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NATIONAL NEWSPAPER OF THE YEAR

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British Library reels from cyber hit

£7mn to rebuild after attack • 40% chunk of reserves • Online catalogue remains closed

RAFE UDDIN AND DANIEL THOMAS

The British Library will drain about 40 per cent of its reserves to recover from a cyber attack that has crippled one of the UK's critical research bodies and rendered most of its services inaccessible.

The London-based institution, which stores about 170mn pieces of work ranging from books to sound recordings, was forced offline in October after a ransomware attack.

Hackers published hundreds of thousands of stolen files online, including customer and personnel data, after the library refused to pay a £600,000 ransom. But it will now be forced to spend 10 times that amount rebuilding most digital services at an estimated cost of £6mn-£7mn, according to a person familiar with the matter, consuming a sizeable proportion of its £16.4mn in allocated reserves.

The British Library's online catalogue remains unavailable. Physical sites are open, but users must wait while librarians run through logs and find items on shelves.

The library said it was in "close and regular contact" with the Department for Digital, Culture, Media and Sport, its government sponsor, but no formal bid had been made for government funds and it "maintains its own financial reserve to help address unexpected issues".

A government official confirmed that the library would be expected to draw down from its reserves to recover from the attack. The library and the DCMS declined to comment on the estimated cost, which could change.

Academics and authors, particularly those based outside of London, have been hamstrung by a lack of services.

Matthew Eddy, a history professor at Durham University, said some of his work has been placed in "limbo" and he had been unable to complete a grant application. "Before the attack, I used it on a weekly, sometimes daily, basis."

The library was hit in October by the Rhysida hacking group, which published online hundreds of thousands of stolen files

Other users criticised the library for taking more than a month to notify them of the cyber attack.

Some of the library's services are scheduled to return this month, including a reference-only version of its online catalogue. It is unclear how long it will take before the institution — one of five legal deposit libraries in Britain entitled to a copy of each piece of published work in the UK — is fully operational.

Hacking group Rhysida, which has ties to Russian-linked Vice Society, in November claimed responsibility for the breach. It published the library's data after selling 10 per cent of the files to bidders via its dark web page.

Tequila sunset

Agave growers feel the chill

Ulises Ruiz/AFP

A farmer in Tequila, in Mexico's Jalisco state, cuts an agave plant to extract the pineapple used to make tequila.

Spirits makers had been struggling to secure enough agave to sate demand for record tequila sales in the US. But while consumption soared in the pandemic when locked-down drinkers splashed out on tequila — and again during the recovery when they spent their savings — the tipple is now falling out of favour.

The price of agave has more than halved in the past six months as growth in US tequila sales fell from as much as 45 per cent in the first half of 2022 to 5 per cent in the same period last year.

Sobering sales page 13

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Writer Giuliano da Empoli
LUNCH WITH THE FT

Pilots urge better safety on congested airport runways

This week's dramatic runway collision between two planes at Tokyo's Haneda airport demonstrated that passengers can be safer in the air than on the ground. Flying remains one of the safest forms of transport, with less than one fatal accident every 15mn flights. But as the travel industry gets into full swing following the pandemic, experts and pilots tell the Financial Times there is a need for improved safety systems on congested runways.

Aviation safety ▸ PAGE 6

Resignation over climate retreat adds by-election to Sunak's new year worries

JIM PICKARD AND ANNA GROSS

The Conservative party faces another by-election after former minister Chris Skidmore said he was quitting as an MP in protest at government plans to drill for more North Sea oil.

Skidmore, who had already announced he would not stand in the next election, said he was now quitting "as soon as possible" as MP for Kingswood in Gloucestershire and leaving the party.

In his resignation letter he said it was "a tragedy that the UK has been allowed to lose its climate leadership" under Prime Minister Rishi Sunak.

Sunak edged away from key climate commitments last summer by delaying plans to phase out sales of gas boilers and impose curbs on petrol and diesel cars, although he pledged to keep the wider 2050 net zero target.

Skidmore said he was quitting in protest at the Offshore Petroleum Licensing bill, to be introduced in the Commons next week. It requires the North Sea regulator to hold annual licensing rounds for drilling for oil and gas. "I cannot vote for the bill next week. The future will judge harshly those that do," he said.

Skidmore's move is a blow to Sunak, whose party is about 18 points behind Labour in the polls. Sunak this week confirmed that a general election would take place before the end of the year.

The prime minister is already facing a by-election in Wellingborough after former MP Peter Bone was found by a parliamentary watchdog to have committed indecent exposure.

The Tories have lost five out of six by-elections since last July, with Labour gaining four and the Liberal Democrats one.

Skidmore, who was energy minister when the 2050 commitment was signed into law, led a report into net zero for the government that was published in January 2023.

His resignation letter said the new law would send a "global signal that the UK is rowing ever further back from its climate commitments". There was no case for raising fossil fuel production as there was "exponential" growth in renewable and clean power, he argued. He could no longer "condone" the government as it edged away from its climate policies.

"To fail to act, rather than merely speak out, is to tolerate a status quo that cannot be sustained," he said.

Shadow climate secretary Ed Miliband congratulated Skidmore for "standing up to this desperate Conservative government".

Sunak trumps Starmer page 3

World Markets

STOCK MARKETS

	Jan 5	Prev	%chg
S&P 500	4705.27	4688.68	0.35
Nasdaq Composite	14573.33	14510.30	0.43
Dow Jones Ind	37447.53	37440.34	0.02
FTSEurofirst 300	1882.39	1886.20	-0.20
Euro Stoxx 50	4463.00	4474.01	-0.25
FTSE 100	7689.61	7723.07	-0.43
FTSE All-Share	4196.35	4217.03	-0.49
CAC 40	7420.69	7450.63	-0.40
Xetra Dax	16594.21	16617.29	-0.14
Nikkei	33377.42	33288.29	0.27
Hang Seng	16535.33	16645.98	-0.66
MSCI World $	3114.12	3115.68	-0.05
MSCI EM $	1004.26	1003.13	0.11
MSCI ACWI $	714.24	714.48	-0.03
FT Wilshire 2500	6078.57	6096.90	-0.30
FT Wilshire 5000	47358.00	47498.50	-0.30

CURRENCIES

Pair	Jan 5	Prev	Pair	Jan 5	Prev
$/€	1.098	1.096	€/$	0.911	0.913
$/£	1.275	1.270	£/$	0.784	0.788
£/€	0.861	0.863	€/£	1.162	1.159
¥/$	144.140	144.630	¥/€	158.244	158.450
¥/£	183.808	183.667	£ index	81.892	81.618
SFr/€	0.930	0.931	SFr/£	1.081	1.079

CRYPTO

	Jan 5	Prev	%chg
Bitcoin ($)	43425.00	44193.26	-1.74
Ethereum	2225.30	2269.30	-1.94

COMMODITIES

	Jan 5	Prev	%chg
Oil WTI $	74.00	72.19	2.51
Oil Brent $	78.99	77.59	1.80
Gold $	2039.55	2042.10	-0.12

GOVERNMENT BONDS

Yield (%)	Jan 5	Prev	Chg
US 2 yr	4.37	4.39	-0.02
US 10 yr	4.00	3.99	0.01
US 30 yr	4.17	4.14	0.03
UK 2 yr	4.22	4.19	0.03
UK 10 yr	3.98	3.93	0.05
UK 30 yr	4.40	4.36	0.03
JPN 2 yr	0.03	0.05	-0.03
JPN 10 yr	0.60	0.62	-0.02
JPN 30 yr	1.61	1.64	-0.03
GER 2 yr	2.57	2.52	0.05
GER 10 yr	2.15	2.12	0.04
GER 30 yr	2.37	2.35	0.03

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NATIONAL

Health crisis

Ambulance arrivals peak during strike

Viruses pile pressure on NHS while junior doctors continue industrial action

SARAH NEVILLE AND ANNA GROSS

Ambulance arrivals and calls for health advice in England hit their highest levels of the winter this week as tensions grew between doctors and health leaders over long-running strike action.

A total of 93,500 ambulances brought patients to hospital while the number hospitalised with flu was up more than a third compared with the previous week and the number with Covid-19 jumped 72 per cent in a month, according to data published yesterday. Staff at NHS 111 answered 444,285 calls, almost 34,000 more than in the same week last year.

Professor Julian Redhead, NHS England's national clinical director for urgent and emergency care, warned that with an unprecedented walkout of six consecutive days by junior doctors, the pressure was "not going to let up any time soon".

"This latest round of strike action will not only have an impact on this week but will have an ongoing effect on the weeks and months ahead, as we struggle to recover services and cope with heavy demand," he said.

Sir Julian Hartley, chief executive of NHS Providers, which represents health organisations across England, warned that "a double-whammy of walkouts on top of sustained pressure, including more Covid-19 hospitalisations, is a perfect storm".

The warning comes as relations between the British Medical Association, which represents striking medics, and health leaders have become increasingly fraught, triggered by a row over when doctors should be asked to cross picket lines to support services.

The BMA said it had written to Amanda Pritchard, chief executive of NHS England, on Wednesday to say the derogation process by which striking junior doctors can be called back to work due to "unexpected and extreme circumstances" to protect emergency care was "at risk of collapse because of failures by NHS management in England to follow it". Phil Banfield, chair of the BMA's ruling council, claimed NHS England was "wilfully placing the BMA in an impossible situation".

In response, NHS England leaders said they would start to follow up with trusts whose requests for derogations had been refused or not dealt with speedily enough, to compile a picture of the impact of the strikes on services.

"We will reinforce the extant requirement for providers to record any patient safety incidents, and to specifically report those which occur during periods of industrial action to regional teams, so that we can evidence harm and near misses which might have been avoided," they added.

Matthew Taylor, chief executive of the NHS Confederation, said a number of trusts had already declared critical incidents, with pressure likely to get worse as the walkout continued. The confederation had called for national derogations to be agreed in advance of the walkout.

An end to the rolling walkouts that began in March remains elusive. The health minister, Victoria Atkins, said on Thursday she would meet the BMA for renewed negotiations "in 20 minutes" if it called off its current strike action.

Meanwhile, a person close to the health department said the government could not negotiate while strikes were ongoing because it would send a signal that it was acceptable to do "real damage to the system".

Property

House prices rise again and construction woes decline

VALENTINA ROMEI
ECONOMICS REPORTER

House prices rose for the third consecutive month in December to their highest level for nine months, according to data from mortgage provider Halifax that provides further evidence of a rebound in the property market.

Average house prices increased 1.1 per cent last month and 1.7 per cent last year, Halifax said yesterday. It was the third successive monthly rise and took prices to their highest level since March.

Separate data yesterday showed the construction sector registered its best reading in four months in December, with housebuilders reporting the smallest decline since July.

The S&P Global construction purchasing managers' index, a monthly indicator of the health of the sector, rose to 46.8 from 45.5 in November. A reading below 50 indicates a majority of businesses reporting a contraction.

While Halifax attributed the December rise to a shortage of properties on sale, the house price and PMI figures add to evidence that the property market is improving as mortgage rates fall and builders' sentiment improves.

This will raise hopes of higher construction output and home-related spending, which affect the wider economy, as the squeeze from high interest rates and living costs eases.

Imogen Pattison, economist at the consultancy Capital Economics, said the "big" increase in the Halifax index "confirms that falls in mortgage rates are translating into renewed increases in house prices".

Bank of England data published on Thursday showed mortgage approvals rose to a five-month high of 50,100 in November. The central bank found that two-year fixed mortgage rates with 60 per cent loan-to-value eased on average from 6.2 per cent in July to 5.1 per cent in November.

Rates on popular five-year deals have also declined, with high street lenders announcing cuts to products this week.

The property market is highly sensitive to changes in interest rates, which are at a 15-year high of 5.25 per cent. Financial markets expect the BoE to start cutting rates in the spring, taking the cost of borrowing down to 3.75 per cent by the end of the year.

Charles Breen, founder of mortgage broker Montgomery Financial, said there was a "renaissance" in the property market in December. "Lenders were proactive in cutting rates, and people have now adjusted to the new normal and accepted rates as they are."

Kim Kinnaird, mortgage director at Halifax Mortgages, said although the growth in December was "likely being driven by a shortage of properties", continuing falls in mortgage rates meant "we may see an increase in confidence from buyers over the coming months".

Separately, Sir Howard Davies, NatWest chair, came under fire yesterday for saying it was not "that difficult" to buy a house. Asked when he thought it would be easier for people to get on the property ladder, Davies told the BBC: "I don't think it is that difficult at the moment . . . You have to save, and that is the way it always used to be."

Ben Twomey, chief executive of Generation Rent, a campaign group, wrote on X: "What planet does he live on?"

Davies later said he "did not intend to underplay the serious challenges" people faced when buying a house.

Nurseries. Entitlement policy

Childcare providers fear cost of 'free' hours

Business owners say staff shortages and underfunding will limit access to places

LAURA HUGHES — SUFFOLK
AMY BORRETT — LONDON

The childcare business run by Dave Williams made a substantial loss last year for the first time in 30 years, despite raising its nursery fees twice in recent months.

Williams, director of The Orchard Private Day Nurseries chain in Derby, East Midlands, said the funding crisis affecting providers would be heightened this year as the government rolled out a significant expansion of free childcare for working parents.

From April, the current entitlement to 30 hours of free infant care a week for three- and four-year-olds in England will be gradually extended to all infants over nine months with two working parents until the child starts school.

While some welcome the attempt to support parents as they try to enter the labour force, Williams insisted that the policy would exacerbate 10 years of "chronic underfunding", adding: "It's utterly unsustainable and everybody knows it."

The situation facing the sector was so perilous, he warned, that both of his sites were considering placing a limit on the number of children they accepted under the new entitlement, leaving families stranded without care options.

Childcare experts say the infrastructure is not there to deliver ministers' plans, which will have the unintended consequence of forcing providers to close. Neil Leitch, chief executive of the Early Years Alliance, an educational charity and membership group, said research had found many groups were intending to limit the number of funded places they offered and in some cases to opt out entirely.

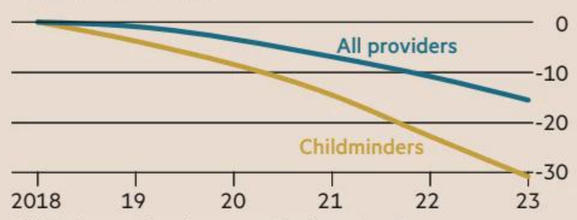
The group estimated that providers received about £4.80 an hour from the government for each three- and four-year-old but the true costs of provision was closer to £7.50 an hour.

"The value of the vouchers that I get per hour are worth about half of what it actually takes to deliver an hour's care," said Williams. "If I delivered all the childcare based on the value of the vouchers that I get, I'd be out of business within two months."

The expansion of the entitlement, announced in the Spring Budget, follows a sharp decline in the number of nurseries and childminders in the past decade.

Childminders in England fall by a third

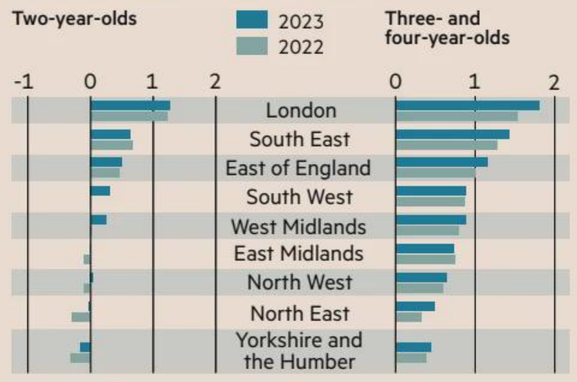
Number of providers (%)



Childminders provide early years care in a domestic setting
Data was not published in 2020

Gap grows between state funding and costs

Difference between mean hourly fee charged by childcare providers and government funding rate (£)



Values above 0 mean costs are higher than funding
Data covers childminders and group-based and school-based providers
Source: Department for Education

Between 2018 and 2023, the number of providers fell by 15 per cent while the total for childminders, individuals who look after children in their own home, fell by 31 per cent, the data showed.

Sarah Ronan, director of the Early Education and Childcare Coalition advocacy group, said it was not only a "crisis of affordability" but a "crisis of availability".

"The government is setting parents up for disappointment because the sector just will not have the infrastructure to meet the demand," she said.

Nurseries and childminders already had waiting lists of up to a year, she added. In some areas, lists were made up mainly of children not yet born.

Claire Chapman, owner of the Suffolk Childcare Agency, a body that oversees and supports childminders, said providers were suffering from a crippling mix of rising costs, shortages of qualified staff and underfunding. She said electricity and heating bills were, for many, still rising, while business rates and insurance costs had added further strain. Meanwhile, staff who felt undervalued were leaving the profession. "We had a wonderful woman who closed her childminder service because she felt she could get a better wage stacking shelves in Aldi," Chapman said.

Currently, parents of three and four-year-olds can claim 15 or 30 hours of free childcare a week during term time. Extending the entitlement to parents of one- and two-year-olds is expected to cost the government about £5bn a year by 2027-28.

To improve the supply of childminders, chancellor Jeremy Hunt has set up a pilot scheme offering a cash incentive of £600, rising to £1,200 if they join through an agency such as Chapman's. But she said the uptake would not compensate for the rate of closures.

Care warning: Dave Williams says the policy expansion is unsustainable, while Claire Chapman, below, points to a shortage of qualified staff
Fabio De Paola/FT

'The value of the vouchers per hour are worth about half of what it takes to deliver an hour's care'

Despite these misgivings, some have welcomed the reforms as a step up for adults wishing to re-enter the jobs market. Ben Willmott, head of public policy at the CIPD, the professional body for HR and people development, said the proposals "had the potential to boost parents', and particularly women's, ability to work while supporting efforts to improve labour market participation and address skills shortages".

The Department for Education said ministers were "rolling out the single biggest investment in childcare in England's history". It said the government was "confident in the strength of our childcare market to deliver 30 free hours of childcare for eligible working parents from nine months old up to when they start school".

The department noted there had been year-on-year increases in the number of early years staff and spaces and added the government was investing "hundreds of millions of pounds to increase hourly funding rates", and £100mn in capital funding for more places.

Despite the reassurances, Chapman remains concerned about the lack of places to meet the demand. "The spaces just aren't going to be there for them — it's heartbreaking," she said.

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Digital platforms

Tax experts seek to ease panic over online 'side hustle' rules

EMMA AGYEMANG

Tax experts have taken to social media in an effort to reassure panicking UK gig economy workers and online sellers over new reporting rules affecting the digital platforms they use.

Under regulations that came into effect on January 1, platforms such as Amazon, Airbnb, Deliveroo, eBay, Uber and Vinted will be required to collect and report seller information and income to the UK tax authority. The first reports will be sent in January next year.

The regulations are part of an international reform agreed in 2020 and spearheaded by the OECD, and have come into force in a number of countries. Platforms will not be required to report the details of those using their sites or apps who make 30 or fewer sales a year and sell items for less than a total of €2,000 (about £1,700).

The circumstances in which a person needs to declare and pay UK tax have not changed but the new reporting rules have nonetheless caused alarm among those who use the platforms, with some dubbing them a "side hustle tax" on social media.

One commentator on X said: "This is . . . outrageous . . . Tax is already paid upon original purchase of these items, so why do people need to pay again, and how can the gov justify this?"

While HM Revenue & Customs took to X to challenge "myths" around the rule changes, it failed to fully reassure gig economy workers and online sellers.

Martin Lewis, the consumer champion and founder of the Money Saving Expert advice website, said he had received hundreds, "if not thousands", of queries about the changes this week.

"There's been a lot of misinformation and panic and confusion on social media and I think that's been amplified by some media articles I've read that have misunderstood what's happened," he said. He went on to explain the changes by linking to an online guide from a post on X.

Lewis added that several people told him they planned to stop selling their old items online because of the rules, which would be "bad for the environment and for people's pockets", particularly in a cost of living crisis.

Meredith McCammond, technical officer at the Low Incomes Tax Reform Group, an educational tax charity, said there had been little outreach to gig economy workers and sellers around the new rules.

"Because of that vacuum, people could quite easily take the rules the wrong way, resulting in widespread chaos and confusion," she said. The charity has also posted its own guide to the rules.

New reporting rules alarmed online sellers and gig economy workers

Emma Rawson, technical officer at the Association of Taxation Technicians, a professional body, posted on X that she was "genuinely concerned about the unnecessary levels of worry reporting on this is causing".

The ATT posted its own online guidance about the rules, and Rawson said that while people reselling their old items would not generally be liable for tax, the changes would make it harder for anyone who has not reported their tax properly to HMRC to continue evading their liability.

HMRC told the Financial Times that "for people selling personal possessions online, absolutely nothing has changed". It added: "The reason we're asking digital platforms to share information with us is to ensure businesses operating via these platforms pay the correct amount of tax, and do not have an unfair tax advantage over high street and other traditional businesses."

Additional reporting by Cristina Criddle

NATIONAL

Sunak trumps Starmer with autumn poll hint

As Labour, Lib Dems and Reform parties kick off new year with boisterous election events, the prime minister opts to play the long game

LUCY FISHER, JIM PICKARD, ANNA GROSS AND RAFE UDDIN

Rishi Sunak may have shunned the opportunity of a big speech to kick off an election year, but even so he managed to eclipse Sir Keir Starmer's set-piece January address this week.

The prime minister's studiedly offhand remarks about the timing of a general election, made on the fringes of a visit to a youth centre in Mansfield, trumped the Labour leader's new year speech when it came to heading the political news bulletins on Thursday.

Sunak's insistence on a "working assumption" that there will be no polls until the "second half of this year" is designed to forestall his opponents' attack line that not going to the country in the spring amounts to "bottling" an election.

The PM will attend another public event in the north-west on Monday where he is expected to make brief remarks, but his decision not to host a high-profile occasion to sketch out his vision for the UK may be viewed as a lost opportunity by many of his MPs. They are mindful that their party continues to lag an average of 18 points behind Labour.

In the immediate term, "Sunak has stolen Starmer's thunder," said Tim Bale, professor of politics at Queen Mary University of London. But he warned: "While Sunak got people talking about him and an election date, that's not really going to change the fundamentals."

His strategy contrasts with that of the leaders of many of the UK's other parties. Starmer gave a half-hour speech laying out his plans for Project Hope before a media Q&A and a round of interviews with broadcasters in Bristol on Thursday.

Liberal Democrat leader Sir Ed Davey the day before donned an orange high-vis jacket in front of a lorry in Surrey to frame himself as the head of a Tory removals service.

Meanwhile in London, Richard Tice, leader of Reform UK, hosted a press conference, complete with slideshow branding Sunak and Starmer the "socialist twins", and toured the studios of broadcasters.

It is perhaps no surprise that Sunak eschewed a big-picture new year speech, given that his address in the first week of January last year has been identified by critics as one of his biggest mis-steps in office to date.

Setting out his five priority pledges — halving inflation, increasing the size of the economy, cutting debt, slashing NHS waiting lists and stopping small-boat crossings — was an ill-fated gambit. By the end of last month, only one of those self-imposed tests had been met: the target on inflation.

An ally of Sunak insisted there was "no constitutional rule" or any specific convention forcing a leader to give a significant speech in January, but they said the PM still had an important message to convey this week about the cut in National Insurance contributions that kicks in today.

Low key: Prime Minister Rishi Sunak during a visit to a café in Stockport yesterday. Labour leader Keir Starmer, below — Jacob King/Getty Images

The prime minister will come under growing pressure to commit to further tax cuts when Tory MPs return to Westminster on Monday and start to look ahead both to the March 6 Budget and the party's election manifesto.

The Christmas recess saw a tense public debate with Conservatives in so-called red wall, traditionally Labour seats calling for reductions to income tax and their colleagues in the wealthier shire heartlands demanding cuts in inheritance tax.

Tories on the party's right flank are also adamant that Sunak has to fulfil the commitment he made to them last month to "tighten" the emergency legislation on his Rwanda removals policy, amid concerns it will not in its present state assuage the courts' concerns about the government's flagship plan to deter small boat crossings. Hardline right-wing MPs in the New Conservatives faction will host their first meeting of the year on Monday evening.

Waiting until the autumn for an election may mean the incumbent enjoying a brighter economic backdrop, given some economists are now predicting that mortgage rates may continue to fall to such an extent that some homeowners facing the end of two-year fixed rates may not see a rise in home borrowing costs later this year.

> 'While Sunak got people talking about him and an election date, that's not really going to change the [basics]'

Starmer, meanwhile, will be banking on voters opting for change at the ballot box. Speaking at a science park in north Bristol on Thursday, he road-tested various election messages about "change" and "hope", insisting he was happy to fight the Tories on the economy.

Sometimes satirised as a stodgy, uninspiring technocrat, Starmer sought to dismiss that characterisation as he promised a new Project Hope for Britain.

"To truly defeat this miserabilist Tory project, we must crush their politics of divide and decline with a new Project Hope," he argued, denying he would be reluctant to take part in televised election debates with Sunak. "Bring it on," he declared.

But he tried to balance optimistic rhetoric with a warning that a new Labour government would not face easy choices, with no promise to turn on the spending taps given the tight public finances.

Starmer admitted that trust in politics had been damaged, not least by the legacy of various Tory governments since 2010, including "the sex scandals, the expenses scandals, the waste scandals, the contracts for friends, even in a crisis like the pandemic". And in oblique criticism of his predecessor, the hard-left Jeremy Corbyn, he said Labour was now a changed party and "no longer in thrall to gesture politics".

The Lib Dems are seeking to run a tightly focused campaign targeting constituencies where they stand a good chance of unseating the Conservatives, predominantly in the south-east and south- west of England and in London.

While they will largely seek to fight localised campaigns, even if this leads to some contradictory policy proposals in areas such as housebuilding, at the national level they will focus on two policies: tackling sewage and reducing NHS waiting lists.

The anti-immigration Reform party has pledged to have candidates in every constituency in England, Scotland and Wales this year. Currently averaging about 9 per cent in opinion polls, the group is threatening to eat into the Conservative's 2019 vote share.

Tice will stand in Tory-held Hartlepool in the north-east of England and the party will focus mainly on red wall areas. It will also target Tory strongholds on the south-east coast where the arrival of small boats carrying migrants is a salient issue.

The party has selected nearly 500 candidates and says it will not enter into an election pact or step aside in Tory seats as it did in 2019. Reform has garnered media attention, yet much of this has been on whether former leader Nigel Farage will make a return with the party in this year's election.

Politics

High-profile Labour insider Draper dies at 56

JIM PICKARD

Derek Draper, the high-profile Labour insider who became one of Britain's most acute sufferers of long Covid, has died at the age of 56.

On Instagram yesterday, television presenter Kate Garraway said: "I'm sad to have to tell you that my darling husband Derek has passed away."

Garraway said Draper had been "critically ill following a cardiac arrest in early December" which, because of longstanding damage from Covid-19, "led to further complications".

Sir Tony Blair led tributes to the ex-Labour adviser, describing him as a "tough sometimes ruthless political operative, a brilliant adviser and someone you always wanted on your side".

"But underneath that tough exterior he was a loving, kind, generous and good-natured man you wanted as a friend," the former premier added.

Draper contracted Covid early in the pandemic and spent 13 months in hospital before returning home, where he required 24-hour medical care for his damaged kidneys, liver and heart.

Draper, a sociable and affable party activist from Lancashire, had been an influential Labour operator in the 1990s and co-founded the Blairite Progress pressure group.

He also served as an adviser to senior party figures including Nick Brown and Lord Peter Mandelson.

After the 1997 election, in which Blair won a landslide majority, Draper was juggling a job at a lobbying company with media work for the Modern Review magazine, Daily Express newspaper and Talk Radio.

In 1998, he was caught in the "Lobbygate" scandal, in which he was recorded by an undercover reporter from The Observer paper speaking about his ability to access senior Labour ministers.

> '[He] was a huge character, a giver not a taker, and had so much more to give'
>
> Alastair Campbell

"There are 17 people who count in this government . . . to say I am intimate with every one of them is the understatement of the century," Draper said in the recording.

He subsequently retrained as a psychotherapist, but did not let go of politics altogether. In 2009, he set up the LabourList website.

Long illness: Derek Draper with his TV presenter wife Kate Garraway

But Draper was soon caught up in a further row following media reports that he had received emails from Damian McBride, spin-doctor to then prime minister Gordon Brown, drawing up a plot to smear Conservative politicians.

Draper, who told McBride in an email that the plan was "brilliant", was forced to make a public apology. He quit LabourList shortly afterwards.

Brown, who succeeded Blair as prime minister, said it was "so sad" that Draper had lost his life as a result of Covid, adding: "I will remember him as brilliant, creative and multitalented."

Alastair Campbell, former Labour director of communications, said on X that Draper "was a huge character, a giver not a taker, and had so much more to give before Covid took its toll".

Three years ago Garraway, who married Draper in 2005, made a prizewinning documentary, *Finding Derek*, about her husband's illness and exploring its impact on her and their two children.

"Derek was surrounded by his family in his final days and I was by his side holding his hand throughout the last long hours and when he passed," Garraway said yesterday.

She also paid tribute to the medical teams "who fought so hard to save him and to make his final moments as comfortable and dignified as possible".

INTERNATIONAL

WORLD
WEEK IN REVIEW

Drug shows promise in defeating 'superbugs' that plague hospitals

A potential drug treatment has successfully targeted a bacterium that causes life-threatening infections in hospital patients. "Superbugs" are a leading health threat as antibiotics become ineffective through excessive use. The way the drug developed by Swiss pharmaceutical group Roche works suggests it could be effective against other microbes.

Roche's phase 1 clinical trials target a bacterium known as carbapenem-resistant Acinetobacter baumannii, or Crab. The pathogen, which causes conditions such as sepsis and pneumonia, thrives in hospitals due to its ease of transmission.

Researchers developed a molecule known as a peptide — a building block of proteins — to weaken Crab's outer membrane.

Trump asks US Supreme Court to rule against Colorado ballot ban

Donald Trump asked the US Supreme Court to overturn a decision to ban him from Colorado's presidential primary ballot.

The Colorado supreme court ruled last month to disqualify Trump from the state's presidential primary ballot, saying he was not fit to be president under the 14th amendment to the US constitution, which prohibits individuals who have engaged in insurrection or rebellion from holding office.

The US's highest court, which includes three justices appointed by Trump, will probably separately consider whether Trump is "absolutely immune" from federal prosecution for crimes allegedly committed while he was in the White House, as he fights criminal cases while campaigning for the presidency.

Mexico rescues kidnapped migrants as US reports record border arrivals

Mexican officials took in 32 Latin American migrants who had been kidnapped near the southern US border. Migrants are often targeted as they pass through Mexico for extortion or ransom by criminal groups. The US reported a record 2.5mn arrivals at its southern border in the 12 months to the end of September.

Harvard president steps down after congressional hearing backlash

Claudine Gay, Harvard's first black president and the second woman to lead the university, has quit after her appearance at a congressional hearing.

Her resignation follows that of Elizabeth Magill, former president of the University of Pennsylvania. In one exchange at the December 5 hearing, the two presidents struggled to respond when asked if calling for the genocide of Jews violated their campus codes of conduct. Both said it depended on "context".

That prompted fury from some donors and alumni, who had decried the institutions' failure to condemn Hamas's attack on Israel. The presidents said they were trying to balance their public statements with protecting free speech on campus.

Israel

Netanyahu allies angered by IDF probe

Cabinet upset over timing and make-up of military's inquiry into failures

NERI ZILBER — TEL AVIV

Benjamin Netanyahu's allies have privately hit out at Israel's military leadership for moving ahead with an October 7 probe, laying bare tensions over failures before the devastating Hamas attack.

Israel's top general told the prime minister's security cabinet on Thursday night the military would establish a committee to investigate intelligence and operational problems, sparking a wave of criticism from senior ministers.

The topic is highly sensitive because Netanyahu and his government have consistently rejected demands for an immediate inquiry, arguing that such an investigation should not start while the war in Gaza is ongoing. Until this week, the Israel Defense Forces had also adopted this position.

While all of Israel's top security officials have publicly apologised for failures before October 7, Netanyahu has long resisted acknowledging responsibility, only saying there would be a time when "answers will have to be given".

Analysts view the stance taken by Netanyahu as the prelude to a campaign to place blame solely on the country's military and intelligence chiefs.

Benny Gantz, a former military chief and political rival to Netanyahu who joined his war cabinet in October, described the criticism of the military as "a politically motivated attack in the middle of a war".

"I participated in many cabinet meetings — such conduct has never occurred, and must not occur," Gantz said yesterday.

At least 1,200 people were killed and 240 taken hostage on October 7, according to Israeli authorities, an event widely seen in Israel as the worst military failure in the country's history.

Herzi Halevi, chief of the general staff, outlined his proposals for the IDF inquiry, to be led by retired generals, during a cabinet meeting intended to discuss plans for postwar Gaza.

One Israeli official confirmed that Halevi was criticised by several senior ministers over both the timing and make-up of the probe.

The argument was sparked, according to the official, by transport minister Miri Regev, a politician from Netanyahu's Likud party who is seen as an ally of the prime minister. Regev's intervention was followed by far-right ministers such as Bezalel Smotrich, the finance minister, and Itamar Ben-Gvir, the national security minister.

> 'I was in many cabinet meetings — such conduct has never occurred, and must not occur'

Smotrich said there had been a "heated discussion" in the cabinet meeting about the timing of the probe while the fighting in Gaza was continuing as well as the need for politicians to be part of the inquiry and the backgrounds of proposed committee members.

The dispute over the inquiry came during the cabinet's first full meeting to discuss Israel's plans for postwar Gaza.

Ahead of that discussion, Israeli defence minister Yoav Gallant said in a document there should be "no Israeli civilian presence" in Gaza when its war with Hamas was over. Israel should retain "operational freedom of action" in the enclave but ruled out Israeli civilians returning, either to govern it, or re-establish Jewish settlements.

Lebanon. Militant force

Beirut killing tests Hizbollah restraint

Whether Israel-Hamas conflict broadens into regional flare-up depends on group's response

RAYA JALABI — BEIRUT

A day after a senior Hamas leader was killed in a suspected Israeli drone strike in Beirut, influential Hizbollah leader Hassan Nasrallah delivered a highly anticipated televised address.

For most of the 80-minute speech on Wednesday, Nasrallah trod familiar ground, berating Israel for its bombardment of Gaza and the US for offering support. But, in the closing minutes, the cleric's voice grew louder as he threatened Israel for its "very dangerous" assassination of his ally, Saleh al-Arouri, carried out in the Lebanese militant group's own backyard.

Diplomats, officials and analysts have for months noted the pragmatism shown by Nasrallah, the enigmatic leader of one of the world's most powerful paramilitary forces, which has traded fire with Israel on an almost daily basis over the past three months. But the killing of Arouri has raised the stakes significantly, delivered a blow to Hizbollah and thrown into question whether Nasrallah's restraint will hold.

"Hizbollah has to respond quickly, because in the context of a war, you have to restore the balance of deterrence," said Amal Saad, an academic and Hizbollah expert. But it must be "a carefully calibrated response that is at once . . . a qualitative escalation in terms of scope and intensity but falls short of high-intensity war", Saad added.

This week's events underline the challenges facing Nasrallah as he navigates the most serious escalation of hostilities with Israel since Hizbollah, the dominant political and military force in Lebanon, last fought the Jewish state in 2006.

Israel responded to Hamas's deadly October 7 attack with a full-scale assault of the Palestinian militant group's base in Gaza. And it is increasingly clear Israel is also unwilling to return to the prewar status quo with neighbour Lebanon, as about 80,000 people have been displaced by the border clashes.

How the 63-year-old cleric, who has led the Iran-backed force for more than 30 years, handles the next phase of the war will go a long way to determining whether the Israel-Hamas conflict broadens into a regional conflagration.

Under pressure: Hizbollah chief Hassan Nasrallah makes a television address on Wednesday, watched by an audience in Beirut, on the anniversary of the death of Iran's Qassem Soleimani in 2020
Anwar Amro/AFP/Getty Images

Israel's leaders have shown increasing belligerence towards Lebanon, warning Hizbollah that "what we are doing in Gaza, we can do in Beirut". Prime Minister Benjamin Netanyahu on Thursday said Israel "is committed to bringing about a fundamental change on its border with Lebanon", according to a statement from his office.

Although Israel has said it hoped US-led diplomatic efforts lead to Hizbollah fighters pulling back from their shared border, it has also made clear it is prepared to take military action.

"Some in Israel have been saying 'it's now or never', to deal a crushing blow to Hizbollah," said Mohanad Hage Ali, a fellow at the Carnegie Center in Beirut. "If they try to do this, it will put Nasrallah in a difficult position and narrows his ability to manoeuvre."

Yet few expect Hizbollah to willingly cede territory. And, with a powerful arsenal and tens of thousands of battle-hardened fighters, it poses a much greater threat to Israel than Hamas.

Within 24 hours of Hamas's October 7 attack on Israel, Hizbollah had begun attacks over the border, turning southern Lebanon, which it controls, into "a support front" for its Palestinian ally in the Tehran-linked network of militant groups dubbed the Axis of Resistance.

But Nasrallah then stayed uncharacteristically quiet for weeks, even as his fighters died in their dozens. When he broke his silence with two fiery but carefully calibrated speeches in November, he refrained from declaring war but kept the door open for an escalation.

Nasrallah has orchestrated a calibrated tit-for-tat response in recent months. The day before a temporary truce in Gaza was to come into force in November, Hizbollah launched its biggest barrage to date in response to Israel's killing of five of its elite fighters. But its guns then fell silent, allowing the truce to come into force.

Lebanese officials, analysts and people familiar with Hizbollah's thinking say the root of the caution is that neither Nasrallah nor Iran want to trigger a full-blown conflict.

Nasrallah on Wednesday asserted that while he did not want a war, his group was ready to fight "without limits" if Israel should provoke one.

Yesterday he issued a more direct warning that a Hizbollah response to Arouri's killing was "inevitable", or all of Lebanon "would be open to attack".

The Shia cleric has come to be viewed as the most important figure in the Axis of Resistance after Iran's supreme leader, Ayatollah Ali Khamenei, since the killing of Iranian general Qassem Soleimani by the US in 2020. His decades at the helm of Hizbollah have granted him an unrivalled position as both public face and key strategist in the axis — "more junior partner than proxy" in the network, said Saad.

Since October 7 he has hailed the increased co-ordination between Iranian-backed militants from Yemen to Iraq. More than 1,000 Hizbollah fighters have moved back to Lebanon from Syria to reinforce the front line, say three people who know the organisation.

"He's definitely trying to position himself as the speaker of the Axis of Resistance," said Hage Ali. Yet he is also seen as a prime Israeli target, living largely underground.

Those who have met Beirut-born Nasrallah describe him as having a shrewd mind and commanding presence. But the Hizbollah leader must now also balance domestic national security interests with those of Iran and its proxies. Nasrallah "understands Lebanon can't afford a destructive war", said one senior Lebanese official.

Saad said Nasrallah's message this week was: "We don't want [war] but we're ready for it and we'll destroy Israel. So don't test us."

Additional reporting by James Shotter

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Labour data

Strong US job numbers further dent hopes for early rate cuts

CLAIRE JONES — WASHINGTON
KATE DUGUID — NEW YORK

The US bucked expectations by adding 216,000 jobs last month, capping a week in which strong economic data led investors to scale back their bets on interest rate cuts.

Yesterday's non-farm payrolls figure, which was higher than both forecasts and November's total of 173,000, came on the same day the eurozone reported its first rise in inflation in eight months.

"The December employment report was stronger than consensus across the board," said Stephen Stanley, chief US economist at Santander.

Stanley said that the figures "absolutely argue against" the recent expectation of "early and aggressive rate cuts from the Fed this year".

Expectations of cuts as early as March by the US Federal Reserve and the European Central Bank played a big role in 2023's late-year stock and bond rally. But investors have retreated on their forecasts since trading resumed this week, particularly after Fed minutes revealed most officials wanted to keep borrowing costs high "for some time".

Fed officials expect to make three quarter-point cuts this year and have hinted that rates may need to remain on hold throughout the first quarter.

"The [jobs] report plays into the Fed's view that March might be too soon," said Jason Pride at Glenmede Trust, a wealth management firm.

"It solidifies policymakers' opinion that their plans for three cuts this year — and not the market's [expectation of] six or seven — is the right thing to do."

Over the past week, the odds traders ascribe to a Fed rate cut in March have fallen from 100 per cent to about 70 per cent — despite a slight rebound yesterday after the publication of weaker than expected services data.

The probability of a March cut in the eurozone has fallen from about 65 per cent to less than 50 per cent, putting a dent in a recent rally in bond markets. The eurozone reported December inflation of 2.9 per cent yesterday, up from 2.4 per cent the month before.

The S&P was flat in midday trading after losses earlier in the week.

The jobs data is a crucial metric for the Fed as it considers when to lower rates from their 23-year high. The figures also showed that unemployment remained at 3.7 per cent in December.

"This morning's report confirms that 2023 was a great year for American workers," said Joe Biden, president. His administration is keen to emphasise labour market strength in an election year when he has to overcome a deficit in the polls against his likely opponent, former president Donald Trump.

The US created more than 2.7mn jobs over the course of the year, with hourly pay increasing by 4.1 per cent — more than headline personal consumption expenditure inflation, which reached 2.6 per cent in the year to November.

Work in progress: US unemployment stayed at 3.7 per cent in December

While the job numbers for December were far higher than the 170,000 forecast by economists in a Reuters poll, downward revisions for previous months meant the figures for November and October were much lower than earlier thought.

Dante DeAntonio of Moody's Analytics said that between October and December a monthly average of 165,000 jobs a month had been created — down from 204,000 calculated last month.

"The labour market definitively slowed in 2023 and we expect that trend to continue in the new year."

Fed officials still worry that pay growth at last year's rates will make it more difficult to bring inflation back down to their 2 per cent goal.

But Gregory Daco, chief economist at EY, said he expected a slowdown in wage growth in coming months as the economy added "a growing pool of available workers, including from immigration".

The labour force participation rate edged down by 0.3 percentage points to 62.5 per cent in December.

INTERNATIONAL

Russian bakery rises to Putin's call by making killer drones

Bread factory bosses proud to be hit with US sanctions for building small UAVs

MAX SEDDON AND POLINA IVANOVA
LONDON

Loaves are not the only things coming hot off the production line at the Tambov Bread Factory in central Russia — and western sanctions authorities are taking notice.

Tambov's bakers were put on a US blacklist in December for assembling small drones on the premises that Russian troops use in President Vladimir Putin's invasion of Ukraine.

Their efforts have made the bakery a poster child for the Kremlin's drive to engage civilian industry in producing for the front lines as the war increasingly dominates Russia's economy.

In a state television report from the bakery, a factory boss showed off half a dozen Bekas drones next to freshly baked loaves. "They even smell like fresh bread!" said Russian journalist Alexander Rogatkin holding and sniffing one of the unmanned aerial vehicles.

The factory first began assembling the UAVs in February 2023 using a 3D printer that makes carbon frames, as well as antenna and camera holders, according to interviews with the bakery's managers on Russian state media.

Most of the components for the Bekas are purchased online, allowing the bakers to keep costs between Rbs25,000 ($270) and Rbs50,000 per drone. Tambov now makes about 250 a month, as well as accompanying camouflage backpacks, according to the bakery.

Putin has framed the surge in defence spending as a breakthrough for Russia's industry that has helped the country weather western sanctions during the war.

"The factories of Moscow, St Petersburg, the Urals, Siberia and the Far East — dozens of regions of our country — are working at full capacity in multiple shifts," Putin said at a November event for Rostec, Russia's main defence conglomerate. "In today's conditions this gives an absolutely unique impulse to develop high-tech spheres of production, not only in defence but in related civilian industries as well," he added.

War-related industrial output has risen 35 per cent compared with the period leading to the 2022 invasion, while civilian production has remained flat, according to research published by the Bank of Finland Institute for Emerging Economies. In some industries, such as electrical equipment and motor manufacturing, the boost in war-related output has compensated for falling production of consumer goods.

More than 500 light industrial companies have switched to making equipment for the military, Russia's trade ministry said in February 2023, adding that it expected them to produce four times more for the army that year than they did in 2022.

In Naberezhnye Chelny, a town in west-central Russia on the Kama river, an ice hockey stick workshop has switched to making bulletproof vests. A glamping tent company in Chelyabinsk, an industrial city in the Urals, is now producing sleeping bags and tents for the battlefield. In Voronezh, Russia's southern farming heartland, an agricultural equipment factory is churning out everything from demining equipment and binoculars to anti-drone defences.

Devastation: larger drones have rained on Ukraine's cities. Below, a bakery boss shows off Bekas drones
Sofiia Gatilova/Reuters; Telegram

First-person view (FPV) drones have become increasingly important to both sides in the war, leading to more than 100 volunteer efforts focused on UAVs popping up across Russia. Some of the new drone-makers have said they were asked to pitch in by Russian authorities; the bakery's owners have close ties to local government, while the baker in charge of the effort is a lieutenant-colonel in Russia's reserve army.

"The government has signalled its intent to subsidise drone production in the coming years. Chinese-made 3D printers apparently retail in Russia for the rouble equivalent of a few hundred dollars," said Allen Maggard, a Russian defence industry analyst at US think-tank C4ADS. "The combination of the low acquisition cost of 3D printers and the assurance of state subsidies might make transitioning to drone production an irresistible prospect for companies."

Others, however, are amateur drone enthusiasts apparently motivated by a sense of patriotic duty, who share designs and specifications in groups on social media app Telegram and crowdfund to raise money for the FPV drones.

"What you are witnessing is a window into the whole-of-society, large-scale volunteer effort across Russia," said Samuel Bendett, an expert on autonomous weaponry at the Center for Naval Analyses.

> 'We are proud, we are glad. When else would anyone talk about our factory at such an international level?'

> '[It] is a window into the whole-of-society, large-scale volunteer effort across Russia'

The Bekas drones' small size means their combat potential is limited as they can only carry a 3.5kg load up to 5km. This makes them more suitable for anti-personnel operations than the larger Lancet drones used to target Ukrainian armour and fortifications, or the Iran-made Shaheds sent to strike Kyiv. But the ease of producing the Bekas at scale — the factory claims to have spawned eight copycats — boosts Russia's arsenal of kamikaze loitering drones greatly, Bendett added. "All of this adds up."

Even simple, low-cost weapons such as the Bekas drones are as reliant on foreign-made components as much of Russia's high-tech military production, said Pavel Luzin, a senior fellow at the Jamestown Foundation in Washington. "The only Russian thing there is the Bekas sticker," he added.

The drones' simple design and specification means tracking the supply chain is difficult: Russian customs records for the bakery and an affiliated company that produces the drones come up empty. Chinese 3D printers are particularly hard to track as their parts are usually shipped separately, Maggard said.

Since Russia's 2022 invasion, 22,531 shipments of goods have been sent to Russia from three Chinese 3D printer companies featured in Russian FPV drone communities on Telegram, according to trade data compiled by C4ADS, including 659 shipments with the keyword 3D, Maggard added.

Although the US sanctions designation is likely to limit the number of foreign counterparties willing to supply parts to the bakery, the low cost and small scale of the operation means it is confident the curbs will have no effect.

After the decision, Valery Lyashchenko, the bakery's chief drone builder, was shown on state TV filling a box with bread rings and crackers before sending it to the White House as a "thank you" to US President Joe Biden.

Yuri Chicherin, the bakery's director, added it was a major achievement: "We are proud, we are glad. When else would anyone talk about our factory at such an international level?"

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INTERNATIONAL

Supply chains

Maersk avoids Red Sea as freight rates soar

Container giant latest to reroute vessels fearing attacks by Houthi rebels

DAVID SHEPPARD — LONDON
MARTIN ARNOLD — FRANKFURT
RICHARD MILNE — OSLO

Shipping giant AP Møller-Maersk will reroute ships from the Red Sea around Africa "for the foreseeable future", after Houthi militants in Yemen escalated their attacks in the region.

The move came as container shipping rates shot higher this week and economists warned that the global economy would come under fresh inflationary pressure if the disruption continued.

"The situation is constantly evolving and remains highly volatile, and all available intelligence at hand confirms that the security risk continues to be at a significantly elevated level," said Maersk in a statement.

"We have therefore decided that all Maersk vessels due to transit the Red Sea/Gulf of Aden will be diverted south around the Cape of Good Hope for the foreseeable future."

The world's largest shippers have been abandoning the Suez Canal route connecting Asia and Europe following attacks by the Iranian-backed militants.

The Houthis have launched at least 20 attacks on ships off Yemen's coast in recent weeks in response to Israel's war in Gaza. Maersk's announcement illustrates how shippers are now preparing for prolonged disruption.

The longer distances container vessels are sailing around Africa have tightened the availability of ships and led to rates more than doubling since mid-December on the key Shanghai to Rotterdam route, rising to $3,100 per standard 40ft container from $1,400, according to Xeneta, a container market intelligence company.

"This confirms that there are no quick solutions to this crisis," said Peter Sand, chief analyst at Xeneta. "Maersk and other shipping companies will now be thinking in months and quarters rather than days and weeks."

Economists warned that if the problems persisted it would slow the pace at which global price pressures subside.

Investors expect the US Federal Reserve and European Central Bank to start cutting borrowing costs as early as March in response to a rapid cooling of price pressures. But markets have scaled back these bets in the past week.

Ben May, director of global macro research at consultants Oxford Economics, said that based on IMF research the rise in shipping costs could add about 0.6 percentage points to global inflation if sustained this year.

This would slow the speed of disinflation and "could be another reason to believe that market expectations for the extent of policy loosening by the Fed this year have gone too far", he said.

Thomas McGarrity, head of equities at RBC Wealth Management, said: "If the Red Sea disruption persists, the knock-on impact will likely be felt by industries such as clothing retail, with negative implications for margins due to higher freight costs."

Western powers have deployed naval vessels to the region to protect shipping but have so far avoided targeting Houthi military facilities in Yemen for fear of expanding the conflict. Economists said global stocks of manufactured goods were relatively high while demand was weak, making shortages less likely.

Emile Hokayem see Opinion

Aviation. Japan tragedy

Tokyo airport crash stirs fears for runway safety

Airfields have become more congested while some control towers are short of staff

PHILIP GEORGIADIS AND SYLVIA PFEIFER LONDON
LEO LEWIS — TOKYO

The burnt-out wreckage of a Japan Airlines plane at Tokyo's Haneda airport was a sobering reminder that many of aviation's worst accidents happen on the ground rather than in the air.

Safety investigators spent the week probing the sequence of events that led to a collision between the JAL Airbus A350 and a smaller coastguard turboprop aircraft as the former landed on the runway. All of the nearly 400 passengers and crew on board escaped the JAL plane, but five of the six-member coastguard team were killed.

Japan Transport Safety Board's investigation is running in parallel with a police probe into possible professional negligence. State broadcaster NHK reported yesterday that camera footage showed the coastguard plane may have erroneously been on the runway for as much as 40 seconds before the collision.

Aviation safety experts cautioned against pre-empting the investigations' findings, but they said the accident on Tuesday and a recent rise in near misses highlighted the dangers passengers face while on the ground, and the need for improved alert systems to prevent deadly collisions.

"Traffic is coming back, things are getting busier and runway surface areas at airports are complicated and complex, with many moving parts and interactions," said Hassan Shahidi, chief executive of the Flight Safety Foundation, a US-based non-profit body which co-ordinated a December report calling for improvements to on-ground safety.

"This is an area of concern and there needs to be an international effort to prevent it."

Runway collisions can be catastrophic. The deadliest commercial aviation accident occurred in 1977 when two Boeing 747 Jumbo jets collided on the runway at Tenerife amid confusion over clearances for take-off, killing 583.

The disaster led to major changes to safety protocol, including clearer and standardised communications between control tower and cockpit. With strict standards to keep aircraft apart on the ground and in the sky, the aviation industry can boast an increasingly stellar safety record. But one former British Airways pilot said there remained a greater risk of problems on the ground than in the air. "It is a high workload environment [where] you need to ramp up your attention to detail," he said.

Fireball: the Japan Airlines plane alight at Haneda airport, Tokyo, after colliding with a coastguard aircraft, leading to five deaths
STR/Jiji Press/AFP/Getty Images

Planes operate collision avoidance systems when airborne but there is no universal "last line of defence" at airports, according to the FSF. Modern aircraft have enhanced ground proximity warning systems that give crews information about potential conflicts with obstacles as they near the ground. But ground-based technology is "often cost-prohibitive and not scalable to deploy at thousands of airports", it added.

Safety experts said a ground-based alert system was more complicated to develop, given the different types of aircraft and ground vehicles.

Honeywell of the US already has several runway safety technologies in use by airlines but is working on a new "surface alert" system to prevent runway incursions by giving pilots visual and audio warnings about potential hazards.

The technology, which could be ready to use over the next few years, "analyses position data through specialised algorithms to alert pilots if an aircraft or ground vehicle is on or near the runway", said Jim Currier, chief executive of Honeywell Aerospace Technologies.

Tomoki Kuwano, a former JAL pilot who has been involved in multiple investigations, called for a broader inquiry into why there are not more sophisticated systems to prevent the kind of accident that occurred in Tokyo.

"The orders to stop and go [at airports] are all done by voice, and as long as that is the case, there is going to be a risk of human error and miscommunication," said Kuwano.

Regulators and experts said there is no single factor behind the increase in near misses. But the problems have come as airports get busier after the lifting of coronavirus travel restrictions, leading to congested airfields and staff shortages in some control towers.

> 'The orders to stop and go [at airports] are all done by voice, and as long as that is the case, there is going to be a risk of human error'

Some feel communication between pilots and control towers has worsened. "Those disciplines are not as robust as they have been . . . We are seeing a confluence of factors: Covid, a loss of expertise and loss of workforce," Shahidi said.

There are 1,000 fewer controllers in the US than a decade ago, while in Europe trade unions have warned of the risks of short staffing and fatigue for pilots and air traffic controllers.

Runway safety is under scrutiny in the US, where there were nearly two dozen potentially serious incursions last year, according to the FSF.

A Federal Aviation Administration-commissioned report into air traffic safety, published in November, found there had been a rise in the most serious type of runway incidents, and that air traffic control systems suffered from "inadequate funding" in staffing, equipment, technology and facilities.

The FAA said it was "pursuing a goal of zero close calls" and has acted to cut near misses amid an "erosion in the margin of safety in the national airspace system", including $200mn of investment in runway lighting. Even so, many capacity-constrained airports will be under pressure to cram as many flights in as they can safely handle.

US figures show relative safety of flying

Year	Car deaths	Bus deaths	Rail deaths	Scheduled airline deaths
2021	26,325	5	6	2
2020	23,907	12	2	5
2019	22,367	27	1	2
2018	22,840	30	6	1
2017	23,656	27	9	0

Source: National Safety Council

Climate change

Warm winter spell sends Great Lakes ice cover to 50-year low

KENZA BRYAN AND STEVEN BERNARD LONDON

Ice cover in North America's Great Lakes has hit its lowest level for 50 years after an unusually warm start to winter, continuing a decline that is being closely monitored for its links to climate change.

According to data from the Great Lakes Environmental Research Laboratory, just 0.43 per cent of the interconnected lakes was covered with ice on Thursday compared with an average of 10.6 per cent for this time of year over the past half-century.

Low ice cover across the world's largest group of freshwater lakes by area risks triggering knock-on extreme weather effects across the north-eastern US and southern Canada.

Tony Schumacher, chief meteorologist at the Great Lakes Weather Service, said the record high temperatures in the region at the end of 2023 were partly the result of the naturally occurring El Niño effect, which causes warmer sea-surface temperatures in the Pacific.

Climate change driven by the burning of fossil fuels also played a part, he added. The long-term global average temperature has risen by at least 1.1C since the start of the industrial era.

The US had its warmest December on record last year, based on preliminary data from the National Weather Service, with several cities, including Milwaukee, on Lake Michigan, breaking previous records for the month.

The warmer weather prevented the lakes from freezing over as much as is typical for this time of the year. At Lake Erie, the southernmost and shallowest, and the nearby Lake St Clair, adjacent to Detroit and straddling the US-Canadian border, no ice cover was recorded at all.

The anaemic start to winter has resulted in below-average snowfall across much of the US compared with the past 15 years, shrinking the ski season in the north-west and north-east.

But meteorologists expect more snow in some areas, driven in part by the lack of ice cover. When cold air passes above unfrozen and relatively warmer water, the pressure difference pushes warmer air and water vapour upwards, helping create belts of snow or rain clouds as well as strong winds.

This month's relatively high water temperatures combined with an expected cold snap in mid-January could lead to "pretty significant amounts" of this "lake-effect snow" in parts of Michigan, Ohio and New York State, Schumacher said. "The longer stretch of open water, the greater potential for lake-effect snow," he added.

This phenomenon helped drive heavy snowfall in the central and eastern US at the end of 2022, when a so-called "bomb cyclone" of Arctic wind wreaked havoc on Christmas travel plans.

The long-term downward trend in ice cover across the lakes may have other consequences for society and trade.

Shorter periods every year in which the lakes are frozen could boost key domestic trade routes that criss-cross the lakes, including at a choke point for shipping between Lake Superior, the world's largest freshwater lake by area, and Lake Huron, according to a paper published in 2022 by University of Wisconsin-Superior academics.

China relations

South Koreans accused of leaking submarine secrets to Taiwan

CHRISTIAN DAVIES AND SONG JUNG-A SEOUL

Police in South Korea have charged two people with leaking submarine blueprints to Taiwan as Seoul seeks to avoid a backlash from Beijing over unsanctioned assistance for Taipei's submarine programme.

Taiwan's President Tsai Ing-wen in September unveiled her country's first domestically built submarine at state-owned shipbuilder CSBC in the southern port city of Kaohsiung.

Taiwan has been pursuing greater underwater military capabilities and technology as part of efforts to resist growing pressure from China, which claims the country as part of its territory and has threatened to take it by force.

But South Korean officials are anxious about Korean engineers' contributions and illegal transfer of defence technologies to Taiwan's indigenous submarine programme. Like most countries, South Korea does not have official diplomatic relations with Taipei.

The two South Korean nationals accused of industrial espionage work for marine consultancy firm SI Innotec, which was fined by a Korean court last year for exporting military-grade submarine equipment to CSBC without approval from Seoul's Defense Acquisition Program Administration.

South Korean officials told the Financial Times that the two SI Innotec employees, who previously worked for Daewoo Shipbuilding and Marine Engineering, have been accused of obtaining dozens of pages of blueprints for Daewoo's DSME1400 submarine and passing it to CSBC.

"Taiwan tried hard to get the submarine technology from the US and Germany but they couldn't get it, so they approached Korean engineers instead," said Cho Hyeon-gyu, head of the China centre at the Korea Defense Diplomacy Association. "Korean authorities will be worried about the possibility of worsening relations with China," the country's largest trading partner, he added.

Taipei's attempt to acquire diesel-electric submarines from the US two decades ago failed in part because European governments would not approve the transfer of related technology. This time, Taiwan's indigenous submarine project has received foreign technology and components for electronics, weapons and propulsion, according to people familiar with the project.

Over the past two years, at least three South Korean companies have been charged with industrial espionage relating to the Taiwanese submarine programme.

Park Moo-sik, SI Innotec chief executive, was also given a suspended prison sentence and the company was handed a Won1bn ($765,000) fine last year for its role in the unsanctioned export of defence technologies to CSBC. Park, based in Taiwan, has denied the charges and is in the process of appealing.

DSME has since been acquired by South Korean defence giant Hanwha and is now known as Hanwha Ocean. SI Innotec did not immediately respond to a request for comment about the charges, which were first reported by The Korea Economic Daily. Taiwan's defence ministry did not respond to a request for comment.

A Dapa official said that while it was not illegal for South Korean nationals to work for foreign shipbuilders, "when they transfer defence industry-related technology or export-related products, they need our approval".

Additional reporting by Kathrin Hille

Exercises empty islands

Three South Korean islands were evacuated of their residents yesterday, as Pyongyang and Seoul conducted live fire exercises close to their disputed maritime border.

North Korea fired more than 200 artillery shells into waters west of the Korean peninsula. The South Korean military responded by conducting "corresponding" maritime live fire drills, with local authorities issuing evacuation alerts for the Yeonpyeong island group, off the country's west coast.

The North's barrage followed the conclusion on Thursday of week-long joint US-South Korean military drills near the North Korean border.

Christian Davies

Imports dispute

French brandy shares reel after China launches probe

EDWARD WHITE — SHANGHAI
ADRIENNE KLASA — PARIS
MADELEINE SPEED — LONDON

China has begun a new anti-dumping investigation into French brandy imports, escalating a trade dispute between Beijing and Brussels.

Officials at the Chinese commerce ministry said its probe into EU brandy imports was prompted by complaints from domestic manufacturers. Brandy is China's most imported spirit and it comes primarily from France.

The investigation comes four months after European Commission president Ursula von der Leyen announced an anti-subsidy probe into imports of Chinese electric vehicles, supported by French car executives and officials. At the time, Brussels warned of likely Chinese retaliation.

Shares in major producers of the liquor fell yesterday, with Rémy Cointreau down more than 12 per cent and Pernod Ricard down by 3.6 per cent. Shares in Diageo and luxury group LVMH, which owns Hennessy cognac, traded down by 2.1 per cent and 1.3 per cent respectively.

Pernod Ricard, which owns cognac brands Martell and Augier, said the case brought to Chinese trade officials by an anonymous domestic producer argued that import duties on the liquor should be raised to 16 per cent, up from around 5 per cent now, to level the playing field.

Such a rise would be significant but below similar duties in other countries such as Brazil, with an import levy of 20 per cent, Vietnam at 24 per cent and Thailand at 60 per cent.

"This . . . is just a warning shot," said Hosuk Lee-Makiyama, director of think-tank Ecipe in Brussels. "The EU has not actually done anything [on EVs]. The big one is yet to come."

China imported alcoholic drinks worth about $4.5bn in 2022, according to Daxue Consulting, a China-based market research group. This included around 37.5mn litres of French brandy.

FT Big Read page 8

Elevating Ethics: Again, Again, and Again

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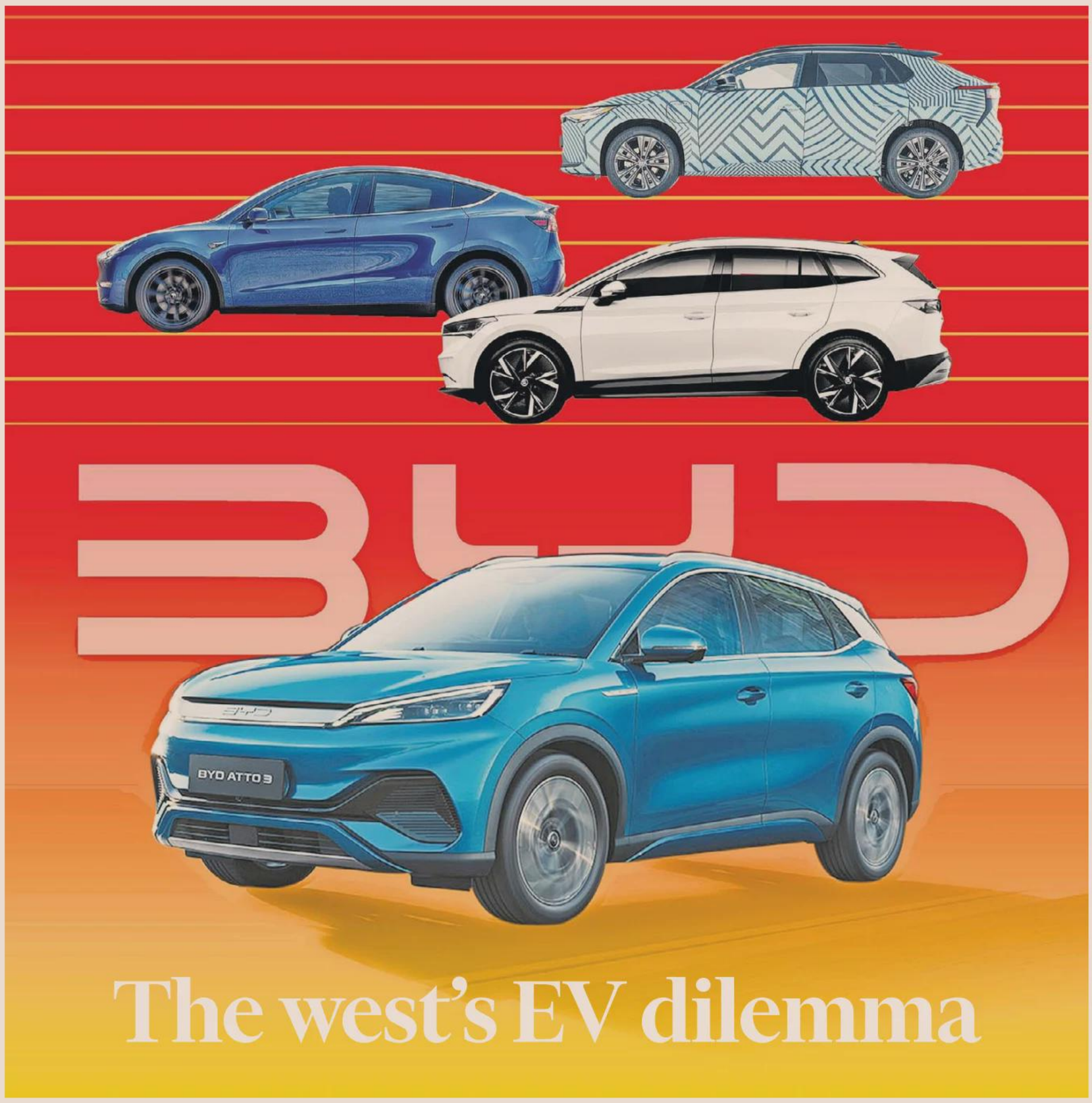
FT BIG READ. ELECTRIC VEHICLES

Chinese companies such as BYD and Nio are targeting overseas markets, leaving governments torn between encouraging take-up of cleaner cars and protecting their own manufacturers.

By Edward White and Peter Campbell



For close to a century, Toyota prided itself on its ability to constantly trim the costs of making its complex, highly engineered vehicles.

But when Takero Kato, the head of the Toyota division tasked with building electric vehicles, travelled through China in 2018 he was shocked by what he found.

Witnessing the "competitiveness of Chinese components," he told the company's internal newspaper, Toyota Times, in November, "I was struck by a sense of crisis. We're in trouble!"

Kato was right to worry. Last year China overtook Japan as the world's biggest auto exporter, with data from Shanghai-based advisory firm Automobility showing Chinese auto exports have nearly quintupled since 2020 to approach 5mn last year.

In the final quarter of 2023 BYD, the Shenzhen-based company backed by Warren Buffett's Berkshire Hathaway group, outsold Tesla for the first time to become the world's biggest maker of cars powered only by batteries and send a stark warning to the industry.

BYD's sales come mostly from the domestic market, which it dominates. But the group is one of several Chinese EV makers turning their sights to foreign shores.

Tesla, long the market leader in electric vehicles, faces growing competition from cheaper rivals

China's entrants — from publicly listed BYD to state-owned Chery — plan to use new regional operations in places like Hungary and Mexico to enter western markets with cheaper electric models, securing their global dominance and challenging storied incumbents such as General Motors, Ford and Volkswagen.

"No one can match BYD on price. Period," says Michael Dunne, chief executive of Asia-focused car consultancy Dunne Insights. "Boardrooms in America, Europe, Korea and Japan are in a state of shock."

While the US government has responded with a slew of subsidies to encourage domestic manufacturing, the prospect of millions of low-cost, high-tech cars made by Chinese companies hitting European shores poses a dilemma for lawmakers there.

A flood of cheap Chinese car imports could be disastrous for Europe's incumbent carmakers, with the EU already considering import tariffs to limit the damage.

But restricting lower-cost imports could stymie the development of the electric vehicle market at a time when Europe is trying to limit fossil fuel emissions and working towards outlawing combustion-engined vehicles altogether by 2035.

Three-quarters of Chinese cars exported today have petrol or diesel engines, notes Bill Russo, former head of Chrysler in northeast Asia and founder of Automobility. But it is the rise of affordable Chinese EVs that is "prompting protectionist governments to consider trade restrictions".

In her State of the Union address in September, European Commission President Ursula von der Leyen complained that China was making EV prices "artificially low" via huge state subsidies. The EU has launched a probe into China's industry, a move that could result in hiked tariffs on Chinese imports.

'Chinese EV makers are sitting on enough capacity to supply 75 per cent of global demand. That should keep western automakers awake at night'

In the US, where EVs account for a much lower proportion of car sales than Europe, lobby groups like the Alliance for American Manufacturing have urged the Biden administration to stand vigilant against the Chinese auto groups.

However, experts warn that even if China's automakers were confined to their home turf behind a wall of tariff protections, they would still be able to compete with US and European manufacturers on price.

A key cost advantage for BYD, the company which industry leaders acknowledge poses the biggest threat, comes from its expertise in producing lithium-based batteries, the most expensive single part of an EV. The group, which evolved from a cell phone battery maker in the 1990s and 2000s, has become a world leader in the field.

According to Bernstein research, BYD batteries are among the lowest cost in the world while also boasting close to the highest energy density, which results in better vehicle performance.

That has helped it undercut its western rivals. BYD's Atto 3, the company's cheapest model, sells for €38,000 in Europe, while the Tesla Model 3 is priced at around €43,000 in major markets such as Germany and France. The brand, which already sells in more than 50 countries, has five models on the market in China that sell for less than the equivalent models from Elon Musk's group.

Chinese automakers have sufficient unused capacity in their domestic factories to make significant inroads into major overseas markets before they break ground on a single regional hub.

BYD exported nearly 250,000 cars last year and — even without the US or European markets — management have told investors they believe they can increase that by more than tenfold over the coming years.

"China still builds and buys more EVs than the rest of the world combined," says Dunne. "Chinese EV makers are sitting on enough capacity to supply 75 per cent of global EV demand. That should keep western automakers awake at night."

Chinese automakers are already encroaching on European territory. Last month, BYD announced it will erect a gleaming new factory in Hungary, "the heart of Europe", to cater to its growing ambitions.

But gaining a foothold in the $1.5tn US auto sector is the grand prize, especially given the surplus of manufacturing capacity over demand in China itself.

"It isn't just 'the mighty Chinese making great profits at home, and now they're stepping into the US market'," says Dunne, the consultant. "They understand that sitting back in China is not an option. They have to come to North America. They have to find a way in. One of the ways in is to establish a base on America's southern flank."

BYD and several other Chinese carmakers are currently scoping the Mexican market to find new manufacturing sites to better target American consumers, as well as other countries in the region.

Chinese groups already stand at a distinct disadvantage in entering the US — especially in the nascent EV sector — compared with rival carmakers from South Korea, Japan and Europe.

Joe Biden's Inflation Reduction Act aims to dole out billions in subsidies for EV development to non-Chinese groups in a bid to reduce US exposure to Chinese technology in key supply chains. There is also rising consumer wariness about buying China-made products.

Yet experts think companies like BYD could still one day crack the US car market, even accounting for trade barriers and the rise of anti-Chinese sentiment in the US.

BYD, the Shenzhen-based company backed by Warren Buffett's Berkshire Hathaway group, outsold Tesla for the first time in the final quarter of 2023

FT montage

The competitive factor, as in Europe, is cost. The lower-price segment of the auto market has largely been abandoned by the "Detroit Three" of General Motors, Ford and Chrysler-owner Stellantis, who have concentrated instead on pick-ups and sports utility vehicles.

Dunne notes that the average price of a new car in the US this year is about $48,000. "Imagine [Chinese automakers] come in with a $20,000 product. The current tariff of 25 per cent knocks it up to $25,000 or $26,000. They are still in a very good position."

But others point out that cost advantage is not set in stone. Once groups like BYD start manufacturing outside China, they will not enjoy the same levels of state support as they do inside the country, says Jorge Guajardo, a former Mexican ambassador to China and now a partner at Dentons Global Advisors.

"The subsidies cannot easily be exported; they are energy, state and local taxes," he says.

Western governments are increasingly on guard against China's incursion into their markets.

The Biden administration has privately cautioned Mexico about the imminent wave of Chinese investment. Congressional representatives wrote in a recent letter they were worried Chinese companies would use Mexico as a "back door" into their market.

The EU anti-dumping and subsidy investigation, meanwhile, will set out its conclusions by November this year.

At the same time, officials in both the US and Europe are also sharpening their focus on the perceived security risks of having China-made components in critical infrastructure such as energy and telecoms. Such concerns will soon apply to Chinese vehicles and other clean technologies, experts say.

250,000
Number of cars that BYD exported last year

$1.5tn
Approximate value of the US auto sector

For their part, Chinese auto executives are pushing back at what they regard as western protectionism. They have called for fair treatment, arguing that foreign automakers have long profited from selling into China's huge consumer market.

They are also trying to position themselves as "global" companies to counter western consumers' misgivings around Chinese groups. William Li, founder and chief executive of Shanghai-headquartered EV group Nio, told the FT late last year that investors from outside China hold more than 80 per cent of the company's shares.

"We've hoped to become a global start-up since our inception," Li told the FT last year. "The problem we're solving is also something the whole world is faced with together."

Western policymakers considering blocking China from clean tech supply chains will need to consider the impact on their net zero ambitions, says Cory Combs, associate director at the Beijing-based Trivium China consultancy.

While governments are justified in seeking to diversify supply chains, he adds, western countries risk "pushing themselves into a corner" by inhibiting their own climate transitions without sufficient mitigation strategies in place.

"We're quickly approaching a make-or-break moment . . . I wonder if that trade-off is being thoroughly considered in a lot of capitals."

Kids Company founder who lobbied to help disadvantaged children

Camila Batmanghelidjh
Youth campaigner and fundraiser
1963-2024

In April 2013, when Camila Batmanghelidjh unveiled a new therapy centre in south London for Kids Company, the organisation she had founded to help disadvantaged children, her influence was at its zenith.

With her colourful outfits and trademark headdresses, for well over a decade Batmanghelidjh had bestridden the customarily grey UK charity sector. In confirmation of her convening power, the British actress Joanna Lumley joined her for the opening ceremony.

But the event proved the high-water mark for Batmanghelidjh, who died on New Year's Day aged 61. In little more than two years, the woman who styled herself the "fat beggar" — in self-deprecating recognition of her fundraising prowess — had become a by-word for mismanagement following Kids Company's sudden collapse in August 2015.

Born in Tehran in 1963 to a wealthy, entrepreneurial family, her father built one of the biggest sports centres in the Middle East, with ice rinks, swimming pools, a dry ski slope and shooting ranges. But when she was 14 and boarding at Sherborne School for Girls in Dorset, the Islamic revolution shattered her security. "News came that my father had been captured by Khomeini's people, and my world turned upside down," she recalled. He escaped via Turkey but it was years before Batmanghelidjh was reunited with him, by which time she was studying theatre at the University of Warwick. She would go on to train in counselling and psychotherapy.

Her elder sister died by suicide while her father was still missing, and Batmanghelidjh was increasingly drawn to helping others. Even at school, a contemporary, Joanna Brittan, remembers she radiated a maternal warmth towards younger pupils, providing the fun and support that was often missing in the emotionally chilly environment of a 1970s British boarding school.

Brittan believes Batmanghelidjh was already displaying the traits that were to shape her career. "I think British boarding schools represented an absence of mothering," she says. "Then I look at Camila's work campaigning and it's the same thing, it's [about] absence of maternal love and attention and care."

She started her first charity, Place2Be, in the early 1990s before founding Kids Company in 1996. From the mid-2000s onwards, as her own profile grew, she persuaded ministers, Labour and Tory, to back her youth work focused on inner south London. She would write that Kids Company's agenda was "to see children and young people become safe and able to realise their potential".

But away from the well-oiled fundraising machine, much else was chaotic. Kids Company struggled to provide evidence of its effectiveness or record how many people it helped. John Podmore, then a trustee for the Pilgrim Trust, to which Batmanghelidjh applied for funding, recalled that while she was expert at focusing attention on the needs of young people who were being left behind, she wasn't alone in this field. "There were lots of people in and around south London, and Bristol and Liverpool, who were doing the same thing but weren't as adept at going out and getting the funds," he said.

Despite extraordinary fundraising — £23mn in 2013 — the charity never built a buffer of reserves. Its precariousness became a fundraising tool, and ministers proved susceptible: the National Audit Office noted warnings about its financial weakness were a routine part of its approach to lobbying for public grants, eventually totalling £46mn.

The lack of reserves left it vulnerable.

Her charm and talent were said to have hidden failures of governance

'There were lots of people who were doing the same thing but they weren't as adept at going out and getting the funds'

By August 2015, a BBC investigation had triggered a police inquiry into staff handling of sexual assault allegations. Trustees decided that the charity, already in financial crisis, could not be saved. After the collapse, two parliamentary committees and the Charity Commission came to similarly critical conclusions about the charity's management.

Sir Stephen Bubb, former head of the Association of Chief Executives of Voluntary Organisations, suggests that Batmanghelidjh's legacy is of a promise never fully realised. "Her undoubted charm and talent hid systematic failures in governance, and sadly it was the kids of south London, the ones she was so keen to support, that paid the price."

She did, however, secure some vindication before her death. The police dropped their investigations and in 2021 a High Court judge ruled that Batmanghelidjh and her trustees should not be disqualified from being directors. The judge said it would be unfortunate if the circumstances of the charity's collapse were allowed to eclipse Batmanghelidjh's work, praising the "enormous dedication she showed to vulnerable young people over many years".

Sarah Neville

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The FT View

FINANCIAL TIMES
'Without fear and without favour'

The world goes to the ballot box

Half of global adults will vote in 2024, but democracy is not just about elections

From Taiwan and Russia to South Africa and the US, more than 70 countries will hold elections in 2024, involving about half of global adults. Yet the paradox of this great year of public ballots is that it is taking place in the midst of a "democratic recession" — a nearly two-decade retreat, overall, in political freedoms.

This paradox reflects the fact that democracy is about more than voting. Open, competitive elections allowing citizens to choose who governs them are an essential condition of a free society. But not the only condition. Respect for human rights, rule of law and checks and balances including robust institutions and independent media are also indispensable. By these measures, freedom is in retreat or on the defensive in much of the world, though not everywhere. Democrats should not despair.

The watchdog Freedom House found global freedom shrank in 2022 for the 17th consecutive year. The gap between the number of countries registering declines in political and civil liberties and those that made improvements was, however, the narrowest in all of this period. Some 35 countries, from Burkina Faso and Tunisia to Nicaragua and Russia, went backwards. But 34 made advances, including Lesotho, Malaysia, the Philippines and Colombia.

In 2024, some elections will confirm democracy's vitality. Taiwan's presidential and legislative contests this month will provide a sharp counterpoint to China's authoritarian one-party system. In South Africa, the ruling African National Congress could conceivably fail to secure a majority for the first time since apartheid ended in 1994.

By contrast, Russia's largely performative presidential election in March will anoint Vladimir Putin to another six-year term, putting him on course potentially to reign longer than Joseph Stalin. Iran will also hold parliamentary elections in March — but officials have already disqualified more than a quarter of the candidates who applied to run.

India's general elections, expected to start in April, will highlight that competitive electoral politics are not a sufficient guarantee of liberty. Prime Minister Narendra Modi and his ruling Bharatiya Janata party have curbed freedom of expression and stoked tensions with India's Muslim minority.

Guardrails of democracy are under threat, too, in many advanced economies — from populists promising simplistic or illusory solutions to voters' grievances on issues such as immigration and inequality. Some populist leaders, notably on the right, have a record once elected of undermining institutions to keep hold of power, claiming to be the true voice of the "people".

The extraordinary prospect looms that Americans may re-elect as president a man whom US prosecutors have charged with trying to overturn the result of the 2020 election. Donald Trump's return to the White House would be perilous for democracy in the US and, given America's role as leader of the free world, around the globe.

> Respect for human rights, rule of law and checks and balances, including robust institutions and independent media, are indispensable

In the EU, hard-right and anti-establishment parties are set to make gains when voters elect a new European parliament in June — though opinion polls suggest mainstream centre-right and centre-left parties will remain the two largest groups. In Austria, the frontrunner in this year's election is the extreme-right Freedom party. A party with the same misleading name came first in Dutch elections in November.

The movement is not all one way. In Poland, a liberal coalition led by former premier Donald Tusk won back power from the illiberal Law and Justice party. It will fall to democrats in many other countries in 2024 to do what they can to keep civic institutions and guardrails alive long enough for liberal democracy to move back into the ascendancy.

ft.com/opinion

Opinion Data Points

Is the west talking itself into decline?

John Burn-Murdoch

The west has shifted away from a culture of progress in recent decades, and towards one of caution, worry and risk-aversion

Words per million related to themes of progress vs caution in English, French and German books

*Progress, advance, improvement, rise, future. †Threat, worry, warning, caution, at risk (all terms also translated)
Sources: Almelhem et al (2023); Google Books Ngram Viewer; Maddison Project Database

The industrial revolution was one of the most important events in human history. Over a handful of decades, technological breakthroughs kicked economic output off its centuries-long low plateau and sent populations, living standards and life expectancy soaring.

Yet for all its vital importance, there is still disagreement over why all this took off when and where it did.

One of the most compelling arguments comes from US economic historian Robert Allen, who argues that Britain's successes in commerce in the 16th and 17th centuries pushed wages up and energy costs down, creating strong incentives to substitute energy and capital for labour and to mechanise manufacturing processes. Others place greater emphasis on the role of UK institutions, while some argue that innovative ideas emerged as a result of increasing interactions among growing and densifying populations.

Another interesting theory is that of economic historian Joel Mokyr, who argues in his 2016 book *A Culture of Growth* that it was broader cultural change that laid the groundwork for the industrial revolution. Prominent British thinkers including Francis Bacon and Isaac Newton championed a progress-oriented view of the world, centred on the idea that science and experimentation were key to increasing human wellbeing.

While persuasive, Mokyr's theory has until recently been only that: a theory. But a fascinating paper published last month by a quartet of economists puts some evidence behind the argument. The researchers analysed the contents of 173,031 books printed in England between 1500 and 1900, tracking how the frequency of different terms changed over time, which they use as a proxy for the cultural themes of the day.

They found a marked increase in the use of terms related to progress and innovation starting in the early 17th century. This supports the idea that "a cultural evolution in the attitudes towards the potential of science accounts in some part for the British industrial revolution and its economic take-off".

To explore whether this holds for other countries, I have adapted and extended their analysis to include Spain, which was economically competitive with Britain well into the 17th century, but then fell behind. Using data from millions of books digitised as part of the Google Ngram project, I have found that the upsurge in discussions of progress in British books occurs about two centuries before the same uptick in Spain, mirroring trends in the countries' economic development.

And it's not just that people talk more about progress when their country is moving forward. In both, culture evolved before growth accelerated.

The finding that language and culture can play important roles in triggering economic development has major implications for the west today.

Extending the same analysis to the present, a striking picture emerges: over the past 60 years the west has begun to shift away from the culture of progress, and towards one of caution, worry and risk-aversion, with economic growth slowing over the same period. The frequency of terms related to progress, improvement and the future has dropped by about 25 per cent since the 1960s, while those related to threats, risks and worries have become several times more common.

That simultaneous rise in language associated with caution could well be not a coincidence but an equal and opposite force acting against growth and progress.

Ruxandra Teslo, one of a growing community of progress-focused writers at the nexus of science, economics and policy, argues that the growing scepticism around technology and the rise in zero-sum thinking in modern society is one of the defining ideological challenges of our time.

Some may counter that a rebalancing of priorities from perpetual advancement to caution is a good thing, but this could be a catastrophic mistake. As well as economic growth, the drive for progress brought us modern medicine, significantly longer and healthier lives, plentiful food supplies, dramatic reductions in poverty, and ever more and ever cheaper renewable energy. The challenges facing the modern world will be solved by more focus on progress, not less.

The pre-industrial world was one of mass conflict, exploitation and suffering. If we are to avoid backsliding, advocates for innovation, growth and abundance must defeat the doomers.

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Letters

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What Argentines endure in the name of monetary sovereignty

Criticising dollarisation in Argentina because it's not ideal is like saying that a slow car is not the optimal solution when the alternative is to walk barefoot through the desert. Yet, this is what Brendan Greeley argues in "The easy dream of someone else's dollars" (On Wall Street, December 23).

It's hard for a European to imagine what the Argentine people have had to endure in the name of monetary sovereignty. By imposing a local currency, successive governments have overseen unsustainably high fiscal deficits, which has led to seven decades of exceptionally high inflation.

When the Argentine people abandoned the local currency to seek value protection by buying US dollars, governments restricted the access to the FX market, and forced exporters to sell their dollars to the government at an artificially low rate. The high inflation has pushed 40 per cent of the population into poverty — and almost 60 per cent of children — even with relatively low levels of unemployment.

Incidentally, the arbitrary access to cheap dollars has been an obscene source of government corruption (as in Venezuela). Shockingly, the above has hardly been the subject of editorials in European media, or has been covered too little compared to the criticism of Argentina's dollarisation plans.

To say "instead of dollarising, fix the governance problem" in Argentina, as the column in effect advises, is like suggesting that instead of taking the weapon from a criminal, one should persuade the criminal to use it sensibly. The theoretical benefit of running a monetary policy presupposes that those in charge of it have a higher objective than financing populist profligacy or getting rich at the expense of the people.

Alas, this has not been the case in Argentina for most of the last 70 years. Little surprise perhaps that 56 per cent of the population voted for a president who promised to close the central bank. Actually, it's what it may take to address the governance problem.

Daniel Hagge
Neuilly-sur-Seine, France

Philanthropy and the grind of active citizenship

Thank you to Martin Sandbu for a very informative, thoughtful and thought-provoking FT Weekend Essay on effective altruism (December 30).

It is hard to disagree with Sandbu's conclusion "that to achieve the most good we can do, we should not take EA too seriously".

First, ideas of effective philanthropy are hardly new. Look at the work of New Philanthropy Capital since 2002 or the work of Sir Ronald Cohen and others in promoting impact investing, notably through the Global Impact Investing Network established in 2009. Financial models of efficiency, in isolation, do not account for the added value from opening doors and being an effective ambassador for causes and organisations in which you passionately believe.

Talented, altruistic young people might well do a "tour of duty" through a graduate leadership programme such as Teach First or Police Now before "earning to give", since the insights from such front-line service can enhance a lifetime of future giving and volunteering and social activism.

When it comes to corporate EA, however, there is no substitute for a business making money ethically and responsibly. Nor, as Sandbu rightly concludes, can philanthropy substitute for the hard grind of active citizenship, engaged in political debate and making political choices.

Prof David Grayson
Emeritus Professor of Corporate Responsibility, Cranfield University School of Management; Chair, The Institute of Business Ethics, London SE11, UK

Gen-Zers should try ersatz altruism. It's just the tonic!

Regarding Martin Sandbu's Weekend Essay ("The moral metric", December 30) effective altruism contains secular echoes of the 19th century neo-Calvinistic belief of the financially successful in predestination.

In effect, wealth is a sign that God loves you and that your overweight camel will have no problems getting through the eye of the needle.

Millennials and Gen-Zers only need add a little ersatz altruism to their ambition to accumulate as many personal resources as possible and they will achieve social salvation.

According to a recent BBC survey, the richest 10 per cent of the world's population own 76 per cent of global wealth. Give away 10 per cent of that and they'll still own an obscene 66 per cent. I could scrape by on that.

And by the way, if I see a self-made guru gazing into the golden light of his own reflection, cupping in his lap a blue and white crystal crock, I know what it's full of.

Jeff Boyd
London E9, UK

Heinemann owner Paul Hamlyn and his wife Helen on their wedding day

Did slinging mud at 'Ulysses' come unstuck?

The cynicism of David Gelber, the assistant editor of the Literary Review writing in your Letters section ("Last rites for zero-star reviews are premature", Letters, December 30), casts too harsh a light on the consumers of his own trade of literary journalism.

This reader (in common with many others) doesn't turn to a newspaper's review section or a literary magazine, without some idea (and the hope) that they will end up reading a book that gets a great write-up.

Yes, a bad review is a convenient "surrogate" for the book in question, but I would not have persuaded my excellent subscription library to obtain Robert Darnton's recent *The Revolutionary Temper: Paris, 1748-1789*, but for the excellent coverage it received in the FT (in a review by Tony Barber) and elsewhere. Nor would I have just read over the holidays Lorna Sage's coruscating (2000) memoir, *Bad Blood*, but for the reception it had from reviewers then and since.

One reason why Stephen Bush is right to wonder whether the "slashing" notice has gone out of fashion is that perhaps fiction reviewers are now kinder than their colleagues in other fields. And a terrible review can have unintended consequences.

The Scottish poet and essayist Kathleen Jamie's brutal (and, arguably, wholly justified) review of Robert Macfarlane's brand of nature writing might have caused some to pick up one of his books to see what the fuss was all about.

Who can say that EM Forster's description of *Ulysses* as "a dogged attempt to cover the universe with mud . . . a simplification of the human character in the interests of hell" didn't give that masterpiece not just greater notoriety, but increased sales.

Conor Magill
London E1, UK

No wonder luxury brands embrace the metaverse

While I enjoyed the cheekiness of the article on the blouson jacket (HTSI, December 30), it missed a few things.

First, while readers might contrast Tom Ford suede jackets with "top hats and cigars" and see it as "quiet luxury", the latter term is derived almost entirely from TikTok commenters. Today's critics have only been in virtual rooms — whether on HBO or otherwise — with wealthy people. Not the easiest place to pick up subtle signalling.

No wonder luxury brands were so eager to head into the metaverse. Where else could virtual experience be so readily monetised?

Second, the article fails to make the key distinction between blouson types, primarily the high-necked variety favoured by Kendall Roy (who himself dresses in conspicuous luxury out of insecurity, wearing ill-fitting Tom Ford suits, for example, something I suppose that is missed by most viewers) and the bomber jacket.

Quite a conspicuous class difference between the two — although you can find nearly the same jacket from $500 to $5,000-plus price points, usually manufactured by the same Italian shop across last year's collections.

You have to take it from an original aspirant, a 20th century late modernist or proto-postmodernist such as Ralph Lauren, who knows well enough that such a style is derived from skeet or clay pigeon-shooting jackets — which Tom Ford and all of the other so-called luxury peddlers fail to take note of.

Michael Grotell
New York, NY, US

PM blandishments fail to sway 'Spycatcher' publisher

Prime Minister Margaret Thatcher, having lost the case in Australia to stop the publication of *Spycatcher* by William Heinemann (Australia), then turned her attention to stopping it being published in the UK by William Heinemann (UK) ("Thatcher signed off on secret 'Spycatcher' leak to journalist", Report, December 29).

Heinemann was owned by Paul Hamlyn. He called three consecutive Heinemann board meetings. Each time he told the board he had had a call from No 10 to ask if he was offered first a knighthood and then a peerage, would he call off its publication. But he'd turned both down. The board agreed. On the third call they asked (I think it was a Tory MP making the calls) what would he accept to call it off. He told us he'd asked if they would make his wife a duchess. We published.

The print run had initially been set at 3,000 (£12.95) but in the end it sold 3mn copies at £15 each. It was a terribly disappointing book.

Derek Wyatt
Former Director, William Heinemann
Former MP, Aldeburgh, Suffolk, UK

Avid reader irked by sprightly choice of words

I am an avid reader of Jo Ellison's column and was surprised to feel irked when she described Lauren Sánchez, a woman in her early fifties, as "sprightly" ("Of Bezos and biceps", Opinion, Life & Arts, November 18).

This term is generally used to describe people post-70 who are energetic and in good health. Is it really an appropriate term to use for a successful and vibrant woman in her fifties? A woman who defies the stereotype of a mid-life woman, rather who is seen to be brazenly enjoying life to the full.

Ellison reflected whether she was being mean-spirited with her comments about Sánchez and her partner Jeff Bezos.

Could it be a touch of envy perhaps? Envy so often signifies what we most desire. We need older women who show us that, as we enter mid-life, becoming invisible is not inevitable.

J Gibbs
Beckenham, Kent, UK

Unusual career changes — courtesy of that FT link

Camilla Cavendish's article about mid-life career change (Opinion, FT Weekend, December 30) does not mention that there is generally a common thread that makes the most unusual career changes possible.

In my case the FT has been that link! I found my first job in 1979, as a trainee investment analyst, in the university library copy of the FT. When I later took the plunge and committed to becoming a full-time artist, an article about my work in How to Spend It gave me credibility and enabled me to continue.

This year I plan to take on a new career challenge, having been selected to stand as a parliamentary candidate. Once again, I will be looking to the FT for excellent news coverage in what is going to be a year full of political grandstanding and gamesmanship.

Emma Buckmaster
Green Party Prospective Parliamentary Candidate for Bury St Edmunds and Stowmarket, Felsham, Suffolk, UK

Hoof it up the pitch = Evertonian Boyle's Law

As a 75-year-old, I fully agree with Richard Styles' letter about maths ("A farmer makes the case for teaching Pythagoras", December 30), but wonder about his dismissal of algebra.

A couple of years ago, inspired by Everton's depressing form, I developed a variant of Boyle's Law which goes: QM=1/H where QM is the quality of the midfield and H is the number of times the goalie has to hoof the ball up the pitch.

John Tinsley
Cambridge, Cambridgeshire, UK

Opinion

The edge of the abyss looms in the Middle East

Emile Hokayem

In the Middle East, wars do not stay within state boundaries. The underlying emotions and grievances, foreign interference, absence of a regional security process and persistent weakness of local diplomacy combine to make spillover more likely than not.

Twenty years ago, the western invasion of Iraq upended the regional balance to Iran's benefit, catalysing a new era of transnational jihadism. A decade ago, Syria descended into a devastating civil war that drew in major powers and extremist fighters. In the past months, beyond the massive Palestinian human toll, the regional repercussions of the ongoing Gaza war are likely to be of the same order and potency.

Forcing Palestine on to the regional agenda was evidently one of Hamas's goals when it began its slaughter in Israel on October 7. Days later, a large-scale Israeli attack against Hizbollah in Lebanon was averted thanks to US pressure. Syria, Lebanon, and Yemen have since become targets and launch pads. The most surprising development is the Houthi success in disrupting maritime traffic in the Bab-el-Mandeb strait.

The past 10 days show how close to the edge of the abyss the region is. There have been suspected killings by Israel of the top Iranian commander in Syria and the deputy Hamas political leader in Lebanon and by the US of a senior Iranian-backed Iraqi commander. The apparent slide towards a US-led intervention against the Houthis in Yemen could also be a sign of an acceleration.

One can find relief in the fact that the 2006 war between Israel and Hizbollah, and previous US and Israeli assassinations of even more important Hamas, Hizbollah and Iranian leaders did not trigger broader conflict. But the difference now is context, scope, tempo and perception. More senior leaders are being killed and more attacks of significance are being conducted across more theatres in a compressed period. Meanwhile, Israel's assault on Gaza continues, antagonising the region's population.

Unsurprisingly, Iran and Israel will decide whether the conflict becomes all-out war or remains a competition for regional influence. While Tehran worries that its credibility and deterrence are being eroded, Iran still views its ultimate objectives as better achieved through a thousand small cuts than costly head-on confrontation. Hizbollah, its most formidable partner, is a battle-hardened force with advanced missile capabilities and strategic depth. It is constrained by only two factors: fear and exhaustion within Lebanese society and Iran's preference to keep it in reserve to deter Israel and the US in case of an existential fight in the future.

Instead, Iran's regional partners are leveraging the conflict to reinforce their domestic positions and assert their resistance against western-enabled imperialism. The countdown to the end of the US presence in Syria and Iraq has started. An impotent Lebanese government is unable to shape, let alone restrain, Hizbollah's behaviour. And while the world increasingly overlooks his own atrocities, Syria's Bashar al-Assad can only watch as his country becomes an arena for others' warfare.

> A traumatised Israel has shown a much higher risk tolerance and ruthlessness than the west expected

Above all, a traumatised Israel has shown a much higher risk tolerance and ruthlessness than western officials expected. Military defeat of Hamas was an achievable objective through patient and calibrated force. Instead, Israel has articulated more expansive goals and adopted questionable military practices, creating a humanitarian tragedy and raising the prospect of a strategic failure. While it seeks cathartic revenge, Hamas is playing for time to win the narrative battle. Both have scant regard for Palestinian suffering.

Perhaps the most immediate danger, however, is not a sudden explosion of violence across the region, but the slow normalisation of, and desensitisation to, what should be an unacceptably high level of violence and human misery.

Three months after October 7, the diplomatic picture is one of disarray. The group of Muslim foreign ministers that visited major capitals has failed to create much, if any, diplomatic traction. Efforts to free Israeli hostages seem to be losing steam. Well-intentioned ideas for the so-called day after are meaningless if Israel views Gaza as an active area of military operations whoever governs it and refuses to join a process leading to Palestinian statehood.

Local governments are failing to step up. Take the threat to global maritime trade. Saudi Arabia worries that harsh action could derail its own talks with the Houthis. Egypt, which depends on Suez Canal revenues to shore up its struggling economy, is doing little to protect maritime navigation. Once again it falls to a much-maligned US to rally a coalition — which will inevitably exacerbate anti-US sentiment in the region.

The US deserves some credit for preventing all-out regional war until now. But it seems bereft of ideas, unable to deploy leverage and struggling with moral vicissitudes. Only the EU foreign policy chief, Josep Borrell, seems to be setting clear goals for a peace settlement. But he has no real mandate and little sway over the key players.

The war in Gaza is a reminder that conflicts cannot be frozen and ignored. As has become painfully obvious in the past few decades, they cannot be won purely on the battlefield. They must be solved fairly, however complex and frustrating it is to do so.

The writer is director of regional security at the International Institute for Strategic Studies

Re-election seems certain but economic strains may test voters' patience with her autocratic style, writes *Benjamin Parkin*

Person in the News | Sheikh Hasina

Bangladeshi premier set on retaining power

In 1975, 27-year-old Sheikh Hasina said goodbye to relatives seeing her off ahead of a trip to Europe from Dhaka. Among them were her three brothers, mother and father, the then president Sheikh Mujibur Rahman, who had helped secure independence from Pakistan four years earlier.

It was the last time she'd see them alive. Two weeks later, mutinous army officers murdered them in a massacre of nearly 20 of her relatives, plunging Bangladesh into a military dictatorship and leaving Sheikh Hasina stranded overseas with her sister Sheikh Rehana. "We didn't know what really happened," she later said. "We didn't know that all the family members were assassinated . . . My younger brother was only 10 years old. They didn't spare him."

This traumatic event would define Sheikh Hasina's trajectory over the next five decades and that of Bangladesh itself. Now the 76-year-old prime minister is on the brink of winning a fifth term in tomorrow's elections. The massacre instilled in her a messianic zeal that has made her the world's longest currently-serving female leader and Bangladesh's most consequential premier. She has helped the country punch above its weight, overseeing rapid development and the growth of its garments sector while balancing China and India to extract maximum investment and taking on the US, its largest clothing buyer.

But the incident also fomented bitterness and paranoia that has poisoned Bangladesh's politics and, critics say, left her determined to retain power at all costs. Tomorrow's result is all but guaranteed after the opposition claimed that authorities rounded up as many as 20,000 members of the rival Bangladesh Nationalist party. The BNP is now boycotting the vote altogether, leaving little meaningful resistance to her Awami League party. She has denounced calls by Washington to ensure the elections are fair as an attempt at regime change.

It is now an open question whether Bangladesh's democracy can survive another term of Sheikh Hasina. Popular dissatisfaction is mounting as the economy slows, exposing inequality and corruption. Some observers fear more tumult and repression. "She's decisive, courageous and single-minded," says a person who has long known her. "[But] she's like Louis XIV. 'L'Etat, c'est moi. I am Bangladesh.'"

Sheikh Hasina was born in 1947 in what was then East Bengal, part of the new Muslim state of Pakistan. Her father Sheikh Mujib led a movement for the Bengali territory's independence from its repressive, Urdu-speaking rulers, culminating in a war and the creation of Bangladesh in 1971.

After her family's murder, Sheikh Hasina returned from exile in 1981 to "fulfil my father's dream", as she told Time. She campaigned against the country's dictators and later the BNP, a party founded by a military ruler who she blamed for her father's assassination. She was prime minister from 1996 to 2001, before assuming power continuously from 2009.

She has survived multiple assassination attempts, including a 2004 grenade attack she blamed on the BNP in which supporters formed a human cocoon to protect her from the blasts.

This near-miss cemented her belief that "maybe Allah has given me some job to do", she said. It also, according to the person who knew her, "basically closes the door for a democratic transition in Bangladesh's politics. It makes her think that, 'If I'm ever in power, I'll make sure that I'm not out of power because . . . they're going to kill me.'"

In office, she set about transforming Bangladesh, infamously dismissed by Henry Kissinger as a "basket case". The garments export sector grew into the world's second largest, while she turbocharged infrastructure and oversaw impressive development gains.

"It is Sheikh Hasina who gave some hope of prosperity to the people of Bangladesh," AK Abdul Momen, her foreign minister, told the Financial Times. "She doesn't give a damn if she's killed to pursue her policies. So she's never afraid."

Yet reconciliation was never on the agenda. Sheikh Hasina repeatedly invokes her family's massacre in interviews and speeches, and even presents visitors with photos of disfigured victims of alleged BNP attacks. She has built a personality cult around her father, whose image is ubiquitous across the country. "Loyalty matters," says another person who knows her. "You're with her, or you're never with her."

> 'She's decisive, courageous and single-minded . . . But she's like Louis XIV. "L'Etat, c'est moi"'

Hatred of her rivals has morphed into a broader assault on democracy. Her re-election in 2018 drew allegations of ballot-stuffing after the Awami League won an improbably large majority. The state has wielded power to fearsome effect, with a US-sanctioned paramilitary battalion accused of extrajudicial killings. Muhammad Yunus, a Nobel Peace Prize-winning microfinance pioneer, was this week sentenced to six months imprisonment in a case that critics dismiss as a personal vendetta.

Even if the outcome of tomorrow's vote appears to be preordained, observers argue another five years of Sheikh Hasina and the Awami League is not. They point to painful inflation, falling foreign reserves and rising defaults, economic pressures which they say will test a population losing patience with her increasingly autocratic rule.

"She has decided the path that she wants to go," says Ali Riaz, a political scientist at Illinois State University. "Her supporters say it's development, it's the wellbeing of the people. My assessment is that she wants to make sure that her party remains in power in perpetuity."

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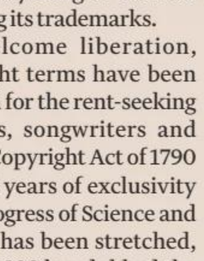
Mickey Mouse should help others to escape copyright

BUSINESS

John Gapper



A mouse has never been trapped for so long. Walt Disney's pioneering 1928 sound cartoon *Steamboat Willie* finally escaped copyright this week, 95 years after first being shown. The film brings with it the original Mickey Mouse, a black and white rodent who whistles jauntily at the wheel of the ship.

Other works have also entered the public domain in the US for the first time: DH Lawrence's *Lady Chatterley's Lover*, Bertolt Brecht and Kurt Weill's *The Threepenny Opera* and Virginia Woolf's *Orlando*. But none of the characters is worth as much, or has played such a role in copyright law, as Disney's (and now the public's) mouse.

Mickey has not scampered off entirely. You are now allowed to mount your own production of *Steamboat Willie*, but make sure that the main character does not resemble later white-gloved versions of Mickey, which remain in copyright. A further legal warning: do not give the impression that your version has anything to do with Disney by breaching its trademarks.

It is still a welcome liberation, given that copyright terms have been lengthened so often for the rent-seeking estates of authors, songwriters and inventors. The US Copyright Act of 1790 permitted up to 28 years of exclusivity "to promote the Progress of Science and useful Arts" but it has been stretched, notoriously in the 1998 law dubbed the Mickey Mouse Protection Act.

Pity all those characters, locked up in their copyright towers by the law. Copyright does not prevent royalty-paying adaptations of works including *Lady Chatterley's Lover* and *Orlando*. But the intention of the limited monopoly was, as the Supreme Court once noted, "to motivate the creative activity of authors and inventors", not to facilitate an intellectual property industry.

I went to *Hansel and Gretel* at the Royal Opera House in London at Christmas. The lovely opera by Engelbert Humperdinck, with a libretto by his sister Adelheid Wette, was adapted from a version of the story in *Grimms' Fairy Tales*. Jacob and Wilhelm Grimm mined the public domain for their works and the opera was staged in 1893, the year the family's copyright expired.

When the naughty siblings get lost in the forest at night and go to sleep, this production has them watched over not by Wette's 14 angels but by characters from the Grimms' books, including Snow White. From the red bow in her hair to the red apple she holds, she is inimitably Disney's princess.

I guess this counts as fair use in copyright law (as does the witch's *Psycho*-like house). But it makes the point elegantly that creative works often build on previous iterations of stories, rather than being wholly unique: in this case, Snow White migrated naturally from German folk tales to the Grimm brothers, to Disney in California.

That does not prove there should be an intellectual commons. Walt Disney expressed the story in his own way, employing many talented artists to do so. His company deserved to be rewarded with exclusivity for long enough to encourage others to create original cinematic works.

There are plenty of cases of copyright wrongly being breached, the latest being the use of images and text to train artificial intelligence models. The New York Times last week sued OpenAI and Microsoft for ChatGPT's unauthorised exploitation of its material: ask the right questions and the supposed oracle will simply regurgitate large portions of the work of NYT journalists.

But copyright needs to be time limited and not too restrictive. As Betsy Rosenblatt, a professor at Case Western Reserve University, put it to me this week, "Copyright is intended to encourage progress. We have to allow people to build on what came before, and not just allow, but encourage it."

Companies have other means of protecting their property, such as trademarks, which can last indefinitely. Anyone can make cola but it cannot be marketed in Coca-Cola's red cans and curved bottles. Disney has embedded a clip from *Steamboat Willie* in its animation studio production logo and turned the image into a trademark. It does not take infringement lightly.

> Literary estates lock up their characters, but they mostly just encourage the creative work of lawyers

Characters have the strongest case for copyright parole, since the law is ambivalent anyway. Cartoon figures such as Mickey Mouse are protected with films in which they feature, but literary figures need to be distinctive or to embody a narrative. Sam Spade, Dashiell Hammett's detective, was once judged not to be part of Warner Bros' contractual rights to *The Maltese Falcon*.

This makes sense, since many princesses, angels, detectives, spies and other archetypes could otherwise be inveigled into copyright, not to reappear for decades. Even so, thousands of characters are stranded when they should have joined the public domain, where Walt Disney found inspiration.

Surely heroes and heroines deserve time off for good behaviour? Literary estates lock up their characters for as long as possible to prolong a stream of earnings, but they mostly encourage the creative work of lawyers. This week's release should be an inspiration: set more Mickeys free.

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Opinion

Tackling obesity must become a national mission

Politicians are nervous of telling citizens what to eat but solutions are now at hand

BRITAIN
Camilla Cavendish

This winter, food feels ever more like a minefield. The rich obsess over carbs and gut bacteria, sporting blood sugar monitors as the latest accessory. The poor are trapped on cheap food that has been industrialised beyond recognition. Our supposedly developed world contains the bizarre spectacle of people who are fat yet still hungry.

Luckily, solutions are at hand. In fact, 2024 could be the year we start to turn the tide on obesity. Science is making increasingly clear the ways junk food impacts our biology — and providing new drugs to help. Cash-strapped governments are realising that obesity imposes unacceptable costs on life chances, health systems and productivity. And some brilliant initiatives, in both Europe and America, are demonstrating that we can grip this crisis in ways which may even pay for themselves.

Until now, politicians and doctors have been nervous about telling citizens what to eat. Politicians emphasise freedom and "lifestyle"; doctors I have interviewed have been cynical about whether their patients will ever lose weight. But the belief that people should be free to choose their own poison is increasingly challenged by the evidence that some products are addictive.

> Helping people escape from the junk food cycle is a moral and financial imperative

Research has found that certain combinations of fats and sugars give our brains a dopamine hit similar to that of nicotine and alcohol: lab rats given cheesecake can develop a lethally overwhelming desire for it. Other work suggests that junk food may tip some very overweight people into hormonal imbalances, which keep them hungry. One recent UK survey suggested that fewer than 0.1 per cent of the population were following all current healthy eating guidance. "Treats" are now being consumed every day. "Public education" alone won't turn the tide.

The arrival of appetite suppressant drugs such as Wegovy is a game-changer. The puritan in me has been reluctant to embrace the arrival of something that seems to require so little effort, and I am wary of potential side-effects. I've also been alarmed by some GP friends who report patients requesting Wegovy "for the weekend" — a quick fix to look svelte on a night out. But helping people escape from the junk food cycle is a moral and financial imperative. And I've started to meet people who have found the initial weight loss got them out of a rut, providing a spur to improve both their diet and levels of activity.

These new drugs also seem to have made medics more open to the possibility that patients can both lose weight and keep it off. Doctors, who regularly ask patients if they smoke, are becoming much braver in broaching the sensitive subject of weight. In the UK and US, pioneering clinics are prescribing fresh food as medicine. In Pennsylvania, one health insurer has started a "Fresh Food Farmacy", which provides 10 healthy meals and 20 hours of cooking workshops to diabetic patients and their families. The programme is designed to break through the challenges faced by those who have little access to good ingredients. The resultant savings on hospital bills improve the bottom line.

The fatalism surrounding obesity has been extraordinary. We were told at one point that it's genetic — but no epidemic on this scale can be explained by genes. Those who urge tough measures have been accused of "fat shaming", even though the impact on health is unambiguous and it hits the poor hardest. One in three English children leaves primary school overweight, and kids in the most deprived parts of the country are more than twice as likely to be obese than in the most privileged areas. And we have been urged to see consumers as saps: I remember being told, when I was working on the sugar tax on drinks in 2015, that people would never go straight from fizzy drinks to water — they would only switch to "diet" alternatives.

Campaigners have refused to accept any of this. I recently visited a London primary school where half the children's families were poor enough to be entitled to free school meals. We sat down to lunch at a long trestle table where sharing platters of sliced carrots and fruit were laid out enticingly. I watched the kids rush to the serving hatch where a chef from a top restaurant was encouraging them to try just one thing they hadn't tried before. The only drink was water. The staff ate with the kids, and talked about the little garden where they're growing herbs. It was one of 190 schools supported by Chefs in Schools, a charity that is changing the culture, helping schools install kitchens, grow food, cook from scratch and teach kids, parents and staff alike.

The ambition is colossal, and it should be spread. Schools, childcare centres, hospitals and other public institutions provide a huge opportunity to improve what we eat. In Denmark, government and business have co-operated on legislation that has boosted to 60 per cent the proportion of publicly procured food that is organic. In Copenhagen, that proportion has now hit 90 per cent, with costs kept down by using more beans and less meat.

Other local action is beginning to take effect: some UK councils are banning fast-food outlets from operating near schools. The consensus paves the way for more national leadership: on advertising restrictions, and prescribing.

Correcting course now feels possible, in a way it didn't before the pandemic. As it becomes increasingly obvious that obesity is a drag on economies, a brake on productivity and a dampener of life chances, curbing it will become a competitive advantage. Countries that don't take serious action to reduce the weight of their populations will soon be presiding over societies in which the poor continue to be at the mercy of the junk food cycle, while the rich pay a fortune to escape it. We will turn the corner.

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Creative industries need another Great British Rebrand

James Purnell

In the late nineties, Britain banished gloom and pessimism to rebrand as Cool Britannia. Now, a quarter of a century on, brand Britain needs a refresh.

The "cool" epithet didn't — as some might think — originate in New Labour spin but rather in a 1997 edition of Vanity Fair. The article captured the national mood. England had hosted the Euro '96 football tournament and at Wembley thousands sang "football's coming home". Homegrown Britpop bands like Pulp, Blur and Oasis dominated the charts, while the likes of Damien Hirst and Vivienne Westwood shook up the worlds of art and fashion.

Even the country's politicians, in Vanity Fair's estimation, were "cool-ish". And while they didn't themselves make Britain cool, they did at least understand why it mattered. Six months after Labour's 1997 landslide, Tony Blair hosted British artists, musicians and entertainers for a Downing Street soirée. It was mocked by some, but it conveyed a sense of a changed country — sophisticated and outward-looking.

For people like me, then a Number 10 adviser, Cool Britannia wasn't just champagne and blinis. The serious side of it was policymaking — not quite so glamorous, but important nevertheless. Inside government, we began to measure the economic impact of the "creative industries": a newly-coined term to describe a sector that included music, books, television, architecture and advertising. A new "creative industries task force" began to devise policies to help the sector flourish. It was made up of ministers, but also leaders who knew the sector inside out.

It wasn't always easy getting civil servants or indeed fellow politicians to realise why these industries were so important. But our persistence paid off. Twenty-five years on, the creative industries are accepted as essential to the national economy by every Westminster party. The current government published its vision for them in June last year, which included policy ideas, along with statistics that trumpet the sector's success.

Over the past decade, the creative industries have grown at 1.5 times the rate of the wider economy. They have contributed billions of pounds of business activity and exports — and now generate more wealth than aerospace, the life sciences and automotive sectors combined. The world delights in our cultural exports, from screen blockbusters to games design, music and fashion.

> While the dynamism that made Cool Britannia has not gone anywhere, our self-confidence is fading

Now out of government, I have the privilege to witness that culture in the making every day: University of the Arts London is the biggest art and design university in the world. It's second in the QS World Rankings in these subjects only to the Royal College of Art, also based, of course, in London. Yet despite all this energy, I'm concerned.

Early results from a survey by Erskine Analysis in partnership with UAL indicate a majority of leaders of creative industries companies in the UK believe their sectors have lost competitiveness over the past 10 years. That should worry us all. In 2021, the creative industries accounted for over 5 per cent of the national economy. Fashion houses and design studios are of no less importance to economic growth than labs and factories.

There are many causes, Brexit among them. But the biggest problem, I think, is our attitude. We need to stop being so apologetic. Don't take it from me. In a recent interview, Graydon Carter, a former editor of Vanity Fair, says the British should be "more upbeat" about their culture as he considers making his move from New York to London permanent. But you wouldn't hear this bullishness from many Brits.

Pessimism breeds inertia. The creative industries can't get the research funding they need. As a recent report by the President of the British Academy outlines, "public investment in R&D in the creative industries should reflect the size, economic contribution and future growth potential of the sector". Quite right. Overly strict immigration rules, meanwhile, prevent creative businesses from filling vacancies.

We need homegrown talent, too. But since the introduction of the EBacc in 2010 — a way of measuring school results that focuses on so-called "core subjects" — the number of students taking arts GCSEs has fallen more than 40 per cent. That's at a time when companies consistently highlight creativity as the skill they desire most.

The creative sector has work to do. If any creative business has an idea for how we can change the mood music, they should get in touch. Because while the dynamism that made Cool Britannia has not gone anywhere, our self-confidence is fading away. We cannot let that happen. It's time for a brand refresh.

The writer, a former secretary of state for culture, media and sport, is vice-chancellor of University of the Arts London

Why we all became obsessed with Luke Littler

Emily Herbert

The young woman next to me buried her face in her hoodie while her two friends clutched each other, and their pints, with a nervous anticipation. Darts fever had gripped the UK — at least it felt that way on Wednesday night in my packed local pub, where for two hours we had been rooting for 16-year-old sensation Luke "the Nuke" Littler. That Littler was still too young to be served alcohol only added to his charm.

But it was not to be: having bottled an early lead, Littler twice missed the double seven that would have kept him in the game, clearing the way for world number one Luke Humphries to take the title of PDC World Champion.

The final attracted a UK audience of 3.7mn viewers — Sky Sports' highest ever non-football peak audience. The media frenzy surrounding the competition's youngest-ever finalist saw past darts viewing records — previously 1.65mn for the 2015 final — more than double. And that's not to mention the sudden birth of a whole generation of armchair experts.

I had never watched a darts match before, but, like everyone else, found myself increasingly obsessed. Why? Because prodigies remind us of competitive sport at its best: the sheer talent of somebody excelling in their field, regardless of their background.

The misty-eyed pride, albeit of a wisecracking British variety, that swept through the country this week was reminiscent of 2021, when ecstatic crowds watched 18-year-old Emma Raducanu make tennis history as the first qualifier to win a Grand Slam singles title. Sky Brown captured hearts on her skateboard at the Tokyo Olympics in 2021, having just turned 13. And last month, eight-year-old Bodhana Sivanandan thrilled the continent when she became a European chess champion.

> Seeing a young star succeed reminds us what it's about: that it could have been any one of us

Littler seemed to strike a chord with a nation struggling through a dreary, rain-drenched Christmas. Fans pored over the mundane details that set the teen Manchester United fan apart from more established sports celebrities. Asked about his non-darting life, he described an entirely relatable daily routine: "Just wake up, play on my Xbox, have some food, have a chuck on the board, go to bed and that's it."

Even his post-match sustenance earned its own acclaim. Littler shot to fame on social media after declaring his ambition for a celebratory kebab after his first-round win. Now, his local joint Warrington Hot Spot has promised him free kebabs for life, while package holiday company On The Beach wrote an open letter offering him a role as chief kebab taster for luxury Turkish hotels.

But Wednesday's final and the buzz surrounding it was not just about darts, kebabs, or even Luke the Nuke. A talented youngster is a sporting myth that never gets old. Fearless and unself-conscious, he shot for the bullseye with enviable confidence.

Unvarnished young stars show us why we love sport — because if you remove the baggage of celebrity and high earnings, there is a democracy to it. Talent coupled with dedication (Littler claims to have been throwing darts from 18 months old) can get you across the line, regardless of where you grew up or what your parents did. This truism is often obscured by oppressive management, media training and the six-figure weekly paychecks — in the Premier League at least. But seeing a young star succeed reminds us what it's all about: that it could have been any one of us.

Perhaps one day Littler will look back with relief at the moment he missed that crucial double. Early success can be a curse, and the purity of a win can vanish overnight as sponsors and agents pounce. Raducanu has admitted to sometimes wishing she had never won the US Open.

If the thrill of that first burst of victory is impossible to sustain, then all the more reason to revel in it. Sport should be joyful. Young, raw talent is the perfect reminder of that, kebabs and all.

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Companies & Markets

FINANCIAL TIMES

Off the QT Investor hopes rise over potential Fed exit from quantitative tightening — PAGE 17

Balance the books Shake-out looms as heavy debt weighs on many US universities — PAGE 22

Probe fails to identify account at centre of Endeavour sacking

● EY and Linklaters draw a blank ● Ex-chief says $5.9mn went to security group

Endeavour Mining CEO Sébastien de Montessus was sacked for what the company claimed was 'serious misconduct' over an irregular payment — Issouf Sanogo/AFP

HARRY DEMPSEY AND SIMON FOY

Forensic accountants were unable to identify the owner of a bank account to which the ousted chief executive of Endeavour Mining instructed a $5.9mn payment, according to two people familiar with the details.

Sébastien de Montessus was sacked as chief executive of the West Africa-focused gold producer on Thursday for what it claimed was "serious misconduct" after the board discovered an allegedly irregular payment instruction he had issued.

EY and Linklaters undertook a forensic accounting investigation to identify the holder of the bank account to which de Montessus ordered $5.9mn be transferred but they were unable to discover the owner, the people said.

De Montessus has said that the payment was made in 2021 to a known security company to provide services to protect partners and employees in a conflict zone, which people with knowledge of the situation confirmed was a reference to mines in Burkina Faso. De Montessus declined to provide the company's name to the Financial Times.

Endeavour said the payment was connected to one of its divestitures in recent years, which a BMO research note said was the Agbaou mine in Ivory Coast, sold in 2021.

The chief executive instructed the then-private Canadian gold company Allied Gold, which bought Agbaou, to transfer $5.9mn owed to Endeavour as part of the transaction to the supposed security company, according to three people familiar with the matter.

Allied Gold said it "received payment instructions in compliance with the obligations outlined in the purchase agreement" and payment was made in line with the instructions and agreement.

Norton Rose Fulbright was the law firm that advised Endeavour on the Agbaou transaction.

EY and Norton Rose Fulbright declined to comment. Linklaters did not respond to a request for comment.

De Montessus said on Thursday that he had failed to notify the board of the arrangement but denied he benefited personally from the payment. He also criticised the short time he was given by the board to offer a defence.

> 'The minimum he should have done was inform the chair. His answer was not satisfactory for the board'

A top 10 shareholder in Endeavour told the FT that if de Montessus was paying for security then "the minimum" he should have done was inform the chair or another board member.

"His answer was not satisfactory at all for the board," the shareholder said.

De Montessus has previously come under fire for his high pay levels. He was the highest earning FTSE 100 chief executive with £16.85mn in 2021, outstripping second-place Pascal Soriot, who earned £13.85mn for leading pharmaceutical company AstraZeneca.

Endeavour said that, separately, a complaint had been made by a whistleblower in October 2023 about de Montessus's conduct with employees, an allegation he denies.

De Montessus's departure leaves questions for Endeavour about the involvement and knowledge of other executives in the company of the irregular payment instruction.

Endeavour's shares fell almost 7 per cent yesterday. Despite the appointment of mining veteran Ian Cockerill as chief executive, analysts at Berenberg said there was scope for it to become an M&A target.

La Mancha, Endeavour's second-largest shareholder founded by Egyptian billionaire Naguib Sawiris, said yesterday that it recognised and respected the "challenging nature of the decision" to fire de Montessus, but stood by it.

Signa seeks €350mn to stave off fire sale of assets

SAM JONES — BERLIN

Administrators at René Benko's collapsed European property empire are seeking €350mn from investors to forestall a fire sale of assets in the coming weeks.

Signa Prime and Signa Development, the two holding companies that own the bulk of the wider Signa Group's property assets, wrote to shareholders just days before Christmas urging them to stump up fresh capital, according to a copy of the letter seen by the Financial Times.

Erhard Grossnigg, the companies' administrator, said hundreds of millions of euros were needed "quickly" to tide the companies over until April and avoid writedowns.

Signa confirmed the figure but declined to comment further on the content of the letter. Grossnigg's office declined to comment.

Without the money, the two businesses will have no option but to try to sell their assets in an already troubled commercial property market. Both filed for insolvency on December 28, with debts of €5.6bn.

Their parent company, Signa Holding, was the first domino to fall in Benko's sprawling property empire — a network of more than 1,000 companies, foundations and trusts — when it entered insolvency in November. It owes a further €5bn. The total debts owed by the Signa Group are unknown but estimated by analysts to be in excess of €15bn.

The needs of Signa Prime are most pressing, with the group requiring €300mn, according to the letter. The company owns some of Benko's most prized assets, including the half-finished Elbtower in Hamburg, Germany's third-largest skyscraper, as well as department stores in big cities, and valuable real estate in Vienna.

In the letter to shareholders, Grossnigg noted that new money was particularly needed to complete some projects,

The total debts of Rene Benko's Signa Group have been estimated by analysts as being in excess of €15bn

which would be worth billions less than anticipated if they were sold as construction sites.

He also warned that banks had first claim on many individual assets of Signa Prime and Signa Development because of direct mortgages against the properties themselves, meaning that a fire sale could wipe out value for lenders and shareholders lower down the chain.

Signa accounts were never consolidated and the way Benko ran the business — shifting around assets, cash and debts — has left investors bewildered by the complexity of the company.

Financials

Crisis-hit China shadow bank Zhongzhi files for bankruptcy

CHENG LENG AND HUDSON LOCKETT
HONG KONG
EDWARD WHITE — SHANGHAI

Zhongzhi, the company at the centre of China's $3tn shadow banking sector, yesterday filed for bankruptcy, having become "severely insolvent".

A Beijing court accepted the liquidation application, accepting that the group was unable to pay its debts.

In a letter to investors, Zhongzhi said not only that it was "severely insolvent" but that management had "run wild" after the 2021 death of founder Xie Zhikun. It said assets amounted to Rmb200bn ($28bn) against obligations of up to Rmb460bn.

Police opened an investigation into unidentified crimes at Zhongzhi's wealth management arm in November, days after the group declared a shortfall of as much as $36.4bn.

Its failure adds to fears that the property sector crisis, and a wider economic slowdown, are feeding into China's vast and opaque savings industry. Zhongzhi had built a web of investments in listed groups and developers as a shadow lender over decades. Its high-risk lending and exposure to the property market plunged it into a liquidity crisis last year as it missed payments to retail investors in its wealth businesses.

One Hong Kong-based fund manager with a Chinese financial group said it was "quite surprising" that Zhongzhi had gone "straight into liquidation", noting that other Chinese companies with missed payments in recent years had sought to delay restructuring.

The downfall highlights the challenge for Beijing in handling huge, and sometimes hidden, debt problems as state planners try to deleverage riskier parts of the system.

Alicia García-Herrero, chief Asia-Pacific economist at Natixis, said Chinese trust fund exposure to the property sector had been cut amid acute pressure from Beijing, but the risk had probably been transferred to bigger banks.

Zhongzhi did not respond to a request for comment.

Food & beverage. Supply chain

Sobering tequila sales sap spirit of Mexico's agave growers

> Farmers fearful over planting new crops as growth slows in consumption of the beverage

MADELEINE SPEED — LONDON
CHRISTINE MURRAY — MEXICO CITY

In the highlands of Jalisco, Mexico's largest tequila-producing region, some growers of agave, the spirit's base ingredient, are fearful of committing to another seven-year planting cycle after a significant drop in price for the cactus-like crop.

Spirits makers have struggled for years to secure enough agave as tequila demand surged to record highs in North America. Consumption soared even higher during the coronavirus pandemic when locked-down consumers splashed out on higher-end tipples, and again during the ensuing recovery when they burnt through their savings.

But over the past six months supply has caught up with demand. Agave crops that were panic-planted as thirst for tequila mounted are coming to maturity just as growth in the US has started to moderate.

"The biggest risk we see is that *agaveros* will come out of planting for the next five years ahead," said Dave Ingram, chief supply chain officer at Bacardi, which makes Patron, Cazadores and Corzo tequila. "They will look at today's price and ask if they should plant something else that is going to give a short-term higher return than agave."

The price of agave has dropped from highs of 31 pesos ($1.83) per kilo six months ago to as low as 10-15 pesos a kilo now, industry experts said. Sales growth of premium and super-premium tequila in the US has also slowed from highs of 25 per cent to 45 per cent in the first half of 2022 to 5 per cent growth in the same period last year, according to drinks research provider IWSR.

"As soon as there were signs of the US tequila market slowing down growth, there was a lot of speculation among agave growers," said José Luis Hermoso, research director for Central and South America at IWSR. "Large brands were not buying any more, so everyone was waiting . . . for the price to come down. It was inevitable in a way."

In the US, international companies Diageo and Bacardi dominate the industry alongside Mexican spirits group Becle, which makes Jose Cuervo and 1800. Tequila represented about half of US spirits growth in 2022, winning market share from vodka, whisky and cognac. Diageo, in particular, has benefited from the tequila wave, with the spirit contributing more than half its US growth over the past six years, according to analysis by Jefferies.

Bacardi buys 70 per cent of the agave for its tequila brands on five- to seven-year contracts. The group has 1.5mn tonnes from 30,000 hectares of agave contracted with roughly 28 partners.

"The main thing we're doing right now is making sure that people are still confident about the industry for the long term," said Ingram, adding that while there was a softening in demand in the US, there was a big opportunity in the rest of the world.

Diageo's chief financial officer said in a recent investor call that it had a "mixed model" to how it procures agave: the spirits maker owns its own crops, contracts with farmers to grow on its behalf and buys agave on the spot market.

As the supply of agave stabilises, tequila producers will have more capacity to allocate stock for markets besides the US. But some in the industry doubt that tequila can resonate in other markets like it has in North America, where the eating and drinking culture has heavy Hispanic influence.

Sales growth of premium and super-premium tequila in the US has slowed

"European consumers are well behind US consumers because there was no need to develop these markets," said Hermoso. "Any percentage the US doesn't grow is a lot of tequila to be sold elsewhere. Whether that demand exists in Europe is yet to be seen."

Demand in the US has been driven by high-end tequila, for which consumers developed a taste after steadily trading up from the tequila shots they downed at college to pricier "sipping" varieties.

Europeans have yet to be taken on this "laddering" journey, said Hermoso, or to develop the flavour nuances of different tequilas. Until they have, he said, demand will never match that of the US.

The slowdown in tequila demand has led to a fundamental shift in agave market dynamics. Hermoso said there was no official commodity price for agave and the power to negotiate the price had shifted from growers to tequila producers as supply stabilised and drinks groups moved to secure their own crops with an integrated supply chain.

Growers "don't have collective bargaining power", said Hermoso. "Bigger players have gone in and secured larger tracts of land to secure their own supply. That has a big impact on availability."

Aligning the supply and demand for agave has always been one of the industry's big challenges, according to Martín Muñoz, technical commissioner at Mexican industry body Consejo Regulador del Tequila.

The first crisis came between 1997 and 2001 when prices shot up to 16 pesos per kilogramme before dropping to 1 peso per kg between 2006 and 2008.

Muñoz said no one had a "crystal ball" to know where the price would go. The regulator is now trying to promote long-term contracts, cut out intermediaries — known as coyotes — and working to prevent growers abandoning their crop.

"When there is oversupply of raw materials . . . eventually there can be protests or social conflict," he said, adding that today's price fall had not reached the point of difficulty yet.

The CRT said it had not seen cases of crops being abandoned in its register, which growers are required to update.

However, David Suro-Piñera, owner of small-batch producer Siembra Spirits, said he was in the highlands of Jalisco last month and already noticed some agave fields not being cared for properly. "This is only three months into this dramatic decrease in prices. I can't imagine what it's going to be in a year."

COMPANIES & MARKETS

Saudi Arabia's state fund has a huge appetite for deals

The Top Line
Anne-Sylvaine Chassany

Last month the chief of Saudi Arabia's sovereign wealth fund struck the Hong Kong stock market gong. In doing so Yasir al-Rumayyan signalled the kingdom's ambitions in Asia. Having set up an office in Hong Kong in 2022, the Public Investment Fund would go to mainland China and India "hopefully, very soon", he said.

This was music to the ears of Hong Kong authorities more accustomed lately to the sound of foreign investors departing. It also capped a year of aggressive investing by the PIF, whose enormous appetite has reshaped the world of sovereign wealth funds.

In 2023, the fund chaired by Crown Prince Mohammed bin Salman spent $31.6bn, the most among its peers, according to data compiled by Global SWF. The Saudi fund dethroned Singapore's GIC, which had topped the ranking for five consecutive years.

The PIF increased its spending by a third when everyone else retrenched: overall sovereign wealth funds invested a fifth less at $124.7bn, opting for prudence in a difficult macroeconomic environment. GIC halved its spending despite sitting on more than $140bn in "dry powder"; cash not yet invested.

The PIF also stood out for the size of its investments: of 49 last year, three were the largest in their industries. It spent $4.9bn on US gaming group Scopely in April, bought Standard Chartered's aircraft leasing business for $3.6bn and took over the steel unit of Saudi chemicals group Sabic for $3.3bn. Other investments have included 8 per cent of Nintendo, 10 per cent of Heathrow airport and 49 per cent of UK hotel chain Rocco Forte.

The dealmaking is the result of an overhaul of the 53-year-old fund by Prince Mohammed. In 2015, he decided the PIF would drive the modernisation and diversification of the kingdom, with a view to prepare for peak oil and meet the needs of his young and restive 36mn population.

The fund's headcount has soared from 40 to 2,500 and it has stepped into almost all national economic spheres, engineering domestic consolidation from construction to sports to create national champions.

"They are everywhere, they have become more professionalised," said Ludovic Phalippou, professor at Oxford's Saïd Business School, noting "the sheer size" of its ambitions.

Other funds in the region have been active: ADIA, Mubadala and ADQ in Abu Dhabi and Qatar Investment Authority made it to the top 10 by spending last year. But PIF's mandate sets the fund apart.

Its risk appetite is higher. When its peers generally invest through third party fund managers, "PIF prefers to invest directly, mostly in strategically important areas of the Saudi economy, from football clubs, tourism and gaming . . . to construction and heavy industry," said Diego López, head of Global SWF.

It is also in a hurry: it has a goal of increasing assets under management to more than $1tn by the end of 2025 and $2tn by 2030, from about $700bn. This could result in some big losses. But its key measure of success is not returns — it said it delivered 8 per cent a year by the end of 2022 — but size and domestic impact.

> The PIF stood out for the size of its investments last year: three of the 49 were the largest in their industries

A "hybrid between a development fund and a private capital fund" is how a person close to the fund describes it.

The increased activity will generate more scrutiny — and potentially hostility. Western public opinion and some politicians have been wary of an autocratic regime snapping up assets.

In December, Madrid said it would buy up to 10 per cent of Telefónica in response to a move by PIF-owned STC to acquire a similar holding. Last year's talks with the PGA Tour and PIF over a golf tie-up sparked negative reactions in Washington and probes into antitrust and national security issues.

Prince Mohammed will tolerate such headaches, says López, as his priority is "to put the kingdom on the map".

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Lessons for Musk as BYD's professor-boss bolsters sales

Spotlight

Wang Chuanfu
Chair and chief executive, BYD

In the fourth quarter of last year, BYD, founded by Wang Chuanfu, sold 526,000 battery-only EVs to Tesla's 484,000 — Bertha Wang/Bloomberg

In 2011, Elon Musk could not contain a chuckle at the idea that Tesla could be challenged by BYD. He said: "Have you seen their car? I don't think it is particularly attractive. The technology is not very strong. And BYD, as a company, has pretty severe problems on their home turf."

A decade on, the Shenzhen-based business led by Wang Chuanfu has claimed Tesla's crown as the biggest producer of battery-powered cars. In the fourth quarter of 2023, BYD, which was founded in 1995 and counts Berkshire Hathaway as a shareholder, sold a record 526,000 battery-only EVs to Tesla's 484,000.

"Four to five years ago, no one would have thought Chinese EVs would have the quality or reliability to compete," said Tu Le, founder of consultancy Sino Auto Insights.

BYD's ascent adds further glory to the legend of Wang. The story of the metals professor turned hard-headed executive with a fastidious focus on technology, supply chains and cost-cutting has become gospel in Chinese science and business schools.

To his employees, Wang is known as "the Chairman". Both revered and feared, the 57-year-old's unassuming demeanour belies a micromanager with a Stakhanovite ethic. "The work-life balance concept is just not in his lexicon," said Michael Dunne, chief executive of Dunne Insights.

In 2008, Charlie Munger persuaded Buffett to invest $230mn for a 10 per cent stake in the then-little-known company, arguing that in Wang they had a mix of Thomas Edison and Jack Welch, the former General Electric chief. Berkshire has since sold a 2 per cent stake for $890mn. Its remaining holding is worth about $2.3bn.

BYD's net profit more than doubled to Rmb21.37bn ($3bn) in the first nine months of 2023 compared with the same period a year earlier. Its stock has risen more than fivefold since the start of 2020, giving it a market capitalisation of Rmb622bn.

While Munger was impressed with Wang's engineering skills, experts attribute BYD's success largely to a ruthless cost-cutting culture.

The entrepreneur had instituted "absolutely aggressive cost control", said Christoph Weber at Swiss software group AutoForm.

Steeped in lessons from making mobile phone batteries and other components for Siemens, Nokia and Motorola in its early years, BYD has developed its in-house capabilities. Contracting other companies for hardware or services is a last resort, so much so that an executive once told car reviewers that the company made everything on the vehicle "except the tyres and the windscreen".

> 'The work-life balance concept is just not in his lexicon'

The emphasis on cost has underpinned the group's vertical integration, from supplies of resources to batteries and computer chips.

As one of the top battery makers, it supplies rivals including Tesla and Toyota.

It has resulted in manufacturing innovations. In one example from BYD's early days, Wang acquired a panel-stamping tool from Jeep in Beijing. This led the company to crack "cell-to-body" tech, which sandwiches the EV battery cell with a car body.

Wang's unforgiving model has led to complaints about worker treatment.

By splitting manufacturing into "finer and finer steps", Weber said, individual workers only carried out very narrow tasks. This meant there was greater propensity to replace staff with cheap workers. "They basically treat people like robots," he said.

Its battery-only vehicles have trumped Tesla in the fourth quarter but taking into account plug-in hybrid vehicles — which China defines as "new energy vehicles" alongside pure battery- and hydrogen-powered models — BYD overtook Tesla in the first half of 2022.

BYD's total sales for 2023 were up 62 per cent to more than 3mn vehicles compared with 1.81mn for Tesla.

In an era when the Communist party frequently cracks down on the business elite, experts believe that Wang, a proponent of high-tech products that help achieve Beijing's carbon emission reduction goals, is on relatively safe ground.

In a rare endorsement, Xi Jinping in his annual new year address on Sunday noted that Chinese-made "new energy vehicles" showcased "China's manufacturing prowess".

BYD's battery tech has for several years been taught as part of the curriculum at Tsinghua University in Beijing. At school, pupils learn about the Tang, BYD's plug-in hybrid SUV, in physics lessons.

BYD has been on some car executives' radar for a few years. In 2021, then-Volkswagen chief Herbert Diess said BYD was the company VW feared the most.

Yet BYD's rise has surprised many in the industry. This is partly because growth accelerated during the pandemic when China's borders were shut.

It was Musk's own decision in late 2022 to chase higher volume in China through price cuts that gave BYD a boost. "If I'm shopping on value, BYD has got five models that are cheaper [than Tesla]. And they're newer," said Bill Russo, former head of Chrysler in China and founder of advisory firm Automobility.

Having conquered the Chinese market, Wang is setting his sights on foreign shores. In November, BYD told Citi analysts that it aimed for a share of about 10 per cent in overseas markets excluding the US or Europe in the long term. That implies annual overseas sales — outside two crucial western markets — of 2mn-3mn cars, up from about 240,000 this year, according to Citi.

Meanwhile, prospects in the US and Europe remain uncertain. In Brussels, fears of a wave of Chinese-made cars have led the European Commission to probe Beijing's industrial support as well as boost its own subsidies.

Anti-China sentiment in Washington has percolated into the minds of US consumers. While Chinese carmakers are not barred from selling vehicles in the US, they face a 25 per cent tariff and cannot receive EV subsidies available to other manufacturers through the Inflation Reduction Act that excludes "foreign entities of concern", which includes China.

Chinese carmakers needed to find a way into North America, the second-largest car market, if they wanted to maintain growth and keep Chinese factories filled, Dunne said. They "really genuinely need the access", he said. "They understand that doing that by sitting back in China is not an option."

However, Chinese car companies including BYD are mostly unproved outside their home market. Their model "is contingent on state subsidies", said Jorge Guajardo, former Mexican ambassador to China and a partner at Dentons Global Advisors.

A test would be the company's plans to build its first European car factory in Hungary.

"State subsidies are usually also contingent on them producing locally . . . you lose all those advantages once you take the operation outside of China," Guajardo said.

Experts pointed out that Tesla remained a formidable competitor in a fast-growing global market. The US carmaker reported fourth-quarter sales beating analyst forecasts and $7bn in net profit for the first nine months of last year. Its market capitalisation stands at $754bn.

The question many are asking is whether any other EV makers can compete with the economies of scale boasted by Tesla and BYD. In China — the biggest car market — BYD and Tesla soak up 43 per cent of electric-vehicle sales.

"Tesla need not worry too much," said Dunne. "Everyone else who builds cars should be gripped by panic."

Edward White and Peter Campbell; additional reporting by Wang Xueqiao and Hudson Lockett

Travel & leisure

European holidaymakers seek cooler climes after last year's heatwaves

PHILIP GEORGIADIS

Climate change is driving a change in travel bookings as more holidaymakers seek out cooler destinations and countries in northern Europe, according to the head of one of the region's largest travel agents.

Dana Dunne, chief executive of eDreams Odigeo, said his business had seen some changing travel patterns following a scorching summer last year, when extreme heat forced the closure of some tourist attractions in Greece and led to wildfires ripping through some southern European holiday hotspots.

While the majority of travellers still book classic summer destinations in the Mediterranean, Dunne said climate change was "having an impact" on bookings, with some customers turning to typically overlooked destinations.

"We see a shift, with those [cooler] places seeing very material increases during the hottest part of the year," he said.

Cooler parts of northern Spain had sharp rises in bookings during the hottest weeks of the year, said Dunne, with bookings to Bilbao rising 120 per cent year on year, La Coruña up 79 per cent, and a 65 per cent rise to Oviedo. Cooler countries including Sweden, Norway and Denmark also had more bookings.

The head of tour operator Tui last year forecast a rise in bookings to Northern European countries, and said the typical summer season had lengthened in the Mediterranean.

Travel companies do not yet see a threat to businesses around the Mediterranean, and Dunne said that it was too early to call the redrawing of travel patterns permanent.

"2022 and 2023 were really hot, and yet still Spanish destinations showed up as being among the top destinations in Europe," he said.

Dunne said holidaymakers in Europe were also booking shorter and cheaper trips as high inflation and a sluggish economy have started to eat into travel spending.

Bilbao in northern Spain is among destinations to have seen a rise in demand

He said that people have continued to prioritise travel post-pandemic, but that the weak economy had led many to "trade down" rather than cancel trips.

Average spending per trip at eDreams was "significantly lower" than before the pandemic, said Dunne, while short-haul trips have proved more resilient, with many travellers staying in Europe.

eDreams' findings back up data from Advantage Travel Partnership, a network of independent travel agents, which said the average length of holidays sold last summer was 7.6 nights, down from 10 before the pandemic.

BUSINESS
WEEK IN REVIEW

Tui snubs London

● **Tui**, Europe's largest tour operator, dealt a further blow to London's shrinking equity market after recommending to shareholders that it cancel its UK listing next month.

● **Carrefour** said that it would no longer sell PepsiCo products because they had become too expensive, marking the latest spat between food manufacturers and retailers over prices. The chain will from Thursday stop stocking the company's products such as Doritos and 7Up, and will add signs to shelves at its stores in France explaining to customers that it is no longer selling the brand because of "unacceptable price increases".

● **Walt Disney** won the support of ValueAct Capital, as the entertainment company gears up for a fight with activist Nelson Peltz over how to boost its profits and share price.

● Dutch supermarket chain **Jumbo** said shoplifting exceeded its annual profits last year, highlighting how the cost of living crisis has driven up crime and is hurting businesses.

● Airbus confirmed that it was set to offer up to €1.8bn for **Atos**'s big data and cyber security unit, as the French IT services company seeks to restructure and cut its debt load.

Israel's innovation agency chief says the country will do 'whatever it takes' to shield its technology start-ups from Hamas war fallout

● Female artists drove a 10 per rise in **UK music** consumption, with women spending a record 31 weeks at the top of the singles charts in 2023.

● **DoorDash** is looking to use its clout to diversify beyond its core business of delivering restaurant meals to home diners, as the US group seeks ways to invest a growing cash pile.

● Multinational companies became subject to a global minimum tax for the first time, as cross-border **tax reforms** went live in a bid to raise up to $220bn in extra annual revenue.

● Elon Musk's **SpaceX** was accused by a US labour agency of illegally firing eight employees who circulated an open letter criticising the founder.

● **Israel** would do "whatever it takes" to shield its technology start-ups from fallout from the war with Hamas, the head of the country's innovation agency said, as he urged private investors to throw their weight behind the sector.

€1.8bn
Sum Airbus is set to offer for Atos's big data and cyber security arm

$220bn
Hoped-for extra annual revenue after cross-border tax reforms

● **Amer Sports**, owner of brands including Salomon, Wilson and Arc'teryx, filed for an initial public offering in New York, as the Chinese-owned company sought to reduce its debts.

● **Arctic Wolf** will hold off from a public listing until the market has improved, which might not happen until 2025, the head of the $4.3bn cyber security company said.

● **Novo Nordisk** signed deals potentially amounting to more than $1bn with US biotech start-ups developing treatments for obesity.

COMPANIES & MARKETS

Baidu places its destiny in the hands of AI

Chatbot Ernie takes Chinese tech group to 'do-or-die' moment as staff flag up issues with leadership and rivals expand

FT REPORTERS

Robin Li stepped up to podiums across China last autumn with a message to the country's entrepreneurs, chief executives and officials: stop building large language models.

In a series of speeches, Baidu's founder told potential rivals "there's no point in competing" to build generative artificial intelligence technology that can spew out humanlike text, code and images in seconds.

He urged them to instead build apps for existing models, such as his company's "Ernie". With each speech, Li also ruefully counted greater numbers of homegrown rivals, from about 70 large models in September to 238 in November.

That surge in competition is, once again, threatening the Chinese search group's ambitions in emerging tech. Over the past decade, Baidu has tried everything from ecommerce to building a mobile operating system, before subsequently retreating amid an onslaught of new entrants.

"It's a do-or-die moment," said one engineer on Baidu's large language model team. "Whether Ernie succeeds or not will play a decisive role in the company's future."

More than a dozen current and former Baidu employees who spoke with the Financial Times said issues with Li's leadership and company culture had contributed to the group's difficulty incubating new business lines over the past decade.

They praised Li's devotion to advancing technology and his work ethic but said Baidu was plagued by a lack of product focus and high turnover especially among its most talented staff — problems that threaten its nascent efforts in generative AI. Some added that Li and his wife Melissa Ma's joint presence at the company caused issues for subordinates.

The company declined to make Li or Ma available for an interview. In response to a request for comment on detailed points before publication, Baidu said "the article presents a heavily biased and factually inaccurate depiction of the company and its CEO".

Baidu warned that it could not comment on the claims of those who declined to be named, as it was impossible to "verify their claims or identify any personal prejudices which may colour their accounts".

Baidu was once known as the "B" in BAT, beside Alibaba and Tencent in the acronym synonymous with Big Tech in China. But over the past decade revenues at its two rivals have surged, while Baidu's sales have only nudged upwards.

About five years ago, Ma returned to help right the ship. Officially given the title of special assistant to her husband, her authority within the company soon exceeded that modest designation. Today she is involved in investments, talent management and recruiting, according to people close to the company.

Baidu's SEC filings indicate Ma has received about $1.7mn annually on average in stock compensation since rejoining. She is also the second-largest shareholder by voting rights and has sold more than $500mn worth of shares since 2020, according to data provided by The Washington Service.

Baidu, without providing specifics, said details that the FT put to the company about Ma included "many errors of fact". The company said she provided advisory services to Baidu's HR department and was not involved in day-to-day operations nor among its core management.

"Suggesting Ms Ma is an executive officer of Baidu, based on her share-based compensation, is mistaken," Baidu added. Several staff said the husband-wife relationship had, at times, complicated decision making. "It's like there are two factions," said one person.

"Sometimes they disagree with each other and are evenly matched."

Ma's return also contributed to the exit of one of Baidu's star hires, Lu Qi, an AI expert whom Li poached away from Microsoft in 2017 to run the company's day-to-day operations as president and COO, according to two people familiar with the matter.

Lu "couldn't figure out who to deal with, whether Robin or Melissa was the boss", said one of the people. He left the company 16 months after joining. Baidu said Lu departed "to deal with a personal family matter". Lu did not respond to a request for comment.

Since 2017 more than 20 executives of vice-president level or higher have cycled through the company, according to an FT review of public departures.

Baidu said it "believes in enabling every talented individual to reach their full potential", and "it is this strong, empowering culture that has helped us retain so much of our core talent for extended periods".

Faltering strategy has claimed many of Baidu's business aims. A former mid-level manager attributed the frequent course corrections to Li's preoccupation with technology rather than making money.

Ticking off several businesses that Baidu had tried, the manager noted: "When [Li] saw we didn't have a big advantage from tech, he decided it was just a business and lost interest."

The company is now resetting ambitions for its intelligent driving unit, which faces regulatory headwinds and a crowded market.

Baidu in recent years has repeatedly trumpeted the launch of "fully driverless" robotaxis in cities including Beijing and Wuhan, but Chinese officials still largely require human drivers to remotely monitor every ride, undermining the economics of a self-driving taxi fleet.

Over the summer, when the FT visited the group's autonomous driving centre in Beijing, remote safety monitors sat in arcade-like driving simulators ready to hit the brakes or take the steering wheel to override Baidu's self-driving software.

The group's plan for its own electric car also hit a speed bump in the autumn, when Baidu was forced to rename its first consumer vehicle and turn over control to partner Geely in order to obtain regulatory approval to begin production. Baidu hopes the car will spur interest in its self-driving software from other automakers.

With Li shifting his attention to large language models, lay-offs have begun to trim staff numbers and several auto executives exited. Li in November reassigned the unit's longtime head Li Zhenyu to a rotational role as his assistant and chair of a "technology ethics committee".

"Resources are being shifted to Ernie," said one person close to the self-driving project. Two employees said that shift also included many of the driverless car team's powerful Nvidia chips.

Li's determination to build Baidu into an AI giant emerged at least a decade ago, when he led the group to bid for DNNresearch, the start-up founded by AI pioneer Geoffrey Hinton. Hinton ultimately sold to Google.

Yet, despite both Baidu and Google spending a decade investing in AI, they were left flat-footed when Microsoft-backed OpenAI released ChatGPT in November 2022.

After Baidu staff worked around the clock for weeks, the company released Ernie in March and tens of thousands joined a waiting list to test the country's first generative AI chatbot.

But Baidu was soon backpedalling, trying to explain why Ernie had generated an image of a "patriotic cat" cloaked in an American flag or cited US intelligence findings to claim Huawei products contained backdoors.

The problem stemmed from the reams of data Baidu's team fed into Ernie's models. Employees said a lot of the material was in English and from western open-source databases.

Some Baidu staff were concerned that the chatbot would inadvertently cross China's red lines for permissible speech, especially after the country's powerful cyber regulator released new rules demanding generated content "embody core socialist values" and stipulated that tech companies would be held responsible for the output.

Staff wrote to the regulator to lobby against holding tech groups responsible for AI content. One employee said Baidu was now using other internal models to check content generated by Ernie.

Since March, Baidu has released a series of upgrades, most recently unveiling Ernie 4.0, which Li claimed was comparable to OpenAI's GPT-4.

But the local competition is now rapidly catching up, too.

SuperCLUE, a benchmark set up by a group of AI experts evaluating foundational models that use Chinese, ranked Ernie 4.0 just a few points ahead of rival models from Tencent and Alibaba in November.

Li told investors in November that Baidu's stash of powerful American AI chips provided a competitive moat and predicted that the difficulty obtaining semiconductors, data and talent would soon lead to consolidation in the industry.

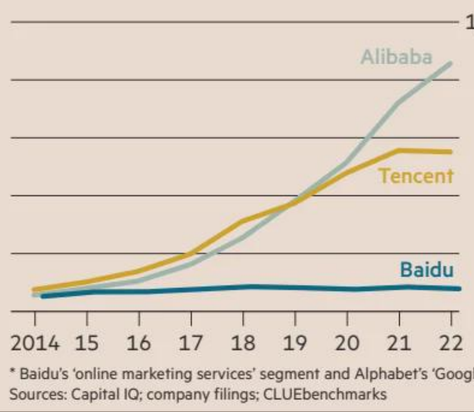
"We believe there will only be a select few foundation models in the market and Baidu will certainly be one of them," he said.

He predicted that "millions" of apps would eventually be built on top of Ernie, with outside groups paying each time their users run queries.

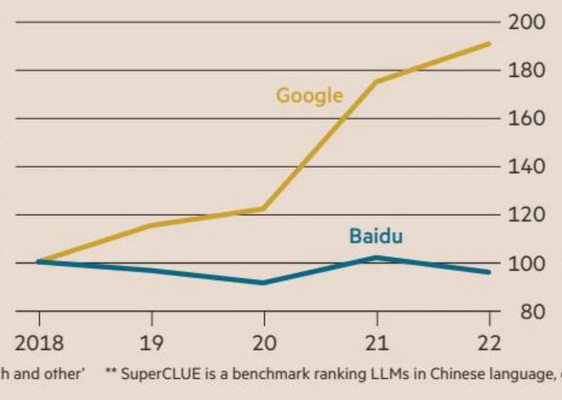
Baidu said it had "successfully" transitioned from being an information services company to becoming a leading AI company, adding: "Strategic shifts like these take courage, vision, and most importantly, time."

Reporting by Ryan McMorrow in San Francisco, Nian Liu in Beijing and Qianer Liu and Eleanor Olcott in Hong Kong

Annual revenues
Rmb bn



Search adverts*
Rebased (2018=100)



Large language models ranking**
SuperCLUE benchmark by overall score

* Baidu's 'online marketing services' segment and Alphabet's 'Google Search and other' ** SuperCLUE is a benchmark ranking LLMs in Chinese language, composed of over 4,000 questions
Sources: Capital IQ; company filings; CLUEbenchmarks

Staff promote Baidu in Beijing, but some say the active role of Melissa Ma, below, wife of chief Robin Li, complicates management
Andy Wong/AP

> 'When [Li] saw we didn't have a big advantage from tech, he decided it was just a business and lost interest'

Pharmaceuticals

Biotech boss urges Europeans to back sector

HANNAH KUCHLER

Europe needs to learn from US shareholders willing to make big bets on biotech if it wants to create a thriving homegrown industry, according to the chief executive of Argenx, one of the bloc's largest biotech companies.

Tim Van Hauwermeiren said Europe had a "chicken and egg" problem: specialist healthcare funds were scarce because not enough biotechs were available to invest in, and biotechs were scarce because domestic investors do not support them.

Argenx's shareholder base is dominated by specialist US investors, who he said really take the "long-term view and are willing to take the risk". "Because in a sector like biotech, the returns can also become disproportionate if you have a real benefit," he added.

Despite having a product on the market and being named by analysts as a potential acquisition target, many European shareholders are still reluctant to invest in Belgium-based Argenx, with Scotland's Baillie Gifford an exception.

"I think we've been ticking a number of important boxes for European shareholders. I think the last box they're still waiting for will be the point of break-even, where we turn a corner on profitability," he said."

> Argenx's shareholder base is dominated by US investors with a long-term view who 'are willing to take the risk'

Argenx had a rollercoaster year in 2023, with shares rising about 40 per cent after a positive trial result in July, then dropping as much as 29 per cent after a negative finding from a different study published in December.

The company is trying to expand the use of its immunology drug Vyvgart to other diseases. It is used against a rare chronic immune disorder, myasthenia gravis, which causes muscle weakness.

The immunology drug market is growing as researchers discover how to take a more targeted approach to treating autoimmune disease, similar to scientists' efforts to tackle cancer.

In July, Argenx reported a trial result that showed Vyvgart could be used to treat chronic inflammatory demyelinating polyneuropathy, a condition where the immune system attacks the protective coating around nerves. Based on this success, the company raised $1.1bn in a follow-on offering, the largest of its kind in the sector last year, according to research firm Dealogic.

But a trial to use the drug to treat primary immune thrombocytopenia, a blood-clotting disorder, failed to achieve its goals, hitting the stock when the results came out in late November. Van Hauwermeiren said the company was still analysing what happened.

Many European biotechs are bought by large drugmakers long before they have an approved product. Van Hauwermeiren said he was bucking that trend by building a "global sustainable company [to] fly on its own wings".

Financials

US venture capital fundraising drops 60%

GEORGE HAMMOND — SAN FRANCISCO

Fundraising by US venture capital firms hit a six-year low in 2023, an ominous sign for start-ups with dwindling cash reserves and fledging businesses reliant on such backing for survival.

The $67bn raised by US VCs in 2023 is the lowest annual total since 2017 and a 60 per cent drop from the $173bn raised in 2022, the peak year for fundraising, according to analysis by private markets data provider PitchBook and the National Venture Capital Association.

Globally, in 2023 venture investors raised the lowest level of capital since 2015.

The sharp fall raises pressure on start-ups, which have seen a funding drought over the past 18 months. VCs are reluctant to put more cash into businesses they backed at the top of the market while private tech valuations are falling.

Kyle Stanford, lead VC analyst at PitchBook, said: "The bottom still feels a way off. A lot of these companies that are still private will still struggle, we'll see a lot more down rounds and a struggle to exit. There'll be a lot of competition for the money that's available."

VCs have struggled to raise new funds as their own limited partners — institutional investors such as pension funds, insurers and university endowments and foundations — pull back because of rising interest rates, which have made risky tech bets a costlier proposition.

Prominent VC investors, such as Insight Partners and Tiger Global, lowered fundraising targets to reflect the tougher situation last year. That has given US VCs less fresh capital to deploy. Last year, they invested a total $171bn, according to PitchBook and the NVCA, less than half the amount spent in 2021.

As well as a reduction in investment from limited partners, US VCs are facing a sharp slowdown in start-up exits, such as initial public offerings or acquisitions, which is hampering their ability to return capital to their backers. The value created by start-up exits in the US last year was just $61.5bn, compared with a 2021 peak of $797bn, according to PitchBook and the NVCA. In Europe, start-up exit value came to less than €12bn over the year, the lowest for a decade.

The downturn is increasing the pressure on start-ups that spent last year burning through cash raised in 2021 and early 2022. As those companies run out of road, founders and existing investors are more likely to accept harsher terms for new funding, said Peter Hébert, co-founder of US venture fund Lux Capital.

"The days of Band-Aids and hope are behind us, and people are accepting the new reality," he said. "For new financings, you're starting to see the presence of bids that are low."

This will also be the year in which VCs abandon poor performers, he added: "It's been two years of internal bridging. Now VCs are saying to companies: 'I'm sorry we've gone as far as we can.'"

Roughly one in six start-ups raising cash last year cut their valuations, according to PitchBook, but Stanford expects that proportion to increase as founders run out of other options.

Retail. Strategic direction

Department stores find ways to avoid the fate of fallen rivals

Chains embrace fresh models and invest for future after failure of peers including Debenhams

LAURA ONITA

John Edgar has been busy overseeing a team of builders as they punch a hole through five floors of Fenwick's flagship Newcastle store to allow light to spill through from above.

"It's a huge undertaking . . . but it's just the right thing to do, it gives you a better aesthetic," said the chief executive, who is also installing more windows and revamping the floor.

The department store chain, which has nine sites, is spending £40mn on upgrading the Northumberland Street site, a mainstay in the North East since shop assistant John James Fenwick bought part of the building in 1882.

Yet the longevity of department stores has been put in doubt by recent high-profile collapses, from Debenhams and House of Fraser to smaller chain Beales and Edinburgh's Jenners, along with Fenwick's sale of its store on London's New Bond Street, which is due to close its doors this year.

Heightened competition from online retailers, weaker disposable incomes among customers and elevated day-to-day business costs are prompting department stores to refine their strategies to ensure their brands live on.

Over the five years to 2023-24, department store revenue is expected to have contracted at an average annual rate of 2.7 per cent to £35.6bn, according to research group IbisWorld, despite expected growth of 0.7 per cent in 2023.

Department stores risk extinction without investment or reinvention, warned Edgar, who previously worked for Selfridges and Harrods.

"When I first started working at Selfridges . . . it was like a stage set being reset every morning for the performance of the day, and that's a different mentality to someone just unlocking the door and saying 'Right, now we're open, can we take some money?'," he said. "That's what we try and do in this type of business and that's what department stores are about; it's about a performance for the day to entice people to excite themselves."

Fenwick reported a 31 per cent rise in gross sales to £315mn in the year to January 2023 as people sought to spend more time in stores.

"We're putting as much blue water as we can between ourselves and the likes of John Lewis," Edgar said. "Because that's not where we want to trade. That's a difficult place to be and you end up trading on price."

John Lewis shut 16 stores during the pandemic, cutting its total to 34 as part of a protracted turnaround plan. High street rival Marks and Spencer has been closing dozens of stores to prioritise new branches in more profitable locations.

"We're trading on experience . . . exclusivity, uniqueness and hospitality," Edgar said. "Of course it's difficult to provide a unique experience every day in every location but this [store] is a good example of it."

Tom Athron, CEO of luxury food and gift retailer Fortnum & Mason, feels the role of department stores has changed dramatically over the past decade: "The reality is they have to work much harder to have a reason to exist," he said.

"The idea of being a convenient place to shop has disappeared with the advent of shopping centres and the internet."

Athron is seeking to harness the boom in user-generated social media content to create "Instagram moments" and convert new visitors into shoppers.

"It's all about video, not pictures. There has to be sound as well," he said. Fortnum's atrium featured giant Christmas puddings over Christmas that levitated in tandem with festive sounds.

He believes "there has to be an element of theatre" in stores and that their offering should be distinct. "We are super clear what we stand for now: it's all about extraordinary food and drink. Everything we do is in concentric circles around that core belief," he said.

Without patient backers, however, plain sailing is not guaranteed. The Fenwick family sold its 130-year-old store in London for an estimated £430mn in 2022, partly to unlock investment for the remaining sites but also to repay debt, expand its ecommerce business and pay money into its pension scheme.

"The fact that we're family-owned; which means you have a slightly longer view on the world, means we're able to weather the storms a bit more," said Edgar. "You know, businesses like this, they're not 'get rich quick'. Anyone who says there is a version of that is dreaming."

Fenwick's flagship Newcastle store, which is set for a £40mn upgrade. Below, CEO John Edgar says the group aims to offer shoppers 'exclusivity, uniqueness and hospitality'
Charlie Bibby/FT

Adil Mehboob-Khan, chief executive of Liberty in London, spent £9mn during the pandemic on restoring the building, with investors' blessing. Roughly 300 windows had to be removed for repair from the century-old timber-framed store, which is owned by private equity firm Glendower Capital and other private shareholders.

"We have private investors that understood this is a 150-year-old business and we have a duty to think about what we do for the next 150 years as opposed to the next quarter," said Mehboob-Khan. Group revenue for the year to January 28 2023 was up almost 20 per cent to £184.9mn on pre-Covid levels.

Meanwhile, Thai conglomerate Central Group, which controls rival Selfridges, had to offer assurances in November that it was a financially stable custodian after its Austrian partner Signa was hit by a financial crisis.

A flurry of department stores that suffered under-investment have fallen by the wayside as they failed to excite shoppers. Almost two-thirds of Debenhams stores were still empty as of August, with larger urban centres hit hardest by vacancies, laying bare the difficulties of finding a new function for such spaces.

Tom Whittington at property company Savills, which markets some of the Debenhams sites, said that despite the UK having "a quarter too much retail space . . . there is a huge opportunity to refresh and rebrand our high streets with the things that come next".

Late last century, big retail brands fuelled by debt gobbled up local retailers or put independents out of business, giving rise to so-called clone cities.

> 'We have private investors that understood this is a 150-year-old business and we have a duty to think about what we do for the next 150 years'
> Adil Mehboob-Khan, Liberty

"The fact that Debenhams . . . went down in the pandemic, that was just a coincidental point," Whittington said. "The pandemic has nothing to do with what is happening and shaping this market.

"Most of the retail failures that we have seen in recent years have been those that have lacked investment, which has resulted as much as anything in them losing their point of difference."

A year after buying House of Fraser from administration in 2018, retail tycoon Mike Ashley said the purchase might have been a mistake as it weighed on the group's core earnings and proved hard to integrate.

But Michael Murray, Ashley's son-in-law and chief executive of his Frasers Group that owns brands from Sports Direct to Game, is more upbeat about its prospects having closed some sites while overhauling others.

The new Frasers "is probably the modern department store if you look at what we're doing . . . we're combining our group's businesses", he said. "We can carve the old department stores up into a much more effective and productive space."

Steve Henderson, a director at Savills, believes investment breeds investment and is a boon for local economies.

"The new Fenwick plans for Newcastle have changed the potential for the surrounding tenants," he said. "If people like Fenwick are investing in it, other retailers are believing in it."

His views were echoed by Peter Silverstone, chief commercial officer at Newcastle United football club, which in December announced a sponsorship deal with Fenwick. "They're two local businesses with over 270 years of history and heritage coming together for the good of the region and the city."

Sport

Darts aims to hit bullseye after Littler's big impact

JOSH NOBLE

The organisers of the World Darts Championship are targeting overseas growth after the fairytale run of teenage sensation Luke Littler gave the sport a "transformational" moment.

Matthew Porter, chief executive of the Professional Darts Corporation, said the company was looking to boost the sport's international profile after coming close to saturation point in the UK, its main market.

"It has to be from overseas that transformational growth comes," he said. "Our aim is for darts to become a genuinely global sport."

PDC has a broadcast deal with Sky Sports in the UK that runs until the end of next year, although negotiations on renewing the contract are set to begin soon.

Those talks will take place in the afterglow of a record-breaking world championships at the 3,200-capacity Alexandra Palace in London. The final on Wednesday night, in which 16-year-old Littler lost to Luke Humphries, the world's top-ranked player, was watched by close to 5mn people in the UK. Sky Sports said it was a record on the channel for a non-football event, and an increase of 143 per cent on last year.

It was also broadcast live in Germany, the Netherlands, Australia and a handful of other countries where darts is popular.

"We've had 20 years of moving upwards but every now and then something happens that expedites that growth," said Porter. "This moment feels transformational."

Porter, who became chief executive of Leyton Orient football club in 2006 at the age of 26 and joined PDC as chief executive two years later, said Littler's run to the final had helped broaden the demographic of the fan base, bringing in new, younger fans.

"Darts is something people can relate to and Luke is a very relatable character. You wouldn't go to watch a Premier League [football] match and think 'Oh I could do that'."

Since Porter became chief executive, PDC has enjoyed steady growth. Annual prize money offered by PDC competitions has risen from £3mn to £16mn last year, largely thanks to broadcast income but also sponsorship and ticket sales.

Humphries won £500,000 for winning the world championships, while Littler pocketed £200,000. There are 128 players on the PDC roster, around 80 of whom make a living from darts.

With live professional darts events in the UK typically selling out, PDC has been looking to develop the game in Europe, Japan, the US and Australia.

Porter singled out south-east Asia as somewhere with "big potential" for the company due to the large number of players in the region. While Asian growth stalled during the pandemic, now was the moment to "re-establish our presence there", he said.

"The advantage of darts is that it's played everywhere in the world. You don't have to introduce people to it, you just have to change the way it's packaged," Porter said.

"It's important we put to bed that pub-based image. It's not what people perceived it to be in the 1980s and 1990s. It's played by genuine professional athletes."

Since 2001, PDC has been part of Essex-based Matchroom Sport, the events company owned by father and son duo Barry and Eddie Hearn.

See Opinion Emily Herbert

Pharmaceuticals

Shortage of diabetes drugs set to last all year

IAN JOHNSTON

Shortages of diabetes drugs will last until at least the end of the year, the government has warned, as demand surges for medications such as Ozempic to help with weight loss.

The warning came as the Department of Health and Social Care told healthcare providers this week not to prescribe diabetes medication for non-licensed purposes, such as weight loss, and for existing stock to be reserved for patients with type 2 diabetes.

The move by the government is a sign of how the drugs' use for weight loss risks disrupting supplies for diabetes patients. It represents a strengthening of guidance against prescribing the drugs — known as GLP-1s after the hormone they mimic — to manage obesity first issued in July. At the time, the government said it expected shortages until the middle of 2024.

"Existing stock must be conserved for patients with [type 2 diabetes] to mitigate the risk of impaired access to treatment and increased risk in diabetes-related complications," a safety alert issued to healthcare providers said.

GLP-1s such as Ozempic, produced by Denmark's Novo Nordisk, help those with type-2 diabetes to regulate their blood sugar levels. But the drugs' ability to suppress appetite has also led to their widespread use for weight loss.

Pharmacists have also reported a shortage of Wegovy, a Novo Nordisk alternative specifically designed for weight loss that contains the same active ingredient as Ozempic, which is available on the NHS through specialist weight management services.

Just under 3.9mn people in the UK have been diagnosed with type 2 diabetes, which prevents sufferers from producing enough insulin naturally to control their blood sugars.

The government's decision was welcomed by the charity Diabetes UK, which said the surge in prescriptions for the drugs for weight loss was partly to blame for a global shortage.

Douglas Twenefour, the charity's head of care, said the shortages had "serious implications for many people with type 2 diabetes".

The government said yesterday that increased supplies of Rybelsius tablets, another Novo Nordisk diabetes product, had helped to improve supply but added it was "aware of ongoing supply issues with other diabetes medications".

Diabetes patients can use insulin instead of GLP-1s, but the government warned that the enforced switch could affect supplies of the hormone, which it said remained "good".

Barclays has forecast that sales of Wegovy will reach $7.3bn this year, while Ozempic sales are expected to be worth $16.5bn in 2024.

Oil & gas

Boss departs after tough stretch for Ithaca

RACHEL MILLARD

The chief executive of Ithaca Energy has quit the North Sea oil and gas producer, exiting as the group tries to rebound from a lacklustre first year as a public company.

The group said yesterday that Alan Bruce had agreed with the board that he would "pursue new opportunities". Iain Lewis, finance chief, has stepped in as interim chief executive.

Bruce joined Ithaca, one of the UK's largest producers, in 2021, and was promoted to the top job in March 2022 following the death of his predecessor, Bill Dunnett.

In one of his first moves, Ithaca agreed in April 2022 to pay up to $1.5bn for North Sea rival Siccar Point. The deal included stakes in two of the UK's largest producing fields, Schiehallion and Mariner, and in the undeveloped Cambo and Rosebank fields.

Bruce described the deal as "transformational" for the company as its owners, Tel-Aviv-listed Delek Group, prepared to float 12 per cent of its shares in London in November 2022.

The IPO was one of the year's largest in Europe and one of the first to take advantage of new UK listing rules allowing companies to list a lower proportion of their shares.

> Shares in the North Sea producer are down 40% since the IPO, valuing the business at about £1.4bn

However, shares sank below their 250p issue price on the first day of trading and are now down 40 per cent since the IPO, valuing the company at about £1.4bn.

Ithaca has publicly complained about the damaging effect of the windfall tax the government introduced on the sector in 2022 in response to soaring oil and gas prices.

Last August it said the tax, which is due to run until March 2028 unless oil and gas prices fall, meant it had to defer or cancel investment and it expected to produce less in 2024 than last year.

In its latest results for the nine months to the end of September, Ithaca reported production of 71,000 barrels of oil equivalent per day and post-tax profits of $238.5mn.

In a statement yesterday, Bruce said he was "extremely proud of what Ithaca Energy has accomplished over the past several years" and was leaving it in a "strong financial and strategic position".

Gilad Myerson, Ithaca Energy's executive chair, thanked Bruce for his "hard work and strategic insight".

Ithaca shares were down 2 per cent yesterday.

Fixed income. Treasuries boost

Fed revives investors' hopes of end to quantitative tightening

Some US central bank officials suggest a pivot away from shrinking its balance sheet

KATE DUGUID — NEW YORK
CLAIRE JONES — WASHINGTON

Investors' hopes for a strong year for Treasury bonds have been boosted by signals that the US Federal Reserve could soon slow the winding down of its balance sheet.

In the minutes of the central bank's December meeting, published this week, some officials suggested that the Fed review its policy of shrinking the balance sheet, known as "quantitative tightening".

A pivot from the Fed as it considers cutting rates from their 22-year high of 5.25 per cent to 5.5 per cent could bolster Treasuries prices and reduce volatility in a market that has been unsettled by a deluge of supply.

The central bank has in recent years been the biggest buyer of US government debt.

"This is a tailwind for the bond market," said Bob Michele, chief investment officer and head of the global FICC group at JPMorgan Asset Management. "It should help us."

The end of QT would remove "a concern for investors who are sitting in cash, wondering if they should come into the bond market", he added.

After pumping trillions into the financial system to stabilise the economy at the start of the pandemic, the Fed began slimming its balance sheet from $9tn in May 2022 to help contain the worst surge in inflation since the 1980s.

Since ending its bond purchases, the size of its holdings of official sector debt has fallen to $7.2bn.

Now, with price pressures seemingly under control — and rate cuts looming — the text of the minutes from the December meeting show that some policymakers want a discussion on the circumstances under which those QT plans could be revised.

"This seems like a first step towards ending QT," said Joseph Abate, a strategist at Barclays.

The nascent signs of a debate come as the Treasury department has borrowed more to cover a widening budget deficit, which stands at $1.7tn.

The surge of US government bond issuance in the second half of 2023 helped drive Treasury yields to their highest levels in more than a decade — and waning demand from big banks and foreign investors was expected to worsen the effects this year.

"This will bring down the volatility of the rates market," said Rick Rieder, chief investment officer of global fixed income at BlackRock.

"One of the risks this year was the big auctions that Treasury had to execute on," he added. "When you have to do such big auctions when the Fed is doing QT, you have risks. This lowers some of [those] risks."

An end to QT would reduce the amount of debt that the Treasury department needs to issue to private investors this year.

Excluding Treasury bill issuance — the short-term debt that matures in anywhere from a few days to a year — issuance this year is expected to be $1.8tn if QT ends in June, versus $2.1tn if it ends in December, according to estimates from Meghan Swiber, a US rates strategist at Bank of America.

A New York Fed survey of Treasury dealers published on Thursday suggested that, as of December, big banks had been expecting the Fed to end QT in the fourth quarter of 2024.

Following the publication of the minutes, some investors, including Michele, now expect the run-off to end by summer.

However, other Fed watchers were more cautious about expecting a decision so fast.

A shift in QT policy comes as central bank officials have indicated that they are likely to make three quarter-point rate cuts this year — calling time on a series of rate rises aimed at tackling soaring inflation.

"There's a desire to avoid any sort of liquidity stress at a point when the Fed is going to be pivoting from what has been a historic tightening cycle," said Gregory Daco, chief economist at EY.

"We know that these pivot points tend to be a sensitive time for markets," he added.

Officials have previously said the Fed would determine when to end QT by assessing the level of reserves in the financial system — as well as a range of money market indicators, such as the spread between private lenders' funding costs and official interest rates.

The Fed currently rolls off up to $60bn in Treasuries and $35bn in mortgage-backed securities each month.

Higher gears: the Treasury department has borrowed more to cover a widening budget deficit, prompting a surge in US government bond issuance
Valerie Plesch/Bloomberg

'This is a tailwind for the bond market. It should help us'

"Talk of QT is quite premature," said Drew Matus, chief market strategist at MetLife Investment Management. "The balance sheet remains bloated relative to GDP. You need to shrink it so that, if there's another downturn at some point, you can restart quantitative easing."

QT's end would likely be gradual with the Fed expected to increase the portion of the debt holdings it reinvests over several months.

That process could be doubly beneficial for Treasuries as the Fed is likely to reinvest both its maturing Treasury bonds and its maturing mortgage-backed securities into the Treasury market, said Swiber.

That is because the US central bank has said it is ultimately interested in having only Treasury debt on its balance sheet.

An early end to QT may also ward off fears of a repeat of the 2019 crisis in the repo market when the Fed last tightened its balance sheet.

Then, rates in short-term funding markets spiked after a sudden drop in reserves, ultimately forcing the Fed to intervene in the market.

While reserves are still ample and there are not clear signs of stress in the market, overnight funding rates have been creeping higher.

"This points to a Fed that wants to err on the side of caution," said Mike de Pass, global head of rates trading at Citadel Securities. "It's also important to remember how poorly it ended last time."

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Equities

Hohn's TCI beats stock benchmarks with 33% gain

COSTAS MOURSELAS AND HARRIET AGNEW

Sir Christopher Hohn's activist hedge fund TCI rose 32.7 per cent last year, well ahead of equity markets, helped by bets on stocks such as Alphabet and Moody's, according to people who have seen the numbers.

The gains by The Children's Investment fund, which manages just over $49bn in assets, mean it has more than recovered losses suffered in 2022 when it fell 18 per cent as global stock markets tumbled.

The fund's performance in 2023 compared with a 24.2 per cent rise in the US benchmark S&P 500 index and the 3.8 per cent gain for London's FTSE 100.

Equity hedge funds gained 6.6 per cent on average last year to the end of November, according to data group HFR.

TCI's largest holdings include Alphabet, Canadian National Railway, Visa, General Electric and rating agency Moody's as at the end of September, according to a regulatory filing.

Alphabet's shares rose 58 per cent last year, driven in part by investor enthusiasm over the potential for large US technology groups to implement artificial intelligence in their services.

Moody's was up 40 per cent while Visa rose 25 per cent.

TCI held a $4bn position in Microsoft as of June last year but sold it by the end of the third quarter, according to filings.

Hohn has a reputation for shareholder activism, pushing for change when he disagrees with directors

TCI invests in a concentrated portfolio of stocks that it tends to hold for long periods. Hohn has a reputation for shareholder activism, pushing for change when he disagrees with the direction taken by company directors.

In February last year, the billionaire pushed for Airbus to drop its efforts to acquire a stake in the cyber security arm of French IT company Atos.

He also called for three board members to resign at Spanish telecoms company Cellnex and was partly successful, with two of the three departing. The stock was up 15 per cent in 2023.

TCI was not the only high-profile equity hedge fund to harvest big gains from last year's stock rally.

Tiger Global, one of the best known firms in the sector, was up 28.5 per cent last year, according to sources who had seen the numbers.

Philippe Laffont's Coatue Management gained 21.5 per cent in its $13bn hedge fund in 2023 while its $3bn long-only fund was up 55.1 per cent, investors said. The hedge fund's gain last year follows an 18 per cent loss in 2022 as tech stocks tumbled.

Meanwhile, macro hedge fund manager Brevan Howard had a disappointing year. The firm's master fund was down 2.1 per cent while its alpha strategies fund was up 2.4 per cent, according to people who have seen the figures.

Fixed income

ETF backers jumped into lossmaking trades but shunned better performers

STEVE JOHNSON

Exchange traded fund investors pumped money into a host of lossmaking trades last year while pulling money out of a range of better-performing assets.

The unusual moves challenge the received wisdom that investors all too often jump on passing bandwagons and buy whatever is rising in value — typically at the wrong point in the cycle.

In the short term, at least, though, the divergences between performance and flows will have hit ETF investors in the pocket.

"Typically, ETF flows and returns are highly correlated," said Jared Woodard, investment and ETF strategist at Bank of America Securities. "In 2023, the relationship broke down in many sectors and themes."

The dichotomy was stark in the bond markets. Net flows into long-term US Treasury ETFs jumped, hitting $70bn — 69 per cent of the starting assets these funds held at the beginning of 2023, according to BofA data.

Yet long-term Treasuries posted their third successive year of losses, shipping 4 per cent.

In contrast, high-yield bonds returned 11 per cent, senior loans 10 per cent and convertible bonds, an equity-fixed income hybrid, also 10 per cent.

Yet flows to high-yield ETFs were flat, loan ETFs saw outflows of $1bn or 6 per cent of assets under management, and convertibles ETFs saw a quarter of their assets — $1.5bn — walk out the door.

"In the Treasury market, we saw pretty substantial losses for the third year in a row until the very end of the year," Woodard said. "[Investors] were staring down big losses in their bond portfolio but they were quite happy to close their eyes and buy. Conversely, we saw parts of the market that had incredibly strong returns last year but nobody cared or were even willing to sell."

There was a gap between returns and flows in some equity markets in 2023

Woodard's hypothesis was that, at the start of 2023, there was a consensus that the US was heading for recession and, as a result, the US Federal Reserve would stop raising rates in short order and maybe even start cutting them before the year was out — while rising defaults would lead to losses on higher-risk credit.

However, "none of that happened", leaving people wrongfooted, but "some investors just weren't interested in a midcourse correction and just thought, 'Let's ride this out for the year.'"

Todd Rosenbluth, head of research at VettaFi, a consultancy, said investors were "very conservative with their fixed income exposures, certainly with taking on credit risk, in 2023, despite strong performance".

He added: "There was a flight to quality, a flight to safety in Treasury ETFs." The iShares 20+ Year Treasury Bond ETF (TLT) alone sucked up $24.7bn, according to VettaFi data, despite the fund sporting losses until a rally in the final two months of the year.

Rosenbluth believed that the flow pattern persisted "in part because you could get reasonably high yields in extremely safe investments" and investors thought it was "better to get stability in their fixed income rather than reaching for yield".

The gulf between returns and flows was also evident in several equity markets.

Latin American equities returned 24 per cent last year but LatAm equity ETFs saw muted inflows of just $0.7bn — something Woodard attributed to potential "scepticism" as to the sustainability of the region's outperformance with political issues to the fore in the likes of Argentina and Chile.

In contrast, Chinese equities lost 12 per cent but ETFs tracking them vacuumed up a net $68bn in the first 10 months of 2023 — 28 per cent of their assets at the start of the year and the second-highest figure on record, just behind 2022's full-year tally of $71bn.

The latter can perhaps be partially explained by politically driven purchases by China's "national team" of state-affiliated institutions rather than foreign investors.

BofA noted that, over the past two years, more than 90 per cent of flows to Chinese equity ETFs have come from non-US-dollar-denominated funds, "the overwhelming majority of which are listed in China".

Elsewhere in Asia, Japanese equity ETFs that deploy currency hedging to strip the yen out of the equation returned a chunky 43 per cent last year — far ahead of the 15 per cent return of unhedged Japan ETFs that were weighed down by the sliding yen.

'We saw parts of the market that had incredibly strong returns last year but nobody cared'

Yet it was the unhedged funds that pulled in the big money, $4.9bn, while the hedged variants attracted just $800mn.

Rosenbluth believed that US investors "have largely given up on using currency-hedged equity ETFs" since their heyday in 2014 and 2015 when the DXY US Dollar index rallied 23 per cent in two years, eroding returns for unhedged US investors.

But when the dollar fell back, "the hedging hurt investors, they pulled money out. and they largely haven't come back. It's a shame", said Rosenbluth, who lauded the risk reduction currency hedging can provide.

"If you don't have a view on the dollar, it makes sense to hedge to eliminate currency risk, but most investors don't seem to think there are benefits," he added.

Woodard noted that investors were often "willing to look past a wrinkle [such as currency-induced losses] for a year or so" as switching from one ETF to a hedged version can crystallise a capital gains tax liability.

As for this year, Rosenbluth argued that "[US] investors will be more willing to take on credit risk" as concerns over recession fade and the Fed starts cutting rates, forcing those who target a given level of yield to move up the risk curve.

Woodard broadly concurred. "There is a massive consensus this year that all you need to buy is very high-rate bonds and you will make some nice returns."

He added: "Maybe we will escape a wave of defaults this year and perhaps we will see another year where risky parts of the bond market beat Treasuries."

On Wall Street

Bitcoin needs a real use, not just an ETF approval

William Cohan

The crypto world has been abuzz in recent weeks about the likelihood that the Securities and Exchange Commission will soon greenlight a bitcoin exchange-traded fund.

The idea that such an ETF will soon be offered to hungry, if misguided, US investors has helped provide a year-end kicker to the remarkable rally in bitcoin from the depths of its latest "winter" in late 2022. It became one of the best-performing investments of 2023, rising about 160 per cent over the past year to nearly $44,000.

That is quite a turnaround given the crypto world has been on the ropes reputationally during the past year or so.

Not only has there been the bankruptcy of crypto exchange FTX and the criminal conviction of its founder, Sam Bankman-Fried, but also its chief rival, Binance, agreed to pay $4.3bn in penalties related to money laundering and breaching international sanctions.

That was one of the largest corporate penalties in US history. Binance founder Changpeng Zhao also pleaded guilty to failing to protect against laundering and resigned from his position.

But there has already been a way to play the bitcoin rollercoaster for years — by buying or selling the stock of enterprise software company MicroStrategy, which has hitched its fortunes to bitcoin, rendering its sales of enterprise software somewhat irrelevant to its stock market valuation.

Under a strategy driven by the company's 58-year-old, MIT-educated executive chair Michael Saylor, MicroStrategy began buying bitcoin in 2000.

"Due to its limited supply, bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long term," it said at the time.

MicroStrategy is thought to be the largest listed holder of bitcoin in the world. The company owns 189,150 bitcoins, purchased over the years at an aggregate price of about $5.9bn, as of the end of December.

MicroStrategy's software operations have brought Saylor into the regulatory spotlight. In 2000, he agreed to pay $8.3mn plus a $350,000 penalty to settle SEC charges of materially overstating software revenues and earnings.

> When bitcoin can be used to buy the things we want as seamlessly as fiat currency, that'll be the game changer

But when bitcoin was riding high, say around November 2021, when its price hit $69,000, he drew a lot of attention.

He even bedazzled Tucker Carlson for more than an hour about the wisdom of the cryptocurrency before the television anchor was defenestrated from Fox.

Saylor is a true believer and an articulate one, too. His interviews about bitcoin are lengthy and spellbinding. He speaks in complete paragraphs.

You come away from listening to him convinced that bitcoin is the next great innovation in the financial world.

And then, you step back, give it a thought or two and remember that Jamie Dimon, CEO of JPMorgan, said of cryptocurrency, "If I was the government, I'd shut it down."

Saylor relinquished the CEO role at MicroStrategy in August 2022 to become its executive chair after yet another bitcoin plunge. At the time, the company had reported cumulative impairment losses of nearly $2bn on its digital assets since acquisition.

But thanks to the run-up in the price of bitcoin in 2023, MicroStrategy's hoard is now worth more than $8bn, giving the company a gain of some $2bn on its investment.

Not surprisingly, MicroStrategy's stock price also outperformed in 2023, up more than 330 per cent for the year.

Its market value of about $8.8bn means that investors are valuing its software business at about $800mn — that is still hefty given that MicroStrategy made a small pre-tax profit of about £13mn on revenues of $371mn in the nine months to September 30, after taking into account share-based pay but excluding impairments on its digital holdings.

So MicroStrategy is essentially a play on bitcoin and has been for years. In other words, there's been no need to wait for the SEC to approve a bitcoin ETF, it seems to me.

Saylor himself told CNBC: "We're kind of like your non-existent spot ETF."

The problem with bitcoin isn't that there hasn't been a way to speculate on it. The problem with it is that it's all about speculation.

We don't need new ways to speculate on the cryptocurrency. What we need, if bitcoin is going to be the saviour that its advocates want us to think it is, is a use for bitcoin.

When it can be used to buy and sell the things we want, as seamlessly as fiat currency, that'll be the game changer.

The real excitement for bitcoin won't come from the SEC authorising new ways to speculate on it but rather when there's more to it than just speculation.

William Cohan is a former investment banker and author of 'Power Failure: The Rise and Fall of an American Icon'

The day in the markets

What you need to know

- **US benchmark S&P 500 on course to break three-day losing streak**
- **Treasury bond yields fall back from three-week high**
- **European stocks pare session's worst losses after inflation data**

Weak US service sector figures steadied markets yesterday, partially reversing early weakness that had left global stock and bond markets on course for one of their worst opening weeks in years.

The figures from the US Institute for Supply Management helped the S&P 500 gain 0.2 per cent by early afternoon following a three-day losing streak.

Benchmark 10-year bond yields, meanwhile, slid from a three-week peak of 4.10 per cent to 4.01 per cent.

Since the US Federal Reserve last month signalled a likely end to its raising cycle, investors have interpreted weaker numbers as a sign that rate cuts may come soon.

A string of hawkish comments this week — and strong jobs data yesterday — had worried market participants that rates were set to stay higher for longer than they had hoped, putting stocks and bonds on course for one of the worst starts to the year in the past decade.

Across the Atlantic, the region-wide Stoxx Europe 600 recovered from losses of about 1 per cent to close 0.3 per cent lower.

Earlier, closely watched eurozone inflation numbers came in slightly below expectations.

Markets are now pricing in a less than 50 per cent probability of a first rate cut in March by the European Central Bank, down from about 65 per cent last week. Investors have also dialled down their expectations of cuts from the Bank of England.

The shift in sentiment this week had come as an abrupt shock after a rally at the end of 2023 on rising expectations that, where the Fed led with any interest rate cuts in 2024, Europe's generally weaker economies would force its central banks to follow.

Then the minutes of the Fed's last meeting, published on Wednesday, painted a more hawkish picture than many had hoped for, leading investors to lower expectations for any imminent easing.

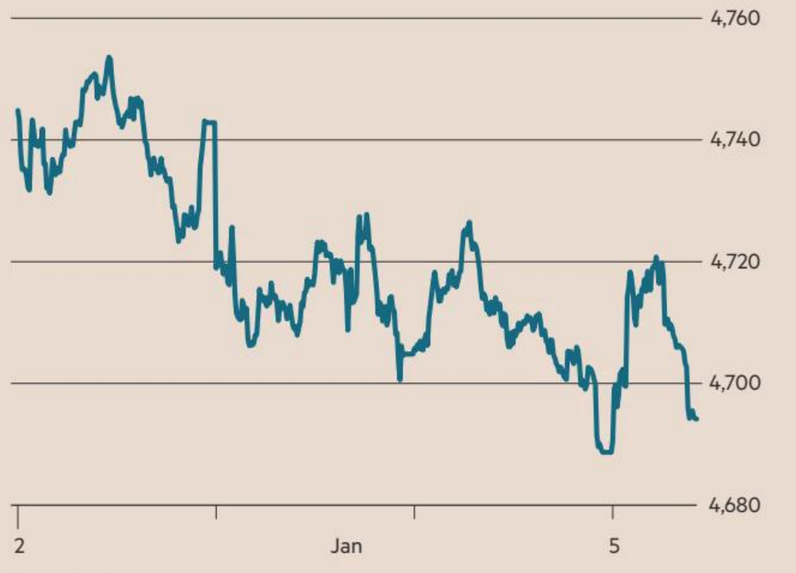
"Experience suggests that after a party, there is normally a bit of a hangover to follow," said Mark Dowding, chief investment officer at RBC BlueBay.

Fed funds futures contracts are pricing in about a 70 per cent chance of the first rate cut coming in March.

In December, the probability was about 90 per cent, and it fell to about two-thirds this week. While the Fed has forecast three quarter-point rate cuts over the next year, markets have priced in at least five. **Jennifer Hughes and George Steer**

Wall Street starts 2024 with a hangover

S&P 500 index



Source: Bloomberg

Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4705.27	1882.39	33377.42	7689.61	2929.18	131780.98
% change on day	0.35	-0.20	0.27	-0.43	-0.85	0.42
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.685	1.098	144.140	1.275	7.158	4.872
% change on day	0.257	0.182	-0.339	0.394	0.077	-0.854
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.997	2.154	0.601	3.983	2.575	11.111
Basis point change on day	0.620	3.500	-2.150	4.900	-1.600	1.100

World index, Commods	FTSE All-World	Oil - Brent	Oil - WTI	Gold	Silver	Metals (LMEX)
Level	472.38	78.99	74.00	2039.55	22.96	3670.30
% change on day	0.23	1.80	2.51	-0.12	-1.37	-1.05

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	Catalent	4.68	Commerzbank	2.31	Wpp	3.77
	Key	3.70	B. Sabadell	2.22	Centrica	2.95
	Delta Air Lines	3.46	Volkswagen	1.96	Burberry	1.36
	Comerica	3.41	Saipem	1.95	Experian	1.34
	Synchrony Fin	3.41	Galp Energia	1.45	Convatec	0.91
Downs	Humana	-2.67	Casino Guichard	-6.51	Endeavour Mining	-6.91
	Huntington Ingalls Industries	-2.28	Pernod Ricard	-3.61	Imi	-3.47
	Unitedhealth	-1.84	Grifols	-2.48	Rs	-3.30
	Keurig Dr Pepper	-1.82	Hermes Intl	-1.69	Ashtead	-2.82
	Msci	-1.61	Fresen.med.care	-1.67	Mondi	-2.47

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

All data provided by Morningstar unless otherwise noted.

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SEFE Marketing & Trading Limited

Russell Hardy
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Vitol

William Reed II
CEO,
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Financials

Citigroup plans to launch China-based investment bank despite Sino-US tension

STEPHEN GANDEL AND SUN YU — NEW YORK

Citigroup plans to deepen its involvement in China's financial markets with the launch of an investment banking unit in the country, even as rivals grow more cautious there.

The large US bank intends to launch the wholly owned China-based unit by the end of the year, according to a person familiar with the situation.

The business would expand Citi's business in China, which already includes corporate lending and other banking services.

Citi's application for a brokerage licence was conditionally approved in late December, a decision that enables it to start hiring staff for the new unit, according to a filing on China Securities Regulatory Commission's website and the person familiar with the situation.

Reuters was the first to report the filing as well as other details of Citi's expansion plans. Citi declined to comment on the filing.

The move comes as other large US banks are becoming more tentative about operations in China.

Goldman Sachs chief executive David Solomon, speaking at the Financial Times' Global Banking Summit in November, said his bank was reducing its activities because of growing tension between Washington and Beijing.

Five years ago, Goldman was executing a strategy that was more "growth at all costs in China", Solomon said. "Today, it's a more conservative approach and we've probably pared back some of our financial resources there, simply because there's more uncertainty."

> Official data shows foreign investment banks worked on three out of 313 IPOs in the country last year

Western banks are struggling to gain traction in China as geopolitical tension and the country's slowing economy undermine efforts to tap into one of the world's largest markets for initial public offerings.

Official data shows foreign investment banks worked on three out of 313 IPOs in China last year.

Goldman Sachs and JPMorgan Chase have completed just three IPOs in Shanghai since 2021 when they became the only two US banks to open wholly owned investment banking units in China.

The Chinese government's growing intervention in the financial sector has also made foreign banks reluctant to expand their footprint in the world's second-largest economy.

China's stock and banking regulators have in recent years asked foreign banks in Shanghai and Beijing to study Xi Jinping Thought, the mantra of the president, while trimming salaries as part of the common prosperity campaign.

At Citi, chief executive Jane Fraser has continued to reiterate the bank's commitment to its Chinese operations.

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 $
0.35%	0.43%	0.02%	-0.43%	-0.20%	0.27%	-0.66%	0.23%	0.182%	0.394%	-0.339%	-0.232%	1.25%	-0.12%

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

AMERICAS

Dec 06 - - (Index / All World)

S&P 500 — New York

Day 0.35% Month 3.02% Year 22.12%

Nasdaq Composite — New York

Day 0.43% Month 2.41% Year 39.34%

Dow Jones Industrial — New York

Day 0.02% Month 3.67% Year 12.56%

Dec 06 - Jan 05 (Index / All World)

S&P/TSX COMP — Toronto

Day 0.03% Month 2.46% Year 7.02%

IPC — Mexico City

Day 0.61% Month 2.96% Year 11.09%

Bovespa — São Paulo

Day 0.42% Month 3.86% Year 22.44%

Country	Index	Latest	Previous
Argentina	Merval	1028551.88	1004789.73
Australia	All Ordinaries	7718.40	7730.60
	S&P/ASX 200	7489.10	7494.10
	S&P/ASX 200 Res	6202.70	6262.20
Austria	ATX	3430.08	3420.17
Belgium	BEL 20	3717.81	3721.89
	BEL Mid	10702.65	10754.27
Brazil	IBovespa	131780.98	131225.91
Canada	S&P/TSX 60	1262.44	1261.99
	S&P/TSX Comp	20876.94	20871.35
	S&P/TSX Div Met & Min	1665.00	1677.70
Chile	S&P/CLX IGPA Gen	30735.64	30851.54
China	FTSE A200	8767.97	8805.72
	FTSE B35	9000.71	8988.96
	Shanghai A	3071.16	3097.55
	Shanghai B	232.82	233.77
	Shanghai Comp	2929.18	2954.35
	Shenzhen A	1855.11	1880.33
	Shenzhen B	1066.29	1066.86
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1438.49	1438.01
Denmark	OMXC Copenahgen 20	2348.56	2352.29
Egypt	EGX 30	25350.28	25408.51
Estonia	OMX Tallinn	1819.02	1820.72
Finland	OMX Helsinki General	10271.21	10212.55
France	CAC 40	7420.69	7450.63
	SBF 120	5639.53	5664.09
Germany	M-DAX	26057.68	26109.36
	TecDAX	3226.36	3228.75
	XETRA Dax	16594.21	16617.29
Greece	Athens Gen	1311.67	1310.87
	FTSE/ASE 20	3167.34	3167.24
Hong Kong	Hang Seng	16535.33	16645.98
	HS China Enterprise	5606.98	5649.23
	HSCC Red Chip	3313.26	3312.41
Hungary	Bux	61454.62	60838.30
India	BSE Sensex	72026.15	71847.57
	Nifty 500	19590.60	19541.25
Indonesia	Jakarta Comp	7350.62	7359.76
Ireland	ISEQ Overall	8661.46	8666.29
Israel	Tel Aviv 125	1912.13	1902.29

EUROPE

Dec 06 - Jan 05 (Index / All World)

FTSE 100 — London

Day -0.43% Month 2.67% Year 0.74%

FTSE Eurofirst 300 — Europe

Day -0.20% Month 1.83% Year 8.37%

CAC 40 — Paris

Day -0.40% Month 0.46% Year 9.75%

Dec 06 - Jan 05 (Index / All World)

Xetra Dax — Frankfurt

Day -0.14% Month -0.94% Year NaN%

Ibex 35 — Madrid

Day -0.18% Month -0.14% Year 18.75%

FTSE MIB — Milan

Day 0.12% Month 1.19% Year 22.58%

Country	Index	Latest	Previous
Italy	FTSE Italia All-Share	32512.16	32484.29
	FTSE Italia Mid Cap	43760.91	43873.75
	FTSE MIB	30440.95	30403.96
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	33377.42	33288.29
	S&P Topix 150	2085.97	2069.60
	Topix	2393.54	2378.79
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1512.22	1509.36
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1336.82	1337.83
Lithuania	OMX Vilnius	952.78	953.49
Luxembourg	LuxX	1514.52	1516.85
Malaysia	FTSE Bursa KLCI	1487.61	1477.26
Mexico	IPC	55744.05	55406.96
Morocco	MASI	12368.94	12280.03
Netherlands	AEX	778.70	780.31
	AEX All Share	1055.49	1059.06
New Zealand	NZX 50	11748.48	11759.11
Nigeria	SE All Share	79664.66	78020.54
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	64514.90	64639.16
Philippines	Manila Comp	6629.64	6498.88
Poland	Wig	76565.52	76827.85
Portugal	PSI 20	6533.68	6486.34
	PSI General	4733.17	4705.67
Romania	BET Index	15338.36	15355.08
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	12145.45	11928.89
Singapore	FTSE Straits Times	3184.30	3174.01
Slovakia	SAX	313.30	313.30
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	74488.20	74522.49
	FTSE/JSE Res 20	53910.18	53975.42
	FTSE/JSE Top 40	68156.39	68195.81
South Korea	Kospi	2578.08	2587.02
	Kospi 200	347.22	348.07
Spain	IBEX 35	10164.50	10182.40
Sri Lanka	CSE All Share	10761.61	10740.03
Sweden	OMX Stockholm 30	2337.86	2361.90
	OMX Stockholm AS	877.02	886.93
Switzerland	SMI Index	11185.90	11224.37

ASIA

Dec 06 - Jan 05 (Index / All World)

Nikkei 225 — Tokyo

Day 0.27% Month -0.33% Year 26.74%

Hang Seng — Hong Kong

Day -0.66% Month -0.67% Year -20.48%

Shanghai Composite — Shanghai

Day -0.85% Month -3.10% Year -6.22%

Dec 06 - Jan 05 (Index / All World)

Kospi — Seoul

Day -0.35% Month 2.51% Year 14.28%

FTSE Straits Times — Singapore

Day 0.32% Month 3.25% Year -1.79%

BSE Sensex — Mumbai

Day 0.25% Month 4.59% Year 18.74%

Country	Index	Latest	Previous
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1427.96	1434.59
Turkey	BIST 100	7628.73	7628.73
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2745.20	2759.20
	FTSE 100	7689.61	7723.07
	FTSE 4Good UK	6951.03	6987.33
	FTSE All Share	4196.35	4217.03
	FTSE techMARK 100	6402.20	6478.04
USA	DJ Composite	12150.18	12136.85
	DJ Industrial	37447.53	37440.34
	DJ Transport	15553.55	15498.17
	DJ Utilities	895.59	895.51
	Nasdaq 100	16357.91	16282.01
	Nasdaq Cmp	14573.33	14510.30
	NYSE Comp	16777.35	16715.71
	S&P 500	4705.27	4688.68
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	57525.80	58059.49
Vietnam	VNI	1154.68	1150.72
Cross-Border	DJ Global Titans ($)	541.68	540.00
	Euro Stoxx 50 (Eur)	4463.00	4474.01
	Euronext 100 ID	1387.65	1389.78
	FTSE 4Good Global ($)	11933.80	11895.90
	FTSE All World ($)	472.38	471.31
	FTSE E300	1882.39	1886.20
	FTSE Eurotop 100	3742.22	3750.00
	FTSE Global 100 ($)	3187.83	3177.93
	FTSE Gold Min ($)	1808.51	1813.19
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3252.75	3256.93
	FTSE World ($)	865.87	863.59
	FTSEurofirst 100 (Eur)	5036.23	5043.46
	FTSEurofirst 80 (Eur)	6048.16	6062.31
	MSCI ACWI Fr ($)	714.24	714.48
	MSCI All World ($)	3114.12	3115.68
	MSCI Europe (Eur)	1911.83	1898.94
	MSCI Pacific ($)	2869.39	2879.87
	S&P Euro (Eur)	1970.07	1973.80
	S&P Europe 350 (Eur)	1935.82	1939.89
	S&P Global 1200 ($)	3431.91	3422.95
	Stoxx 50 (Eur)	4098.41	4108.72

(c) Closed. (u) Unavailable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	116.9	238.23	0.30
Nvidia	103.5	492.50	12.52
Advanced Micro Devices	49.0	140.07	4.06
Apple	37.3	182.11	0.20
Microsoft	25.2	370.77	2.83
Amazon.com	24.5	145.71	1.14
Meta Platforms	19.4	351.74	4.62
Alphabet	11.2	135.98	-0.41
Alphabet	7.9	137.65	-0.39
Broadcom	7.5	1050.68	1.67

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Catalent	45.49	2.04	4.68
Key	14.86	0.53	3.70
Delta Air Lines	40.56	1.36	3.46
Comerica	56.95	1.88	3.41
Synchrony Fin	38.72	1.28	3.41
Downs			
Humana	454.10	-12.44	-2.67
Huntington Ingalls Industries	250.48	-5.84	-2.28
Unitedhealth	535.36	-10.06	-1.84
Keurig Dr Pepper	31.78	-0.59	-1.82
Msci	550.69	-9.04	-1.61

Based on the constituents of the S&P500 and the Nasdaq 100 index

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	146.3	2571.00	-23.50
Diageo	121.5	2765.00	-43.50
Astrazeneca	100.7	10758.00	-106.00
Hsbc Holdings	87.1	634.30	1.80
Flutter Entertainment	76.1	13300.00	-65.00
Bp	75.7	473.85	0.40
Gsk	75.5	1541.20	1.40
London Stock Exchange	71.0	8980.00	-30.00
Unilever	62.8	3829.00	-13.50
Rio Tinto	62.2	5700.00	-54.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Clarkson	3480.00	215.00	6.58
Me Int	126.80	7.20	6.02
Wpp	770.20	28.00	3.77
Puretech Health	207.00	6.00	2.99
Centrica	151.70	4.35	2.95
Downs			
Endeavour Mining	1577.00	-117.00	-6.91
Sdcl Energy Efficiency Income Trust	59.40	-2.70	-4.35
Future	778.00	-34.50	-4.25
Darktrace	323.10	-13.90	-4.12
Jupiter Fund Management	86.05	-3.65	-4.07

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Intesa Sanpaolo	319.7	2.79	0.03
Unicredit	260.9	25.79	0.18
Novartis N	257.1	97.19	0.61
Roche Gs	235.6	270.14	-3.28
Nestle N	185.0	106.02	-0.15
Asml Holding	180.1	643.70	-2.70
Siemens Ag Na O.n.	160.8	160.46	-1.96
Enel	160.3	6.69	-0.03
Lvmh	156.8	690.00	-7.80
Eni	135.9	15.54	0.02

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Orsted A/s Dk 10	6.70	0.15	2.31
Volkswagen Ag St O.n.	119.45	2.30	1.96
Infineon Tech.ag Na O.n.	35.23	0.45	1.31
Essilorluxottica	181.06	2.28	1.28
Nordea Bank Abp	11.73	0.15	1.26
Downs			
Pernod Ricard	146.95	-5.50	-3.61
Atlas Copco Ab Ser. A	14.44	-0.41	-2.74
Atlas Copco Ab Ser. B	12.56	-0.27	-2.09
Lonza N	369.14	-7.74	-2.05
Volvo, Ab Ser. A	22.52	-0.46	-2.02

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Lasertec	3677.1	34010.00	-1210.00
Kawasaki Kisen Kaisha,	1599.6	6607.00	135.00
Tokyo Electron	1121.2	24120.00	115.00
Mitsubishi Ufj Fin	853.2	1258.00	33.00
Toyota Motor	824.4	2701.50	66.50
Tokyo Electric Power	782.1	758.00	3.00
Sumitomo Mitsui Fin	527.1	7161.00	181.00
Shin-etsu Chemical Co.,	485.4	5637.00	-88.00
Japan Tobacco	448.5	3757.00	48.00
Mitsubishi Heavy Industries,	416.3	8641.00	270.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Konami	7874.00	322.00	4.26
Showa Denko K.k.	2978.00	120.50	4.22
Nomura Holdings,	669.20	26.70	4.16
Daiwa Securities	1005.00	37.90	3.92
Mizuho Fin	2548.00	91.50	3.72
Downs			
Renesas Electronics	2388.50	-106.00	-4.25
Nitori Holdings Co.,	17500.00	-645.00	-3.55
Lasertec	34010.00	-1210.00	-3.44
Mercari	2456.00	-85.00	-3.35
Tse Growth Market Core Index	937.28	-25.48	-2.65

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Jan 05 price(p)	%Chg week	%Chg ytd
Winners			
Centrica	151.70	7.9	7.4
Gsk	1541.20	6.3	4.1
Marks And Spencer	284.20	4.3	3.0
Next	8466.00	4.3	5.3
Beazley	544.00	4.2	3.4
Hikma Pharmaceuticals	1859.00	3.9	4.1
Bae Systems	1153.00	3.8	3.3
Tesco	300.90	3.6	2.7
Haleon	330.85	2.9	2.1
British American Tobacco	2360.00	2.8	1.2
Vodafone	70.40	2.7	0.9
Imperial Brands	1854.50	2.7	2.1
Losers			
Jd Sports Fashion	120.10	-27.6	-25.2
Endeavour Mining	1577.00	-10.2	-10.2
Fresnillo	544.00	-8.5	-4.7
Croda Int	4640.00	-8.1	-6.3
Imi	1556.00	-7.6	-6.3
Prudential	820.80	-7.5	-4.1
Frasers	845.00	-7.2	-4.6
Halma	2121.00	-7.1	-4.6
Spirax-sarco Eng	9800.00	-6.7	-4.1
Scottish Mortgage Investment Trust	753.80	-6.7	-4.3
Ashtead	5098.00	-6.7	-4.5
Diploma	3346.00	-6.6	-3.0

FTSE 250	Jan 05 price(p)	%Chg week	%Chg ytd
Winners			
Babcock Int	442.40	12.0	5.3
Clarkson	3480.00	10.0	10.0
Puretech Health	207.00	6.6	8.9
Diversified Energy	1178.00	5.7	-1.7
Bakkavor	84.00	3.7	0.2
Barr (a.g.)	529.00	3.1	3.7
Uk Commercial Property Reit	63.70	2.7	1.4
Jlen Environmental Assets	103.20	1.6	1.0
Bellway	2608.00	1.6	2.4
North Atlantic Smaller Companies Investment Trust	3920.00	1.6	1.8
Me Int	126.80	1.4	2.1
Harbourvest Global Private Equity	2390.00	1.3	1.1
Losers			
Darktrace	323.10	-11.9	-5.8
Hochschild Mining	95.15	-11.2	-8.3
Watches Of Switzerland	631.00	-10.9	-6.7
Wood (john)	155.70	-9.5	-7.7
Sdcl Energy Efficiency Income Trust	59.40	-8.6	-8.6
Ferrexpo	82.80	-8.3	-5.6
Jupiter Fund Management	86.05	-7.9	-4.8
Iwg	175.00	-7.6	-1.8
Kainos	1035.00	-7.5	-5.5
Bytes Technology	568.00	-7.2	-4.0
Aj Bell	290.60	-7.2	-2.6
Ao World	91.75	-6.7	-1.3

FTSE SmallCap	Jan 05 price(p)	%Chg week	%Chg ytd
Winners			
Seraphim Space Investment Trust	40.80	18.6	14.0
Zotefoams	378.00	12.8	8.3
Fisher (james) & Sons	339.00	10.1	2.9
Metro Bank Holdings	40.50	9.5	1.3
Digital 9 Infrastructure	32.30	8.6	1.7
Foxtons	49.40	7.4	5.3
Cab Payments Holdings	88.10	6.4	7.4
City Of London Investment	335.50	5.8	4.8
Alfa Fin Software Holdings	147.50	5.4	4.2
Ocean Wilsons (holdings) Ld	1257.50	4.8	4.8
Cmc Markets	110.00	4.8	4.0
Riverstone Energy	836.00	4.4	0.5
Losers			
Petrofac	30.60	-18.2	-8.8
Funding Circle Holdings	33.00	-17.5	-15.4
Motorpoint	102.00	-10.9	-7.3
Chrysalis Investments	70.40	-9.4	-7.6
Petra Diamonds	63.50	-9.3	-3.8
888 Holdings	86.75	-9.2	-5.0
Superdry	31.20	-9.0	-7.1
Asos	387.60	-8.9	-2.2
Enquest	13.90	-7.8	-9.7
Forterra	163.20	-7.7	-5.6
Halfords	184.40	-7.5	-4.0
Topps Tiles	46.50	-7.0	-4.7

Industry Sectors	Jan 05 price(p)	%Chg week	%Chg ytd
Winners			
Tobacco	26921.73	2.8	2.8
Pharmaceuticals & Biotech.	20848.25	2.7	2.7
Gas Water & Multiutilities index	6243.67	1.9	1.9
Aerospace & Defense	8721.37	1.5	1.5
Food & Drug Retailers	4060.39	1.3	1.3
Nonlife Insurance	3378.25	0.7	0.7
Mobile Telecommunications	1916.62	0.5	0.5
Oil & Gas Producers	8619.68	0.4	0.4
Electricity	11036.67	0.1	0.1
Media	11121.08	-0.2	-0.2
Banks	3671.34	-0.3	-0.3
General Retailers	3745.35	-0.5	-0.5
Losers			
Mining	9030.81	-8.8	-8.8
Electronic & Electrical Equip.	9336.02	-6.2	-6.2
Chemicals	9046.74	-5.6	-5.6
Industrial Transportation	3768.93	-5.4	-5.4
Personal Goods	20668.92	-4.7	-4.7
Life Insurance	5973.22	-4.3	-4.3
Automobiles & Parts	1519.46	-4.3	-4.3
Industrial Engineering	13625.05	-4.3	-4.3
Software & Computer Services	2318.07	-4.1	-4.1
Support Services	10206.71	-3.4	-3.4
Real Estate & Investment Servic	2237.63	-3.2	-3.2
General Financial	14161.53	-3.2	-3.2

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

CURRENCIES

Jan 05	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	812.2480	0.5000	891.7278	2.4137	1035.7797	4.9361
Australia	Australian Dollar	1.4847	-0.0054	1.6299	-0.0025	1.8933	0.0010
Bahrain	Bahrainin Dinar	0.3770	-	0.4139	0.0009	0.4808	0.0020
Bolivia	Bolivian Boliviano	6.9100	-	7.5862	0.0159	8.8116	0.0366
Brazil	Brazilian Real	4.8724	-0.0420	5.3492	-0.0348	6.2133	-0.0275
Canada	Canadian Dollar	1.3323	-0.0031	1.4627	-0.0003	1.6990	0.0031
Chile	Chilean Peso	891.3550	3.0300	978.5755	5.3672	1136.6570	8.5679
China	Chinese Yuan	7.1577	0.0055	7.8581	0.0225	9.1275	0.0449
Colombia	Colombian Peso	3894.5000	-37.5100	4275.5836	-32.1469	4966.2716	-27.0125
Costa Rica	Costa Rican Colon	520.3550	-1.1450	571.2725	-0.0590	663.5573	1.3015
Czech Republic	Czech Koruna	22.3505	-0.1875	24.5375	-0.1541	28.5014	-0.1198
Denmark	Danish Krone	6.7928	-0.0149	7.4574	-0.0007	8.6621	0.0170
Egypt	Egyptian Pound	30.8017	0.0309	33.8157	0.1046	39.2784	0.2023
Hong Kong	Hong Kong Dollar	7.8100	0.0023	8.5742	0.0205	9.9593	0.0443
Hungary	Hungarian Forint	343.9223	-1.8630	377.5756	-1.2509	438.5701	-0.5446
India	Indian Rupee	83.1638	-0.0650	91.3014	0.1198	106.0505	0.3578

Jan 05	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Indonesia	Indonesian Rupiah	15515.0000	25.0000	17033.1926	63.0431	19784.7812	113.9141
Israel	Israeli Shekel	3.6769	0.0199	4.0366	0.0302	4.6887	0.0447
Japan	Japanese Yen	144.1400	-0.4900	158.2443	-0.2057	183.8075	0.1410
	..One Month	144.1392	-0.4915	158.2437	-0.2069	183.8066	0.1392
	..Three Month	144.1380	-0.4941	158.2427	-0.2090	183.8050	0.1360
	..One Year	144.1327	-0.5047	158.2387	-0.2168	183.8066	0.1310
Kenya	Kenyan Shilling	157.5000	-	172.9116	0.3618	200.8442	0.8340
Kuwait	Kuwaiti Dinar	0.3075	-0.0001	0.3375	0.0006	0.3921	0.0015
Malaysia	Malaysian Ringgit	4.6540	0.0195	5.1094	0.0321	5.9348	0.0494
Mexico	Mexican Peso	16.8805	-0.1605	18.5323	-0.1371	21.5260	-0.1144
New Zealand	New Zealand Dollar	1.5953	-0.0093	1.7514	-0.0066	2.0343	-0.0034
Nigeria	Nigerian Naira	850.5000	-34.0000	933.7228	-35.2950	1084.5587	-38.6731
Norway	Norwegian Krone	10.2400	-0.0658	11.2420	-0.0486	13.0581	-0.0293
Pakistan	Pakistani Rupee	282.1500	0.2500	309.7588	0.9221	359.7980	1.8116
Peru	Peruvian Nuevo Sol	3.7125	-0.0251	4.0758	-0.0190	4.7342	-0.0123
Philippines	Philippine Peso	55.5700	0.0700	61.0076	0.2043	70.8629	0.3832

Jan 05	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Poland	Polish Zloty	3.9555	-0.0120	4.3425	-0.0041	5.0440	0.0057
Romania	Romanian Leu	4.5302	-0.0102	4.9734	-0.0008	5.7769	0.0110
Russia	Russian Ruble	90.8500	-0.4000	99.7398	-0.2295	115.8520	-0.0269
Saudi Arabia	Saudi Riyal	3.7504	0.0001	4.1174	0.0087	4.7825	0.0200
Singapore	Singapore Dollar	1.3265	-0.0028	1.4562	0.0000	1.6915	0.0035
South Africa	South African Rand	18.6238	-0.0925	20.4461	-0.0586	23.7490	-0.0188
South Korea	South Korean Won	1315.4500	5.3500	1444.1689	8.8832	1677.4634	13.7598
Sweden	Swedish Krona	10.1991	-0.0111	11.1970	0.0113	13.0058	0.0399
Switzerland	Swiss Franc	0.8473	-0.0024	0.9303	-0.0007	1.0805	0.0014
Taiwan	New Taiwan Dollar	31.0095	0.0195	34.0438	0.0926	39.5434	0.1890
Thailand	Thai Baht	34.7200	0.2775	38.1174	0.3838	44.2750	0.5363
Tunisia	Tunisian Dinar	3.0838	-0.0055	3.3856	0.0011	3.9325	0.0093
Turkey	Turkish Lira	29.8358	0.0755	32.7552	0.1513	38.0466	0.2539
United Arab Emirates	UAE Dirham	3.6728	0.0001	4.0322	0.0085	4.6836	0.0195
United Kingdom	Pound Sterling	0.7842	-0.0033	0.8609	-0.0018	-	-
	..One Month	0.7842	-0.0033	0.8608	-0.0018	-	-

Jan 05	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
	..Three Month	0.7843	-0.0033	0.8606	-0.0018	-	-
	..One Year	0.7843	-0.0034	0.8596	-0.0018	-	-
United States	United States Dollar	-	-	1.0979	0.0023	1.2752	0.0053
Vietnam	Vietnamese Dong	24380.0000	10.0000	26765.6639	66.9588	31089.5005	141.8206
European Union	Euro	0.9109	-0.0019	-	-	1.1615	0.0024
	..One Month	0.9107	-0.0019	-	-	1.1615	0.0024
	..Three Month	0.9105	-0.0019	-	-	1.1613	0.0024
	..One Year	0.9091	-0.0018	-	-	1.1602	0.0024

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

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	£ Strlg Jan 05	Day's chge%	Euro Index	£ Strlg Jan 04	£ Strlg Jan 03	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7689.61	-0.43	6965.04	7723.07	7682.33	7633.45	3.88	2.43	10.61	0.70	8219.01
FTSE 250 (250)	19210.39	-0.83	17400.24	19372.05	19326.40	19463.43	3.48	1.17	24.45	5.59	16557.56
FTSE 250 ex Inv Co (168)	19964.00	-0.95	18082.84	20154.85	20064.60	20055.49	3.63	0.88	31.32	7.03	17578.88
FTSE 350 (350)	4237.67	-0.49	3838.36

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$)							
ANZ Bank	25.62	0.08	26.08	22.39	6.06	11.26	51898.69
BHP Group	49.07	-0.51	50.84	41.66	8.09	12.94	167527.53
CmwBkAu	112.99	1.50	113.61	93.05	3.68	19.34	127448.46
CSL	287.94	1.21	314.21	228.65	1.19	42.68	93692.12
NatAusBk	30.56	0.10	32.15	25.10	5.07	13.14	64229.34
Telstra	3.89	-0.02	4.46	3.75	4.08	23.50	30273.87
Wesfarmers	56.74	-0.04	57.70	46.52	3.28	26.31	43345.14
Westpac Bank	22.86	0.22	24.10	20.03	5.87	11.70	53914.8
Woolworths	36.98	-0.09	40.35	33.07	2.65	28.20	30427.11
Belgium (€)							
AnBshInBv	58.86	0.05	62.01	49.17	1.30	21.19	112256.89
KBC Grp	60.86	-0.28	72.46	48.78	6.55	7.95	27882.39
Brazil (R$)							
Ambev	13.59	-0.06	15.78	12.28	5.70	14.04	43940.28
Bradesco	15.08	0.18	15.77	11.15	6.18	12.67	16497.19
Cielo	4.85	0.22	5.82	3.24	6.27	7.47	2704.32
ItauHldFin	28.62	0.69	29.01	19.53	5.29	8.80	29124.5
Petrobras	40.00	-0.04	41.86	25.21	37.64	-	61098.9
Vale	74.16	-1.46	96.30	61.00	5.53	6.94	69085.65
Canada (C$)							
Bausch Hlth	10.60	0.19	13.81	7.56	-	-2.87	2905.55
BCE♦	54.22	-0.08	65.66	49.57	7.26	21.58	37126.41
BkMontrl	130.25	0.66	137.64	102.67	4.41	12.80	70887.93
BkNvaS	63.28	0.19	74.41	55.20	6.58	9.87	57663.49
Brookfield	58.88	11.29	63.88	41.28	0.94	446.60	69948.82
CanadPcR♦	105.50	-0.49	112.96	94.45	0.73	22.71	73793.39
CanImp	63.61	0.23	64.43	47.44	5.36	12.97	44454.37
CanNatRs	89.35	0.37	93.44	67.13	4.09	13.41	72658.68
CanNatRy	167.96	-0.09	168.99	143.13	1.83	21.32	81401.33
Enbridge	48.95	0.16	56.29	42.75	7.41	31.70	78095.65
GtWesLif	43.32	-0.31	44.24	32.49	4.71	17.86	30307.65
ImpOil	78.71	-0.06	85.11	60.19	2.46	8.59	31656.32
Manulife	29.04	0.15	29.45	23.69	4.83	4.29	39376.49
Nutrien♦	74.97	0.44	113.27	70.69	3.84	12.24	27828.73
RylBkC	134.35	0.58	140.18	107.92	3.94	12.94	142036.84
SHOP	99.35	1.24	106.68	47.40	-	-47.05	89901
Suncor En	45.24	0.24	48.26	37.09	4.53	9.68	44077.82
ThmReut	192.19	-0.31	195.51	157.54	1.35	32.80	65706.55
TntoDom	85.91	0.27	94.05	75.89	4.40	11.08	116200.07
TrnCan♦	53.18	0.10	58.56	43.70	6.95	58.51	41412.29
China (HK$)							
AgricBkCh	3.02	-0.02	3.28	2.50	8.14	3.81	11886.4
Bk China	2.97	-	3.45	2.60	8.77	3.64	31799.88
BkofComm	4.82	-0.02	5.65	4.23	8.74	3.75	21607.92
BOE Tech	0.57	-	0.87	0.47	-	8.76	14.52
Ch Coms Cons	3.49	0.02	5.52	3.33	7.33	2.79	1974.48
Ch Evrbrght	2.31	-0.01	2.78	2.15	8.98	3.15	3750.12
Ch Rail Cons	4.55	-0.02	7.46	4.33	6.84	2.24	1209.63
Ch Rail Gp	3.48	0.03	6.30	3.22	6.37	2.51	1874.77
ChConstBk	4.57	-0.03	5.70	4.01	9.55	3.12	140680.19
China Vanke	6.75	-0.02	17.64	6.70	11.15	3.70	1907.05
ChinaCitic	3.77	0.07	4.74	3.39	9.87	2.99	7183.92
ChinaLife	9.62	-0.10	15.84	9.51	5.53	8.66	9165.74
ChinaMBank	26.90	0.25	53.00	24.20	7.26	4.34	15812.53
ChinaMob	65.80	1.75	70.20	53.10	7.22	9.52	172601.22
ChinaPcIns	15.76	-0.16	26.50	14.42	7.27	7.88	5600.39
ChMinsheng	2.67	0.02	3.52	2.48	9.13	3.41	2844.46
ChMrchSecs	13.47	-0.01	15.91	13.21	1.41	14.95	13967.4
Chna Utd Coms	4.25	-0.03	6.45	4.18	2.63	16.54	18386.48
ChShenEgy	28.10	-0.10	28.70	21.45	10.70	8.52	12152.08
ChShpbldng	4.11	-0.05	5.32	3.46	0.07	-63.96	12680.74
ChStConEng	4.77	0.03	7.35	4.64	5.42	3.79	27536.73
ChUncHK	4.84	0.05	6.58	4.45	7.32	7.20	18962.27
CNNC Intl	7.93	-0.04	8.03	5.93	2.19	14.56	20920.79
CSR	3.37	-0.04	5.26	3.10	6.73	7.36	1886.11
Daqin	7.37	-0.01	8.21	6.52	6.67	11.43	15827.31
GuosenSec	8.33	-0.04	10.90	8.28	3.32	15.65	10635.6
HaitongSecs	4.06	-0.03	6.01	3.94	5.87	10.10	1772.46
Hngzh HikVDT	32.43	-0.15	48.84	31.21	2.13	24.67	41268.4
Hunng Pwr	4.40	0.01	5.28	3.22	-	-102.03	2648.1
IM Baotou Stl	1.43	-0.01	2.14	1.37	-	129.48	6292.49
In&CmBkCh	3.75	-0.03	4.73	3.35	9.07	3.46	41675.03
IndstrlBk	14.81	0.19	18.23	13.95	7.93	3.97	42984.08
Kweichow	1663.36	-5.64	1935	1616.25	1.54	30.68	291924.71
Midea	0.35	-	0.44	0.26	-	-1.23	13.30
New Ch Life Ins	14.82	-0.04	25.00	14.10	8.22	5.12	1962.3
PetroChina	5.44	0.07	6.05	3.53	8.65	6.01	14696.44
PingAnIns	33.90	-0.05	64.15	32.60	8.30	6.99	32327.1
PngAnBnk	9.27	0.16	15.74	8.99	3.15	3.84	25132.32
Pwr Cons Corp	4.87	-0.02	8.15	4.64	2.52	7.27	8893.74
SaicMtr	13.34	-0.08	15.65	13.09	2.59	10.08	21774.82
ShenwanHong	0.07	0.00	0.15	0.06	-	4.75	78.33
ShgPdgBk	6.68	0.06	8.22	6.49	4.90	6.16	27393.21
Sinopec Corp	4.08	0.01	5.47	3.78	9.74	7.87	12734.94
Sinopec Oil	1.84	-0.01	2.39	1.79	-	62.03	3488.28
Denmark (kr)							
DanskeBk	190.45	2.30	190.90	131.45	3.70	8.36	24173.29
MollerMrsk	13975	-145.00	17265	9800	14.27	2.08	15353.25
NovoB	725.80	-3.10	742.20	448.25	0.85	48.84	367040.71
Finland (€)							
Nokia	3.18	0.01	4.65	2.70	3.17	4.58	19883.5
SampoA	39.70	-0.19	45.15	34.55	4.57	25.89	21859.2
France (€)							
Airbus Grpe	139.70	0.32	143.98	111.98	1.30	27.29	121232.65
AirLiquide	170.68	-1.38	180.30	137.58	1.72	28.21	98142.39
AXA	29.88	-0.04	30.34	24.60	5.67	10.41	74428.82
BNP Parib	63.00	0.09	67.02	47.02	6.17	9.00	79364.86
ChristianDior	664.50	-2.50	872.00	621.50	1.80	18.16	131684.26
Cred Agr	13.25	0.11	13.27	9.54	7.90	7.33	44406.74
Danone	60.51	-0.06	61.88	48.30	3.29	29.76	45025.14
EDF	12.00	-	12.05	7.27	2.41	-2.31	53889.44
Engie SA	16.34	0.16	16.52	12.55	8.54	-5.14	43697
EssilorLuxottica	181.24	2.46	188.84	155.15	1.78	34.83	90301.43
Hermes Intl	1819.8	-30.80	2063.5	1544.5	0.71	48.41	210913.98
LOreal	434.25	-3.10	460.00	350.50	1.38	40.12	254926.1
LVMH	688.90	-8.90	904.60	655.00	1.74	21.62	379704.18
Orange	10.71	0.05	11.87	9.51	6.52	17.61	31265.24
PernodRic	147.00	-5.45	218.00	143.60	2.89	15.31	41254.92
Renault	36.37	0.35	43.96	31.19	0.69	3.21	11807.85
Safran	159.54	-0.80	168.76	120.10	0.84	21.81	74835.21
Sanofi	93.48	0.65	105.18	80.60	3.84	12.85	129801.82
Sant Gbn	63.77	-0.84	67.55	48.83	3.13	12.05	35454.41
Schneider	173.10	-2.00	182.94	134.38	1.81	24.70	108860.64
SocGen	24.46	0.11	28.39	19.33	7.00	8.94	21558.37
Total	62.50	0.02	64.80	50.55	4.69	8.37	165518.4
UnibailR	49.68	0.06	73.09	39.68	-	-7.39	7615.7
Vinci	113.88	-0.64	117.08	97.20	3.50	14.54	74732.53
Vivendi	9.80	0.11	10.22	7.99	2.54	-10.13	11078.57
Germany (€)							
Allianz	243.90	-1.60	247.25	192.48	4.66	11.15	104889.02
BASF	46.80	-0.90	53.77	40.25	7.24	-23.02	45857.3
Bayer	35.22	-0.02	65.66	30.22	6.79	24.04	37986.73
BMW	100.66	-0.34	113.46	86.80	8.42	5.81	66526.33
Continental	74.44	0.02	79.24	58.20	2.01	22.36	16345.3
Deut Bank	12.57	0.05	12.64	7.95	2.41	5.54	28150.86
Deut Tlkm	22.44	-0.03	23.13	18.50	3.14	18.40	122817.97
DeutsPost	44.73	0.54	45.03	29.68	4.14	12.32	60466.66
E.ON	12.48	0.06	12.80	9.72	4.07	56.91	36189.21
Fresenius Med	37.36	-0.87	49.62	30.16	3.02	24.08	12034.57
Fresenius SE	28.99	-0.07	31.22	23.29	3.20	17.23	17775.29
HenkelKgaA	65.38	-0.16	70.10	58.36	2.79	20.24	18647.51
Linde	371.35	-2.50	402.55	286.40	1.28	32.28	197683.63
Mercedes-Benz	62.55	0.23	76.10	55.08	8.38	4.37	73466.39
MuenchRkv	384.60	0.60	400.40	292.40	3.01	18.79	57621.45
SAP	137.08	0.64	149.12	100.14	1.51	74.35	184881.88
Siemens	160.50	-1.92	171.06	119.48	2.64	14.52	140964.14
Volkswgn	119.60	2.45	184.50	105.95	7.33	4.27	38746.19
Hong Kong (HK$)							
AIA	64.40	0.15	93.65	61.15	2.38	92.17	93997.82
BOC Hold	20.35	-0.05	28.25	20.00	6.67	6.85	27548.96
Ch OSLnd&Inv	13.14	-0.04	23.20	12.50	6.02	6.66	18414.44
ChngKng	37.95	-0.25	51.70	36.95	6.01	7.18	17244.7
Citic Ltd	7.64	-0.09	10.86	6.53	8.52	3.38	28457.26
Citic Secs	16.02	-0.06	19.18	13.54	3.33	10.54	5374.38
CK Hutchison	40.80	-0.20	54.55	38.35	7.17	5.43	20008.57
CNOOC	13.58	0.22	14.28	9.86	10.22	4.44	77510.52
HangSeng	87.30	-0.05	135.50	84.10	5.15	12.11	21370.67
HK Exc&Clr	255.80	-2.00	382.40	238.20	2.79	28.09	41525.58
MTR	28.10	-0.15	43.00	27.10	4.66	18.74	22369.29
SandsCh	22.90	-0.20	31.45	18.74	-	-36.54	23731.08
SHK Props	80.65	-0.25	115.90	75.40	6.14	9.78	29924.13
Tencent	292.20	-6.60	411.00	263.60	0.83	13.07	354796.85
India (Rs)							
Bhartiartl	1046.6	-1.30	1062.9	735.80	0.40	76.47	75725.58
HDFC Bk	1682.2	-8.65	1757.5	1460.25	0.96	18.18	153577.44
Hind Unilevr	2620.05	27.50	2769.65	2393	1.56	57.22	74023.19
HsngDevFin	2724.3	-23.05	2927.4	2160	1.16	18.17	61324.4
ICICI Bk	993.70	6.55	1043.7	796.00	0.84	16.85	83816.29
Infosys	1532.55	19.85	1619.75	1185.3	2.34	24.16	76484.86
ITC	473.95	-2.45	499.70	328.10	2.81	27.96	71098.49
L&T	3521.9	63.20	3559.95	2068.5	0.64	42.89	58210.72
OilNatGas	216.45	1.80	217.50	141.60	6.58	7.12	32742.69
RelianceIn	2607.7	11.05	2856	2180	0.36	24.54	212159.54
SBI NewA	641.95	-0.80	660.40	499.35	1.84	8.03	68890.06
SunPhrmInds	1300.2	-12.75	1318	922.45	0.93	34.91	37511.75
Tata Cons	3737.9	71.10	3929	3070.25	1.37	29.27	162619.54
Israel (ILS)							
TevaPha	40.85	0.96	41.25	26.37	-	-5.56	12520.55
Italy (€)							
Enel	6.69	-0.03	6.81	5.14	6.02	12.07	74681.58
ENI	15.54	0.02	15.83	11.69	5.84	9.89	57595.56
Generali	19.74	-0.02	20.06	16.67	5.92	-	33792.11
IntSPaolo	2.79	0.03	2.81	2.08	5.92	7.18	55950.12
Unicred	25.79	0.18	25.95	14.31	3.86	5.27	50530.22
Japan (¥)							
AstellasPh	1766	17.00	2360.5	1600.5	3.71	92.88	22171.96
Bridgestne	5913	18.00	6245	4548	3.24	11.36	29277.77
Canon	3695	28.00	3912	2790.5	3.55	13.77	34190.76
CntJpRwy	3679	39.00	3926	2984	0.77	11.30	26289.51
Denso	2165	-1.50	2613.75	1597.25	2.27	19.60	47340.11
EastJpRwy	8316	74.00	8949	6706	1.27	16.40	21804.4
Fanuc	4090	-48.00	24645	3603	2.62	24.58	28462.42
FastRetail	34500	-50.00	37930	25386.67	0.73	36.43	76166.39
Fuji Hvy Ind	2765.5	66.50	3115	1980	2.77	7.65	14464.51
Hitachi	10245	75.00	10510	6295	1.53	13.95	65900.06
HondaMtr	1530	33.00	1821	1003.33	2.62	8.90	57683.2
JapanTob	3757	48.00	3858	2555.5	5.51	14.32	52129.88
KDDI	4594	47.00	4767	3873	3.08	14.21	73391.56
Keyence	60130	-460.00	71890	49950	0.50	39.99	101457.46
MitsbCp	2353	65.50	2577.33	1398	7.65	3.52	70398.72
MitsubEst	1111.8	-3.41	1119.62	948.63	-	-	-
MitsubishiEle	2029.5	14.50	2109.5	1273	2.29	16.36	30232.73
MitsuiFud	937.28	-25.48	1147.48	774.38	-	-	-
MitUFJFin	1258	33.00	1344	805.00	2.54	9.84	107678.98
Mizuho Fin	2548	91.50	2724.5	1744	3.66	10.04	44886.98
Murata Mfg	2907.5	-0.50	3033	2146	1.72	8.04	40896.28
Nippon TT	173.90	1.20	183.40	147.84	2.84	12.39	109246.24
Nissan Mt	567.30	3.70	712.50	408.10	2.67	4.85	15781.28
Nomura	669.20	26.70	670.00	476.70	2.54	18.27	14687.5
Nppn Stl	3384	70.00	3816	2228	4.92	5.59	22310.86
Panasonic	1424.5	-11.50	1808	1074.5	2.30	7.38	24254.85
Seven & I	5645	-	6619	5162	1.94	22.23	34716
ShnEtsuCh	5637	-88.00	21055	3797	1.88	18.25	79159.02
Softbank	6080	30.00	7297	4766	0.73	-3.91	62006.18
Sony	13170	75.00	14100	10035	0.57	18.26	115238.13
SumitomoF	7161	181.00	7849	4997	3.66	11.80	66449.61
Takeda Ph	4288	63.00	4873	3900	4.33	35.01	47074.38
TokioMarine	3555	46.00	3799	2511	2.81	18.94	49388.7
Toyota	2701.5	66.50	2911.5	1764	2.22	12.13	305778.76
Mexico (Mex$)							
AmerMvl	16.40	0.11	20.25	15.66	2.62	11.28	41116.45
FEMSA UBD	213.78	-1.54	228.15	150.81	1.53	33.77	27369.85
WalMrtMex	69.72	-0.34	76.04	59.28	1.46	23.33	72119.26
Netherlands (€)							
ASML Hld	644.20	-2.20	698.10	532.40	0.92	33.11	285113.96
Heineken	89.68	-0.54	106.30	81.54	1.92	20.04	56710.52
ING	13.28	-0.01	13.83	9.59	4.20	8.22	50994.13
Unilever	44.57	-0.06	50.93	42.97	3.22	22.88	142017.53
Norway (Kr)							
DNB	215.50	-1.20	224.40	177.45	5.83	8.64	32464.17
Equinor	333.75	-1.20	382.85	278.70	3.21	5.62	97879.5
Telenor	121.35	0.70	134.95	97.52	4.14	22.77	16584.4
Qatar (QR)							
QatarNtBk	16.17	-0.06	19.64	14.31	3.86	8.33	41019.81
Saudi Arabia (SR)							
AlRajhiBnk	87.50	2.80	7317	0.00	1.43	21.21	93325.88
NatnlcombnkSaudiBasic	42.75	2.75	1552.5	0.00	3.53	12.81	68394.54
SaudiTelec	80.60	-1.40	2115	0.00	4.91	60.05	64474.83
	40.85	0.60	8480	0.00	4.08	14.28	54462.3
Singapore (S$)							
DBS	32.90	0.16	36.40	30.30	5.18	8.31	63970.59
JardnMt US$	40.44	-0.05	54.79	38.37	5.33	23.72	11695.2
OCBC	12.81	0.07	13.39	11.93	5.22	8.75	43403.77
SingTel	2.35	-0.03	2.68	2.25	4.28	12.02	29237.55
UOB	28.34	0.26	31.33	26.82	4.68	7.73	35732.14
South Africa (R)							
Firstrand	71.09	0.10	74.77	58.60	5.58	9.84	21412.37
MTN Grp	113.03	-0.05	149.42	87.00	2.89	10.28	11435.88
Naspers N	3079.54	-48.50	17839200	2673.3	0.23	8.49	30331.22
South Korea (KRW)							
HyundMobis	221500	-1000.00	250000	202000	1.81	6.81	15769.97
KoreaElePwr	18840	30.00	20850	16030	-	-0.59	9194.27
SK Hynix	137500	1100	143700	76700	0.87	-11.52	76095.88
SmsungEl	76600	-	79800	57600	1.89	14.60	347626.53
Spain (€)							
BBVA	8.51	0.05	8.73	5.74	3.67	6.93	54567.87
BcoSantdr	3.91	0.03	3.97	2.88	3.03	6.40	69516.41
CaixaBnk	4.01	0.06	4.23	3.12	5.79	7.32	33035.49
Iberdrola	12.04	0.01	12.25	9.88	4.15	16.34	83903.94
Inditex	37.62	-0.39	39.85	25.61	2.02	24.26	128721.37
Repsol	13.76	0.05	15.87	12.46	5.13	4.73	19296.91
Telefonica	3.69	0.00	4.15	3.42	8.18	13.58	23320.75
Sweden (SKr)							
AtlasCpcoB	140.60	-3.00	150.40	106.54	1.46	25.60	21517.61
Ericsson	62.65	-0.54	68.50	48.53	4.23	-8.95	18934.32
H & M	165.50	-3.54	189.58	119.92	3.68	45.62	23290.4
Investor	228.60	-3.60	235.45	187.66	1.84	6.02	40836.62
Nordea Bk	130.16	0.60	134.94	103.86	6.93	8.18	45118.53
SEB	141.80	-0.20	142.25	105.20	4.67	8.23	29416.95
SvnskaHn	110.45	-0.45	112.90	83.92	4.72	9.23	21060.85
Swedbank	205.50	-1.70	219.90	161.60	4.65	7.13	22808.72
Telia Co	27.13	0.22	28.92	20.98	7.41	-7.09	10459.61
Volvo	247.65	-2.50	264.85	188.96	2.77	11.57	38570.61
Switzerland (SFr)							
ABB	35.98	-0.49	37.87	28.06	2.26	19.17	79913.2
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	98.63	-0.14	116.84	96.12	2.84	28.68	310783.14
Novartis	90.41	0.57	90.54	69.89	3.43	26.46	243000.84
Richemont	112.10	-0.40	161.10	102.95	1.99	17.36	71119.31
Roche	251.30	-3.05	298.80	230.90	3.59	19.31	208360.19
Swiss Re	96.02	0.08	104.20	83.10	5.66	19.38	35978.16
Swisscom	515.60	-2.20	619.40	501.20	4.05	16.87	31520.72
UBS	25.51	0.13	26.55	14.38	2.25	2.58	88317.86
Zurich Fin	437.60	-0.90	457.90	393.00	5.19	16.06	75583.03
Taiwan (NT$)							
Chunghwa Telecom	119.50	0.50	128.00	111.50	3.95	25.07	29894.56
Formosa PetChem	79.60	-0.10	90.00	78.00	1.39	71.76	24452.76
HonHaiPrc	104.00	-	116.50	94.00	5.11	11.26	46493.84
MediaTek♦	921.00	-7.00	1055	625.00	8.28	20.94	47510.47
TaiwanSem	576.00	-4.00	594.00	455.00	1.96	17.07	481686.92
Thailand (THB)							
PTT Explor	35.25	-0.25	36.50	29.50	4.24	10.35	28998.87
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.93	24.15	57535.64
United Kingdom (p)							
Anglo American	1870.8	-2.40	3648.5	1630	8.37	13.91	31909.87
AscBrFd♦■	2346	-28.00	2485	1740	1.86	24.62	22753.1
AstraZen	10758	-106.00	12828.45	9778	2.09	34.63	212660.83
Aviva	433.30	0.30	467.30	366.00	7.15	-21.88	15136.9
Barclays	155.60	0.02	198.86	128.12	4.95	4.60	30069.82
BP	473.85	0.40	570.57	4.75	4.58	4.16	103745.16
BrAmTob	2360	-6.50	3374	2233	7.06	6.10	67304.14
BT	121.35	-0.25	161.40	109.40	6.35	6.42	15393.43
Compass	2135	2.00	2250	1852.5	1.48	29.53	46548.82
Diageo	2765	-43.50	3779.5	2719	2.81	16.82	78873.51
GlaxoSmh	1541.2	1.40	1725.81	16.64	3.60	10.41	80875.27
Glencore	463.00	3.75	583.25	410.95	6.01	7.75	72104.01
HSBC	634.30	1.80	665.60	512.30	5.13	6.72	155711.1
Imperial Brands	1854.5	-5.50	2104	1553.5	7.61	10.54	20860.18
Jardine Mathes.	62.50	-	53.91	40.80	3.53	36.65	18074.92
LlydsBkg	47.26	-0.31	54.33	39.42	5.33	5.03	38310.63
LSE Group	8980	-30.00	9438	7094	1.19	74.46	59849.96
Natl Grid	1075	-3.50	1229.21	918.00	4.80	14.57	50559.47
Natwest Group	220.80	0.70	310.00	168.00	7.02	4.53	24780.05
Prudential	820.80	-14.80	1357.5	814.00	1.80	8.28	28820.69
ReckittB	5512	-6.00	6570	5306	3.33	17.81	50173.38
RELX	3100	-7.00	3206	2307	1.76	33.99	74584.53
RioTinto	5700	-54.00	6354	4509.5	6.73	13.75	90954.12
RollsRoyce	296.60	-1.20	313.10	100.92	-	15.04	31834.05
Shell PLC	2571	-23.50	2801	2149.45	3.28	7.95	213719.88
StandCh	651.60	0.20	799.40	578.80	2.51	12.31	22144.51
Tesco	300.90	-1.50	307.23	217.53	3.62	15.32	27103.13
Unilever	3829	-13.50	4868.64	3716.5	3.89	13.69	122020.67
Vodafone	70.40	-0.05	103.24	64.65	11.09	2.14	24309.67
WPP	770.20	28.00	1082	656.00	5.12	15.78	10556.63
United States of America ($)							
21stC Fox A	30.19	0.13	37.26	28.67	1.76	14.10	7463.77
3M	108.63	0.46	129.46	85.35	5.76	-7.81	59998.2
AbbottLb	110.77	-0.22	115.83	89.67	1.77	37.69	192294.52
Abbvie	162.01	0.55	168.11	130.96	3.77	42.48	291620.34
Accenture	338.18	1.09	355.38	242.80	1.33	31.20	214739.69
Activision Bli.	94.42	-0.05	94.57	70.94	-	36.23	74289.5
Adobe	567.19	0.14	633.89	318.60	-	50.68	258242.52
Advanced Micro	140.07	4.06	151.05	60.05	-	-3491.34	224104
AEP	83.68	0.29	98.32	69.38	3.92	21.73	44005.27
Aflac	82.38	0.08	84.64	60.20	2.11	10.80	48141.22
AirProd♦	270.95	0.70	320.90	251.63	2.65	25.18	60206.07
Allstate	148.52	0.02	151.46	100.57	2.48	-17.79	38865.76
Alphabet	135.98	-0.41

FINANCIAL TIMES SHARE SERVICE

Main Market

Aerospace & Defence

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Avon Protection	860.00	10.00	1138	582.00	4.22	443.07	24.0
BAE Sys	1153	-2.50	1156.5	820.40	2.10	21.08	3487.9
Chemring	345.50	-8.00	359.00	253.95	1.22	23.99	931.6

Automobiles & Parts

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
FordMtr $♣	11.83	0.15	15.42	9.63	5.09	11.45	20073.2

Banks

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
ANZ A$♣	25.62	0.08	26.08	22.39	6.06	11.26	3222.8
BcoSant	334.00	2.00	343.50	257.00	3.06	6.34	161.1
BnkGeorgia	3845	-50.00	4021.22	2218.14	7.08	3.43	26.5
Bankire Grp €	8.85	0.31	11.03	7.72	2.37	7.00	372.2
BkNvaS C$♣	63.28	0.19	74.41	55.20	6.58	9.87	999.8
Barclays■	155.60	0.02	198.86	128.12	4.95	4.60	31060.4
Canlmp C$♣	63.61	0.23	64.43	47.44	5.36	12.97	894.8
HSBC■	634.30	1.80	665.60	512.30	5.13	6.72	13726.7
LlydsBkg■	47.26	-0.31	54.33	39.42	5.33	5.03	80396.4
NWG■	220.80	0.70	310.00	168.00	7.02	4.53	8482.3
PermTSB €	2.35	-0.04	2.81	1.18	-	4.39	65.9
RylBkC C$♣	134.35	0.58	140.18	107.92	3.94	12.94	569.1
StandCh■	651.60	0.20	799.40	578.80	2.51	12.31	2083.5
..7.375%Pf	107.00	3.00	105.75	94.50	6.89	-	500.0
..8.25%Pf	117.25	0.90	114.50	101.36	7.04	-	15.7
TntoDom C$♣	85.91	0.27	94.05	75.89	4.40	11.08	3958.3
Westpc A$♣	22.86	0.22	24.10	20.03	5.87	11.70	4512.3

Chemicals

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Elemntis	128.80	-1.00	131.80	96.60	-	-17.42	970.9
Johnsn Mtthey	1632	-17.50	2370	22.00	4.29	20.58	276.1
Victrex	1499	-14.00	1953.15	1282	3.97	17.85	97.5

Construction & Materials

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Boot(H)	210.00	3.00	255.00	170.00	3.17	14.38	21.6
GalfrdT	225.00	-2.00	249.00	159.17	3.91	27.78	30.1
MorgSdl	2155	-20.00	2260	1558	4.69	15.73	22.4
Tyman	303.00	-3.00	324.00	214.50	2.64	11.98	79.7

Electronic & Electrical Equip

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Dialight	158.00	2.00	340.00	140.00	-	-13.58	7.1
Discoverie PLC	740.00	-6.00	958.00	586.00	1.37	60.66	143.3
Halma	2121	-24.00	2520.95	1802	0.95	33.76	693.9
Morgan Ad	276.50	-5.00	326.50	215.50	4.34	13.49	278.0
Oxfordln♦	2200	-	2884.8	1634	0.89	21.36	62.7
Renishaw	3400	-42.00	4296	2823.42	2.16	21.29	40.1
Spectris	3545	-132.00	3883.85	2917	1.96	11.66	210.7
TT Elect	158.00	-0.80	212.03	140.85	4.11	21.94	23.3
XP Power	1280	24.00	2750	682.41	7.19	6.84	70.6

Financial General

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
3i♦	2293	-44.00	2455	1348.5	2.31	4.94	1781.0
abrdn	170.90	-2.50	238.00	149.75	8.54	3.72	3412.9
Bridgepoint Grp Plc	263.00	-6.60	300.60	164.80	-	16.44	392.3
CtyLonInv	335.50	-7.00	475.00	300.00	9.84	11.33	10.8
CloseBrs	785.50	-5.00	1139	721.83	8.47	14.49	126.9
CoinShares Int Ltd SKr	38.25	0.25	56.10	20.60	-	0.39	16.5
Hargr Lans	722.20	-4.80	1023.5	676.40	5.33	12.87	1271.1
Indvardn SKr	325.80	-3.30	335.40	253.40	2.18	4.75	115.2
ICG♦	1591	-25.50	1738.5	1067.97	3.52	9.13	985.6
Investec	524.20	-7.60	556.20	401.00	5.91	7.14	189.7
Jupiter	86.05	-3.65	158.30	71.30	19.87	3.20	919.4
Liontrust	611.00	-12.50	1300	519.00	7.69	7.64	300.9
LSE Gp■	8980	-30.00	9438	7094	1.19	74.46	790.2
RathbnGrp	1696	-32.00	2245	1436	4.95	23.30	111.4
Record	71.00	-2.00	98.90	61.60	6.34	13.95	15.2
S & U	2240	-	2570	1995	5.94	8.30	2.4
Schroder	425.00	-6.70	507.00	357.20	27.29	1.96	1250.6
Shires Income	224.50	-0.50	275.00	200.00	5.97	3.13	62.5
StJmsPl	643.20	-11.20	1301.5	597.18	9.52	12.25	1091.5
TP ICAP	190.00	-1.80	202.60	140.60	3.16	271.43	365.7
Vanqus	120.80	2.80	248.40	102.60	-	2.26	216.2

Food & Beverages

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
AngloEst	694.00	16.00	886.20	650.50	2.82	7.46	1.6
AscBrFd♣♦■	2346	-28.00	2485	1740	1.86	24.62	1254.4
Barr(AG)	529.00	7.00	565.60	446.00	2.48	17.59	262.0
Britvic	833.50	-6.50	950.00	742.00	2.90	18.90	305.6
CarrsGroup	104.00	-2.50	152.02	92.00	4.81	12.84	196.9
Coca-Cola HBC	2304	-5.00	2582	1906.5	2.33	18.42	285.4
Cranswk	3830	-72.00	4025.91	2850	1.83	20.23	61.4
Diageo■	2765	-43.50	3779.5	2719	2.81	16.82	4394.2
Grncore	98.10	1.00	103.50	66.80	-	19.62	1107.1
HiltonFd	765.00	-8.00	806.00	543.00	3.88	62.20	17.1
Kerry £	76.90	-0.40	100.00	71.05	1.13	18.34	85.6
PremFds	134.20	0.60	140.00	102.80	1.07	12.09	336.8
Tate&Lyl	641.50	-20.00	837.50	600.00	4.80	13.74	665.7
Unilever■	3829	-13.50	4868.64	3716.5	3.89	13.69	1641.3
..NV	-	-	-	-	-	-	-

Health Care Equip & Services

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
GNStre kr	168.15	-1.60	197.85	110.10	-	48.37	775.3
Smith & Nephew	1042	-9.00	1316.75	887.00	2.62	23.64	1008.0

House, Leisure & Pers Goods

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
BarrttDev	546.40	-4.40	582.60	384.15	6.57	10.39	2909.3
Bellway	2608	50.00	2620	1903	4.51	7.84	363.7
Berkeley	4799	24.00	4980	3634	0.19	12.49	220.0
Burberry Gp♦	1378	18.50	2656	1350.5	4.43	11.53	1309.7
Cairn Homes	114.00	-0.20	117.40	77.90	4.59	12.42	221.0
GamesWk	9430	30.00	11850	8305	2.70	25.97	39.0
Gleeson	497.00	11.00	502.00	344.50	3.02	7.77	67.1
Headlam	209.00	-16.00	350.00	176.00	8.33	8.71	46.0
McBride	91.20	2.60	93.00	20.70	-	-13.82	428.8
Philips €	21.49	0.21	21.63	14.54	-	-36.47	1268.0
PZCusns	151.00	0.60	223.00	124.40	4.24	17.42	184.3
Redrow	598.50	-3.00	621.00	423.62	5.35	6.58	561.8
Superdry Plc	31.20	-0.60	164.80	28.15	-	-0.17	456.5
Vistry Group	904.00	2.00	966.50	621.69	6.08	12.64	584.1

Industrial Engineering

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Bodycote	583.00	-8.00	728.50	545.00	3.36	18.69	134.1
Goodwin	5810	-	6034.29	3200	1.86	28.09	2.9
Hill&Sm	1816	-4.00	1950	1172	1.62	42.73	77.2
IMI	1556	-56.00	1742	1320	1.47	21.26	457.3
Melroseind	557.40	1.20	579.40	350.65	1.25	232.25	1583.9
Renold	36.90	-0.70	40.00	22.10	-	5.43	453.7
RHIM	3354	-30.00	3618	2034	3.75	7.91	14.2
Rotork	310.80	-3.20	344.80	277.20	2.78	33.78	750.5
Severfd	61.40	0.40	76.20	57.40	5.54	9.02	347.3
Trifast	89.80	1.70	93.50	46.70	2.39	42.36	48.4
Weir	1851.5	-8.50	2072	1651.27	0.62	31.28	238.8

Industrial General

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Coats Group	72.50	-2.30	82.70	63.00	2.64	31.67	998.8
Macfrlne	120.50	0.50	124.00	98.38	2.84	11.84	56.6
Smith DS	299.70	-3.40	367.80	260.50	4.04	17.03	1974.0
Smiths	1701	-19.00	1807	1517.5	2.22	27.04	322.7
SmurfKap	3044	-44.00	3798.61	2528	3.22	13.89	320.1

Industrial Transportation

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Braemar	294.00	16.00	324.84	215.00	1.70	9.75	75.5
Fisher J	339.00	8.50	427.50	257.00	-	80.71	74.9
int'ldistser	269.90	2.30	291.20	191.20	-	-2.56	1220.1
OceanWil	1257.5	5.00	1295	816.00	6.37	6.40	8.6

Insurance

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Admiral	2688	-12.00	2811	1813.78	3.04	22.31	192.7
Aviva■	433.30	0.30	467.30	366.00	7.15	-21.88	4715.3
Chesnar	262.00	-2.50	307.00	242.70	8.89	-7.69	67.1
Direct Line	177.80	-5.45	238.60	132.11	4.27	-20.67	2409.2
Eccles prf	134.50	-1.50	140.00	115.00	6.41	-	46.7
Hansard	44.00	-0.10	55.02	37.00	10.11	10.73	57.8
Hiscox	1064	-6.00	1201	926.04	0.80	26.35	341.8
Lancashire	622.00	-8.00	690.00	502.87	1.85	-32.40	178.4
Leg&Gen	243.80	-2.40	311.13	203.10	7.31	7.49	7979.8
Old Mut	51.60	0.80	58.30	42.90	6.25	8.27	80.9
PhoenixGrp	518.60	-5.40	643.20	436.40	9.80	-6.33	1110.5
Prudntl■	820.80	-14.80	1357.5	814.00	1.80	8.28	5793.3

LEISURE

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
PhotoMe International Plc	107.00	5.00	109.00	55.70	-	18.67	655.5

Media

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
4imprint	4480	-50.00	5391.87	4038.55	0.25	75.60	23.8
Auto Trader Group PLC♦	691.80	-3.60	752.60	527.40	0.72	34.13	1632.0
DlyMailA	270.00	-2.50	1178	264.50	8.96	10.31	111.0
Informa	768.00	-7.00	798.40	629.36	-	-33.98	1411.2
ITV	63.12	-0.38	96.62	58.36	-	6.79	4534.8
Pearson	975.20	-8.00	986.40	749.40	2.03	46.66	648.2

MEDIA

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Reach PLC	70.75	-0.30	111.63	65.20	9.91	78.61	262.0

Media

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
RELX PLC■	3100	-7.00	3206	2307	1.76	33.99	1863.0
Rightmove PLC	550.80	-8.20	610.60	457.70	0.82	31.17	1509.1
STV Grp	198.00	0.50	315.00	175.00	5.71	7.80	37.3
WPP■	770.20	28.00	1082	656.00	5.12	15.78	3401.3

Mining

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
AngloAmer■	1870.8	-2.40	3648.5	1630	8.37	13.91	2273.5
AnGoldA R	327.55	-2.70	556.88	287.40	2.69	175.34	888.7
Antofagasta	1616.5	12.00	1815	1280	3.29	16.73	627.1
BHP Group	2599	-27.50	2862	2157	8.13	12.97	1214.1
Ecora Resources	96.40	-2.10	159.00	81.40	6.84	-18.57	147.6
Ferrexpo	82.80	0.80	175.31	70.10	17.31	0.64	422.8
Fresnillo	544.00	1.00	996.80	499.30	2.41	23.21	699.6
Glencore■	463.00	3.75	583.25	410.95	6.01	7.75	11114.1
Harmony R	111.46	-1.10	120.90	53.86	0.20	14.51	923.9
PolymtlntI#	215.00	50.00	362.02	125.00	-	5.82	12.0
Rio Tinto■	5700	-54.00	6354	4509.5	6.73	13.75	1091.4
Troy Res A$	0.04	0.00	0.20	0.03	-	-0.24	3131.9

Oil & Gas

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
BP■	473.85	0.40	570.57	4.75	4.58	4.16	15969.1
Capricorn Energy	165.00	-1.00	813.06	133.60	-	-1.52	93.6
ExxonMb $♣	102.79	0.47	120.70	97.48	3.52	8.20	5716.1
Gazprom PJSC ADR $#	0.58	-	10.97	0.02	-	-0.61	3213.3
GeoPark $	9.22	0.25	16.16	8.05	5.88	3.72	79.3
HELLENiQ ENERGY €	7.39	-0.03	8.68	6.55	1.32	6.89	768.9
ImpOil C$♣	78.71	-0.06	85.11	60.19	2.46	8.59	172.3
TrnCan C$♣♦	53.18	0.10	58.56	43.70	6.95	58.51	730.1
Wood Group (John) PLC	155.70	-2.70	228.66	124.00	-	-1.75	501.6

Pharmaceuticals & Biotech

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
AstraZeneca■	10758	-106.00	12828.45	9778	2.09	34.63	935.8
GlaxoSmh■	1541.2	1.40	1725.81	16.64	3.60	10.41	4896.3
HikmaPhm	1859	8.50	2222	1607.5	2.06	13.93	318.1
Oxfd Bio	212.00	-	575.00	164.29	-	-3.33	84.8
RichterG $	26.60	0.40	26.60	19.30	4.21	13.59	0.0

Real Estate

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
REITs							
Assura	47.36	-0.52	58.25	38.38	6.76	-8.46	8573.5
BritLand	395.40	-0.40	522.29	287.30	5.73	-3.44	2090.7
Cap&Reg	59.80	0.40	62.08	51.21	8.68	-11.41	6.0
Civitas SH	79.80	-	86.18	51.07	6.81	13.62	115.0
DrwntLdn	2290	-20.00	2724	1766	3.29	10.20	108.6
Great Portland	420.00	-1.60	605.50	363.20	3.00	-3.22	346.4
LandSecs	695.00	-1.40	738.00	551.20	5.61	-8.44	887.7
LondonMtrc	183.80	-1.60	204.60	152.30	5.20	-3.55	2237.7
Palace Cap	221.00	1.00	265.00	195.00	6.79	-4.15	79.0
PrimyHth	101.90	-1.20	117.00	84.20	6.08	10.40	2020.3
SEGRO	867.60	3.40	913.00	675.00	2.60	2.57	1860.0
Shaftesbury Cap	135.50	-1.60	139.70	101.90	0.37	39.85	1164.4
TritaxBBOX	164.30	-0.30	173.00	121.80	4.31	-3.21	2729.3
Wkspace	535.50	-3.50	617.00	414.40	4.82	-4.62	61.1

Real Estate Inv & Services

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Grainger	258.80	-5.00	278.80	215.40	2.11	16.07	662.7
Harworth Grp	118.50	-6.50	129.00	95.40	1.12	-7.90	123.6
Helical	213.50	-2.00	399.00	182.00	4.73	5.16	187.9
Lon&Assc	11.00	-1.00	20.50	7.00	-	-3.13	189.6
Mntview	10275	-	12520	9200	4.14	12.81	0.0
Safestre	842.50	-10.50	1088	641.00	2.40	4.78	188.7
Savills	951.00	-6.00	1049	745.00	2.42	9.53	88.8
SiriusRE	88.00	-1.95	95.10	68.50	5.56	29.15	2385.2
SmartJ♦	127.50	-	177.00	108.00	2.53	3.49	1.5
U+I	148.50	-0.50	151.50	58.51	-	-2.12	98.8

Retailers

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Caffyns	500.00	-	628.00	450.00	-	7.27	0.0
Dunelm	1056	-26.00	1335.53	964.87	3.88	14.08	74.2
Halfords	184.40	-2.80	244.80	164.10	2.71	6.15	318.6
Inchcape	711.00	-10.50	941.00	625.00	1.87	24.02	424.3
JDSportsF	120.10	0.40	213.12	117.25	0.67	31.36	19757.0
Kingfisher	229.30	-3.70	296.24	198.30	5.41	13.18	4877.1
Marks&Sp	284.20	0.20	284.70	133.70	-	218.62	2982.0
Ocado	721.80	-12.40	1017	342.00	-	-23.92	911.0
Saga	143.00	4.20	198.40	102.20	-	-3.15	213.5
Sainsbury (J)	309.00	0.80	309.00	236.20	3.43	25.97	4008.4
Tesco■	300.90	-1.50	307.23	217.53	3.62	15.32	13697.9

Support Services

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
AshtdGp	5098	-148.00	6012	4386	1.25	17.33	695.0
Bunzl	3163	-21.00	3243	2680	1.98	21.77	252.4
Capita	22.40	-0.30	44.92	15.26	-	-12.87	2895.4
DCC	5704	-12.00	5839.08	4145	2.80	18.85	130.1
DeLaRue	88.00	-0.10	90.00	29.10	-	-3.08	122.6
Diploma	3346	-28.00	3642	2524.5	1.27	59.86	149.3
Essentra PLC	163.60	-3.80	240.96	130.20	2.02	-34.81	223.2
Experian♦	3092	41.00	3241	2366	1.44	33.64	1447.0
Ferguson	14690	-20.00	15220	9892	2.14	20.72	36.7
Hays	107.60	-1.10	130.95	91.70	2.65	12.63	2427.7
HowdenJny	765.60	-6.80	835.00	605.00	1.75	14.45	1228.8
Intertek	4212	-64.00	4549	3746	2.51	23.68	201.2
Kin and Carta	135.00	1.80	228.50	55.20	-	-12.50	323.5
Mitie	96.60	-2.30	110.00	73.40	-	48.30	2995.0
Rentokil	412.00	-2.00	663.80	387.80	1.82	29.22	2627.4
Ricardo	495.00	-	619.60	421.00	2.19	-25.65	37.9
RbrtWlts	447.00	1.00	580.00	344.00	3.67	10.23	4.7
RS Grp	796.40	-27.20	1134.91	551.20	2.62	15.96	1198.4
SIG	32.00	0.25	45.38	25.35	-	106.67	285.6
Vp	597.50	-42.50	730.00	460.00	4.18	14.72	3.2

Tech - Hardware

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
SpirentCM	118.10	-1.80	279.80	79.75	3.87	11.00	667.3

Tech - Software & Services

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Computcnt	2688	-34.00	2828	1934	2.53	15.97	57.1
NCC Grp	124.00	-	215.50	75.80	3.75	-82.67	204.4
Sage	1138	-10.00	1208.5	725.40	1.53	43.63	3412.9
TriadGp	145.00	-	170.00	77.00	1.38	15.92	10.8

Telecommunications

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Airtel Africa	126.00	-1.80	135.80	102.20	3.54	18.53	1419.4
BT■	121.35	-0.25	161.40	109.40	6.35	6.42	11889.1
TelePlus	1530	-20.00	2190	1412	3.73	39.23	78.5
Vodafone Gp■	70.40	-0.05	103.24	64.65	11.09	2.14	20370.5

Tobacco

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
BrAmTob■	2360	-6.50	3374	2233	7.06	6.10	1712.9
Imperial Br■	1854.5	-5.50	2104	1553.5	7.61	10.54	842.5

Travel & Leisure

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Carnival	1228	26.50	1388	612.00	-	-12.06	520.6
Dalata Hotel	398.00	12.00	424.00	280.00	-	11.34	9.3
easyJet	499.20	2.00	582.71	350.00	-	-3.14	1840.1
FirstGrp	175.60	0.60	183.50	92.66	-	41.81	769.4
Flutter Entertainment	13300	-65.00	16832.1	11795	-	-399.40	572.2
Fuller A	668.00	-4.00	720.00	446.00	2.20	38.17	14.1
IntCon Htels Gp	7088	-40.00	7214	4988	-	66.39	301.0
Intl Cons Air	152.20	-1.10	173.58	1.60	-	4.81	9081.9
TUI	587.50	-16.00	766.26	345.66	-	6.16	1720.5
Whitbrd	3559	-22.00	3709	2694.57	-	-28.89	414.7

Utilities

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Drax	489.70	-0.70	694.50	395.20	3.63	36.27	604.0
Natl Grid■	1075	-3.50	1229.21	918.00	4.80	14.57	4323.7
Pennon	744.50	-2.50	975.50	532.83	5.34	19592.11	270.3
Severn Trent	2573	-8.00	2999.02	2243	3.95	-95.65	362.0
SSE	1858	12.00	1932.5	1485	5.20	34.86	2253.7
UtdUtils♦	1057.5	-6.00	1139.5	896.76	4.30	-225.00	888.9

AIM

Aerospace & Defence

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Cohort	552.00	-4.00	568.00	410.00	2.28	19.81	30.0
Velocity Composites PLC	37.00	0.50	65.00	31.40	-	-12.33	4.8

Banks

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Caribbean Inv	26.50	-	45.40	24.03	-	3.05	138.6

Basic Resource (Ex Mining)

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
CropperJ♦	750.00	-	960.00	560.00	1.27	138.89	3.8

Chemicals

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Directa Plus PLC	24.50	-	98.00	23.60	-	-4.08	13.7
Versarien PLC	0.23	0.01	9.50	0.15	-	-0.07	4085.7

Construction & Materials

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
AccsysTch	60.60	-	108.00	58.00	-	-2.08	25.4

Electronic & Electrical Equip

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Checkit	23.00	3.00	35.00	18.31	-	-2.45	254.4
LPA	86.00	4.00	104.00	71.00	-	-318.52	22.5
ThorpeFW	380.00	4.00	460.00	320.00	1.53	26.44	9.7
Zytronic	80.00	-	155.00	74.00	-	26.67	33.6

Financial General

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Arbuthnot	1005	-	1150	830.00	1.59	22.23	6.8
BP Marsh	455.00	-	459.98	292.50	0.54	12.53	10.0
Burford Capital Ltd	1144	-41.00	1388	478.00	0.90	5.25	135.9
Gresham House Plc	1100	-20.00	1120	652.00	1.45	30.51	177.7
MattioliWds	605.00	-5.00	660.00	481.00	4.40	40.60	18.2
Premier Miton Group	65.00	-	137.98	48.10	12.62	7.25	255.3
STM Group	57.50	2.50	62.60	23.10	1.04	59.28	41.1

Food & Beverages

	Price	+/-Chg	52 Week High	52 Week Low	Yld	P/E	Vol 000s
Camellia	5005	-45.00	6300	4048.6	2.92	47.67	4.1
Fevertree Drinks	995.00	-12.00	1489	950.00	1.64	97.52	95.2
Nichols	1090	-30.00	1520	882.00	1.71	-18.15	30.4

Health Care Equip & Services

| | Price | +/-Chg | 52

FT Weekend

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Li Ning: sporting chance

Chinese brands such as Shein and Temu have taken over global shopping baskets. Sportswear brand Li Ning hopes to join them. At its peak in 2021, the company's market value reached $30bn. But the apparel maker's attempt to challenge the likes of Nike and Adidas is proving tricky.

In China, patriotic consumers have boosted sales of local brands in recent years. Li Ning, founded by the former Olympic medallist gymnast of the same name, had a 10.4 per cent share of the market in 2022. Peer Anta had a 20.4 per cent share. Combined, they beat Nike's 23 per cent.

Li Ning's operating margins exceeded 22 per cent too — a feat that has eluded most local apparel companies. Its flashy appearance at New York Fashion Week raised hopes that it would soon find a cross-border audience of consumers.

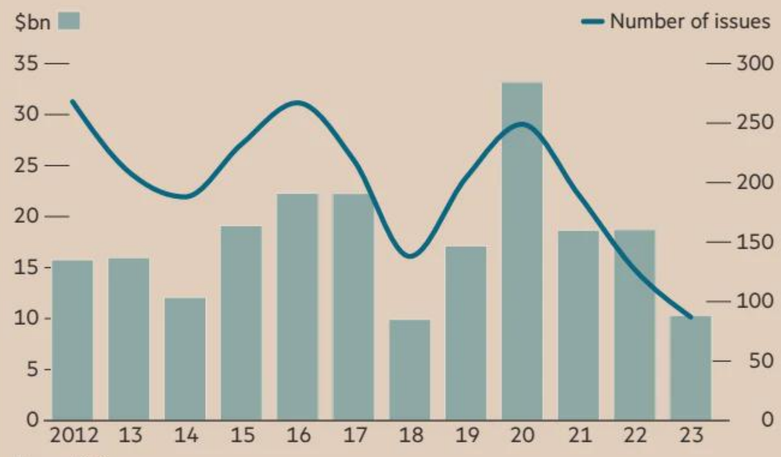
Yet despite these achievements, shares in Li Ning are down 82 per cent from their 2021 peak. At 11 times forward earnings, they trade at just a fifth of levels seen three years ago. Last year, Li Ning was one of the worst performing stocks on the Hang Seng index. This week it continued its downward trajectory, with the share price falling by more than a tenth.

There are a number of causes for concern. Consumer demand in China is faltering. This has started to show in Li Ning's third quarter sales. For foreigners, investing in China carries political risks too. Plus, Li Ning has faced US allegations of forced labour. It has pushed back against the "incorrect and misleading" accusation. But the exclusion of Li Ning by Norway's sovereign wealth fund, the world's largest, from its portfolio in 2022 underlines foreign investor concerns.

Within China, Li Ning remains a formidable brand. But unlike some of its fashion peers, its audience remains largely local. For a turnaround in the stock and a return to the growth rates of 2021, it will need to find a following outside China.

US debt: university challenge

College and university debt offerings



Source: LSEG

Millennial and Gen-X graduates are not the only ones staring down a mountain of student debt in the US. Colleges and universities are also feeling the squeeze. Falling revenues, rising costs and smaller enrolments led to years of heavy borrowing. Now the sector is poised for a shakeout.

US institutions of higher learning went on a bond-selling spree during the pandemic. Between 2020 and 2022, they raised more than $70bn via such sales, Refinitiv data says.

The sector now has $230bn of debt outstanding, 8-9 per cent of the total US municipal bond market. Of the 447 universities with a credit rating from S&P Global Ratings, more than a third are rated triple B plus or below.

Rating peer Fitch warns of a deteriorating credit environment in 2024. Expense ratios are increasing. In 2011, expenses were 93 per cent of revenue on average. By 2020, ratios went from a surplus to a deficit, according to Bain & Company.

Institutions with large endowments and strong demand, such as Harvard and Yale, will be fine. Most issued long-dated 30-year fixed rate bonds.

Smaller, less prestigious private colleges will struggle. Many are dependent on tuition dollars for their annual budgets. They are most vulnerable to enrolment declines.

Overall, undergraduate enrolments ticked up year on year in 2023. But they remain below pre-pandemic levels. Further decline is expected.

Expect the US higher education landscape to become increasingly bifurcated between top-tier institutions and lesser-known ones.

Since 2016, at least 100 colleges have closed or merged in the US. That list is about to get longer.

UK banks: slash and earn

UK banks were lambasted last year for failing to pass on interest rate rises to savers. Now that the Bank of England rate cycle seems to have peaked they appear to be making amends by engaging in a mortgage rate price battle. In theory, such largesse means profit margins will be squeezed. But lower funding costs could make up the difference.

This week, both HSBC and Lloyds Bank-owned Halifax cut remortgage rates by as much as 1 percentage point. Average two- and five-year UK mortgage rates exceed 5 per cent but competitive new products are being priced at 4 per cent or below. Mortgage rates are being reduced in line with falling UK bond yields, swap rates and the expectation of policy rates cuts by the end of this year.

For banks, intense mortgage competition can be expensive. Tightening mortgage spreads contributed to disappointing net interest margins, or NIMs, at NatWest and Barclays last year. Typical spreads of 50 to 60 basis points at the end of last year barely covered costs. The UK housing market has weathered the rate-hiking storm far better than some forecasts expected.

Still, activity slowed, prices dipped and approvals for new mortgages fell by about a quarter last year.

Volumes are now expected to rise. About 1.5mn fixed-rate mortgage deals are set to expire this year. Greater competition in the mortgage market will be helpful to borrowers. Arrears and possessions are already at historically low levels. This benign situation is expected to continue.

But even for banks, lower mortgage rates do not necessarily mean profit pain. Two and five swap rates used to price mortgages have fallen sharply in recent months and are down almost 150bp since the summer.

Eye-catching reductions in mortgage rate repricings are not as generous. Falling rates will not automatically put extra pressure on NIMs.

Coinbase: digital divide

Coinbase was the financial dark horse of 2023. The crypto trading platform's near-400 per cent surge in stock price trounced tech peers, exceeding even Nvidia's 249 per cent gain.

Much of that rise can be attributed to excitement about positive regulatory action. Talk is rife that the US Securities and Exchange Commission will soon approve exchange traded funds that invest in bitcoin directly. Coinbase stands to benefit by acting as custodian of bitcoins held by ETF funds.

Bitcoin cheerleaders hope that such vehicles will broaden the investor base and fuel a price rise. Bitcoin prices rose 160 per cent in 2023.

Yet trading activity on Coinbase remains relatively subdued. The number of monthly transacting users stood at just 6.7mn at the end of the third quarter, down from 8.5mn a year ago. Trading volume slid by more than 50 per cent over the period while total transaction revenue was a fifth lower.

Fourth-quarter results due in February should show an uptick. But this has already been baked into Coinbase's valuation. Despite seven consecutive quarters of losses, the company trades on 16 times revenue, up from 1.6 times a year ago. Larger and more profitable operators Cboe and the London Stock Exchange are on 5 times and 6 times, respectively.

Coinbase has diversified its revenue. Half now comes from subscription and services, which include its custody services, interest-earning assets and staking. Still, its fortunes are tied to bitcoin's wild swings and regulatory attitudes — factors outside its control.

A decision on regulatory approval for spot bitcoin ETFs could be delayed. In the meantime, Coinbase is in its own SEC fight, accused of illegally running an unregistered securities exchange. It has failed to push the SEC to clarify whether digital assets are securities.

Having enjoyed a surprising resurgence from a tumultuous 2022, Coinbase could struggle to hold on to its rich valuation this year.

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This year will witness continuing reversals in longstanding trends

John Plender

The Long View

It is, on the face of it, a paradox. Markets in October were mired in pessimism as inflation remained stubbornly high and investors feared that central banks would keep policy interest rates higher for longer.

By December, those same markets were gripped by euphoria thanks to seemingly dovish statements on interest rates by Federal Reserve chair Jay Powell that appeared to promise earlier rate cuts than previously expected. And now in January, equity markets have made a rocky start to the year.

The key to understanding these extreme swings in sentiment is to be found in the mechanics of data-dependent monetary policy. This causes investors to revise and re-revise endlessly their trading strategies based on intense parsing of central banking rhetoric and on expectations of how ageing incoming data of variable quality will influence central bankers' rate setting.

Within this backward-looking, shaky policy framework, short-termism is endemic. And the risk is that markets overlook longer-term fundamentals.

That risk will be high in 2024, which will witness continuing reversals in longstanding economic trends.

Despite the markets' cheery assumption about waning inflation, the era of ultra-low interest rates is surely over. Yes, short-term rates will fall in 2024 as inflation continues to decline. The longer term is another matter.

For a start, central banks' commitment to shrink their balance sheets after the extended period of quantitative easing means they will be withdrawing their buying power from public markets just as government borrowing requirements are running at peak levels.

A broader threat to the Panglossian "free lunch" view of government debt born of negligible real interest rates since the financial crisis relates to the reversal of several positive supply shocks to the world economy since the 1980s.

The most important concerns the impact of the rise of China and other emerging markets on labour. This led to a glut of workers that depressed wages in the developed world. One result was reduced investment as companies substituted labour for capital, which helps explain the dismal productivity record since the crisis. Another was quiescent inflation (for which central banks breezily took credit).

Yet now the global labour force is shrinking. Since the pandemic, labour's bargaining power has increased and will increase further as workforces go on shrinking in ageing advanced countries and also in China and Korea. The surge in wages encourages companies to substitute capital for more costly labour.

> Higher rates and yields in the no longer ultra-loose monetary regime will impose continuing strains

Other economically benign effects of globalisation such as cross-border supply chains are being de-risked in the face of geopolitical confrontation. This brings resilience at the cost of economic efficiency. Meantime, protectionism is on the rise. All of which is dismal news for growth.

Harvard's Kenneth Rogoff argues that even if inflation declines, it will probably remain higher for the next decade than in the decade after the financial crisis. He cites factors including soaring debt levels, increased defence spending, the green transition, and populist demands for income redistribution.

Hard to argue with that, although there is an open question as to how far technologies such as artificial intelligence might offset these inflationary pressures.

Do not expect China to come to the rescue on either the growth or inflation front, as it did after the financial crisis.

Its former growth model, substantially driven by the property market, is structurally challenged and China is expected henceforth to import less.

One of the most profound impacts from the reversal of ultra-loose monetary policy turns on the profitability and finances of the corporate sector in the advanced countries. A study by the Fed's Michael Smolyansky shows that lower interest expenses and corporate tax rates explain more than 40 per cent of the real growth in corporate profits from 1989 to 2019 for S&P 500 non-financial firms.

That is an eye-catchingly large number, and the picture will be similar across the developed world. In today's fiscal bind, the scope for more corporate tax cuts is minimal and rates are not going back to near-zero. So prepare for a long-run slowdown in corporate profits growth and stock returns.

After these great reversals, the new normal for investors will include a very challenging monetary landscape with heightened volatility and higher long bond yields than in recent years.

Against a background of burgeoning public debt, stringent official interest rates contribute to uncomfortably high government borrowing costs.

Political pressure on central banks may thus intensify. Higher rates and bond yields in the no longer ultra-loose monetary regime will impose continuing strains on the system, putting the central banks' goals of inflation control and financial stability potentially in conflict. It seems questionable whether market practitioners have taken all this toxic matter on board.

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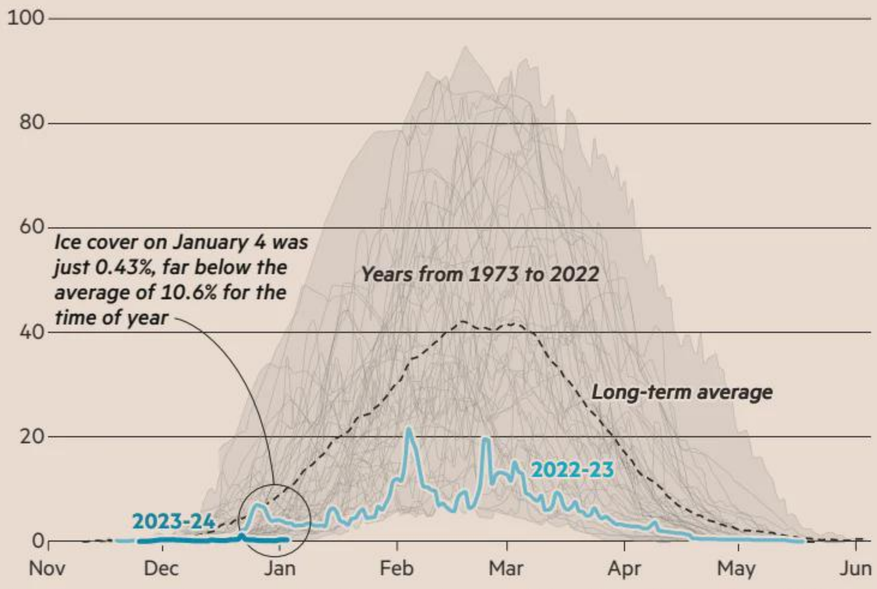
NIKKEI Asia The voice of the Asian century

Great Lakes ice cover at lowest level in 50 years for season

Average ice cover (%)



A warmer than usual start to winter has driven ice cover to its lowest level for 50 years in North America's Great Lakes, after decades of dwindling ice cover, which is being closely monitored for its links to climate change.

Just 0.43 per cent of the interconnected lakes was covered with ice on Thursday compared with a long-term average of 10.6 per cent for this time of year over the last half-century, data from the Great Lakes Environmental Research Laboratory showed.

Low ice cover across the world's largest group of freshwater lakes by area can trigger knock-on extreme weather effects across the north-eastern US and southern Canada.

Source: Noaa – Great Lakes Environmental Research Laboratory Follow @ftclimate on Instagram Sign up for The Climate Graphic: Explained newsletter ft.com/climate

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Becoming Taiwan

As the island prepares to vote, China claims that 'reunification' of the territories is a 'historical inevitability'. But in Taipei, *Kathrin Hille* unearths a complex colonial past – and meets the Taiwanese forging their own national identity

Wang Ya-june didn't think much of the town where she washed up in the autumn of 1949. When she stepped off a Chinese Nationalist warship laden with refugees and injured and dead soldiers in Keelung on that rainy day, the port on the northern tip of Taiwan was just another Chinese city to her, just another place for seeking temporary refuge.

For 14 of the 16 years of her life, Wang had been following her mother and three older sisters around China, fleeing first Japanese invasion forces and then the Communist army. They were lucky to secure a spot on one of the last ships evacuating the remainders of China's collapsing Nationalist, or Kuomintang, government and military to Taiwan as Communist forces were closing in.

"It looked desolate and backward," Wang, now 90, says of the first glimpse she caught of the island, as she haltingly pieces together her memories. Little did she know that she was joining a centuries-long line of migrants, refugees and colonisers on these shores, or that she would spend the rest of her life here and become part of a nation quite distinct from the one the Chinese Communist party built on the other side of the Taiwan Strait.

Since the KMT's escape to Taiwan 75 years ago, the CCP has claimed the island as part of its territory and threatened to take it by force if Taipei resists unification indefinitely. As Taiwan's citizens prepare to elect their next president on January 13, Beijing is sending them stark reminders of that threat. Warning them against keeping in power the Democratic Progressive party, the homegrown political force Beijing denounces as separatist because it refuses to define the country as part of China, a Chinese official said last month: "We believe that the Taiwan compatriots will . . . make the right choice between 'peace and war'." In a New Year's message, Chinese leader Xi Jinping repeated his claim that "reunification" was a "historical inevitability".

From top: a DPP rally in Taipei last month; professor Hsieh Jolan; magazine editor Chen Ling-yang; 90-year-old Wang Ya-june, who arrived in Taiwan as a refugee in 1949

Photographs for the FT by Lam Yik Fei

The belligerent rhetoric paired with the People's Liberation Army's frequent demonstrations of its growing prowess in the skies and waters close to Taiwan is making the DPP-KMT face-off a notch shriller than usual. The opposition is accusing DPP candidate Lai Ching-te of risking war with China, while the ruling party suggests KMT hopeful Hou Yu-ih's intention to seek more compromise with Beijing would endanger Taiwan's sovereignty and security.

Most Taiwanese appreciate foreign governments' and analysts' calls for restraint to avert open conflict. But many lament that foreign powers only look at today's Taiwan as a product of the 1949 clash between China's Communist party and its predecessor regime. This falls far short in understanding why the dispute is so inextricable.

"Taiwan has never belonged to China," says Hsieh Jolan, a professor of indigenous studies from the indigenous Siraya people. "We have come to be on two different paths quite naturally. Even more, if we embrace our indigenous identity, we can't possibly pursue unification with China." She and many other Taiwanese see their history as a succession of colonial regimes that has left multiple faultlines in the national identity.

While ethnic Chinese make up more than 95 per cent of Taiwan's population today, Austronesian peoples were its only inhabitants for centuries before they arrived. In the early 17th century, Spain set up a colony in the north of the island and the Dutch East India Company colonised the south-western plains. Here, they encountered the Siraya, Hsieh's ancestors. The Dutch rendition of the Siraya name of the place where they settled, Tayovan, is believed to be the origin of the island's name today.

Dutch rule facilitated Chinese immigration: after they built forts, subjugated some tribes and negotiated land access with others, Taiwan's Chinese population swelled from a little over 1,000 temporary dwellers to more than 30,000 permanent residents in the 1660s.

Pirate leader Zheng Chenggong was the first Chinese to rule Taiwan, when he drove out the Dutch in 1662. But rather than incorporate the island into China, Zheng, also known as Koxinga, made it his base for fighting the Manchurian Qing dynasty that had conquered China in 1644. Even after annexing Taiwan in 1684, the Qing kept it at arm's length, restricting migration to the island and focusing on putting down rebellions. Taiwan was made a Chinese province only in 1887, less than 10 years before the Qing ceded it to Japan as a war reparation.

Japan became the first colonial power to gain control over all of Taiwan. To extract natural resources, the Japanese built railways and an electricity grid. Their 50-year rule also left Taiwan with a state school system, universities, hospitals, and a legal system and building code modelled on the Japanese ones.

"Looking at it from today's perspective, coming into Taiwan from China in the 1940s was coming into a foreign country," says Dominic Meng-hsuan Yang, a historian at the University of Missouri. "Taiwanese back then identified as Chinese in a cultural sense and as local Taiwanese, while seeing themselves as Japanese colonial subjects — a hybrid identity miles away from a Chinese national identity."

None of China's leading politicians appeared to consider the possibility of regaining control over Taiwan until well into the second world war. The Communists — who now call Taiwan an "inalienable part" of the country "since ancient times" — long treated it as a foreign territory. In a 1935 resolution, the CCP supported independence for Taiwan. Not until 1949 did the party state for the first time its goal of "liberating Taiwan".

Nationalist strongman Chiang Kai-shek started eyeing the island when the prospects of a Chinese victory over Japan improved in 1942, according to Steve Tsang, director of the China Institute at Soas University of London. At the November 1943 Cairo Conference, the

> 'Taiwan has never belonged to China. We have come to be on two different paths quite naturally'

US and its allies agreed to Chiang's demand that Taiwan should be "returned" to the Republic of China after a Japanese defeat. US president Franklin D Roosevelt was concerned that the Chinese leader might otherwise negotiate a peace deal with Japan on his own. Although the 1951 peace treaty with Japan did not mention a transfer of sovereignty, the allies had Japanese forces surrender the island to Chiang's troops in 1945. From 1949, when the Communist party founded the People's Republic of China, the ROC continued to exist only in Taiwan, which uses its name, flag and constitution to this day.

The military government Chiang installed in Taipei proceeded to plunder the island's resources for the civil war effort in China, triggering runaway inflation and food shortages. Corruption, mismanagement and a high-pressure campaign to rid the Taiwanese of their Japanese ways sparked protests on February 28 1947, which the KMT suppressed with a bloody crackdown and a systematic persecution of local elites now known as "the 228 Incident".

"In 1945, many Taiwanese had the illusion that they were returning to the motherland," says 76-year-old Wang Wen-hung, whose father, a community leader in the southern city of Kaohsiung, was killed in a massacre shortly after February 28. In 1945, Wang's brothers went to the pier to greet the KMT troops for the Japanese surrender. "But the soldiers who came were like beggars," he says.

Two years later, the ridicule turned to hatred after Wang's father was shot dead and his oldest brother had to identify the body from trucks full of bullet-riddled corpses. "They robbed and raped, and they treated our people like second-class citizens," Wang says.

Young Wang Ya-june, newly arrived from mainland China, didn't notice any of this. Her mother and the girls were busy making a living. Wang learnt to sell a dish cooked from dried squid. She tied fishing nets, made toothbrushes and knitted sweaters for money. Asked about 228, Wang says she did not witness any conflict, and thinks the date refers to mistreatment of the Taiwanese by Japanese officials. She doesn't remember struggling to communicate, either — despite the fact that in 1945 locals spoke Taiwanese and Japanese but no Mandarin. "The soldiers and government officials all spoke Mandarin, and the government was teaching everyone the national language," she says.

Researchers studying the arrival of Chinese refugees in 1949 attribute their apparent ignorance of the conflict between the Taiwanese and their new rulers to their own recent past. The vast regional differences and social chaos they encountered during their years-long treks throughout China meant that what they saw in Taiwan was nothing new. "They were sojourners, so what did they care about the local population?" says Yang.

In the years after their arrival in Taiwan — during which Wang married a KMT military official and started a family that would grow to eight children — the classified section of the KMT's Central Daily News was teeming with ads for Chinese native place associations seeking members and Chinese alma mater clubs calling on alumni to join. "These people were trying to rebuild their social networks and associating preferably with those who spoke the same dialect," says Yang. "They were living in their little cocoons."

The immigration wave turned Taiwan's society upside down. According

Continued on page 2

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Maggie Smith
Photographed by Juergen Teller

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Life

Seek the treasure amid the gloom

THE ART OF LIFE

ENUMA OKORO

Although we've all learnt over the past few years how unpredictable life can be, there's something about a new year that makes us reflect on the experiences we've had and choices we've made over the past 12 months. It seems like the moment to begin again should we feel the pull to do something different in our lives.

Normally we think of setting resolutions, a tradition whose origins can apparently be dated back to 2000BCE and the ancient Babylonians, who celebrated their new year during a spring festival. Unlike today's more personal resolutions, those early commitments were made as promises to deities and were about paying off debts and returning borrowed items to their rightful owners.

Personally, I stopped making resolutions a long time ago. It felt too much like self-inflicted pressure, setting myself up for mini-failures that I could do without. Instead, what I have done repeatedly in the recent past is to pick one word I'd like to explore more and dwell on throughout the course of the year. It's a practice that gives me room to think about multiple areas of my life. Some words I've allowed myself to swim in over years past have included "courage" and "reclaim".

This time around, I've found myself thinking about the word "treasure". I've felt moved to reflect on what it is that I consider to be of great worth, whether that be things, people, ideologies or ways of living. Treasure is such a rich, storied word and not one that I imagine many of us use when we talk about our lives. But let's take this word and look at it from all sides: what in our lives do we consider a treasure, and how does an acknowledgment of that affect how we might live?

In the 1896 painting "Pandora", by English painter John William Waterhouse, the scene is the rocky bank of a small pool in the middle of dark woodland. A pale young woman in a sheer blue dress kneels before a rock, upon which lies a golden chest. Her feet are bare, her dress slipping off her shoulder to reveal the curve of a breast. There's something youthful and seductively careless about her.

She is accessing something that seems from the outside to be desirable and full of value — but she'll discover the fateful truth when she opens it up. As she peeks in, a small puff of smoke escapes from the side of the chest. This is Pandora, the first woman on Earth, according to Greek mythology, who opens the infamous box and releases a host of worldly ills.

The contents of Pandora's box wouldn't constitute a treasure — yet the story tells us something about the nature of desire. It's a challenge to consider if there are things, or ways of being, upon which we have placed significant value but that have not brought us as much joy or hope as we expected. We're so used to thinking about treasure as something to be guarded, hoarded or kept for our own gain and away from others. But our reappraisal of the word might include the more beautiful idea of treasure as something that causes our life to expand, and even spill into the lives of others, because of our flourishing.

One of the many alchemist paintings by Thomas Wijck (1616-77) — Alamy

I'm drawn to the idea of a treasure that is valuable not just for its material properties but also for the process that brings it into being

While researching paintings of alchemists, I was struck by the different ways they were portrayed. In the proliferation of paintings on the theme from the 17th and 18th century, they were frequently depicted as poor fools wasting their time while incurring debt, often with a wife weeping in the background. Sometimes the alchemist was an old, bearded man burrowed in a messy candlelit room surrounded by open books, or working over tubes and potions in a room strewn with pots and vials and fallen bottles, assistants scurrying about. Either way, these men had spent a lifetime in search of an as yet unobtained treasure.

The 17th-century Dutch painter Thomas Wijck painted scenes featuring alchemists at least 40 times. He tended to focus less on the eccentric or foolhardy aspects of their pursuit. In one undated painting, "An Alchemist", Wijck depicts a man draped in loose clothing and a cloak, holding a pair of scales. The room is a mess, filled with open books and things strewn about. A young assistant sneaks a look at the focused alchemist. Whatever the man is searching for, his concentration suggests it is a worthwhile, even noble pursuit.

I'm drawn to the idea of a treasure that is valuable not just for its material properties but also for the process that brings it into being. In my own life I think about writing, the challenge of it, and yet one in which process is often just as valuable as the end result. Sometimes more so, because I discover so much in the work of wrestling my thoughts into something tangible. I think also of how deeply I treasure the process of a person slowly becoming an invaluable part of my life.

I love the quiet but powerful 1894 image "Journey of the Magi" by French painter James Tissot. Three bearded men dressed in white, yellow and gold robes sit astride camels at the front of a long entourage winding behind them deep into the mountains. The caravan seems to be walking directly into the viewer's presence, with the animals and desert just as much characters in Tissot's painting as the magi. And yet I love that the magi are painted with such a sense of their own majesty.

The work is based on the story of the three astrologer-priests who travel to meet the infant child Jesus. In the context of the well-known narrative, one naturally assumes that the baby is the treasure. Or even the gold, frankincense and myrrh they reportedly bring.

But as I think about this group of people choosing to set off on an unpredictable journey, I can't help but wonder if the thing to be treasured is also the courage, openness and willingness to embrace the different paths that might open up in one's life, even if it means potential change. There are so many ways to consider what exactly it is we treasure, and how we should focus our efforts in pursuit of it. But perhaps, as we look to the year ahead, we should make more space to think about the treasure to be found in the everyday ways we approach our lives.

Enuma Okoro is a New York-based writer for FT Life & Arts enuma.okoro@ft.com

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Becoming Taiwan

Continued from page 1

to Taiwanese census data, about 640,000 Chinese civilians alone arrived on the island between 1945 and 1956. Together with the Nationalist armed forces, the inflow is estimated at more than 2mn people — over a third of Taiwan's 1945 population.

With heavy prodding from the US, the KMT government enacted land reforms and later broader investment programmes in infrastructure, education and industry that sparked an economic boom from the 1960s onwards.

But many of the native Taiwanese, whose families had left China generations earlier and lived through the Japanese era, came to view the mainlanders as new colonisers. After the Chiang regime imposed martial law in May 1949, which would stay in place for 38 years, police would conduct monthly household registration checks. While those checks were often a formality, Wang Wen-hung's family were harassed with visits from armed policemen in the middle of the night.

His mother and older siblings tried to protect him, the youngest of eight children who was only 32 days old when his father was shot dead. Once the boys were out of school, their mother sent them abroad to protect them from political persecution. After joining other dissidents in the US, Wang Wen-hung became an ardent supporter of Taiwan independence.

In the 1970s and 1980s, many of those who'd stayed behind started protesting against the KMT regime, forming a civil rights movement. Thousands became political prisoners, but their actions drove the KMT to lift martial law in 1987, spawned the DPP, and eventually helped transform Taiwan into one of Asia's most vibrant democracies.

Still, it took many years to shake off decades of suppression and indoctrination. Hsieh, the Siraya professor, used to spend holidays at her grandparents' tribal village as a child. "Watching them, I always knew we were different — the Siraya are a matriarchal society, and everything was different from how the Chinese lived," she says.

Born in 1967, Hsieh witnessed the onset of democracy only after growing up under KMT rule. Her childhood exposed her to the regime's full-force assimilation policies. In a textbook from the 1970s, her primary-school days, one lesson reads: "I am Chinese. I put down roots in China. I love China more than anything."

Those days are long past. A curriculum exclusively focused on Chinese history and geography has been replaced with textbooks that teach Taiwanese students about their homeland first, before moving on to China as part of regional history.

Mushrooming political parties and civil society groups have also led to efforts at transitional justice: compensating victims of KMT persecution and educating society about their fate, returning public assets that the KMT, once one of the world's richest political parties, had appropriated during its authoritarian rule, and trying to undo centuries of forced assimilation of indigenous peoples.

That education and open political debate have produced a very different generation. Chen Ling-yang, a magazine editor and doctoral student of Taiwanese history, was born in 1991, the year Taiwan conducted its first free national-level elections.

Like Wang Wen-hung, Chen's family experienced persecution in the aftermath of the 228 Incident: his grandfather, a former policeman under the Japanese government, had to go into hiding for almost two years after a colleague at the agricultural machinery factory where he later worked filed a false accusation against him in 1947.

Beijing has made it clear that moves to change the flag and the constitution would cross its red lines

Chen felt that the commemorations of 228 were too focused on the victimisation of the Taiwanese. He worked with other students to celebrate the role of Taiwanese youth in political resistance, forming a movement that hatched a music festival and a non-profit youth association.

Such activism, and the fading memory that comes with generational change, has helped bridge some internal political divides. Still, Taiwan has much work left to do reconciling the ethnic groups that its consecutive colonial regimes pitted against each other.

Emboldened by democracy, many of the Taiwanese whose ancestors arrived from China centuries ago have begun criticising Chiang Kai-shek and demanding to replace the ROC with a Taiwan republic. Their feelings need to be balanced with those of the 1949 immigrants and their descendants, who see themselves as victims as well, having lost their homes in China.

Despite the push by the early-arrival Taiwanese against the Chinese nationalist regime, their own group has yet to right many of the historic wrongs committed against Taiwan's indigenous groups. Although the DPP has promoted Taiwan's non-Chinese heritage, large parts of the population take little or no interest in their indigenous compatriots. "We all need to decolonise," says Hsieh. "There is still so much discrimination and so much stigma."

But that is where Beijing's claim on Taiwan and its threat to annex the island by force impose strict limits. The Chinese government has made clear that moves to change the official Republic of China name, the flag and the constitution and other symbolic acts would cross its red lines. It has also denounced changes made to Taiwan's textbooks as part of a "desinicisation" campaign by the "separatist" DPP.

Tsai Ing-wen, the incumbent president, has tried to keep the balance by rallying the nation behind a hybrid identity, praising the ROC's history in Taiwan — its economic miracle, democratisation and tolerant political and social culture — as a common achievement, and frequently calling the country "Republic of China Taiwan".

"I understand that she wants to forge a national consensus on identity and that her hands are tied, so I can accept it," says Hsieh. "Still, I hate that Republic of China name and I hate that flag. I worry that it confuses people and will water down their Taiwan identity."

But others believe the pressure from China will strengthen internal cohesion.

"In 2012, the acquisition of media assets by pro-China figures triggered concerns that China was infiltrating our media," says Chen. "Then we got concerned that China could gradually erode Taiwan's sovereignty and economic autonomy." Students occupied parliament in 2014 to stop KMT lawmakers from forcing through a services trade agreement with China — a backlash against policies many felt were making their country too dependent on its neighbour.

Yang, the historian, is optimistic that democracy and generational change are gradually narrowing the memory divide between Taiwan's different groups of colonisers and colonised. "What we are seeing is two nationalisms, the Taiwan one and the ROC one, gradually coming together," he says. "China's inflexible course is only accelerating that."

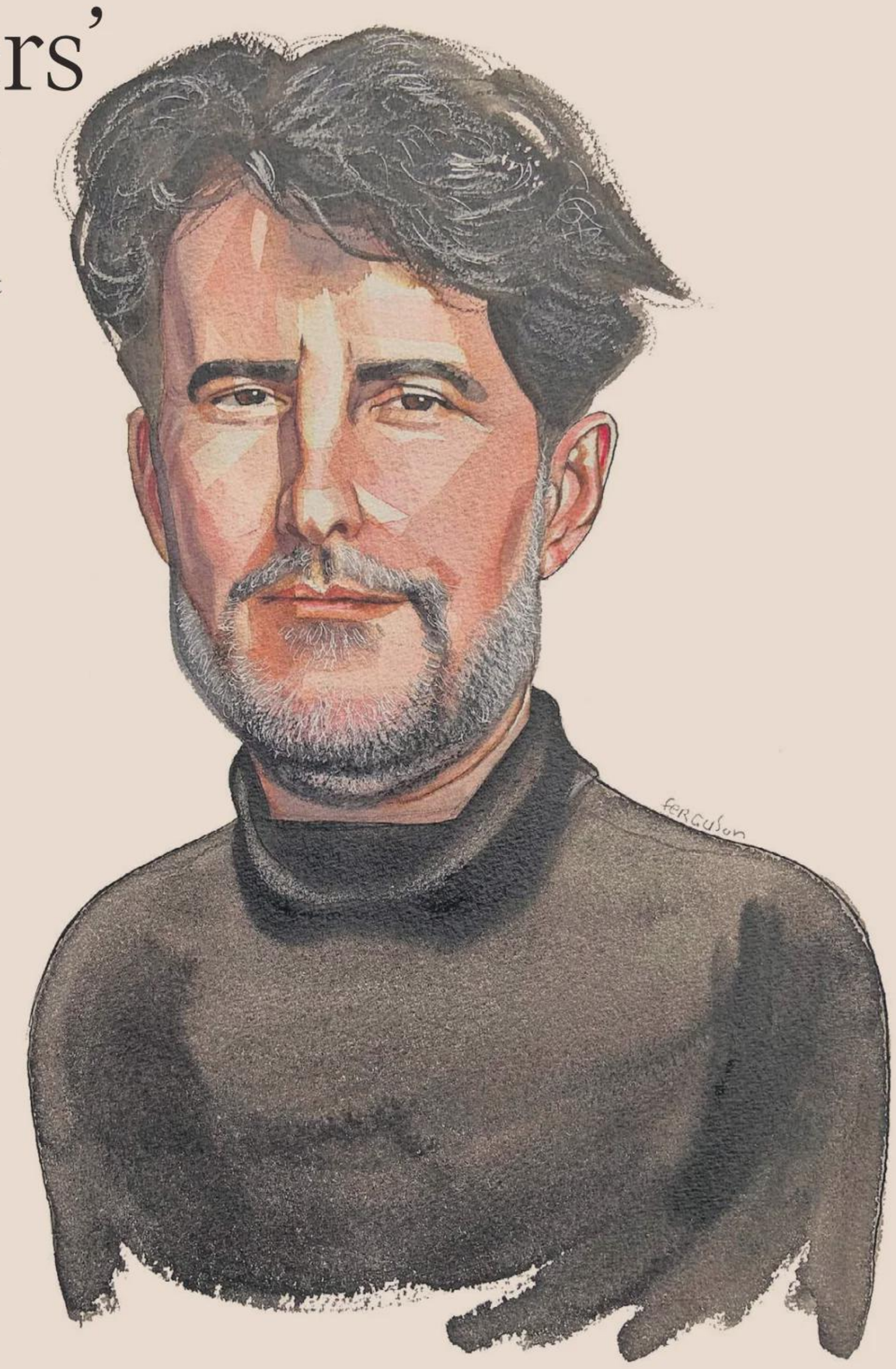
Wang Ya-june may be a case in point. She says that Taiwan, not China, is her home now, and she feels repelled by anyone who would consider disrupting the peace. "Why is it that people feel they have to go to war all the time?" she asks. "I have had enough bitterness in my life."

Kathrin Hille is the FT's Greater China correspondent

Lunch with the FT **Giuliano da Empoli**

‘Even when it works, politics attracts violent characters’

The Italian former political adviser has hit the bestseller lists with his novel about Russia’s elite. Over schnitzels and Bloody Marys in Bern, he talks to *Simon Kuper* about decoding the Kremlin, the lost innocence of the European project – and the case for boring leaders



Jack’s Brasserie in Bern, founded in 1911, is the canteen of Swiss power. Here, between chandeliers and white tablecloths, five minutes’ walk from the federal parliament, corporate lobbyists schmooze politicians — insofar as it’s necessary to charm Swiss politicians into helping corporations.

Giuliano da Empoli is an Italian whose bestselling debut novel about Russia’s political elite, written in French, appears in English as *The Wizard of the Kremlin*. But his mother is Swiss, and he holidays near Bern in Interlaken. “I’ve been coming to Jack’s for 40 years,” he says in his near-perfect English, “my father used to take me.”

We’ll come back to his father, who inadvertently introduced him to questions of violence and power.

Da Empoli is a neat, slight figure, dressed like the timeless European intellectual, in a dark roll-neck sweater. In Jack’s this winter’s day, in this city where all the destruction of last century never happened, it could be 1924. We get a quiet table at the back, with wealthy Swiss chatter buzzing soothingly around us. Our nearest neighbour is an outsized dog lunching from a silver bowl.

Da Empoli understands power, partly because he once wielded some, as adviser for years to Matteo Renzi, who from 2014 to 2016 was Italy’s would-be modernising prime minister. That’s why his novel has become a guide — devoured by many western politicians — to the mindset of the Kremlin. The book covers Russian power since the 1990s, a subject that da Empoli had been obsessively researching since first visiting Moscow in 2010.

Surveying the diners in Jack’s, he remarks: “In Russia power is a big beast. In Switzerland power is a kitten, and it’s been domesticated. Through history, it’s been diluted, distributed, at local level and through referendums. Swiss politicians are boring. That’s quite a good thing. The more spectacular a political system, the worse it is, in many ways.”

We’ve eaten together before — we know one another from Paris, where we both live, and in 2016 the progressive think-tank he ran, Volta, published some of my essays as an Italian ebook. After da Empoli switched from writing in Italian to French, I enjoyed his essayistic political books. I then watched him become a star. His novel appeared in April 2022, weeks after Russia’s full-scale invasion of Ukraine. He says: “I never thought it would sell more than 3,000 copies. And when the war broke out, I thought it would be wiped out completely.” It has sold about 650,000 copies in France alone.

We don’t bother with menus. “What I do here is Bloody Mary and schnitzel,” says da Empoli. “I find that quite a pleasant combination.” Schnitzels are Jack’s’ speciality. “Big ones or small?”, asks our waitress. We go big, his with potato purée, mine with salad.

Born in Paris, da Empoli then lived in suburban Brussels, where his father, an Italian economist, worked for the European Commission. In 1984, the family moved to Rome, where his father had become a senior economic adviser to Bettino Craxi’s Socialist government. By 1986, Italy’s far-left terrorist Red Brigades were waning, but a splinter group remained active.

“What happened is, my father used to stop every day at the same newspaper shop, which was a bit silly, I guess. So he was buying his newspapers and this terrorist commando started firing at him. But he had a bodyguard, his driver, a *carabiniere*. He came out of the car and started firing. He killed a terrorist, so the other ones fled. My father was wounded, one bullet in his hand and two in his leg. I was 12 at the time.”

His father had a police escort from then until his death in a car accident in 1996. “This contributed to my image of Switzerland,” da Empoli says. “You know the last scene of *The Sound of Music*, when they’re walking in the fields and reach the Swiss border? It was a bit like that. Every summer holiday, we would get to the border by car and my father’s police escort would stay behind: we would be into Switzerland and wouldn’t need an escort.”

He quotes Hugo Ball, co-founder of the Dada movement in Zurich, who during the first world war called Switzerland “a birdcage, surrounded by roaring lions”. “Unfortunately, this might be the case again today.”

Giant schnitzels arrive. In the past, apparently, they overflowed their plates. When Jack’s switched to larger plates, customers complained, thinking the schnitzels had shrunk. The waitress — speaking a very Swiss mix of French, German and English — recommends pairing them with a Pinot Noir. We obey. The wine (which, happily, won’t show up on the bill) mingles with the Bloody Marys to transport us into a cosy Swiss winter fug. The schnitzels, flavoured with berry sauce, are marvellously tender.

Da Empoli published his first political book aged 23. A decade later, he met the then obscure Renzi, president of the province of Florence, and became his adviser, or *consigliere*. He chuckles: “In English it sounds like a Mafioso term.” In 2014, aged 39, Renzi became Italy’s youngest ever prime minister. Did his unexpected ascent carry da Empoli to national power?

“If I can be fully honest with you, the reason I started working with Renzi was that from the beginning I thought he would be — he thought so too, of course — a really powerful, disruptive force. Politics is unfair, it has a kind of animal component. I thought he had that.”

Renzi was not Vladimir Putin, but da Empoli believes some aspects of power are universal. “I think the difference between leader and adviser is that the leader is 100 per cent into his action. There’s no distance between what he does and thinks and who he is. It’s so intense, you need to mobilise so many resources, that the only way is if you’re in it 100 per cent. The adviser keeps a distance, which allows him to be more lucid, and maybe keep giving good advice. This suits certain personalities. It suits me perfectly.”

The job would inform his literary depiction of the Kremlin’s “wizard”, Putin’s imagined *consigliere* Vadim Baranov. Putin, da Empoli explains, exercises a “premodern” type of power that baffles western European politicians. “He operates with codes that maybe some of our ancestors would have understood better than we do. But Putin’s practically never been on the internet. He’s not on social media. Baranov provides the postmodern theatrics that are also important in Putin’s power.”

Baranov is modelled on Russian political adviser Vladislav Surkov. Has da Empoli heard from Surkov about the novel? “No. I think he’s in a tricky position. There’s not much room in the Kremlin now for eccentric, cynical fantasists. When you start razing cities, and jail for 15 years everybody that calls a war a war, you’re not into spin any more. When sheer brutality takes over, the role of characters like that disappears.”

Da Empoli “suffered” in politics. “It’s not something that at any point made me happy. My relationship to power: I don’t like to have power over others, and I can’t stand anybody having power over me. I also got the disrupter I thought we needed. This, Renzi genuinely was. But did it make Italy better? Am I not now re-evaluating the virtues of a less disruptive approach to politics?”

What he did enjoy was “to see things from inside. It’s completely different from the perspective you have from outside. Without it, I would never have been able to write my book. And at times you have the feeling that you actually make a difference on some decisions.

“The price you pay is the unbelievable violence,” he goes on. “Of course not physical, but you live in an environment where people are constantly fighting. This is politics. I think politics has a noble mission, which is to stop people killing each other when they disagree. But even when it works, it attracts violent characters. That’s why when somebody’s out of politics, we say he’s ‘dead’ . . . That violence is something that lots of people in politics enjoy. I didn’t. Maybe my father’s thing took me on that path, and I had such passion for it, that it took me time to realise I wasn’t in any way made for active politics.”

Power taught da Empoli that he was at heart a writer. Once he’d left politics, and began viewing it as “anthropological theatre”, he could write his novel. “The reason I’m such an old first-time novelist — I’m 50 — is that I wasn’t ready to do this before. To write this book, I had to go through all the political experience I had, starting with my father’s attack.

“What’s incredible about fiction is it takes you outside your head and inside someone else’s. It’s more and more difficult to get out of our own heads. Because everything reinforces what we already believe. That’s why the difference between fiction and non-fiction readers is immediately apparent when you talk to people. Fiction readers understand that theirs is not the only perspective. That each of the people sitting around us” — he points — “have their own. If you read fiction, you’ve been in some of those heads. If you don’t, even if you read non-fiction, you don’t have that experience.”

I mention the critique in The New York Times: that his book is too understanding of Russia’s leaders, and that its empathy infected French politicians. He shrugs: “It could have been a good critique of a non-fiction book. But the point of fiction is exactly that: to get into someone’s head.”

So what’s in Putin’s head now? “He’s a power animal. Elias Canetti, in *Crowds and Power*, says the drive to power is a will to survive everybody, and to survive above everybody. You end up killing everyone because, in a way, that guarantees your survival. That’s why the last [depiction] of Putin in the book is him alone in a graveyard — with his dog, of course. The dog is always important.

> ‘Putin knows he’s made a strategic mistake. But one rule of that kind of power is to never go back’

“I think he knows he’s made a strategic mistake [the invasion]. But one rule of that kind of power is to never go back, never show any crease in the absolute will and certainty. He wasn’t strong enough to impose his order on Ukraine. But he might be strong enough to impose chaos on Ukraine. And he did take the opportunity to consolidate his order internally, and to make it much more ruthless. This is working, for now.” Putin’s “mistake” might be “playing out not so bad”, he concludes.

The waitress agrees to improvise fruit salads. She removes da Empoli’s half-finished Bloody Mary with a jokey reprimand: “I think you’re done with this.”

He laughs: “We can reach that conclusion. It was practically empty, eh? My wife will be happy, it will confirm to her that I’m not an alcoholic. I talk too much, that’s the problem.” I reassure him: “It’s your job in an interview.”

“I guess for once it’s justified.”

Has his novel’s success changed him? He chuckles: “I’m confident there will be lows again. Something good, like a book succeeding, can become bad if it traps you into doing things you don’t feel like doing, or hanging out with people you don’t want to hang out with. The same way a bad event can be good for you. This sounds so clichéd. But losing the elections in 2018, I don’t think it was good for Italy, but for me personally it was good, because I dropped out of something that wasn’t for me.”

The novel, he adds, “was a side gig. I never thought I would become a novelist. I did want to write something my daughter might enjoy reading when she grows up, and non-fiction doesn’t age well. But it still is a side project in some ways. I know I can write more non-fiction, but can I write more fiction?”

I ask da Empoli why he lives in Paris. “Will I move to Switzerland? I went to see a house here before lunch. It’s maybe more what the French would call a *fantasme* than something I will do.”

What about Italy? He frowns: “Foreigners take the best of Italy. You enjoy all the pleasure, and you don’t have to worry about anything else. But me, I land in Italy and first I have coffee and a piece of something good to eat, and I’m in a good mood. But . . . I’m part of this, so I also suffer in Italy. I can’t stand the quality of public debate, I can’t turn on TV, I can barely open a newspaper. The media ecosystem that shapes public discourse is so degraded — conspiracy theories, all sorts of weirdness. It’s going in the wrong direction, the whole thing.

“On the other hand, I enjoy Paris more than Parisians [do]. If you have two passions like I do, politics and literature, there’s no place in the world which consistently over centuries has intermingled the two, where every president wants to be a great novelist and every novelist has a definite idea of how he would rule the country.”

The waitress brings his espresso, my tea, and free madeleines and chocolates. Pointing at me, she tells him: “He’s so nice, I brought you sweets.” I am delighted by the compliment — then deflated as da Empoli reveals that Jack’s always throws in sweets.

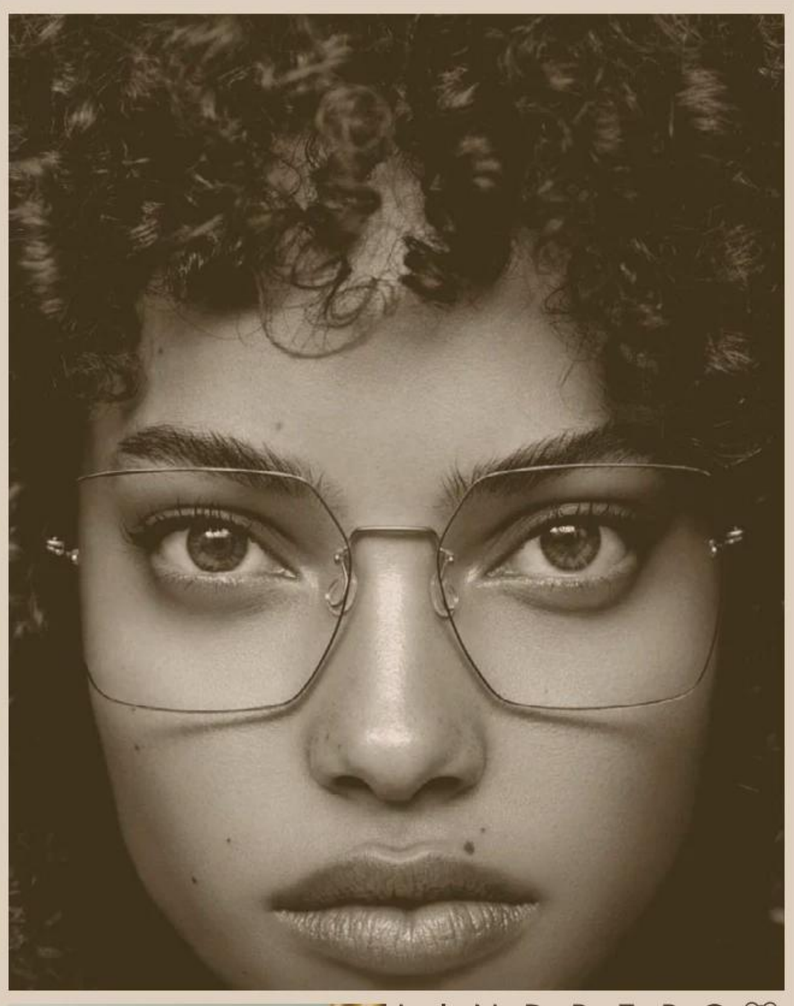
Da Empoli has peered deep into power. Does he still have political ideals? “If you’d asked me in the past, I would have given you lots of convictions. But what’s left now, to me, is this idea that we try not to kill each other. We’ve been successful in the European Union in not doing so for an extraordinary lapse of time. It looked dull, but I think it’s not dull any more, and not obvious any more. So this European thing is the only strong ideal I have.”

He mentions Robert Menasse, Austrian author of novels on Brussels and, improbably, EU enlargement. “Let’s say that in 100 years somebody still reads books, how will they read his book about Brussels? Will they read it like [we read] the Austro-Hungarian writers, Zweig, Musil and Joseph Roth, with this nostalgia of a world that is gone? Whatever happens, there’s a part of innocence in the European project that is lost forever: this idea we had that the world was going to become like us, about gentle treaties and soft power. This European exceptionalism, which was much stronger than American exceptionalism, is what we’ve lost.”

Simon Kuper is an FT columnist

JACK’S BRASSERIE
Hotel Schweizerhof Bern & Spa, Bahnhofplatz 11, 3001 Bern

Arkina mineral water	SFr13
Bloody Mary x2	SFr44
Wiener schnitzel x2	SFr110
Fruit salad x2	SFr28
Espresso	SFr6.50
Pot of tea	SFr11
Total (including service)	SFr220.50 (£205)



LINDBERG
Visionary by design
Aliana wears Spirit Titanium.
Crafted in Denmark.

Style

Timing is everything for scion of LVMH

Watches | Frédéric Arnault is expanding his role within the group while getting closer to his father. By *Nicholas Foulkes*

Above: actor Ryan Gosling in a film to mark the 60th anniversary of TAG Heuer's Carrera watch. Below: the Aquaracer Professional 200

Spare a thought for 29-year-old Frédéric Arnault, chief executive of Swiss sports watch brand TAG Heuer and fourth child of LVMH's Bernard Arnault; he can't even go to a party without rumours circulating that he is changing jobs.

Last summer his attendance at a Bulgari event sparked speculation that he was about to take over as chief executive of the Roman jeweller. Even though he had said he was not moving to Bulgari in an interview earlier in the year, the rumours made it into the Swiss press and he was annoyed at having to deny them again. But when we meet in Geneva just before Christmas he is more sanguine. With an ironic smile, he says he has just read that he will be taking over one of the group's fashion labels.

He isn't. Instead, on January 8 he will step into the newly created role of CEO of LVMH Watches, with responsibility for TAG Heuer, Hublot and Zenith. LVMH is usually reluctant to share figures relating to smaller branches of its €79.2bn-revenue business, but according to Arnault the combined turnover of this triumvirate of brands is in the region of SFr1.6bn (£1.5bn).

Hard luxury is becoming more important for the group and the family. In addition to Arnault's move, his younger brother Jean runs watchmaking at Louis Vuitton, and has relaunched the Gerald Genta and Daniel Roth brands, while his older sibling Alexandre is at Tiffany, acquired by LVMH for $15.8bn in 2020 and treated to a Peter Marino-revamped flagship last year.

LVMH entered watchmaking in 1999 with the acquisition of TAG Heuer and Zenith, when Arnault was five years old. It is almost as if a job was kept open for him as he attended first the famous Lycée Louis-le-Grand, then, like his father, l'École Polytechnique, finally becoming the first Arnault to work in the watch industry in 2017 when he joined TAG as head of connected technologies.

Right: Frédéric Arnault Above: with his father Bernard — Madison McGaw/BFA.com

Not the case, he says. "It was really my will and my decision to join the [LVMH] group. My father never pushed me. My alternative was launching a tech start-up, which I did with a friend from school, in mobile payments, and we sold it to a bank." BNP bought the 18-month-old business, Neos, in early 2018, shortly after Arnault joined Tag Heuer.

Tech bro phase out of his system, he chose to join the watch brand in part because the TAG part of the name is an acronym for Techniques d'Avant Garde. "Being an engineer," like his father, "I was trained in mathematics, applied mathematics, computer science, and I really like the idea of disrupting, innovating and creating through science," he says. That's one thing you notice pretty quickly about Arnault: he is conspicuously clever. He plays the piano to concert level and is also keen on sports, which first brought him into contact with TAG when he was 12.

"My first watch was a TAG Heuer Aquaracer given to me by my father. Loving sports myself, I think it's the sportiest brand in watchmaking." Then, almost as if he feels expression of a personal opinion is slightly irresponsible, he quickly adds: "we validated that with surveys, and brand studies: sporty is one of the characteristics that's stood out the most with consumers."

Tall, thin, fresh-faced, tousle-haired and young-looking even for 29, there is something endearingly diffident about him. Talking with him is like speaking to a conscientious postdoctoral researcher who feels the need to substantiate his arguments with research and data.

> 'It was really my will and my decision to join the [LVMH] group. My father never pushed me'

When he joined TAG in 2017, his first job was building the smartwatch team of 60 people working in Paris. He took over as CEO in 2020 and set about "elevating the product and the brand". Perhaps unsurprisingly, given LVMH's raison d'être, he feels "it was extremely important to consider, treat, and develop TAG Heuer as a luxury brand" even if it meant venturing into price categories way beyond the brand's comfort zone of SFr2,000-3,000 (£1,870-2,800). "There was a ceiling," he says. The brand had never sold anything over SFr50,000 (£46,700) "but we broke it completely."

The ceiling-smasher was the Carrera Plasma Diamant d'Avant Garde, a half-million euros' worth of Tourbillon Nanograph movement, Isograph carbon nanotube hairspring, polycrystalline diamond dial and black sandblasted aluminium liberally smothered with lab-grown diamonds. It was a bold move for a brand better known for affordable sports watches, but he believes that TAG had the legitimacy. Annual sales of the model are in "the tens", he says, with customers waiting up to a year to take delivery. "We're watchmakers since the 1860s. If you develop a product with the best technical features, it has a cost. But if the design is right, if the brand is consistent through all these touch points, there's no reason why the customer wouldn't buy it."

One of those "touch points" was associating TAG with Porsche, with whom TAG struck a long-term, global brand partnership three years ago, spanning specialised watch launches to traditional motorsport sponsorship and customer events. Both brands use the name Carrera for famous products, and both have a long history in motorsport, but they had never worked together. "We tried many times in the past but never managed to make it happen. But we felt it would send a clear message on who we are, so we took the time to build a relationship with the Porsche team."

A return to Formula 1 with Red Bull was another. But it isn't all fast cars and €500,000 watches. One of the big hits of last year was the SFr6,200 (£5,800) Carrera Glassbox, a name referring to sapphire crystal shaped like the domed watch glasses of the past, which imparts a retro look to a modern watch. The period style watch glass has been a bit of an industry trend, and is exactly the sort of detail that watch geeks get off on. It was introduced to mark the 60th anniversary of the Carrera watch and celebrated with a short — and really rather funny — film starring brand ambassador Ryan Gosling.

Arnault believes that the strategy of brand elevation is paying off. "In 2017, the average selling price was around SFr1,800. This year [2023], we are a little over SFr3,000. Since I became CEO in June 2020 [a year watch sales decreased by 30 per cent on average across the industry due to Covid-19, according to Bain] sales have grown by 50 per cent, and 2023 will be another record year." At the same time production has dropped from around 500,000 watches a year in 2017 to a little over 400,000 in 2023.

Growth, he says, has come from selling higher-end watches, having less unsold stock and increasing direct to customer sales through ecommerce and own-brand stores. "We streamlined our distribution, halving points of sale while doubling the number of monobrand stores to just over 300."

Ultimately the wisdom or otherwise of this strategic shift will become clear in years to come, but what is in no doubt is his sadness at leaving TAG. He has a thinly veiled warning for his successor. "The brand needs consistency. Now, it's really important that the strategy we put in place continues."

When asked about plans for the other brands, he takes refuge in executive obfuscation and says it's too early to say. When pushed, he says that Hublot is in the process of "redefining the platform overall", whatever that means. As for Zenith, he mentions the brand having had "a very important role in the industrialisation of watchmaking" which I suppose is a holding statement of sorts while he gets his feet under the desk and his head around the brands he will be, to borrow a favourite phrase of his, "road-mapping".

Any professional move by an Arnault, whether it is his elder sister Delphine to Dior or Frédéric to oversee watches, raises the topic of succession, a subject which he greets with a polite weariness. "We all have immense respect, admiration, and love for our father. It's his will, and it's also our will, that he stays in charge as long as possible. And, as you saw, he extended the retirement age [to 80], to still be CEO of the group." Bernard is 74.

Significantly this new job will see Arnault spending more time in Paris, closer to his father. "I will still be very committed to watches, but I will be working more closely with him on strategic projects," he says. Then, perhaps feeling he has revealed too much, he adds, "I'm here because I love what I do. I love the brands. I love the project and the journey. Succession is not a topic we think about today. It will come in due time. And he's a master of timing." Another trait that Frédéric seems to share with his father.

Fitness | Why be competitive when you can be convivial? *Emma Jacobs* on the trend for all-inclusive runners' groups

The perks of slow running

It is 10am on a soggy Sunday and I am groping for excuses to stay at home, cocooned from the cold. Eventually, I put on my trainers and rainproof jacket and head out.

In Battersea Park, south-west London, I find the Runners High Run Club, a new group of slow runners I've arranged to meet, who do a monthly 5km together. I approach two young women — both called Rachel, and both here because they are keen to find peers who will not sneer at them for their lack of speed but rather spur them on.

As someone who has only got into a jogging habit since the pandemic, I am keenly aware of my lack of speed. Long-time runners breeze past me (though I did beat a woman who was jogging while taking clippings with a pair of secateurs). I feel embarrassed talking to athletic friends and colleagues who jostle for position on the Strava app and strive for personal bests in marathons.

Ultimately, running makes me feel alive. The solitude clears my mind, and the longer I run, the more I space out. But after doing a half-marathon last year — slowly — I felt a bit aimless, with no urgent desire to commit to a full marathon. This was compounded when I sprained my ankle, tripping over on my way to buy bagels (tragically, I was dispatched to hospital before I made it to the shop). In search of motivation, I found a small community on social media of self-styled slow runners.

Martinus Evans, who goes by @300poundsandrunning on Instagram and author of the *Slow AF Run Club* book, advocates "sexy pace". After a doctor told him to "lose weight, or you are going to die", he decided to train for a marathon. On his first day, he came off the treadmill. "I felt hellacious," he says. "It was not enjoyable."

Nonetheless, he went on to run eight marathons, and has built a virtual community of slow runners. Evans wants anybody and everybody to tap into their running potential, "whatever pace they are". Typically, he says, the message "is that you have to be fast. And if you're not fast, you're not a runner."

It is this desire for inclusiveness that drove Celina Stephenson to create the Runners High group in Battersea, despite never taking part in a running club before. The 26-year-old, who works for her family's wine business, says she was "scared" of judgment and of holding everyone back. In July, she decided on a whim to sign up for the London Marathon and posted videos of her progress on social media as a form of accountability: "I was sick of giving up on myself."

Stephenson is surprised to have gained more than 56,000 Instagram followers. "There are a lot of people who really struggle with [running]. They are many runners, especially new runners, run too fast when they should be running easy," he says. "Then the run becomes too hard and they end too early and feel like they are not enough." This explains "why so many people believe they hate running. It's not running they hate. They hate running the wrong way."

There are virtues in slowing down, even for the speediest runners. David Roche, a Colorado-based running coach, says that easy running is key to improvement, and should encompass at least 80 per cent of training for most athletes. "Training below aerobic threshold, which is slower for most athletes, enhances mitochondrial function and capillarisation of muscle fibres, which allows the body to process more oxygen at faster paces later."

Or in simpler terms: "Every really fast run is made possible by adaptations that happen on very easy runs." Often, he runs a mile pace two to four minutes slower than his marathon speed.

According to the running app Strava, the median running pace in the UK is 5.49 min/km, while 25 per cent of runners do 6.39 min/km or slower. Looking at last autumn's marathons, Strava found that doing training runs slower than race pace helped people reach their goals — of those whose "easy" runs were about 30 per cent slower than goal pace, 27 per cent finished at or very close to their goal time. The success rate declined 31 per cent for those who were 10 per cent slower than goal pace.

The London Marathon organisers are keen to broaden the appeal of running. In 2020 they introduced a "Back of the Pack" initiative to provide support to the stragglers, including a group of guides who do the entire route at an eight-hour pace. In total, almost 49,000 runners took part last year, up from 34,000 a decade ago. The average finish time was four hours, 26 minutes, 58 seconds.

Stephenson is trying to ignore those times. "I want to run the whole marathon. I don't care how long it takes me. Right now, the goal is to get it done."

As for me, I'm just keen to enjoy the journey this year, rather than only the destination.

Emma Jacobs is an FT features writer

Above: members of the Runners High Run Club in Battersea Park, including (below left) Emily Shane Caio Turbiani

> 'A lot of people don't do it to be quick. If I was trying to run as fast as I could, I would have given up months ago'

White sands and pink dolphins

Brazil | A new cruise takes passengers to the heart of the Amazon river's wildlife, pristine beaches and rich culinary traditions. By *Paul Richardson*

On a flight heading west from the city of Belém, at the Amazon river's gaping mouth, to the inland town of Santarém, I peered through the window at a landscape that from one horizon to the other was relentlessly, monotonously, exhilaratingly green. Covering it all was a filigree of creeks and inlets: tributaries of the two mighty rivers whose confluence I could see below me, glistening silver in the afternoon sun.

On a slow Sunday, Santarém broiled in a stultifying tropical heat. Down at the harbour, among big-bellied riverboats with white-painted balconies like Mississippi steamers, stood the craft that would be my home during a five-day journey around and about the convergence of the Amazon and Tapajós rivers. The Tupaiú, one of three vessels belonging to the Amazon cruise company Kaiara, is a wooden-hulled yacht built in Manaus in 1987, sleeping a maximum of eight, whose wood-panelled cabins and simple comforts lend her an antique charm.

Among my half-dozen fellow passengers was Martin Frankenberg, a Cambridge-educated Brazilian who for many years was a partner in luxury travel firm Matueté before launching Kaiara in November 2022. At an informal briefing in the Tupaiú's open-sided dining area Frankenberg told us he'd first come to the region 20 years earlier, on a visit to a remote community in Acre state where his father-in-law had worked as a rubber-tapper. It was seeing the clouds of wildfire smoke over the city of São Paulo in 2018, however, that pushed him towards a new involvement with Amazon conservation and social welfare. Kaiara duly has a strong philanthropic dimension, working with riverside communities to offer guests experiences cultural, botanical and gastronomical.

We pulled out of the harbour into a stretch of water so wide that the opposite shore was no more than a blurry thread of green. For a while we sailed the visible dividing line where the waters of the Amazon, coloured a milky brown like weak instant coffee, collide with those of the Tapajós, which carry little sediment from their source in the old rocks of the central mountains. Then we crossed the line definitively, heading south into the clear blue Tapajós. Behind the boat a pod of pink dolphins — one of the Amazon's two endangered freshwater species, the other being a dun grey in colour — could be seen romping in our wake.

Just out of Santarém a group of silos and factory buildings rose above the riverbank. This was the Cargill depot where soya grown in deforested areas of the upper Amazon is brought for onward shipment to China. Out in the river a queue of giant barges waited to be unloaded. "This is what we're up against. Trading virgin forest for what? Cheap Chinese pork," muttered Frankenberg. The theme of environmental destruction would hover in the background over the following days, glimpsed from time to time as if through the corner of an eye. It's not part of Frankenberg's plan to freak out clients with the magnitude of the threats facing the Amazon, but neither does he believe they should be shielded from it.

As for me, my romantic idea of Amazon travel had always been ringfenced by doubts. I shared the popular belief, fomented by movies like *The Mission* and *Aguirre: Wrath of God*, that the rainforest was a place rife with danger and disease, a hostile environment where nature was out to get you in the form of poisonous snakes, crocodiles and piranhas, not to mention all manner of stinging and biting insects. Amazon navigation, I reckoned, would be a South American version of *The African Queen*, with a rickety boat pushing through narrow channels hemmed in by dark walls of vegetation.

Life on the Tupaiú could hardly have been further from that preconception. Such was the breadth of the river, as much as 12km in places, that the sun rose and set on the horizon of the water. Like an ocean the Tapajós had its sudden moods. The wind whipped up ragged waves on its surface (a phenomenon that has its own local name, *banzeiro*). As for vicious biting creatures, they tended to keep a wide berth. There were no piranhas, which prefer a murkier aquatic environment, so river swimming was a delightful possibility. There were also no mosquitoes, for these clear waters are too acidic to support them. The most dangerous thing here was the sun, which pounded down with a force requiring regular applications of sunblock.

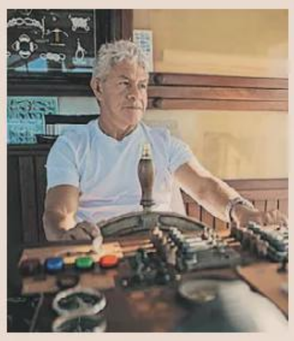
Main: the Tupaiú moored on a beach in the Tapajós river

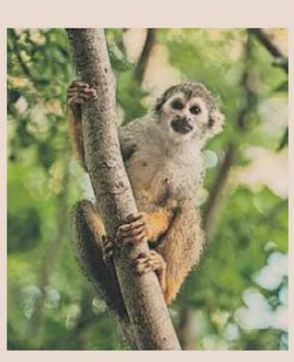
From far left: Dirleide, leader of the Atodi community, in a traditional canoe; an ancient samaúma tree in the heart of the forest, near the Jamaraquá community
Ryan Wilkes

The Tupaiú headed upstream, chugging along placidly, a fresh breeze fanning its open-sided decks. Eddies and currents swirled in the depths below. I scanned the horizon for other boats, thinking we might at least see one of those big-bellied ferries, perhaps making its slow way north towards the remote jungles around the Venezuelan border. But it seemed we were alone on this vast waterway. Or nearly alone: drifting by in the distance was a fisherman in a straw hat who shared his bashed-up wooden canoe with two white cranes, one at each end.

As we cruised, Frankenberg told his passengers stories and facts about the Amazon, some of them alarming. A fifth of the forest has been destroyed in a single generation, often to make way for interventions which cause further damage, such as clandestine gold-mining or intensive agriculture. At least a third of all land deforested and planted, he suggested, becomes abandoned and barren within a few years. It was the southern end of the Brazilian Amazon, he claimed, that suffered most from the depredations of mining and agribusiness, while Roraima state, northern Amazonas and northern Pará (the vast state in which we were travelling), was still relatively well-preserved.

Squinting towards the distant shoreline I saw small patches of dazzling white dotted along the thin line of greenery. Dusk was falling as captain Sebastiao dos Santos steered the Tupaiú towards one of these white patches, pulling up into the shallows of a beach as perfect as a Caribbean cove. Here we moored, stepping ashore on sand so soft and fine it squeaked under our feet like fresh snow. We lounged indolently in bath-warm water of a dark riverine blue as, right on cue, a crew member could be seen making his way along the beach with a tray of iced caipirinhas and assorted Brazilian snacks: crisp-fried cubes of tapioca, and croquettes made with a cured shredded fish known as *piraquí*.





From top: Sabastião Santos, captain of the Tupaiú; a pirarucú and Brazil-nut-milk stew; a black-capped squirrel monkey; the Canal do Jari, which links the Amazon to the Tapajós river
Ryan Wilkes; Jillian Miller

If Pará state's pristine beaches are one of its better-kept secrets, another is its richly diverse food culture. Dinner on this first night, served up by ship's cook Socorro da Silva and her daughter Naiana, was a showcase for signature Amazonian dishes such as *tacacá*, a tangy manioc soup laced with a spinach-like leaf (*jambú*) which leaves a faint numbing sensation in the mouth, and fillets of *pirarucú*, the world's largest freshwater fish (it can reach up to 3 metres in length), braised with a crust of toasted Brazil nuts. Dessert was an ice cream made with *cupuaçú*, an Amazon fruit which boggles the mind with its curious combination of tartness, intense sweetness, and a whiff of something strangely, but not unpleasantly, reminiscent of nail-varnish remover.

For a region so much in the forefront of global consciousness the Brazilian Amazon has had little engagement with tourism. Exceptions are Manaus — the big brash capital of Amazonas state, which is seeing a surge of interest in its colonial heritage and the majestic opera house built by rubber barons in the 19th century — and the backpacker paradise of Alter do Chão. But outside the big cities in a region which makes up almost half the total surface area of Brazil, there's an almost total absence of five-star accommodation. Frankenberg's enterprise, though modest in scale, therefore represents a significant development. He believes responsible Amazon tourism may be of benefit both to locals, as a "standing forest" economic activity causing no harm to the environment, and to global travellers as a way of appreciating exactly what we stand to lose.

From the top deck at dawn, coffee in hand, I watched the forest's palette of greens come slowly to life under a huge sky exploding with kaleidoscopic colour. Exhalations of mist drifted over the water, mingling with the smoke from a hut behind the beach.

Three days into the journey, the sun had risen to reveal our latest mooring place. In the village of Atodí on the shores of the Arapiuns river, a spur of the Tapajós, a women's association called Nova Esperança ('new hope') runs an initiative aimed at the trickle of tourists now beginning to arrive. With funding from Brazilian NGO Saúde e Alegría, and with Frankenberg's practical assistance, the community has built a palm-roofed hall for visitor activities and a "redario" where hammocks can be slung for guests to sleep.

For indigenous peoples like these the rainforest is both larder, pharmacy and builder's merchant. Atodí's medicine woman Raimunda de Sousa, a softly spoken lady in simple western dress, led us through the forest to a shack where a group of village women were demonstrating the complex art of processing manioc roots, poisonous in their raw state, into the staple foods of *farinha* and *tucupí*. Further down the trail Raimunda began pointing out some of the plants and fruits which play a role in traditional Amazonian culture. The bark of this tree (*taxizeiro*) was, she said, a potent remedy for chest infections. The milk of the monkey vine was a cure for muscle and bone ache. The *urucum* berry produced a natural red face-paint, while scrapings of the noble *cumaru* tree made a seasoning for meat and fish. 'These are things we've known for generations', said Raimunda simply.

Frankenberg pushed with his foot at the leaf mulch covering a forest path. "Underneath this is basically just sand. Remove the forest from the equation, and it becomes unproductive," he said. The conversation turned to the changing Amazon climate, the chronic drought currently assailing the region, and the increasingly erratic rhythms of nature. Trees were flowering out of season, said Raimunda. Stocks of river fish were falling fast. Wildfires were ever more frequent and ferocious.

The Amazon can provoke awe and amazement, but also rage and despair. Back on board, Frankenberg pulled up a GPS map of what would be our final major destination: the huge Tapajós National Forest, an area of some half-a-million hectares bounded to the west by the river, to the east by a long straight road. Clearly visible even on his phone screen were the strips of bare land running eastward from the park's boundary in a fishbone pattern: tell-tale signs of the way logging activity has penetrated ever deeper into the primary forest. Even as we talked a soya barge slunk along the skyline.

Stepping on to the jetty at Jamaraquá, a small community where 43 of the residents are now involved in eco-tourism projects in the Tapajós reserve, we found Denildo Lopes de Santos ("Dido") waiting for us. Dido had once been a manioc farmer and was careless of the rainforest and its riches. "Then I started work as a guide here in the reserve. It was the best thing that's ever happened to me," he beamed.

At the start of the trail Dido paused to say a little prayer, asking for protection from the mother goddess who rules the forest. Then we entered her twilight realm. It was dark and fresh under the canopy, the sunlight filtering in 30 metres above giving a dreamlike sensation of being deep under water. This was old-growth woodland where trees of enormous value had reached a magnificent size. Insects made an avant-garde cacophony of squeaking, creaking, squawking, chirping; enormous blue butterflies flopped by like silk handkerchiefs. Dido knew every tree, every flower, every creature hereabout. Coming upon a *seringueira*, the rubber tree that fuelled the Amazon's first economic boom, he scratched diagonal lines in the bark and a thick white goo began to flow. As he walked he made hooting bird calls; real birds answered from the depths of the wood.

> Behind the boat, a pod of endangered pink dolphins could be seen romping in our wake

On the journey's last evening the crew of the Tupaiú had devised a magical conclusion. At the tip of the sandbar a table had been laid with a circle of lanterns and a pit dug into the sand with blankets for stargazing. There were pineapple and passion fruit caipirinhas, and a whole river fish grilled over coals. And, much later, there was a midnight safari. With Dido paddling silently at the helm of a wide canoe, we slipped into a creek pushing deep into the forest behind the riverbank. Our guide's headlamp shone like a searchlight, probing the waterline for signs of life. A racket of croaking bullfrogs echoed through the woods. The Amazon night had a thousand eyes: twin points glowing brightly in the dark. The Boa constrictor's eyes are yellow, whispered Dido. The jaguar's eyes are blue.

i / DETAILS

Paul Richardson was a guest of Cazenove + Loyd (*cazloyd.com*), which offers a week's tailor-made trip to the Brazilian Amazon from £3,800 per person, including five nights onboard a private yacht with Kaiara (*kaiara.com.br*). The price, based on a group of eight travelling together, includes all meals and guided trips in the Amazon

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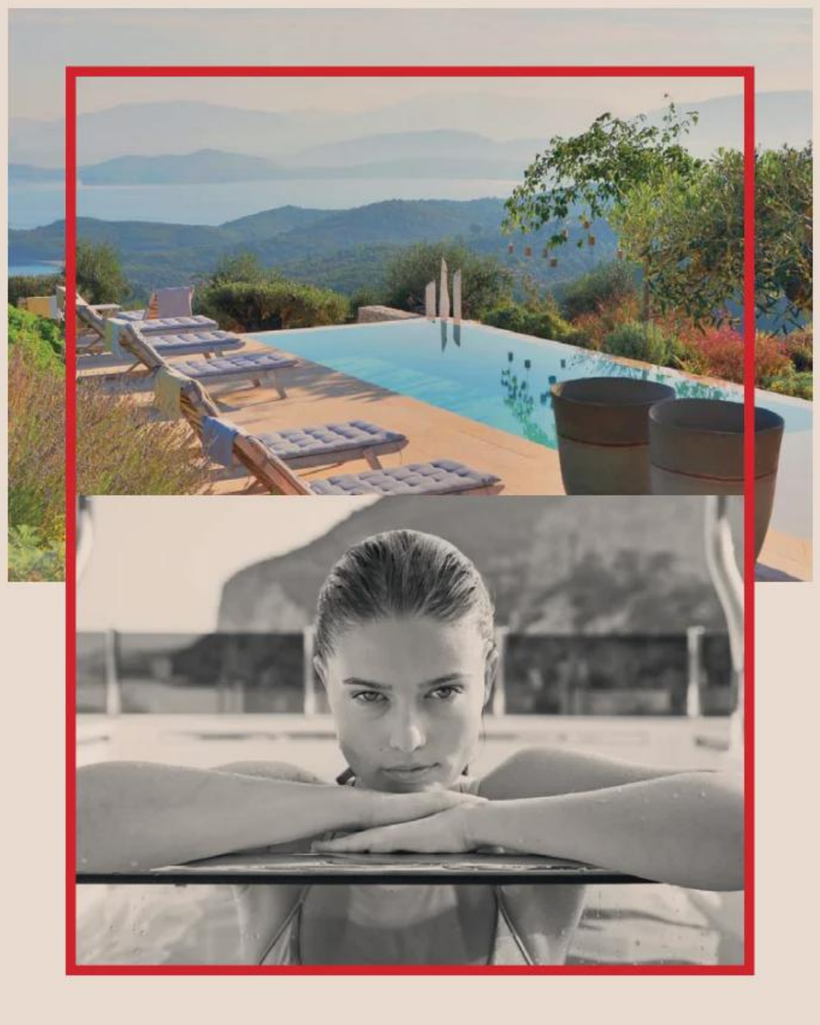

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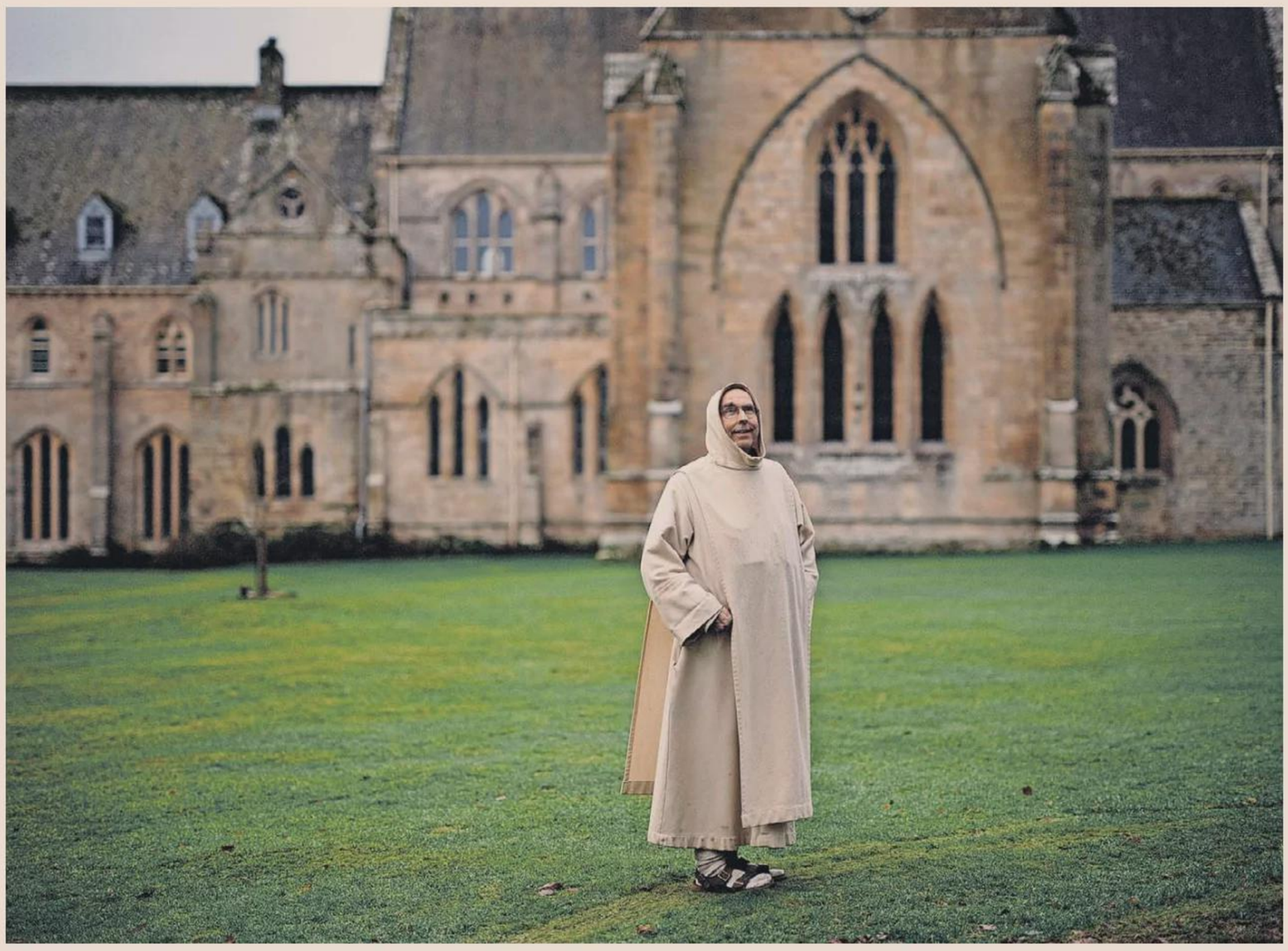
Travel

My weekend as a monk



Scotland | *Christopher Akers* swaps urban life for birdsong on a retreat at a Benedictine monastery

In the frantic modern world, the notion of a "retreat" seems to have a currency as never before. The idea has spawned an industry whose methods, scope and objectives are as ill-defined as they are wide-ranging. There are fasting retreats in Italian palazzos, Himalayan yoga camps, gut health resets in Swiss spas, silent retreats in French châteaux and all kinds of detoxes promising everything from better skin to longer life.

Unable to overcome a sense of scepticism, I decided to try a form of retreat that is far older and as far removed from the zeitgeist as it is possible to get. Rather than costing hundreds of pounds per night, it would be free (other than a voluntary donation) and hosted by a community who describe their existence as "a protest against worldliness and social disharmony".

And so on a misty winter evening, after a five-hour train journey from Edinburgh (spent poring over the latest corporate updates as part of my job at Investors' Chronicle), I arrive at Pluscarden Abbey, a medieval Roman Catholic monastery set between fields and wooded hills in northern Scotland. Three nights of no WiFi and a dubious phone signal await me as I begin my monastic retreat.

Founded by King Alexander II of Scotland in 1230, Pluscarden lay in ruins for 400 years before being given to a community of Benedictine monks in 1943. The order's approach to hospitality is that "all guests are to be received as Christ", and today the abbey welcomes some 20,000 visitors a year. Most are on day trips to marvel at the beautiful architecture as restoration work continues, but a steady stream come for a retreat.

Having neglected my stomach on the journey north, my first task is to seek physical rather than spiritual sustenance. I grab some pasta and fish pie from the communal fridge in St Benedict's, the men's guesthouse (women are also welcome at Pluscarden and have a separate guesthouse nearby — together they offer 22 bedrooms for visitors).

I bump into some fellow retreatants, sculptor Philip Chatfield and a man from Glasgow involved with anti-nuclear protests at the Faslane naval base. Chatfield, an Anglican working on a statuary project at Pluscarden, was on the Maria Asumpta, a sail training ship that got smashed up on the rocks near Padstow in Cornwall in 1995. Surviving this was "a turning point in my artistic life", he tells me. Afterwards he began to take more commissions involving the Virgin Mary and other religious themes.

Then the bells start ringing. We walk round the corner to the abbey church for Compline — the final "office", or service, of the day. Inside, the only illumination comes from the two grand candlesticks that flank the altar and enhance the already numinous atmosphere. The monks enter in silent procession, the appropriate psalms are chanted, a hymn is sung to the Virgin Mary, then the abbot blesses everyone with holy water.

I am immersed in the beauty of the Gregorian chant, the waves of notes rising and falling out of the semi-darkness. Kneeling and listening to the Latin plainsong, I experience a musical form that is more than 1,500 years old. My train journey suddenly feels an age ago and from a different world.

"You get people who come out of the church weeping as they didn't know such a thing existed," says Father Giles, the "guestmaster". He recently celebrated the 50th anniversary of his first monastic vows, and says he was originally inspired by a visit to Lourdes as a young man. With a soft smile, he says he found his place in the world among "the strange-looking bunch" at Pluscarden.

Given that life at the abbey revolves around a fixed cycle of Catholic prayer services, it is no surprise most visitors are Christians. But Fr Giles says the abbey attracts people for retreats "from all varieties of religious traditions and none". Expansion plans are afoot, with a three-storey building being constructed beside the abbey to house a new women's retreat centre and enlarged refectory.

After Compline comes "the great silence", when talking ceases and the monastery falls into a state of total peace. This is jarring at first, given that I am used to the constant background noise of urban life, but by the end of my stay it becomes a welcome conclusion to the day. I retire to my spartan but comfortable room, named for St Bede. Despite being very glad of the radiator and extra blanket, given the freezing temperatures outside, I conclude that anything more luxurious would defeat the asceticism inherent to the retreat. A desk and washbasin, with loo and shower down the corridor, is all I need.

The next day brings with it lunch with the monks. I am taken along a passageway from the church to the refectory, a whitewashed L-shaped room with limited but tasteful religious decoration. The fare is simple but hearty (shepherd's pie, crumble and ice cream), with most of the food produced at the monastery. The meals are taken in silence while a monk delivers readings, both sacred and secular, from a pulpit. The silence isn't severe enough to stop chuckles breaking out when an amusing anecdote pops up.

Individual retreats here are not guided or run to a set schedule — guests can spend their time however they wish. As well as attending services, they can read or work, walk the forest paths up on the hill, close their eyes and listen to the ubiquitous birdsong, help the monks with manual labour (the gardens boast 120 varieties of apple, from which juice is sold in the abbey shop).

Clockwise from main: Brother Michael in the abbey grounds; Father Giles; Brother Thomas in the orchard; stained glass in the Lady Chapel

Photographed for the FT by Nicholas JR White

The abbey is busy during my trip despite it being a time of year when heading to a remote and very chilly part of Scotland probably isn't top of most people's priority lists. The eclectic range of my fellow visitors includes an academic working on a book, the abbot of Quarr Abbey (a Benedictine monastery on the Isle of Wight), a guest from Hong Kong who has been here for the best part of a year, and two Spanish sisters who have come up from Oxford and are keen to learn the basics of stone carving from Chatfield.

The camaraderie between strangers after just a couple of days is notable. Men today are often thought of as keeping things close to their chest, but our unity of purpose in being retreatants in a sacred space provides an atmosphere in which we open up over breakfast and dinner in the guesthouse. One retreatant, visibly emotional, tells me in our first conversation about how he had lost his wife.

I try to engross myself in the rhythm of the services. Prayer rarely ceases at the abbey, and the monks are hard at work before most business leaders will have risen from their slumbers. The usual weekday schedule is for Vigils to start things off at 4.30am, with seven more services before Compline completes the monastic day at 7.30pm. The bells ring out their mighty, musical clangs and I hop along to the church. As someone used to having a diary full of haphazard calls and deadlines, I find it refreshing to plan my days around set times of activity.

As the days pass, and the surroundings become more familiar, I find myself unwinding — more than I ever have on a tropical beach. The schedule of services becomes my new routine, wide-ranging and insightful conversations continue to be held with my fellow guests, and I feel strangely at home despite the short nature of my trip.

The current Pluscarden community numbers 17 monks, with two novices in training. There is no one type of person or background among the white robes. One monk used to be in the army, and there is a former teacher, lawyer, barman, artist and gardener. Quite the career changes, I think.

Brother Edmund says that the "authentic Benedictine life" at Pluscarden drew him to the monastery. The 27-year-old novice, who studied theology at the University of St Andrews, tells me as we pass the abbey cemetery on a stroll around the grounds that he is deeply inspired by the sacrifices he sees the older monks making to support the community. At a time when his contemporaries are building families and careers, Br Edmund feels "blessed" to have entered the life of the cloister at the abbey. Even in this remote place, there are connections — I promise to pass on a message of goodwill from him to a mutual contact back in Edinburgh.

There's a paradox. The monks' vows of obedience, chastity and poverty are at the opposite end of the values spectrum to the driving forces of contemporary society. It is widely felt that this is an odd way to spend your days. Yet judging by the volume of visitors, and my conversations at the abbey, many people find the monks' sacrificial lives to be fascinating and inspiring.

Pluscarden's motto, taken from the Book of Haggai in the Old Testament, is "In this place I will give peace". I thought of this, while listening to the birdsong for a final time, as my taxi driver for the journey back to the station at Elgin popped into the church to light a candle for his deceased daughter before we set off. As I stepped on to the train, I felt I was leaving behind solidity and re-entering flux.

Christopher Akers is a senior reporter at Investors Chronicle

More monastic stays

Ampleforth Abbey, North Yorkshire Another Benedictine monastery, Ampleforth offers self-led retreats but also a range of themed "guided retreats". They include walking retreats in May and October, with three pilgrimages to holy sites along the Yorkshire coast and across the moors (from £345, including three nights' accommodation at the abbey). *ampleforthabbey.org.uk*

New Camaldoli Hermitage, California Overlooking the Pacific on the glorious Big Sur coastline, New Camaldoli offers retreats in a small guesthouse or private cottages. It is a place to pull away from the overstimulation of modern life for a while, say the monks, "and turn the gaze inward instead". From $145 per night; *contemplation.com*

Grand St Bernard Hospice, Switzerland Founded in 1050 on a high mountain pass, the hospice is home to Europe's highest church (at 2,473m), where a small monastic community carries out four daily services. (It was also where St Bernard dogs were first bred, to assist travellers in distress.) In winter the only access is on skis or snowshoes — many guests are here for ski touring rather than a religious retreat, but it's also possible to stay longer as a volunteer assisting the community. From SFr65 (£61) a night, half-board; *gsbernard.com*

For more, the Retreat Association (*retreats.org.uk*) has an online map of other monasteries, convents and religious houses in the UK; Monastery Stays (*monasterystays.com*) has details of similar retreats in Italy and Spain.

i / DETAILS

Christopher Akers was a guest of Pluscarden Abbey (*pluscardenabbey.org*). It makes no charge for retreats but accepts donations. There are no guidelines on length of stay, but retreats typically last two or three nights

POSTCARD FROM ... ASCENSION ISLAND

They call it "The Cage", and not without reason. The holding area at Ascension Island's military airport has the look and feel of a prison exercise yard, but without room to actually exercise. Ordinarily, it would be used for a couple of hours while passengers en route from the UK to the Falkland Islands wait as their plane is refuelled. But as we took in the surroundings — the fences, the odd windblown palm tree and the barren hills beyond — we received bad news. Our plane had a mechanical fault, and we'd be caged here until further notice.

A plane "going technical" (to use the travel industry euphemism) is never good news, even when you are in a big airport terminal with a wide range of restaurants and shops to distract you. At RAF Ascension Island, one of the world's most remote runways, it is another thing entirely.

Ascension, population 800, is a 34 sq mile volcanic island in the middle of the Atlantic, 1,000 miles off the coast of Africa and 1,400 miles from South America. Part of a British overseas territory, its main business is as a strategic staging post and signalling station for the UK and US military, but there are also Nasa and European Space Agency facilities. The runway has recently been repaired, allowing it to be used again after a six-year hiatus as the refuelling stop for the "South Atlantic Airbridge", two flights per week in an Airbus A330 between RAF Brize Norton, just west of London, and the Falkland Islands. The flights are run by the British government and used to move military personnel, but tickets are also sold to the public for what should, in theory, be the easiest and most direct way to the Falklands.

James Albon

All being well, the journey takes 18 hours (two eight-hour legs plus refuelling). However, we had already been delayed by 24 hours before leaving the UK because of bad weather in the southern hemisphere, and now we civvies were regretting not taking the alternative route, a once-per-week flight through Chile. The other half of the 100 or so passengers were in the forces and so had no choice.

Water was handed out. It helped a little, but after a few hours of boredom, a flawlessly bald man delivered the news that our plane's hydraulics issue was worse than first thought. Either parts or a replacement plane would need to be flown from the UK. Until then, we would be staying on Ascension. The military would provide us with food and shelter, he said, and we would be transferred from this cage to a much larger one, the RAF Travellers Hill barracks.

As we travelled through a Martian landscape, Jimmy Buffett's "Margaritaville" played aggressively over the bus's speakers. Outside, the land was all low shrubs and rocks. "How I got here I haven't a clue," sang Jimmy.

We passed a security checkpoint and were shown to spartan accommodations. I was assigned a bed that looked as though it had been designed for a hobbit, one of four squeezed into an ungenerous dorm. The mattress felt as if it was stuffed with lumps of coal. Even UK citizens need a visa to visit Ascension and, because we hadn't officially crossed the border, we weren't allowed to leave the compound. Through no fault of our own, we were now in something like a borstal.

Nonetheless, there weren't too many complaints. Perhaps it was the military surroundings but we meekly followed our instructions, even when the mosquitoes started biting, even when great ladles of mystery meal were being splatted on to our plates in the mess ("What's that?" "Pasta") and even later when my roommates erupted into Beethovian symphonies of snoring and flatulence. The closest I heard to actual disgruntlement came when it was announced that Champions League football would be shown in the bar but that no alcohol would be served. Some of the soldiers stared at the booze with greedy, hostile eyes but the rules were clear: we were in transit, and we weren't allowed to drink.

The following morning, after a breakfast of rubber eggs and grey coffee, we were told a replacement plane was inbound. That night we'd hopefully be able to try our second leg again. To kill time, I took a walk around the compound. Mynah birds noisily hopped between the azaleas and a melancholic sheep staggered down a dusty road.

When we finally made it to the Falklands, at around 1am, the immigration queues were long, the strip lights aggressive and the airport's name, RAF Mount Pleasant, seemed deeply ironic. One positive, though — in comparison, future flight delays will never seem so bad. I stepped out of the airport some 52 hours late.

Jamie Lafferty

i / DETAILS

For information on visiting the Falklands, see the tourist board website *falklandislands.com*. Flights on the South Atlantic Airbridge can be booked through the Falkland Islands government London office (*falklands.gov.fk/londonoffice*) or via a tour operator such as Falkland Island Holidays (*falklandislandsholidays.com*)

Books
Life&Arts

Essay | From Ramsay MacDonald to today, three histories have lessons for the party as it prepares for the coming general election. By *John McTernan*

Clement Attlee, Labour's powerful postwar prime minister, visiting a housing estate in east London in 1951 — Camera Press/SUS2

Can Labour learn?

The Wild Men: The Remarkable Story of Britain's First Labour Government
by David Torrance
Bloomsbury £20
336 pages

Age of Hope: Labour, 1945 and the Birth of Modern Britain
by Richard Toye
Bloomsbury Continuum £25
336 pages

A Century of Labour
by Jon Cruddas
Polity £25, 288 pages

As Ramsay MacDonald, the first ever Labour prime minister, looked around the Downing Street cabinet table in January 1924, he knew he was making history. Less than 20 years after its first MPs were elected, Labour had formed a government and had permanently supplanted the Liberal party in the UK's two-party system.

MacDonald left a personal legacy in No 10 by establishing a prime ministerial library in the cabinet room — a collection of books donated by prime ministers and ministers to this day. He also left a permanent mark on his party's politics when the second Labour government of 1929 split over austerity measures and — with Tory and Liberal support — he formed the coalition National Government in 1931. MacDonald was automatically expelled from the party and became the emblem of "betrayal" in the Labour movement.

It is one of the paradoxes of Labour party history that while it holds power rarely — there have been only six prime ministers in its entire history, just one more than the current Conservative government has had in the past seven years — it is obsessed with its own history. The party has a favourite villain in MacDonald — during the bitter miners' strike of the 1980s, Neil Kinnock, then party leader, was labelled "Ramsay MacKinnock" by the far left. And it has its heroic government: Clement Attlee's 1945 administration, which defeated Winston Churchill's Tories and created the modern welfare state.

A century on from that first Labour government, the party now enters a year in which a general election is likely to be called with a double-digit poll lead, a string of by-election victories and high hopes of being back in government. Leader Keir Starmer has achieved a dramatic turnaround from 2019, when Labour suffered its worst defeat since the 1930s.

This has not escaped the notice of publishers. Three new books address Labour's history, finding lessons in its past for its future path. Two focus on specific governments — 1924 and 1945 — while the other ambitiously attempts a history of a century of Labour.

David Torrance's new book *The Wild Men* takes its title from the fear-mongering phrase used by opponents in the press to describe Labour's leadership in the 1920s. Torrance, a distinguished biographer of leading Scottish politicians, takes a people-based approach. The administration lasted just over nine turbulent months and he sets out its short life through chapters focusing on each of its main political figures.

These included chancellor Philip Snowden and colonial secretary Jimmy Thomas, a former general secretary of the National Union of Railwaymen, who both later followed MacDonald into the National Government.

The government also included former Liberals such as Viscount Haldane, the military reformer who established the national and imperial general staff on the German model, and who brought 10 years' cabinet experience to Labour when he served as Lord Chancellor as one of the party's four members of the House of Lords.

The result is a highly readable, enjoyable and informative book — with fascinating details gleaned from private papers. Previous prime ministers had brought their own furniture into Downing Street, but Ramsay MacDonald was more humbly born so his daughter Ishbel trawled round the auction rooms to purchase the furniture and furnishings they needed to live in No 10. The family spent most evenings in the public rooms in Downing Street, with coal and electricity paid for by the Treasury.

In office, MacDonald combined the post of prime minister with that of foreign secretary and proved critical in getting the Dawes Plan of 1924 for reducing German war reparations in place. Despite the discomfort of King George V — whose cousin the Tsar had been executed by the Bolsheviks — Labour formally recognised the Soviet Union.

There were also advances in public services, including a target for reducing primary school class sizes from 60 to 40. The Housing Act of 1924 delivered over half a million council houses in the following nine years and laid the foundations for the local authority housing that still shapes our towns and cities. Not bad for a government, and a minority one at that, that lasted less than a year.

In the end, despite its swift collapse, the most important legacy of the first Labour government was the proof that the party could be trusted to rule. That experience was foundational for Attlee, then a very junior member of MacDonald's front-bench team as an under-secretary in the war office.

In 1945, of course, Attlee led Labour to its first majority in a landslide victory. The promise of that government was transformative change — "this time the peace must be won." The 393 newly elected Labour MPs showed their passion and their intention when, on August 1, the first day of the new parliament, they enthusiastically sang "The Red Flag". (The only time it has been sung in the Commons since was by Tony Blair's MPs in 2006, commemorating the centenary of the first Labour MPs.)

> Labour history is never just a contest between rival academic accounts. It's fuel for internal party disputes

Labour history is never just a contest between rival academic accounts, however. It's also fuel for internal party disputes. The past — especially its scars and feuds — is forever present. Just as MacDonald became a symbol of betrayal, so Attlee's administration has come to be the symbol of what "real" Labour governments should do.

From establishing the modern welfare state to nationalisation — including the Bank of England — to starting to decolonise, the Attlee government defined the postwar settlement.

In the brilliantly written *Age of Hope,* Richard Toye calls this the birth of modern Britain. He gives a rich account of the strengths and weaknesses of Attlee's administration, its internal conflicts and the external constraints — such as the abrupt end of Lend-Lease finance from the US in 1945 and the need to devalue the pound.

Even now, the greatest achievements shine bright. In 1948, 248,300 new houses, including temporary "prefabs", were completed. Meanwhile, Aneurin Bevan had just wrestled a National Health Service into existence based on a one-sentence commitment: "In the new National Health Service there should be health centres where the people may get the best that modern science can offer, more and better hospitals, and proper conditions for our doctors and nurses."

Much flows, Toye points out, from foundational decisions. Despite Tory opposition, coal and rail remained in public hands for almost five decades after nationalisation. And the lasting distinctiveness of the NHS being fully funded from taxation derives from Bevan obeying the Socialist Medical Association injunction that the health service should be separate from the National Insurance system.

In Toye's account, Attlee's foreign policy record is more mixed. The policy force of foreign secretary Ernest Bevin — despite his increasing ill health — is shown in his backing of anti-communism, promoting the cold war and the creation of Nato, and the commissioning of Britain's nuclear deterrent. In Bevin's words, "We've got to have this thing over here, whatever it costs. We've got to have the bloody Union Jack on top of it." That decision still drives UK defence spending so much that successive defence chiefs have joked nuclear weapons should be paid from the cabinet office budget.

Toye also brings a critical eye to Labour's record on decolonisation. Abrupt independence in 1947 for India, and Pakistan, leading as it did to the displacement of at least 14mn people and a million deaths in the succeeding intercommunal violence, is shown to be as much a rapid and ill-thought-through exit from a difficult situation as a principled anti-imperialist action.

The 1945 government was composed of towering figures: as well as Bevin and Bevan, it included Herbert Morrison, Hugh Dalton, Stafford Cripps, Hugh Gaitskell and Harold Wilson. Ellen Wilkinson, who tragically died of an accidental overdose, was the sole female cabinet member as minister of education. The men jostled and plotted and circled the prime minister constantly, yet Attlee remained in charge, his tight-lipped political management outmanoeuvring them.

Alongside these two excellent studies of individual Labour governments, the current Labour MP Jon Cruddas has produced *A Century of Labour*, a survey of the party's history from that crucial year of 1924 and a look into its future. Cruddas helped found the influential "Blue Labour" faction, which created the framework of "progressive patriotism" that is fundamental to Starmer's leadership of the party.

Cruddas has a reputation as an original thinker, but unfortunately his book reads like a series of chapters written by generative AI. The dull repetition of published facts is interrupted only by the odd schoolboy error — TUC Congress is wrongly called TUC Conference — and some wordings in one section seem to have been lifted straight from Wikipedia.

This is a shame, as buried deep inside the book is a sparky pamphlet arguing that the greatest Labour governments have been made up of politicians who draw on, and combine, all of the party's traditions — labourist, welfarist and technocratic. Cruddas identifies Blair's first term and the 1945 government as exemplars.

This year not only marks a century since Labour's first government: 2024 may well also be a year that sees that rarest of events — a Labour leader becoming prime minister from opposition. Only four of Labour's 19 leaders — Ramsay MacDonald, Clement Attlee, Harold Wilson and Tony Blair — have achieved that in more than 100 years.

Labour's history doesn't determine its future, but it does help illuminate the demands Starmer would face as a prime minister, with limited room for fiscal manoeuvre, substantial rebuilding needed at home and threats to be fended off overseas. The lessons for the leader are blunt: have a clear direction; manage your political talent well, and ruthlessly; give the voters hope; and act quickly and decisively. Great governments need character and leadership as well as values and a mission.

To adapt a slogan of Neil Kinnock: these books show it can be done, and the state of the nation demands it must be done.

John McTernan is a former political secretary for Tony Blair and political strategist for BCW Global

We, the people

A social survey by a Google AI expert offers surprises about how strikingly the US has changed. By John Thornhill

Who Are We Now?
by Blaise Aguëra y Arcas
Hat & Beard Editions £37/$45
496 pages/490 pages

As one of Google's top artificial intelligence researchers, Blaise Aguëra y Arcas naturally has an intense interest in technology, but he has also developed a deep fascination with humanity. If we are to build intelligent machines to do what humans want, we first need to understand what humans want. But in a world in which identities, beliefs and genders have become so fluid, the answers are not always obvious.

So, with a geek's obsession with data-rich evidence, Aguëra y Arcas surveyed tens of thousands of Americans between 2016 and 2022 about their identity to find out who "we" really are. His book, one of the largest such studies since sex researcher Alfred Kinsey's surveys in the middle of the 20th century, is an engrossing, challenging and at times startling movie show of contemporary America.

Packed with data points and charts about respondents' views on family, sex, gender, beliefs and identity, the book highlights many of the complexities of the human experience and the divides that now exist between different generations and localities. "As if in a lava flow, the cultural landscape is being shaped and reshaped before our eyes," he writes.

Until recently, the idealised version of America appeared to be reflected through the cartoon films of the stone-age Flintstones and the space-age Jetsons, Aguëra y Arcas suggests. The natural order of the world was thought to revolve around nuclear families and harmonious communities.

But the results of his surveys of contemporary America reveal a very different picture. What most people in the US consider "normal" increasingly looks weird — or WEIRD, according to the terminology of the Harvard biologist Joseph Henrich. The norms of the Western, Educated, Industrialised, Rich and Democratic are often minority beliefs by historical and global standards.

The more Aguëra y Arcas studied US society, the more he realised that the neat binary distinctions we make (and on which much of the computer industry is built) — between right-handed and left-handed, male and female, heterosexual and homosexual, conservative and progressive, rural and urban, online and offline — tend to dissolve on closer examination. The extent to which society has evolved, and fragmented, is highlighted by three, of many, arresting facts drawn from his book.

When the author was being taught sex education in a suburb of Baltimore in 1986, "sexual orientation disturbance (homosexuality)" was still officially a mental disorder in the US. Nowadays, according to his surveys, almost 34 per cent of 19-year-old women describe themselves as bisexual.

For the first time in centuries, the majority of all American adults are now single, he notes. The typical American will spend more of their adult life unmarried than married, and for much of this time they will live alone.

And in the most sparsely populated zip codes in the US, almost everyone is white and native-born. Yet 60 per cent of this rural population answers "yes" to the question: "Are white Americans being systematically undermined or discriminated against?" The comparable number in urban America is close to zero.

As a technologist, Aguëra y Arcas is torn about how far technology is bringing us together or driving us apart. It has enabled disparate groups of people to exchange ideas, express their true identities and create global communities, especially among the young. But it has also been responsible for the mass surveillance, disinformation and political polarisation that has deepened social divisions and empowered authoritarian leaders. It is now easier than ever to divide society by "othering" another group. "Can there ever be an 'us' without 'them'? Our future may depend on the answer to this question."

Who Are We Now? is packed with data illustrating the main findings of the author's surveys. But a lot of the information is somewhat scattergun and the arguments that bind the book together never fully cohere. Aguëra y Arcas freely admits he is not a sexologist, sociologist or anthropologist — and his work may well be challenged by experts in all those fields. It would certainly be interesting to see to what extent such academic experts incorporate the book's findings into their own mental maps. Whatever the caveats, the book provides a compelling overview of the belief systems underlying modern America.

One of his core arguments is that humanity is undergoing a profound transformation, evolving from Humanity 1.0 to Humanity 2.0, as the computer scientist inevitably frames it. Humanity 1.0 largely resembles a primate society, in which everyone theoretically recognises everyone else as an individual and can form bonds accordingly. Success in such societies is defined by biological reproduction and the transmission of one's genes.

But Humanity 2.0 increasingly resembles an ant colony, which can form "anonymous societies" — as Aguëra y Arcas calls them — and have a collective impulse to survive. In such colonies, it is impossible for insects to identify one another individually because of the sheer numbers involved, just as humans now struggle to identify each other in anonymous societies online. Ants therefore have to use pheromones to distinguish members of one colony from another. Humans, too, invent generic labels to distinguish between different communities. "In this important respect, humans are more like social insects than like other primates," he writes.

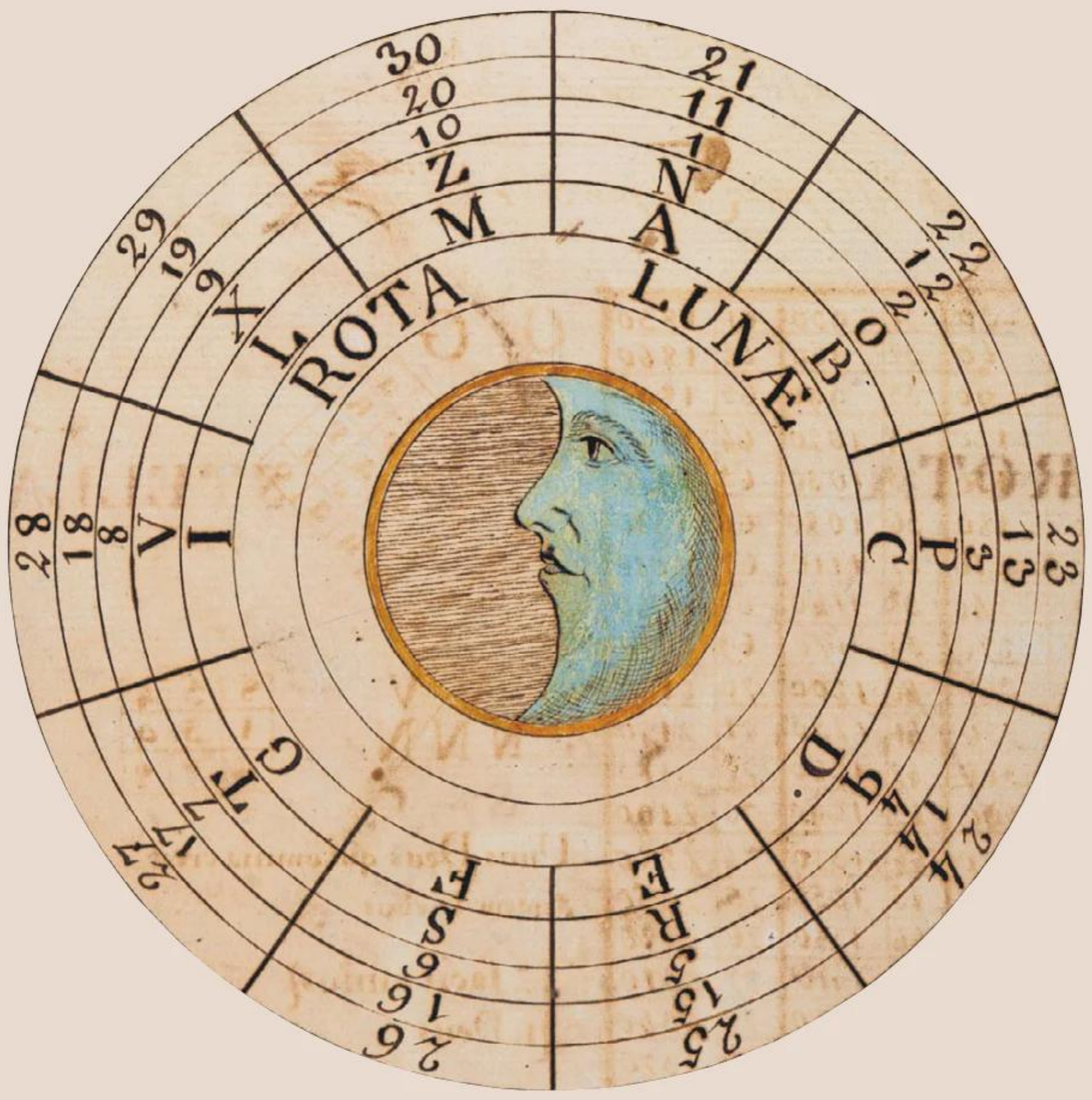
The trend may be to "other" those who are not part of your own community — but Aguëra y Arcas makes a passionate plea to accept humans as they are and allow people "to live as we feel we must." He also argues for extending human empathy to other life forms and even our own technological creations, such as robots, which will increasingly assume agency. "In an interdependent world, we can only achieve safety through mutual care, empathy and trust. The overarching challenge of our century is to become a very big 'we,' including all humans, our technologies, and the plants, and animals, and every other lifeform on the planet."

How precisely we are to create this new "we" is a theme that is not much explored or explained. But, as Aguëra y Arcas suggests, it would help if we could all share the same experience as an astronaut when they first see our fragile planet from space. Drawing on the well-known name for the effect, the author writes that when the Earth is seen from space, our national boundaries disappear and the need to protect this pale blue dot becomes both "obvious and imperative."

All 8bn of us humans belong to the same planetary "precariat" and share a common destiny.

John Thornhill is the FT's innovation editor

Books



Magical thinking

Learned philosopher, swindler — or self-help guru? *Kate Maltby* on a spellbinding study of how the Renaissance magus became the godfather of modern science

In the Christian calendar, January 6 marks the Feast of Epiphany, which commemorates the journey of the Three Kings — or, as medieval theologians termed them, the "Magi". TS Eliot's poem, much quoted at this time of year, captures the paradox of the gospel story about three foreign monarchs whose skill in pagan astrology leads them to uncover the birth of Jesus, and who find themselves converted: "We returned to our places, these Kingdoms / But no longer at ease here, in the old dispensation / With an alien people clutching their gods."

Half a millennium before Eliot, the theologian Nicholas of Cusa chose a 1431 Epiphany Day sermon as the occasion to tackle the same paradox. Nicholas was devoted to astronomy (the practice of mapping the stars) but a sceptic about astrology (fortune-telling by those same starry maps). He was also a future cardinal, eager to police the boundaries of theology and superstition. Kings "from the East" could never have divined the location of the Nativity using pagan learning, Nicholas argued; instead, these "magi or magicians", who served "the prince of darkness", had been sent a simple vision by God, and thus converted.

Anthony Grafton's intriguing new book introduces us to the polymaths who modelled themselves on the Persian *magi* (originally a Zoroastrian word for "priests"), and the Christian gatekeepers — Nicholas of Cusa foremost among them — who denounced them. Like his biblical forebears, the magus existed in a liminal position in pre-Enlightenment Europe, testing the boundaries of Christian knowledge. Some claimed the godlike power to control demons. Astrology was central to the practice of Renaissance *magi*; but so too were advances in physics and rationalism on whose insights we still rely. Grafton focuses on Italy and Germany: the most famous English magus, the Elizabethan John Dee, is a peripheral figure.

In telling their stories, Grafton is mining a rich seam of a long scholarly collaboration with the late Lisa Jardine. In the early 1990s, the pair showed us that the seemingly modern phenomenon of the "public intellectual" in fact emerged in the Renaissance. Big-name thinkers such as Erasmus were revealed to be as self-fashioned and indebted to canny PR as Yuval Noah Harari and Malcolm Gladwell today.

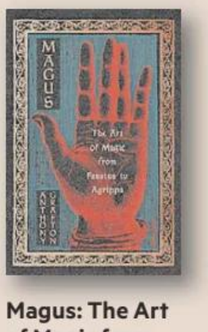
By contrast, Grafton's subjects for this book feel more like New Age gurus, promoting purges or passing on bodybuilding tips. (One magus reportedly taught his followers how to prove their manliness through ordeals by fire, like a 16th-century Jordan Peterson.) But they followed a similar playbook to later intellectuals. In 1533, the Cologne-born Heinrich Cornelius Agrippa — soldier, lawyer, philosopher and occultist — introduced himself to the public with a flattering portrait engraving at the front of his book *De occulta philosophia* ("On Occult Philosophy"), a forerunner to today's author photo. Agrippa's mentor, the German cryptographer Johannes Trithemius, published letters of counsel to late-15th-century kings and bishops, just as the great humanists did.

As Grafton shows in his dense, scholarly survey, the figure of the magus haunts the birth of science in early modern Europe. Learned, able to cross-reference natural histories or star charts from his vast library, equally fascinated by new developments in mechanics that inspired him to build automata, hydraulic systems and weapons of mass destruction, he was a disreputable godfather to the scientific method.

He might be an unsuccessful student or an expelled clergyman "who sought powers and status denied to him in life" by peddling his book-learning in new, early attempt to cite a single female example to suggest that "the gender of the magus was not fixed", the author acknowledges that the magi's claims to learned and scientific status distinguished their "masculine" pursuits from the peasant cunning associated with female magic, for which so many women would die in witch hunts a couple of centuries later. Grafton's counter-example, Anastasia la Frappona, was investigated at Modena in 1519 for using wax and incense to cast a love spell on her desired man — an incident that surely does not pass a thaumaturgical Bechdel test.

Magi also absorbed Islamic and Jewish traditions, though this could be double-edged. The Italian Pico della Mirandola (1463-94) dedicated himself to the Kabbalah, which taught that letters in Hebrew scriptures had divine power, but he insisted that contemporary Jews had access only to a debased version of this once-elevated art. His nephew Giovanni Francesco would use della Mirandola's work to justify the 1471 slaughter of Jewish community members in Trent, after an obscene blood libel in which they were accused of murdering a Christian boy and using his blood to gain the necromantic help of demons — "for demons are said to love blood".

Navigating this weighty work of intellectual history will come easier to readers who already know their Pico della Mirandola from their Giambattista della Porta. And tracking Grafton's own through-lines in a book about the porous nature of academic boundaries — the slippery line between doctor and quack, between astronomer and astrologer — can be tough. But Grafton keeps his focus on the human questions that preoccupied the Renaissance magus and would eventually produce the Enlightenment. How can rational inquiry reveal the world we cannot see? By doing so, he succeeds in making their concerns feel not unnatural, but essential and familiar.



Magus: The Art of Magic from Faustus to Agrippa
by Anthony Grafton
Allen Lane £30/ Harvard University Press $39.95
304 pages

Grafton's subjects feel like New Age gurus, promoting purges or passing on bodybuilding tips

upon and shape the natural world".

With his dabblings in divination, his moneymaking hoaxes and his threats of dark magic, the magus generated deep anxieties for churchmen like Nicholas of Cusa. Georg of Helmstadt, who may have been the historical Faust of legend, travelled to German towns in the early 16th century, offering to raise the dead and read people's palms. When he reportedly summoned the ghosts of Trojan heroes during a university lecture years later, an episode reflected in Marlowe's play *Doctor Faustus*, he probably used a magic lantern trick.

He was, invariably, a *he*, emerging from the all-male world of the university and the cloister. Despite Grafton's

Above: a handwritten page by Giovanni Pico della Mirandola, from the 15th-century book 'Compendium Artis Magnae et Cabalisticae'
Bridgeman Images

My new year's resolution? Read less

Nilanjana Roy

Reading the world

A new year often signals a fresh TBR (To Be Read) pile. It brims with good intentions, guilt divided evenly between Christmas gifts begging to be addressed and the books from 2023 you thought you had time to read but didn't. But — of course — reading shouldn't be a chore, an endless game of catch-up or a slog powered by a sense that you're missing out on the best of the year's crop.

In the wonderful phrase of a friend, perhaps it's time to set an anti-resolution instead — to settle into a slow classic, and give yourself the gift of unrushed reading. Spending time in the pages of just one book for months, sometimes years, is a rarity in our hurried age.

Like many readers, I buy books all the time; it's hard to linger. Yet I remember the keen satisfaction of a teenage summer spent reading all of Jane Austen's novels, or of autumn 2023, when I re-read Vikram Seth's 1,349-page *A Suitable Boy* (1993), feeling a bittersweet nostalgia for the way India was before it turned towards fierce nationalism.

I admit I steal this idea from the best kind of experts: writers who understand the value of paying attention to the past. Brandon Taylor, the American novelist, spent two years steadily reading Zola. "Took two years, three apartments, 3 (or 4) countries . . . The world spun and I read Zola," he posted on Instagram a few months ago.

Another author, Yiyun Li, spends six months every year on *War and Peace* and six months on Herman Melville's *Moby-Dick*. "I alternate between the two novels every year, just to keep my life structured by two great books," she said in a 2021 interview with literary magazine The Millions. "It's sort of like your daily bread, right?"

And in her 2014 bibliomemoir *My Life in Middlemarch*, journalist and writer Rebecca Mead explains why she returned to George Eliot's 1871 masterpiece: "I was growing restless, and I felt ready to turn my deep attention to something that mattered to me."

Writing in 1925, in the essay "How Should One Read A Book?", Virginia Woolf urged people to consume a text as if they were writing it: "Begin not by sitting on the bench among the judges but by standing in the dock with the criminal."

What both Li and Woolf are driving at, I think, is not slowing down for the sake of it. Nor is this a sentimental desire to return to another age, shorn of X and TikTok. Reading more slowly teaches you to sharpen your attention, to go back and reread, to pause and turn to dictionaries or encyclopedias or biographies when you fumble for understanding.

To Woolf, reading was not a passive or idle act, but one that required readers to "bend our imaginations powerfully", an "arduous and exhausting" and yet rewarding occupation. Her advice is beautifully contradictory: read books twice, for pleasure but also for depth, she says, but remember also to "skip and saunter" through a book, rather than gritting your teeth and over-reading. What Woolf wants us to reach is "the greater intensity and truth of fiction".

I speed-read often, a hazard of the profession — but with books I love, or which strike some nerve or chord, I almost always go back over a period of days or months. I need that time for the writing to sink in, to reveal itself. My version of Li's "daily bread" has often been *The Mahabharata*, the ancient Indian epic, which changes meaning and continues to surprise me every decade.

If you commit to a classic, your relationship with reading itself will change, quieten and deepen

I promise that if you commit to a classic or a story cycle of your choice — all of Terry Pratchett, for instance, or a spring of Shirley Jackson, or a few daily lines by the late Palestinian poet Mahmoud Darwish from the 30-plus books of poetry he left us — your relationship with reading itself will change, quieten and deepen.

But a word to the wise: think carefully about your choice of classic, and how much time you actually have on your hands. In 1995, Gerry Fialka, an experimental filmmaker and curator, started a *Finnegans Wake* reading club at a library in Venice, California. He was in his forties; anywhere from 10 to 30 readers would join, navigating a couple of pages of Joyce's notoriously opaque novel aloud most months. Last October, they finally reached the last page: "I am passing out. O bitter ending!" Although Fialka is now in his seventies, the group has now gone back to the beginning, he told CBC Radio: "You don't ever finish it."

'Room Overlooking the Harbour' by James Jacques Joseph Tissot (1876) — Picturenow/ Universal Images Group / Getty Images

FT What to read in 2024

From an AI-guided future to scandals in the art world and new fiction from Rachel Cusk, Colm Tóibín and Sarah Perry: read our preview of some of the titles to look out for in the coming year

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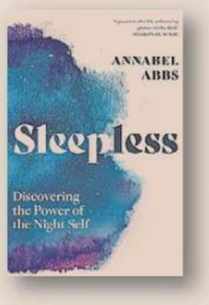
Sleep no more

Is insomnia always bad? A new study argues for its creative benefits, writes Erica Wagner



Sleepless: Discovering the Power of the Night Self
by Annabel Abbs
John Murray £16.99, 243 pages/ Penguin $28, 272 pages

Who hasn't woken, sleepless, in the ticking dark? The small hours, so-called — those long minutes after midnight and before dawn can feel pinched, claustrophobic. I must get back to sleep, you think, head grimly buried in a suddenly lumpy pillow, fears expanding as time squeezes tight.

So it was for Annabel Abbs in the aftermath of her father's death. He had died suddenly — not long after Abbs' stepfather had also passed away, in a nursing home where no visiting was possible thanks to Covid restrictions. A double bereavement in a dreadful time, and her "wild, monstrous" grief rendered her sleepless.

Yet as the long nights bore down, Abbs writes that she began to discover a strange new freedom. The darkness around became "a downy protective skin, a soft pelt in which I could lose myself . . . It gave me space and secrecy, silence and anonymity." And she began to interrogate how others — writers, artists, scientists, but most especially women — had entered their insomnia, made use of it, investigated it.

Our obsession with a solid eight hours may be relatively recent: Abbs points to research by the historian A Roger Ekirch, who discovered patterns of "biphasic sleep" in texts that predate the advent of electric light. People would go to sleep at dusk, wake in the middle of the night, do a bit of this or that, and then happily go back to sleep. In more modern times, Virginia Woolf was plagued by insomnia. However, as she herself said, she made "creative profit" of those nights, able to complete her final novel, *The Years*, "owing to the sudden rush of 2 wakeful nights," as she wrote in her diary in August 1934.

Along with Woolf, Abbs gives us Louise Bourgeois and her "insomnia drawings", and Sylvia Plath with her penchant for "that still, blue, almost eternal hour . . . before the glassy music of the milkman, settling his bottles", as the poet wrote not long before her death. Why should we be more creative at night? Research indicates that the chemicals that wash the brain in the hours of darkness release inhibition, and this dysregulation from the ordered daylight world creates what Abbs dubs the Night Self: freer, wilder, less inclined to follow the rules.

A focus on the experience of women is pointed: they have always had to follow the rules, particularly at night

The author's concentration on the experience of women is pointed: women have always had to follow the rules, particularly at night. Her earlier work (notably *Windswept: Why Women Walk*, from 2021) has focused on women and wellness, but for a woman, walking at night is a very different experience than a stroll taken in the afternoon.

In the new book, Abbs goes out on England's South Downs with Caroline Whiteman, a "night-walking guide" who takes her charges out into the darkness, having instructed them to avoid clothing that rustles, chafes or squeaks.

Whiteman is blunt: women don't walk out at night because "we're terrified of being raped and murdered." Charles Dickens could stride for miles at night and never worry about a thing; George Sand had to dress as a man to do the same. Abbs' experience of walking with Whiteman is exhilarating and transgressive.

Sleepless is a multi-faceted book: part memoir, part cultural history, part popular science. On occasion, writing of her personal experience of loss, Abbs' language becomes a little slack. "Grief is like an eclipse," she writes of being thrust unexpectedly into its shadow; yet in the 21st century we know the sun will return, and swiftly, while the same cannot be said of the pain of losing those you love — even though Abbs at least finds a way to deal with her suffering.

But there is much to enjoy here. If you, like me, have berated yourself for your inability to go back to sleep, this book will inspire you to get up, light a candle, and experience your own Night Self.

Books

'The Conquest of Mexico' by an unknown painter (late 1600s) — PHAS/Universal Images/ Getty Images

Takeover battle

Ángel Gurría-Quintana enjoys an irreverent reimagining of how Spain colonised Mexico, told with lip-smacking historical vigour

You Dreamed of Empires
by Álvaro Enrigue, translated by Natasha Wimmer
Harvill Secker £18.99
224 pages

Like the fall of Constantinople in 1453 or the reconquest of Granada in 1492, the capture of the Mexican city of Tenochtitlan by Spanish adventurers in 1521 was a pivotal moment in world history. Forever transforming global commerce and culture, it heralded an age of global Spanish supremacy.

Yet had the initial meeting gone differently between Hernán Cortés, the cocksure Spanish *conquistador*, and Moctezuma, melancholy emperor of the Mexica, events might have taken a dramatically different turn. Rarely, it could be argued, has the encounter of two individuals been of such consequence.

But was Cortés a canny soldier who deployed superior technology and built strategic alliances to defeat a powerful empire, or simply a jumped-up chancer who got lucky? And was Moctezuma naive about the invaders' intentions and capabilities? Or did he invite catastrophe upon his people in pursuit of his own political goals?

Where historians can only speculate, the Mexican novelist Álvaro Enrigue wades in to offer a riotously entertaining account of that fateful rendezvous. Dripping with irreverence, *You Dreamed of Empires* suggests that the conquest of Mexico was the product of mishaps piled upon misunderstandings and mistranslations, with a healthy dose of muddling through.

In Enrigue's retelling, Cortés is "an ill-favoured and artless son of Extremadura", but as fond of reading as he is of raping. His soldiers are "provincials, nobodies, hicks . . . a bunch of loudmouth bastards who claimed to have come in the name of an emperor they never had a hope of meeting". To the Mexica, the Castilians are both a curiosity and an aberration: "They are savages, of course; they like the taste of the juice of rotting fruit that they bring from their own lands, so they can't believe there is such a thing as chocolate."

Central to the success of the real-life Spanish expedition were two translators who appear to have been doing all the diplomatic heavy lifting while also seeking to advance their own agendas. One, Malinalli, was a local princess whom Cortés had brought "into his entourage and his hammock". She spoke Nahuatl, language of the Mexica, as well as Maya.

Malinalli's fellow interpreter, Gerónimo de Aguilar, was a shipwrecked Andalucían friar who spoke Maya and Castilian: "he lived like a priest in every sense of the word. He was always praying, he spoke Latin and Greek, he was learned in church doctrine, he refused to wear military garb, he slept, ate and drank as austerely as a Carmelite, and he only bedded handsome youths."

Moctezuma, "the most famous man in an entire world", is troubled by portents of disaster but firmly committed to his daily nap — and addicted to magic mushrooms and hallucinogenic cacti. "People said that in recent months, ever since things had gotten out of hand, he had turned too frequently to the wisdom of the gods." But might there be some tactical benefit behind his apparent obsession with the Spaniards' horses?

Enrigue revels in the salacious and scatological, serving up a sensory feast. Mexica priests reek of "coagulated blood." Describing the chilling rattle of human skulls impaled on an altar, he notes that sound "— like smell and taste — was a form of prayer for the Mexica." He depicts Moctezuma "raising a grasshopper taco with avocado sauce to his mouth — the imperial finger and the little finger cocked", later followed by "turkey leg in ten-chile sauce with chocolate".

The loquacious author is happy to pull back the curtain and reveal his own narrative tricks. Alongside real historical characters, Enrigue includes a fictional but well-read Spaniard — an informed observer introducing notes of both horror and awe — who, he admits "has to be a learned conquistador . . . for this novel to work."

> The book revels in the salacious and scatological: Mexica priests reek of 'coagulated blood'

Nor is the author averse to parachuting readers into the present day, as if to prove the often-made point that the past is never dead. Opinionated asides are offered in aid of storytelling as much as by way of contemporary political commentary: "If there's anything Spaniards and Mexicans have always agreed upon, it's that nobody is less qualified to govern than the government itself."

Counterfactual fiction, though entertaining, is often lumbered by the need for exposition and explanation. Enrigue has more faith in his readers. As he proposes the biggest of all what-ifs, he does not simply ask us to consider an alternate historical outcome but forces us to confront what we know to be real.

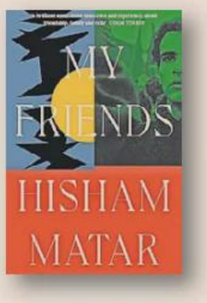
Enrigue is no stranger to weaving history and fiction together to great effect. His earlier, award-winning novel, *Sudden Death*, uses a made-up game of tennis between the Italian painter Caravaggio and the Spanish poet Francisco de Quevedo as a framing device to launch into a boisterous exploration of renaissance art, the Catholic counter-reformation, and the clash of cultures in 16th-century Europe. Forthcoming in English translation, *Now I Surrender to You and That Is All* dramatises the last days of 19th-century Apache warrior Geronimo.

In a preface to *You Dreamed of Empires*, Enrigue acknowledges that the abundance of indigenous names and words may at first seem daunting for non-Mexican readers. "They look as strange to me as they do to you . . . Don't worry too much about the Nahuatl words you come across . . . Let the meanings reveal themselves . . . As you read, everything will become clearer."

All praise, then, for the translator, who has so magnificently grappled with multiple layers of language. As in her rendition of Enrigue's encyclopedic novel *Sudden Death*, Natasha Wimmer brilliantly brings the author's playfulness and idiomatic humour to life for an English-language readership. The result is a triumph of solemnity-busting erudition and mischievous invention that will delight and titillate.

A home far from home

The Libyan-American writer Hisham Matar's ambitious new novel explores what it feels like to live in exile, writes John Self



My Friends
by Hisham Matar
Viking £18.99/ Random House $28.99, 464 pages

What a pleasure and relief that one of the first novels of the new year should be such a success, and in the face of very high expectations. High, that is, because the Libyan-American writer Hisham Matar, who is based in London, has been praised and decorated for his previous books, particularly his last work of fiction, *Anatomy of a Disappearance*. This is his first novel in 13 years, after a period of writing non-fiction.

The wait has been worthwhile: *My Friends* is a significant novel, whose ambition and range are indicated by its long opening sentence, which winds between past and present and, playing the long game, introduces a character not seen again for another 250 pages.

Our narrator is Khaled, a Libyan living in London in 2016 and looking back on his home and his past. He grew up in the 1970s under the rule of Muammer Gaddafi, when journalists were shot in the street or tortured. Many fled to London, which was "in a way, where Arab writers came to die".

In 1983, Khaled himself moves to Edinburgh to study but ends up the following year at the Libyan embassy in St James's Square, London, taking part in an anti-Gaddafi protest with his friend Mustafa. That protest entered history when shots were fired from the embassy at the protesters, killing PC Yvonne Fletcher. In the novel, Khaled is one of the protesters shot and wounded, and immediately knows he can never return to Libya while Gaddafi is in power. Granted asylum, he remains in London for the next 32 years.

To survive — and his anguish at missing his family is beautifully rendered — Khaled relies on friends. "Friend. What a word. Most use it about those they hardly know. When it is a wondrous thing." Khaled's intimates include Mustafa, Rana, Saad and the increasingly legendary Hosam — the man who appears in the opening sentence and a writer whom Khaled first encounters in childhood, when a story of his is read on Libyan radio.

It is a risk for Matar to keep a key character offstage for so long, but it pays off because Hosam's words and stories — "which some were now calling the most important work of Arabic fiction since Tayeb Salih's *Season of Migration to the North*" — have been a part of Khaled's mind long before the men finally meet, halfway through the book. Even if, towards the end of the novel, Hosam's close involvement with aspects of the fall of Gaddafi during the Arab spring of 2011 seems forced, elsewhere he fits right in.

The title of *My Friends*, at once particular and universal, is indicative of how Matar writes and why the book has such strength: in measured prose he describes events, expands into general thoughts on the topic, explores themes over and over. What, the book asks, does it mean to make a new home in a place you love but can never leave? The unfussy tone never exploits the historical events and real places that the narrative incorporates. Indeed, while Khaled's home city of Benghazi has become synonymous in the western mind with recent political events, it feels like an act of love to reverse time and to bring it back to life as a homeland and place of belonging.

My Friends exhibits the same allegiance to both literary elegance and political history as Matar's previous books, which is unsurprising for a writer who describes himself, echoing a character in Turgenev, as "caught between [my] romantic temperament and the radical urgency of [my] time". The author's family left Libya in 1979, but his father — a prominent opponent of the Gaddafi regime — was later kidnapped and turned over to Gaddafi's forces, and was never seen again. Matar's books are informed by, but not slavish to, this personal history. (He moved to London around the same time as Khaled in this novel.)

> What, the book asks, does it mean to make a new home in a place you love but can never leave?

This is a book of memory — "truth appears only at a distance" — that is riddled with aphorisms about the past, our homes and exile. "As foolish to think we are free of history," says one character, "as it would be of gravity." These axioms carry weight because they're tied to a story that inhabits them in every line.

In places, it is a playful book, too, countering its sometimes sombre tone with guidance on how to read it: don't "judge too quickly", we're told. "Some books, like some people, are shy." And it is a literate novel, filled with the characters' love of books and writers — from Woolf and Naipaul to Salih — so contagious you finish the story with a long reading list. Before you read or reread any of those, first I recommend this novel, about "everything we were, all that we had lost, and everything we felt we were becoming".

Arctic tales and galactic adventures

By James Lovegrove

Ally Wilkes follows her remarkable 2022 debut novel *All The White Spaces* with another tale of polar exploration disintegrating into supernatural-tinged disaster. While that first novel was set in the Antarctic shortly after the first world war, **Where the Dead Wait** (Titan £9.99) takes us to the late 19th century and the opposite end of the planet. There, among the Arctic ice floes, Captain William Day is seeking Jesse Stevens, his former second-in-command who has gone missing along with his ship and crew.

Day's last expedition to the same region 13 years earlier ended in a gruesome orgy of death and cannibalism, and he is looking both to restore his tainted reputation and repair a relationship with Stevens that was far more than comradely. The novel's relentless unfurling of horrors is bracingly excruciating, as Wilkes again shows how, amid desperation and desolation, people succumb to their worst impulses and the ghosts of guilt and shame roam free.

There's a different kind of quest in Aliya Whiteley's **Three Eight One** (Solaris £18.99), in which young protagonist Fairly embarks on a rite of passage undertaken by young people in her village. The account of her pilgrimage — a document floating among the vast data oceans of 2024 — is littered with references to "cha", a word whose meaning shifts constantly. Likewise, verb tenses and pronouns are in flux, while triangles and instances of the number three recur, and there are plays on words and cryptic clues aplenty.

Helping to decipher all this is historian Rowena Savalas who, three centuries hence, provides comment and analysis on Fairly's text in the form of copious footnotes. Everything Fairly has written could well be some piece of ephemeral online fiction, but Rowena finds parallels with her own life, and the narrative becomes a source of consolation as well as fascination. *Three Eight One* could not be more different from Whiteley's much-lauded 2021 novel about alien immigrants, *Skyward Inn*; yet it's a worthy successor, brilliant in its playful inventiveness.

From one numerically titled novel to another: **Thirteen Ways To Kill Lulabelle Rock** (Angry Robot £9.99), a debut novel by Maud Woolf. Its scenario is that in the near future, celebrities can commission perfect living duplicates of themselves. These copies, known as Portraits, help defray the pressures of fame and can even realise the star's dream of an alternative life out of the limelight.

Hugely popular actress Lulabelle Rock engages one of her own Portraits to assassinate all the others in order to stoke publicity for her next movie. But as the replica Lulabelle goes about the task, she begins to question her mission — a problem exacerbated when she falls in love with one of her targets. Chapters are themed after tarot cards, lending events a sense of occult mystique. There's a lot to love about the decadent demi-monde that Woolf evokes and our heroine's lethal, gun-toting progress.

If the ultra-rich are targets for Woolf, Andrew Hunter Murray's **The Sanctuary** (Blackstone $26.99 /Cornerstone £9.99) takes a satirical blowtorch to the egocentric madness exhibited by certain billionaires. Sir John Pemberley, one of the world's wealthiest men, has built himself a perfect society on an offshore island. The place is not only Eden but Noah's Ark — an attempt to preserve the best of humankind and ensure the survival of our race beyond the environmental catastrophe of the Anthropocene epoch.

Ben is a painter whose fiancée Cara has left him to work on Pemberley's project. Looking to win her back, Ben travels to the island. Predictably, paradise is morally polluted, its creator harbouring ambitions that veer into Bond villain territory. It all makes for a compelling exploration of the point where philanthropy crosses into megalomania.

Murray's novel features someone at least purporting to save the planet. In the far-flung future of Esmie Jikiemi-Pearson's **The Principle Of Moments** (Gollancz £18.99), Earth is long past rescue, its biosphere poisoned and dead. Time travel, however, enables a gifted few to visit it in the past — among them Obi Amadi, who has become the lover of Prince George, the future George IV, in Regency London.

While Obi wrestles with the suffocating strictures of imperial Britain, Asha Akindele rebels against servitude under a galactic emperor, Thracin, in the year 6066. Naturally, the paths of these two intersect, their meeting serving as the springboard for a series of battles and adventures spanning time and space and involving the fulfilment of an ancient religious prophecy.

Jikiemi-Pearson wrote this novel, the first in a trilogy, between the ages of 16 and 18, and although it is an assured, mature piece of work, every page nonetheless shines with the vigour and passion of youth. The foregrounding of black and LGBT characters adds further freshness.

Digging up the past

An Italian 'fantasy' exhumes postwar guilt and collective amnesia. By Anna Aslanyan

Verdigris
by Michele Mari, translated by Brian Robert Moore
And Other Stories £14.99
240 pages

Michelino is a teenage boy spending the summer of 1969 in a small northern Italian town. With no kids around, he befriends Felice, a man employed by his grandparents. Scary-looking, spade-wielding, Felice has no age and no surname, his family history is a blank, and the purple birthmark on his face makes people recoil. Yet what child wouldn't be thrilled to have a "monster" living in their garden?

Felice may be losing his memory, but he remembers things no one else does. He brings Michelino to a secret room and shows him three skeletons dressed in SS uniform, saying, "Was us tha' killt 'em." Michelino enjoys the game — Nazis and vampires, partisans and dragoons — as many history-obsessed adolescents would. Eager to reconstruct the events of the preceding decades, he tries to spur Felice's memory, interviews possible witnesses and visits municipal offices to look up old documents. As some questions are answered, more arise.

The highly regarded Italian writer Michele Mari has published a few dozen books over the past four decades (*Verdigris* first appeared in Italian in 2007). Some of the novel's themes — childhood legacies, the power of language, the temptations of autofiction — echo those prominent in *You, Bleeding Childhood* (2023), a collection of short stories, also translated by Brian Robert Moore, the only other work of his so far in English.

A precocious teen, Michelino — the narrator's younger self, it transpires — is immersed in literature, from Pushkin to Urania sci-fi books. Adventure for him is something "I could conceptualise only in the ways established by Stevenson, by Melville, and by the other greats who had taken me by the hand".

In the course of his investigation, Michelino realises that "the Fascists . . . couldn't have cared less about the past, and the more they were able to erase, the better". This unreliable narrator, however, is the first to admit that "words . . . can create any sort of truth".

Moore's translation is lively and inventive. Felice's idiosyncratic dialect, rendered as overstylised Irish — "An' me da, 'ow the divil'd he talk?" — sounds odd, until you turn to the original. Then you can see that it's all about "Felice's geographically imprecise language", to quote the translator's note, and Moore's decision to turn it into a "knowingly unfaithful and rather unbelievable amalgam" makes sense.

Predictably, perhaps, Michelino's "adventure . . . turned grim, but it continued". As he digs up the garden, the body count increases, and the boy is no longer sure if he is playing or being played. What torments him most is not so much the presence of the dead as Felice's talk of those who have their former selves buried inside them. Michelino, apparently, is one of them.

It's as easy for adults to rewrite history, Mari suggests, as it is for children to retreat into fantasy. Consequently, a strange world emerges, one in which "everything flows and nothing stays". This "gothic fantasy", as Mari has called it, can be read as a commentary on collective amnesia, a condition affecting not just contemporary Italy, where fascism is becoming a real threat again, but also societies all over the globe. As Europe's far right raises its head, literature that exhumes ghosts of the past grows vital. If left undisturbed, they will keep haunting the future.

Books

The story of the conqueror Timur's rise to power is a gripping, gruelling masterwork, says *William Dalrymple*

The scourge of God

A statue of Timur on horseback in Tashkent, Uzbekistan — Alamy

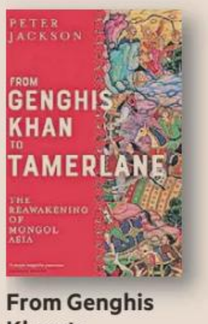
Between 1357 and 1405 Timur the Lame conquered most of the Islamic world and radically transformed the history of all the lands between the Mediterranean and the Hindu Kush. It was an astonishing achievement; but it came at a terrible cost. Timur, one of the great conquering warlords of Central Asia, remains among the most terrifying figures in medieval history.

His extreme notoriety — even by Mongol standards — for devastation, duplicity, cruelty and general mayhem distinguishes him, despite stiff competition, from other Mongol leaders such as Genghis Khan or the various mass-murderers who led the Golden Horde that once commanded large parts of present-day Russia and Crimea.

"Timur's massacres were more spectacular affairs than those of the [earlier] Mongols," writes Peter Jackson in *From Genghis Khan to Tamerlane*, his heavyweight new study of the period between the death of Genghis at the close of the 12th century and the apogee of the Timurids some 200 years later. Timur's massacres, Jackson argues, were remarkable for their "macabre ingenuity;" indeed, he "viewed terror as the means of governance par excellence". Jackson's history is a masterwork based on a lifetime of research; but it makes for grim reading.

In August 1400, Timur — who first became known to English audiences through Marlowe's late-16th-century play *Tamburlaine the Great* as the "Scourge of God" — invaded Anatolia. As the invading army approached, the people of Sivas sued for peace by gathering their children in the plain in front of the city, each bearing a copy of the Koran. Timur ordered that the children be trampled to death under the hooves of his heavy cavalry.

The 36,000 defenders who surrendered on the promise that "their blood would not be shed" were buried alive, "trussed up in such a way that their heads were between their thighs", Timur cynically "claiming to have kept his promise" as not one drop of blood was spilled. First, however, 9,000 virgins of both sexes were carried off to the imperial harem.



From Genghis Khan to Tamerlane: The Reawakening of Mongol Asia
by Peter Jackson
Yale University Press
$35/$40, 720 pages

But this was only the beginning. In Smyrna (now Izmir), Timur ordered that all the captured Knights Hospitaller be beheaded, then catapulted their heads into the galleys of their colleagues who had fled by sea. In Isfahan, Timur's men dispatched some 70,000 defenders; in Delhi 100,000. In Damascus, only the city's famous falconers were spared and deported to Samarkand.

Timur, who was born in 1336, emerged on the world stage at a time when the century-long threat from the Mongols seemed to be receding. In 1260, at the Battle of 'Ain Jalut, the Mongols received their first serious check, at the hands of the Egyptian Mamluks. By the time of Marco Polo, a decade later, Mongol rule had splintered into several Khanates, of which that of Kublai Khan, feted builder of the Xanadu of Coleridge's poem, was only the *primus inter pares*. Before long, the Mongol Ilkhanate had ended in Iran, and China's Mongol rulers were expelled by the native Ming.

This was followed by a devastating visitation of the Black Death in the mid-14th century. But if the bubonic plague wiped out many Mongols, it also weakened their adversaries, thinning populations across Persia and the Caucasus, and leaving a power vacuum that Timur was determined to fill.

Timur came from a modest background. He reportedly started his career as a freebooting sheep-stealer who had spent time in prison, where he received the wounds to his leg that gave him his limp. This made it difficult for him to mount a horse and, towards the end, forced him to use a litter.

Contemporaries variously described him as a man of middling build with broad shoulders and a loud voice. In the words of Archbishop John of Sultaniya, he had "the Tartar countenance and a white beard *a l'espagnol*". Yet even his enemies granted that, although he was only semi-literate, he had a magnetic personality and was highly intelligent.

He was something of a late starter for a world conqueror: it took him nine battles over 18 years to conquer his local metropolis of Samarkand. But then he erupted from what is now Uzbekistan to raze the other great cities of the Persianate world. The poet Hafez, who lived through these horrors, wrote with dread: "Again the times are out of joint . . . / The wheel of fortune has turned / What next proud head to the lowly dust will it bring?"

Like the first wave of Mongols during the 13th century, Timur conquered deep into Russia, although his advance on Moscow in 1391 was cut short, according to a Rus source, "by a nocturnal vision of the Virgin Mary". On the other hand, unlike his predecessors, he succeeded in taking Delhi, and looting its riches, including its celebrated war elephants, while taking time to visit its architectural wonders during "a kind of plundering tourism". Impressed, he then dragged the masons back to Samarkand, where he forced them to build towering monuments.

Timur finally died on 19 February 1405 while planning an expedition against China to dethrone the emperor he referred to as "Fat Pig Khan". Unlike Genghis, Timur was uninterested in institutions, and as a result his empire quickly shattered after his death. And yet the most surprising part of the story is what followed.

Quite unexpectedly, Timur's successors proved to be some of the greatest scholars and aesthetes of Islamic history. Timur had destroyed the old order, but his conquests left Central Asia as one of the Earth's richest and geopolitically critical regions, while the craftsmen he hauled back to Samarkand turned his steppe capital into one of the world's great cities.

From these ingredients his successors were able to fashion a major cultural renaissance. The later Timurids — dubbed "the Oriental Medici" by the 20th-century travel writer Robert Byron — transformed themselves into refined connoisseurs of painting, poetry and calligraphy. Foremost among these was Ulugh Beg, who in the early 15th century not only commissioned brilliant works of astronomy and mathematics from the 10,000 scholars he funded, but wrote them himself.

> Even Timur's enemies granted that, although he was only semi-literate, he was highly intelligent

This cultural efflorescence reached its apogee in Herat in modern-day Afghanistan where Timur's grandson Shah Rukh ruled over a court of extraordinary talents. There the great Bihzad painted his masterworks and Shah Rukh's sons argued over the talents of Khusraw or Nizami, comparing poems "line by line". It was this tradition of aesthetics that Babur took to India when he conquered it in 1526, founding the Mughal empire.

Peter Jackson — not to be confused with his namesake, the Hobbit-loving film director — is the Mongol historians' Mongol historian. Dazzlingly multilingual, the professor of medieval history at Keele university has spent decades trawling the archives on several continents for primary sources with Timur-like thoroughness. Emerging from the spoils are a series of scholarly doorstoppers — *From Genghis Khan to Tamerlane* comes with 270 pages of footnotes and bibliography — widely regarded as classics in the field.

This book's scholarly virtues are also its literary flaws. Jackson has a taste for Mongol tribal technicalities and a tendency to dive deep down academic rabbit holes in a way that will lose some of his less committed readers. But for those who want the full Timur, in all his terrifyingly bloody magnificence, Jackson provides enough detail, analysis and dazzling insight over 720 pages to satisfy even the most demanding palate.

William Dalrymple's new book, 'The Golden Road: How Ancient India Transformed the World', is published in September

Diversions

CHESS LEONARD BARDEN

Magnus Carlsen won another two world championships last week when the Norwegian, 33, again confirmed his status as the outstanding player of his generation. In the eyes of many, his consistency is edging him ahead of Garry Kasparov and Bobby Fischer as the greatest of all time.

Carlsen lost only once in 34 games in winning both the World Rapid and World Blitz titles for the second year running, ahead of fields of over 200 rivals in Samarkand, Uzbekistan. Rapid is 15 minutes for all your moves, plus a 10-second per move increment from move one, while blitz is three minutes for the entire game, plus a two seconds per move increment.

His main Rapid rival was Slovenia's Vladimir Fedoseev, and their encounter proved decisive, as Carlsen enticed the white king up the board into a mating attack. In the Blitz,

Daniil Dubov was second, half a point behind Carlsen, yet it could have been different but for an unprecedented incident halfway through. Dubov and Ian Nepomniachtchi agreed their game drawn after a couple of minutes play. The Chief Arbiter ruled that they had prearranged the moves, which featured a knight dance around the board.

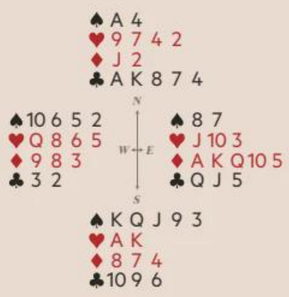
2553
White mates in three moves (by Fritz Giegold, 1950). Just a single line of play with Black's replies forced, but you'll do well to solve it in a quarter of an hour.

Solution, back page

BRIDGE PAUL MENDELSON

When your opponents defend against a line of play you have rejected, rejoice. Do not be tempted to outfox them at their own game.

When, at his second turn, South bids his opponent's suit, demanding further information from partner, North reasoned that, if South had held a four-card heart suit, he would have bid it and, if North had held three-card spade support, he would have supported, opposed to rebidding his minor. So, he bid 2S to show a good doubleton, and 4S was reached. East won West's diamond lead, and switched to a trump to try to prevent a diamond ruff in dummy. South, who faces just three losers if he can establish clubs, followed his opponent's plan and not his own. He won and led a second diamond. East won, continued with a second trump and now, when South gives up a club, East-West have a diamond trick to cash!



Dealer: North Love All

North	East	South	West
1C	1D	1S	NB
2C	NB	2D	NB
2S	NB	**4S**	

The suit-establishment plan is clear-cut, the only matter is timing: this must be done while there is still a trump in dummy to prevent the cashing of a third diamond. When, at trick two, East switches to 8♠, South should win and play a low club from both hands. Whatever East does, South has control. After losing a second diamond, declarer can draw the trumps and run dummy's clubs to fulfil his contract.

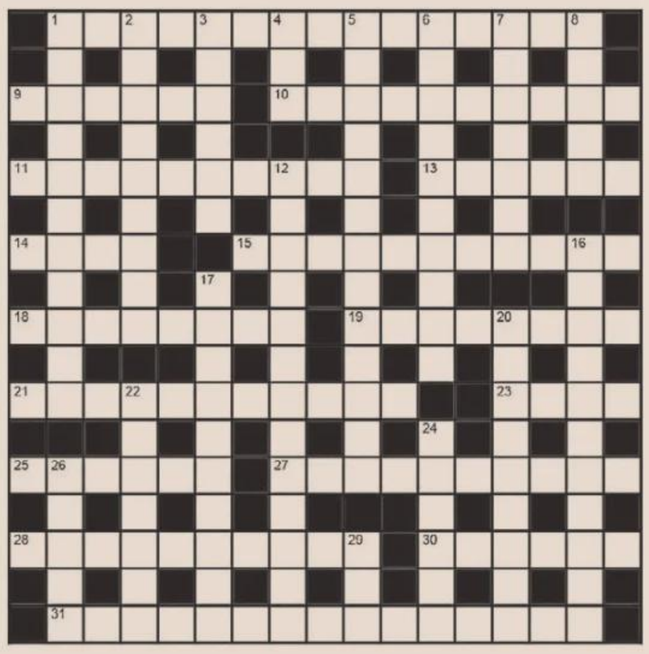
POLYMATH 1,264 SET BY GOZO

ACROSS

1 Extravagant revues created by US theatrical producer Florenz in 1907-31 (8,7)
9 Protozoan of ever-changing shape (6)
10 Japanese car manufacturer with a 'three diamonds' logo (10)
11 Charles Kingsley novel or the only British place-name ending with an exclamation mark (8,2)
13 Fruit stewed in sugar or syrup (6)
14 Dogs, Grain, Sheppey or Walney? (4)
15 Group of museums, education and research centre in Washington DC, nicknamed the 'nation's attic' (11)
18 The last or worst shift (3,5)
19 Instrument for examining the ear (8)
21 French satirical novel about petty, parochial squabbling by Gabriel Chevallier, made into 1972 BBC drama (11)
23 Just a single partner of tatties at Burns Night! (4)
25 Capital city of Mali (6)
27 A South African plant of the banana family with large showy flowers (10)
28 Flag flown by auxiliary vessels of the Royal Navy (4,6)
30 *The Great* ___, 1925 novel by F. Scott Fitzgerald (0,6)
31 Cry raised on the Stock Exchange announcing a stranger has entered the 'House' (8,7)

DOWN

1 "For example", in German (3,8)
2 Long, thin island in the Bahamas, noted for its pink sand beaches (9)
3 An uproar or a noisy quarrel (6)
4 A Scottish chimney (3)
5 Sir Topham Hatt in the Thomas the Tank Engine stories (3,10)
6 Cornish location of Castle Terabil in Arthurian romances (10)
7 Despotic third president of Uganda from 1971 to 1979 (3,4)
8 Yiddish for a dolt (5)
12 Former Scottish county where Annan, Lockerbie and Moffat are situated (13)
16 It provides difficult or impossible access for those retiring (5-3,3)
17 A round flat cap or a Scottish peasant (4-6)
20 Abusive nickname of the Roman general Quintus Fabius Maximus, gained for his delaying tactics against Hannibal (9)
22 Le .... d'If, setting for the *Count of Monte Cristo* (7)
24 Originally a clan war-cry, now a catchphrase (6)
26 Mick Whelan is General Secretary of this train-drivers' union (5)
29 Stylised Japanese drama with music, dance and elaborate costumes (3)



Solution 1,263

O	C	T	O	P	U	S	S	Y	■	P	O	L	L	A	C	K
R	■	H	■	L	■	E	■	O	■	O	■	O	■	M	■	I
B	R	O	K	E	B	A	C	K	M	O	U	N	T	A	I	N
I	■	M	■	N	■	P	■	O	■	P	■	E	■	N	■	G
S	H	A	K	U	H	A	C	H	I	■	C	R	U	F	T	S
O	■	S	■	M	■	R	■	A	■	S	■	A	■	O	■	L
N	I	C	E	■	A	T	O	M	I	C	E	N	E	R	G	Y
■	■	H	■	P	■	R	■	A	■	R	■	G	■	A	■	N
O	L	I	V	E	O	I	L	■	M	A	G	E	L	L	A	N
L	■	P	■	T	■	D	■	I	■	P	■	R	■	L	■	■
D	O	P	P	E	L	G	A	N	G	E	R	■	I	S	I	S
C	■	E	■	R	■	E	■	P	■	R	■	G	■	E	■	P
O	M	N	I	S	M	■	T	I	M	B	E	R	L	A	K	E
L	■	D	■	E	■	G	■	E	■	O	■	A	■	S	■	N
W	E	A	R	E	T	H	E	C	H	A	M	P	I	O	N	S
Y	■	L	■	M	■	E	■	E	■	R	■	P	■	N	■	E
N	Y	E	R	E	R	E	■	S	I	D	C	A	E	S	A	R

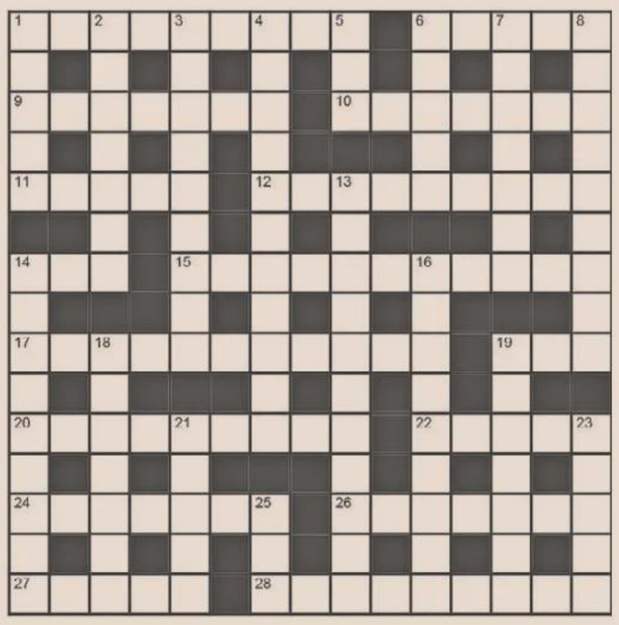
CROSSWORD 17,622 SET BY LEONIDAS

ACROSS

1 Plants money regularly in class (9)
6 Sudden sound of silence at back of court (5)
9 Brief quote inspired by genuine performance (7)
10 Soundly beat old city chemist (7)
11 Libel finally receives maximum attention (5)
12 Consider attaching key to metal-plated article (9)
14 Cough up bits of pasta accidently (yuk) (3)
15 Piano features in *Popular Pieces for Examinations* (11)
17 Condition of sculpted Osiris appended to catalogue E (11)
19 Skin mostly removed from view (3)
20 American silicone bras Kansas stocks (9)
22 Game sold ultimately after craze lost freshness (5)
24 Monsieur's here with head cold that's intense (7)
26 Yank's place to drink in *Rod & Anchor* on retirement (7)
27 Time Square exchanging places in competition (5)
28 Little flower protected by odd Canadian (9)

DOWN

1 Writers bone up on bone (5)
2 Each left confused over setter's dodgy science (7)
3 Vase wrapped in silk atop eastern grave (9)
4 Ground skull & neck in Duncan's dish? (6,5)
5 Drain more than one assistant lifted (3)
6 More sage is planted into banks of wide river (5)
7 Herb starts to grow at night only beneath mineral (7)
8 Tough son her dad trained (4-5)
13 Disloyal core of ragtags north of fair (11)
14 Musical piece Sonia distributed among staff (9)
16 In note, request college's crack team? (4,5)
18 Majestic vehicle turned green (7)
19 Component of 4 consumed with port (7)
21 Fitting trousers essentially maddened expert (5)
23 Object medic put around bird (5)
25 Arab market upset homeless siblings (3)



Solution 17,615

H	U	M	B	U	G	■	N	E	W	Y	E	A	R	■	A	U	L	D	L	A	N	G
■	S	■	A	■	A	■	E	■	H	■	M	■	O	■	D	■	O	■	L	■	O	■
■	A	L	T	E	R	N	A	T	I	V	E	■	S	T	R	A	T	E	G	I	S	T
■	G	■	T	■	F	■	T	■	S	■	R	■	I	■	E	■	U	■	A	■	W	■
W	E	L	L	N	I	G	H	■	T	R	A	D	E	I	N	■	S	O	L	V	E	R
■	■	■	E	■	E	■	■	L	■	L	■	■	A	■	■	T	■	A	■	■	■	■
S	H	O	R	E	L	E	A	V	E	■	D	O	U	D	L	E	A	G	E	N	T	S
■	U	■	O	■	D	■	V	■	■	I	■	N	■	I	■	B	■	N	■	■	■	■
V	E	R	Y	■	■	R	E	L	E	A	S	E	D	■	N	O	S	E	D	I	V	E
■	A	■	A	■	A	■	S	■	P	■	I	■	F	■	■	■	C	■	F	■	F	■
I	N	A	L	L	B	U	T	N	A	M	E	■	C	A	S	H	I	E	R	I	N	G
■	D	■	■	■	R	■	A	■	U	■	■	■	I	■	W	■	S	■	■	■	G	■
O	C	C	A	S	I	O	N	A	L	■	I	N	D	I	A	N	S	U	M	M	E	R
■	R	■	D	■	U	■	■	■	E	■	M	■	E	■	R	■	A	■	A	■	A	■
H	Y	D	R	O	G	E	N	■	T	I	M	I	D	I	T	Y	■	■	S	Y	N	E
■	■	■	I	■	E	■	A	■	T	■	I	■	■	H	■	F	■	S	■	C	■	■
I	N	C	A	N	D	E	S	C	E	N	T	■	D	A	Y	T	R	I	P	P	E	R
■	I	■	T	■	■	■	H	■	■	I	■	O	■	■	■	E	■	R	■	■	■	■
O	G	R	I	S	H	■	V	I	N	E	G	A	R	■	H	A	N	G	O	V	E	R
■	E	■	C	■	A	■	I	■	E	■	A	■	M	■	I	■	E	■	D	■	S	■
E	R	Y	S	I	P	E	L	A	S	■	B	R	A	I	N	S	T	R	U	S	T	■
■	I	■	F	■	P	■	I	■	T	■	I	■	N	■	G	■	I	■	C	■	F	■
C	A	T	A	L	Y	S	E	■	S	P	E	C	T	R	E	■	C	H	E	F	E	R	S

Try the latest monthly World puzzle, published on Sunday January 7, by scanning the QR code or going to ft.com/crosswordapp

Arts
Life&Arts

The blossoming of digital art

TeamLab | The Tokyo collective is opening a major new space in the city in February and spreading its tech wizardry across the world. By *Cristina Ruiz*

The evening begins with a walk around the foothills of a sacred mountain. As I navigate the rocky path, past ancient Buddhist shrines set into the stone, the forest around me bursts into colour — blue, purple, pink, yellow — creating a kaleidoscopic canopy that illuminates the night sky.

The dance of light is by teamLab, an art and technology collective known for its spectacular digital installations. They have come here, to the grounds of the Mifuneyama Rakuen hotel, a traditional *ryokan* in southern Japan, each year since 2015 to create this immersive art show.

My guide, teamLab's Takashi Kudo, leads me to a teahouse where we are served green tea in near darkness. A projection of a chrysanthemum blossoms in my glass bowl, its scattering petals spilling on to the table underneath. As I pick the vessel up, then put it down, the pink flower stays on the surface of the liquid, following the bowl's movements, the high-tech illusion enabled by temperature sensors in the projector that detect the tea's heat.

"The artwork exists only in the tea. Once you've finished drinking, it's gone, but the experience will stay with you," Kudo says. This is teamLab's philosophy in a nutshell: to give people a totally immersive, interactive experience of art which lingers in the mind long after you've participated in it.

Two days later I am at teamLab's headquarters in Tokyo to meet Toshiyuki Inoko, 46, a mathematician by training who founded the collective in 2001 with four others — all mathematicians, engineers and robotics specialists. In February, teamLab will open a second, permanent gallery in the city, teamLab Borderless, in a luxury building complex developed by the property company Mori.

Their aim was always to make great art using technology developed or adapted in-house, such as motion sensors and projection mapping, which turns irregularly shaped objects into suitable surfaces for projecting images, but in the beginning they supported themselves through software development and corporate work. Their break in the art world came in 2011 when artist Takashi Murakami invited the collective to show at the Kaikai Kiki Gallery in Taipei following a visit to their studio.

Clockwise from top: 'The Infinite Crystal Universe' (2018); render of teamLab Phenomena in Abu Dhabi; 'Universe of Water Particles on a Rock Where People Gather' (2018); 'Living Crystallized Light' (2022)
TeamLab, courtesy Pace Gallery

> 'The artwork exists only in the tea. Once you've finished drinking, it's gone, but the experience will stay with you'

Today teamLab's art is everywhere in Japan, in restaurants and botanical gardens, hotels and shopping centres. Their guiding principle is to "say yes to everything", says Inoko. And it shows. Although it is nearly 8pm, the teamLab building still buzzes with activity. Everywhere you turn there are clusters of young staff members in T-shirts huddled together with their laptops. In one room, an engineer proudly shows me a circuit board he is working on. In another, I play with semi-transparent ovoids which light up in different colours when you push them. Then there is the botanical team, testing several different kinds of mosses to establish the precise growing conditions for each one. The vibe is more Silicon Valley start-up than strait-laced Japanese corporation.

Inoko himself, with his pinstriped denim outfit, silver-star pendant hanging around his neck and tousled black hair, cuts an unconventional figure for a Japanese chief executive presiding over a company of 1,000 employees. In fact, he does not call himself a chief executive at all; almost nobody at teamLab has a title, to emphasise the collective nature of the work done here, they say. Other anomalous practices were recorded in a 2017 case study by Harvard Business School, which noted that teamLab "did not set sales targets or develop business plans" and "profits were shared equally by employees".

I ask Inoko how teamLab copes with the crowds who flock to see their art. TeamLab Planets, their first space in Tokyo, which opened in 2018, welcomed an average 8,000 people a day in October. He explains that the presence of visitors was factored in from the beginning: through technology, teamLab's installations respond to people so that each work is always evolving, never the same.

"When an artwork doesn't change through the existence of others, then other people become a nuisance," he says. "Tourists standing in front of the Mona Lisa at the Louvre are a bother when you want to look at the painting. But if the entire space changes as a result of others, then you have a relationship with them within the artwork space. We want to create installations where people recognise they are connected to other people."

The Infinite Crystal Universe, a soaring installation of flashing LED lights and mirrors at teamLab Planets, for example, is manipulated by visitors who use their smartphones or a control panel in the space to change the colour of the lights or the speed at which they flash. "The work is created by people in the space and is thus continuously changing forever," teamLab says.

Inoko answers nearly every other question I ask him by returning to his favourite subject: pictorial perspective. "I could talk about this forever," he says. Specifically, he contends that non-linear perspective, traditional in Asian art, is a more useful way of looking at the world than the perspective found in western painting from the Renaissance to the advent of Modernism.

Western paintings fix the viewer, immobile, in front of a canvas because of their single vantage point, he says, whereas eastern perspective, with its "wide focus", encourages movement and engagement with a work of art, approximating more accurately to our relationship with the real world. Translating this sense of continuity between artwork and viewer into digital installations is "something we've been interested in since the beginning of teamLab".

Take, for example, the show-stopper at teamLab Planets, Floating in the Falling Universe of Flowers. In a darkened gallery, tens of thousands of flowers are projected on to the dome-shaped ceiling and walls. The illusion is extraordinary: the flowers appear unconstrained by the surface they are projected on to, cascading towards you, budding, blossoming, finally wilting in an explosion of colour. In keeping with the tradition of eastern perspective, "the space of the work is continuous with the space where the viewer's body is located," says Inoko. This, then, is art that literally draws you into itself.

Now teamLab's artworks are spreading across the world. They have installations in China and Singapore, and in the US their work is on display at Superblue, an art and technology space in Miami co-founded by Pace Gallery, which has represented teamLab since 2013.

A massive new museum, designed by teamLab and devoted entirely to their art, is under construction in Abu Dhabi, just down the road from the Louvre in the Saadiyat Cultural District (construction will finish in 2024, no opening date has yet been announced), and another gallery is planned for Jeddah, Saudi Arabia. Permanent displays are also coming to Hamburg, Germany, and Utrecht in the Netherlands.

TeamLab Borderless, the February opening, will include digital artworks which "interact with each other, influence each other, overlap and are constantly moving out of individual rooms and throughout the entire gallery", encouraging people to follow them, Inoko says. "We wanted to create a space in which people might feel that continuity itself is beautiful."

teamlab.art

THE LIFE OF A SONG

HICKORY WIND

One might expect Gram Parsons' extraordinary life to overshadow his music, 50 years after his death and its bizarre aftermath. Yet his artistry has ensured that he is remembered as arguably the founder of country rock, which married traditional American music with its rebellious offspring in the late 1960s.

It is impossible to separate the man from his music entirely, of course, and perhaps no song reflects both better than "Hickory Wind".

Born Ingram Cecil Connor III in 1946 to a Southern family wealthy from a citrus fruit empire, he suffered a traumatic childhood. Alcoholism flowed down the generations, his father took his own life when Parsons was 12 and his mother died of alcohol poisoning when he was 18. In the meantime, his name had been changed by Robert Parsons, a money-grabbing stepfather who later ran off with the family's 18-year-old babysitter.

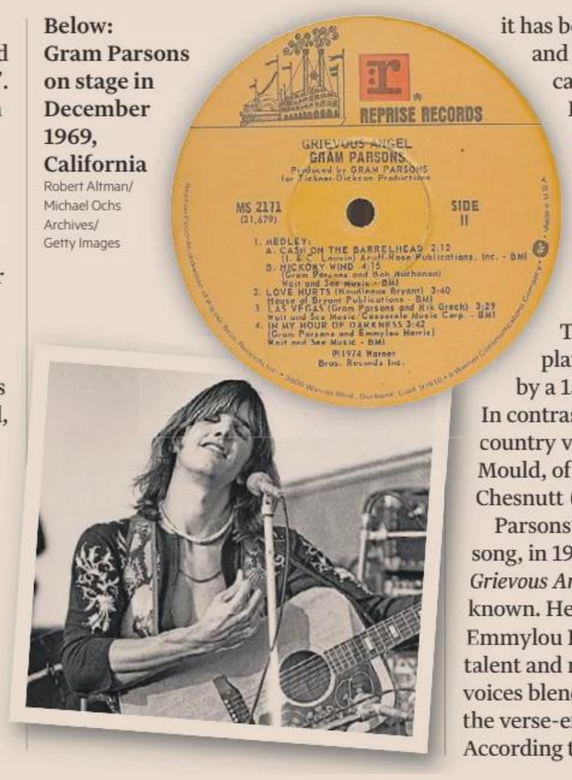
Gram Parsons was sustained by a passion for country music that led him to drop out of Harvard in 1966. His subsequent short, scattergun career included time with the International Submarine Band, The Byrds, The Flying Burrito Brothers and two solo albums, but none were commercially successful. His family trust fund, however, enabled him to enjoy a rock-star life of abandon: beautiful women, friendship with Keith Richards, hotel rooms trashed, a motorcycle crash and a home destroyed by fire. His career was blighted, though, by another family inheritance — alcoholism, to which he added drug addiction.

He nevertheless wrote pioneering songs sung with affecting style. Ben Fong-Torres, author of *Hickory Wind*, a biography of Parsons, wrote that his vision was "of country being performed . . . with a rock-and-roll consciousness".

"Hickory Wind" was co-written with Bob Buchanan, a fellow Submarine Band member. The three-verse, no-chorus song is a poignant, nostalgic paean for an idyllic childhood Parsons never had. Yet it also prefigures his self-destruction: "I started out younger at most everything/All the riches and pleasures, what else could life bring?"

It was first recorded for The Byrds' 1968 *Sweetheart of the Rodeo* album. His voice and phrasing are achingly wistful, against a backing drenched in pedal-steel guitar and violin. That year The Byrds caused outrage at the Grand Ole Opry, traditional country music's high temple. Instead of singing a Merle Haggard number for the live broadcast, Parsons ignored the compere's introduction and led the band into "Hickory Wind". The country establishment was furious.

Joan Baez spotted its beauty and recorded it a year later, but since then it has been mainly country-rock and alt-country artists who have carried its torch: Emmylou Harris (1979); Chris Hillman, Parsons' fellow Byrd and Burrito Brother (1982); Gillian Welch (1999); and Lucinda Williams (two live recordings in 2016).



Below: Gram Parsons on stage in December 1969, California
Robert Altman/ Michael Ochs Archives/ Getty Images

A 2013 recording by The Tuttles featured some divine playing and astonishing singing by a 15-year-old Aisha "AJ" Lee. In contrast, a heavy-handed, non-country version was proffered by Bob Mould, of Hüsker Dü fame, and Vic Chesnutt (1993).

Parsons' second recording of the song, in 1973 for his solo album *Grievous Angel*, is perhaps the best known. He had already combined with Emmylou Harris after discovering her talent and realising how well their voices blended. Their harmonies on the verse-ending refrains are exquisite. According to Fong-Torres, Parsons heard Harris's high note on the last line and told her: "That note right there, it's gonna make you famous." He was not wrong — the two albums launched her solo career.

Weeks later Parsons died of an overdose in Joshua Tree high desert, California, which had become his spiritual home and where he wished to be cremated. His stepfather wanted the body flown to Louisiana. But Parsons' road manager and an accomplice stole the body from Los Angeles airport, took it back to the desert and doused the casket in petrol before setting it alight.

Parsons' style paved the way for artists from The Eagles to Poco, Linda Ronstadt, Steve Earle, Wilco and Jason Isbell. One of them, Tom Russell, noted: "When you consider that Parsons turned [such] artists on to country music, then consider the millions of people they reached, you begin to realise the importance of Gram Parsons."

Charles Morris

More at ft.com/lifeofasong

Arts

The Kronos Quartet today with founder David Harrington third from left, and (below right) in January 1990 Lenny Gonzalez; Paul Natkin/Getty Images

Many strings to their bows

Kronos Quartet at 50 | Founder David Harrington tells *Simon Broughton* about creating a rich trove of new music for the traditional ensemble

We had a globe in our family home and . . . I realised that all the quartets I knew were written by four guys who lived in or near one city in Austria," says David Harrington. The founder of the Kronos Quartet, Harrington grew up in Seattle, more than 5,000 miles from that European musical mecca. "Even back then I found myself thinking, 'there's something missing here.'"

It's true that Vienna is where the string quartet was created by Haydn, around 1750, and then taken up by Mozart, Beethoven and Schubert. Featuring two violins, viola and cello, a string quartet has a supremely homogeneous sound and, ideally, some rigorous musical development. Subsequent composers, notably Bartók and Shostakovich in the 20th century, developed the form, but it's arguably San Francisco-based Kronos Quartet that created a whole new world of sounds for it.

> Kronos's concerts over the years have featured almost exclusively music by living composers

Now celebrating their 50th anniversary, Kronos has commissioned more than a thousand works from composers from six continents, made more than 70 recordings and regularly perform around the world — with a particularly busy schedule in this anniversary year.

When Harrington was a teenager, Seattle was protesting against the Vietnam war. "It was also not unlike the time we're in now actually, when so many incredibly horrible things were happening . . . There was warfare live on the TV and it felt like our cities were becoming angry and dangerous. And it didn't feel like there was a visceral response that the [classical] music that I was playing and hearing at that time could make as a counterbalance to what I was sensing and experiencing."

Then Harrington happened to hear on the radio George Crumb's *Black Angels,* for electrified string quartet. It was composed in 1970 in response to the war, full of strident, scratchy and uncomfortable sounds that could be shattering shells, shattering lives or the shattering status quo. It was this work that spurred Harrington to found Kronos, and he says they've played it during every war that America has been involved in since then. "The piece feels as vital today as it did when I first heard it and when Kronos first played it." They will perform it at their Philharmonie de Paris concert on January 12.

Kronos with Paul Wiancko now on cello, plus special guests Peni Candra Rini and Yahael Camara Onono at London's Barbican in October 2023
Mark Allan/BBC

Kronos's concerts over the years have featured almost exclusively music by living composers — which is certainly not the case with most string quartets. "It's really because it's so much more fun to have the composer in the same room as us," Harrington says. "And then to learn not only what the composer says, but how they say it and maybe how they sing their music. I don't know how many people there are who have been in the same room with Henryk Górecki doing air violin. It was one of the coolest things I've ever experienced in my life."

Their 50th-anniversary concerts are varying widely from place to place. In London, they included a brilliant commission from Indonesian composer Peni Candra Rini, featuring her on vocals with seductive *glissandi* in the voice and strings. In Bristol (January 18) they will include compositions by Angélique Kidjo, Sigur Rós and Sun Ra arranged by Terry Riley.

But all concerts bring together the three main aspects of Kronos's output: their political activism, their international repertoire and their work with the so-called American minimalists, composers such as Terry Riley, Philip Glass and Steve Reich.

One of Kronos's most significant recent achievements has been the creation of 50 for the Future, a body of new pieces by composers around the world, half male and half female. These — and their other commissions — are organised by their non-profit arm, Kronos Performing Arts Association, whose mission is "to guide young string quartets in developing and honing the skills required for the performance of 21st-century repertoire", its website says.

Recordings and extra instrumental tracks can be downloaded for free from the website. Composers range from big names such as Glass, Riley, Laurie Anderson and world-music stars Zakir Hussain and Angélique Kidjo to new and exciting figures such as Fodé Lassana Diabaté from Mali or Inti Figgis-Vizueta from Peru. The idea is just to create a repertoire — beyond the Vienna area — that young quartets can play.

The young Ligeti Quartet in Britain say they wouldn't exist as they are without Kronos: "It was listening to them growing up that led us all to believe a string quartet could be something which isn't only preserving the past, but could remain relevant to the music of now and the future."

Joining Harrington, John Sherba (violin) and Hank Dutt (viola) a year ago was cellist Paul Wiancko. He'd first been commissioned by Kronos to write a piece for 50 for the Future, but then impressed when he replaced cellist Sunny Yang on maternity leave. "When he stepped in for Sunny, he had to put together so much music very quickly," says Harrington. "He had to learn 200 pieces. Could I do that? I don't know."

Wiancko, a generation younger, certainly seems to fit into Kronos perfectly, and for Harrington he brings a different perspective: "We've worked with hundreds of composers, but never had one sitting in one of the four chairs. Paul is so good at describing to other composers what we as performers need."

Wiancko is very into improvisation, which hasn't been such a part of Kronos's world until now. "Just in the last year the group has got much more comfortable going off the page and we improvise quite a bit now, which seems very natural to me," says Wiancko.

Asked whether he has influenced that change in Kronos, Wiancko replies: "I think the group was headed in that direction anyway and maybe I sped things along a bit. But for a lot of the young composers writing for Kronos now, it's standard practice to throw a little improvised section into the score."

In an early TV interview, Harrington said: "As a musician, I'd like to find the kind of music that is so powerful it can stop a bomb from falling, or stop bullets from killing people." That hasn't happened yet, but 50 years on Harrington hasn't given up striving. "We just haven't made the right kind of music yet — maybe if we were to make something that is so human and so tender that maybe even the most hateful person would drop their gun."

January 12-13, Philharmonie de Paris
January 18, Beacon Hall, Bristol
kronosquartet.org

Everything but the kitchen sink

Film | Kibwe Tavares has drawn on sci-fi and his London upbringing for a movie about community. By *Simran Hans*

Kibwe Tavares was in a boat, just off the coast of Zanzibar, surrounded by an expanse of water. Floating in the Indian Ocean, the filmmaker found his mind returning to London. With him was actor Daniel Kaluuya; the pair were in the middle of shooting *Jonah*, a short film about the perils of commercialisation, centred on a giant, mythical fish. The production's underwater camera had broken, and they were waiting for it to be fixed. Kaluuya, still five years away from his international breakthrough in Jordan Peele's *Get Out*, pitched Tavares an idea for a film about their home city.

That was more than a decade ago. Today, at his studio in south-east London's Biscuit Factory, Tavares and I are discussing the finished project, his vividly realised debut feature *The Kitchen*. Set in a dystopian London, and co-directed with Kaluuya, it focuses on a crumbling housing estate nicknamed The Kitchen that is destined for demolition. As Izi (Kane Robinson, also known as the rapper Kano) prepares to move out of "the shithole" he's grown up in, which is the last of its kind and clung to by its residents, he encounters the recently orphaned Benji (Jedaiah Bannerman). Together, they start to see The Kitchen differently and appreciate its sense of community with fresh eyes.

"In a typical film, you'll see the poorer area as dystopian," says Tavares. "This is a flip of that. If you pull everything that makes London out of London, what does London become?" *The Kitchen* borrows from science fiction, using VFX to visualise the idea of "aggressive gentrification" where "people are getting ripped out" of their homes. The city is cluttered with digital billboards and surveillance drones; its wealthiest areas are sanded of soul, sleekly anonymous and strangely devoid of people. Despite the sci-fi trappings, Tavares says: "It's not so much based on science. It's more of a social and political thing that we based the aesthetic on."

Kibwe Tavares photographed for the FT by Christian Cassiel

Above left: a scene from 'The Kitchen'

Beyond The Kitchen's dilapidated exterior, there are pockets of joy, tenderness and ingenuity within the building. Hungover teenagers eat cardamom pancakes together as DJ Lord Kitchener (former England footballer Ian Wright) broadcasts messages of hope on Kitchen Radio. "Sir Uncle, we call him," says Tavares, grinning (fellow south Londoner Wright has an OBE). "We wanted someone who speaks with that voice of community, that voice of empathy."

An underground nightclub with its own roller rink is rendered in shades of neon red, orange and green, inspired by parties from Tavares's own memory, such as a now-shuttered roller disco in Vauxhall, and a rave he attended in a Brazilian favela. "It's a bit of resistance: people are still finding time to celebrate life and be together," he says. "All of the community comes to this one thing."

It was a deliberate choice to zero in on The Kitchen's heroic residents while leaving their faceless antagonists in the shadows, says Tavares. He and Kaluuya wanted to explore notions of precarity and threat, focusing on the texture of those feelings rather than the identity of the people driving them. "It felt like any time we wrote that, we didn't want to see the cutaway to the bad town planners," he says. "If you're getting moved on all the time, often you don't have that information. Your life can shift, but you don't know the details."

What was important to him was to make The Kitchen feel "like a fortress" and create a sense that its residents had "made it their own". Tavares opens an enormous book of photographs to an image of The Tower of David, an unfinished skyscraper in Caracas. In the picture, a family of four has repurposed an abandoned office as a living room, and is snuggled up on the floor watching TV. London, he says, is a place that has allowed its neighbourhoods to be reflective of the people that live there. "If you go to Brixton, you can feel the Caribbean heritage, in Ealing, you can feel the Indian community," he says.

Tavares, 40, says his own London has always been made up of "strong units of togetherness". The middle child of three brothers, he was born in Camberwell to a Grenadian mother, an administrator, and a Jamaican father, a scientist. He spent his youth in various pockets of south London, raised by an eclectic mix of family, friends and neighbours.

His childhood home was messy, filled with books and computers. "My parents were always like, 'How can we keep them focused?'" he says. He and his brothers built rabbit hutches and drew on their bedroom walls. In the evolving digital age of the 1990s, his dad had started to build his own computers. "He wanted us to use them, but he wanted to make sure we were being creative," he says. Tavares's father loaded the computers with animation software, including "cracked copies of 3D Studio Max". As a 14-year-old, Tavares taught himself to create animations of "little characters that would get into fights", set to drum and bass music.

He studied architecture and engineering at the University of Leeds, and went on to complete a postgraduate degree at UCL's Bartlett School of Architecture. "I did find myself as the only black person in the room," he says, adding that "you get used to it". At the Bartlett, he took a film studies class, and made the animated short *Robots of Brixton* for his dissertation. Inspired by the 1981 Brixton riots, it imagined an uprising of oppressed robots. "It was my way to talk about where I grew up, and to find a way to articulate my experience," he says. He hoped that it would get him a job as an animator at a post-production house. "But when I put it out, all the attention I got was for directing," he says, a job he wrongly assumed was all about shouting at people with megaphones. His short won a Special Jury Award at the Sundance Film Festival in 2012.

> 'It's not so much based on science. It's more of a social and political thing that we based the aesthetic on'

With two of his classmates, he started Factory Fifteen, an animation studio that allows them to use their architecture training to design worlds for film and TV. Now he is working on "a big animated film for Netflix," produced by former Pixar executive Darla K Anderson (producer of *Toy Story 3* and *Coco*).

In the same way that a structure is the sum of its parts, he says, you have to have "the building blocks of a story". If anything is missing — if the foundation is wobbly — the whole thing falls apart.

Though *The Kitchen* is set in a nightmarish dystopian future, it is grounded in the reality of the present day.

"We were chasing the core idea of people just trying to fight for a home," says Tavares. Resistance, he says, is in the film's DNA. "That narrative is always relevant."

'The Kitchen' is in UK cinemas from January 12 and on Netflix from January 19

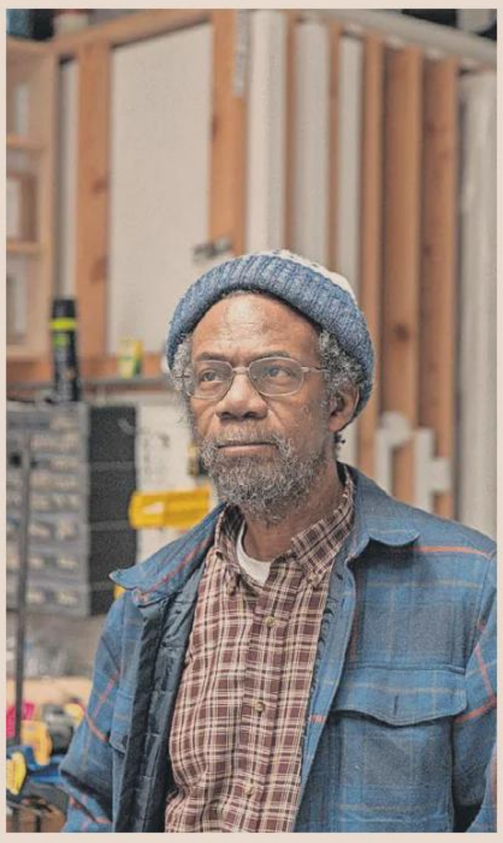
Arts

‘I try to set up mysteries for people’

Pope.L | Before his death in December, the American artist talked to *Gervais Marsh* about his new London show ‘Hospital’ and his fascination with spaces and uncertainty

I interviewed the artist William Pope.L in October before he passed away on December 23, and our conversation delved into his visionary practice, discussing conceptual nuance as well as his current exhibition. Sitting in his studio at the University of Chicago, where he was a professor, I quickly realised that my questions would not be met with direct answers. He responded with open-ended, circuitous thoughts — similar to the ambiguous atmosphere that reverberates throughout his body of work, and his new show.

South London Gallery has two sites and he leaned into the potential: “Divided space suggests growth and rupture, not always beneficial, not always obvious, but rife with possibility.” Wholeness, he said, “is a fiction”.



Above: ‘The Great White Way’, in which Pope.L crawled on his stomach the entire 22-mile stretch of Broadway in New York City

Left: Pope.L, photographed for the FT by Kayla Reefer in October

William Pope.L was born in Newark, New Jersey, in 1955 and spent much of his early career between that area and New York City, attending Montclair State and Rutgers University and participating in the Whitney Museum Independent Study Program, a training ground for artists. With a background in theatre, he was most widely known for his durational, public performance-art interventions, including several “crawls”, but his broader practice spanned photography, painting, drawing, installation, found-object assemblage and video.

For his crawl “The Great White Way”, which took nine years to complete, Pope.L wore a Superman suit, strapped a skateboard to his back and, using only his elbows and knees, crawled on his stomach the entire 22-mile stretch of Broadway in New York City. The performance drew attention to the ground and questioned ideas of verticality, which he associated with wealth or health. It also made the viewer re-examine the societal factors that allow us to maintain a seemingly “upright”, successful or confident position in the world.

In his research for *Hospital* at South London Gallery, Pope.L, traced the word “hospital” to one of its root meanings — stranger, or guest, which suggests the disconcerting realities of these buildings. A space of uncertainty, the hospital operates on institutional time and becomes a hub for the anxieties of its clients. It forces those who enter the doors to wait, yielding to protocols while remaining unsure about whether their needs will be met. For many, he said, it is a horizontal experience (like his crawls), most of the time spent lying on your back with the ceiling as your horizon — a site of “dislocation in your mind and your body. It’s not just a physical dislocation. There’s a spiritual dislocation.”

> For many, he said, hospital ‘is not just a physical dislocation. There’s a spiritual dislocation’

As Pope.L designed it, flanking both the gallery entrances are large white banners, each with a faintly visible cross stitched in white, creating an eerily sterile overtone to “welcome” visitors. In the main gallery, he described three large-scale wooden towers in different states of collapse, coated in a white, powdery substance that can be sprinkled by visitors. The towers reference Pope.L’s piece “Eating the Wall Street Journal” (2000), a performance in which the artist, dressed only in a jockstrap and doused in flour, sat on a toilet placed atop a tall, four-legged throne and proceeded to read the publication, then eat strips of it covered in ketchup and milk.

Doing so, he satirically addressed one of the paper’s advertisements that stated a subscription alone would increase one’s wealth; presumably, ingesting the publication would be even more effective. In this iteration, strewn around the towers are milk bottles, toilets, pieces of wood and copies of the newspaper, together with the precarious towers alluding to impending (in fact, already existing) economic turmoil.

He built shelves into the walls of the gallery, lined with bottles of different sizes that are filled with liquid, some dripping into a trough to mark time and the pull of gravity. “I’m interested in small phenomena and how to harness those things to have, on a more macro level, an effect.” By homing in on experiences of scale, he emphasised the possibilities of minute details, reconsidering elements that are often overlooked in the world’s haste.

The exhibition also draws on more simplistic materials, such as familiar foods such as potatoes, onions, or flour, and extends them beyond their assumed use or value. “I like the idea that materials can perform and that you don’t have to coach them. It’s not like working with a human being . . . they have to be poetic; they have a material mind of their own that you don’t have to teach.”

Entering the Fire Station, one of the gallery’s two sites, visitors must move through marigolds scattered across the floor. A flower of mourning, its potent colour often symbolises death and love lost. The marigolds lead to a butcher’s curtain that encloses a projection of Pope.L’s film “Small Cup” (2008), in which a group of hens and goats demolish what resembles the Capitol building in Washington, DC. The film perhaps was a forewarning of the storming of the US Capitol in 2021 by Donald Trump supporters, and of always-looming political disarray. Its soundtrack is intended to carry throughout the other galleries, accentuating a series of his drawings, some of which face away from the viewer or have been removed, and evade being discerned.

As we continued talking, it became evident that Pope.L was not interested in “showing” his work but in creating an atmosphere for visitors to negotiate and orient themselves. “It’s really fascinating what people do, and of course it has to do with what you put in the room and where you put it . . . I try to set up a mystery or mysteries for them.”

The exhibition utilises elements from different moments in his career, though no work appears as it has before. This investment in revisiting questions was not to prove any point, but rather to engage the pleasure of conceptual and material ideas he had been tracking for decades. In conversation, he gestured to memories that he intertwined in the show, subtle hints of intimacy.

There is no prescribed way to engage with *Hospital*. Similarly, there is no conclusive approach to Pope.L’s work, nor did he want to dictate one. “Visitors come to exhibitions with all sorts of differences; the thing is to leave space and holes for these encounters.”

To February 11, southlondongallery.org

‘Everyone speaks music’

Miloš Karadaglić | The Montenegrin guitarist talks to *Hannah Nepilová* about growing up in war-torn Yugoslavia and venturing out of his artistic comfort zone

For Miloš Karadaglić, a life contained within a comfort zone is a life of boredom. “I react against this idea that we are supposed to be happy and balanced all the time,” says the immaculately turned-out Montenegrin guitarist when we meet, a few weeks before Christmas, in the foyer of an upmarket London hotel. “I feel like there really isn’t a stone that I haven’t tried to turn over to see what’s under it and I will continue doing that until the end.”

Karadaglić, 40, will be turning over another stone this month when he begins a UK tour with conductor Jonathan Cohen and his early-music ensemble Arcangelo. Coming off the back of a new recording with the group, the programme features several ambitious Baroque works — many of them originally written for other instruments. So it’s quite a change for the guitarist, who made his name playing a mixed bag of popular and classical repertoire. “Baroque music is an area of the repertoire that has always been incredibly attractive to me but in a context away from the classical guitar,” he explains. “I loved going to the concerts of [singers] Cecilia Bartoli or Philippe Jaroussky — the great artists who specialise in this area. I was thrilled by the drama and the energy of this music and I thought, ‘How can I bring this into the world of the guitar?’”

The answer is by refusing to compromise. “Transcription is only worth doing if you are adding a layer of quality to the original work. Take the example of Bach’s “Chaconne” [written for solo violin]. On the guitar you can in fact do more than you can do on the violin because polyphony on the guitar lends itself to the piece in a much more natural way than the violin.”

What’s more, he believes, the guitar brings a quality to the concert hall that sometimes eludes other instruments. “There is an incredibly honest intimacy to it. The piano is not intimate — it’s a different beast. The violin is like a human voice, but again it’s not intimate. The guitar is like your heart strings, it’s your soul. You hug it in a way that [turns it into] an extension of your body and you feel the frequency of the sound you’re making in your stomach. That, I feel, is the reason why billions of people are obsessed with the guitar.”

Missionary zeal seems to come naturally to Karadaglić, who has spent the last decade as chief flag-waver and poster boy for the classical guitar. He takes pride in having inspired many young musicians, not least in Montenegro, where, he says, there has been an explosion of interest in his instrument: “I was one of three guitar students in my music school and now they can’t get enough classrooms [to accommodate] all the guitarists. That makes me happy.” Still, he insists that the approval of others matters less to him than his opinion of himself: “I’ve always just worked bloody hard to be the best version of myself. Not someone else. Just myself.”

Above: the guitarist Miloš Karadaglić, who will this month tour the UK
Getty Images

That guiding principle, formed in Karadaglić’s early childhood, has withstood some serious tests. He was a small boy growing up in the former Yugoslavia during the Balkan conflicts of the early 1990s. Later, he witnessed Nato bombing during the 1999 Kosovo war. “That was awful because I was older by then, and it felt very direct, seeing mushroom [clouds] from our balcony. But strength of spirit is amazing. We still somehow lived our life. Everything was about family.”

> ‘I think we have evolved to the point where we no longer require strict definitions and boundaries’

His parents — both economists — had a guitar in the house, to which the eight-year-old Karadaglić found himself drawn. But despite receiving tuition at Vasa Pavić, a music school in the capital, Podgorica, he had limited access to live classical music. “There were a few people who had graduated in an instrument in Belgrade or Zagreb, but classical music was definitely not something that Montenegro was known for.” It wasn’t until his father played him an LP of the Spanish virtuoso guitarist Andrés Segovia that Karadaglić heard what the classical guitar was capable of sounding like — and fell in love with it.

On the advice of the Scottish-born classical guitarist David Russell, whom he met at a festival in Italy, Karadaglić successfully applied to the Royal Academy of Music in London. Moving to the UK, he says “was an incredible sacrifice on every front for my family. I was there to play the guitar for as many people as possible and one day have the life that I did end up having. I had no plan B.” But his bid to become a renowned guitarist involved a steep learning curve: “When you’re younger, you sometimes do things against your instincts because someone you trust says it’s a good idea . . . Then we discover who we are, we know what’s right and we only ask for advice very rarely.”

By now, Karadaglić believes he has reached a point of self-understanding, which might help to explain his recent change in musical direction. But he has no desire to disown any of his previous musical projects. “You know how crossover is a dirty word, how it is completely misconceived and how it represents something cheapened? Well, I actually think that crossover is a wonderful word because there is nothing more fantastic than treating music as one universal language.”

Where, then, does he place himself on the scale between populism and esotericism? “In the end you as an artist have a role to musically connect with people in a way that they can understand. And that has nothing to do with the repertoire you play,” he says. “I think we have evolved to the point where we no longer require strict definitions and boundaries . . . We can be whoever we want to be.”

Now based in Battersea, south-west London, Karadaglić admits that he often thinks of Montenegro. “Because Battersea is near the river, and because there are seagulls on the Thames, it reminds me of the Mediterranean.”

How often can he see his family? “I’m incredibly close with my family and yet they end up being the people I spend the least time with. So I am constantly longing.” He smiles. “But the lucky thing about being a musician is that you can put any emotions of that sort into your playing. There is nothing you can’t express with music. Everyone speaks music.”

UK tour from January 14, milosguitar.com

Critics' choice

Life&Arts

Television Dan Einav & Fiona Sturges

The Tourist
On BBC iPlayer now
★★★★☆

In the first season of *The Tourist*, we met Jamie Dornan's Elliot driving across the Australian Outback and rocking out to Kim Carnes' "Bette Davis Eyes", before being brutally run off the road by a tanker. The resulting head injury wiped his memory clean.

That memorable set piece is revivified in the new series, only this time we are in rugged, rocky Ireland, the song is The Pretenders' "Don't Get Me Wrong" and the jiving driver isn't Elliot but a mysterious figure in gloves and balaclava who, for reasons unknown, has kidnapped our man and tied him up in the back of a van. The scene concludes with Elliot kicking his way out of his prison and hightailing it across the mountains as van man gives chase.

This second helping of the stylish comedy thriller by Harry and Jack Williams (*The Missing*, *Boat Story*) is, in many ways, a retread of the first, but with fresh scenery, a new set of villains and, for Dornan's early scenes, voluminous facial hair. Elliot still knows little about his past beyond that he did some Very Bad Things, and he is still travelling with Danielle Macdonald's charmingly maladroit police constable, Helen, though now she has been upgraded to girlfriend. The pair have travelled to Ireland in the hope of getting some answers about Elliot's beginnings, though they end up separated and with Helen once again playing sleuth while Elliot extricates himself from evermore dangerous scrapes.

The first two episodes cram in action sequences — along with the van escape, there's an underwater scuba fight, a quad-bike chase, a vicious doorstep murder and a literal cliffhanger — though these are leavened by some entertaining pratfalls and the presence of a dim-witted young henchman who craves the respect of his peers.

Think too hard about *The Tourist* and it all starts to fall apart, though the comic interludes and Dornan and Macdonald's charisma easily make up for the lapses into preposterousness. **FS**

Jamie Dornan returns for more thrills in 'The Tourist'

Sharp turn: Michelle Yeoh reigns in new Netflix action-comedy series 'The Brothers Sun'

The Brothers Sun
On Netflix now
★★★★☆

"Why am I suddenly in a family where body parts are being loaded into cars?" asks bewildered twentysomething Bruce Sun one morning. It's a fair question, all things considered. Twenty-four hours earlier he was living a quiet life in the Los Angeles suburbs with his doting mother. Now he finds her in the kitchen carving up the corpse of a hitman neutralised by his estranged older brother, whom he last saw 15 years ago.

The Brothers Sun, a bright, blazing action-comedy series on Netflix, follows a family of formidable Taiwanese gangsters — and one very sheltered, sweet-natured son. Raised in the US after his mother had to flee Taipei, Bruce had the polar opposite upbringing to his brother Charles, who was groomed by their kingpin father to become an indomitable assassin. But when a shadowy new cult threatens to undermine the Suns' triad (a Chinese crime syndicate), Charles is sent to LA to protect the "brains" behind the operation: his stew-cooking, mah-jong-playing mum Eileen (2023 Oscar-winner Michelle Yeoh).

Instead of security, Charles (Justin Chien) brings only chaos, plunging a reluctant Bruce (Sam Song Li) into an underground world of turf wars, hostages and "sit-downs": no place for a confrontation-averse undergrad whose only experience of risk is doing live comedy. Or so it seems until Bruce's disarming affability and penchant for improv begin to prove as useful as Charles's lethal physical prowess.

Just as the two brothers start to combine their talents, the show fuses free-flowing humour with meticulously choreographed martial arts sequences to winning effect. But beyond the impressive set pieces — one involving dinosaur-costumed gunmen is both thrilling and absurd — the series improves on countless other breezy action offerings through its attention to cultural specificities, family dynamics and psychology.

The result is nuanced characters who are pleasingly more than mere vehicles for wisecracks and bone-crunching violence. Charles may be the self-proclaimed "deadliest weapon in the world", but it's clear that he's also in constant conflict with the side of himself that prefers baking to butchering and craves his mother's affection. Bruce, meanwhile, is caught between a crisis of identity and morality, and a burgeoning sense of duty towards his clan and heritage.

While *The Brothers Sun* allows itself moments of more emotion and introspection, the show never takes itself so seriously that its slightly contrived, pulpy plot invites much scrutiny. Between the sharp pacing, irreverent tone, ultra-stylised flair and killer soundtrack (full of Mandarin pop covers), there's much to relish here.

But one minor quibble can be directed at the title. Though newcomers Li and Chien do solid work, the Sun brothers are ultimately eclipsed by the inscrutable, self-possessed matriarch played with wit and poise by Yeoh. Long may her renaissance continue. **DE**

Truelove
Wednesday and Thursday, Channel 4, 9pm
★★★☆☆

In December, the veteran broadcaster Esther Rantzen made headlines by calling for a reform to the UK's punitive assisted dying laws. Now, Channel 4's new drama, *Truelove*, ensures that this difficult but necessary debate continues into 2024. A timely, tender six-part series, it follows a group of septuagenarians who vow to help each other make "an elegant exit" in their own time, on their own terms (and outside the law) after a friend succumbs to cancer.

At the wake, which doubles as a reunion for the former schoolmates, reminiscences of a distant past inevitably give way to talk of the short future ahead. Drunk on pints and nostalgia, they draw up a plan to ensure each will avoid a painful, protracted end. But what is initially gallows humour becomes a real ethical dilemma for army veteran Ken (Clarke Peters) and ex-cop Philippa (Lindsay Duncan) when one of the gang contacts them later invoking the pact.

While the characters wrestle with the ethics, the series is careful not to reduce a complex subject into a parable that condemns or condones. Instead it sensitively confronts us with the desperation faced by those ailing without hope, and the awful burden placed on loved ones reduced to helpless bystanders or made perpetrators of a criminal act of compassion.

Conflicts of conscience soon collide with matters of the heart as Phil and Ken rekindle a love that has remained aglow through the decades. Where Phil's husband is intent on relocating them to "death's waiting room" (a bungalow), Ken offers her a way back to her youth — or at least a glimpse of the life that they might have shared together.

From left: Lindsay Duncan, Peter Egan, Sue Johnston and Clarke Peters in assisted dying drama 'Truelove'

Duncan and Peters excel as the leads in a series that gives older lives a profundity too rarely seen on screen. What we already have lots of are police procedurals and thrillers, elements of which appear here in a pedestrian subplot about an obsessive young cop digging into cases better left alone. An affecting human drama at its core, *Truelove* really doesn't need to flirt with other genres. **DE**

Radio

The new four-part series **Black, African and British** (Monday, Radio 4, 11am) explores how the country's fastest-growing community is shaping national politics, culture, business and faith. In the first episode, British-Nigerian presenter Jumoké Fashola takes a look at how people from her background have gone from the margins of the political arena to the front benches in her lifetime. We hear how earlier generations' fight for equality has inspired contemporary political ambitions, and why a left-leaning community could shift right. A balanced and inquisitive programme, contributions also include Labour MP Bell Ribeiro-Addy — who talks about the difference between diversity and representation — and Conservative police commissioner Festus Akinbusoye, who reflects on his own experiences of stop-and-search, and why he thinks the Tories embody the values of many British-Nigerian people. ★★★★☆

Presenter Jumoké Fashola
Stephen Chung / Alamy

Someone holding this newspaper might not be the target audience of **How to Read the News** (Monday-Friday, Radio 4, 1:45pm), a five-part series that provides "the tools to decode" written journalism. The first episode begins with a guide to how an article comes together off and on the page according to the so-called "inverted pyramid" structure, which dictates that the climax of a story should precede the scene-setting. Things get more interesting when the show questions the merits of this format at a time in which misinformation is rife. It also debates whether the news is too targeted at those already in the know. ★★★☆☆ **DE**

Pop Ludovic Hunter-Tilney

Sprints
Letter to Self
City Slang
★★★☆☆

The debut album from Irish band Sprints is well timed for the season of freshly minted New Year's resolutions. "Maybe I should do it better," frontwoman Karla Chubb intones at the start of *Letter to Self* as though mesmerised by the idea of an improved version of herself. Songs are swept along by an onrush of guitars and drums, like the exhilaration of committing yourself to a course of action. Their habit of coming to a sudden halt is also apt: most resolutions are abandoned within weeks.

Some, however, can be lasting. Sprints, whose name is stylised in capitals, are proof of that. The Dublin four-piece are among a clutch of punk and noise-rock acts to emerge in Ireland following the success of Fontaines DC. But their pre-history points in another musical direction. Chubb is a former contestant on the Irish version of television talent show *The Voice*. She used to be a guitar-strumming singer-songwriter before joining present bandmates Colm O'Reilly (lead guitar) and Jack Callan (drums) in a brooding indie-rock group that went by the unbrooding name of Kevyn.

Young and explosive band Sprints join a thriving Irish guitar-band scene

The shift to the more explosive manner of Sprints was inspired by seeing post-punk band Savages play a ferocious live show at a festival in 2016. Joined by bassist Sam McCann, the quartet resolved to alter course and let it all out. Turn up the guitars, thrash the hide off the drums, holler about anger and confusion. In Chubb's words: "I decided I don't really care how I'm interpreted — I'm just going to write exactly what I feel."

Following the release of several singles and EPs, this vow to do better receives its biggest test with *Letter to Self*. It has been produced by Daniel Fox of Gilla Band, the group that paved the way for Ireland's thriving guitar-band scene. In contrast to the political slant of other acts, the album doesn't make overt reference to live-wire issues such as homelessness. Instead, Chubb's lyrics dramatise a personal sense of crisis, sung with a contrasting mix of lean-in-closer murmuring and knock-'em-back bawling.

Her bandmates strain at the leash alongside her. Some of the musical influences are too close to the surface, for instance the sound of Sonic Youth in "Shaking Their Hands". But Sprints come into their own when they reach maximum velocity. There are enough such moments to make *Letter to Self* a keeper.

Shed Seven
A Matter of Time
Cooking Vinyl
★★★☆☆

Has there ever been a more prosaically named British band than Shed Seven? Inspired by a numbered railway shed in their hometown York, the Sheds, as their devotees call them, make Mud's moniker sound exotic and The Farm's seem positively urbane. But their functional appellation has proved solid enough: *A Matter of Time* arrives 30 years after their debut album.

Back then Shed Seven were rising names in Britpop's second division, scrapping in the charts below the premier league of Suede, Blur, Pulp and Oasis. They were welcomed to the fray with generous comparisons to The Smiths, but the music press's largesse soon ran out.

Even as their success mounted, including the acquisition of a fan-base known as Shed Heads, the critical descriptors cooled. Their sturdy anthems were judged to be "average" and "boring". Rock journalists who fawned over Jarvis Cocker sniggered at Rick Witter's (alas all too easily rhymable) surname.

But the last laugh may yet lie with the frontman and his bandmates. In an age when it takes merely a few thousand Shed Heads to send a record to the upper reaches of the top 10, Witter and co are eyeing up their highest ever chart placing. And *A Matter of Time* finds the band in lively form, despite the Sheds shedding two members since the album's 2017 predecessor.

Song titles ("In Ecstasy", "Tripping With You", "Let's Go Dancing") suggest the onset of a fun but ultimately catastrophic midlife crisis. However, Shed Seven haven't launched into unwise experiments with Auto-Tune or drum-and-bass. "Let's Go" sets us on our way with a blast of punky pub rock (shades of Supergrass).

"Talk of the Town" is a spry lad-rocker. "In Ecstasy" features Happy Mondays vocalist Rowetta in a jaunty throwback to 1990s indie disco. Pete Doherty turns up on the orchestral rock finale "Throwaways" (shades of The Verve).

The lyrics resemble flat-pack-assembled Britpop slogans ("Hold the front page, this is the modern age"). But Witter sings them heartily, while his bandmates play with crispness and energy. They know how to cook their meat-and-potatoes rock.

Shed Seven frontman Rick Witter — James Edmond/Shutterstock

Critics' choice

Films on release Danny Leigh & Jonathan Romney

Priscilla
Sofia Coppola
113 mins (15) ★★★★☆

Pop stars duet, but movies make odd couples. In 2022, Elvis Presley returned to the building with Baz Luhrmann's fevered biopic *Elvis*. In that telling, the subject's real partner was svengali manager "Colonel" Tom Parker, loudly played by Tom Hanks. The star's wife Priscilla was less significant; a wafting support act. Now though, we have *Priscilla*, Sofia Coppola's evocative study of the woman behind the man in black leather: a counterargument in pink angora.

That *Priscilla* would make us think of *Elvis* is only natural. Life in that quiffed shadow is the heart of the story. But the films sing very different tunes. For Luhrmann, something went primally awry when Presley joined the US military. That's where *Priscilla* comes in. It is 1959, and Elvis's fame is as vast as army brat Priscilla Beaulieu (Cailee Spaeny) is physically tiny: 14 and stranded in the strange enclave America of a US military base in West Germany. Stationed nearby is the king, in exile.

The first meeting is fittingly surreal: Elvis hosting a polite soirée in suburban Bad Nauheim. For Priscilla, it is a fairytale. Through contemporary eyes, it also stirs unease. The star, then 24, invites the awestruck teenager to his bedroom. But behind closed doors, Presley simply pours his heart out, still grieving his mother's death.

Let the inner contradictions roll. Jacob Elordi's Elvis is hound-dog *and* little boy lost; Spaeny's Priscilla naive, but indubitably bright. And the modern lens the film puts on the past is subtle. Coppola lets us ask ourselves where this life might have led without her wedding the 20th century's biggest cultural icon.

Our heroine brings out the best in the director, for whom the project is very on-brand. Her signature movie, *Lost in Translation*, was another tale of an uncertain wife in a gilded cage. Two decades on, *Priscilla* has a sharper edge, but Coppola still prefers suggestion to editorial. Much is hidden in plain sight.

Take that issue of age. Rather than being swept under a tigerskin rug, characters raise it repeatedly. Elvis himself insists the budding relationship stay chaste, even after Priscilla, now 17, moves back to America and into Graceland. What follows is all white poodles and luxe trips to Vegas; the mood so woozy and rhapsodic we might almost miss that Elvis, while pointedly not sleeping with Priscilla, is still firmly putting proprietary dibs on her.

The rest is a love story, truly — and a lopsided power game. "Promise me you'll stay the way you are," Elvis implores in Bad Nauheim. Priscilla would if she could. Later, during their secret, sexless pseudo-engagement, he tells his frustrated girlfriend they can do "other things". That often means critiquing her fashion sense. One more exercise in control, yes, but especially loaded. In the nearest thing the film has to a sex scene, the pair dress up and take racy Polaroids: the look of sex in place of sex itself.

If the movie is about becoming a plus-one, it is also about the drug of performance. For Priscilla, there is the strange, heavily scripted role of wife to Elvis. For her husband, a life that makes sense only in front of screaming crowds.

And the key note is melancholy: a coming-of-age through a marriage whose final lesson is knowing when to leave it. *Elvis* and *Priscilla* both head in the same sad direction. But one film finds something there beyond tragedy alone: a flight from the flashbulbs, and a story that continues without needing us to see it. **DL**
In cinemas now

Lonesome tonight? Cailee Spaeny plays Elvis's wife in the title role of Sofia Coppola's 'Priscilla' — Sabrina Lantos

The Goldfinger
Felix Chong
126 mins (15) ★★★★☆

Apart from adding a definite article, Hong Kong drama *The Goldfinger* has no connection with the similarly titled James Bond film — although it does flaunt a racy opulence worthy of the 007 series in its prime. Set in the 1970s and 1980s, this saga of financial skulduggery reunites Hong Kong superstars Tony Leung and Andy Lau, 22 years after the hugely successful *Infernal Affairs*, remade by Martin Scorsese as *The Departed*.

Inescapably, given its theme, *The Goldfinger* shares considerable DNA with Scorsese's *The Wolf of Wall Street* — but nevertheless stands on its own flamboyant merits. Written and directed by *Infernal Affairs* writer Felix Chong, *The Goldfinger* is loosely based on the story of the Carrian Group, a Hong Kong company that suffered a scandalous collapse in 1983.

Leung — also an arthouse heart-throb in films such as Wong Kar-Wai's *In the Mood for Love* — plays Henry Ching Yat-yin, a financial soldier of fortune who strikes it lucky by posing as a white-suited high roller to help a shady developer clinch a property deal. Performance and posing are very much the forte of debonair chancer Ching, who becomes the kingpin of a vast business empire — and the target of Lau Kai-yuen (Andy Lau), the anti-corruption investigator determined to bring him down.

Gilded cage: Tony Leung and Andy Lau in 'The Goldfinger'

The Goldfinger isn't easy to follow, with its narrative built of flashbacks and its sprawling cast of slicked-hair moneymen, mobsters and spoilt-brat corporate scions. Much of the fun is in the visual lavishness — 1920s-style dance clubs, a maze of gold mirrors at Ching's headquarters — and the dizzy production numbers, including a terrific action sequence in a car park and an apocalyptic market crash with tears and fainting on the trading floor.

Underpinning it all is the prestige play-off between hawk-featured Lau, icily clean-cut as the obsessive hunter, and Leung, all rakishly insouciant defiance. Both script and direction may overcomplicate matters, but the result is so much fun that you'd be more than happy to see Chong follow it up with *The Thunderball* or *The Octopussy*. **JR**
In cinemas now

Scala!!!
Jane Giles, Ali Catterall
96 mins (18) ★★★★☆

In its glory days in the 1980s and early 1990s, the Scala cinema in King's Cross was one of London's essential cultural hotspots. With its triple bills and all-nighters, it was the source of an unbeatable alternative education in cinema, both arthouse and grindhouse; a hub of political and countercultural activism and consciousness; and, as documentary *Scala!!!* has it, nothing less than Babylon on the Victoria line.

Directed by Jane Giles, a former film programmer there, and Ali Catterall, *Scala!!!* covers the cinema's history as an institution (originally occupying a site in Fitzrovia), as a building (the imposing edifice still operates as a music venue) and as a magnificent idea. Some visited the Scala for feasts of cinematic esoterism, some for the camaraderie, others for bacchanalia of alternative raunchiness (the legendary Blue Mondays, exploring cinema's wilder sexual shores).

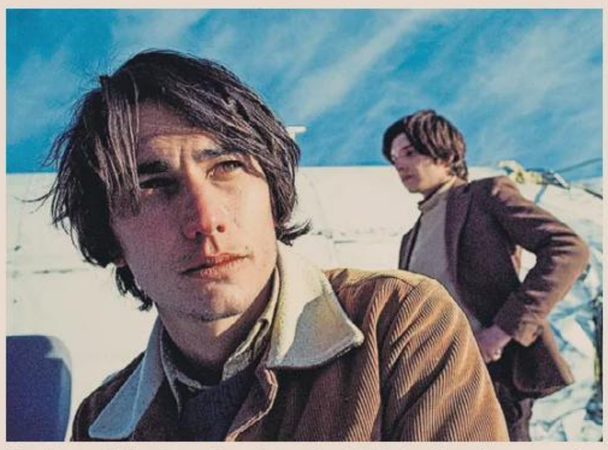
The interviewees include filmmakers (among them, John Waters and Mary Harron) and habitués such as comedian Stewart Lee and musician Barry Adamson, who contributes the score. Actor Ralph Brown, a former staff member, teases out memories of a scarlet-haired apparition (and pop legend to be) who haunted the bar singing "Day Trip to Bangor". Meanwhile legendary NME writer Nick Kent, rolling his eyes like the Ancient Mariner of pre-punk, recalls the Scala's earlier incarnation as a concert hall where Iggy Pop and Lou Reed made their UK debuts (the latter misjudging his audience by dressing "like a figure skater").

What emerges is a picture of somewhere that was by its nature a magnet for extraordinary incident (sex, drugs, sudden death, surprise encounters with prosthetic limbs). This genially entertaining film is deeply evocative of a London that has changed beyond recognition, for better or worse, and of a lost utopia of cinema-going as shared experience. In the Scala's case, that experience ranged from euphoria to slack-jawed disbelief, with multiple shades of idealism and loucheness in between. **JR**
In cinemas now

Society of the Snow
JA Bayona
143 mins (15) ★★★☆☆

JA Bayona's *Society of the Snow* retells the story of the Uruguayan plane that crashed in the Andes in October 1972, carrying 45 passengers and crew. The case is already well known: previous accounts include Piers Paul Read's 1974 book *Alive*, adapted by Frank Marshall for the 1993 film of the same name. But with *Society of the Snow*, based on Pablo Vierci's 2008 book, Spanish director Bayona — whose previous work includes tsunami drama *The Impossible* — achieves a startling new level of vividness. This film is likely to shake you up if you suffer from claustrophobia, agoraphobia, vertigo, fear of flying or aversion to cold, to name a few. The crash itself is so kinetic as to make your stomach leap, and that's just the start.

The survivors notoriously managed to sustain themselves by eating the flesh of those who died — something about which the film manages to be both matter-of-fact and mercifully discreet. But overall, Bayona can rarely resist High Cinema, with too many shots angled for hyper-dramatic effect; it's only the forensic precision of the storytelling that prevents this becoming either a stern-jawed adventure yarn, or a banal hymn to the wonder of human endurance.


'Society of the Snow' revisits the 1972 Andes plane crash

In one respect, however, Bayona avoids the obvious. With its large, albeit ever-dwindling cast (the names of the dead appear on screen as each person perishes), the film depicts an ensemble, rather than getting us attached to individual characters — notwithstanding a voiceover from passenger Numa Turcatti (Enzo Vogrincic, who has a lean touch of Adam Driver).

Spain's official submission for the Academy Awards, *Society of the Snow* is realist cinema on a formidable level of execution, yet it's troubling to think of such formidable technical expertise being used to minutely recreate real-life horror as Sensurround-type spectacle. Arguably only a filmmaker as sober-minded as Werner Herzog could have done justice to such abysses and heights of human experience — although you're rather relieved he didn't attempt to. As for Bayona's meticulous account, it may leave you gasping, but also perhaps a little uncomfortable. **JR**
In cinemas and on Netflix now

Classical Richard Fairman

Le Concert Spirituel
Charpentier: Médée
Alpha Classics
★★★★☆

Over the past few decades there has been an impressive rise in the number of French period-instrument ensembles. Put that together with a newly invigorated classical recording scene in France and the result has been a wealth of recordings of French music, especially Baroque opera.

Le Concert Spirituel's new recording of Charpentier's *Médée*, a *tragédie lyrique* from 1693, comes only months after another French group gave us Lully's comparable *Thésée* from 20 years earlier. Both were performed for Louis XIV and give the starring role to Medea, the vengeful sorceress of Greek myth. While Lully enjoyed one of his greatest successes, Charpentier's *Médée* met with almost total failure. The opera was neglected for 300 years until the modern revival of interest re-evaluated it as one of the most interesting works of the genre.

Médée devotes less time to spectacular stage effects, though it does include a scene of black magic in which Medea invokes the demons of the underworld, and focuses its main interest in developing a deeper, more complex portrayal of the character of Medea.

Hervé Niquet, founder-conductor of Le Concert Spirituel, presents a new realisation that aims to get as close as possible to the details of Charpentier's score. Véronique Gens sounds in less than fresh voice, but rises to the dramatic heights of Medea's all-encompassing role. Cyrille Dubois is the stylish Jason and Thomas Dolié and David Witczak give fine support as Creon and Orontes. Chorus and orchestra are first-rate.

Founder-conductor of Le Concert Spirituel Hervé Niquet

Jazz Mike Hobart

Sharp-edged lines: trumpeter Keyon Harrold — Kwafu Alston

Keyon Harrold
Foreverland
Concord Jazz
★★★★☆

Keyon Harrold's third album finds the trumpeter tackling the ups-and-downs of personal relationships and learning life lessons. Like most of today's trumpeters of note, the influence of Miles Davis is strong — it was Harrold's trumpet that graced Don Cheadle's biopic *Miles Ahead*. But his use of effects and sharp-edged lines gives him a personal voice and he uses his long experience as a first-call artist to make his approach relevant.

Harrold got his first major gig while studying at the New School in New York — he was recommended to rapper Common by classmate Robert Glasper; both guest on this CD. Now aged 43, he oversees a closely produced set that supports and surrounds his elegant, soulful fluency with vocals, edgy beats and rap.

Opening track "Find Your Peace" sets the tone as Jean Baylor's wispy R&B is followed by a pointed Common rap and Harrold's trumpet blends and soars over unfolding vocal support. The mood is sustained for seven minutes, but swirls of detail keep the listener engaged.

"The Intellectual" displays the trumpeter soloing purposefully and introduces the flash and finesse of new discovery pianist Jahari Stampley and broody trumpet and Malaya vocals deliver the bittersweet "Don't Lie"; drummer Chris "Daddy" Dave's brittle chatter stands out on both. "Pictures" is the ballad, sparsely produced, with moody piano from Greg Phillinganes, one-time MD for Michael Jackson.

The upbeat "Beautiful Day" hovers a bit too close to poppy froth, but overall the set gets the balance of jazz freedom and high-gloss production just right. The title track presents a lovers' dialogue as a seven-minute epic of intertwining lead voices and trumpet soaring in anguish and joy.

Glasper's distinctive voicings deliver narrative drive, Harrold and British singer Laura Mvula are the entwining vocal leads and emotions change on the point of a pin. The welter of textural detail is impressive, more so for enhancing the soloists' trains of thought.

Theatre Alice Saville

This Much I Know
Hampstead Theatre, London
★★★☆☆

At a time of year when most theatregoers have granted their rational brains a much-needed holiday, American playwright Jonathan Spector's new drama begins by dragging its audience back to university. We're in a psychology class, learning about the factors influencing decisions of every magnitude: from detonating a nuclear weapon to deciding if we should switch off our phones before entering the (lecture) theatre. What follows is explosive — taking in rightwing extremism, Stalin-era oppression and modern-day marital dysfunction — even if this production can feel too much like hard work.

Spector's play weaves together three stories that explore how little control people's rational brains have over their actions. Psychology professor Lukesh (Esh Alladi) has an answer for everything, until his novelist wife Natalya (Natalie Klamar) runs off, leaving a cryptic note. She's gone to Russia on the trail of her quixotic grandmother, the real-life Svetlana Stalina, daughter of the Soviet leader, who defected to the west in 1967 for mysterious reasons.

While Lukesh desperately waits for her to call, he's got an enigma of his own to unravel. The campus has got its pitchforks out for student Harold (Oscar Adams), the formerly loyal son of a famous white supremacist. Can Lukesh trust this young man's interest in expanding his worldview?

As even a brief summary shows, this is a play that's overburdened with plot, wearing its research heavily. Director Chelsea Walker's production opts for clarity over subtlety. Adams and Klamar lay on borsch-thick accents for this story's Russian scenes, their abrupt transitions between east and west prompting ripples of audience laughter. The real-life Svetlana's story is fascinating, but she feels like a campy stereotype, feeding nuggets of info about Stalin's home life to an imaginary audience of eager journalists.

Natalie Klamar in 'This Much I Know' — The Other Richard

Two authoritarian figures loom over this story — Stalin himself and Harold's white-supremacist dad. Their voices roar from glitching analogue TV screens, showing the risks of relying on ideology instead of human emotion. But although Spector's play gestures at big ideas and talks about the intricacies of the human brain, there's a lack of psychological insight. There's just not time or space to explore any character's battle with the choices they're making, and there's a frustrating lack of resolution.

Still, this is a play that's packed with jolting moments and knotty ideas, many drawn, according to Spector, from the work of Nobel Prize-winning psychologist Daniel Kahneman. It acts as a fitting companion piece to Tom Stoppard's similarly cerebral *Rock 'n' Roll* in Hampstead Theatre's main house: a workout for mulled-wine-softened brains.
To January 27, hampsteadtheatre.com

Life & Arts
FT Weekend

SNAPSHOT

'Talashi' (2018-21) by Alexis Cordesse

Talashi (Arabic for "fragmentation", "erosion" or "disappearance") is a photographic archive and documentary film that brings together the personal photos of people forced to flee Syria following the outbreak of civil war in 2011.

The project was collated and curated by French photographer Alexis Cordesse, who poses the question: "How does one evoke a tragedy that is paradoxically made invisible through too many images?"

These are photographs of the everyday, some mundane, even banal: a family day out at the beach, weddings, school trips. But, says Cordesse, "the images work because in them we can project ourselves. They provoke our imagination without hurting us."

Alexander James

'Alexis Cordesse: Talashi' is at The Image Centre, Toronto, from January 17 to April 6

The genius of Britain's anti-intellectualism

Janan Ganesh

Citizen of nowhere

Look, this is becoming awkward now. Britain's prime minister? Asian. London's mayor? Asian. Scotland's first minister? Asian. His main opponent? Asian. As for the probable next chairman of the BBC, he isn't Cornish.

"Chin up, son," I keep wanting to say to friends in the ethnic majority. "These jobs come round again."

This column isn't about the diversification of Britain's governing class. It is about the lack of domestic interest in that trend. The arrival of a non-white prime minister detained British commentators for, what, the first week, at most? I, who field lots of interview requests from broadcast producers, some of whom are sweet enough to think that I am awake and ambulant at 8am, have never been invited to discuss this subject. You don't hear much in the way of conservative misgivings about the change in who runs Britain, or much liberal self-congratulation either. After four years in America, the relative absence of an identity discourse is startling. (And, to me, freeing).

I have written before about the difference between diversity and cosmopolitanism. One is a material fact. A place that contains several ethnic groups might be called diverse. The second is an attitude. It is an indifference *to* that diversity. Lots of places are good at the first. Why is the UK so good at the second? I have entertained all sorts of theories, from commercial necessity (a trading nation has to get used to unfamiliar faces) to the English respect for privacy. But the answer, I think, is more prosaic than that.

We aren't very reflective people *generally*. "Anti-intellectual", the old line of attack against England in particular, often from those within it, is fair enough. Now, to be clear, anti-intellectual doesn't mean stupid. The nation doesn't have less cognitive processing power than the next. What it does have is a certain impatience with, and perhaps even a suspicion of, abstract thought. Immigration? That we can discuss to the nth degree. It is a practical matter, to do with numbers, public resources and geographic space. But "identity"? The "meaning" of having a Diwali-celebrating prime minister? The metaphysics of

> The UK is cosmopolitan because it doesn't think too much about identity, or anything

Britishness? Even our intelligentsia isn't at home with this stuff.

Consider the greatest British minds. Shakespeare wrote 38 plays and 150-odd poems without giving the slightest hint of an overarching worldview. David Hume, the most important philosopher to have written in English, dealt in a sort of anti-philosophy, which put the stress on experience, not reason, as the basis of knowledge. In his penetrating book on British art, *Sensations*, the critic Jonathan Jones argues that one theme runs from Thomas Gainsborough to Lucian Freud and beyond: empirical observation. While continental painting had its ideas, its academicism, British art grew alongside and in response to science.

At all turns, there is, or has been, a bias in the UK against the theoretical. While Paris and New York obey grand schematic plans, London must be the most improvised of the major western cities. (Even Los Angeles has a grid of sorts.) Compare the casualness of an English garden with the Euclidean lines of a French one.

So, yes, we skirt the subject of identity. But then we skirt most disembodied concepts. In the end, Britain is cosmopolitan because it doesn't overthink. Our ability to have a heterogenous elite, while not much discussing or even noticing it, doesn't stem from our sophistication, but almost the opposite.

Of course, anti-intellectualism comes at a price for a nation. Much of Britain's media has been lost to the lower-middlebrow and the twee. (Advice to those pitching features: write about what your favourite biscuit says about you.) For decades, English football, to its cost, dismissed elevated tactics talk as continental humbug.

But as a tax to pay for living in a true cosmopolis, I'll put up with it. I keep going back to the *Wham!* documentary that came out on Netflix last year. Two immigrants, one from Egypt and the other from Cyprus, work their way into the Metroland suburbs north of London, where they rear international pop-star sons. There are countries where the documentary would have veered off at that point into a seven-episode disquisition on the duality of selfhood, or whatever. The boys from Wham! dispose of the subject in 50 seconds.

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A landlubber's love of the shipping forecast

Jo Ellison

Trending

It's always seemed one of the more yawning ironies that a nightly radio dispatch designed to protect sailors from the most treacherous stretches of water should have been co-opted by half of its audience as being the equivalent of aural Xanax.

The shipping forecast celebrates its centenary this week. Or, at least, the Maritime and Coastguard Agency is marking the 100th anniversary of its first broadcast. Conceived in 1861 by Vice-Admiral Robert FitzRoy, according to a government press release, the maritime weather warning was developed following the loss of the steam clipper Royal Charter, which sank off the coast of Anglesey in 1859 with the loss of 450 lives. Produced by the Met Office on behalf of the MCA, a version of the weather bulletin began in 1924, although it was only broadcast by the BBC the following year.

In the course of its existence, the forecast has saved thousands of lives, but its practical application has long been superseded by more precise meteorological and satellite data: the forecast is said to be around 93 per cent accurate. Hence, the vast majority of its remaining 6.5mn listeners today are landlubbers, tucked up safe on dry land. Over time it has become a beloved cultural icon, a tacit expression of our national identity, and although the bulletin is broadcast four times daily, it is the 00.48 edition that has become a nightly liturgy. Poised somewhere between the highest finger beam of moonlight and before the birds start squawking, the forecast is a fixed point for insomniacs, easing the anxious souls into a more somnambulant world.

As an exercise in creative writing, the forecast is pure poetry: odd, that a project of hard science should now have been enshrined as art. Its exotic roll call has been eulogised by the Irish poet Seamus Heaney — "Dogger, Rockall, Malin, Irish Sea: /Green, swift upsurges, north Atlantic flux/ Conjured by that strong gale-warning voice,/ Collapse into a sibilant penumbra" — while its natural lyricism has been exploited by everyone from Radiohead to Blur.

It's the place names in the forecast wherein the real emotions stir. Like something out of Dickens, we imagine fragments of each place: the barren Rockall, Scottish Cromarty, swagged in tartan, enticing Biscay, German Bight. The very strangeness and old-timey romance of each station conjures a world before Google maps. As is noted in Sanna Nyqvist's essay "Poetics of the Shipping Forecast", the science

> Over time it has become something of a cultural icon, a tacit expression of our national identity

of cartography is also a means by which to navigate and reflect upon ourselves. Like examining the Milky Way, listening to the forecast reassures us of a certain permanence in a strange and changing world.

My affinity with the forecast developed as a one-time member of the maritime community, inasmuch as I once "sailed" the waters of Chelsea while living on a houseboat on the Thames. Our mooring was hitched to one of the city's most prestigious postcodes: I stepped off the boat and on to Cheyne Walk, a street whose massive mansions were owned or formerly inhabited by such luminaries as Mick Jagger, Ian Fleming, Paloma Picasso and George Best.

Our boat was permanently moored there on account of its being about to sink: it leaned heavily to the starboard, and I had to rig up a plastic chute around the bed to catch the unnervingly treacle-coloured leaks. In winter it was a little less well-insulated than a cardboard box and the electric wiring around the hull was worryingly exposed. We were eventually evicted because the boat was rightfully condemned. Even so, for some nine months in my early twenties I considered myself the very height of chic: I could nip into Partridges, the poshest Chelsea grocer, to buy my dinner, and my rent was only £90 a month. During that time I also developed a keen awareness for the vicissitudes of water: far from lulling me to sleep at night, the Thames would slap the wall next to my head. High tide at night time became a point of terror as the boat would rock with unprecedented violence. I would marvel that even in the centre of London, one was still at the mercy of a greater, more powerful natural force.

At night, listening to the Thames hiss and gurgle on the shoreline I would wait for the calm of "Sailing By", the strange little maritime waltz composed by Ronald Binge that would preface the night's forecast. And while I could never understand a word of the forecast, and all the weather conditions seemed to be "moderately poor", I found great comfort in thinking of other people lying in their boat bunks being lurched around with me.

Turns out, I wasn't very ship-shape. The boat was freezing and damp. For years after, I had a recurring nightmare that I was drowning, and have never willingly slept on a boat again. Tyne and Dogger, on the other hand, have become my fondest friends. And that sweet melodious shipping forecast will always be my favourite lullaby.

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Have you signed up to the FT Weekend email newsletter yet? Wake up to a shot of inspiration in your inbox every Saturday morning with the best of our life, arts and culture journalism, introduced by FT Weekend editor Janine Gibson.

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Money

STUART KIRK
'Bitcoin is my new year resolution'
SKIN IN THE GAME
BACK PAGE

What can investors expect in 2024?

Philip Coggan looks at the key issues
PAGES 6 & 7

Andy Carter

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WEEKEND CATCH-UP

CONSUMER CREDIT

Buy now, pay later users hit by fees

Almost one-quarter of UK buy now, pay later users have been charged late repayment fees, with younger consumers hit hardest, according to research that points to how people have turned to the unregulated form of credit to cope with rising living costs.

BNPL products allow shoppers to pay for clothes and food delivery shops, for example, in mainly interest-free weekly or monthly instalments.

The payment method, where users are charged if they repay loans late, has increased in popularity over the past year, in part because it enables users to avoid shelling out on goods in full and upfront. But regulators and consumer groups have voiced concerns over the risk of indebtedness. *Akila Quinio*

ASSET MANAGEMENT

UK fund launches fall to 20-year low

Asset managers have launched the lowest number of funds for UK investors in two decades, as higher living costs and interest rates have prompted investors to move out of investment funds.

Some 397 funds started in the UK in 2023, according to data from Morningstar, down a quarter from the number of a year before, and far below the most recent peak of 899 in 2010. This marks the lowest number of launches since 2003, when markets were reeling from the dotcom crash.

UK investors have fled funds, unsettled by volatile markets and lured by the high returns on offer from cash products as interest rates hit their highest level in a decade. *Sally Hickey*

BANKING

HSBC launches Zing forex app

HSBC has launched a payments app offering cheap foreign exchange to UK retail consumers as the global lender seeks to compete with fast-growing digital rivals such as Revolut and Wise.

The UK-based bank's app and debit card, named Zing, allows customers to hold money in 10 different currencies, spend money abroad cheaply and make international transfers across more than 30 currencies.

Zing has plans to be available in at least two more continents by the end of 2024, according to HSBC, and will be free to download. The move is an attempt by the bank to compete with fintechs. *AQ*

AUTOMOBILES

China's BYD now biggest EV maker

Elon Musk's Tesla has been knocked off the top spot as the world's best-selling electric-vehicle maker for the first time by BYD after recording fewer deliveries than its Chinese rival in the past quarter.

The US group handed over 484,000 cars in the fourth quarter, more than the 473,000 anticipated by analysts but not enough to hold on to its title after BYD reported record sales of battery-only vehicles of 526,000.

Tesla's dethroning reflects the rise of what was a little-known Chinese group only a decade ago, which Musk himself has publicly dismissed. While growth at the Chinese company has been mostly achieved at home, BYD is sharpening its focus on finding new foreign markets including in Europe. *Edward White and Steff Chávez*

AFP/Getty Images

COMMERCIAL PROPERTY

Debt blow for US office owners

Billions of dollars of debt will fall due this year on hundreds of big US office buildings that their owners are likely to struggle to refinance at current interest rates. There are $117bn of commercial mortgages tied to offices which either need to be repaid or refinanced in 2024, according to data from the Mortgage Bankers Association.

Many of those were taken out a decade ago in an era when interest rates were far lower. Since then, commercial mortgage rates have nearly doubled. *Stephen Gandel*

FT Money Clinic Podcast

With the bills rolling in after Christmas, host Claer Barrett hears from experienced debt adviser Sara Williams, Helen Saxon, deputy editor of Money Saving Expert, and Dr Pamela Roberts, a shopping addiction specialist. They give tips on how to resist the urge to splurge. **FT.com/money-clinic**

READERS

Solar panels: give us your views

The business of domestic solar energy is booming, with the blue rectangular panels becoming an increasingly common sight across the UK.

However solar panels cost on average £7,000 to fit. We would like to hear about your experience with solar panels. Have you installed them and enjoyed energy bill savings? Have you generated income from feeding excess energy to the grid? Or have your costs spiralled due to technical faults or bad weather? Please contact martha.muir@ft.com in confidence.

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The National Cyber Security Centre warns legal firms are particularly attractive to cyber criminals — Carl Court/Getty Images

Solicitors urged to reinforce security after cyber attack

HOME BUYING

IT provider to law firms was hacked late last year

ROBERT WRIGHT

The body representing solicitors in England and Wales is urging its members to strengthen safeguards against cyber attacks after an incident at a critical technology provider caused nearly a month of disruption to house purchases in November and December.

The Law Society gave the advice following an attack on CTS, an IT services provider to the legal sector in the UK and Ireland. The incident disrupted the ability of scores of solicitors' firms to complete house sales, leaving would-be purchasers unable to transfer the money to complete their house moves.

The UK's National Cyber Security Centre (NCSC) also warned of the importance for law firms of protecting against attack.

The CTS incident affected the operations of around 80 solicitors' firms, according to Beth Rudolf, director of delivery at the Conveyancing Society, an industry body. But Rudolf added that, because house-buying transactions typically worked in chains, the disruption had spread far beyond those firms' customers. The CTS incident followed a similar attack two years ago at a large conveyancing firm, she said.

CTS did not respond to a request to comment. In a press release issued on December 29 it said that all the systems had been restored by December 22. The issue was first reported on November 24.

"Our clients have been kept updated throughout and we would like to thank them for their patience as we worked, with a team of experts, to resolve this matter," the brief statement added.

Nick Emmerson, the Law Society's president, said the organisation was "aware" of the challenges posed by cyber criminals. "We are actively encouraging our members to strengthen their systems with cyber security measures and the purchase of cyber insurance policies that will help protect them if they are the victims of a cyber attack," Emmerson said.

The NCSC said the UK's "large and diverse" legal sector and firms were often entrusted to safeguard "highly confidential, commercially sensitive, or personal information".

"This data can make legal firms attractive targets for cyber criminals and other attackers, so it is vital organisations take action to protect themselves," it added.

The NCSC urged firms to act on recommendations in a report it published last June about threats to the sector.

Rudolf said that, in the previous cyber security incident at a conveyancing firm, the company had alternative systems to cope with such an incident and had been able to continue processing client transactions. Law firms are encouraged to have such contingency plans.

Rudolf said her association advised members to follow protocols to help protect them against cyber attacks. Among the steps were advising staff not to click on unnecessary links on incoming emails.

NEWS

Pointless? Credit card points rewards schemes rarely deliver, warns Claer Barrett PAGE 4

Floods will add to rising UK home insurance bills

INSURANCE

ABI calls for support for homeowners after damaging storms

IAN SMITH, INSURANCE CORRESPONDENT

Widespread flooding across the UK this week is expected to put upward pressure on home insurance prices, which are already rising swiftly as insurers respond to inflation in rebuilding costs and the effects of a warming climate.

Storms Babet, Ciaran and Debi in October and November were followed by Storm Henk at the start of 2024, which has left hundreds of homes flooded as well as businesses and agricultural lands.

Stephen Kennedy, director at pricing specialists Pearson Ham Group, said there was "heightened anticipation of the potential ramifications of Storm Henk on UK home insurance premiums". Given the "scale and intensity" of the storm, he added, it was reasonable to expect it to push premiums higher, especially in the areas most affected.

"Home insurers will definitely be seeing some impact on margin from all the storm damage," said Paul De'Ath, head of market intelligence at consultancy Oxbow Partners, highlighting the string of named storms in recent months.

This was likely to "push into pricing for 2024", he added, though how significantly will depend on underwriters' judgment as to whether the heightened storm activity requires the longer-term trend to be reassessed.

The average cost of a building and contents policy was £350 in the third quarter of 2023, up 15 per cent year on year, according to industry data, and sector experts expect the pace of premium rises to accelerate.

Another senior industry figure, speaking privately, said the flooding would not "certainly not [make] it easier to reduce prices", while stressing that the sector prices its policies in anticipation of winter storms and floods.

The River Ouse in East Sussex, which burst its banks after heavy rain this week — Gareth Fuller/PA Wire

The combined force of Babet, Ciaran and Debi created £352mn in claims for damaged homes, according to the Association of British Insurers, which said it was too early to gauge the scale of damage from the latest flooding.

The ABI called for more to be done to "support communities up and down the country to be more resilient" to the weather. Laura Hughes, its manager for general insurance policy, said the government should "guarantee that flood prevention and resilience measures are considered in all planning decisions and building standards as well as adequately funding flood defence investment and maintenance".

Some flood-hit households may be eligible for the so-called Build Back Better scheme provided by Flood Re, the UK reinsurance scheme, and participating insurers. This offers customers up to £10,000 to fund resilience measures when they repair their properties.

Holiday and caravan parks have been left submerged by days of heavy rainfall. "Climate change is proving to be a factor in the rising cost of static caravan and holiday lodge insurance policies, particularly in areas already prone to flooding," said Karen Stacey, managing director at specialist caravan insurance provider Compass.

The costs of materials for repairing damaged caravans and lodges were rising faster than overall inflation, she said. "This has resulted in insurers having to pass on these increases in premiums."

Stacey urged holiday homeowners to check that their insurance policies do not have flood-related requirements, such as the need to fit a flotation device to caravans.

The costs of core insurance products, such as home and motor insurance, have come under increased scrutiny amid a cost of living squeeze on UK households. Motor insurance prices have hit an all-time high, with both combustion engine and electric vehicles feeling the squeeze.

Insurance executives, called upon to justify their pricing, have stressed rampant inflation in the cost of claims. The rise in claims costs has been dramatic: the latest ABI data show the value of the average home insurance claim had risen by 64 per cent in a single year. Underwriting profitability among UK home insurers in 2022 was at its worst in at least three decades, consultancy EY calculated.

Navigating changes to UK tax in 2024

NEED TO KNOW

Martha Muir examines the changes that will affect millions of Britons in the next few months

Changes to UK tax rules and allowances will come thick and fast in coming months.

Spurred by the need to encourage growth and savings as well as shore up the party's chances in an upcoming general election, the Conservatives have announced cuts to national insurance rates and the abolition of the lifetime pension allowance. They have slashed tax-free allowances on capital gains and dividends and there may be more to come in chancellor Jeremy Hunt's Budget on March 6.

Some changes have been criticised as insufficient to ease the burden of the cost of living crisis and difficult to understand for savers. However, taxpayers may be able to capitalise on some opportunities or insulate themselves from their adverse impacts.

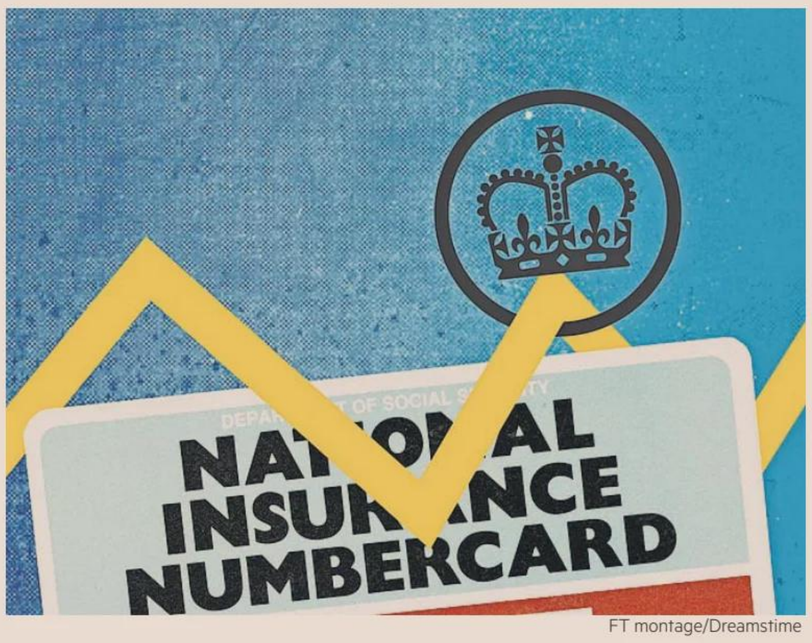
How far do cuts to national insurance go?

From today, employed basic-rate taxpayers will pay 10 per cent, instead of 12 per cent NI. Self-employed workers in the same tax band will pay 8 per cent from April, down from 9 per cent, and will no longer pay Class 2 NI, fixed at £3.45 a week for 2024-25.

Hunt said the changes would benefit 27mn people across the UK. It will save the average UK worker £447.86 over the year, according to wealth management firm Quilter.

Finance experts have questioned the overall benefit of the move, however. NI thresholds will be frozen until April 2028, which means many workers could start paying NI due to inflation or pay rises.

"On the face of it, this seems a relatively generous cut that will help put more money back in people's pockets . . . but due to frozen tax bands and fiscal drag the real benefit is significantly smaller," said Quilter.



FT montage/Dreamstime

What does the abolition of the lifetime pension allowance mean?

The lifetime pension allowance will be scrapped from April 6, meaning pension holders will no longer have to pay 55 per cent tax on withdrawals from pots over £1.073mn, or 25 per cent plus income tax if removed as income.

The annual tax-free pensions contributions cap will rise for the first time in nine years from £40,000 to £60,000, while the money purchase allowance, the annual amount of tax-free contributions to defined contribution pensions, will go up from £4,000 to £10,000.

The tax-free lump sum which can be withdrawn from a pension pot from the age of 55 will remain at 25 per cent, to a maximum of £268,275. However, if a pension pot was protected and capped before 2011 this does not apply.

Individuals who stand to benefit are those with an above-average income and a substantial pension, such as NHS doctors. However, Labour has indicated that, if elected, it will reverse the policy and introduce carve outs for NHS workers.

"This would be both complicated and controversial, effectively creating a special exemption for one group of public sector workers," said AJ Bell's Rachel Vahey, head of policy development.

How will tax allowances change?

From April, the capital gains allowance will be halved to £3,000 a year. According to Lizzie Murray, a partner at accountancy Saffery, this will particularly affect wealthy individuals with managed stocks and shares portfolios.

"It's people who have the ability to do a bit of planning every year and have assets they want to gift away and therefore make use of the annual exemption each year," she said.

According to AJ Bell's Laura Suter, investors and savers could respond by banking gains up to their allowance and do a Bed and Isa — when investments held outside an Isa are sold and then rebought within an Isa — to shelter them from tax. Another option is transferring assets to a spouse.

However, some advisers say the changes do not need to influence clients' investment decisions. Capital gains tax allowances have already been halved, after the £12,300 limit was reduced to £6,000 from April 2023.

"A 20 per cent high-rate [CGT] taxpayer is looking at around £600 difference," said Nick Rolf, director of private clients at Investment Quorum, a wealth management firm. "I would always advise clients to let investment decisions dictate whether to buy and sell shares."

The dividend tax allowance is also being halved to £500 a year. Shareholders may be able to opt to accelerate their dividends before the changes are made if they haven't already used up their tax year allowance, but according to a freedom of information request by AJ Bell, 1.1mn more people will have to pay tax on dividends thanks to the allowance increasing in April.

Both changes will drag more people into the "hassle" of having to calculate and report their dividend income via a self-assessment return, especially if they hold high yielding dividend stocks.

OPINION

Can credit card points schemes ever be worthwhile?

Claer Barrett
Serious Money

If you're feeling broke and miserable after party season, the possibility of earning free international travel and luxury hotel stays is pretty tantalising.

I'm talking, of course, about credit cards points that can be exchanged for travel perks and all manner of other goodies. With current deals particular appealing in drizzly January, you may well be tempted to apply for one — and lots of you have been asking me if I think they're worth it.

The short answer is "probably not" — unless you're wealthy, self-disciplined and are totally on it with your finances. But the richer you are, the better the payback could be.

Readers in the US are the most richly rewarded when it comes to points deals — there are countless offers, and it's much more common for consumers to have a fistful of different credit cards.

The generosity of UK deals is limited by the cap on interchange fees (the charges that merchants pay to accept cards, which in effect fund the rewards).

However, the current welcome offer for new UK customers taking out an Amex Platinum card is its biggest ever, with the potential for them to bag up to 100,000 Amex membership rewards points. Depending on what you choose to exchange them for, this could net you a £500 gift card, or enough Avios points for a return flight from London to New York, plus a host of other perks such as money off in Harvey Nicks and selected posh restaurants.

The main downside is the £650 annual fee. The Amex Gold card has no fee for the first year, and currently offers up to 30,000 reward points, four airport lounge passes and up to £120 of Deliveroo credit (you have until 9pm on Tuesday if you want to take advantage of either deal).

It's tempting — but more frugal readers will be horrified at the spending torrent that could result from signing up to such a card.

To gain the maximum amount of points, Platinum card holders need to channel £10,000 worth of spending through their card in the first six months. Gold customers must spend £3,000 within three months.

So for the deal to be "worth it" you'd need to be able to afford to spend £1,000-£1,700 a month on lifestyle purchases in places that accept Amex, and, crucially, clear your balance every single month without fail.

I cannot stress this last point strongly enough. If you carry a balance, fearsomely high rates of interest await (31 per cent on Amex purchases) which will wipe out the value of any points. If you pay interest on your credit cards, forget rewards and get a specialist low-rate card instead (listen to this week's Money Clinic podcast for more).

I am not naturally a high spender, as regular readers of this column well know. Do I want a card in my wallet or phone that psychologically tempts me to spend more, plus an app stuffed with yet more spending-linked discounts at bougie brands? Not on your nelly! I'd rather keep a lid on the lifestyle creep and max out my monthly pension and Isa investments.

However, I recognise that many FT readers have different ways of wringing enjoyment from their hard-earned cash.

The good news for them is that seriously high earners (and spenders) who travel a lot have the most to gain from points deals.

I spent a pleasurable hour this week travelling down the rabbit hole of point collecting with Rob Burgess, editor of HeadforPoints.com, the frequent flyer website.

Aside from the points you would get for signing up, the value of the points you can earn for taking flights and staying in hotels — particularly if you travel for work and are enrolled in a frequent flyer or hotel loyalty programme — has to be taken into consideration.

"If you don't travel for work but maximise sign-up deals and other promotions, a solo traveller would be able to earn enough for one long-haul business class flight every 12-18 months," he says. Another popular perk for couples is the British Airways Amex card with its annual "2-4-1" voucher.

The Head for Points website is stuffed with articles about squeezing the maximum from your Avios and hotel points. People obsess over this stuff!

"One reason why the better-off tend to like point-collecting as a hobby is because the more premium the cabin you travel in, the better value your points will be," he reveals.

For example, a first-class fare could be 15 times the price of an economy fare, but if you buy a flight with points, you'll only need roughly four times as many.

"If you're the sort of person who would only ever fly business class to New York as a special treat, then you're not really saving the £2,000 cost of the air fare if you use points," he says. "However, if you are the kind of person who flies business class everywhere, then it is a genuine saving."

The same goes for the perks used to justify the high annual membership fees on these kinds of cards, such as entrance to airport lounges, travel insurance policies and so on. If this is something that you would pay money for anyway, then it could be worth it.

Burgess's other top tips? Wait for introductory deals. Virtually all travel reward cards run enhanced sign-up deals a couple of times a year. Being patient could net you up to 25,000 extra Avios.

When applying, don't add a supplementary card for your partner. After a month or so, he says, most card providers will offer extra bonus points if you add an additional card holder.

While travel-related cards have become more generous, you may have noticed, like me, that points deals on John Lewis, M&S and supermarket-backed credit cards have become less so.

Spend £500 on these sorts of cards, and Burgess estimates you'll get the equivalent of £1 to £2 back in vouchers.

His tip for people like me was getting the (fee-free) Barclaycard Avios Mastercard. As someone who has taken one international flight since 2019, collecting Avios has always seemed pretty pointless. However, if I convert my Avios to Nectar points, I can spend them in Sainsbury's — and putting £300 through my credit card would net me £2 worth of points.

If you're the kind of person who turns left on a flight, points deals are well worth checking out. For the rest of us, aspiring to the kind of lifestyle most people can only dream of could seriously dent your long-term financial prospects.

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For the deal to be "worth it" you'd need to be able to afford to spend £1,000-£1,700 a month on lifestyle purchases

Miss Peach

READERS WRITE

COP28: where do greener investors go from here?
Like the railways, it's natural that capex-intensive next generation tech would fuel speculative booms and busts. All the more reason that passive allocations to the sector are the height of folly. — *SmoothBrain, via FT.com*

If you talk to economists like Prof Robert Engle, he will explain that, in addition to the Russia effect, oil stocks are going up precisely because oil companies are actually investing less and making more profit . . . It should not last for ever. — *Inconvenient Brown, via FT.com*

The cynic in me says go for hotels and conference facilities at the locations for COP29 and 30 and providers of private jet services. — *johnd, via FT.com*

Rich People's Problems: You only live once, so I need two mortgages
I also have two mortgages for two properties and I have asset wealth, but I am pretty cash poor currently (I used my savings to build the current place). But, as someone in my late 30s, I very much intend to be mortgage free in my 50s. — *Superfluous, via FT.com*

I wonder what your 73-year-old self would tell your 53-year-old self? — *Vrolijkheid, Madang, via FT.com*

Wealth taxes are coming. If you avoid income or capital gains tax, by borrowing against assets, and living off that cash, the government will tax that cash.

Why do you think they passed a law to look into pensioners' bank accounts any time they like? To means test the state pension and tax equity release.

"Asset-rich but cash-poor" will no longer be a get out. — *Pinnie The Wooh, via FT.com*

Five gold rings? I'd rather have silver
Gold appreciation over 10 years from $1,335 to $2,000 is just a 50 per cent increase, or less than a measly 5 per annum.

Meanwhile. the S&P 500 has actually tripled in value over the same 10-year period.

I know we are all supposed to have some gold in our portfolio. A friend once suggested that we should own at least our weight in gold. Unfortunately, I am too overweight to afford that. — *ex The Invisible Hand, via FT.com*

Reach across the divide to those in need
I'm uncomfortable with the parallel drawn between "a desperate financial struggle" and being poor.

The two households I know that would meet the statistical test of being poor (low income) live within their limited means without hint of struggle.

The households I know that struggle are those that aspire to raise their families at a higher material standard than their budgets easily allow. — *Ian Slater, via FT.com*

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NEWS ANALYSIS

Pension scam victims fear a new tax hit

PENSIONS

Schemes encouraged transfers and used money in risky investments

ROBERT WRIGHT

Jeremy Cornford lost £53,000 of his pension savings — Charlie Bibby/FT

Jeremy Cornford's tax problems began with what he thought was a sensible decision. In 2011, encouraged by a work colleague and a registered financial adviser, Cornford, then an insurance broker, moved his £96,000 retirement savings pot. He put it into the Portman Pension Scheme, one of a group of vehicles known as the "Ark funds".

Cornford hoped the new fund — unrelated to the US's ARK Investment Management — would earn him improved investment returns. He was impressed that a key figure behind the funds was Stephen Ward, a former adviser to the government on pensions legislation. Now himself a financial adviser, Cornford, 57, says he was assured there was no prospect that the scheme would create a tax problem.

But more than a decade after he lost £53,000 in the so-called "pension liberation" scheme, Cornford and several thousand others who lost out face new financial devastation.

Many victims of the multiple different schemes, which mostly operated between 2006 and 2014, have received tax bills of as much as tens of thousands of pounds. Others have been warned they could face demands for 55 per cent tax on the whole sum they put into the failed investments — or even more. The total sought is likely to reach at least tens of millions of pounds.

MPs and peers in the All-Party Parliamentary Group on investment fraud in November called for the UK's HM Revenue & Customs tax authority to change its approach to the issue. They said HMRC was "persecuting victims" of the highly controversial schemes, instead of holding promoters of the schemes to account.

Participants insist organisers of the complex schemes denied the transfers had tax implications. The various schemes typically lent some of the funds to other investors and put the rest into risky, illiquid assets. Among the investments by some schemes were forestry land in Brazil and car parking spots in Dubai. All of the participants who spoke to the FT had lost all they invested, except for any money they received back as loans.

Cornford calls HMRC's pursuit of him and other scheme participants a "national disgrace". He has already paid £30,000 tax. But a tax tribunal judgment in March opened the way for HMRC to seek still higher sums — which are still being calculated — from him and other people affected.

In a coffee shop near where he now lives in East Sussex, Cornford says the situation has left him "in limbo" financially.

"You cannot commit to anything because you're waiting for this bill all the time," he says.

Another person affected, Sue Flood, from Essex, fears a bill of £126,000 or more after £230,000 was transferred to Ark from her own pension at the BBC and her partner's private pension.

A letter to participants from Dalriada Trustees, which now manages the funds, has warned them they could be taxed on everything transferred from their original pension funds to Ark — or in some cases even more. They would be charged 40 per cent of the sum deemed subject to tax, plus a 15 per cent penalty surcharge. The Pensions Regulator put Dalriada in charge of funds in 2011 because of concerns over how they were run.

On top of the tax charges, Flood, 65, and her partner could face an 8 per cent interest charge for each year since the 2011 transfer. Dalriada is still working with HMRC to establish participants' liabilities.

Flood, who served as "victim representative" to the APPG inquiry on the issue, is particularly frustrated because she made extensive efforts to check Ark's probity before signing up. Having developed further concerns, she tried to stop the transfer while it was going through.

Sue Flood: HMRC 'chose to chase the low-hanging fruit' — Anna Gordon/FT

"They chose to chase the low-hanging fruit," Flood says of HMRC. "HMRC is victim-blaming."

HMRC insists, however, that none of its tax bills represents a tax on savings lost to misconduct. It says it is right to tax unauthorised, early transfers from pension funds.

"We recognise individuals may have lost money as a result of entering liberation arrangements and we are, of course, sympathetic," it says. "However, we have a duty to tax amounts that individuals release, or attempt to release, from their pensions where this is not authorised in law."

"Pension liberation" schemes were marketed as a lawful, tax-free way for savers to access some of their pension pot before the age of 55. Some participants took part on the promise of better investment returns.

Successive governments encouraged pension savers to consider making transfers. Hundreds of schemes that later failed received formal registration as pension funds after a relaxation in HMRC's rules.

Many who lost out say the registration persuaded them of the schemes' legitimacy. A database that Flood maintains shows that several thousand people participated. At least £100mn in assets was transferred.

Nearly all the various schemes breached normal pension rules. In the Ark funds' case, the Pensions Regulator transferred management of the schemes to Dalriada in 2011 for a number of reasons. They included what it called "irregular" transfers from the funds to a High Street travel agent and an unregistered company in Cyprus.

Ward, who introduced many of the members to the Ark schemes, was barred in 2016 from acting as a pension fund trustee over his "very serious conduct and capability failures". Ward, who lives in Spain, did not respond to a series of questions posted to him on the social media platform X.

Margaret Snowdon, chair of the Pension Scams Industry Group, which seeks to stamp out malpractice, says the tax bills issued so far have mostly related to sums that the schemes paid out to victims. The £30,000 bill that Cornford has already paid related to a £43,000 payment that he received from Ark. The tax bill consisted of a £24,000 tax bill and £6,000 interest.

The law allows HMRC to demand such sums, Snowdon says. But she insists it is still "tragic" the way the authority is pursuing those involved.

"They're pursuing them for relatively small amounts in the scheme of things, when what they should be doing is pursuing all these scammers and seizing their assets to pay for the tax losses," Snowdon says.

Andrew — not his real name — faced such a bill after transferring his £174,000 pension pot from his employer to a scheme called Salmon Enterprises. He received a £140,000 loan in return.

HMRC levied a bill of £89,000 for the loan, while the money he had in the scheme disappeared. Because he put the loan into an unsuccessful property investment, he had to borrow from family to meet the bill.

Andrew is particularly angry that before his transfer request, the Pensions Regulator had already banned Tudor Capital Management, trustees of the Salmon scheme, from handling pensions, saying it was "suspected of being involved in criminal activities". His previous pension provider failed to spot the bar and made the transfer anyway.

"The whole thing is almost like victims are being treated as perpetrators of fraud," Andrew says. "We haven't tried to defraud anybody. We haven't tried to not pay tax."

Yet, despite HMRC's insistence that it is not taxing money lost to misconduct, people who invested in the Ark schemes have received letters warning them they could face bills based on far larger sums than have so far been taxed. The letters, from Dalriada, result from the March tribunal.

The tribunal's highly complex ruling said HMRC had the right to tax participants on any of their money that the organisers lent to others in the scheme. The taxable amount could be all the money the investor handed over and even, in some cases, a sum higher than was handed over.

> 'We still haven't received the final tax bill. I'm told that it's too difficult to work out'
>
> SUE FLOOD

"We still haven't received the final tax bill," Flood says. "I'm told that it's too difficult to work out."

Cornford is anxious he could face 55 per cent tax on the remainder of the £96,000 that he handed over or even more — with interest on top.

"I could be getting a bill of £70,000, £100,000, £150,000," Cornford says.

The plight of those affected dismays Sir Stephen Timms, the Labour MP who chairs the UK House of Commons' work and pensions committee. Timms supported the Investment Fraud APPG's work on the issue.

"There's absolutely no way they can come up with 55 per cent of whatever the sum was," Timms says. "There needs to be some discretion in how HMRC deals with these cases."

Yet there is little sign the approach will change. A person familiar with HMRC's thinking says the authority regards itself as obliged to recover the tax owed in the Ark cases.

Cornford says a "sword of Damocles" is hanging over him.

"It's something that never leaves you — that bill is going to arrive and that time is going to come when you have to pay it," he says.

Snowdon insists it is fundamentally unjust that such predicaments face people who were simply trying to get the "best retirement outcome they could".

COVER STORY

INVESTING

Will the effects of monetary tightening in 2022 and 2023 be felt this year, and what about the US presidential election? **Philip Coggan** looks ahead

A year of uncertainty for investors in 2024

Forecasting the economic and financial outlook for the coming year is always difficult. In 2020, the surprise came in the form of a global pandemic; in 2022, it was Russia's invasion of Ukraine. For 2024, the known unknowns come in two categories: economics and politics.

The likely good news comes in the form of falling inflation and the widespread expectation that the Federal Reserve, and other central banks, will start to cut interest rates during the year. Anticipation of this policy shift sparked a strong rally in US equities in November and December, making 2023 the best year for global equities since 2019. The potential downside, however, is that monetary policy has a lagged effect. Some economists worry that the monetary tightening in 2022 and 2023 will have an adverse economic impact in 2024.

So the big issue for 2024 is whether central banks have got it right. Have they done enough to slow inflation without sending the economy into recession? Alternatively, are inflationary impulses so ingrained that central banks may have to tighten once more over the coming year?

For UK investors and savers, the answers to these questions will be vital in determining the best way of allocating their portfolios and the returns they are likely to make. Should they opt for equities as the best long-term bet or take advantage of the better returns now available on savings accounts?

Cross-currents ahead

A broader concern is whether China is starting to lose its role as the driving force of the world economy; it provided almost half of global GDP growth over the past 10 years.

Dhaval Joshi of BCA Research argues that Chinese residential property is massively overvalued. The Chinese government cannot risk letting house prices fall, given the potential impact on the wealth of ordinary citizens. Instead he says that the Chinese will engineer "a reduction in housing development and construction activity to equilibrate supply with collapsing demand."

He says: "This has huge implications for the world economy because China's construction and infrastructure boom has been the world's main growth engine, and that engine is about to die."

Such concerns explain why economists are generally quite cautious about the outlook for 2024. Citibank, for example, expects global GDP growth to be just 1.9 per cent and Deutsche Bank 2.4 per cent. Such figures are very weak by the standards of the past three decades. Meanwhile, expectations for US growth are in the 1-2 per cent range — respectable, but hardly dazzling. In the UK, the Office for Budget Responsibility forecasts a sluggish 0.7 per cent GDP rise for the year.

Forecasters are often wrong, of course. US growth in 2023 was better than expected. The strength of the labour market has been a constant surprise in many parts of the world. Despite slow growth, UK unemployment is still just 4.2 per cent, while in the US it is even lower at 3.7 per cent.

However, even if growth turns out to be better than expected, the US equity market has priced in quite a lot of good news. The price/earnings ratio on the S&P 500 is more than 25, based on the last year's earnings; on the longer-term cyclically-adjusted ratio, it is 31.

That valuation strength owes much to the technology sector, which remains the darling of investors.

The top 10 stocks in the S&P 500 make up about one-third of the index, the highest proportion since the dotcom bubble of 2000. Of that top 10, the largest six (Apple, Microsoft, Alphabet, Amazon, Nvidia and Meta) are in the tech sector, while the seventh biggest, Tesla, the car company, owes much to its technological expertise.

The big tech companies have attracted ire from regulators and politicians, based on their monopolistic positions, intrusions into privacy and their control (or failure to control) free speech on their networks. If regulators or political leaders take significant action, tech shares could be vulnerable to a derating. Even without regulatory action, tech shares could lose momentum; Apple's sales have fallen for four consecutive quarters, for example.

There is also something of a soft underbelly about the US corporate sector. Torsten Slok of Apollo Global Management points out that 40 per cent of companies in the Russell 2000 index have negative earnings. That is around the level seen during the 2007-08 financial crisis. In addition, both Chapter 11 bankruptcies and default rates on corporate bonds are trending higher, doubtless a response to rising interest rates.

UK inflation has fallen from the 2022 peak, and interest rate cuts may follow this year

Per cent

Source: LSEG

A year for equities?

Furthermore, there are worrying signs at the global level. The profits for companies in the MSCI World index were flat in 2023, according to Ed Yardeni of Yardeni Research. Revenues were sluggish, showing just a 1 per cent increase. Investors are more hopeful about 2024, with analysts pencilling in a 10 per cent earnings rise at the global level. However, analysts are usually optimistic at the start of the year, revising down forecasts only when faced with grim reality.

Despite these concerns, it is certainly possible that equities will have a good 2024; stock markets are often described as climbing a "wall of worry". Falling interest rates are generally good for shares, as long as they are not accompanied by a very deep recession. The oil price is well down on its levels in 2022, when investors were spooked by Russia's invasion of Ukraine. Lower oil prices should bring some relief to both consumers and businesses. If, as many suspect, China's growth rate slows, commodity prices in general will come under pressure and that should help to bring inflation down further.

Falling commodity prices and a sluggish Chinese economy are not a great combination for emerging markets. But the prospect of lower US interest rates in 2024 should allow central banks in developing countries to cut interest rates. In short, as with other equity markets, the outlook is distinctly mixed.

On the surface, the prospects for the government bond market in the US and UK seem more clear than for the equity market. If inflation has peaked, and central banks are able to cut interest rates, then government bonds should do reasonably well. Some of the good news is already reflected in the price; the 10-year US Treasury bond yield has dropped from 5 per cent in October to around 3.9 per cent today.

If investors believe the Fed can maintain inflation at around 2 per cent over the next decade, that represents a reasonably positive real return. In the UK, 10-year gilt yields are about 3.7 per cent. Again, if the Bank of England meets its 2 per cent

COVER STORY

Andy Carter

inflation target, gilts should generate a positive real return.

Election season

Sometimes, of course, the market can be derailed by events (like the pandemic and Russia's invasion of Ukraine) that do not have their underlying drivers in economics. In 2024, these events could stem from politics. The primary concern is elections in the UK and the US.

At the moment, the Labour party seems likely to win a majority in a UK election that is likely to occur in May or October. As Labour is now led by the moderate Sir Keir Starmer, following the more leftwing Jeremy Corbyn, a change of government is unlikely to startle investors. But if a hung Parliament were to seem likely, in which Labour was dependent on support from the Scottish National party, uncertainty would increase.

In the US, November's election seems likely to be a repeat of the 2020 contest between Joe Biden and Donald Trump, candidates with a combined age on election day of 159. The markets did pretty well under the first Trump administration so it might seem as if investors have little to worry about. But the circumstances of the 2020 election should be very concerning to those who worry about the US's long-term stability. Martin Wolf, the FT's chief economics commentator, wrote that a Trump win would mean the US was "no longer committed to democratic norms".

If Trump loses, he is likely, once again, to refuse to accept the result, leading to unrest by his supporters. And there is also a chance that he might try to use the tactics he suggested in 2020 in an effort to win — for example, using his supporters in state governments to alter the slate of electors in contravention of the recorded vote. That might lead to widespread protest by opponents of his rule and prolonged legal action that would keep the outcome in doubt. So there could be plenty of turmoil at the end of 2024.

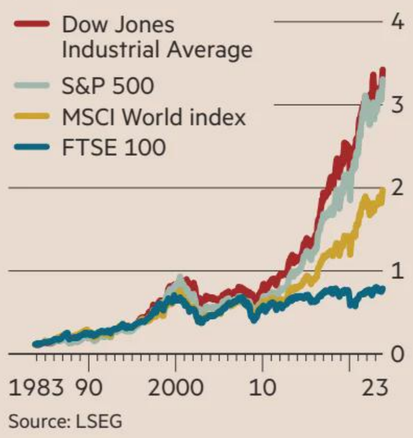
More broadly, geopolitical risks this year include further aggression from Vladimir Putin's Russia. This might occur if he is emboldened by success in Ukraine (due to a loss of support for the invaded nation from the US) or if he is frustrated by the failure of his invasion.

There is the obvious risk that Israel's attempt to eliminate Hamas from Gaza will lead to a wider Middle East conflict. And there is also a danger that China might decide to strike against Taiwan, particularly if it feels that the US is divided.

There are always political worries, of course, and in most years, the world manages to muddle through. If, as expected, the Fed cuts interest rates several times next year, consumers should feel more prosperous and the turbulence of a Trump victory can be avoided. All this should support both stock and bond markets. But it would be unwise to be too confident. The past few years have shown that negative surprises can come in many forms and, after the recent rally, the US stock market is priced on the assumption that good news will persist.

The FTSE 100 has underperformed global markets

Indices rebased in sterling terms ('000)



Source: LSEG

Footsie at 40 Sluggish performance has left the index stuck in recent years

This year marks the 40th anniversary of the FTSE 100 index, which was created in 1984 to replace the rather old-fashioned FT-30 as the main benchmark of the UK stock market.

The index's history can be divided into halves. In the first, between the start of 1984 and the end of 1999, the benchmark had lots of momentum, advancing from its original level of 1,000 to almost 7,000 at the end of the last millennium. Since then, it has been very slow progress. The 7,000 mark was not properly breached until 2015 and while the 8,000 mark was passed early in 2023, the index is still stuck in the 7,000-8,000 range.

To put that performance in perspective, the Dow Jones Industrial Average was only just above 1,000 at the start of 1984 but trades in the mid-30,000s today. The broader S&P 500 was 164 at the start of 1984 and is in the mid-4,000s now. Instead of mimicking the entrepreneurial US, the UK market has behaved rather more like corporatist France; Paris's CAC 40 index started in 1987 with a level of 1,000 and is in the mid-7000s today.

Part of the reason for Footsie's sluggish performance relative to the Dow or the S&P 500 is the lack of a thriving technology sector. In 1984, when the internet was a twinkle in the eye of Tim Berners-Lee, the UK's leading index had two technology stocks.

Forty years later, it still does. It was a sign of the times when Arm, the chip designer, decided to list in the US rather than the UK when it returned to the market in September. In some ways, the UK market is frozen in aspic; almost a quarter of the index in 1984 was composed of financials and real estate; they make up the same proportion of the index today.

However, at the individual stock level, there has been plenty of change. Just 26 of the original 100 constituents have survived, although not all in the same form. The best performer over the 40 years is RELX, an analytics and information company. Back in 1984, when it was Reed International, a book and magazine publisher, it would probably not have been many people's pick as the stock that would rise more than sixtyfold over the next 40 years. But a merger with Elsevier, a Dutch scientific publisher, in 1993 transformed the group's prospects.

The London Stock Exchange in 1984, as the FTSE 100 launched

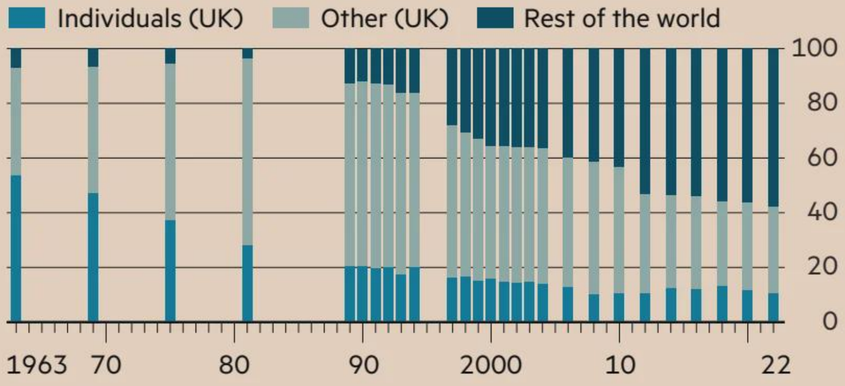
The other four of the top five performers over the past 40 years are all in the consumer staples sector, which is not often tipped by pundits selecting the next hot stock. But Unilever, Associated British Foods and Reckitt Benckiser all sell goods that consumers demand, year after year, while British American Tobacco produces goods that some people simply cannot do without.

That said, selling to consumers has not been a sure-fire route to success; two of the five worst-performing stocks have been J Sainsbury and Marks and Spencer, which have each seen their positions eroded by competition. But the two worst performers of all are Lloyds Bank and NatWest. The latter has a complicated history. The original NatWest was taken over in 2000 by the Royal Bank of Scotland, as part of an acquisition spree that turned RBS into the world's biggest bank. After RBS collapsed in the 2008 financial crisis, it reverted to the NatWest name.

If the FTSE 100 index is to do better in the next 40 years than the past four decades, it is going to need to depend less on financials and more on some dynamic sectors.

Overseas investors dominate ownership of UK quoted shares

Beneficial owners of UK quoted shares by subsectors (%)



Source: ONS

No data for other years

INSIGHT

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Shipping blues boosted by Red Sea rebels

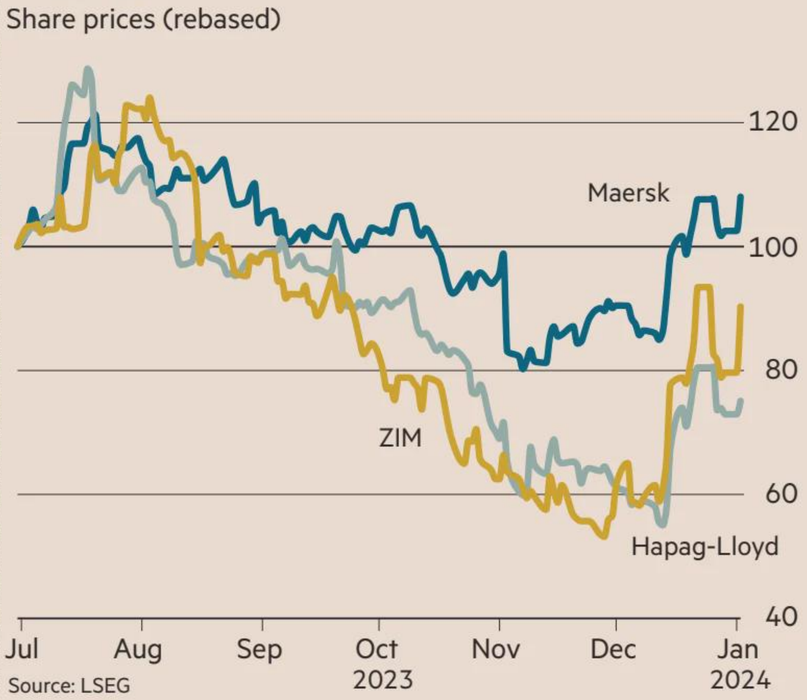
Choppy waters Until recently, shipping share prices were suffering

Shipping free cash flows expected to fall

FT graphic Source: Barclays

Shipping stocks have rallied after Red Sea attacks

Share prices (rebased)



Source: LSEG

Few industries are more sensitive to geopolitics than the one that moves goods from factories in the east to consumers in the west.

Open seas and giant container ships have made globalisation and the wealth it creates possible. But supply chains are a tightly run ship and when blown off course, as the pandemic showed, large swings in prices and sentiment occur.

Dominated by a few huge companies like Switzerland's MSC and Denmark's Maersk, container lines operate like a regular conveyor belt across the oceans. Many customers buy space as and when availability and prices suit them. This leaves the industry with a high reliance on short-term or spot prices that are attuned to supply and demand. This is efficient when things are working properly but also susceptible to volatility. That means earnings for shipping companies and their shareholders also have a tendency for exaggerated cyclicality.

Yemeni rebels are the latest ill wind to hit, causing disruption in the Red Sea with attacks on ships. The route is a critical choke point that leads to the Suez Canal, through which about 12 per cent of global trade passes. Maersk said this week it would pause transits along the route due to the rising risk. It will instead route ships around South Africa, a journey that can add up to two weeks to a voyage. Transits along the route are almost 70 per cent higher so far this year, according to the IMF's Portwatch service. This is sparking fears of a supply crunch of ship capacity.

The disruption comes at a particularly sensitive time, notes Philip Damas of Drewry Shipping Consultants, with China's producers rushing to get goods to Europe before they shut for Chinese new year. Rates for 40ft containers to Northern Europe from China have risen from $1,148 at the end of November last year to about $4,000 today. Damas expects rates to remain elevated for at least the next month. That is also boosting share prices for shipping lines. Maersk and Germany's Hapag-Lloyd are up about 20 per cent over the same period.

This is good for investors at first glance, but the industry continues to battle the hangover of previous price volatility. Before the recent conflict, share prices for the groups were close to three-year lows. This was due to fears of an oversupply of capacity as a result of record ship orders placed during the pandemic. Freight rates soared in the Covid period on global disruption and new ship deliveries are expected to peak this year.

That could push global overcapacity to a record 25 per cent this year, according to Drewry. That explains why freight rates and share prices were in the doldrums. That could, however, tighten by as much as 9 percentage points if the Red Sea route remains closed for the rest of the year, adds Damas. That would still leave the industry oversupplied by levels experienced during a previous industry slump prior to 2019.

The industry response has been to consolidate. The five largest companies now control 65 per cent of the market, up from 45 per cent in 2016. Still the industry is expected to make an operating loss as a whole this year. Even with sharp lay-offs to come, Maersk might lose $500mn this year, according to Visible Alpha consensus. A rebel-provoked rally in freight rates might help soften that. But the fundamentals of too many container ships on the seas will be a more powerful force dictating earnings in the coming years.

Maersk has paused shipments through the Red Sea

Footsie to its friends

Lex features the FTSE 100 index, or at least its constituents, on an almost daily basis. Awkwardly, it was not always that way. When it was born 40 years ago this week, the index was initially named the "SE 100". It was not until a rebrand over a month later to include "FT" that Lex initiated coverage, dubbing the index "footsie to its friends".

The FTSE 100 was originally conceived to help the London futures market offer more products. Lex noted it "should gain a following in the equity cash market as well".

Its anniversary offers an opportunity for amusement at past understatements. But it also comes at a time of soul-searching for UK equity markets. The FTSE 100 and its sister indices will require fresh impetus to gee them up for the next 40 years.

Membership of the FTSE 100 no longer holds the prestige it once did, even with the index money that now tracks its constituents. It trades at a 45 per cent discount to the S&P 500 on forward earnings, partly because of its lack of large tech companies. The discount to the MSCI world index, ex-the US, is smaller but still not inconsiderable at 19 per cent.

Companies such as Smurfit Kappa have highlighted that valuation gap in seeking to move primary listings to New York. Weaker liquidity is also blamed for London missing out on big listings.

The cachet attached to FTSE inclusion was seen as outweighing the governance strictures of joining the club of "premium" stocks on the London market. No longer. Changes to listing rules undeniably chip away at the shareholder protection the UK market once wore as a badge of pride.

The index itself will need to modernise. But that won't address underlying challenges. Efforts to boost the flow of pension fund money into the market, while welcome, will not bear fruit quickly — with calls for more immediate action, including a "British Isa", growing.

The truth is no proposal in isolation can bring the quick fix City reformers desire. But birthdays are a time to take stock — and the FTSE 100, born out of London's desire to grow and succeed, needs that if it is to meet that continued aspiration in future."

Lex online
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Oil majors increase worldwide biofuel production

For more on the drive for a fairer, cleaner and sustainable world economy, sign up for the FT's Moral Money newsletter at FT.com/newsletters

Animal fats, oils and other stinky stuff from the kitchen are increasingly becoming business opportunities for oil majors as they dip their toes into biofuel production.

Biofuels comprise a large category that includes ethanol from agriculture as well as some forms of waste.

On January 2, Australia's Environmental Protection Authority approved BP's plan to revamp an oil refinery south of Perth so that it can make sustainable fuels from vegetable oils, animal fats and other biowaste.

This conversion project was unprecedented for BP, the company said last year, and marks the start of a multibillion dollar investment in sustainable fuels that can be substituted for conventional ones. BP said the Australian refinery was one of five biofuel planned projects globally. It is scheduled to produce sustainable aviation fuels by 2026.

But BP's announcement comes after it last year reversed its shift away from fossil fuels, saying it would continue to pump more oil. Separately, on Wednesday, BP and Equinor scrapped a New York offshore wind contract as its costs rose.

Still, oil majors globally have jumped into the biofuels space. A year ago, ExxonMobil said its Canadian affiliate Imperial Oil was investing $560mn to build a renewable diesel facility in the country, starting in 2025.

In December, Exxon chief executive Darren Woods said biofuels would "play a role" in the transition from fossil fuels. "The transition is not limited to just wind, solar and EVs," he said.

Companies are moving into biofuels mainly because government regulations are forcing them to. For example, the EU is expected to require in 2025 that at least 2 per cent of jet fuel will be sustainable.

Other jurisdictions have joined in. British Columbia in December published new low-carbon fuels standards that include jet fuel requirements for the first time. Beginning in 2028, at least 1 per cent of jet fuel must be low carbon. This will increase to 10 per cent in 2030. And in December, the US Treasury Department published requirements for sustainable aviation fuel credits that were included in the 2022 Inflation Reduction Act.

Patrick Temple-West

OPINION/YOUR QUESTIONS

Put your probate to the test — others will thank you

Nathan Valbonesi
On inheritance

In an episode of the US comedy series *Frasier*, the main character, Dr Frasier Crane, is misreported in the press as having died. He gets to read his own obituaries and, disappointed, suddenly wants to write a Pulitzer Prize-winning novel and climb mountains.

Encouraging readers to start the year by imagining their own deaths might seem rather depressing, but I think it can be a positive exercise. It helps you to think about your legacy. And there are several parts to that.

Often the person picking up the pieces is a close family member or friend. Sometimes it is an accountant or lawyer, charging by the hour. The first question you might ask is: are your executors still right for the role?

I have seen instances where the executor was fine when the will was written. But 30 years later they are too frail and ill. I have also seen cases where the executor has already died.

An executor's job is miserable, so make it easier. By running through what would be involved in your own probate (or confirmation in Scotland), you will discover what it would be like for someone else.

Is the necessary documentation on your computer or at your home? Can your executors access it? Are there contact details for your advisers and beneficiaries? Is the information up to date? An advantage of having an adviser or private banker at the hub of your financial world is that much of this information is held in a data system. Regardless, you can still make things easier for executors.

Picture them going through your filing cabinet. What will they think of a savings plan that started with one company 30 years ago and several confusing rebrands and takeovers later is now looked after by a different business? Do you need all that documented history?

IHT legacy

Consider, too, inheritance tax (IHT). HM Revenue & Customs may drill down into your gift register to see if large gifts have been made in the seven years before your death on which IHT might now be owed.

If you have made regular gifts out of income — an IHT-efficient form of giving — HMRC may want to see records to show this was truly out of income rather than capital. If you have not logged this information, it could take you — or your executors — hours to do so. So be conscientious about logging gifts in future.

Liquidity

How will executors pay the IHT bill? Ordinarily it must be settled within six months of death but, for some non-liquid assets such as property, HMRC allows you to pay by instalments across 10 years. It charges interest, though, and you must settle the full bill on disposal.

All this makes winding up your estate more complex. Most people want the job done and that may mean taking a price cut on a property to sell quickly. Experience suggests that in today's market this could mean knocking another 20 per cent off the reasonable asking price.

Recognising this may encourage you to move into more liquid assets now or — as many of our clients do — to take out whole-of-life insurance that pays enough on death to cover at least this part of the IHT bill. This simplifies things for your executors and gives your beneficiaries more time to dispose of assets if and when ready.

Beneficiaries

Of course, you also need to review who your beneficiaries are. Since you last wrote a will and completed pension beneficiary forms, your children may have divorced their partners. There may be more grandchildren. You may have become disillusioned with a charity or have new concerns and passions.

This brings us to another important point — the amounts you are leaving to your beneficiaries and how these will be met. Around 20 years ago, a couple writing their will left £500,000 in cash and investments for family. They left a house in Muswell Hill, north London, worth a similar amount, to charity.

When they died recently, a friend who was trustee of the estate found their cash pot for family members had fallen to nearer £250,000. Meanwhile, the house sold for £2mn, all of which went to charity. Was that their intention? Probably not. Many charities rely on legacies and enforce gifts to the letter, so think carefully about how you frame your will. Fixed-figure legacies and bequests of assets with growth potential to a charity require regular review.

Living legacy

When all this is done, you might want to think about a philosophical legacy question. What difference will your gifts make? Could you be making that difference now?

One factor holding people back from giving before death is concern about their own needs. How long will we live? What might our needs be? Do our children — or grandchildren — need help?

A good financial plan can reassure you that your needs — and those of your family — are covered. From here you can address further questions. For example, are there other people you want to support through education beyond your immediate family?

Imagining your death every five years can encourage you to revisit the issue of your larger legacy. As each half decade passes, it may become clearer how much you can give. Your own expenditure might have dropped as foreign travel becomes more exhausting than fun. There may be greater clarity on your children's and grandchildren's needs.

Giving before you die enables you to see the changes your wealth can make. Family members may need it more when they are younger — you can enjoy helping them and reduce your IHT bill at the same time.

Giving to charity while still alive also gives you control over which projects you fund. You can give gradually, measure the benefits and recalibrate. This is not possible when you die!

Many of my clients get enormous pleasure from unleashing their legacy early. In this season of resolutions, consider setting time aside to consider the impact of your death. It may change the way you live.

Nathan Valbonesi is a chartered financial planner and leads the investment and wealth advice team at Weatherbys Private Bank

You might want to think about a philosophical legacy question. What difference will your gifts make?

False reports of his death: Kelsey Grammer in 'Frasier' — Maximum Film/Alamy

Your Questions Will my pay rise force me to file a tax return?

YOUR QUESTIONS

Lucy Warwick-Ching

Following some strong financial results at my company, my salary – including bonuses – is a little over £150,000 for the first time. I don't have any other income and my tax is deducted automatically through PAYE. It was my understanding that I would need to complete a self-assessment tax return now that my earnings have increased, and the deadline for submitting the return is different from non-PAYE taxpayers. Have the rules changed recently? What tax return – if any – do I need to submit this year?

Richard Jameson, private wealth partner at Saffery, says that for the tax year 2022-23, anyone with taxable income above £100,000 needs to file a tax return. They needed to notify HM Revenue & Customs of the requirement to file by October 5, following the end of the tax year on April 5.

You should notify HMRC as soon as you can. Penalties for late registration can be up to 100 per cent of the tax owed. However, if you still file your return and pay any tax due on time (by January 31 2024) you should not be penalised.

The reporting threshold for 2023-24 was raised to £150,000. So by October 5 2024 you will need to notify HMRC of the need to file a return.

The deadline for submitting a tax return on paper is October 31 following the tax year end and it is January 31 if filing online. This means the deadline for filing the 2023-24 tax return online is January 31 2025 (and for paying any tax due).

However, for those liable to pay tax through PAYE, who have additional tax to pay of less than £3,000, this will normally be collected in instalments through PAYE. This is provided the 2023-24 return has been filed on paper by October 31, or online before December 30 2024.

If you do not file your return by December 30 but would still like to pay any tax owed in instalments, you may be able to set up a payment plan with HMRC. This will only be possible if you meet several criteria, including that you owe less than £30,000, and the plan is arranged within 60 days of the January 31 deadline. Interest will be added, though.

The chancellor has said that the income threshold for filing a return will be removed from April 6 2024 — applying to tax paid in 2024-25. So individuals taxed only through PAYE who have nothing else to report will not be required to file a self-assessment tax return for 2024-25 onwards. However, other income, such as bank interest, will still need to be disclosed on a tax return.

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Investors' Chronicle

Investment ideas for 2024

Aerospace & defence

Babcock International (BAB)

After a painful reset in 2021, the defence specialist is now operating from a position of strength

After taking the helm at Babcock in late 2020, chief executive David Lockwood pledged to raise £400mn through disposals.

By the time it reported 2022 numbers, Babcock had exceeded this target, allowing it to pay down debt, make inroads into its pension deficit and spend money on improvements at its Devonport shipyard. Yet when full-year results for 2023 rolled in, it reported a £100mn hit on a long-running contract for the Ministry of Defence.

The company is also losing money on other contracts, and management said that 11 per cent of last year's revenue was linked to work on which it earned a "low to zero margin".

The elimination of these legacy contracts will take time — they only start meaningfully to fall away in 2026 and stretch until 2028. As they do, though, and as the company delivers projects more efficiently and only bids for work that meets risk and margin thresholds, Babcock is confident of maintaining an operating margin above 8 per cent.

Babcock's improved performance, and its decision to reintroduce a dividend for the first time in four years, are behind a 35 per cent uplift in its share price over the past year. Investor sentiment has clearly picked up. However, with its shares priced at under 10 times forecast earnings, Babcock's valuation multiple is a third cheaper than domestic peers Chemring and BAE Systems.

As debt is repaid, this gives management more options to boost returns, either through growth capex, bolt-on M&A or simply returning spare cash to shareholders. *Michael Fahy*

Technology hardware

Nvidia (US:NVDA)

Given the AI semiconductor company's growth prospects, its valuation isn't as rich as it appears

After a year in which the share price of the main beneficiary of the artificial intelligence (AI) race more than tripled, plenty of investors will fear they have missed the boat with semiconductor designer Nvidia.

On 64 times trailing profits, the stock's valuation appears extreme. But factor in Nvidia's current momentum, and things look much more reasonable. In the three months to October, revenue rose 206 per cent year on year to $18.1bn.

As a capital-light semiconductor designer that outsources manufacturing, Nvidia's operating margin climbed to 57 per cent, enabling operating profit to rise 1,259 per cent year on year to $10.4bn.

Such rapid growth has some fund managers making a value-based argument for the shares. "Nvidia's share price growth has been driven by its earnings growth rather than valuation expansion," argues Tony Wang, T Rowe Price's co-portfolio manager of its US technology strategy.

Last year, China made up 21 per cent of Nvidia's revenue; with restrictions imminent, Nvidia has said it expects sales to China to "decline significantly" in the three months to January 31. However, management is confident that growth elsewhere will more than offset the China headwinds.

This is probably true, but for growth to be maintained, its AI enterprise software needs to show clear productivity improvements in the workplace. The demand for Nvidia's hardware will accelerate in 2024 and its 25 times forward earnings multiple could soon look like a bargain. *Arthur Sants*

Construction

MJ Gleeson (GLE)

Investors have failed to appreciate the benefits of this housebuilder's market niche

MJ Gleeson is not a typical listed housebuilder. The houses it builds are far cheaper than both the UK and FTSE 350 housebuilder average.

This price point is the key to its investment case. While larger peers chase higher margins by purchasing prime land in wealthier locations and developing expensive homes, MJ Gleeson buys brownfield or reclaimed land. The upshot is the developer is often one of the only bidders on the sites it acquires across the Midlands and the north of England.

MJ Gleeson is increasing its forward sales pipeline. If the mark of a solid investment in the sector is the avoidance of violent boom-to-bust sales cycles, then MJ Gleeson possesses strengths that its better-known peers do not.

Indeed, sensing the mood music, some larger rivals are doubling down on the affordable housing theme, building for lower price points.

Meanwhile, MJ Gleeson's focus has been steady for years, and the fact others are now following suit suggests its niche is better suited to this point in the housing cycle.

Investors have failed to see this. As well as trading at less than 11 times forecast earnings, MJ Gleeson shares change hands for less than their net asset value.

This is an unjustified discount for a business building a stable future, and analysts agree. Assuming the shares re-rate in line with its forecasts, Investec reckons that MJ Gleeson offers greater potential reward than any other FTSE 350 housebuilder. *Mitchell Labiak*

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DIRECTORS' DEALS

	Director/PDMR	Date	Price (p)	Aggregate Value (£)
BUY				
CRH	Shaun Kelly	14 Dec 23	**5,303**	**106,060**
Diploma	Chris Davies (cfo)	15 Dec 23	**3,546**	**135,599**
Energean	Martin Houston	15 Dec 23	**959**	**81,480**
Haleon	Vindi Banga	19 Dec 23	**323**	**516,158**
Lok'n Store	Bridget Barker	15 Dec 23	**820**	**98,400**
LSL Property Services	David Barral (ch)	14 Dec 23	**222**	**397,950**
Marwyn Value Investors	James Corsellis*	18 Dec 23	**78**	**234,000**
Rolls-Royce	Paulo Cesar Silva	19 Dec 23	**295**	**126,790**
Tullow Oil	Roald Goethe	22-28 Dec 23	**38**	**133,085**
SELL				
FirstGroup	Ryan Mangold (cfo)*	21 Dec 23	**170**	**474,880**
Future	Penny Ladkin-Brand (cfo)*	19 Dec 23	**690**	**648,950**
Hilton Food	Robert Watson (ch)	19 Dec 23	**730**	**401,500**
Judges Scientific	Alexander Hambro (ch)	21 Dec 23	**9,425**	**141,375**
Pearson	Giovanni Giovannelli	15 Dec 23	**934**	**2,756,414**
Rio Tinto	Bold Baatar	20 Dec 23	**5,772**	**3,186,476**
Rio Tinto	Alfredo Barrios	20 Dec 23	**5,807**	**4,645,628**
Sage	Amanda Cusdin	19 Dec 23	**1,171**	**503,357**

* Spouse/family/close associate
Source: Investors' Chronicle

Early in December, several **Rio Tinto** insiders actioned trades in relation to the mining group's bonus deferral awards.

Then, in the run-up to Christmas, two senior figures — Bold Baatar (chief executive, copper) and Alfredo Barrios (chief commercial officer) — offloaded shares worth around £7.8mn in aggregate. The trades were completed in the wake of a positive technical signal in the third week of November. Indeed, the group's share price has risen by 30 per cent since the 12-month low point in mid-August, which is perhaps surprising given the outlook for industrial metals.

The consensus seems to be that prices will be constrained throughout 2024 because of softening global demand, along with weakening capital investment and adequate supply levels. However, the febrile geopolitical environment and prospects for the US dollar will doubtless feed into the mix. *Mark Robinson, Investors' Chronicle*

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- Brokers' share tips
- Daily investment emails, with latest news and ideas
- Trader updates
- Economic analysis
- Chronic Investor blog
- Daily share tip updates

DATABANK

SAVINGS

	Account	Notice	Deposit	AER%	Int paid
NO NOTICE up to £100					
Virgin Money virginmoney.com	Defined Access E-Saver Issue 20	None	£1	5.07%	Yly
cahoot cahoot.com	cahoot Simple Saver (Issue 2)	None	£1	5.12%	Yly
cahoot cahoot.com	cahoot Sunny Day Saver (Issue 1)	None	£1	5.20%	Yly
NO NOTICE £5,000					
cahoot cahoot.com	cahoot Simple Saver (Issue 2)	None	£1	5.12%	Yly
Earl Shilton BS via branch	Bonus One Account	None	£5,000	5.15%	Yly
Ulster Bank ulsterbank.co.uk	Loyalty Saver	None	£5,000	5.20%	Yly
NO NOTICE £10,000					
cahoot cahoot.com	cahoot Simple Saver (Issue 2)	None	£1	5.12%	Yly
Earl Shilton BS via branch	Bonus One Account	None	£5,000	5.15%	Yly
Ulster Bank ulsterbank.co.uk	Loyalty Saver	None	£5,000	5.20%	Yly
NO NOTICE £50,000					
cahoot cahoot.com	cahoot Simple Saver (Issue 2)	None	£1	5.12%	Yly
Earl Shilton BS via branch	Bonus One Account	None	£5,000	5.15%	Yly
Ulster Bank ulsterbank.co.uk	Loyalty Saver	None	£5,000	5.20%	Yly
NO NOTICE £100,000					
Leeds BS leedsbuildingsociety.co.uk	Ltd Issue Online Access Account (53)	None	£1,000	5.10%	OM
cahoot cahoot.com	cahoot Simple Saver (Issue 2)	None	£1	5.12%	Yly
Ulster Bank ulsterbank.co.uk	Loyalty Saver	None	£5,000	5.20%	Yly
UP TO 90 DAYS NOTICE £1,000					
West Brom BS westbrom.co.uk	WeBSave 60 Day Notice Account	60 Day	£1	5.25%	Yly
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£100	5.40%	Yly
UP TO 90 DAYS NOTICE £5,000					
West Brom BS westbrom.co.uk	WeBSave 60 Day Notice Account	60 Day	£1	5.25%	Yly
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£100	5.40%	Yly
UP TO 90 DAYS NOTICE £10,000					
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	5.35%	Qly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£100	5.40%	Yly
UP TO 90 DAYS NOTICE £50,000					
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	5.35%	Qly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£100	5.40%	Yly
Monument Bank via app	60 Day Notice Account	60 Day	£25,000	5.41%	Mly
UP TO 90 DAYS NOTICE £100,000					
BLME blme.com A	90 Day Notice Account (Issue 5)	90 Day	£10,000	5.35%	Qly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£100	5.40%	Yly
Monument Bank via app	60 Day Notice Account	60 Day	£25,000	5.41%	Mly
MONTHLY INTEREST UP TO £5,000					
cahoot cahoot.com	cahoot Sunny Day Saver (Issue 1)	None	£1	5.20%	Mly
West Brom BS westbrom.co.uk	WeBSave 60 Day Notice Account	60 Day	£1	5.25%	Mly
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
MONTHLY INTEREST £5,000					
West Brom BS westbrom.co.uk	WeBSave 60 Day Notice Account	60 Day	£1	5.25%	Mly
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£5,000	5.40%	Mly
MONTHLY INTEREST £10,000					
West Brom BS westbrom.co.uk	WeBSave 60 Day Notice Account	60 Day	£1	5.25%	Mly
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£5,000	5.40%	Mly
MONTHLY INTEREST £50,000					
DF Capital dfcapital.co.uk	90 Day Notice Account (Issue 1)	90 Day	£1,000	5.30%	Mly
FirstSave firstsave.co.uk	90 Day Notice Account (Oct23)	90 Day	£5,000	5.40%	Mly
Monument Bank via app	60 Day Notice Account	60 Day	£25,000	5.41%	Mly
OFFSHORE ACCOUNTS £10,000					
NatWest International natwestinternational.com	Premium Saver Account	None	£1	2.73%	Mly
Standard Bank international.standardbank.com	Offshore Reserve Savings Account	None	£3,000	3.17%	½ Yly
Standard Bank international.standardbank.com	International Saver 36 Account	36 Day	£10,000	4.60%	Yly
ACCOUNTS WITH INTRODUCTORY BONUS					
Post Office Money® via branch	Instant Saver (Issue 28)	None	£100	4.10%	Yly
Sainsbury's Bank sainsburysbank.co.uk	Bonus Websaver	None	£1	4.50%	Yly
Post Office Money® postoffice.co.uk	Online Saver Issue 70	None	£1	4.70%	Yly
Tesco Bank tescobank.com	Internet Saver	None	£1	4.75%	Yly
SAGA saga.co.uk	Easy Access Savings Account	None	£1	4.75%	Mly
Marcus by Goldman Sachs® marcus.co.uk	Online Savings Account	None	£1	4.75%	Mly
Principality BS via branch	Branch 5 Access Bonus Saver	None	£1	4.80%	Yly

A - Protected by a non-UK compensation scheme. B - Introductory rate for a limited period.
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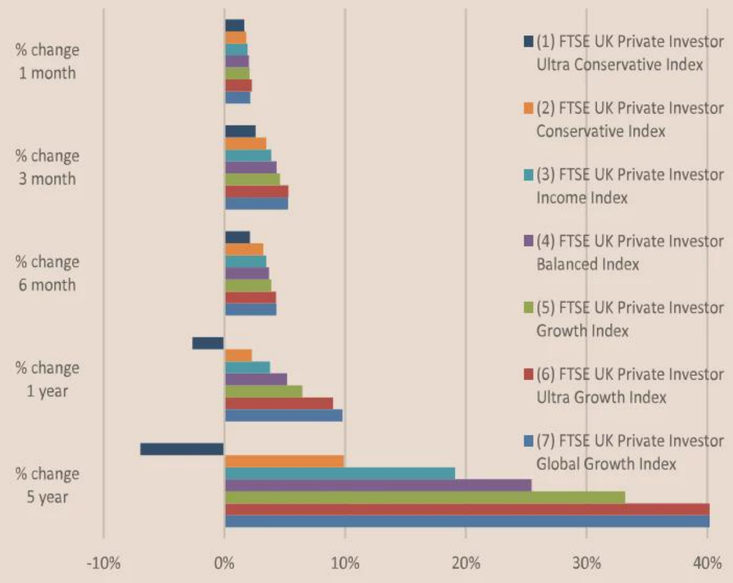
Figures compiled on 04 January
Source: Moneyfactscompare.co.uk - Helping you make better financial decisions

FTSE Private Investor Index Series

	4 Jan	% change 1 mth	3 mth	1 yr	5 yrs
(1) FTSE UK Private Investor Ultra Conservative Index	1036.98	1.65	2.59	-2.65	-6.96
(2) FTSE UK Private Investor Conservative Index	1373.27	1.80	3.46	2.28	9.88
(3) FTSE UK Private Investor Income Index	3559.41	1.92	3.90	3.78	19.12
(4) FTSE UK Private Investor Balanced Index	5116.98	2.03	4.32	5.20	25.44
(5) FTSE UK Private Investor Growth Index	6393.02	2.09	4.62	6.45	33.19
(6) FTSE UK Private Investor Ultra Growth Index	2352.26	2.28	5.29	9.02	46.10
(7) FTSE UK Private Investor Global Growth Index	2400.77	2.15	5.27	9.79	51.68
(8) FTSE All-Share Index	4217.03	3.22	5.14	1.51	12.95
(9) FTSE All-World Ex UK Index	578.03	2.28	5.77	11.01	57.69

Numbers next to index name relate to chart below. Chart shows movements of private investor indices (rebased to 5 years ago = 100)



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ISA RATES

	Account	Notice	Deposit	Transfer In	AER%	Int paid
Cash ISAs						
Zopa via app	Smart ISA - Access ISA pot	None	£1	Yes	5.08%	Mly
Moneybox via app	Moneybox Cash ISA	None	£500	Yes	5.09% A	Yly
Metro Bank via branch	Instant Access Cash ISA	None	£1	Yes	5.11% A	Yly
Teachers BS teachersbuildingsociety.co.uk	Cash ISA Notice 180 (1)	180 Day	£1,000	Yes	5.25%	Yly
Fixed-Rate Cash ISAs						
Punjab National Bank (International) Limited via branch	Fixed Rate Cash ISA	1 Yr Bnd	£1,000	Yes	5.00%	OM
Post Office Money® postoffice.co.uk	Online ISA - Fixed Rate 44	1 Yr Bnd	£500	Yes	5.00%	Yly
Shawbrook Bank shawbrook.co.uk	Fixed Rate Cash ISA Bond 86	1 Yr Bnd	£1,000	Yes	5.01%	Yly
Virgin Money virginmoney.com	Fixed Rate Cash ISA Exclusive 103	1.25	£1	Yes	5.25%	OM

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Figures compiled on 04 January
Source: Moneyfactscompare.co.uk - Helping you make better financial decisions

RETIREMENT INCOME SNAPSHOT

	Ranking	Income pa
Aged 55 single life		
Scottish Widows	1	5812.20
Aviva	2	5734.20
JUST	3	5682.00
Standard Life	4	5499.60
Movement since 20/12/2023		0.00%
Aged 60 single life		
Scottish Widows	1	6218.40
Aviva	2	6150.72
JUST	3	6015.60
Standard Life	4	5941.32
Movement since 20/12/2023		0.00%
Aged 65 single life		
Scottish Widows	1	6961.44
Aviva	2	6798.96
Standard Life	3	6658.08
JUST	4	6654.60
Movement since 20/12/2023		0.00%
Male 60 / Wife 57 joint life		
Scottish Widows	1	5884.08
Aviva	2	5803.20
JUST	3	5719.44
Standard Life	4	5529.84
Movement since 20/12/2023		0.00%
Male 65 / Wife 62 joint life		
Scottish Widows	1	6437.52
Aviva	2	6301.32
Standard Life	3	6102.84
Canada Life	4	6101.16
Movement since 20/12/2023		0.00%

All payments are monthly in arrears, without a guarantee period and without escalation, with a spouse's benefit of 50% where applicable. Gender neutral rates. Figures assume an annuity purchase price of £100,000 and are shown gross. LS1 Postcode. A company appearing top for one set of benefits or age may be poor for a different set of benefits (for example, an index-linked annuity) or a different age. It is therefore imperative that you shop around for an annuity suited to your own circumstances. The tables do not include enhanced annuity rates for smokers or those in ill-health, nor for companies that provide annuities only for a specific group of retirees. The lower-paying providers have not been shown. The ranking column shows the position of the provider in relation to the top-paying annuity provider.
All figures supplied by Mercer Private Wealth. Mercer Private Wealth is a trading name of Mercer Limited. Mercer Limited is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No. 984275. Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU. www.mercer.com/en-gb/solutions/financial-planning/private-wealth-management
An annuity provides a guaranteed income for life in return for a lump sum investment. The bulk of the fund built up by many types of pension plans are used in this way. Annuity income is fully taxable. This week's table shows the best rate for PERSONAL PENSION ANNUITIES which are used for personal pension plans and retirement annuity contracts. The rates in the chart do not include inflation proofing. The movement shown is in the rate of the leading provider.

Data compiled on 03 January

OUR DATA

If you have any queries regarding the data provided please email databank@ft.com

MORTGAGE RATES

	Rate	MaxLTV	Fee	ERC period
Short Term Fixed Rates				
first direct 0800 482448	4.54% for 2 years	60%	£490	1st 2 yrs
HSBC 0808 256 6876	4.99% to 28.2.26	90%	£999	To 28.2.26
Gen H 07723 954895	4.53% for 3 years	75%	-	1st 3 yrs
HSBC 0808 256 6876	4.99% to 28.2.27	90%	£999	To 28.2.27
Longer Term Fixed Rates				
Gen H 07723 954895	4.36% for 5 years	75%	-	1st 5 yrs
HSBC 0808 256 6876	4.44% to 28.2.29	85%	£999	To 28.2.29
HSBC 0808 256 6876	4.54% to 28.2.29	90%	£999	To 28.2.29
Nationwide BS 0800 302010	4.84% for 10 years	85%	£999	1st 10 yrs
Remortgages				
first direct 0800 482448	4.54%F for 2 years	60%	£490	1st 2 yrs
first direct 0800 482448	4.99%F for 2 years	80%	£490	1st 2 yrs
Gen H 07723 954895	4.69%F for 3 years	80%	-	1st 3 yrs
first direct 0800 482448	4.34%F for 5 years	75%	£490	1st 5 yrs
First Time Buyers (variable unless shown)				
Newcastle BS 0345 606 4488	5.40%F to 30.6.26	95%	£999	To 30.6.26
TSB 03459 758758	5.84%F to 31.3.26	95%	-	To 31.3.26
Gen H 07723 954895	5.40%F for 3 years	95%	-	1st 3 yrs
Gen H 07723 954895	4.96%F for 5 years	95%	-	1st 5 yrs
Discounted Variable Rates				
Leek Building Society 0808 169 6680	5.36% for 2 years	80%	£495	1st 2 yrs
Cumberland BS 01228 403141	5.54% for 2 years	85%	£999	1st yr
Newbury BS 01635 555777	4.99% for 3 years	75%	£850	1st 3 yrs
Tipton & Coseley BS 0800 833853	5.85% to 31.1.27	90%	£999	To 31.1.27
Flexible Variable Rates				
Nationwide BS 0800 302010	5.39% for 2 years	60%	£999	None
Nationwide BS 0800 302010	5.44% for 2 years	75%	£999	None
Lloyds Bank 0800 783 3634	5.86% to 31.5.26	80%	£999	To 31.5.26
Lloyds Bank 0800 783 3634	6.03% to 31.5.26	85%	£999	To 31.5.26
Buy-to-Let Variable Rates				
Leek Building Society 0808 169 6680	5.65%D for 2 years	75%	£995	1st 2 yrs
Cambridge BS 0345 601 3344	5.89%D for 2 years	80%	£199	1st 2 yrs
TSB 0808 274 5506	5.89%V to 30.4.26	75%	£995	None
Buy-to-Let Fixed Rates				
TSB 0808 274 5506	5.19% to 30.4.26	75%	£1,995	To 30.4.26
HSBC 0808 256 6876	4.14% to 28.2.29	60%	£1,999	To 28.2.29
Virgin Money 0330 057 1701	5.48% to 1.4.29	80%	£995	To 1.4.29

D = Discounted rate. F = Fixed rate. V = Variable rate.
Terms and conditions may apply when you repay your mortgage.
All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice.
Figures compiled on 04 January
Source: Moneyfactscompare.co.uk - Helping you make better financial decisions

PERMANENT INTEREST BEARING SHARES

PIBs & Former PIBs	Coupon (Gross) %	Issue price (p)	Minimum (£)	Price (p)	Yield (gross %)	Yield (if called)
Cheltenham & Gloucester 11 3/4% Perp. Bonds	11.750%	100	50000	185	6.35	-
Co-operative Group 11% Final Repayment Notes 20/12/2025	11.000%	100	1 share	106.85	10.29	6.88
Co-operative Group Instalment Repayment Notes (8p) 20/12/2025	12.125%	12	1 share	2	52.22	0.00
Coventry 12 1/8% PIBS	12.125%	100	1000	170	7.13	-
Halifax 9 3/8% Perp. Sub Bonds	9.375%	100	1000	139	6.74	-
Halifax 13 5/8% Perp. Sub Bonds	13.625%	100	50000	194	7.02	-
Leeds 13 3/8% PIBS	13.375%	100	1000	174.5	7.66	-
Nationwide CCDS (paying 10.25% coupon)	10.250%	100	250 shares+1	131	7.82	-
Nationwide floating rate PIBS (pays compounded SONIA + 4.1766%)	6.250%	100	1000	115	8.14	6.56
Nationwide 6 1/4% PIBS (call 22/10/2024 @ 100p)	6.250%	100	1000	101	6.19	4.87
Nationwide 7.859% PIBS Receipts (call 13/3/2030 @ 100p)	7.859%	100	100000	120	6.55	4.15
Newcastle 6 3/4% PIBS (call 13/4/2030 @ 100p)	6.750%	100	1000	100.25	6.73	6.69
Newcastle 8% PIBS	8.000%	100	1000	112.5	7.11	-
Newcastle 10 3/4% PIBS	10.750%	100	1000	145.5	7.39	-
Newcastle 12 5/8% PIBS	12.625%	100	1000	176.5	7.15	-
Nottingham 7 7/8% PIBS	7.875%	100	5000	105	7.50	-
OneSavings Bank Floating Rate Sub (reset/call 27/8/2024)	8.500%	100	1000	97.5	4.72	8.61
Skipton 8 1/2% PIBS	8.500%	100	2500	119	7.14	-
Skipton 12 7/8% PIBS	12.875%	100	1000	179	7.19	-
West Bromwich CCDS	0.000%	100	500 shares+1	45	10.00	-
West Bromwich PIBS (callable on any interest payment date @ 100p. Yield if called at next reset on 5/4/2026)	0.000%	100	1000	87	3.54	0.00
West Bromwich 11% Sub (call 12/4/2038 @ 100p)	11.000%	100	1+100 shares	121	9.09	8.24
Yorkshire 13.5% Convertible Notes (maturity 1/4/2025 @ 100p)	13.500%	100	500 shares	108.5	12.44	6.15

New text: A = Floating rate (3 month LIBOR + 1.05%). N = The next interest payment is not expected to be made. X = Pays the lower of 6.15% and the coupon rate attributable to the Profit Participating Deferred Shares (PDDs). Y = Callable on any interest payment date.
Data compiled on 04 January
Source: CANACCORD Genuity

DATABANK

ORDER BOOK FOR RETAIL BOND

TIDM	Name	Coupon	Mat Date	Price	Wk Chng	Yield	Gross RedYld	Period
A2D2	A2Dominion	4.5%	30/09/26	96.350	-0.35	4.67	6.05	6 mth
AE57	Aviva	6.125%	14/01/36	101.750	-1.43	6.02	5.88	12 mth
AA18	Barclays Bank	5.75%	14/09/26	101.200	-0.77	5.68	5.24	12 mth
72NS	British Telecomm	5.75%	17/12/28	104.650	-0.75	5.49	4.60	12 mth
AG99	GlaxoSmithKline	5.25%	19/12/33	107.800	-0.92	4.87	4.14	6 mth
72VH	Hammerson	6%	23/02/26	99.450	2.20	6.03	6.29	6 mth
35LS	HSBC Bank	5.375%	22/08/33	102.150	4.70	5.26	5.04	6 mth
41NW	Severn Trent	6.25%	07/06/29	105.500	2.33	5.92	4.96	6 mth
VO32	Vodafone	5.9%	26/11/32	108.325	2.93	5.45	4.58	12 mth

Data compiled on 04 January
Source: Morningstar

DIVIDENDS DECLARED

Company	Type	Amount	Pay date
Acerinox SA		0.310	26-Jan
Aurubis AG		1.400	20-Feb
Borr Drilling Ltd		0.518	22-Jan
BP PLC Pref Share		0.040	31-Jul
Caledonia Mining Corp PLC		0.110	26-Jan
Carr's Group PLC		0.029	01-Mar
Dewhurst Group PLC		0.110	26-Feb
Dewhurst Group PLC Class A Non Voting		0.110	26-Feb
Fairfax Financial Holdings Ltd Shs Subord.Vtg		19.870	25-Jan
Global Net Lease Inc		0.354	16-Jan
Grupo Media Capital SGPS SA		0.042	04-Jan
Inmobiliaria del Sur SA		0.140	15-Jan
Johnson & Johnson		1.078	05-Mar
LTC Properties Inc		0.190	29-Mar
Mittel SpA		0.123	07-Feb
PennantPark Floating Rate Capital Ltd		0.103	01-Feb
RPM International Inc		0.460	31-Jan
Salus		35.000	11-Jan
SM Energy Co		0.180	05-Feb
Walker Crips Group PLC		0.003	26-Jan

Data compiled on 04 January
Source: Morningstar

RESULTS DUE

Company	Type	Date

Data compiled on 04 January
Source: Morningstar

INVESTMENT TRUST DATA

Company	NAV	EPS	DPS
3i Group Ord	6.79	0.00	0.04
3i Infrastructure Ord	1.49	4.00	0.01
abrdn Equity Income Trust Ord	0.90	5.00	0.00
Amati AIM VCT Ord	2.71	55.00	0.03
BlackRock Energy and Resources Inc	1.42	16.00	0.01
Chelverton UK Dividend Trust Ord	3.60	9.00	0.02
CT Global Managed Portfolio Income Ord	3.67	5.00	0.08
Fidelity Special Values Ord	2.19	6.00	0.02
Gore Street Energy Storage Fund Ord	0.77	1.00	0.00
Henderson Diversified Income Ord	1.76	19.00	0.03
JPMorgan European Growth & Income Ord	1.15	2.00	0.02
LXI REIT Ord	0.71	6.00	0.01
Regional REIT Ord	0.68	14.00	0.02
Residential Secure Income Ord	1.13	1.00	0.02
Scottish Oriental Smaller Cos Ord	3.32	1.00	0.02
TR Property Ord	10.14	-14.00	0.12
Triple Point Energy Transition Ord	1.38	42.00	0.02
Tritax EuroBox Euro Ord	1.30	-10.00	0.00
Troy Income & Growth Ord	1.55	3.00	0.01
Worldwide Healthcare Ord	1.77	20.00	0.01

Data compiled on 04 January
Source: Morningstar

Data provided by Morningstar

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MANAGED FUNDS SERVICE

Guide to data

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Guide to pricing of Authorised Investment Funds (compiled with the assistance of the IMA. The Investment Management Association, 65 Kingsway, London WC2B 6TD. Tel: +44 (0)20 7831 0898.)

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Share Classes: Separate classes of share are denoted by a letter or number after the name of the fund. Different classes are issued to reflect a different currency, charging structure or type of holder.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; **#** 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

The managers/operators must deal at a forward price on request, and may move to forward pricing at any time.

Forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators.

Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators.

* Indicates funds which do not price on Fridays.

Charges for this advertising service are based on the number of lines published and the classification of the fund.

Please contact **data@ft.com or call +44 (0)20 7873 3132** for further information.

LGT Wealth Management (CI) Limited (JER)

Sir Walter Raleigh House, 48 - 50 Esplanade, St Helier, Jersey, JE2 3QB

FCA Recognised

Volare Offshore Strategy Fund Limited	Bid		Offer	D+/-	Yield
Bridge Fund	£2.1992	-	-0.0132		2.49
Global Equity Fund	£3.4342	-	-0.0145		1.51
Global Fixed Interest Fund	£0.7532	-	-0.0033		5.42
Income Fund	£0.6371	-	-0.0045		3.16
Sterling Fixed Interest Fund	£0.6861	-	-0.0047		4.74
UK Equity Fund	£1.8189	-	-0.0198		3.50

Algebris Investments (IRL)

Regulated

Fund	Bid		Offer	D+/-	Yield
Algebris Financial Credit I EUR	€191.63	-	-0.12		0.00
Algebris Financial Credit R EUR	€163.65	-	-0.11		0.00
Algebris Financial Credit Rd EUR	€ 94.01	-	-0.07		5.83
Algebris Financial Income I EUR	€203.30	-	0.91		0.00
Algebris Financial Income R EUR	€183.20	-	0.81		0.00
Algebris Financial Income Rd EUR	€106.66	-	0.47		4.75
Algebris Financial Equity B EUR	€195.71	-	2.22		0.00
Algebris Financial Equity R EUR	€162.82	-	1.84		0.00
Algebris IG Financial Credit I EUR	€104.99	-	-0.37		0.00
Algebris IG Financial Credit R EUR	€102.81	-	-0.37		0.00
Algebris Global Credit Opportunities I EUR	€138.93	-	0.06		0.00
Algebris Global Credit Opportunities R EUR	€135.10	-	0.06		0.00
Algebris Global Credit Opportunities Rd EUR	€114.12	-	0.05		3.84
Algebris Core Italy I EUR	€150.96	-	0.79		0.00
Algebris Core Italy R EUR	€142.15	-	0.75		0.00
Algebris Sust. World B	€114.06	-	0.05		0.00
Algebris Sust. World R	€112.29	-	0.05		0.00

The Antares European Fund Limited

Other International

AEF Ltd Usd	$518.84	-	1.41		0.00
AEF Ltd Eur	€470.51	-	1.03		0.00

Artemis Fund Managers Ltd (1200)F (UK)

57 St. James's Street, London SW1A 1LD 0800 092 2051

Authorised Inv Funds

	Bid		Offer	D+/-	Yield
Artemis SmartGARP UK Eq I Acc	2445.97	-	-11.30		3.94
Artemis Corporate Bond I Acc	104.61	-	-0.81		4.75
Artemis SmartGARP Eur Eq I Acc	489.13	-	1.21		2.32
Artemis European Opps I Acc	140.15	-	-0.63		0.10
Artemis SmartGARP GloEmr Eq I Acc	178.68	-	-0.24		-
Artemis SmartGARP Glo Eq I Acc	398.16	-	0.11		2.99
Artemis Global Income I Inc	116.13	-	0.12		3.31
Artemis Global Select I Acc	171.74	-	-0.34		0.90
Artemis High Income I Q Inc	70.23	-	-0.31		6.13
Artemis Income I Inc	255.39	-	-1.85		3.90
Artemis Monthly Dist I Inc	71.04	-	-0.19		4.66
Artemis Positive Future Fund	61.41	-	-0.31		0.00
Artemis Strategic Assets I Acc	99.93	-	-0.02		1.62
Artemis Strategic Bond I Q Acc	107.33	-	-0.69		4.22
Artemis Target Return Bond I Acc	113.14	-	-0.35		4.39
Artemis UK Select Fund Class I Acc	833.03	-	-7.89		2.62
Artemis UK Smaller Cos I Acc	2102.64	-	-4.94		2.11
Artemis UK Special Sits I Acc	815.99	-	-8.10		1.71
Artemis US Abs Return I Hdg Acc	113.41	-	-0.22		0.24
Artemis US Extended Alpha I Acc	365.76	-	-1.51		0.00
Artemis US Select I Acc	333.94	-	-1.37		0.15
Artemis US Smlr Cos I Acc	317.48	-	-0.62		0.00

Ashmore Group

61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233

Authorised Inv Funds

	Bid		Offer	D+/-	Yield
Emerging Markets Equity Fund	$124.40	-	-0.63		0.00
Emerging Markets Equity ESG Fund	$140.56	-	-1.07		0.00
Emerging Markets Frontier Equity Fund	$185.93	-	0.93		0.96
Emerging Markets Blended Debt Fund	$ 56.06	-	0.02		4.49
Emerging Markets Blended Debt ESG Fund	$ 87.21	-	-0.99		-
Emerging Markets Active Equity Fund	$120.10	-	-0.64		0.00
Emerging Markets Corporate Debt Fund	$ 59.28	-	0.04		5.69
Emerging Markets Debt Fund	$ 61.22	-	-0.12		4.90
Emerging Markets Local Currency Bond Fund	$ 64.67	-	-0.04		4.58

Atlantas Sicav (LUX)

Regulated

	Bid		Offer	D+/-	Yield
American Dynamic	$7583.79	-	-26.61		0.00
American One	$8213.05	-	3.47		0.00
Bond Global	€1584.69	-	4.51		0.00
Eurocroissance	€1417.02	-	3.54		0.00
Far East	$998.67	-	12.54		0.00

Blue Whale Investment Funds ICAV (IRE)

www.bluewhale.co.uk, info@bluewhale.co.uk

FCA Recognised - Ireland UCITS

Blue Whale Growth USD T	$ 11.18	-	-0.01		-

Brooks Macdonald International Fund Managers Limited (JER)

Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4UF

+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Brooks Macdonald International Investment Funds Limited	Bid		Offer	D+/-	Yield
Euro High Income	€1.2343	-	-0.0049		2.50
High Income	£0.6580	-	-0.0035		3.77
Sterling Bond	£1.2696	-	-0.0068		2.06
Brooks Macdonald International Multi Strategy Fund Limited					
Balanced Strategy A	£0.9553	-	-0.0017		0.01
Balanced Strategy	£0.9540	-	-0.0017		0.98
Cautious Balanced Strategy A	£0.9164	-	-0.0020		1.71
Growth Strategy A	£0.9689	-	-0.0032		0.01
High Growth Strategy A	£0.9693	-	-0.0036		0.70
Cautious Balanced Strategy	£1.2811	-	-0.0028		0.00
Growth Strategy	£2.0265	-	-0.0067		0.00
High Growth Strategy	£2.8413	-	-0.0104		0.00
US$ Growth Strategy	$1.8694	-	-0.0097		0.00

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

Brown Advisory Funds plc (IRL)

http://www.brownadvisory.com Tel: 020 3301 8130

FCA Recognised

	Bid		Offer	D+/-	Yield
Global Leaders Fund USD C	$ 24.14	-	0.04		0.00
Global Leaders Sustainable Fund USD C	$ 14.52	-	0.01		0.00
Global Sustainable Total Return Bond GBP B	£ 9.40	-	-0.03		2.64
Global Sustainable Total Return Bond USD B	$ 9.97	-	-0.03		0.00
US Equity Growth Fund USD B	$ 55.99	-	-0.14		0.00
US Flexible Equity Fund USD B	$ 28.62	-	-0.07		0.00
US Mid-Cap Growth Fund USD C	$ 18.98	-	0.05		0.00
US Small Cap Blend Fund USD B	$ 23.15	-	-0.06		0.00
US Smaller Companies Fund USD B	$ 36.32	-	-0.14		0.00
US Sustainable Growth Fund USD C	$ 28.74	-	-0.03		0.00
US Sustainable Value Fund USD C Acc	$ 11.73	-	-0.01		-

CG Asset Management Limited (IRL)

25 Moorgate, London, EC2R 6AY

Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859

FCA Recognised

CG Portfolio Fund Plc	Bid		Offer	D+/-	Yield
Absolute Return Cls M Inc	£133.87	134.47	-0.45		2.14
Capital Gearing Portfolio GBP P	£36763.10	36965.80	-128.32		1.74
Capital Gearing Portfolio GBP V	£178.78	179.76	-0.63		1.75
Dollar Fund Cls D Inc	£157.88	158.35	-1.96		1.86
Dollar Hedged GBP Inc	£ 92.00	92.28	-0.63		1.78
Real Return Cls A Inc	£189.19	189.76	-2.06		2.33
UK Index-Linked Bond G Inc	£102.67	102.98	-0.20		-

Candriam Investors Group (LUX)

FCA Recognised

	Bid		Offer	D+/-	Yield
Candriam Abs Ret Eqt Mkt Neutral-C-Cap	€213.98	-	-0.50		0.00
Candriam Bds Euro High Yield Cap	€1280.57	-	-0.94		0.00
Candriam Bonds Glb Hi Yield -C-Cap	€257.80	-	-0.14		0.00
Candriam Bonds Glbl Infl Sh Dtion-I-Cap	€154.96	-	-0.37		0.00
Candriam Bonds Total Return - C - Cap	€136.54	-	-0.36		0.00
Candriam Diversified Futures-I-Cap *	€14205.70	-	-29.29		0.00
Candriam Eqts L Australia Cap	A$1975.48	-	-4.80		0.00
Candriam Eqts L Emerging Mkts Cap	€841.90	-	-1.94		0.00
Candriam Equities L Biotecth-C-Cap	$843.57	-	10.65		0.00
Candriam Equities L Europe Innov-R-Cap	€263.58	-	0.25		0.00
Candriam Index Arbitrage-C - Cap	€1455.78	-	-0.70		0.00
Candriam Long Short Credit-R - Cap	€110.08	-	0.00		0.00
Candriam Risk Arbitrage - C - Cap	€2507.52	-	0.42		0.00
Candriam Sust Bond Emerg Mkts-I-DIST	$839.94	-	-2.64		2.37
Candriam Sust Bond Euro Corp-R-Cap	€102.14	-	-0.37		0.00
Candriam Sust Bond GlobalHighYield-I-Cap	€1141.04	-	-1.50		0.00
Candriam Sust Eq Clrl Econ-R-Cap	$133.34	-	0.05		0.00
Candriam Sust Eq Climt Action- I - Cap	$1516.69	-	-2.62		0.00
Candriam Sust Eq Emerging Mkts-C-Cap	€110.86	-	-0.44		0.00
Candriam Sust Eq EMU-C-Cap	€174.98	-	0.53		0.00
Candriam Sust Eq Eurp S&M Caps-I-Cap	€2378.49	-	8.61		0.00
Candriam Sust Eq World -C-Cap	€ 32.20	-	-0.08		0.00
NYLIM GF US HighYieldCorp Bond-R-Cap	$147.80	-	-0.15		0.00

Candriam Investors Group

Other International Funds

	Bid		Offer	D+/-	Yield
Candriam Bds Euro Sh.Term Cap	€2055.60	-	-3.34		0.00
Candriam Bonds Credit Opportunities	€204.85	-	-0.17		0.00
Candriam Bonds Emerg Mkt -C-Cap	$2533.90	-	-7.75		0.00
Candriam Equities L Eurp Opt Qlit-I-Cap	€218.22	-	-0.04		0.00
Candriam Equities L Global Demg-R-Cap	€275.17	-	-1.48		0.00
Candriam Equities L Onco impt-I-Cap	$2689.94	-	29.08		0.00
Candriam Equities L Robt& InnvTech-I-Cap	$3900.95	-	-19.74		0.00

Cantab Asset Management Ltd (UK)

01223 522000

www.cantabam.com

FCA Recognised

	Bid		Offer	D+/-	Yield
VT Cantab Balanced A GBP Acc	£ 1.07	-	0.00		1.46
VT Cantab Moderate A GBP Acc	£ 1.09	-	-0.01		1.76
VT Cantab Sustainable Glbl Eq A GBP Acc	£ 1.32	-	0.00		0.84

Chartered Asset Management Pte Ltd

Other International Funds

	Bid		Offer	D+/-	Yield
CAM-GTF VCC	$308344.02	308344.03	8642.46		-
CAM GTi VCC	$780.49	-	-32.39		-
RAIC VCC	$ 1.64	1.64	0.03		2.06

Consistent Unit Tst Mgt Co Ltd (1200)F (UK)

Stuart House, St John's Street, Peterborough, PE1 5DD

Dealing & Client Services 0345 850 8818

Authorised Inv Funds

	Bid		Offer	D+/-	Yield
Consistent UT Inc	59.04	59.04	-0.37		1.63
Consistent UT Acc	161.90	161.90	-1.00		0.59
Practical Investment Inc	245.40	245.40	-1.60		3.80
Practical Investment Acc	1598.00	1598.00	-11.00		0.58

CP Global Asset Management Pte. Ltd.

www.cpglobal.com.sg, Email: customer_support@cpglobal.com.sg

International Mutual Funds

	Bid		Offer	D+/-	Yield
CP Multi-Strategy Fund	$339.59	-	-1.80		-

CP Capital Asset Management Limited

www.cpgbl.com, email: fundservices@cpgbl.com

International Mutual Funds

	Bid		Offer	D+/-	Yield
CPS Master Private Fund	$460.13	-	-1.68		-
CP Global Alpha Fund	$380.49	-	-1.13		-

DWS (LUX)

Tel: +44 (0) 20 7541 8999 www.dws.com

FCA Recognised

	Bid		Offer	D+/-	Yield
DWS Invest Top Dividend	£151.98	151.98	0.31		3.15
DWS Invest Top Euroland	£165.84	165.84	-0.57		2.09
DWS Invest Multi Opportunities	£121.16	121.16	-0.20		0.00
DWS Invest Global Bonds	£ 96.66	96.66	-0.12		0.00

MANAGED FUNDS SERVICE

DODGE & COX® WORLDWIDE FUNDS

Dodge & Cox Worldwide Funds (IRL)

48-49 Pall Mall, London SW1Y 5JG.
www.dodgeandcox.worldwide.com 020 3713 7664

FCA Recognised

Fund	Bid		Offer	D+/-	Yield
Dodge & Cox Worldwide Funds plc - Global Bond Fund					
EUR Accumulating Class	€ 16.84	-		-0.11	0.00
EUR Accumulating Class (H)	€ 11.19	-		-0.04	0.00
EUR Distributing Class	€ 11.62	-		-0.07	1.01
EUR Distributing Class (H)	€ 7.68	-		-0.03	1.09
GBP Distributing Class	£ 12.33	-		-0.07	0.96
GBP Distributing Class (H)	£ 8.29	-		-0.04	1.05
USD Accumulating Class	$ 13.31	-		-0.05	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund					
USD Accumulating Share Class	$ 33.43	-		-0.01	0.00
GBP Accumulating Share Class	£ 43.35	-		-0.08	0.00
GBP Distributing Share class	£ 28.78	-		-0.05	0.00
EUR Accumulating Share Class	€ 45.86	-		-0.13	0.00
GBP Distributing Class (H)	£ 15.16	-		-0.01	0.00
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund					
USD Accumulating Share Class	$ 43.04	-		-0.11	0.00
GBP Accumulating Share Class	£ 52.79	-		-0.21	0.00
GBP Distributing Share Class	£ 31.35	-		-0.12	0.63
EUR Accumulating Share Class	€ 50.98	-		-0.25	0.00
GBP Distributing Class (H)	£ 16.79	-		-0.04	0.00

DRAGON CAPITAL

Dragon Capital

www.dragoncapital.com
Fund information:info@dragoncapital.com

Other International Funds

Fund	Bid		Offer	D+/-	Yield
Vietnam Equity (UCITS) Fund A USD	$ 28.61	-		0.11	0.00

edentree investment management

EdenTree Investment Management Ltd (UK)

PO Box 3733, Swindon, SN4 4BG, 0800 358 3010

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
EdenTree UK Equity Cls A Inc	213.20	-		-1.90	1.53
EdenTree UK Equity Cls B Inc	212.40	-		-1.90	2.08
EdenTree Managed Income Cls A Inc	119.80	-		-0.50	4.83
EdenTree Managed Income Cls B Inc	128.40	-		-0.60	4.81
EdenTree UK Equity Opps Cls A Inc	280.00	-		-1.00	1.20
EdenTree UK Equity Opps Cls B Inc	285.60	-		-1.00	1.77
EdenTree Short Dated Bond Cls B	94.64	-		-0.32	2.42
Amity Balanced For Charities A Inc	93.49	-		-1.58	-
EdenTree European Equity Cls A Inc	338.40	-		-1.00	1.95
EdenTree European Equity Cls B Inc	341.60	-		-1.00	2.55
Amity Global Equity Inc for Charities A Inc	153.00	-		-0.80	3.10
EdenTree Global Equity Cls A Inc	341.60	-		-0.90	0.66
EdenTree Global Equity Cls B Inc	344.30	-		-0.90	1.19
Edentree Global Impact Bond B	87.22	-		-0.45	2.84
Edentree Green Future B Net Inc	101.50	-		-0.20	0.77
EdenTree Sterling Bond Cls A Inc	85.68	-		-0.52	4.20
EdenTree Sterling Bond Cls B Inc	97.33	-		-0.59	4.20

Euronova Asset Management UK LLP (CYM)

Regulated

Fund	Bid		Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 55.33	-		0.00	0.00
Smaller Cos Cls Two Shares	€ 35.13	-		0.00	0.00
Smaller Cos Cls Three Shares	€ 17.53	-		0.00	0.00
Smaller Cos Cls Four Shares	€ 23.11	-		0.00	0.00

Fidelity INTERNATIONAL

FIL Investment Services (UK) Limited (1200)F (UK)

Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181

OEIC Funds

Fund	Bid		Offer	D+/-	Yield
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.87	-		-0.01	2.76
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.98	-		0.00	1.80
Emerging Mkts NAV	£ 7.21	-		-0.16	2.25
Allocator World Fund W-ACC-GBP	£ 2.86	-		-0.02	1.21
American Fund W-ACC-GBP	£ 60.55	-		-0.12	0.00
American Special Sits W-ACC-GBP	£ 23.90	-		-0.03	0.62
Asia Pacific Ops W-Acc	£ 2.79	-		-0.01	1.33
Asian Dividend Fund W-ACC-GBP	£ 2.31	-		0.00	2.98
China Fund W-Accumulation (UK)	£ 2.16	-		-0.03	0.34
Enhanced Income Fund W-INC-GBP	£ 0.83	-		-0.01	6.97
European Fund W-ACC-GBP	£ 25.96	-		-0.11	1.41
Extra Income Fund W-ACC-GBP	£ 1.35	-		0.00	4.32
Asia Fund W-ACC-GBP	£ 14.57	-		-0.04	0.82
Cash Fund W-ACC-GBP	£ 1.08	-		0.00	1.75
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-		0.01	-
Sustainable European Equity Fund W-ACC-GBP	£ 5.79	-		-0.02	0.94
Sustainable Global Equity Fund W-ACC-GBP	£ 34.06	-		0.00	0.39
Japan Fund W-ACC-GBP	£ 6.29	-		-0.01	1.34
Japan Smaller Companies Fund W-ACC-GBP	£ 3.64	-		-0.06	0.60
Select 50 Balanced Fund PI-ACC-GBP	£ 1.18	-		-0.01	1.57
Special Situations Fund W-ACC-GBP	£ 44.79	-		-0.21	3.16
Short Dated Corporate Bond Fund W-ACC-GBP	£ 11.18	-		-0.04	3.56
Sustainable Water & Waste W-ACC-GBP	£ 1.19	-		0.00	0.50
UK Select Fund W-ACC-GBP	£ 3.85	-		-0.03	2.37
Global Dividend Fund W-ACC-GBP	£ 3.23	-		0.01	2.51
Global Enhanced Income W-ACC-GBP	£ 2.53	-		0.00	4.06
Global Property Fund W-ACC-GBP	£ 1.92	-		0.00	1.98
Global Special Sits W-ACC-GBP	£ 58.77	-		-0.08	0.52
Index Emerging Markets P-ACC-GBP	£ 1.68	-		0.00	2.87
Index Europe ex UK P-ACC-GBP	£ 2.07	-		-0.01	2.18
Index Japan P-ACC-GBP	£ 2.08	-		0.00	1.96
Index Pacific ex Japan P-Acc-GBP	£ 1.88	-		-0.02	3.59
Index UK Gilt Fund P-ACC-GBP	£ 0.75	-		0.00	1.95
Index UK P-ACC-GBP	£ 1.65	-		-0.01	3.29
Index US P-ACC-GBP	£ 3.91	-		0.00	1.19
Index World P-ACC-GBP	£ 3.00	-		0.00	1.52
MoneyBuilder Balanced Fund W-ACC-GBP	£ 0.61	-		-0.01	3.15
MoneyBuilder Dividend Fund W-INC-GBP	£ 1.28	-		-0.01	4.34
Sustainable MoneyBuilder Income Fund W-ACC-GBP	£ 12.79	-		-0.09	4.26
Multi Asset Allocator Adventurous Fund W-ACC-GBP	£ 2.27	-		-0.01	1.21
Multi Asset Allocator Defensive Fund W-ACC-GBP	£ 1.36	-		-0.01	1.59
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.93	-		0.00	2.19
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 1.00	-		-0.01	1.80
Multi Asset Allocator Growth Fund W-ACC-GBP	£ 1.95	-		-0.01	1.26
Multi Asset Balanced Income Fund W-INC-GBP	£ 0.94	-		0.00	4.57
Multi Asset Income & Growth Fund W-INC-GBP	£ 1.01	-		0.00	4.61
Multi Asset Income Fund W-INC-GBP	£ 0.85	-		0.00	5.72
Multi Asset Allocator Strategic Fund W-ACC-GBP	£ 1.66	-		0.00	1.27
Multi Asset Open Advent W-ACC-GBP	£ 1.82	-		0.00	1.80
Multi Asset Open Defen W-ACC-GBP	£ 1.37	-		0.00	2.37
Multi Asset Open Growth Fund W-ACC-GBP	£ 1.72	-		0.00	2.04
Multi Asset Open Strategic Fund W-ACC-GBP	£ 1.55	-		0.00	2.25
Open World Fund W-ACC-GBP	£ 2.42	-		0.01	1.00
Strategic Bond Fund W-ACC-GBP	£ 1.24	-		-0.01	3.29
UK Opportunities Fund W-ACC-GBP	242.20	-		-2.70	1.26
UK Smaller Companies W-ACC-GBP	£ 3.82	-		-0.02	2.07
Sustainable Asia Equity Fund W-ACC-GBP	£ 1.72	-		-0.01	0.67

Findlay Park

Findlay Park Funds Plc (IRL)

30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900

FCA Recognised

Fund	Bid		Offer	D+/-	Yield
American EUR Unhedged Class	€ 177.29	-		-1.27	0.00
American Fund USD Class	$ 194.28	-		-0.50	0.00
American Fund GBP Hedged	£ 94.37	-		-0.23	0.00
American Fund GBP Unhedged	£ 152.97	-		-1.24	0.00

FOORD ASSET MANAGEMENT www.foord.com

Foord Asset Management

Website: www.foord.com - Email: info@foord.com

FCA Recognised - Luxembourg UCITS

Fund	Bid		Offer	D+/-	Yield
Foord International Fund | R	$ 47.07	-		0.10	0.00
Foord Global Equity Fund (Lux) | R	$ 16.68	-		0.02	0.00
Regulated					
Foord Global Equity Fund (Sing) | B	$ 19.99	-		0.02	0.00
Foord International Trust (Gsy)	$ 45.90	-		0.11	0.00

Fundsmith Equity Fund

Fundsmith LLP (1200)F (UK)

PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815
www.fundsmith.co.uk, enquiries@fundsmith.co.uk

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Fundsmith Equity T Acc	637.67	-		-1.36	0.19
Fundsmith Equity T Inc	579.51	-		-1.24	0.19

GAM

funds@gam.com, www.funds.gam.com

Regulated

Fund	Bid		Offer	D+/-	Yield
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£ 104.38	-		-0.15	1.22
LAPIS GBL MED DEV 25.YLD-Na-D	£ 89.51	-		-0.15	-
LAPIS GBL TOP 50 DIV.YLD-Na-D	£ 120.20	-		-0.56	2.94

GUINNESS GLOBAL INVESTORS

Guinness Global Investors

Fund	Bid		Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 19.63	-		-0.03	2.04
Guinness Global Innovators Y GBP Acc	£ 30.90	-		-0.26	0.00
Guinness Sustainable Global Equity Y GBP Acc	£ 11.37	-		-0.05	0.00

HPB Assurance Ltd

Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490

International Insurances

Fund	Bid		Offer	D+/-	Yield
Holiday Property Bond Ser 1	£ 0.50	-		0.00	0.00
Holiday Property Bond Ser 2	£ 0.64	-		0.01	0.00

Hermes Property Unit Trust (UK)

Property & Other UK Unit Trusts

Fund	Bid		Offer	D+/-	Yield
Property	£ 5.97		6.37	-0.05	3.15

Janus Henderson INVESTORS

Janus Henderson Investors (UK)

PO Box 9023, Chelmsford, CM99 2WB Enquiries: 0800 832 832
www.janushenderson.com

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Janus Henderson Asia Pacific Capital Growth Fund A Acc	1102.00	-		-2.00	0.20
Janus Henderson Asian Dividend Income Unit Trust Inc	75.65	-		-0.12	5.28
Janus Henderson Cautious Managed Fund A Acc	293.90	-		-1.90	3.34
Janus Henderson Cautious Managed Fund A Inc	140.70	-		-0.90	3.43
Janus Henderson China Opportunities Fund A Acc	961.70	-		-5.00	0.58
Janus Henderson Emerging Markets Opportunities Fund A Acc	190.10	-		-0.30	0.04
Janus Henderson European Growth Fund A Acc	305.30	-		-0.70	0.72
Janus Henderson European Selected Opportunities Fund A Acc	2456.00	-		-9.00	0.80
Janus Henderson Fixed Interest Monthly Income Fund Inc	17.38	-		-0.12	4.31
Janus Henderson Global Equity Fund Acc	4503.00	-		9.00	0.00
Janus Henderson Global Equity Income Fund A Inc	66.16	-		-0.13	3.29
Janus Henderson Global Sustainable Equity Fund A Inc	505.60	-		-1.10	0.00
Janus Henderson Global Technology Leaders Fund A Acc	3532.00	-		-7.00	0.00
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.18	-		-0.01	2.96
Janus Henderson Multi-Asset Absolute Return Fund A Acc	168.50	-		-1.00	1.29
Janus Henderson Multi-Manager Active Fund A Acc	263.70	-		-1.20	0.23
Janus Henderson Multi-Manager Distribution Fund A Inc	124.80	-		-0.50	3.32
Janus Henderson Multi-Manager Diversified Fund A Acc	89.33	-		-0.38	3.18
Janus Henderson Multi-Manager Global Select Fund Acc	330.20	-		-1.30	0.13
Janus Henderson Multi-Manager Income & Growth Fund A Acc	193.40	-		-0.70	3.31
Janus Henderson Multi-Manager Income & Growth Fund A Inc	146.10	-		-0.60	3.44
Janus Henderson Multi-Manager Managed Fund A Acc	322.60	-		-1.40	0.29
Janus Henderson Multi-Manager Managed Fund A Inc	311.30	-		-1.30	0.30
Janus Henderson Sterling Bond Unit Trust Acc	211.40	-		-1.50	2.40
Janus Henderson Sterling Bond Unit Trust Inc	56.55	-		-0.41	2.43
Janus Henderson Strategic Bond Fund A Inc	100.30	-		-0.80	3.15
Janus Henderson Absolute Return Fund A Acc	176.70	-		-0.10	1.71
Janus Henderson UK Alpha Fund A Acc	142.10	-		-1.60	1.53
Janus Henderson UK Equity Income & Growth Fund A Inc	490.80	-		-3.60	4.60
Janus Henderson US Growth Fund A Acc	1999.00	-		4.00	0.00

LAZARD ASSET MANAGEMENT

Lazard Fund Managers Ltd (1200)F (UK)

P.O. Box 364, Darlington, DL1 9RD
Dealing: 0870 6066408, Info: 0870 6066459

Authorised Inv Funds

Lazard Investment Funds (OEIC) B Share Class

Fund	Bid		Offer	D+/-	Yield
Developing Markets Acc	116.50	-		-0.28	0.73
Developing Markets Inc	113.56	-		-0.92	-
Emerging Markets Acc	388.91	-		-1.46	3.26
Emg Mkts Inc	283.00	-		-1.06	3.35
European Alpha Acc	1129.97	-		-1.35	1.35
European Alpha Inc	953.44	-		-1.14	1.37
European Smaller Cos Acc	662.83	-		-7.02	0.86
Global Equity Income Acc	238.17	-		-0.19	3.07
Global Equity Income Inc	115.69	-		-0.09	3.13
Managed Bal Inc	183.55	-		-1.25	2.27
UK Income Acc	1664.50	-		-12.74	4.01
UK Income Inc	575.80	-		-4.41	4.12
UK Omega Acc	292.26	-		-1.91	1.70
UK Omega Inc	237.17	-		-1.55	1.72
UK Smaller Cos Inc	2001.70	-		8.44	-

Lothbury Property Trust (UK)

155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900

Property & Other UK Unit Trusts

Fund	Bid		Offer	D+/-	Yield
Lothbury Property Trust GBP	£ 1487.38		1528.23	-40.48	3.80

M & G Securities (1200)F (UK)

PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Charifund Inc	1425.05	-		-8.27	5.98
Charifund Acc	29788.90	-		-172.84	5.25
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.10	-		-0.01	3.58
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 40.76	-		-0.24	3.07
M&G Charity Multi Asset Fund Inc	£ 0.89	-		0.00	4.23
M&G Charity Multi Asset Fund Acc	£ 110.43	-		-0.64	3.82

MMIP Investment Management Limited (GSY)

Regulated

Multi-Manager Investment Programmes PCC Limited

Fund	Bid		Offer	D+/-	Yield
UK Equity Fd Cl A Series 01	£ 3080.40		3080.41	-231.75	-
Diversified Absolute Rtn Fd USD Cl AF2	$ 1688.02	-		45.93	-
Diversified Absolute Return Stlg Cell AF2	£ 1579.00	-		-1.96	-
Global Equity Fund A Lead Series	£ 1747.16		1747.16	-5.31	-

Marwyn Asset Management Limited (CYM)

Regulated

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

McInroy & Wood Portfolios Limited (UK)

Easter Alderston, Haddington, EH41 3SF 01620 825867

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Balanced Fund Personal Class Units	5983.90	-		-24.30	1.40
Income Fund Personal Class Units	2890.80	-		-8.20	2.40
Emerging Markets Fund Personal Class Units	2100.60	-		1.30	1.48
Smaller Companies Fund Personal Class Units	5935.60	-		-60.10	1.30

MILLTRUST INTERNATIONAL

Milltrust International Managed Investments ICAV (IRL)

mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com

Regulated

Fund	Bid		Offer	D+/-	Yield
British Innovation Fund	£ 121.92	-		2.89	0.00
MAI - Buy & Lease (Australia)	A$ 103.45	-		0.50	0.00
MAI - Buy & Lease (New Zealand)	NZ$ 91.20	-		-6.06	0.00
Milltrust Global Emerging Markets Fund - Class A	$ 92.11	-		1.72	0.00

Milltrust International Managed Investments SPC

em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com

Regulated

Fund	Bid		Offer	D+/-	Yield
Milltrust Alaska Brazil Fund SP A	$ 115.03	-		-1.10	0.00
Milltrust Laurium Africa Fund SP A	$ 99.62	-		1.63	0.00
Milltrust Marcellus India Fund SP	$ 142.91	-		0.81	0.00
Milltrust Singular ASEAN Fund SP Founders	$ 132.20	-		2.61	0.00
Milltrust SPARX Korea Equity Fund SP A	$ 124.46	-		-0.84	0.00
Milltrust Xingtai China Fund SP A	$ 82.65	-		0.30	0.00
The Climate Impact Asia Fund SP A	$ 73.40	-		1.45	0.00
The Climate Impact Asia Fund (Class B)	$ 72.43	-		1.43	0.00

Ministry of Justice Common Investment Funds (UK)

Property & Other UK Unit Trusts

Fund	Bid		Offer	D+/-	Yield
The Equity Idx Tracker Fd Inc Distribution Units	1945.00	-		-10.00	2.40

MIRABAUD ASSET MANAGEMENT

Mirabaud Asset Management (LUX)

www.mirabaud.com, marketing@mirabaud-am.com
Please find more details on our website: www.mirabaud-am.com

Regulated

Fund	Bid		Offer	D+/-	Yield
Mir. - Glb Strat. Bd I USD	$ 122.36	-		-0.26	0.00
Mir. - DiscEur D Cap GBP	£ 169.28	-		1.65	0.00

OASIS

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

Regulated

Fund	Bid		Offer	D+/-	Yield
Oasis Crescent Global Equity Fund USD A (Dist)	$ 36.14	-		-0.02	0.78
Oasis Crescent Global Income Fund USD A (Dist)	$ 10.08	-		0.00	3.66
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.49	-		0.00	1.26
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.98	-		0.01	0.76
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 8.42	-		0.01	1.70
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.94	-		0.00	3.02
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.74	-		0.00	0.67

Omnia Fund Ltd

Other International Funds

Fund	Bid		Offer	D+/-	Yield
Estimated NAV	$ 973.59	-		43.73	0.00

PLATINUM CAPITAL MANAGEMENT

Platinum Capital Management Ltd

Other International Funds

Fund	Bid		Offer	D+/-	Yield
Platinum All Star Fund - A	$ 153.87	-		-	-
Platinum Global Growth UCITS Fund	$ 8.91	-		-0.07	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 9.42	-		-0.70	0.00
Platinum Global Dividend UCITS Fund	$ 45.63	-		-0.33	0.00

Polar Capital Funds Plc (IRL)

Regulated

Fund	Bid		Offer	D+/-	Yield
Artificial Intelligence I USD ACC	$ 18.34		18.34	-0.13	0.00
Asian Starts I USD Acc $	$ 14.57	-		-0.07	0.00
Biotechnology I USD	$ 44.46		44.46	0.26	0.00
China Stars I USD Acc $	$ 9.12		9.12	-0.05	0.00
Emerging Market Stars I USD Acc	$ 11.87	-		-0.03	0.00
European Ex UK Inc EUR Acc	€ 15.88		15.88	0.12	0.00
Financial Opps I USD	$ 14.64	-		0.12	2.17
Global Convertible I USD	$ 14.22		14.22	0.02	0.00
Global Insurance I GBP	£ 10.56	-		0.00	0.00
Global Technology I USD	$ 85.87	-		-0.58	0.00
Healthcare Blue Chip Fund I USD Acc	$ 19.62		19.62	0.14	0.00
Healthcare Dis I Acc USD $	$ 12.41	-		0.06	0.00
Healthcare Opps I USD	$ 70.64	-		0.64	0.00
Income Opportunities B2 I GBP Acc	£ 3.17		3.17	0.00	0.00
Japan Value I JPY	¥ 182.34		182.34	0.28	0.00
North American I USD	$ 38.50		38.50	-0.08	0.00
Smart Energy I USD Acc $	$ 9.48		9.48	-0.09	0.00
Smart Mobility I USD Acc $	$ 8.57		8.57	-0.10	0.00
UK Val Opp I GBP Acc	£ 12.84		12.84	-0.10	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)

Regulated

Fund	Bid		Offer	D+/-	Yield
Monument Growth 29/12/2023	£ 559.50		564.87	13.93	0.00

Prusik Investment Management LLP (IRL)

Enquiries - 0207 493 1331

Regulated

Fund	Bid		Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$ 170.37	-		-0.68	5.78
Prusik Asia Fund U Dist.	£ 200.17	-		0.47	0.00

Purisima Investment Fds (UK) (1200)F (UK)

2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 922 0044

Authorised Inv Funds

Authorised Corporate Director - Waystone Management (UK) Limited

Fund	Bid		Offer	D+/-	Yield
Global Total Fd PCG A	445.44	-		-0.05	0.16
Global Total Fd PCG B	439.68	-		-0.05	0.00
Global Total Fd PCG INT	430.74	-		-0.05	0.00

MANAGED FUNDS SERVICE

Purisima Investment Fds (CI) Ltd (JER)

Regulated

Fund	Bid		Offer	D+/-	Yield
PCG B ✲	344.95	-		-5.80	0.00
PCG C ✲	334.81	-		-5.63	0.00

Ram Active Investments SA

www.ram-ai.com

Other International Funds

Fund	Bid		Offer	D+/-	Yield
RAM Systematic Emerg Markets Eq	$ 234.71		234.71	-0.31	-
RAM Systematic European Eq	€ 552.44		552.44	6.13	-
RAM Systematic Funds Global Sustainable Income Eq	$ 163.31		163.31	0.71	0.00
RAM Systematic Long/Short European Eq	€ 153.21		153.21	1.30	-

Royal London (UK)

80 Fenchurch Street, London EC3M 4BY

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Royal London Sustainable Diversified A Inc	£ 2.46	-		0.00	1.31
Royal London Sustainable World A Inc	370.20	-		-0.20	0.63
Royal London Corporate Bond Mth Income	76.24	-		-0.43	4.66
Royal London European Growth Trust	215.20	-		-0.80	1.68
Royal London Sustainable Leaders A Inc	790.30	-		-2.00	1.50
Royal London UK Growth Trust	630.60	-		-4.50	2.18
Royal London UK Income With Growth Trust	204.90	-		-1.10	4.73
Royal London US Growth Trust	430.40	-		-0.40	0.00

Additional Funds Available

Please see www.royallondon.com for details

Ruffer LLP (1000)F (UK)

2nd floor, 20-22 Bedford Row, London, WC1R 4EB

Order Desk and Enquiries: 0345 601 9610

Authorised Inv Funds

Authorised Corporate Director - Waystone Management (UK) Limited

Fund	Bid		Offer	D+/-	Yield
LF Ruffer Diversified Rtrn C Acc	99.52	-		-0.41	1.75
LF Ruffer Diversified Rtrn C Inc	97.02	-		-0.39	1.78
LF Ruffer Equity & General C Acc	586.36	-		2.30	1.32
LF Ruffer Equity & General C Inc	522.64	-		2.06	1.33
LF Ruffer Gold C Acc	259.01	-		-4.17	0.40
LF Ruffer Gold C Inc	156.10	-		-2.51	0.39
LF Ruffer Total Return C Acc	536.52	-		-1.83	2.43
LF Ruffer Total Return C Inc	326.78	-		-1.12	2.47

Rubrics Global UCITS Funds Plc (IRL)

www.rubricsam.com

Regulated

Fund	Bid		Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 142.78	-		-0.32	0.00
Rubrics Global Credit UCITS Fund	$ 17.40	-		-0.04	0.00
Rubrics Global Fixed Income UCITS Fund	$ 174.63	-		-0.65	0.00

Scottish Friendly Asset Managers Ltd (UK)

Scottish Friendly Hse, 16 Blythswood Sq, Glasgow G2 4HJ 0141 275 5000

Authorised Inv Funds

Fund	Bid		Offer	D+/-	Yield
Managed Growth ♦	362.40	-		-2.10	0.00
UK Growth ♦	412.70	-		-3.80	0.00

Slater Investments Ltd (UK)

www.slaterinvestments.com; Tel: 0207 220 9460

FCA Recognised

Fund	Bid		Offer	D+/-	Yield
Slater Growth A Acc	601.22		601.22	-3.05	0.00
Slater Income A Inc	137.54		137.54	-0.80	5.22
Slater Recovery A Acc	309.28		309.28	-0.71	0.00
Slater Artorius	265.49		265.49	-2.04	1.27

Stonehage Fleming Investment Management Ltd (IRL)

www.stonehagefleming.com/gbi

enquiries@stonehagefleming.com

Regulated

Fund	Bid		Offer	D+/-	Yield
SF Global Best Ideas Eq B USD ACC	$ 256.83	-		-0.56	0.00
SF Global Best Ideas Eq D GBP INC	£ 306.83	-		-2.36	0.00

Superfund Asset Management GmbH

www.superfund.com, +43 (1) 247 00

Other International Funds

Fund	Bid		Offer	D+/-	Yield
Other International Funds					
Superfund Green Gold	$ 890.12	-		-4.87	0.00
Superfund Green Silver	$ 714.00	-		-5.57	0.00
Regulated					
Superfund Green US$	$ 653.02	-		-6.00	0.00

Thesis Unit Trust Management Limited (UK)

Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP

Authorised Funds

Fund	Bid		Offer	D+/-	Yield
TM New Court Fund A 2011 Inc	£ 19.77	-		-0.07	0.00
TM New Court Fund - A 2014 Acc	£ 19.98	-		-0.08	0.00
TM New Court Equity Growth Fund - Inc	£ 21.81	-		-0.08	0.00

Toscafund Asset Management LLP (UK)

www.toscafund.com

Authorised Funds

Fund	Bid		Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 5.58	-		0.08	3.62
Aptus Global Financials B Inc	£ 3.41	-		0.05	3.74

Toscafund Asset Management LLP

www.toscafund.com

Fund	Bid		Offer	D+/-	Yield
Tosca A USD	$ 431.49	-		-5.25	0.00
Tosca Mid Cap GBP	£ 114.24	-		-5.35	0.00
Tosca Opportunity B USD	$ 252.81	-		-15.03	0.00
Pegasus Fund Ltd A-1 GBP	£ 26.62	-		-1.62	0.00

Troy Asset Mgt (1200) (UK)

2nd floor, 20-22 Bedford Row, London, WC1R 4EB

Order Desk and Enquiries: 0345 608 0950

Authorised Inv Funds

Authorised Corporate Director - Waystone Management (UK) Limited

Trojan Investment Funds

Fund	Bid		Offer	D+/-	Yield
Trojan Ethical Global Inc O Acc	105.86	-		0.07	2.50
Trojan Ethical Global Inc O Inc	100.59	-		0.07	2.54
Trojan Ethical O Acc	130.81	-		-0.13	0.07
Trojan Ethical O Inc	130.71	-		-0.13	0.08
Trojan Ethical Income O Acc	143.21	-		-0.22	2.55
Trojan Ethical Income O Inc	116.82	-		-0.18	2.60
Trojan Fund O Acc	388.23	-		-0.89	0.25
Trojan Fund O Inc	313.45	-		-0.71	0.25
Trojan Global Equity O Acc	542.76	-		-0.05	0.00
Trojan Global Equity O Inc	447.82	-		-0.05	0.00
Trojan Global Income O Acc	156.96	-		0.19	2.98
Trojan Global Income O Inc	127.16	-		0.15	3.04
Trojan Income O Acc	345.76	-		-0.98	2.90
Trojan Income O Inc	166.17	-		-0.47	2.98

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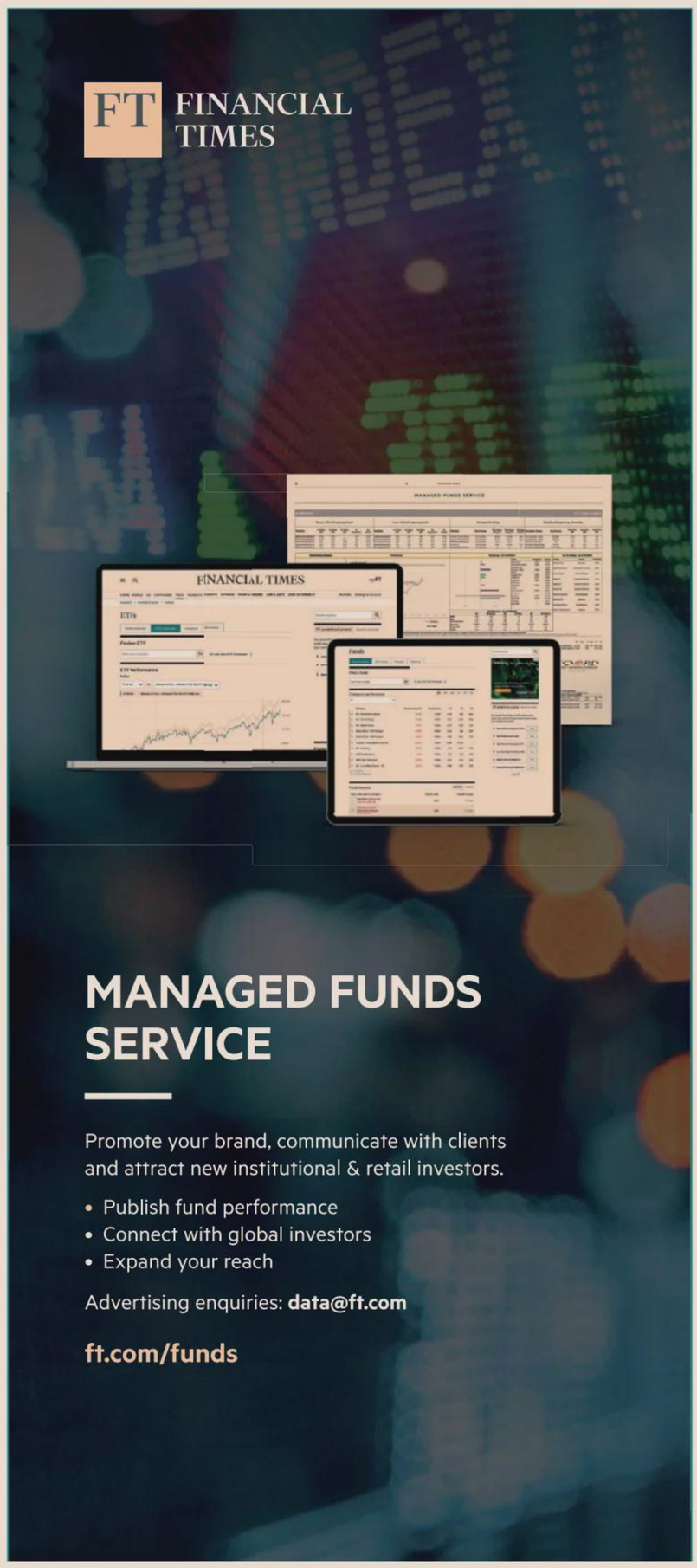

OPINION

Despite the risks, my new year resolution is bitcoin

Stuart Kirk
Skin in the game

The more you think of bitcoin as an investment . . . its flaws don't differ hugely from other regulated assets

Let's begin the year with a bang! By which I mean I've decided to allocate some money to a spot bitcoin exchange-traded fund (ETF) if one becomes available soon. Emails to the usual address.

I made up my mind while running along the Exmoor coast last week, steep cliffs plunging into the surf. Many readers will says that's where my retirement savings will end up. But, as I wrote last summer, it's time to take more risk.

And there is no bigger investment story right now. Google searches for "bitcoin ETF" have tripled over the past week. The world's biggest cryptocurrency started 2024 by trading 7 per cent higher. Since October add a zero.

The catalyst is the expectation the Securities and Exchange Commission is about to give the green light to multiple spot applications (you can already buy ETFs holding bitcoin futures contracts). Bloomberg reckons there's a 90 per cent chance approval will be given by January 10.

That's almost as precise as my mate Chris. Before setting off on my jog he told me there was a 98 per cent chance of bitcoin prices doubling this year. Even if he is half right, you don't need my second-year statistics course at Cambridge to know that's a nailed-down 50 per cent return.

I would be mad to miss out. And, besides, I've changed my view on the suitability of bitcoin ETFs for retail punters. It used to worry me that they seem to fail at least two SEC tests when it comes to investor protection and market integrity. It still does.

Take safe custody. No one can "steal" an ETF, of course, and gangs don't have a clue where you hide your "cold wallet" — if you prefer to hold bitcoins offline. The digital wallets ETFs will use are also secure.

But thieves can raid the biggest and most popular exchanges — and have done — undermining prices. Remember that the sole purpose of a spot ETF is to track a price. It therefore doesn't matter if off-exchange coins are safe.

The integrity of the whole system can be violated. It's a bit like being comfortable that your Apple shares are secure with a custodian, even though Gru from *Despicable Me* can make the retail stores disappear with a ray gun.

Spot bitcoin ETFs fail another crucial test too: whether the underlying market can be monitored to a sufficient degree to prevent fraud or manipulation. This is mainly why previous SEC applications were rejected.

Sure, blockchains are permanent ledgers. But bitcoin transactions are pseudonymous and can involve multiple addresses. It's irrelevant that an ETF is transparent if the assets it holds are not.

In addition, so-called "whales" dominate ownership, with 0.25 per cent of addresses holding 80 per cent of total bitcoin supply, according to Bitinfocharts data. Whoever invented bitcoin is thought to own 1.1mn coins.

That's roughly a 20th of the total supply to date — and there are at least five wallets holding around 100,000 coins each, according to Arkham Intel. The scope to move prices, it seems to me, is massive — and that's before we even consider fraud.

That said, the more you think of bitcoins as an investment, whether in an ETF or not, their many flaws don't differ hugely from most of the other regulated assets you own happily.

Regarding ownership concentration, bitcoin's pales beside Bernard Arnauld's 48 per cent stake in LVMH, let alone his majority voting share.

Mark Zuckerberg owns 13 per cent of Facebook, as does Elon Musk of Tesla. Those guys move prices each time they blink.

Another reason people say bitcoin has no place in serious portfolios is because it doesn't exist — just ones and zeros with no intrinsic value. But I own plenty of invisible assets in my other funds that are only worth what others are willing to pay for them.

For companies in my FTSE 100 fund, for example, the tangible book value only accounts for 45 per cent of the total net asset value. In other words, the majority of the ETF doesn't exist either — company brand names, goodwill and the like.

That bitcoin produces no income is also cited as a problem. It is therefore nothing more than a speculative asset. So what? Gold, vintage cars and undeveloped land are the same. By that definition, so is the house or flat you live in.

What is more, a fifth of stocks in the S&P 500 did not pay out a dime last year either — some never do, including Facebook, Berkshire Hathaway and Amazon. Finance theory tells us we shouldn't care about dividends anyway.

This relates to another concern I don't share: that bitcoin is therefore impossible to value. You don't need an income stream to value assets — ask any art dealer. With the same vertical supply curve as a one-off painting — 19.6mn of the maximum 21mn bitcoins are already circulating — demand sets prices.

Besides, what isn't hard to value? Analysts are routinely wrong about every asset class, while the majority of active fund managers underperform. In Europe, for example, more than 90 per cent of active equity funds now trail their benchmarks over a decade, based on S&P Dow Jones data.

Finally, I like the fact that bitcoin's correlation with the major asset classes is less than 0.25 — it's going to be the mad uncle in my portfolio. Sure, it also has an annualised volatility approaching 50 per cent (don't all relatives?). But as returns are so high, risk/adjusted returns remain attractive.

So come on SEC, have some fun why don't you! Or at least be consistent — there are loads of ways my savings can crash into the sea that you already approve of.

The author is a former portfolio manager. Email: stuart.kirk@ft.com; Twitter: @stuartkirk__

Stuart Kirk's holdings, Jan 6 2024

	Assets under management (£)	Weighting (%)
Vanguard FTSE 100 ETF	137,748	29
iShares MSCI EM Asia ETF	86,401	18
Vanguard FTSE Japan ETF	85,656	18
iShares $ Treasury 1-3 Years ETF	132,742	28
SPDR World Energy ETF	29,118	6
Total	471,665	

Any trades by Stuart Kirk will not take place within 30 days of being discussed in this column

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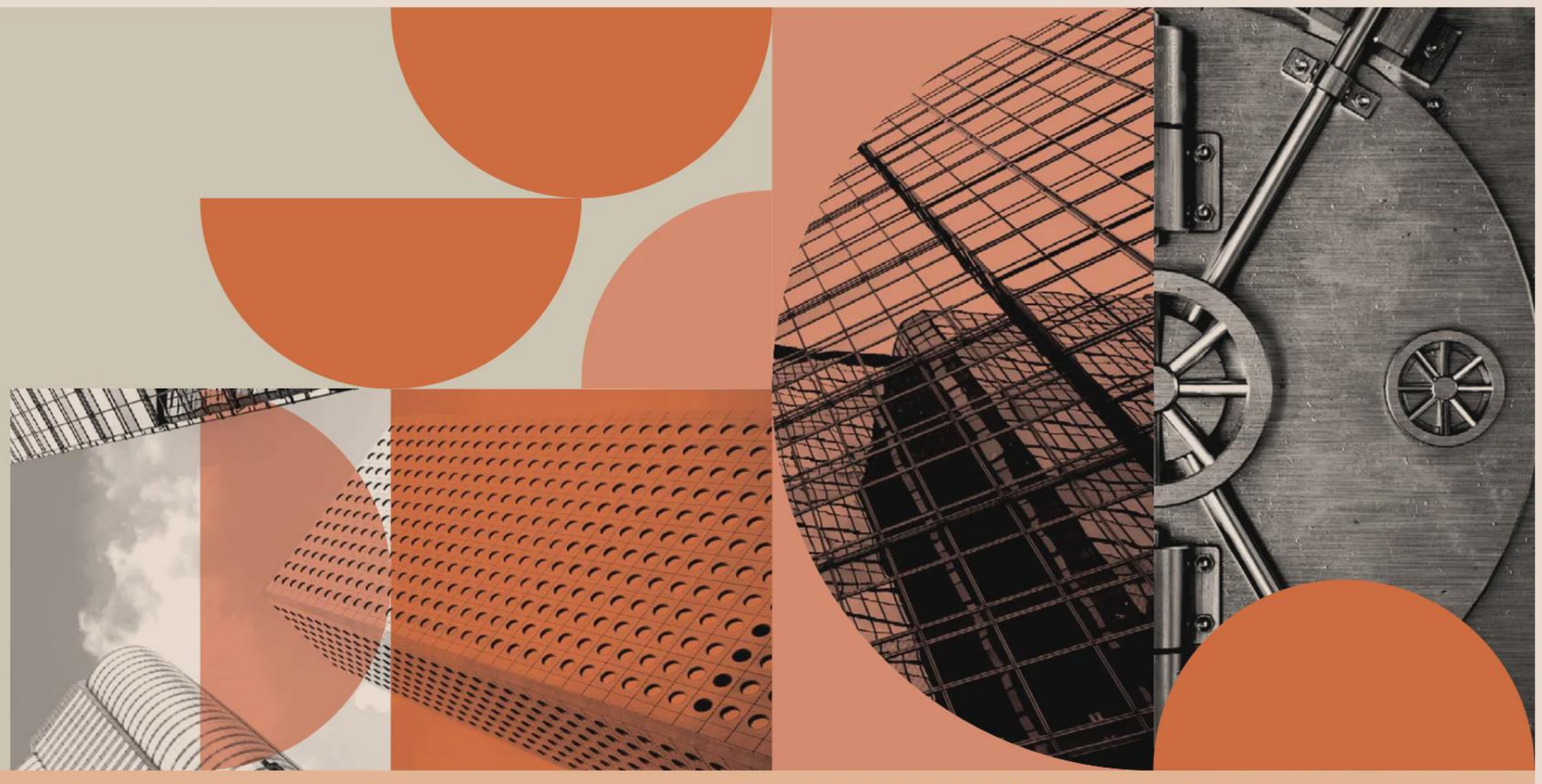

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House & Home

FT Weekend

Marylebone to Malibu Five homes for sale by notable architects – HOT PROPERTY PAGE 4

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Common ground

Whether 'no dig' urban gardeners or regenerative farmers, we can all steward the land in an environmentally responsible way. By *Tabi Jackson Gee*

James Rebanks has had a busy morning. He's moved his cattle — they're on a regenerative grazing system — spoken to a fellow farmer in Ukraine about farming under siege from artillery and, in between, popped to town for water fittings.

Despite being preoccupied with mid-winter Cumbrian farm life and his own writing, the author of *Pastoral Life* has agreed to be interviewed because, he tells me, stewardship is his thing — along with "elevated ranting".

"Stewardship is my radical politics," he says. "At the risk of sounding defeatist, it's about going back to basics on my own patch. Whether I live in a city and that's my backyard, or helping my neighbours grow food. It's about doing things right."

And it matters that we do things right. The UK — England in particular — is relatively densely populated. Numbers from 2021 found that the country homes 276 people per sq km. Yet we are fortunate to have a national patchwork of green space made up of a glorious mass of farms, forests, fells, wildlife reserves, mountains, moors, parks and — of course — gardens. The UK's gardens make up an area that is bigger than all our wildlife reserves put together, a landmass that equates to about one-fifth of Wales. A significant size, if you're into joined-up thinking.

The dismal state of the UK's wildlife is a pretty low starting point as we enter the new year. According to the 2023 State of Nature report, one in six of our native species are at risk of being lost. The same study found the habitats our wildlife rely on to be in poor condition.

'No farmer wants to see their land suffer but they need to be profitable before they can be kind to nature'

On a more optimistic note, new approaches to growing are providing an opportunity to reflect on what hasn't been working, and what could be done differently. Regenerative practices, for instance, are on the rise. They include rotational grazing, using cover crops — where plant species are used to improve the soil in between other crops — and avoiding tilling.

Rebanks has been on his own journey to change how he farms. His first book, *A Shepherd's Life*, was a "proud defence of tradition" and old ways. His second, *Pastoral Song: A Farmer's Journey*, explores progressive and more unconventional practices. It's a lesson in how to push farming forward, he says.

He describes himself as being "evangelical" about his own regenerative farming journey, but at the same time is wary of trends and not wanting to get caught up in telling other people how to do things.

"What's really cool with the farming system is the landscape was a landscape of tiny fields with cows and sheep moving around as much as they wanted. We managed to forget all of that in the 20th century. Now our whole farm is dedicated to repairing soil, repairing biodiversity, flipping farming to using permaculture principles." These changes, says Rebanks, have led to quantifiable and distinct changes in the landscape: boggy fields have started draining again and there's been a marked increase in biodiversity, thanks to better soil health.

Illustration by Clare Melinsky; (right) Luke Holder, head chef at the Lime Wood Hotel in the New Forest: 'Kitchens have a really important role in driving this movement and keeping it financially viable' — Alban Gatti

Rebanks relays the science behind his regenerative practices with great enthusiasm, going on to tell me about optimising photosynthesis, carbon and sugars, and how he's bringing the soil back to life using his cattle and sheep.

But none comes with financial certainties. It's not an easy time to be a farmer — many are having to change how they do business due to the Department for Environment, Food and Rural Affairs' agricultural transition plan, which sees a move away from direct payments to other kinds of funding over a seven-year period that runs until 2028.

Heather Webb, who leads the future farming division at the Duchy of Cornwall, is currently helping some 250 farmers navigate this transition. The 686-year-old Duchy estate, under the leadership of the Prince of Wales, owns 130,000 acres of land across 23 counties, mostly in the South West of England.

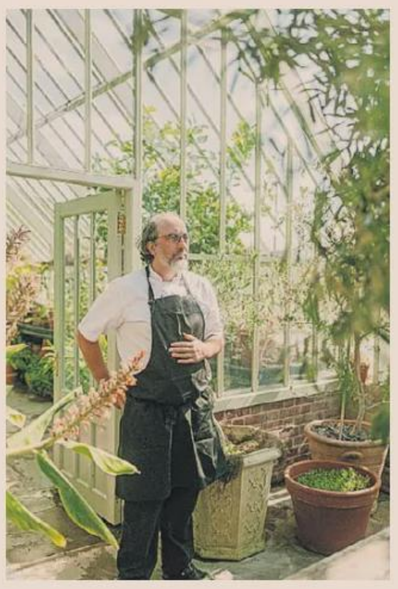
They are by no means the largest landowner (that title goes to the Forestry Commission, with their 2.5mn acreage) but their reach is significant in terms of relationships with independent farms, many of whom have been in the same families for generations.

"We're keen to provide as much support as we can to enable our tenants to be the best stewards of land that they can possibly be," says Webb, whose tenure at the Duchy was preceded by other positions working with farmers around the world, from her native Australia to Kenya to Borneo.

The policy and environmental context might differ from continent to continent, but the consistent thing is that farmers, through their management of their land and supply of food and resources, are hugely significant in how a country's land is looked after. "The knowledge that farmers have for their little piece of the planet is astounding and it's not written down anywhere," Webb says.

"No farmer wants to see their land suffer and no farmer sets out to be a bad steward. Everyone is valuing the trees, the soil, the birds they see. But our tenants always say that they need to be profitable before they can be kind to nature and be good stewards," she says. "You can't be green if you're in the red."

In October last year the Duchy also launched a new mental health and well-being package, the current Duke of Cornwall, Prince William, being keen to lead in the agriculture sector on the topic of mental health.



For Rebanks, the pressures of the modern world have only made him double down on his philosophies on growing — and more determined to farm in the best way he can. "The crazy world we live in wants to break us into atomised individuals," he says. "I believe my stewardship has to mean something to you, or if not you then my neighbours; we've got to build communities that want to plant trees together, eat food together."

Other regenerative practices that are providing space for experimentation include increasing biodiversity and replanting trees and hedgerows — features that were once seen as a nuisance are now viewed by some as useful allies thanks to their environmental services.

To the seasoned gardener, many of these practices might seem familiar. No — till farming, whereby you avoid disturbing the soil's structure, is adjacent in concept to no-dig gardening. No matter the size of the garden, field or farm, the same themes are emerging as we learn to work not just with nature but for it.

On a smaller scale, growers are launching businesses around these practices, starting with the basic foundations of healthy soil and diverse food crops. In the New Forest, the Lime Wood Hotel serves food straight from a local market garden, and the kitchen is enjoying the refreshing wave of creativity that comes from a product-led, rather than chef-led, menu.

Continued on page 2

House&Home

An algae-green croissant-shaped sofa? No thanks

Joy Lo Dico

Perspectives

Interior designers on TikTok have been racking up likes for videos that claim to predict what is going to be hot in 2024 for your home. We are going rustic with woven textiles and weathered woods, says British interiors visualisation company By Design and Viz. They are both textures "that celebrate the charm of imperfection".

Preston Konrad, a media-friendly style expert, advises that viridis — a shade not far off algae-green, from British paintmaker Graham & Brown — is one of this year's hottest colours. Then along comes Nina Takesh, an interior designer from Beverly Hills who promises that 2024 will all be about rounded edges, on staircases and sofas, and aged brass fireplace surrounds.

Fashion in clothing changes — it is quite easy to refresh a wardrobe periodically — but redesigning one's house on an annual basis, following the latest trends, seems a tall ask. Where am I going to find a woven-textured algae-green croissant-shaped sofa? And, if I were to acquiesce in their advice, what would become of my own chestnut-brown leather sofa, the centrepiece of my living space?

Bought in 2002 for my briefly held marital home, it has been a steadfast companion, moving from flat to flat with me, always welcoming and still surprisingly taut and tidy. Minimalist is also in, I'm told. I don't have space for a second sofa anyway.

Trending is a confluence of forces that produce an ever-stronger signal that something is coming into play. New technology, economic circumstances, demographics and events can manifest themselves in the things we buy, think and enjoy. In theory.

There are trends that can be seen in hard data, such as what has changed in our supermarket purchasing habits, or whether certain types of digital advertising are working. Then there are the cultural trends. Like changes in the atmosphere, these can emerge as a storm, permeating public opinion, food, clothing — and sofas.

Whether any of the manifestations is a true or logical expression of something in society is difficult to say. In the Hemline Index theory, the length of a skirt tracks the state of the stock market: long skirts appear at times of low prosperity. But the extra material would cost more and what happened when women switched to trousers?

Next year's natural textures will pair nicely with anxiety about the environment, but the significance of rounded edges escapes me.

The concept of trends has, paradoxically, risen in lock-step with the rise of individualism. From the 1960s onwards, conformity in the west ceded its dominance to the growth of the self, with niches within niches of lifestyle, exercise, diet: "be yourself" is the mantra of Gen Z.

Those who've found a new take on life and self-expression are judged by their community and, if successful, become influencers. Some even crave that status: it is not enough to "be yourself". Others must follow to validate it. And so the goats lead the sheep.

Finding and promulgating those breakthrough changes in interior design, as well as other niches, has become a discipline and business in itself. For trendologists, the interior design TikTokkers are themselves part of a trend (or is it a fad?). One might even ask whether, if there isn't some significant change in the air, it is now in their interests to create one.

> That's what's hot for 2024, say the trendologists — but I'm sticking with my 20-year-old steadfast companion

(Main) 'Slow' furniture; a 1970s dining nook
FT montage/Getty; ClassicStock/Alamy

While researching interior design, I came across the Trends Media Group. Starting as a publisher of coffee table books on interior design in New Zealand in the 1980s, it is now a website of endless new design ideas. Its company history page includes a puzzling quote from its owner and chief executive David Johnson on the publishing house's founding principles: "Do it once and use it often."

One might say that's what you should do when making decisions on what furnishings to buy.

Which brings me back to my lovely old sofa. The implication is that there is, as much as fast fashion, some idea of fast furniture. I have a deep love for my slow furniture. Some decisions made two decades ago were hauntingly bad. Some were good, such as the decision to spend money on inoffensive pieces that have travelled through life with me.

There have been occasional upgrades here or there, as budgets allow for something a little better than Ikea, but largely it has been a stable palette dictated by a Persian carpet, prints and some very long-lasting cushions.

(I did once buy a trendy plywood table in the aforementioned algae green, and my fondness for it diminished within two years.)

The world continues to evolve but the interior world should be a place of stability against all those external fluctuations. Wear out a fashionable new coat by all means, but come home to the same old steadies.

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House & Home Unlocked

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Common ground

Continued from page 1

Head chef Luke Holder goes as far as to say it's not just about shopping local: "It's about finding the best ingredients. We're bringing back into consciousness the diverse vegetables and fruit that don't really make the grade for large production.

"Kitchens have a really important role in driving this movement and keeping it financially viable," says Holder, who works with grower Kate Forrester at Four Acre Farm in Ringwood in Hampshire. Holder's menus are often built around WhatsApp messages from Forrester with a list of vegetables that are good that week. It's a big shift to how things were done — and are done elsewhere.

"There's this whole young gardening movement [whose advocates] want to take the stewardship of the land and want to make sure we aren't piling more problems on in the future by taking charge of our soil."

One such organisation is Bristol-based Roots, set up in 2021 to circumvent the council-run allotment system and provide people without their own growing space. Forrester, along with no-dig guru Charles Dowding, is one of their star growers, teaching Roots members about different gardening practices.

> 'Our relationship with our external landscape shapes our internal landscape really importantly'

Smaller than a council allotment (which are in steep decline, and have an average waiting list of three years — and that number rises to 15 if you live in the borough of Islington), Roots offers a space for about the same price as a Spotify subscription. With the basic £9.99 membership package comes access to tutorials and events, and a welcome pack of seed packets and plug plants.

Roots has three golden rules for its 1,000-plus members. First, no dig — you have to replenish the soil. Then, no chemicals, including synthetic fertilisers and all the usual "-cides". "And good vibes," says co-founder Ed Morrison, who's shelling beans from his own allotment when we meet for our video call. He says the communal spirit and common ground that an allotment offers make it the perfect space for big conversations about the future, on food security, climate change and so forth.

"We have people from so many different socio-economic backgrounds who come to us, and you are met with friendliness and warmth and openness." The benefits of gardening on our mental health are well documented, but to garden together is an entirely different ball game, says Morrison.

The antithesis of good stewardship is short-termism: Roots has had to come up with new approaches to legal challenges in order to secure leases of up to 25 years on land. This takes the right landowner and a lot of creative thinking.

Morrison admits that when they started the company they had no idea how complicated it would be to get it off the ground. A planning issue with North Somerset council last year cost the start-up £120,000, he says.

(Clockwise from above) Chapelhaies Farm, Bradninch, Devon, owned by the Duchy of Cornwall, which guides farmers in stewardship; grower Kate Forrester of Four Acre Farm, who supplies the Lime Wood Hotel; Roots, set up in response to long waiting lists for allotments, offers growing spaces for the price of a Spotify subscription; psychotherapist Marchelle Farrell, who says gardening 'comes from a place of love'
Charlie Sainsbury-Plaice; Peter Bartlett; Marco Kesseler

For most of us, the impact we can have on the land is simply about how we look after our gardens. It's this relationship — between person and place — that psychiatrist Marchelle Farrell has explored in her book *Uprooting*.

"As a psychotherapist I think about relationships. The relationships with our habitats must be important to the way we develop, and our relationship with our external landscape shapes our internal landscape really importantly."

For Farrell, stewardship is more about watching your garden, knowing it and then understanding what it needs. "It comes from a place of love," she says. "You can't fully love something you don't know. I spend a lot of time just wandering around staring at it, but that feels so important. That's my way of knowing the place, an intimate knowing. It feels two-way, that the garden holds me as well."

Someone else who advocates for the importance of our personal relationships with the landscape is Nigel Dunnett, professor of planting design and urban horticulture at the University of Sheffield. "I want the natural approach to become the mainstream, the default, not the exception," he says. "And for that to happen, people have to love it, and want more of it. That means it has also got to be beautiful, joyful and uplifting.

"It's all about evoking the spirit of nature rather than slavishly trying to recreate or copy something you might find in the countryside," says Dunnett, who's adamant about the continued importance of aesthetics in our gardens and public spaces. "I think that a more natural garden speaks forcefully to us about our deep connection to the wild, and by working exuberantly with plants we can make our own forms of enhanced nature that's colourful, ever-changing and full of beauty and interest."

To care for the land in an environmentally responsible way, whether you're experimenting with new practices and approaches, or just creating a nice place to spend some time in, is to care for yourself — and for future generations. No pressure, then. And no dig, either.

HOUSE MUSEUMS

AROUND THE WORLD

#49: Monticello, Virginia

Thomas Jefferson, author of the Declaration of Independence and third president of the US, might also be called the patron saint of the state of Virginia. As a child growing up there, I was taught about this greatest of founding fathers and the home he built, Monticello, with religious reverence.

His shaping of American ideals has influenced countless aspiring democratic movements around the world, from Africa to Latin America to eastern Europe. But Jefferson's vision of "life, liberty and the pursuit of happiness" in his homeland did not include people who were not white men.

In the almost 20 years since my school field trips, things have changed at Monticello, and in the US. "Maybe more than anywhere else, Monticello provides a place to grapple with what it means to be an American," says Brandon Dillard, its director of historic interpretation and audience engagement. Jefferson "was an exceptionally complicated figure, whose words reflect some of the highest ideals and some of the lowest prejudices in American history".

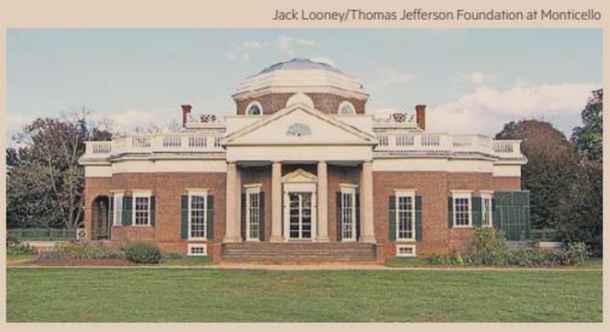
Born in 1743, he was a man of the Enlightenment with a capital E, building on the thought of 18th-century European philosophers such as John Locke, Francis Bacon and Isaac Newton. He became a strong supporter of the French Revolution and contributed to the new republic's declaration of rights.

As a Renaissance man in the spirit of Leonardo da Vinci, he worked as a largely self-taught architect, diplomat, writer, orator, botanist and scientist. Monticello, which means "little mountain" in Italian, was built to his own designs between 1769 and 1809 by a combination of free white and enslaved black labourers and craftsmen.

It is an architectural feat combining Palladian elements with a classical dome inspired by the Pantheon, and idiosyncratic details such as his "Venetian porches" with louvred blinds and his alcove bed, which could be entered from two different rooms, each opening off one side of the bed.

The interior overflows with artefacts accumulated from a life of engagement with, and dominance over, the world around him, including books, maps, artworks, furniture from New York and Paris — and a large collection of objects given by (or taken from) Native American tribes.

Jack Looney/Thomas Jefferson Foundation at Monticello



The house became a symbol of American ideals, almost continuously depicted on the back of 5-cent coins since 1938. Yet some 130 enslaved people lived there at any given time, contributing to the running of the house and its 5,000-acre plantation.

In 2018, Monticello introduced a new interpretation of the life of Sally Hemings, Jefferson's slave. She was also the former slave of his father-in-law and the half-sister of his late wife, a result of the widespread practice of white masters raping their female slaves. Hemings used to be described as Jefferson's "mistress", but Monticello now rejects the term and makes clear the impossibility of any kind of consensual relationship between a master and slave.

The exhibition is based almost entirely on the words of her and Jefferson's son, Madison Hemings. The plain rooms in the south wing where she probably lived are filled with digital representations of her as a shadow, since no known images exist. They sit in stark contrast to the Palladian glory of the main house, reminding visitors of the violence and inequality on which the American dream was built. **Eliza Goodpasture**

monticello.org

A grab for Greenpoint

New York property | Manhattanites like this arty Brooklyn area for its cheaper prices and 'small-town charm'. By *Hugo Cox*

After five years of living on Manhattan's Lower East Side, Dane Gray and his boyfriend felt it was time to move to Brooklyn.

"It's so hard to get dinner reservations [in the Lower East Side] now, and when you get one, you're shoulder to shoulder with other [diners] and can't hear the person you're at dinner with," he says. Gray also mentions the increasing number of rough sleepers in the borough and the perception of rising crime: "Package delivery thefts were a recurring problem for our building," he says.

The couple picked Greenpoint, a Brooklyn neighbourhood where a year ago they rented an apartment in a new high-rise apartment block for $5,000 per month. The cost is roughly a third less than an equivalent home in their old neighbourhood, he says, and it provides views over the East River to Manhattan.

"Greenpoint is not too much of a moving-to-Brooklyn shock," he says. "We're on the waterfront looking back at the city, so we feel connected still. And the commute to my office in Midtown takes the same amount of time or less."

Their home is cheaper than an equivalent in neighbouring Williamsburg, and the area quieter and more relaxed, he says. "[Williamsburg] at the weekend is so busy there are crowds of people waiting to be seated for brunch. Here, we can walk into wherever we want to eat straight away," he says. "Our neighbourhood is not sparse but it's peaceful."

In recent years, Greenpoint's growing reputation as a residential destination has brought changes. A new selection of restaurants, bars and cafés have sprung up along Franklin Street and Manhattan Avenue, and several higher-profile galleries have arrived in the area. In 2019, Faurschou opened on Green Street, which in the past year has shown work by Yoko Ono and Tracey Emin.

"It's a real treat to be able to go two blocks from my studio and see [work by] Tracey Emin," says Sara Gates, who has run Kingsland Editions, a fine art screen-print studio, since 2006. "That would not have happened a few years back."

It's a convenient location from which to service her clients, she says — a collection of artists, museums, galleries and fashion designers, most of them based in Manhattan. "If I can, I take the subway, but I'm usually carting around large [prints] so I'm usually driving."

Gates's rent is a fraction of what she would pay for an equivalent space in Manhattan's Chelsea or Tribeca neighbourhoods, she says. But the industrial location comes with challenges. "We've just had a cement plant built next door, that I have a view of, and we are near the sewage treatment works."

Much of Greenpoint's housing is located in the streets that join Franklin Street and Manhattan Avenue, including India, Java and Kent streets to the north of Greenpoint Avenue, and Milton and Noble streets to its south. Homes are a mix of traditional brownstones, newer town houses, low-rise apartment blocks and converted commercial or warehouse spaces, with trees lining the streets or overlooking rear garden spaces.

Along the shore, two new high-rise apartment blocks, including 21 India Street, where Gray and his boyfriend are renting, and The Huron, on Huron Street, tower over Greenpoint's ferry terminal. This connects Greenpoint with East 34th Street in Midtown in 8 minutes and to Wall Street's Pier 11 in a little over half an hour.

(Above) Five Leaves restaurant on Bedford Avenue in Greenpoint; (left) rendering of a corner property at The Huron, a new 171-unit waterfront tower developed by UK-based Quadrum Global

Layer Studio/Alamy; Christian Erikkson from Redundant Pixel

For those seeking a home to own, Greenpoint offers a cheaper alternative both to Williamsburg and Manhattan. The average sale price of a home in Greenpoint last year was $1,221 per sq ft, compared with $1,416 per sq ft in Williamsburg and $1,486 in Manhattan, according to Serhant, a local agent.

> 'The community feels more permanent. You feel less anonymous than living in Manhattan'

Zachary Sandler and Rachel Korsunsky, who are renting in Manhattan's East Village, have had their offer accepted on a three-bedroom flat on the fourth floor with a view over the East River and Manhattan, for $2.8mn. An equivalent home in Manhattan would have cost $4mn, Sandler estimates.

"In Manhattan you're talking a different level of budget, there just aren't a lot of waterfront homes that are comparable, because of the [adjacent] freeways," he says.

Gray, who recently purchased a one-bedroom flat in the same building for $1.25mn and is preparing to move in, says that even if he could have afforded a home in Manhattan, there are few suitable ones, since developers of new apartment buildings there focus on larger homes with very high specifications.

"Everyone is doing two-bedroom, two-bathroom apartments, typically at a higher quality but [much] more expensive," he says.

The area has no direct subway line into Manhattan, one reason why it remains quieter than neighbouring Williamsburg, which is a popular destination for those crossing from Manhattan in the evenings and at the weekend.

"Greenpoint has a certain small-town charm to it," says Will Douillet, a local resident and co-founder of Ilis, a restaurant that opened on Green Street in October. "It's right above the craziness of Williamsburg and Manhattan. And the lack of the quick train to Manhattan means the community feels more permanent. You feel less anonymous than living in Manhattan," he says.

For Amanda Browder, another local artist, who has rented a home in Greenpoint since 2007, the area's growing stock of good restaurants has come at a cost, with many of her favourite locals closing.

"It's as if everyone is just serving oysters and there's no simple normal food anymore," she says.

And she fears future rent increases in the studio space that she occupies as part of an artist's collective, pointing to a recently opened business in the same building that is looking to expand. In December, Calico, a popular local arts hub in West Street's historic Greenpoint Terminal Warehouse, closed after 11 years.

Residential rents are increasing, too, with the price of a one-bedroom flat up 37 per cent in the four years to January 2024, according to property website RentHop.

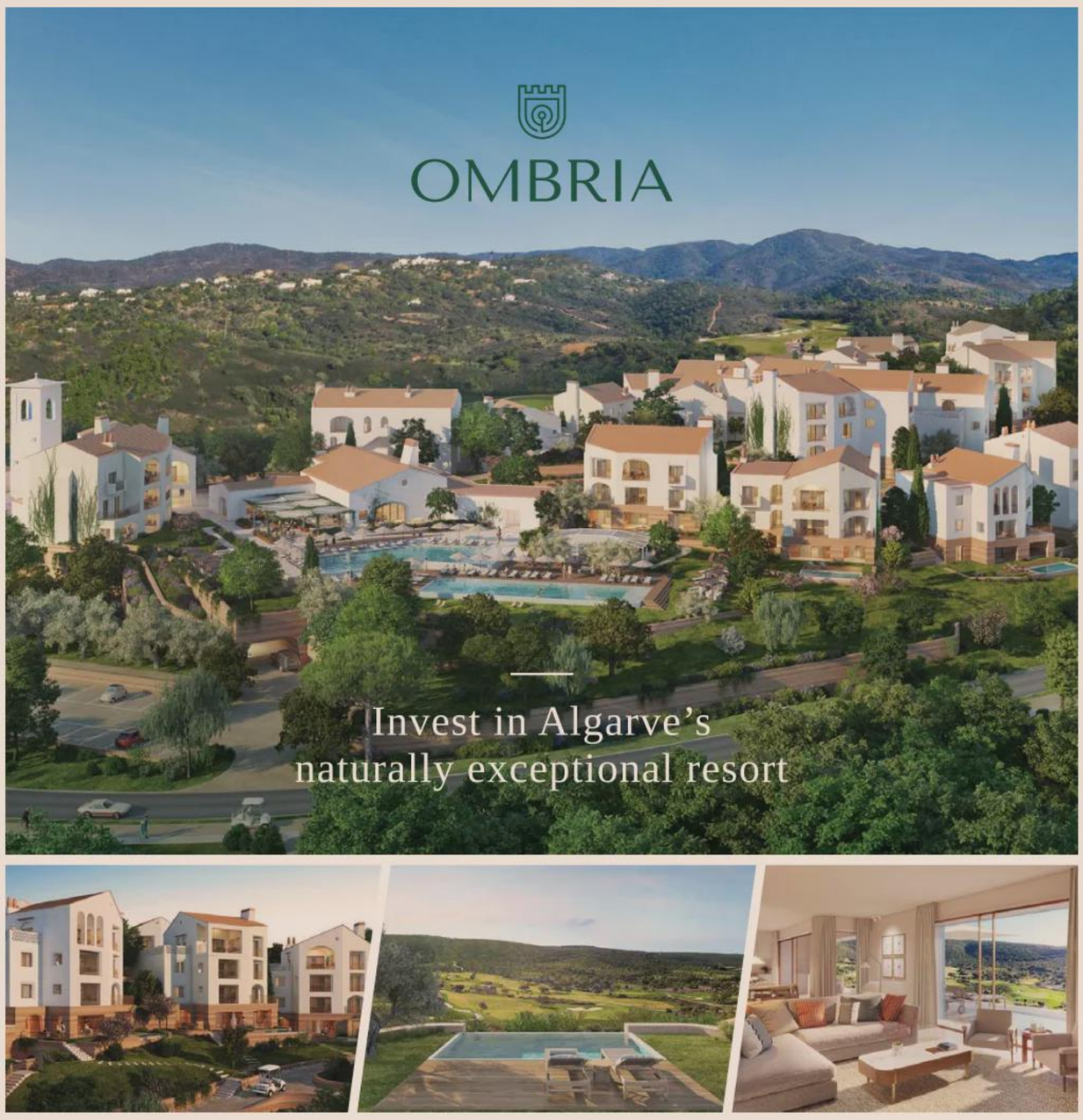
Gates has noticed that more artists with studios nearby now commute in from outside Greenpoint, compared with before the pandemic.

"But it's still a thriving community of artists, galleries and workspaces. Studio spaces remain more affordable than apartments: it's living here that is really [costly] right now," she says.

i / AT A GLANCE

The median rental price for a one-bedroom apartment in Greenpoint is $4,500 per month, according to RentHop. A two-bedroom is $6,295.

The median price of a home sold in the three months to December was $1.85mn, according to Serhant.



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House&Home

Hot property
Notable architects

By Justin Kendall

House, Marylebone, London, UK, £75mn

Where In Marylebone, central London. Regent's Park is a 10-minute walk away.
What A newly renovated, Grade II*-listed town house, originally built in 1775 by architect Robert Adam. Incorporating the mews house at the back of the property, there are 11 bedrooms and 10 bathrooms across nearly 21,000 sq ft, with multiple kitchens, living areas and formal rooms for entertaining.
Why The property has been fully renovated and includes an indoor pool, gym, hot tub, sauna, treatment room, wine cellar, library and light-filled sky lounge with a roof terrace. There is a lift connecting all floors, as well as two garages.
Who UK Sotheby's International Realty

House, Malibu, California, US, $14mn

Where A five-minute drive from Malibu Beach, to the west of Los Angeles. Driving to LAX airport takes between 30 and 60 minutes, depending on traffic.
What Designed by architect Harry Gesner, this three-bedroom, three-bathroom home sits on a 1-acre plot with views of the Pacific Ocean. There's a swimming pool, Jacuzzi and garage, as well as large entertaining spaces inside and out. The property also comes with a fully restored 1957 Airstream trailer.
Why Huge Gothic-inspired arches and floor-to-ceiling windows make the villa architecturally impressive; it's also built to be fire and earthquake safe.
Who Douglas Elliman

House, Otley, West Yorkshire, UK, £7.5mn

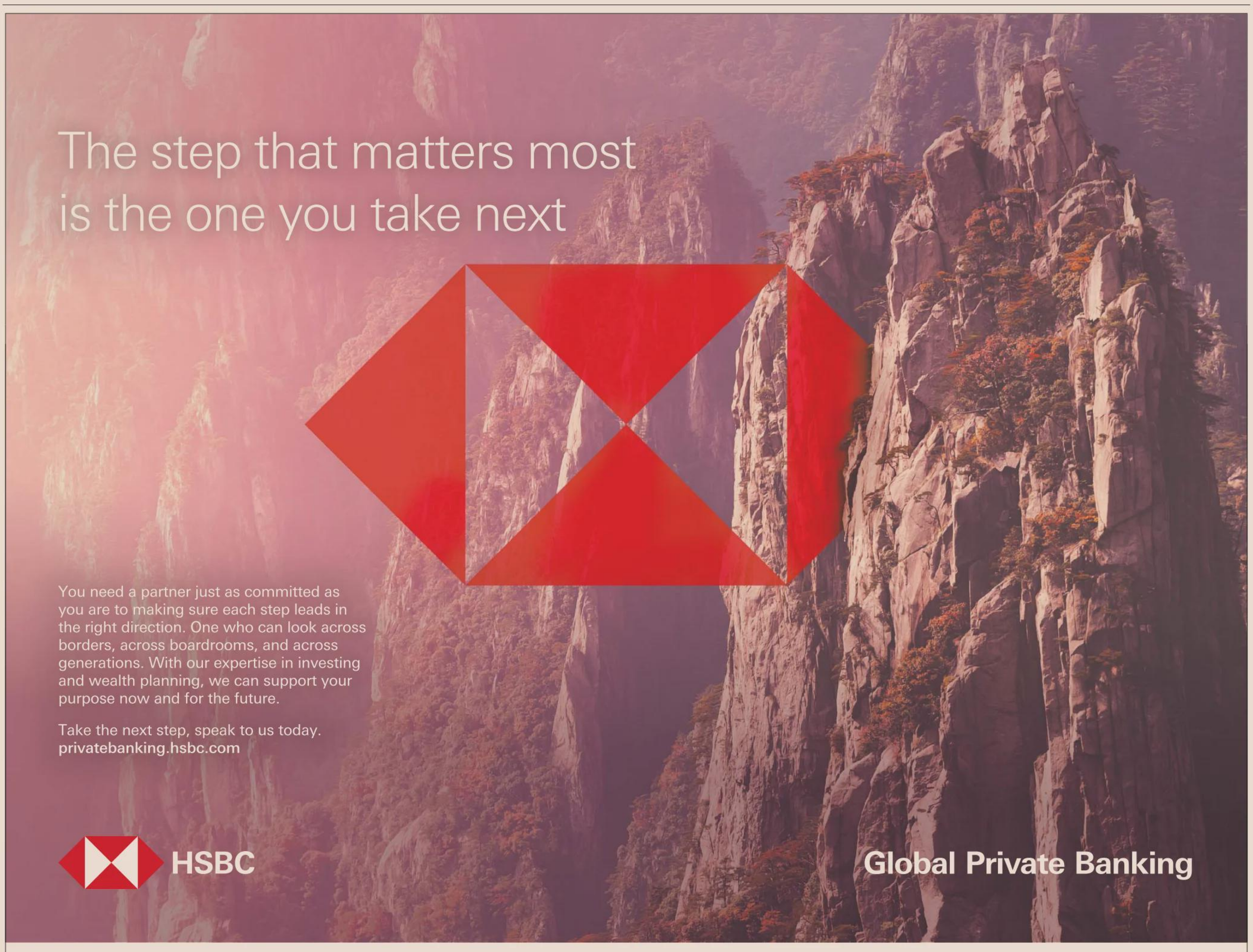
Where In Arthington, a village about 8 miles north of Leeds. The Yorkshire Dales National Park is a short drive away, and getting to Leeds takes about half an hour.
What A Grade II-listed Georgian house on a 22-acre plot. It has eight bedrooms, eight bathrooms, a grand oval-shaped hall, orangery, three-room gym, home cinema, spa area with steam room and treatment room, as well as garage parking for four cars. The newly landscaped grounds include a walled garden, parterre, orchard and woodlands.
Why The house was originally built in the 1400s, then remodelled by John Carr following a fire in the late 18th century. Carr is best known for Harewood House, which happens to be nearby.
Who Savills

Apartment, New York, US, $895,000

Where On Park Avenue in Manhattan. Central Park is a few minutes' walk away, and Grand Central station about 20 minutes.
What A one-bedroom, one-bathroom apartment with a striking interior, featuring herringbone flooring in the living room, darkly coloured walls in the foyer and a fireplace.
Why The building that houses the apartment was designed by renowned architect Emery Roth. It has a grand lobby, central laundry, gym and roof terrace.
Who Coldwell Banker Walburg

Castle, Reggello, Tuscany, Italy, €6mn

Where In the Tuscan hills, south-east of Florence. The city is about 45 minutes away by car; Pisa international airport is 90 minutes.
What A Florentine castle on 22ha of land, with ballrooms, vaulted ceilings and frescoes. In addition to the 17 bedrooms, there's a wine cellar, gym, vineyard, pool, tennis court and covered terrace.
Why Dating back to 1427, the property was restored by architect Gino Coppedè around the turn of the 20th century.
Who Italy Sotheby's International Realty



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Chelsea, London, UK

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Magnificent country seat

Alton, Hampshire, UK

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About 260 acres | Guide £65 million *Freehold*

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Chelsea, London, UK

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Highly sought-after address

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Grade II listed, triple-aspect house in a prominent corner position on a sought-after square • 4 reception rooms • kitchen/dining room • 5 bedrooms • 4 bathrooms • library area • private balcony • 2 self-contained apartments • patio garden • underfloor heating • vault storage • 3,815 sq ft • Council Tax Band = D

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Unique Cape Dutch style property with 16ft ceilings, set in lush tropical gardens • reception room • 4 bedrooms • 4 bathrooms • library/study • fitness room • wine storage • swimming pool with poolside guest cottage • roof deck • outdoor kitchen • al fresco dining terraces • 5,397 sq ft

About 3.74 acres | Guide $9.95 million *Freehold*

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Impeccable listed water mill

Guildford, Surrey, UK

Stunning Grade II listed water mill in the Surrey Hills, converted to the highest specification throughout • 5 reception rooms • open-plan kitchen/dining room • 5 double bedroom suites • further bathroom • cinema room • gym • indoor and outdoor swimming pools • spa with 2 changing rooms and waterfall showers • al fresco dining terrace • formal landscaped gardens • wild flower meadow

About 7.83 acres | Guide £5.95 million *Freehold*

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Stunning apartment with sea view

Rapallo, Liguria, Italy

Beautiful apartment in the pretty coastal village of San Michele di Pagana, situated between Rapallo and Santa Margherita on the Italian Riviera. The property is close to the beach and on the ground floor of a typical Ligurian villa, benefitting from its own private entrance • 2 reception rooms • 2 bedrooms • 2 bathrooms • garage and private parking • garden • 1,291 sq ft

Guide €1.55 million *Freehold*

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House&Home

Manchester, inside out

Architecture | The English city is being transformed by new residential towers at an alarming pace. By *Deyan Sudjic*

(Above) New towers in Deansgate, central Manchester; (below) architect Ian Simpson's penthouse in Beetham Tower, which he designed — Getty Images; Retu Guttil

The first time that Manchester attracted the undivided attention of the rest of the world was at the height of the Industrial Revolution. Its population was doubling every decade, spilling out into open countryside to swallow up existing towns and villages. Its red-brick mills and back to-back streets became the explosive prototype for every modern manufacturing city.

Manchester today is in the middle of a violent binge of skyscraper building, which has provoked another equally rapid and rather more unexpected transformation, one that is turning the city's 19th-century structure inside out. Unlike London, where the tallest buildings are mainly offices for bankers, lawyers and financial traders, Manchester's skyscrapers are being designed for people to live in. As a result, its city centre is on course to become home to 100,000 residents by 2025. Given that there were fewer than 500 people living there just 35 years ago, it's a remarkable change.

Since 2018, 27 towers have been built in Manchester, accommodating more than 60,000. There are an additional 20 towers under construction, with proposals for yet another 50 or so in the planning system. The total includes a tower in Salford that would be 264 metres high and another of 71 floors, 250 metres tall, at Great Jackson Street, which would put them among the tallest residential buildings in Europe. And at the end of last year, Salboy, a local developer, unveiled a scheme for a 76-floor tower next to the city's convention centre in an attempt to capitalise on Manchester's booming buy to rent market, aimed at affluent professionals in their early thirties.

It's a persuasive demonstration that for many people, home is not the suburban house and garden model that everybody, from the King in his days as the Prince of Wales to successive advisers to the Conservative government, has been promoting. In comparison with the Manchester experiment, the Duchy of Cornwall's Poundbury development, accommodating little more than 4,000 people, is a less plausible model for the future.

> 'Some people think that what I do is the work of the devil. But the towers are a kind of refuge'

Friedrich Engels was horrified by what he saw in Manchester in the 1840s, and described the squalor in which most of its people lived in his book *The Condition of the Working Class in England*. As a careful observer, the political philosopher understood that he was looking at a new type of city, one with a centre that emptied out once the working day was over. The affluent left for their suburban villas. The poor lived in what were little more than barracks.

The pattern hadn't changed much in the 1960s when Manchester's mills and factories began closing and the council started planning for a shrinking population. The poor were moved out to the concrete hulks of deck-access council flats in Hulme after the slums were demolished. The wealthy lived in Cheshire. The ambitious left for London.

Real change began while the idea of high-rise living was still regarded as a spirit-crushing failure. When the IRA detonated a truck bomb outside the Arndale shopping centre in 1996, Manchester had only just finished demolishing 3,280 flats in Hulme, 20 years after they were completed. The city's politicians, who had already been thinking about the future (bidding unsuccessfully to stage the Olympics), commissioned the planning consultancy EDAW and architect Ian Simpson to draw up a vision for what central Manchester could become. Their main priority was bringing people into the city.

The first really big tower, designed by Simpson himself, was completed in 2006. With 47 floors and a height of 169 metres, the Beetham Tower, part hotel with flats on top, was briefly the tallest building in Britain outside London. It was regarded by some as a sign of a resurgent city, a conspicuous if none too subtle symbol of vigour. The top section projects out 4 metres into space, giving the hotel bar a cantilevered glass floor with a vertiginous view, and creating a distinctive and recognisable silhouette.

Simpson lives in the Beetham's penthouse, where he enjoys an enviable version of high-rise living that few can afford. His flat is big enough to accommodate a grove of full-size olive and lemon trees.

He is a militant supporter of building more high-rise architecture in Manchester. "This is a unique opportunity to bring life into the city centre. We can't afford to miss it . . . There can never be too many new towers," Simpson tells me unapologetically in the meeting room of his offices at the foot of a 50-floor tower he has designed.

"Some people think that what I do is the work of the devil. They think we should be building these towers on streets. But we live in a rough tough city and the towers are a kind of refuge. We are designing them in real places. They are not gated communities.

"We have created a new typology for high-rises that is specifically Manchester. It's not about the individual buildings, it's about creating a naturally ventilated glass skin that reflects the sky and the weather. At night the individual interiors come alive. We try to create an elegant footprint, and to ground the buildings well," he says.

It took more than a decade for Simpson and Rachel Haugh, his professional partner, to start building the New Jackson Street development, which is much larger than their first tower. Thanks to Manchester's opaque contracted-out system, the developer was able to rewrite the planning framework for the site and switch to entirely residential use after an office scheme for the same site had failed from lack of demand. It will eventually have 6,400 apartments stacked in 15 towers, rising to more than 70 floors. Since then the pace has accelerated, with investors from the US and Asia piling in to finance new towers.

The push to build ever taller has became a kind of self-sustaining production line. Each new developer aims to eclipse their competitors by going higher and higher. Until now, all Manchester's new towers have been located in clusters along the line of the inner ring road — cut through derelict factories in the 1960s — circling the city centre like a concrete moat four lanes wide. Because Manchester city centre is overwhelmingly flat, this has made their impact on the skyline very different from what it would be in other cities. Instead of forming a recognisable city skyline rising to a central peak, they are at their most visible from long distances.

Gary Neville, the former Manchester United footballer, changed that when he finally secured planning permission for a new skyscraper designed by Stephen Hodder. It is being built on the site of the old central police station and the recently demolished Reform synagogue, close to Alfred Waterhouse's spectacular Victorian Gothic town hall. The first plan for the site, which involved two towers, was abandoned after it provoked a strong push back against the demolitions from conservationists and the local community.

(Left) Hulme, inner city Manchester, 1977: 'concrete hulks of deck-access council flats'; (below left) Beetham Tower, Manchester's first tall skyscraper, at 47 storeys, completed in 2006

Jim Hutchison/ ANL/ Shutterstock; Paul Thompson Images/Alamy

Now the pressure group SAVE Britain's Heritage has weighed in to question the scale and speed of what is happening to Manchester. SAVE representative Elizabeth Hopkirk launched its study on the future of Manchester by claiming that the "outdated thinking that regards towers as symbols of success is being challenged like never before".

Co-author of the report Eamonn Canniffe, who teaches at the Manchester School of Architecture, deplores the impact of the new buildings. "They loom over the middle of the city like a gang of encircling bullies," he says. SAVE is not against tall buildings in themselves, but argues that the current high-rise mania is taking investment away from the more sustainable strategy of regenerating existing buildings. It is also threatening to overwhelm them. There are still many examples of Manchester's Victorian past, but even the old brick chimneys are reduced to a toylike scale by the huge glass icebergs that rise above them.

According to property consultants JLL, Manchester's growing population has boosted demand for new homes, and led to some of the biggest rises in house prices in the UK. In the past five years, the average cost of a home in Manchester has increased by more than 19 per cent, while rents have gone up 22 per cent.

SAVE's report is titled "Boom not Bust", which raises the question: does all this construction make financial sense? It depends on who you talk to. Simpson acknowledges that there is a thin line between making a high-rise scheme viable and losing money on every sale.

"Many cost consultants will say that there is a financial penalty for building anything more than 30 floors. I am fortunate that the developers I work with came from the construction industry and have the experience to know how to build high," he says.

Certainly Manchester's developers have managed to convince the city authorities that they are making less money than their counterparts in London. They have secured a substantially lower level of affordable housing in their schemes than in London.

For the estate agents trying to sell apartments in the city's forest of skyscrapers, the new Manchester is defined by two equally slippery concepts. One of them is "world class", the other is "curated". New Jackson Street describes itself as "a world-class skyscraper district" and "an aspirational new neighbourhood". It offers a "curated programme", delivered by its own head of experience.

In 1967, when this was still called plain Great Jackson Street, social life revolved around the unassuming comforts of the Boatman's Home, a two-storey red-brick pub that could have been the model for the fictional Rover's Return Inn, of *Coronation Street* fame. Now there is free outdoor yoga on the roof garden, an annual cookout and a charity basketball match. As part of the price of planning permission, there is also a developer-funded primary school and an NHS surgery.

Neville's development offers "highly curated residences", at prices of up to £6mn. Due to be completed this year, they will be designed by a firm that specialises in hotel rooms in a style that is said to be "Jimi Hendrix meets Twiggy". Neville's marketing strategy maps the geography of Manchester as a collection of branded experiences. Live in the W Tower, ("the first regional branded living in Britain") and you are assured that you will be in striking distance of "world class dining", in the shape of Sexy Fish, Gordon Ramsay's Lucky Cat and The Ivy. Soho House, the hipster version of Holiday Inn, with 41 locations around the world, is opening in what was Granada Studios next year.

The result, according to its critics, is the great inversion. A kind of urban theme park for Manchester's affluent singles — Simpson notes the average age of the people who live in his towers is 31. The less affluent are outside the inner ring road, gazing at a spectacle that they can see, but not experience. Meanwhile, Manchester's characterful Victorian heritage, as well as such impressive pieces of 1960s architecture as the soon-to-be-redeveloped former UMIST campus, are being overwhelmed by the glass towers.

"I never thought of myself as a conservationist," says Richard Brook, architecture professor at Lancaster University, and the author of the definitive guide *manchester MODERN*, "but these are not places for families, or for people planning to stay for long."

Deyan Sudjic is director emeritus of the Design Museum in London

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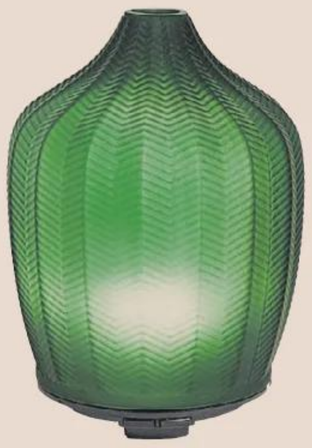

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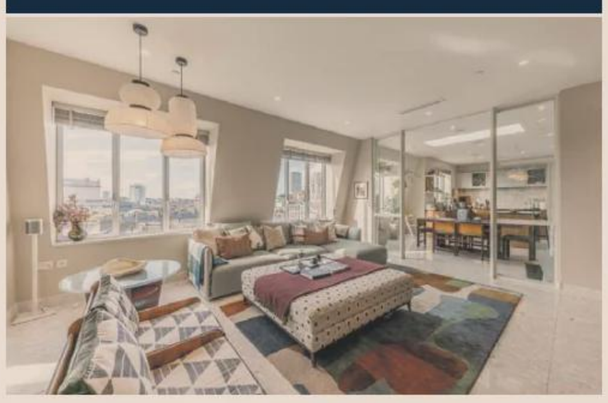

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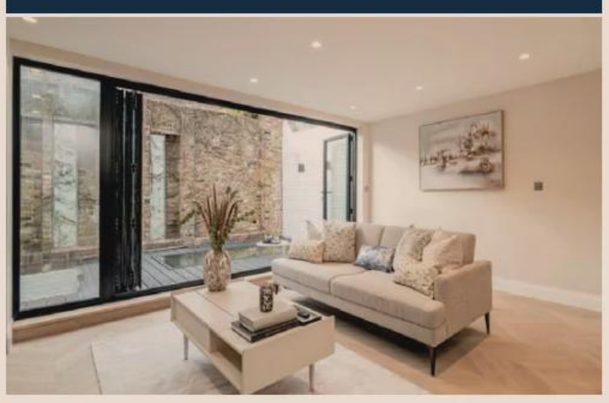

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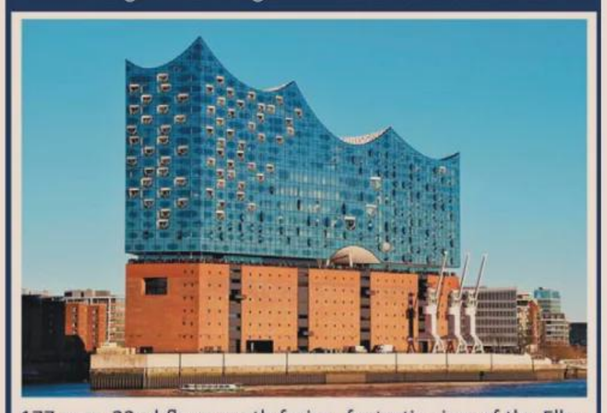

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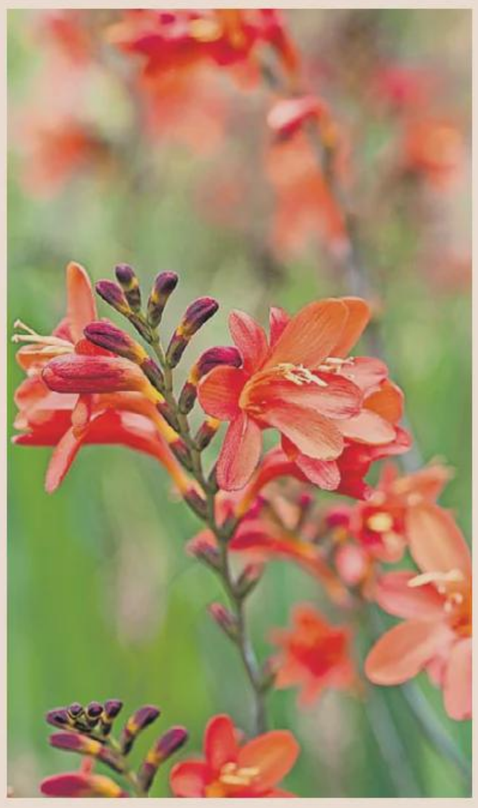
We can but try to learn lessons from a year when the weather and horticulture held many surprises



(From left) Ceanothus Gloire de Versailles loves a mild winter; Abutilon Canary Bird, ideal for sunny London gardens but not my cold Cotswolds one; Crocosmia Emberglow flowered more freely than ever
GAP Photos/Neil Holmes; GAP Photos/Fiona Lea; GAP Photos/Nicola Stocken

What can we learn from the past? As a historian, I engage weekly with this question. As an investor, what I learn from it is that I repeat mistakes. As a gardener, I am wary of learning too much.

The past year left a mixed legacy for learners. In Britain, it was friendly to gardeners from spring until mid-autumn. They were lucky, as drought, fires and gales battered many gardeners elsewhere. In Sicily, there was next to no rain from spring until late autumn and even the island's wild cyclamen carried only about one-tenth of their usual flowers.

Befitting a year of widespread drought, the UN General Assembly declared 2023 the International Year of Millet, the grain which grows well in dry conditions and yields a healthy crop. Gardeners who like grasses have yet to latch on to the stems and seeds of the many types of millet, especially the Japanese ones. In a warming world it will have an important agricultural future, but it looks too brown and dreary for my garden's main sightline.

In Britain the climate, as usual, was the main imponderable, making learning from it difficult. I never remember a year with such contrasting weather. In January, sharp frost inflicted acute damage on gardens, but its effects were sporadic. In London, many gardeners missed the worst of it. My urban benchmark is my daughter's garden north of Paddington. I class abutilons with tender mallows and in my cold garden in the Cotswolds both of them die as soon as the temperature lurches below zero. In hers, the excellent Abutilon Canary Bird is still 7ft high, covered in hanging yellow flowers. It is near a wall, but is not tied to it.

Clearly it is a superb fast-growing shrub for a sunny London garden, especially as it allows lower plants to flourish under its light canopy of branches. I did not introduce Canary Bird to my daughter: in my garden it would be a corpse.

Outside London, gardeners in early 2023 lost far more than their Canary Birds. By late March it was obvious that many hebes, cistuses and ceanothuses were dead from top to bottom. For the past 30 years, one of my garden's early delights has been the wonderful Daphne Jacqueline Postill, up to 6ft high and covered with scented lilac-pink flowers even on alkaline soil. I have recommended it here since first seeing it in flower in the Hillier gardens in Hampshire, a fine place to visit in order to assess winter-flowering shrubs. The tall stems on my Jacqueline Postill became a black mush in February and, to my horror, the entire plant is dead. This loss has been widely shared in exposed gardens and will take years to repair.

Even so, other losses were sporadic. In autumn 2022, I failed to lift all my dahlias and store them according to the old rule in boxes in a frost-free place. This spring, I assumed they were not just missing but dead in the ground, so I ordered many more. Most of the dahlias I had left unlifted then sent up new shoots in June and gave me a dahlia fiesta in early September until heavy rains later in the month ruined their flowers, along with the Michaelmas daisies.

Why did the dahlias' un-hardy tubers survive the winter when much else did not? My theory is that the cold nights were particularly deadly to evergreen plants, whose stems were soaking wet from the previous Christmas rains. Myrtles, daphnes and even rosemary were iced through, being so wet already all over their top growth. Dahlias, by contrast, were 6in or more underground without any branches showing. Even so, I am surprised: alternative answers are welcome.

Robin Lane Fox

On gardens

I like mine because it accounts for the survival of most of the agapanthus and crocosmias.

In pots, agapanthus are more vulnerable and indeed my white ones turned to a soggy mush and died. In open ground they survived, as did all the crocosmias. So many new ones have been bred and selected in both families, often hardier than their parents. In the 1960s, crocosmias were regarded as a major risk, marginally hardy in Britain, but in the 2020s we know better. They like sharp drainage, responding well to plenty of grit dug round them. They also revel in plenty of water.

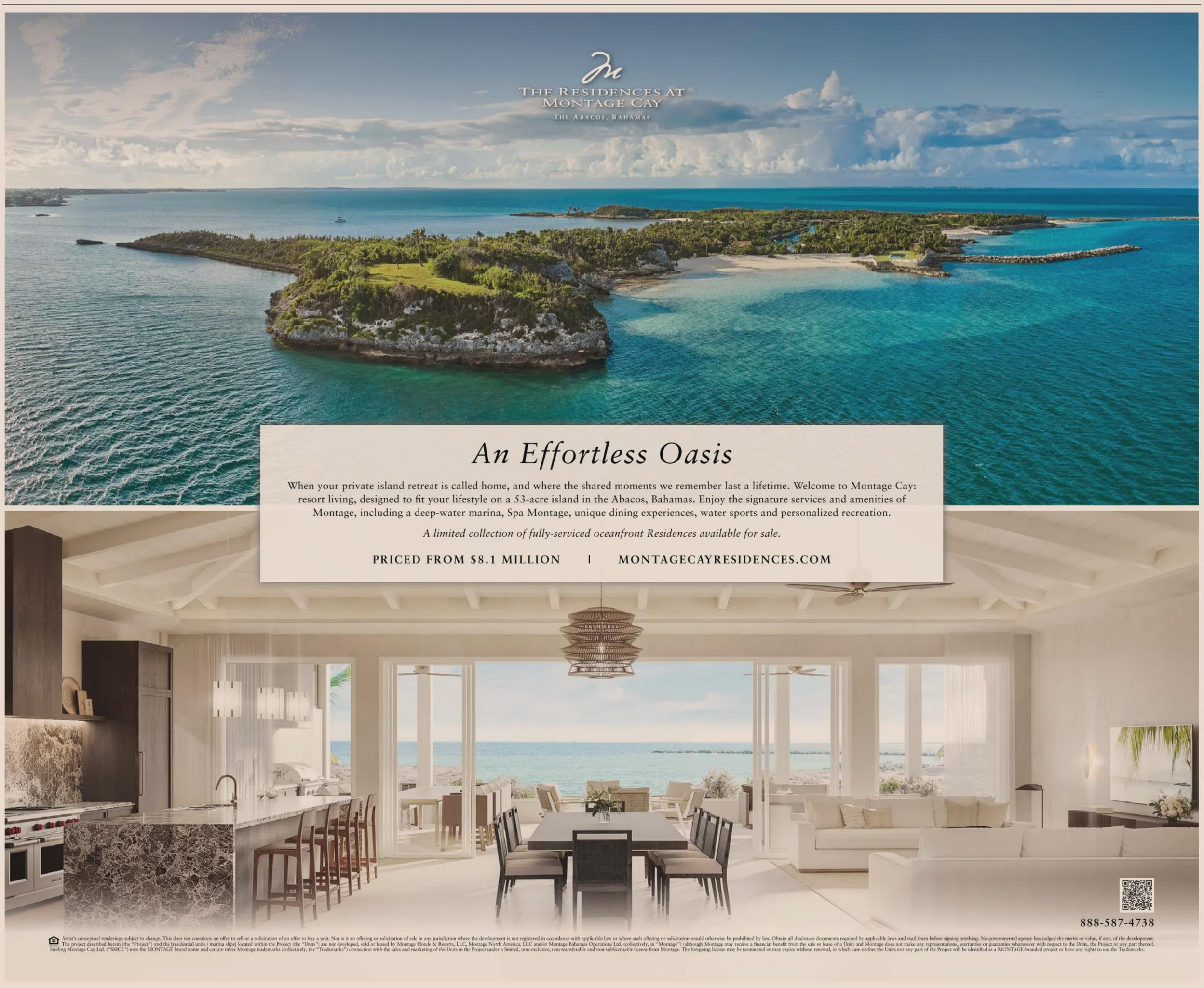
Here, 2023 obliged them. It was a rotten year to be a crocus in flower, whether in wet February or in wet November. It was an ideal year to be a crocosmia, because regular rains in summer gave its corms the moisture they appreciate. The plant of the year in my garden was smouldering red Crocosmia Emberglow as it flowered more freely than ever, closely followed by tall Lucifer and the vivid yellow Paul's Best Yellow.

I was not alone in enjoying a crocosmia coup. When I visited Keith Wiley's superb naturalistic garden, Wildside in Devon, he had planted drifts of crocosmia down the slopes of a newly made landscape, which was planned to evoke South Africa. They too were having a vintage year.

So were many annuals, infilling for winter's killings. Half-hardy ones missed the frost, because they were bedded out in late May. Then the frequent rain showed how strong and vigorous they can become when constantly watered. In 35 years I have never had such tall, thick-stemmed cosmos daisies, annuals often seen as far afield as India. They are not the drought-loving plants which their presence there implies. As my garden drains quickly, frequent rain showers activated the cosmos' roots. They did the same to tall tobacco plants, never so good before. Persistently wet summers are widely considered to be unfriendly to annuals, but the beauty of 2023's summer was that the rain was intermittent, usually falling between sunny days with sufficient cloud to keep off a repeat of 2022's high heat.

In 35 years I have never had such tall, thick-stemmed cosmos daisies, annuals often seen as far afield as India

Who could have guessed as much from the recent past? The year before last was burning hot and a severe trial for gardeners. The lesson seemed to be that fleshy-leaved, sun-loving bedding plants would now be the best choices. In 2023, the lesson was refuted in Britain. The same was true in borders. The year before was an awful year for border phloxes, but in the cool wet months of summer 2023 they were superb.

After 2023's killing cold, I started by vowing I would henceforward play safe. I had even lost young buddleias so, in future, I told myself, I would plant utterly hardy japonicas, weigelas and philadelphus. Has the lesson been well learnt? Since October the British non-winter has been amazingly mild, wet and frost free and refuted it. Of course it points to wider problems in the global climate but locally, in our home British gardens, it has been so kind. In spring I had vowed never to plant a ceanothus again, except on a south-facing, sheltered wall. I am now thinking of Ceanothus Gloire de Versailles as a quick-growing backbone for a summer border. About 6ft high and covered in pale blue flowers, it has been the glory of many borders in Hampshire until winter 2022/23.

Am I too old to learn, or is the evidence too confused for one-sided decisions to be sensible? I prefer to draw a different lesson, that gardening, especially in Britain, is inherently unpredictable, a reason why we never tire of it and why one hard winter never ends by curbing hope. What ever will 2024 bring to this column? Happily, I cannot say for sure. *