7.78	1.74
LF Ruffer Total Return C Inc	321.81	-	0.22	2.51	-7.76	1.75

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460
FCA Recognised

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Slater Growth A Acc	593.50	593.50	8.95	0.00	-7.01	-2.88
Slater Income A Inc	136.10	136.10	1.90	5.22	1.99	8.00
Slater Recovery A Acc	303.70	303.70	4.18	-	-8.66	0.25
Slater Artorius	256.43	256.43	1.96	0.58	-11.33	-1.31

STONEHAGE FLEMING
GLOBAL BEST IDEAS EQUITY FUND

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
SF Global Best Ideas Eq B USD ACC	$262.46	-	2.01	0.00	16.39	3.36
SF Global Best Ideas Eq D GBP INC	£317.91	-	3.37	0.00	15.19	5.21

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00
Other International Funds
Other International Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Superfund Green Gold	$894.44	-	16.42	0.00	-26.74	-12.97
Superfund Green Silver	$729.44	-	9.07	0.00	-35.38	-16.68
Regulated						
Superfund Green US$	$672.21	-	11.02	0.00	-29.44	-12.51

Thesis Unit Trust Management Limited (UK)
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP
Authorised Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
TM New Court Fund - A 2014 Acc	£ 20.02	-	0.12	0.00	9.10	3.63
TM New Court Equity Growth Fund - Inc	£ 21.86	-	0.13	0.00	10.85	4.28

Toscafund Asset Management LLP (UK)
www.toscafund.com
Authorised Funds

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Aptus Global Financials B Acc	£ 5.52	-	0.01	-	16.42	14.50
Aptus Global Financials B Inc	£ 3.43	-	0.00	-	16.40	15.90

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Trojan Ethical O Acc	130.47	-	0.62	0.07	4.10	3.40
Trojan Ethical O Inc	130.37	-	0.62	0.08	4.32	3.47
Trojan Ethical Income O Acc	145.57	-	1.62	-	7.47	3.02
Trojan Ethical Income O Inc	118.75	-	1.32	-	7.47	3.02
Trojan Fund O Acc	387.84	-	2.32	0.26	1.78	3.19
Trojan Fund O Inc	313.13	-	1.87	-	1.79	3.19
Trojan Global Equity O Acc	547.86	-	1.43	0.00	21.52	8.29
Trojan Global Equity O Inc	452.03	-	1.18	0.00	21.52	8.28
Trojan Global Income O Acc	157.09	-	0.21	3.05	1.41	5.21
Trojan Global Income O Inc	127.26	-	0.17	3.11	1.40	5.21
Trojan Income O Acc	353.27	-	4.83	2.97	4.44	2.28
Trojan Income O Inc	169.78	-	2.32	3.05	4.44	2.28

Guide to Data

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Prices are in pence unless otherwise indicated. The change, if shown, is the change on the previously quoted figure (not all funds update prices daily). Those designated $ with no prefix refer to US dollars. Yield percentage figures (in Tuesday to Saturday papers) allow for buying expenses. Prices of certain older insurance linked plans might be subject to capital gains tax on sales.
Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Association, Camomile Court 23 Camomile Street, London EC3A 7LL. Tel: +44 (0)20 7831 0898.)
OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.
Different share classes are issued to reflect a different currency, charging structure or type of holder.
Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.
Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.
Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.
Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.
Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.
The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.
Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.
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Japan's favourite lizard makes large-scale comeback

This week's film releases reviewed by Jonathan Romney and Leslie Felperin

Godzilla Minus One
Takashi Yamazaki
★★★★☆

Monica
Andrea Pallaoro
★★★★☆

Chicken Run: Dawn of the Nugget
Sam Fell
★★☆☆☆

Every Body
Julie Cohen
★★★☆☆

Since its debut in 1954, Japan's beloved Godzilla has had a rum old career. The giant lizard has devastated Tokyo countless times, tangled with armies of monstrous foes such as Mothra (Mother of All Moths!) and, in its parallel Hollywood career, will soon be reunited with King Kong; in 2014, it even terrorised Juliette Binoche.

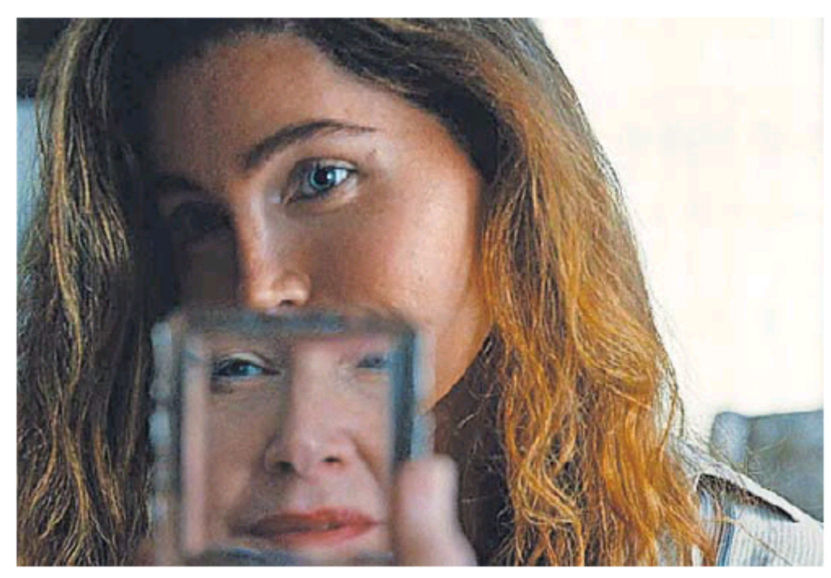
Fans might well yearn for a return to basics, and that's what Takashi Yamazaki's **Godzilla Minus One** bracingly delivers. On the eve of Godzilla's 70th anniversary, this production from originating studio Toho is a no-nonsense, stripped-down drama that has deservedly proved a surprise hit at the US box office.

Yamazaki's brilliant stroke is to tell an involving, approachably human story. The time is 1945, the end of the second world war. Shikishima (Ryunosuke Kamiki) is a young kamikaze pilot who returns home alive — something very much not in the job description. Haunted by the stigma of cowardice, and traumatised by a close encounter with Godzilla, he finds a chance for redemption in the ruins of Tokyo, befriending a young woman (Minami Hamabe) and her adopted baby. Meanwhile, the big scaly one is on the loose, belching electric blue atomic heat beams.

Writer-director Yamazaki — also in charge of the effective, to-the-point visual effects — lets the creature run riot in a barnstorming opening sequence, then cannily keeps it in the wings for long stretches. While the city-stomping and battleship-tossing are properly spectacular — Godzilla genuinely imposing with its fearsome ridge of stony dorsal spikes — the action is all the more effective for being framed alongside a tender, restrained human drama and a no-frills realist evocation of 1940s Tokyo.

Yamazaki's script evokes a disillusioned postwar population ready to reject the ethic of heroic sacrifice at all costs and willing to confront the beast in a collective feat of bravery and improvised left-field technology. The film also displays an understandably sceptical attitude towards the US, shown as leaving a beleaguered nation to fend for itself. You wouldn't believe a monster movie could make you sob, as well as think, but *Godzilla Minus One* does; needless to say, the gasps take care of themselves. **JR**
In cinemas now

TOP FILMS OF 2023
'Napoleon'? 'Tár'? Tom Cruise? FT critics and readers choose their movies of the year
ft.com/film



Above: 'Godzilla Minus One' arrives on the eve of the monster's 70th anniversary. Left: Trace Lysette stars in the mother-daughter drama 'Monica'

'Godzilla Minus One' from originating studio Toho is a no-nonsense, stripped-down drama

An American homecoming story, **Monica** contains all the material for a full-on hothouse melodrama. But it's extraordinary how much emotion Andrea Pallaoro's film communicates, even while seeming to withhold it for much of the time. Monica (*Transparent* regular Trace Lysette) is a trans woman living in Los Angeles who gets a call to return to her family home in Ohio, where her mother Eugenia (Patricia Clarkson) is terminally ill. The two haven't met since Eugenia angrily rejected her; now, she doesn't recognise Monica, or feigns not to.

Settling into the house as an auxiliary carer, Monica contends with the wariness of her brother (Joshua Close) and deals with the heartbreak of losing her lover. She arranges a date with a man who never shows up, then has a spur-of-the-moment liaison with a trucker. That pretty much covers the narrative, apart from the drawing closer of Monica and Eugenia around the sickbed.

Monica is beautifully acted, not least in the play-off between Clarkson — alternating weary spikiness with bursts of agonised distress — and the gentle, detached reserve that is Lysette's main register here. She is the film's elusive centre, playing Monica's assertive exterior — her copper hair and glamorous presentation — against her emotional containment. Speaking in fragile, silky tones, Lysette — like most of the cast — is mainly heard sotto voce, all the more effective a contrast with those moments when Monica's usually contained rage breaks out.

Shot by Katelin Arizmendi in a square Academy ratio, the film feels like a mosaic of moments: not so much full-blown dramatic scenes as fragmentary impressions of them. The deliberate, often off-kilter compositions recall the photographs of Nan Goldin or William Eggleston. It's as if director Pallaoro has taken a conventional Hollywood psychodrama and somehow hollowed it out. The effect is quietly mesmerising. **JR**
In cinemas now

Fears recently arose that the future of Aardman Animations might be in jeopardy, as the ingenious British studio was in danger of running out of its favoured brand of modelling clay. While Aardman sets about replenishing its supply, it might also want to restock with some fresh ideas; its latest creation **Chicken Run: Dawn of the Nugget** offers barely a peck of the old inspiration.

The original 2000 *Chicken Run* proved that hen's teeth were not so rare after all, its most engaging sight gag being the beakfuls of those little white dental pegs that are an enduring Aardman leitmotif. The follow-up begins with *Chicken Run*'s fugitive fowl happily free from captivity and settled in an idyllic island haven. Lead couple Ginger and Rocky (now voiced by Thandiwe Newton and *Shazam!*'s Zachary Levi) have hatched a plucky daughter (Bella Ramsey), who yearns to explore the outside world. She is lured by what appears to be a nearby avian paradise but is really something more sinister — a processing plant disguised as a pleasure dome, where birds are brainwashed into blank-eyed submission.

The first film cleverly played on Aardman's trademark British eccentricity by channelling an archaic strain of homegrown cinema — the stiff-upper-lip POW escape drama in the manner of *The Colditz Story*.

By contrast, this sequel for Netflix is seemingly designed to be much more internationally accessible. Directed by Sam Fell, who co-directed Aardman's 2006 CGI project *Flushed Away*, it offers nattily designed but rarely surprising variations on the perennial Bond-villain's-fortress staple so exhaustively sent up in Pixar's *The Incredibles* — with hefty parodic doses of *Mission: Impossible* and nudges at *The Truman Show* and *Squid Game*.

Briskly cheerful, but lacking the sharp deadpan wit that made Aardman Animations famous, this episode is a warmed-over broiler that offers only paltry pleasures. **JR**
In cinemas and on Netflix now

Julie Cohen's moving and illuminating documentary **Every Body** opens with a montage of increasingly outlandish gender-reveal moments, those bizarre, colour-coded displays arranged by expectant parents, mostly in the US, to tell everyone whether their unborn child is a boy or a girl. It underscores just how rigidly binary most people's views of gender are. But what if a child is part of the 1.7 per cent of the US population that has intersex traits?

The film meets three very different people who are intersex and recount how as children they were not told the truth about their bodies until well into adolescence. For years, following guidelines established largely by just one doctor, sexologist John Money at Johns Hopkins University, medical professionals guided thousands of parents to perform early surgeries on their intersex children.

Such was the fate of Alicia Roth Weigel and Sean Saifa Wall, two subjects here who both have XY chromosomes. However, because of their genital appearance, both were labelled female at birth and later endured surgery to remove their undescended testes. River Gallo, on the other hand, had no testes and was advised to have implants to make them appear more male. As the interviewees explain, there are some 35 to 40 different intersex variations, which is arguably why it's so important to let intersex people themselves choose how they wish to present themselves.

The stakes are underscored by the tragic story told here of David Reimer, who, on Money's advice to his parents, was raised as a girl after a botched medical intervention when he was a baby. Reimer ended up publicly castigating Money; he eventually died by suicide. His trauma and psychic pain are achingly evident in the archive interview footage shown. But Cohen strives to end the film on an upbeat note, with everyone involved on both sides of the camera taking a bow to Lizzo's affirmation anthem "Good as Hell". **LF**
In UK cinemas now

Left: intersex activists, from left, Sean Saifa Wall, Alicia Roth Weigel and River Gallo in 'Every Body'. Below: new Aardman animation 'Chicken Run: Dawn of the Nugget'

FT BIG READ. ASIA

Japanese households hold a remarkable proportion of their financial assets in cash. A new government-backed scheme aims to loosen their purse strings and spur investment in equities.
By Leo Lewis

Can Japan's savers spark a stock rally?

There are roughly 325,000 married women in Japan with the family name Watanabe. The country has about the same number of Mrs Itos, significantly more Mrs Suzukis and almost twice as many Mrs Satos.

But for some reason and for some decades, Mrs Watanabe has been the one chosen to stand as the symbolic byword for all Japanese households — a mythical matriarch credited with key decision-making powers and executive control over the family purse-strings.

Over the years since Japan's "miracle" growth period in the 1970s and 1980s, Mrs Watanabe's financial firepower has been the stuff of fascination for everyone from local bank managers and backstreet gold retailers in Japan to bond traders on Wall Street. Today, more so than ever, everyone wants to know Mrs Watanabe's next move.

Even after 30 lean, post-bubble years, Japanese households hold ¥2.1 quadrillion ($14.7tn) of financial assets, of which more than half ($7.7tn) is held in cash and deposits. By contrast, households in the US and UK respectively hold 13 and 31 per cent in deposits.

In national terms, Japan's cash savings alone are equivalent to the combined annual gross domestic product of Germany and India. In corporate terms, Mrs Watanabe could buy Apple, Microsoft and Saudi Aramco with what she has sitting (earning almost zero interest) in the bank.

When prices in Japan were stagnant or falling, as they were for most of the past 25 years, Mrs Watanabe's preference for holding the majority of savings in cash was reasonable, especially so after the government guaranteed bank deposits in 1995.

The central bank's long experiment with ultra-low interest rates, which began in the late 1990s, meant she was not making any returns, but nor was her wealth being significantly eroded as long as Japanese companies held back from raising prices.

But as more and more Japanese companies have broken ranks and raised prices in the past couple of years, Mrs Watanabe has arrived at a pivotal moment. "If she's losing value on her cash, Mrs Watanabe is going to have to do what the rest of the world does and go into real assets like equities or property," says Peter Tasker, a Tokyo-based analyst at Arcus Research.

After years of failed efforts to coax that exact switch into investment, the Japanese government has created an unprecedented inducement. From January 2024, a dramatically expanded version of the Nippon Investment Savings Account, or Nisa, will offer a remarkable lifetime tax exemption for individuals' equity investments. They have also raised the limit on both annual contributions from ¥1.2mn to ¥3.6mn and the cumulative limit from ¥6mn to ¥18mn.

If the ploy works, it will begin to offset an aversion to stocks that has bedded-in since the collapse of the 1980s stock bubble. Japanese households hold just 24 per cent (17 per cent direct and 7 per cent through their pensions) of their assets in equities — far lower than the 54 per cent in the UK and 75 per cent in the US. That sets up, over the coming weeks and months, one of the biggest questions ever asked of the Tokyo stock market, its constituent companies and of Mrs Watanabe.

The mythical Mrs Watanabe

Are savers about to become serious, price-moving retail investors in a domestic Japanese stock market that they have long shunned like a casino? Even a relatively moderate positive answer and a mere 2 per cent reallocation of assets, say analysts at AllianceBernstein, could produce $150bn of inflows into equities. If that happened, it would be market moving, say brokers. Inflows of less than half of that from foreign investors triggered a rally of more than 25 per cent in the Topix this year.

"I don't know if I necessarily represent the average Japanese household, and I don't think our savings are as big as you think," says Chieko Takenaka (née Watanabe), a retiree living in Kanagawa prefecture.

"But I can tell from talking to my friends on the chat group that we are all thinking about the same sort of things when it comes to rising prices and how to deal with that. I'm definitely scared of losing money in stocks, but I think our biggest worry is having enough money if we live another 20 years."

In mid-December, an unusual advert appeared in Japanese trains entreating people to buy new shares being issued by Denso, the country's largest car parts manufacturer. As the advert hopefully made clear, say two bankers involved in the deal, the target of the sale was Mrs Watanabe.

Japanese households hold $7.7tn in cash and deposits, a markedly higher proportion of financial assets than in the US and UK. Cash savings in the country are equivalent to the combined annual GDP of Germany and India
FT montage/Getty Images

But will such marketing work? The Mrs Watanabe shorthand only goes so far. Many of the habits and decisions broadly ascribed to "Mrs Watanabe" are those of a minority of households. Japanese people who grew up in the "lost decades" of the 1990s and 2000s are less likely to be married or have children than their parents at the same age and they have not had much money to save.

The celebrated $7.7tn cash pile belongs principally to the middle-aged and elderly. Japan's household savings rate fell from about 17 per cent of disposable income in the early 1980s to about 3 per cent by the early 2000s.

"The fabled high savings rate of Japanese households is long gone," says Richard Katz, author of *The Contest for Japan's Economic Future*. "Instead, people are sustaining consumption as best they can by spending larger and larger portions of their stagnating income."

Still, the Mrs Watanabe trope has an important value, say economists. Particularly now as the nation decides whether to believe that, after years of false dawns and empty reassurance from political leaders, it is finally time to shed the deflationary mindset that has long defined decision-making.

There is a strong case for believing that now is the time. Even if the rate of inflation falls back from current levels, it has spent more than 18 months above the Bank of Japan's target of 2 per cent.

Many economists talk of a "regime change". A normalisation of Japan's still ultra-loose monetary policy looks possible for the first time in many years. The Japanese stock market has risen strongly through 2023, with much of that driven by the perception that the Tokyo Stock Exchange itself is pushing companies to become more investible.

"The collective scar tissue from three decades of underperformance by Japanese equities is not going to disappear overnight. But if inflation persists then Japanese households will at some stage need to reposition into assets that can generate higher yen-denominated returns," says Bruce Kirk, Japan equity strategist at Goldman Sachs.

Inevitably perhaps, a brisk trade has sprung up to anticipate and even encourage a historic change in investment behaviour.

This year, under an onslaught of marketing, individuals have opened more than 2.5mn new accounts at the nation's three largest online brokerages. The fact that during 2023 Berkshire Hathaway, whose head is the legendary investor Warren Buffett, increased its investment in five Japanese stocks has for many provided an important vote of confidence.

In August 2022, Japan's largest brokerage, Nomura, took out a prominent newspaper advert which not only declared that inflation had now become part of normal life in Japan, but included the eye-catching assertion that "not responding to change has finally become the risk".

Hard-wired scepticism

There is real enthusiasm building. Yusuke Nishikawa, a managing director of product development at Nomura in Tokyo, says that in 20 years of working for the company, this is the most excited he has ever seen clients. For a long time, Japanese equities were a hard sell. "But now there are many positive things, such as reform by the [Tokyo Stock Exchange] and wage increases which are future-oriented. It has been a long time since we were able to recommend Japanese stocks in the way we are today," says Nishikawa.

The buzz is reflected on the shelves of Japanese bookstores. They are crammed with volumes offering a crash course in financial literacy. Book titles swerve between enticement — *How to Achieve a Privileged Life!* — and warning — *Are You Prepared for What is to Come?* — with an increasing number detailing how to extract maximum value from the Nisa scheme.

And in that latter group, much of the writing is built around trying to show that equities tend to flourish under inflationary conditions, and as such, represent something relatively safe. But scepticism is hard-wired. In the 1970s, Japanese individuals owned 40 per cent of the Japanese stock market. After stocks peaked and then crashed in the late 1980s and early 1990s, that ratio began to sink towards its current level of just 17.6 per cent.

In 2014, Japan introduced a limited version of the Nisa, modelled on the UK's Individual Savings Account scheme. Since then, more than 20mn accounts have been opened, with about ¥34tn invested in them. But, as AllianceBernstein analyst Rupal Agarwal notes, the scheme remains underutilised and only 17 per cent of the total population hold accounts. The new Nisa scheme will triple the upper limit of annual investment to ¥3.6mn.

If the government is successful in its target of 34mn new accounts opening in five years, the total flow into equities could run into the hundreds of billions of dollars.

Many brokerages are betting that most of the buying will focus on index trackers and passive funds. Some, though, have begun to lay out the more specific stocks and themes that Mrs Watanabe might go for.

Of particular interest, says Masatoshi Kikuchi, chief equity strategist at Mizuho Securities, may be the 1,463 different listed companies that offer "shareholder benefit schemes" — offers of food products, cash-equivalent prepaid cards and other perks.

One of the key reasons that Kikuchi believes shares in the supermarket chain Aeon are trading on a forward price-to-earnings multiple of 100x compared with just over 20x at its rival Seven & i Holdings is because Aeon distributes benefits cards to shareholders offering store discounts.

Stefanie Drews, president of Nikko Asset Management, says that the most significant challenge will lie in bridging the stark divide between those with investment experience and those with none at all.

Only about 20 per cent of Japanese individuals can currently be considered investors, she says. "Meanwhile, Nisa has the potential to be a major catalyst to motivate the remaining 80 per cent to consider starting to invest."

Drews notes, however, that generational differences will be pronounced. Many younger households learn to invest through social media.

One key influencer is Hasen Kuniyama, a 32-year-old YouTuber who co-presents an investment show called *Money Skillset*, which can draw more than a million views per episode. In the show, Kuniyama discusses a range of issues around Nisa and other investment strategies, with Rintaro, a comedian who, in effect, plays the role of Mrs Watanabe, asking the questions of a relative novice.

The levels of interest in the show, particularly among younger Japanese, have been far beyond what Kuniyama expected. As has the strength of feeling around the generational wealth gap and the possibility that investment may provide some way of reversing that.

Japanese people under the age of 40 look at older generations and see that they reaped great financial benefit from the bubble economy, Kuniyama says. Young people want to work hard and help make Japan prosperous, but many also feel the economy is closed off to them. "I think that is why a lot of them watch," he says.

Leading a horse to water

For all of the hype building around the Nisa scheme there are, say Kuniyama and others, significant reasons why it may fall short of expectations, with the buy-in by Mrs Watanabe more of a slow burn than a big bang.

"There is a deep-rooted scepticism about the economy," says Stefan Angrick, senior economist at Moody's Analytics. "Decline has been a feature of life that people see and hear about all the time, and over a long period. Whether it comes in the form of talk about the weak yen, the falling population or China overtaking Japan, the same theme keeps coming back."

There is also a specific mistrust of Japanese equities, say brokers. Many Japanese individuals work for Japanese companies and a common perception is that businesses are not primarily run for the benefit of shareholders. They are not necessarily seen as an attractive place to put money.

A senior executive at one of Japan's largest online brokerages describes a recent lecture session in rural Japan that allowed the public to ask anything they wanted about the Nisa scheme. "One person stood up at the lecture and effectively asked us whether we thought he was stupid," says the executive. "Warren Buffett, said the man, had only been buying Japanese stocks so he could make his money and sell them back to retail Japanese investors. The scepticism runs very deep."

One possibility is that Japanese people will use the expanded Nisa scheme and its lifetime tax exemption not to buy Japanese equities but to buy yen-denominated products that give households exposure to US equities, say brokers and asset managers. In particular, the S&P 500 index.

"The Nikkei 225 has been rising quite a bit, so some people are taking a positive view of it," says Kuniyama. But he notes the disproportionate appeal of the S&P 500. "Personally speaking, I think that young people in their twenties and thirties just do not have very high expectations for the future of Japan."

Paul Sheard, author of *The Power of Money*, says that the Japanese stock market would essentially answer two questions over the coming months. The first is whether the sense of mild deflation is still embedded in people's minds. Shaking it off, even with months of inflation, can be very, very difficult he says.

Second, on whether Mrs Watanabe will buy domestic stocks, another set of issues are in play, he says. The average Japanese household is not particularly engaged because they have no reason to be. "They are swimming in waters where the elites appear to be managing the whole thing — chastising the household sector for not ramping up their inflation expectations, and chastising companies for not raising investment or wages," says Sheard.

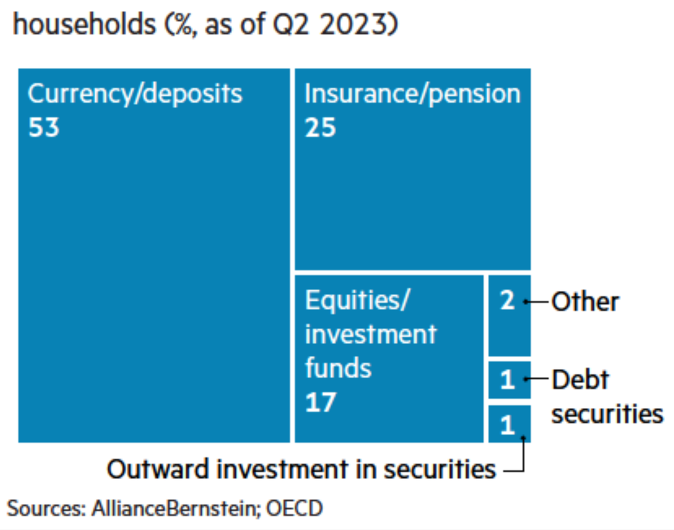
"Japanese households are being told to raise their inflation expectations now, and the household is going, 'I've been told this [other thing] for 25 years, and I don't quite believe [the new instruction].'

"So with Nisa, you can lead a horse to water but you can't make it drink," he adds. "A lot of people are going to be saying, 'Where's the catch?'"

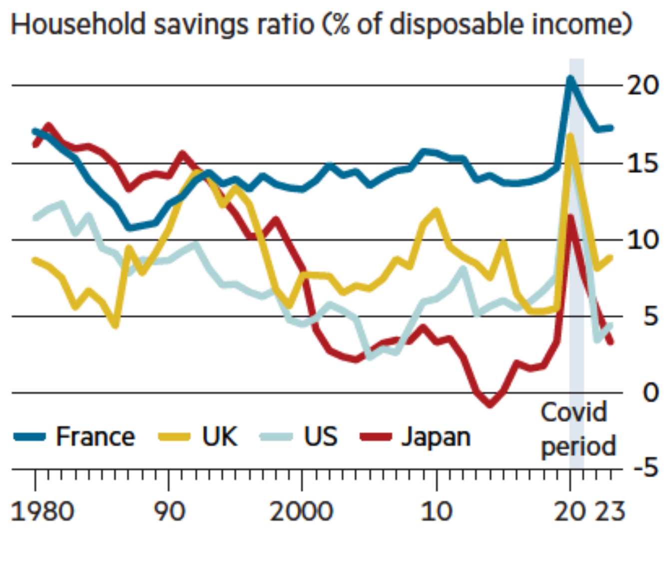
> 'There is a deep-rooted scepticism about the economy. Decline has been a feature of life that people see and hear about all the time'

> 'I'm definitely scared of losing money in stocks, but I think our biggest worry is having enough money if we live another 20 years'

How Mrs Watanabe holds her financial assets
Distribution of financial assets of Japanese households (%, as of Q2 2023)



The period when Japan was a high-saving economy has now passed
Household savings ratio (% of disposable income)



Sources: AllianceBernstein; OECD

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

India's booming stock market

Investors are buying into a growth story. Policymakers must ensure it plays out

Investors love a good story, and India's economic rise is currently capturing the imagination. Last month, the market capitalisation of the National Stock Exchange of India nudged past the flagging Hong Kong Stock Exchange to become the world's seventh-largest equity market. It neared $4tn, almost doubling in value since the start of 2020. The Nifty 50 index — a weighted average of the largest listed Indian companies — reached a record high this week too.

Previous speculation over India's imminent take-off to superpower status has ended in several false dawns. But recently, the bullish narrative for the country's stocks has gathered momentum as economics, geopolitics and policy have all aligned in its favour. Both institutional and retail investors have ploughed cash into its companies. While domestic investors have been the driving force, foreign equity inflows are estimated at $14bn so far this year. Initial public offerings have soared too.

The economic case for India is certainly compelling. Earlier this year, it overtook China to become the world's most populous country. By the early 2030s, it could also have one of the largest working-age and middle-class populations. That will support its continued urbanisation and industrialisation, and drive strong consumption and investment. It has already been the world's fastest-growing major economy in the past two years. Capital Economics expects this to continue, projecting annual growth will top 6 per cent in both 2024 and 2025.

Investors also expect the country to be a major beneficiary of geopolitical shifts. China's slowdown has moved the "emerging market" spotlight on to its rival. And as multinationals de-risk their supply-chains amid tensions between the west and Beijing by adopting "China plus one" strategies, many expect them to choose India. The policy environment is favourable too. Investment in India's road, rail and renewable infrastructure and excitement about its tech and engineering strengths have also piqued investors. With elections next year, fund managers are betting on policy continuity. Opinion polls and recent state elections suggest Prime Minister Narendra Modi's ruling Bharatiya Janata party is on course for a decisive victory.

A lot of the excitement is, however, now priced in to India's stocks. The MSCI India index is trading at 20 times its 12-month forward earnings estimates — that is above its long-term average and higher than the global benchmark. Lofty valuations in the past have been followed by periods of stagnation, and several factors could punctuate the euphoria and drive corrections this time too.

The bullish narrative for equities has gathered momentum as economics, geopolitics and policy have all aligned in the country's favour

The lamentable decline of India's democracy, and rising religious tensions, could make investors hesitant to commit to the country. The country also faces challenges with corporate governance standards. Earlier this year, Hindenburg Research accused the Adani group of stock manipulation and accounting fraud, which the company denies. Further scandals could disrupt the stock market's rise.

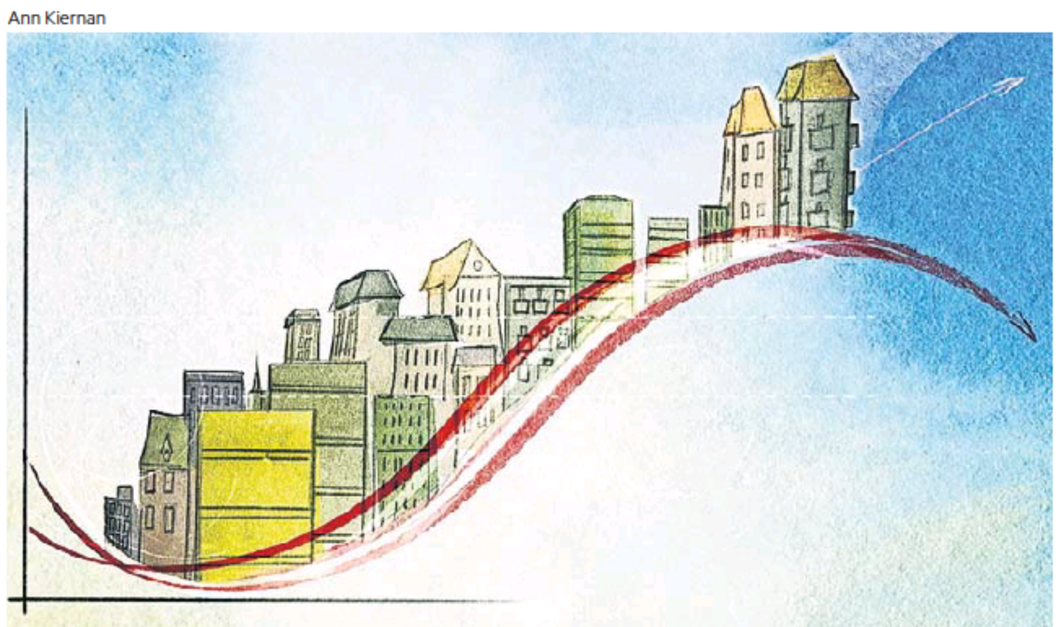
A sustained boom will also require greater liberalisation from a government that had tended towards economic nationalism. Foreign ownership limits on stocks make it hard for asset managers to manage their portfolios. State-backed conglomerates and tariffs on foreign components designed to support domestic supply chains also make relocation to India less attractive. And the demographic dividend risks being wasted if the youth entering employment cannot obtain better training and education.

Investors are increasingly buying into India's growth story. Now they need the reality to play out. For that, a lot hangs on how well the country is governed — both politically and economically.

Opinion Regulation

Can Yimbys unlock Britain's economic growth?

Ann Kiernan



Soumaya Keynes

We've all seen them on social media: flats that are "innovative" (the bed is accessible by a ladder), "compact" (the bed folds out of the wardrobe), or "intimate" (the bed and the toilet are in the same room). And we've all heard about Britain's disappointing growth performance. Yimbys argue that planning reform would help with both. But how much?

The theory suggests that relaxing planning restrictions would lead to a building boom. The price of housing should fall, to cheers from those who would like more of it. People would commute shorter distances, freeing up precious time. And individuals could move where they would be most productive, boosting the economy.

All that sounds deliciously plausible, but tricky to make concrete. The first question is how much loosening regulations would actually raise supply and lower prices. What if housing is so expensive because incomes are rising and physical space is finite? In the metaverse, we may all be able to pretend we live in a four-bed house with a sauna and indoor cinema on the edge of Hampstead Heath. But we're not there yet.

One challenge is working out how much extra house building would actually raise productivity

Paul Cheshire of the London School of Economics is certain that planning regulations bite. "I would be very surprised if the hit to the British economy wasn't at least double the one in the US," he says. One tell is how much longer ago and over how much larger an area Britain started to restrict its land use. Another is the magnitude of its house price increases. Between 1970 and 2022, they rose relative to other prices by around 170 per cent in America and 440 per cent in the UK.

Academics have tried to pin down the effects of planning. One 2014 study compared more and less restrictive local authorities and estimated that without any planning regulations, house prices in 2008 would have been around a third lower, mostly in cities. More realistically, relaxing the restrictiveness in the South East to the level in the North East could depress prices by around a quarter. It's hard to predict how particular tweaks to planning would boost housebuilding, says Anthony Breach of the Centre for Cities. But there are recent examples of reforms having striking effects. One study published in July, for example, found a zoning reform in New Zealand led to an increase in Auckland's housing stock of around 4 per cent over five years, a remarkably fast increase.

The next challenge is working out how much extra house building would actually raise the country's productivity. A study by Henry Overman of the London School of Economics and Xiaowei Xu of the Institute for Fiscal Studies documented that in 2019 average wages were 60 per cent higher in London than in Grimsby. But that difference overstates the potential gains from people moving to London (if they would indeed move). Most of the gap is because highly educated people tend to cluster in the capital.

The number to pin down is the size of the agglomeration benefits on offer, or how much productivity rises simply because people can work near each other. If those are zero, then extra homes in cities would simply shuffle people around the country, improving productivity in some places but lowering it by just as much in others.

Economists have tried to work out the answer. One working paper by Cem Özgüzel from the OECD compares the earnings of otherwise similar people across locations to estimate that for every 10 per cent increase in the number of employed people per acre in a British city, productivity rises by around 1 per cent. That is disappointingly little bang for one's buck relative to other countries.

One might hope that the productivity gains associated with more people might be bigger than that if, for example, there are dynamic effects from learning from others and becoming more productive over time. When Diego Puga of CEMFI and Gilles Duranton of the University of Pennsylvania incorporate that long-term effect in America, the productivity benefits associated with more house building double. In the UK, there is evidence that workers with experience of working in a city have faster wage growth than those without it.

There are also some important caveats. Productivity gains could take decades to emerge. Puga and Duranton emphasise the role of congestion costs. Enrico Moretti of the University of California, Berkeley, points out that London is already pretty well connected, suggesting that more houses might not deliver as much oomph to productivity as in, say, San Francisco.

A bit more strong evidence supporting the idea that relaxing restrictions on a massively important input would turbocharge the economy would be nice. I know a way of getting some.

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Letters

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UK must take a sober look at its supply of weapons to Israel

As Israeli forces move into southern Gaza, killing a growing number of Palestinians, now estimated at nearly 18,000, and making for catastrophic living conditions for those who remain, it is imperative for the UK to have a sober assessment of its obligations under international law, given its role as a significant supplier of arms and components to Israel.

It is clear that UK-supplied weapons and components are being used by Israeli forces. In this light, it is all the more remarkable that the parliamentary committees on arms export controls (CAEC) have no plans to convene to scrutinise UK arms export policy. Since the Department for International Trade and its attendant select committee morphed into the Department for Business and Trade in February this year, the CAEC has lost its chair, Mark Garnier MP, as well as other members from the trade select committee.

We have written to the chairs of the business, defence, international development and foreign affairs committees, calling on them to convene the CAEC, elect a new chair, and hold an inquiry into UK-manufactured weapons used in Israel-Palestine as a matter of urgency.

Martin Butcher
Policy Adviser on Arms, Conflict and IHL, Oxfam
Helen Close
Research Associate, Omega Research Foundation
Katie Fallon
Advocacy Manager, Campaign Against Arms Trade
Roy Isbister
Head of Arms Unit, Saferworld
Iain Overton
Executive Director, Action On Armed Violence
Oliver Sprague
Programme Director, Military Security and Police, Amnesty International UK
Anna Stavrianakis
Director of Research and Strategy, Shadow World Investigations
Enyseh Teimory
Head of Policy, United Nations Association-UK

Finance sector has a chance to close pay gap

Dear Nikhil Rathi, CEO, Financial Conduct Authority, and Sam Woods, CEO, Prudential Regulation Authority.

We are a collective of organisations passionate about improving UK social mobility in the interests of individuals, the economy and society. The finance sector has the largest class pay gap of any profession. On average, those from lower socio-economic backgrounds receive £17,500 less per year than those from higher socio-economic backgrounds. Your current consultation on diversity and inclusion is a unique opportunity to address this and ensure the sector continues attracting and retaining top talent while acting in the interests of consumers and wider society.

The financial services sector is a powerhouse of the UK economy but is affected by the UK's longstanding productivity problem. A focus on increasing socio-economic diversity can address this and ensure the sector remains internationally competitive.

City of London research suggests positive action would be transformative; increasing productivity and creating a more commercially successful financial services sector. Improving social mobility to the average level in western Europe could increase annual GDP by approximately 2 per cent.

At an individual level, research by Progress Together has found that socio-economic background is more likely to affect a person's route to success than gender or ethnicity.

We know in business, what gets measured gets done: we urge you to make data collection mandatory.

The collection of socio-economic background data by the financial sector is rapidly accelerating when compared with the situation only two years ago. Investors are increasingly asking for socio-economic data, recognising it as an indicator of a company focused on growth, avoiding groupthink and taking every step to identify talent.

Progress Together represents over 30 per cent of the UK financial services workforce and all its members collect socio-economic background data, while 40 per cent of the Investment Association's membership already collect data. You can support this acceleration towards positive change; do not miss the opportunity.

Jenni Anderson
CEO, The Talent Foundry
Sarah Atkinson
CEO, Social Mobility Foundation
Becky Bainbridge
CEO, Reclaim
Nick Bent
CEO, upReach
Sophie Hulm
CEO, Progress Together
Shirine Khoury-Haq
CEO, Co-operative Group

NHS relies on private sector to cut waiting lists

I am writing in response to your article, "NHS paying private sector to carry out more medical operations" (Report, December 3), as medical director of one of the companies referenced.

At Optegra, we support the NHS in many ways, not least allowing patients whose vision is poor due to cataract to access timely treatment.

The private sector's involvement in shortening NHS waiting lists means more patients get better sooner.

Due to the work of our specialist clinicians, and colleagues in other private ophthalmic settings, NHS waiting times for cataract surgery are now back to pre-pandemic levels.

This means that patients can access sight-restoring treatment free at the point of care, meeting NHS and government targets to eliminate waits of over 18 months by April 2023 and delivering 30 per cent more elective activity by 2024/25 compared to before the pandemic. Other medical specialities, where there is no private sector support, are not as fortunate.

The NHS has stated it needs more infrastructure to meet demand. Private providers such as Optegra are stepping up to make this necessary capital investment. We recently opened five NHS ophthalmic clinics, with several more planned for 2024.

The further advantage of this partnership is our training of NHS staff. Only 5 per cent of Optegra clinical staff have joined from the NHS. We also invest heavily, both in training junior doctors who can experience high-volume cataract lists — which we achieve by being highly efficient while maintaining excellent clinical results — and hosting continuing professional development events for optometrists.

Finally, your article questioned provision of care for any post-op complications. At Optegra, 99.6 per cent of procedures have no complication, and only 0.01 per cent infection rates (compared to the National Ophthalmology Database benchmark of 0.14 per cent). Any such issues are resolved in-house.

Our priority is always our patients, providing excellent care and outcomes while ensuring patient choice around where and when to have treatment.

Amir Hamid
Consultant Ophthalmic Surgeon, Medical Director, Optegra Eye Health Care, London W1G, UK

Earl who made a virtue out of effortless class

It may be that in today's America, ostentation is preferred by snobs, as Mike Duggan notes, and found among the "vulgar, new money plutocrats" (Letters, November 24). But ostentation cannot signify "class", which requires a certain effortless stylishness.

In the early 1960s, the aristocratic Earl of Home was for a short time the British prime minister. This irked Harold Wilson, the then leader of the Labour party. He berated Home for being out of touch with ordinary people by virtue of his being the 14th Earl of Home. Home's amiable rejoinder that, "if I am the 14th Earl of Home, I suppose he is the 14th Mr Wilson", had about it the gentle wit that comes with real class.

Gordon Bonnyman
East Sussex, UK

Chinese investors' faith in the state is misplaced

Hudson Lockett and Cheng Leng, reporting from Hong Kong, paint a cautiously optimistic picture of central government efforts to help local governments retire their massive indebtedness (Report, December 7).

The central government has found ways for local governments to whittle down some of their debt, through debt swaps and state bank support for refinancing, as well as limited special purpose loans, which has inspired Chinese investors to believe that the state is thus offering an implicit guarantee against default. This belief has led them to buy offshore dollar-denominated local government-issued bonds (LGFVs) in greater numbers.

Yet such confidence appears misplaced as central government intervention amounts to tinkering. With Rmb60tn in LGFV bonds remaining outstanding, one wonders if the central government has the capacity to refinance such an amount, let alone the will to do so, considering President Xi Jinping's gradual turning away from the market in favour of greater state planning. Default may be the state's only option, for practical as well as ideological reasons, making the skittishness of foreign investors the more realistic posture.

Albion M Urdank
Emeritus Professor, University of California, Los Angeles, US

Option strategies have their place in portfolios

Professor Svetlana Bryzgalova and others write in their letter that retail investors lost over $2bn trading options in less than two years (Letters, December 6).

This is certainly a dire warning. But trading options is a zero-sum game. For each long option which has been bought there is a short option which has been sold. So, if retail investors lost $2bn buying options then someone else made $2bn selling those options. Now, selling options without the underlying stock as collateral to create a naked short is a high-risk strategy susceptible to unlimited loss, so most likely only of interest to aggressive investors with deep pockets.

There is, however, an opportunity for a retail investor to profit from selling call options when holding the underlying stock. This covered call strategy entails only the risk of opportunity loss if the stock price rises significantly above the strike price of the call. If the stock is called (sold) at a strike price higher than the purchase price, then the investor makes a profit on both the stock and the short option. There may be a place, therefore, for certain option strategies in a modest portfolio if a private client is willing to study how options work.

Michael Vavrinek
London W2, UK

Non-profits are at the forefront of social action

I agree with the majority of the points made in "Does the American dream foster inequality?" (Opinion, December 9). I have lived the American dream, coming up from poverty to build a successful company.

However, I think there is one important piece of the inequality puzzle that went unreported in this article. That is the role of non-profit organisations. In addition to the government's support to those in need (at the federal, state, and local level) there is a huge network of non-profit organisations (funded mostly by the wealthy) that add focused support in areas where it is most needed — education, food security, shelter, job assistance and healthcare.

Inequality is real, and maybe it is a consequence of American exceptionalism, but there are vast numbers of people working to correct its causes and results.

John Merrill
President, Tanglewood Total Wealth Management, Houston, Texas, US

Correction

● One in 182 people will be without a home in England this Christmas, rather than one in 18 as incorrectly stated in an article on December 14.

Opinion

Trump is overperforming, but there's a way back for Biden

Stanley Greenberg

The reason Donald Trump is currently overperforming as an anti-system, anti-immigrant candidate is that Joe Biden hasn't realised yet the rules of the next US presidential election.

The 2024 race is being shaped by three exceptional factors. First, the inflation produced by the economy restarting after the pandemic, supply chain problems, rising energy prices following the Russian invasion of Ukraine and the high cost of food. Second, heightened anger at profiteering by big companies and increasingly visible monopolies. And third, surging levels of migration caused by wars, political unrest and extreme weather.

Trump gets it. At rallies during the autumn, he promised to launch the "largest domestic deportation operation in American history" and to secure the border.

But it is inflation, more than any other factor, that concentrates the mind. My research in the US, UK and Europe shows that what matters to people is how long they have been struggling to pay their bills, not the trend line on macro inflation or whether your country is doing better than others. Energy and petrol prices are impossible, and high food prices leave your kids hungry.

A recent survey of the battleground states by Democracy Corps and PSG Consulting showed that 64 per cent of those polled chose inflation and the cost of living as their top concern, almost 30 points higher than the next problem.

Citizens have lived with more than two years of wages not keeping up with prices. That is why the percentage rating the economy as "poor" is rising to its highest level this year.

Next, consider anger about profiteering and the public's growing distrust of big corporations and their influence over the political class. As people struggle financially, they ask why the oil companies or big retail chains are not helping with lower prices. They watched in the last few years as four companies gained more than 75 per cent market share for infant formula, baby foods, beef processing, pasta, cereal and soda.

Voters ask why the government isn't doing more and assume the big companies are buying off the politicians.

The third exceptional factor is the vast increase in migration and border crossings. The battleground survey asked voters what would concern them were Biden to be re-elected president. Soaring to the top of the list were images of "the border being wide open to millions of impoverished immigrants, many are criminals and drug dealers who are overwhelming America's cities".

> The president should talk about high prices and what he has been doing to help

So, Trump will overperform as long as almost 60 per cent of voters choose him and the Republicans over Biden and the Democrats on "your wages and salary keeping up with the cost of living", handling "crime" and the "border". And those are three of the top four issues facing the country.

That can change, but the starting point for Biden is ditching "Bidenomics." His description of it gets fewer positive reactions than the percentage planning to vote for him.

But, as I said, inflation concentrates the mind. Biden should talk almost exclusively about high prices and what he has been doing to help with high drug costs and healthcare premiums, getting cheaper energy and the monthly expanded child tax credit. And if he tells people he wants to do more, they will listen. Americans want help and want to know that the White House will deliver change.

When voters hear the Inflation Reduction Act is here "to save you money", that message is welcomed by 52 per cent of voters — seven points above Biden's vote.

The Biden administration is also well placed to talk about profiteering and what it has done to shift power from Wall Street and big corporations. Its appointments to regulatory agencies have made it clear workers have a right to organise, have brought a fresh antitrust lawsuit against Amazon and have issued new guidelines for mergers.

And messaging on the economy that begins with the contention that "economic power is concentrated in the hands of big banks" and insists Biden has "an agenda to shift power away from corporate giants and corporate executives" is welcomed by 53 per cent of voters.

Such an approach engages with the exceptional factors at work in this election. What's more, Trump and the Republicans don't actually have a policy offer beyond their attacks on the president.

Of course, Biden also has to say there is a "crisis" at the border and offer credible policies to get it under control. If he does that, stay tuned to see whether Trump continues to overperform.

The writer is a pollster, political consultant and author

Protecting the graduate route is crucial for UK competitiveness

Jo Johnson

The government's announcement of a review of the graduate route, which allows overseas students to work for two years post-graduation (three for PhDs), has sent tremors through a fragile university system. It is key to the UK's competitiveness in the market for international students.

International student recruitment is already sharply down for the coming year, even before the impact is felt of last May's announcement of higher visa fees and immigration health surcharge and the removal of the right of masters students to bring dependants to the UK.

Any move now to axe or make the graduate route less attractive would risk tipping many universities into deficit, reduce the country's soft power and hit an export sector that contributes more than £41bn a year to the economy.

Since July 2021, the graduate route has filled a gap left by the abolition of post-study work visas in 2011. During the two years, students cannot claim benefits. Nor does time on the route count towards settlement. Students can switch to an alternative skilled worker visa and stay for a further five years, provided they have an eligible job with a Home Office-approved employer.

The Migration Advisory Committee, the body charged with the review of the graduate route, this week warned that a post-study work regime was starting to resemble a pre-work study regime.

The reality, however, is that the post-study work offer is table stakes for the UK's ability to attract globally mobile students at a time of intense competition from the US, Canada, Australia and other, non-anglophone markets. Canada's system of postgraduate work permits, for example, is tied to length of study, ranging from eight months to three years. Crucially, it can also lead to permanent residence.

> Any move to axe or make the scheme less attractive would risk tipping many universities into deficit

The UK government's plan to raise the salary threshold for skilled worker visas from £26,200 to £38,700 will undermine the graduate route. Employers will be more cautious about hiring students on short visas. For those starting their careers, especially in the regions and in sectors such as the creative industries, the salary will be beyond reach.

Any review of the graduate route needs to focus narrowly on abuses rather than on the policy itself. The government should use it to help the sector adopt three sensible measures that institutions on their own may be reluctant to take for fear of putting themselves at a competitive disadvantage.

First, application fees. Admissions offices are in many cases processing unmanageable volumes of applications from international students, at great cost. The Department for Education should require universities to charge at least the small fee paid by domestic students. There is much evidence that introducing application fees results in higher enrolment conversion rates.

Second, higher tuition deposits. International students have traditionally had low dropout rates. While this remains true for those from China, it has started to change for students from India and Bangladesh, who have dropout rates of about 25 per cent. Requiring fees be paid at least in large part upfront would help weed out the minority who may look at the price of a visa as a low-cost way of securing entry to the country.

Third, the DfE should require that the mandatory minimum maintenance funds be put in an interest-bearing escrow account with a recognised financial institution at the start of the year. This would borrow from Canada's guaranteed investment certificate and raise the financial strength of international students who would be able to draw on their funds in instalments.

In an environment of mounting concern over immigration numbers, measures such as these will shore up political support for international student recruitment and make it easier to protect the all-important graduate route.

The writer is a former universities minister, a visiting professor at King's College London and chair of FutureLearn

Ukraine needs a military sector of its own

Efi Chalikopoulou

FINANCE

Gillian Tett

Back in 2015, when Volodymyr Zelenskyy was "just" a comedy star with the Kvartal 95 troupe, he joked on television that securing American military aid was "like installation of [a] new app on PC [personal computer]".

"In the beginning it is all smooth and fast" but, when the "last percentage remains", the process glitches — or so he laughed at the time.

Fast forward eight years, and that "joke" seems particularly unfunny. Zelenskyy, who now looks haggard in his role as Ukraine's president, travelled to Washington this week in a bid to persuade Congress to back a $60bn aid package that the White House has pledged Ukraine, on top of the $44bn delivered in the past 18 months.

But since Republicans are currently blocking this until they secure more funds for immigration reform, Zelenskyy emerged with a mere $200mn.

White House officials think — or pray — that a deal will soon emerge. But even if it does, the picture is daunting. Military officials tell me that Russia, whose economy is now on a war footing, is expected to produce 2mn shells in 2024, and purchase more from North Korea. However, Ukraine will be lucky to receive 1.2mn shells in 2024, they say, since western military production systems are depleted, after years of neglect.

This implies that any Ukrainian offensive is unlikely to occur until 2025, or when production is ramped up. And that is before accounting for the risk that US aid might completely vanish if Donald Trump wins the 2024 election.

So far, so depressing. But this is not the whole tale. For even as Zelenskyy begged for US government support, his aides were engaged in a second battle that investors should watch. Namely, persuading western companies and financiers to back private sector military-tech partnerships inside Ukraine.

The raison d'être for this is that both the White House and Kyiv know that Ukraine urgently needs to develop its own military-industrial complex. In theory, Ukraine should be well placed for this, since it previously accounted for 30 per cent of Soviet defence industry and historically had good engineering talent, as Kateryna Bondar, a former defence ministry adviser, notes.

But in practice its Soviet-legacy production is stodgy and state-owned, its talent base under threat and the country has been surprisingly slow to ramp up modern capabilities — to the frustration of some western military officials and analysts. "The [Ukraine] economy has not been on a war footing and it needs to be," one complained to me.

Zelenskyy's team is now racing to offset that criticism — and Washington is trying to offer support, mindful that this will be less politically controversial than direct aid. And this week the White House organised a conference between dozens of US defence companies and Ukrainian officials and entrepreneurs.

The aim is to create joint ventures between big companies while raising western investment for Ukrainian start-ups. Some Ukrainians, such as Bondar, hope a portion of western aid can be used for seed capital.

So far the only public "win" is a pledge to "prioritise co-production and technical data exchange", as Jason Israel, a White House official, told a conference last week. However, Oleksandr Kamyshin, Ukraine's minister for strategic industries, tells me that five partnerships around "do-it-yourself" air defence systems, blending old Soviet and modern western tech, have also emerged from the meeting.

> Soviet-legacy production in the country is stodgy and state-owned, while its talent base is under threat

Kamyshin is appealing for western venture funding. "We are trying to rebuild ourselves from being the bread basket of Europe to becoming the arsenal of the free world," he says, noting that there are now more than 200 private "miltech" — military tech — groups emerging in Ukraine, many of which are focused on drones.

This pitch sounds fanciful. But not entirely. Defence-linked investments among American venture capital groups are growing at 16 per cent a year right now, according to PitchBook, and some western entrepreneurs, investors and defence industry executives see Ukraine as a useful site to develop and test products that can be sold elsewhere.

But enormous obstacles remain. One obvious one is that many western investors and businesses will not embark on production in a country under bombardment by Russian shells. And while this problem could be solved by placing production in places such as Poland, there are also export licensing issues.

Another issue is that Ukraine's miltech start-ups are small and often "driven by hobbyists", rather than professional or experienced entrepreneurs, says one western investor who is scouring the landscape. And some of the country's tech innovation — say, initiatives to cobble together Soviet and western kit — will not be easy to export.

The other issue is cash. Kamyshin says that the production of drones and other tech will potentially be 18 times higher next year than it was in early 2022. But he also says that the Ukrainian army only has funds to purchase half of this output at commercial rates.

Some would-be investors think this problem will solve itself. "There is huge opportunity here — some people are going to make a lot of money," says one US-based entrepreneur, who is funding Ukrainian drone start-ups. Others are more doubtful. Either way, the fight is on to turn Ukrainian innovation into credible business plans.

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Europe should worry less and learn to love AI

TECHNOLOGY

John Thornhill

The conjugation of modern technology tends to go: the US innovates, China emulates and Europe regulates. That certainly appears to be the case with artificial intelligence.

After months of intense lobbying, and almost 40 hours of overnight wrangling, exhausted EU policymakers delivered the AI Act last Friday evening and celebrated the world's most comprehensive legislation governing the transformative technology. It will still take months before the final wording is agreed and the law is adopted by national legislatures and the European parliament. But snorts of derision quickly followed from across the Atlantic.

Anand Sanwal, chief executive of the New York-based data company CB Insights, wrote that the EU now had more AI regulations than meaningful AI companies. "So a heartfelt congrats to the EU on their landmark AI legislation and continued efforts to remain a nothing-burger market for technology innovation. Bravo!"

European legislators would shoot back that even the big US AI companies, including Google, Microsoft and OpenAI, accept that regulation is essential and that the EU is determined, however imperfectly, to tackle one of the biggest governance challenges of our age. Good luck in passing any comparable federal legislation in the US given the political gridlock in Washington.

Moreover, the act undoubtedly contains some valuable constraints on the use of AI. The civil libertarian in me applauds the ban on the indiscriminate use of facial-recognition technology, social scoring and predictive policing (even if member states did carve out some exemptions for national security concerns). Citizens of most countries would rebel if forced to provide fingerprints while out shopping every Saturday afternoon. Why should AI-enabled facial-recognition technology be any different?

For good reason, the act also compels companies to flag whenever a user interacts with a chatbot and to label AI-generated synthetic content to prevent deception. With luck, this may help curb the spread of disinformation, such as that which has recently been marring elections in Bangladesh. Citizens will also be able to raise abuses of the technology with a newly created European AI Office. Regulators will have the power to fine miscreants up to 7 per cent of their global turnover.

> Start-ups say the new rules mean they will have to spend more on lawyers and less on software engineers

But, as ever, the worry about regulation is whether it will stifle upstream innovation. To some extent, of course, that is the aim. At a time when many AI researchers are calling for a pause in the development of frontier models, the legislators' intention is to prevent harmful innovation. The trickier question is: will it also inadvertently hamper the good? Unfortunately, the answer is probably yes.

The French and German governments had already diluted earlier drafts of the act to help restrict the testing and transparency requirements on their national AI champions, Mistral and Aleph Alpha. Even so, in a speech in Toulouse this week, France's President Emmanuel Macron expressed unhappiness with the messy compromise. "We can decide to regulate much faster and much stronger than our major competitors. But we will regulate things that we will no longer produce or invent. This is never a good idea," he said.

Some European start-ups, including Aleph Alpha, have said they could now be at a competitive disadvantage and will have to spend more on lawyers and less on software engineers.

When I asked Nathan Benaich, an investor at London-based VC firm Air Street Capital, whether he would be more or less likely to invest in EU-based AI companies as a result of the act, he replied: "Less likely." As it is, Air Street has invested 86 per cent of its AI-focused funds in the US, UK and Canada with less than 10 per cent going into EU-based start-ups. "It is undeniable that entrepreneurs are feeling the energy of San Francisco again," Benaich says.

As well as worrying about the risks of AI, the EU should be far more active in promoting the technology's productive possibilities, especially in areas such as healthcare, education and energy transition. To that end, the EU should work with universities, industry and investors to create a "Europe stack" that would strengthen its research and development capabilities and build public digital infrastructure, backed by a €10bn digital sovereignty fund, suggests Francesca Bria, former president of Italy's National Innovation Fund.

It would be reckless to rely on, and just seek to redirect, the Silicon Valley approach to developing the technology. Europe needs to learn to love AI and invent an alternative future of its own.

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Bond proxies: yield play field day

Jay Powell, chair of the US Federal Reserve, has confirmed what the bond market had already surmised: the pace of US price inflation has peaked.

US Treasuries and other global bonds have rallied over the past month. All stock markets have rebounded. Equities with high dividend yields deserve more attention.

Grumpy bond market veterans occasionally refer to stocks simply as poor quality credits. Buy these at your peril as you may never get your capital back, they caution.

Yet, choose carefully and some stocks offer something different, a profitable proxy for bonds. Companies with high dividend payouts backed by stable free cash flows can offer good value. Shunned by bond investors, they may also be overlooked by equity fund managers whose main concern is earnings growth. A sharp drop in market interest rates makes such shares much more attractive.

Telecoms stocks are worth a look. Forecast free cash flow for Verizon and AT&T is roughly double estimated cash dividends for the next two years, according to analyst data on Visible Alpha.

Both shares have rebounded about 15 per cent in the past eight weeks, outpacing the S&P 500 index. They still offer yields of about 7 per cent.

White-goods maker Whirlpool — on a 6 per cent yield — has cut prices this year because of declining demand. As such, any investor bearishness may have already washed out. Whirlpool should easily cover its expected dividends with free cash flow in the next two years.

European companies depend more heavily on dividends for shareholder loyalty than US peers. Yields can be much higher, especially for companies in structurally weak sectors.

Groups such as telecoms operator Vodafone and cigarette company British American Tobacco both have double digit yields. That is as much a reflection of investor dismay as corporate largesse.

Both may receive more attention this month if bond yields in Europe keep falling; 10-year Bund and gilt yields have collapsed in the past month.

Both companies should cover their high payouts, as should carmaker Mercedes-Benz. As the spectre of inflation recedes, share prices — which discount future cash flows — re-rate upward. That effect should be amplified in bond proxies.

Media/AI: headline blues

News organisations have failed to gain the upper hand when dealing with the US tech sector. Social media extended journalism's reach but upended the business model by grabbing digital advertising revenue. Artificial intelligence threatens to devalue content creation altogether. Axel Springer's deal with OpenAI is a temporary fix to a long-term problem.

The German publisher, which owns Politico and Business Insider, will receive "tens of millions of euros" per year by licensing news content to OpenAI. This follows complaints from media organisations that their content has been used to train the models that power generative AI chatbots such as OpenAI's ChatGPT.

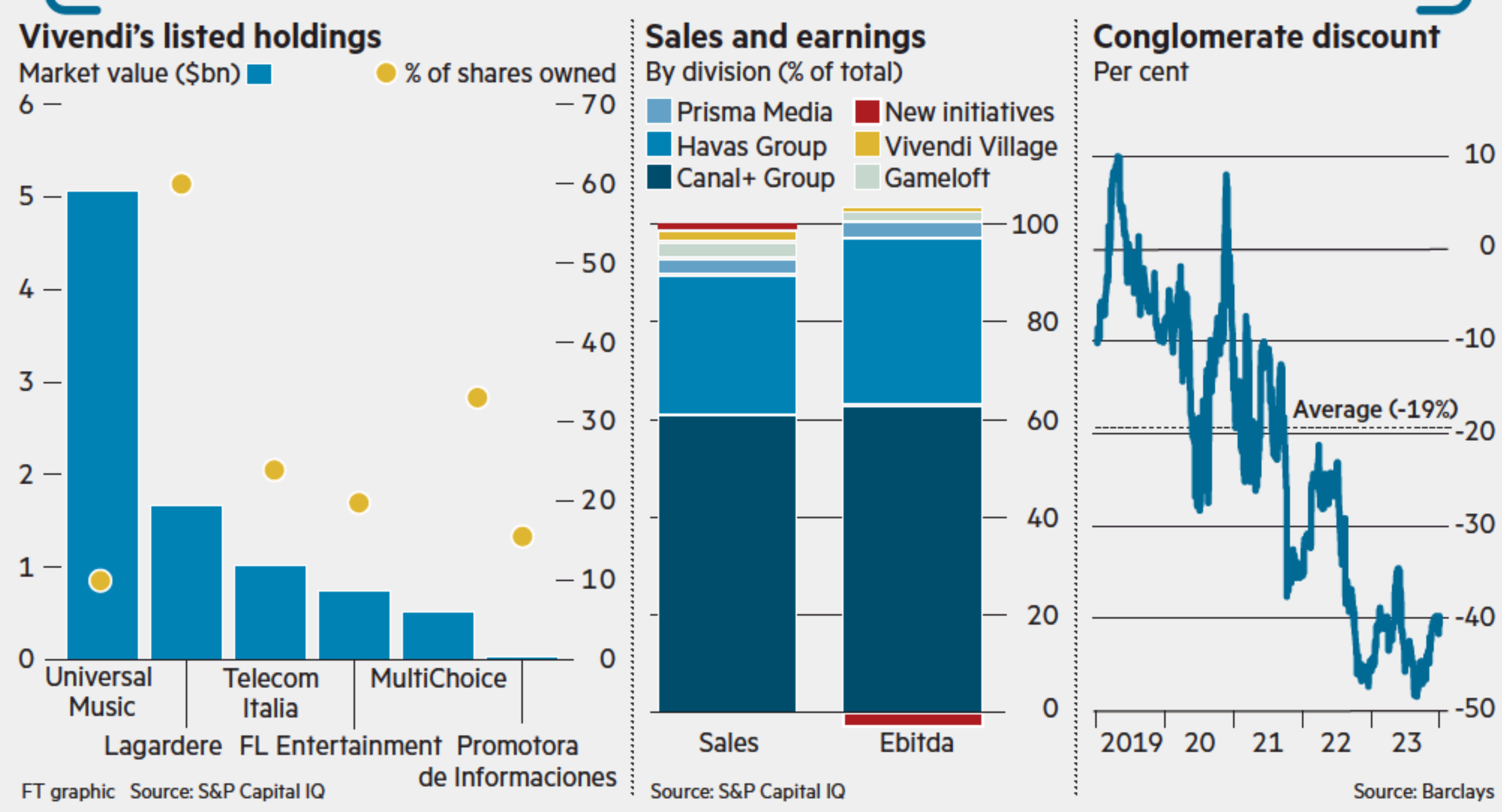
The deal puts a high price on news. But there is a chance Axel Springer is putting its future subscriptions and ad income at risk. If news content is available via ChatGPT, subscribers may just bypass news sites.

Readers have reacted poorly to AI news experiments. Gannett and Arena Group have both been criticised for publishing dull, even incorrect, AI content. Arena's financial status shows why it might be tempted. It is cutting costs after a net loss that exceeded \$11mn in the last quarter. AI-generated content may be low quality, but it is cheap. OpenAI will hope the Axel Springer deal makes it look responsible.

Something similar occurred when social media companies were accused of allowing misinformation to go viral. Meta and Google partnered with newsrooms but the deals did not last. After laws in Australia and Canada forced tech companies to pay news publishers for excerpts, Meta now prioritises content from friends. Nor did partnerships boost media revenue long term. Columbia University found news-related searches are worth \$12bn per year to Google and Meta. Gains in traffic are equal to a tiny fraction of this. The State of Local News Project shows the effects of this lopsided relationship. Over the past 20 years, the US has lost about a third of its newspapers.

Vivendi: three-way freeway

The media conglomerate has traded at a growing discount to underlying value in recent years. Vivendi may now split off its largest businesses, Canal+ and Havas. An investment company would be left, holding stakes in record label Universal Music and publisher Lagardère.



FT graphic Source: S&P Capital IQ

Source: S&P Capital IQ

Source: Barclays

If Vivendi today were the Rolling Stones then Mick Jagger would have already left the band. Universal Music was the frontman of the French media conglomerate that is controlled by French tycoon Vincent Bolloré.

The record label — home to Their Satanic Majesties among others — was spun off in 2021 for €47bn. The rest of the group took it hard. Fans have abandoned Vivendi's shares and the conglomerate discount is now close to 40 per cent. The Bolloré family was spurred to act. A fuller break-up of the business should follow.

The proposal would mean new solo stock market careers for broadcaster Canal+ and ad agency Havas. The remaining Bolloré interests, such as stakes in publisher Lagardère and in Telecom Italia, would continue within a listed holding company.

A simple sum of the parts suggests the break-up of the group, worth €11.2bn before news broke, would be an easy financial win. Longer-term strategic goals should be simpler for solo acts to achieve.

Vivendi remains influential in the francophone world. That linkage has helped Canal+ to resist US streaming services such as Netflix in recent years, and it has integrated streaming services into its own offering. Profits have grown solidly since 2016.

If we value Canal+ at six times ebitda like UK broadcaster ITV, it would have an enterprise value of €5bn. Supposing Havas is worth a multiple of seven times, like peers Publicis and Interpublic, it would be worth almost €3bn. The final gain for shareholders depends on the discount that would apply to the investment holding company. If it stays at 40 per cent then a further 5 per cent bump for the sum of the parts might follow a break-up. A 30 per cent discount might be fairer, says Barclays, and closer to comparable peers.

It would give credit for the success of Universal. Additional returns would then move above one-tenth for the split. Operationally, the break-up would pose puzzles, such as dividing up Vivendi's €1.9bn cash pile.

The break-up would deliver value. Investors could meanwhile expect the Bolloré family to continue calling the tune.

Bernard Looney/BP: loss leader

Big numbers shock, particularly when it comes to how much executives might possibly earn. Large sums that bosses might possibly have lost can be equally eye-popping. But astonishing headline figures often mask a bathetic reality.

Consider Bernard Looney. BP said its former chief executive would forfeit up to £32.4mn for failing to disclose past relationships with colleagues. Looney resigned abruptly in mid-September after admitting he had not been "fully transparent" in previous disclosures.

BP concluded this week that failure amounted to "serious misconduct", which would affect his pay arrangements. Looney said he was "disappointed" by the handling of the situation.

Of the £32.4mn maximum reported, the biggest contributor is the current value of unvested performance share awards. Looney was awarded 5.4mn shares under three plans. BP values these at about £25mn. However, it admitted it did not pro-rate for the date of Looney's resignation.

Imagine Looney worked for three-quarters of 2023. That would mean under the 2021-23 plan, he only worked 2.75 years. Two other schemes, for 2022-24 and 2023-25, must be adjusted too.

On a pro-rata basis, Lex's back-of-an-envelope calculation suggests those performance shares would today be worth closer to £15.9mn.

Performance share schemes rarely pay out at 100 per cent, though. Over the past 10 years, BP's performance share plans have paid out at an average of about 56 per cent. Applying that to the pro-rata amount delivers a number closer to £8.9mn than £25mn. Similar logic also needs to be applied to other elements of Looney's remuneration, including the £3.3mn maximum potential annual bonus for 2023.

After adjustments, the remaining sum foregone by Looney would be by no means small. But when it comes to pay calculations, words such as "maximum" can do a lot of heavy lifting.

Apollo/PIC: balanced approach

Apollo has big ambitions for both sides of its balance sheet. Its M&A strategy should therefore be viewed through the prism of both assets and liabilities.

The asset manager is among rumoured bidders for Pension Insurance Corporation, a UK insurer that purchases and manages corporate pensions. PIC's £39bn in insurance obligations and £44bn investment portfolio is a meaty opportunity for Apollo's "retirement services" business.

But consider the difference between this deal and one earlier this year when Apollo acquired Atlas SP, then a part of Credit Suisse, which makes securitised loans to banks and finance companies.

Apollo, alongside its insurance affiliates Athene and Athora, wants to be a superior investor of long-dated insurance and pension liabilities.

It does so by looking at more exotic securities than publicly traded corporate or government debt. The potentially higher returns are supposed to stem from a premium for holding illiquidity. Apollo's advantage may really be the fact that it is building a business on a blank sheet of paper. It can step into a void of traditional banks and insurers otherwise burdened by previous mis-steps.

According to its half year filings, PIC has £32bn of investment in either corporate or government bonds. Apollo's insurance book still has plenty devoted to such traditional assets. But it emphasises 16 distinct "origination platforms" that make secured private loans. Some focus on regular corporate loans backed by cash flow while others lend against equipment. The idea is to generate a slightly excess return.

Apollo's share price is up nearly 50 per cent this year. It says that even with \$600bn of total assets under management, the size of the global credit and lending market leaves plenty of room for growth. Competition is fierce and a rumoured £5bn price for PIC would exceed its book value.

Pay attention to whether Apollo and its rivals can properly match their asset and liability dreams.

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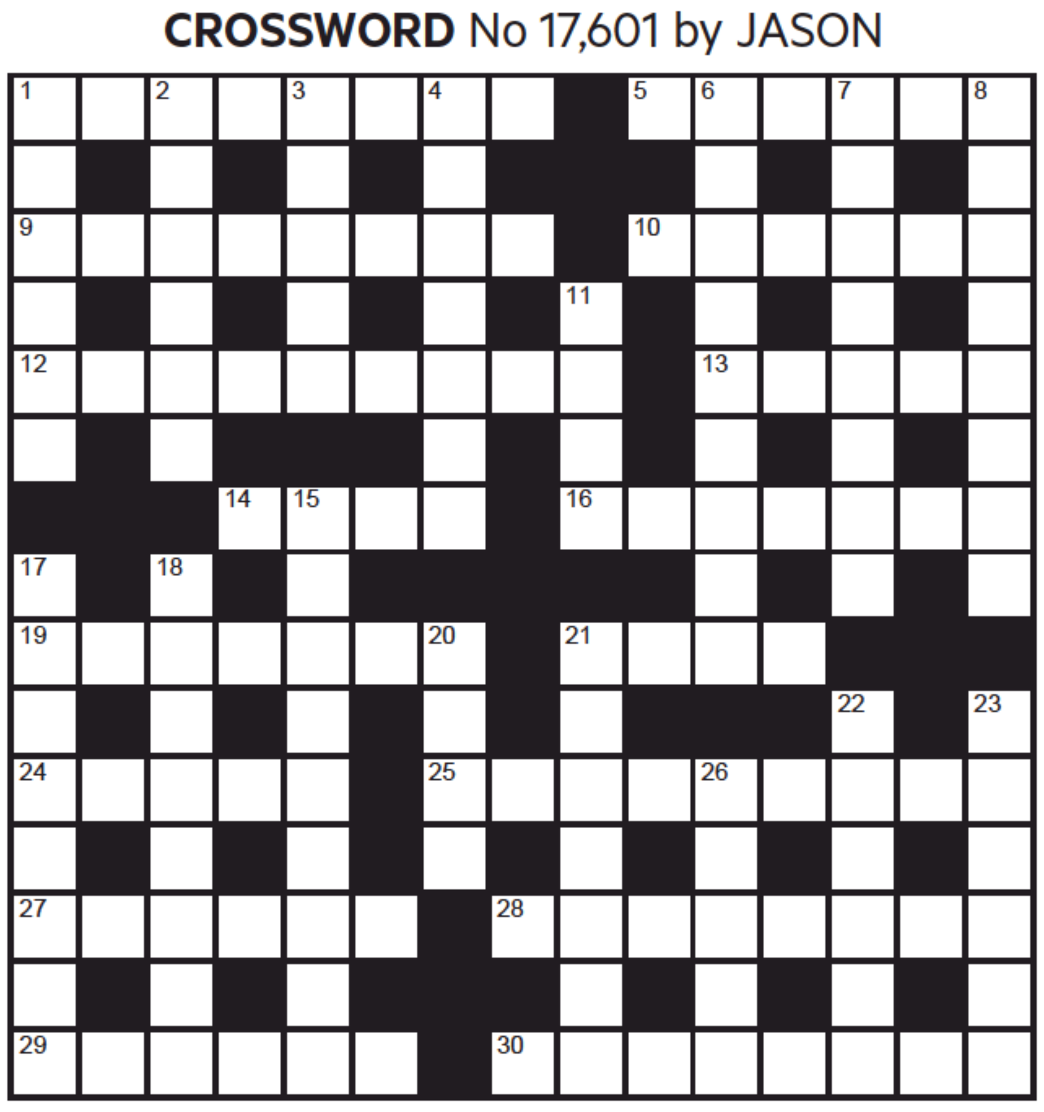
CROSSWORD No 17,601 by JASON



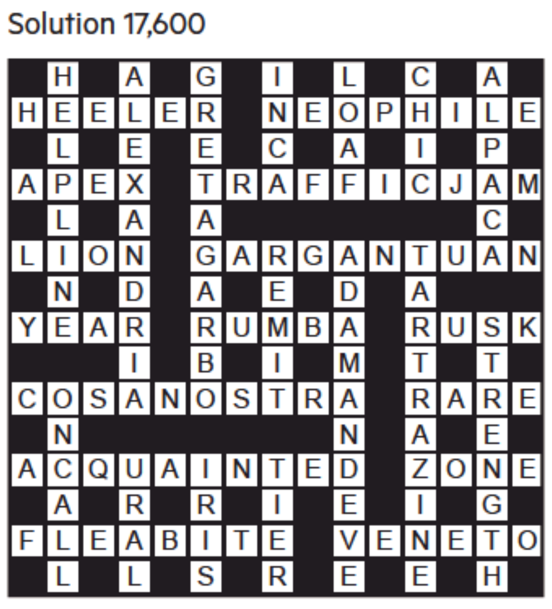
ACROSS

1 Modest in receipt of Charles's acquisition (8)
5 Universal sun shade? Answer for a perfect place (6)
9 Perhaps Grandad's sandglass (3-5)
10 Keep under surveillance half of police collaring unruly rat (6)
12 Bump into opposite after a short dash (9)
13 Regulation lexicon app? (5)
14 Damage small motor (4)
16 Archbishop's formal afternoon leads to this event (7)
19 Like an unsafe plug? Fine to be discarded as kaput (7)
21 Cold and individual — the defining image of Cornetto or similar (4)
24 Term for newest beneficiary's pronoun (5)
25 Flight in which celeb carries one bit of luggage (9)
27 Surviving navigator's instrument with south rubbed off (6)
28 Chaff is worthless in time (8)
29 Blind test (6)
30 Opinion about soldiers finding quarters (8)

DOWN

1 Quiet sweetheart is unreal (6)
2 Correct day in answer (6)
3 Lofty expression of surprise as expressed in poem (5)
4 Lee lets her off (7)
6 Euripides, eg, ain't struggling to contain fury with god (9)
7 Unfair share is a focus for fiances (8)
8 Excited about bet (8)
11 Doctor covering little work is let go (4)
15 OK, following this we get a new break (9)
17 She turns wildly for Diana, say (8)
18 Session at university steers me in a new way (8)
20 Son with silvery-grey belt (4)
21 Daily help, we hear, is a ridiculous pretence (7)
22 Dim to assume current guise (6)
23 Modern European Community in split (6)
26 Lift stew removing its top (5)*

Solution 17,600



JOTTER PAD

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