FINANCIAL TIMES

FRIDAY 12 JANUARY 2024

ASIA

Is this the year deepfakes affect an election?
BIG READ, PAGE 15

Ten ‘positive risks’ for the global economy
GILLIAN TETT, PAGE 17

Top spot spat
Microsoft and Apple wrestle

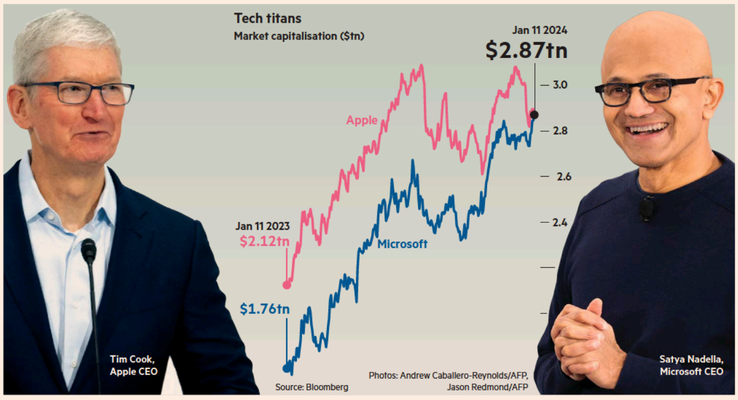
Big Tech's arch rivals started the year neck and neck at the top of the table to hold the coveted title of the world's biggest company by market value.

Microsoft yesterday briefly snatched the crown from Apple after the software company's shares climbed 1 per cent in early trading to take its value to $2.87tn — just ahead of the iPhone maker, whose shares fell by about 1 per cent. But by midday in New York, Apple had retaken the top spot.

Microsoft has generative AI to thank for the rally in its shares after it became the biggest investor in OpenAI, the maker of the popular AI-powered chatbot ChatGPT.

Apple has largely been left out of the AI fervour that has propelled Microsoft, while concerns about weaker iPhone sales in China have weighed on its stock in the first few days of 2024.

Taking turns page 10



Source: Bloomberg

Photos: Andrew Caballero-Reynolds/AFP, Jason Redmond/AFP

Iran raises threat to Mideast shipping lanes with seizure of oil tanker in Gulf

- Challenge to western powers
- Bid to deter retaliation against Houthis
- Crude prices rise 2%

FT REPORTERS

Iranian forces have seized an oil tanker off the coast of Oman as the threat to shipping in the Middle East spilled into one of the world's most important export routes.

With western countries signalling their probable retaliation to maritime assaults by Iranian-backed Houthi forces in the Red Sea, the capture of the tanker yesterday raised fears that Tehran could step up its own attacks.

"Seizing tankers is a go-to Iranian move to demonstrate their capabilities and to create problems," said Tobias Borck at the Royal United Services Institute think-tank in London.

He added that the latest development showed that the Houthi campaign was part of a bigger regional threat that could escalate despite efforts to contain a crisis sparked by the Israel-Gaza war.

UK authorities said the tanker — later identified by its owners as the 1mn barrel capacity St Nikolas — had been boarded by four to five armed individuals in "military-style black uniforms".

Satellite tracking information indicated the vessel was diverted to Iran before contact was lost. Iranian state-backed media released a photo of armed forces abseiling from a helicopter on to a tanker's deck. The Tasnim News Agency, an outlet linked to the Revolutionary Guards, said the country's naval forces had acted on court orders in retaliation to "oil theft by the US regime".

> 'Seizing tankers is a go-to Iran move to demonstrate their capabilities'
>
> Tobias Borck, analyst

The US seized a cargo of Iranian oil last year from the same tanker, then known as the Suez Rajan, for breaching Washington's sanctions against Iran. The tanker's owner, Athens-based Empire Navigation, said in October it had settled the dispute with the US.

Yesterday's seizure took place south of the Strait of Hormuz, the other side of the Arabian peninsula from where Houthis have launched more than 25 attacks in recent weeks.

Oil prices rose, with Brent crude up almost 2 per cent at $78.

UK defence secretary Grant Shapps warned this week that the UK and regional powers were "all agreed" that the Houthi attacks "cannot continue", adding: "Watch this space."

Iranian forces have seized tankers during periods of heightened tension with the US and other western states. Tehran has said it has no desire to see the conflict between Israel and Hamas escalate into a broader regional war.

Iran is the chief backer of forces opposed to Israel that it has dubbed the "axis of resistance", which includes the Houthis, Hizbollah in Lebanon and Hamas in Gaza, as well as militant groups in Syria and Iraq.

The ship's capture was designed to make the US and its allies think twice about any retaliatory military action against the Houthis, analysts said.

Empire Navigation said the vessel, which had a crew of 18 Filipinos and one Greek national, was sailing from Iraq to Turkey with a full cargo belonging to Tüpraş, a Turkish oil group.

The Houthis, who control north Yemen, launched their biggest attack to date this week, targeting western warships with drones and missiles.

The boss of shipping giant AP Møller-Maersk told the Financial Times it could take months to reopen the crucial Red Sea route, risking an economic and inflationary hit to the global economy.

Reporting by David Sheppard, Robert Wright, John Paul Rathbone and Chris Cook in London, and Andrew England and Najmeh Bozorgmehr in Dubai

Maersk warning page 6

Briefing

▸ Bitcoin trading surges as long-awaited ETFs debut
Trading volumes have surged after the first US exchange traded funds with direct exposure to the biggest cryptocurrency hit stock exchanges. Early yesterday volumes were up 40 per cent on the previous 24 hours.— PAGE 6

▸ Brussels bends to Orbán
The European Commission is willing to bow to some demands of Hungary's prime minister in order to secure a €50bn support package for Ukraine, senior officials have said.— PAGE 2

▸ Israel faces genocide claim
The International Court of Justice has begun hearing the politically explosive case brought by South Africa alleging the Jewish state is committing genocide against Palestinians in Gaza.— PAGE 3

▸ Inflation hits rates hopes
An uptick in US price pressures has dimmed market expectations that interest rates will fall as soon as March. The headline rate and the core measure for December came in above forecasts.— PAGE 4

▸ Outsourcing aids Russia
Russia has been obtaining critical battlefield components from companies based in the US and its allies, in large part because of outsourced production in nations applying weaker controls.— PAGE 2

▸ Boeing blowout probe
An investigation has been announced by the US Federal Aviation Administration after the mid-air blowout of a panel on a 737 Max. It has grounded 171 planes for inspection.— PAGE 6

▸ China unity talks rejected
Hou Yu-ih, presidential candidate of the Kuomintang opposition party in Taiwan, has ruled out unification talks with Beijing if he is elected tomorrow. "I will not touch the issue," he said.— PAGE 4

▸ $7.4bn Chesapeake deal
The oil and gas group has agreed to buy Southwestern Energy in an all-share deal that will create the biggest US natural gas producer as a wave of consolidation activity sweeps the sector.— PAGE 8

Christie's departure resets Republican nomination race

Presidential primaries ▸ PAGE 4

China	RMB30
Hong Kong	HK$33
India	Rup220
Indonesia	Rp45,000
Japan	¥650(inc JCT)
Korea	W4,500
Malaysia	RM11.50
Philippines	Peso 140
Singapore	S$5.80(inc GST)
Taiwan	NT$140
Thailand	Bht140

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Hertz to offload 20,000 electric cars as drivers still prefer traditional vehicles

ALEXANDRA WHITE — NEW YORK

Hertz plans to sell one-third of its global electric-vehicle fleet and buy more internal combustion engine cars after a slow take-up of drivers opting to rent greener models.

The US car rental group, which said the switch back to more traditional models would cost about $245mn, is planning to sell about 20,000 electric vehicles.

Hertz made a big bet on electric vehicles in 2021 when it ordered 100,000 cars from Tesla and announced its intention to own the largest EV rental fleet in North America. But it has since stepped back from that ambition after being hit by rising repair costs for EVs and strong demand for traditional cars.

The company said in October that expanding its EV fleet would be slower than expected, and noted that damage costs for electric vehicles were far higher than those of internal combustion engine vehicles.

"The consumer has been a little bit more apprehensive about getting into the EVs," said John Healy, an analyst at Northcoast Research. "There has been a level of anxiety that the rental industry did not forecast."

Some consumers have been worried that they would be unable to find charging stations after driving long distances, a fear known as "range anxiety" that is considered one of the biggest barriers to electric vehicle adoption.

Hertz also offers rental cars to drivers for services such as Uber and Lyft. Although many rideshare drivers have been attracted by the lower costs of operating electric vehicles, some have found them much more expensive to repair than traditional models.

"Tyres on EV's burn up maybe 20 to 40 per cent faster than an ICE engine vehicle, and tyres are awfully expensive," said Healy.

Hertz's purchase of a Tesla fleet has also led to the prices of its vehicles depreciating after Elon Musk's carmaker cut prices several times last year.

Several manufacturers have scaled back their sales targets for electric models in the face of consumer resistance. HSBC has reported that CarGurus data showed that the second-hand value of the best-selling electric vehicles in the US fell almost a third last year.

Hertz said its decision to repurchase traditional vehicles would eliminate low margin rentals and reduce damage expenses associated with electric vehicles. Its reinvestment in traditional vehicles is expected to generate $250mn to $300mn of free cash by next year.

World Markets

STOCK MARKETS

	Jan 11	Prev	%chg
S&P 500	4743.05	4783.45	-0.84
Nasdaq Composite	14815.59	14969.65	-1.03
Dow Jones Ind	37446.17	37695.73	-0.66
FTSEurofirst 300	1867.82	1882.18	-0.76
Euro Stoxx 50	4442.28	4468.98	-0.60
FTSE 100	7576.59	7651.76	-0.98
FTSE All-Share	4142.97	4180.83	-0.91
CAC 40	7387.62	7426.08	-0.52
Xetra Dax	16547.03	16689.81	-0.86
Nikkei	35049.86	34441.72	1.77
Hang Seng	16302.04	16097.28	1.27
MSCI World $	3161.50	3146.97	0.46
MSCI EM $	988.97	993.00	-0.41
MSCI ACWI $	722.83	720.14	0.37
FT Wilshire 2500	6198.35	6166.40	0.52
FT Wilshire 5000	48281.80	48036.30	0.51

CURRENCIES

Pair	Jan 11	Prev	Pair	Jan 11	Prev
$/€	1.095	1.097	€/$	0.914	0.912
$/£	1.271	1.274	£/$	0.787	0.785
£/€	0.861	0.861	€/£	1.161	1.161
¥/$	145.960	145.615	¥/€	159.776	159.704
¥/£	185.544	185.461	£ index	82.140	82.103
SFr/€	0.936	0.934	SFr/£	1.087	1.084

CRYPTO

	Jan 11	Prev	%chg
Bitcoin ($)	45971.92	46664.70	-1.48
Ethereum	2579.70	2582.81	-0.12

COMMODITIES

	Jan 11	Prev	%chg
Oil WTI $	73.41	71.37	2.86
Oil Brent $	78.71	76.80	2.49
Gold $	2026.80	2034.90	-0.40

GOVERNMENT BONDS

Yield (%)	Jan 11	Prev	Chg
US 2 yr	4.31	4.33	-0.03
US 10 yr	4.03	4.02	0.02
US 30 yr	4.22	4.19	0.04
UK 2 yr	4.24	4.23	0.02
UK 10 yr	4.03	4.00	0.03
UK 30 yr	4.44	4.42	0.02
JPN 2 yr	0.01	0.02	0.00
JPN 10 yr	0.60	0.58	0.02
JPN 30 yr	1.58	1.58	0.00
GER 2 yr	2.62	2.64	-0.02
GER 10 yr	2.20	2.21	-0.01
GER 30 yr	2.42	2.42	0.01

Prices are latest for edition
Data provided by Morningstar

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Maggie Smith
Photographed by Juergen Teller

loewe.com

Sanctions evasion

West helps supply Russia with battle tech

Outsourced production ensures Moscow can buy materiel without checks

CHRIS COOK — LONDON

Russia obtained at least a third of its foreign-sourced battlefield components from companies based in the US and its allies last year — in large part because of outsourced production facilities in nations with weaker export controls.

These goods, with a total value of $7.3bn, were mainly manufactured in countries that are not part of the US-led export-control coalition, according to an analysis by the Kyiv School of Economics. The largest share, worth some $1.9bn, was produced in China. The 485 types of components in the analysis include semiconductors, computer parts, electronics, automotive components and bearings. The list relies on analysis of components found by Ukrainian officials in Russian equipment on the battlefield.

The analysis accounts for $22bn of Russian imports over the first nine months of 2023 and highlights how outsourced production can make it easier for Moscow to buy controlled goods from countries where customs officers will not apply checks at the border.

The data also shows the critical role of China in Russia's supply networks, including goods made by non-coalition companies. Most of the goods on the list were made in the country, which has a deepening partnership with Moscow.

'These factories need to comply with the same strength of export controls as they would at home'

Olena Bilousova, a senior researcher at KSE, said: "It's been a normal business strategy for years for western technology companies to have manufacturing facilities across Asia. But these factories need to be made to comply with the same strength of export controls as they would at home."

The US is the only country to insist that goods made in a third country might be covered by domestic controls. The "foreign-direct product regulations" are extraterritorial and can cover goods made in third countries if content, software or technology originating in the US has been involved in their production. FDPR provisions apply even if the producer is not American.

Data reviewed by the Financial Times shows the goods were sold to Russia via distributors and intermediaries. Kevin Wolf, a partner at Akin law firm in Washington and a former assistant commerce secretary, said that if the US companies had no knowledge of the eventual export to Russia and did not cause it, they would not contravene US law.

But the US adding "distributors and other middlemen" to its sanctions list would be "a very effective way of addressing diversion of semiconductors and other items", he said.

The KSE data suggests that Russia has been importing rising volumes of products made by some western producers — such as Analog Devices, a US-based chipmaker. Russian imports of its goods rose from $123mn in 2021 to $269mn in the first nine months of 2023. Only $20mn of the Analog chips entering Russia in 2023 were listed in filings as made in the US, $93mn were made in China and $53mn in Malaysia.

Analog told the Financial Times it had ceased all sales into Russia and Belarus, "instructed all of our distributors to halt shipments of our products into these regions" and that "any post-sanctions shipment into these regions is a direct violation of our policy and the result of an unauthorised resale or diversion of ADI products".

Constitutional ruling

Poland court shields central banker from investigation

RAPHAEL MINDER — WARSAW

Poland's constitutional court has barred lawmakers from investigating the governor of the central bank, whom Prime Minister Donald Tusk has accused of turning monetary policy into a political tool of the former administration.

The court's ruling yesterday came just hours before a planned anti-government protest in Warsaw and is one of the most significant cases lodged by the opposition Law and Justice (PiS) party to stop Tusk's overhaul of state institutions and attempts to remove PiS loyalists from office.

The National Bank of Poland's president, Adam Glapiński, is a personal friend of PiS leader Jarosław Kaczyński. During last year's election campaign, Tusk repeatedly called for Glapiński's removal, even though the PiS-appointed governor was elected in 2022 for a second term of six years.

Tensions mounted after the central bank shocked financial markets by cutting interest rates more than expected last September, only one month before the elections, which the then opposition claimed was a politically motivated decision to boost the chances of PiS winning a third term in office.

Tusk and his coalition partners have been outlining plans to get Poland's state tribunal, which rules on the eligibility of senior state officials, to investigate Glapiński. The intervention of the state tribunal requires a vote in parliament, where Tusk's coalition has a majority. But the constitutional court said it would be unconstitutional to launch such a probe, which would suspend Glapiński from office while the tribunal reviews his case.

Last month the central bank called on the European Central Bank to defend its governor and claimed that his suspension would be in breach of EU rules.

The constitutional court is dominated by judges appointed by PiS, including its president, Julia Przyłębska, whom Tusk also wants to remove. A five-person panel of judges led by Przyłębska ruled three-to-two to shield Glapiński.

Eastern Europe

Enduring threat: Ukrainians retrieve items from a Kyiv apartment building destroyed in a Russian attack on Tuesday. Below, Krišjānis Kariņš — Efrem Lukatsky/AP

Latvia urges long-term strategy to contain Moscow

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

The west needs a long-term strategy to contain Russia as it would seek new targets irrespective of the outcome of its full-scale invasion of Ukraine, Latvia's foreign minister said.

Moscow had an "imperialistic-fuelled ideology" that meant the threat would persist even under a new president or if Ukraine regained all its territory, said Krišjānis Kariņš, a former Latvian prime minister.

"Russia will not stop, Russia can only be stopped. Stopping Russia in Ukraine does not mean that it is over. It simply means we will have to continue. That is what is important for Nato: that we will have to work on a long-term strategy of Russia containment," said Kariņš, a self-declared candidate to head the western military alliance.

The Baltic states and Finland are on the frontline between Nato and the EU on one side and Russia on the other, and have been stepping up their warnings that Russian President Vladimir Putin is unlikely to limit his ambitions to Ukraine. Russian diplomats have also hit out regularly at the Baltics and Finland.

Latvia, with Estonia and Lithuania, has increased its military spending dramatically in the years since Russia annexed Crimea in 2014. It is aiming to spend 3 per cent of gross domestic product on its military by 2027, surpassing Nato's target of 2 per cent.

Kariņš said Nato needed to boost the capacity and "interoperability" of its defence industry to ensure different weapons systems were standardised and allow greater sharing of ammunition and artillery between allies.

"Once the war ends, the war machine will start to rebuild itself. It will be looking to provoke, to make difficulties on its border. We know this. We have to make sure on the Nato side that the likelihood of any incidents is simply ruled out, by our resolve, by our investments in defence," he said.

The Baltic Sea, to which Russia also has access, will become a "Nato lake" according to Kariņš, following the accession of Finland and Sweden to the alliance. Finland joined last April, becoming Nato's 31st member, but Sweden's accession has been delayed by Turkey and Hungary.

Nordic diplomats have suggested privately that both Finland and Sweden could send troops to Latvia as part of Nato's advanced battle groups for frontline states.

Kariņš said that Latvia would welcome such a deployment to join troops from 10 countries in his country led by Canada. "It is a microcosm for how Nato can work together for collective defence," the foreign minister said.

Kariņš conceded it was a difficult time in the war in Ukraine. But he added that he was optimistic that both Europe and the US would continue to support Kyiv militarily and financially, arguing that Russia was trying to "psych out" the west by saying it is divided.

"Russia is trying to instil a doubt among us . . . But Putin has managed to reinvigorate Nato. We have managed to converge on all issues to date regarding Ukraine," he said, despite Hungary having blocked long-term EU funding for Kyiv.

Western unity and Nato membership for Ukraine after the war were needed. "Russia is not only a problem in Ukraine for Ukraine, it poses a danger for all of Europe, even after the Ukrainian war," he said.

"If Ukraine regains its territory, Russia will still be a threat. That means we need to adjust our thinking to the long term."

Hungary premier

Orbán in line for Brussels concessions to free up Ukraine aid

PAOLA TAMMA AND HENRY FOY
BRUSSELS

The European Commission is willing to bow to some of Hungary's demands to secure a €50bn support package for Ukraine, according to senior officials.

Brussels has been working to find a solution to the Hungarian blockade since Prime Minister Viktor Orbán vetoed the EU package in December. The issue is all the more pressing, given a stalemate in the US Congress means Washington's support for Kyiv is also uncertain at a time when Russia has been stepping up its aerial attacks on Ukrainian cities.

As a way to convince Orbán to drop his veto, Brussels is open to giving him an opportunity in 2025 to stop the funding deal midway, said three officials briefed on the matter.

Under that arrangement, the EU would include a review of the four-year support package next year, when it will evaluate whether Ukraine still needs the cash and has met the requirements to receive EU aid. This would give Orbán the chance to veto its continuation.

Brussels is also open to annual audits of the aid and the introduction of an "emergency brake" clause, whereby any country could put serious concerns about Ukraine payments up for discussion at a summit of EU leaders. It would not, however, give Hungary an additional opportunity to veto funding.

Asked if this would be sufficient for Orbán to drop his veto, a senior Hungarian official said: "Still uncertain but I say, most probably, yes."

The Hungarians "are in a negotiating mood", said a person briefed on the talks. Brussels unlocked €10bn of funding for Hungary in December that was frozen due to rule of law concerns, a few weeks after it approved a separate €900mn payout to the country.

The idea of a review clause was first proposed by Hungary in October but other EU leaders resisted such a move because it would fail to give Ukraine certainty over its financial support.

The original aim of the package, including €17bn in grants and €33bn in loans, was to give Kyiv a predictable flow of support over four years. Some countries have said the midterm review will give Orbán the chance to veto aid further down the line.

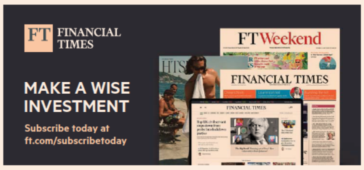
But bowing to these concessions to unlock budget funding for Ukraine is still seen as preferable to other arrangements that would require creating complex structures to bypass Hungary.

These include options to prolong the 2023 loan scheme for up to a year, raise common debt backed by national guarantees, or create a vehicle to disburse grants. All these options could be pursued without Hungary but are more costly and would take longer to set up. Kyiv wants EU funds to reach Ukraine in March, to avoid having to resort to printing money to finance costs.

"It will get tough at some point in March," a Ukrainian official said.

The rest of the budget increase, which the commission linked to funding for Kyiv, includes €4bn for migration management and investments in defence.

Before European parliament polls in June, some capitals want to show the EU is spending more on domestic priorities and supporting Kyiv.



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Disease

Virulent strain of avian flu discovered in Antarctic seals

MADELEINE SPEED AND CLIVE COOKSON
LONDON

The Antarctic seal is the latest species to be hit by a virulent strain of avian flu as the virus jumps from birds to wild animals around the world, increasing concerns it will adapt to infect mammals and humans more easily.

The UK's Animal and Plant Health Agency said yesterday that its experts had detected avian flu in seals and other animals on the sub-Antarctic island of South Georgia, which scientists concluded was most likely introduced by birds migrating from South America.

The spread to mammals of the virulent H5N1 strain, which was first detected in poultry and wild birds in the spring of 2021, has raised concerns that the virus will begin to adapt to mammals, boosting its zoonotic potential to spread to humans.

"Given Antarctica is such a unique and special biodiversity hotspot, it is sad and concerning to see the disease spread to mammals in the region," said Professor Ian Brown, APHA's director of scientific services.

Ashley Banyard, an avian flu expert at APHA, said the team had found no evidence of adaptation among seals on South Georgia, indicating that the virus was not transmitted from seal to seal but rather from birds scavenged by them or through their exposure to bird excrement.

However, scientists have found signs of adaptation in mammals in other parts of the world. For example, scientists found evidence of mammalian adaptation following a severe outbreak among seals on the New England coast of the US in June 2022. Adaptation was also identified in sealions in Chile.

South America has been badly hit by the virus in recent months, leading to thousands of deaths of marine mammals in Peru, Brazil and Chile. Its spread to the Atlantic Convergence — the marine belt encircling Antarctica — will be a further cause of concern for epidemiologists.

"It's a numbers game," said Banyard. "At the start of an outbreak you might not see adaptation in mammals but if there is continued exposure there may be adaptation."

In July last year the World Health Organization warned that the "alarming rise in mammalian cases" of bird flu posed an increased zoonotic risk as it meant the virus could adapt to infect humans more easily. While the incidence of avian flu in humans is low, fatality rates are high.

The US Centers for Disease Control and Prevention said 19 human cases had been detected worldwide from January 2022 to the end of December 2023, with nine severe cases leading to five deaths. Almost all the patients had been infected through contact with diseased poultry and there was no evidence of the virus spreading between people.

The virus was first detected in the sub-Antarctic region in October last year following the deaths of several skuas, predatory seabirds. During a three-week expedition, an APHA virology team detected the virus in elephant seals and fur seals, as well as in birds including brown skuas, kelp gulls and Antarctic terns.

However, avian flu has caused less infection among birds across the northern hemisphere in the past three months than during the autumns of 2021 and 2022. Just five outbreaks have been reported in the UK since October 1; there had been more than 360 outbreaks over the previous two years.

Analysis: scientist Marco Falchieri of the UK's Animal and Plant Health Agency takes samples from a seal in South Georgia APHA

South Africa outlines Gaza genocide case against Israel in UN's top court

International panel of judges asked to approve emergency measures protecting Palestinian life

JAMES SHOTTER — JERUSALEM

The International Court of Justice yesterday began hearing the politically explosive case brought by South Africa alleging that Israel is committing genocide against Palestinians in Gaza.

South Africa brought the case under the 1948 Genocide Convention, contending that by killing Palestinians in Gaza, causing them serious bodily and mental harm, and inflicting on them "conditions of life calculated to bring about their physical destruction", Israel was responsible for a genocide.

Israel has denied the allegations, saying that South Africa's case "lacks both a factual and a legal basis, and constitutes despicable and contemptuous exploitation of the court", and insisting that it complies with international law and its forces are targeting only militants.

"Israel has made it clear the residents of the Gaza Strip are not the enemy and is making every effort to limit harm to the non-involved and to allow humanitarian aid to enter the Gaza Strip," said Israel's foreign ministry.

The convention was established after the second world war and the holocaust, during which 6mn Jews were killed by the Nazis and their collaborators.

Both South Africa and Israel are signatories, which allows South Africa to bring its case. The convention has previously been used only in cases involving Bosnia and Serbia, Gambia and Myanmar and Russia's war in Ukraine.

A final ruling on the case will take years, and this week's hearings relate only to South Africa's request for emergency measures. While the court is likely to decide on these within weeks, it has no means of enforcing them. In March 2022, the court ordered Russia to suspend its military operations in Ukraine but Moscow refused to comply.

However, observers said even if measures were not enforced, a decision to impose them — and even more so a final ruling against Israel — would deal a blow to the country's standing and change the way other states dealt with it by, for example, making them less willing to sell it weapons.

"The court of public opinion has much more currency, I think, than people realise," said Sheila Paylan, an expert on international law and human rights. "I don't know how Israel would reputationally be able to handle a loss of that nature, given the gravitas of the convention under which it comes."

Israel declared war on Hamas after its militants stormed into the country on October 7, killing about 1,200 people, according to Israeli officials, and taking a further 240 hostage.

Its retaliatory offensive in Gaza has killed more than 23,000 people, according to Palestinian officials, as well as displacing 1.9mn of the enclave's 2.3mn inhabitants and rendering swaths of the territory uninhabitable.

In its submission, South Africa cited Israel's "failure to provide or ensure essential food, water, medicine, fuel, shelter and other humanitarian assistance for the besieged and blockaded Palestinian people"; its "sustained bombardment over more than 11 weeks of one of the most densely populated places in the world"; and the high number of children killed as factors that have created "conditions of life calculated to bring about their physical destruction as a group".

Tribute band: a statue of Nelson Mandela towers over the Al-Kamandjati youth orchestra in the West Bank as it rehearses for an event to mark South Africa's case against Israel in The Hague. Below, a man mourns victims of an Israeli air raid on Gaza late last year
Marco Longari/AFP/Getty Images

"Israel has a genocidal intent against the Palestinians in Gaza. That is evident from the way in which Israel's military attack is being conducted," Tembeka Ngcukaitobi, a member of South Africa's legal team, told the court.

"As we stand today, 1 per cent of the Palestinian population in Gaza has been systematically decimated. And one in four Gazans have been injured since October 7. These two elements alone are capable of evidencing Israel's genocidal intent in relation to the whole or part of the Palestinian population in Gaza."

Israeli Prime Minister Benjamin Netanyahu responded by accusing South Africa of hypocrisy. "Today, again, we saw an upside down world, in which the State of Israel is accused of genocide at a time when it is fighting genocide," he said. "We are fighting terrorists and we are fighting lies."

Robbie Sabel, an international law expert at the Hebrew University in Jerusalem, said he expected Israel to argue that it was acting in self-defence following a "murderous attack", that it was allowing humanitarian aid into Gaza, and that it had made efforts to minimise civilian casualties, such as ordering civilians to evacuate from certain areas before striking them.

"If you want to kill people, you don't warn them in advance. All the steps we've taken prove that we didn't want to [kill civilians]," he said.

One of the crucial elements in the case will be the question of intent. In its submission, South Africa lists numerous statements by senior Israeli officials, saying that "when combined with the level of killing, maiming, displacement and destruction on the ground, together with the siege — [they] evidence an unfolding and continuing genocide".

Among them was a quote from Netanyahu referring to the biblical story of the total destruction of Amalek by the Israelites; a suggestion by another minister that a nuclear strike on Gaza was an option; and the contention by various officials that there was no distinction between militants and civilians in Gaza.

Amichai Cohen, senior fellow at the Israel Democracy Institute, said this could be a "weak point" for Israel.

"If the claim were [that] Israel is not doing enough in order to suppress incitement to genocide, I think . . . there is some merit to this claim regarding politicians and celebrities. However, the idea that this turns into a policy of Israel that is somehow being implemented on the ground, I think that's wrong. This is not what is happening."

> 'Israel has a genocidal intent against the Palestinians in Gaza. That is evident from the way in which Israel's military attack is being conducted'

South Africa requested a variety of emergency measures, among them that Israel "immediately suspend its military operations in and against Gaza", refrain from "direct and public incitement to commit genocide" and "take all reasonable measures within their power to prevent genocide".

It also requested that Israel preserve evidence relating to the case and provide the ICJ with regular reports on how it was applying the court's orders.

The court has various options: it can order the measures requested by South Africa; apply others; or none at all.

Cohen said he thought it "unlikely" the court would order Israel to stop its Gaza offensive. But it was possible that "there will be some kind of order regarding stopping incitement . . . or more humanitarian provisions".

The wider implications for Israel, should the court decide the case was plausible enough to justify imposing emergency measures, would depend on how many — and which — of the 17 judges on the panel supported applying them, according to Cohen.

If only a small majority of judges, including those from the likes of Russia and China, did so, it would "not be very damaging", he said.

"But if there [is] a consensus in the court, including the justices from the US, Australia, France, Japan, Slovakia Brazil, Jamaica . . . then it might be more damaging."

Germany

Scholz hits out after AfD figures attend talk by white supremacist

GUY CHAZAN — BERLIN

Olaf Scholz has waded into a row over a secret meeting between rightwing politicians and an Austrian white supremacist, amid growing concern about the strength of the far-right Alternative for Germany ahead of autumn elections.

"Whoever takes aim at our democratic order is a case for domestic intelligence and the judiciary," the chancellor said on the platform X. "Learning from the past is not just paying lip service. Democrats must stand together."

Scholz was responding to a report by investigative media outlet Correctiv about a meeting in November near Berlin where AfD politicians and far-right activists discussed the idea of "remigration" — a euphemism for mass deportations of foreigners from Germany.

The report came amid rising concern in Berlin over the AfD's surging popularity among voters. National polls put the party on about 24 per cent, ahead of all three parties in Scholz's governing coalition and just a few points behind the main opposition Christian Democrats.

AfD could end up winning three crucial regional elections in eastern Germany this year. A recent poll by Forsa put the party at 36 per cent in Thuringia, 34 per cent in Brandenburg and 32 per cent in Saxony — the three states electing parliaments in September.

> 'We protect everyone, regardless of their origin [or] colour of their skin'
> Olaf Scholz, chancellor

Germany's domestic intelligence agency, the BfV, says the AfD has been infiltrated by far-right extremists who want to overthrow Germany's democratic institutions, and has long complained about the party's ties to ethnonationalist organisations on the radical right. The BfV has designated three AfD regional branches as extremist.

According to Correctiv, the meeting held near Potsdam in November featured a talk by Martin Sellner, a well-known activist from Austria who until last year was leader of the white supremacist Identitarian Movement.

Correctiv said he presented a "master plan" for "remigration", involving deporting people with immigrant roots from Germany — even those who held German passports. Scholz wrote on X: "We will not allow anyone to decide whether someone belongs to German society based on whether they have an immigrant background or not. We protect everyone, regardless of their origin, the colour of their skin or how inconvenient they are for fanatics with fantasies about assimilation."

Correctiv said the secret meeting was attended by Roland Hartwig, a trusted adviser of AfD party leader Alice Weidel, as well as the AfD's Bundestag MP Gerrit Huy, and Ulrich Siegmund, an AfD lawmaker in the regional parliament of Saxony-Anhalt.

Weidel's office said she had no knowledge of the participants. Hartwig said he also knew nothing in advance about Sellner. AfD said: "The AfD will not modify its attitude to immigration policy . . . because of the individual opinion of a speaker at a meeting that was not an AfD event."

Horn of Africa. Port access

Somalia calls on Ethiopia to tear up deal with breakaway Somaliland

Anger at agreement that gives autonomous territory boost in its quest for statehood

GIOIA SHAH — NAIROBI

Somalia has demanded that Ethiopia rip up the agreement signed last week that would give Addis Ababa access to a stretch of Somaliland's coastline, a move that has boosted the autonomous territory's quest for statehood.

Landlocked Ethiopia on January 1 opened dialogue to formally recognise Somaliland, in return for a 50-year lease on a 20km strip of land around the Gulf of Aden port of Berbera.

The memorandum of understanding signed by Abiy Ahmed, Ethiopia's prime minister, and Muse Bihi Abdi, Somaliland president, has sparked tensions in the volatile and strategically important Horn of Africa region.

Daud Aweis, Somalia information minister, told the Financial Times that it was "solely up to the Ethiopians to make sure they retract this kind of mess they have created".

An Ethiopian move to recognise breakaway Somaliland would "bring havoc to the whole continent", where many countries are battling separatist movements, he added.

Somaliland, which declared independence from Somalia in 1991, is in many ways a de facto state with its own functioning government and, analysts say, greater stability than the rest of Somalia. Yet no country has formally recognised it as an independent nation.

Somalia has called the January 1 agreement, which would allow Ethiopia to establish a naval base at Berbera, "an act of aggression" and said it was prepared to defend the country's sovereignty and territorial integrity.

"Not an inch of Somalia can or will be signed away by anybody," Hassan Sheikh Mohamud, Somalia president, wrote on X.

Although the deal is not legally binding, the US, the African Union and the east African IGAD trade bloc have all raised concerns over its potential to cause a rift in a region beset by armed hostilities and humanitarian crises.

The Horn of Africa borders the Red Sea, an important maritime corridor through which nearly 15 per cent of global seaborne trade passes.

The importance and vulnerability of the corridor have been highlighted by recent attacks on commercial ships by Yemen's Houthi rebels, which have forced international vessels to reroute and sent transport costs soaring. Access to the region's ports has been coveted by Gulf states as well as Russia, Turkey and China.

Somalis protest against the port deal between Ethiopia and Somaliland

Ethiopia, which is recovering from a brutal two-year civil war that formally ended in 2022, has much to gain from the Somaliland port deal, according to analysts. The country of 123mn, which last month defaulted on its sovereign debt, has been seeking ways to regain access to the sea ever since the breakaway of Eritrea in 1991 left it landlocked.

Ethiopia relies on the port of Djibouti, through which 95 per cent of its goods flow. But coastal access would allow the country to "establish facts on the ground" that it was a Red Sea nation, said Hassan Khannenje, director of the Horn International Institute for Strategic Studies, a Kenyan think-tank.

This would strengthen Ethiopia's hand against regional powers such as Egypt, he said. Addis Ababa and Cairo have an ongoing dispute over a huge dam built on the Blue Nile.

For Somaliland, the deal with Ethiopia had brought the question of recognition back into discussion, Khannenje said. During its 30-year quest for statehood, the region has established a diplomatic presence in several countries, including the UK and the US, and has in turn attracted consulates to its capital, Hargeisa, in large part because of its relative stability and safety.

The Somaliland deal carries risks for both Ethiopia and Somalia, experts say. Neither can afford hostilities, with Somalia fighting a long-running insurgency by the al-Shabaab terror group. While analysts believe war is unlikely, there is scope for tensions to rise.

The deal has also been met with opposition within Somaliland, with the defence minister reportedly resigning in protest.

Ethiopia is likely to need funding if it is to establish a new port, navy and the other infrastructure required. Analysts said this could come from the United Arab Emirates, which has close relations with both Ethiopia and Somalia.

The Gulf country has been expanding its influence in the Horn of Africa, including at Berbera port, which the Emirati logistics group DP World has been upgrading. The UAE also backed the Ethiopian government during the conflict in the Tigray region and is involved in Sudan's civil war, where it has been accused of backing paramilitary forces fighting the country's army.

Rising prices

US inflation outstrips forecasts at 3.4%

Hopes for early rate cut dim as cost of living pressures remain strong

CLAIRE JONES — WASHINGTON
KATE DUGUID — NEW YORK

US inflation outstripped forecasts for the year to December, hitting 3.4 per cent and dimming market expectations that interest rates would begin to fall as soon as March.

Economists had expected a rise of 3.2 per cent, up from 3.1 per cent in November. The core rate also came in higher than was hoped, in an apparent vindication of the US Federal Reserve's caution with regard to cutting rates from their 23-year-high.

US stocks fell after the release of data showing a headline 3.4 per cent annual rise in consumer prices. The blue-chip S&P 500 and the technology-heavy Nasdaq Composite had both declined 0.4 per cent by mid-morning in New York.

Trading in the bond market was choppy. The two-year Treasury yield, which moves with interest rate expectations, rose immediately following the publication of the data but later reversed that move, leaving the yield at 4.33 per cent, roughly where it was when the figure was released.

In the futures market, traders slightly reduced expectations that the Fed would cut interest rates in March.

Rate setters on the central bank's Federal Open Market Committee have insisted that they want to be confident inflation is moving towards their 2 per cent goal before dialling back on high interest rates.

"You're not supposed to react to one data point but in this case, the Fed is looking for a signal to start. And, with this CPI report, the starting gun didn't go off," said Vincent Reinhart, a central bank veteran who is now at investment manager Dreyfus and Mellon.

"After this, the Fed can't use their meeting at the end of January to hint that they want to act in March. It's going to take another round."

Core consumer price inflation, which excludes food and energy costs, was 3.9 per cent for the year to December, slightly lower than the 4 per cent figure for November, according to the data published by the Bureau of Labor Statistics. Economists had expected 3.8 per cent.

The month-on-month core rate, a crucial measure of underlying inflationary pressures that the Fed watches closely, was unchanged at 0.3 per cent.

In spite of the increase in December, price pressures fell much more sharply than expected in 2023, prompting the White House to point out that inflation was now down about two-thirds from the peak seen during the summer of 2022.

"We saw prices go down over the course of the year for goods and services that are important for American households, like a gallon of gas, a gallon of milk, a dozen eggs, toys, appliances, car rentals, and airline fares," said US President Joe Biden.

"Despite what many forecasters were predicting a year ago, inflation is down while growth and the job market have remained strong."

See The FT View

Politics. Presidential primaries

Christie exit shakes up Republican election race

Ex-governor's decision to quit on eve of poll seen as boost for Haley in battle against Trump

JAMES POLITI AND ALEX ROGERS
WASHINGTON

Field narrows: Chris Christie announces he is dropping out of the Republican race for the presidency at a town hall campaign in New Hampshire. Below, Nikki Haley
Robert F. Bukaty/ AP

Chris Christie's exit from the race for the Republican presidential nomination has delivered a sudden jolt to the contest, changing the dynamic just days before the first votes are cast in Iowa and New Hampshire.

The former New Jersey governor was the most outspoken and fierce critic of frontrunner Donald Trump in the field — and his departure, which he announced on Wednesday, could give Nikki Haley more traction in the race.

Haley, the former US ambassador to the UN and candidate most closely aligned with Christie's policies, has gained ground on Trump, moving into second place in some early voting states including Iowa and New Hampshire.

If, as expected, most of Christie's voters shift to Haley, it should deliver additional momentum to her candidacy.

"This has become a two-person race with me and Donald Trump," Haley told Fox News yesterday. "And, you know, while everybody else wants to discount us, I'll tell you, we keep moving and we're moving for a reason."

Overcoming Trump's lead remains a tall order for Haley — and even more so for Florida governor Ron DeSantis, the only other credible candidate for the Republican nomination. The two rivals exchanged insults in a televised debate in Iowa on Wednesday night but the spectacle did little to change their standings in the race.

In Iowa, which will hold the first nominating contest on Monday, Trump has a 35 percentage point advantage over Haley, now in second place above DeSantis, according to the FiveThirtyEight polling average. In New Hampshire, which holds its primary on January 23, Trump has a 12 percentage point lead over Haley.

Christie had been facing pressure for weeks to exit the race in order to clear the way for Haley and, as he announced he was ending the campaign, he pledged "to make sure that in no way do I enable Donald Trump to ever be president of the US again".

But the pugnacious former New Jersey governor declined to endorse Haley on the night — and in fact Christie and his advisers delivered a withering, if inadvertently overheard, verdict on her chances of ever overcoming Trump. On a hot microphone ahead of the event to announce his exit from the race, Christie was overheard telling his advisers that she was going to be "smoked" by the former president.

"I don't think she's the modern day Joan of Arc that she's being portrayed to be," Wayne MacDonald, the Christie campaign's New Hampshire chair who was part of that conservation, told the Financial Times.

"Those who would have Nikki Haley writing her acceptance speech for Milwaukee are way, way, way premature. There's a long way to go and Donald Trump remains in a very strong position. And I frankly don't see her overtaking him," MacDonald added.

The Trump campaign issued a memo written by its pollster John McLaughlin saying Christie's withdrawal might even be a "liability" for Haley.

"If his withdrawal was meant to help Nikki Haley, it will further polarise the primary to be a battle between the Trump conservatives and Haley's DC establishment base," it said.

A big source of acrimony between Christie and Haley has been the former New Jersey governor's sense that she was badgering him into quitting the race.

MacDonald said Christie made "his own decision" to leave but also hinted at the feeling of grievance.

"You don't bully a guy from New Jersey: there were attempts to bully him out of the race. And even last night on social media a number of Haley supporters were saying, 'We finally succeeded. We pressured him out'."

David Tamami, a Christie donor, is not rushing to throw his weight behind Haley. "I want to see how that plays out. The former president continues to be a prohibitive favourite. And I think it's now incumbent on the other candidates in the race to see how competitive they can make it both in Iowa and then in New Hampshire," he said.

Haley reacted to the lack of an endorsement — as well as the disparaging comments from Christie — with aplomb. "It's not a surprise. These fellas have been talking like that from the beginning," she told Fox News.

But Christie's deeper criticism of Haley and the other Trump rivals might be harder to shake: his accusation that they have been too meek in criticising the former president for fear of angering his supporters. Christie often harks back to the moment when Haley and DeSantis put their hands up during a Republican debate last year when asked if they would support Trump if he won he nomination — even if he were convicted in court.

> 'Anyone who is unwilling to say he [Trump] is unfit to be president of the US is unfit to be president of the US'
>
> Chris Christie

"Anyone who is unwilling to say he is unfit to be president of the US is unfit to be president of the US," Christie said during his farewell event. "I would rather lose by telling the truth than lie in order to win."

The most ardent anti-Trump Republicans cheered Christie as he left the race, saying his presence in the field served the vital purpose of challenging the former president head on.

"Right up until the end, Christie — that deeply flawed, infuriating, exasperating, irritating man — was a magnificent beast," Charlie Sykes, a former conservative talk show host, wrote on the Bulwark website, where he is editor in chief.

But Trump and his allies were deeply dismissive of Christie's role in the Republican race. "Chris Christie was a guy without a constituency," Ohio senator JD Vance told Fox News.

Election

Taiwan opposition candidate rejects China unity talks

KATHRIN HILLE — TAIPEI

The presidential candidate of Taiwan's largest opposition party has ruled out unification talks with China if he is elected tomorrow, highlighting the improbability of a resolution to the cross-Strait dispute even under a government in Taipei that is more flexible towards Beijing.

Hou Yu-ih, a former police chief and candidate of the Kuomintang, said yesterday that while the ruling Democratic Progressive party bore some responsibility for the rise in tension with China in recent years, he had no illusions over Beijing's intentions towards Taiwan.

"Within my term in office, I will not touch the issue of unification. In cross-Strait relations, you cannot just rely on one side," Hou said, vowing to prioritise strengthening Taiwan's defences over restarting dialogue with Beijing.

China's Taiwan Affairs Office yesterday warned voters against backing Lai Ching-te, the current vice-president and candidate for the DPP, which refuses to define the country as part of China.

"We sincerely hope that the majority of Taiwan compatriots will recognise the extreme danger of the DPP's 'Taiwan independence' line and the extreme danger that Lai Ching-te will trigger cross-Strait confrontation and conflict, that they will make the right choice at this crossroads of cross-Strait relations," the office said.

China, which claims Taiwan as its territory and threatens to annex it by force if Taipei resists indefinitely, has frequently denounced Lai, outgoing president Tsai Ing-wen and the DPP as separatists, but the statement was the most direct warning against a Lai victory.

Analysts said Beijing did not view any mainstream political force in Taiwan in a particularly positive light but the Chinese Communist party has longstanding exchanges with the KMT, its former adversary in the Chinese civil war.

Beijing has in the past pressured Taiwanese citizens in China to vote for the KMT, which in contrast to the DPP sees Taiwan as part of China, though it disagrees with the CCP over which Chinese state has the right to rule it.

Hou's rejection of unity talks, an issue he had avoided, followed provocative statements by Ma Ying-jeou, a KMT elder who oversaw a thaw in relations with China during his presidency from 2008 to 2016, suggesting that trying to defend Taiwan was hopeless.

"No matter how much we defend ourselves we can never fight a war with the mainland, we can never win," Ma told German broadcaster Deutsche Welle.

He added that Taiwan needed to trust Chinese leader Xi Jinping and argued that unification was acceptable under Taiwan's constitution. In his televised new year's address, Xi said Taiwan's "reunification" with China was a "historical inevitability".

Hou said yesterday that some of Ma's views were "different" from his own, adding: "The current situation is quite different from when former president Ma was in office . . . relations with China have completely changed."

A senior KMT politician said Ma's remarks were likely to hurt Hou's campaign because only a fraction of Taiwanese were willing to consider the country becoming part of China.

Austerity push

IMF offers Argentina's Milei $4.7bn lifeline

CIARA NUGENT — BUENOS AIRES

The IMF has agreed to disburse $4.7bn to Argentina despite the country's failure to meet the terms of its $43bn loan in recent months, offering a lifeline to new libertarian President Javier Milei as he pursues reforms.

The money includes a $3.3bn tranche of the loan that had been due to be disbursed in November, which was delayed by Milei's inauguration in December, and $1.4bn that the IMF agreed to disburse ahead of schedule.

Argentina's hard currency reserves have been virtually wiped out amid its most severe economic crisis in two decades. The government is relying on the IMF's disbursements to pay the fund back for money lent earlier in the programme — which was launched in 2018 and refinanced in 2022 — with repayments of more than $2.7bn coming due by February 1. Entering into arrears would destabilise markets and deepen the crisis.

The decision by the fund's technical staff must be reviewed by its board, which will take several weeks.

Milei has long pledged that his austerity measures would be more drastic than those demanded by the IMF. He has sought to draw a contrast with the previous left-leaning Peronist government, which fell far short on fund targets on fiscal balance, reserve accumulation and curbing money printing.

The "shock therapy" economic plan Milei began implementing last month includes spending cuts and tax increases aiming to reach a primary budget surplus this year, which would overshoot the 2024 fiscal deficit target of 0.9 per cent of gross domestic product approved by the fund last year.

> 'The fund will want to see if Milei's aggressive austerity plan is socially and politically sustainable'

A report published this week by economics consultancy EcoGo found that Milei had halted central bank money printing to finance treasury spending. But it said that in December the central bank still printed 6tn pesos, about $7.5bn at the official exchange rate, to pay interest on a pile of short-term debt with local creditors, buy dollars and meet other obligations. Some of this activity took place before Milei took office on December 10.

Fund officials who visited Argentina this week said that Milei's team had "moved quickly and decisively to develop and begin to implement a strong policy package to restore macroeconomic stability and are fully determined to bring the current programme back on track".

The IMF stopped short of negotiating a wider refinancing of the programme that could have provided extra cash to support Argentina during its reforms — a prospect some in the president's team had floated during the campaign.

"The fund will want to see first if Milei's aggressive austerity plan is socially and politically sustainable, which is so far unclear," said Sebastian Menescaldi, EcoGo associate director. He pointed to planned anti-austerity protests and the uncertain fate of Milei's reforms in congress.

Climate change

Beijing drives surge in global renewable energy

LUKANYO MNYANDA — LONDON

A surge in the rollout of renewable energy last year has put the goal of tripling global capacity by 2030 within reach, the International Energy Agency said, after China drove a 50 per cent increase.

But the UN-agreed target as part of a package of measures remains far off what is required to limit global warming to 1.5C since pre-industrial times, the IEA warned.

It calculated the recent UN climate summit agreement would reduce the energy-related emissions gap between the current trajectory and a 1.5C increase by only about a third by 2030, in a report released at COP28 in Dubai.

Almost 200 countries agreed last month to triple renewable capacity to at least 11,000 gigawatts by 2030, double the average annual rate of energy efficiency improvements to 4 per cent until 2030 and reduce methane emissions.

In its latest report this week, the IEA found that the 50 per cent increase in renewable energy capacity to almost 510GW in 2023, the fastest growth rate in two decades, was not far off track in fulfilling the 2030 target.

Under current market conditions and policies, capacity would reach 7,300GW by 2028, it said, a pace that would accelerate global capacity two-and-a-half times by 2030.

The progress was "encouraging", said Fatih Birol, IEA executive director. "But what I would like to see is growth from emerging and developing countries, especially in Africa, but also in Latin America and other Asian countries."

Capacity increases were at record highs in Europe, the US and Brazil but the main driver remained China, which installed as much solar photovoltaics as the whole world did in 2022.

Solar photovoltaic panels being made at a factory in eastern China

China more than doubled solar capacity in 2023, and wind power 66 per cent from a year earlier, the IEA estimated.

"There is a need for international financial institutions to support clean-energy projects in developing and emerging countries," Birol said. Mobilising funding for the transition in developing countries was one of the "most important missing pieces" from COP28.

The IEA has said fossil fuel demand must fall by a quarter this decade to limit global warming to 1.5C. The global temperature rise is already at least 1.1C, the UN body of scientists found, and 2023 was the hottest year on record.

Dave Jones, a programme director at Ember, an energy think-tank, said the "entirely achievable" goal of tripling of renewables by 2030 showed that green energy was becoming an existential threat to the fossil fuel industry. "We are increasingly on track not only for a peaking of fossil fuel use this decade, but for sizeable falls in fossil fuel use."


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Long shadow Implosion of wealth manager Zhongzhi underlines Beijing's worries over protracted real estate downturn ● PAGE 9

Companies & Markets

Bitcoin trading volumes surge as ETFs debut on exchanges

- Nine new funds and two conversions
- Moves follow green light from SEC

WILL SCHMITT — NEW YORK

Bitcoin trading volumes surged after the first US exchange traded funds with direct exposure to the largest cryptocurrency made a long-awaited debut on stock exchanges.

Nine new ETFs and two conversions from other products started trading yesterday across the New York Stock Exchange, Nasdaq and Cboe exchanges with hopes of scoring an influx of investor cash, a day after they received approvals from the Securities and Exchange Commission.

The SEC previously had refused to greenlight the products but changed course last year after losing a legal battle to Grayscale Investments, which has received approval to convert its flagship bitcoin trust into an ETF.

> 'I think there's going to be some pretty strong inflows out of the gate'
>
> David Mann, Franklin Templeton

Early yesterday, bitcoin trading volumes had risen about 40 per cent in the previous 24 hours, according to CoinGecko. Bitcoin, historically volatile, jumped early in the day but later pulled back to about $46,000, up less than 1 per cent from the day before.

An ETF based on bitcoin futures, rather than the spot cryptocurrency, gained $1bn in investor money in the first two days of its launch in late 2021 by ProShares. This has raised expectations for rapid growth for some of the newly approved spot bitcoin funds.

"I think there's actually going to be some pretty strong inflows out of the gate," said David Mann, head of ETF product and capital markets for Franklin Templeton, which is among the 11 groups launching a spot bitcoin ETF.

"Whether there's an initial pop and then a slow climb thereafter, I guess we'll see. But given the excitement and given what we think is a sizeable amount of investors who want this particular exposure with an ETF form, we are certainly proceeding as if it's going to be gathering assets quickly."

Grayscale began the day with a head start as it brought over about $29bn in assets from its bitcoin trust. Grayscale said the newly converted product had experienced its highest-ever daily trading volume yesterday morning.

"If demand is there for these products in the way that we and others have believed there will be, that means that bitcoin needs to be acquired from the spot market and put into ETFs," Grayscale chief executive Michael Sonnenshein said earlier this week.

The ETFs had pooled about $113mn combined in seed capital, according to spokespeople and regulatory disclosures. The fund launched by VanEck led the way with about $72.5mn in starting money, followed by Fidelity with $20mn and BlackRock with $10mn.

The issuers constitute a broad spectrum of the ETF industry, with large and diversified asset managers including BlackRock and Invesco offering products alongside smaller groups with a stronger focus on digital assets, such as Valkyrie and Bitwise.

In a final round of pre-launch filings, most issuers slashed prices in a bid to compete for flows, with several waiving charges to investors for the initial months after the products are launched.

Bitwise chief investment officer Matthew Hougan said he had heard some "ridiculous numbers" in the range of $10bn to $20bn mentioned as possible flow targets for bitcoin ETFs in their first year, but cautioned against such hopes. "For what it's worth, that would be extraordinary," he said. "That's not what the ETF industry has seen."

Shipping fears Maersk chief warns over cost of prolonged disruption to Red Sea voyages

A Maersk container ship on the Suez Canal last December, before diversions due to militant attacks — Bloomberg

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

The boss of shipping giant AP Møller-Maersk has warned it could take months to reopen the Red Sea trading route, risking an economic and inflationary hit to the global economy, companies and consumers.

Vincent Clerc, Maersk's chief executive, said yesterday that the closure of the Red Sea to most container shipping after attacks by Yemen's Houthi militants was "brutal and dramatic".

He added there were "no winners" as a result of the situation, which has forced vessels to take long and costly detours around South Africa.

"It's unclear to us if we are talking about re-establishing safe passage into the Red Sea in a matter of days, weeks or months . . . It could potentially have quite significant consequences on global growth," he said.

Maersk is a bellwether of global trade, carrying about a fifth of ocean freight. Clerc urged the international community, led by the US, to do more to reopen the Red Sea for ships.

A Maersk vessel was attacked in mid-December, causing the Danish group to suspend journeys through the Red Sea, a crucial link between Asia and Europe.

It restarted voyages a few days later after a US-led military coalition tried to create safe passage, but it suffered a further attack at the end of December. Last week, Maersk said it would divert ships from the Red Sea around Africa "for the foreseeable future".

Diverting ships via the Cape of Good Hope adds about 13,000km for an Asia-Europe round trip and hundreds of dollars per container.

Clerc said. "It's putting inflationary pressure on our costs, on our customers, and ultimately on consumers in Europe and the US."

Maersk's fuel bill would be 50 per cent higher as a result of ships taking the longer route. If unresolved, ships would soon be out of position, threatening logistics and global supply chains, Clerc said.

"We are urging the international community to mobilise and do what it needs to do to reopen the [Bab-el-Mandeb] strait. It is one of the main arteries of the global economy, and it is clogged right now," he added.

"It could have wider-ranging consequences not only for the industry but for end consumers, product availability, the global economy as a whole."

Maersk's share price has risen by a quarter in the past month as container freight rates have shot up.

Asked how it felt to be making more money from a situation that was hurting his customers and the global economy, Clerc replied: "Let me be completely unambiguous: our goal is to establish safe passage and go back to a normal trading pattern."

US regulator investigates panel blowout on Boeing jet

CLAIRE BUSHEY — CHICAGO
SYLVIA PFEIFER — LONDON

The US aviation regulator said yesterday it was investigating Boeing following a mid-air blowout of a fuselage panel on a 737 Max.

The US Federal Aviation Administration said it would examine whether the products the company built matched the design specifications approved by regulators and whether the jets were in a safe condition to operate.

A door plug — an exit that could not be used and looked like a contiguous piece of the plane's interior — fell off Alaska Airlines 1282 on Friday as it headed from Oregon towards California. The FAA grounded 171 planes for inspection, and United Airlines and Alaska Airlines later found loose parts on similar door plugs.

"This incident should have never happened, and it cannot happen again," the agency said. "Boeing's manufacturing practices need to comply with the high safety standards they're legally accountable to meet."

National Transportation Safety Board officials investigating the incident are already in talks with Boeing and supplier Spirit AeroSystems that built the fuselage and the door plug.

Kansas-based Spirit, which was originally spun out of Boeing in 2005, is one of the world's biggest providers of airframe structures. It produces the fuselage for the Max and fuselage and wing components for the wide-body 787 used for long-haul flights. It also builds aerostructures for Airbus jets, including parts for the A350 and A320.

The FAA's announcement came as Boeing's rival Airbus announced it had won a record number of orders last year, while also retaining its crown as the world's largest plane maker ahead of Boeing after delivering 735 aircraft.

The European group said it had received 2,319 gross orders and 2,094 net orders after allowing for cancellations to the end of December last year. Its gross order tally for 2023 included 1,835 of its best-selling family of A320 single-aisle jets. The company delivered 735 aircraft in the year, higher than its original target of 720 and 11 higher than its tally in 2022. Its 2023 year-end backlog stood at 8,598 aircraft.

It marks the fifth year that Airbus has retained the crown as the largest plane maker. Boeing said on Tuesday it had delivered 528 planes in 2023, including 396 of the 737 Max family of jets.

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Hard times for the cloud software sector as growth fizzles out

INSIDE BUSINESS
TECHNOLOGY
Richard Waters

Wall Street's powerful 2023 tech rebound has left a world of haves and have-nots: big tech companies that have recovered most or all of their steep losses from the year before, and a much larger group of smaller, once hot stocks that have seen growth fizzle and are trading far below their peaks. Nowhere has that been more pronounced than in the cloud software industry.

The combined market value of the 70 companies in the Bessemer emerging cloud index — which includes names such as Adobe, Salesforce and Zoom — soared from $1tn just before the pandemic to $2.7tn in November 2021. A combination of rock-bottom interest rates and strong digital demand, as customers were forced to buy online software and services to keep operating during the pandemic, sent software as a service companies into the stratosphere.

For some, the post-pandemic hangover has been brutal. The index shed nearly two-thirds of its value by the end of 2022, before a near 40 per cent bounce last year as some of the biggest names rebounded. But the sector's combined market cap is still $1.1tn down from the peak, with losses concentrated among smaller companies.

Two events this week have underlined the struggles of these companies, as they scramble to cut costs and find new sources of revenue in the aftermath of the pandemic boom.

Jeff Lawson, co-founder and chief executive of Twilio, a communications service that other developers "plug in" to their own apps, stepped down after months of pressure from activist investors.

Meanwhile, Carta, a private company that provides software to private tech companies to track their shareholder lists, shut down part of its business after it emerged some of its customer data was being used improperly. Shareholder data had been used to generate sales leads for the company's high-margin broking operation — a business that has now been shuttered to avoid even the appearance of a conflict of interest.

> The pressure to find new sources of growth has been intense. Companies that stumble can expect a harsh reaction from investors

These very different cases have at least one thing in common: the pressure to find new sources of growth has been intense as core businesses mature. Companies that stumble can expect a harsh reaction from investors.

During the pandemic, it was easy to believe that the markets for many cloud software products would be much bigger than previously thought. Companies with highly targeted services, such as DocuSign for remotely signing contracts, or identity management company Okta, thrived.

But the boom turned out to be partly founded on digital purchases that had been brought forward from future periods, and a weaker economy has added to the sales slump.

At Twilio, growth has collapsed from more than 60 per cent in 2021 to an estimated 7 per cent last year. The pressure to diversify has been intense. But Twilio's attempt to take on more powerful companies such as Salesforce and Adobe has foundered, leading to calls for it to shed its new data and applications business. Meanwhile, Carta moved into a business that, its own CEO now admits, raised the perception of conflicts with its own customers' interests.

It has also taken time to move past the "growth at all costs" mindset that set in when Wall Street was solely focused on revenue expansion. Both Twilio and Carta have been through three rounds of job cuts in the past year or so.

Tech buying trends have also been moving against them. Many customers these days are less interested in specialist, or "best in breed", products and looking instead for suites of software from larger vendors, says Tomasz Tunguz, an investor in private software companies at Theory Ventures. That reflects a familiar pendulum-swing in the software industry as periods of rapid innovation give way to periods of consolidation.

All of this has been taking place against the background of a turn in the interest rate cycle that has severely compressed the revenue and earnings multiples on high-growth stocks. The result has been a double whammy.

No wonder this has been a feeding ground for bargain hunters. According to Tunguz, eight out of a selection of 70 the most prominent software companies were taken private last year, including expense management concern Coupa and web tracking company New Relic. A stabilising economy and the prospect of lower US interest rates this year may relieve some of the pressure, but there is surely much more to come.

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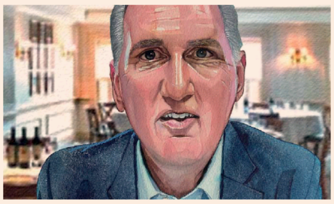
FT Weekend

Interiors studio Roman and Williams:
from film set design to furnishing luxury homes

The African content moderators fighting for their rights

Clair Wills on Ireland's Mother and Baby homes — and a reckoning with history



Lunch with the FT:
Kevin McCarthy, former speaker of the House of Representatives

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Energy

Chesapeake to acquire Southwestern

Biggest US gas producer to be formed in $7.4bn deal that will tap LNG demand

MYLES MCCORMICK — HOUSTON
OLIVER RALPH AND SHOTARO TANI
LONDON

Chesapeake Energy has agreed to buy Southwestern Energy in a $7.4bn all-share deal that will create the biggest US natural gas producer as a wave of merger and acquisition activity continues to sweep across the sector.

The combined group, with an enterprise value of about $24bn, will be by far the largest participant in upstream US gas supply as it seeks to feed surging demand for liquefied natural gas exports along the US Gulf coast.

"We combined to create an unmatched global natural gas company with the scale, asset quality, financial strength and people to create enormous value for shareholders while accelerating America's energy reach," said Nick Dell'Osso, Chesapeake chief executive.

The transaction marks the first big acquisition focused on natural gas since a deal frenzy kicked off in the US energy sector at the end of last year. Combined, the companies will produce about 7.4bn cubic feet of gas a day, according to S&P Capital IQ, overtaking the current number-one producer EQT, which produces about 5.4bn cu ft/d.

The group will combine Chesapeake and Southwestern's assets in gas-rich Appalachia in the US north-east and the Haynesville Shale basin in Louisiana.

US LNG exports have grown in importance since the war in Ukraine began, as Europe seeks to replace gas shipped by pipelines from Russia. About 10bn cu ft/d of LNG capacity is due to come online in the US over the next 36 months, according to consultancy Enverus.

The acquisition "is the biggest gas-focused US upstream deal in more than 10 years and reflects emerging confidence around the long-term outlook for the commodity", said Andrew Dittmar, an analyst at Enverus.

Oklahoma-based Chesapeake offered $6.69 per Southwestern share. The combined company would be 60 per cent owned by existing Chesapeake shareholders on a diluted basis, with the remaining 40 per cent held by current Southwestern shareholders.

Dell'Osso will remain president and chief executive of the new company, with Chesapeake chair Mike Wichterich also staying in his role. The deal is expected to close in the second quarter, pending approval from regulators and shareholders.

Chesapeake was a prime mover in the shale revolution that has swept the US over the past 15 years, with its valuation rising to $35bn. But an ill-timed move into oil led to its bankruptcy when the pandemic crushed fuel demand in 2020. The company emerged from bankruptcy the following year and has sought to refocus its portfolio on gas.

Southwestern played a leading role developing the Fayetteville shale basin in Arkansas and Oklahoma before expanding into Appalachia and the Haynesville.

Private equity group Kimmeridge, which owns stakes of just over 2 per cent in each company, was a proponent of Chesapeake's shift in focus. The group said it was "highly supportive" of the merger. "We believe it will be one of the few must-own stocks in the sector," said Mark Viviano, managing partner at Kimmeridge.

Media. Publishing house

Axel Springer pays hefty dividends despite job cuts

Total €776mn handed to investors over four years, including chief and KKR

LAURA PITEL — BERLIN
WILL LOUCH — LONDON

Axel Springer has paid dividends of more than €750mn over the past four years, including a large award that came weeks after the German media group announced hundreds of job losses at its domestic news outlets.

Figures seen by the Financial Times show that shareholders in the owner of Politico, including chief executive Mathias Döpfner and US private equity group KKR, shared €125mn in March last year.

The payout came a month after staff at the publishing house's flagship tabloid Bild and its conservative broadsheet Welt were told they faced a €100mn budget squeeze and the closure of a string of regional offices as part of what the company billed as a digital overhaul.

Dividends have totalled €776mn since 2020, the year after KKR became Axel Springer's biggest shareholder, according to a document seen by the FT. The firm holds a 36 per cent stake in the German media group, which also owns online jobs platform Stepstone and several online real estate sites.

The payouts compare with total group profit of about €770mn for the relevant period, while adjusted earnings before interest, tax, depreciation and amortisation were €2.9bn on revenues of more than €13bn.

Abi Watson, a senior research analyst at media consultancy Enders Analysis, said it appeared that all of the company's earnings were being passed to shareholders. "The question is whether this is coming at the expense of investment in the business," she said.

Axel Springer rejected that suggestion, arguing that dividend payments had declined since the company delisted in 2020.

"This reflects the long-term strategy of our shareholders, allowing for allocation of capital for our successful growth over the last years, and underscores the decision to delist," the company said.

Dividend payments have been fixed at a flat level of €125mn a year in recent years, according to a person familiar with the situation who said that, against a backdrop of rising revenues, this had enabled the company to make investments such as its $1bn acquisition of Politico in 2021.

Axel Springer's Berlin offices. Its payouts of €776mn since 2020 compare with profit of €770mn in the period, with one dividend coming weeks after hundreds of job losses were announced Schoening

Nonetheless, a payout of roughly €400mn in 2021 linked to the sale of the company's French car classifieds business means total dividends paid over the past four years were higher than the total of €751mn in the preceding four years.

KKR valued the company at €9.4bn at the end of 2022, according to the figures seen by the FT — up from a valuation of about €6.8bn when the private equity firm staged its 2019 buyout.

The payouts include a total of at least €140mn for Döpfner, the long-serving chief executive who has sought to transform the company from a German-focused publishing house into a global media player.

Döpfner, who has spearheaded the company's expansion into the profitable classifieds sector as he grasped the threat posed by the internet to traditional media, launched its failed bid to buy the FT in 2015 followed by the successful effort to buy Politico.

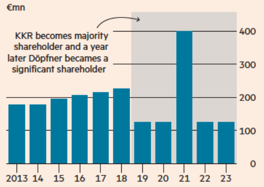
The former music journalist became a billionaire overnight in 2020 when Friede Springer, widow of the group's eponymous founder, sold him 4 per cent of her shares and gifted him a further 15 per cent. Added to his previous shareholding, that gave him a 22 per cent stake that is now worth about €2bn.

Döpfner, who last year celebrated his 60th birthday at a party in Tuscany with guests including Elon Musk, has insisted he does not feel like a billionaire, arguing that he had to go into debt to buy Friede Springer's shares. He has sought to play down his wealth, telling New York magazine in 2022: "I will own no boats and no planes. I'm not playing golf. I have no sports cars."

Other Axel Springer shareholders include Canadian pension fund CPPIB, which owns a 13 per cent stake. The rest of the company is owned by Friede Springer and her charitable foundation, plus two of Axel Springer's grandchildren from a previous marriage.

Axel Springer payouts

€mn



Sources: company; FT research

> 'We operate under the principle that each business unit must be successful on its own merit'

The company defended the paying of a dividend when deep cuts were taking place in its German media division.

"At Axel Springer, we operate under the principle that each business unit must be successful on its own merit and we will adjust the business strategy accordingly wherever needed to remain competitive in each of the segments and markets we operate in," it told the FT. KKR and CPPIB declined to comment.

Details of the dividend payments risk damaging relations between company management and its editorial divisions amid tension with journalists at the business news outlet Insider, which was bought by Axel Springer in 2015.

Staff at Insider are furious at their parent company's decision to order a review of the publication of two stories alleging plagiarism by Neri Oxman, a designer and former MIT professor who is the wife of billionaire hedge fund manager Bill Ackman.

Oxman has apologised on X for omitting quotation marks in four paragraphs of her doctoral dissertation while noting that she had properly credited original sources both at the end of the paragraphs and in her bibliography. Ackman has also written lengthy posts on X rejecting the allegations and attacking Insider for publishing them.

Additional reporting by Olaf Storbeck

Technology

OpenAI and peers held talks on sector safety with China officials

MADHUMITA MURGIA — LONDON

Artificial intelligence companies OpenAI, Anthropic and Cohere have engaged in secret diplomacy with Chinese AI experts, amid shared concern about how the powerful technology might spread misinformation and threaten social cohesion.

According to people with direct knowledge, two meetings took place in Geneva in July and October last year attended by scientists and policy experts from the North American AI groups, alongside representatives of Tsinghua University and other Chinese state-backed institutions.

Attendees said the talks allowed both sides to discuss the risks from the emerging tech and encourage investments in AI safety research. They said the goal was to find a scientific path forward to safely develop more sophisticated AI tech.

"There is no way for us to set international standards around AI safety and alignment without agreement between this set of actors," said one person present at the talks. "And if they agree, it makes it much easier to bring the others along."

> 'Our principal aim was to underscore the vulnerabilities, risks and opportunities attendant'

The previously unreported talks are a rare sign of Sino-US co-operation amid a race for supremacy between the two major powers in the area of cutting-edge tech such as AI and quantum computing.

Washington has blocked US exports of the high-performance chips made by the likes of Nvidia that are needed to develop sophisticated AI software.

The topic of AI safety has become a point of common interest between developers of the tech across both countries, given the potential existential risks for humanity.

The Geneva meetings were arranged with the knowledge of the White House as well as that of UK and Chinese officials, according to a negotiator present.

The White House declined to comment.

"China supports efforts to discuss AI governance and develop needful frameworks, norms and standards based on broad consensus," said the Chinese embassy in the UK.

"China stands ready to carry out communication, exchange and practical co-operation with various parties on global AI governance, and ensure that AI develops in a way that advances human civilisation."

The talks were convened by the Shaikh Group, a private mediation organisation that facilitates dialogue between actors in regions of conflict.

"We saw an opportunity to bring together key US and Chinese actors working on AI. Our principal aim was to underscore the vulnerabilities, risks and opportunities attendant with the wide deployment of AI models that are shared across the globe," said Salman Shaikh, the group's chief executive.

Those involved in the talks said Chinese AI companies such as ByteDance, Tencent and Baidu did not participate; while Google DeepMind was briefed of the details of the discussions, it did not attend.

Banks

Deutsche faces Spain mis-selling proceedings

OLAF STORBECK — FRANKFURT
BARNEY JOPSON — MADRID

Spain's financial watchdog has launched "disciplinary proceedings" against Deutsche Bank, the latest escalation of a long-running scandal over the lender's alleged mis-selling of risky derivatives.

Small and medium-sized businesses in the country have alleged that the bank touted high-risk foreign exchange derivatives as cheap and low-risk currency hedges without highlighting their downsides. Deutsche has already paid tens of millions of euros in settlements and sanctioned about a dozen staff after clients suffered crippling losses.

The Spanish National Securities Market Commission (CNMV) said Deutsche's conduct between October 2018 and March 2021 "may constitute" a "very serious infringement" of Spanish securities law "in a non-occasional or isolated manner".

Under Spanish law, the fines authorities can mete out for very serious infringements of securities law can reach 10 per cent of the annual turnover of a company's local subsidiary.

The end of the period set out by the CNMV is more than a year after Deutsche Bank started its own investigation, after it received a whistleblower complaint in 2019. The Financial Times reported in September that Deutsche Bank had offered the controversial derivatives to SME clients until last summer, even after some had built up large losses.

The watchdog said the bank had a legal duty "inform investors in a balanced, clear, impartial and non-misleading manner on the characteristics, operation, risks and costs" associated with highly complex derivative products. The lender had to "always act in the best interest of the clients, advising on products that suit their investment needs and objectives, and especially their risk profile," the CNMV added.

Deutsche's internal investigation found that some of the bank's employees acted in bad faith and exploited holes in its internal controls.

The CNMV said it had identified "potential non-compliance" with Spanish law in relation to the foreign exchange derivatives, but noted that "at the time different information was disclosed in the specialised press". In March 2021, Deutsche Bank told the FT that only a "limited number of clients" might have been affected by the mis-selling.

The regulator said the proceedings were still ongoing and its announcement "did not prejudge the final outcome".

Deutsche Bank said in a statement it was aware of the regulatory decision, taken in December but announced yesterday, and that the bank was "reviewing and enhancing relevant processes and controls".

Financials

Citadel Securities bids for unit of Credit Suisse

HUDSON LOCKETT AND KAYE WIGGINS
HONG KONG

Citadel Securities has bid about Rmb2bn ($280mn) for Credit Suisse's Chinese securities business, as the market maker founded by Ken Griffin pushes ahead with expansion plans in China, people familiar with the matter have said.

If successful, the non-binding offer made last month in a range of Rmb1.5bn to Rmb2bn would expand the market maker's China presence. A Chinese company had made a rival bid, a person with knowledge of the matter said.

UBS put the unit, which includes investment banking and brokerage services, up for sale after taking control of Credit Suisse when it collapsed last year. UBS already has a securities unit in mainland China and cannot hold two licences.

Citadel Securities is licensed as a foreign institutional investor in Chinese markets but does not have a licence to operate a domestic securities business offering brokerage and underwriting services in Shanghai and Shenzhen. Such licences can take years to obtain.

> 'In China, the story is the unbelievable size the market has become, combined with innovation'

"It's a highly risky bet that a foreign firm can break into the competitive and highly political Chinese market," said Andrew Collier, managing director of Orient Capital Research in Hong Kong. "On the other hand, it gets them a seat at the table for not much money."

News of the bid was first reported by Bloomberg. UBS and Citadel declined to comment.

The push by Citadel Securities to expand its China footprint comes as investors increasingly shun the country's underperforming stock market. The CSI 300 finished 2023 down more than 11 per cent, with 90 per cent of foreign inflows to Chinese equities piling back out by the end of the year.

But Griffin has remained relatively optimistic. "In China, the story is the unbelievable size the market has become, combined with innovation," he said in June.

Citadel Securities and Citadel, the hedge fund owned by Griffin, have also been expanding elsewhere in Asia, opening offices in Tokyo last year.

The China deal's price could shift as bids depend on the valuation of the company's assets, which could change, according to a person with knowledge of the matter.

Credit Suisse took a majority stake in the securities venture in 2020 after China's regulators introduced reforms enabling international banks to have full control of their mainland units.

Collapse of shadow bank Zhongzhi casts cloud over Chinese economy

Speed of bankruptcy filing highlights Beijing's concern over prolonged slowdown in property sector

THOMAS HALE — SHANGHAI
CHENG LENG — HONG KONG

Until last summer, there were few concrete links between a slowdown in China's property sector and a domestic shadow banking industry that has for years supplied middle-class savers with high-interest products.

But that suddenly changed in July when longstanding wealth management group Zhongzhi ran into payment difficulties, making it the focal point of concerns about a potential spillover from a real estate cash crunch that has since worsened.

In the intervening six months, the conglomerate has unravelled. In November, it admitted it was severely insolvent and its management had "run wild" in the wake of its founder's death. Recently, it declared bankruptcy.

While developer Evergrande was for years the subject of warnings over a default that eventually materialised and remains locked in negotiations with creditors, Zhongzhi's issues emerged out of the blue and were rapidly addressed by authorities.

The speed of its fall is indicative of government concern over the prolonged slowdown in China's vast real estate industry and adds to uncertainty over the country's economic and financial trajectory.

"All in all, Zhongzhi's bankruptcy filing points to the rippling effect of real estate and some failures in the shadow banking sector," wrote Alicia García-Herrero, chief Asia-Pacific economist at Natixis, in a note yesterday.

"Although trust companies have reduced their exposure to real estate, the uncharted waters of wealth management products by non-bank entities can pose more credit risks."

Zhongzhi was founded in 1989 by Xie Zhikun, who worked in timber and real estate. The company evolved into a sprawling conglomerate that included five asset management businesses, four wealth managers and a stake in Zhongrong, a trust company — part of an industry that funnels retail and corporate savings into investments.

Its complex structure in part reflects the development of China's financial system, which has evolved dramatically since liberalisation in the 1990s. Informal or loosely regulated investment products, often seen as a means of channelling money into property and in some cases sold directly by developers' wealth management arms, have been widely sold to investors in China. One Zhongzhi product seen by the Financial Times offered a return of 8 per cent.

By international standards, little information was publicly available about Zhongzhi until its bankruptcy. According to its website, its assets total Rmb1tn ($140bn). But in an open letter to investors last year it said it had assets of just Rmb200bn compared with obligations of Rmb460bn.

The bankruptcy filing said the company was 76 per cent owned by Zhonghai Shengfeng (Beijing) Capital Management, an investment company that as of 2019 was owned by Xie, who died in 2021. The remaining 16 and 8 per cent was owned by individuals Liu Yiliang and Xie Rutong, respectively Xie's business partner and daughter.

The first sign of trouble came last summer amid speculation on social media over the company's health and missed payments at Zhongrong.

It is unclear exactly how much Zhongrong has invested in the property sector, but the trust industry in general has come under pressure from regulators to reduce its exposure to real estate.

In late July, companies listed on the Shanghai stock exchange said Zhongrong — which is not mentioned in the bankruptcy filing — had failed to make investment payments. Retail investors in Zhongzhi's wealth management arms gathered at its headquarters in August, prompting a large police presence. The protests quickly dissipated.

The bankruptcy filing cited Zhongzhi's involvement in court cases brought over the summer by Shanghai Pudong Development Bank and Shandong Energy, both related to unpaid funds or debts. These cases continue. The filing stated there was an "obvious lack of repayment ability" at Zhongzhi, given the difference between its assets and liabilities.

In a letter from the business to investors made public in November, the company cited the death of Xie as one reason for its problems. In the same letter, it said management "ran wild" as authorities launched an investigation into "suspected illegal crimes".

The most significant aspect of Zhongzhi's bankruptcy filing is the speed with which the court accepted the application and with which authorities in general have moved. This follows President Xi Jinping's call in November for "fast discovery and speedy resolution" of financial risks.

It contrasts with the situation at Evergrande, the world's most indebted property developer. Its default in 2021 led to a liquidity crunch across China's real estate sector. HNA, a conglomerate that borrowed heavily overseas, was also embroiled in years of delays before a bankruptcy plan was approved by creditors in late 2021.

Zhongzhi, based on the bankruptcy filings, is much smaller than Evergrande or its peer Country Garden, which reignited real estate concerns in recent months after it similarly missed payments on international debt. Zhongzhi is domestically focused and its bankruptcy is unlikely to trigger the kind of legal and restructuring processes arising from offshore liabilities.

Some observers also suggested the speed of the resolution implied the situation was "not as sensitive" as with higher-profile banking institutions.

The failure of Zhongzhi has highlighted the extent of uncertainty over the health of China's financial system at a time when the government is cracking down on the flow of information and parts of its once booming property sector are paralysed by inactivity.

Analysts have largely said they see limited spillover from the case of Zhongzhi. At a UBS conference in Shanghai this week, Tao Wang, chief China economist at the Swiss bank, said she "did not see the impact on the financial system per se as significant".

Reinforcing this idea, Zerlina Zeng, head of east Asia corporates at CreditSights, said its savers were largely ultra-high net worth individuals and as such less likely to protest than the middle-class holders of banks' wealth management products.

Zhongzhi's investments were mainly unlisted stocks and bonds, she said, adding that its failure was unlikely to move public markets, which had already priced in any broader impact.

But China's shadow financing industry, which based on available data now plays a less significant role than before the pandemic, is by its nature opaque.

Zeng added that many of Zhongzhi's products were "sold via off-balance-sheet channels", meaning they "won't be necessarily booked in the court filings" and that "these assets won't be part of the winding-up procedure". This could mean that Zhongzhi's failure will take longer to resolve.

"The actual systemic impact of Zhongzhi's bankruptcy would be limited since its crisis has been brewing for years, and its risk exposures are not cross-held by other financial institutions," said Larry Hu, economist at Macquarie. "But the fallout could continue to hurt investor and market sentiment."

Evergrande's City Plaza development in Beijing. The company's default in 2021 sparked a liquidity crunch in China's property sector. Below, Zhongzhi's headquarters in Beijing — Andrea Verdelli/Bloomberg

'Zhongzhi's bankruptcy filing points to the rippling effect of real estate and some failures in the shadow banking sector'

Financials

Hedge funds battle private equity over distress surge

COSTAS MOURSELAS AND WILL LOUCH
LONDON

Hedge funds are challenging private equity firms over restrictions that dictate who can lend to or buy the debt of buyout-backed companies, weighing legal action to capitalise on a surge in corporate distress.

Private equity portfolio companies can be exposed to interest rate rises because of buyout firms' reliance on debt to buy targets.

The firms draw up "white lists" of approved lenders to stop potentially troublesome credit investors from using a position in the companies' debt to steer the business's strategy.

Although white lists have been a feature of the buyout market for the past decade, the system is increasingly being tested as higher interest rates cause lenders to retrench, leaving companies searching for new sources of finance.

Law firm Pallas, which counts some of the hedge fund industry's best-known names among its clients, said it was exploring a legal challenge.

The use of white lists, "which prevent financial institutions who are not listed from acquiring the debt, damages market liquidity", said Natasha Harrison, managing partner at Pallas.

Many large private equity firms use white lists. The system helps them prevent combative investors from buying the debt of portfolio companies if they get into difficulty and helps cement relationships with friendly lenders.

"Certain firms have reputations for being more litigious, being more activist, and a lot of private equity don't want to deal with those kinds of investors," said Randy Raisman, managing director at Marathon Asset Management.

But companies need to refinance more than $1tn of debt in the coming four years, according to figures from Moody's, at a time when rate rises have made borrowing more expensive.

Some white-listed lenders have been reluctant to lend more to troubled groups when their investment is already under pressure.

Without existing lenders putting in new cash, portfolio groups need their private equity sponsors to let them take money from new sources.

"The problem becomes that you need new money and the sponsor does not want to give up [some or all of their ownership in the company], and the company is paralysed for a longer period," a hedge fund executive said.

Last year KKR-backed cancer treatment provider GenesisCare was unable to borrow the money it needed from existing lenders, chief executive David Young told a US court, in part because of a restrictive white list.

It was ultimately able to raise $200mn after the white list was expanded, according to Young.

Investors at another KKR-backed company, Unilever's former spreads business Upfield, were unable to sell their debt to willing buyers in 2022 because of KKR's white list, according to one creditor.

KKR expanded the list in 2023 because Upfield needed to extend the maturities on its debt and the company managed to push out the repayment date for billions of dollars of loans.

KKR declined to comment.

Governance. **Bylaws**

Oregon leads pushback against corporate moves to thwart proxy fights

US state demands reversal of rule changes that frustrate the election of activist directors

PATRICK TEMPLE-WEST, SUJEET INDAP AND ORTENCA ALIAJ — NEW YORK

Oregon has demanded nine US companies halt their efforts to undermine activist shareholders from pursuing proxy fights, becoming the first state to intervene in a legal cat-and-mouse game between boards and hedge funds.

Before the groups' annual meetings this year, Oregon's state treasurer has asked that dissident investors' board nominees not be "subjected to stricter standards than management nominees" at companies where the state's pension fund for public employees has a stake.

Hundreds of US-listed companies have updated their bylaws since the US Securities and Exchange Commission simplified the process for challenging incumbent directors in 2022. Some added more onerous disclosure requirements and other qualifications for activists' board nominees.

Philip Larrieu, head of stewardship at the Oregon treasury, said these additions had been made to "advance notice" bylaws, under which shareholders must put forward board candidates months before shareholder meetings and provide detailed information about the nominees. Hedge funds and institutional investors believe companies use stricter advance notice requirements to stymie potential proxy fights.

"We don't want companies playing games with the advance notice bylaws to defend and entrench the board," Larrieu said. "We are attempting to create a governance standard of the board being neutral or impartial and treating externally nominated candidates on the same basis as internal candidates."

Companies are increasingly blocking activist nominations by citing various deficiencies. The number of rejected campaigns jumped from five in 2022 to 12 in 2023, according to Deal Point Data.

At least 900 companies modified their advance notice bylaws in 2023, up from 553 in 2022, the research firm found. In the years before the SEC's rule changes, fewer than 150 companies changed such provisions each year.

Oregon is pursuing bylaw changes at companies across several sectors not known to be facing activist attacks.

Pfizer, the pharma group, is challenging an Oregon shareholder proposal at the SEC. It declined to comment. Larrieu declined to name the other eight companies that have received shareholder proposals, saying negotiations were ongoing and the state might withdraw its petitions if its requests were met. North Carolina-based Duke Energy acquiesced to Oregon's requests and changed its bylaws in December, Larrieu said. Duke declined to comment.

Tobias Read, Oregon's treasurer, is running in this year's elections to be secretary of state, one step below governor.

Bylaw skirmishes between companies and activists are not new, but took on new significance after the SEC in 2022 adopted so-called "universal proxy" rules. These ensure all board candidates appear on a single integrated shareholder ballot at a company's annual meeting. Unlike the previous standard, this allows shareholders to choose directors individually rather than having to vote for a slate put forward by the company or a dissident investor.

The universal proxy rules were viewed as friendly to activists, particularly smaller investors who, some said, could conduct a campaign for as little as $10,000. Law firms predicted a boom in activism, spurring some companies to update bylaws. Ultimately, though, the universal proxy changes had a smaller impact last year than some anticipated.

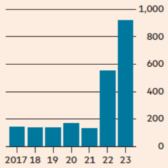
Recently, courts in Delaware, where most US companies are incorporated, have started to draw a line in the sand over bylaw changes, despite their record of deferring to companies' discretion.

In December, a Delaware judge struck down four bylaw changes adopted in 2023 by AIM Immunotech, a small biotech facing an activist campaign.

"The expansive text is more akin to a tripwire than an information gathering tool," vice-chancellor Lori Will wrote of the revised bylaws. For one of these new provisions, "though I have tried to read and understand it, the bylaw — with its 1,099 words and 13 subparts — is indecipherable," she said.

Will's decision will prompt companies to review bylaw changes they made following the SEC's universal proxy rule, said Sean Donahue, a partner at law firm Paul Hastings. It means "it is not OK that when the company rewrote its bylaws, they added a bunch of other things that candidly make it very difficult to comply with these bylaws."

US corporate bylaw revisions



Reflects director disclosure/eligibility requirements and advance notice timing
Source: Deal Points Data

Legal Notices

THE RESTAURANT GROUP PLC
Company Number: SC030343

Notice is hereby given that on 21 December 2023, a certified copy of an order of the Court of Session, Edinburgh, Scotland dated 20 December 2023 (the "**Order**") sanctioning a Scheme of Arrangement (the "**Scheme**") under Part 26 of the Companies Act 2006 and between The Restaurant Group plc, a public limited company incorporated under the Companies Acts (Company no. SC030343) and with its registered office at 1 George Square, Glasgow G2 1AL (the "**Company**") and the Scheme Shareholders (as defined in the Scheme) was delivered to the Registrar of Companies for Scotland, together with a certified copy of the Scheme. The Order was registered by the Registrar of Companies for Scotland on 4 January 2024. On delivery of the Order, the Scheme became effective in accordance with its terms.

Dated 12 January 2024

Slaughter and May
One Bunhill Row, London EC1Y 8YY
Burness Paull LLP
50 Lothian Road, Festival Square, Edinburgh EH3 9WJ
Solicitors for the Company

Fixed income. Low-grade borrowers

Investors warn of 'complacent' reaction to junk bond risks

Easy money: the decline in financing costs reflects growing conviction among investors that the US Federal Reserve has completed its cycle of monetary policy tightening Graeme Sloan/Sipa US/Alamy

Yields slide to about 8% from 9.4% in November but worries of high funding costs remain

HARRIET CLARFELT — NEW YORK

The junk bond market has become "complacent" over the risks facing corporate America after a sharp drop in debt funding costs, some investors and economists warn, with high interest rates and a possible economic downturn still posing a threat to low-grade, highly indebted borrowers.

A feverish rally across financial markets on hopes of rapid interest rate cuts later this year has sent companies' borrowing costs plunging in recent months.

Even after a partial reversal in the first few days of January, the average yield on an index of US junk bonds still hovers at roughly 8 per cent, according to Ice BofA data, compared with 9.4 per cent as recently as early November. Yields move inversely to prices.

That drastic shift in sentiment has fuelled concerns among some strategists and investors that market pricing has reached overly optimistic territory.

Companies must still contend with funding costs much higher than they were just two years ago, the lingering possibility of an economic downturn that hurts sales and profits, and rising wage costs.

"The market is trading as if zero interest rates have come back — and they have not," said Torsten Slok, chief economist at investment firm Apollo.

The so-called spread, or premium, over Treasury notes paid by junk-rated borrowers to issue new debt has also fallen since November 1 from 4.47 percentage points to 3.59 percentage points.

That is well below the median figures of 4.55 percentage points and 8.39 percentage points respectively for historical non-recession months and recession months going back to 1996, according to analysis by Marty Fridson, chief investment officer of Lehmann Livian Fridson Advisors.

"I do think that the market is a little complacent," said Kevin Loome, a high-yield portfolio manager at T Rowe Price.

He added that the rally had been driven by many fixed income investors simply finding 8 per cent yields on sub-investment grade bonds — and even higher yields on loans — "really attractive".

The decline in financing costs reflects growing conviction among investors that the US Federal Reserve has completed its cycle of monetary policy tightening after jacking up interest rates from near-zero in early 2022 to a range of 5.25 to 5.5 per cent in a bid to curb inflation.

Investors' convictions grew in mid-December when Fed policymakers gave their strongest signal yet that rate rises were over and pointed to three quarter-point cuts in 2024. In response, investors poured money into US government bonds and riskier asset classes.

"The fourth quarter [of 2023] was a shock to everybody about how strongly the market rallied," said Loome.

A survey yesterday by the International Association of Credit Portfolio Managers — whose members include big banks and fund houses — showed that many participants "believe the euphoria seen in global financial markets the last two months of 2023 was overdone".

Respondents think that, "while credit conditions look better today, the fight against inflation will probably take longer than expected", the survey noted.

Those concerns among credit market participants come as new data this week showed US corporate bankruptcies reached a 13-year peak in 2023, according to an S&P Global Market Intelligence report, with 642 filings in total and 50 in December alone.

The biggest bankruptcies of last year included retailer Rite Aid, helicopter ambulance group Air Methods and co-working company WeWork.

"Although investors expect the [Fed] to cut interest rates as early as March, companies will still have to contend with relatively high interest rates and robust wage growth in the near term," S&P's analysts wrote.

"The run-up in bankruptcies and default rates last year is a very important reminder that the cost of capital matters," said Slok.

There are "still a lot of companies that were created during the 'free money' period that will remain vulnerable to the cost of capital staying high", he added.

Investors and analysts also highlighted an apparent contradiction between the futures market's expectation of almost six US rate cuts this year and the corporate bond market's optimism over the outlook for junk borrowers.

While the Fed's projection of three cuts signals a belief that it can achieve a "soft landing" — quelling inflation without inducing a recession — the need for more cuts would typically reflect a greater deterioration in economic conditions.

Such a scenario would, in turn, potentially cause further pain for lowly rated US companies with already weak cash flows.

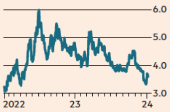
"I do think that markets are complacent," said Slok, "because the other two scenarios — either a hard landing or no landing [no downturn in the economy] — are still not unlikely."

He added: "The [central bank] would not cut six times unless the economy is slowing quite sharply. If the Fed is cutting six times . . . what are fundamentals going to look like? What are earnings going to look like?"

'The market is trading as if zero interest rates have come back – and they have not'

High-yield spreads are tighter than autumn levels, even after an early January widening

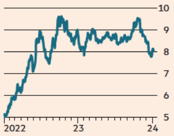
Option-adjusted spread for ICE BofA US high-yield index (percentage points)



Source: ICE Data Services

US junk bond yields remain well below levels 2 months ago

ICE BofA US high-yield index (yield %)



Bond yields rise as their prices fall

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Equities

Microsoft and Apple take turns as most valuable group

TIM BRADSHAW

Microsoft usurped Apple to become the world's biggest company by market value yesterday as the boom in artificial intelligence brought a new twist to the decades-long rivalry between the two Big Tech groups.

The software company's shares climbed around 1 per cent in early trading to take its market value to $2.87tn, just ahead of the iPhone maker, whose shares fell almost 1 per cent.

As trading in New York continued yesterday, the pair exchanged the top spot several times.

Investors' excitement about the new wave of generative AI has fuelled a rally in the shares of Microsoft, which is the biggest backer of OpenAI, the maker of popular AI-powered chatbot ChatGPT.

Apple has largely been left out of the AI fervour that has propelled Microsoft, which is also OpenAI's cloud hosting provider as well as a pioneer in deploying AI chatbots across its search and workplace products.

At the same time, concerns about weaker iPhone sales — particularly in China — have weighed on Apple's stock in the first days of 2024, prompting Wall Street analyst downgrades.

Apple and Microsoft have been rivals since the 1980s, when the company founded by Steve Jobs and Steve Wozniak accused Bill Gates' Windows maker of stealing the "look and feel" of its Macintosh computer software.

Apple is hoping the launch of its Vision Pro headset will usher in a new era of 'spatial computing'

Apple lost a high-profile copyright lawsuit targeting Windows in the early 1990s, clearing the way for Microsoft to dominate the PC market for decades.

But driven by the success of the iPhone, Apple's market value finally overtook Microsoft in 2010, a position it retained for several years as Windows struggled with the transition to mobile computing.

Microsoft briefly rallied above Apple during the Covid-19 pandemic in 2020 and 2021 as its strength in cloud computing during the boom in remote working made its business more resilient at a time when iPhone production was disrupted by factory closures and supply issues. On each occasion, Apple reclaimed the top spot soon after.

While its old rival is focused on AI, Apple is hoping the launch of its new Vision Pro headset next month will usher in a new era of "spatial computing" that relies on rich 3D graphics and new kinds of hand gestures to make interaction more natural and intuitive.

Despite hints that Apple is developing the same kind of large language models that power the latest AI chatbots to run on its own devices, the runaway success of ChatGPT and the industry-wide scramble to catch up with it has buoyed demand for Microsoft's cloud services — as well as the Nvidia processors that are needed to create such tools.

Commodities

European gas prices cool as vast reserves spur traders to shrug off cold snap

SHOTARO TANI

European natural gas prices have fallen to their lowest levels since August as traders bet the continent's vast reserves will see it through the winter, even as the region is engulfed in a cold snap.

The benchmark TTF hit a five-month low in Amsterdam in early January as investors grow increasingly confident the EU's gas stores will cover the bloc through to warmer weather in spring and beyond.

The benchmark, traded on the Intercontinental Exchange, fell as much as 2.5 per cent to €30.15 megawatt hour yesterday, defying the wintry conditions that have swept across the region this week.

It also remains significantly lower than the same time last year when it was trading at about €70/mwh.

"It wouldn't be such a bold statement to say the winter is over in the gas market because the storages are so full," one gas trader said.

Another trader said that some have already started shifting their attention to the next winter.

Storage levels for Europe have become a focus for traders after Russia's full-scale invasion of Ukraine began to slash the pipeline supplies on which the bloc had historically relied.

In response, the EU has increased its stores of gas to see it through winters, parking some of its excess purchases in Ukraine.

In spite of continued warnings by the International Energy Agency that Europe could find it hard to replenish its stocks, the region has found itself in a comfortable position for consecutive winters.

EU's storage stood at 83 per cent full as of Monday, according to industry body Gas Infrastructure Europe, the second-highest level for this time since at least 2011 when data is available.

"Gas consumption has remained well below normal levels, which coupled with healthy LNG and pipeline supply, means storage reserves are way above normal for the time of year for a second year in a row," said Tom Marzec-Manser, head of gas analytics at consultancy ICIS.

The high levels are down to the mild winter weather so far while extensive imports of liquefied natural gas last summer also helped refill the EU's storages at an unprecedented pace.

EU countries imported close to 100mn tonnes of LNG in 2023, a rise of 5 per cent from a record high 2022, according to data provider Kpler.

"Not only does that help de-risk any supply or demand shocks for the remainder of winter but also means there will be less additional demand to refill those tanks during the upcoming summer," Marzec-Manser said.

Moreover, the cold snap across Europe is not expected to last for a lengthy period with "most of mainland Europe trending warmer than normal next week", according to US weather data company DTN.

If Europe does not see extreme cold weather for the rest of the winter, gas traders said EU storages could finish March — seen as the end of the winter gas season — at around 50-55 per cent full.

That total is comparable to record-high levels that the bloc saw last year.

Europe typically uses the six months from the start of April to restock supplies. In the five years to 2023, the EU started off the refilling season with storage tanks about 41 per cent full on average.

The European Commission has a target of 45 per cent-full storage on average across the bloc by February 1 2024 but said member states should "strive to reach" 55 per cent.

However, natural gas prices still remain elevated compared with pre-Ukraine invasion price levels while demand from high users such as manufacturers is faltering amid slowing economic output.

Industrial gas demand in 12 European countries, including the UK, was 23.5 per cent below the average between 2017 and 2021, figures from ICIS showed. Even so, some traders worry that the market could be getting complacent.

"There is always a but," said Marco Saalfrank, head of continental Europe merchant trading at energy group Axpo. "If February and March turn out to be much colder than expected, it could still be that we are ending up at a level lower" than the average between 2019 and 2023, he said.

With the pipeline supplies from Russia sharply curtailed, the EU and UK now rely heavily on imported LNG from countries such as the US for their natural gas.

The EU's ability to withstand drawdowns over coming winters will depend on whether it can secure enough LNG during the summer months in the market as countries compete for supplies with Asia.

"Europe has lost its flexible supplies of gas like the domestic production in Groningen and Russian pipeline gas," Saalfrank said.

European gas prices "will react faster and in a stronger way than in the past" due to the loss of those flexible supplies and the need to attract LNG cargoes to Europe, he added.

'It wouldn't be bold to say the winter is over in the gas market because the storages are so full'

Gas storage levels in Europe have become a focus for traders — Krisztian Bocsi/Bloomberg

The day in the markets

What you need to know

- **Hotter than expected US inflation weighs on Wall Street and Europe stocks**
- **Asian equities make gains before the release of prices data**
- **Crude oil prices pushed higher by tension in Middle East waterways**


European bank stocks decline sharply

Stoxx 600 Banks index (points)

Source: Bloomberg

US and European stocks fell yesterday after data showed inflation was hotter than expected for December in the largest economy.

Wall Street's benchmark S&P 500 was down 0.7 per cent in early afternoon trading in New York, pulled lower by steep declines for utilities and financials.

The technology-heavy Nasdaq Composite dropped 0.9 per cent.

Across the Atlantic, the region-wide Stoxx Europe 600 fell 0.8 per cent while the sector-specific Stoxx 600 Banks index dropped 1.9 per cent, led lower by a 4.6 per cent retreat by Barclays.

Paris's CAC 40 slipped 0.5 per cent, Frankfurt's Xetra Dax fell 0.9 per cent, and London's FTSE 100 dropped 1 per cent.

"Investors are getting nervous on bank stocks," said Emmanuel Cau, Barclays' head of European equity strategy.

This comes after a rally, fuelled by rising expectations of imminent interest rate cuts, that has pushed the Stoxx 600 Banks index to its highest level since 2018.

Concerns are also rising ahead of fourth-quarter earnings results, said Cau, "with some analysts warning about a challenging quarter".

The declines in equity markets came after data from the US Bureau of Labor Statistics showed headline inflation ticked up to an annualised rate of 3.4 per cent in the year to December compared with 3.1 per cent in November.

Core inflation, which strips out volatile food and energy costs, fell slightly — but less than expected — to 3.9 per cent in December from 4 per cent in November.

US Treasuries whipsawed following the release of the data.

Yields on rate-sensitive 2-year Treasuries slipped 4 basis points to 4.32 per cent while those on benchmark 10-year Treasuries settled close to where they began the day.

Asian equities, which had closed before the inflation figures were released, rose.

Hong Kong's Hang Seng index added 1.3 per cent, China's CSI 300 index of Shanghai and Shenzhen stocks gained 0.6 per cent and Tokyo's Topix climbed 1.6 per cent.

News that Iran had seized a tanker off the coast of Oman, escalating fears of further attacks in the Middle East's economically significant waterways, helped pushed oil higher.

Global benchmark Brent crude rose 1.1 per cent to $77.72 per barrel while West Texas Intermediate, the US equivalent, rose 1.3 per cent to $72.28 per barrel.

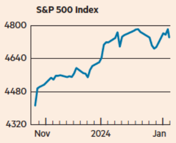
Stephanie Stacey

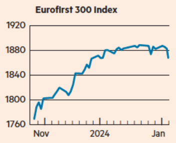
Markets update

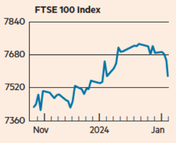
	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4743.05	1867.82	35049.86	7576.59	2886.65	130320.18
% change on day	-0.84	-0.76	1.77	-0.98	0.31	-0.40
Currency	**$ Index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.181	1.095	145.960	1.271	7.160	4.877
% change on day	-0.177	-0.182	0.237	-0.235	-0.159	-0.287
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.035	2.202	0.601	4.029	2.565	11.180
Basis point change on day	1.890	-0.800	1.890	2.500	-0.100	-1.300
World Index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	474.09	78.71	73.41	2026.80	22.97	3628.20
% change on day	-0.58	2.49	2.86	-0.40	-0.69	0.01

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	T Rowe Price	2.25	Carlsberg	2.80	Whitbread	2.31
	Valero Energy	1.86	Coloplast	2.63	Rentokil Initial	1.47
	Marathon Petroleum	1.76	Heineken Holding	1.58	Diageo	1.00
	Netflix	1.56	Pernod Ricard	1.48	Anglo American	0.91
	Palo Alto Networks	1.23	Cap Gemini	1.43	Bae Systems	0.69
Downs	Paramount Global	-5.77	Grifols	-16.17	Marks And Spencer	-5.19
	AES	-5.13	Deutsche Bank	-4.02	Barclays	-4.63
	Match Group Inc	-4.69	Societe Generale	-3.87	Wpp	-4.00
	ETSY	-4.51	Rwe	-3.34	Rolls-royce Holdings	-3.95
	Warner Bros Discovery	-4.23	Bnp Paribas	-3.06	Lloyds Banking	-3.73

Prices taken at 17:00 GMT

Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

The Fed decision that traders must really think about

Karen Petrou

Markets Insight

One big market event for early 2024 will come when US Federal Reserve makes a decision on whether to close its latest emergency-liquidity facility on March 11 as a senior Fed official recently signalled that it was likely to do.

Called the Bank Term Funding Program, the facility's name conveys the usual blandness with which the Fed likes to brand the trillions it throws into the financial system.

But the BTFP is anything but dull. Without it, all but the biggest US banks could find it even tougher to raise profitability this year; with it, they'll find it still harder to lend into what the Fed, President Joe Biden and pretty much everyone else hope will be a robust recovery.

The BTFP is just the latest of the many rescue facilities that the Fed brought forth after recent crises, marshalling the new programme as Silicon Valley Bank and Signature Bank failed and dozens of other regional lenders experienced sudden deposit outflows for which many were woefully unprepared.

Facing systemic-scale runs, the Fed, the Treasury department and the Federal Deposit Insurance Corporation backed uninsured deposits at the failed banks and, by inference, any to follow.

This systemic-risk designation backing uninsured deposits was designed to comfort depositors but even a bit of a run might still have been fatal for any bank with large unrealised losses in its securities portfolio.

The BTFP thus provides funds on very generous terms to any bank that needs to liquidate its securities but doesn't dare do so because it would be suddenly undercapitalised.

To prevent this double-whammy, plentiful BTFP funding comes cheap with a bank's borrowing capacity based on par — not mark-to-market — valuations of pledged government securities.

This facility poses many policy challenges, not least understanding why the Fed and other banking agencies allowed so many banks to be so fragile under such a predictable stress scenario.

This will be debated for months, if not years, but a critical market question needs to be answered now: what happens to banks facing significant profit squeezes if the central bank shutters the BTFP as it seems set to do? And, what then befalls the recovery? Although it was created under the Fed's "exigent and urgent" circumstances required of new support windows such as the BTFP, the funding programme is no longer a systemic-risk lifeline.

> What happens to banks facing significant profit squeezes if the central bank shutters the BTFP?

Instead, it's an arbitrage opportunity that gives banks the chance to sidestep the discount window, the lender-of-last-resort funding that the Fed was created to provide when chartered in 1913.

The Fed has recently pressed banks to ready themselves for discount window use under stress regardless of whatever stigma it may still convey. But it is unlikely banks would broach this sensitive topic as long as the BTFP is open.

That is because the BTFP charges banks less for funding — 4.89 per cent as of January 10 — compared with the discount window's 5.5 per cent. Banks that borrow from the BTFP and place funds right back at the Fed as reserves each earn a 0.51 percentage point spread on the round trip, a welcome source of risk-free margin at a time when depositors are demanding more — lots more.

It is no wonder that, as of January 3, the BTFP's outstanding loans stood at a record $141.2bn but all this bank money parked at the Fed is bank money out of the US economy. Will the Fed continue to indulge the banks after March 11?

Michael Barr, the Fed's vice-chair for banking supervision, has indicated that it was unlikely — saying this week it "really was established as an emergency programme".

An extension would also require approval from the US Treasury.

What then? The easy arbitrage profits will be cut, reducing capacity to lend. Many banks will still be sitting on unrealised losses on investment portfolios, a point of vulnerability in any renewed crisis.

The Fed didn't want to throw regional banks a profit lifeline. As Barr suggests, it meant the BTFP only as a short-term, systemic backstop to prevent a regional-bank crisis with systemic and macroeconomic consequences.

But if the Fed has to subsidise the profitability of banks, that seems both unnecessary and undesirable.

As with so much of what the Fed has done in recent years, the BTFP had profound unintended consequences for market functioning.

The Fed is right to want to close the window but fingers will be slammed when it does.

Karen Petrou is managing partner of Federal Financial Analytics

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Crypto

Stablecoin operator Circle files for IPO amid renewed hopes for digital assets

NIKOU ASGARI AND SCOTT CHIPOLINA

Circle Internet Financial, operator of the USDC stablecoin, has confidentially filed to list in the US, a day after regulators fuelled optimism in the crypto market by approving the first stock market funds for bitcoin.

The company said yesterday that it had filed paperwork with the Securities and Exchange Commission for a potential initial public offering, its second attempt at a listing after ditching plans to go public just over a year ago.

Its revived attempt comes in a watershed week for digital assets after the SEC on Wednesday approved the launch of 11 spot bitcoin exchange traded funds, run by large asset managers such as BlackRock, Fidelity and Invesco.

Enthusiasts have heralded the bitcoin ETFs as a new era for crypto with traditional money managers now able to buy and sell regulated stock market funds that invest directly in bitcoin rather than holding the token themselves.

"There'll be a lot more companies in this space that will go public," said Andrew Bond, senior research analyst at Rosenblatt Securities, after the ETFs were approved.

Circle's filing also comes as bankers and executives are hoping that market conditions for newly listed businesses will improve after a difficult two years.

Companies including clothing brand Arc'teryx owner Amer Sports, health-care platform BrightSpring Health Services and dining chain Panera have filed for potential listings as expectations rise that the US Federal Reserve will steadily cut interest rates this year.

> 'There'll be a lot more companies in this space that will go public'
>
> Andrew Bond, Rosenblatt

Circle previously planned to go public but in December 2022 ditched a $9bn merger with a special purpose acquisition company led by former Barclays chief executive Bob Diamond after the SEC did not ratify the deal before a deadline.

Circle's USDC is the world's second-biggest stablecoin behind Tether, with $25.1bn of tokens in circulation.

Stablecoins are cryptocurrencies designed to track the price of state-backed currencies such as the US dollar and play a big role in crypto markets by enabling traders to move quickly and smoothly between different coins.

However, Circle's global market share fell sharply last year after it revealed that in March it had held roughly $3bn in the now-collapsed Silicon Valley Bank.

The admission prompted the USDC stablecoin to temporarily depeg from the US dollar, trading as low as 88 cents.

Circle did not disclose the number of shares that it planned to list or its proposed price range and said the listing would take place after an SEC review.

In August, Nasdaq-listed exchange Coinbase bought a minority stake in Circle but did not disclose details.

FT FINANCIAL TIMES

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MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

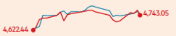
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.84%	-1.03%	-0.66%	-0.98%	-0.76%	1.77%	1.27%	-0.58%	-0.182%	-0.235%	0.237%	No change	2.02%	-0.40%

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

AMERICAS

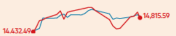
Dec 12 - - Index All World

S&P 500 New York



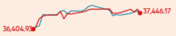
Day ↘ -0.84% Month ↗ 2.61% Year ↗ 19.49%

Nasdaq Composite New York



Day ↘ -1.03% Month ↗ 2.67% Year ↗ 35.55%

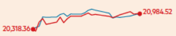
Dow Jones Industrial New York



Day ↘ -0.66% Month ↗ 2.86% Year ↗ 10.22%

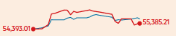
Dec 12 - Jan 11 Index All World

S&P/TSX COMP Toronto



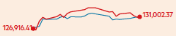
Day ↘ -0.83% Month ↗ 2.46% Year ↗ 3.97%

IPC Mexico City



Day ↗ 0.02% Month ↗ 1.59% Year ↗ 3.93%

Bovespa São Paulo

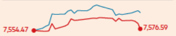


Day ↘ -0.40% Month ↗ 2.67% Year ↗ 15.81%

EUROPE

Dec 12 - Jan 11 Index All World

FTSE 100 London



Day ↘ -0.98% Month ↗ 0.42% Year ↘ -1.92%

FTSE Eurofirst 300 Europe

Day ↘ -0.76% Month ↘ -0.21% Year ↗ 5.69%

CAC 40 Paris

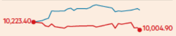
Day ↘ -0.52% Month ↘ -2.17% Year ↗ 6.69%

Dec 12 - Jan 11 Index All World

Xetra Dax Frankfurt

Day ↘ -0.86% Month ↘ -0.42% Year NaN%

Ibex 35 Madrid



Day ↘ -0.62% Month ↘ -2.14% Year ↗ 14.83%

FTSE MIB Milan

Day ↘ -0.66% Month ↘ -0.58% Year ↗ 18.41%

ASIA

Dec 12 - Jan 11 Index All World

Nikkei 225 Tokyo

Day ↗ 1.77% Month ↗ 8.49% Year ↗ 33.90%

Hang Seng Hong Kong

Day ↗ 1.27% Month ↘ -0.20% Year ↘ -23.58%

Shanghai Composite Shanghai

Day ↗ 0.31% Month ↘ -2.79% Year ↘ -8.92%

Dec 12 - Jan 11 Index All World

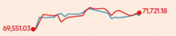
Kospi Seoul

Day ↘ -0.07% Month ↗ 0.89% Year ↗ 8.04%

FTSE Straits Times Singapore

Day ↗ 0.67% Month ↗ 2.92% Year ↘ -1.88%

BSE Sensex Mumbai



Day ↗ 0.09% Month ↗ 2.71% Year ↗ 19.31%

Country	Index	Latest	Previous
Argentina	Merval	1055906.47	1070425.28
Australia	All Ordinaries	7736.80	7702.70
	S&P/ASX 200	7506.00	7468.50
	S&P/ASX 200 Res	6081.30	6079.30
Austria	ATX	3398.23	3421.40
Belgium	BEL 20	3659.44	3705.22
	BEL Mid	10618.58	10651.19
Brazil	IBovespa	130320.18	130841.09
Canada	S&P/TSX 60	1256.61	1268.24
	S&P/TSX Comp	20816.12	20989.42
	S&P/TSX Div Met & Min	1604.59	1620.08
Chile	S&P/CLX IGPA Gen	30576.13	30748.01
China	FTSE A200	8683.39	8647.15
	FTSE B35	9000.71	8988.96
	Shanghai A	3026.58	3017.22
	Shanghai B	224.19	224.61
	Shanghai Comp	2886.65	2877.70
	Shenzhen A	1841.90	1812.55
	Shenzhen B	1046.11	1040.39
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29

Country	Index	Latest	Previous
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1456.26	1451.34
Denmark	OMXC Copenahgen 20	2358.31	2375.21
Egypt	EGX 30	25519.25	25466.75
Estonia	OMX Tallinn	1816.05	1812.04
Finland	OMX Helsinki General	10132.04	10202.43
France	CAC 40	7387.62	7426.08
	SBF 120	5611.55	5641.21
Germany	M-DAX	26069.95	26247.69
	TecDAX	3235.27	3260.20
	XETRA Dax	16547.03	16689.81
Greece	Athens Gen	1347.90	1344.51
	FTSE/ASE 20	3268.84	3256.53
Hong Kong	Hang Seng	16302.04	16097.28
	HS China Enterprise	5494.48	5421.23
	HSCC Red Chip	3247.91	3235.89
Hungary	Bux	61374.10	61454.62
India	BSE Sensex	71721.18	71657.71
	Nifty 500	19584.35	19517.85
Indonesia	Jakarta Comp	7219.96	7227.30
Ireland	ISEQ Overall	8410.45	8470.87
Israel	Tel Aviv 125	1880.01	1887.70

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	32335.84	32550.76
	FTSE Italia Mid Cap	43951.06	44244.28
	FTSE MIB	30249.16	30450.78
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	35049.86	34441.72
	S&P Topix 150	2172.01	2131.75
	Topix	2482.87	2444.48
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1504.36	1504.36
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1359.12	1344.81
Lithuania	OMX Vilnius	958.05	957.21
Luxembourg	LuxX	1478.75	1497.28
Malaysia	FTSE Bursa KLCI	1483.00	1486.86
Mexico	IPC	55329.11	55318.67
Morocco	MASI	12480.21	12437.39
Netherlands	AEX	774.54	775.02
	AEX All Share	1051.74	1051.82
New Zealand	NZX 50	11803.02	11769.40
Nigeria	SE All Share	82597.08	82024.38
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	64617.57	63919.85

Country	Index	Latest	Previous
Philippines	Manila Comp	6613.73	6546.11
Poland	Wig	76035.09	76840.58
Portugal	PSI 20	6589.57	6602.22
	PSI General	4733.28	4745.33
Romania	BET Index	15732.52	15682.37
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	12116.09	12136.90
Singapore	FTSE Straits Times	3201.41	3179.96
Slovakia	SAX	315.64	315.64
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	73834.28	73586.98
	FTSE/JSE Res 20	52050.29	51969.27
	FTSE/JSE Top 40	67381.69	67141.68
South Korea	Kospi	2540.27	2541.98
	Kospi 200	340.28	340.66
Spain	IBEX 35	10004.90	10067.10
Sri Lanka	CSE All Share	10619.60	10665.84
Sweden	OMX Stockholm 30	2336.25	2341.94
	OMX Stockholm AS	876.30	880.86
Switzerland	SMI Index	11153.62	11255.00

Country	Index	Latest	Previous
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1408.24	1413.52
Turkey	BIST 100	7895.96	7895.96
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2700.30	2739.10
	FTSE 100	7576.59	7651.76
	FTSE 4Good UK	6854.28	6926.41
	FTSE All Share	4142.97	4180.83
	FTSE techMARK 100	6413.14	6467.16
USA	DJ Composite	12093.47	12215.92
	DJ Industrial	37446.17	37695.73
	DJ Transport	15409.69	15602.87
	DJ Utilities	879.12	899.39
	Nasdaq 100	16636.48	16793.05
	Nasdaq Cmp	14815.59	14969.65
	NYSE Comp	16686.12	16818.88
	S&P 500	4743.05	4783.45
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	56142.25	56041.38
Vietnam	VNI	1162.22	1161.54

Country	Index	Latest	Previous
Cross-Border	DJ Global Titans ($)	549.58	553.54
	Euro Stoxx 50 (Eur)	4442.28	4468.98
	Euronext 100 ID	1377.33	1382.54
	FTSE 4Good Global ($)	12070.83	12156.38
	FTSE All World ($)	474.09	476.84
	FTSE E300	1867.82	1882.18
	FTSE Eurotop 100	3712.71	3741.08
	FTSE Global 100 ($)	3229.70	3254.16
	FTSE Gold Min ($)	1753.13	1762.67
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3314.90	3294.30
	FTSE World ($)	869.58	875.36
	FTSEurofirst 100 (Eur)	4996.99	5031.35
	FTSEurofirst 80 (Eur)	6020.55	6058.63
	MSCI ACWI Fr ($)	722.83	720.14
	MSCI All World ($)	3161.50	3146.97
	MSCI Europe (Eur)	1907.02	1908.44
	MSCI Pacific ($)	2903.83	2898.34
	S&P Euro (Eur)	1960.21	1971.91
	S&P Europe 350 (Eur)	1919.94	1935.16
	S&P Global 1200 ($)	3446.24	3468.86
	Stoxx 50 (Eur)	4061.20	4094.53

(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
Nvidia	95.9	545.19	1.69
Tesla	84.4	227.97	-5.97
Microsoft	34.8	385.67	2.90
Advanced Micro Devices	25.2	147.30	-1.24
Apple	24.5	184.37	-1.83
Amazon.com	24.2	154.73	1.00
Netflix	17.1	490.25	11.92
Meta Platforms	16.0	368.65	-1.82
Alphabet	10.7	143.12	0.84
Boeing	6.9	225.25	-2.59

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
T Rowe Price	110.49	3.10	2.89
Netflix	490.25	11.92	2.49
Palo Alto Networks	320.97	4.88	1.55
Marathon Petroleum	155.18	2.34	1.53
Valero Energy	126.61	1.84	1.48
Downs			
Aes	17.83	-1.06	-5.59
Paramount Global	13.41	-0.71	-5.03
Vf	16.53	-0.77	-4.46
Enphase Energy	112.30	-5.24	-4.46
Warner Bros Discovery	10.50	-0.47	-4.27

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Hsbc Holdings	284.1	611.40	-19.30
Rio Tinto	252.3	5452.00	-53.00
Shell	228.8	2444.50	-3.00
Gsk	199.2	1556.40	-14.40
Astrazeneca	193.2	10830.00	-70.00
Bp	183.7	454.20	-2.25
London Stock Exchange	154.0	9140.00	48.00
Anglo American	150.8	1839.80	16.60
Relx	136.4	3160.00	-2.00
Diageo	127.6	2815.50	28.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Trustpilot	163.50	17.90	12.29
Darktrace	365.90	30.30	9.03
Tullow Oil	32.20	0.76	2.42
Whitbread	3632.00	82.00	2.31
Hilton Food	772.00	16.00	2.12
Downs			
Close Brothers	687.50	-84.00	-10.89
Ferrexpo	73.55	-7.95	-9.75
Puretech Health	186.00	-13.00	-6.53
Marks And Spencer	263.30	-14.40	-5.19
Iwg	175.00	-9.20	-4.99

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	309.3	103.29	-1.70
Unicredit	290.8	25.61	-0.25
Novartis N	290.3	97.57	-0.25
Roche Gs	256.3	267.74	-3.53
Intesa Sanpaolo	182.0	2.73	-0.02
Asml Holding	160.9	650.40	-1.00
Stellantis	150.9	20.61	-0.17
Enel	144.5	6.67	-0.07
Totalenergies	143.3	59.61	-0.16
Zurich Insurance N	132.3	462.40	-3.31

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Umg	26.19	0.55	2.15
Heineken	92.56	1.52	1.67
Pernod Ricard	151.00	2.20	1.48
Capgemini	185.05	2.60	1.43
Orsted A/s Dk 10	6.89	0.09	1.38
Downs			
Bnp Paribas Act.a	60.52	-1.91	-3.06
Kering	372.15	-9.55	-2.50
Bayer Ag Na O.n.	33.90	-0.86	-2.47
Mowi	16.13	-0.37	-2.25
Ab Inbev	58.98	-1.11	-1.85

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Lasertec	3861.6	34770.00	-130.00
Toyota Motor	1393.6	2844.00	99.00
Tokyo Electron	1100.0	26080.00	695.00
Mitsubishi Ufj Fin	1051.5	1281.00	21.00
Kawasaki Kisen Kaisha,	869.8	6420.00	25.00
Tokyo Electric Power	807.9	797.00	17.30
Sony	806.8	14340.00	490.00
Mitsubishi Heavy Industries,	772.9	9164.00	333.00
Nintendo Co.,	740.0	7930.00	107.00
Keyence	737.1	65620.00	1050.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Smc	82150.00	3680.00	4.69
Itochu	6365.00	274.00	4.50
Kddi	4851.00	196.00	4.21
Hitachi,	11045.00	445.00	4.20
Suzuki Motor	6370.00	237.00	3.86
Downs			
Yamato Holdings Co.,	2646.00	-106.00	-3.85
Rakuten	643.70	-16.10	-2.44
Tokyo Gas Co.,	3456.00	-50.00	-1.43
Marui Co.,	2470.00	-34.00	-1.36
Nh Foods Ltd	4886.00	-64.00	-1.29

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Jan 11 price(p)	%Chg week	%Chg ytd
Winners			
Centrica	152.35	3.4	7.8
Pershing Square Holdings Ltd	3570.00	3.2	0.1
Hikma Pharmaceuticals	1903.00	2.8	6.5
Melrose Industries	571.80	2.8	2.3
Compass	2184.00	2.4	2.2
Scottish Mortgage Investment Trust	778.40	2.1	-1.2
Experian	3113.00	2.0	-0.3
Haleon	335.55	1.8	3.5
Relx	3160.00	1.7	3.0
Smith & Nephew	1067.00	1.5	0.0
Airtel Africa	129.70	1.5	0.0
Reckitt Benckiser	5598.00	1.4	2.6
Losers			
Endeavour Mining	1425.00	-15.9	-18.9
Ocado	661.40	-9.9	-10.6
Sainsbury (j)	281.10	-8.8	-5.9
Beazley	503.00	-8.4	-4.4
Rs	756.20	-8.2	-7.5
Jd Sports Fashion	110.30	-7.9	-31.3
Marks And Spencer	263.30	-7.3	-4.6
Mondi	1433.00	-6.8	-6.6
Ashtead	4900.00	-6.6	-8.2
Kingfisher	217.70	-6.6	-8.8
Barclays	145.58	-6.4	-6.2
Standard Chartered	613.40	-5.8	-6.9

FTSE 250	Jan 11 price(p)	%Chg week	%Chg ytd
Winners			
Trustpilot	163.50	18.1	17.8
Plus500 Ltd	1822.00	10.2	10.9
Darktrace	365.90	8.6	6.6
Vistry	967.50	7.3	6.4
Mobico	88.55	6.7	5.5
Drax	519.00	5.8	5.7
Clarkson	3445.00	5.5	8.8
Games Workshop	9820.00	4.5	-0.3
Helios Towers	89.40	4.4	3.1
Persimmon	1446.00	4.3	4.9
Me Int	124.40	4.0	0.2
Easyjet	514.20	3.4	2.1
Losers			
Jupiter Fund Management	77.40	-13.7	-14.4
Close Brothers	687.50	-13.0	-12.5
Tullow Oil	32.20	-13.0	-15.9
Future	728.50	-10.3	-6.5
Ferrexpo	73.55	-10.3	-16.2
Hochschild Mining	87.70	-10.2	-15.5
Diversified Energy	1097.00	-10.1	-8.5
Direct Line Insurance	165.35	-9.8	-10.6
Hays	98.15	-9.7	-10.2
Dr. Martens	78.80	-8.2	-10.8
Puretech Health	186.00	-7.5	-2.1
Ao World	85.00	-7.5	-8.6

FTSE SmallCap	Jan 11 price(p)	%Chg week	%Chg ytd
Winners			
Cmc Markets	127.40	14.2	20.4
Costain	71.40	11.6	10.9
Seraphim Space Investment Trust	44.45	11.1	24.2
Alfa Fin Software Holdings	163.00	10.5	15.2
Mears	342.50	8.6	10.3
Fisher (james) & Sons	357.00	8.0	8.3
Hostelworld	145.00	7.4	9.8
Cab Payments Holdings	90.70	6.5	10.6
Trifast	93.10	5.7	5.1
Secure Trust Bank	708.00	5.7	2.0
Funding Circle Holdings	37.60	5.6	-3.6
Helical	227.00	5.3	4.1
Losers			
Petrofac	25.00	-19.3	-25.5
Capita	19.57	-13.8	-10.1
Synthomer	150.30	-13.3	-17.8
888 Holdings	78.05	-12.2	-14.6
Digital 9 Infrastructure	29.30	-10.4	-7.7
Oxford Biomedica	191.00	-9.9	-9.0
Xps Pensions	214.00	-9.3	-9.3
Gore Street Energy Storage Fund	81.10	-9.3	-7.4
Ceres Power Holdings	164.60	-8.2	-9.9
Motorpoint	99.00	-7.9	-10.0
Metro Bank Holdings	37.05	-7.4	-7.4
Liontrust Asset Management	578.00	-7.3	-4.5

Industry Sectors	Jan 11 price(p)	%Chg week	%Chg ytd
Winners			
General Retailers	3831.31	2.4	1.8
General Financial	14379.72	1.1	-1.7
Household Goods	13099.81	0.9	0.0
Aerospace & Defense	8790.04	0.4	2.3
Media	11173.00	0.4	0.3
Software & Computer Services	2352.14	0.3	-2.7
Beverages	22215.14	0.3	-1.2
Pharmaceuticals & Biotech.	21013.38	0.2	3.5
Support Services	10200.23	-0.3	-3.5
Equity Investment Instruments	11258.78	-0.3	-2.4
Tobacco	26844.50	-0.6	2.5
Personal Goods	20372.68	-0.8	-6.1
Losers			
Mining	8395.54	-10.9	-15.2
Industrial Transportation	3624.48	-5.8	-9.0
Nonlife Insurance	3219.71	-5.6	-4.0
Oil & Gas Producers	8219.33	-5.2	-4.3
Automobiles & Parts	1449.07	-4.3	-8.8
Food Producers	7045.70	-4.2	-3.8
Mobile Telecommunications	1840.41	-4.2	-3.5
Banks	3519.48	-4.1	-4.4
Industrial Metals	6394.85	-3.7	-6.2
Chemicals	8812.34	-3.3	-8.1
General Industrials	6543.00	-2.8	-3.7
Travel & Leisure	7171.56	-2.1	-4.6

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

CURRENCIES

		DOLLAR		EURO		POUND	
Jan 11	Currency	Closing Mid	Day's Change	Closing Mid	Day's Change	Closing Mid	Day's Change
Argentina	Argentine Peso	815.4520	0.4980	892.6385	-1.1670	1036.6004	-1.3592
Australia	Australian Dollar	1.5014	0.0081	1.6435	0.0057	1.9086	0.0066
Bahrain	Bahrainin Dinar	0.3770	-	0.4127	-0.0008	0.4792	-0.0009
Bolivia	Bolivian Boliviano	6.9100	-	7.5641	-0.0145	8.7840	-0.0169
Brazil	Brazilian Real	4.8768	-0.0140	5.3384	-0.0257	6.1993	-0.0298
Canada	Canadian Dollar	1.3430	0.0049	1.4701	0.0026	1.7072	0.0030
Chile	Chilean Peso	908.0000	-10.1250	993.9466	-13.0124	1154.2471	-15.1155
China	Chinese Yuan	7.1597	-0.0114	7.8374	-0.0275	9.1014	-0.0320
Colombia	Colombian Peso	3937.8100	-14.3050	4310.5436	-23.9623	5005.7341	-27.8475
Costa Rica	Costa Rican Colon	521.5150	-0.3550	570.8789	-1.4850	662.9485	-1.7271
Czech Republic	Czech Koruna	22.5538	0.1280	24.6886	0.0930	28.6703	0.1079
Denmark	Danish Krone	6.8122	0.0129	7.4570	-0.0002	8.6596	-0.0003
Egypt	Egyptian Pound	30.8925	0.0254	33.8166	-0.0370	39.2705	-0.0432
Hong Kong	Hong Kong Dollar	7.8192	0.0001	8.5594	-0.0163	9.9398	-0.0190
Hungary	Hungarian Forint	346.4806	1.7576	379.2767	1.1996	440.4452	1.3914
India	Indian Rupee	83.0313	-0.0062	90.8906	-0.1813	105.5491	-0.2110

		DOLLAR		EURO		POUND	
Jan 11	Currency	Closing Mid	Day's Change	Closing Mid	Day's Change	Closing Mid	Day's Change
Indonesia	Indonesian Rupiah	15548.5000	-21.0000	17020.2626	-55.6861	19765.2286	-64.7492
Israel	Israeli Shekel	3.7473	0.0058	4.1020	-0.0016	4.7636	-0.0018
Japan	Japanese Yen	145.9600	0.3450	159.7758	0.0717	185.5439	0.0826
..One Month		145.9593	0.3436	159.7752	0.0706	185.5431	0.0808
..Three Month		145.9579	0.3409	159.7741	0.0684	185.5414	0.0775
..One Year		145.9526	0.3302	159.7701	0.0603	185.5431	0.0724
Kenya	Kenyan Shilling	158.5000	-0.5000	173.5028	-0.8814	201.4848	-1.0243
Kuwait	Kuwaiti Dinar	0.3075	-0.0001	0.3366	-0.0008	0.3908	-0.0009
Malaysia	Malaysian Ringgit	4.6460	0.0045	5.0858	-0.0048	5.9060	-0.0056
Mexico	Mexican Peso	16.9700	-0.0130	18.5763	-0.0499	21.5722	-0.0580
New Zealand	New Zealand Dollar	1.6094	0.0039	1.7617	0.0009	2.0459	0.0010
Nigeria	Nigerian Naira	850.5000	-5.0000	931.0039	-7.2707	1081.1533	-8.4475
Norway	Norwegian Krone	10.3392	-0.0027	11.3178	-0.0247	13.1431	-0.0288
Pakistan	Pakistani Rupee	281.1000	0.0250	307.7075	-0.5632	357.3335	-0.6554
Peru	Peruvian Nuevo Sol	3.6998	-0.0008	4.0499	-0.0087	4.7031	-0.0101
Philippines	Philippine Peso	55.9750	-0.3000	61.2733	-0.4466	71.1553	-0.5189

		DOLLAR		EURO		POUND	
Jan 11	Currency	Closing Mid	Day's Change	Closing Mid	Day's Change	Closing Mid	Day's Change
Poland	Polish Zloty	3.9741	0.0164	4.3503	0.0096	5.0519	0.0111
Romania	Romanian Leu	4.5424	0.0088	4.9724	0.0001	5.7743	0.0001
Russia	Russian Ruble	88.6500	-0.8500	97.0411	-1.1185	112.6916	-1.2993
Saudi Arabia	Saudi Riyal	3.7502	-0.0001	4.1052	-0.0080	4.7672	-0.0093
Singapore	Singapore Dollar	1.3328	0.0008	1.4589	-0.0019	1.6942	-0.0022
South Africa	South African Rand	18.6700	0.0068	20.4372	-0.0317	23.7333	-0.0369
South Korea	South Korean Won	1312.9000	-7.2500	1437.1723	-10.7100	1668.9551	-12.4434
Sweden	Swedish Krona	10.2937	0.0717	11.2680	0.0570	13.0853	0.0662
Switzerland	Swiss Franc	0.8550	0.0036	0.9360	0.0022	1.0869	0.0025
Taiwan	New Taiwan Dollar	31.1055	-0.0245	34.0498	-0.0922	39.5412	-0.1072
Thailand	Thai Baht	35.0550	0.0700	38.3731	0.0031	44.5618	0.0035
Tunisia	Tunisian Dinar	3.0968	0.0035	3.3899	-0.0027	3.9366	-0.0031
Turkey	Turkish Lira	30.0025	0.0300	32.8424	-0.0301	38.1391	-0.0351
United Arab Emirates	UAE Dirham	3.6727	-0.0001	4.0203	-0.0078	4.6687	-0.0091
United Kingdom	Pound Sterling	0.7867	0.0015	0.8611	0.0000	-	-
..One Month		0.7867	0.0015	0.8610	0.0000	-	-

		DOLLAR		EURO		POUND	
Jan 11	Currency	Closing Mid	Day's Change	Closing Mid	Day's Change	Closing Mid	Day's Change
..Three Month		0.7867	0.0015	0.8608	0.0000	-	-
..One Year		0.7868	0.0015	0.8598	0.0000	-	-
United States	United States Dollar	-	-	1.0947	-0.0021	1.2712	-0.0024
..One Month		-	-	1.0945	-0.1790	1.2712	-0.0024
..Three Month		-	-	1.0943	-0.1790	1.2713	-0.0024
..One Year		-	-	1.0929	-0.1790	1.2713	-0.0024
Vietnam	Vietnamese Dong	24490.0000	70.0000	26808.1422	25.3453	31131.6995	29.3386
European Union	Euro	0.9135	0.0017	-	-	1.1613	0.0000
..One Month		0.9134	0.0017	-	-	1.1612	0.0000
..Three Month		0.9131	0.0018	-	-	1.1610	0.0000
..One Year		0.9118	0.0018	-	-	1.1600	0.0000

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 Jan 11	Day's chge%	Euro Index	£ Strlg Jan 10	£ Strlg Jan 09	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7576.59	-0.98	6853.82	7651.76	7683.96	7724.98	3.93	2.43	10.46	2.31	8099.91
FTSE 250 (250)	19107.93	-0.89	17285.11	19280.08	19294.02	19521.70	3.51	1.17	24.31	11.43	16474.24
FTSE 250 ex Inv Co (168)	19832.70	-1.11	17940.74	20054.88	20053.37	20126.56	3.66	0.88	31.10	15.75	17470.86
FTSE 350 (350)	4180.98	-0.97	3782.14	4221.92	4237.60	4263.93	3.87	2.27	11.38	1.45	8863.59
FTSE 350 ex Investment Trusts (265)	4124.17	-1.01	3730.74	4166.14	4182.19	4206.00	3.94	2.27	11.18	1.45	4521.17
FTSE 350 Higher Yield (130)	3509.27	-1.23	3174.50	3552.89	3582.98	3661.26	5.66	2.31	7.64	0.90	8527.22
FTSE 350 Lower Yield (220)	4449.68	-0.70	4025.20	4481.11	4475.55	4434.28	2.02	2.15	23.01	1.96	5608.18
FTSE SmallCap (222)	6292.06	-0.49	5691.82	6323.20	6332.89	6411.93	4.02	-0.19	-129.21	6.50	10997.59
FTSE SmallCap ex Inv Co (114)	5209.82	-0.68	4712.82	5245.30	5264.96	5184.61	4.20	-0.49	-48.37	3.38	9459.77
FTSE All-Share (572)	4140.73	-0.96	3745.72	4180.83	4196.15	4222.94	3.88	2.21	11.66	1.50	8864.07
FTSE All-Share ex Inv Co (379)	4050.78	-1.00	3664.35	4091.84	4107.60	4130.02	3.94	2.24	11.34	1.44	4508.54
FTSE All-Share ex Multinationals (513)	1100.22	-1.36	826.19	1115.42	1121.08	1109.89	4.05	1.48	16.73	0.78	2446.33
FTSE Fledgling (66)	11119.75	-0.28	10058.98	11151.10	11136.61	11907.90	2.92	-0.91	-37.43	6.78	24918.46
FTSE Fledgling ex Inv Co (28)	17098.07	-0.35	15466.98	17158.49	17163.67	16183.01	2.28	-3.58	-12.22	3.50	37113.57
FTSE All-Small (288)	4374.99	-0.48	3957.63	4396.20	4402.34	4470.78	3.97	-0.22	-115.67	4.43	9805.37
FTSE All-Small ex Inv Co (142)	3932.62	-0.66	3557.47	3958.91	3973.21	3905.44	4.12	-0.56	-43.32	2.48	9041.25
FTSE AIM All-Share (658)	744.72	-0.67	673.67	749.71	752.66	851.62	2.16	0.99	46.81	0.25	893.02
FTSE All-Share Technology (17)	2470.64	-0.21	2162.08	2475.73	2461.05	1939.72	1.60	1.61	38.76	12.84	3662.05
FTSE All-Share Telecommunications (6)	1172.46	-1.55	1026.03	1190.97	1218.44	1473.15	9.05	0.44	25.25	0.00	1957.32
FTSE All-Share Health Care (12)	14628.94	-0.71	12801.93	14734.22	14755.61	14952.32	2.42	1.50	27.44	0.00	13877.50
FTSE All-Share Financials (257)	4715.81	-1.54	4126.85	4789.49	4814.69	4807.44	4.63	2.37	9.12	0.89	5499.96
FTSE All-Share Real Estate (51)	843.69	-0.71	772.37	849.76	852.44	859.07	4.33	-3.02	-7.66	1.37	933.77
FTSE All-Share Consumer Discretionary (78)	5306.63	-1.14	4643.88	5367.60	5345.97	4810.32	2.27	2.06	21.38	0.68	5762.45
FTSE All-Share Consumer Staples (23)	17158.71	-0.51	15015.76	17246.69	17316.66	19490.73	4.59	1.61	13.56	0.00	16493.57
FTSE All-Share Industrials (84)	7389.35	-1.06	6466.49	7468.38	7451.78	6482.64	2.11	2.24	21.18	5.89	8765.78
FTSE All-Share Basic Materials (21)	7540.82	-0.60	6599.05	7586.17	7657.61	9647.94	6.15	2.35	6.92	0.00	10905.26
FTSE All-Share Energy (15)	8488.08	-0.26	7428.00	8509.92	8606.39	8603.51	4.41	4.76	4.77	0.00	10771.59
FTSE All-Share Utilities (8)	9077.51	-1.88	7943.82	9251.35	9319.55	8656.02	4.76	2.23	9.44	23.31	14594.82
FTSE All-Share Software and Computer Services (16)	2681.04	-0.17	2346.21	2685.60	2670.05	2091.68	1.58	1.66	38.14	14.06	4203.57
FTSE All-Share Technology Hardware and Equipment (1)	4036.61	-3.91	3532.47	4201.06	4116.34	5075.66	3.98	-0.47	-52.96	0.00	5412.40
FTSE All-Share Telecommunications Equipment (1)	259.30	-1.02	226.92	261.99	268.25	612.94	5.40	1.54	12.01	0.00	384.65
FTSE All-Share Telecommunications Service Providers (5)	1837.63	-1.57	1608.13	1866.91	1909.94	2256.53	9.14	0.42	26.01	0.00	2800.39
FTSE All-Share Health Care Providers (1)	11284.90	-1.10	9875.52	11410.85	11385.66	11077.99	0.22	4.26	105.26	0.00	10514.80
FTSE All-Share Medical Equipment and Services (2)	5504.33	-1.26	4816.90	5574.29	5589.67	5877.07	2.63	0.62	60.92	0.00	5463.42
FTSE All-Share Pharmaceuticals and Biotechnology (9)	20937.71	-0.68	18322.79	21082.09	21111.43	21354.38	2.42	1.55	26.62	0.00	17886.50
FTSE All-Share Banks (12)	3470.77	-3.14	3037.30	3583.25	3615.75	3535.76	6.34	3.25	4.86	0.00	3266.72
FTSE All-Share Finance and Credit Services (8)	12357.09	0.32	10813.81	12318.23	12241.81	10268.42	1.71	1.69	34.61	0.00	16948.00
FTSE All-Share Investment Banking and Brokerage Services (32)	9307.49	-0.93	8145.08	9395.20	9360.43	8831.88	4.88	1.87	10.95	4.68	13850.94
FTSE All-Share Closed End Investments (193)	11548.18	-0.30	10105.92	11582.52	11592.24	11835.05	2.95	1.69	20.08	5.49	7462.77
FTSE All-Share Life Insurance (6)	6076.08	-1.31	5317.23	6156.59	6211.59	7583.45	5.38	0.40	46.03	0.00	7813.65
FTSE All-Share Nonlife Insurance (6)	3645.79	-0.26	3190.46	3655.45	3815.21	3636.17	2.88	1.11	31.29	0.00	7957.11
FTSE All-Share Real Estate Investment and Services (10)	2130.55	-1.41	1864.47	2160.99	2153.39	2138.29	2.36	0.00	10085.17	0.00	6530.87
FTSE All-Share Real Estate Investment Trusts (41)	2097.03	-0.59	1835.13	2109.45	2118.63	2140.95	4.68	-3.29	-6.49	4.03	3359.92
FTSE All-Share Automobiles and Parts (3)	1456.49	-3.72	1274.59	1512.71	1515.25	1551.38	1.25	-3.35	-23.95	0.00	1531.27
FTSE All-Share Consumer Services (1)	3600.11	0.00	3150.49	3600.11	3581.98	3135.55	1.70	2.22	26.57	0.00	4651.51
FTSE All-Share Household Goods and Home Construction (11)	10889.33	-2.90	9529.36	11214.65	10929.38	8956.56	5.39	1.90	9.78	0.00	10407.70
FTSE All-Share Leisure Goods (2)	26320.32	-0.11	23033.17	26348.48	26103.01	24576.50	4.55	1.01	21.75	0.00	30742.75
FTSE All-Share Personal Goods (4)	17462.43	-3.12	15281.54	18023.89	17862.34	29527.54	3.80	2.10	12.56	23.54	14150.44
FTSE All-Share Media (10)	11452.99	-0.91	10022.62	11558.42	11433.53	9673.91	2.30	1.93	22.52	0.00	8265.62
FTSE All-Share Retailers (20)	2315.63	-1.74	2026.43	2356.53	2354.00	2071.47	2.86	2.66	13.14	1.73	3104.88
FTSE All-Share Travel and Leisure (27)	7049.66	-0.76	6169.22	7103.48	7194.38	6789.16	0.79	2.26	55.85	0.00	7352.79
FTSE All-Share Beverages (5)	22309.87	0.94	19523.59	22101.55	21977.10	28051.54	2.87	2.03	17.17	0.00	18338.41
FTSE All-Share Food Producers (8)	7230.50	-2.35	6327.48	7404.65	7426.09	6320.45	2.31	2.63	16.46	0.00	7211.45
FTSE All-Share Tobacco (2)	26844.55	-0.23	23491.92	26907.05	27069.32	34174.40	9.33	1.62	6.63	0.00	27849.66
FTSE All-Share Construction and Materials (15)	9485.43	-1.33	8300.79	9612.89	9626.05	7937.81	3.61	2.53	10.94	4.31	11971.82
FTSE All-Share Aerospace and Defense (8)	9200.79	-1.31	8051.70	9322.75	9272.28	5354.66	1.38	3.77	19.17	1.67	11428.01
FTSE All-Share Electronic and Electrical Equipment (11)	11043.56	-0.39	9664.32	11086.75	11078.27	10858.87	1.66	2.40	25.05	0.00	11119.49
FTSE All-Share General Industrials (7)	5266.99	-1.17	4609.19	5329.09	5357.42	5209.22	3.44	1.49	19.48	0.00	7217.12
FTSE All-Share Industrial Engineering (6)	14757.61	-1.77	12914.53	15023.37	14950.87	16199.37	2.22	2.22	20.30	0.00	20229.25
FTSE All-Share Industrial Support Services (29)	9862.92	-0.59	8631.13	9921.82	9873.19	9870.01	2.20	1.39	32.58	17.24	11627.87
FTSE All-Share Industrial Transportation (8)	5448.77	-1.67	4768.28	5541.24	5558.13	5592.43	1.84	3.59	15.13	11.07	5818.12
FTSE All-Share Industrial Materials (1)	17953.35	2.87	596.87	17453.26	17753.31	17503.27	1.92	3.29	15.83	0.00	23113.80
FTSE All-Share Industrial Metals and Mining (8)	6886.86	-0.50	6026.76	6921.21	6979.26	8704.74	6.50	2.45	6.27	0.00	11267.23
FTSE All-Share Precious Metals and Mining (5)	8088.64	-1.91	7078.45	8246.21	8432.72	11368.92	3.64	-1.42	-19.31	0.00	5880.75
FTSE All-Share Chemicals (7)	9617.18	-1.29	8416.09	9742.65	9897.38	13562.67	3.04	1.57	21.00	0.00	9912.86
FTSE All-Share Oil, Gas and Coal (14)	8247.37	-0.25	7217.35	8268.30	8361.95	8352.00	4.41	4.77	4.76	0.00	10854.43
FTSE Sector Indices											
Non Financials (315)	**5028.87**	**-0.78**	**4549.14**	**5068.50**	**5084.59**	**5129.69**	**3.65**	**2.15**	**12.74**	**2.09**	**9452.11**

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	7685.49	7685.13	7659.46	7647.53	7645.15	7637.78	7630.35	7618.12	7588.82	7693.88	7576.59
FTSE 250	19308.15	19354.03	19332.31	19346.22	19346.45	19345.63	19242.02	19257.01	19162.55	19374.78	19107.93
FTSE SmallCap	6329.02	6348.74	6349.16	6344.17	6343.06	6342.80	6335.88	6327.30	6303.25	6350.91	6295.77
FTSE All-Share	4197.22	4198.72	4186.31	4181.19	4180.09	4176.68	4170.05	4164.77	4148.15	4202.50	4143.95

Time of FTSE 100 Day's high:08:49:45 Day's Low16:35:29 FTSE 100 2010/11 High: 7723.07(04/01/2024) Low: 7651.76(10/01/2024)
Time of FTSE All-Share Day's high:08:51:00 Day's Low16:29:00 FTSE 100 2010/11 High: 4220.90(02/01/2024) Low: 4180.83(10/01/2024)

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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.

FT 30 INDEX

	Jan 11	Jan 10	Jan 09	Jan 08	Jan 05	Yr Ago	High	Low
FT 30	2700.30	2739.10	2752.20	2765.70	2745.20	0.00	2780.90	2721.40
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
2739.1	2749.9	2738	2735.4	2733.9	2730.8	2721.5	2719.4	2707.5	2753.7	2700.3

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

FT WILSHIRE 5000 INDEX SERIES

	Jan 10		Jan 10
FT Wilshire 5000	48281.80	FT Wilshire Mid Cap	5958.87
FT Wilshire 2500	6198.35	FT Wilshire Small Cap	5479.38
FT Wilshire Mega Cap	6364.36	FT Wilshire Micro Cap	4837.00
FT Wilshire Large Cap	6298.67		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Pharmace & Biotech	3.52	Electricity	-2.00	Food Producers	-3.66
Health Care	3.29	FTSE 100 Index	-2.03	Nonlife Insurance	-3.95
Tobacco	2.48	FTSE SmallCap Index	-2.07	Oil & Gas Producers	-4.23
Aerospace & Defense	2.34	Consumer Services	-2.15	Oil & Gas	-4.29
Household Goods & Ho	1.88	FTSE All{HY-}Share Index	-2.16	Life Insurance	-4.36
Gas Water & Multi	0.34	Equity Invest Instr	-2.24	Banks	-4.44
Consumer Goods	0.22	Software & Comp Serv	-2.45	Tech Hardware & Eq	-4.60
Beverages	31.66	Travel & Leisure	-2.51	Industrial Metals &	-4.67
Media	-0.02	Food & Drug Retailer	-2.56	Electronic & Elec Eq	-4.75
Utilities	-0.27	Technology	-2.60	Support Services	-4.94
Leisure Goods	-0.50	Industrials	-2.70	Industrial Eng	-5.16
Personal Goods	-0.56	Real Est Invest & Tr	-2.92	General Retailers	-5.55
Health Care Eq & Srv	-0.84	FTSE 250 Index	-2.95	Fixed Line Telecomms	-6.56
Beverages	-1.21	Financial Services	-3.26	Mining	-6.57
NON FINANCIALS Index	-1.71	Construct & Material	-3.29	Basic Materials	-6.66
Mobile Telecomms	-1.87	Real Est Invest & Se	-3.36	Chemicals	-7.92
Industrial Transport	-1.94	Telecommunications	-3.47	Automobiles & Parts	-8.77
		Financials	-3.52	Oil Equipment & Serv	-11.75

FTSE GLOBAL EQUITY INDEX SERIES

Jan 11 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield	Jan 11 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	10074	807.19	0.3	3.6	-0.7	1325.47	-0.7	2.1	Oil Equipment & Services	26	276.22	-0.1	0.7	-1.8	537.84	-1.8	4.6
FTSE Global All Cap	10074	807.19	0.3	3.6	-0.7	1325.47	-0.7	2.1	Basic Materials	423	610.79	-0.6	2.1	-4.4	1169.63	-4.4	3.6
FTSE Global Large Cap	2002	734.59	0.4	3.4	-0.4	1243.44	-0.4	2.0	Chemicals	208	812.09	-0.3	1.8	-3.6	1482.18	-3.6	2.7
FTSE Global Mid Cap	2293	991.81	0.2	4.0	-1.2	1533.09	-1.2	2.2	Forestry & Paper	18	259.87	-0.9	2.0	-1.3	549.05	-1.3	4.2
FTSE Global Small Cap	5779	1023.88	0.1	4.2	-2.1	1510.22	-2.1	2.0	Industrial Metals & Mining	114	551.26	-0.5	3.3	-4.8	1100.88	-4.8	3.9
FTSE All-World	4295	476.84	0.4	3.5	-0.6	829.33	-0.5	2.1	Mining	83	918.37	-1.0	2.0	-5.6	1882.02	-5.6	4.8
FTSE World	2616	875.36	0.4	3.7	-0.5	2042.90	-0.4	2.0	Industrials	843	565.35	0.3	4.0	-1.8	922.65	-1.8	1.9
FTSE Global All Cap ex UNITED KINGDOM In	9795	854.34	0.4	3.6	-0.7	1375.00	-0.6	2.0	Construction & Materials	164	704.60	0.0	4.0	-2.2	1213.95	-2.2	1.8
FTSE Global All Cap ex USA	8315	540.56	0.0	3.0	-1.8	994.08	-1.8	3.0	Aerospace & Defense	37	1032.23	0.7	2.2	-1.0	1638.09	-1.0	1.4
FTSE Global All Cap ex JAPAN	8648	842.11	0.3	3.5	-0.7	1394.75	-0.7	2.1	General Industrials	80	289.51	0.4	4.2	-1.5	525.25	-1.5	2.2
FTSE Global All Cap ex Eurozone	9434	853.75	0.3	3.8	-0.6	1370.26	-0.6	2.0	Electronic & Electrical Equipment	171	654.02	0.4	3.3	-3.2	956.13	-3.2	1.6
FTSE Developed	2108	805.28	0.4	3.7	-0.3	1330.02	-0.3	1.9	Industrial Engineering	169	1149.80	0.3	5.5	-2.6	1871.89	-2.6	1.9
FTSE Developed All Cap	5714	833.63	0.4	3.8	-0.5	1356.34	-0.5	1.9	Industrial Transportation	132	991.84	0.4	5.1	-0.5	1672.40	-0.5	3.1
FTSE Developed Large Cap	771	766.84	0.5	3.6	-0.1	1288.86	-0.1	1.9	Support Services	90	586.39	0.3	3.7	-1.2	888.05	-1.1	1.5
FTSE Developed Europe Large Cap	196	438.05	0.3	2.6	-1.1	898.26	-1.1	3.2	Consumer Goods	579	583.16	0.1	0.9	-1.6	1008.00	-1.6	2.5
FTSE Developed Europe Mid Cap	343	651.85	0.2	3.2	-1.8	1157.78	-1.8	3.1	Automobiles & Parts	142	594.80	0.0	-0.5	-3.2	986.39	-3.2	2.0
FTSE Dev Europe Small Cap	735	871.02	0.2	4.5	-2.6	1486.86	-2.6	3.1	Beverages	74	741.60	0.3	1.6	-0.9	1295.55	-0.9	2.6
FTSE North America Large Cap	220	1048.98	0.6	3.9	0.5	1605.45	0.5	1.4	Food Producers	134	693.02	-0.6	1.6	-0.7	1227.45	-0.6	2.7
FTSE North America Mid Cap	416	1230.71	0.3	4.4	-1.0	1746.51	-1.0	1.8	Household Goods & Home Construction	62	597.57	0.9	5.2	1.7	1033.66	1.7	2.4
FTSE North America Small Cap	1294	1224.14	0.2	4.6	-2.1	1661.33	-2.0	1.6	Leisure Goods	56	276.18	1.1	3.2	-0.8	397.03	-0.8	1.3
FTSE North America	636	673.06	0.5	4.0	0.2	1053.69	0.2	1.5	Personal Goods	99	927.44	0.3	-1.7	-3.4	1457.58	-3.4	1.9
FTSE Developed ex North America	1472	295.27	0.1	3.1	-1.5	584.59	-1.5	3.0	Tobacco	12	918.80	-0.9	2.2	1.2	2831.99	1.2	7.0
FTSE Japan Large Cap	163	441.20	0.6	4.4	0.1	665.76	0.1	2.1	Health Care	352	769.50	0.6	7.2	3.2	1250.99	3.2	1.8
FTSE Japan Mid Cap	348	582.88	0.0	3.6	-0.2	837.50	-0.2	2.4	Health Care Equipment & Services	133	1440.80	0.7	5.8	1.7	1788.70	1.7	1.0
FTSE Global wi JAPAN Small Cap	915	658.57	-0.5	4.2	-0.9	984.35	-0.9	2.5	Pharmaceuticals & Biotechnology	219	526.62	0.5	8.2	4.1	925.27	4.2	2.2
FTSE Japan	511	179.39	0.5	4.3	0.1	303.26	0.1	2.2	Consumer Services	438	631.62	0.7	3.7	-0.4	914.44	-0.3	1.2
FTSE Asia Pacific Large Cap ex Japan	1221	676.03	-0.5	1.6	-3.8	1272.69	-3.8	3.0	Food & Drug Retailers	66	316.55	-0.5	3.5	-0.1	517.08	0.0	2.5
FTSE Asia Pacific Mid Cap ex Japan	900	1043.19	-0.3	3.0	-2.5	1891.42	-2.5	2.8	General Retailers	144	1142.53	1.2	4.3	0.0	1579.02	0.0	0.9
FTSE Asia Pacific Small Cap ex Japan	2552	590.65	-0.2	1.8	-2.4	1037.14	-2.3	2.5	Media	80	361.17	0.1	2.1	-1.0	526.90	-0.9	1.2
FTSE Asia Pacific Ex Japan	2121	543.05	-0.5	1.7	-3.7	1086.40	-3.6	3.0	Travel & Leisure	148	526.66	0.4	3.4	-0.9	780.02	-0.9	1.3
FTSE Emerging All Cap	4360	732.31	-0.2	1.7	-2.5	1320.70	-2.4	3.2	Telecommunication	82	134.29	0.0	2.2	0.8	333.30	1.3	4.4
FTSE Emerging Large Cap	1231	661.67	-0.2	1.5	-2.7	1200.91	-2.6	3.2	Fixed Line Telecommuniations	29	100.78	-0.1	0.4	0.2	291.14	0.8	5.5
FTSE Emerging Mid Cap	956	1136.90	-0.2	3.4	-1.9	2060.52	-1.9	3.1	Mobile Telecommunications	53	161.97	0.0	3.1	1.1	343.97	1.5	3.8
FTSE Emerging Small Cap	2173	854.19	-0.2	1.8	-1.6	1468.63	-1.6	2.8	Utilities	210	323.67	-0.1	2.9	1.1	787.42	1.1	3.6
FTSE Emerging Europe	154	144.78	1.4	2.3	3.4	316.69	3.4	3.2	Electricity	152	362.90	-0.1	2.7	0.9	867.67	1.0	3.4
FTSE Latin America All Cap	249	845.77	-0.2	3.1	-3.4	1801.82	-3.3	6.6	Gas Water & Multiutilities	58	326.87	-0.1	3.3	1.6	826.92	1.6	4.0
FTSE Middle East and Africa All Cap	327	726.29	-0.4	5.3	-0.9	1381.00	-0.9	3.5	Financials	854	288.56	0.0	4.1	-0.8	575.88	-0.7	3.2
FTSE Global wi UNITED KINGDOM All Cap In	279	344.50	-0.1	3.1	-1.3	733.95	-1.2	3.8	Banks	274	217.46	-0.3	5.2	-0.6	490.54	-0.5	4.4
FTSE Global wi USA All Cap	1759	1152.15	0.5	4.0	0.0	1699.09	0.0	1.4	Nonlife Insurance	70	415.84	0.2	0.3	0.7	716.10	0.7	2.8
FTSE Europe All Cap	1469	493.40	0.3	2.8	-1.3	970.96	-1.3	3.2	Life Insurance	50	217.60	-0.2	0.8	-2.7	437.29	-2.6	4.0
FTSE Eurozone All Cap	640	487.39	0.4	1.4	-1.6	951.05	-1.6	3.1	Financial Services	218	505.97	0.3	4.6	-0.7	783.52	-0.7	1.6
FTSE EDHEC-Risk Efficient All-World	4295	513.13	0.1	3.8	-0.9	832.19	-0.8	2.5	Technology	376	692.22	0.9	3.1	-0.4	912.85	-0.4	0.8
FTSE EDHEC-Risk Efficient Developed Europe	539	357.71	0.1	3.2	-1.5	651.06	-1.4	3.3	Software & Computer Services	178	1057.39	1.4	3.2	0.9	1287.53	0.9	0.5
Oil & Gas	138	398.88	-0.6	1.0	-2.3	858.08	-2.3	4.3	Technology Hardware & Equipment	198	606.05	0.3	3.0	-1.8	863.51	-1.7	1.1
Oil & Gas Producers	89	404.07	-0.7	0.8	-2.3	894.30	-2.2	4.4	Alternative Energy	23	115.02	-0.4	8.9	-7.0	165.69	-7.0	0.5
									Real Estate Investment & Services	140	247.73	0.0	3.2	-3.4	496.30	-3.4	2.6
									Real Estate Investment Trusts	102	458.38	0.1	4.9	-1.2	1125.78	-1.2	3.9
									FTSE Global Large Cap	2002	734.59	0.4	3.4	-0.4	1243.44	-0.4	2.0

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UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Knights Group Holdings	Int	**75.296**	71.200	**6.892**	4.116	**5.340**	3.460	**1.61000**	1.53000	Mar 15	**4.110**	3.570

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

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	2277	-20.00	Intertek Group PLC	4292	2.00
Admiral Group PLC	2571	2.00	Jd Sports Fashion PLC	110.30	-3.00
Airtel Africa PLC	129.70	-0.10	Kingfisher PLC	217.70	-6.90
Anglo American PLC	1839.8	16.60	Land Securities Group PLC	684.60	-5.80
Antofagasta PLC	1588	5.00	Legal & General Group PLC	247.70	-1.70
Ashtead Group PLC	4900	-69.00	Lloyds Banking Group PLC	45.24	-1.76
Associated British Foods PLC	2254	-82.00	London Stock Exchange Group PLC	9140	48.00
Astrazeneca PLC	10830	-70.00	M&G PLC	219.90	-4.60
Auto Trader Group PLC	698.00	-12.00	Marks And Spencer Group PLC	263.30	-14.40
Aviva PLC	422.60	-4.80	Melrose Industries PLC	571.80	-8.80
B&M European Value Retail S.A.	554.80	-8.60	Mondi PLC	1433	-41.00
Bae Systems PLC	1163.5	8.00	National Grid PLC	1055.5	-13.00
Barclays PLC	145.58	-7.06	Natwest Group PLC	211.70	-3.40
Barratt Developments PLC	535.60	-17.80	Next PLC	8456	-88.00
Beazley PLC	503.00	-9.50	Ocado Group PLC	661.40	-24.40
Berkeley Group Holdings (The) PLC	4761	-137.00	Pearson PLC	964.80	-15.20
BP PLC	454.20	-2.25	Pershing Square Holdings LTD	3570	20.00
British American Tobacco PLC	2349.5	-3.00	Phoenix Group Holdings PLC	511.20	-6.20
Bt Group PLC	115.45	-1.15	Prudential PLC	824.00	-14.80
Bunzl PLC	3194	-2.00	Reckitt Benckiser Group PLC	5598	-10.00
Burberry Group PLC	1360.5	-42.50	Relx PLC	3160	-2.00
Centrica PLC	152.35	-2.05	Rentokil Initial PLC	420.00	6.10
Coca-Cola Hbc AG	2332	14.00	Rightmove PLC	549.80	-11.80
Compass Group PLC	2184	-	Rio Tinto PLC	5452	-53.00
Convatec Group PLC	243.60	-4.20	Rolls-Royce Holdings PLC	297.00	-12.20
Croda International PLC	4508	-104.00	Rs Group PLC	756.20	-7.80
Dcc PLC	5600	-62.00	Sage Group PLC	1156	-2.50
Dechra Pharmaceuticals PLC	3862	-	Sainsbury (J) PLC	281.10	-5.40
Diageo PLC	2815.5	28.00	Schroders PLC	420.00	-3.20
Diploma PLC	3326	-44.00	Scottish Mortgage Investment Trust PLC	778.40	0.40
Endeavour Mining PLC	1425	-39.00	Segro PLC	870.40	-1.00
Entain PLC	945.80	-5.80	Severn Trent PLC	2543	-77.00
Experian PLC	3113	-32.00	Shell PLC	2444.5	-3.00
F&C Investment Trust PLC	945.00	1.00	Smith & Nephew PLC	1067	-11.50
Flutter Entertainment PLC	12675	-170.00	Smith (Ds) PLC	292.10	-4.60
Frasers Group PLC	830.00	-14.00	Smiths Group PLC	1678	-13.50
Fresnillo PLC	517.60	-6.60	Smurfit Kappa Group PLC	3004	-46.00
Glaxosmithkline PLC	1556.4	-14.40	Spirax-Sarco Engineering PLC	9740	-256.00
Glencore PLC	445.20	-2.75	Sse PLC	1805	-58.00
Haleon PLC	335.55	-1.65	St. James's Place PLC	633.00	0.20
Halma PLC	2176	-1.00	Standard Chartered PLC	613.40	-13.00
Hikma Pharmaceuticals PLC	1903	12.50	Taylor Wimpey PLC	143.55	-4.85
Howden Joinery Group PLC	767.80	-10.60	Tesco PLC	292.40	-4.00
HSBC Holdings PLC	611.40	-19.30	Unilever PLC	3795.5	-36.50
Imi PLC	1564	-19.00	Unite Group PLC	1023	-13.00
Imperial Brands PLC	1858.5	-10.50	United Utilities Group PLC	1033	-21.00
Informa PLC	765.60	-19.60	Vodafone Group PLC	67.11	-1.51
Intercontinental Hotels Group PLC	7150	-36.00	Weir Group PLC	1831.5	-24.00
Intermediate Capital Group PLC	1584	-12.50	Whitbread PLC	3632	82.00
International Consolidated Airlines Group S.A.	148.60	-1.75	Wpp PLC	729.00	-30.40

UK STOCK MARKET TRADING DATA

	Jan 11	Jan 10	Jan 09	Jan 08	Jan 05	Yr Ago
Order Book Turnover (m)	194.14	473.73	207.50	112.23	112.23	112.23
Order Book Bargains	615192.00	463622.00	499771.00	488676.00	488676.00	488676.00
Order Book Shares Traded (m)	1812.00	1284.00	1412.00	1161.00	1161.00	1161.00
Total Equity Turnover (£m)	5552.01	9460.48	6313.33	4496.57	4496.57	4496.57
Total Mkt Bargains	1276266.00	673207.00	670475.00	656895.00	656895.00	656895.00
Total Shares Traded (m)	6620.00	6233.00	6349.00	5208.00	5208.00	5208.00

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

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UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	26.06	0.23	26.09	22.39	6.00	11.37	52202.11
BHP Group	47.81	-0.05	50.84	41.66	8.37	12.50	161408.04
CmwBkAu	113.60	1.56	113.66	93.05	3.69	19.29	126709.56
CSL	291.38	-0.48	314.21	228.65	1.18	42.85	93755.59
NatAusBk	30.97	0.25	32.15	25.10	5.04	13.21	64366.17
Telstra	3.92	0.02	4.46	3.75	4.08	23.49	30167.57
Wesfarmers	57.30	0.30	57.75	46.64	3.28	26.35	43285.46
Westpac Bank	23.24	0.28	24.10	20.03	5.82	11.80	54200.63
Woolworths	36.77	-0.02	40.35	33.62	2.69	27.81	29917.4
Belgium (€)							
AnBshInBv	59.15	-0.94	62.01	49.17	-	-	-
KBC Grp	56.74	-1.08	72.46	48.78	-	-	-
Brazil (R$)							
Ambev	13.59	-0.17	15.78	12.28	5.69	14.07	43901.05
Bradesco	14.29	-0.16	15.77	11.15	6.51	12.04	15619.02
Cielo	4.78	-0.01	5.82	3.24	6.35	7.38	2662.91
ItauHldFin	28.20	-0.10	29.01	19.53	5.36	8.69	28671.51
Petrobras	39.37	0.34	41.86	25.21	38.15	-	60082.93
Vale	72.28	0.05	96.30	61.00	5.66	6.78	67274.22
Canada (C$)							
Bausch Hlth	11.29	-0.03	13.81	7.56	-	-3.05	3070.15
BCE♦	54.57	-0.15	65.66	49.57	7.25	21.62	37069.74
BkMontrl	126.33	-1.43	137.64	102.67	4.56	12.36	68206.54
BkNvaS♦	62.28	-1.32	74.41	55.20	6.72	9.67	56302.19
Brookfield	58.88	11.29	63.88	41.28	0.82	-2143.34	69948.82
CanadPcR♦	103.22	-2.36	112.96	94.45	0.76	22.32	71626.05
CanImp	61.75	-1.32	64.43	47.44	5.55	12.53	42812.27
CanNatRs	86.85	0.50	93.44	67.13	4.23	12.98	70065.62
CanNatRy	165.87	-0.53	168.99	143.13	1.86	20.96	79750.92
Enbridge	49.03	-0.32	56.29	42.75	7.43	31.60	77602.97
GtWesLif	42.81	-0.51	44.24	33.36	4.79	17.56	29713.32
ImpOil	78.00	0.55	85.11	60.19	2.49	8.47	31121.99
Manulife	28.50	-0.43	29.45	23.69	4.95	4.19	38327.65
Nutrien♦	71.04	-0.26	113.27	70.35	4.08	11.54	26161.03
RylBkC	132.90	-1.74	140.18	107.92	4.00	12.74	139389.64
SHOP	107.50	-0.96	110.55	47.78	-	-50.67	96504.45
Suncor En	43.91	0.52	48.26	37.09	4.69	9.35	42282.6
ThmReut	192.39	-1.23	195.51	157.54	1.35	32.68	64962.71
TntoDom	80.71	-1.19	94.05	75.89	4.71	10.36	107090.48
TrnCan♦	52.50	-0.56	58.56	43.70	7.07	57.48	40558.55
China (HK$)							
AgricBkCh	2.97	0.01	3.28	2.50	8.26	3.75	11675.53
Bk China	2.93	0.01	3.45	2.60	8.87	3.60	31334.94
BkofComm	4.73	-0.02	5.65	4.23	8.89	3.69	21179.38
BOE Tech	0.57	-	0.87	0.47	-	8.78	14.50
Ch Coms Cons	3.40	-	5.52	3.33	7.50	2.72	1921.24
Ch Evrbrght	2.25	-0.01	2.78	2.15	9.21	3.07	3648.31
Ch Rail Cons	4.45	0.03	7.46	4.33	6.98	2.19	1181.64
Ch Rail Gp	3.33	-	6.30	3.22	6.65	2.41	1791.8
ChConstBk	4.54	0.02	5.70	4.01	9.59	3.11	139591.1
China Vanke	6.56	0.07	17.34	6.44	11.45	3.60	1851.18
ChinaCitic	3.71	-0.03	4.74	3.39	10.01	2.94	7061.14
ChinaLife	9.08	0.16	15.84	8.85	5.85	8.19	8640.99
ChinaMBank	26.20	0.40	53.00	24.20	7.44	4.23	15382.73
ChinaMob	65.05	-0.20	70.20	53.35	7.29	9.43	170430.89
ChinaPcIns	14.68	0.02	26.50	14.34	7.79	7.36	5210.4
ChMinsheng	2.60	-	3.52	2.48	9.36	3.33	2766.58
ChMrchSecs	13.14	0.01	15.91	13.07	1.44	14.63	13621.38
Chna Utd Coms	4.02	0.03	6.45	3.95	2.77	15.69	17386.59
ChShenEgy	27.80	-0.85	28.70	21.45	10.80	8.45	12008.06
ChShpbldng	4.08	0.07	5.32	3.46	0.07	-63.68	12584.68
ChStConEng	4.74	-0.01	7.35	4.64	5.44	3.77	27355.75
ChUncHK	4.81	0.04	6.58	4.45	7.35	7.17	18822.44
CNNC Intl	7.88	-0.10	8.03	5.93	2.20	14.51	20782.94
CSR	3.28	-0.01	5.26	3.10	6.90	7.18	1833.57
Daqin	7.30	-0.07	8.21	6.52	6.71	11.35	15672.67
GuosenSec	8.26	0.10	10.90	8.12	3.34	15.56	10543.3
HaitongSecs	4.00	0.05	6.01	3.94	5.94	9.97	1744.2
Hngzh HikVDT	30.86	0.51	48.84	30.22	2.24	23.54	39259.53
Hunng Pwr	4.32	-0.08	5.28	3.22	-	-100.37	2596.87
IM Baotou Stl	1.43	0.01	2.14	1.37	-	129.85	6290.92
In&CmBkCh	3.68	-	4.73	3.35	9.23	3.40	40847.88
IndstrlBk	14.66	0.05	18.20	13.95	7.99	3.95	42536.81
Kweichow	1646.57	5.07	1935	1616.25	1.55	30.46	288897.29
Midea	0.35	-	0.44	0.26	-	-1.23	13.28
New Ch Life Ins	14.22	0.20	25.00	13.96	8.55	4.92	1880.62
PetroChina	5.24	-0.10	6.05	3.56	8.97	5.80	14139.22
PingAnIns	32.60	0.90	64.15	31.55	8.61	6.74	31050.44
PngAnBnk	9.17	0.08	15.74	8.99	3.17	3.81	24854.24
Pwr Cons Corp	4.74	0.02	8.15	4.64	2.59	7.09	8653.87
SaicMtr	13.38	0.16	15.65	13.08	2.57	10.14	21833.94
ShenwanHong	0.07	-	0.15	0.06	-	4.76	78.24
ShgPdgBk	6.53	-0.04	8.22	6.49	5.00	6.03	26770.65
Sinopec Corp	3.90	-0.02	5.47	3.78	10.17	7.53	12158.66
Sinopec Oil	1.81	0.01	2.39	1.79	-	61.19	3430.34
Denmark (kr)							
DanskeBk	188.35	-2.25	192.65	131.45	3.74	8.27	23838.47
MollerMrsk	13100	145.00	17265	9800	15.22	1.95	14350.87
NovoB	729.00	-8.90	743.90	448.25	0.85	49.07	367606.41
Finland (€)							
Nokia	3.19	0.00	4.65	2.70	3.16	4.59	19611.26
SampoA	38.64	-0.64	45.15	34.55	4.69	25.21	21213.52
France (€)							
Airbus Grpe	143.88	-0.16	143.98	111.98	-	-	-
AirLiquide	172.76	1.30	180.30	142.04	-	-	-
AXA	29.23	-0.31	30.34	24.60	-	-	-
BNP Parib	60.80	-1.63	67.02	47.02	-	-	-
ChristianDior	645.00	-8.00	872.00	621.50	-	-	-
Cred Agr	13.08	-0.18	13.35	9.54	-	-	-
Danone	60.51	-0.55	61.88	49.33	-	-	-
EDF	12.00	-	12.05	7.27	2.41	-2.31	53889.44
Engie SA	16.28	-0.22	16.52	12.55	-	-	-
EssilorLuxottica	182.88	-1.52	188.84	155.15	-	-	-
Hermes Intl	1836.6	-17.40	2063.5	1617.5	-	-	-
LOreal	441.50	1.50	460.00	364.65	-	-	-
LVMH	672.20	-10.80	904.60	655.00	-	-	-
Orange	10.54	0.00	11.87	9.51	-	-	-
PernodRic	150.70	1.90	218.00	143.35	-	-	-
Renault	35.54	-0.37	43.96	31.19	-	-	-
Safran	163.98	0.36	168.76	125.16	-	-	-
Sanofi	95.10	0.25	105.18	80.60	-	-	-
Sant Gbn	61.81	-0.96	67.55	48.83	-	-	-
Schneider	174.50	0.32	182.94	134.38	-	-	-
SocGen	23.54	-0.89	28.39	19.33	-	-	-
Total	59.48	-0.29	64.80	50.55	-	-	-
UnibailR	49.68	0.06	73.09	39.68	-	-7.39	7615.7
Vinci	114.50	-0.56	117.08	98.49	-	-	-
Vivendi	9.75	-0.12	10.22	7.99	-	-	-
Germany (€)							
Allianz	239.65	-2.55	247.25	192.48	4.74	10.96	102761.22
BASF	44.83	-0.19	53.77	40.25	7.56	-22.05	43799.07
Bayer	33.79	-0.97	65.66	30.22	7.08	23.07	36338.29
BMW	98.46	-1.44	113.46	86.80	8.60	5.68	64882.87
Continental	73.38	-0.84	79.24	58.20	2.04	22.05	16065.63
Deut Bank	12.20	-0.55	12.80	7.95	2.48	5.38	27247.02
Deut Tlkm	22.36	-0.10	23.13	18.50	3.15	18.34	122050.95
DeutsPost	44.73	0.54	45.03	29.68	4.14	12.32	60466.66
E.ON	12.51	-0.11	12.80	9.75	4.11	-37.62	36156.12
Fresenius Med	36.79	-0.02	49.62	30.16	3.07	23.72	11816.45
Fresenius SE	27.94	-0.58	31.22	23.29	3.32	16.61	17081.6
HenkelKgaA	65.74	-0.06	70.10	58.36	2.77	20.36	18695.59
Linde	367.40	-2.15	402.55	295.15	1.29	31.94	195011.4
Mercedes-Benz	62.22	-0.74	76.10	55.08	8.42	4.35	72866.01
MuenchRkv	374.30	-5.30	400.40	292.40	3.09	18.29	55915
SAP	141.88	-0.16	149.12	103.74	1.46	76.97	190798.53
Siemens	160.66	-0.12	171.06	119.48	2.64	14.54	140693.79
Volkswgn	123.30	0.70	184.50	105.95	7.11	4.40	39828.55
Hong Kong (HK$)							
AIA	63.05	0.60	90.65	61.15	2.43	90.41	91615.23
BOC Hold	19.84	0.14	28.25	19.64	6.82	6.69	26826.63
Ch OSLnd&Inv	12.82	0.12	22.80	12.50	6.16	6.51	17944.57
ChngKng	38.05	0.75	51.70	36.95	5.98	7.21	17269.58
Citic Ltd	7.49	0.03	10.86	6.53	8.67	3.32	27865.27
Citic Secs	16.14	0.10	19.18	13.54	3.30	10.64	5408.21
CK Hutchison	40.95	0.15	54.55	38.35	7.13	5.46	20058.25
CNOOC	13.22	-0.14	14.28	9.92	10.47	4.33	75365.93
HangSeng	86.25	0.80	135.50	84.10	5.21	11.99	21088.52
HK Exc&Clr	250.00	4.60	378.00	238.20	2.85	27.51	40535.76
MTR	27.75	0.25	43.00	27.10	4.71	18.54	22064.4
SandsCh	21.85	-0.40	31.45	18.74	-	-34.93	22616.06
SHK Props	79.90	0.70	115.90	75.40	6.18	9.71	29610.59
Tencent	287.40	7.20	411.00	263.60	0.84	12.88	348556.12
India (Rs)							
Bhartiartl	1062.85	0.15	1073.9	735.80	0.39	78.03	77024.03
HDFC Bk	1649	-6.95	1757.5	1460.25	0.98	17.90	150786.67
Hind Unilevr	2536.2	-41.20	2769.65	2393	1.60	55.66	71768.57
HsngDevFin	2724.3	-23.05	2927.4	2160	1.16	18.17	61324.4
ICICI Bk	991.15	-1.90	1043.7	796.00	0.84	16.88	83735.67
Infosys	1494.2	-25.70	1619.75	1185.3	2.38	23.67	74689.92
ITC	462.65	-0.65	499.70	326.10	2.87	27.42	69514.09
L&T	3504.85	-40.65	3559.95	2072.65	0.64	42.89	58021.36
OilNatGas	211.85	-0.25	220.80	141.60	6.69	7.00	32097.95
RelianceIn	2719.8	69.70	2856	2180	0.34	25.72	221632.97
SBI NewA	620.20	-1.55	660.40	499.35	1.90	7.79	66662.21
SunPhrmInds	1316.25	-8.60	1331.8	922.45	0.91	35.50	38035.4
Tata Cons	3735.55	22.50	3929	3070.25	1.37	29.39	162776.64
Israel (ILS)							
TevaPha	42.14	0.07	42.49	26.37	-	-5.59	12624.06
Italy (€)							
Enel	6.67	-0.07	6.81	5.14	6.04	12.04	74252.75
ENI	14.81	-0.07	15.83	11.69	6.12	9.43	54737.56
Generali	19.72	-0.02	20.06	16.67	5.93	-	33659.57
IntSPaolo	2.73	-0.02	2.81	2.08	6.05	7.02	54576.35
Unicred	25.62	-0.25	26.18	14.31	3.88	5.23	50041.2
Japan (¥)							
AstellasPh	1764	1.00	2360.5	1600.5	3.75	91.91	21870.68
Bridgestne	6100	91.00	6245	4681	3.17	11.61	29827.07
Canon	3746	38.00	3912	2790.5	3.54	13.83	34230.47
CntJpRwy	3734	20.00	3926	2984	0.76	11.36	26349.82
Denso	2280.5	23.50	2613.75	1629.25	2.18	20.46	49243.85
EastJpRwy	8441	90.00	8949	6706	1.27	16.49	21868.03
Fanuc	4307	62.00	24645	3603	2.51	25.64	29598.79
FastRetail	36620	830.00	37930	25386.67	0.70	38.30	79838.67
Fuji Hvy Ind	2871	94.00	3115	1987.5	2.70	7.86	14829.07
Hitachi	11045	445.00	11130	6486	1.43	14.89	70160.11
HondaMtr	1568.5	35.00	1821	1030	2.58	9.03	58397.32
JapanTob	3795	-5.00	3858	2555.5	5.51	14.33	52000.54
KDDI	4851	196.00	4869	3873	2.94	14.86	76530.94
Keyence	65620	1050	71890	52080	0.47	43.23	109340.15
MitsbCp	2371.5	45.00	2577.33	1403.67	7.66	3.52	70067.48
MitsubEst	1135.4	2.52	1140.18	948.63	-	-	-
MitsubishiEle	2116	71.00	2134.5	1273	2.21	16.89	31128.24
MitsuiFud	962.53	5.42	1147.48	774.38	-	-	-
MitUFJFin	1281	21.00	1344	805.00	2.52	9.93	108280.44
Mizuho Fin	2551	41.00	2724.5	1744	3.69	9.96	44379.46
Murata Mfg	2987.5	26.00	3033	2301.67	1.70	23.00	41497.58
Nippon TT	180.60	3.70	183.40	147.84	2.76	12.75	112040.62
Nissan Mt	581.30	11.50	712.50	427.30	2.63	4.93	15969.09
Nomura	693.80	17.60	699.30	476.70	2.47	18.76	15037.55
Nppn Stl	3349	11.00	3816	2300	5.02	5.48	21804.78
Panasonic	1459.5	44.50	1808	1089	2.27	7.49	24540.92
Seven & I	5857	145.00	6619	5162	1.89	22.85	35570.64
ShnEtsuCh	5606	54.00	21055	3797	1.91	17.98	77742.07
Softbank	6431	121.00	7297	4766	0.70	-4.10	64768.02
Sony	14340	490.00	14420	10635	0.53	19.70	123911.1
SumitomoF	7237	113.00	7849	4997	3.66	11.81	66317.47
Takeda Ph	4341	29.00	4873	3900	4.32	35.12	47061.97
TokioMarine	3690	98.00	3799	2511	2.74	19.48	50625
Toyota	2844	99.00	2911.5	1764	2.13	12.66	317894.1
Mexico (Mex$)							
AmerMvl	16.40	0.11	20.25	15.66	2.62	11.28	41116.45
FEMSA UBD	218.55	0.30	228.15	152.42	1.50	34.45	27832.97
WalMrtMex	69.93	0.42	76.04	59.28	1.45	23.35	71954.95
Netherlands (€)							
ASML Hld	648.90	-2.50	698.10	534.40	-	-	-
Heineken	93.02	1.98	106.30	81.54	-	-	-
ING	12.83	-0.11	13.83	9.59	-	-	-
Unilever	44.28	-0.47	50.93	42.97	-	-	-
Norway (Kr)							
DNB	215.00	0.40	224.40	177.45	5.88	8.57	32078.26
Equinor	311.10	-2.05	382.85	278.70	3.47	5.21	90361.95
Telenor	121.25	0.50	134.95	102.00	4.17	22.61	16411.82
Qatar (QR)							
QatarNtBk	16.37	0.02	19.57	14.31	3.82	8.43	41527.17
Saudi Arabia (SR)							
AlRajhiBnk	87.00	0.20	7317	0.00	1.44	21.07	92795.04
Natnlcombnk	42.60	-0.30	1552.5	0.00	3.54	12.75	68156.34
SaudiBasic	79.90	-0.10	2115	0.00	4.95	59.47	63916.59
SaudiTelec	41.15	0.05	8480	0.00	4.05	14.37	54863.75
Singapore (S$)							
DBS	32.72	0.21	36.40	30.30	5.22	8.25	63319.85
JardnMt US$	40.73	0.27	54.79	38.37	5.28	23.96	11777.1
OCBC	12.89	0.06	13.39	11.93	5.19	8.79	43468.35
SingTel	2.38	-	2.68	2.25	4.23	12.16	29470.74
UOB	28.33	0.10	31.00	26.82	4.69	7.71	35550.68
South Africa (R)							
Firstrand	71.32	-0.04	74.77	58.60	5.56	9.87	21428.41
MTN Grp	112.22	0.90	149.42	87.00	2.91	10.21	11325.8
Naspers N	3001.5	70.24	17839200	2673.3	0.23	8.28	29449.84
South Korea (KRW)							
HyundMobis	216000	-1000.00	250000	205000	1.84	6.68	15408.26
KoreaElePwr	18640	-250.00	20850	16030	-	-0.59	9114.34
SK Hynix	136000	2500	143700	76700	0.88	-11.45	75411.93
SmsungEl	73200	-400.00	79800	59000	1.97	14.02	332841.88
Spain (€)							
BBVA	8.28	-0.12	8.73	5.74	3.77	6.74	52913.57
BcoSantdr	3.79	-0.06	3.97	2.94	3.13	6.20	67197.06
CaixaBnk	3.88	0.02	4.23	3.12	5.99	7.08	31871.76
Iberdrola♦	11.52	-0.09	12.25	9.88	4.34	15.64	80079.67
Inditex	38.19	-0.07	39.85	27.11	1.99	24.63	130291.23
Repsol	12.96	0.03	15.87	12.46	5.44	4.45	18115.07
Telefonica	3.72	0.01	4.15	3.42	8.11	13.69	23441.69
Sweden (SKr)							
AtlasCpcoB	140.55	-0.60	150.40	106.54	1.47	25.43	21312.17
Ericsson	63.10	-0.10	68.50	48.53	4.22	-8.96	18894.96
H & M	167.74	-	189.58	119.92	3.65	45.96	23388.57
Investor	228.60	-0.50	235.45	187.66	1.86	5.98	40461.13
Nordea Bk	126.82	-2.00	134.94	103.86	7.16	7.92	43468.97
SEB	142.25	0.40	143.50	105.20	4.68	8.20	29238.94
SvnskaHn	109.55	0.35	112.90	83.92	4.78	9.10	20697.15
Swedbank	206.00	-	219.90	161.60	4.67	7.11	22653.97
Telia Co	27.30	0.12	28.92	20.98	7.41	-7.09	10428.39
Volvo	247.05	-1.30	264.85	188.96	2.80	11.47	38123.37
Switzerland (SFr)							
ABB	36.28	-0.07	37.87	29.13	2.26	19.22	79853.88
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	96.68	-1.59	116.84	96.12	2.92	27.95	301895.32
Novartis	91.32	-0.23	91.58	69.89	3.42	26.57	243236.38
Richemont	110.45	-1.85	161.10	102.95	2.03	17.00	69441.48
Roche	250.60	-3.30	296.75	230.90	3.62	19.14	205908.68
Swiss Re	96.98	0.24	104.20	83.10	5.64	19.46	36010.63
Swisscom	508.60	-1.00	619.40	501.20	4.13	16.54	30812.78
UBS	25.02	-0.44	26.55	14.38	2.29	2.54	86621.43
Zurich Fin	432.80	-3.10	457.90	393.00	5.28	15.79	74080.78
Taiwan (NT$)							
Chunghwa Telecm	120.50	0.50	128.00	111.50	3.92	25.28	30051.65
Formosa PetChem	78.70	-0.40	90.00	78.00	1.40	70.96	24101.63
HonHaiPrc	100.50	0.50	116.50	94.00	5.29	10.89	44790.49
MediaTek♦	920.00	-4.00	1055	638.00	8.29	20.92	47312.4
TaiwanSem	586.00	2.00	594.00	482.00	1.93	17.36	488537.14
Thailand (THB)							
PTT Explor	35.00	-0.25	36.50	29.50	4.30	10.21	28518.15
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.93	24.15	57535.64
United Kingdom (p)							
Anglo American	1839.8	16.60	3648.5	1630	8.51	13.68	31282.59
AscBrFd♦■	2254	-82.00	2485	1755	1.94	23.65	21771.99
AstraZen	10830	-70.00	12828.45	2498.5	2.07	34.86	213411.91
Aviva	422.60	-4.80	467.30	366.00	7.34	-21.34	14716.74
Barclays	145.58	-7.06	198.86	128.12	5.29	4.31	28045.17
BP	454.20	-2.25	3832	4.75	4.77	3.99	99041.94
BrAmTob	2349.5	-3.00	3242.5	2233	7.09	6.07	66794.31
BT	115.45	-1.15	161.40	109.40	6.67	6.11	14599.02
Compass	2184	-	2250	1852.5	1.44	30.21	47457.19
Diageo	2815.5	28.00	3779.5	2719	2.76	17.13	80039.89
GlaxoSmh	1556.4	-14.40	1725.81	16.64	3.57	10.51	81416.44
Glencore	445.20	-2.75	583.25	410.95	6.25	7.45	69070.61
HSBC	611.40	-19.30	10834	512.30	5.33	6.48	149263.36
Imperial Brands	1858.5	-10.50	2084	1553.5	7.60	10.56	20832.88
Jardine Mathes.	62.50	-	53.91	40.80	3.52	36.77	18071.91
LlydsBkg	45.24	-1.76	54.33	39.42	5.57	4.81	36558.03
LSE Group	9140	48.00	9438	465.10	1.17	75.79	60725.07
Natl Grid	1055.5	-13.00	1229.21	918.00	4.89	14.30	49486.49
Natwest Group	211.70	-3.40	310.00	168.00	7.32	4.35	23675.44
Prudential	824.00	-14.80	1357.5	813.60	1.79	8.31	28833.51
ReckittB	5598	-10.00	6570	5306	3.27	18.09	50796.2
RELX	3160	-2.00	3220	2336	1.73	34.65	75769.84
RioTinto	5452	-53.00	6354	2162	7.04	13.15	86723.65
RollsRoyce	297.00	-12.20	456.55	101.40	-	15.06	31776.9
Shell PLC	2444.5	-3.00	2801	2149.45	3.45	7.56	202316.66
StandCh	613.40	-13.00	799.40	578.80	2.67	11.59	20780.83
Tesco	292.40	-4.00	307.23	217.53	3.73	14.89	26243.02
Unilever	3795.5	-36.50	4868.64	3716.5	3.92	13.57	120573.34
Vodafone♦	67.11	-1.51	103.24	56.42	11.63	2.04	23100.87
WPP	729.00	-30.40	1082	656.00	5.40	14.94	9960.55
United States of America ($)							
21stC Fox A	30.64	-0.03	37.26	28.67	1.73	14.35	7575.64
3M	107.49	-0.81	129.19	85.35	5.80	-7.75	59368.56
AbbottLb	112.92	-0.93	115.83	89.67	1.74	38.54	196035.73
Abbvie	163.61	-1.29	166.20	130.96	3.72	43.04	294489
Accenture	344.49	-0.84	355.38	242.80	1.30	31.88	216749.69
Activision Bli.	94.42	-0.05	94.57	70.94	-	36.23	74289.5
Adobe	586.83	-4.20	633.89	318.60	-	52.60	267183.7
Advanced Micro	144.22	-4.32	151.05	66.56	-	-3606.23	230752
AEP	80.20	-2.35	98.08	69.38	4.08	20.89	42172.6
Aflac	81.97	-0.67	84.64	60.20	2.11	10.78	47901.62
AirProd♦	263.61	-3.35	320.90	251.63	2.71	24.57	58576.18
Allstate	148.57	-1.74	152.00	100.57	2.47	-17.85	38878.85
Alphabet	141.01	-1.27	145.22	85.83	-	25.94	834484.16
Altria	41.20	0.14	51.57	39.07	9.61	8.07	72859.4
Amazon	153.22	-0.51	157.17	87.29	-	77.02	1583380.17
AmerAir	14.48	0.13	19.08	10.86	-	5.82	9463.27
AmerExpr	183.13	-1.84	189.51	140.91	1.62	16.48	133463.31
AmerIntGrp	67.11	-0.49	69.37	45.66	2.11	11.19	47110.42
AmerTower	206.49	-2.48	228.97	154.58	2.37	132.18	96265.64
Amgen	300.52	-4.05	307.64	211.71	2.89	20.52	160631.7
Amphenol Corp	95.22	-0.99	99.93	72.00	0.92	29.49	56971.1
Analog Devices	186.18	-2.19	202.77	154.99	1.88	27.13	92394
Aon Cp	295.84	-3.47	347.37	280.89	0.83	21.57	59231
Apple	183.95	-2.24	199.62	128.12	0.51	30.87	2860928.73
Applied Materi.	148.75	-1.06	165.01	105.86	0.73	19.86	123621.23
Aptiv	82.69	-0.23	124.88	71.01	-	25.06	23389.87
ArcherDan	69.52	0.19	87.30	69.01	2.62	9.28	37080.66
AT&T	16.59	-0.29	22.84	13.43	6.97	-10.55	118583.08
Autodesk	237.91	-0.91	245.88	188.38	-	59.75	50892.59
AutomData	232.40	-2.89	256.84	201.46	2.24	26.50	95587.23
AutoZone	2526.14	-11.03	2750	2277.88	-	19.49	43681.68
Avago Tech	1079.44	-1.14	1151.82	549.99	1.64	33.62	505327.32
BakerHu	31.22	-0.02	37.58	26.12	2.23	76.98	31409.59
Bank of NY	52.46	-0.27	52.93	39.65	3.04	11.80	40345.58
BankAm	32.88	-0.72	37.00	24.96	2.85	8.84	260223.29
Baxter	39.96	-0.34	50.21	31.01	3.02	83.40	20270.11
BectonDick	235.62	-2.79	287.32	228.62	1.61	44.36	68425.23
BerkshHat	550132.5	-7457.50	566569.97	442363.5	-	10.03	314525.05
Biogen	246.47	-7.77	319.76	220.86	-	23.52	35712.31
BlackRock	788.34	-4.02	819.00	596.18	2.63	32.49	117275.41
Boeing	225.17	-2.67	267.54	176.25	-	-30.03	136222.56
Booking Holdings	3502.16	-18.99	3580.62	2179.33	-	23.79	122189.92
Bristol-Myers	50.13	-0.54	75.18	48.25	4.74	12.22	101992.23
Broadcom	1079.44	-1.14	1151.82	549.99	1.64	33.62	505327.32
Cadence Design	261.67	-1.59	279.33	162.48	-	71.58	71190.46
CapOne	127.96	-0.99	134.26	83.93	1.95	9.20	48731.25
CardinalHlth♦	105.20	1.01	108.85	68.53	1.97	165.59	25928.45
Carnival	17.21	-0.56	19.74	8.37	-	-13.29	19260.06
Caterpillar	290.22	-3.13	299.20	204.04	1.76	15.80	147746.57
Centene Corp	79.17	0.76	79.43	60.83	-	16.85	42292.69
CharlesSch	64.89	-0.93	85.92	45.00	1.45	18.87	114964.42
Charter Comms	362.66	-4.34	458.30	315.02	-	11.37	53644.77
Chevron Corp	145.85	1.35	184.23	140.72	4.25	10.40	275328.14
Chipotle Mexic.	2233.37	-11.63	2348.42	1430.5	-	50.88	61294.08
Chubb	225.14	-0.11	231.37	183.40	1.49	16.04	91854.85
Cigna	305.90	-1.83	319.92	240.50	1.54	14.01	89510.98
Cintas Corp	584.34	-2.68	607.79	425.00	0.82	43.80	59235.38
Cisco♦	50.07	-0.18	58.19	45.56	3.24	14.44	203437.91
Citigroup	51.56	-1.47	54.67	38.17	4.16	7.86	98670.18
CME Grp	196.03	-1.81	223.80	171.93	4.44	23.97	70567.01
Coca-Cola	59.77	-0.43	64.99	51.55	3.17	23.23	258410.45
Cognizant	73.96	0.61	76.85	56.45	1.61	17.32	37084.47
ColgtPlm	80.00	-0.55	82.09	67.62	2.36	44.70	65869.78
Comcast♦	42.97	-0.51	47.46	34.63	2.76	11.49	172551.85
ConocPhil	111.54	0.36	127.35	91.53	4.24	11.67	132443.48
Constellation	255.26	0.49	273.65	210.15	1.33	29.90	46660.61
Corning	30.53	-0.16	37.10	25.26	3.60	41.26	26047.43
Corteva	46.10	0.05	65.21	43.22	1.30	29.37	32488.01
Corteva	46.10	0.05	65.21	43.22	1.30	29.37	32488.01
Costco	668.91	-3.86	681.91	465.33	0.57	48.31	296812.16
CrownCstl	112.09	-1.32	151.89	84.72	5.50	28.52	48612.18
CSX	34.36	-0.35	35.09	27.60	1.30	17.45	67889.98
CVS	78.92	-0.32	91.69	64.41	3.12	11.60	101561.88
Danaher	227.23	-2.42	247.62	182.09	0.46	26.67	167902.71
Deere	391.01	-2.70	450.00	345.55	1.22	11.73	109582.68
Delta	41.86	-0.26	49.81	30.60	0.25	7.58	26932.16
Devon Energy	43.96	0.02	66.96	42.59	10.26	6.01	28165.17
Digital Realty♦	134.39	-2.14	139.35	86.33	3.78	44.65	40700.29
DiscFinServ	109.66	-1.38	122.50	79.04	2.47	7.80	27420.11
Disney	88.91	-0.38	118.18	78.73	-	66.18	162733.39
Dollar General	134.11	0.05	242.46	101.09	1.68	13.91	29436.78
DominRes	47.02	-0.91	63.68	39.18	5.68	17.42	39346.18
DukeEner	97.08	-2.20	106.10	83.06	4.14	20.79	74822.08
DuPont	75.45	-0.73	78.74	62.80	1.83	37.17	32446.71
Eaton	239.87	-1.02	242.41	154.95	1.47	30.83	95780.09
eBay	41.54	-1.02	50.75	37.17	2.26	17.53	21559.26
Ecolab	196.61	-0.78	201.62	143.91	1.07	47.84	56061.34
Edwards Lifesc.	74.90	-1.22	94.87	60.57	-	33.15	45426.85
Elevance	477.33	-2.91	508.78	412.00	1.25	17.83	112172.55
Eli Lilly	631.80	1.61	639.76	302.14	0.67	88.00	599772.31
Emerson	93.84	-0.93	100.62	76.94	2.21	16.86	53498.18
EOG Res	115.03	0.04	137.95	98.52	2.92	8.19	67079.7
Equinix	800.56	-3.83	824.86	661.66	1.73	82.74	75159.31
EquityResTP	61.71	-	69.45	52.57	4.41	34.11	23432.83
Exelon	36.16	-0.48	44.24	34.05	3.86	16.90	35995.02
ExxonMb	99.18	0.49	120.70	97.48	3.64	7.94	393042.2
Fedex	249.28	-1.53	285.53	183.59	1.90	15.17	62293.21
Fidelity NIS	61.84	-0.61	77.28	46.91	3.20	-1.58	36639.19
Fiserv	-	-	-	-	-	-	-
FordMtr	11.66	-0.17	15.42	9.63	5.15	11.32	45831.41
Franklin	28.84	-0.24	32.88	21.88	4.33	16.10	14291
GenDyn	248.68	-2.57	261.39	202.35	2.07	20.42	67863.99
GenElectric	128.76	-0.95	130.20	72.20	0.19	13.94	140135.14
GenMills♦	63.10	-0.05	90.89	60.33	3.51	15.34	35833.87
GenMotors	35.80	-0.51	43.63	26.30	1.01	5.00	49027.43
GileadSci	84.36	-0.14	87.82	72.87	3.68	17.35	105120.83
GoldmSchs	376.87	-5.10	389.47	289.36	2.65	16.04	122900.37
Halliburton	34.24	0.17	43.85	27.84	1.64	12.64	30646.57
HCA Hold	282.40	-0.11	304.86	215.96	0.82	13.95	75586.07
Hew-Pack	29.88	-0.46	33.90	25.22	3.47	11.07	29608.17
Hilton Worldwi.	181.81	-0.71	183.51	127.75	0.34	35.27	46623.41
HiltonWwde	181.81	-0.71	183.51	127.75	0.34	35.27	46623.41
HomeDep	354.11	-2.69	361.00	274.26	2.42	21.67	352432.17
Honywell	200.04	-2.37	212.91	174.88	2.03	24.76	131873.2
HumanaInc	453.78	-5.30	541.21	423.29	0.74	16.90	55865.18
IBM	160.55	-0.68	166.34	120.55	4.12	68.33	146601.19
IDEXX Laborato.	549.76	-4.48	568.30	372.50	-	58.31	45658.5
IllinoisTool	251.81	-2.17	265.00	217.06	2.20	23.47	75766.07
Illumina	138.98	-1.65	238.55	89.00	-	-5.22	22070.02
Intcntl Exch	126.51	-1.14	129.16	94.16	1.35	28.18	70719.09
Intel	46.86	-0.62	51.28	24.73	2.18	-115.35	197540.68
Intuit♦	601.36	-7.34	631.07	384.05	0.56	62.87	168320.66
John&John	160.95	-0.92	176.14	144.95	3.00	28.99	387451.49
JohnsonCn	57.23	-0.22	70.43	47.90	2.50	19.21	38951.56
JPMrgnCh	168.91	-2.11	173.38	123.11	2.37	10.86	488320.22
Kimb-Clark	123.18	-0.10	147.87	116.32	3.97	22.74	41625.76
KinderM	17.83	-0.13	18.90	15.89	6.54	15.70	39620.95
KLA Corp	551.60	-4.49	597.43	355.88	0.98	23.69	74980.27
Kraft Heinz	37.61	-0.29	42.69	30.68	4.25	14.69	46123.99
Kroger	45.65	-0.49	50.36	42.10	2.25	20.63	32841.68
LasVegasSd	49.13	-0.16	65.58	43.77	0.42	54.22	37297.16
LibertyGbl	18.52	-0.08	21.89	15.01	-	-1.67	3173.94
Lilly (E)	631.80	1.61	639.76	302.14	0.67	88.00	599772.31
Linde	402.59	-3.29	434.21	318.88	1.29	31.97	195212.06
Lockheed	451.78	-3.63	508.10	393.77	2.77	15.88	112084.8
Lowes	218.62	-1.59	237.21	181.85	1.92	21.42	125731.12
Lyondell	93.37	-0.97	102.05	81.24	5.44	12.82	30284.04
Marathon Ptl	155.52	2.68	159.99	104.32	2.01	5.63	59050.52
Marsh&M	192.56	0.12	202.81	151.86	1.41	26.64	94946.03
MasterCard	425.95	-2.32	431.57	340.21	0.54	35.66	396320.07
McDonald's	291.09	-3.00	299.35	236.77	2.04	26.83	211139.81
McKesson	484.67	0.98	488.75	331.75	0.48	18.40	64491.39
Medtronic	86.75	-0.34	92.02	68.84	3.11	32.40	115340.86
Merck	118.21	-0.65	119.65	96.36	2.44	96.90	299546.87
Meta	364.17	-6.30	372.94	127.15	-	30.86	808314.29
Metlife	68.95	-0.35	73.28	48.95	3.06	-165.51	51037.97
Microsoft	380.94	-1.83	390.68	227.33	0.74	35.44	2831246.01
Mnstr Bvrg	58.32	-0.59	60.47	47.13	-	37.96	60678.54
MondelezInt	72.31	-0.78	78.59	60.75	2.28	20.79	98399.56
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	89.95	-1.53	100.99	69.42	3.68	15.42	147635.98
Netflix	485.81	7.48	503.41	285.33	-	46.55	212629.32
NextEraE	60.87	-1.42	85.36	47.15	3.13	15.42	124877.19
Nike	104.20	0.43	130.22	88.66	1.31	32.06	127542.14
NorfolkS	225.13	-3.73	259.67	183.09	2.45	23.68	50820.25
Northrop	467.96	-3.99	502.31	414.56	1.60	14.78	70564.91
NXP	208.29	-3.01	238.27	155.31	1.94	18.55	53688.23
Occid Pet	57.47	0.67	67.93	55.12	1.21	12.02	50594.91
Oracle	103.77	-0.15	127.54	82.04	1.39	30.69	285255.64
Pepsico	165.02	-1.90	196.88	155.83	3.05	26.41	226880.05
Perrigo	32.93	-0.41	40.28	26.81	3.41	395.25	4462.23
Pfizer	28.42	-0.57	48.47	25.76	5.97	14.91	160471.07
Phillips66	130.24	0.83	137.42	89.74	3.29	7.56	57299.81
PhilMorris	94.53	0.06	105.62	87.23	5.63	17.62	146748.94
PNCFin	151.10	-4.08	166.69	109.40	4.17	10.08	60189.34
PPG Inds	145.89	-1.40	152.89	120.33	1.79	23.46	34400.86
ProctGmbl	149.37	-0.57	158.38	135.83	2.59	23.28	352048.09
Prudntl	102.63	-1.09	107.31	75.37	5.02	27.84	37049.43
PublStor	289.40	-5.82	316.48	233.18	3.96	25.47	50887.69
Qualcomm	136.78	-2.53	146.89	101.47	2.36	20.14	152236.14
Raytheon	85.10	-0.98	108.84	68.56	2.79	37.65	122365.4
Regen Pharm	910.00	3.84	923.60	675.00	-	24.92	97487.24
S&P Global	430.72	-2.42	443.72	321.15	0.86	53.78	136450.51
Salesforce	266.95	2.82	270.35	143.56	-	168.87	258409.54
Schlmbrg	48.73	0.28	62.78	42.73	1.98	16.25	69363.29
Sempra Energy♦	74.73	-1.41	81.37	63.75	3.29	16.61	23512.49
Shrwin-Will	296.98	-1.42	314.14	205.43	0.85	30.53	76016.81
SimonProp	143.72	-0.96	146.91	100.17	5.33	20.47	46867.13
SouthCpr	82.79	-0.52	88.40	64.66	4.40	21.37	64005.82
Starbucks	91.99	-1.51	115.48	89.21	2.40	24.67	104565.03
StateSt	75.80	-0.80	94.74	62.78	3.54	10.58	23390.63
Stryker	306.74	-1.04	309.08	248.96	1.02	43.70	116528.88
Sychrony Fin	37.62	-0.33	38.91	26.59	2.60	6.65	15565.25
T-MobileUS	162.19	-1.10	164.50	124.92	-	24.18	187568.69
Target	141.14	-2.95	177.68	102.93	3.22	17.16	65158.95
TE Connect	131.43	-1.74	146.60	115.00	1.82	21.00	40845.72
Tesla Mtrs	226.02	-7.92	299.29	114.92	-	70.01	718499.81
TexasInstr	165.20	-2.05	188.12	139.48	2.95	19.83	150035.32
TheTrvelers	192.04	-1.05	194.11	157.33	2.09	19.91	43861.83
ThrmoFshr♦	544.22	0.29	609.85	415.60	0.26	34.24	210271.7
TJX Cos	94.25	0.11	94.46	72.92	1.28	27.97	107412.83
Truist Financial Corp	36.67	-1.06	53.34	25.56	5.91	8.85	48905.61
Twitter	53.70	0.35	60.16	31.30	-	-402.23	41093.72
UnionPac	235.46	-3.55	246.99	183.69	2.30	21.70	143532.78
UPS	159.31	-1.91	197.80	133.68	3.94	13.82	115222
USBancorp	42.34	-1.07	49.93	27.27	4.72	12.13	65916.12
UtdHlthcre	536.72	-0.92	554.70	445.68	1.27	24.03	496425.9
ValeroEngy	127.10	2.33	160.16	104.18	3.31	4.16	43271.57
Verizon	38.55	-0.54	44.73	30.14	6.77	7.71	162047.1
VertexPharm	425.56	1.80	427.16	282.58	-	30.68	109659.66
VF Cp	16.85	-0.46	31.98	12.85	9.56	56.16	6550.74
Visa Inc	262.69	-1.87	266.19	208.76	0.71	30.46	415713.28
Walgreen	24.14	-0.54	37.53	19.68	7.98	-6.74	20817.75
WalMartSto	160.34	-0.95	169.94	136.09	1.39	31.21	431672.75
Walt Disney	88.91	-0.38	118.18	78.73	-	66.18	162733.39
Waste Manage.	178.69	-0.49	181.48	148.31	1.60	30.37	71971.94
WellsFargo	48.75	-0.34	50.77	35.25	2.67	10.22	177024.28
Williams Cos	34.70	-0.54	37.45	27.80	5.03	15.56	42206.42
Workday	275.13	-1.68	279.83	158.94	-	1094.32	57502.17
Yum!Brnds	127.80	-1.40	143.25	115.53	1.94	23.33	35823.39
Zoetis	196.20	-2.58	201.92	145.20	0.71	41.31	90075.81
Zoom	67.09	-1.09	85.13	58.87	-	84.27	17060.47
Venezuela (VEF)							
Bco de Vnzla	7.50	-0.10	9.20	2.48	99.67	-	761.96
Bco Provncl	17.65	-0.05	79400	6.80	-	3.15	196.66

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 %
SHOP	110.36	108.46	1.90	1.75	12.54	15.1	11.12
Fuji Hvy Ind	2871.00	2777.00	94.00	3.38	191.00	11.0	12.04
AmerAir	14.30	14.35	-0.05	-0.35	1.40	10.4	4.23
Toyota	2844.00	2745.00	99.00	3.61	154.50	9.8	6.10
Advanced Micro	147.30	148.54	-1.24	-0.83	13.22	8.9	9.52
Nomura	693.80	676.20	17.60	2.60	38.50	8.8	16.37
Hitachi	11045.00	10600.00	445.00	4.20	430.00	8.6	11.94
KDDI	4851.00	4655.00	196.00	4.21	169.00	8.1	7.18
Delta	41.71	42.11	-0.40	-0.95	3.37	7.7	2.96
Bausch Hlth	11.21	11.32	-0.11	-0.97	0.88	7.4	15.33
Volkswgn	123.70	122.60	1.10	0.90	7.25	7.2	5.76
Denso	2280.50	2257.00	23.50	1.04	130.00	7.2	6.64
Takeda Ph	4341.00	4312.00	29.00	0.67	258.00	7.1	6.97
Meta	368.65	370.47	-1.82	-0.49	26.00	7.0	13.31
HondaMtr	1568.50	1533.50	35.00	2.28	67.50	7.0	7.58
Sony	14340.00	13850.00	490.00	3.54	440.00	6.9	12.29
Carnival	17.39	17.78	-0.39	-2.19	1.43	6.4	-1.35
Illumina	138.62	140.63	-2.01	-1.43	10.29	6.4	17.78
Salesforce	266.94	264.13	2.81	1.06	12.29	6.0	5.83
MitsubishiEle	2116.00	2045.00	71.00	3.47	46.00	5.9	8.26

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 %
ChinaLife	9.08	8.92	0.16	1.79	-0.97	-8.2	-8.93
BakerHu	31.26	31.23	0.03	0.08	-2.69	-7.9	-3.86
EOG Res	115.25	114.99	0.26	0.23	-9.99	-7.8	-3.33
Boeing	225.25	227.84	-2.59	-1.14	-16.07	-7.7	-9.30
ChinaPcIns	14.68	14.66	0.02	0.14	-1.22	-7.6	-4.05
Schlmbrg	48.72	48.45	0.27	0.56	-4.20	-7.5	-0.96
Equinor	311.10	313.15	-2.05	-0.65	-21.80	-7.1	-7.06
Chna Utd Coms	4.02	3.99	0.03	0.75	-0.33	-6.9	-7.37
ConocPhil	111.70	111.18	0.52	0.47	-8.75	-6.9	-0.46
Hngzh HikVDT	30.86	30.35	0.51	1.68	-2.71	-6.7	-5.48
Halliburton	34.19	34.07	0.12	0.36	-2.50	-6.5	-1.70
Barclays	145.58	152.64	-7.06	-4.63	-2.94	-6.4	2.16
SandsCh	21.85	22.25	-0.40	-1.80	-1.10	-6.4	3.80
Devon Energy	43.86	43.94	-0.08	-0.18	-2.87	-6.3	-1.31
Nutrien	71.23	71.30	-0.07	-0.10	-4.56	-6.1	-3.95
Biogen	247.54	254.23	-6.69	-2.63	-9.20	-6.0	0.58
BASF	44.94	45.02	-0.09	-0.19	-2.74	-5.9	-5.73
Charter Comms	364.10	367.00	-2.90	-0.79	-19.67	-5.8	-2.80
StandCh	613.40	626.40	-13.00	-2.08	-25.00	-5.8	-5.19
Shell PLC	2444.50	2447.50	-3.00	-0.12	-147.00	-5.8	-2.86

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Jan 11	Red date	Coupon	Ratings S*	Ratings M*	Ratings 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

Jan 11	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

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INTEREST RATES: OFFICIAL

Jan 11	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

Jan 11 (Libor: Jan 10)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06157	0.010	0.000	-0.001	5.44867	5.58807	5.61300	6.04143
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.001	4.20130	5.32150	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				0.010	3.87700	3.93600	3.90200	3.63500
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	5.38000	5.39000	5.27000	
Euro CDs				0.010	3.93000	3.90000	3.78000	

Jan 11	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	3.45	3.75	3.57	3.87	3.78	4.08	3.75	4.05	3.63	3.93	3.28	3.58
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	5.00	5.20	5.10	5.30	5.28	5.48	5.29	5.49	5.17	5.37	4.91	5.11
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.

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change
Crude Oil†	Feb	72.81	1.44
Brent Crude Oil‡		78.71	1.91
RBOB Gasoline†	Mar	2.12	0.05
Natural Gas†	Feb	2.96	-0.08
Base Metals (♠ LME 3 Months)			
Aluminium		2233.00	-2.00
Aluminium Alloy		1600.00	20.00
Copper		8383.50	-7.50
Lead		2106.50	23.50
Nickel		16415.00	45.00
Tin		24535.00	135.00
Zinc		2505.50	-0.50
Precious Metals (PM London Fix)			
Gold		2026.80	-8.10
Silver (US cents)		2296.50	-16.00
Platinum		930.00	-10.00
Palladium		997.00	12.00
Bulk Commodities			
Iron Ore		138.16	-2.36
Baltic Dry Index		1554.00	-110.00
Richards Bay ICE Futures		95.90	-0.60

Agricultural & Cattle Futures		Price*	Change
Corn♦	Mar	460.00	0.50
Wheat♦	Mar	607.75	-3.00
Soybeans♦	Mar	1244.50	8.00
Soybeans Meal♦	Mar	367.70	3.40
Cocoa (ICE Liffe)⊕	Mar	3570.00	74.00
Cocoa (ICE US)♥	Mar	4242.00	36.00
Coffee(Robusta)⊕	Jan	3230.00	40.00
Coffee (Arabica)♥	Mar	183.35	2.20
White Sugar⊕		621.00	7.90
Sugar 11♥		21.62	0.21
Cotton♥	Mar	81.12	0.94
Orange Juice♥	Mar	293.50	-3.25
Live Cattle♣	Mar	171.05	0.28
Feeder Cattle♣	May	134.88	-
Lean Hogs♣	Feb	72.05	0.18

	Jan 10	% Chg Month	% Chg Year
S&P GSCI Spt	541.06	2.11	-8.59
DJ UBS Spot	98.23	0.96	-10.42
TR/CC CRB TR	300.20	0.65	1.85
LEBA EUA Carbon	58.91	-1.98	129.94
LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ⊕ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	211.66	-0.23	-1.71	-1.71	0.93	1.77
Corporates(£)	348.71	0.04	-1.64	-1.64	1.95	6.26
Corporates(€)	221.97	-0.03	-1.04	-1.04	0.73	5.89
Eurozone Sov(€)	219.57	-0.09	-1.26	-1.26	0.91	3.72
Gilts(£)	273.07	-0.10	-2.25	-2.25	1.96	0.72
Overall(£)	286.45	-0.06	-2.03	-2.03	1.92	2.06
Overall(€)	216.32	-0.08	-1.16	-1.16	0.82	4.17
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	752.08	-3.81	-	-	0.67	2.03
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	324.95	6.18	-14.22	-38.92	475.45	309.29
Europe 5Y	60.40	0.79	-3.15	-6.14	90.18	57.90
Japan 5Y	58.13	-1.43	-4.38	-4.69	80.75	57.75
Senior Financials 5Y	69.63	0.99	-3.29	-5.50	103.71	66.53
Markit CDX						
Emerging Markets 5Y	175.87	-5.27	-6.04	1.95	245.20	165.79
Nth Amer High Yld 5Y	353.14	-5.79	-21.82	-12.34	447.71	352.25
Nth Amer Inv Grade 5Y	55.24	-1.23	-5.13	-0.26	81.85	55.22

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

BONDS: INDEX-LINKED

	Price Jan 10	Yield Jan 10	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	107.88	1.450	1.422	-0.31	5.25	70322.12	8
Fr 0.10%' 25	98.49	1.450	1.410	-0.09	12.79	255748.21	18
Swe 1.00%' 25	128.42	2.080	2.020	-0.42	35.93	235961.27	7
UK 0.125%' 26	98.98	0.596	0.589	-0.69	13.45	520334.23	31
	-	-	-	-	-	-	-
UK 2.00%' 35	246.11	0.588	0.564	-2.62	9.08	520334.23	31
US 0.625%' 26	96.46	2.442	2.435	-0.07	42.42	1687298.20	48
US 3.625%' 28	106.74	1.966	1.949	-0.32	16.78	1687298.20	48

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	4.07	1.96	0.06	Netherlands	2.38	0.27	-1.63
Austria	2.55	0.45	-1.46	New Zealand	4.54	2.43	0.53
Canada	3.27	1.16	-0.74	Norway	3.44	1.33	-0.57
Denmark	2.27	0.17	-1.74	Portugal	2.51	0.40	-1.50
Finland	2.54	0.43	-1.48	Spain	2.83	0.72	-1.18
Germany	2.11	0.00	-1.90	Sweden	0.82	-1.29	-3.19
Italy	1.66	-0.44	-2.35	Switzerland	0.89	-1.22	-3.12
Japan	0.25	-1.86	-3.76	United States	4.01	1.90	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

VOLATILITY INDICES

	Jan 11	Day Chng	Prev	52 wk high	52 wk low
VIX	13.07	0.38	12.69	30.81	11.81
VXD	12.64	1.11	11.53	31.86	3.10
VXN	16.96	0.36	16.60	32.60	12.19
VDAX	13.61	0.41	13.20	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	80.21	4.07	0.01	0.07	-0.18	0.35
	02/50	1.00	99.45	1.80	0.01	0.08	-0.21	0.18
Austria	02/29	0.50	90.28	2.55	0.02	0.21	-0.08	-0.23
	02/47	1.50	74.24	3.07	0.01	0.15	-0.03	0.15
Belgium	06/27	0.80	94.50	2.49	0.02	0.20	-0.09	-0.14
	06/47	1.60	73.06	3.26	0.02	0.13	-0.05	0.10
Canada	03/25	1.25	96.54	4.41	-0.03	0.04	-0.04	0.60
	06/30	1.25	88.46	3.27	0.04	0.13	-0.15	0.16
	12/48	2.75	92.23	3.21	0.05	0.12	-0.01	0.04
Denmark	11/29	0.50	90.39	2.27	0.02	0.18	-0.11	-0.22
	11/52	0.25	54.02	2.51	0.00	0.15	-0.05	0.23
Finland	09/24	0.00	97.76	3.42	0.02	0.02	-0.16	0.71
	09/29	0.50	89.36	2.54	0.02	0.19	-0.09	-0.24
France	05/28	0.75	92.96	2.47	0.02	0.22	-0.08	-0.16
	05/48	2.00	80.10	3.19	0.01	0.14	-0.04	0.11
Germany	08/29	0.00	88.99	2.11	0.03	0.21	-0.05	-0.16
	08/50	0.00	53.40	2.39	0.01	0.14	-0.03	0.22
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	104.04	2.68	-0.02	0.14	-0.24	-0.89
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	96.39	2.61	0.03	0.24	-0.08	0.09
	02/45	2.00	84.00	3.04	0.04	0.14	-0.07	-0.06
Italy	02/25	0.35	96.87	3.40	0.02	0.15	-0.01	0.30
	05/30	0.40	92.42	1.66	0.01	0.07	-0.15	-0.34
	03/48	3.45	88.05	4.25	-0.01	0.08	-0.17	-0.07
Japan	04/25	0.05	100.00	0.05	0.00	-0.03	-0.05	-0.08
	12/29	0.10	99.14	0.25	0.00	-0.03	-0.16	-0.19
	12/49	0.40	75.34	1.56	-0.01	-0.04	-0.14	0.04
Netherlands	07/27	0.75	94.58	2.38	0.03	0.23	-0.09	-0.14
	01/47	2.75	101.56	2.66	0.01	0.16	-0.04	0.15
New Zealand	05/31	1.50	81.21	4.54	0.06	0.15	-0.31	0.33
	09/40	2.50	119.72	2.84	0.05	0.19	-0.13	0.61
Norway	08/30	1.38	88.00	3.44	0.06	0.21	0.09	0.33
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	92.59	4.83	0.11	-0.15	-0.16	-1.11
	04/47	4.00	83.31	5.26	-0.01	-0.03	-0.38	-1.63
Portugal	04/27	4.13	104.99	2.51	0.01	0.18	-0.12	-0.27
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	88.22	2.83	0.02	0.19	-0.11	-0.18
	10/46	2.90	87.61	3.71	0.00	0.14	-0.08	0.09
Sweden	06/30	0.13	116.51	0.82	0.02	0.18	-0.04	0.74
	03/39	3.50	113.49	2.43	0.04	0.24	-0.10	0.45
Switzerland	04/28	4.00	112.61	0.95	0.01	0.13	0.11	-0.34
	06/29	0.00	95.30	0.89	0.01	0.14	0.10	-0.44
United Kingdom	-	-	-	-	-	-	-	-
	07/27	1.25	91.90	3.72	0.01	0.15	-0.31	0.26
	07/47	1.50	57.93	4.38	0.01	0.08	-0.10	0.41
United States	-	-	-	-	-	-	-	-
	03/25	0.50	95.09	4.69	0.00	0.02	-0.34	0.55
	02/30	1.50	86.54	4.01	0.01	0.10	-0.28	0.41
	02/50	0.25	63.85	2.04	0.02	0.11	-0.06	0.48

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

Jan 11	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Tr 0.125pc '24	99.74	5.15	0.98	-0.39	-2.28	43.06	99.74	96.48	35.55
Tr 2pc '25	96.59	4.16	0.97	2.46	-7.76	24.92	97.82	92.80	39.93
Tr 0.125pc '26	92.62	3.91	0.51	1.56	-9.70	20.68	93.02	87.71	35.32
Tr 1.25pc '27	91.87	3.73	0.54	3.32	-8.58	12.69	93.30	86.03	40.99
Tr 0.5pc '29	85.42	3.69	0.82	3.36	-8.21	11.48	87.71	78.59	28.92
Tr 1pc '32	80.88	3.78	1.07	4.13	-6.20	11.50	110.14	74.53	35.96
Tr 4.25pc '36	102.10	4.03	1.26	3.07	-5.18	10.11	109.78	94.63	31.68
Tr 4.5pc '42	101.84	4.36	0.93	2.35	-3.54	14.14	113.53	92.93	28.35
Tr 3.75pc '52	89.22	4.42	0.91	2.31	-2.43	17.55	103.90	79.70	25.11
Tr 4pc '60	93.41	4.36	0.69	2.11	-2.24	21.79	111.84	83.11	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Jan 11	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	82.70	-0.05	2424.81	1.15	2.96	3.89
2 5 - 10 Years	148.09	-0.25	3225.69	2.11	1.57	3.75
3 10 - 15 Years	155.57	-0.40	3686.20	2.53	-0.09	4.08
4 5 - 15 Years	148.92	-0.31	3335.88	2.26	1.13	3.90
5 Over 15 Years	198.82	-0.64	3571.56	2.41	-6.78	4.36
7 All stocks	132.82	-0.31	3052.23	1.88	-0.98	4.19

Index Linked	Jan 11	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	334.55	-0.05	0.35	4.07	2865.20	0.62	5.08
2 Over 5 years	508.95	-0.82	0.51	-8.51	3906.28	0.57	-7.87
3 5-15 years	457.92	-0.39	1.13	1.52	3743.78	1.29	2.62
4 Over 15 years	543.20	-1.11	0.08	-14.86	4036.63	0.08	-14.50
5 All stocks	491.04	-0.65	0.47	-6.36	3848.81	0.58	-5.66

Yield Indices	Jan 11	Jan 10	Yr ago		Jan 11	Jan 10	Yr ago
5 Yrs	3.67	3.63	3.26	20 Yrs	4.36	4.32	3.81
10 Yrs	3.91	3.87	3.51	45 Yrs	4.25	4.21	3.46
15 Yrs	4.21	4.17	3.74				

Real yield	inflation 0% Jan 11	inflation 0% Dur yrs	inflation 0% Previous	inflation 0% Yr ago	inflation 5% Jan 11	inflation 5% Dur yrs	inflation 5% Previous	inflation 5% Yr ago
Up to 5 yrs	0.50	2.27	0.48	0.31	0.17	2.29	0.14	-0.01
Over 5 yrs	1.06	18.69	1.02	0.32	1.04	18.74	1.00	0.30
5-15 yrs	0.58	9.21	0.54	0.25	0.50	9.23	0.46	0.17
Over 15 yrs	1.18	24.68	1.14	0.34	1.17	24.69	1.13	0.33
All stocks	1.05	15.21	1.00	0.32	1.01	15.28	0.97	0.29

See FTSE website for more details www.ftse.com/products/indices/gilts

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Crackpot tale with a conventional streak

This week's film releases reviewed by Danny Leigh and Jonathan Romney

Poor Things
Yorgos Lanthimos
★★★☆☆

The Boys in the Boat
George Clooney
★★★☆☆

The Kitchen
Kibwe Tavares & Daniel Kaluuya
★★★☆☆

The Disappearance of Shere Hite
Nicole Newnham
★★★★☆

There was a time you knew the kind of film that competed for Oscars. It would be a little earnest and, in the end, nutritiously uplifting. It was also reliably free of kinky sex, bizarre surgeries, loud masturbation or shots of human brains sliced like pâté. We now live in a different world.

And so **Poor Things**, the energy-intensive new movie from Yorgos Lanthimos (*The Favourite*), can vie for awards while appearing to be an expensive take on what older readers might once have called a cult movie. Your eyes will pop, which is better than them closing, in the course of an oddball history lesson, centred on a star turn from Emma Stone.

Her character is Bella Baxter. Why is Bella poor? Mostly because she's dead. Or was until recently. By the time we join the story in the late 19th century, she once again brims with vitality. The film teases us with the details, before revealing that she was formerly a corpse, now returned to life with the brain of a foetus. (That old chestnut.)

The doctor responsible is Godwin Baxter: God for short, of course. The old man is seemingly victim of past experiments himself, and played by Willem Dafoe under a mask of scars. But a whimsical domestic routine still stumbles into view between this de facto father and daughter.

Outside, Lanthimos relocates the original story by the late novelist Alasdair Gray from Glasgow to London. It feels a strange call given the backdrop is a fantasy Victoriana-land anyway. Perhaps the accents are easier, though Dafoe does a decent brogue scolding the wilful Bella, a Mary Shelley superhero still mentally in her early years. For now.

No hugging, no learning, went the famous maxim of TV's *Seinfeld*. For Bella, plenty of both lies ahead, if by hugging we mean the sex life she ages into, which comes to underpin the story. Principally, the other party is Duncan Wedderburn (Mark Ruffalo), a shallow cad Bella finds irresistible. He proves a one-man crash-course in the ways of the world. The movie may also have a little in common with him: it is certainly just as impressed with itself.

Top: Emma Stone and Mark Ruffalo in 'Poor Things'. Above: rowing drama 'The Boys in the Boat'

Still, *Poor Things* has much to be pleased about. Once Bella leaves England for adventure overseas, the movie shifts from silvery black-and-white to ultra-vivid colour. On both sides, bright flashes of wit light up the film, whose strutting confidence can be a blast. Amid the bedlam, Dafoe gives God a touching soul. The rest of the cast do well channelling the crackpot audacity. As Stone and Ruffalo perform a mad, broken-doll jig on a lavish cruise ship, you may find yourself clapping along like an excited toddler.

Yet like that toddler, you may also grow fractious, and finally sleepy. I did anyway. Bella is a wonderful creation. Even in adulthood, though, she brings out the side of Stone that makes you feel you're watching someone's very talented child stealing the school play. And if Gray's novel hums with provocative ideas, Lanthimos is smart but skin deep. Like *The Favourite*, his new film comes to feel like a costume drama for an age that thinks itself above costume dramas. And actually, deep down, for all the scalpels and self-pleasure, a rather standard dose of Hollywood feelgood. See you at the Oscars. **DL**
In UK cinemas now

Some true stories turned into films arrive so loaded with thrills and gravity, you wonder how they haven't become a movie before. Others spend their running time proving exactly why not. And then there is George Clooney's **The Boys In the Boat**, a film that feels like the latter, despite being the former.

The subject is the University of Washington rowing team of 1936, who competed for the US in the Berlin Olympics, lining up against Germany in front of Hitler. You may rightly feel hooked already. But the grip of the filmmakers is so uncertain that you come to doubt if there is drama enough even to reach the finish line.

That shouldn't be a question. At the centre of the film is a classic David and Goliath with the heft of real history. With the Depression still haunting America, the "U-Dub" team we see assembled two years before Berlin is filled with hard-up freshmen, none more so than Joe Rantz (Callum Turner), a lone-wolf kid stuck haunting soup kitchens.

For coach Al Ulbrickson (Joel Edgerton) meanwhile, his whole sporting life has been spent in the shadow of the Ivy League. Now, though, he pioneers a primitive form of sports science: his goal to make eight human bodies mimic a racehorse, on water.

So then: a crackle of class friction; characters pushed to their limits and beyond; a solid performance from Edgerton; a still better one from Turner. All to the good. Yet the stakes feel bafflingly low. As often happens when Clooney steps behind the camera, the movie is clearly keen to be seen as grown-up. (Set the Alexandre Desplat score to *rousing*.)

But compared to the exertion on screen, the result can just feel stuffy. You want it either to go bigger or smaller, explode into the epic or draw you into close-up. Instead, the film stands at a polite distance and proceeds at the same unvarying pace. You leave wondering whether Clooney would know a real underdog if one took a nip out of his ankle. **DL**
In US and UK cinemas now

The Kitchen is set in a London that could be either a parallel vision of the city we know, or a foretaste of a chilly tomorrow just around the corner. It's co-directed by Kibwe Tavares and transatlantic star Daniel Kaluuya (*Get Out*); the latter co-wrote it with Joe Murtagh and Rob Hayes. The hub of the action is an embattled housing estate that, seen from afar, resembles a Lego recreation of a maximum-security prison, and where morale-boosting radio broadcasts come from DJ Lord Kitchener, played by former footballer and TV star Ian Wright. Known as "The Kitchen", this is the home of funeral worker Izi (Kane Robinson), a saturnine loner who has his heart set on fancier upmarket accommodation.

When an ex-girlfriend dies, Izi reluctantly takes her teenage son Benji under his wing. But the boy (characterful newcomer Jedaiah Bannerman) is inclined to hang out with the rather livelier rebel crew headed by activist-bandit Staples (Hope Ikpoku Jr).

The Kitchen brings a lo-fi touch of *Blade Runner* street futurism to a black British dramatic landscape with hard-bitten echoes of TV's *Top Boy* (of which both Ikpoku and Robinson, aka grime star Kano, are veterans).

The visuals are sharp, with neon splashes of augmented reality in the street scenes and inventive use of familiar locations, including the Barbican. There are also bustling action sequences — a roller disco, a bike rally, face-offs with invading police. But the rules for *The Kitchen*'s cold corporate future aren't entirely clear — least of all, a curious method for recycling the low-income dead as greenhouse plants.

Tavares trained as an architect, and the film offers a convincing VFX-enhanced vision of dystopian urbanism. But it's narratively thin, and the mood is often inert, with too many scenes devoted to a terse, cautious bonding between Bannerman and the solemn Robinson. *The Kitchen* convinces as downbeat futurism, but as drama, it only occasionally rises above a simmer. **JR**
In UK cinemas now and on Netflix from January 19

In the 1970s, American researcher Shere Hite sent out a questionnaire on women's sexuality; the results, published as *The Hite Report*, created a sensation. Hite became a feminist heroine and a massive media star for pulling the veil of silence from the words "orgasm" and "clitoris", then widely banned in US media. Her *Report* remains the 30th bestselling book of all time. So why, asks a new documentary, has Hite — who died in 2020 — been all but forgotten?

The Disappearance of Shere Hite portrays an elusive, guarded figure, but one of intense tenacity and commitment, not to say dazzling charisma. Hite created an arresting image for herself, part Pre-Raphaelite, part 1940s femme fatale. As an impoverished PhD student, she worked as a model, appearing in photos and posing for paintings on paperback covers, and seems knowingly, long before Madonna, to have played with sexually objectifying images (she was the original for both women on the poster of the 1971 Bond film *Diamonds Are Forever*).

> Bright flashes of wit light up Yorgos Lanthimos's 'Poor Things', a film whose strutting confidence can be a blast

The film highlights Hite's work as a collective effort, emerging from the community spirit of 1960s/70s US feminism. It also shows how her later books alarmed America with their revelations of male vulnerability and women's dissatisfaction, causing her to be demonised, accused of conspiring to make heterosexual men obsolete; footage of her being monstered on US TV is quite hair-raising.

Nicole Newnham, who co-directed 2020 disability doc *Crip Camp*, has collated a broad range of archive footage, selections from the writings (read by Dakota Johnson, perfectly capturing Hite's silky monotone) and interviews with colleagues, friends, partners and, most improbably, Kiss singer and bassist Gene Simmons, a former neighbour. This is a fascinating and ultimately alarming documentary, which suggests — after the overturning of Roe vs Wade — that Hite's battles for women's bodily autonomy are now to be fought all over again. **JR**
In UK cinemas now

Left: 'The Disappearance of Shere Hite' documents the life of the pioneering sex researcher. Below: Hope Ikpoku Jr, centre, in dystopian drama 'The Kitchen'

Advances in technology mean it is cheaper and easier than ever to manipulate media, leading experts to fear 2024 could be the year a viral, undetectable deepfake has a catastrophic impact on an election.

By Hannah Murphy

The rising AI threat to democracy

Manipulated and synthetic media are poised to muddy the waters in electoral processes already hit by dwindling public trust in governments and institutions

FT montage/Getty Images/Dreamstime

Two days before the Slovakian election in September, a mysterious recording went viral on social media. In it, liberal opposition candidate Michal Šimečka could apparently be heard plotting with a journalist to buy votes and rig the result.

"It will be done in a way that nobody can accuse you of taking bribes," Šimečka purportedly says on the audio, according to a transcript of the conversation that also circulated at the time. "Be careful, there are many people around, don't use the B word," the journalist replies.

The most explosive thing about the recording was that it was fake — a sophisticated hoax created by artificial intelligence, said fact-checkers, citing indicators such as unnatural diction and atypical pauses.

However, the recording was shared by thousands of voters during the country's moratorium on reporting on the election, making it harder for Šimečka's allies or the media to debunk it as fake.

Šimečka, who topped the exit polls, denounced the recording as "colossal, obvious stupidity" and the Slovakian police issued a warning to voters to be cautious online of nefarious actors with "vested interests". But Šimečka went on to lose in the vote to his populist, pro-Russia rival Robert Fico.

The perpetrators remain unknown and the precise impact on the result is impossible to gauge — but the episode foreshadowed a new dawn for information warfare and a gargantuan challenge for Silicon Valley's social media platforms ahead of a historic year of elections. An estimated 2bn people, or around half of the world's adult population, are expected to head to the polls in 2024, including in the US, the EU, India and the UK.

Online disinformation has been a factor in elections for many years. But recent, rapid advances in AI technology mean that it is cheaper and easier than ever to manipulate media, thanks to a brisk new market of powerful tools such as OpenAI's ChatGPT, AI art start-up Midjourney or other text, audio and video generators. At the same time, manipulated or synthetic media is becoming increasingly hard to spot.

Already, realistic deepfakes have become a new front in the disinformation landscape around the Israel-Hamas and Russia-Ukraine conflicts. Now, they are poised to muddy the waters in electoral processes already tarnished by dwindling public trust in governments, institutions and democracy, together with sweeping illiberalism and political polarisation.

"The technologies reached this perfect trifecta of realism, efficiency and accessibility," says Henry Ajder, an expert on AI and deepfakes and adviser to Adobe, Meta and EY. "Concerns about the electoral impact were overblown until this year. And then things happened at a speed which I don't think anyone was anticipating."

Authorities are already issuing warnings. In the UK in November, GCHQ raised the prospect of "AI-created hyper-realistic bots" and advanced deepfake campaigns ahead of the country's election. A bipartisan group of US senators recently proposed legislation to ban "materially deceptive AI-generated" content in political advertising.

Social media platforms including Meta, Google's YouTube, TikTok and X now face pressure to introduce guardrails around deepfakes, curb nefarious actors and ensure they make the correct moderation calls when it comes to highly ambiguous media, while simultaneously remaining non-partisan.

Yet many are less equipped to do so than in previous big elections, experts warn. Some, including Meta, trimmed their investment in teams dedicated to maintaining safe elections after the tech stock downturn in early 2023. In the case of Elon Musk's X, content moderation resources have been cut back drastically as he vows to restore what he dubs free speech absolutism.

The efforts of the US-based tech groups to invest in fact-checking and tackling misinformation have also become politicised, as rightwing US politicians accuse them of colluding with the government and academics to censor conservative views.

Multiple left-leaning disinformation experts and academics warn this dynamic is forcing the platforms, universities and government agencies to pull away from election integrity initiatives and collaborations globally for fear of retribution. Meta said in December that the US government had halted its information sharing with the platform, despite such collaborations previously helping the company identify "sophisticated threat actors".

This mixture of more sophisticated AI tools and less robust prevention measures means that what experts describe as the disinformation doomsday scenario — that a viral undetectable deepfake will have a catastrophic impact on the democratic process — is no longer merely theoretical, many warn.

"I think that the combination of the chaos that the generative AI tools will enable and the drawback of the programmes that the platforms had in place to ensure election integrity is this unfolding disaster in front of our eyes," says the head of one digital research non-profit. "I'm extremely concerned that the victim will be democracy itself."

The notion of online disinformation wars was thrust into public awareness in the wake of Donald Trump's win in the 2016 US presidential election.

US officials later found evidence of coordinated online efforts by Russia to influence the vote, whereby tech savvy students were hired to a St Petersburg-based "troll farm" called the Internet Research Agency.

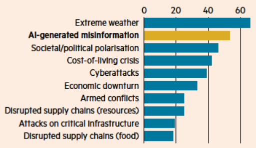
While the campaign went almost entirely unnoticed by the social media platforms, the Russian tactics at the time were crude. IRA staff set up clusters of fake accounts and pages and bought advertising in roubles. False personas attacked Republican Trump or his rival Democratic candidate Hillary Clinton via vulgar memes; others sought to stir up division around topics such as racial tensions, immigration or gun rights, often in broken English.

By 2020, social media disinformation campaigns had operated in more than 80 countries, according to the Oxford Internet Institute — orchestrated variously by political parties, shadowy public relations and private sector intelligence groups, or governments themselves. Some began to experiment with rudimentary deepfaking techniques, particularly digital renderings of fictitious faces.

'There's an autocratic advantage to attack the idea that there's such a thing as objective truth'

AI-generated misinformation is seen as one of the biggest risks of 2024

Perceived top 10 risks on a global scale (% of respondents*)



* Respondents were asked to select up to five risks

Source: World Economic Forum Global Risks Perception Survey 2023-24

In response, Google, Meta, TikTok and X introduced rules prohibiting coordinated covert influence operations and misinformation about voting and voter suppression. Google bans doctored media related to politics and social issues, while Meta has banned manipulated content that is designed to mislead and allows its fact-checkers to flag if media is "altered", making it less prominent in users' feeds.

But the advent of generative AI — powerful multi-modal models that can blend text, image, audio and video — has radically transformed the potential for deepfakes, putting the ability to create convincing media at scale within the reach of almost anyone.

Video generator start-ups such as Los Angeles-based HeyGen and London-based Synthesia, typically catering to industries such as film and advertising, allow customers to create video clips fronted by AI avatars for a little over $20 a month, in a fast-growing market already worth around half a billion dollars in 2022.

"2023 has really been the primer for what we're going to be seeing [this] year when we're talking about manipulated media and AI-powered influence ops . . . be they from individual actors or maybe nation state organisations," says Brian Liston, Intelligence analyst at cyber group Recorded Future.

Deepfake audio of UK opposition leader Keir Starmer berating assistants circulated on the first day of the Labour party conference in October. Google's YouTube last year suspended several accounts in Venezuela showing videos of fake news anchors reading out disinformation that cast President Nicolás Maduro's regime in a positive light.

Motives for campaigns vary. Some are designed to sway opinion. Others, as is common in the latest Russian campaigns, seek to undermine trust in democracy as part of broader, more strategic geopolitical objectives. Then there are those that are merely trying to generate engagement and profit, through advertising clicks, for example.

There are also secondary effects. Just as some politicians such as Trump have weaponised the concept of "fake news" by levelling the term at narratives they disagree with, so too can growing public awareness of deepfakes be wielded to discredit truths and deny reality.

Already, crying deepfake is a tactic deployed by legal teams in defence of their clients. Last year, lawyers for Musk suggested that a YouTube video of the billionaire entrepreneur talking about Tesla's self-driving capabilities might be a deepfake, as part of a lawsuit over the death of a man using the system. The judge said this was not grounds to dismiss the evidence, calling the argument "deeply troubling".

In the political sphere, candidates now have the "ability to dismiss a damaging piece of audio or video," says Bret Schafer, a propaganda expert at the Alliance for Securing Democracy, part of the German Marshall Fund think-tank. The concept, known as the "liar's dividend", was first outlined in a 2018 academic paper arguing that "deepfakes make it easier for liars to avoid accountability for things that are in fact true".

Research also shows that the very existence of deepfakes deepens mistrust in everything online. In politics, "there's an autocratic advantage to attacking the idea that there's such a thing as objective truth", Schafer says.

"You can get people to the point of, 'Voting doesn't matter. Everybody's lying to us. This is all being staged. We can't control any outcomes here.' That leads to a significant decline and civic engagement."

Social media companies are attempting to create guardrails for this kind of activity.

Both Meta and Google recently announced policies requiring campaigns to disclose if their political adverts have been digitally altered. TikTok requires that synthetic or manipulated media that shows realistic scenes must be clearly disclosed through a sticker, label or caption. It bans synthetic media that harms the likeness of real private figures or a public figure if it's used for endorsements, such as scams.

X, meanwhile, says it will either label or remove deceptive manipulated media where it causes harm, including causing confusion around political stability. But preventing this kind of media from being posted and shared is becoming more difficult, even for companies like TikTok and Meta that have invested in high-quality detection capabilities.

Speed and real-time response is key. If confidence in the veracity of a viral narrative is shaky, and platforms are slow to respond, this leaves a dangerous epistemic vacuum, Ajder says, "for bad faith actors and less scrupulous media — particularly biased media — to come in and fill that void with confirmation."

But where academic researchers and moderation teams had previously focused on detecting discrepancies in AI-generated faces, says Renee DiResta, a Stanford research manager, they are now starting again from scratch with much of the latest generative AI technology. "The techniques for detecting fake faces are not relevant to newer diffusion model creations," she says.

'Your regulation is only as good as your ability to enforce it. It's a question whether these policies are actually going to make a huge difference'

In earlier examples of generated fakes, facial features were "aligned within a grid", DiResta says, and anomalies were easier to spot. Today's human deepfakes can be in any pose, and move seemingly naturally. "There is a constant adversarial dynamic where the tech gets better before the detection tech. It's the 'red queen problem' — we run as fast as we can to stay in the same place."

Experts agree that existing detection tools are generally not accurate enough to act as a reliable and definitive safeguard. In addition, platforms must continue to fine-tune policies on how to then treat those deepfakes if they are detected. "Do you take that stuff down? Do you label it? Do you reduce the reach?" says Katie Harbath, global affairs officer at Duco Experts and a former Meta public policy director.

She notes that platforms will need nuances in their policies to distinguish between the many benign uses of AI, such as a campaign wanting to use it to generate a particular background for an advert, and the nefarious ones.

Beyond detection, many platforms have been exploring using watermarking or other indicators to assign a signature of authenticity to content before it is published. Both Google and Meta have been introducing invisible watermarking for content generated by their own AI tools.

But sceptics note that this is a work in progress, and only an effective solution if widely and consistently adapted. Meta's global affairs head Nick Clegg has spoken publicly about the need for common industry standards, while TikTok said it was assessing options for a content provenance coalition.

Experts say disinformation campaigns have shifted to companies that take a lighter approach towards moderation. In particular, X and Telegram is where "a lot of this stuff originates now because [perpetrators] know that the legacy platforms are putting resources into this," notes Harbath.

X said it was "well-equipped to handle" synthetic and manipulated media, and pointed to its volunteer fact-checking programme, Community Notes. Telegram said it was partnering with fact-checking agencies to add labels to potentially misleading content and accurate information via their channels, adding that it believed the most effective way to combat misinformation was by "spreading verified information".

Even within larger platforms, resources for tackling disinformation and election integrity can be stretched thin or are less of a priority in certain geographies. This was one of the central criticisms levelled at Meta by whistleblower Frances Haugen in October 2021. Haugen leaked internal documents to the media showing that non-English language speaking countries had low numbers of moderators, for example.

"Your regulation is only as good as your ability to enforce it," warns Ajder. "When there's no meaningful way that platforms can really reliably detect AI-generated content at scale, and also when there's lots of benign AI-generated content out there, it's questionable as to whether these policies . . . are actually going to make a huge difference."

Some of the platforms remain defiant. "The defender community across our society needs to prepare for a larger volume of synthetic content" in 2024, Meta wrote in a November report. But it added that it did not think it would "upend our industry's efforts to counter covert influence operations".

For some, there is a glimmer of hope: that the authenticity crisis will eventually come full circle, with voters returning back to legacy institutions over social media platforms for their information. "If I'm an optimist here, in five years my hope would be that this actually draws people back to trusting, credible, authoritative media," says Schafer.

But for others, the future appears bleak if we cannot believe what our eyes and ears are telling us. Nothing will be taken at face value; everything interrogated; democracy more fragile.

"The technology is here to stay and will get very, very good," says Nicolas Müller, machine-learning research scientist at Fraunhofer AISEC. "You will probably not be able to just trust media like audio or video. This will need a paradigm shift in our head. Maybe, like Covid, we just have to live with it."

Additional reporting by Cristina Criddle in London

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Why Biden gets little credit for a strong US economy

The president's team needs to show more energy in addressing voters' concerns

The US economy has done better than anyone would have thought over the past year in terms of economic output, labour market resilience and slowing inflation. Indeed, a recent US Treasury analysis of IMF data suggests it has done better than any of its international peers. A good chunk of this is down to the Biden administration's post-pandemic bailout of consumers, who have continued spending, and the "new supply side" fiscal stimulus that has gone into supporting construction and manufacturing.

Yet the president has seen little upside in terms of voter sentiment. Joe Biden ended 2023 with a 39 per cent job approval rating, according to Gallup polling, and his approval among even Democrats has ticked down. He trails Donald Trump in most polls. Elections are supposed to be about "the economy, stupid", as the old James Carville quip goes. So what is going wrong here?

A particular issue is inflation. The Biden team was slow to realise that while Bidenomics may be a success in terms of macroeconomic data, most Americans do not feel that. They notice double-digit increases in grocery or petrol prices over the past few years. They simply do not feel better off now than four years ago.

That is changing, but slowly. While wage increases have trailed inflation, real earnings are finally beginning to rise. What's more, consumer sentiment is a trailing indicator and some estimates show that it can take up to a year for inflation-shocked consumers to feel more optimistic in the face of good data. Biden officials are counting on continued improvement into the second half of 2024, making it impossible to deny the strength of the economy.

But politics in the US, as in many places, are increasingly less about data and more about polarisation. Far more Democrats than Republicans will say, when polled, that they believe the economy is doing well. This gap has been increasing since the 1990s, fuelled in no small part by the rise of partisan cable news and social media. Indeed, the administration is convinced that social media disinformation about the economy is affecting voters' sentiment.

Biden is facing other impediments, including some of his own making. An increasing number of voters, including in his own party, believe he is too old for the job at 81. That problem is exacerbated by the weakness and lack of political appeal of Kamala Harris as vice-president. The war in Gaza has also hurt Biden, raising the risk that young Democrats, upset by US support for Israel and the Netanyahu government's devastation of Gaza following the October 7 massacre of Israelis by Hamas, may vote for a third-party candidate or not vote at all.

By some estimates, it can take up to a year for inflation-shocked consumers to feel more optimistic in the face of good data

The Biden team expects these hurdles will seem less formidable by later this year, assuming the Gaza war subsides, inflation falls, the job market remains robust and a massive advertising campaign pays off. But a lot has to go right for public sentiment to shift. Things could still go the other way if there is further disruption to oil supplies in the Middle East, or a big market correction.

Former president Barack Obama recently criticised the Biden administration for running its re-election campaign out of the White House, rather than taking a more grassroots approach. Certainly, if it is to combat the highly effective, if often disingenuous, messaging of the Trump campaign, the Biden team needs to spend more time outside the Beltway. As well as highlighting the real perils to US democracy of a Trump return, it needs to show more energy in its campaign and vigour and imagination in how it intends to address ordinary voters' concerns. The future of not only the Biden presidency but US leadership in the world depends on it.

Opinion Society

Economists are trying to be less male, pale and stale

Ann Kiernan

Soumaya Keynes

Economists once stood accused of a "bias against bias". Their models offered neat explanations for a lack of diversity within their own ranks. Perhaps women or ethnic minorities were so rare because those groups preferred other subjects. Or maybe they suffered from lesser skills. Regrettable, but not a problem for the profession to fix.

Over the past five years, the ground has shifted. The possibility that discrimination or a hostile environment might be putting off under-represented groups has gone mainstream. Organisations from the American Economic Association (AEA) to Europe's Centre for Economic Policy Research have taken on more responsibility for fixing the problem. And at least in the US, five years of good intentions appear to have delivered results — just not always as intended.

Some fear that efforts to foster an inclusive culture could inadvertently fragment the field

At the AEA's annual gathering in San Antonio last weekend, I asked about improvements. In some places an aggressive seminar culture seems to have softened, helped by a rule that speakers should be able to hold forth for at least five minutes before interruptions start. Male-dominated conference programmes are rarer these days, and I also heard of a new generation of younger economists more likely to call out offensive remarks.

This being a group of economists, there was also data on the shift. Marianne Bertrand of the University of Chicago presented the results of a 2023 survey of AEA members, suggesting that women were still less satisfied with the climate within economics than men. (There was no difference by race.) More encouragingly, two-fifths of all respondents said it had improved over the past five years.

Has any of this changed who stays in economics? Patchy data makes it tricky to identify trends in the representation of ethnic minorities. But it does seem that over the past five years, women have become more common in the field. It used to be that they disproportionately dropped away from academia, both after finishing their PhDs and on the path to tenure. But eyeballing the latest data, that is no longer the case.

Admittedly, it is possible women are still struggling to progress in some subfields (hello, macroeconomics), where anecdotes suggest an aggressive culture has proven stickier. And there is still some leakage in the pipeline to full professor, the field's most senior rank. The share of women among new PhD students rose dramatically from 2018, but since 2021 has stalled.

The transition has not been entirely smooth. I heard fears that stifling questions meant in some cases seminar speakers lost out on valuable feedback. I heard from another senior economist a concern that women were being added to conference programmes as "decorations", and not for their expertise.

There is worrying evidence of a backlash, including within the AEA's latest climate survey. About a quarter of respondents said that they felt more discriminated against than they did five years ago. That share was pretty consistent across men, women, white and non-white economists. One conference, titled "Women in Empirical Microeconomics" (which was technically open to men), is facing allegations of discrimination as part of a Title IX complaint.

A further concern is that efforts to foster an inclusive environment could inadvertently fragment the field. A working paper by Marina Gertsberg of the University of Melbourne found that after 2018, junior female academics started 0.7 fewer new research projects per year, most of which was a drop in collaborations with men. The biggest fall was in collaborations with tenured men and in fields with a lower share of women.

Gertsberg's theory is that men retreated into increasingly male networks because they perceived a higher "cost of collaboration". Relatedly, in San Antonio I heard the suggestion that men might avoid co-authoring with women to maximise their chances of speaking invitations.

What comes next? No one I spoke to thought that economics is now perfect. Anusha Chari, chair of the Committee on the Status of Women in the Economics Profession, says that department heads should be trained on how to create more inclusive workplaces. New challenges include a recent Supreme Court ruling limiting affirmative action, which could affect schemes for minority groups.

Further frontiers include economics' lack of socio-economic diversity, which is higher than in other disciplines. In Europe, a climate survey is in train. (There, the profession seemed slower to act, but on average started with more gender diversity.) And the final prize, of course, is that economics itself will be made richer.

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How government provided cover for the Post Office and Fujitsu

As the Post Office scandal finally gains traction with the press and the public alike, questions are quite rightly being asked of all of the principal actors, not least Fujitsu (FT View, January 9).

However, it is important to remember that the genesis of the Horizon system lay with International Computers Limited, the national technology "champion" created by the Wilson government in the late 1960s as a counterbalance to the likes of IBM and Hewlett-Packard.

For decades, ICL enjoyed a mutually dependent, if not incestuous, relationship with the UK government and various public and quasi-public organisations, not least with the Post Office.

Indeed, the procurement process for the system was actually announced by Peter Lilley at the Conservative party conference in 1995.

The takeover of ICL by Fujitsu in 1998 was, to all intents and purposes, a rescue operation.

We will probably never know what guarantees and commitments were given at the time to Fujitsu and/or the Japanese government by British politicians and officials but certainly red faces were saved both in Westminster and Whitehall.

This historical context might well explain why successive governments have continued to provide "cover" both for the Post Office and for Fujitsu, even where that meant condoning (or at best ignoring) such an egregious miscarriage of justice. It would certainly explain why, much to the astonishment of the public, Fujitsu will continue to undertake sensitive and remunerative contracts for public sector customers. One sincerely hopes it does not explain why so-called independent directors failed to hold executives to account over a period of two decades or why the courts failed to ask more searching questions of the Post Office during successive prosecutions and appeals.

Whichever way one looks at it, the interests and influence of the British state lie at the very root of this scandal and it is now incumbent on the state to make whole, where it can, the lives of those who have suffered at its hands.

Andrew Mitchell
London W4, UK

Americans should be more phlegmatic about Trump

It is dangerous to ignore Donald Trump's threats but it is not helpful to overreact ("Why I still believe in America", Opinion, January 9).

What if we were to calmly question the plausibility of his preposterous statements before we panic, instead of shrinking from them in horror and declaring American democracy headed for extinction?

When Trump says he will indict his political enemies, we should ask ourselves how likely it is, that in a country with a powerful system of laws, where indictments are handed down by a grand jury after hearing evidence in a courtroom presided over by a judge, he would be successful at ordering show trials. Does he plan to dismantle the law of the land? Wave a magic wand? I doubt he could answer the question if you asked him.

It is hard to believe Trump has the doggedness or self-discipline to bring down our constitutional framework. I have faith that there are large numbers of unpolled voters who will decide that Trump is an unreliable choice to lead the country.

Margaret McGirr
Greenwich, CT, US

2007 interview sheds light on Hamas's real intentions

Bronwen Maddox, director and chief executive of the Chatham House think-tank, last week republished an interview she conducted in 2007 when she was The Times foreign editor with Saleh al-Arouri, the Hamas leader killed in a drone strike in Lebanon last week.

The most striking words from the interview were: "Our job is to keep the Palestinians radicalised. Most of them would settle in a moment for peace, some deal that will let them get on with their lives. We need to keep them angry."

This is on top of clear words in Hamas's (still unamended Arabic version) charter that unashamedly rejects any solution not ending with a caliphate and calls for the genocide of Jews.

Monday's Financial Times leader article "The tinder box in the Middle East" (FT View, January 8) ends with a blast at Israel, that no diplomatic solution is likely to succeed "as long as Israel is bombing and besieging Gaza".

Tell me, which diplomatic solution with Hamas intact, funded by Qatar, the EU and the UN, will succeed when its key aim remains to unashamedly reject and destroy any diplomatic peace solution and keep the population from agreeing to it?

The only chance of any diplomatic solution is without Hamas.

Elliot Renton
London N3, UK

"I TRIED RETURNING MY CBE BUT IT GOT LOST IN THE POST"

China policy, drongos and goshawk nesting seasons

Whatever the merits of Charles Parton's China strategy ("In the hawk-dove ornithology of China policy, consider the drongo", Opinion, December 28), his presentation on ornithology is a little skewed. Drongos are not the only birds that protect their young; the doves and hawks he decries do so too. If Parton is in any doubt, I suggest he tries walking by a goshawk nest when the nesting season comes.

Sulmaan Khan
Madison, CT, US

When Boeing tied hands of its door panel supplier

Sylvia Pfeifer and Claire Bushey's insightful piece on Spirit AeroSystems' plight viz-a-viz Boeing misses an important point ("Boeing panel blowout throws the spotlight on supplier Spirit", Report, January 9).

In the negotiations of the split from Boeing in 2005, Boeing retained the design IP on legacy and future aerostructures. This has meant that Spirit is not a normal "original equipment manufacturer" supplier to Boeing — and has been reduced to a "build to print" operator, one that builds equipment and components to specifications provided by the client.

Therefore Spirit takes a poor hand to every Boeing negotiation — made worse by the points articulated by Richard Aboulafia, managing director at Aerodynamic Advisory.

To further darken the picture, Boeing is by far Spirit's largest customer, and as Spirit does not have the design IP, it can't commercialise and/or build out a lucrative after-market, which over the years has been a critical piece in any OEM valuation. Anyway, I'm sure this is something Pat Shanahan, Spirit's chief executive, knows better than me.

William Davies
Bridport, Dorset, UK

Two bond market stories provide contrarian insights

Where the global bond market heads during 2024 is a key question for other asset classes as well.

That is especially true for US equities, which are atypically trending in tandem with the "govvies" (US Treasuries) due to the importance of interest rate psychology.

There were two very good, yet contrarian, insights on this in recent editions of the Financial Times.

First, an FT Weekend news story entitled "Fed revives investors' hopes of end to quantitative tightening" (Report, January 6). That concerned the minutes of the Federal Reserve's December 12/13 meeting and the mention of the Fed potentially reviewing its "quantitative tightening" programme. This was perceived by one observer as a "tailwind for the bond market".

However, this is after the very accommodative inferences drawn from the December statement from the Federal Open Market Committee, from economic projections, and from the Fed chair Jay Powell's press conference.

Those expecting the Fed to expand its balance sheet again at this point are equally likely to be "far out over the tips of their skis" as those anticipating a rapid series of rate cuts this year.

The article noted one informed observer saying: "The balance sheet remains bloated relative to GDP".

This is the case, even if eliminating quantitative tightening would alleviate some pressure into larger debt offerings.

Those major auction increases were the topic of Tuesday's FT headline article "Deluge of debt feeds fear of backlash in bond markets" (Report, January 9).

The piece especially noted the large government deficits with no plans to cut them into what is an election year in many countries.

That said, each of those factors are more likely tangential influences than the primary driver for bond markets and yield trends.

The lesson of the mid-1980s still stands. Brobdingnagian bond issuance of that era was roundly feared. Yet the sharp weakening of inflation meant those auctions were readily digested. That is due to an extended inflation fall leading to anticipation the "real yield" for those bonds was actually very attractive.

As such, whether recent inflation improvement continues will be the arbiter of the market decision.

In that regard, the key upcoming data will probably be more critical than either of those other factors for the bond market trend and its influence on other asset classes.

Alan Rohrbach
President, Rohr International,
Chicago, IL, US

Personal insurance – that's where I feel inflation's rise

Never mind the price of oil, utilities or a retail basket of household goods, the inflation in the cost of my personal insurance premiums has been noticeably higher this year than ever before ("Grocery price inflation drops sharply", Report, January 4).

In the past month my car insurance renewal has risen by 35 per cent, house insurance by 33 per cent and private health insurance by 12 per cent.

And no, this isn't because I've been making crazy claims. In fact, I haven't made a claim on any of them for at least 10 years.

Sean O'Connor
London SW6, UK

Energy efficiency in homes

Rishi Sunak understands the first law of holes and the chairman of the British Energy Efficiency Federation ("UK has a proven policy on energy saving in private rental sector", Letters, January 9) should also be told to stop digging.

The FT however continues to dig up and publish excuses for the non-performance of increased "insulation" in buildings. The evidence against retrofitting insulation to existing buildings is mounting, both here (see this report from University of Cambridge) and in Germany.

May I remind you and your readers that the tragedy at Grenfell Tower was caused by retrofitting the wrong insulation.

Barrie Moore
Architect, Dudley, West Midlands, UK

Where's the evidence CEOs are ditching the PR polish?

The idea of chief executives ditching the "PR polish" (Work & Careers, January 8) sounds easy and attractive, but I'm unconvinced that any of the examples in your article prove that the polish was ditched.

I'm also unclear what is meant by "PR polish". Does it mean no longer worrying about yours or your company's reputation? Does it mean no longer promoting the best of what you do or defending yourself against attacks?

Dale Vince may not have had any media training, but he appears to be quite media savvy. For example, he now has an edgy photo alongside an article in the FT praising his "authenticity".

Anthony Silverman
Partner, Apella Advisors, London W1, UK

Correction

- Richard Armitage is a former Republican deputy secretary of state, not a former secretary of state as incorrectly stated in an article on January 11.

Opinion

Here's how to stimulate UK growth: give away power

ECONOMICS

Andy Haldane

The most powerful thing a powerful person can do is to give that power away. Power should be to politicians as money is to philanthropists; it is in the act of giving that they receive. Nowhere is that truer than when it comes to restoring growth to the UK's stagnating economy.

Finance ministers like to play the role of magicians, producing rabbits from fiscal hats. The last Autumn Statement in the UK saw 100 bunnies produced from a single hat that, weeks earlier, was said to be empty. Unfortunately, having spotted the sleight of hand, the Office for Budget Responsibility (OBR) revised down their projections for medium-term UK growth.

To restore sustainable economic growth, the UK's next chancellor needs to adopt a different approach. Their first fiscal trick should be to chop themselves, and the institution over which they preside, in half.

The most powerful and consequential act of Gordon Brown's decade-long chancellorship came on his first day in office. That was to cede power for the setting of monetary policy to the Bank of England. In giving, he then received a golden decade of low inflation and interest rates and sustained economic growth.

Today's conditions are less propitious, which is why the next chancellor needs to follow the Brown playbook but with greater boldness, distributing more powers to those best able to deliver sustained growth. This pro-growth strategy should have two elements, one national, one regional.

First, there should be a separation of the Treasury's finance and economy ministry functions. The Treasury has always pursued a fiscal-first strategy, ensuring the nation's books are balanced over the medium term to avoid funding crises. This is a crucial role and requires a singular institutional focus supported by appropriate fiscal rules. But that focus has meant policies to deliver sustained growth have played second fiddle. The Treasury's fiscal-first strategy has come at the expense of too little attention to growth and too little sustained public investment in the infrastructure and social capital needed to support it.

There should be a separation of the Treasury's finance and economy ministry functions

To break this cycle, growth should be given equal billing with fiscal sustainability as a policy objective. That can be achieved by creating a new economy ministry with an explicit growth mission. And to ensure growth is balanced geographically, this new economy ministry should be based at the Treasury's new campus in Darlington.

Past attempts to shift the UK's growth focus away from the Treasury ran aground politically, which tells us that no growth plan can survive without buy-in from both the first lord of the Treasury (the prime minister) and the Treasury itself. Responsibility for the UK's national growth mission should sit, statutorily, with a tripartite body comprising the prime minister, chancellor and economy minister. The PM would have the casting vote in the event of a trade-off, or stand-off, arising between fiscal and growth objectives.

To give this body the support it would need to design and deliver a growth plan, a high-powered secretariat of independent experts should be created, modelled on the US Council of Economic Advisors. This would mean that analytical, as well as policy decision-making, powers were no longer centralised in the Treasury.

The second, complementary act of power-shifting should be through a full-throated commitment to devolution, both of local spending and taxation. Existing proposals from both main UK parties, while pointing in the right direction, are incremental shifts from a heavily centralised starting point that again makes Britain an international outlier. To harvest the full fruits of local growth, power-sharing needs to be far bolder.

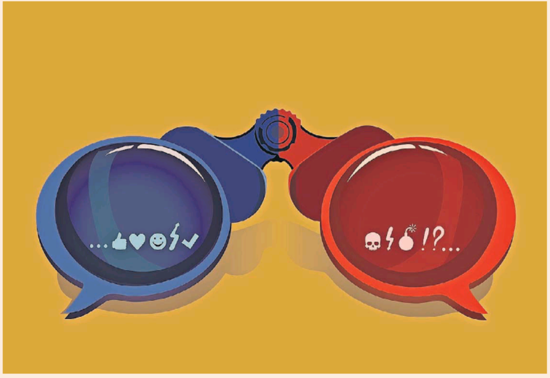
That means redrawing the terms of existing devolution deals for Wales, Scotland, London and, in time, Northern Ireland, as well as empowering the English regions. To bridge any emerging gap between local powers and responsibilities, stronger accountability devices would be needed for the UK's nations and regions. Among these, I see an important role for citizens assemblies in keeping local leaders' decisions attuned to the public's needs.

It would be naive to think shifting powers alone would be sufficient to kick-start UK growth. But bold governance shifts like this are necessary conditions for stirring it from its slumber. The next government, by giving power generously, could ensure it and we all receive economically in the years ahead.

The writer, an FT contributing editor, is chief executive of the Royal Society of Arts and former chief economist at the Bank of England

Reasons to be optimistic in 2024

Efi Chalikopoulou



WORLD AFFAIRS

Gillian Tett

Are you optimistic about 2024? The answer from the World Economic Forum would seem to be "heck, no".

Each year, the WEF asks 1,500 of its "community" — elite business leaders, academics, politicians and so on — to cite key risks, and then crunches that with Marsh McLennan and Zurich Insurance Group. The latest reading, released before the WEF's annual meeting in Davos this month, might make even Pollyanna weep.

Apparently Davos groupies have "a predominantly negative outlook for the world over the next two years that is expected to worsen over the next decade", with 54 per cent braced for "some instability and a moderate risk of global catastrophes" in the short term — and 30 per cent predicting severe upheaval.

In the longer term, 91 per cent see "elevated risks of global catastrophes", or worse, with environmental issues dominating the worry list, along with social conflict, war, cyber threats and "misinformation". And even this reading might be too upbeat since the survey was done in September — ie before the latest Middle East strife.

So far, so depressing. But here is something odd: this gloom, which seems even worse than during the financial crisis of 2008, has emerged amid a global economy that is not so disastrous. On the contrary, the last forecast from the IMF projects 2024 growth of 2.9 per cent — lower than previous years, but not a depression.

It appears, then, that the WEF elite — like American consumers — currently has a profound psychological bias towards pessimism.

Why? One explanation is that business leaders are ill-equipped to handle current risks: their MBAs trained them to model economic issues, not analyse problems such as war, and the former feature relatively low on the worry list.

Another related factor is that while Davos attendees used to assume that history was going in a straight line towards more globalisation, free-market capitalism, innovation and democracy, all those things are now under attack. The world feels uncannily similar to that described by John Maynard Keynes a century ago, in *The Economic Consequences of the Peace* — it seems that "progress" and history are going into reverse.

Finally, there is an attention bias: bad news sells better than good news and surveys like this WEF poll typically ask about negative, not positive, risks. Online initiatives have emerged in recent years to counter this, but they have made little impact in an era when bad news can go viral faster and spread further than ever before.

So I think it behoves us all sometimes to flip that WEF question and to ask what are the top 10 positive possibilities of the moment, the things that might actually go right rather than wrong? Here's my answer to that intellectual exercise.

First, science is delivering breakthroughs in renewable energy that might yet deliver a game-changing leap in green tech, particularly since almost $1.8tn was invested in green energy in 2023 alone.

Second, research is accelerating in life sciences, boosted as artificial intelligence tools are deployed. This may produce more medical breakthroughs soon, helped by the experience of Covid-19, which taught scientists to collaborate across borders and institutions on a scale never seen before.

Among the Davos crowd there is a profound psychological bias towards pessimism

Third, with the world projected to have 18bn cell phones in 2025, millions of people now have access to information for the first time. India's "tech stack" shows the upside of this for financial inclusion and education.

Fourth, the (justifiable) hand-wringing about AI risks is belatedly inciting discussion about regulatory frameworks. One recent development that did not receive as much attention as it should is that both the US and China have backed a joint UN initiative on this.

Fifth, central banks may yet implement quantitative tightening without sparking a full-blown financial crisis this year. The impact of quantitative easing has been better than many people (including myself) expected and shocks such as the Silicon Valley Bank collapse have been shortlived.

Sixth, while debt levels are alarming, this has not sparked a developed world sovereign debt crisis (yet), and might not do so in the short to medium term.

Seventh, inflation might continue to fall as supply chain shocks ease (or, more accurately, companies adjust to a world where they need to manage them better).

Eighth, anxieties about democracy might actually prompt previously complacent voters finally to fight to preserve liberal values. Poland shows that the slide to autocracy is not inevitable.

Ninth, worries about the economic risks of protectionism might prod Beijing and Washington to bolster commercial ties. Yes, global trade levels slipped last year. But they remain near record highs, even between the US and China.

Tenth, and finally, the tyrants sowing havoc today will not last forever. Not even Vladimir Putin, Russia's president, is immortal.

Is this list unrealistic? I'm a journalist and am trained to be cynical, and the dangers identified by the WEF are real. But Pollyanna-ish or not, I would urge it to add a "positive risks" section to its survey next year. It might not grab headlines, but investors could find it even more interesting.

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The bitter technological lesson of the Post Office scandal

BRITAIN

John Thornhill

The British government demonstrated rare imagination and initiative when it held an international summit in November to discuss the existential risks posed by artificial intelligence. Tragically, successive British governments have shown a shameful failure to protect their citizens from more basic misfiring technology.

Take the case of Seema Misra, pregnant and manager of a sub-Post Office, who was in 2010 wrongfully jailed for 15 months on her son's tenth birthday for theft and false accounting, flagged by Fujitsu's flawed Horizon computer system. It took 11 years for her conviction, as well as those of 38 colleagues, to be quashed by the Court of Appeal. The judgment found that the Post Office's "failures of investigation and disclosure were so egregious" as to make the prosecution of these sub-postmasters "an affront to the conscience of the court".

Last week's heart-rending ITV television drama shone a light on the one of the greatest miscarriages of justice in British history. It has rightly triggered public fury and forced the government into fresh action. To date, only 93 of the more than 700 people convicted in the affair have seen their convictions overturned.

Belatedly, the government announced this week it would propose primary legislation to exonerate and compensate those convicted. But it is only thanks to the courageous campaigning of the sub-postmasters themselves over two decades, as well as the cussed reporting on the affair by Computer Weekly, Private Eye and the writer Nick Wallis, that justice will now be done.

At the heart of the scandal lies the spectacular mismanagement of an IT automation project, which should serve as a warning to many other companies and government departments. Hailed at the time by Fujitsu as the biggest non-military IT contract in Europe, the more than £1bn Horizon system was launched by the Post Office in 1999-2000 to improve efficiency and combat fraud. By 2013 Horizon had been rolled out to more than 11,500 branches, processing some 6mn transactions a day. But complaints arose about its errors almost from the start.

As with all software, Horizon contained flaws. With good judgment and focused effort, most flaws should be routinely identified and corrected. There is a saying in the software industry, known as Linus's law, that "given enough eyeballs, all bugs are shallow". But that clearly does not apply when the companies running the software are wilfully blind. Horizon's bugs appear to have been deliberately obscured, rather than exposed.

It is only thanks to the campaigning of the sub-postmasters that justice will now be done

In a letter to a parliamentary select committee in 2020, Paula Vennells, chief executive of the Post Office from 2012 to 2019, said she was constantly assured by Fujitsu that the Horizon system was robust and as secure as "Fort Knox". But faced with glaring evidence to the contrary from the sub-postmasters, Post Office management should have exercised more critical scrutiny. Vennells' defence also fails to explain why the Post Office pursued the accused sub-postmasters so aggressively for so long and frustrated their legal appeals.

In turn, the government failed to exercise effective oversight as the Post Office's shareholder. Whitehall's revolving door ensured that no responsible minister was in place long enough to get to grips with the issues. Ed Davey, now leader of the Liberal Democrats, was one of 17 postal affairs ministers to have held the role while the scandal unfolded. Davey now accuses the Post Office of a "conspiracy of lies".

But that defence also wears thin. As Edward Henry, a barrister representing former sub-postmasters, told a public inquiry last year: "The government is like the owner of a dangerous dog mauling a defenceless child, saying, 'Sorry, so sorry, but it has nothing to do with me'."

It is encouraging that the government has finally taken responsibility for fixing the mess. The UK postal affairs minister Kevin Hollinrake told the BBC that almost two-thirds of the 3,500 people who were affected by the scandal have received full and final settlement at a cost of £148mn. The priority now is to exonerate and compensate the remaining victims and investigate whether managers at Fujitsu and the Post Office themselves broke the law.

One bitter lesson to be drawn from the affair is: listen to the humans on the frontline of technology, more than those in the back office. Software fails. Governance matters. This will become all the more important as AI systems increasingly intrude. But with so many lives shattered, it is hard to argue that the wronged sub-postmasters did not face existential risks of their own.

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America's elite misinterprets the public's grievances

POLITICS

Oren Cass

In a better world, Donald Trump's political rise might have initiated a genuine soul-searching among a humiliated establishment. But the human capacity for denial in the face of rejection knows few bounds. Rather than consider how they had failed so badly that the American people would turn to a reality television star for relief, the policymaking elite have concluded that it is they who have been failed — by the people.

In some tellings, "grievance"- and "resentment"-filled Americans simply do not understand how good they have it. In others, they are too racist to care. Assessments by pundits and politicians alike embrace the assumption underlying modern economics that maximising consumption is the highest good. So long as globalisation and uncontrolled immigration lead to more stuff at lower prices, no one has rational grounds to object. As Stephen Moore, founder of the Club for Growth and distinguished fellow in economics at the Heritage Foundation, said recently: "Cheap labour leads to a booming stock market? That benefits everyone."

But few prominent institutions or analysts have explored what Americans actually believe and why. Or perhaps they prefer not to have the answer. Survey data published this week by American Compass helps to fill that gap. It depicts a public that has made nuanced and reasonable judgments that simply conflict with their leaders' preferences.

The survey, conducted in partnership with YouGov, asked 1,000 American adults whether "you, personally," had "benefited" or "suffered" from America's embrace of globalisation and China. Overall, 41 per cent reported benefiting while 28 per cent reported suffering. The share benefiting was higher across classes and regions. Yet as the frame of reference expanded, the sentiment turned more negative. The margin in favour of "benefited" was only +7 per cent when the question was about "your family and friends", fell to zero for "the community where you live", and reached -13 per cent for "the nation as a whole". Rather than nursing resentment, Americans appear simultaneously to appreciate the personal benefits of globalisation while worrying about its broader effects.

Voters appear to appreciate the personal benefits of globalisation but worry about its broader effects

Likewise, actual attitudes bear little resemblance to Americans' hypothesised xenophobia. While half of respondents were asked about the effects of "America's embrace of globalisation", the other half saw a question about "America's embrace of China". Rather than cause people's blood to boil, mention of America's main geopolitical adversary triggered a more positive response. Across classes, Americans were more likely to see the embrace of China than the embrace of globalisation as benefiting them personally. What two groups reacted far more negatively to mention of China? Those in the upper class or living in coastal cities.

Responses to two other questions help explain these results. First, place matters. While globalisation's boosters take for granted that its disruptions can be remedied by "helping people move to opportunity", Americans prefer a focus on "helping struggling areas recover" by 70 per cent to 30 per cent. Second, making things matters. By 83 per cent to 8 per cent, Americans agree that "we need a stronger manufacturing sector".

Economists may believe that "the goal should be producing things where it can be done at lowest cost", but only 3 per cent of Americans feel the same way. Remarkably, the top rationale for valuing manufacturing was not national security or good jobs, but the far more nuanced view that "manufacturing is important to a healthy, growing, innovative economy".

Adding insult to injury, it seems the American people don't just prefer their values to those insisted upon by many economists, they may be better at economics too.

The writer is an FT contributing editor and executive director of American Compass

Lex.

X: @FTLex

Wind turbine makers: size war truce is much needed

Comparing the length of wind turbine blades with international landmarks is a favourite pastime of manufacturers.

Take Denmark's Vestas, which said yesterday it would build a factory in Poland to make offshore turbine blades taller than the Statue of Liberty.

Vestas's statement shows the fierce competition among turbine makers to build ever more powerful machines. Yet cash flow constraints and the need to improve profit margins mean a truce in the size war is urgently needed.

This race was partly driven by wind farm developers, which pushed for more efficient devices to cut costs. Devices installed at the world's first offshore wind farm had a capacity of 0.5MW. The machines to which the Vestas blades will be fitted will be 15MW.

Reliability problems have crept in. Repairs required on some of its onshore wind turbines forced Siemens Energy to issue a profit warning last summer. It later sought a €15bn rescue from the German government.

Wind engineers say that there are now diminishing returns from sizing up. Bigger components require hefty investments in new factories and ships, plus more testing and design hours.

R&D costs easily run into the hundreds of millions of euros.

That is unaffordable at a time when the industry is recovering from a sharp rise in commodity prices and other supply-chain costs since the pandemic.

Vestas's free cash flow was minus €874mn in 2022, although analysts are forecasting a recovery in 2023 to €791mn, according to Visible Alpha.

Some European developers have privately pushed for a capacity cap on turbines. Such a cap, however, would risk Europe falling behind in innovation, said Ben Backwell of the Global Wind Energy Council.

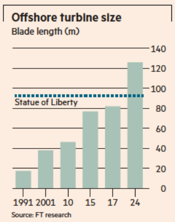
International rivals such as GE and China's Mingyang are working on machines in the region of 18MW.

Siemens, whose largest device has a 14MW capacity, is also planning a prototype of what it claims will be the world's most powerful wind turbine in Denmark. It has insisted that it will decide if it commercialises the larger machine only after "careful testing".

For the next few years at least, most European developers will probably concentrate on meeting strong demand with the current range of devices.

Vestas's fourth-quarter order intake, of 7GW, was 50 per cent higher than expected, said Jefferies.

The race to build bigger is not over. But if the sector has any sense, it should be less frantic.



Source: FT research

UK banks: protection plan better late than never

No crisis, no action. The eleventh-hour rescue of Silicon Valley Bank's UK subsidiary last year has finally led the UK government to address a crucial gap in bank protection.

HM Treasury yesterday launched a consultation on how to clean up small, specialised banks should they fail. A coherent plan is needed — though big banks may grumble at the cost.

In March last year, SVB UK was hit by a liquidity crisis after its US parent was shut down by US authorities. It was eventually acquired by HSBC for £1.

The Treasury wants a clearer plan in place for institutions like SVB UK that lack the minimum capital buffers designed to protect the banking system — known as MREL. UK banks in the MREL system not only put aside added capital but also pay a levy to cover a depositor compensation scheme.

This means banks, not taxpayers, cover costs if banks fail. The Treasury wants this to be the case for small banks that get into trouble too. Who pays for this added protection is a fair question. The consultation suggests all banks chip in. But reducing the bank levy was supposed to be a government priority. Big banks such as Barclays and Lloyds are unlikely to be happy.

Investors in buy-to-let specialist Paragon will be more cheerful. Although the consultation does not cover challenger banks such as Metro, OSB and Virgin Money, it does affect Paragon. Paragon falls outside the MREL scheme. Paragon's share price fell throughout last year. By November, the number of Paragon shares sold short exceeded a relatively high 10 days of average trading, according to Bloomberg data.

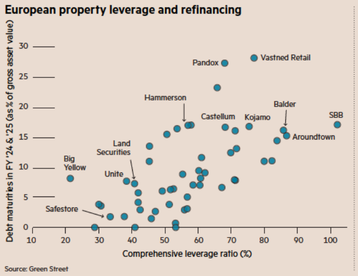
In December, traders quickly covered their positions for two reasons. The threat of higher for longer inflation subsided and Paragon reported better than expected full-year results. Its share price has leapt 46 per cent since the end of November. That puts the stock on a price to tangible book of 1.2 times, above local peers.

If Paragon's 20 per cent return on tangible equity seemed too good to be true a few months ago, investors have no such concerns today. Rival OSB had a similarly strong reversal.

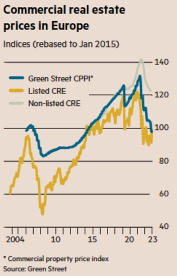
The SVB crisis should produce a good rescue contingency plan for uncovered specialist banks. Large lenders' fears of much bigger payments to the UK's deposit guarantee scheme have been averted. Investors, and depositors, should welcome both outcomes.

European real estate: refinancing challenges

Some European property companies have high leverage levels and will need to refinance over the next two years. Property valuations have fallen, increasing loan-to-value ratios. Unlisted property valuations, which have lagged behind market benchmarks, appear to have further to fall.



Source: Green Street



* Commercial property price index

Source: Green Street

Central bankers are rejuvenating financial markets with talk of lower interest rates. Real world tensions from the fastest rate-rise cycle in a generation abound nonetheless — and nowhere more so than in commercial real estate.

Rate rises have pushed property valuations sharply lower. The rate rises may have been less aggressive in Europe than the US but further sector strife seems certain this year.

What has improved is investor confidence. Though still well below their peak, share prices for listed real estate sectors in New York and Europe have rallied 20 per cent since the start of November. Given that a shakeout of distressed owners still appears to be in its infancy, that may prove overly optimistic.

The pain point for sectors on both sides of the Atlantic remains office properties. The enduring popularity of working from home means that some 15 to 20 per cent less space is needed. Last year, office vacancies in big US cities were at the highest level since the late 1970s. Some 20 per cent of space was without tenants in the fourth quarter, according to Moody's.

The situation in Europe is much better. On average, the vacancy rate in big cities was 6.9 per cent in the third quarter of last year, thinks Savills. That is far below vacancies in the global financial crisis.

Still, problems loom. The implosion of René Benko's Signa property empire illustrates the dangers of excess leverage built up in the low rate era.

Refinancing is the biggest challenge. Listed European real estate needs to find new borrowings for about 10 per cent of its outstanding €300bn of debt each year. Add in the unlisted sector and refinancing requirements jump to about €200bn annually.

Weak office fundamentals and low rental growth mean financing terms have changed. For every euro borrowed in 2020, office owners might now be able to get just 75 cents, reckons Peter Papadakos, Green Street's head of European research.

That leaves financing gaps to be covered by new equity or asset sales. Valuations at unlisted property owners have been marked down less aggressively, by perhaps half the fall implied by estimates of prices at which property might actually change hands.

A rush for liquidity will simply reinforce how much further these have to fall.

EV battery makers: Asia faces Trump victory risk

Tesla supplier Panasonic is one of the biggest battery makers for electric vehicles in the US. That market has helped to boost group profit, and the Japanese electronics group has increased investment there.

But the country — and its looming elections — is one of the biggest threats to its business, as its president Yuki Kusumi acknowledged this week. Should Donald Trump return to the White House, it would spell trouble, not just for Panasonic but for all of its rivals in Asia.

With demand from Tesla stable, Panasonic has been investing in expanding capacity in the US. The US EV industry has been growing rapidly thanks to tax credits and funding from Joe Biden's administration, which wants to boost domestic EV and battery manufacturing.

Overall, about $128bn has been invested since the passage of the Inflation Reduction Act in 2022. EV sales forecasts based on IRA impacts could surpass 4.6mn by 2030, more than double the previous expectation of 2mn, S&P Global estimates show.

Rivals such as South Korea's LG Energy Solution and SK Innovation have also added new capacity on the back of that law, sinking billions into building US battery plants last year.

This could become a problem, with polls suggesting a tight election this year. Contenders for the 2024 Republican presidential nomination have been less enthusiastic about EVs and have generally favoured supporting fossil-fuel burning sectors. Trump has referred to the "ridiculous all-electric car hoax". There are fears that the EV industry boosts China's economy at the expense of US jobs.

Changes to the scale of government funding for battery makers would be a serious blow to Asian manufacturers. Panasonic's record profit for the six months through September was thanks in part to the ¥27.6bn subsidy from the US federal government. Its forecasts for a record annual net profit includes a ¥110bn boost via a US subsidy, about a quarter of the total haul.

Shares in Panasonic, up 28 per cent in the past year, reflect hopes this will continue. Without the US support, a slowdown in Asia consumer electronics demand and factory automation equipment in China would have taken a bigger toll on Panasonic's earnings.

Excess capacity in the EV battery sector is already a concern. Production by some 50 battery makers is already on track to exceed demand four times over by 2025. Aggressive investment in new capacity in the US in recent years means the situation could be worse. But in the coming months, it will be US politics that drives investor sentiment towards Asia's battery makers as much as anything closer to home.

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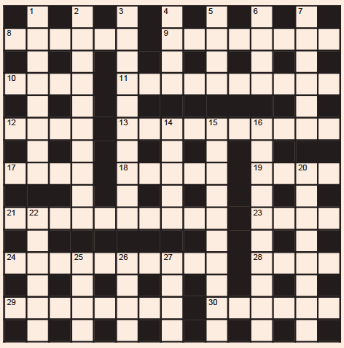

ACROSS

8 With power for time, give detailed account of method to achieve objective (6)
9 Too much to bear — finished with fellow keeping nothing inside (8)
10 Unaccompanied part song leading to merriment (4)
11 Nasty stories, praise oddly lacking, for meat shop (10)
12 Favouring introduction of troops in defensive position (4)
13 Language expert's anagram — I'm at first really at sea (10)
17 Musical piece from basso, lovely (4)
18 Part of jacket, article from Paris friend shows on return (5)
19 By the sound of it, full agreement (4)
21 Shabby group embracing publicity suspension (10)
23 After reflection criticises Pole (4)
24 Sure, can act to reform shrimp, say (10)
28 Very small home is new centre for plaything (4)
29 Exotic fare a few find dreadful (8)
30 Turmoil ahead, river blade needed (6)

DOWN

1 Our group are going to fuss? That's rich (4-2-2)
2 Playing more tennis — soup provided (10)
3 Untidy place to sleep — made fun of learner inside (10)
4 Love being entertained by favourite writer (4)
5 Latest from all directions (4)
6 Reminder to ring Liberal — one of 30 here (4)
7 Boating facility steep — daughter, English, leaving (6)
14 High mark, high point, that's out of bounds (5)
15 Philosopher bringing up Greek character — in northeast for long period (10)
16 Agent very much recalled by one politician in safekeeping facility (10)
20 A cash win, unexpected, used for tool (8)
22 Describing animal-lover's stockings? About right, snazzy ultimately (6)
25 Foam steams up rather fast initially (4)
26 Half of letters — subject of significant split? (4)
27 Sword set piece used on regular basis (4)

Solution 17,626

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