FINANCIAL TIMES

TUESDAY 5 DECEMBER 2023 EUROPE

ESG backlash throws investors off balance
BIG READ, PAGE 17

An anxious world weighs heavily on Biden
GIDEON RACHMAN, PAGE 19

Rates hunch
Bets on cuts boost bitcoin

Bitcoin hit its highest level in 20 months yesterday while gold reached a record peak, as investors bet that interest rates were likely to start falling early next year.

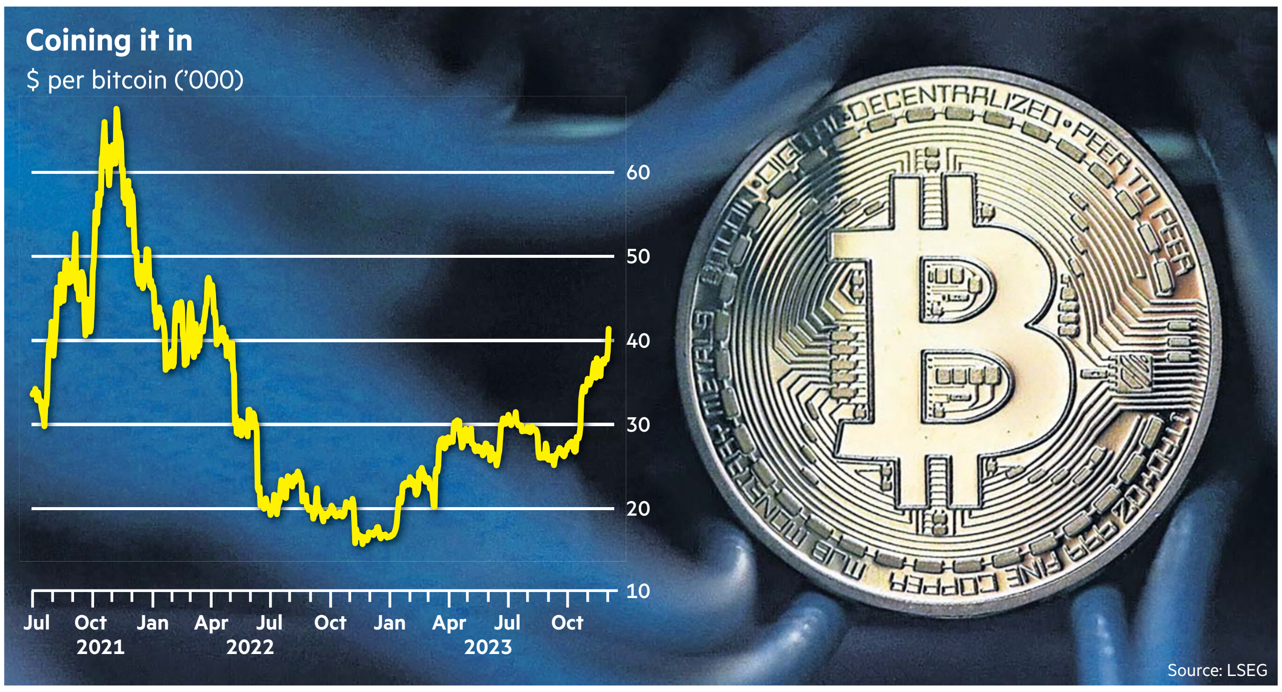
The cryptocurrency, which soared to more than $42,000, was also lifted by hopes that the worst of the industry's crisis was over. It fell back to $41,644, up 7.4 per cent on the day.

Gold rallied as much as 3 per cent to $2,135 per troy ounce, before slipping back to $2,046.

The market moves are fuelled by growing expectations that the Federal Reserve will soon cut borrowing costs.

"You look at bitcoin and gold and you see a very similar kind of evolution," said Luca Paolini, chief strategist at Pictet Asset Management. "All the asset classes that tend to do well when the Fed cuts rates aggressively are doing well."

Gold surge page 6
Cash floods into money funds page 11



Pic: Chris Ratcliffe/Bloomberg

Briefing

▸ White House warning against 'kneecapping' Kyiv
The Biden administration has fired a blunt warning to Congress that the US is set to run out of funds for Ukraine. Cutting the flow of weapons would "kneecap Ukraine on the battlefield", it said.
— PAGE 2; GIDEON RACHMAN, PAGE 19

▸ Kerry defends gas record
John Kerry, the top US climate diplomat, has defended the surge in American LNG production, saying Washington remains committed to phasing out fossil fuels.— PAGE 4; BIG BUSINESS, PAGE 10

▸ Ship strikes raise tension
Attacks on a US warship and three commercial vessels in the Red Sea have raised fears over a worsening in the fallout from Israel's fight with Hamas.— PAGE 4; TUNNEL FIGHT, PAGE 3; LEX, PAGE 20

▸ Maduro hails Guyana vote
The Venezuelan president has trumpeted "overwhelming" backing in Sunday's referendum for Caracas' claim to an oil-rich swath of its neighbour, marking a new phase in the dispute.— PAGE 4

▸ Reprieve for Evergrande
A Hong Kong judge has delayed a decision on the liquidation of the world's most indebted property developer, giving it until January 29 to formulate a restructuring plan.— PAGE 8; LEX, PAGE 20

▸ Irish asylum crisis
Dublin has warned it has run out of accommodation for asylum seekers. Ireland has witnessed anti-immigrant incidents in recent months, including rioting in the capital last month.— PAGE 2

▸ Origin investors kill bid
A $12.7bn takeover bid for Australia's biggest energy group has been defeated. Canadian asset manager Brookfield had intended to buy and break up the business.— PAGE 8; LEX, PAGE 20

▸ Horta-Osório jet sold
UBS has sold the Credit Suisse corporate jet that the collapsed bank's then-chair, António Horta-Osório, used when breaching Covid lockdown rules to attend Wimbledon.— PAGE 6

Spotify to axe almost a fifth of staff despite soaring subscriber growth

- Efficiency drive brings more cuts
- Mounting expenses worry investors
- Long quest for profitability

DANIEL THOMAS — LONDON
ANNA NICOLAOU — NEW YORK

Spotify is axing almost a fifth of its workforce after warning that it needs to cut costs as the music streaming group struggles to turn rising subscriber numbers into consistent profitability.

In a memo to staff yesterday, chief executive Daniel Ek said Spotify would cut about 17 per cent of its staff, or about 1,500 people. Spotify employs more than 9,000 people worldwide.

"I recognise this will impact a number of individuals who have made valuable contributions," Ek said. "To be blunt, many smart, talented and hard-working people will be departing us."

Spotify's share price was 9 per cent higher in morning trading in New York.

The company added 85mn users, including 21mn paying subscribers, in the first nine months of this year, despite raising prices in many countries. Spotify now has 226mn paying users and more than half a billion total users globally.

Despite its popularity, Spotify has wrestled with profitability throughout its history. Activist investor ValueAct acquired a stake in Spotify in February and raised concerns that its expenses had "exploded".

Combined with earlier rounds of cuts

> 'Many smart, talented and hard-working people will be departing us'
> Daniel Ek, chief executive

this year, Spotify has fired more than 2,000 staff, or a quarter of its workforce, while its user growth has soared.

"The knock on Spotify from investors for so long was: amazing service, amazing platform, not a great business," said Rich Greenfield, analyst at LightShed. "This is demonstrating to investors that this can be a great business. People lost faith in that over the past few years."

The latest job reductions come just over a month after Spotify's cost-cutting drive showed signs of paying off. In October the group pointed to cost cuts and price rises for helping it report its first quarterly profit in more than a year.

Ek acknowledged that the size of the job cuts would be a surprise, given recent improvement in earnings. He said the group had debated making smaller cuts next year and in 2025 but opted for a bigger restructuring now. Staff at risk of losing their jobs were told yesterday.

Spotify has set a goal of reaching long-term gross profit margins of between 30 and 35 per cent. Gross margins stood at 26 per cent in the most recent quarter.

"Considering the gap between our financial goal state and our current operational costs, I decided that a substantial action to rightsize our costs was the best option to accomplish our objectives," Ek said.

Spotify's financial results had benefited from an earlier round of cost cutting after unwinding an expensive bet on podcasts, which included axing about 600 jobs at the start of this year and a further 200 in the summer.

Bank of America analysts said in October that Spotify had reached an "inflection point" for profits, stating that "management's recent commentary and actions on expenses should drive continued improvement." But Ek said Spotify was facing new realities, including a higher cost of capital, and that it needed to become more efficient.

In Spotify's early days, "our ingenuity and creativity were what set us apart," he added. "As we've grown, we've moved too far away from this core principle of resourcefulness."

In the past year Spotify has cancelled a number original podcasts after spending heavily on exclusive shows with celebrities such as Michelle and Barack Obama. One deal with the Duke and Duchess of Sussex was reported to have cost $25mn for just 12 episodes.

Big business finds room to talk on sidelines of COP28
Analysis ▸ PAGE 10

Ex-Freshfields partner 'highly likely' to be convicted in tax fraud, says judge

OLAF STORBECK — FRANKFURT

Freshfields Bruckhaus Deringer's former global head of tax is "highly likely" to be found guilty of aiding and abetting tax fraud, a senior German judge said yesterday.

Ulf Johannemann, who was the "magic circle" law firm's most senior tax partner until 2019, has been on trial in Frankfurt since September over his advice to Maple Bank, a defunct German unit of Canada's Maple Financial.

From 2006 to 2009, Maple conducted complex share-swapping deals that tricked the German tax authorities into refunding more than €388mn in dividend taxes that had never been paid.

Johannemann could face a multiyear jail term if found guilty by the panel of five judges in Frankfurt. In a previous trial, Maple's former head of Germany was sentenced to four years and four months in prison over the transactions.

Presiding judge Werner Gröschel yesterday gave the court's interim view of the evidence against the former senior lawyer, saying it was "highly likely" there would be convictions on four out of five charges.

Maple relied on legal opinions issued by Johannemann stating that so-called "cum-ex" transactions were legal under Germany's tax law. The lender was closed down by Germany's financial watchdog BaFin in 2016.

According to Maple's former head of trading, the lawyer's opinion was crucial to the bank's embarking on the trades. "If Johannemann had said that this strategy is fraud, I would like to think I would have said that the strategy will not be executed," he said.

Freshfields was one of several high-profile law firms that argued cum-ex deals were legal. The law firm avoided direct prosecution over its advice to Maple in a 2021 deal that involved a voluntary payment of €10mn to the German tax authority. Freshfields also paid €50mn to Maple's administrator.

Frankfurt prosecutors allege that Johannemann deliberately gave improper advice to Maple, as it was evident to him that it was illegal to claim back taxes never paid in the first place.

Johannemann has not yet addressed the allegations in court, aside from a short statement by his lawyer at the start of the trial arguing that the tax question at the time had been more complex than prosecutors allege. Lawyers for Johannemann declined to comment on the judge's assessment in court.

Freshfields said it was "not a party to these proceedings".

Austria	€4.50	Morocco	Dh50
Bahrain	Din1.8	Netherlands	€4.50
Belgium	€4.50	Norway	NKr45
Croatia	Kn33.91/€4.50	Oman	OR1.60
Cyprus	€4.20	Pakistan	Rupee350
Czech Rep	Kc125	Poland	Zl 25
Denmark	DKr46	Portugal	€4.20
Egypt	E£80	Russia	€5.00
France	€4.50	Serbia	NewD530
Germany	€4.50	Slovenia	€4.20
Greece	€4.20	Spain	€4.20
Hungary	Ft1450	Switzerland	SFr6.70
India	Rup220	Tunisia	Din7.50
Italy	€4.20	Turkey	TL110
Luxembourg	€4.50	UAE	Dh24
Malta	€4.20		

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World Markets

STOCK MARKETS

	Dec 4	Prev	%chg
S&P 500	4562.65	4594.63	-0.70
Nasdaq Composite	14148.08	14305.03	-1.10
Dow Jones Ind	36123.32	36245.50	-0.34
FTSEurofirst 300	1842.49	1842.98	-0.03
Euro Stoxx 50	4415.10	4418.51	-0.08
FTSE 100	7512.96	7529.35	-0.22
FTSE All-Share	4083.13	4094.48	-0.28
CAC 40	7332.59	7346.15	-0.18
Xetra Dax	16404.76	16397.52	0.04
Nikkei	33231.27	33431.51	-0.60
Hang Seng	16646.05	16830.30	-1.09
MSCI World $	3040.70	3023.63	0.56
MSCI EM $	982.14	987.10	-0.50
MSCI ACWI $	697.51	694.38	0.45
FT Wilshire 2500	5945.52	5896.55	0.83
FT Wilshire 5000	46295.60	45901.00	0.86

CURRENCIES

Pair	Dec 4	Prev	Pair	Dec 4	Prev
$/€	1.082	1.084	€/$	0.925	0.923
$/£	1.261	1.263	£/$	0.793	0.792
£/€	0.858	0.858	€/£	1.166	1.166
¥/$	147.105	147.660	¥/€	159.101	159.997
¥/£	185.507	186.538	£ index	81.981	81.868
SFr/€	0.945	0.945	SFr/£	1.102	1.102

CRYPTO

	Dec 4	Prev	%chg
Bitcoin ($)	41426.28	39984.80	3.61
Ethereum	2219.46	2194.11	1.16

COMMODITIES

	Dec 4	Prev	%chg
Oil WTI $	73.52	74.07	-0.74
Oil Brent $	78.43	78.88	-0.57
Gold $	2045.40	2035.45	0.49

GOVERNMENT BONDS

Yield (%)	Dec 4	Prev	Chg
US 2 yr	4.64	4.60	0.05
US 10 yr	4.28	4.25	0.03
US 30 yr	4.45	4.43	0.01
UK 2 yr	4.60	4.51	0.09
UK 10 yr	4.37	4.31	0.06
UK 30 yr	4.72	4.67	0.05
JPN 2 yr	0.02	0.03	-0.01
JPN 10 yr	0.69	0.70	-0.01
JPN 30 yr	1.66	1.66	0.01
GER 2 yr	2.67	2.67	-0.01
GER 10 yr	2.35	2.36	0.00
GER 30 yr	2.59	2.63	-0.04

Prices are latest for edition
Data provided by Morningstar

INTERNATIONAL

Budget impasse

White House warns funding for Kyiv to end

Failure by Congress to agree aid will 'kneecap' Ukraine, says official

JAMES POLITI — WASHINGTON

The White House has issued a blunt warning that the US is set to run out of funds to aid Ukraine by the year-end, saying that a failure by Congress to pass new support would "kneecap" Kyiv.

The alert from Shalanda Young, the White House budget director, in a letter to congressional leaders yesterday, represented the most specific assessment yet of Washington's waning financial and military support for Ukraine.

"Without congressional action, by the end of the year we will run out of resources to procure more weapons and equipment for Ukraine and to provide equipment from US military stocks," Young told the leaders of both parties.

"There is no magical pot of funding available . . . We are out of money, and nearly out of time," she said.

President Joe Biden's request for $106bn in emergency funding for his foreign policy priorities, including Ukraine, Israel and the Indo-Pacific, remains mired in stalemate on Capitol Hill, driven by mounting Republican opposition to helping Kyiv.

Some lawmakers, especially in the Senate, where backing for Ukraine runs deeper, are trying to negotiate a bipartisan deal that would contain aid for Kyiv alongside new immigration and asylum procedures to reduce the number of undocumented people arriving in the US through its southern border.

Even if an agreement is reached in the Senate, it is unclear if it can pass the Republican-led House, whose new speaker Mike Johnson has been sceptical of funding for Ukraine. He indicated yesterday that Congress could pass extra Ukraine aid if Democrats agreed more for US-Mexico border security.

"The Biden administration has failed to substantively address any of my conference's legitimate concerns about the lack of a clear strategy in Ukraine, a path to resolving the conflict, or a plan for adequately ensuring accountability for aid provided by US taxpayers," he said.

"We believe both issues can be agreed upon if Senate Democrats and the White House will negotiate reasonably."

Young warned Congress that cutting the flow of US weapons and equipment would "kneecap Ukraine on the battlefield, not only putting at risk the gains Ukraine has made, but increasing the likelihood of Russian military victories".

"Already, our packages of security assistance have become smaller and the deliveries of aid have become more limited . . . while our allies have stepped up to do more, US support is critical and cannot be replicated," she added.

The warning comes as the EU struggles to reach a budget deal in Brussels that would send €50bn to Ukraine, people close to the discussions said.

Young said Ukraine also needed economic support: "If Ukraine's economy collapses, they will not be able to keep fighting, full stop," she wrote. "Putin understands this well, which you can see in its attacks against Ukraine's grain exports and energy infrastructure."

Young also said money for Ukraine would bring benefits to the US economy. Since the start of Russia's invasion in February 2022, Washington has approved $111bn in aid to Kyiv.

Additional reporting by Alex Rogers

Gideon Rachman See Opinion

Icy stare

Heavy snow covers Moscow

A man poses for photos next to cardboard cutouts of Chinese President Xi Jinping, left, and Russian President Vladimir Putin in a wintry Moscow yesterday after 25-30 per cent of the monthly average amount of snow fell in one day.

A huge operation to clear the Russian capital's streets involved about 25,000 people and 18,000 pieces of snow removal equipment, according to the office of the Moscow mayor.

Yuri Kochetkov/EPA/Shutterstock

Monetary policy. **Independence**

Poland's central bank turns to ECB in spat with Tusk

Incoming PM has called for removal of institution's chief in bid to oust PiS loyalists

RAPHAEL MINDER — WARSAW
MARTIN ARNOLD — FRANKFURT

Poland's central bank is seeking support from the EU to defend it from Donald Tusk, claiming the incoming prime minister's calls to remove its governor harm its independence.

The plea threatens to pull EU institutions, including the European Central Bank, into another fraught handover of power in Poland, with appointees of the outgoing rightwing government — which clashed with Brussels for years — now seeking help from Europe.

Tusk has repeatedly demanded the removal of National Bank of Poland president Adam Glapiński — a long-standing personal friend of Jarosław Kaczyński, whose ruling Law and Justice (PiS) party lost to a three-way coalition led by Tusk this year.

Tusk, a former European Council president, accuses Glapiński of acting in the interests of PiS, including through a large cut to interest rates shortly before the October vote. He wants the governor probed by a tribunal, in effect suspending him while the case is under review.

The NBP has now turned to the ECB, arguing that moving to oust Glapiński would undermine the independence of monetary policymakers across Europe.

"We are in contact with the ECB and we are discussing now this suspension issue with them," said Marta Kightley, first deputy governor of the Polish central bank.

Poland sits outside the euro area, but the ECB is responsible for overseeing the European System of Central Banks, which lays down operating principles for all of the EU's central banks. "An attack on [the] independence [of the National Bank of Poland] may set a precedent and undermine the ESCB as a whole," Kightley said.

Christine Lagarde, the ECB president, replied to the Polish central bank in a letter published yesterday that "any measure affecting your ability to perform your duties as governor of the National Bank of Poland may, if not lawful, affect your independence and by extension the [ECB] general council".

Glapiński is a member of the ECB's general council along with all heads of EU national central banks. Lagarde told Glapiński that if this scenario did happen, "you could refer such resolution to the Court of Justice of the EU and ask for the assessment of its lawfulness".

The Polish central bank's call for ECB help contrasts with years of disparaging comments by PiS officials about EU institutions, including the central bank, which PiS accused of encroaching on Polish sovereignty. Glapiński has himself been an outspoken critic of the euro, recently claiming that Tusk would push Poland in to the common currency.

> 'I don't know of another case where a governor is being threatened [with suspension] by politicians'

Tusk and his coalition have outlined plans to bring Glapiński before Poland's state tribunal, which would force his suspension while his case was under court review.

Tusk's coalition, expected to take power on December 13, will hold a majority in parliament — the body responsible for triggering intervention by the tribunal.

If the tribunal suspends Glapiński, "an appeal will be made to the European Court of Justice because this suspension would breach the treaty on the functioning of the EU and statutes of the ESCB and of the ECB", Kightley said.

"Central bankers are under public scrutiny and are often even verbally attacked, but I don't know of another case where a governor is being threatened by politicians that he or she would be suspended for no legitimate reason, without having breached neither the constitution nor any law."

In 2022 Glapiński was re-elected to a second term of six years. ECB rules state a governor of an EU national central bank can be dismissed only "if he no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct".

The ECB can intervene by issuing a non-binding opinion on whether a move to remove a governor is legal, as it did as part of successful efforts to prevent the ousting of Ilmārs Rimšēvičs as head of Latvia's central bank in 2019.

Tusk has said no final decision has been made about whether to seek to bring Glapiński before the tribunal. "I have no doubt that we will not do anything that would disturb stability or undermine the reputation of the Polish state in Europe," he added.

Glapiński represents one of the most difficult challenges for Tusk as he seeks to oust PiS loyalists. Until 2025 Tusk must rule alongside President Andrzej Duda, a PiS appointee with veto powers.

In September, Poland's central bank rocked markets with a big cut in interest rates, shortly before the election. At the time, Polish inflation was falling but it was still above target in double digits, which would typically point to small rate cuts, if any at all.

The NBP cut benchmark rates by 0.75 percentage points, well beyond economists' expectations for a cut of 0.25 percentage points.

Kightley said the cut was "not a decision by a single person" but instead approved by a majority vote in the bank's monetary policy council.

Adam Bodnar, a former ombudsman who is expected to become Tusk's justice minister, said it was important to probe whether Glapiński misused his central bank powers in an effort to influence October's election.

Immigration

Ireland says no housing remains for those in need of asylum

JUDE WEBBER — DUBLIN

Asylum seekers face having to sleep rough on Irish streets after the government in Dublin said it had run out of accommodation — a situation humanitarian groups say puts people at risk of anti-immigrant violence.

The government — which had stressed that its unlimited compassion for Ukrainian refugees was not matched by its capacity to house them — yesterday said it no longer had space for asylum seekers.

"Despite intensive efforts to source emergency accommodation, the [government] is currently not in a position to provide accommodation to all [asylum seekers] due to the severe shortage," the department of integration said.

Ireland has taken in 100,000 people, three-quarters of whom are refugees from Ukraine and the rest asylum seekers from other parts of the world.

Dublin witnessed a night of street clashes between gangs of youths and police last month when far-right agitators urged supporters out on to the streets after a foreign-born man stabbed three children and a crèche worker outside a school.

The rioting came after multiple anti-immigrant incidents in recent months, including the burning of makeshift camps and attacks on asylum centres. Some protests have continued since the riots, with police investigating potential arson at a hotel that was being prepared for asylum-seekers.

"We believe that international protection applicants would be targeted if they had to sleep rough," said Nick Henderson, chief executive of the Irish Refugee Council. "Given the risk to people on the streets, this is now more important than ever and a matter of basic safety."

Despite yesterday's announcement, the government said it would still accommodate women and children. Drop-in services — including hot showers, tents and sleeping bags — will be available to asylum seekers who have nowhere to stay.

Ireland has no far-right political party but anti-immigrant sentiment has soared as the country battles severe housing and infrastructure shortages.

Ireland faces a general election by March 2025 and an opinion poll on Sunday put immigration as voters' third-highest priority, behind housing and the cost of living. That was a 9 point increase on the previous month's poll. The rise of the far right emerged as respondents' fourth-biggest concern.

Since August, Ireland has experienced one of the highest rises in numbers of Ukrainian refugee arrivals, according to EU data. Taoiseach Leo Varadkar has said "there is a limit on our capacity" to continue offering generous level of support.

In January, the government urged asylum seekers not to travel to Ireland if they were in a safe place because of a "severe shortage" of accommodation.

The European Migration Network reported last week that asylum applications in Ireland last year jumped 415 per cent to a record 13,651.

In the 10 months to the end of October, official data shows 10,386 applied for international protection, down 7 per cent on the same period in 2022.

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Business survey

German companies cut investment plans amid economic gloom

MARTIN ARNOLD — FRANKFURT

German companies have slashed their investment plans for this year and next, adding to the challenges plaguing Europe's largest economy.

In a benchmark survey published yesterday based on responses from 5,000 businesses, the Ifo Institute in Munich said it had found they had "significantly reduced their investment plans".

The institute's index of net investment plans fell from 14.7 in March, when it carried out its last survey, to 2.2 in the poll carried out in the first three weeks of November.

For next year, the index, which measures the difference between the percentage of companies planning to increase investments and those planning to cut them, fell even lower to 1.2.

"The investment climate has deteriorated noticeably," said Lara Zarges at Ifo. "This is the result of increased financing costs, weak demand and economic policy uncertainty."

The findings came only weeks after a German constitutional court ruling left the government with a €60bn hole in its budget, complicating the ability for Berlin to provide companies with state support next year.

Chancellor Olaf Scholz's government is still trying to agree a new budget for 2024. It said last week that the court ruling would force it to wind down its €200bn Economic Stabilisation Fund, which has been subsidising electricity and gas prices for households and businesses, rather than rolling over the funds into next year.

The court's decision was announced on November 15, in the middle of the Ifo survey. Zarges said she had been surprised that companies responding after the ruling were "slightly more optimistic" on investment than those that responded before it. But she said this showed that this year's investments are unlikely to be affected by the budget upheaval.

She said extra pressure on government spending was likely to have more of an impact on companies' investment plans for 2024 and predicted this could show up in next March's survey "depending on how the budget turmoil will develop".

The largest cut in investment plans was found in the manufacturing sector, where the investment index has dropped from 21.4 in March to 6.8 in the latest study.

Within this sector, there were even bigger falls noted among the most energy-intensive industrial groups, such as chemical producers, suggesting they would sharply reduce capital expenditure this year.

German industrial energy prices are double those in the US and China, according to a recent study by research group Prognos for the Bavarian employers' association VBW.

Retailers also signalled heavy cuts to their investment plans, which have turned negative for this year and next, Ifo said.

However, automotive manufacturers said they aimed to maintain their investment at a high level.

Carsten Brzeski, head of global macro research at Dutch bank ING, said the recent court ruling had caused "self-inflicted damage to the German economy", adding that it "will weigh strongly not only on investments but also on consumption".

It prompted him to slash his forecast for German gross domestic product to shrink 0.4 per cent next year.

German investment has rebounded in recent years, according to figures from the World Bank showing gross fixed capital formation as a share of GDP has risen from a low of 19 per cent in 2009 to 23 per cent last year — catching up with the EU average.

However, a growing number of German companies plan to shift parts of their activities abroad, particularly energy-intensive manufacturers, according to a recent study by consultancy Deloitte and the business lobby group BDI.

Outliers: automotive groups aim to maintain high investment levels

INTERNATIONAL

Israel pins hopes on destroying Hamas's vast tunnel network

Labyrinth said to be larger than London's Tube is seen as key to rooting out fighters

NERI ZILBER — TEL AVIV
JOHN PAUL RATHBONE — LONDON

The small Israeli army drone inside an arched concrete corridor flew for several minutes, along a 300-metre tunnel large enough for a tall man to walk through unbowed.

Along it were rooms with air-conditioning, toilets and kitchens, electrical and communication cables and a now-demolished blast-proof door Hamas fighters could shoot through.

The tunnel the Israel Defense Forces said it filmed last month below Gaza's al-Shifa hospital was a substantial military capability. But it is also only a small part of Hamas's vast subterranean domain experts say will define the strategic outcome of Israel's campaign.

The drive to root out fighters in Hamas's tunnels and demolish the network is one reason the Israeli military is pressing on with its punishing offensive after a week-long truce, despite increasing global pressure over the bloodiest Israeli-Palestinian conflict in decades.

"Destroying Hamas's tunnels is the most difficult aspect of the Israeli military's mission . . . and among its most important," said Daphné Richemond-Barak, a professor at Israel's Reichman University and author of a book on tunnel combat. "It will take time."

The web, said to be bigger than the London Underground train network, enables Hamas's most senior leaders and fighters to take shelter. Most are thought to have survived weeks of Israeli attacks.

The tunnels, immune from drone surveillance and many of Israel's other capabilities, including air strikes, are also where Hamas is thought to keep its arsenal of rockets, as well as more than 130 hostages it still holds after seizing them from Israel in its October 7 attack.

One former Israeli security official said the word "tunnels" did not do justice to what Hamas has under Gaza, calling them "underground cities".

Yocheved Lifshitz, an 85-year-old hostage released by Hamas in October, called the network a "spider web" that was "kilometres long" with "large hall[s]" big enough to hold 25 people.

Jewish rebels used tunnels in a revolt against Roman rule 2,000 years ago, as did the Viet Cong fighters who beat US forces in the Vietnam war. But after burrowing through Gaza's soft sandstone since taking over the enclave 16 years ago, Hamas has taken it to a new level.

"The modern battlefield is seeing a fusion of ancient and digital capabilities," said Anthony King, an urban war expert at the University of Exeter. "And sometimes it is the ancient techniques [such as tunnels] that can beat the rest."

The tunnels' destruction is an IDF priority, but it has not detailed how it plans to achieve it. So far it has located more than 800 shafts, destroyed 500 of them and collapsed what Israel's military has described as "many miles" of tunnels.

"Wherever our soldiers [above ground] manoeuvre we have a high success rate destroying tunnels," said one person familiar with Israeli military planning. But the network is estimated to be more than 500km long, and many shafts emerge in civilian buildings, said the IDF.

Israeli soldiers inside a tunnel, and below, at a shaft entrance, both said to be beneath al-Shifa hospital in Gaza
Victor R Caivano/AP; Ronen Zvulun/Reuters

It said on Sunday that its jets and helicopters had "struck terror targets in the Gaza Strip, including tunnel shafts", after the breakdown of the truce that led to the exchange of some Israeli hostages for Palestinian prisoners.

Israel now controls much of northern Gaza, at least above ground. Yet IDF soldiers still face attacks by Hamas fighters popping up from tunnels behind them and retreating. This has helped to prolong the fighting, increase the death toll of Israeli soldiers and erode international support as Palestinian civilian casualties mount.

The IDF said four soldiers were killed on November 10 at one tunnel entrance in Gaza's north-east. More than 70 soldiers have died since the IDF launched its ground attack on October 27.

"The tunnels are a massive challenge," one Israeli official said. "They [Hamas] have also placed things inside; booby traps, obstacles to our movement, that raise the risk [for us]."

The IDF last week blew up the tunnel under the al-Shifa hospital, amid concerns the rest of the network was primed with explosives. Hamas had learned from previous attacks, Israel said. That includes the 5,000lb "bunker buster" bombs Israel reportedly used in a 2021 offensive, with limited success.

> 'The modern battlefield is seeing a fusion of ancient and digital capabilities'

> 'They [Hamas] have placed things inside; booby traps, obstacles to movement, that raise the risk [for us]'

"The lesson Hamas learned from the 2021 air strikes . . . was to dig deeper and to encase the tunnel system with reinforced concrete," said Yehuda Kfir, an Israeli civil engineer and captain in the IDF reserves.

"Hamas [has] likely built different layers," Kfir added. "An upper 'defensive' level with booby-traps, narrow [tunnels], blast-proof doors we've already seen, and a lower 'offensive' level that holds things like logistics centres, living quarters and weapons stores."

The militant group has also built smuggling tunnels into Egypt.

Israel has received $320mn of US military aid since 2016 to develop anti-tunnel techniques, yet none is a silver bullet. It also has anti-tunnel engineers and underground commandos equipped to probe and try to collapse them. But to preserve soldiers' lives, the IDF has used tunnel dogs, robots and drones. "The government is pouring more resources into finding a solution," said an official.

The first step is to locate the tunnels. A simple tactic, called "purple hair", involves throwing a smoke grenade into a tunnel entrance and sealing it with foam to see if smoke emerges elsewhere.

The next step is to demolish a tunnel, experts said, requiring explosives set along long portions of the passageways.

Kfir said one method was to use liquid explosives that fill the tunnel space and then detonate. Another, he said, was thermobaric weapons, which suck in oxygen to generate a high-temperature explosion that flows around obstacles. But these are controversial because of the broader impact of the explosions.

Pumping in seawater at high pressure is a third option, and one that Israel is said to be using. Richemond-Barak said this had the advantage of already being used in the oil and gas industry. But the problem is "you don't know how much you have achieved".

Another possibility is to dig tunnels that intercept Hamas's control nodes.

"Israel should . . . get to the heart of the system from below," Kfir said.

Such approaches highlight the difficulties and time needed and why some officials regret that Israel did not complete the task years earlier.

Gideon Rachman see Opinion

INTERNATIONAL

COP28

Kerry defends US over surging gas output

Envoy says legislation by Biden makes country a global climate leader

AIME WILLIAMS — DUBAI
JAMIE SMYTH — NEW YORK

John Kerry has defended the surge in US gas production to record levels, maintaining that Washington is a global climate leader after the launch of the Inflation Reduction Act last year.

The US's top climate diplomat is attending COP28 in Dubai at a time when Washington's attention is consumed by two wars and the possibility of a second Donald Trump presidency. But he said even Trump could not roll back the centrepiece of president Joe Biden's economic strategy, with $369bn in clean energy subsidies and tax breaks.

Speaking to the Financial Times as officials met in Dubai to hammer out a deal to limit global warming, Kerry said that while the US had boosted LNG production because of Russia's war in Ukraine, it was still committed to phasing out all fossil fuels where emissions were not captured.

"We have signed up to the phaseout of unabated fossil fuels, we have signed up and we voted for it at the G7," said Kerry, referring to an agreement to boost the effort to reach net zero in energy systems by 2050.

"The increased production is a reflection of Ukraine, the effort to come back from Covid and the reflection of what happened with Russia cutting off all the gas to Europe . . . we are sending a lot over there and other places to try to help them out."

This year, the US overtook Qatar to become the world's largest LNG exporter. Its seven terminals can process as much as 11.4bn cubic feet a day, according to the Energy Information Administration — enough to satisfy the combined gas needs of Germany and France.

Five more LNG projects are under construction, which would add another 9.7bn cf/d. The US oil and gas industry is proposing to build dozens more plants, which it says will generate hundreds of billions of dollars in investment and create tens of thousands of jobs.

US oil production is also at a record high, with output of 13.2mn barrels a day in September. It is producing more oil than any country in history even as Opec+ countries curb supply in a bid to bolster prices. But Kerry denied that this made the US position at the UN's annual climate summit more difficult in urging other countries to back an agreement for the phaseout of fossil fuels.

"We are on a pathway to keep 1.5 alive," said Kerry, referring to the goal to limit global warming. "The bigger problem is the 550 gigawatts or so of coal-fired power that is unabated, that is coming online in Asia, so what we need to do is find a way to accelerate everyone's transition."

He added: "We are not trying to point a finger at one country or one place. We are ready to hold ourselves accountable."

Biden did not make an appearance at the climate summit this year, against the backdrop of the Middle East war and the looming presidential campaign.

Xi Jinping, leader of China, the world's biggest emitter, was also absent, after meeting Biden in the US last month, when they agreed to accelerate the rollout of renewable energy to displace fossil fuels.

US. Foreign policy

Republicans debate insular era under Trump

Party members wrestle with legacy of Reagan's global vision as some oppose military aid

FELICIA SCHWARTZ
SIMI VALLEY, CALIFORNIA

Campaign trail: Donald Trump arrives at a rally in Ankeny, Iowa, at the weekend. Below, Ronald Reagan — Matthew Putney/AP

At an annual gathering of national security leaders at the Ronald Reagan Presidential Library over the weekend, the spectre of Donald Trump loomed large even as his name was barely mentioned.

The Republicans in attendance argued for the kind of muscular foreign policy no one expects to see should Trump — who has criticised the US's global alliances and its foreign wars — be re-elected in 2024.

Stephen Hadley, George W Bush's former national security adviser, urged a global posture that advanced the nation's founding principles, including democracy, freedom, human rights and the rule of law.

"We should be confident that our principles are the right ones and they will win out," Hadley said. "We should have some underlying confidence in our system and our people".

At the same time, Trump was in Iowa reiterating his 2024 campaign theme that the American dream is a thing of the past. "Joe Biden is the destroyer of American democracy . . . the American dream is dead with them in office," he said. "If you put me back in the White House . . . America will be a free nation once again."

As Republicans look likely to nominate the isolationist Trump next year, they are wrestling with the legacy of their former standard bearer — Reagan — and whether his hawkish foreign policy still has a place in the GOP. Reagan believed US security and prosperity were enhanced through the expansion of freedom throughout the world, while Trump has embraced a turn inward.

As part of his re-election bid, the former president has vowed to negotiate an end to the war between Russia and Ukraine within 24 hours and promised to "fundamentally re-evaluate" Nato's purpose and mission.

At the same time, the Republican party is split over whether the US should continue to fund Ukraine in its war against Russia. A group of Trump acolytes in the House of Representatives has opposed further military aid.

Republican attendees at the Reagan forum insisted that opposition from their party's own lawmakers to further support for Ukraine, Israel and Taiwan was not reflective of the wider GOP.

"So many Americans and Republicans still support the principles of Ronald Reagan even when they're not being advocated to them," Marc Thiessen, a former speechwriter for George W Bush said during a panel about US global engagement ahead of the 2024 election.

Several recent polls have indicated declining support for Ukraine in the US, especially among Republicans. But a Ronald Reagan Institute poll released before the weekend conference indicated widespread support for the US's global alliances and for military spending — findings that the institute's director Roger Zakheim urged Congress to consider as it debated the very un-Reaganite proposition of slashing defence spending.

While the participants publicly skirted Trump, privately many whispered about how the US's coalition to support Ukraine and other foreign policy priorities might be abandoned should Trump return to the White House in 2025.

Some former senior Trump administration officials milled about the conference in Simi Valley, California, but most who were there had left his orbit.

The buzz behind the scenes was speculation that Trump, now at odds with many of the foreign policy hands who served in his first administration, might take bolder steps in his second tenure in the White House. This could include withdrawing the US from Nato or negotiating an end to the Ukraine war with Vladimir Putin, moves that would be at odds with the sort of role on the world stage Reagan envisioned.

"How would Reagan react?" one diplomat attending asked. He pointed to how congressional Republicans who have adopted Trump's "America first" ideology — such as Matt Gaetz, Andy Biggs and Marjorie Taylor Greene — have placed future funds for Ukraine in jeopardy.

While Reagan advocated peace through strength, the diplomat ascribed the US's increasingly inward turn, whether on trade or security assistance for Ukraine and other allies, to "a lack of self-confidence".

While the setting was serene, with industry, military and congressional officials mingling to the backdrop of rolling hills and blue skies, several attendees said the mood was gloomy.

> 'If you put me back in the White House . . . America will be a free nation once again'
> Donald Trump

Jack Bergman, a Republican congressman from Michigan and a retired Marine Corps lieutenant-general, supports funds for Ukraine but wants to see more transparency about how they are spent. Asked whether he feared Trump would stop supporting Kyiv, he said: "Congress needs to take a stand."

"A president has ideas but a president is only the executive. Our country is run by separate powers . . . Congress has to step up, others have to step up and stop being afraid of their own shadow and actually do the job and don't worry if they don't get re-elected."

Some of the tensions bubbled out into the open at the day's end, with former CIA director Leon Panetta calling for the next US president to "unify" the US.

Pointing to Trump's former national security adviser Robert O'Brien, Panetta said: "Your president hasn't unified the country, he's split the country . . . If the next president wants to save our democracy, he better damn well unify this country."

Gideon Rachman see Opinion

Border tension

Venezuela says referendum backs claim to oil-rich parts of Guyana

JOE DANIELS — BOGOTÁ

Venezuela's socialist government has trumpeted what it says is an "overwhelming victory" in a referendum on its claim to an oil and mineral rich stretch of neighbouring Guyana.

The plebiscite, which Guyana has described as a pretext for "annexation", marks a new phase in a dispute over the Esequibo region, which has escalated since ExxonMobil made one of the world's biggest recent oil discoveries in the Stabroek block off its coast in 2015.

"We have to give a standing ovation to the Venezuelan people," said Nicolás Maduro, the authoritarian president, in Caracas on Sunday after the electoral authority's official results said it had counted more than 10mn votes.

"[We] have taken the first steps of a new historic phase of fighting for what is ours, and to recover what the liberators left us: Guayana Esequiba," as the disputed region is known in Venezuela.

Maduro did not mention what steps Caracas might take next but he celebrated what he claimed was a strong turnout. In his speech, he referred to the referendum as "consultative".

Jorge Rodríguez, president of Venezuela's National Assembly, posted a video on X showing a small group of indigenous people lowering a Guyanese flag in a mountainous region, which he said had been put up by Guyana's president Irfaan Ali the previous month, and raising a Venezuelan flag in its place.

"On November 23, that slave of ExxonMobil who acts as president of Guyana, in a display of provocation, went to the Sierra de Paracaima and raised a Guyanese flag and left," Rodríguez wrote. "Well, I want you to see this video." Maduro quickly retweeted the video, whose filming date and exact location were not clear.

Sunday's vote was despite an order on Friday from the International Court of Justice for Venezuela to refrain from "taking any action" that would alter the status quo of the region, over which Guyana "exercises control". The court, which is considering the issue, stopped short of saying not to hold the ballot.

The 160,000 sq km of land claimed by Venezuela is home to about 200,000 Guyanese, who mainly speak English and indigenous languages. It represents about two-thirds of Guyana's territory.

Tensions flared ahead of the vote, with Guyana claiming Caracas was preparing a military build-up in case it wanted to enforce the referendum's outcome. Venezuelan government officials said its troops were deployed to carry out operations against illegal mining.

Brazil, which borders both countries, said it had "intensified" defence measures near the territory ahead of the vote, "promoting a greater military presence".

Observers and opposition politicians inside Venezuela have said the vote is an attempt by Maduro to buoy domestic support as the country prepares for elections in the second half of 2024.

Maduro, who won re-election in 2018 in a vote regarded by the US as fraudulent, has yet to announce his candidacy, but is widely expected to run. To try to entice Maduro into allowing a "free and fair" poll next year, the US last month eased sanctions on oil, gold and secondary financial markets for six months.

Trade corridor

Red Sea attacks fan fears of war spreading

OLIVER TELLING — LONDON
SAMER AL-ATRUSH — DUBAI
ALEX ROGERS — WASHINGTON

The attacks on a US warship and three commercial vessels in the Red Sea have raised concerns over a potential worsening in the fallout from Israel's conflict with Hamas.

The US defence department cited reports of strikes on Sunday on commercial ships and the USS Carney, a destroyer that had been operating in the vital trade corridor and had shot down drones and missiles fired from Yemen in recent weeks, according to officials.

The Houthis, an Iran-backed rebel group that controls part of Yemen, separately claimed it targeted two ships with a drone and missile. The group claimed that the ships were linked to Israel.

US Central Command said the Houthis in Yemen, "fully enabled by Iran", had targeted three commercial vessels, connected to 14 countries, with ballistic missiles or drones. The UK-owned cargo ship Unity Explorer and two other bulk carriers were struck and reported damage but no casualties.

The USS Carney had responded to the ships' distress signals and shot down drones heading its way, said Central Command. There was neither damage to the ship nor injuries to the crew.

"These attacks represent a direct threat to international commerce and maritime security," said the department. "They have jeopardised the lives of international crews representing multiple countries around the world . . . The US will consider all appropriate responses in full co-ordination with its international allies and partners."

> Houthi rebel forces 'have jeopardised the lives of international crews [from] countries around the world'

The attacks underline fears the military conflict between Israel and Hamas could spread across the Middle East, which would have serious implications for regional stability and global trade.

The Red Sea and the waters dividing the Middle East and Africa make up one of the world's most important trade corridors, offering a shortcut for ships travelling between Asia and Europe.

In recent weeks, the industry has been shaken by the growing threat to ships in the region, after Houthi forces boarded and hijacked a car carrier linked to Israeli businessman Abraham Ungar in November, diverting it to a nearby port under their control. But until Sunday, the relatively small number of Israeli-owned ships had been though the most exposed, with some operators choosing to avoid the region.

Among the reported victims on Sunday was a Japanese-owned bulk carrier that "experienced heavy vibrations" from a nearby explosion and may have been "struck by an unidentified object", said maritime security group Ambrey, which offers consultancy and armed protection to owners. It added a South Korea-owned crude oil tanker had "sighted an explosion above the vessel".

Owners have voiced concern over the Houthis' ability to determine which vessels are Israeli-owned.

Additional reporting by Felicia Schwartz

See Lex

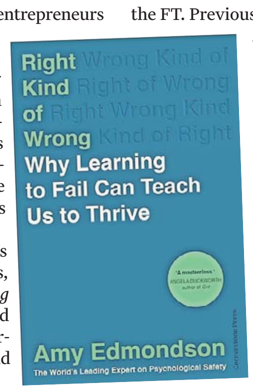
FT-Schroders prize

Study of failure wins book of the year award

ANDREW HILL — LONDON

Amy Edmondson has won the Financial Times and Schroders Business Book of the Year Award for *Right Kind of Wrong*, about how to learn from failure and take better risks.

Her book won over the judges with its systematic, richly illustrated exploration of how to build on "intelligent failure" and its critique of the craze for failure that often hypnotises entrepreneurs and innovators.



Harvard Business School professor Edmondson is best known for her research into "psychological safety". Hers is the first mainstream management book to win the £30,000 award, now in its 19th year.

Roula Khalaf, the FT's editor and chair of judges, said *Right Kind of Wrong* was "a highly readable and relevant book, with important lessons for leaders and managers everywhere".

The book illustrates its point with important cases, from early heart transplants to the Boeing 737 Max crashes. Peter Harrison, Schroders' chief executive and another judge, said it provided "clarity and practical prescription to address the issues businesses face every day".

This is the first year of a new three-year business book award partnership between asset manager Schroders and the FT. Previous winners include Chris Miller's *Chip War* last year, and Nicole Perlroth's *This Is How They Tell Me the World Ends* in 2021.

The winner of the award, also supported by FT owner Nikkei, was announced in London last night.

The other 2023 finalists were: *Material World*, by Ed Conway, which explores the origins and uses of six minerals that underpin the modern world; Walter Isaacson's *Elon Musk*, a biography of one of the highest-profile proponents of a "fail fast, fail often" philosophy; Bent Flyvbjerg and Dan Gardner's *How Big Things Get Done*, which focuses on why megaprojects almost invariably run over time and over budget; *Cobalt Red*, by Siddharth Kara, which investigates the human rights abuses that taint the mining of that essential raw material; and *The Coming Wave*, by DeepMind co-founder Mustafa Suleyman (with Michael Bhaskar), which lays out how to contain the threat posed by new technologies. Each received £10,000.

The other judges were Mimi Alemayehou, founder of Semai Ventures; Daisuke Arakawa, Nikkei's managing director for global business; Mitchell Baker, Mozilla Corp chief; Herminia Ibarra, professor of organisational behaviour at London Business School; James Kondo, chair, International House of Japan; Randall Kroszner, professor of economics at University of Chicago Booth School of Business; and Shriti Vadera, chair of Prudential and the Royal Shakespeare Co.

Ballot battle Shareholder vote rejects Brookfield-led $13bn takeover of Origin, Australia's largest energy group ➔ COMPANIES & LEX

Bitcoin and gold surge on bets that rates are set to drop

- Hopes of Fed cut fuel cross-asset rally
- End of crypto criminal cases lifts mood

SCOTT CHIPOLINA, STEPHANIE STACEY AND GEORGE STEER — LONDON

Bitcoin surged to its highest price in nearly 20 months while gold hit an all-time peak yesterday, as frenzied investor speculation that interest rates will fall next year rippled through assets across the globe.

The cryptocurrency soared to more than $42,000, also boosted by optimism that the toughest regulatory punishments for the industry have passed. It later fell back to $41,662, up 7.4 per cent on the previous day.

Gold rallied as much as 3 per cent to $2,135 per troy ounce yesterday, a new record, before slipping to $2,025 per troy ounce, according to LSEG data. The moves follow a recent rush into stocks and bonds, fuelled by expectations that the Federal Reserve will soon cut borrowing costs despite chair Jay Powell's assertion on Friday that it was "premature" to conclude that the central bank has won its battle with inflation.

> 'You look at bitcoin and gold and you see a very similar kind of evolution'
>
> Luca Paolini, Pictet strategist

"You look at bitcoin and gold and you see a very similar kind of evolution," said Luca Paolini, chief strategist at Pictet Asset Management. "All the asset classes that tend to do well when the Fed cuts rates aggressively are doing well."

Traders are betting the first rate cut could come as soon as March after a sharp decline in government and corporate borrowing costs as US bond markets enjoyed their biggest monthly rally in nearly four decades in November.

Lower yields on ultra-safe US Treasury debt have made other assets relatively more attractive to investors.

The S&P 500 index closed at its highest level since March 2022 last week, although it fell 0.6 per cent midway through yesterday's session.

Recent US economic data has been resilient even while inflation has fallen, further boosting risky assets like stocks.

Max Kettner, chief multi-asset strategist at HSBC, said that markets were in the grip of an "everyone-is-happy-Goldilocks rally" across "virtually all asset classes".

Traders said the momentum to buy bitcoin, whose value has climbed by more than a fifth in the past month, was also driven by growing interest among investors after the closure of two of the highest-profile criminal cases that had hung over the market for the past year. Last month the US successfully prosecuted Sam Bankman-Fried, the ex-chief executive of FTX, and Binance, the world's largest crypto exchange.

Bankman-Fried was convicted of fraud and Binance paid $4.3bn in penalties after pleading guilty to criminal charges related to money laundering and financial sanctions breaches.

But despite many traders' fears, US authorities did not shut down Binance.

"The message from many institutional investors was that they needed two things before looking at the space again: closure on FTX and clarity around Binance," said Henri Arslanian, co-founder of Nine Blocks Management, a crypto hedge fund manager based in Dubai.

Investors are also hopeful the SEC will approve an exchange traded fund for bitcoin in coming weeks.

The SEC has refused for a decade to approve spot bitcoin ETFs, stock market funds that invest directly in the cryptocurrency.

The market has long viewed spot bitcoin ETFs as a way to wrest control of digital assets from scandal-ridden crypto groups in favour of mainstream businesses such as BlackRock.

Aircraft deal UBS sells Credit Suisse jet used by Horta-Osório during Covid rules breaches

The Dassault Falcon 7X has been bought by a Société Générale subsidiary for an undisclosed price — Robert Buche/Alamy

OWEN WALKER
EUROPEAN BANKING CORRESPONDENT

UBS has sold the Credit Suisse jet that the collapsed bank's then-chair, António Horta-Osório, used when breaching lockdown rules to attend sporting events.

The Dassault Falcon 7X was sold to a German subsidiary of French bank Société Générale that specialises in aircraft leasing, ownership documents seen by the Financial Times show. The price was not disclosed.

People with knowledge of the decision said the sale in recent weeks had been planned by the Credit Suisse team before its rescue by UBS this year. UBS executives have pushed through the sale after criticising Credit Suisse's high-risk-taking and high-reward culture.

Flight records obtained by the FT show that Horta-Osório used the jet to fly to London to watch the Wimbledon finals and the final of football's European Championships on the same day in July 2021.

Credit Suisse board probes of Horta-Osório's use of the bank's jets as well as at least two breaches of Covid travel curbs — including on the London trip — led to his departure as chair at the start of last year, after nine months.

Flight records show that the Falcon 7X was used on another trip investigated by the Credit Suisse board, where Horta-Osório accompanied

> The then-chair used the plane to fly to London to watch the Wimbledon finals and the Euros

another executive on a flight from Singapore to Zurich 10 days after the London trip. Horta-Osório suggested the jet stop in the Maldives on the way for refuelling, where he disembarked to join his family for a holiday.

While his use of the company's jets angered some board members, an internal audit report seen by the FT found that it was in line with his predecessor's use and that any additional expenses had been repaid.

Among other owners of the Falcon 7X are Taylor Swift and former Formula One boss Bernie Ecclestone.

Credit Suisse was still the registered owner of another private aircraft, a Bombardier Global 7500 — once the most expensive corporate jet and dubbed the "Ferrari of the skies" — which was bought two years ago for more than $75mn, according to people familiar with the transactions.

People close to the company said Credit Suisse held the title to the aircraft through its aviation leasing division as security against financing provided to a client.

The Global 7500 is owned by celebrities including reality TV star Kylie Jenner, who has a pink model.

The aircraft — which has four living spaces including a private bedroom, seating area, dining room and cinema — can fly 7,700 nautical miles at a time, reaching altitudes higher than commercial jets, allowing for longer and faster flights.

UBS and Société Générale declined to comment.

Roche to buy Carmot as weight-loss race heats up

DONATO PAOLO MANCINI

Roche has agreed to buy anti-obesity drug developer Carmot Therapeutics for up to $3.1bn, as the Swiss pharmaceuticals group joins the charge into the market for weight-loss treatments.

The acquisition of Carmot, which is based in Berkeley, California, hands Roche a series of assets based on glucagon-like peptide 1 (GLP-1) agonists, which were developed to help control blood-sugar levels in diabetics.

GLP-1s now underpin a weight-loss drug, Wegovy, developed by pharmaceuticals group Novo Nordisk. The Danish group and Eli Lilly dominate the fast-growing market for weight-loss treatments that analysts have estimated could be worth as much as $140bn.

Under the terms of the deal, Roche said that it would pay Carmot's shareholders an initial $2.7bn and a further $400mn, dependent on whether the start-up achieved certain milestones.

In May, hedge fund Millennium Management and asset manager Janus Henderson were among investors who backed a $150mn Carmot fundraising.

Roche's chief executive, Thomas Schinecker, said: "Obesity is a heterogeneous disease, which contributes to many other diseases that together comprise a significant health burden worldwide. By combining Carmot's portfolio [with ours] . . . we are aiming to improve the standard of care and positively impact patients' lives."

The potential size of the market for obesity treatments has left other drugmakers hurrying to catch up with Novo Nordisk and Eli Lilly, which have so far developed drugs that can only be injected. AstraZeneca and Pfizer are pursuing treatments in pill form.

Analysts have said that it will prove difficult for pills to achieve the same efficacy as injectable treatments, but Roche said it believed Carmot's assets had "best-in-class potential to achieve and maintain weight loss with differentiated efficacy", as well as the ability to be combined with other medicines it is developing.

Roche first tried to develop a drug using GLP-1s more than a decade ago, before ditching the attempt. The purchase of Carmot is the latest step by Schinecker, who took over as Roche chief earlier this year after previously leading the company's diagnostics division, to replenish its drug pipeline.

See Lex

Europe's zombie banks are grappling with distinctive drawbacks

INSIDE BUSINESS
FINANCE

Patrick Jenkins

The seasoned banker said: "At business school they teach you a simple lesson. If a company is trading for a sustained period below the value of its net assets, it should be closed down or broken up."

A study by Boston Consulting Group, due to be published next month but foreshadowed at the FT's Global Banking Summit last week, shows that an extraordinary 73 per cent of Europe's banks are trading below their book value. The vast majority have been doing so for more than a decade.

Welcome to the realm of Europe's zombie banks.

These are no ordinary zombies. Unlike standard undead companies, sustained by years of ultra-low interest rates but now struggling with normalised funding costs, the opposite should be true of banks: margins on lending have been boosted by interest rates that have not been this high for 15 to 20 years.

Many European lenders have indeed been delivering healthy profits. Shareholder payouts relative to the banks' stubbornly low share price are running at more than 15 per cent, according to Mediobanca analysts, once you factor in share buybacks as well as dividends.

Yet investors are unmoved, seeing banks' current returns as unsustainable. Even among the few banks that have enjoyed substantial share price recoveries (UniCredit stock has doubled this year), valuations remain well below book value. (UniCredit's price-to-book ratio is 73 per cent.)

The break-up rationale, then, should still apply. It doesn't.

There have been involuntary, government-mandated break-ups — the UK's Northern Rock and Belgo-Dutch Fortis in 2008, for example. There have been some attempts at break-up by investors, particularly in the UK: HSBC was targeted by Knight Vinke more than 15 years ago and more recently by minority shareholder Ping An, the Chinese insurer. Later, Barclays was attacked by Edward Bramson's Sherborne. But nothing has come close to following the business-school textbooks.

It is not a wholly European problem. BCG's study shows that the low valuation problem afflicts more than a third of US banks and nearly all banks in parts of Asia. However, there is a particularly toxic cocktail of causes across the EU and in the UK.

> The cocktail of causes includes economic anaemia; but while the bear case is easy to make, there are reasons for cheer

The first weakness is the region's anaemic economic growth.

The second is the region's quixotic policymaking. Bank supertaxes have been imposed in several countries, as prolonged punishment for the damage they wrought in 2008 (as in the UK), or as a more recent response to higher profit margins (as in Spain). Italy's plan to impose a tax was revised to allow banks to boost reserves instead, but it is still blamed for spooking investors.

A third issue is breadth of operations. Their home European market is far more fractured as a result of the failure to create a proper EU single market. The EU's "banking union" remains only half-delivered and a proposed "capital markets union" is largely just a blueprint. This has ensured that even the most ambitious European group only has a significant presence in two or three EU countries.

A fourth differentiating drawback — relatively weak investment capacity — flows from the other three, but as the need to overhaul business models with artificial intelligence tools and other technology infrastructure intensifies, US banks are dwarfing their European rivals in terms of tech investment. All of this renders the bear case for Europe's banks easy to make, especially as loan defaults rise at this stage in the economic cycle.

Among the reasons for optimism is the apparently solid state of European bank capital, liquidity and supervision that prevails at UK and ECB-regulated banks. The springtime regional banks crisis in the US and the collapse of Credit Suisse did not infect the UK or eurozone.

Some opportunistic investors, such as London-based Toscafund, have made decent money on selective European bank picks.

"It doesn't matter that they're still below book value," says one investor. "If they go from 35 per cent of book value to 70 per cent of book, you still double your money."

If, over time, investors steadily see that balance sheets are solid and that the policy environment remains stable, and memories of past disappointments fade, Europe's banks may one day make it back to book value, finally expunging the zombie phenomenon.

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Pharmaceuticals

Purdue to shape bankruptcy law

US Supreme Court ruling on opioid crisis settlement will hang over other cases

SUJEET INDAP — NEW YORK

The Supreme Court yesterday questioned the Department of Justice's effort to invalidate a settlement in the bankruptcy of Purdue Pharma that would shield members of the group's founding Sackler family from future civil liability in exchange for a $6bn contribution.

"For 30 years bankruptcy courts have been approving plans like this . . . Why is [this settlement] categorically inappropriate?" Justice Brett Kavanaugh asked a lawyer for the DoJ, Curtis Gannon, who had argued that the comprehensive liability releases granted to the Sacklers could not be justified under existing US law.

Gannon argued that the Sacklers should not get such a release, no matter the size of their contribution, unless they filed for bankruptcy themselves.

"The Sacklers are saying they want global peace, they would pay a lot for 97.5 per cent," Gannon said, arguing that nearly all claimants wanted to be paid soon and thus would bring the Sacklers to the bargaining table for a deal even without a comprehensive release.

But lawyers for Purdue, the Sacklers and the creditors committee, which includes claimants, have argued that the full liability release is a condition for the Sacklers making any financial contribution to the settlement pot.

Legal experts say a decision in the case, which will probably come by the summer, will influence Chapter 11 bankruptcies for years, ranging from mass torts to cryptocurrency blow-ups and private equity-centred restructurings.

"I think the case is the most important corporate bankruptcy case to come to the court in at least the last 30 years," said Anthony Casey, a law professor at University of Chicago.

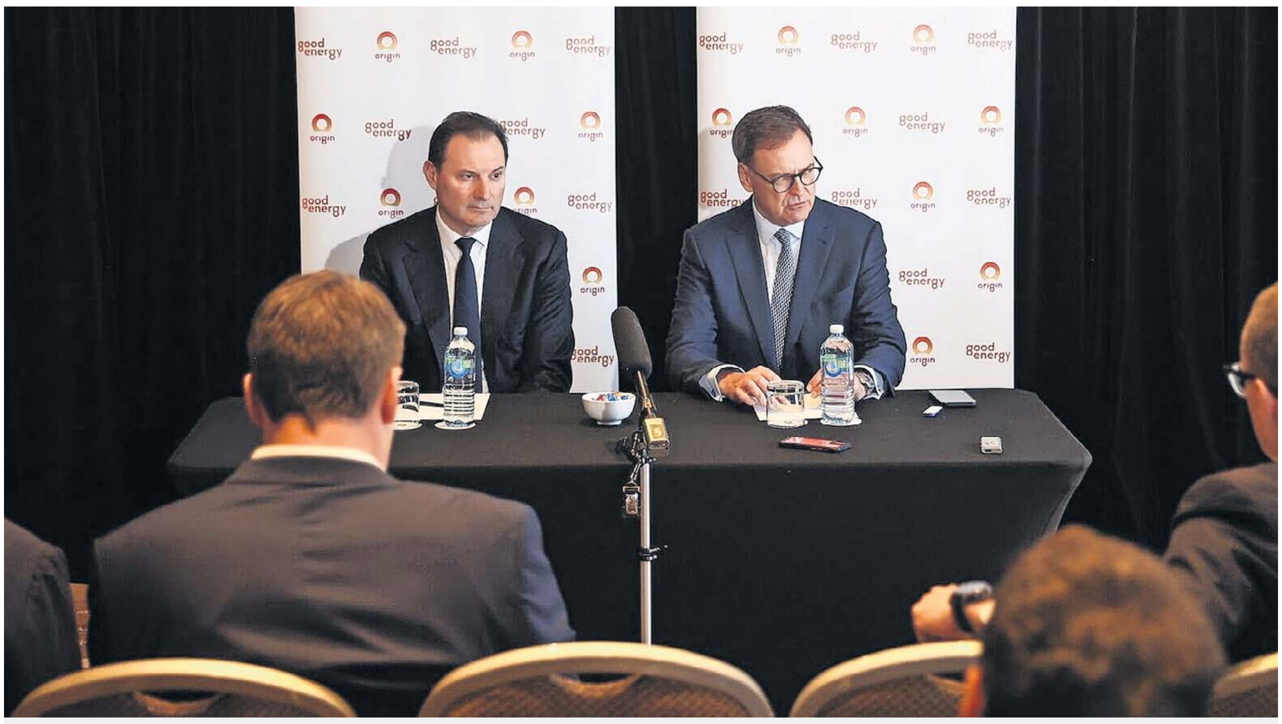
An initial deal struck and approved in 2021 by the New York federal court overseeing Purdue's bankruptcy called for members of the Sackler family who had long controlled the group to put up $4.3bn to fund payments to users of the painkiller OxyContin, as well as treatment programmes run by states and cities. In exchange for the contribution, the Sacklers insisted that the deal would permanently bar any civil lawsuits over Purdue's alleged misdeeds, although it would not foreclose potential criminal proceedings.

The Office of the US Trustee, a division of the justice department that oversees the bankruptcy, has said that those releases are unlawful since the Sacklers themselves did not file for Chapter 11. Further, the US Trustee said, those proposed releases would stop those who said they were harmed by Purdue from exercising their constitutional right to sue the family.

The independent managers that have taken control of Purdue, along with the Sackler family, have argued that the settlement — which was eventually raised to between $5.5bn and $6bn — has been agreed by well over 90 per cent of Purdue creditors and that a bankruptcy deal is the fairest and fastest way for money to reach needy victims.

"[W]ithout the releases, there is no settlement, the debtors likely would be forced into a Chapter 7 liquidation, and unsecured creditors would probably recover nothing from the debtors' estates," Purdue wrote in its brief to the Supreme Court.

"Purdue goes to the core functioning of Chapter 11," said Casey, warning that pending settlements could be unwound depending on the ruling.



Origin CEO Frank Calabria, left, and chair Scott Perkins talk to journalists after the vote rejecting the Brookfield-led takeover
Brendon Thorne/Bloomberg

Unplugged
Shareholder power turns off Origin deal

Shareholder opposition has thwarted a multibillion-dollar deal in Australia for the second time in two months, with a takeover bid for the country's largest energy company being voted down in Sydney yesterday.

Origin Energy shareholders were not won over in sufficient numbers to clear a $12.7bn offer from a consortium led by Canadian asset management company Brookfield, which intended to buy and break up the business.

After a protracted battle that lasted more than 400 days, only 69 per cent of shares were cast in favour of the deal in a vote at the city's Shangri-La hotel. A level of 75 per cent was needed for approval.

It is the second big deal to fail due to shareholder resistance in recent weeks, with US lithium miner Albemarle abandoning a A$6.6bn ($4.2bn) bid for Liontown Resources in October after billionaire Gina Rinehart built a large stake in the Australian lithium company.

The result also follows the successful intervention last year by Australian tycoon Mike Cannon-Brookes to block the demerger of Origin's rival AGL.

Brookfield had planned to use Origin to help lead the country's transition from coal-powered electricity to renewable energy. Origin, with 4.5mn customers, is one of the largest integrated electricity generating and retail companies in the world. This made it a prime target for Brookfield's transition fund, led by former Bank Of England governor Mark Carney. Private equity group EIG was to take over offshore gas assets in the break-up of the company.

However, some investors argued that Brookfield was buying on the cheap, citing Origin's rising profitability and the increase in value of its stake in UK energy company Octopus. They said Origin should be able to fund its energy transition as an independent company.

The country's largest pension fund, AustralianSuper, was Origin's biggest investor and opposed the sale, describing the bid as a "low-ball offer". It raised its stake to 17 per cent to narrow Brookfield's chances of victory.

The Origin board had recommended approval of the offer, but its chair Scott Perkins said after the vote that the arduous bidding process had not disrupted the company's momentum and would not change its strategy. "There's been a contest over value but not a contest over strategy," he said.

Some shareholders disagreed. Jamie Hannah, deputy head of investments at VanEck, which holds more than 5mn shares and voted in favour of the takeover, said Origin now needed to set "more aggressive targets" for renewable power generation to match the ambition of the group that tried to buy it.

Key to the Brookfield consortium's plan was a pledge to invest up to A$30bn in renewable energy to transform the country and the company into a leader in the transition to greener energy.

AustralianSuper said it was open to providing capital to assist a transition. Perkins said he welcomed the statement given the scale of the opportunity to invest in renewable energy.

Origin shares closed 4 per cent lower at A$7.86, or 17 per cent below the Brookfield offer. *Nic Fildes*

See Lex

Financials. Venture capital

Tech funds adopt private equity strategies in race to repay investors

Continuation vehicles enable Silicon Valley firms backing start-ups to 'reset the clock'

TABBY KINDER AND GEORGE HAMMOND
SAN FRANCISCO
WILL LOUCH — LONDON

Silicon Valley venture capital firms are rushing to create private equity-style structures in a race to protect their portfolios and return money to investors.

VC funds that invest in tech start-ups typically run for 10 years with an option to extend for two years — at which point their backers expect a return on investment, without which they can force a sale of portfolio companies or shut them down.

Providing those returns has become problematic, as a funding boom in fledgling tech companies during the pandemic has been followed by an uncertain economic environment that has led to start-ups staying private for far longer.

In response, dozens of tech investors — including $25bn venture firm New Enterprise Associates and New York-based Insight Partners — have set up or are establishing "continuation fund" vehicles, according to people advising on the plans.

Continuation funds, which are common in private equity but rare in venture capital, are a secondary investment vehicle that allows them to "reset the clock" for several years on some assets in old funds by selling them to a new vehicle that they also control. This helps a VC fund's backers, known as "limited partners", to roll over their investment or exit.

"It's a good time for this kind of structure," said Hans Swildens, founder of VC firm Industry Ventures. "During the next year, if the IPO market doesn't function and M&A is light, the only way for VC firms to [distribute funds back to investors] is . . . secondaries."

Others are undertaking "strip sales", a form of restructuring in which a slice of a fund's assets are sold to new investors, as pressure increases to return money to limited partners.

"Unless you have been really conservative in your reserves . . . every venture firm is in need [of liquidity]," said the chief operating officer of one multibillion-dollar Silicon Valley firm. "It is a real problem. Most funds are 10 years old and have scraps left they can't fund."

Financial institutions, including Goldman Sachs and Jefferies, and large private investment managers such as Industry Ventures, StepStone Group and Coller Capital have also been in talks with the venture groups with offers to fund secondary transactions, venture capitalists said.

Secondary funds have raised $64bn this year in order to buy up stakes in portfolio companies from venture and private equity investors, according to Jefferies — more than the combined total raised in 2021 and 2022.

"For a lot of folks we are now having exploratory conversations with, they have an absolute need to generate distributions," said Matt Wesley, head of private capital advisory at Jefferies. "Given the dearth of exits for companies owned by venture firms, certainly the groups who are registered [as investment advisers] are actively exploring continuation funds."

UK chip designer Arm, US grocery delivery app Instacart and San Francisco-based marketing automation group Klaviyo listed on New York exchanges in September, ending an 18-month drought in tech initial public offerings. However, trading has been mediocre at all three companies, prompting start-ups to delay their listing plans.

"The performance of the handful of companies that have gone public has intensified some of these conversations among venture firms," said Joe Binder, a private funds partner at law firm Debevoise & Plimpton. "People had hoped there would be a lot more enthusiasm [for tech listings] but it has waned and so people are turning to alternative solutions."

However, continuation funds can be unpopular with limited partners which must decide whether to continue to back a VC fund for several more years, or sell their stake, typically at a discount. There are also regulatory restrictions that make it difficult for venture firms that are not registered investment advisers (RIAs) to set up such vehicles.

> 'The performance of the handful of companies that have gone public has intensified conversations'

Insight Partners' continuation fund allowed it to shift 32 companies from its funds into a new vehicle over a five-week process, according to a letter from Jefferies advertising its services to venture clients. The transaction resulted in $1.3bn being distributed to Insight's limited partners, the letter said.

In May, Tiger Global, which manages more than $50bn, hired secondary investment advisers Evercore to launch a sale of parts of its venture portfolio, with a strip sale being one option for a deal. Offers from buyers did not meet the valuations that Tiger expected and a transaction has not been completed, according to people close to the situation.

Quiet Capital, whose early investments included Airbnb and Robinhood, raised $100mn in such a "multi-asset tender offer" in late 2021, according to the Jefferies document.

The transaction allowed Quiet Capital LPs to sell half or all of their stake in the fund to new institutional investors at Goldman Sachs Asset Management and Blackstone Strategic Partners — both secondary investors — at a premium, according to a person with knowledge of the deal.

Dozens of large venture funds such as Sequoia, Andreessen Horowitz and General Catalyst have become RIAs in recent years. The regulatory designation made it easier for them to trade in cryptocurrencies, debt and in secondaries, in which they can trade stock.

"There used to be clear lines between what a venture capital fund and a private equity fund was, but now all these strategies are converging," said Binder. "Venture funds . . . are doing the sort of thing you could never have imagined 10 years ago."

Property

Evergrande gains time on debt restructuring

KAYE WIGGINS AND CHAN HO-HIM
HONG KONG

A Hong Kong judge has delayed a decision on Evergrande's liquidation, an unexpected move that gives the Chinese developer until next month to come up with a restructuring plan that satisfies creditors.

Judge Linda Chan said yesterday that the proceedings would be adjourned until January 29 after a lawyer for Top Shine Global, an offshore creditor that brought a winding-up petition against the Chinese developer, said it would not oppose such a move.

Lawyers for Evergrande, the most indebted property developer, said in court that the group was considering a deal that included handing "certificates" to creditors. They would be "neither a share nor a bond but a right to distribution based on certain assets".

Neil McDonald, a restructuring lawyer at Kirkland & Ellis who represents a group of offshore creditors, said: "We are very surprised by the developments." He added that the creditor group had "firmly rejected" the proposal that Evergrande outlined and he had expected the company to be wound up yesterday.

Evergrande shares rose as much as 13 per cent, though they trade 99 per cent below their 2017 peak.

The developer's woes highlight the cash crunch in the sector, which made up about a quarter of China's economic activity before it was engulfed by crisis. Evergrande had more than $300bn in liabilities when it defaulted in 2021.

> The developer is looking at a deal handing creditors 'certificates' representing a right to distribution

A previous plan was derailed in September when the group said it could not issue the "new notes" required under the proposal because its mainland business was being probed by authorities over alleged disclosure rule breaches.

Judge Chan said "crucial details" of the plan were missing and suggested that Evergrande engage in "direct discussion with relevant authorities" to make sure the plan was "in fact doable". Evergrande's lawyer responded: "We will try our best."

The certificates could allow creditors to be repaid when some of the company's assets were sold, a "possible solution" to its inability to issue notes, said Evergrande's lawyer. He said it would "refine" its proposal to creditors.

A resolution has been delayed several times since the case began in June 2022. During the previous hearing in October, Judge Chan said Evergrande would be granted "one last opportunity" to formulate a concrete restructuring proposal or a liquidation order was "very likely" at the December 4 hearing.

The adjournment gives Evergrande more time to avoid liquidation, which could leave international creditors with little or even no return. It was hard to see them achieving "meaningful recovery if the company is placed into liquidation", said James Wood, a Hong Kong barrister specialising in insolvency who is not involved in the Evergrande case.

Top Shine Global filed the winding-up petition last year, alleging that Evergrande had failed to honour HK$863mn (US$110mn) worth of claims.

See Lex

Energy

RWE warns over European gas supply risks

RACHEL MILLARD AND SHOTARO TANI

Europe is vulnerable to gas supply shocks despite progress in cutting its reliance on Russia, the chief executive of one of Germany's largest energy companies has warned.

RWE chief executive Markus Krebber said Europe needed to boost its capacity to import gas to make sure it could cope with unexpected outages on pipelines or import terminals.

The warning came despite Europe entering winter with gas stocks about 99 per cent full after an effort to fill them up over the summer to cope with cuts to supplies from Russia following the invasion of Ukraine.

Krebber said: "Continental Europe is in a much better position than last year. Gas storage is at maximum capacity and we have built some infrastructure. But we are not where we need to be because we shouldn't have an energy supply system which is without any margin or buffer.

"So it also needs to be able to cope with the situation where you have an 'N-1 event'— problems with one of your big suppliers because the pipeline fails, or a liquefied natural gas terminal fails. We are not there yet, so I think more import capacity is needed to replace the full [lost] Russian gas."

Gas prices soared last year as Europe scrambled to replace lower Russian pipeline supplies, climbing above €300 per megawatt-hour in August, more than 10 times its normal level. Prices have since fallen, trading at €43 per MWh on Friday, but markets remain jittery and sensitive to events, with strikes at terminals in Australia leading to a surge in prices in September.

EU gas storage alone can meet about two to two-and-a-half months of peak winter consumption. But depleting it too much during the winter heating months could make it much harder to refill storage ahead of next winter.

RWE, which has its headquarters in Essen and is listed in Frankfurt, trades and stores gas and runs a fleet of gas-fired power plants, alongside a growing portfolio of wind, solar and battery plants. It plans to close its coal-fired power plants by 2030.

Last week RWE said it planned to invest €55bn between 2024 and 2030. Just over one-third of that will go to offshore wind projects, in a boost for the technology that has struggled this year because of rising costs.

"We see an attractive overall investment environment," Krebber said. "The energy systems where we operate are underinvested. And I think it is without doubt that the investments have to go into clean energy."

He said Germany would struggle to meet its goal of "ideally" phasing out coal-fired power plants by 2030 unless the government designed the electricity market to incentivise development of hydrogen-ready gas-fired power plants.

These will be needed as part of the future energy system to step in on windless days, but may only run for short periods so are difficult for developers to justify unless they are compensated for the back-up role they provide.

"In Germany we have a problem because we are relying for security of supply on nuclear and coal, and both are exiting. So we need to build a full new fleet of flexible generation capacity, but the coalition has not yet presented a framework for that. If we don't get it this year or next year, I think it's going to be difficult to phase out coal by 2030."

Big business mixes with geopolitics at expanded UN climate conference

Bosses in sectors from energy to banking attend COP28 as critics call the Dubai event a 'trade show'

ATTRACTA MOONEY — LONDON
KENZA BRYAN — DUBAI

Scores of major companies have flocked to Expo City on the outskirts of Dubai for the world's biggest UN climate summit, to rub shoulders with some of the near-200 governments there and tout their business.

The attendance of prominent bank and energy bosses has risen, including the first-time visit by ExxonMobil chief executive Darren Woods, but the leaders of a host of other enterprises are also present for the first time after the COP28 agenda was expanded for health, food, water and nature.

Speaking from Dubai, Reckitt CEO Kris Licht said he was "delighted" that health had finally been given a formal place on the agenda. Reckitt came to prominence at COP26 in Glasgow, where it supplied its Dettol disinfectant to the organisers during the pandemic.

"By collaborating to unpack how climate impacts health and how healthcare impacts the climate, we can find solutions to both problems," he said of the event that has also drawn drug companies such as AstraZeneca.

From the oil and gas industry, UAE guests included Oxy CEO Vicki Hollub, Eni head Claudio Descalzi and German energy group RWE's Markus Krebber.

But the wider range of attendees this year includes EY CEO Carmine di Sibio, Microsoft president Brad Smith, Lloyd's of London boss John Neal and Volvo deputy CEO Javier Varela.

"Business has an integral role to play in both finding and implementing the solutions to climate change," said Varela. He added that COP28 was "an invaluable opportunity" for Volvo, which has begun sourcing "green" steel for its vehicles. It was a chance "to listen and learn from other companies and experts that like us" believe that limiting global warming to "1.5C above pre-industrial levels is a limit rather than just another target."

Power company bosses were also well-represented as talks took place about the shift from coal and methane emission cuts, bringing French group's Engie's chair Jean-Pierre Clamadieu and CEO Catherine McGregor, as well as NextEra's Rebecca Kujawa.

Professor Bobby Banerjee, professor of management at Bayes Business School at City University in London, said oil and gas companies had been attending the COP for years despite being on the sidelines of the agenda. "But it's become a lot slicker now," he said, likening it to a "trade show".

In many cases, he says, the "real stuff" happens away from the official climate negotiations at the COP, with businesses meeting with each other or with officials from countries or states.

"What really happens is the backroom deals," he said. "They have these side events. That's where you will find the oil companies talking about [technology such as] carbon capture and storage."

For smaller businesses or those with interesting technology, the COP was a big opportunity to showcase their products, he said.

The cohort of senior bankers at the summit has also swelled, as finance for climate-related projects moves into the front lines, growing since Glasgow's COP26 when the financial alliance was launched with Bank of America boss Brian Moynihan and Standard Chartered's Bill Winters.

Almost 200 governments are attending the COP28 summit at Dubai's Expo City. Below, Emmanuel Macron with Engie chair Jean-Pierre Clamadieu
Amr Alfiky/Reuters

Steven van Rijswijk, the CEO of ING, who is also in Dubai, said the Dutch bank was keen to part of the financing of the energy transition.

"[COP] is always the place where all relevant players come together, so it is good to be there too, to be part of the conversation, to hear what the developments are, what everyone thinks about it and to make clear what we can contribute and what we expect," he said.

But Paul Morgenthaler, managing partner at venture capital group CommerzVentures, said COP was little more than "a business conference where oil deals are struck".

Concerns about the fossil fuel industry's roles at the summit have been amplified this year, because host country the UAE is one of the largest oil and gas producers. COP28 president Sultan al-Jaber is also the boss of the Abu Dhabi National Oil Company.

The UAE has been linked to about $200bn in deals, largely in green energy, in the run-up to COP28, according to FT analysis. At the start of the summit, it announced a £30bn climate-focused investment vehicle, working with asset managers including Brookfield and BlackRock. Both Brookfield's Connor Teskey and BlackRock's Larry Fink were in Dubai.

The size of the COPs has ballooned in recent years, with registered attendees upwards of 80,000.

Some have called for COP to be slimmed down, refocusing on the climate negotiations. Morgenthaler believes the present COP format has "proven ineffective at addressing the challenge we are up against".

> 'Business has an integral role to play in both finding and [executing] solutions to climate change'

Others, including Jaber, have argued the business world should be at the annual climate summit, because it has a chief role in shifting economies to become greener.

The private sector will need to provide trillions of dollars in financing for the shift to greener economies if the world is to meet its goals of limiting global temperature rises.

Lloyd's Neal said he would welcome an agreement between countries on whether or not to phase out fossil fuels as this would provide more "certainty" to the business world. The leading insurance market sent Neal along with its chair Bruce Carnegie-Brown.

"They're going to have that conversation at some point, so why not have it now?" he said, describing the climate transition as "the biggest single opportunity we will have ever seen."

Acknowledging that Lloyd's does not require its own members to stop underwriting new oil and gas projects, he said this type of decision was best left to politicians and negotiators.

"I don't think the private sector should turn around and say we will stop insuring fossil fuels in 2035. That's for governments to determine."

"In a strange sort of way, it's trying to get the government and leadership to think, why don't you just get in front of the story?" he added. "Because you've got a private sector that will help with the financing, help with the transition."

Banerjee said that businesses play a role in influencing whatever agreement countries reach.

"The COP people love to say: 'Oh look, a small country can veto an agreement'. Sure they can. But those agreements are pointless because the real deals are happening somewhere else."

He added: "There is a geopolitics, but the geopolitics is always being influenced by big business."

Banks

Pictet will pay US authorities $123mn after aiding clients to evade tax

SAM JONES — BERLIN

Swiss private bank Pictet has agreed to pay $123mn to US authorities after admitting to helping clients illegally shield more than $5.6bn of assets from tax in secret accounts from 2008 to 2014.

The Geneva-based bank, Switzerland's oldest and most prestigious private money manager, yesterday entered into a deferred prosecution agreement with the Department of Justice.

The lender has agreed to co-operate fully with ongoing investigations into the clients in question and their accounts.

"Today [Pictet] admitted to actively helping US taxpayers use coded accounts, foreign trusts and entities, nominee beneficiaries and other deceits to conceal their income and assets abroad," said acting deputy assistant attorney-general Stuart M Goldberg.

"For this criminal conduct the bank will be paying nearly $122.9mn in restitution, disgorgement of fees and a financial penalty."

Taxes worth over $50mn were avoided in 1,637 accounts as a result of the bank's efforts, the DoJ said.

A range of measures were used by the Swiss bank to help its clients avoid detection by US authorities, including pseudonyms, anonymous numbered accounts and accounts held in the name of "sham" corporate entities set up as fronts.

> '[Pictet] admitted actively helping US taxpayers use deceits to conceal their income and assets abroad'

According to the DoJ, Pictet also provided services to divert and hold mail, to avoid account information being sent to the US, and offered clients preloaded credit cards issued by a third-party so the origin of funds could be hidden.

The DoJ said Pictet's management — the bank's circle of eight partners, known as "the salon" — approved the client relationships concerned and were aware of undeclared accounts.

In a statement yesterday, Pictet said it was "pleased to have resolved this matter and will continue to take steps to ensure its clients meet their tax obligations".

Pictet manages assets of SFr638bn ($713bn) for wealthy clients and large institutions.

The bank said it had begun clamping down on tax evasion by its clients before US authorities publicly launched a crackdown on abuses in 2008 — with a particular focus on Switzerland — after leaked documents revealed UBS was shielding clients from paying taxes.

UBS admitted guilt and paid $780mn to US authorities in a deferred prosecution agreement in 2009. Other Swiss banks have followed suit over the years.

"The agreement acknowledges Pictet began evaluating and enhancing its policies and practices for conducting business with US taxpayer clients in 2008 . . . It also recognises that the group then took additional steps, beyond those required by US law, to promote the tax compliance of its US taxpayer clients," Pictet said.

The settlement will not impact the bank's capital position, it added.

Construction

Japanese housebuilders hunt for deals in US

LEO LEWIS AND DAVID KEOHANE
TOKYO

Three of Japan's biggest developers are "aggressively" shopping for housebuilders to buy in the US as they hunt for growth outside their shrinking domestic market.

Daiwa House, Sekisui House and Sumitomo Forestry are all actively searching for US acquisitions and have approached multiple potential targets, according to four M&A bankers and lawyers familiar with the matter.

The Japanese groups have market capitalisations ranging from ¥770bn to ¥2.7tn, or $5.3bn to $20bn, making numerous large US companies potential targets. However, two of the people said that the companies might initially opt for smaller acquisitions.

"More and more we are seeing US housebuilders being aggressively courted by would-be Japanese buyers," said one banker familiar with the companies involved. Another said they expected at least one deal before March when Japan's financial year ends.

US homebuilders have seen their stocks rise in recent weeks, recouping most of the losses in the previous four months, according to BCA Research.

US house prices rose for the eighth consecutive month in September, as lean inventory continued to boost demand despite high mortgage rates.

> 'We will consider acquisitions in the future if we can find a partner that offers good terms'

"To the extent that elevated mortgage rates are damping existing homeowners' willingness to sell, they are also reducing the supply of existing homes for sale on the market. At the same time, a shortage of housing is providing a floor beneath construction activity. The latter could limit homebuilders' pain amid a recession next year," said the BCA analysts in a recent note to clients.

Faced with a declining population and glut of domestic housing, the Japanese groups are willing to act despite the fact that the weak yen would make US acquisitions relatively expensive.

Empty houses in Japan are expected to swell to 20mn over the next two decades. The three groups already have operations in the US.

Sumitomo Forestry said: "We believe that demand for housing in the US will continue to be strong, therefore, in addition to the organic growth of our existing affiliates, we will consider acquisitions in the future if we can find a partner that offers good terms and shares our philosophy, while carefully monitoring market trends and the timing."

Daiwa said: "We will consider M&As in the US if we have the opportunity, and we are considering various projects."

Sekisui said it was hunting for acquisitions in the US but no deal was at an advanced stage.

Technology

IBM hails advances in quantum computing

RICHARD WATERS — SAN DIEGO
MICHAEL PEEL — LONDON

Quantum computing is starting to fulfil its promise as a crucial scientific research tool, IBM researchers claim, as the US technology group attempts to quell fears that the field will fail to match high hopes for it.

The company was due to unveil 10 projects yesterday that point to the power of quantum calculation when twinned with established techniques such as conventional supercomputing, said Dario Gil, its head of research.

"For the first time now we have large enough systems, capable enough systems, that you can do useful technical and scientific work with it," Gil said in an interview.

The papers presented are the work of IBM and partners including the Los Alamos National Laboratory, University of California, Berkeley, and the University of Tokyo. They focus mainly on areas such as simulating quantum physics and solving problems in chemistry and materials science.

Expectations that quantum systems would by now be close to commercial uses prompted a wave of funding for the technology in recent years. But signs that business applications are further off than expected have led to warnings of a possible "quantum winter" of waning investor confidence and financial backing.

IBM's announcements suggest the technology's main applications have not yet fully extended to the broad range of commercialisable computing tasks many in the field want to see.

"It's going to take a while before we go from scientific value to, let's say, business value," said Jay Gambetta, IBM's vice-president of quantum. "But in my opinion the difference between research and commercialisation is getting tighter."

The IBM researchers said recent advances had reinforced their confidence in quantum computing's longer-run potential, although they made no prediction about when it would enter the commercial mainstream. Instead, they have laid out a 10-year timetable for reaching far more capable, "error-corrected" systems.

Quantum computing harnesses properties of subatomic particles that make it possible for them to be in many different states at the same time. This enables quantum machines to carry out large numbers of calculations simultaneously — and potentially solve problems beyond the scope of traditional computers. But the qubits on which the systems are based are unstable and only hold their quantum states for very short periods, introducing errors, or "noise", into the calculations.

IBM said the new scientific applications for its systems marked an end to the first, experimental, phase of development linking qubits to carry out calculations, working out how to control the qubits and developing the first algorithms.

Asset management. Record inflows

Retail investors to the fore as cash floods into money funds

Bustling: almost $1.19tn has flooded into money market funds since January 1, compared with an average full-year inflow figure of $179bn
Spencer Platt/Getty Images

US buyers take advantage of highest yields in years before interest rates start falling

HARRIET CLARFELT, KATE DUGUID AND BROOKE MASTERS — NEW YORK

Money market fund managers see no end in sight to the record inflows they have garnered in 2023, as cash continues to pour in from investors hoping to take advantage of the highest yields available in years.

Almost $1.19tn has flooded into US money market funds since January 1, according to flow tracker EPFR, fuelled by the Federal Reserve's aggressive campaign of interest rate rises. That is a far cry from negligible inflows in 2022, and well above the average full-year net inflow figure of $179bn for 2012-22. The comparable figure for 2021 was $429bn.

Money funds typically hold short-term assets including government debt, whose yields have climbed rapidly as the central bank has turned the screws on monetary policy.

More than $257bn poured in between October 31 and November 30 alone, according to the latest available data — the biggest monthly inflow since banking ructions in March sparked a flight from ordinary deposit accounts. Those inflows have persisted even as markets are pricing in bets that the Fed will not raise interest rates again this cycle and will cut borrowing costs as soon as the spring.

Money market fund assets hit an all-time high of $5.8tn last week (November 29), as investors continue to harbour doubts about long-dated debt.

Fund houses including Goldman Sachs and Federated Hermes are projecting that the torrent will carry through to 2024, fuelled by institutional investors trying to lock in returns as interest rates stabilise, and before the Fed starts to cut.

"I'm not looking at a big springback" from money market funds, said Chris Donahue, chief executive of $715bn-in-assets Federated Hermes.

"It's more likely they're going to get another trillion in than there's going to [be] a trillion out. If we're right that these rates are going to be here longer term, and that is the way it's going to be for a while . . . then you're going to get paid for being in the money fund."

According to data from the Investment Company Institute, a selection of government retail money market funds was yielding as much as 5.02 per cent as of November 30. A selection of government institutional funds was yielding 5.23 per cent — squarely in the middle of the Fed's current target range for interest rates of 5.25 to 5.5 per cent.

The latest available yield was even higher for "prime" institutional funds, which can hold riskier commercial paper, at 5.43 per cent.

Much of this year's cascade into money market funds in the US has been driven by retail investors rather than corporate treasurers, mutual funds or insurance companies. The latter typically invest directly in Treasury bills and other short-dated debt instruments as interest rates are on the way up, because they can capture the rise in yields more immediately.

But that changes "once the Fed stops and goes on a pause, and that interest rate has levelled out . . . Then institutional investors are attracted to money market funds, because they do have the same yield as the underlying short-term instruments [and] they offer a lot of diversification for institutional investors", said Shelly Antoniewicz, ICI's deputy chief economist.

Shaun Cullinan, global head of liquidity solutions at Goldman, said it was likely that institutional investors would join the surge into money market funds in 2024, driving additional inflows.

"You typically find that as the easing cycle begins . . . it's very likely that the yield on money market funds will exceed the yield on the direct market investments," he said. "You can see institutional investors pivoting into funds to achieve that higher return, because those funds have some embedded duration in them."

'It's more likely they're going to get another $1tn in than there's going to [be] $1tn out'

Money market fund inflows in the US this year have far outpaced those in Europe, where retail investors have a much smaller presence in the asset class. But Cullinan said the same dynamic might play out in the region next year if policy cycles aligned.

"We certainly haven't seen the same amount of retail flows in Europe as we have in the dollar market, or in the States," he said. "But we do see investors in the European markets, particularly institutional investors, engaged in direct markets. And if we see the European Central Bank embark on an easing cycle and European money fund returns exceed those of the direct market . . . I definitely think you could see the same rotation occur. I don't see this being a US-only phenomenon."

Cullinan said that "the trillion that came in this year was surprising, so we could certainly be surprised again next year".

While the Fed has not suggested that it intends to cut interest rates anytime soon, slowing inflation and some signs of weaker economic data have prompted investors to bet on declines early next year. But those bets have been shifting rapidly as traders weigh the Fed's official commentary with hints of cooling off elsewhere in the economy.

For Cullinan, the amount of cash that pours into money market funds "depends on the pace of the easing cycle."

Fixed income

Harvesting in vogue as bond rally dims US tax perks hope

WILL SCHMITT AND JENNIFER HUGHES
NEW YORK

The November bond market rally has come as a relief for many investors, but weak debt markets over the previous two years have still left many nursing losses that can be used to lower tax bills.

US rules allow investors who sell poorly performing securities to offset the realised losses against taxes owed on other capital gains. Known as tax loss harvesting, it is often blamed for a lot of late-year selling in beaten-down assets.

The Bloomberg US Aggregate Bond index is down more than 10 per cent since 2021. In contrast, the S&P 500 is nearly back to where the equity index was at the start of 2022, when it suffered its worst year since the 2008 crisis.

Investors who harvest losses can reinvest in similar, but not identical, investment strategies. In recent years, this has increasingly involved mutual fund investors reallocating to exchange traded funds, which also hold stocks and bonds but enjoy preferential tax treatment in the US.

While the amount of "harvesting" depends on individual investors' portfolios, investment advisers said the new interest in bonds as a tool for offsetting gains marked a big shift in thinking.

"Most investors typically don't think of fixed income as an area to harvest,"

'They think of equities as where they should look to tax loss harvest. But this year, fixed income is first'

said Allison Bonds Mazza, head of private wealth management and independent wealth management with State Street Global Advisors.

"They typically think of equities as where they should look to tax loss harvest. But this year, fixed income is the first place investors should look," she added.

Like their far bigger rivals, ETFs hold securities but can be traded like stocks and enjoy tax advantages over mutual funds in the US besides those gleaned from harvesting losses.

Investors who sell their existing holdings may find it easier to reinvest in ETFs to avoid "wash sale" complications, where the IRS bans investors from selling investments to realise a loss and then buying back a substantially identical security within 30 days.

While ETFs have long been associated with passive strategies, issuers have steadily pumped out new active fixed income ETFs in recent years. Asset managers have launched 58 active fixed income ETFs so far in 2023, with only 26 mutual funds joining them.

"People who were sitting on gains for years now are seeing the merits of making a change," said Todd Rosenbluth, head of research at VettaFi, a consultancy.

"We just have more choices that can fit the bill [and] you can keep your risk-on bet, and save money, and get the tax loss harvesting benefits," he pointed out.

Derivatives

US regulator to float guidelines for 'wild west' carbon emissions offset market

STEFANIA PALMA IN — WASHINGTON
PATRICK TEMPLE-WEST — NEW YORK

US regulators will propose the first federal guidelines for voluntary carbon credit derivatives, as Washington tries to bring order to a market for the offsetting of emissions described as the "wild west".

The Commodity Futures Trading Commission was yesterday set to announce standards that call on exchanges to verify the quality of voluntary carbon credit derivatives, which base their prices on those of financial instruments bought by companies to offset emissions.

The value of the carbon trading market worldwide could expand to $100bn by 2030, up from $2bn in 2022, according to Morgan Stanley. The fledgling voluntary carbon derivatives sector, meanwhile, includes just three contracts with meaningful trading volume, while 15 more are listed but have limited trading, according to the CFTC.

CFTC chair Rostin Behnam told the Financial Times that the guidance was "the first of its kind from a US market regulator" that creates standards for derivatives exchanges in relation to voluntary carbon credits.

The guidelines seek to clamp down on manipulation and to foster accurate pricing by pushing exchanges to ensure that the terms of listed contracts are in accordance with US federal laws and CFTC regulations.

The move comes as agencies worldwide try to craft frameworks to oversee a nascent market that faces scant regulatory oversight.

It comes a day after the International Organization of Securities Commissions, the top agency representing securities watchdogs, launched a consultation on standards for voluntary carbon markets at COP28 in Dubai.

Voluntary credits are typically bought by companies looking to offset their emissions, and differ from those that are part of mandatory programmes such as the EU's emissions trading scheme. Environmentalists have argued they give businesses a way to keep polluting and do little to arrest global warming.

Behnam said there was a "legislative vacuum in this space", and that Congress was not expected to authorise an agency to police voluntary carbon markets "anytime soon".

He added that there was a "lack of integrity" and "issues around standardisation" in the market, and said some products were susceptible to fraud and manipulation.

The CFTC's guidance puts the onus on exchanges registered with the watchdog. But Behnam believes a "larger pool" of operators will look to it "as a baseline standard". The guidance is not the same as agency regulation, which has more teeth.

Behnam added this may be a first step to crafting new rules. The regulator in June called on whistleblowers to submit tips on misconduct in carbon markets.

According to the proposal, exchanges should consider whether a carbon derivatives contract includes "additionality", which ensures that a project creates emission reductions that would not occur without it.

The CFTC is also trying to minimise "double-counting", which occurs when multiple carbon credits are backed by the same trees, for example.

The regulator in June called on whistleblowers to submit tips on misconduct in carbon markets

Todd Phillips, assistant professor at Georgia State University, described the carbon credit market in the US as "the wild west".

"We need someone to show the market that they are . . . going to ensure that offsets that are sold in the United States are high quality and believable," Phillips said. "In other jurisdictions . . . the price of carbon is $50 [or higher]. The fact that you can buy carbon offsets in the United States for $2 just shows that they are of laughable quality."

In addition to derivatives, Behnam believes the CFTC is well-placed to police the carbon credits spot market, an argument he has made to Congress in relation to cryptocurrencies.

"We have futures in both markets and we have interest in ensuring that the underlying market is healthy because that has a direct impact on our derivatives market," he said.

Behnam has discussed with members of Congress broadening the CFTC's authority to capture spot carbon credits "but I don't think there's an appetite and you don't see the scale . . . [and] sensationalism in this space as you do in the crypto environment".

US Treasury secretary Janet Yellen told the FT in a statement that the proposal was an "important step by the CFTC toward promoting the integrity of carbon credits and enabling greater liquidity, price discovery, and responsible product innovation for credits that underlie derivatives products listed" on exchanges registered with the agency.

The Treasury earlier this year had warned of challenges in the voluntary carbon markets linked to transparency and credit integrity.

The CFTC's proposal will face a public comment period before its final implementation.

CFTC chair Rostin Behnam says some products are susceptible to fraud and manipulation
Ting Shen/Bloomberg

COMPANIES & MARKETS

US deficits begin to test patience of investors

Nathan Sheets

Markets Insight

US fiscal performance has reached new depths of dysfunction. In recent months, the country has endured a stressful debt-ceiling episode, Fitch has downgraded the US sovereign credit rating and the risk of a government shutdown remains on the table.

Equally concerning, the federal government is swimming in a sea of red ink, with budget deficits near 6 per cent of gross domestic product likely in the years ahead.

As a result, the government's debt is poised to rise to 115 per cent of gross domestic product over the next decade, surpassing its peak after the second world war.

These large deficits and rising indebtedness pose risks to the economy. On reasonable estimates, the Treasury will need to issue $20tn of debt in the coming decade. The magnitude of this issuance is not lost on market participants. In recent months, the most frequent question during my meetings with investors around the world is "Who's going to buy this massive issuance of Treasuries?"

This question is often followed by two others: how much debt is simply "too much"? And what might a full-blown crisis in the US Treasury market look like? The UK gilt crisis last year stands as an important template in this regard. Could something similar — and perhaps even more sustained — occur in the US?

In sync, Treasury yields have risen sharply from a year ago. Propelled by the Federal Reserve's "higher for longer" policy stance and heightened concerns about fiscal sustainability, 10-year yields reached a peak of about 5 per cent in October. More recently, rates have retreated to the mid-4 per cent range, as Fed rhetoric has become more balanced and inflation readings have moderated.

Our research on the US public debt situation from historical and international perspectives suggests several conclusions. First, the question of who will buy the newly issued debt is inherently speculative. But, in our view, the desire of the ageing population to hold safe, long-duration assets as a store of value for retirement is likely to be the main source of demand. Such purchases, either directly from retail investors or through their intermediaries, are likely to be more price sensitive than before the pandemic.

> The prudent path for fiscal policy is to not push debt ratios further upward from today's levels

Second, there is no way to predict danger thresholds or the amount of debt that is simply "too much". It is possible that US debt could rise to 150 per cent of GDP or even higher with limited adverse effects. But it is unwise for policymakers to experiment or test where the thresholds might be. The prudent path for fiscal policy is, at a minimum, to not push debt ratios further upward from today's elevated levels.

Even so, there is little likelihood of meaningful remedial action. A successful strategy would probably require some combination of higher taxes and reduced expenditures.

Notably, getting traction on expenditures will require tough reforms to entitlements and defence, which comprise roughly three-quarters of US federal spending. Republicans are broadly unwilling to entertain discussions of tax rises, while Democrats are similarly unwilling to contemplate entitlement reforms, so the fiscal situation has remained in stalemate. The headwinds to growth that would probably accompany fiscal retrenchment are a further source of reluctance.

Third, last year's UK gilt crisis offers a cautionary tale. The hallmark of an adverse scenario in the Treasury market would be a sharp, unexpected deterioration in investor demand for securities. The result would be surging Treasury yields and rising risk premiums in credit and equity markets. Given the dollar's status as a global reserve currency, these stresses would be transmitted to financial markets abroad.

Nevertheless, the most likely scenario is that investor discomfort regarding the debt eventually recedes, and the situation reverts to the more relaxed pre-Covid configuration. If so, any premiums the market requires to absorb the forthcoming issuance would be modest.

The core strengths of the US economy — including the dollar's reserve currency status, the Fed's credibility and the strength of the national balance sheet — should give investors the confidence to buy the additional debt. There are few alternatives to Treasuries, and the high US debt levels are an unfortunate, but unavoidable, fact of life.

But there is little scope for complacency. Investor patience has limits. Markets are likely to issue the US a reprieve — but not a full, unconditional pardon.

Nathan Sheets is global chief economist at Citigroup

The day in the markets

What you need to know

- **Global equity rally pauses, knocking off stocks from multi-month highs**
- **US dollar rises 0.5% against basket of six peer currencies after prior sell-off**
- **Stoxx Europe 600 index slips 0.1% from Friday's four-month high**

Tech stocks slip after a broad-based rally in November

Nasdaq Composite index ('000)

Source: Bloomberg

Global stocks slipped from multi-month highs on Monday as November's broad-based market rally took a pause.

Wall Street's benchmark S&P 500 stood 0.8 per cent lower by midday in New York, having closed on Friday at its highest point since March 2022. The tech-dominated Nasdaq Composite shed 1.2 per cent.

All of the so-called "magnificent seven" large technology stocks — Apple, Microsoft, Meta, Amazon, Alphabet, Nvidia and Tesla — declined.

The moves came after US stocks in November enjoyed their best month since July 2022, boosted by confidence that interest rates have not only peaked, but are also set to fall early next year.

Against a backdrop of slowing inflation, markets are now pricing in the first US rate cut for May, with four more quarter percentage point cuts expected before the end of 2024.

Corporate and government bonds, gold and bitcoin are among the other assets to have surged over the past five weeks. Some investors, however, believe markets have now grown overly optimistic.

John Plassard, senior investment specialist at Mirabaud Group, said the past month's rally had been driven by "wishful thinking" that both the Federal Reserve and European Central Bank will be able to return inflation to target without triggering recessions.

Weaker than expected US factory orders underlined some investors' concerns about the state of the world's largest economy. Orders slipped 3.2 per cent in October after expanding 2.8 per cent in September. Economists polled by Reuters had forecast a 2.8 per cent fall.

Prices for US government debt slipped, with the yield on rate-sensitive two year Treasuries up 0.08 percentage points at 4.64 per cent. The dollar — which has sold off amid optimism on the outlook for rates — rallied 0.5 per cent against a basket of six peers.

European stocks also retreated, with the region-wide Stoxx Europe 600 slipping 0.1 per cent from the four-month high it notched up on Friday. It was pulled lower by poor performance in energy stocks as oil prices slipped. France's CAC 40 shed 0.2 per cent, as did London's energy-heavy FTSE 100.

In India, stocks rallied to all-time highs after Prime Minister Narendra Modi's ruling BJP triumphed in critical state elections. The Nifty 50 index climbed 2.1 per cent to top 20,686 — hitting a second consecutive all-time high.

George Steer and Stephanie Stacey

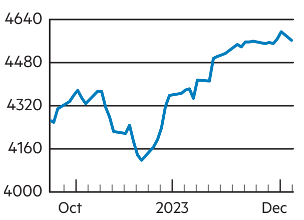
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4562.65	1842.49	33231.27	7512.96	3022.91	127040.21
% change on day	-0.70	-0.03	-0.60	-0.22	-0.29	-0.89
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.332	1.082	147.105	1.261	7.136	4.929
% change on day	0.062	-0.185	-0.376	-0.158	-0.081	0.538
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.279	2.353	0.686	4.368	2.690	10.556
Basis point change on day	2.780	-0.300	-0.950	6.100	0.500	8.400
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	457.68	78.43	73.52	2045.40	25.16	3699.30
% change on day	-0.51	-0.57	-0.74	0.49	0.56	1.54

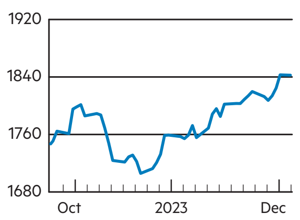
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

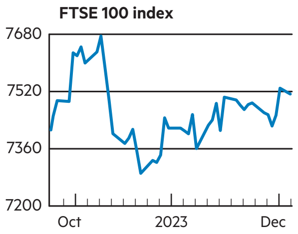
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Bath & Body Works	6.76	Ucb	4.73	Rolls-royce Holdings	3.14
	Estee Lauder Companies (the)	6.03	Jeronimo Martins	3.79	Jd Sports Fashion	2.84
	Idexx Laboratories	5.69	Grifols	1.93	Bt	1.98
	Norwegian Cruise Line Holdings Ltd	5.42	Kering	1.72	Wpp	1.72
	Vf	5.28	Sodexo	1.61	B&m Eur Value Retail S.a.	1.56
Downs	Alaska Air	-15.81	Casino Guichard	-5.62	Anglo American	-3.74
	Albemarle	-4.11	Alstom	-3.26	Glencore	-3.07
	Ansys	-3.87	Orange	-2.51	Rio Tinto	-2.70
	Palo Alto Networks	-3.87	Galp Energia	-2.49	Antofagasta	-2.64
	Cadence Design Systems	-3.50	Saipem	-2.16	Burberry	-2.00

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Coinbase led crypto-related stocks higher amid optimism that the worst of the US regulatory crackdown had passed and that a bitcoin exchange-traded fund would soon be approved.

The cryptocurrency exchange added 7.9 per cent as bitcoin surged to a 20-month high of $42,000.

MicroStrategy, the software company turned bitcoin investor, rose 7.5 per cent and **Marathon Digital**, the cryptocurrency miner, added 9.2 per cent.

Spotify rallied 8.7 per cent after it announced plans to cut another 1,500 jobs, or 17 per cent of its workforce, to cut costs and improve its profitability.

Uber Technologies rose 5 per cent following confirmation after the market close on Friday that the ride-hailing service will join the blue-chip S&P 500 index on December 18th.

Alaska Air Group Inc slumped 15.7 per cent after it said on Sunday it would buy rival US airline **Hawaiian Holdings Inc** for $1.9bn, including debt. The price of $18 per share in cash reflected a premium for Hawaiian, whose shares rose 185 per cent on the news.

Virgin Galactic Holdings lost 14.7 per cent after founder Sir Richard Branson told the Financial Times that he has ruled out putting more money into his lossmaking space travel company. *Philip Stafford*

Europe

A positive regulatory development boosted Belgian biopharma group **UCB**.

The European Commission granted marketing authorisation for Zilbrysq, a treatment for generalised myasthenia gravis, a disorder that can cause double vision, drooping eyelids and difficulty in swallowing.

KBC Securities reiterated its "buy" rating for UCB, noting that Zilbrysq was the "only approved drug for self-administration" in this area, a benefit that "could improve patient convenience". This green light followed similar approvals for Zilbrysq in the US and Japan.

Italian vehicle maker **Piaggio** rallied on announcing that its Vespa brand, home to the eponymous scooter, was worth more than €1bn. This came from an Interbrand study commissioned by Piaggio, which showed that the brand's valuation had risen 19 per cent since 2021.

Vespa, already well known in Europe, had gained traction in the US and Asia, especially in Indonesia, said the study.

Finnish telecom group **Nokia** fell sharply, triggered by, it seemed, a LinkedIn blog post penned by Earl Lum, president of EJL Wireless Research.

Lum, citing "sources we have spoken to", said US telecoms group AT&T could be the "next wireless operator customer to remove Nokia from their RAN [radio access network] vendor list". *Ray Douglas*

London

A broker helped propel **Rolls-Royce** to the top of the FTSE 100 index, with JPMorgan lifting its rating for the engine maker from "neutral" to "overweight".

Analysts anticipated a "much higher percentage" of the group's long-term service agreements advances would convert into profit, thanks to the chief executive's "radical moves" such as raising charges and initiating cost reductions.

Another broker's recommendation buoyed packaging business **DS Smith**, which was upgraded from "equal weight" to "overweight" by Barclays.

It was among the "cheapest stocks in global packaging . . . and we expect a volume recovery to drive a multiple re-rating", pointed out analysts.

888 was among the session's biggest risers following a report in the Sunday Times that said the gambling group was the target of a £700mn takeover approach by Playtech.

The newspaper said the gaming software group made a £1.56 per share offer in July, way above its most recent closing price of 70.6p. But the bid was rebuffed on the grounds it undervalued the company, quoted City sources.

ITM Power, the hydrogen energy group, jumped on posting revenue of £7.5mn for the half year, easily topping Citi's estimate of £5.6mn. *Ray Douglas*

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

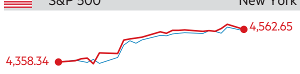
Change during previous day's trading (%)

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 $
-0.70%	-1.10%	-0.34%	-0.22%	-0.03%	-0.60%	-1.09%	-0.51%	-0.185%	-0.158%	-0.376%	No change	-0.14%	0.49%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

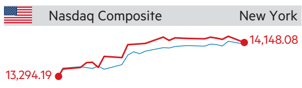
AMERICAS

Nov 05 - Dec 04 — S&P 500, New York



Day ▼-0.70% Month ▲4.69% Year ▲12.06%

Nasdaq Composite, New York

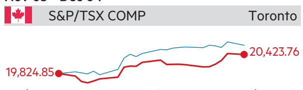


Day ▼-1.10% Month ▲4.97% Year ▲23.44%

Dow Jones Industrial, New York

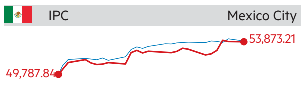
Day ▼-0.34% Month ▲6.04% Year ▲4.90%

Nov 05 - Dec 04 — S&P/TSX COMP, Toronto



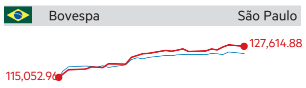
Day ▼-0.15% Month ▲3.04% Year ▼-0.29%

IPC, Mexico City



Day ▼-0.05% Month ▲5.08% Year ▲5.14%

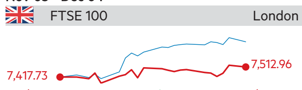
Bovespa, São Paulo



Day ▼-0.89% Month ▲7.52% Year ▲13.51%

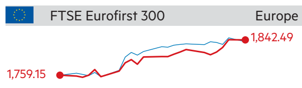
EUROPE

Nov 05 - Dec 04 — FTSE 100, London



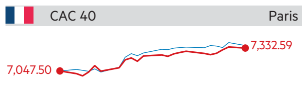
Day ▼-0.22% Month ▲2.21% Year ▼-0.63%

FTSE Eurofirst 300, Europe



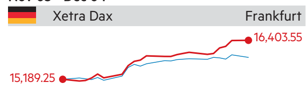
Day ▼-0.03% Month ▲4.72% Year ▲5.14%

CAC 40, Paris



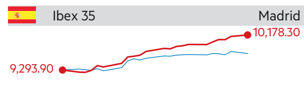
Day ▼-0.18% Month ▲4.05% Year ▲8.76%

Nov 05 - Dec 04 — Xetra Dax, Frankfurt



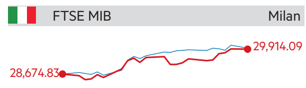
Day ▲0.04% Month ▲2.34% Year NaN%

Ibex 35, Madrid



Day ▲0.37% Month ▲9.52% Year ▲21.42%

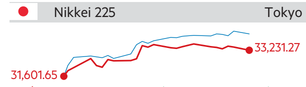
FTSE MIB, Milan



Day ▼-0.05% Month ▲4.32% Year ▲21.49%

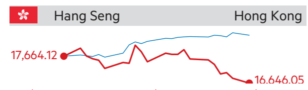
ASIA

Nov 05 - Dec 04 — Nikkei 225, Tokyo



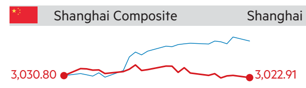
Day ▼-0.60% Month ▲3.90% Year ▲19.50%

Hang Seng, Hong Kong



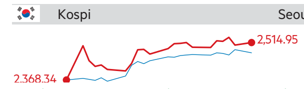
Day ▼-1.09% Month ▼-5.77% Year ▼-10.87%

Shanghai Composite, Shanghai



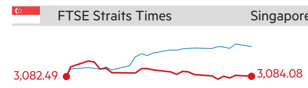
Day ▼-0.29% Month ▼-0.26% Year ▼-4.22%

Nov 05 - Dec 04 — Kospi, Seoul



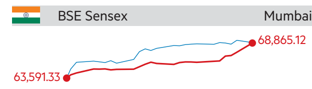
Day ▲0.40% Month ▲6.19% Year ▲3.31%

FTSE Straits Times, Singapore



Day ▼-0.20% Month ▼-1.88% Year ▼-5.36%

BSE Sensex, Mumbai



Day ▲2.05% Month ▲6.98% Year ▲9.52%

Country	Index	Latest	Previous
Argentina	Merval	847072.45	870169.17
Australia	All Ordinaries	7336.10	7285.10
	S&P/ASX 200	7124.70	7073.20
	S&P/ASX 200 Res	5944.80	5886.20
Austria	ATX	3312.72	3316.68
Belgium	BEL 20	3593.54	3578.91
	BEL Mid	10459.62	10483.96
Brazil	IBovespa	127040.21	128184.91
Canada	S&P/TSX 60	1230.78	1231.42
	S&P/TSX Comp	20422.18	20452.87
	S&P/TSX Div Met & Min	1620.75	1579.96
Chile	S&P/CLX IGPA Gen	29437.39	29703.02
China	FTSE A200	9090.32	9142.85
	FTSE B35	9000.71	8988.96
	Shanghai A	3169.39	3178.55
	Shanghai B	227.41	227.69
	Shanghai Comp	3022.91	3031.64
	Shenzhen A	1968.48	1975.11
	Shenzhen B	1069.03	1072.03
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1397.46	1390.38
Denmark	OMXC Copenhagen 20	2225.67	2233.68
Egypt	EGX 30	25265.41	24571.98
Estonia	OMX Tallinn	1745.33	1754.06
Finland	OMX Helsinki General	9753.38	9862.72
France	CAC 40	7332.59	7346.15
	SBF 120	5556.61	5577.77
Germany	M-DAX	26370.25	26492.49
	TecDAX	3186.00	3209.04
	XETRA Dax	16404.76	16397.52
Greece	Athens Gen	1275.34	1280.11
	FTSE/ASE 20	3093.41	3114.37
Hong Kong	Hang Seng	16646.05	16830.30
	HS China Enterprise	5703.33	5761.73
	HSCC Red Chip	3290.20	3317.96
Hungary	Bux	58509.85	58010.99
India	BSE Sensex	68865.12	67481.19
	Nifty 500	18448.50	18115.35
Indonesia	Jakarta Comp	7093.60	7059.91
Ireland	ISEQ Overall	8431.07	8465.90
Israel	Tel Aviv 125	1808.37	1792.64
Italy	FTSE Italia All-Share	31857.21	31894.25
	FTSE Italia Mid Cap	41826.93	42173.92
	FTSE MIB	29914.09	29928.45
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	33231.27	33431.51
	S&P Topix 150	2061.86	2083.05
	Topix	2362.65	2382.52
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1494.45	1495.58
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1346.74	1356.06
Lithuania	OMX Vilnius	944.89	949.54
Luxembourg	LuxX	1415.02	1408.65
Malaysia	FTSE Bursa KLCI	1451.02	1456.38
Mexico	IPC	53875.41	53901.43
Morocco	MASI	11728.06	11748.19
Netherlands	AEX	770.61	771.37
	AEX All Share	1039.57	1041.56
New Zealand	NZX 50	11367.81	11367.51
Nigeria	SE All Share	71419.87	71365.25
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	62493.05	61691.25
Philippines	Manila Comp	6284.37	6245.18
Poland	Wig	76465.08	76319.05
Portugal	PSI 20	6572.24	6527.07
	PSI General	4671.22	4647.47
Romania	BET Index	14776.31	14712.11
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11191.39	11219.02
Singapore	FTSE Straits Times	3084.08	3090.31
Slovakia	SAX	306.40	307.46
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	75941.06	75705.85
	FTSE/JSE Res 20	58237.46	59653.40
	FTSE/JSE Top 40	69908.27	69800.58
South Korea	Kospi	2514.95	2505.01
	Kospi 200	336.14	334.80
Spain	IBEX 35	10178.30	10140.80
Sri Lanka	CSE All Share	10743.59	10720.26
Sweden	OMX Stockholm 30	2253.80	2250.21
	OMX Stockholm AS	841.05	841.16
Switzerland	SMI Index	10952.44	10887.36
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1383.54	1380.31
Turkey	BIST 100	8087.24	8087.24
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2644.70	2640.80
	FTSE 100	7512.96	7529.35
	FTSE 4Good UK	6757.12	6771.46
	FTSE All Share	4083.13	4094.48
	FTSE techMARK 100	6080.34	6142.05
USA	DJ Composite	11858.50	11861.90
	DJ Industrial	36123.32	36245.50
	DJ Transport	15546.80	15463.76
	DJ Utilities	877.99	876.01
	Nasdaq 100	15795.52	15997.58
	Nasdaq Cmp	14148.08	14305.03
	NYSE Comp	16228.99	16263.75
	S&P 500	4562.65	4594.63
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	57522.83	57827.33
Vietnam	VNI	1120.49	1102.16
Cross-Border	DJ Global Titans ($)	525.08	530.46
	Euro Stoxx 50 (Eur)	4415.10	4418.51
	Euronext 100 ID	1363.48	1367.83
	FTSE 4Good Global ($)	11595.05	11693.46
	FTSE All World ($)	457.68	460.02
	FTSE E300	1842.49	1842.98
	FTSE Eurotop 100	3672.73	3673.24
	FTSE Global 100 ($)	3103.62	3132.73
	FTSE Gold Min ($)	1898.11	1869.52
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3190.71	3180.96
	FTSE World ($)	838.39	842.81
	FTSEurofirst 100 (Eur)	4969.13	4974.98
	FTSEurofirst 80 (Eur)	5989.88	5991.67
	MSCI ACWI Fr ($)	697.51	694.38
	MSCI All World ($)	3040.70	3023.63
	MSCI Europe (Eur)	1869.67	1856.17
	MSCI Pacific ($)	2786.76	2779.23
	S&P Euro (Eur)	1944.65	1946.18
	S&P Europe 350 (Eur)	1894.29	1894.43
	S&P Global 1200 ($)	3325.36	3349.40
	Stoxx 50 (Eur)	4018.87	4019.73

(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	133.2	236.79	-2.05
Nvidia	108.1	454.67	-12.98
Microsoft	59.4	367.77	-6.74
Apple	36.3	188.39	-2.85
Amazon.com	32.7	144.89	-2.15
Meta Platforms	31.3	317.89	-6.93
Advanced Micro Devices	26.4	118.36	-3.04
Alphabet	21.2	128.72	-3.14
Salesforce	15.5	252.37	-7.63
Alphabet	13.5	130.19	-3.14

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Bath & Body Works	36.18	2.29	6.76
Estee Lauder Companies (the)	139.89	7.95	6.03
Idexx Laboratories	510.08	27.48	5.69
Norwegian Cruise Line Holdings Ltd	17.31	0.89	5.42
Vf	19.05	0.96	5.28
Downs			
Alaska Air	33.45	-6.28	-15.81
Albemarle	120.97	-5.19	-4.11
Ansys	284.04	-11.44	-3.87
Palo Alto Networks	294.70	-11.46	-3.74
Cadence Design Systems	260.90	-9.45	-3.50

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	298.3	2536.50	-31.50
Rio Tinto	165.2	5448.00	-151.00
Bp	127.2	471.95	-6.45
Astrazeneca	105.3	10266.00	68.00
Glencore	100.5	443.65	-14.05
Rolls-royce Holdings	86.9	285.40	8.70
Hsbc Holdings	86.0	604.10	0.00
Unilever	82.9	3817.00	36.50
British American Tobacco	74.3	2523.50	15.50
Barclays	73.7	142.98	0.62

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
888 Holdings	84.05	13.45	19.05
Auction Technology	521.00	30.50	6.22
Carnival	1141.00	59.50	5.50
Digital 9 Infrastructure	31.75	1.10	3.59
Wetherspoon (J.d.)	725.00	24.50	3.50
Downs			
Cab Payments Holdings	53.90	-2.50	-4.43
Anglo American	2224.50	-86.50	-3.74
Senior	164.00	-6.20	-3.64
Future	818.50	-27.00	-3.19
Glencore	443.65	-14.05	-3.07

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Roche Gs	367.5	260.57	7.09
Novartis N	251.7	91.13	0.80
Eni	236.6	14.96	-0.29
Nestle N	221.4	105.76	1.08
Intesa Sanpaolo	206.3	2.70	0.03
Totalenergies	189.6	61.29	-1.07
Unicredit	182.5	25.31	0.13
Ubs N	181.9	26.32	-0.03
Asml Holding	152.8	629.10	-8.40
Sap Se O.n.	148.7	146.46	-0.24

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Adyen	1118.20	35.40	3.27
Roche I	276.34	8.68	3.24
Roche Gs	260.57	7.09	2.80
Dsv A/s	144.19	2.68	1.90
Kering	399.65	6.75	1.72
Downs			
Akzo Nobel	67.73	-1.80	-2.59
Orange	11.10	-0.29	-2.51
Eni	14.96	-0.29	-1.90
Totalenergies	61.29	-1.07	-1.72
Lonza N	349.23	-4.97	-1.40

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Lasertec	4299.8	34470.00	240.00
Toyota Motor	844.0	2767.50	-65.50
Mitsubishi Ufj Fin	842.1	1244.00	-29.00
Kawasaki Kisen Kaisha	570.3	5468.00	178.00
Tokyo Electron	498.5	23710.00	-140.00
Sumitomo Mitsui Fin	430.2	7202.00	-134.00
Fast Retailing Co	410.5	37120.00	20.00
Advantest	355.7	4988.00	-34.00
Softbank	346.9	5852.00	-68.00
Renesas Electronics	324.9	2563.00	0.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Trend Micro	8207.00	354.00	4.51
Kawasaki Kisen Kaisha	5468.00	178.00	3.36
Credit Saison Co	2625.00	85.00	3.35
Toho Co.,ltd	5276.00	149.00	2.91
Chugai Pharmaceutical Co	5321.00	112.00	2.15
Downs			
Mazda Motor	1543.50	-58.00	-3.62
Bandai Namco Holdings	2810.00	-105.00	-3.60
Mitsubishi Motors	466.80	-17.20	-3.55
Cyberagent	836.10	-30.70	-3.54
Denso	2255.50	-77.00	-3.30

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Dec 04 price(p)	%Chg week	%Chg ytd
Winners			
Rolls-royce Holdings	285.40	17.4	206.7
Smurfit Kappa	3030.00	12.0	-1.5
Jd Sports Fashion	164.90	10.9	30.1
B&m Eur Value Retail S.a.	598.20	8.6	45.9
Lloyds Banking	45.13	7.3	-0.8
Smith (ds)	300.10	6.9	-6.6
Fresnillo	587.40	6.5	-35.3
Endeavour Mining	1868.00	6.1	6.6
Mondi	1435.50	6.1	1.7
Int Consolidated Airlines S.a.	158.25	4.9	27.3
Natwest	213.70	4.8	-19.6
Barratt Developments	522.60	4.2	31.9
Losers			
Entain	796.80	-6.5	-39.4
Beazley	532.00	-5.4	-20.8
Prudential	864.20	-4.9	-23.3
Rentokil Initial	428.10	-4.6	-15.7
Severn Trent	2588.00	-4.3	-2.4
Pearson	933.60	-3.7	-0.9
Airtel Africa	109.50	-3.2	-1.9
United Utilities	1073.00	-3.1	8.1
Burberry	1468.50	-2.4	-27.7
Rs	751.00	-2.1	-16.3
Standard Chartered	653.20	-2.1	4.7
Pershing Square Holdings Ltd	3134.00	-1.8	7.9

FTSE 250	Dec 04 price(p)	%Chg week	%Chg ytd
Winners			
Easyjet	474.80	17.2	45.9
Carnival	1141.00	11.5	96.2
Centamin	101.30	9.8	-10.4
Bridgepoint	239.20	9.4	24.6
Pets At Home	312.40	8.8	10.3
888 Holdings	84.05	8.0	-6.1
Watches Of Switzerland	646.50	7.8	-21.2
Jpmorgan Indian Investment Trust Plc	896.00	4.9	8.0
Ashmore	183.00	6.3	-23.5
Crest Nicholson Holdings	191.30	5.6	-19.6
Mobico	69.60	4.9	-45.8
Indivior	1319.00	4.5	-28.5
Losers			
Digital 9 Infrastructure	31.75	-26.2	-63.3
Future	818.50	-17.7	-34.4
Auction Technology	521.00	-17.0	-31.9
Dr. Martens	93.95	-15.4	-50.6
Cab Payments Holdings	53.90	-13.1	-
Discoverie	604.00	-10.4	-16.7
Aj Bell	249.00	-9.2	-30.5
Ferrexpo	72.65	-8.7	-54.3
Diversified Energy	64.40	-8.6	-77.7
Qinetiq	292.80	-8.4	-17.3
Essentra	148.00	-7.4	-37.6
Telecom Plus	1526.00	-7.1	-30.7

FTSE SmallCap	Dec 04 price(p)	%Chg week	%Chg ytd
Winners			
Augmentum Fintech	99.60	16.5	-11.6
Costain	65.00	14.4	65.6
Motorpoint	85.60	11.2	-41.2
Abrdn China Investment	444.00	10.2	-19.9
Funding Circle Holdings	40.00	9.6	-28.5
Capita	20.50	8.0	-15.1
Rights & Issues Investment Trust	2040.00	7.9	6.3
Aew Uk Reit	90.45	7.8	7.9
Artemis Alpha Trust	315.50	6.9	2.3
De La Rue	71.00	6.3	-10.1
Abrdn New India Investment Trust	622.00	5.8	11.1
Ecofin Global Utilities And Infrastructure Trust	171.75	5.7	-21.2
Losers			
Petrofac	20.82	-34.4	-68.9
Xaar	118.00	-34.1	-39.2
Halfords	185.30	-18.1	-11.0
Fisher (james) & Sons	273.00	-10.8	-27.2
Paypoint	456.50	-9.4	-9.9
Tullow Oil	35.08	-8.9	-4.6
Enquest	12.73	-8.7	-40.4
Speedy Hire	30.85	-8.6	-22.4
Reach	70.65	-8.1	-24.6
Foresight Sustainable Forestry	59.80	-8.0	-43.1
Onyx Int Growth Fund Ltd	1130.00	-7.9	2.7
Saga	115.20	-7.7	-7.2

Industry Sectors	Dec 04 price(p)	%Chg week	%Chg ytd
Winners			
Mining	10240.94	7.1	-8.1
Aerospace & Defense	8121.67	5.3	58.3
General Industrials	6421.90	4.3	5.8
Industrial Transportation	3598.54	3.0	4.0
Household Goods	12058.86	1.5	21.6
Electricity	10904.09	1.3	2.2
Travel & Leisure	6715.49	1.2	7.9
Real Estate & Investment Service	2181.30	1.0	3.0
General Financial	13942.19	0.9	20.5
Banks	3500.36	0.8	6.3
Industrial Engineering	13171.48	0.6	-4.6
Losers			
Automobiles & Parts	1496.07	-3.0	0.2
Life Insurance	5924.75	-2.6	-16.0
Personal Goods	21915.27	-2.0	-29.0
Chemicals	8613.41	-1.6	-26.6
Oil & Gas Producers	8511.12	-1.2	4.7
Nonlife Insurance	3400.77	-1.2	1.4
General Retailers	3590.98	-0.9	6.7
Electronic & Electrical Equip.	9102.26	-0.9	5.1
Media	10866.51	-0.9	19.5
Support Services	9857.50	-0.6	0.8
Fixed Line Telecommunications	10841.38	-0.5	-3.7
Tobacco	28400.88	-0.3	-20.2

Based on last week's performance. †Price at suspension.

CURRENCIES

Dec 4	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	362.5717	1.5466	392.1389	0.9492	457.2210	1.1394
Australia	Australian Dollar	1.5116	0.0047	1.6349	0.0020	1.9062	0.0025
Bahrain	Bahrainin Dinar	0.3770	-	0.4077	-0.0008	0.4754	-0.0008
Bolivia	Bolivian Boliviano	6.9100	-	7.4735	-0.0138	8.7139	-0.0155
Brazil	Brazilian Real	4.9290	0.0264	5.3310	0.0187	6.2157	0.0223
Canada	Canadian Dollar	1.3538	0.0021	1.4642	-0.0004	1.7072	-0.0004
Chile	Chilean Peso	866.4900	7.2200	937.1513	6.0868	1092.6872	7.1746
China	Chinese Yuan	7.1363	-0.0058	7.7183	-0.0205	8.9993	-0.0233
Colombia	Colombian Peso	4011.3900	24.9650	4338.5153	19.0120	5058.5655	22.5277
Costa Rica	Costa Rican Colon	533.8800	-	577.4173	-1.0699	673.2494	-1.1992
Czech Republic	Czech Koruna	22.5778	0.0975	24.4189	0.0604	28.4717	0.0725
Denmark	Danish Krone	6.8932	0.0122	7.4553	-0.0006	8.6926	-0.0001
Egypt	Egyptian Pound	30.8911	0.0964	33.4102	0.0425	38.9552	0.0524
Hong Kong	Hong Kong Dollar	7.8170	0.0020	8.4544	-0.0136	9.8576	-0.0151
Hungary	Hungarian Forint	351.1859	0.9344	379.8246	0.3086	442.8629	0.3915
India	Indian Rupee	83.3638	0.0675	90.1620	-0.0939	105.1259	-0.1020
Indonesia	Indonesian Rupiah	15455.0000	-30.0000	16715.3641	-63.4691	19489.5302	-72.6295
Israel	Israeli Shekel	3.7240	0.0076	4.0276	0.0007	4.6961	0.0012
Japan	Japanese Yen	147.1050	-0.5566	159.1012	-0.8962	185.5068	-1.0316
..One Month		147.1042	-0.5566	159.1006	-0.8974	185.5058	-1.0334
..Three Month		147.1029	-0.5592	159.0996	-0.8995	185.5042	-1.0367
..One Year		147.0973	-0.5703	159.0955	-0.9076	185.5058	-1.0422
Kenya	Kenyan Shilling	153.3000	0.0500	165.8014	-0.2530	193.3190	-0.2812
Kuwait	Kuwaiti Dinar	0.3091	0.0002	0.3343	-0.0004	0.3897	-0.0004
Malaysia	Malaysian Ringgit	4.6575	-0.0160	5.0373	-0.0267	5.8733	-0.0307
Mexico	Mexican Peso	17.4090	0.1270	18.8287	0.1027	21.9536	0.1213
New Zealand	New Zealand Dollar	1.6226	0.0034	1.7549	0.0005	2.0462	0.0007
Nigeria	Nigerian Naira	799.5000	10.0000	864.6983	9.2334	1008.2094	10.8370
Norway	Norwegian Krone	10.8622	0.1493	11.7480	0.1400	13.6978	0.1642
Pakistan	Pakistani Rupee	285.2250	-	308.4848	-0.5716	359.6830	-0.6407
Peru	Peruvian Nuevo Sol	3.7441	0.0061	4.0494	-0.0009	4.7214	-0.0007
Philippines	Philippine Peso	55.3250	-0.0750	59.8367	-0.1921	69.7676	-0.2190
Poland	Polish Zloty	4.0079	0.0071	4.3347	-0.0003	5.0542	0.0000
Romania	Romanian Leu	4.5927	0.0060	4.9672	-0.0028	5.7916	-0.0028
Russia	Russian Ruble	91.3750	0.7475	98.8265	0.6268	115.2284	0.7391
Saudi Arabia	Saudi Riyal	3.7513	-	4.0572	-0.0075	4.7306	-0.0084
Singapore	Singapore Dollar	1.3381	0.0012	1.4472	-0.0014	1.6874	-0.0016
South Africa	South African Rand	18.8313	0.1706	20.3669	0.1471	23.7471	0.1732
South Korea	South Korean Won	1304.0500	-1.7000	1410.3939	-4.4551	1644.4723	-5.0767
Sweden	Swedish Krona	10.4623	0.0198	11.3155	0.0004	13.1935	0.0014
Switzerland	Swiss Franc	0.8739	0.0015	0.9452	-0.0001	1.1021	0.0000
Taiwan	New Taiwan Dollar	31.4020	-0.0650	33.9628	-0.1334	39.5995	-0.1527
Thailand	Thai Baht	34.9450	-0.0875	37.7947	-0.1648	44.0674	-0.1890
Tunisia	Tunisian Dinar	3.1335	0.0091	3.3890	0.0036	3.9515	0.0045
Turkey	Turkish Lira	28.9063	-0.0032	31.2635	-0.0614	36.4522	-0.0690
United Arab Emirates	UAE Dirham	3.6725	0.0002	3.9720	-0.0071	4.6312	-0.0079
United Kingdom	Pound Sterling	0.7930	0.0014	0.8577	-0.0001	-	-
..One Month		0.7930	0.0014	0.8576	-0.0001	-	-
..Three Month		0.7931	0.0014	0.8574	-0.0001	-	-
..One Year		0.7930	0.0014	0.8562	-0.0001	-	-
United States	United States Dollar	-	-	1.0815	-0.0020	1.2610	-0.0022
..One Month		-	-	1.0814	-0.1818	1.2611	-0.0022
..Three Month		-	-	1.0811	-0.1817	1.2611	-0.0022
..One Year		-	-	1.0797	-0.1818	1.2611	-0.0022
Vietnam	Vietnamese Dong	24245.5000	-54.5000	26222.6989	-107.6416	30574.8687	-123.2369
European Union	Euro	0.9246	0.0017	-	-	1.1660	0.0001
..One Month		0.9244	0.0017	-	-	1.1659	0.0001
..Three Month		0.9242	0.0017	-	-	1.1657	0.0001
..One Year		0.9227	0.0017	-	-	1.1645	0.0001

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 04	Day's chge%	Euro Index	£ Strlg Dec 01	£ Strlg Nov 30	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7512.96	-0.22	6831.48	7529.35	7453.75	7556.23	3.97	2.42	10.42	292.10	8021.47
FTSE 250 (250)	18361.25	-0.26	16695.74	18408.65	18233.47	19363.28	3.67	1.03	26.53	598.46	15789.52
FTSE 250 ex Inv Co (168)	18941.89	-0.29	17223.71	18996.41	18763.16	19908.32	3.84	0.81	32.07	635.20	16635.40
FTSE 350 (350)	4127.56	-0.22	3753.16	4136.80	4095.56	4179.26	3.93	2.24	11.38	156.90	8737.40
FTSE 350 ex Investment Trusts (265)	4077.09	-0.22	3707.27	4086.16	4043.79	4117.79	3.98	2.25	11.13	157.40	4462.93
FTSE 350 Higher Yield (133)	3524.88	-0.46	3205.15	3541.20	3505.24	3574.46	5.64	2.29	7.74	186.20	8548.01
FTSE 350 Lower Yield (217)	4313.24	0.03	3921.99	4311.78	4269.67	4363.83	2.08	2.08	23.06	97.01	5431.15
FTSE SmallCap (222)	6042.57	-0.25	5494.46	6057.88	6006.53	6267.83	3.89	-0.18	-143.82	209.70	10531.48
FTSE SmallCap ex Inv Co (115)	4967.86	-0.53	4517.23	4994.15	4926.90	5021.54	3.98	-0.32	-77.47	171.55	8999.93
FTSE All-Share (572)	4085.31	-0.22	3714.74	4094.48	4053.80	4138.81	3.93	2.19	11.65	154.98	8732.25
FTSE All-Share ex Inv Co (380)	4002.83	-0.23	3639.74	4011.88	3970.13	4042.81	3.98	2.22	11.29	154.33	4448.53
FTSE All-Share ex Multinationals (512)	1073.04	-0.06	809.03	1073.71	1064.14	1089.75	4.15	1.43	16.87	42.56	2380.75
FTSE Fledgling (71)	10514.56	-0.65	9560.81	10583.57	10490.21	11601.79	3.06	-1.24	-26.33	318.39	23487.96
FTSE Fledgling ex Inv Co (31)	15978.22	-0.79	14528.87	16106.02	15828.96	15111.23	2.34	-4.14	-10.30	446.18	34629.99
FTSE All-Small (293)	4198.58	-0.27	3817.74	4210.08	4174.32	4369.54	3.85	-0.22	-117.21	144.73	9383.12
FTSE All-Small ex Inv Co (146)	3747.15	-0.54	3407.25	3767.39	3716.09	3777.52	3.91	-0.42	-61.17	128.39	8595.52
FTSE AIM All-Share (670)	715.24	-0.15	650.36	716.29	713.78	853.32	2.11	1.02	46.28	14.13	856.71
FTSE All-Share Technology (17)	2425.42	-0.86	2109.14	2446.47	2428.28	2031.35	1.60	1.60	39.23	36.35	3576.11
FTSE All-Share Telecommunications (6)	1227.85	0.21	1067.74	1225.32	1219.71	1505.14	8.64	0.44	26.46	100.74	2038.67
FTSE All-Share Health Care (12)	13876.85	0.68	12067.29	13782.66	13674.76	14489.40	2.55	1.50	26.03	351.48	13164.04
FTSE All-Share Financials (256)	4634.21	0.05	4029.90	4632.11	4604.80	4571.89	4.71	2.31	9.19	214.87	5399.72
FTSE All-Share Real Estate (51)	805.16	-0.68	732.46	810.70	794.45	845.06	4.52	-3.05	-7.25	34.53	887.70
FTSE All-Share Consumer Discretionary (81)	5125.45	0.23	4457.09	5113.87	5051.18	4641.90	2.31	2.05	21.11	113.33	5561.20
FTSE All-Share Consumer Staples (22)	17269.28	0.47	15017.34	17188.95	17123.63	19982.86	4.60	1.58	13.75	721.17	16525.17
FTSE All-Share Industrials (83)	7082.78	-0.15	6159.17	7093.54	6995.77	6374.98	2.20	2.23	20.43	152.31	8390.68
FTSE All-Share Basic Materials (21)	7759.79	-2.77	6747.90	7980.54	7664.37	9292.32	5.97	2.35	7.13	461.18	11221.92
FTSE All-Share Energy (15)	8786.25	-1.28	7640.51	8899.98	8886.56	8534.07	4.26	4.69	5.01	372.47	11148.49
FTSE All-Share Utilities (8)	9052.13	-0.09	7871.71	9060.55	8997.08	8651.73	4.87	2.17	9.45	429.24	14498.24
FTSE All-Share Software and Computer Services (16)	2633.62	-0.84	2290.20	2655.81	2636.82	2189.86	1.57	1.65	38.62	38.84	4107.27
FTSE All-Share Technology Hardware and Equipment (1)	3697.73	-3.64	3215.54	3837.27	3687.76	5269.55	4.35	-0.47	-48.51	142.95	4958.03
FTSE All-Share Telecommunications Equipment (1)	241.65	-1.99	210.13	246.56	255.28	613.84	5.79	1.51	11.43	13.99	358.45
FTSE All-Share Telecommunications Service Providers (5)	1930.18	0.26	1678.49	1925.17	1914.47	2307.71	8.71	0.42	27.32	159.51	2925.04
FTSE All-Share Health Care Providers (1)	11284.90	-0.44	9813.33	11335.28	11209.33	11084.41	0.22	4.26	105.26	43.16	10514.80
FTSE All-Share Medical Equipment and Services (2)	5254.84	-0.27	4569.60	5268.82	5220.02	5509.14	2.76	0.62	58.16	144.86	5215.77
FTSE All-Share Pharmaceuticals and Biotechnology (9)	19851.86	0.74	17263.15	19706.56	19553.97	20723.53	2.55	1.55	25.24	504.08	16958.89
FTSE All-Share Banks (12)	3451.83	0.29	3001.71	3441.86	3416.97	3179.28	6.36	3.20	4.91	218.66	3247.39
FTSE All-Share Finance and Credit Services (8)	11983.73	0.00	10421.03	11984.09	11875.35	11235.02	1.77	1.91	29.63	221.92	16435.93
FTSE All-Share Investment Banking and Brokerage Services (32)	8998.10	-0.14	7824.73	9010.55	8936.02	8674.35	5.05	1.87	10.61	437.80	13358.48
FTSE All-Share Closed End Investments (192)	11128.89	-0.20	9677.67	11150.85	11120.04	11812.75	3.05	1.42	23.17	315.58	7179.02
FTSE All-Share Life Insurance (6)	6030.59	-0.09	5244.19	6036.02	6014.45	6902.19	5.42	0.40	45.69	327.63	7755.15
FTSE All-Share Nonlife Insurance (6)	3842.71	0.25	3341.62	3833.14	3810.55	3590.33	2.73	1.12	32.84	86.97	8386.92
FTSE All-Share Real Estate Investment and Services (10)	2063.92	-0.51	1794.78	2074.57	2030.85	2159.96	2.40	-0.06	-652.05	40.95	6299.67
FTSE All-Share Real Estate Investment Trusts (41)	1995.80	-0.71	1735.55	2010.16	1970.24	2095.96	4.91	-3.32	-6.14	94.07	3185.63
FTSE All-Share Automobiles and Parts (3)	1503.74	-1.01	1307.65	1519.08	1522.84	1383.91	1.23	-3.35	-24.28	18.60	1580.94
FTSE All-Share Consumer Services (1)	3374.28	1.04	2934.27	3339.66	3301.75	3087.38	1.81	2.12	26.07	61.00	4359.73
FTSE All-Share Household Goods and Home Construction (11)	10027.10	0.28	8719.55	9999.31	9832.30	8528.22	5.85	1.91	8.96	556.63	9582.85
FTSE All-Share Leisure Goods (2)	28133.56	-1.72	24464.90	28625.59	28560.55	20023.54	4.26	1.00	23.40	1198.55	32860.65
FTSE All-Share Personal Goods (4)	18794.49	-1.97	16343.66	19171.60	18739.75	29055.56	3.46	2.12	13.66	496.10	15073.80
FTSE All-Share Media (10)	11138.37	0.23	9685.91	11113.27	11079.37	9572.96	2.36	1.93	21.89	262.54	8038.56
FTSE All-Share Retailers (21)	2411.99	0.58	2097.47	2397.99	2360.02	1943.15	2.41	2.68	15.48	49.89	3222.53
FTSE All-Share Travel and Leisure (29)	6603.14	-0.02	5742.08	6604.63	6469.74	6460.43	0.87	2.26	50.67	58.27	6886.84
FTSE All-Share Beverages (5)	22125.48	-0.37	19240.29	22208.31	21823.16	29416.73	2.89	2.03	17.06	622.57	18172.15
FTSE All-Share Food Producers (8)	7443.79	0.29	6473.11	7422.55	7388.92	6068.18	2.15	2.71	17.15	104.04	7362.77
FTSE All-Share Tobacco (2)	28400.93	0.66	24697.40	28215.96	28208.40	36836.04	8.72	1.60	7.15	2008.23	28909.20
FTSE All-Share Construction and Materials (15)	9068.09	-0.65	7885.60	9127.46	8989.78	7279.82	3.78	2.52	10.50	281.85	11439.93
FTSE All-Share Aerospace and Defense (8)	8499.41	0.25	7391.08	8477.86	8329.28	5163.78	1.50	3.72	17.95	127.08	10554.90
FTSE All-Share Electronic and Electrical Equipment (11)	10646.00	-0.76	9257.74	10727.87	10687.47	10955.40	1.71	2.41	24.23	166.58	10703.58
FTSE All-Share General Industrials (7)	5167.67	-0.54	4493.80	5195.51	5125.91	5012.83	3.50	1.53	18.61	165.24	7066.14
FTSE All-Share Industrial Engineering (6)	14376.24	-0.94	12501.56	14513.23	14374.01	16287.08	2.28	2.22	19.77	321.07	19706.48
FTSE All-Share Industrial Support Services (29)	9516.95	-0.05	8275.92	9522.10	9428.99	10083.55	2.27	1.39	31.61	211.84	11197.93
FTSE All-Share Industrial Transportation (7)	5400.00	0.18	4695.83	5390.56	5245.07	5522.84	1.81	3.59	15.42	91.89	5750.29
FTSE All-Share Industrial Materials (1)	16253.03	-1.52	536.94	16503.08	15552.90	15427.88	2.12	3.29	14.33	345.06	20924.75
FTSE All-Share Industrial Metals and Mining (8)	7074.47	-3.01	6151.95	7293.85	6982.40	8375.14	6.33	2.45	6.44	444.57	11574.17
FTSE All-Share Precious Metals and Mining (5)	9808.08	-0.86	8529.09	9893.27	9611.07	10444.64	3.00	-1.42	-23.41	294.42	7130.85
FTSE All-Share Chemicals (7)	9408.13	-0.74	8181.30	9478.54	9414.07	13467.30	3.14	1.53	20.77	300.37	9697.39
FTSE All-Share Oil. Gas and Coal (13)	8536.65	-1.28	7423.46	8647.47	8633.88	8284.71	4.26	4.70	5.00	361.78	11233.65
FTSE Sector Indices											
Non Financials (316)	**4967.66**	**-0.31**	**4517.06**	**4982.88**	**4927.28**	**5071.32**	**3.69**	**2.14**	**12.69**	**176.12**	**9321.34**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7491.31	7510.65	7499.38	7507.03	7503.00	7497.39	7495.28	7512.80	7510.90	7533.73	7477.59
FTSE 250	18428.60	18509.18	18458.98	18475.16	18468.47	18442.97	18383.98	18410.41	18363.06	18532.59	18343.08
FTSE SmallCap	6063.38	6069.69	6069.34	6069.39	6064.28	6061.32	6058.66	6059.07	6051.31	6071.38	6042.57
FTSE All-Share	4077.74	4089.13	4082.45	4086.44	4084.32	4080.93	4078.14	4086.97	4084.55	4097.28	4071.79

Time of FTSE 100 Day's high:14:50:00 Day's Low09:33:30 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7256.94(07/07/2023)
Time of FTSE All-Share Day's high:14:50:00 Day's Low09:38:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 3933.17(27/10/2023)

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FT 30 INDEX

	Dec 04	Dec 01	Nov 30	Nov 29	Nov 28	Yr Ago	High	Low
FT 30	2644.70	2640.80	2618.60	2616.60	2604.80	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
2640.8	2654.5	2646.2	2648.6	2648.4	2647.4	2640.5	2647.1	2641.6	2659.4	2637.0

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	Dec 01		Dec 01
FT Wilshire 5000	46295.60	FT Wilshire Mid Cap	5734.61
FT Wilshire 2500	5945.52	FT Wilshire Small Cap	5214.48
FT Wilshire Mega Cap	6108.21	FT Wilshire Micro Cap	4516.12
FT Wilshire Large Cap	6047.83		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Aerospace & Defense	58.00	Oil & Gas Producers	4.84	FTSE SmallCap Index	-3.16
Software & Comp Serv	28.25	Oil & Gas	4.60	Equity Invest Instr	-3.68
Food Producers	26.76	Household Goods & Ho	3.83	Pharmace & Biotech	-5.32
General Retailers	25.80	Electricity	2.19	Health Care	-5.33
Construct & Material	24.19	Electronic & Elec Eq	2.06	Health Care Eq & Srv	-5.76
Leisure Goods	21.97	Nonlife Insurance	1.99	Telecommunications	-9.45
Media	20.87	Industrial Eng	1.92	Personal Goods	-10.66
Food & Drug Retailer	20.06	Real Est Invest & Se	1.40	Consumer Goods	-11.50
Consumer Services	16.16	Financials	1.37	Industrial Metals &	-14.97
Technology	15.80	FTSE 100 Index	0.82	Mobile Telecomms	-15.22
Industrials	14.93	Support Services	0.61	Life Insurance	-15.92
Financial Services	12.33	Automobiles & Parts	0.50	Mining	-16.15
Travel & Leisure	7.86	FTSE All{HY-}Share Index	0.25	Basic Materials	-17.08
Gas Water & Multi	7.84	Industrial Transport	0.21	Oil Equipment & Serv	-17.65
Banks	6.34	Beverages	31.66	Tobacco	-20.33
Utilities	6.30	NON FINANCIALS Index	-0.13	Beverages	-20.85
Fixed Line Telecomms	5.65	Real Est Invest & Tr	-1.97	Chemicals	-27.18
		FTSE 250 Index	-2.61	Tech Hardware & Eq	-51.16

FTSE GLOBAL EQUITY INDEX SERIES

Dec 4 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	10079	778.15	0.6	8.7	14.4	1275.75	16.8	2.1
FTSE Global All Cap	10079	778.15	0.6	8.7	14.4	1275.75	16.8	2.1
FTSE Global Large Cap	2000	709.16	0.2	8.0	16.6	1198.64	19.1	2.1
FTSE Global Mid Cap	2292	954.04	1.2	10.4	8.0	1471.75	10.3	2.3
FTSE Global Small Cap	5787	980.11	1.9	10.9	8.7	1442.95	10.8	2.1
FTSE All-World	4292	460.02	0.4	8.5	15.0	798.85	17.5	2.1
FTSE World	2621	842.81	0.5	8.7	16.4	1963.83	18.9	2.1
FTSE Global All Cap ex UNITED KINGDOM In	9800	823.36	0.6	8.7	14.7	1323.04	17.1	2.0
FTSE Global All Cap ex USA	8317	525.00	0.2	8.2	7.4	963.71	10.6	3.1
FTSE Global All Cap ex JAPAN	8651	811.90	0.6	8.9	14.5	1342.58	16.9	2.1
FTSE Global All Cap ex Eurozone	9441	822.32	0.6	8.5	14.4	1317.70	16.7	2.0
FTSE Developed	2116	774.68	0.5	8.7	16.6	1277.56	19.0	2.0
FTSE Developed All Cap	5724	801.34	0.6	8.9	15.8	1301.78	18.1	2.0
FTSE Developed Large Cap	775	737.85	0.3	8.2	18.6	1238.42	21.1	2.0
FTSE Developed Europe Large Cap	197	424.23	0.2	9.2	12.1	869.02	15.8	3.3
FTSE Developed Europe Mid Cap	343	627.12	0.6	12.3	10.7	1112.75	14.1	3.1
FTSE Dev Europe Small Cap	734	826.70	0.5	12.4	3.3	1409.41	6.5	3.3
FTSE North America Large Cap	220	1007.34	0.4	8.3	22.6	1539.60	24.5	1.5
FTSE North America Mid Cap	418	1182.43	1.7	10.9	8.2	1674.33	10.0	1.9
FTSE North America Small Cap	1295	1167.41	2.7	11.5	10.0	1581.32	11.6	1.7
FTSE North America	638	646.40	0.6	8.8	19.8	1010.40	21.7	1.6
FTSE Developed ex North America	1478	285.20	0.1	8.4	9.6	563.86	13.0	3.1
FTSE Japan Large Cap	164	425.11	0.5	5.9	14.6	640.67	17.3	2.2
FTSE Japan Mid Cap	347	559.19	0.2	3.9	5.7	801.93	8.3	2.5
FTSE Global wi JAPAN Small Cap	917	630.84	0.1	4.7	6.1	941.39	9.0	2.6
FTSE Japan	511	172.70	0.4	5.5	12.8	291.54	15.5	2.2
FTSE Asia Pacific Large Cap ex Japan	1218	668.00	-0.6	6.5	-0.6	1254.96	2.2	3.0
FTSE Asia Pacific Mid Cap ex Japan	902	1010.77	-0.4	8.2	5.1	1827.83	7.6	2.8
FTSE Asia Pacific Small Cap ex Japan	2556	580.98	-0.1	9.8	8.8	1018.16	11.3	2.5
FTSE Asia Pacific Ex Japan	2120	535.52	-0.6	6.7	0.0	1069.04	2.8	3.0
FTSE Emerging All Cap	4355	724.89	-0.1	6.8	2.9	1304.76	6.0	3.1
FTSE Emerging Large Cap	1225	657.39	-0.3	6.4	1.1	1190.61	4.2	3.1
FTSE Emerging Mid Cap	951	1104.64	0.3	8.0	8.1	1998.91	11.3	3.1
FTSE Emerging Small Cap	2179	839.79	0.4	8.8	11.5	1442.26	14.6	2.8
FTSE Emerging Europe	150	143.02	0.1	6.2	11.3	312.49	15.9	3.3
FTSE Latin America All Cap	251	824.76	1.0	12.2	18.2	1745.38	25.3	6.5
FTSE Middle East and Africa All Cap	326	695.42	0.3	6.1	-4.0	1321.11	-0.5	3.7
FTSE Global wi UNITED KINGDOM All Cap In	279	334.57	0.8	7.5	6.5	711.70	10.6	3.9
FTSE Global wi USA All Cap	1762	1105.51	0.8	9.0	19.3	1627.94	21.1	1.5
FTSE Europe All Cap	1465	476.70	0.3	9.9	11.1	937.12	14.7	3.2
FTSE Eurozone All Cap	638	474.68	0.1	11.2	14.6	925.12	18.2	3.1
FTSE EDHEC-Risk Efficient All-World	4292	494.69	0.9	8.9	6.8	800.46	9.4	2.6
FTSE EDHEC-Risk Efficient Developed Europe	540	345.19	0.4	10.8	10.0	627.41	13.6	3.3
Oil & Gas	137	406.04	0.3	1.2	-0.6	870.99	3.6	4.2
Oil & Gas Producers	89	411.76	0.2	0.2	1.1	909.00	5.6	4.3

Dec 4 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	26	282.99	0.7	3.9	1.8	548.30	6.0	4.7
Basic Materials	422	606.55	0.8	8.7	1.5	1159.75	5.1	3.6
Chemicals	208	806.60	0.2	8.0	3.5	1469.16	6.2	2.8
Forestry & Paper	18	255.20	-0.1	5.0	1.3	537.31	5.2	4.5
Industrial Metals & Mining	114	540.81	1.2	11.1	9.4	1078.81	13.6	4.0
Mining	82	920.15	1.5	8.9	-5.8	1884.17	-1.3	4.7
Industrials	841	541.51	1.1	11.1	11.0	882.56	13.2	2.0
Construction & Materials	162	665.37	0.7	10.7	19.5	1144.73	21.9	1.9
Aerospace & Defense	37	1001.10	1.0	8.6	10.6	1588.48	12.3	1.5
General Industrials	82	277.81	1.0	11.2	16.4	503.71	19.2	2.3
Electronic & Electrical Equipment	170	631.17	0.2	11.7	5.3	921.89	6.9	1.6
Industrial Engineering	169	1089.82	1.1	11.7	10.9	1770.18	13.1	2.0
Industrial Transportation	131	945.05	2.0	9.7	4.8	1589.14	7.9	3.3
Support Services	90	565.65	1.4	13.1	11.9	855.78	13.6	1.5
Consumer Goods	581	578.40	0.3	6.8	7.6	997.76	10.0	2.5
Automobiles & Parts	144	594.08	0.2	10.4	36.3	984.79	39.6	2.0
Beverages	73	734.48	0.3	2.4	-5.2	1281.41	-3.0	2.6
Food Producers	133	682.08	0.0	4.1	-5.4	1206.32	-3.1	2.8
Household Goods & Home Construction	63	578.36	0.2	6.3	7.7	1000.20	10.4	2.4
Leisure Goods	57	269.20	0.0	8.1	17.2	386.68	18.9	1.4
Personal Goods	99	930.45	0.6	7.7	0.7	1459.05	2.3	1.9
Tobacco	12	932.74	0.8	6.3	-6.5	2823.56	-1.7	6.9
Health Care	353	719.52	0.3	5.5	-1.2	1168.43	0.5	1.8
Health Care Equipment & Services	133	1368.77	0.3	8.5	-0.8	1697.34	0.2	1.1
Pharmaceuticals & Biotechnology	220	487.29	0.2	3.5	-1.5	855.23	0.7	2.4
Consumer Services	438	606.06	0.7	7.6	18.0	876.43	19.4	1.1
Food & Drug Retailers	66	298.17	0.0	3.3	-5.2	486.53	-2.8	2.6
General Retailers	144	1093.41	0.7	7.9	22.8	1509.54	23.9	0.9
Media	80	355.29	0.2	7.9	22.6	517.34	24.1	1.2
Travel & Leisure	148	503.35	1.3	8.5	13.7	744.88	15.1	1.3
Telecommunication	82	131.15	0.4	6.8	1.9	323.32	6.3	4.4
Fixed Line Telecommuniations	29	99.95	0.5	5.8	-0.7	285.46	4.3	5.5
Mobile Telecommunications	53	156.95	0.3	7.3	3.2	331.86	7.3	3.9
Utilities	209	311.79	0.8	6.2	-3.2	757.00	0.2	3.7
Electricity	151	349.61	0.9	6.7	-4.3	834.09	-1.1	3.5
Gas Water & Multiutilities	58	314.79	0.4	5.1	-0.3	795.13	3.6	4.1
Financials	853	276.69	0.6	9.4	6.6	550.94	10.2	3.3
Banks	273	204.71	0.6	9.7	3.3	460.74	8.2	4.6
Nonlife Insurance	70	415.10	-0.3	4.7	13.5	714.07	16.7	2.8
Life Insurance	50	216.66	0.0	4.1	-4.9	435.15	-1.1	4.0
Financial Services	218	485.58	0.5	10.8	14.4	750.81	16.3	1.6
Technology	376	666.47	0.0	10.7	50.7	878.24	52.0	0.8
Software & Computer Services	178	1021.53	-0.2	10.4	50.7	1243.62	51.6	0.5
Technology Hardware & Equipment	198	581.45	0.2	11.1	50.7	827.35	52.4	1.1
Alternative Energy	22	109.32	1.2	18.5	-40.3	157.48	-40.0	0.5
Real Estate Investment & Services	140	241.23	0.8	8.9	-3.9	482.97	-1.4	2.7
Real Estate Investment Trusts	102	436.85	1.6	13.1	0.3	1065.35	3.9	4.0
FTSE Global Large Cap	2000	709.16	0.2	8.0	16.6	1198.64	19.1	2.1

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC&currency=USD&rtn=CAP&segment=global-developed--emerging. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change
3I Group PLC	2252	4.00
Admiral Group PLC	2718	12.00
Airtel Africa PLC	109.50	-2.00
Anglo American PLC	2224.5	-86.50
Antofagasta PLC	1456	-39.50
Ashtead Group PLC	4920	19.00
Associated British Foods PLC	2392	7.00
Astrazeneca PLC	10266	68.00
Auto Trader Group PLC	721.40	-
Aviva PLC	421.70	1.90
B&M European Value Retail S.A.	598.20	9.20
Bae Systems PLC	1047	-12.50
Barclays PLC	142.98	0.62
Barratt Developments PLC	522.60	2.80
Beazley PLC	532.00	-8.00
Berkeley Group Holdings (The) PLC	4727	15.00
BP PLC	471.95	-6.45
British American Tobacco PLC	2523.5	15.50
Bt Group PLC	126.10	2.45
Bunzl PLC	2997	1.00
Burberry Group PLC	1468.5	-30.00
Centrica PLC	151.45	-1.10
Coca-Cola Hbc AG	2218	-
Compass Group PLC	2047	21.00
Convatec Group PLC	224.60	-1.00
Croda International PLC	4469	-11.00
Dcc PLC	5490	4.00
Dechra Pharmaceuticals PLC	3832	4.00
Diageo PLC	2804	-12.00
Diploma PLC	3340	-34.00
Endeavour Mining PLC	1868	-23.00
Entain PLC	796.80	-11.20
Experian PLC	2935	11.00
F&C Investment Trust PLC	888.00	-2.00
Flutter Entertainment PLC	12415	-180.00
Frasers Group PLC	913.00	13.50
Fresnillo PLC	587.40	-5.60
Glaxosmithkline PLC	1455.4	19.40
Glencore PLC	443.65	-14.05
Haleon PLC	329.55	-1.80
Halma PLC	2120	-13.00
Hargreaves Lansdown PLC	710.00	-2.20
Hikma Pharmaceuticals PLC	1769.5	11.50
Howden Joinery Group PLC	735.20	-2.80
HSBC Holdings PLC	604.10	-
Imi PLC	1562	-18.00
Imperial Brands PLC	1873	14.50
Informa PLC	758.00	1.00
Intercontinental Hotels Group PLC	6332	28.00
International Consolidated Airlines Group S.A.	158.25	1.75
Intertek Group PLC	4027	-7.00
Jd Sports Fashion PLC	164.90	4.55
Kingfisher PLC	224.80	0.20
Land Securities Group PLC	627.80	-5.80
Legal & General Group PLC	227.40	-0.10
Lloyds Banking Group PLC	45.13	0.64
London Stock Exchange Group PLC	8990	-2.00
M&G PLC	208.00	-3.20
Marks And Spencer Group PLC	253.90	-0.50
Melrose Industries PLC	527.40	-6.40
Mondi PLC	1435.5	-7.50
National Grid PLC	1036	3.00
Natwest Group PLC	213.70	2.50
Next PLC	8098	56.00
Ocado Group PLC	593.60	-0.60
Pearson PLC	933.60	14.00
Pershing Square Holdings LTD	3134	-
Phoenix Group Holdings PLC	473.90	4.10
Prudential PLC	864.20	-4.60
Reckitt Benckiser Group PLC	5450	34.00
Relx PLC	3047	-1.00
Rentokil Initial PLC	428.10	0.40
Rightmove PLC	549.00	-3.20
Rio Tinto PLC	5448	-151.00
Rolls-Royce Holdings PLC	285.40	8.70
Rs Group PLC	751.00	-5.40
Sage Group PLC	1130	-19.00
Sainsbury (J) PLC	284.80	0.20
Schroders PLC	401.80	-4.60
Scottish Mortgage Investment Trust PLC	712.80	-6.20
Segro PLC	817.40	-6.00
Severn Trent PLC	2588	-27.00
Shell PLC	2536.5	-31.50
Smith & Nephew PLC	1033.5	-2.00
Smith (Ds) PLC	300.10	3.60
Smiths Group PLC	1640	-19.50
Smurfit Kappa Group PLC	3030	-50.00
Spirax-Sarco Engineering PLC	9224	-54.00
Sse PLC	1850	5.00
St. James's Place PLC	660.80	2.60
Standard Chartered PLC	653.20	0.60
Taylor Wimpey PLC	131.75	0.75
Tesco PLC	281.20	1.60
Unilever PLC	3817	36.50
Unite Group PLC	984.00	-6.50
United Utilities Group PLC	1073	-19.00
Vodafone Group PLC	71.30	-0.37
Weir Group PLC	1871	-28.50
Whitbread PLC	3180	-2.00
Wpp PLC	723.00	12.20

UK STOCK MARKET TRADING DATA

	Dec 04	Dec 01	Nov 30	Nov 29	Nov 28	Yr Ago
Order Book Turnover (m)	177.79	53.74	53.74	108.39	63.07	68.29
Order Book Bargains	567001.00	563031.00	563031.00	607033.00	531786.00	502858.00
Order Book Shares Traded (m)	1557.00	1552.00	1552.00	2664.00	1510.00	1485.00
Total Equity Turnover (£m)	15876.40	7029.10	7029.10	5968.48	6670.85	6578.70
Total Mkt Bargains	1270755.00	1125578.00	1125578.00	1116869.00	1017173.00	903730.00
Total Shares Traded (m)	6032.00	6215.00	6215.00	7130.00	8099.00	5161.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

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.
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UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

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	
Chamberlin	Pre	20.718	16.836	0.038	0.509L	0.100L	0.100	0.00000	0.00000	-	0.000	0.000
Creightons	Int	27.555	29.676	0.302	0.359L	0.420	0.550L	0.00000	0.00000	-	0.000	0.000
Fusion Antibodies	Int	0.541	1.863	1.420L	1.262L	2.300L	4.300L	0.00000	0.00000	-	0.000	0.000
JPMorgan Japan Small Cap Growth & Income	Int			1.311L	18.596L	2.730L	34.530L	3.50000	3.60000	Nov 17	7.100	7.600
Schroder British Opportunities Trust	Int			1.964L	2.842L	2.660L	3.800L	0.00000	0.00000	-	0.000	0.000
SkinBioTherapeutics	Pre	0.132	0.075	3.008L	2.992L	1.720L	1.780L	0.00000	0.00000	-	0.000	0.000
Software Circle	Int	8.247	4.969	1.875L	0.535L	1.280L	0.600L	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. *Introduction. ‡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
Australia (A$)							
ANZ Bank	24.45	0.02	26.08	22.39	6.14	10.31	48610.24
BHP Group	47.14	0.80	50.05	41.66	8.48	12.34	158071.18
CmwBkAu	105.12	0.93	111.38	93.05	3.99	17.87	116519.89
CSL	264.17	1.31	314.21	228.65	1.30	38.89	84421.3
NatAusBk	28.65	0.22	32.15	25.10	5.44	12.23	59180.84
Telstra	3.79	-	4.46	3.75	4.21	22.74	28970.18
Wesfarmers	52.74	0.53	54.28	45.13	3.56	24.28	39571.65
Westpac Bank	21.39	0.12	24.10	20.03	6.03	11.88	49655.44
Woolworths	34.85	0.29	40.35	33.05	2.84	26.39	28163.67
Belgium (€)							
AnBshInBv	58.36	0.11	62.01	49.17	1.31	20.93	109650.48
KBC Grp	53.92	0.54	72.46	48.78	7.42	7.02	24328.11
Brazil (R$)							
Ambev	14.04	-0.04	16.55	12.28	5.50	15.37	44874.01
Bradesco	14.32	-0.04	15.18	11.15	6.49	10.54	15485.87
Cielo	4.37	0.03	5.82	3.24	6.96	6.73	2408.7
ItauHldFin♦	26.92	-0.06	27.11	19.53	5.63	8.27	27079.95
Petrobras	36.67	-0.53	41.86	23.61	41.07	-	55369.18
Vale	73.58	-1.64	96.30	61.00	7.38	6.19	67758.21
Canada (C$)							
Bausch Hlth	10.17	0.24	13.81	7.56	-	-14.85	2711.82
BCE	54.89	0.50	65.66	49.57	6.98	21.46	36988.28
BkMontrl	113.81	0.15	137.64	102.67	5.07	11.13	60610.9
BkNvaS	60.55	-0.45	74.41	55.20	6.91	9.40	54299.3
Brookfield	58.88	11.29	63.88	41.28	0.94	446.60	69948.82
CanadPcR	101.47	0.48	112.96	94.45	0.76	21.74	69840.01
CanImp	56.74	0.19	63.60	47.44	6.04	11.51	39023.48
CanNatRs	90.74	-0.89	93.44	67.13	3.80	13.09	72617.16
CanNatRy	160.66	0.43	175.39	143.13	1.92	20.30	76949.89
Enbridge	47.65	0.18	56.29	42.75	7.44	24.98	74814.31
GtWesLif	43.61	-0.09	43.95	29.58	4.70	17.89	30040.8
ImpOil	77.24	0.15	85.11	60.19	2.26	8.12	31661.96
Manulife	26.92	0.29	27.50	23.69	5.24	3.96	36032.29
Nutrien	73.46	-1.64	113.27	70.69	3.69	7.58	26835.17
RylBkC	123.15	0.21	140.18	107.92	4.31	11.80	127567.59
SHOP	98.60	-1.12	101.91	44.06	-	-46.47	87653.33
Suncor En	44.26	-0.27	48.26	37.09	4.65	9.42	42438.15
ThmReut	190.15	-0.13	193.43	156.67	1.37	32.30	63976.68
TntoDom	82.28	0.37	94.05	75.89	4.62	10.56	109522.78
TrnCan	51.48	0.42	58.92	43.70	7.21	56.37	39451.82
China (HK$)							
AgricBkCh	2.83	-0.01	3.28	2.50	-	3.73	11128.38
Bk China	2.84	0.01	3.45	2.60	8.76	3.64	30380.81
BkofComm	4.60	-0.01	5.65	4.23	8.75	3.72	20603.08
BOE Tech	0.56	-	0.87	0.47	-	8.70	14.25
Ch Coms Cons	3.45	-0.03	5.52	3.38	7.08	2.91	1950.09
Ch Evrbrght	2.18	-0.03	2.78	2.15	9.42	3.00	3535.85
Ch Rail Cons	4.53	-	7.46	4.33	5.84	2.38	1203.23
Ch Rail Gp	3.44	-0.02	6.30	3.38	6.13	2.57	1851.55
ChConstBk	4.47	0.01	5.70	4.01	9.32	3.22	137477.84
China Vanke	7.50	-0.33	17.78	7.20	14.00	4.04	2117.04
ChinaCitic	3.51	-0.03	4.74	3.34	10.13	2.94	6682.39
ChinaLife	10.30	-0.20	15.84	10.14	5.11	9.37	9804.86
ChinaMBank	26.35	-0.35	53.00	26.20	7.09	4.47	15475.38
ChinaMob	62.85	0.50	70.20	50.75	6.69	9.57	164703.46
ChinaPcIns	15.90	-0.52	26.50	15.80	6.88	6.26	5645.07
ChMinsheng	2.59	-0.03	3.52	2.48	8.99	3.57	2756.76
ChMrchSecs	14.06	-0.03	15.91	13.02	3.74	15.85	14622.76
Chna Utd Coms	4.45	-0.01	6.45	4.33	2.39	18.27	19309.25
ChShenEgy	25.60	0.50	28.70	21.45	11.22	7.73	11061.02
ChShpbldng	4.03	0.05	5.32	3.46	0.07	-63.61	12470.94
ChStConEng	4.88	-0.07	7.35	4.86	5.05	4.01	28255.71
ChUncHK	4.98	-0.02	6.58	4.45	5.99	7.91	19493.45
CNNC Intl	7.11	0.01	7.58	5.92	2.06	14.80	18813.61
CSR	3.16	-0.05	5.26	3.06	6.86	7.05	1767
Daqin	7.28	-0.02	8.21	6.51	-	12.05	15680.82
GuosenSec	9.45	-0.04	10.90	8.56	2.78	17.96	12101.75
HaitongSecs	4.32	-0.05	6.01	4.16	5.27	9.41	1884.3
Hngzh HikVDT	34.90	-0.60	48.84	31.21	1.95	26.93	44544.43
Hunng Pwr	4.03	-	5.28	3.04	-	-94.42	2423.28
IM Baotou Stl	1.55	-	2.14	1.52	-	24.50	6841.17
In&CmBkCh	3.69	-	4.73	3.35	8.81	3.53	40971.13
IndstrlBk	14.51	-0.10	18.27	14.49	7.98	3.95	42239.33
Kweichow	1750.71	-9.57	1935	1616.25	1.44	32.75	308174.12
Midea	0.34	0.01	0.44	0.26	-	-1.22	13.10
New Ch Life Ins	15.30	-0.16	25.00	15.26	7.60	4.22	2024.05
PetroChina	5.12	0.01	6.05	3.42	9.10	5.71	13819.57
PingAnIns	35.30	-0.75	64.15	35.15	7.67	7.17	33631.99
PngAnBnk	9.63	-0.03	15.74	9.58	5.19	4.17	26186.43
Pwr Cons Corp	4.97	-0.02	8.15	4.94	1.95	7.70	9103.4
SaicMtr	14.71	-0.15	15.65	13.09	4.52	10.66	24082.88
ShenwanHong	0.08	0.01	0.15	0.07	-	5.28	86.11
ShgPdgBk	6.81	-0.04	8.22	6.77	5.87	5.73	28009.9
Sinopec Corp	3.99	-0.02	5.47	3.58	9.86	7.77	12632.25
Sinopec Oil	1.88	0.01	2.39	1.86	-	64.28	3574.72
Denmark (kr)							
DanskeBk	178.30	1.10	179.80	127.30	-	355.92	22301.49
MollerMrsk	10940	15.00	17265	9800	18.30	1.63	11843.87
NovoB	692.20	-6.50	742.20	441.50	0.90	46.42	344950.5
TevaPha	36.11	-0.14	41.25	26.37	-	-4.86	10890.83
Italy (€)							
Enel	6.54	0.03	6.55	4.92	5.97	16.33	71857.28
ENI	14.96	-0.29	15.83	11.69	5.89	5.62	54622.57
Generali	18.85	-0.11	20.06	16.39	6.16	7.05	31780.95
IntSPaolo	2.70	0.03	2.70	1.99	6.09	8.10	53290.15
Unicred	25.31	0.13	25.50	12.10	3.90	5.89	48853.37
Japan (¥)							
AstellasPh	1793.5	-13.00	2360.5	1748	3.38	30.15	22063.36
Bridgestne	6060	-55.00	6144	4548	3.17	11.14	29400.84
Canon	3826	-28.00	3912	2790.5	3.43	14.80	34689.36
CntJpRwy	3500	-26.00	3926	2984	0.78	12.97	24506.31
Investor	219.50	0.45	223.60	186.66	1.88	5.07	38224.4
Nordea Bk	118.58	-0.16	134.94	103.86	7.64	8.12	40223.22
SEB	127.95	0.40	139.40	105.20	5.07	8.35	25875.81
SvnskaHn	99.80	0.34	112.90	83.92	5.29	8.22	18551.25
Swedbank	195.80	1.40	219.90	161.60	4.78	7.77	21185.27
Telia Co	25.54	0.26	29.11	20.98	7.99	-6.58	9598.87
Volvo	244.55	-0.50	246.55	186.50	2.75	13.29	37129.43
Switzerland (SFr)							
ABB	34.86	-0.32	35.74	27.78	2.29	21.86	75069.07
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	99.97	1.02	116.84	97.09	2.86	28.50	305417.83
Novartis	86.14	0.76	90.16	69.89	3.53	27.60	224477.29
Richemont	110.50	0.55	161.10	102.95	2.06	16.77	66000.34
Roche	246.30	6.70	310.40	230.90	3.74	18.55	197998.96
Swiss Re	99.60	1.26	104.20	83.10	5.57	19.71	36183.69
Swisscom	507.00	-3.20	619.40	495.70	4.20	16.26	30051.59
UBS	24.79	-0.03	25.36	14.38	2.20	2.42	85825.15
Zurich Fin	441.00	2.30	457.90	393.00	5.25	15.87	73851.92
Taiwan (NT$)							
Chunghwa Telecom	121.00	1.00	128.00	110.50	3.89	25.26	29891.46
Formosa PetChem	83.00	-0.50	90.00	78.00	1.33	-61.02	25178.45
HonHaiPrc	101.00	0.50	116.50	94.00	5.25	11.37	44588.37
MediaTek	933.00	-14.00	953.00	621.00	8.15	18.06	47527.91
TaiwanSem	574.00	-5.00	594.00	442.50	1.92	15.80	474014.66
Thailand (THB)							
PTT Explor	35.75	0.50	36.50	29.50	5.47	13.85	29221.09
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.93	24.15	57535.64
United Kingdom (p)							
Anglo American	2224.5	-86.50	3648.5	16.78	7.04	16.54	37521.82
AscBrFd	2392	7.00	2406	1539.5	1.83	25.10	23029.52
AstraZen	10266	68.00	12828.45	9778	2.19	33.04	200650.99
Aviva	421.70	1.90	467.30	366.00	7.35	-21.30	14564.27
Barclays	142.98	0.62	198.86	128.12	5.07	4.13	27288.49
BP	471.95	-6.45	570.57	4.75	4.20	6.03	100804.7
BrAmTob	2523.5	15.50	3453	2403	6.60	6.52	71168.15
BT	126.10	2.45	161.40	109.40	6.11	6.67	15815.33
Compass	2047	21.00	2250	1852.5	1.54	28.31	44177.59
Diageo	2804	-12.00	3860.5	2719	2.77	17.06	79206.03
GlaxoSmh	1455.4	19.40	1725.81	16.64	3.97	11.49	75157.47
Glencore	443.65	-14.05	583.25	410.95	6.27	7.42	68544.63
HSBC	604.10	-	665.60	481.00	5.39	6.40	147382.27
Imperial Brands	1873	14.50	2124	1553.5	7.54	10.64	20984.04
Jardine Mathes.	62.50	-	53.91	42.92	3.49	37.06	18075.04
LlydsBkg	45.13	0.64	54.33	39.42	5.32	5.71	36174.09
LSE Group	8990	-2.00	9044	7052	1.19	74.54	59251.7
Natl Grid	1036	3.00	1229.21	918.00	4.98	14.04	48184.13
Natwest Group	213.70	2.50	310.00	168.00	6.44	4.78	23726.37
Prudential	864.20	-4.60	1357.5	814.00	1.71	8.71	30007.84
ReckittB	5450	34.00	6570	5308	3.36	17.61	49167.25
RELX	3047	-1.00	3090	2272	1.79	33.41	72526.11
RioTinto	5448	-151.00	6354	4509.5	7.04	13.14	85961.73
RollsRoyce	285.40	8.70	288.54	86.45	-	14.47	30292.03
Shell PLC	2536.5	-31.50	2801	2149.45	3.33	7.85	210011.26
StandCh	653.20	0.60	799.40	578.80	2.17	8.54	21952.55
Tesco	281.20	1.60	307.23	219.96	3.88	14.32	25106.91
Unilever	3817	36.50	4868.64	3716.5	3.90	13.64	120286.8
Vodafone	71.30	-0.37	103.24	69.73	11.09	1.90	24346.99
WPP	723.00	12.20	1082	656.00	5.45	14.82	9799.71
United States of America ($)							
21stC Fox A	30.12	-0.08	37.26	28.67	1.45	13.10	7446.46
3M	102.40	2.55	130.02	85.35	5.79	-36.61	56557.21
AbbottLb	105.17	0.29	115.83	89.67	1.85	36.19	182581.28
Abbvie	144.57	1.16	168.11	130.96	3.97	29.99	255243.74
Accenture	335.14	-2.92	338.81	242.80	1.31	29.36	222796.59
Activision Bli.	94.42	-0.05	94.57	70.94	-	36.23	74289.5
Adobe	600.34	-12.14	628.60	318.60	-	54.25	273332.53
Advanced Micro	118.36	-3.04	132.83	60.05	-	-2983.29	189368
AEP	80.71	0.20	100.32	69.38	4.02	21.19	42443.42
Aflac	82.84	0.23	83.45	60.20	1.96	11.19	48407.11
AirProd	270.07	-2.58	328.56	251.63	2.48	27.84	60010.53
Allstate	138.01	0.33	142.15	100.57	2.50	-13.46	36115.43
Alphabet	128.72	-3.14	141.22	84.86	-	27.44	761791.59
Altria	42.66	0.06	51.57	39.07	8.74	11.32	75441.62
Amazon	144.89	-2.15	149.26	81.43	-	115.93	1497246.02
AmerAir	13.42	0.40	19.08	10.86	-	3.49	8773.39
AmerExpr	173.72	-0.04	182.15	140.91	1.28	17.80	126605.39
AmerIntGrp	65.78	-0.19	66.47	45.66	1.99	10.11	46180.21
AmerTower	208.99	-1.49	228.97	154.58	2.92	102.78	97428.81
Amgen	272.52	0.07	288.46	211.71	2.96	18.51	145846.72
Amphenol Corp	91.70	-0.58	92.53	72.00	0.90	30.11	54865.05
Analog Devices	182.17	-0.91	200.10	154.99	1.74	25.29	90401.51
Aon Cp	326.61	-0.16	347.37	280.89	0.70	25.60	65392.66
Apple	188.39	-2.85	198.23	124.17	0.49	31.87	2929982.95
Applied Materi.♦	147.69	-3.90	157.76	93.68	0.73	19.88	123990.75
Aptiv	84.03	0.02	124.88	71.01	-	25.67	23767.49
ArcherDan	74.75	-0.33	96.16	69.31	2.26	10.05	39870.25
AT&T	16.65	-0.12	22.84	13.43	6.61	-14.34	119012.08
Autodesk	220.28	-4.65	229.43	179.61	-	55.77	47087.85
AutomData	232.00	-0.95	274.92	201.46	2.05	28.49	95420.65
AutoZone	2645.95	4.20	2750	2277.88	-	20.58	46658.02
Avago Tech	924.87	-5.13	999.87	516.05	1.90	29.04	381726.69
BakerHu	33.64	-0.16	37.58	26.12	2.05	83.61	33844.68
Bank of NY	48.77	0.06	52.26	39.65	3.01	14.29	37507.7
BankAm♦	30.87	-0.09	37.00	24.96	2.83	8.94	244296.91
Baxter	37.00	0.45	53.80	31.01	3.11	-6.67	18770.97
BectonDick	238.21	-0.04	287.32	228.62	1.50	43.43	69177.38
BerkshHat	537998.78	-4415.22	566569.97	442363.5	-	9.12	307587.89
Biogen	235.26	0.62	319.76	220.86	-	12.93	34088.73
BlackRock	754.66	-1.70	768.30	596.18	2.60	22.22	112264.34
Boeing	232.35	-1.52	243.10	172.85	-	-31.23	140566.36
Booking Holdings	3143.34	-16.22	3251.71	1907.38	-	27.79	109670.73
Bristol-Myers	50.44	0.34	81.42	48.25	4.43	13.52	102623.01
Broadcom	924.87	-5.13	999.87	516.05	1.90	29.04	381726.69
Cadence Design	260.90	-9.45	279.33	154.88	-	80.68	70980.98
CapOne	114.89	0.96	120.94	83.93	2.07	8.82	43755.49
CardinalHlth	106.86	-0.30	107.86	68.53	1.85	107.73	26337.58
Carnival	16.30	0.54	19.55	7.53	-	-12.70	18246.96
Caterpillar	254.18	-2.58	293.88	204.04	1.87	15.96	129399.16
Centene Corp	73.84	-1.05	87.79	60.83	-	15.25	39442.73
CharlesSch	62.73	-0.43	86.63	45.00	1.49	18.38	111137.59
Charter Comms	402.59	0.72	458.30	302.21	-	13.63	59551.23
Chevron Corp	144.75	-0.06	184.23	140.72	4.02	9.25	273251.62
Chipotle Mexic.	2224.47	-9.36	2243.89	1344.05	-	56.04	61049.82
Chubb	228.42	-0.24	231.37	183.40	1.45	16.40	93193.05
Cigna	262.98	-6.04	340.11	240.50	1.77	12.14	76953.2
Cintas Corp	552.90	-5.35	559.94	425.00	0.86	41.77	56315.14
Cisco	47.93	-0.54	58.19	45.56	3.15	15.93	194762.39
Citigroup	47.15	-0.09	52.74	38.17	4.29	7.53	90229.96
CME Grp	220.76	1.22	223.80	166.55	3.91	27.21	79471.36
Coca-Cola♦	58.52	-0.13	64.99	51.55	3.05	24.48	252984.57
Cognizant	71.20	0.38	72.71	54.25	1.56	16.77	35700.57
ColgtPlm	78.82	0.12	82.09	67.62	2.38	44.39	64894.08
Comcast	43.16	0.95	47.46	33.78	2.57	27.37	173314.82
ConocPhil	114.68	-0.55	127.35	91.53	3.36	11.08	136171.94
Constellation	241.08	-0.88	273.65	208.12	1.40	28.47	44276.48
Corning♦	28.70	-0.15	37.10	25.26	3.80	39.09	24481.85
Corteva	45.40	-0.80	67.55	43.22	1.31	29.15	31994.7
Corteva	45.40	-0.80	67.55	43.22	1.31	29.15	31994.7
Costco	596.05	-0.20	599.94	447.90	0.64	43.39	263895.34
CrownCstl	118.22	-0.35	151.89	84.72	5.17	30.33	51270.7
CSX♦	33.77	0.37	34.38	27.60	1.23	17.19	66724.06
CVS	68.26	-0.22	104.83	64.41	3.36	31.42	87843.56
Danaher	222.01	-1.47	249.58	182.09	0.46	26.27	164049.21
Deere	369.21	0.40	450.00	345.55	1.28	11.16	106332.69
Delta	38.38	0.33	49.81	30.60	-	8.30	24696.13
Devon Energy	44.98	-0.19	70.42	42.59	9.95	6.19	28817.34
Digital Realty	137.77	-0.85	139.35	86.33	3.51	109.36	41722.42
DiscFinServ♦	94.57	-1.05	122.50	79.04	2.62	6.59	23647.98
Disney	91.98	-0.60	118.18	78.73	-	75.39	168352.46
Dollar General	135.60	0.91	251.00	101.09	1.65	14.18	29761.01
DominRes	46.46	-0.22	63.94	39.18	5.70	17.35	38873.39
DukeEner	92.81	0.17	106.43	83.06	4.30	20.03	71525.9
DuPont♦	71.48	-0.93	78.74	62.80	1.91	35.50	30739.44
Eaton	227.84	-2.62	240.44	151.59	1.45	33.93	90976.51
eBay	41.67	-0.06	50.75	37.17	2.24	17.73	21626.73
Ecolab	191.50	-0.90	193.72	140.13	1.09	46.97	54604.28
Edwards Lifesc.	69.74	1.38	94.87	60.57	-	31.11	42297.31
Elevance	479.38	-3.74	544.01	412.00	1.14	17.99	112634.71
Eli Lilly	585.90	1.86	629.97	302.14	0.71	82.27	556194.36
Emerson	88.66	-1.46	100.62	76.94	2.32	16.06	50545.07
EOG Res	122.82	-0.78	142.49	98.52	2.54	8.34	71622.43
Equinix	818.87	-5.55	824.86	640.92	1.58	95.33	76878.32
EquityResTP	58.69	0.15	69.45	52.57	4.35	27.82	22286.06
Exelon	38.86	-0.13	44.37	35.71	3.56	18.31	38682.7
ExxonMb	102.58	-0.41	120.70	98.02	3.49	8.27	406516.12
Fedex	266.93	2.51	270.95	162.61	1.76	16.37	67111.66
Fidelity NIS	59.90	-	77.28	46.91	3.28	-1.54	35489.77
Fiserv	-	-	-	-	-	-	-
FordMtr	10.79	0.21	15.42	9.63	5.52	10.56	42407.72
Franklin	25.63	-0.01	32.88	21.88	4.61	16.15	12673.72
GenDyn	250.40	0.71	256.86	202.35	2.04	20.73	68333.37
GenElectric	121.83	-0.68	123.25	59.85	0.20	13.29	132592.63
GenMills	64.90	0.77	90.89	60.33	3.39	15.91	37725.02
GenMotors	33.23	0.87	43.63	26.30	1.07	4.68	45507.86
GileadSci	77.99	0.34	89.74	72.87	3.76	18.07	97172.58
GoldmSchs	348.16	-0.27	382.52	289.36	2.85	14.94	113539.32
Halliburton	37.49	-0.22	43.85	27.84	1.48	13.95	33555.49
HCA Hold	255.96	3.60	304.86	215.96	0.90	12.75	68510.46
Hew-Pack	29.25	-0.25	33.90	25.22	3.52	10.92	28906.86
Hilton Worldwi.	171.87	1.03	174.10	123.74	0.35	36.33	44074.4
HiltonWwde	171.87	1.03	174.10	123.74	0.35	36.33	44074.4
HomeDep	324.36	4.74	347.25	274.26	2.41	20.66	322823.13
Honywell	197.43	-0.35	219.96	174.88	2.04	24.63	130155.85
HumanaInc	486.98	-8.24	553.69	423.29	0.68	18.28	59951.84
IBM	160.98	0.43	162.79	120.55	4.07	69.06	146993.83
IDEXX Laborato.	510.08	27.48	564.74	372.50	-	54.53	42363.01
IllinoisTool	245.69	0.45	264.19	214.66	2.12	24.52	73923.15
Illumina	115.27	5.48	238.55	89.00	-	-4.37	18304.88
Intcntl Exch	114.95	0.71	118.79	94.16	1.38	38.50	64257.05
Intel	42.32	-1.43	45.34	24.73	2.86	-185.18	178400.04
Intuit	565.92	-8.40	599.00	370.62	0.54	68.58	158421.38
John&John♦	158.72	0.34	181.04	144.95	2.86	32.46	382083.26
JohnsonCn	54.20	0.31	70.43	47.90	2.62	18.34	36871.65
JPMrgnCh	157.15	0.31	159.38	123.11	2.52	10.19	454321.96
Kimb-Clark	123.97	-0.07	147.87	116.32	3.74	25.77	41894.42
KinderM	17.85	0.10	19.13	15.89	6.20	16.21	39665.4
KLA Corp	534.62	-14.38	562.84	355.88	0.96	22.32	72672.13
Kraft Heinz	35.86	0.34	42.80	30.68	4.43	14.12	43977.54
Kroger	44.76	0.16	50.36	42.10	2.28	20.39	32192.98
LasVegasSd	45.99	-0.81	65.58	43.77	-	662.36	34913.42
LibertyGbl	16.53	0.17	21.89	15.01	-	-2.29	2832.9
Lilly (E)	585.90	1.86	629.97	302.14	0.71	82.27	556194.36
Linde	407.03	-4.68	416.19	302.17	1.19	35.87	197362.55
Lockheed♦	448.20	-1.21	508.10	393.77	2.61	16.56	111197.84
Lowes	208.61	4.69	237.21	181.85	2.00	20.60	119974.24
Lyondell	94.46	-1.05	102.05	79.20	5.06	14.72	30637.59
Marathon Ptl	150.75	-0.67	159.65	104.32	1.86	5.57	57239.36
Marsh&M	197.28	-0.12	201.96	151.86	1.19	30.23	97273.33
MasterCard	409.30	-5.06	418.60	336.43	0.51	38.67	380805.64
McDonald's♦	286.17	0.21	299.35	236.77	2.06	26.59	207571.13
McKesson	460.97	-3.68	476.35	331.75	0.46	17.33	61337.81
Medtronic	79.94	-0.05	92.02	68.84	3.35	30.10	106292.57
Merck	104.79	1.33	119.65	96.36	2.73	86.59	265540.28
Meta	317.89	-6.93	342.92	112.46	-	37.35	705590.88
Metlife♦	64.25	0.49	77.02	48.95	3.12	150.62	47553.52
Microsoft♦	367.77	-6.74	384.30	219.35	0.72	38.30	2733363.12
Mnstr Bvrg	54.85	-0.38	60.47	47.13	-	40.81	57063.01
MondelezInt	70.96	0.14	78.59	60.75	2.15	23.77	96569.15
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	81.03	0.14	100.99	69.42	3.79	14.36	132995.48
Netflix	457.39	-8.35	485.00	273.41	-	49.06	200190.46
NextEraE♦	59.37	0.20	88.61	47.15	2.98	14.78	121809.89
Nike	114.46	0.98	130.22	88.66	1.18	35.50	140094.39
NorfolkS	228.24	1.77	261.71	183.09	2.25	20.71	51613.36
Northrop	475.86	-3.98	549.87	414.56	1.47	15.92	71756.17
NXP	205.67	-0.01	225.57	150.90	1.79	19.62	53014.18
Occid Pet	58.14	-0.69	70.25	55.51	1.06	9.90	51184.76
Oracle	115.21	-1.95	127.54	78.06	1.24	34.35	315603.52
Pepsico	168.51	-0.18	196.88	155.83	2.78	29.75	231678.33
Perrigo	31.40	0.50	40.28	26.81	3.37	-75.37	4254.9
Pfizer	29.43	0.52	54.93	28.30	5.46	7.89	166173.94
Phillips66	128.75	-0.95	131.37	91.38	3.11	5.60	56644.28
PhilMorris	93.75	-0.30	105.62	87.23	5.37	18.29	145538.06
PNCFin	139.58	0.58	166.86	109.40	4.26	9.65	55601.45
PPG Inds	143.16	-0.47	152.89	120.33	1.72	25.91	33757.13
ProctGmbl	151.75	-0.91	158.38	135.83	2.41	25.93	357657.48
Prudntl	98.18	0.44	107.85	75.37	4.95	18.26	35442.98
PublStor	267.41	1.41	316.48	233.18	3.71	11.67	47020.35
Qualcomm♦	129.21	-0.46	139.94	101.47	2.34	17.05	143810.73
Raytheon♦	82.55	0.23	108.84	68.56	2.69	22.08	118698.75
Regen Pharm	818.41	3.55	853.97	668.00	-	21.81	87674.78
S&P Global♦	422.84	0.84	428.65	321.15	0.82	60.04	133955.71
Salesforce	252.37	-7.63	263.43	126.34	-	160.93	244294.16
Schlmbrg	52.26	-0.14	62.78	42.73	1.61	19.30	74380.85
Sempra Energy	73.18	-0.02	84.13	63.75	3.16	18.70	23026.35
Shrwin-Will♦	282.15	-0.18	285.55	205.43	0.85	31.57	72220.83
SimonProp	130.18	1.36	130.45	100.17	5.49	19.95	42469.85
SouthCpr	73.82	-2.92	87.59	59.15	4.37	20.67	57071.01
Starbucks	97.37	-1.83	115.48	89.21	2.12	29.93	110680.48
StateSt	74.10	0.18	94.74	62.78	3.37	10.11	22864.5
Stryker	292.65	-5.14	306.93	233.96	1.00	41.67	111176.17
Sychrony Fin	33.91	0.08	37.35	26.59	2.69	6.22	14033.35
T-MobileUS♦	152.97	0.72	153.43	124.92	-	30.72	176900.21
Target♦	136.10	1.32	177.68	102.93	3.11	19.05	62830.97
TE Connect	131.28	-0.72	146.60	111.94	1.72	20.49	40799.1
Tesla Mtrs	236.79	-2.05	299.29	101.81	-	68.01	752720.9
TexasInstr	156.20	0.99	188.12	139.48	3.09	18.90	141856.94
TheTrvelers	182.95	0.97	194.45	157.33	2.05	19.56	41785.68
ThrmoFshr	496.77	0.64	609.85	415.60	0.26	34.23	191936.25
TJX Cos	88.72	-0.32	93.78	72.92	1.34	26.55	101112.13
Truist Financial Corp	33.44	0.17	53.34	25.56	6.17	7.78	44591.19
Twitter	53.70	0.35	60.16	31.30	-	-402.23	41093.72
UnionPac	234.03	2.66	240.48	183.69	2.20	21.55	142664.1
UPS	156.23	1.32	197.80	133.68	3.99	13.66	112994.37
USBancorp	39.58	0.20	49.93	27.27	4.81	11.12	61626.55
UtdHlthcre	544.71	-2.46	554.70	445.68	1.24	24.58	503811.43
ValeroEngy	126.38	-	160.16	104.18	3.14	4.39	43026.44
Verizon	38.34	-0.24	44.73	30.14	6.75	7.73	161185.26
VertexPharm	349.92	-1.25	387.42	282.21	-	27.26	90167.21
VF Cp	19.05	0.96	33.49	12.85	8.39	64.00	7406.28
Visa Inc	255.08	-1.37	257.39	202.13	0.67	32.63	403199.83
Walgreen	20.69	-0.10	42.29	19.68	9.44	-5.30	17874.48
WalMartSto	153.95	-0.39	169.94	136.09	1.44	30.21	414469.38
Walt Disney	91.98	-0.60	118.18	78.73	-	75.39	168352.46
Waste Manage.	173.49	-0.31	174.23	148.31	1.54	31.46	69877.51
WellsFargo	45.15	0.13	48.84	35.25	2.64	11.49	163968.53
Williams Cos	37.06	-0.22	37.45	27.80	4.67	16.75	45083.44
Workday	267.23	-5.69	273.63	157.85	-	-568.03	55851.07
Yum!Brnds	124.81	-2.52	143.25	115.53	1.87	25.42	34985.27
Zoetis	181.88	2.75	194.99	140.76	0.76	38.60	83501.3
Zoom	68.00	-2.29	85.13	58.87	-	147.62	17291.88
Venezuela (VEF)							
Bco de Vnzla	8.80	-0.09	9.20	1.80	83.40	-	903.18
Bco Provncl	19.09	-0.16	79400	6.80	-	3.47	214.88

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 %
Illumina	115.27	109.79	5.48	4.99	15.14	21.8	-1.48
RollsRoyce	285.40	276.70	8.70	3.14	33.50	17.4	29.38
GenMotors	33.23	32.36	0.87	2.69	3.86	16.6	11.66
Cielo	4.36	4.34	0.02	0.46	0.58	16.0	19.89
Sychrony Fin	33.91	33.83	0.08	0.25	4.44	15.4	12.49
VF Cp	19.05	18.09	0.96	5.28	1.51	14.9	22.74
Midea	0.34	0.34	0.01	1.49	0.04	13.3	24.56
Workday	267.23	272.92	-5.69	-2.08	37.09	13.3	22.28
Salesforce	252.37	260.00	-7.63	-2.93	35.21	12.3	21.61
CharlesSch	62.73	63.16	-0.43	-0.68	7.16	12.0	12.36
Carnival	16.30	15.76	0.54	3.43	1.14	11.5	29.92
DiscFinServ	94.57	95.62	-1.05	-1.10	10.18	10.7	8.49
CrownCstl	118.22	118.57	-0.35	-0.30	11.42	10.3	20.16
AmerAir	13.42	13.02	0.40	3.11	0.84	10.2	11.94
Autodesk	220.28	224.93	-4.65	-2.07	22.67	8.9	7.86
Phillips66	128.75	129.70	-0.95	-0.73	11.37	8.8	10.21
L&T	3313.55	3190.65	122.90	3.85	136.40	8.5	13.82
PNCFin	139.58	139.00	0.58	0.42	10.15	8.3	13.22
CapOne	114.89	113.93	0.96	0.84	7.75	8.2	8.00
Franklin	25.63	25.63	-0.01	-0.02	1.92	8.1	5.69

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 %
China Vanke	7.50	7.83	-0.33	-4.21	-0.82	-13.3	-1.45
ChinaMBank	26.35	26.70	-0.35	-1.31	-2.80	-10.7	-13.63
ChinaPcIns	15.90	16.42	-0.52	-3.17	-1.18	-9.7	-17.01
PingAnIns	35.30	36.05	-0.75	-2.08	-2.85	-9.3	-14.46
Ch OSLnd&Inv	13.94	14.22	-0.28	-1.97	-1.10	-9.0	-8.41
Cigna	262.98	269.02	-6.04	-2.25	-17.24	-8.1	-15.34
ChinaLife	10.30	10.50	-0.20	-1.90	-0.64	-7.5	-5.85
Nokia	3.00	3.21	-0.21	-6.50	-0.03	-7.5	-6.63
AIA	66.20	66.85	-0.65	-0.97	-4.55	-7.3	-6.63
Denso	2255.50	2332.50	-77.00	-3.30	-93.00	-7.0	-2.49
Panasonic	1463.00	1508.50	-45.50	-3.02	-63.50	-6.9	8.49
HK Exc&Clr	268.40	279.80	-11.40	-4.07	-7.80	-6.7	-6.02
New Ch Life Ins	15.30	15.46	-0.16	-1.03	-0.90	-6.5	-10.53
Softbank	5852.00	5920.00	-68.00	-1.15	-308.00	-6.0	-6.94
MTR	27.90	27.95	-0.05	-0.18	-1.70	-5.9	-8.06
Alphabet	128.72	131.86	-3.14	-2.38	-4.55	-5.6	-0.29
Bayer	30.87	31.11	-0.25	-0.79	-1.54	-5.5	-5.39
LasVegasSd	45.99	46.80	-0.81	-1.73	-1.76	-5.3	-5.86
HaitongSecs	4.32	4.37	-0.05	-1.14	-0.19	-5.3	-3.79
Equinor	333.70	343.15	-9.45	-2.75	-9.00	-5.2	-9.01

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Dec 04	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 04	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	-

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.

INTEREST RATES: OFFICIAL

Dec 04	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 04 (Libor: Dec 01)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06157	0.010	4.136	0.005	5.46035	5.63684	5.76916	6.04143
Euro Libor	-0.64957	-0.064	-0.224	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	-0.043	0.001	4.20130	5.34900	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				0.001	3.86900	3.96000	4.00400	3.90200
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	5.42000	5.52000	5.53000	
Euro CDs				0.000	3.88000	3.91000	3.86000	

Dec 04	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	3.62	3.92	3.69	3.99	3.73	4.03	3.76	4.06	3.71	4.01	3.44	3.74
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	5.13	5.33	5.17	5.37	5.32	5.52	5.42	5.62	5.43	5.63	5.38	5.58
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	208.83	-0.37	-0.37	2.51	4.94	4.58
Corporates(£)	339.12	0.11	0.11	4.95	3.52	2.80
Corporates(€)	219.30	0.48	0.48	5.78	2.61	3.11
Eurozone Sov(€)	215.87	0.67	0.67	4.02	3.38	-1.59
Gilts(£)	264.49	0.12	0.12	-1.88	3.06	-6.58
Overall(£)	277.93	0.11	0.11	-0.20	3.04	-4.22
Overall(€)	212.98	0.60	0.60	4.30	3.07	-0.31
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	754.31	2.96	-	-	2.58	9.47
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	368.02	3.58	-14.32	-45.15	475.45	364.44
Europe 5Y	66.91	0.69	-2.87	-10.30	90.18	66.15
Japan 5Y	63.18	0.00	-1.38	-11.65	80.75	62.75
Senior Financials 5Y	76.52	0.23	-4.04	-12.92	103.71	75.97
Markit CDX						
Emerging Markets 5Y	184.92	-3.37	-5.32	-21.51	245.20	184.92
Nth Amer High Yld 5Y	396.13	-6.75	-7.92	-	447.71	396.13
Nth Amer Inv Grade 5Y	61.21	-1.14	-1.97	-8.69	81.85	61.21

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Dec 04	Day Chng	Prev	52 wk high	52 wk low
VIX	13.32	0.69	12.63	30.81	12.45
VXD	12.99	1.11	11.88	29.87	3.10
VXN	17.27	1.06	16.21	32.60	5.85
VDAX	13.68	0.56	13.12	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

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	77.65	4.45	0.08	-0.06	0.08	0.98
	02/50	1.00	90.07	2.22	0.03	-0.04	0.03	0.89
Austria	02/29	0.50	89.45	2.70	-0.11	-0.34	-0.11	0.47
	02/47	1.50	71.33	3.28	-0.03	-0.17	-0.03	0.86
Belgium	06/27	0.80	93.91	2.62	-0.13	-0.33	-0.13	0.55
	06/47	1.60	69.75	3.51	-0.07	-0.18	-0.07	0.87
Canada	03/25	1.25	96.28	4.36	-0.12	-0.35	-0.12	0.67
	06/30	1.25	87.26	3.46	-0.12	-0.30	-0.12	0.63
	12/48	2.75	90.56	3.31	-0.08	-0.23	-0.08	0.40
Denmark	11/29	0.50	89.31	2.45	-0.09	-0.29	-0.09	0.43
	11/52	0.25	50.46	2.76	-0.03	-0.16	-0.03	0.99
Finland	09/24	0.00	97.31	3.56	-0.13	-0.19	-0.13	1.47
	09/29	0.50	88.52	2.67	-0.10	-0.33	-0.10	0.39
France	05/28	0.75	92.26	2.61	-0.12	-0.34	-0.12	0.53
	05/48	2.00	76.59	3.43	-0.06	-0.17	-0.06	0.87
Germany	08/29	0.00	88.27	2.21	-0.11	-0.33	-0.11	0.46
	08/50	0.00	50.42	2.60	-0.04	-0.17	-0.04	0.94
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	102.86	3.01	-0.16	-0.32	-0.16	-0.06
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	96.07	2.68	-0.13	-0.39	-0.13	0.71
	02/45	2.00	80.02	3.33	-0.06	-0.17	-0.06	0.77
Italy	02/25	0.35	96.67	3.31	-0.16	-0.35	-0.16	0.73
	05/30	0.40	91.57	1.79	-0.10	-0.23	-0.10	0.61
	03/48	3.45	84.13	4.54	-0.08	-0.14	-0.08	0.78
Japan	04/25	0.05	99.98	0.06	-0.01	-0.01	-0.01	-0.01
	12/29	0.10	98.55	0.34	0.01	-0.07	0.01	0.14
	12/49	0.40	73.91	1.63	0.00	-0.02	0.00	0.23
Netherlands	07/27	0.75	93.99	2.51	-0.12	-0.36	-0.12	0.58
	01/47	2.75	97.79	2.88	-0.04	-0.18	-0.04	0.92
New Zealand	05/31	1.50	78.76	4.94	0.10	-0.03	0.10	0.83
	09/40	2.50	115.90	3.04	0.08	0.03	0.08	0.80

GILTS: UK CASH MARKET

Dec 04	Price £	Red Yield	Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Tr 0.125pc '24	99.24	5.08	0.20	1.80	1.80	50.30	99.24	96.10	35.55
Tr 2pc '25	95.85	4.48	0.90	-1.97	-2.82	37.00	97.82	92.80	39.93
Tr 0.125pc '26	91.49	4.31	1.41	-0.69	-0.46	37.70	92.38	87.71	35.32
Tr 1.25pc '27	90.49	4.10	1.23	-1.68	-3.07	25.38	93.30	86.03	40.99
Tr 0.5pc '29	83.50	4.08	0.74	-1.92	-4.67	27.90	87.71	78.59	28.92
Tr 1pc '32	78.61	4.11	0.49	-1.20	-4.86	30.06	110.14	74.53	35.96
Tr 4.25pc '36	99.07	4.35	0.69	-0.46	-4.61	25.72	109.78	94.63	31.68
Tr 4.5pc '42	98.20	4.64	0.43	0.22	-3.93	29.25	114.00	92.93	28.35
Tr 3.75pc '52	85.34	4.68	0.21	0.65	-3.51	32.95	105.51	79.70	25.11
Tr 4pc '60	89.52	4.60	0.44	1.10	-3.56	39.39	116.69	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 04	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.78	-0.09	2395.60	0.56	1.79	4.28
2 5 - 10 Years	144.23	-0.16	3141.58	1.48	-2.25	4.09
3 10 - 15 Years	150.12	-0.23	3557.14	2.15	-6.20	4.37
4 5 - 15 Years	144.61	-0.18	3239.45	1.69	-3.41	4.20
5 Over 15 Years	190.85	-0.29	3405.81	2.79	-15.73	4.61
7 All stocks	129.35	-0.18	2965.29	1.61	-6.04	4.47

Index Linked	Dec 04	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	332.77	-0.20	0.00	1.86	2842.40	0.14	2.90
2 Over 5 years	494.88	-0.89	0.30	-14.17	3795.91	0.44	-13.63
3 5-15 years	448.76	-0.57	0.00	-3.66	3663.28	0.19	-2.77
4 Over 15 years	525.35	-1.11	0.50	-20.74	3904.01	0.62	-20.41
5 All stocks	479.83	-0.74	0.23	-11.44	3757.01	0.37	-10.82

Yield Indices	Dec 04	Dec 01	Yr ago		Dec 04	Dec 01	Yr ago
5 Yrs	4.03	4.00	3.09	20 Yrs	4.64	4.62	3.52
10 Yrs	4.23	4.21	3.24	45 Yrs	4.48	4.46	3.08
15 Yrs	4.51	4.49	3.45				

Real yield	inflation 0% Dec 04	Dur yrs	Previous	Yr ago	inflation 5% Dec 04	Dur yrs	Previous	Yr ago
Up to 5 yrs	0.87	2.35	0.79	-0.37	0.51	2.37	0.42	-0.71
Over 5 yrs	1.22	18.64	1.17	0.11	1.19	18.69	1.14	0.08

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jan	73.97	-0.10	Corn♦	Dec	460.50	-4.00
Brent Crude Oil‡		78.43	-0.45	Wheat♦	Dec	577.50	7.25
RBOB Gasoline†	Jan	2.12	0.00	Soybeans♦	Jan	1320.50	-4.50
Natural Gas†	Jan	2.72	-0.09	Soybeans Meal♦	Dec	426.10	0.80
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)	Mar	3479.00	-22.00
Aluminium		2176.00	-24.00	Cocoa (ICE US)♥	Dec	4399.00	-76.00

BONDS: INDEX-LINKED

	Price Dec 01	Yield Dec 01	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	107.51	1.666	1.797	0.38	5.25	69735.55	8
Fr 0.10%' 25	98.61	1.233	1.353	0.16	12.79	253141.54	18
Swe 1.00%' 25	128.79	1.570	1.619	0.09	35.93	232954.72	7
UK 0.125%' 26	98.23	0.903	0.938	0.08	13.45	505703.95	31

BONDS: TEN YEAR GOVT SPREADS

Data provided by Morningstar | www.morningstar.co.uk

MANAGED FUNDS SERVICE

LGT Wealth Management (CI) Limited (JER)
Sir Walter Raleigh House, 48 - 50 Esplanade, St Helier, Jersey, JE2 3QB
FCA Recognised
Volare Offshore Strategy Fund Limited

Fund	Bid	Offer	D+/-	Yield
Bridge Fund	£2.1875	-	-0.0007	2.34
Global Equity Fund	£3.4168	-	0.0034	1.49
Global Fixed Interest Fund	£0.7479	-	0.0036	5.92
Income Fund	£0.6267	-	-0.0009	3.30
Sterling Fixed Interest Fund	£0.6750	-	0.0012	4.80
UK Equity Fund	£1.8191	-	-0.0009	3.47

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit I EUR	€185.98	-	1.15	0.00
Algebris Financial Credit R EUR	€158.90	-	0.99	0.00
Algebris Financial Credit Rd EUR	€ 91.28	-	0.56	6.12
Algebris Financial Income I EUR	€196.26	-	1.67	0.00
Algebris Financial Income R EUR	€177.02	-	1.51	0.00
Algebris Financial Income Rd EUR	€103.05	-	0.87	4.95
Algebris Financial Equity B EUR	€187.20	-	1.82	0.00
Algebris Financial Equity R EUR	€155.88	-	1.51	0.00
Algebris IG Financial Credit I EUR	€102.19	-	0.47	0.00
Algebris IG Financial Credit R EUR	€100.12	-	0.46	0.00
Algebris Global Credit Opportunities I EUR	€135.56	-	0.32	-
Algebris Global Credit Opportunities R EUR	€131.85	-	0.30	-
Algebris Global Credit Opportunities Rd EUR	€111.34	-	0.26	-
Algebris Core Italy I EUR	€145.51	-	0.67	0.00
Algebris Core Italy R EUR	€137.11	-	0.63	0.00
Algebris Sust. World B	€111.26	-	1.01	0.00
Algebris Sust. World R	€109.66	-	1.00	0.00

The Antares European Fund Limited
Other International

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd	$516.83	-	10.31	0.00
AEF Ltd Eur	€469.52	-	9.16	0.00

Artemis Fund Managers Ltd (1200)F (UK)
57 St. James's Street, London SW1A 1LD 0800 092 2051
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Artemis Corporate Bond I Acc	101.63	-	0.22	4.55
Artemis Positive Future Fund	61.08	-	0.45	-
Artemis Target Return Bond I Acc	111.49	-	0.15	4.26

Ashmore Group
61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Emerging Markets Equity Fund	$125.04	-	-0.29	0.00
Emerging Markets Equity ESG Fund	$141.15	-	-0.23	0.00
Emerging Markets Frontier Equity Fund	$183.07	-	-0.23	-
Emerging Markets Blended Debt Fund	$ 55.25	-	0.04	4.70
Emerging Markets Blended Debt ESG Fund	$ 87.21	-	-0.99	0.00
Emerging Markets Active Equity Fund	$119.42	-	-0.27	0.00
Emerging Markets Corporate Debt Fund	$ 58.24	-	-0.12	6.10
Emerging Markets Debt Fund	$ 59.80	-	0.04	5.24
Emerging Markets Local Currency Bond Fund	$ 63.88	-	0.07	4.82

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$6915.94	-	15.31	0.00
American One	$7652.25	-	13.61	0.00
Bond Global	€1539.92	-	7.69	0.00
Eurocroissance	€1338.07	-	7.92	0.00
Far East	$978.88	-	-10.84	0.00

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk
FCA Recognised - Ireland UCITS

Fund	Bid	Offer	D+/-	Yield
Blue Whale Growth USD T	$ 10.90	-	0.02	-

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	D+/-	Yield
Brooks Macdonald International Investment Funds Limited				
Euro High Income	€1.2311	-	0.0036	2.50
High Income	£0.6439	-	0.0000	3.77
Sterling Bond	£1.2487	-	-0.005	2.06
Brooks Macdonald International Multi Strategy Fund Limited				
Balanced Strategy A	£0.9310	-	0.0024	0.02
Balanced Strategy	£0.9301	-	0.0024	1.02
Cautious Balanced Strategy A	£0.8959	-	0.0022	1.77
Growth Strategy A	£0.9435	-	0.0022	-
High Growth Strategy A	£0.9437	-	0.0020	0.73
Cautious Balanced Strategy	£1.2530	-	0.0030	0.00
Growth Strategy	£1.9743	-	0.0045	0.00
High Growth Strategy	£2.7672	-	0.0056	0.00
US$ Growth Strategy	$1.8247	-	0.0117	0.00

Dealing Daily. Initial Charge Nil for A classes and up to 2% for other classes

Brown Advisory Funds plc (IRL)
http://www.brownadvisory.com Tel: 020 3301 8130
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Global Leaders Fund USD C	$ 23.52	-	0.14	0.00
Global Leaders Sustainable Fund USD C	$ 14.13	-	0.09	-
Global Sustainable Total Return Bond GBP B	£ 9.27	-	0.05	2.70
Global Sustainable Total Return Bond USD B	$ 9.83	-	0.06	0.00
US Equity Growth Fund USD B	$ 54.62	-	0.57	0.00
US Flexible Equity Fund USD B	$ 28.00	-	0.12	0.00
US Mid-Cap Growth Fund USD C	$ 18.56	-	0.32	0.00
US Small Cap Blend Fund USD B	$ 22.51	-	0.49	0.00
US Smaller Companies Fund USD B	$ 35.58	-	0.80	0.00
US Sustainable Growth Fund USD C	$ 28.46	-	0.11	0.00
US Sustainable Value Fund USD C Acc	$ 11.29	-	0.11	-

CG Asset Management Limited (IRL)
25 Moorgate, London, EC2R 6AY
Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859
FCA Recognised
CG Portfolio Fund Plc

Fund	Bid	Offer	D+/-	Yield
Absolute Return Cls M Inc	£131.50	132.09	0.68	2.20
Capital Gearing Portfolio GBP P	£36125.06	36324.74	192.23	1.79
Capital Gearing Portfolio GBP V	£175.67	176.64	0.93	1.80
Dollar Fund Cls D Inc	£155.80	156.27	1.54	1.92
Dollar Hedged GBP Inc	£ 90.34	90.61	0.71	1.84
Real Return Cls A Inc	£186.40	186.96	1.62	2.40

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF VCC	$28070.56	28070.56	1290.35	-
CAM GTi VCC	$780.49	-	-32.39	-
RAIC VCC	$ 1.64	1.64	0.03	2.06

Dodge & Cox Worldwide Funds (IRL)
48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.worldwide.com 020 3713 7664
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 16.53	-	0.13	0.00
EUR Accumulating Class (H)	€ 10.93	-	0.08	0.00
EUR Distributing Class	€ 11.55	-	0.09	-
EUR Distributing Class (H)	€ 7.57	-	0.05	2.41
GBP Distributing Class	£ 12.16	-	0.00	2.14
GBP Distributing Class (H)	£ 8.22	-	0.06	2.38
USD Accumulating Class	$ 12.98	-	0.10	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 32.35	-	0.37	-
GBP Accumulating Share Class	£ 41.86	-	0.19	0.00
GBP Distributing Share class	£ 27.85	-	0.13	-
EUR Accumulating Share Class	€ 44.65	-	0.52	-
GBP Distributing Class (H)	£ 14.71	-	0.16	0.24
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 41.26	-	0.41	0.00
GBP Accumulating Share Class	£ 50.50	-	0.17	0.00
GBP Distributing Share Class	£ 30.05	-	0.10	0.83
EUR Accumulating Share Class	€ 49.18	-	0.52	0.00
GBP Distributing Class (H)	£ 16.14	-	0.16	0.16

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Vietnam Equity (UCITS) Fund A USD	$ 28.09	-	0.43	0.00

EdenTree Investment Management Ltd (UK)
PO Box 3733, Swindon, SN4 4BG, 0800 358 3010
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
EdenTree Short Dated Bond Cls B	94.16	-	0.07	2.46

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 53.11	-	0.45	0.00
Smaller Cos Cls Two Shares	€ 33.74	-	0.29	0.00
Smaller Cos Cls Three Shares	€ 16.84	-	0.15	0.00
Smaller Cos Cls Four Shares	€ 22.19	-	0.19	0.00

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	D+/-	Yield
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.85	-	0.00	2.89
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.96	-	0.00	1.86
Emerging Mkts NAV	£ 7.21	-	-0.16	2.31
American Fund W-ACC-GBP	£ 60.35	-	0.19	0.00
Cash Fund W-ACC-GBP	£ 1.07	-	0.00	-
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-	0.01	-
Sustainable Global Equity Fund W-ACC-GBP	£ 33.71	-	0.12	0.41
Japan Fund W-ACC-GBP	£ 6.17	-	-0.02	1.39
Japan Smaller Companies Fund W-ACC-GBP	£ 3.61	-	0.02	0.63
Select 50 Balanced Fund PI-ACC-GBP	£ 1.15	-	0.00	1.58
Special Situations Fund W-ACC-GBP	£ 43.56	-	0.35	3.30
Short Dated Corporate Bond Fund W-ACC-GBP	£ 11.02	-	0.01	3.64
Sustainable Water & Waste W-ACC-GBP	£ 1.16	-	0.01	0.53
Sustainable Water & Waste W-INC-GBP	£ 1.14	-	0.01	0.54
UK Select Fund W-ACC-GBP	£ 3.78	-	0.02	-
Global Enhanced Income W-ACC-GBP	£ 2.47	-	0.01	4.21
Index UK Gilt Fund P-ACC-GBP	£ 0.73	-	0.01	2.05
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.91	-	0.00	-
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 0.98	-	0.00	1.86

Findlay Park Funds Plc (IRL)
30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
American EUR Unhedged Class	€175.60	-	2.80	0.00
American Fund USD Class	$190.31	-	1.72	0.00
American Fund GBP Hedged	£ 92.53	-	0.84	0.00
American Fund GBP Unhedged	£150.63	-	1.68	0.00

Foord Asset Management
Website: www.foord.com - Email: info@foord.com
FCA Recognised - Luxembourg UCITS

Fund	Bid	Offer	D+/-	Yield
Foord International Fund | R	$ 46.10	-	0.24	0.00
Foord Global Equity Fund (Lux) | R	$ 16.24	-	0.03	0.00
Regulated				
Foord Global Equity Fund (Sing) | B	$ 19.46	-	0.03	0.00
Foord International Trust (Gsy)	$ 44.95	-	0.23	0.00

GAM
funds@gam.com, www.funds.gam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£101.15	-	0.80	-
LAPIS GBL MED DEV 25.YLD-Na-D	£ 87.01	-	0.44	-
LAPIS GBL TOP 50 DIV.YLD-Na-D	£115.92	-	1.10	3.05

Guinness Global Investors

Fund	Bid	Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 19.29	-	0.12	-
Guinness Global Innovators Y GBP Acc	£ 30.90	-	0.24	-
Guinness Sustainable Global Equity Y GBP Acc	£ 10.99	-	0.10	-

HPB Assurance Ltd
Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490
International Insurances

Fund	Bid	Offer	D+/-	Yield
Holiday Property Bond Ser 1	£ 0.50	-	0.01	0.00
Holiday Property Bond Ser 2	£ 0.63	-	0.00	0.00

Janus Henderson Investors (UK)
PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.15	-	0.00	3.09

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	D+/-	Yield
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.07	-	0.00	3.72
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 39.69	-	0.08	3.19
M&G Charity Multi Asset Fund Inc	£ 0.86	-	0.00	4.42
M&G Charity Multi Asset Fund Acc	£107.36	-	0.64	3.99

MMIP Investment Management Limited (GSY)
Regulated
Multi-Manager Investment Programmes PCC Limited

Fund	Bid	Offer	D+/-	Yield
UK Equity Fd Cl A Series 01	£3080.40	3080.41	-231.75	-
Diversified Absolute Rtn Fd USD Cl AF2	$1688.02	-	45.93	-
Diversified Absolute Return Stlg Cell AF2	£1579.00	-	-1.96	-

Marwyn Asset Management Limited (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Marwyn Value Investors	£329.72	-	-6.14	0.00

Milltrust International Managed Investments ICAV (IRL)
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
British Innovation Fund	£121.92	-	2.89	0.00
MAI - Buy & Lease (Australia)	A$103.45	-	0.50	0.00
MAI - Buy & Lease (New Zealand)	NZ$ 91.20	-	-6.06	0.00
Milltrust Global Emerging Markets Fund - Class A	$ 90.11	-	0.49	0.00

Milltrust International Managed Investments SPC
em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Milltrust Alaska Brazil Fund SP A	$108.07	-	1.25	0.00
Milltrust Laurium Africa Fund SP A	$ 96.80	-	-0.05	0.00
Milltrust Marcellus India Fund SP	$137.54	-	0.71	0.00
Milltrust Singular ASEAN Fund SP Founders	$124.45	-	-0.24	0.00
Milltrust SPARX Korea Equity Fund SP A	$120.08	-	0.45	0.00
Milltrust Xingtai China Fund SP A	$ 86.27	-	0.55	-
The Climate Impact Asia Fund SP A	$ 70.36	-	-0.26	0.00
The Climate Impact Asia Fund (Class B)	$ 69.45	-	-0.27	0.00

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	D+/-	Yield
Mir. - Glb Strat. Bd I USD	$120.32	-	0.69	0.00
Mir. - DiscEur D Cap GBP	£159.67	-	0.63	0.00
Mir. - UKEq HA Cap I GBP	£131.34	-	1.53	0.00

Oasis Crescent Global Investment Funds (UK) ICVC (UK)
Regulated

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Equity Fund USD A (Dist)	$ 35.53	-	0.23	-
Oasis Crescent Global Income Fund USD A (Dist)	$ 9.97	-	0.00	3.70
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.37	-	0.08	1.30
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.85	-	0.11	0.78
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 8.03	-	0.18	1.87
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.94	-	0.00	2.95
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.65	-	0.07	0.69

Omnia Fund Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Estimated NAV	$929.86	-	0.72	0.00

Platinum Capital Management Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Platinum All Star Fund - A	$149.04	-	-	-
Platinum Global Growth UCITS Fund	$ 8.82	-	0.00	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 9.42	-	-0.70	0.00
Platinum Global Dividend UCITS Fund	$ 45.49	-	0.24	0.00

Polar Capital Funds Plc (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Artificial Intelligence I USD ACC	$ 17.98	17.98	-0.05	0.00
Asian Starts I USD Acc $	$ 14.42	-	-0.10	0.00
Biotechnology I USD	$ 38.61	38.61	0.55	0.00
China Stars I USD Acc $	$ 9.43	9.43	-0.12	0.00
Emerging Market Stars I USD Acc	$ 11.72	-	-0.05	0.00
European Ex UK Inc EUR Acc	€ 15.54	15.54	0.07	0.00
Financial Opps I USD	$ 14.26	-	0.12	2.29
Global Convertible I USD	$ 13.82	13.82	0.11	0.00
Global Insurance I GBP	£ 10.79	-	0.03	-
Global Technology I USD	$ 85.47	-	0.19	0.00
Healthcare Blue Chip Fund I USD Acc	$ 18.78	18.78	0.09	0.00
Healthcare Dis I Acc USD $	$ 11.34	-	0.20	0.00
Healthcare Opps I USD	$ 64.32	-	0.28	0.00
Income Opportunities B2 I GBP Acc	£ 3.10	3.10	0.01	-
Japan Value I JPY	¥180.71	180.71	-1.56	0.00
North American I USD	$ 37.25	37.25	0.40	0.00
Smart Energy I USD Acc $	$ 9.25	9.25	0.09	0.00
Smart Mobility I USD Acc $	$ 8.46	8.46	0.07	0.00
UK Val Opp I GBP Acc	£ 12.52	12.52	0.08	-

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Monument Growth 28/11/2023	£527.55	532.57	2.14	0.00

Prusik Investment Management LLP (IRL)
Enquiries - 0207 493 1331
Regulated

Fund	Bid	Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$168.31	-	-0.13	6.10
Prusik Asia Fund U Dist.	£194.45	-	0.59	0.00

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	D+/-	Yield
PCG B ✠	336.73	-	0.99	0.00
PCG C ✠	326.90	-	0.96	0.00

Ram Active Investments SA
www.ram-ai.com
Other International Funds

Fund	Bid	Offer	D+/-	Yield
RAM Systematic Emerg Markets Eq	$230.24	230.24	0.07	-
RAM Systematic European Eq	€533.37	533.37	6.25	-
RAM Systematic Funds Global Sustainable Income Eq	$157.97	157.97	1.47	0.00
RAM Systematic Long/Short European Eq	€152.51	152.51	1.02	-

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	D+/-	Yield
LF Ruffer Diversified Rtrn C Acc	98.87	-	0.16	1.76
LF Ruffer Diversified Rtrn C Inc	96.39	-	0.16	1.79
LF Ruffer Equity & General C Acc	568.92	-	1.71	1.36
LF Ruffer Equity & General C Inc	507.08	-	1.51	1.37
LF Ruffer Gold C Acc	257.71	-	0.13	0.40
LF Ruffer Gold C Inc	155.31	-	0.07	-
LF Ruffer Total Return C Acc	530.06	-	0.61	2.46
LF Ruffer Total Return C Inc	322.84	-	0.36	2.50

Rubrics Global UCITS Funds Plc (IRL)
www.rubricsam.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$141.20	-	0.73	0.00
Rubrics Global Credit UCITS Fund	$ 17.18	-	0.07	0.00
Rubrics Global Fixed Income UCITS Fund	$171.99	-	1.05	0.00

Slater Investments Ltd (UK)
www.slaterinvestments.com; Tel: 0207 220 9460
FCA Recognised

Fund	Bid	Offer	D+/-	Yield
Slater Growth A Acc	577.20	577.20	3.02	0.00
Slater Income A Inc	132.83	132.83	0.19	5.22
Slater Recovery A Acc	299.33	299.33	2.08	0.00
Slater Artorius	255.56	255.56	-1.77	0.61

STONEHAGE FLEMING
GLOBAL BEST IDEAS EQUITY FUND

Stonehage Fleming Investment Management Ltd (IRL)
www.stonehagefleming.com/gbi
enquiries@stonehagefleming.com
Regulated

Fund	Bid	Offer	D+/-	Yield
SF Global Best Ideas Eq B USD ACC	$256.58	-	0.68	-
SF Global Best Ideas Eq D GBP INC	£308.13	-	1.45	-

Superfund Asset Management GmbH
www.superfund.com, +43 (1) 247 00
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Superfund Green Gold	$908.95	-	18.59	0.00
Superfund Green Silver	$799.27	-	10.08	0.00
Regulated				
Superfund Green US$	$652.85	-	3.26	0.00

Toscafund Asset Management LLP (UK)
www.toscafund.com
Authorised Funds

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 5.51	-	0.03	3.66
Aptus Global Financials B Inc	£ 3.42	-	0.02	3.78

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$436.74	-	-3.62	0.00
Tosca Mid Cap GBP	£119.59	-	-1.05	0.00
Tosca Opportunity B USD	$252.81	-	-15.03	0.00
Pegasus Fund Ltd A-1 GBP	£ 28.24	-	-0.30	0.00

Troy Asset Mgt (1200) (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 608 0950
Authorised Inv Funds
Authorised Corporate Director - Waystone Management (UK) Limited
Trojan Investment Funds

Fund	Bid	Offer	D+/-	Yield
Trojan Ethical Global Inc O Acc	104.30	-	0.51	2.57
Trojan Ethical Global Inc O Inc	99.11	-	0.49	2.61
Trojan Ethical O Acc	129.80	-	0.44	0.07
Trojan Ethical O Inc	129.70	-	0.44	0.08

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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 managers/operators deal at the price to be set at the next valuation.

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ARTS

Shouty, sweary, essential

Enraged: Jason Williamson of Sleaford Mods at Alexandra Palace — Burak Cingi/Redferns

POP

Sleaford Mods
Alexandra Palace, London
★★★★☆

Ian Gittins

For artists perennially viewed as dogged outsiders, Sleaford Mods are developing a major mainstream presence. Early this year, Jason Williamson and Andrew Fearn saw their latest album, *UK Grim*, hit number three on the charts. The next stage in their ascent? This unlikely headline gig at the cavernous Alexandra Palace venue.

It was a vast space to fill for an act that Williamson has accurately summarised as "two men and a laptop". Nor did the duo make any effort to dress up for their illustrious occasion. The pair of wizened early-fifties geezers lurched on to a bare stage in shorts and crumpled T-shirts as if heading down the park for a five-a-side kickabout.

The casual attire reflected the rough-and-ready nature of their performance. Sleaford Mods have one musical mode: as ever, Fearn pressed play on his laptop, unleashing a volley of agitated, rattling electronic beats, and Williamson ranted over the top of them like a man bearing a ferocious grudge against the world and everybody in it.

The singer-rapper has described his vocal style as "shouty bloke by the pub bins" and the opening song, the album's title track, typified his default mindset of incandescent rage. The scattergun targets for his ire included former prime minister Liz Truss, white Range Rovers and "lunch bellies", and he arrived at a disgusted conclusion: "UK grim/Put it in the fucking bin."

Sleaford Mods' songs document a socio-economic wilderness of food banks and heating-or-eating. They chronicle an underclass for whom survival is a daily battle.

On "Tilldipper", Williamson spat out bile-laden words about a minimum-wage corner-shop worker nicking from the till to buy drugs, defiantly bereft of hope:"Sod it all, everything's shit anyway!"

Williamson's gutter poetry, yelled in a meaty East Midlands accent, suggested John Cooper Clarke in a fearful bate.His bleak reportage of life in broken Britain verged on the dystopian in "Smash Each Other Up", his personal state-of-the-nation address for a brittle land where everyone is "well narky" and engaged in "fist fights near Sainsbury's car park".

It would have been unremittingly dour were it not for the fact that Williamson's scabrous wordplay is frequently laugh-out-loud funny. Nothing escapes his baleful glare, including himself. "You're in a shouty band, you're not original, man!" he yelled in "DIwhy", going on to level the devastating self-accusation that he looks like late TV steeplejack Fred Dibnah.

There was further comedy in the duo's onstage antics. Williamson's sizeable array of performance tics included repeatedly perching a bottle of water on his head and emitting odd, parrot-like squawks. Behind him, Fearn's loose-limbed, free-form dancing suggested a tipsy aerobics-class escapee. He made Bez from Happy Mondays look like Fred Astaire.

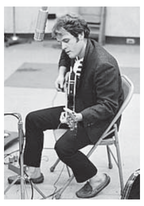
Their current single, a cover of Pet Shop Boys' "West End Girls" to raise money for the housing charity Shelter, initially appeared incongruous but makes utter sense. Beneath its electro-gloss sheen, the original song was about class and urban angst: Williamson's specialist subjects.

Filing out of Ally Pally, it was hard not to reflect that nobody else is doing what Sleaford Mods are doing, and they are extremely necessary.

sleafordmods.com

WEEKEND ARTS

The Life of a Song
Tim Hardin's 1966 ballad 'Reason to Believe' has been widely covered, and often treated as a love song, but its lyrics are frequently misunderstood



ft.com/arts

Spontaneous spin through the Brahms cycle

CLASSICAL

Staatskapelle Berlin
Carnegie Hall
★★★★☆

Kevin Ng

Sixty-six years ago, the teenaged Daniel Barenboim made his debut at Carnegie Hall. He was due to return last week at the helm of the Staatskapelle Berlin, the orchestra he led for more than three decades. But recent health issues forced him to withdraw from not only the ensemble's North American tour but the directorship of the orchestra itself, with the German conductor Christian Thielemann taking over the helm from 2024.

For the New York performances, the orchestra enlisted Yannick Nézet-Séguin, who leads both the Metropolitan Opera and the Philadelphia Orchestra. Nézet-Séguin is a ubiquitous presence in New York — he had already appeared at Carnegie Hall twice in November alone. He hasn't conducted the Staatskapelle Berlin for a decade and his Brahms is worlds away from Barenboim's leisurely, form-driven approach.

Rather, Nézet-Séguin revelled in the emotion of it all, giving a spontaneous, sometimes volatile account of the four symphonies. Tempos and volumes tended to the extremes, but there was a sense of energy and little of the carefully manicured conducting that he has been criticised for in the past. It was also incredibly beautiful — he drew a gleam and a depth from the players that suited Brahms nicely.

The Staatskapelle was on fine form, with softly glowing strings and clarion brass, especially in the resonant, golden horn solos from Karsten Hoffmann and Yun Zeng. Despite some distinguished solos in the woodwind section, there were some intonation issues that threatened to ruin the tranquil codas of the Third Symphony.

The introspective Third was the weakest of the cycle, with abrupt transitions and choppy phrasing. It's the trickiest of Brahms's symphonies, taut in form and harmony but offering few showy orchestral moments. Nézet-Séguin's insistence on lush, glossy phrasing smoothed over the craggy harmonies and rhythms that lend the work its interest. He was far more successful in the impulsive First Symphony, packing a punch in the stormy opening. The relentless drive of the timpani lent an ominousness that only resolved in the chorale finale. Usually taken at a stately pace, Nézet-Séguin instead chose a swift tempo that surged forwards with youthful enthusiasm.

It was the Second and Fourth Symphonies that suited Nézet-Séguin best, capturing the ebb and flow of their meandering lines without losing momentum. The opening movement of the Second Symphony was an endless stream of golden sound, its idyllic mood often compared to Beethoven's Pastoral Symphony. But Nézet-Séguin and his orchestra offered hints of contrasting melancholy throughout, most notably in the enigmatic slow movement, though optimism triumphed in the end with a blazing finale.

No such triumph occurs in the Fourth Symphony, which instead concludes with a monumental theme-and-variations which may be Brahms's towering achievement. Nézet-Séguin brought a fierce, almost vicious energy to this movement, hurtling towards an inexorable close.

Nézet-Séguin concluded by thanking the orchestra and offering his best wishes for Barenboim, who would surely have been relieved that Brahms was in such good hands.

staatskapelle-berlin.de

Yannick Nézet-Séguin conducting the Staatskapelle Berlin — Fadi Kheir

Scottish folk music helps game take flight

GAMING

A Highland Song
PC and Nintendo Switch
★★★★☆

Chris Allnutt

Twice in two days I heard the music of Scottish folk band Talisk. The first time was in a throng of hyperactive fans as the trio's soaring guitar, violin and concertina melodies sought to whisk us far from a rather anonymous venue in north London. The second, the following day, came as I took flight across a gentle stretch of hillside in *A Highland Song*: as I gained speed, and the game's greens and browns blurred underfoot, a familiar and hypnotic refrain began to play.

The first thing you'll do in *A Highland Song* — before you meet 15-year-old runaway Moira, before the game zooms out over the hills and valleys that stand between you and your coastal destination — is calibrate your hardware with the rhythm of the game. This simple exercise ensures that, when prompted, you will run blissfully in time with the music.

Consider it an initiation into the pace of the Highlands: as Moira makes her way up the game's many peaks, wheels herself around its lochs and through its gorse, you will find yourself prompted to leap to the beat of Talisk's and Fourth Moon's songs. Fail to do so and you'll first slow down and then come to a stumbling stop, your fragile health bar evidently offended by your lack of rhythm.

Beyond these fixed-length sections, the game is a straightforward platformer; your only enemies are the perilous terrain and time itself as the number of days until Beltane, the Gaelic celebration of May Day and your deadline for reaching the sea, counts down.

Your exact reasons for taking flight will only gradually become clear, but uncle Hamish, in whose direction you are headed, narrates your journey from the lighthouse. Maps of his, sketches you made from your bedroom window and pages you'll find along the way will help orientate you. Different stretches of your route — tantalisingly visible towards the horizon — are linked by paths that are revealed when you successfully match up these scraps with your surroundings.

There are points where the watercolour brushstrokes drawing the terrain are just a fraction too hazy and it becomes hard to tell what is foreground path and what is background art; the sound effects, particularly when you're perched atop a peak and panting for breath, could desperately use some variety, and the running sections prove sometimes too long and sometimes too short — the former when you have to spend time retracing your steps, the latter when you don't quite reach the rhythmic crescendos of whatever track the game has chosen.

But it all adds to the sense that this is the furthest Moira has ever been from home by herself and that, deep in the beautiful and very rainy Scottish Highlands, there's no telling quite what lies beyond the next peak. The music — exuberant, liberating, occasionally foreboding — echoes these feelings perfectly.

When I saw Talisk that first evening, I found myself wishing we had been in a creaking pub rather than a cavernous former billiard hall. Something of the music's spirit was lost in its setting: it needed to be played somewhere more characterful, more creaking — somewhere whose structural deficiencies are far outweighed by a great deal of beauty and charm. Somewhere a bit like *A Highland Song*.

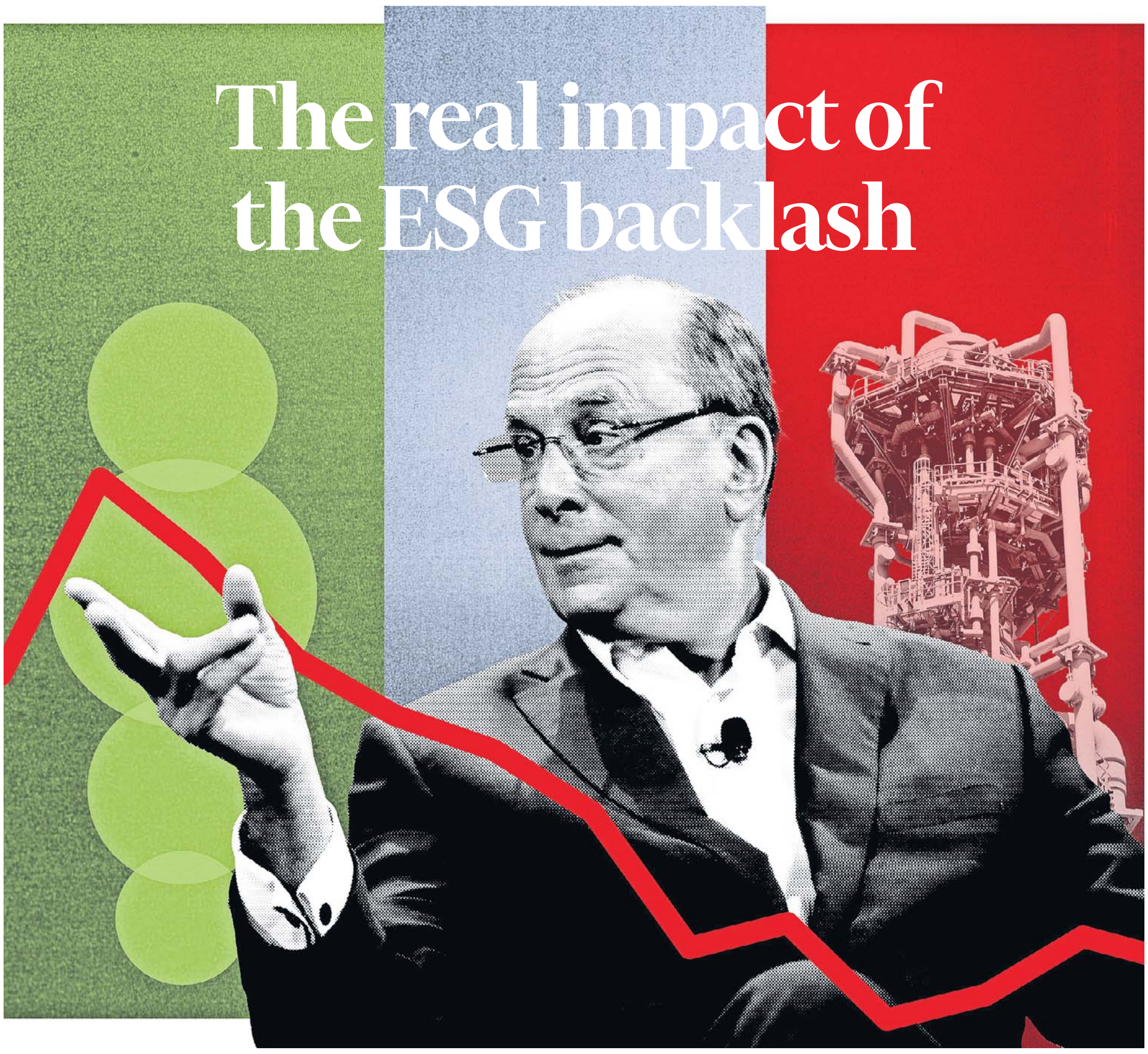
Leaps and bounds: a scene from platformer 'A Highland Song'

FT BIG READ. FUND MANAGEMENT

As opinions shift and political pressure rises, asset managers like BlackRock are talking more about maximising returns than about saving the world. Is the war on woke creating a transatlantic rift?

By Brooke Masters and Patrick Temple-West

The real impact of the ESG backlash



In 2020, BlackRock chief executive Larry Fink put the world's largest money manager squarely behind the cause of purpose-driven investing. "Climate change is different" from other financial challenges, he wrote in his closely watched annual letter to corporate chief executives. Fink promised "a fundamental reshaping of finance" that would put "sustainability at the centre of our investment approach".

Corporate America and investors quickly followed suit, scrambling to sign up to net zero carbon plans and launching funds that included environmental, social and governance (ESG) factors in their investment decisions.

Three years later, BlackRock is still betting big on the transition to a lower-carbon economy, but the $9.1tn money manager's emphasis when it talks about sustainability and social issues has changed. Last month, when BlackRock put $550mn into one of the world's largest carbon capture projects in Texas, Fink focused on moneymaking potential rather than its contribution to the planet's welfare. Describing it as "an incredible investment opportunity", he also highlighted BlackRock's decision to work with big energy companies.

The shift comes after a two-year stretch during which US Republican politicians have pounded big banks and investment managers for being "too woke" or "hostile" to fossil fuels. Red-state treasurers blacklisted financial groups including BlackRock, Goldman Sachs, State Street and Wells Fargo. Some legislatures, including Florida, Kansas and Idaho, have passed laws that ban or limit the consideration of ESG.

The anti-ESG backlash has captured public attention and opened up a transatlantic rift. While EU investors boast of their efforts to reach net zero greenhouse gas emissions as quickly as possible, many of their US counterparts are dodging the subject or saying they must defer to client wishes.

The real-world impact is hard to assess. On the one hand, green infrastructure and transition investment funds continue to rake in cash. Anti-ESG legislation has been beaten back in a number of red-state legislatures, and relatively little money has been moved away from blacklisted institutions. The vast majority of investors and fund managers incorporate climate and social risk factors into their decisions even if they don't call it ESG.

"More of the largest institutional investors in the world are more interested in what we have to say today than they were three years ago," says David Blood, who founded sustainable investing specialist Generation Investment Management with former US vice-president Al Gore nearly two decades ago.

But there is also clear evidence of scepticism about the way sustainable investing has been marketed and carried out. Investor support for environmental and social shareholder proposals has fallen sharply; the flow of US money into ESG-labelled funds has slowed after poor performance; prominent financial groups including Allianz, Lloyd's of London and Vanguard have pulled out of net zero alliances; and JPMorgan Chase has redefined its climate goals to move away from that benchmark. Even supporters of sustainable investing warn of "greenwashing", in which money managers overstate the environmental impact of investments.

The backlash raises the question of how much longer funds advertising themselves as ESG will be on the menu for investors. Fink himself said in June he no longer used the term as it had become "weaponised".

Part of the problem is that ESG funds often try to address too many factors at once, says Brad Lander, who runs New York City's $248bn in pension funds, leading to "a loss of clarity and strategic attention to what any of it means".

"I understand if you're a smaller investor, the idea of a fund that you feel good having your money in is nice," adds Lander, who has publicly committed to long-term sustainability. "But inevitably, [such a fund] isn't going to be that strategic."

Red-state resistance

Conservative resentment about green investment built up in the US over several years, but finally boiled over in late 2021.

The precipitating moment came in May 2021 when start-up hedge fund Engine No 1 won three board seats at ExxonMobil by arguing that the energy giant needed to do more to diversify away from oil and gas.

BlackRock, which holds nearly 7 per cent of Exxon shares through its massive index fund business, backed the campaign, arguing the oil major was not doing enough to protect its shareholders from "the impact of climate risk".

Red-state politicians, scenting an opportunity to mobilise voters over fears for domestic jobs, focused their ire on Fink, because of his prior full-throated support for "stakeholder capitalism", in which chief executives claimed to be helping society, employees and the environment as well as making money. In September 2021, former biotech executive — and future presidential candidate — Vivek Ramaswamy singled him out during a talk to the influential conservative network the Federalist Society.

Asset managers were overstepping their role by telling corporate leaders "we want you, executive, to be advancing and using your corporate platform to advance a particular social agenda", Ramaswamy said. Months later, he launched activist fund shop Strive Asset Management, promising it would use its shareholder clout to lobby against corporate ESG agendas.

The Exxon vote galvanised the efforts of Republican politicians in Texas and other oil and coal-producing states who were already moving to punish banks and investment companies for signing up to net zero pledges. In January 2022, West Virginia treasurer Riley Moore, who manages the state's cash and financial dealings, became the first red-state official to pull money out of BlackRock.

Texas drew up the first boycott list that summer, targeting financial firms it considered hostile to fossil fuels, and held legislative hearings that pilloried both State Street and BlackRock. By the end of 2022, red states had announced plans to pull more than $3bn out of BlackRock funds.

"Larry Fink has done nothing over the past year but try to divert people's attention from him getting caught politicising pension money," says Dale Folwell, North Carolina's treasurer, who has called for the chief executive to be sacked — but has declined to pull his state's money out of BlackRock, citing its attractive low fees.

The anti-ESG movement has had a significant impact in the arena of proxy voting. In the past two years, asset managers have become much more wary about supporting activist shareholder proposals to take specific action on environmental and social issues such as diversity audits or eschewing investment in fossil fuels.

Average support for liberal proposals in these areas has plummeted from 33 per cent in 2021 to 22 per cent this year, with the biggest drop related to climate-related questions, according to the Sustainable Investments Institute.

The change has been particularly visible at BlackRock itself. Though Fink's earlier letters had urged chief executives to focus on purpose rather than just profits, BlackRock is now much more wary of shareholder efforts to force companies to do more on climate and diversity. The money manager backed just 7 per cent of environmental and social proposals at companies' annual meetings in the 2023 proxy season, down from 47 per cent two years earlier.

It said in its annual report on shareholder voting that many of this year's proposals were too prescriptive or pointless, and cited a US Securities and Exchange Commission policy change that has allowed more ESG proposals to get on proxy ballots.

That is not to say that BlackRock and its peers have turned conservative — proposals that oppose diversity and inclusion efforts or seek to force companies to disclose more information about legal risks and costs associated with abortion did substantially worse, receiving, on average, support from less than 3 per cent of all shareholders.

Rather, it reflects a trend among big US index fund managers: where they once sought to pressure companies to take action, they now are distancing themselves from having to take positions on these issues when they can.

BlackRock, Vanguard and State Street have come under fire because their funds control about 20 per cent of most large US companies. They have all launched programmes to let their clients decide how their shares are voted.

The managers now let investors choose among approaches ranging from "vote with management" to prioritise Catholic values or ESG. State Street last week made its version available to holders of $1.7tn in assets, and institutional BlackRock clients controlling more than $585bn have taken control of their own votes. Fink has said the change will "transform the relationship between asset owners and companies".

Others say the emphasis on the role of the investment firms in proxy voting was misplaced to begin with. "There was an outsized belief in the influence of investors, so I am not sure [proxy voting] makes as much of a difference as people think," says Sarah Williamson, chief executive of Focusing Capital on the Long Term, a non-profit group.

US money managers have also pulled back when it comes to advertising and talking about ESG, especially after Texas and other red states used membership in Net Zero Asset Managers, an initiative launched in December 2020 to support global climate goals, as evidence of hostility to fossil fuels.

Some have scrubbed references to net zero from their websites and 30 per cent of US asset managers told a Cerulli survey they were going to be more guarded about sharing ESG-related activities in marketing materials, prospectuses and other formal investment documents. Some 57 per cent of retail advisers said they were not discussing ESG with clients, up from 44 per cent last year.

When pressed on the issue, asset managers in the US now emphasise that they are service providers. Clients, they say, should be free to choose from investments that run the gamut from impact funds that explicitly seek to cut carbon emissions to sector funds that focus on traditional energy companies.

Though Fink warned in 2020 that the asset manager would "continue to hold exposures to the hydrocarbon economy", in recent years he has hit back explicitly at rightwing and leftwing critics who want the group to take a stand on climate issues.

"There are many people with opinions about how we should manage our clients' money," he wrote in this year's annual letter. "But the money doesn't belong to these people. It's not ours either. It belongs to our clients, and our responsibility and our duty is to them."

Performance first

Public furore aside, the direct impact of the backlash against ESG has been more limited.

Overall, BlackRock's funds continue to see net inflows that dwarf the $3bn in red-state withdrawals: nearly $500bn since the start of 2022.

The anti-woke manager Strive has seen funds under management grow rapidly, but at $1bn, it remains a minnow in a sea of trillion-dollar whales. Since Ramaswamy stepped down from active management to focus on his presidential bid, the firm has dialled down its "anti-woke" rhetoric in favour of an emphasis on purely financial returns.

Eighteen states have adopted some kind of anti-ESG legislation. Some of the laws ban "discrimination" against companies that sell fossil fuels and guns, others order state pension funds not to consider environmental and social factors while investing.

But in 19 states, such laws were proposed but did not pass. Four have adopted pro-ESG laws, according to the K&L Gates law firm. In Nebraska, community bankers who objected to having their hands tied when doing business helped doom the legislation.

In some cases, when anti-ESG and boycott laws passed, public pension fund trustees balked at being forced to move money, saying it would violate their duty to put investors first.

Liberal-leaning states, meanwhile, are racing in the other direction, while justifying their decision on financial grounds. Calpers, the largest US public pension fund, last month pledged to double its low-carbon assets to $100bn. "We believe by investing in that strategy we can achieve outperformance," says Peter Cashion, its managing investment director for sustainable investing.

Moreover, the reticence found in some parts of the US is not mirrored in other markets. In the EU, where nine in 10 people support ambitious net zero and renewable energy goals, groups such as Axa and BNP Paribas have promised to shun fossil fuel projects.

"If you're a US wealth adviser sitting in a regional office somewhere, probably the last question you want to ask somebody is, 'What is your view on sustainability?', because that is a very sensitive area," says Peter Harrison, chief executive of Schroders, a big UK asset manager with a substantial US arm. "That issue is quite different elsewhere in the world."

'A provable story'

The bigger problems for ESG-themed investing may not be politics, but recent poor performance and weakening demand. Such funds historically have been overexposed to tech because of its relatively low carbon footprint. They also benefited from the enthusiasm for the energy transition at a time when oil and gas prices were low.

But higher interest rates have driven down the valuations of growth companies, while Russia's invasion of Ukraine and turmoil in the Middle East have driven up profits at the fossil fuel companies that such funds typically avoid.

"ESG was born in a bullish environment and now we are in the opposite. The cost of capital is going up and many green things are inflationary," says one top sustainability banker.

Sustainable funds shrank 0.85 per cent in the third quarter, while the industry overall was flat. ESG bond issuance has slowed from a record $4tn in 2021 and is on pace for more like $3tn this year, while the price premium over ordinary debt has shrunk, according to research house Capital Economics.

The likely result, industry leaders say, is that funds will have to be much more explicit about what they mean when they say they offer ESG investing.

For some, that means being more quantitative about the links between sustainability measures and higher financial returns. "The heightened focus on having a provable story around ESG and being able to demonstrate quantitatively that you do what you say you're going to do is a good thing," says David Hunt, chief executive of asset manager PGIM. "ESG with integrity."

For others, it means dropping the term completely. A $95.2bn Massachusetts state pension fund voted last week to change the name of its ESG Committee to the Stewardship and Sustainability Committee.

One prominent bond fund manager argues that it "makes no sense" to try to impose one universal do-gooder framework on all clients because each of them holds different values. His prediction? "ESG will be dead in five years."

Additional reporting by Katie Martin in London

Larry Fink, chief executive of BlackRock, says he no longer uses the term ESG as it has become 'weaponised'. His group continues to fund green infrastructure projects

FT montage/Bloomberg

'ESG was born in a bullish environment and now we are in the opposite. The cost of capital is going up and many green things are inflationary'

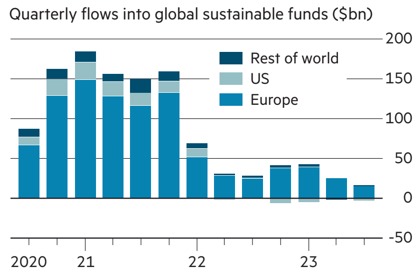
7% Environmental and social proposals that BlackRock backed, from 47% in 2021

$3bn Amount of planned withdrawals by red states from BlackRock funds

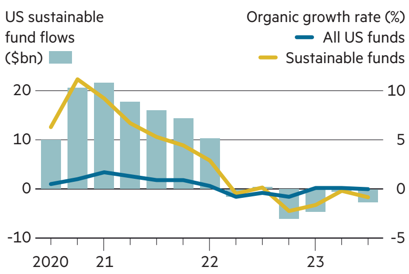
$500bn Net inflows into BlackRock funds since the start of 2022

European flows into ESG have held steady recently, but US investors have been pulling cash out of funds

Quarterly flows into global sustainable funds ($bn)

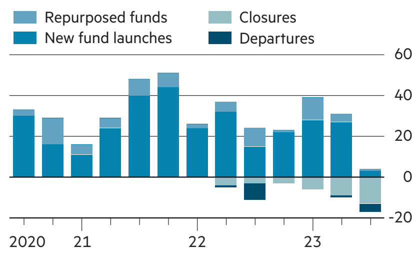


US funds previously enjoying booming growth have gone to losses over the past two years



In Q3 2023 more ESG vehicles closed or lost their ESG thesis than launched

US sustainable funds, arrivals and departures (number of funds)



Source: Morningstar Direct

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

China's accelerating rise in consumer defaults

Bankruptcy procedures need fixing to support Beijing's economic goals

A sharp rise in Chinese consumers defaulting is the latest in a lengthening list of ailments afflicting the world's second-largest economy. The number of people blacklisted for missing payments on everything from mortgages to business loans has risen to a record 8.54mn, from 5.7mn in early 2020.

This number still only accounts for about 1 per cent of the working-age population. But the rate of increase shows that even since China rolled back its pandemic lockdown about a year ago, rising financial distress at the individual level is contributing to stiff headwinds that are frustrating a broad recovery in consumer activity. Without energising consumer spending, China may struggle to drive sustainable economic growth — which the IMF is forecasting will slow next year to about 4.6 per cent, from 5.4 per cent this year.

The impact of these defaults is exacerbated by an unsophisticated governance regime in dire need of reform. Under current regulations, blacklisted defaulters are blocked from buying air tickets, making payments through the near-ubiquitous mobile apps Alipay and WeChat Pay, and conducting dozens of other commonplace transactions.

At the human level, such sanctions turn defaulters economically into virtual "non-persons", creating great difficulties in their daily lives. At a national level, they contribute to a debt crisis that is evident not only in China's imploding property sector and local government finances but in rising credit card arrears and a surging number of property foreclosures by banks.

Since the wave of defaults is in part the result of a decade-long borrowing spree by Chinese consumers, the distress is quite likely to get worse. Household debt is estimated to have doubled as a proportion of gross domestic product to 64 per cent over the past decade.

Beijing needs to take the initiative to push through reforms that deal with defaults and bankruptcies in a more transparent and equitable way, not only for individuals but for corporations too. If it does not, it will hamper the cause of switching to a more consumer-driven growth model, as the IMF and others have advocated. Last year consumer spending contributed only about 53 per cent of China's total GDP, against far higher levels in advanced economies such as the US and UK.

The main focus of governance reforms should be to provide pathways back to solvency for people on debt blacklists, so that they can hope to eventually resume normal economic activity. The application of individual debt relief packages and schedules for debt workouts for individuals are two ideas being suggested by Chinese experts.

But the most important reform should be to draft and implement a new law on individual bankruptcy, to complement an existing law on enterprise bankruptcy in force since 2007. Beijing can take lessons from a pilot scheme it launched in 2021 in Shenzhen which allowed local residents to file for personal bankruptcy.

> The country has to address its favouritism towards state-owned enterprises over their smaller, privately owned cousins

More broadly, China needs to address its favouritism towards state-owned enterprises over their smaller, privately owned cousins. State-owned corporations, especially those owned by the central government, rarely go bankrupt in China because state-owned banks are obliged to indulge their excesses.

But an officially estimated 52mn micro, small and medium-sized enterprises are solely funded by individual households. If they fall behind on their debt repayments, the banks can foreclose on their assets and blacklist the entrepreneurs that own them. The inequity in this system goes some way to explaining why China's private sector is underperforming so starkly this year — and holding back its wider growth.

Opinion Technology

AI governance must avoid a single point of failure

Ewan White

Yoshua Bengio

We still don't know what actually happened at OpenAI. But recent events should prompt us to take a step back and ask broader questions about the kind of governance required for organisations that are both developing powerful frontier artificial intelligence systems and explicitly aiming at creating human-level intelligence, or AGI.

Should they be for-profit organisations overseen by a board responsible to shareholders? Should they be non-profit organisations with a mission of greater good? Or a hybrid version? Could they be nationalised and under government control? Or do we need new forms of governance that would seek to reconcile our shared democratic values with the financial and power gain that future frontier systems promise to those who control them?

> Do we have the mechanisms and other means to mitigate dangerous outcomes?

I often remind myself that democracy is foremost about sharing power, and that our democratic institutions — with their checks and balances — are designed to avoid its concentration, even in the hands of a few elected officials.

When it comes to AI, future outcomes are highly dependent on who has decision rights. As development accelerates, benefits and risks grow accordingly. We already have AIs that can generate realistic fake images of politicians to influence elections. In the near future, many are concerned that malicious actors could use AI systems to help design and release deadly biological weapons. There is growing fear that risks could escalate beyond our ability to rein them in.

The decisions of how to develop and deploy AI, then, may soon drastically affect society. If that is the case, should they be completely left in private hands? As seen with the oil and gas industry in regards to climate change, we cannot fully trust profit-driven companies to take into account the societal implications of their activity. It is a classic tragedy of the commons, where the best move by individual players is not well aligned with collective wellbeing.

Unfortunately, we may also not be able to rely on non-profit structures to prevail. As seen at OpenAI, investors ultimately hold a great deal of influence. Another option would be for AI progress to be funded by governments, essentially nationalising the labs or directing their mission through contracts and oversight. But this comes with its own set of risks, including misuse for authoritarian goals or warfare.

For true responsible governance of AI, we therefore need to avoid a single point of failure. As I laid out in a recent paper, we need strong independent and democratic oversight, involving not only a national regulator but also civil society, independent academics and the international community. The governance structure must be multi-stakeholder and multilateral. One objective is to minimise conflicts of interest with commercial goals and focus on safety-first R&D. Another is to protect against the possibility that a lab's system falls into the wrong hands or becomes a dangerous runaway entity. Having labs share their results means the other institutions would be there to defend society.

While a lot of uncertainty remains, wrestling with these questions is urgent. Reports suggest OpenAI may have recently made a breakthrough, Q*, which may have greatly increased reasoning and mathematical abilities. If and when this is proven to be true, we could have become closer to AGI.

I am well positioned to appreciate the implications of such a breakthrough through my own research. My group came up with the attention mechanisms which led to the transformers that are the engine behind today's frontier systems. I believe the main remaining gap between current advanced systems and AGI is what we could refer to as conscious cognition — abilities such as reasoning, deliberate thought and explicit planning.

I have argued for many years that although deep learning has made huge strides in cognitive capabilities corresponding to human intuition (system 1), methods are still weak regarding the conscious cognition crucial for humans to provide correct answers in settings for which we need to reason (system 2). If OpenAI has made progress on this, AGI may be much closer than many of us expected.

Regardless of who gets there first, if we bridge the gap to human intelligence soon, will society be ready to respond? Do we have the appropriate governance mechanisms and other means to mitigate potentially dangerous outcomes? I do not think so. This discussion must happen urgently. It should reflect democratic values and democratic will. The OpenAI saga should serve as a strong warning.

The writer is a Full Professor at Université de Montréal and the Founder and Scientific Director of Mila — Quebec Artificial Intelligence Institute

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Letters

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Cardboard lets us box clever in push for a circular economy

The figures used for paper and cardboard "waste" in your article "EU packaging law lays waste to industry revolt" (Report, November 23) are incorrect.

They don't account for the fact that 90 per cent of this so-called waste is recovered and transformed, which is exactly what Europe's Green Deal aims at. Because our sector uses old boxes to make new ones.

What has been framed as "waste" is actually recyclable material and key to creating a truly circular economy. In fact, cardboard is not only the lowest contributor to waste, but for decades has been the most recycled material in Europe, with recycling rates well over 80 per cent. Some have been using these figures to make recyclable cardboard out to be the villain. But the fibres of a cardboard box can be and are recycled up to 25 times. And when it isn't, it's still 100 per cent biodegradable. This means it disappears in nature within four months, unlike other non-recyclable materials.

Strangely enough, this is ignored by those who don't want cardboard packaging with its superior, existing and proven recycling system, run by hundreds of small and medium-sized European businesses, to become the cornerstone of EU policies for environmental sustainability.

Getting this right matters because what's at stake is the EU green transition. The EU parliament has recently made a historic decision on its landmark legislation (PPWR), leading Europe towards a circular economy. And our sector is built to provide bespoke, sustainable packaging that is 100 per cent renewable, recyclable and biodegradable.

Our political leaders should have the right information so we can all commit to a green and circular Europe.

Tony Smurfit
Chief Executive, Smurfit Kappa, Dublin, Ireland

Mexico's cartels and elite keep it in 'emerging' status

As a son of Mexicans, it saddens me to have to agree with the editorial board's claim that "Mexico is wasting its nearshoring opportunity" (FT View, December 1). A country such as South Korea can only dream of being in the privileged geographical position that Mexico finds itself in. Mexico has benefited from "nearshoring" for decades, hosting European and American automotive plants.

This has not led to the emergence of a single Mexican automobile manufacturer. Meanwhile, Korea, a war-torn country in the 1950s and 1960s, has developed a vibrant and cutting-edge automobile sector, and has since proceeded to turning its attention to technology, financial services and fashion. In many ways, Mexico's greatest export is inexpensive labour to satiate the American consumer. What little gains the country has experienced have only been a result of growing American demand, or greater labour costs in places such as China.

As long as cartels continue to exercise sovereignty over great swaths of the country, as long as the intellectual elites refrain from entering politics in lieu of illicit financial advancement, and as long as innovation and access to capital is not a core national focus, Mexico will forever remain an "emerging" economy.

Jorge Alberto Chico
New York, NY, US

Decriminalising hard drugs would be deadly

Michael Romberg (Letters, November 28) argues that the better policy mix is to decriminalise drugs with serious detrimental effects, given "the harms fall to those who choose to take the risk".

This ultra-libertarian perspective is naive and, like many "progressive" causes in our freedom of choice-fixated society, short-sighted. Easier access to hard drugs has been shown to bring far more people into the serious risk Venn diagram who would otherwise be deterred from making the choice.

As an analogy, individuals in many US states also wish to "pursue their own idea of happiness", as Romberg puts it, by purchasing and firing off handguns, but this has resulted in more "quick" suicides by them and their family members than elsewhere.

Politicians talk about doing the right thing. Give the public a dangerous choice to make and they will: that's bad, nay negligent, policy, especially since the traditional moral compasses of faith and family have disintegrated.

Barry Taleghany
Tunbridge Wells, Kent, UK

Haley's nomination plans could be helped by Trump

Edward Luce's insights into US politics are valuable (Opinion, November 30).

However, the plausible path to the Republican presidential nomination he describes for Nikki Haley avoids some interesting questions. If Hayley were to offer Trump a pardon in return for him dropping out of the race, how could he enforce such a contract? As part of such a deal, would she require his fulsome endorsement? Would enough swing voters see such a deal as so sordid that they would coalesce behind Joe Biden?

John Griffiths
Seattle, WA, US

Charles has Greek ties

Perhaps the tie King Charles wore at COP28 sporting Greek flags had nothing to do with the row over the Elgin Marbles (Report, FT Weekend, December 2). He could simply be honouring his late father who was born Prince Philip of Denmark and Greece in Corfu in 1921. Our king is part Greek.

Izhar Khan
Ferryhill, Aberdeen, UK

OUTLOOK

LATIN AMERICA

How to cope with Argentina's economic absurdities

by Ciara Nugent

As our dinner ended at a chic Peruvian restaurant in Buenos Aires last month, my Irish uncles and cousins, in town for a family wedding, pulled out their phones. Shaking their heads in amazement, they photographed the mountain of Argentine pesos they had assembled to pay a $90 bill. I cringed.

I understood the impulse: for tourists paying in cash, any large sum in Argentina requires a comically large wad of 1,000 peso notes, each worth about $1 — the result of the Argentine currency losing 98 per cent of its value against the dollar since 2017, when the 1,000 peso note was first released. I've seen many foreigners do the same since I moved here in June.

But I was still embarrassed, not wanting to be seen laughing at this symptom of Argentina's economic distress. The South American country is suffering its worst crisis in two decades, with annual inflation above 140 per cent and two-fifths of Argentines living in poverty. That's the backdrop that propelled Javier Milei, an eccentric libertarian economist, to victory at recent presidential elections. He has pledged swingeing spending cuts and deregulation to reboot the economy.

This year's crisis is hardly the first. Stability has eluded Argentina for decades, thanks in part to politicians' chronic overspending, financed intermittently by money printing and heavy borrowing, triggering inflation and defaults. On top of that, the outgoing government has built a labyrinth of tight economic restrictions, including currency, price and import controls.

"This country is hopeless — I don't care who is in power," said Tomás, a plumber who saved my bathroom from flooding after a toilet malfunction last week. He cackled when I told him about the UK's panic at its recent 6 per cent annual inflation.

Tomás gets paid off the books, like almost half of Argentines, and has only been able to wrangle a 20 per cent rise this year, despite food and rent costs doubling, he said.

Many Argentines have developed strategies for dealing with their unique economy. Taxi drivers give me tips on which fixed-income saving instruments will shield one from price rises. Generous shop assistants advise me to look elsewhere for somewhere that offers 12 monthly payments without interest — a popular scheme that allows buyers to afford goods, and keeps consumption up for retailers.

Argentines know it's better to splash any extra cash than hold on to pesos — particularly ahead of market-moving events such as elections — which is why Buenos Aires enjoys a booming restaurant scene as the economy crumbles. Others buy up non-perishable goods, such as cleaning products, and later trade them for food on online marketplaces.

Up the economic ladder, advice differs. At a conference, one executive told me how he had skirted Argentina's asset wealth tax, which exempts dollars stored in banks, but not those kept at home. "They count the dollars on December 31, so I drop them off around Christmas, and pick them up on January 2," he said.

For anyone in a privileged elite earning in dollars, there is a disjunction between the price of food and services (made ludicrously cheap by wide-ranging state subsidies and the peso's decline) and that of goods (made expensive by protectionist policies). I paid $50 for the cheapest clothes horse I could find, and $70 for a T-shirt that disintegrated after three washes. But a subway ride costs eight cents, an upscale haircut $8 and a lavish seven-course tasting menu comes to $50 a head.

Change may be on its way. Milei has said he intends to stamp out inflation and deregulate the economy. Even if it goes well, he has warned any benefits will not be immediate — exchange controls are likely to remain for the foreseeable future and inflation may spiral faster as he begins to unpick a web of price controls. Analysts say his austerity plan will inflict serious pain, particularly on Argentina's working and middle classes.

It looks as if for Tomás and most Argentines, things will keep getting worse before they have a chance at getting better. If my family visit again next year, there may well still be shocking sights to see in Buenos Aires.

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Opinion

Why Modi is cruising to a third term

INDIA
Ruchir Sharma

Though Indian Prime Minister Narendra Modi is in his 10th year in office, his position is as strong as ever. The Bharatiya Janata party's overwhelming election victories in the Hindi heartland states confirm Modi's grip on the world's largest democracy, as well as the shadow he casts over its hapless opposition.

Ahead of Sunday's results, the opposition had hoped to build on its gains following the Congress party's win in the state of Karnataka earlier this year. The BJP and its allies still ruled in states representing 45 per cent of the national population, but that was down from 70 per cent at their peak just six years ago. Modi took it upon himself to reverse that decline. The BJP campaigned as if he were the candidate for chief minister in contested states, featuring his image on posters, relegating the actual candidates to the background.

Modi fights these battles because they matter so much in India, where 60 per cent of government spending is carried out by the states in India, compared with 30 per cent on average in developed countries.

The BJP won three of the four contested states, and now with its allies controls 16 of the 29 states, representing nearly 60 per cent of the population. Though state elections have of late not been good leading indicators of national elections, it is hard to see the BJP losing next May's national ballot. When Modi was the prime ministerial candidate in 2019, he led his party to a margin of victory 10 points higher than its average in state election victories since then.

Meanwhile, Congress lost the states of Rajasthan and Chhattisgarh to the BJP, extending an unusual string of failures. Dropping a longstanding tendency to toss out incumbents, voters began in recent years to re-elect most chief ministers — but only from the BJP and regional parties. No Congress chief minister has won re-election since 2014. Dominated by the dynastic Gandhi family, Congress doesn't have the entrepreneurial drive of Modi and many regional leaders.

Even the one contest that Congress won, in the southern state of Telangana, simultaneously illuminates Modi's drawing power. Carved out in 2014, Telangana is the newest state in the country. It has seen extraordinary progress under Bharat Rashtra Samithi, the regional party that led it to independence, climbing the ranks from 15th to third richest state. Nine of its 10 districts were officially classified as poor and "backward" in 2014. Today, none are.

> His brand of Hindu nationalism and image of managerial competence still mobilise support

When I travelled there to cover the election, far from the high-tech hub and state capital of Hyderabad, I encountered villagers raising fat turkeys — a pricey breed of poultry once unknown in the Indian back-country. Many homes were newly remodelled, in concrete with glass windows rather than mud or clay. Outside one, a woman was taking delivery of a new dress from a scooter driver, who told me customers order from his employer online — and can return goods the same way. Such conveniences were rare in villages even five years ago.

Nonetheless, people in Telangana wanted change and the Congress offered an unusually young and dynamic challenger, Revanth Reddy. Voters told me that 10 years in power was enough for BRS chief minister K Chandrashekar Rao and complained of his shortcomings. When conversation turned to Modi, they saw only accomplishments and a leader enhancing India's global stature. One voter even cited the recent assassination of a Sikh separatist leader in Canada — for which Modi's government adamantly denies responsibility — as proof, in their view, that he can get things done outside the country as well.

Still, if there is a chink in Modi's armour, it is in the five southern states, now including Telangana. These states lost ground to the north in the 2000s but regained momentum in the last decade, when their share of national economic output rose from 25 to 30 per cent, even as their share of the population slipped a bit to 20 per cent. Southern politicians claim credit for driving national growth and stir resentment against the BJP, which they accuse of taxing the south to fund welfare in the north.

India is more a continent than a country. What works in one region won't always work in another. But then it doesn't need to. In the Hindi heartland, which has enough votes to return Modi to power, his brand of Hindu nationalism, carefully crafted image of managerial competence, and powerful party organisation still mobilise enormous support. With no coherent opposition to rally the other regions against him, Modi looks to be cruising to a third term.

The writer is chair of Rockefeller International

Migration crackdowns won't help EU's moderate right

Catherine De Vries

As the far right surges in Europe, the centre right is trying to defeat it by taking a tougher line on migration. But this would be a mistake, based on wrong lessons drawn from the far right's rise.

Immigration motivates a hard core of far-right voters. But an important driver of the far right's current success is the centre right's hollowing out of public services through austerity. Attempts to get tougher on migration will do little to reverse the far right's advances.

A good example is the Netherlands, where Geert Wilders' Freedom party won last month's election. One of Europe's most divisive politicians, convicted in court for his inflammatory anti-Islam rhetoric and deliberately kept out of government by centrist parties, he might become the new prime minister after the centre right broke the previous coalition over immigration.

Ahead of a crucial year for the EU in which a new European Commission will be appointed after elections to the European parliament, politicians and pundits are wondering about what lessons to draw from upsets like the Dutch vote.

Manfred Weber, the head of the centre-right European People's party, says far-right victories will persist unless European countries massively curb migration. "People want to have solutions. And that's why the numbers of arrivals must go down," he told the FT.

However, reducing recent far-right gains to immigration in this way ignores more structural issues plaguing European societies in which the centre right

> An important driver of populists' success is the hollowing out of public services

itself played a prominent role — in particular, cuts to key services.

An overlooked aspect of the Dutch election illustrates this. A newly established party, New Social Contract, was also a big winner, gaining 20 seats. Its leader, Pieter Omzigt, condemned Wilders' rhetoric and called many of his proposals unconstitutional. What Omzigt and Wilders have in common is a relentless focus on the failure of the previous governments of Mark Rutte to protect "*bestaanszekerheid*", loosely meaning "livelihood security".

Under Rutte's premiership, policies that erected barriers to social benefits and reduced access to public services raised concerns among the Dutch population about what they are getting in return for the taxes they pay. In this context, it is important to remember that opposition to cuts is a key theme of Wilders, next to immigration. In 2012, for example, Wilders withdrew his support for the first government of Rutte, a minority coalition between Rutte's liberal party and the Christian Democrats, over reductions in public expenditure.

Research, including my own, suggests that cuts to public services play an important role in explaining the rise of the far right. Concerns about reduced access to public services, such as hospital care, state schooling, affordable public transport and housing, leads people to question the extent to which their government cares about people like them. Waning public services may also fuel immigration concerns out of fear of more congestion and overcrowding.

Centre-right parties have an interest in diverting public attention from their own policy failures — and research shows that shifting attention from unpopular economic policies to socio-cultural issues that inflame public opinion, such as immigration, can be an effective short-term electoral strategy for government parties, especially those on the centre right. But in the long term, this strategy strengthens the far right — and could even lead to a far right EU, as Hans Kundnani has argued.

A better strategy would be to understand why discontented voters have flocked to far-right parties recently. European politicians who serve a continent challenged by sluggish growth prospects, an ageing society and labour shortages should look beyond immigration as the culprit of far-right success and start addressing deeper structural problems plaguing European societies.

The author is dean of international affairs and professor at Bocconi University, Milan

America and a crumbling world order

GLOBAL AFFAIRS
Gideon Rachman

How many international conflicts can one superpower handle at the same time? The Biden administration is currently trying to deal with wars in the Middle East and Europe, while preparing for a surge in tensions between China and Taiwan.

All this is taking place under the lengthening shadow of Donald Trump. His possible return to the White House poses profound questions about the future of US democracy and the country's role in the world.

The combination of all these events is creating a palpable sense of tension and foreboding in government offices in Washington. It is not just the sheer number of crises coming at the Biden administration, but the fact that many are heading in the wrong direction — the wars in Ukraine and the Middle East, for example. And the polls look bad for Biden.

The foreign crises could come to a head quite fast. "The next three months could determine the next few years," is how one senior US official puts it. A prominent Democrat worries that "by January, we could be talking about how Joe Biden lost Ukraine".

New funding for the Ukrainian military and its civilian institutions is stuck in Congress. The Biden administration seems confident that money for Kyiv will ultimately be agreed. But if financial assistance is not passed before the end of the year, Ukraine could feel the effects on the battlefield within weeks.

Attempts to agree a fresh package of EU money for Ukraine are also stalled by wrangling in Brussels. Senior US military officials are warning Congress that, if funding for the country is cut and Putin makes substantial progress in the war as a result, Russia could be threatening the Baltic states by the end of 2024.

In the coming weeks, Russia is expected to launch an intense bout of attacks on Ukrainian infrastructure in the hope of crippling the country's power supply and winter heating. Moscow tried the same thing last winter and failed. But the Russians now have many more drones and missiles, thanks to Iran, North Korea and ramped-up domestic production. Ukrainian air defences are looking threadbare in places and could be overwhelmed.

The precariousness of Ukraine's situation is getting less attention than it should because of the Middle East. The Biden administration is paying a heavy political price, at home and abroad, for its support for Israel. The US is now putting public pressure on Israel to change its military tactics in Gaza and to kill fewer Palestinian civilians.

But American concerns extend well beyond Gaza. The Biden administration still feels that it is dangerously close to a wider regional war that would drag in the US. Attacks on shipping by the Houthis, an Iran-backed militia in Yemen, might create the incident that leads to escalation.

There are also powerful voices in Israel who argue that, after the October 7 terror attacks, Israel can no longer tolerate the presence of Hizbollah, another heavily armed Iran-backed militia, on its northern border. But a war between Israel and Hizbollah could be much more intense than a conflict with Hamas.

There is some resentment in Washington that Israel is insisting it will make its own decisions about military operations, while relying on US muscle in the background. "The Israelis are playing with house money," as one US official puts it. But, after October 7, there remains a deep reluctance to put serious pressure on Israel to change course.

> With the presidential election less than a year away, international crises feed into US politics

Dispatching American aircraft carriers and missile defence systems to the Middle East means that they are not available for other trouble spots. That has implications not just for Ukraine but also for east Asia.

The current expectation in Washington is that the Taiwanese presidential election on January 13 will be won by Lai Ching-te, who is regarded in Beijing as a dangerous separatist. If China responds to a Lai victory with threatening displays of military strength, that could easily provoke a new crisis.

There is cautious optimism that Beijing's initial response to a victory by Lai will concentrate on economic and political pressure. But, over the course of the year, China could take its military intimidation of Taiwan to new levels, particularly if the US looks distracted and weakened by events in Ukraine and the Middle East.

The fact that China will be closely watching Ukraine and Gaza illustrates the linked nature of all these crises. Western officials believe Russia, China, Iran and North Korea are working together much more closely than before. The Russians are now more dependent on Chinese economic support and are almost unrestrained in military collaboration with North Korea and Iran.

With the US presidential election less than a year away, all these international crises feed into American politics. Trump will take every opportunity to accuse Biden of presiding over an era of weakness and retreat, citing Afghanistan, Ukraine, Gaza and the Taiwan Strait.

A chaotic and divisive US election — with Trump as the central figure — will contribute powerfully to that impression of US weakness and decline. China, Russia and Iran will relish asking how America can promise to defend democracies overseas, when its own democracy is in so much trouble at home. Unfortunately, it is a good question.

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Trivial concerns threaten big decisions on Europe's future

ECONOMICS
Martin Sandbu

The EU's top leaders meet this month for the last European Council of the year. How decisive they manage to be could make the difference between a summit that would rank among some of the most consequential — or a massive wasted opportunity.

Consider the unresolved decisions that have been piling up. Whether to make good on the promise to finance Ukraine with €50bn over four years, half a year after it was made. Whether to open formal EU membership negotiations with Ukraine and possibly other candidate countries. Whether finally to sign off on a trade deal with South America's Mercosur bloc. Whether to adopt proposed new common rules for national public finances, as well as midterm revisions to the EU's seven-year budget.

Contrary to appearances, what has been holding up these decisions is not that they are deeply controversial. Everyone understands they are necessary or would bring momentous benefits to the EU and its relations with the rest of the world. Instead, what they have in common is they have all been impeded by much more trivial concerns.

It is not good enough to blame the delays on the obstructionism of Viktor Orbán's Hungary. It is true that Orbán is holding up the Ukraine decisions to extract advantages — in particular, a release of EU funds held back due to his undermining of his country's rule of law. But, as in earlier big decisions, there is a limit to how far others will let him delay them. Already there is talk in national finance ministries of circumventing Budapest by funding Ukraine "at 26" as a possible if not preferred option.

Just as big a problem has been the European Commission's bundling of Ukraine support with other top-ups to its budget from member states. As for Ukraine's accession talks, some are tempted to string things out for a few months in a misguided belief this would make Kyiv reform faster.

The hold-ups range beyond the Ukraine questions. The shape of the fiscal rules has long been largely clear. The remaining technical details finance ministries are fighting over will make next to no difference to the EU's economic prospects. The Mercosur

> We are well past the point where holding out for one more marginal concession is of much help

deal, meanwhile, is being held up by narrow sectoral interests and overzealous environmental demands. That's unsurprising — and in a narrow sense even legitimate — but these interests are nowhere near enough to justify scuppering the deal. The budget revisions, too, are over trivial numbers.

In all these cases, the EU remains hamstrung by the narcissism of small differences. But we are well past the point where holding out for one more marginal concession, haggling over technical details or gathering more knowledge is of much help. On all these issues, the political decisions just have to be made.

Doing so would make this into one of those summits that take the European project into a new chapter: setting Ukraine on a firmer western course, creating the world's largest free trade area and establishing a predictable framework for securing the big investments needed in defence, decarbonisation and digital modernisation. No one is presenting an alternative political course: the failure of political will this month would simply be a massive exercise of kicking the can down the road.

The longer it takes the EU to decide things that should just be wrapped up, the more the genuinely hard deliberations will be delayed.

They include a full, good-faith and sustained engagement with how to ready the bloc for enlargement. A tentative debate earlier this year on deep reforms of EU decision-making and European institutions has, for the moment, fizzled out (which also means it has become unlinked from the decision on advancing accession talks).

They include, too, the shape of the EU's next seven-year budget, and how to make it fit for an age of economic insecurity and geopolitical tension. It is clear that very large common investment projects have to be carried out — in energy, for example, and in stronger transport and infrastructure links with neighbouring countries — while protecting the integrity of the single market and dealing with enlargement. That requires a bigger, fundamentally reshaped budget, to satisfy the interests of both net contributors and recipients.

Dealing with such challenges must no longer be displaced by second- or third-order interests. One solution is to take more decisions by majority, as some propose. But that is an inferior substitute for statecraft that builds broader agreement. Next week, leaders have a chance to show they can deliver it.

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Evergrande: yours truly, angry mob

An abrupt turn of events has bought more time for China Evergrande. A Hong Kong judge postponed a hearing into a liquidation petition to January. That gives the developer longer to finalise a debt restructuring plan.

Offshore creditors, such as petitioner Top Shine Global, may not realise quite how much power they wield over China's property and banking sector.

Evergrande is the most indebted developer. It has been working for about two years on a debt restructuring it hopes will stave off liquidation. Fresh breathing space lifted shares more than 9 per cent yesterday.

Offshore creditors have shown little enthusiasm for the proposals. One cannot blame them. A brutal haircut is a likely outcome. Beyond that, prospects for the developer look bleak.

The payouts from a court-approved liquidation are hardly appealing either. Analysts expect a recovery rate of below 5 per cent. Evergrande has more than $300bn in liabilities.

For Beijing, however, getting offshore creditors to agree to a restructuring is of paramount importance.

The biggest risk comes from an estimated 1.5mn homebuyers that have paid Evergrande for unfinished homes. These dwellings are estimated to have an original value of $90bn. Beijing may face social discontent if Evergrande is liquidated and the projects cannot be completed.

A restructuring would also alleviate pressure to support state-owned banks. Their returns are eroding amid slowing economic growth and a falling property market.

The impact on lenders is growing. Banks do not just have direct exposure through mortgages and loans to developers. They are also exposed to the country's shadow banks. These non-bank financial institutions often lend to higher-risk industries such as real estate. The financings are frequently through wealth management products that are held off-balance-sheet.

Zhongzhi, one of the biggest shadow banks, may have a shortfall of $36bn. It has warned that it is "severely insolvent".

The liquidation of Evergrande would set a dangerous precedent for struggling peers. Evergrande had always been outlier. But a domino standing at the extreme end of a line tumbles most peers through indirect impacts. Foreign investors have yet to comprehend the extent of that danger.

Roche: fat chance

In a race, any place but first can feel like coming last. That is not the case for pharmaceutical companies.

Novo Nordisk and Eli Lilly are already striding ahead with anti-obesity treatments. But prizes are still on offer for also-rans, especially if they can compete on price. Barclays estimates the market could be worth $100bn within a decade.

Switzerland's Roche has just boosted its chances of being a contender. It is acquiring US-based obesity drugs developer Carmot Therapeutics, for up to $3.1bn. It is the second bolt-on buy by Thomas Schinecker, Roche's new chief, in less than two months.

Schinecker needs to soothe investor jitters over Roche's pipeline. The group had several big disappointments in 2022. These included trial failures by its Alzheimer's drug, gantenerumab.

The Carmot deal will give Roche access to three clinical-stage assets based on GLP-1 treatments for obesity. These drugs are similar to Eli Lilly's much-discussed Mounjaro. Others are joining the obesity race: AstraZeneca in November struck a $2bn licensing agreement with China's Eccogene.

Two of the Carmot treatments are injectable, including snappily named lead asset CT-388. The other is in pill form — the Holy Grail of anti-obesity medicines. But only data for one out of three trial stages is available for CT-388. That would explain the modest 2.5 per cent rise in Roche's share price yesterday. Year-to-date, the stock is still down more than 15 per cent.

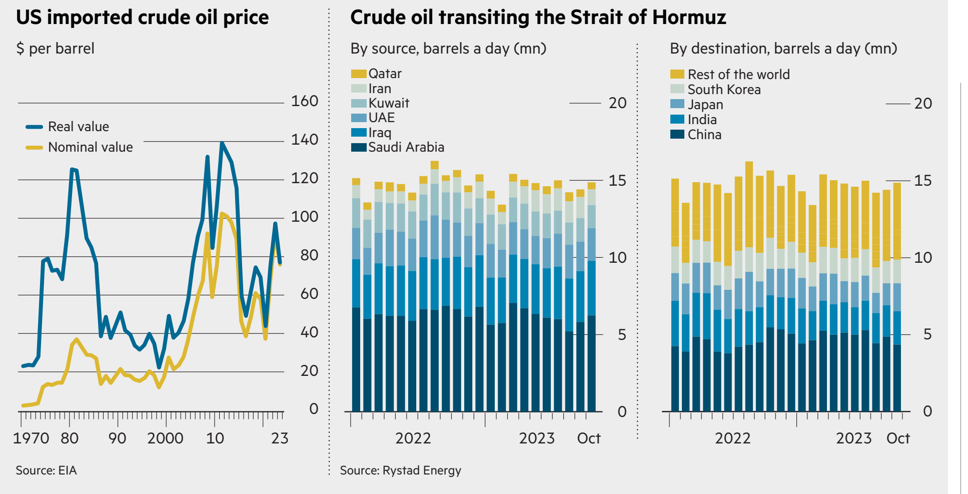
Roche trades on a forward price/earnings ratio of 12.4 times, behind its five-year average of just over 15 times.

Schinecker has been trying hard to persuade investors that Roche has one of the youngest drug portfolios in the business. It has 98 pipeline assets in various phases, well ahead of a sector average of 70.

Its problem is that phase 3 trial success rates have fallen below sector averages. He will have to better that hit rate if he is to persuade investors that Roche's losing streak is behind it.

Strait of Hormuz/oil: tanker rancour

Oil prices soared twice in the 1970s following an oil embargo and the later Iranian revolution. The narrow Strait of Hormuz remains a critical corridor for Middle Eastern crude exports. Asia is the biggest recipient of the crude; China, India and Japan are the biggest buyers.



Tensions in the Middle East are mounting as war rages in Gaza. There is, as always, potential for Israel's enemies to threaten the vital Gulf shipping route through the Strait of Hormuz. This would put pressure on an oil price previously suffering little impact from the conflict.

So far, maritime hostilities have been further west. Yemen's Houthis, who are backed by Iran, attacked a US warship and three commercial vessels at the weekend.

Western powers are protecting the Gulf with such assets as the Dwight D. Eisenhower US aircraft carrier. The Strait of Hormuz is just 20 miles wide at its narrowest point and is dotted with islands controlled by Iran.

About one-fifth of the world's crude oil and liquefied natural gas flows through the strait daily.

It closed twice before, in 1973 and 1979. Crude oil prices rose about 300 per cent in each case, damaging global economic growth. The world is now less reliant than it was on Middle Eastern hydrocarbons. But disruption in the strait would still push up prices.

Oil traders regard this as a distant tail risk. They are more worried by flagging demand. After a spike in Brent crude prices to more than $90 a barrel at the current conflict's outset, prices have dropped below $80 a barrel.

Iran, which supports Hamas, would have much to lose from the strait's closure. Its oil exports to China are at record highs. Of the 15mn barrels per day of crude that passed through the strait in October, more than 1mn were Iranian.

Pipelines elsewhere would ease a blockade. A Saudi east-west pipeline to Yanbu in the Red Sea has extra capacity. Even so, some 2mn to 4mn bpd of the 6mn bpd of its crude flowing through the strait would stay stuck in Saudi Arabia, thinks consultancy Rystad Energy. Abu Dhabi also has pipeline capacity to circumvent the strait. But some 5.5mn bpd from Iraq, Kuwait and Qatar has no other exit route.

That leaves more than a tenth of global crude supply at risk from the strait's closure. Markets are taking too sanguine a view of the threat. The likelihood of the conflict spreading raises the longer fighting continues.

Origin/Brookfield: octo pash

As smart molluscs, octopuses have a habit of overturning expectations.

Shareholders at Australia's Origin have blocked a near-$13bn bid by a consortium led by the Canadian asset manager. One complaint is that the deal undervalued Origin's 20 per cent share in Octopus, the UK energy group.

The saga reveals a lack of consensus on what Origin might be worth. The board and 69 per cent of votes cast yesterday said Brookfield's bid was fair. AustralianSuper, the pension fund and owner of 17 per cent of Origin, thought it undervalued the group. That swayed enough other voters to deny the deal the 75 per cent support required.

The energy transition makes businesses like Origin hard to value. That is particularly true of the shareholding in Octopus. The group includes a retail unit, an IT platform and a nascent business selling EVs and heat pumps. Octopus is expected by analysts to be profitable this year. It commands tech-style multiples.

Independent experts value Origin at £5.7bn-£6.2bn, or some 20 times next year's ebitda as estimated by Macquarie. AustralianSuper believes it is worth much more, apparently. Divergent views of Octopus's potential are enough to swing opinions because Brookfield's bid was no knockout. To see how numbers stack up, put Origin's electricity generation and energy retail unit on 6.5 times next year's ebitda. That equates to just over A$10bn of enterprise value. A stake in a big Australian LNG plant might be worth another A$7bn. Add A$2.2bn for the Octopus stake and assume other assets and capitalised costs roughly cancel each other out. Lop off A$3.5bn of debt.

That yields an equity value for the transaction of A$15.7bn, broadly in line with what Brookfield was offering.

Of course, companies rarely trade at their underlying value — until they come up with a clever strategy to sweat their assets. One consequence of Brookfield's interest is that Origin must think hard about how energy will affect it as an independent.

US airlines: Alaska competition question

US airline takeovers are hard to pull off. Differences in worker contracts, IT systems and cultures make integrations difficult.

Throw into the mix the Biden administration's aggressive antitrust regulators. There are more reasons to avoid consolidation than pursue it.

Unless you are Alaska Air. The fifth-largest airline in the US has struck a deal to buy smaller rival Hawaiian Airlines for $1.9bn including debt.

Alaska's cash offer of $18 a share represents a premium of more than 100 per cent to Hawaiian's three-month average share price. It is still an opportunistic move. Hawaiian shares have lost more than two-thirds of their value over the past 12 months. A slow recovery in tourism from Asia, growing competition from Southwest and Maui wildfires have weighed on demand. Hawaiian, which has not made an annual profit since 2019, is forecast to book a net loss of $310mn this year.

Alaska believes these challenges will pass. It is projecting $235mn of "synergies" — mostly cost savings, one would hope. Taxed and capitalised, these would be worth about $1.8bn, or more than three times the premium. The carriers say the Hawaiian leisure air travel market is worth $8bn a year.

Unfortunately for the partners, the regulators have taken a tough line on consolidation in the sector. They successfully sued to unwind the American and JetBlue alliance in the north-east, and are trying to block JetBlue's proposed takeover of Spirit.

Alaska — like JetBlue — will argue that consolidation is needed to create a stronger company to compete against the industry's traditional Big Four airlines. Unsurprisingly, given the distance between the 49th and 50th states to join the US, the two airlines have few overlapping routes.

The 16 per cent collapse in Alaska's shares yesterday suggests the market thinks this deal will stay grounded. Spirit's share price offers little comfort. It is sitting at about $16, or less than half of JetBlue's offer of $33.50.

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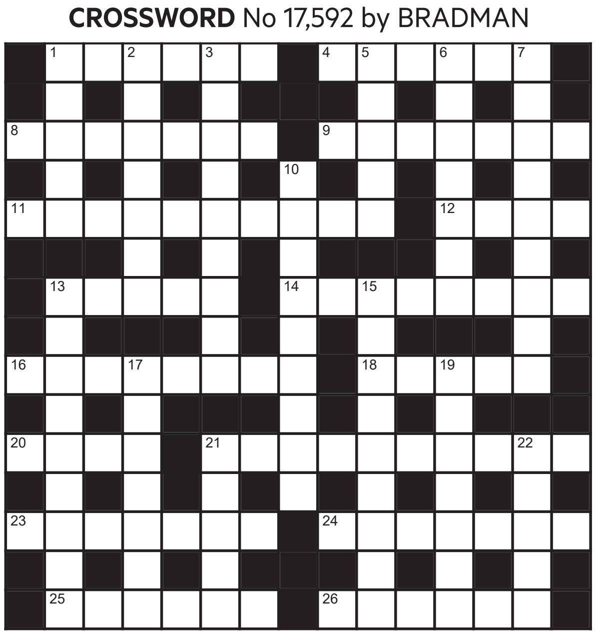
CROSSWORD No 17,592 by BRADMAN



ACROSS

1 Back of this vehicle is hit (6)
4 Chatter in B&B with wild wind outside (6)
8 Be only partially successful? Charming! (7)
9 Hide children — not entirely compassionate (7)
11 Degradation of fellows on row being held by detective (10)
12 A word from holy woman about love (4)
13 Island in secret escape (5)
14 Document showing overturned vehicle by gallery (8)
16 Maiden entering to make a light meal (5,3)
18 Mark's daughter wearing a hat (5)
20 Fish mostly of a red hue (4)
21 One gripped by religious freedom drooling (10)
23 Represents dramatically as cast maybe (4,3)
24 What's silly can then delight (7)
25 Group of nine chaps heading off with drunken dean (6)
26 Items of fruit — yellow fruits, not black (6)

DOWN

1 Bit of stuff on tree that is sticky (5)
2 Hesitation about hostility brings relief (7)
3 Able to take part, being given set of holy books (9)
5 Muslim man, holy person among top people (1-4)
6 Function in club — old-fashioned headgear required (7)
7 Manners of quite silly communication, ignored first and last (9)
10 Money given to crusade in hub location? (9)
13 Vehicle second-rate — to member of family it is a gem (9)
15 Answer to snake bite in vain with ten in trouble (9)
17 A theologian, one disciple who was an essayist (7)
19 Get to understand security device is secure (5,2)
21 Shrine put up, protected by religious organisation (5)
22 Beastly noises all right outside home? Start to scream (5)

Solution 17,591

JOTTER PAD

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