FINANCIAL TIMES

WEDNESDAY 8 NOVEMBER 2023 EUROPE

What a Trump win would mean for the world
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Payment fintechs earn crypto fans' envy
PATRICK JENKINS, PAGE 6

King's Speech
Sunak's plans for UK set out

King Charles and Queen Camilla attend the UK's state opening of parliament at the Palace of Westminster in London yesterday.

The King's Speech, the first delivered by a male monarch for more than 70 years, laid out Prime Minister Rishi Sunak's final legislative package to be delivered before a general election expected by autumn 2024.

King Charles, reading from a script prepared by Downing Street, said that the government was making "the difficult but necessary long-term decisions to change this country for the better".

The monarch, an ardent environmentalist, unveiled a bill to encourage North Sea oil drilling. The opposition Labour party, which is 20 points ahead of the ruling Conservative party in opinion polls, called the King's Speech "a pretty pathetic programme of tinkering".

FT View page 16

Arthur Edwards/Getty Images

KKR boosts outlook and Carlyle axes jobs as buyout firms' fortunes diverge

- Fundraisings total $14bn vs $6bn
- Groups were same size a decade ago
- Schwartz sees 'work to do'

ANTOINE GARA — NEW YORK

Two of the world's biggest private equity firms reported starkly diverging fortunes yesterday as KKR boosted its fundraising expectations while Carlyle axed jobs as part of a cost-cutting drive.

The contrasting results underscored how the two investment groups, which were roughly the same size a decade ago, have since shifted apart, with KKR boasting of a "noticeable uptick" in fundraising and Carlyle warning staff that "every single expense is on the table".

KKR is building its investment operations in infrastructure and property and is preparing to launch flagship corporate buyout funds in the US and Asia.

It is also doing more deals after a sharp rise in interest rates over the past 18 months previously curbed activity across the industry.

Carlyle meanwhile said its fundraising efforts this year had underwhelmed and it expected a prolonged slump in broad financial markets. It is focused on reducing costs, according to Harvey Schwartz, chief executive. "Overall, we have not been pleased with fundraising in 2023," he told analysts yesterday.

In third-quarter results, Carlyle said that it raised $6.3bn across its funds, an 11 per cent decline from the second quarter. Carlyle also closed its most recent flagship buyout fund with $14.8bn in overall assets, 20 per cent less than a previous fund and far smaller than the $27bn that former chief executive Kewsong Lee had targeted before his sudden exit last year.

> 'Every single expense is on the table. There is no such thing as a sacred expense'
> John Redett, Carlyle CFO

By contrast, KKR increased its fundraising in the quarter, raising more than $14bn, with "a noticeable uptick in our pipelines around fundraising, deployment and monetisations", according to Robert Lewin, chief financial officer.

KKR said it would begin fundraising for new buyout funds in the US and Asia, which people familiar with the matter expect will be larger than predecessor funds. KKR completed fundraising for a $18.4bn US buyout fund in 2021 and a $14.7bn Asian buyout fund the prior year, according to filings. KKR declined to comment on its fundraising targets.

KKR shares rose more than 5 per cent yesterday while Carlyle shares fell 1 per cent.

Since taking Carlyle's reins in February, Schwartz has been trying to build a turnaround plan amid the challenging market backdrop of fast-rising interest rates. "There is a lot of work to do," said Schwartz yesterday as he offered a pessimistic outlook for dealmaking activity. "[My] own opinion is that lower activity levels and reduced confidence will likely persist for a bit longer."

Carlyle has cut expenses primarily by cutting investment jobs in areas where it has struggled with fundraising or sees unexciting growth prospects.

In September Carlyle shut its US consumer, media and retail private equity investment group and laid off some staff. It has cut further jobs across its US buyouts investment team, according to people familiar with the matter. Those lay-offs have affected staff in Europe and Asia. Carlyle declined to comment.

The company reported a $40mn drop in expenses on an annualised basis during the quarter, about 85 per cent of which came from pay.

John Redett, Carlyle's chief financial officer, said: "Every single expense is on the table. There is no such thing as a sacred expense."

Schwartz said the cuts would allow the firm to invest in areas where it sees future growth, such as buyouts in Japan and real estate, among other strategies.

Briefing

China's growth prospects lifted despite weak data
The IMF has raised its forecasts for China's economic growth, citing stronger policy support from Beijing, but analysts say weak export data shows that the recovery remains fragile.
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Digital wallets in focus
The top US consumer finance regulator is seeking new powers to oversee technology groups that offer digital wallets and payment applications, bringing Google and Apple into its sights.— PAGE 6

UBS counts cost of rescue
The Swiss lender has reported its first quarterly loss in almost six years as it laid bare the costs and risks of integrating Credit Suisse following the state-orchestrated rescue of its rival.— PAGE 7

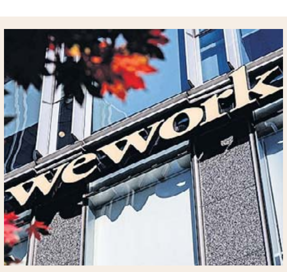
Opening for Polish right
Poland's prime minister has been given the chance to form the next government with his rightwing Law and Justice party, even after a coalition led by Donald Tusk won a majority last month.— PAGE 3

ByteDance trims VR unit
Pico, the virtual reality division acquired by TikTok owner ByteDance in 2021 at the peak of optimism for the metaverse, is to cut staff and restructure after a market downturn.— PAGE 7

Berlin to curb migrants
Germany is to clamp down on illegal immigration and explore setting up asylum-processing centres outside the EU after a cross-party deal reached amid rising rightwing populism.— PAGE 2

US nuclear fuel warning
Reliance on Russia's nuclear fuel poses a threat to national security and climate goals, a White House official has said while urging funds for a rebuilding of the domestic supply chain.— PAGE 3

Jakarta issues green plea
President Joko Widodo has called on the west to release a promised $20bn to finance Indonesia's green energy transition and do more to back its critical resources vital to electric vehicle.— PAGE 4



WeWork's ruin puts flexible office providers on notice

Pall over shared-office sector ▸ PAGE 8

Costa quits as Portugal's premier after corruption probe reaches inner circle

BARNEY JOPSON — MADRID
SÉRGIO ANÍBAL — LISBON

António Costa resigned as Portugal's prime minister yesterday, hours after prosecutors issued arrest warrants and raided government buildings in a corruption investigation that reached his inner circle.

Costa, a socialist who has led Portugal since 2015, said he would step down after prosecutors revealed the full extent of a probe into possible crimes of corruption, malfeasance and influence peddling among holders of public office.

Prosecutors raised the potential wrongdoing related to several high-profile business ventures, including lithium mining projects that were central to both Portugal's long-term economic plans and the supply of raw material for Europe's electric vehicle industry.

They said that in the course of their investigations suspects had invoked the "name and authority" of the prime minister and alleged he had made interventions to "unblock procedures".

Costa said he had not been aware of the investigation and had a clear conscience. "But regardless of this, the dignity of the role of prime minister and the trust that the Portuguese people have in institutions are absolutely incompatible with a prime minister who faces suspicions about his integrity," he added.

Prosecutors issued an arrest warrant for Vítor Escária, Costa's chief of staff and confidant, and said that they were making infrastructure minister João Galamba a formal suspect as they carried out 43 raids on government buildings and homes.

Costa's resignation shifts the onus to Portugal's president, Marcelo Rebelo de Sousa, a former leader of the opposition Social Democrats, who accepted Costa's resignation and must decide whether to dissolve parliament and call elections or to appoint another prime minister.

Until then, Costa will remain as caretaker leader.

"I'm not going to run again to be prime minister," said Costa, who was re-elected with an absolute majority in 2022. "It is a stage of my life that is finished."

Among the projects under investigation are a hydrogen production plant and the construction of a data centre, both in the town of Sines. Prosecutors also issued arrest warrants for the mayor of Sines and two directors of a company involved in the data centre.

Rui Rocha, head of Liberal Initiative, a small rightwing opposition party, said that Portugal was "engulfed in rot".

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

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World Markets

STOCK MARKETS

	Nov 7	Prev	%chg
S&P 500	4379.32	4365.98	0.31
Nasdaq Composite	13642.30	13518.78	0.91
Dow Jones Ind	34163.65	34095.86	0.20
FTSEurofirst 300	1754.19	1757.09	-0.17
Euro Stoxx 50	4153.37	4158.64	-0.13
FTSE 100	7410.04	7417.76	-0.10
FTSE All-Share	4017.63	4020.77	-0.08
CAC 40	6986.23	7013.73	-0.39
Xetra Dax	15152.64	15135.97	0.11
Nikkei	32271.82	32708.48	-1.34
Hang Seng	17670.16	17966.59	-1.65
MSCI World $	2889.44	2883.80	0.20
MSCI EM $	968.91	948.26	2.18
MSCI ACWI $	665.45	662.77	0.40
FT Wilshire 2500	5624.56	5623.53	0.02
FT Wilshire 5000	43792.70	43792.20	0.00

CURRENCIES

Pair	Nov 7	Prev	Pair	Nov 7	Prev
$/€	1.069	1.074	€/$	0.936	0.931
$/£	1.230	1.239	£/$	0.813	0.807
£/€	0.869	0.867	€/£	1.151	1.153
¥/$	150.500	149.735	¥/€	160.810	160.883
¥/£	185.101	185.545	£ index	81.160	81.110
SFr/€	0.962	0.964	SFr/£	1.107	1.112

CRYPTO

	Nov 7	Prev	%chg
Bitcoin ($)	34751.55	35059.45	-0.88
Ethereum	1867.77	1901.67	-1.78

COMMODITIES

	Nov 7	Prev	%chg
Oil WTI $	78.02	80.82	-3.46
Oil Brent $	82.25	85.18	-3.44
Gold $	1984.60	1994.45	-0.49

GOVERNMENT BONDS

Yield (%)	Nov 7	Prev	Chg
US 2 yr	4.92	4.90	0.02
US 10 yr	4.59	4.62	-0.04
US 30 yr	4.74	4.80	-0.05
UK 2 yr	4.63	4.72	-0.09
UK 10 yr	4.44	4.55	-0.11
UK 30 yr	4.73	4.85	-0.12
JPN 2 yr	0.12	0.13	-0.01
JPN 10 yr	0.87	0.87	0.00
JPN 30 yr	1.80	1.81	-0.01
GER 2 yr	2.98	3.01	-0.03
GER 10 yr	2.66	2.74	-0.08
GER 30 yr	2.89	3.00	-0.11

Prices are latest for edition
Data provided by Morningstar

INTERNATIONAL

Germany

Scholz hails 'historic' deal to curb migrants

Berlin to reduce benefits and consider processing centres outside the EU

SAM JONES — BERLIN

The German government said it had clinched a "historic" cross-party deal to clamp down on illegal immigration and will explore setting up asylum processing centres outside the EU, as it tries to staunch support for resurgent rightwing populism.

The decision, reached yesterday after 17 hours of discussions between chancellor Olaf Scholz's coalition, the mainstream conservative opposition and Germany's 16 state governments, follows an announcement by Italy that it will soon open migrant centres in Albania. Britain is the only European country to have established extraterritorial asylum centres, with a facility in Rwanda, but the process has been fraught with legal delays. Denmark is also working to set up a centre in the central African country.

Germany's new asylum package, which breaks months of deadlock on the issue, significantly scales back social benefits for refugees, increases federal financial support for state governments and sets ambitious targets to speed up deportations. "This is a very historic moment," said Scholz, adding that illegal immigration to Germany was an "undeniably great challenge".

Hesse prime minister Boris Rhein, a member of the opposition Christian Democratic Union and representing the 16 state governments, said the measures were a "step in the right direction . . . but it is also clear that further steps must follow".

Pressure has grown on the federal government — which Scholz, a Social Democrat, heads in coalition with the Greens and Liberals — to take radical action over immigration, as broad social concern over the topic has fired support for the rightwing populist Alternative for Germany party (AfD). One in five Germans now say they support the AfD, which has put a hardline anti-immigration policy at the centre of its platform. Parts of the party, which also advocates a Ukraine-Russia peace deal and a reformed relationship with the EU, are under surveillance by intelligence services because of their extremist views.

Broad social concern over immigration has fired support for the rightwing Alternative for Germany

Scholz said the accord would bring about a "massive change in practice" in asylum processing, with a series of legal changes to speed up claim processing and restrict applicants' appeals.

The government will aim to reduce the time taken for an initial decision on applications to three months and limit the subsequent legal appeals process to no more than three months.

Asylum seekers will also now have to wait three years until they are entitled to full state benefits in Germany, up from 18 months currently. Benefits will also be paid out on a special state-issued card, giving greater control over how asylum seekers use the money.

The government will also legislate straight away to designate Georgia and Moldova as "safe countries of origin", significantly raising the bar for asylum claims from their nationals.

Temporary border controls that have been enforced with fellow Schengen-member states Switzerland, Austria, the Czech Republic and Poland will be extended. The government gave no timetable for its third country processing proposals. The measure has garnered support from across the political spectrum in recent weeks.

Middle East. Defence policy

Israel plans to maintain 'indefinite' grip on Gaza

Netanyahu pledges to extend security role in Palestinian enclave after war on Hamas

MEHUL SRIVASTAVA — TEL AVIV

Israel will maintain an indefinite grip over Gaza to ensure its own security, Prime Minister Benjamin Netanyahu said, in his first explicit comments on the country's plans for the Palestinian enclave after its war with Hamas.

The Gaza Strip should be governed by "those who don't want to continue the way of Hamas", Netanyahu told ABC News on Monday, without clarifying whether he was referring to the Palestinian Authority, a rival to the militant group, or an international force.

"I think Israel, for an indefinite period, will have the overall security responsibility because we've seen what happens when we don't have it," he said.

Netanyahu's comments are among the first on the role Israel intends to play in Gaza after a war he has warned could take months to defeat Hamas. They also reflect changing Israeli policy.

In October, defence minister Yoav Gallant said Israel would no longer have "responsibility for life in the Gaza Strip" once the war was over. He added that the conflict would create "a new security reality" for Israeli citizens.

Yesterday, Gallant told the Knesset foreign affairs and defence committee: "Israel will retain absolute freedom of action to act in every situation in which there is any sort of threat from the Gaza Strip".

At a meeting of G7 foreign ministers in Tokyo yesterday, UK foreign secretary James Cleverly said: "At some point in the future I think the world would want to see a Palestinian leadership as part of that route towards a sustainable, peaceful two-state solution.

"But at some point after the immediate conflict and before the creation of civilian leadership, it is inevitable that the military forces on the ground would have to take over security control."

Arab diplomats last week dismissed US efforts, led by secretary of state Antony Blinken, to rally regional support for the PA as premature. The group was ousted from Gaza in 2007 after losing elections to Hamas.

Israel has blockaded the strip for more than a decade in a bid to weaken Hamas. Now, a month into a war prompted by a deadly assault by Hamas, Israel's army is engaged in a fight for Gaza City, the northern base of the militants' political and military power.

Netanyahu declared war on Hamas on October 7, after the group's cross-border raid killed more than 1,400 people within Israel, according to the government. Local officials say more than 10,000 Palestinians have been killed by Israel's subsequent aerial bombardment of Gaza.

Netanyahu told ABC he would be in favour of tactical pauses, especially to help free some of the 242 hostages held by Hamas, but rejected the broader ceasefire demanded by Arab leaders, the UN and other international organisations. "As far as tactical little pauses, an hour here, an hour there — we've had them before," he said. "We'll check the circumstances in order to enable goods, humanitarian goods to come in, or our hostages, individual hostages to leave."

In a phone call on Monday, US President Joe Biden pressed Netanyahu to agree to "temporary local pauses", said John Kirby, US National Security Council spokesperson.

The US administration does not support a full ceasefire, which it says would only give Hamas time to regroup.

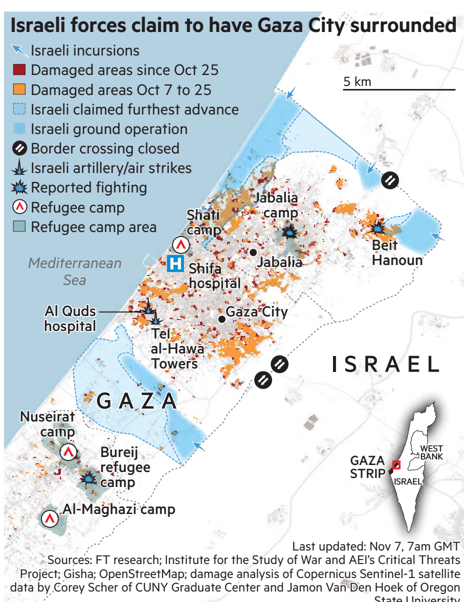
Israel has restricted the entry of aid into Gaza, down from more than 400 trucks a day before the war to a few dozen a day. International observers have warned that these curbs are deepening a humanitarian crisis, after more than 1mn Gazans were told by Israel to abandon the northern part of the enclave and head south. Just over 500 trucks have been allowed to cross into Israel from Egypt since the beginning of the war, with another 75 scheduled to have crossed on Monday, according to an Israeli military assessment.

Diplomats have also been racing to ensure the Rafah crossing with Egypt remains open for foreign nationals trying to flee, but disagreements between Israel, Egypt and Hamas on who will be allowed out have disrupted the process.

Additional reporting by David Keohane

See Opinion

Under fire: Palestinian children flee an Israeli bombardment in Rafah, southern Gaza
Mohammed Abed/AFP via Getty Images



Last updated: Nov 7, 7am GMT
Sources: FT research; Institute for the Study of War and AEI's Critical Threats Project; Gisha; OpenStreetMap; damage analysis of Copernicus Sentinel-1 satellite data by Corey Scher of CUNY Graduate Center and Jamon Van Den Hoek of Oregon State University

'Israel will retain freedom to act in every situation in which there is any sort of threat from Gaza'

Law and Justice party

Poland's PM given first chance to form coalition and stall Tusk

RAPHAEL MINDER AND BARBARA ERLING
WARSAW

President Andrzej Duda has offered Poland's prime minister the opportunity to form the next government with his rightwing Law and Justice (PiS) party even after an opposition coalition led by Donald Tusk won a parliamentary majority last month.

Duda's decision on Monday to nominate Mateusz Morawiecki to form another administration, although PiS has no clear path to securing a majority, is set to delay the expected comeback of Tusk, a former prime minister.

Since the October 15 election, which drew a record turnout of 74 per cent, Tusk had urged Duda to allow him to return to office swiftly, particularly to restore the independence of judges and unlock billions of euros of EU funding withheld by the European Commission in a feud with PiS over judicial reforms. Tusk's return is seen as pivotal to put Warsaw back on a pro-European path.

The ex-premier is at the helm of a three-way coalition that won a combined 248 of the 460 seats in the Sejm, the lower house of parliament. However, Duda, a PiS appointee himself, resisted the pressure from Tusk and insisted on Monday that it was normal to prioritise the largest party in the next parliament, which remains PiS.

"I decided to continue the good parliamentary tradition, according to which the winning party is the first to be given the opportunity to form a government," Duda said in a televised address.

PiS won 194 seats, which means it would need to convince some of Tusk's coalition legislators to switch sides in order to reach a majority. Still, Morawiecki said in an interview with web portal Interia last week that he had "not packed" to leave office.

He added he would consider becoming a minister in a government led by Władysław Kosiniak-Kamysz, leader of the PSL agrarian party that is part of Tusk's coalition. However, Kosiniak-Kamysz responded that PSL was committed to removing PiS after eight years in office rather than facilitating a third mandate for them.

Tusk said before Duda's address on Monday that "the president knows that we can still play for time, but it is a waste of time and a waste for Poland".

He added: "If we waste too much time, some of the EU funds may be lost due to their fault," referring to Duda and PiS. Tusk visited Brussels last month to lobby EU officials for the early release of funds, saying "all methods, including non-standard ones, must be used to save the money that Poland deserves".

The stand-off also illustrates how Tusk could struggle to cohabit with Duda and other PiS appointees whose terms cannot be terminated early.

Duda has set the reconvening of parliament for November 13. After his official nomination, Morawiecki has 14 days to form a new government. Should a majority of legislators reject his proposal, as expected, Tusk will be given his turn, most likely in early December.

Any further delay could risk a fresh election, because Duda can call a new vote if no government manages to pass a budget by the end of January.

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Space programme

France, Germany and Italy boost funding for Ariane 6 rocket

PEGGY HOLLINGER AND MICHAEL PEEL
LONDON

France, Germany and Italy struck a deal on Monday to pump €340mn a year more into the troubled Ariane 6 heavy-lift rocket programme, in an attempt to ensure the future of Europe's sovereign access to space.

As part of the long-awaited tripartite agreement, Europe's approach to commissioning launch services will open up to competition, in a fundamental shift that will put pressure on Airbus and Safran, joint owners of ArianeGroup.

Italy has also opted to withdraw its Vega-C medium-lift rocket from Arianespace, ArianeGroup's marketing arm, Arianespace. Vega-C will eventually be operated by Italian group Avio.

The agreement underscores Europe's anxiety to close the gap with Elon Musk's US-based SpaceX, which is dominating the race to exploit the rapidly developing commercial space economy with its low-cost launch services and the Starlink broadband satellite constellation.

The reliance on US launch capacity was underscored by the European Space Agency's release yesterday of stunning images of galaxies and nebulae from the Euclid space telescope. Euclid was launched in July on a SpaceX Falcon 9 rocket from Cape Canaveral in Florida.

Bruno Le Maire, finance minister of France, said the three-way deal "opened a new era for European launches. It will allow Europe to continue to play a role as a great space power."

The three countries have agreed to provide €340mn a year in extra funding to cover the costs of flights 16 to 42 of Ariane 6, which are expected to launch between 2027 and 2029-30.

The maiden flight is set for next year but is running some four years behind schedule. The delays have left Europe with no sovereign launch capability.

In a decision that has been widely criticised since the programme was launched in 2014, Ariane 6 was not designed to be reusable, in order to preserve jobs.

Ariane 5 made its last flight in July, while the new Vega-C medium-lift rocket was grounded after a flight failure late last year.

Europe stopped using Russia's Soyuz rocket after the invasion of Ukraine.

Majestic image: a panoramic view released yesterday of the Horsehead Nebula, taken by ESA's Euclid space telescope
ESA via AP

Europe has had to book flights on SpaceX vehicles for next year's planned launch of satellites into its Galileo navigation system.

The decision to give extra funding to Ariane 6 was hard won. Le Maire said it had come only after months of negotiation.

France and Germany in particular have been at odds over funding for Ariane 6, which is expected to be more expensive than SpaceX's Falcon 9.

France funds 55 per cent of the Ariane 6 programme and will continue to assume that proportion of the extra funding, Le Maire went on to underline.

Josef Aschbacher, director-general of the ESA, hailed the progress on Ariane 6 as an important step towards solving the "crisis" in European access to space.

Europe was on the brink of a "historic moment" in space transportation as it moved to a more competitive model for the development of launchers, he added.

He said he hoped to be able to announce a date for Ariane 6's inaugural flight after a test later this month.

"We need to get Ariane 6 on to the launch pad as soon as possible."

INTERNATIONAL

Zelenskyy in unity call after rejecting military chief's 'stalemate' assessment

Differences on strategy and messaging fuelled by worries about progress of military campaign and morale

ISOBEL KOSHIW AND ROMAN OLEARCHYK
KYIV
BEN HALL — LONDON

Volodymyr Zelenskyy's video address on Monday night was blunt. "We need to pull ourselves together. We cannot relax or allow ourselves to be divided by disputes or different priorities."

It was a message to the Ukrainian people feeling the heavy strains of 19 months of Russia's war. It was also a message to his advisers and military officers whose morale has been hammered by limited progress on the battlefield and deep concern over faltering western support for Ukraine.

Kyiv's ironclad communications discipline has wavered in recent days as differences over messaging and potentially strategy have spilled into the open.

Over the weekend, Zelenskyy repudiated the assessment of his own top military commander that the war with Russia was at a "stalemate".

In an interview alongside an opinion piece and a longer essay in The Economist last week, Valeriy Zaluzhnyi, chief of the general staff, used the word "stalemate" to describe the state of the war. The general's point was that fighting had become "positional" and that big technological breakthroughs would be needed to change the dynamic and give Ukraine back the advantage.

It was a lengthy exposition of his military thinking and an attempt to argue for more sophisticated weaponry. But Zelenskyy and his aides believe that by using the word "stalemate", Zaluzhnyi sent the wrong signal to western allies; that there was no point in sending more weapons to Ukraine as it cannot win the war.

Ihor Zhovkva, one of Zelenskyy's senior advisers, appeared on Ukraine's national news broadcaster on Friday to denounce the general's public intervention. Zhovkva said there were private forums where Zaluzhnyi could voice his opinions. The op-ed had "made [Russia's] work easier", he added.

As well as the public rebuke meted out by his office, Zelenskyy asserted his authority over his military chief by firing Viktor Khorenko, head of the special forces.

Khorenko told journalists he found out about his sacking through the media and claimed that Zaluzhnyi had not been aware of the decision.

The dismissal was a "signal to Ukraine's military and first of all to Zaluzhnyi, to show who has the power", said Oleksiy Goncharenko, an opposition MP.

Following a long-awaited summer counteroffensive that has fallen short of its objective to free territories under Russian occupation, Zelenskyy also told NBC news on Sunday the Ukrainian military would be producing "different plans, with different operations in order to move forward".

Ukrainian forces are continuing to press Russia along the frontline but fortified Russian defences and deep minefields have resulted in an advance of just 17km in five months.

A gloomy account of Ukraine's prospects, and a less than flattering picture of a stubborn Zelenskyy, also appeared in a report in Time magazine last month by Simon Shuster, who has written a forthcoming biography of the president and had close access to him and his circle.

Shuster recalls one of Zelenskyy's closest aides saying the president "deludes himself . . . We're out of options. We're not winning. But try telling him that."

The reaction to the article in Zelenskyy's entourage was confused. Andriy Yermak, head of the presidential office, described it on Telegram as a "very important text" before deleting the post. Others said it reached the wrong conclusions or questioned the veracity of its sources.

Rumours of tensions between Zelenskyy and his top military commander have surfaced before, for example over Ukraine's staunch defence of Bakhmut, an eastern city with little strategic value, but have proved hard to substantiate.

"There is a definite political crisis happening in the presidential administration," said Goncharenko. "I don't really understand their reaction as Zaluzhnyi wrote about things that are obvious. I think that the reaction reflects the fact that they don't just see Zaluzhnyi as a general but as political competition."

Past opinion polls have shown Zaluzhnyi to be the best placed figure who could challenge the president and that Ukrainians want to see former soldiers take on a bigger role in political life. Yet there is no evidence he entertains such ambitions and Zelenskyy on Monday ruled out holding elections during the war.

An official in the office of the president denied there was disunity between the political leadership and top brass, describing any such suggestion as disinformation and "one of the favourite Russian narratives . . . it comes up at any suitable occasion".

Signs of strain: Volodymyr Zelenskyy, centre, took a dim view of the opinion of Valeriy Zaluzhnyi, centre left, and fired Viktor Khorenko, below — Ukrainian Presidential Press Service/AFP/Getty Images

'I think the reaction reflects the fact that they don't just see Zaluzhnyi as a general but as political competition'

EU accession
Brussels to endorse the start of membership negotiations

The European Commission is set to recommend that member states open EU membership talks with Ukraine, a move seen as critical to Kyiv's accession gaining support from the bloc's 27 members, though it has placed caveats on when the talks should formally begin.

Ukraine has made EU membership, alongside joining Nato, its key geopolitical goal following Russia's full-scale invasion of the country last February, and is carrying out a reform programme to align with Brussels' standards even as it fights against Moscow's aggression.

Brussels granted Ukraine candidate status last year and EU member-state leaders will vote on whether to agree to begin membership negotiations at a summit in December, based on the commission's assessment of Kyiv's progress on seven key reforms.

"The commission considers that Ukraine has sufficiently fulfilled the criteria . . . provided it continues its reform efforts and addresses the remaining requirements under the seven steps," the report will state, according to an unpublished draft.

"On this basis, the commission recommends that the council opens accession negotiations with Ukraine," adding that it advises leaders only agree a start date for formal talks once Ukraine adopts outstanding laws related to political asset declarations and lobbying, anti-oligarch measures and guarantees for national minorities.

A commission spokesman said the report would be released today after a meeting of the college of European commissioners.

Russia's war against Ukraine kick-started EU enlargement discussions, as Brussels pivoted to a policy of seeing expansion as a geopolitical necessity in the face of Russian regional aggression.

Six western Balkan states are also aspirant members, although they are at different stages of preparation. Moldova and Georgia have used the Ukrainian conflict to advance their cases for membership. Turkey started accession talks in 2005 but talks have been on hold since 2016.

The 150-page report is likely to receive a mixed response from officials in Kyiv, some of whom have recently griped at what they see as unfair expectations from Brussels and a lack of recognition at the work done in such a short amount of time.

Olha Stefanishyna, Ukraine's deputy prime minister in charge of EU and Nato integration, warned Ukrainians they may not like what Brussels has to say but said "reforms must continue" and that the report "will provide understanding for further tasks".

She said Brussels needed to be aware of how its conclusions may damage Ukraine's "morale", and how EU leaders who might be less supportive of Kyiv's membership bid could seize on any caveats from the commission to possibly oppose it.

Henry Foy in Brussels

National security
White House warns of reliance on Russian nuclear fuel

JAMIE SMYTH — HOUSTON

US reliance on Russia's nuclear fuel poses a critical threat to national security and climate goals, said a senior White House official, who urged Congress to provide funds to rebuild a domestic supply chain and restrict imports from the country.

It was "gravely concerning" that about 20 per cent of fuel used by the US nuclear reactor fleet was supplied through enrichment contracts with Russian suppliers, said Kathryn Huff, assistant secretary for nuclear energy.

Russia controls almost 50 per cent of global enrichment capacity and had undermined the US nuclear supply chain over many years by dumping cheap enriched uranium products on world markets, she said.

"It is really critical that we get off of our dependence, especially from Russia," Huff said. "Without action, Russia will continue to hold on to this market . . . this is really important for national security, for climate, for our energy independence."

The US and its allies imposed sanctions on Russia's oil and gas industries after its full-scale invasion of Ukraine last year. But Washington has refrained from preventing Rosatom, the Russian nuclear group, from selling nuclear fuel and enrichment services to US and western power plant operators, as there are few alternative supply sources.

There are only a handful of western suppliers of enrichment for nuclear fuel, including Orano of France and Urenco, a UK, German and Dutch consortium. Tenex, a subsidiary of Rosatom, is the only company providing commercial sales of a new type of fuel that is enriched to between 5 and 20 per cent and could power a new generation of smaller, more efficient reactors.

Huff said the Biden administration had asked Congress for an extra $2.16bn to support a strategy to encourage US-based companies to boost enrichment and conversion capacity. The plan would make the energy department a long-term buyer of last resort for companies to assure adequate fuel supply for the expanding future nuclear reactor fleet, she said.

However, the success of this public investment would depend on imposing long-term restrictions on Russian nuclear products and services, she said.

"We have seen in the past that the dumping of cheap Russian enriched uranium products has historically really damaged our fuel cycle and has brought us to where we are today," said Huff, adding there was bipartisan support for nuclear energy in Congress.

A bill banning uranium imports from Russia passed a subcommittee in the House of Representatives in May. A similar bill is before the Senate.

Huff said five to 10 contracts to build new reactors needed to be signed within the next two to three years if the US were to meet its 2050 climate goals.

Concerns about the west's reliance on Russian nuclear products have helped push up the price of uranium and related products.

"There is alignment in our industry to step away from Russia, but you need something to step to," said Maria Korsnick, chief executive of the Nuclear Energy Institute, an industry group in Washington.

"We really need to increase capacity in that part of the supply chain."

Poll campaigns
Rise of Romanian far-right party with anti-Ukraine stance worries European capitals

MARTON DUNAI — BUCHAREST

A few days into the Israel-Hamas war, a social media post went viral in Romania claiming the government in Bucharest had funded the evacuation of 3,000 Ukrainians from Israel, while doing nothing for Romanians trapped in the conflict. None of it was true.

The post was written by George Simion, chair of the far-right Alliance for the Union of Romanians, which has emerged as the country's main opposition force. Its rise has sparked concern in European capitals about the risk that Romania could become another EU and Nato country reluctant to support Kyiv in its war against Russian aggression.

AUR, which translates as "gold" in Romanian, has capitalised on simmering anti-Ukrainian sentiment, promoting disinformation and lies to double its support among voters since the 2019 elections to about 20 per cent — just behind the ruling Social Democrats.

Simion is ranking third in voters' preferences for the presidential elections, at about 18 per cent, behind Nato deputy secretary-general Mircea Geoană and Prime Minister Marcel Ciolacu.

"For a state that stands with Romanians: AUR," Simion wrote on Facebook, showing his party is already in campaign mode ahead of parliamentary, presidential and European elections next year. He has since also confronted Ciolacu about the government's alleged failure to extract Romanians from the Middle East.

Romanian authorities have disputed Simion's claims, adding only a few hundred Ukrainians were extracted and they, not Bucharest, paid for transport.

Simion's performance is part of a growing trend of disruptive far-right parties stoking fear and xenophobia in Europe, and questioning their countries' continued support for Kyiv.

Once a fringe irredentist party that vilified the ethnic Hungarian minority and peddled anti-vaccine theories during the Covid-19 pandemic, AUR has shifted gears and focused on Ukraine, declaring that the war is "not ours" and urging the government to stop aiding Kyiv and rethink its relationships with Washington and Brussels.

Like Poland's Confederation party, which has lambasted the government in Warsaw for allowing cheap Ukrainian grain imports, AUR is opposing the transit through Romania of agricultural products from Ukraine. The party is also against Bucharest continuing arms supplies to Kyiv and hosting Ukrainian pilots who train on F-16 fighter jets.

The failings of Romania's ruling grand coalition, which consists of the largest mainstream parties — the centre-left Social Democrats and the centre-right National Liberal party — have fostered a political climate of discontent in which AUR has thrived.

"The grand coalition, as earlier in Germany or Austria, has led to growing extremism," said Costin Ciobanu, a researcher at the University of London. "The coalition has appeared as a political cartel . . . while the global illiberal wave has arrived in Romania."

A first indicator of voters' support for AUR will come in EU elections in June. If the far-right party were to come out on top, it would "upend calculations for the other elections as well", Ciobanu said, with mainstream parties likely to co-ordinate more closely in ensuing parliamentary and presidential votes.

Persona non grata: George Simion is banned from Ukraine and Moldova

AUR's rise mirrors the ascent of the Alternative for Germany party, which recently broke out of its eastern German stronghold and performed well in regional elections. The Romanian far right likens itself to ruling parties in Hungary and Italy and large opposition parties in Spain and France.

Like his fellow European far-right leaders, Simion, 37, claims his country is being "exploited" by the west and any dissenting voices are "automatically cast as Putinists".

Claudiu Târziu, a leading AUR member, insists his party is not pro-Russia. "Romanians have suffered both from Ukrainians and from Russians and we don't actually like either of them much," he told the Financial Times.

Simion has recently been banned from entering Ukraine and Moldova, but Târziu denied a Ukrainian newspaper report citing intelligence sources and alleging Simion had ties to Moscow. Simion, said Târziu, was persona non grata in Chisinau and Kyiv because of his irredentism on uniting all Romanian speakers into a "Greater Romania".

When Ukrainian president Volodymyr Zelenskyy visited Bucharest last month, Simion claimed he lacked "courage" because he cancelled a speech he was due to hold in parliament.

Zelenskyy said he had not prepared a speech and promised to address the Romanian parliament on a future visit.

As it aligns its views with Hungarian leader Viktor Orbán — the closest to an ally Putin has in the EU and Nato — AUR has also dropped some of its anti-Hungarian talking points. Instead, its politicians praise the Hungarian premier as a role model on anti-LGBTQ issues and standing up to Brussels "diktats".

But Romania's ethnic Hungarian UMDR party has called for other parties to refuse to go into government with the AUR, much as centrist parties in France have refused alliances with the far-right Rassemblement National.

Additional reporting by Roman Olearchyk in Kyiv

INTERNATIONAL

Energy transition

Indonesia pushes west on $20bn green aid

Widodo calls for promised funds to close coal plants as doubts grow on policy

ALEC RUSSELL AND MERCEDES RUEHL
NUSANTARA

Indonesia's president Joko Widodo has called on the west to release a promised $20bn to finance his country's green energy transition and do more to support its critical resources, which underpin emerging technologies such as electric vehicles and batteries.

Widodo said there was "tremendous" concern in Indonesia over the delay of the funds, which a group of advanced economies, led by the US, promised a year ago to help accelerate the closure of its coal-powered plants.

"Don't question Indonesia's commitment towards [the] energy transition. What I'm questioning is the commitment of the developed states," he said, adding that he had raised the issue at the G7 summit in Japan in May and the G20 summit in India in September.

"Indonesia has walked the talk. We have even gone so far as developing the electric vehicle industry to support green energy," he said, adding he was confident financing would materialise.

His rare public intervention came at a time of intense geopolitical interest in the region. During his nine years in office, he has sought to steer Indonesia on a path between Washington and Beijing, with Chinese companies dominating the country's nickel supply chain.

The president, also known as Jokowi, spoke ahead of a bilateral meeting with US president Joe Biden at the Asia-Pacific Economic Cooperation summit this weekend, when he will push for an exemption to allow Indonesia's nickel industry to benefit from subsidies in the Inflation Reduction Act.

Indonesia is the world's largest producer of nickel and has protested against its exclusion from Washington's landmark green energy funding package. US lawmakers have said such a deal would in effect subsidise the Chinese companies that control Indonesia's nickel industry via joint ventures.

"If we can reach this agreement [on an exemption], it will be a major step for Indonesia and the US and it will be a breakthrough for the global electric vehicle industry," Widodo said in the new planned capital, Nusantara.

He also rejected the idea that Indonesia segregate its nickel supply chain between China and the US. "We would like to keep our options open for all countries," he added.

The Just Energy Transition Partnership, under which Indonesia was promised $20bn to ease its transition from coal, is seen as a key test of how developed nations and financial institutions will work with developing economies. Multilateral organisations involved in the talks said a key reason for the delay was the difficulty faced by the US and its allies in getting approval to free funds.

Even as Indonesia calls for more funding to help it pivot from coal, private coal power has been expanding, often for nickel processing, a sticking point with the west. There was no mention of plans to cut the so-called captive coal plants, many of which power nickel smelters, in Indonesia's recent draft investment plan for the climate deal.

The US private sector, which will provide some of the funds under the JETP, has also raised concerns about policy uncertainty in Indonesia.

New York. Civil fraud case

Trump turns testimony into political spectacle

Former president gives brash and emotional performance despite risk to other actions

JOSHUA CHAFFIN — NEW YORK

There was a moment, two hours into Donald Trump's turn on the witness stand in Manhattan state court on Monday, when the larger-than-life real estate tycoon and former US president appeared oddly wounded.

"He called me a fraud and he didn't know anything about me," Trump said, wagging his finger in the direction of Arthur Engoron, the judge. "It's a terrible thing you've done. You know nothing about me!"

That came after another raw moment in which an emotional Trump fumed at a government lawyer: "People don't know how good a company I built because people like you go around demeaning me!"

Trump was testifying in a civil fraud case brought by the New York attorney-general in which he is accused of inflating reports of his net worth to secure loans on favourable terms and reap other economic benefits.

Engoron has already concluded that was the case, in an order handed down on the eve of the trial. The proceedings are meant to determine the penalties Trump and his adult sons will face.

But for Trump, the trial is also a campaign stop in his quest to return to the White House and an occasion to defend a reputation for unassailable business success that lies at the core of his identity and is vital to his political career.

That might account for Trump's seeming sensitivity. It might also explain why he decided to testify in the first place though legal experts had warned that doing so might prove perilous for the upcoming criminal trials in which the stakes include prison time.

"His behaviour is not doing him any favours legally," Carl Tobias, a law professor at the University of Richmond, said in an email. "It almost seems as if Trump is attempting to help himself politically — at least with his base — by not co-operating with the judge or the New York attorney-general's counsel and even accusing the judge and the AG of treating him unfairly."

Trump lumbered to the witness stand just after 10am as the room brimmed with anticipation as to how he would confront his antagonists. As it happened, the former president did not lead with anger so much as a barrage of words, circular speeches and digressive statements that irked the judge and soon led to a stern warning for Christopher Kise, Trump's lawyer.

"Mr Kise, can you control your client? This is not a political rally," the judge said, his voice rising. Then, a few moments later: "I beseech you to control him, if you can. If you can't, I will."

Seated an arm's length away, Trump wore the grin of a class clown who had succeeded at unnerving the teacher.

For Kevin Wallace, a lawyer for the attorney-general, examining Trump was like trying to corral a thunderstorm. Many of Wallace's questions sought yes or no answers as to whether the value of a particular property in Trump's annual "statement of financial condition" was "true and accurate".

Trump dispensed with small-minded accountancy rules and replied instead with the chutzpah of a New York property developer. "It's the best location in New York," he said of the retail space at Trump Tower, which he had pegged at $348mn in 2014. "I wouldn't sell it for that number."

On another occasion, Trump said he was capable of valuing a property just by looking at it. That may have been the approach the Trump Organization took in Scotland, where it boosted the value of its Aberdeen golf course by $245mn in a single year, according to a spreadsheet presented by the attorney-general, apparently based on development plans that were never fulfilled.

"It's sort of like a painting," Trump explained. "You can do pretty much what you want to do. The land is there."

Banks worry foremost about cash, said Trump, rejecting Wallace's suggestion that he had inflated his personal wealth to avoid breaching loan covenants. "I've had a lot of cash for a long time. That's all they care about."

There was unexpected tenderness for his fallen lieutenant, Allen Weisselberg, the former chief financial officer of the Trump Organization who served three months in jail this year after pleading guilty to tax evasion. "People went after him viciously and violently just because he worked for me," Trump said. "I feel very badly for him."

Trump did make one concession. He allowed that somebody mistakenly overvalued his penthouse apartment — to the tune of more than $200mn, according to Engoron — presumably by tripling its square footage because it was a triplex. "I can see how it was probably done," he said.

The lunch break appeared to soothe Trump. Afterwards he looked bored, more than anything. Arms folded across his chest, he repeatedly told Wallace that if the net worth recorded in his various financial statements was inaccurate, it was not materially so. In any case, he said, his true net worth was certainly far larger because the financial statements did not include the value of the famed Trump brand.

The exchanges felt less confrontational. The snarl eased. And then the fury revived. "You should be ashamed of yourself," he fumed at Wallace, calling the case "a disgrace".

"Everyone's trying to figure out why you're doing this," Trump said, noting that his lenders had been repaid in full and on time — possibly ahead of time. "Nobody understands it. I understand it. It's called politics."

Martin Wolf see Opinion

Courtroom drama: former president Donald Trump leaves after testifying on Monday — Michael M Santiago/Getty Images

'Mr Kise, can you control your client? This is not a political rally . . . I beseech you to control him, if you can. If you can't, I will'

Election test

Democratic strategists alarmed at Biden's weak poll numbers

JAMES POLITI — WASHINGTON

Democratic strategists are clashing over US President Joe Biden's dropping poll numbers and his ability to win re-election in a potential rematch against Donald Trump next year despite the mounting legal troubles facing the former president.

The fretting about Biden comes as voters headed to the polls yesterday in a series of local and statewide elections in Virginia, Kentucky, Ohio and Pennsylvania that will be important bellwethers heading into 2024, and may send a signal about the president's popularity.

Republican victories in crucial races would be likely to intensify concerns about Biden's 2024 chances, while strong Democratic performances could ease them.

Over the weekend, David Axelrod, a political strategist for former president Barack Obama, sounded alarm bells over Biden's electability and suggested that he should consider dropping his campaign for a second term.

"The stakes of miscalculation here are too dramatic to ignore. Only Joe Biden can make this decision," Axelrod posted on X, formerly Twitter.

His comments were prompted by a New York Times/Siena poll of key battleground states that showed Trump beating Biden in five of six of them in a potential match-up.

But many Democrats are resisting such pessimism. "Polls are famously bad this early," said Jim Messina, also a senior campaign strategist for Obama.

"It's going to be a choice between two candidates a year from now and they need to win with voters turning out in November 2024. Not to people who reply to polls in November 2023."

Several Democrats said Axelrod's suggestion that Biden might bow out were unrealistic, and the Chicago political operative had been wrong before about Biden, dismissing his chances of winning four years ago.

"Man who called Biden 'Mr Magoo' in Aug 2019 is still at it," Ron Klain, Biden's former White House chief of staff, shot back at Axelrod on X, referring to the elderly, stubborn cartoon character with vision problems.

Even so, recent polls have exposed troubling weaknesses for Biden. Voters remain concerned about his age — he will turn 81 on November 20 — and rate him below Trump on a variety of issues, including his handling of the economy.

Meanwhile, there have been signs that Biden is losing support among important parts of the party's base, particularly among black and Hispanic voters.

"Yellow lights are flashing. Most troubling thing: it's not a one-off, it's part of a trend," warned Anthony Coley, a former senior justice department official under Biden on X, urging his party to "not automatically dismiss the poll and fall-out as typical Democratic bedwetting".

Biden's weak polling numbers have coincided with a rift in the Democratic party over his handling of the Middle East crisis, with progressives accusing him of backing Israel too stridently in its war against Hamas and not doing enough to limit civilian casualties.

Mary Anne Marsh, a Democratic strategist in Massachusetts, said Biden retained a lead on abortion, which would drive voters to the polls. Democrats hope the contrast with Trump will become even more vivid next year.

South Africa

Two charged over sofa cash theft from Ramaphosa ranch

JOSEPH COTTERILL — JOHANNESBURG

South Africa has remanded two defendants in custody over the 2020 theft of more than half a million US dollars stuffed into a sofa on President Cyril Ramaphosa's game farm, a scandal that almost led to his resignation.

Imanuwela David and Froliana Joseph appeared in court yesterday on charges of theft and housebreaking with intent to steal from the president's Phala Phala ranch. Further proceedings were postponed until later in the week.

They are the first arrests over the $580,000 theft, which blew up as a scandal last year when a spy chief allied with Jacob Zuma, the former president, accused Ramaphosa of a cover-up.

South Africa's national prosecuting authority yesterday accused David and Joseph of plotting to rob Phala Phala and said they initially broke into the wrong property. "The following night they located the Phala Phala farm where they broke [in], entered and stole $580,000," the prosecuting authority alleged.

The scandal broke last year as Ramaphosa sought re-election as leader of the governing African National Congress. Colourful details of the affair tarnished his image as a reformist and were used by his detractors to portray him as an aloof tycoon.

Ramaphosa, who said the funds were payment by a Sudanese businessman for a herd of cattle, has maintained he did nothing wrong in accepting the money. But he came close to resigning last December after a report to South Africa's parliament said he had questions to answer.

He recovered when the ANC blocked an investigation by parliament and re-elected him to a second term as its leader. In June, a state ombudsman cleared him of any wrongdoing in connection with the affair.

Central bank

Australia raises interest rates in face of stubborn inflation

NIC FILDES — SYDNEY

Australia's central bank has raised interest rates for the first time since June in response to persistent inflation.

The Reserve Bank of Australia increased interest rates by a quarter of a percentage point to 4.35 per cent and raised its inflation expectations for 2024. It said that while inflation had peaked this year, it was still "too high" and was returning to a target of 2 to 3 per cent — which it is now expected to reach in 2025 — more slowly than anticipated.

The action by the Australian central bank, which raised interest rates 12 times between April last year and June to an 11-year high, runs contrary to decisions by global peers including the Bank of England, the Federal Reserve and the European Central Bank, which all opted to hold rates in the past month.

The increase was the first under Michele Bullock, who replaced Philip Lowe as governor of the RBA in September. The tightening was expected after data showed inflation and consumer spending had risen over the past month.

Bullock said growth in the Australian economy was below its historical trend but had been stronger in the first half of the year, with house prices rising and the labour market still tight. "If high inflation were to become entrenched in people's expectations, it would be much more costly to reduce later, involving even higher interest rates and a larger rise in unemployment," she said.

Analysts had put an 80 per cent chance on an increase this time but were split over whether the RBA would raise rates again in December ahead of February's inflation data.

Paul Bloxham, chief economist for Australia and New Zealand at HSBC, said: "We see the RBA as now in 'calibration mode' . . . we expect that a follow-up hike in December is unlikely."


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Gift to gilts BoE policymaker's hint at potential mid-2024 rate cuts pushes UK government bonds sharply higher ➔ MARKETS

Companies & Markets

US watchdog seeks right to oversee digital wallet activity

- Effort to boost consumer protection
- Scrutiny of Google, Apple and rivals

STEFANIA PALMA — WASHINGTON

The top US consumer finance regulator is seeking powers to oversee technology companies that offer digital wallets and payment applications, in a move that would intensify scrutiny of companies such as Google and Apple.

The proposal by the Consumer Financial Protection Bureau yesterday would subject non-bank groups that offer digital payments to a regulatory scheme similar to that for banks or credit unions. It aims to ensure that US consumer protection laws are applied to a ballooning sector used by millions of consumers to transfer funds and make retail payment transactions.

> 'Today's rule would crack down on one avenue for regulatory arbitrage'
>
> Rohit Chopra, CFPB director

The rule would subject the industry's largest participants, which facilitate more than 5mn transactions a year, to regular supervision by the agency's examiners, according to a CFPB official. The regulator estimated that this would capture about 17 companies accounting for 88 per cent of market share.

The proposal underlines a shift in how banking services are provided in the US, with more and more consumers linking bank accounts to digital wallets from companies such as Apple and Google.

"Payment systems are critical infrastructure for our economy. These activities used to be conducted almost exclusively by supervised banks," Rohit Chopra, CFPB director, said. "Today's rule would crack down on one avenue for regulatory arbitrage by ensuring large technology firms and other nonbank payments companies are subjected to appropriate oversight."

The CFPB can already bring enforcement actions against Big Tech and other non-bank companies over consumer financial issues. But the agency is proposing to allow its examiners to scrutinise those businesses more closely. The proposal will be subject to public comments before final implementation.

The CFPB said that having large non-bank companies "play by the same rules as banks and credit unions" would help "promote fair competition" between depository and non-depository institutions, an important theme for Chopra, who advocated tougher antitrust policies in his former role at the US Federal Trade Commission.

According to the agency, digital apps' share of ecommerce payments has grown to match, and in some cases surpass, that of traditional payment tools such as credit and debit cards.

Chopra has warned against the rise of Big Tech in payments. In a speech last month, he said he feared the US was "lurching toward a consolidated market structure, like the one that has emerged in China, that blurs the lines between payments and commerce and creates the incentives for excessive surveillance and even financial censorship".

His tough stance has ruffled feathers in corporate America, which has claimed he is stepping beyond the CFPB's authority. The agency has said it is merely enforcing the law.

The CFPB in 2021 requested that large tech groups turn over information on their payment systems including data harvesting, user choice and other consumer protections.

The consumer watchdog is seeking to expand its authority even as federal agencies contend with the fallout from a US Supreme Court ruling that raised questions about their rule-making powers.

Additional reporting by Josh Franklin in New York

Out of the game Chief at streamer DouYu is latest China tech entrepreneur to go missing

DouYu is one of China's leading game-streaming brands, drawing about 50mn users per month — Gilles Sabrie/Bloomberg

QIANER LIU — HONG KONG
RYAN MCMORROW — SAN FRANCISCO

The founder of Tencent-backed game-streaming site DouYu has been taken away by Chinese authorities, becoming the latest technology entrepreneur to run into trouble in the country.

Two people familiar with the matter said Chen Shaojie, 39, chief executive of the Nasdaq-listed group, had been taken away several weeks ago.

"We have been unable to contact him since October," said one of the people close to Chen.

"He was taken away by the public security department for investigation related to the pornographic and gambling content on the site."

Chen's disappearance comes after China's internet watchdog in May dispatched a team to DouYu's offices for a month of "intensive rectification and supervision" of "pornography and vulgar content" discovered on the platform.

Chen could not be reached for comment. DouYu declined to comment on Chen's whereabouts; its "business operations remain normal". Cover News, which first reported Chen's disappearance, said DouYu had confirmed to the media outlet that they had "lost contact" with Chen.

It is a setback to Communist party attempts to reassure entrepreneurs and stabilise the economy. The party unveiled a 31-point plan in July vowing to improve the business environment, rolling out policy pledges alongside plaudits from tycoons including Tencent founder Pony Ma.

Chen Shaojie was taken away by China's public security office and has not been seen in weeks

But business confidence and spending is tepid, especially in the tech sector, which was the subject of a two-year crackdown.

Previous targets of Chinese authorities' ire, such as Alibaba's Jack Ma and China Renaissance's Bao Fan, have not been fully rehabilitated. Ma remains mostly out of public view and spends some of his time in Japan. Bao has not been seen since February.

Since founding DouYu in 2014, Chen had built the company into one of China's leading game-streaming and e-sports brands, drawing about 50mn users a month to the platform.

The group raised \$775mn from US investors in 2019 when it went public at a nearly \$4bn valuation.

But Beijing's crackdown on tech has scared away investors. DouYu's market value has collapsed to less than \$300mn, well below the value of nearly \$900mn in cash and short-term investments on its balance sheet.

Tencent holds a 38 per cent stake in DouYu, and at one time was planning to merge the company with rival Huya. The companies abandoned the merger in 2021 after failing to get sign-off from Chinese antitrust authorities.

China growth outlook Markets

Saudi Aramco beats forecasts after output cuts lift prices

DAVID SHEPPARD — ENERGY EDITOR

Saudi Aramco's net profits surpassed analyst expectations as it revealed the impact of deeper production cuts this summer after the kingdom moved to prop up the oil price.

The state-run company, which pumps almost 10 per cent of world oil supplies, reported a net profit of \$32.6bn for the three months to September 30, exceeding the median forecast of \$31.8bn by analysts.

While profits were down 23 per cent compared with a year earlier, when Russia's invasion of Ukraine sent energy prices soaring, they were up from \$30.1bn in the second quarter of this year, despite production volumes falling.

Saudi Arabia has joined Russia and the wider Opec+ group to make deeper cuts to crude oil production in the second half of this year, with a view to reinforcing the oil price globally, despite facing criticism from consumer countries that are battling inflation.

Saudi Aramco's sales fell 22 per cent to SR424bn (\$113bn) in the third quarter compared with the same period last year, with Aramco saying the decline "principally reflects the impact of lower crude oil prices and volumes sold".

Prices of Brent crude fell late last year and at the beginning of 2023, but have rallied substantially since Saudi Arabia led Opec+ in cutting output this summer, including making additional voluntary output cuts they have extended to the end of the year.

Crown Prince Mohammed bin Salman, the kingdom's de facto ruler, is widely believed to have tasked his half brother, energy minister Prince Abdulaziz bin Salman, with supporting oil prices to fund his economic reforms.

Saudi Aramco's chief executive, Amin Nasser, who is in charge of the company day-to-day, said the "robust financial results reinforce Aramco's ability to generate consistent value for our shareholders".

Saudi Arabia's "Vision 2030", which aims to diversify and modernise the economy, is likely to gain more attention after the kingdom was awarded the 2034 Fifa World Cup last week.

Saudi Aramco said it would maintain its quarterly base dividend payment at \$19.5bn in the fourth quarter with a second performance-linked dividend of \$9.9bn to be paid based on returns since 2022 in a boost to the state's funds.

Crypto remains a poor relation of mainstream digital payments

INSIDE BUSINESS
FINANCE
Patrick Jenkins

When Balaji Srinivasan stepped on to the stage at Amsterdam's Network State conference last week, he looked every inch the corporate executive — generally unassuming in a dark suit and sober tie.

But this was no mainstream finance conference. The serial tech investor and former Coinbase technology chief was here to sell his vision for the "Network State" — a supposedly revolutionary next step for the world's crypto fan base. Srinivasan was clearly promoting his book of the same name, and was unashamed in pushing a movie plan too. But this was also part of a years-long drive by radicals to overhaul societal structures that appear increasingly stretched.

Underpinned by a crypto financial system, Network State's idea is to reimagine everything from statehood to medicine and life tie together millions of people in carved-out enclaves from Honduras to Hungary with a common faith in alternative systems.

Whether it will have more credibility or staying power than other crypto nirvanas is unclear. But this was no crackpot conference — it was attended by some serious global executives and attracted some big-name speakers, from Ethereum co-founder Vitalik Buterin to economist Tyler Cowen. The buzz around the event reflects both the booming enthusiasm for technology-based change, from AI to quantum computing, and the growing dismay with the established financial and geopolitical order.

Such sentiment is most obviously evident in the fevered resurgence of interest in bitcoin, written off by many a few months ago but now trading at double its price at the start of the year. Speculation that BlackRock may soon get approval for a bitcoin ETF, pushing crypto further into the financial establishment, has been a driver. Never mind that crypto's effectiveness as a reliable payment system is unproven (beyond black market purchases or the funding of terrorists); the whooping at Network State showed the resolve of the crypto faithful.

> Underpinned by a crypto financial system, Network State's idea is to reimagine everything from statehood to medicine

Only a few years ago it was mainstream digital payments companies, tethered to good old legacy currencies, that were being whooped. Such was their popularity that in 2019, the French group Worldline was able to issue negative-yielding debt — investors knowingly put money into bonds deemed so secure that they paid for the privilege. Shares in the company are now worth less than 15 per cent of a record high hit 18 months ago, after having slumped more than 50 per cent a fortnight ago on concerns about customer fraud and lower sales. The ride for younger payments fintechs has been no less wild. CAB Payments, which processes business payments to remote locations, suffered a 72 per cent collapse in its valuation, after warning on revenues, only about three months after listing on the London Stock Exchange. Even bigger players have been hit hard. Shares in Adyen, the Dutch group that processes online payments for large subscription giants from Netflix to Spotify, fell by nearly a half in the summer, after years of steady growth stuttered. Its closest competitor, still privately owned, is the Irish-American Stripe, which suffered a halving of its valuation when it raised fresh funds in March. And one of the original payment fintechs, PayPal, is trading at barely one-sixth of its valuation in the heady days of 2021.

Some marketwide forces are at work. The hype around digital payments has faded, partly as pandemic-era online sales enthusiasm declined, partly as inflation has cut consumer spending and partly as funding for fintechs has become more expensive and less readily available. Fintech companies more broadly had attracted extreme valuations because of their intoxicating promise of applying tech to reform a financial sector stuck in the last century. So the precipitous valuation declines of recent months have also been a correction of that exuberance, compounded by a generally jittery stock market.

Ultimately, though, the digital payments sector can still claim a fundamentally bright outlook, with a real-world use case that crypto fans can only dream of. Martina Weimert, who heads the EPI instant-payments initiative owned by 14 eurozone banks, says the shift away from cash and cards towards digital, principally smartphone-based payments is secular and long-term. "It's an unstoppable trend," she says, pointing to EPI's ambition to be an unparalleled cross-border bank-to-bank payments system across the eurozone. So long as the bloc doesn't sign up for the "Network State".

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Technology

ByteDance revamps virtual reality unit

Marketing, platform, studio and video teams set to be scaled back

QIANER LIU — HONG KONG
DING WENJIE — BEIJING
TIM BRADSHAW — LONDON

The virtual reality division of TikTok owner ByteDance has announced staff cuts and a restructuring plan because of a market downturn, according to three people familiar with the matter.

Henry Zhou, president of VR arm Pico, said yesterday that the division would retain its hardware and core tech teams while scaling back marketing, studio, video and platform departments, according to two individuals who attended the gathering.

Zhou said the VR industry was in "a very early stage" and Pico's initial expectations for the market had been too optimistic, according to the people.

ByteDance acquired Pico in 2021 at the peak of excitement in Silicon Valley about the potential for the "metaverse". But enthusiasm has waned as artificial intelligence has seized sector attention.

Details of the staff cuts at Pico were not disclosed in the meeting, but according to two people familiar with the situation, several hundred employees from the workforce of more than 1,000 will lose their jobs.

The reorganisation marks a shift in Pico's strategy of research and development after its acquisition by ByteDance in the face of the waning market for VR gadgets. The group had hoped to leverage the strengths of ByteDance to provide content for VR users.

> Pico was acquired at the peak of excitement about the 'metaverse', but enthusiasm has waned

Since the acquisition, Pico has been expanding, establishing teams that create VR content such as videos and games. One person familiar with the situation said ByteDance had invested more than Rmb10bn ($1.37bn). It would be these teams that would be mostly affected by the company's reorganisation and subsequent job cuts, according to Zhou.

An employee at Pico said it "was originally a VR headset maker, and for two years they've been doing stuff they weren't good at".

Pico was viewed as Meta's competitor in VR headsets and became a leading VR maker by volume in China, accounting for more than 50 per cent of the domestic market in the first half, according to research firm Counterpoint.

Meta launched the latest version of its Quest VR headset last month but the devices are not available in China. Many in the industry hope Quest 3, Sony's new PlayStation VR 2 and Apple's forthcoming Vision Pro together could trigger a return to growth for a product that has struggled for almost a decade to break into mainstream consumer adoption.

However, so far this year, both the global and Chinese VR markets have experienced declines. According to IDC, augmented reality and VR headset shipments fell 44.6 per cent year on year during the second quarter of 2023.

The decline in China was more severe than that in the global market. China's VR market shipments declined 56 per cent in the first half of 2023 compared with the same period last year.

Technology. Funding talks

Investors rush to back French AI start-up Mistral

Silicon Valley heavyweights invest in deal potentially valuing the business at €2bn

TIM BRADSHAW AND IVAN LEVINGSTON
LONDON
GEORGE HAMMOND — SAN FRANCISCO
AND LEILA ABBOUD — PARIS

Among the world leaders and Big Tech bosses meeting at Bletchley Park, England, last week to debate the regulation of artificial intelligence, was one less well-known chief executive.

Arthur Mensch, founder of Paris-based start-up Mistral AI, was representing the only European company present on the second day of the UK's AI Safety Summit, when about 30 executives and politicians gathered for a more intimate discussion than that held by the previous day's 100 attendees.

Mensch told the Financial Times he believed his six-month-old company was invited alongside the Silicon Valley luminaries from Microsoft, Google, Meta and OpenAI, because of its "technical expertise".

"We have been pioneers of the technology," he said, pointing to his own work creating advanced AI models at Google DeepMind and that of his co-founders, Guillaume Lample and Timothee Lacroix, at Meta. "We compete with everybody," he added, despite the company's youth and small size next to Microsoft-backed OpenAI or Google.

That expertise — which investors say only a few dozen people worldwide can claim — has put the fledgling start-up at the centre of the current investor frenzy for AI.

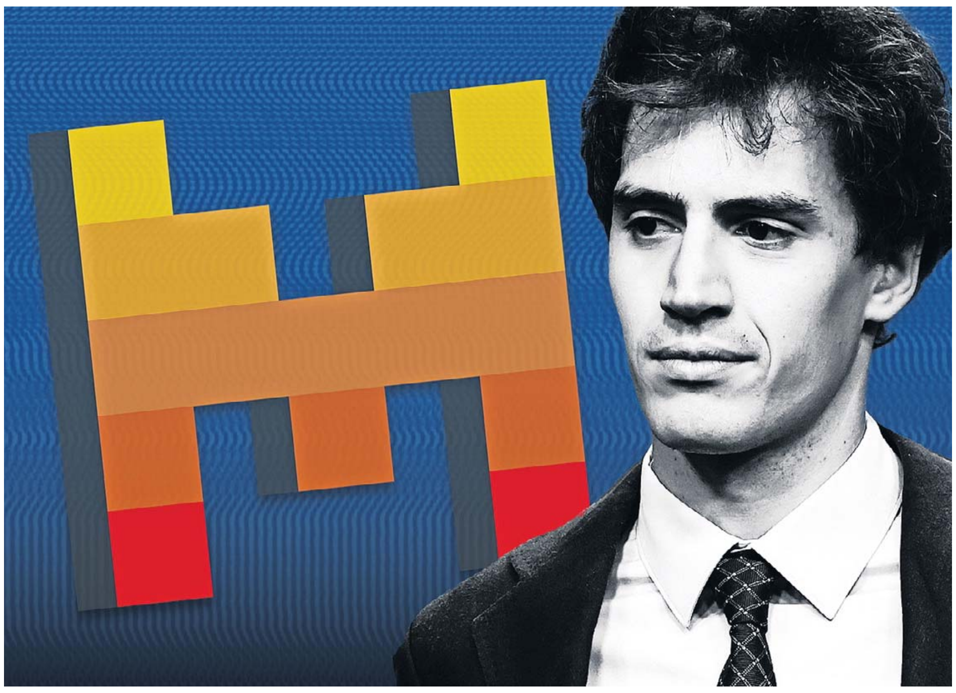
Silicon Valley heavyweights including General Catalyst and Andreessen Horowitz are participating in an investment of as much as €400mn in a deal that could value Mistral at between €1.5bn and €2bn, including the new capital, according to people with direct knowledge of the negotiations.

The terms of Mistral's latest funding are in flux as it grapples with what one investor called a "bunfight" between prospective backers.

Mistral, Andreessen Horowitz and General Catalyst declined to comment on the discussions. Some details of the financing were previously reported by The Information and Business Insider.

The interest in Mistral stems from its work in the fast-moving world of generative AI, where so-called large language models (LLMs) are capable of creating humanlike prose and code in seconds.

Most investors have focused on Silicon Valley-based groups: OpenAI is exploring an employee stock sale at a valuation of $86bn while Anthropic has recently received investment commitments from Google and Amazon, which could total $6bn.



Arthur Mensch, co-founder of Mistral AI: 'This is a revolution that is certainly comparable to the internet' Below: Jeannette zu Fürstenberg, an investor who said Mistral's emergence could be a 'real eureka moment' for Europe
FT montage/PA
Karl-Josef Hildenbrand

Mistral's emergence is all the more eye-catching in the European market, where €1bn-plus companies are more scarce than in the US. The French government has also been cheerleading Mistral as a symbol of President Emmanuel Macron's ambition for Europe to foster its own homegrown AI players so as not to get left behind as it has on key technologies such as semiconductors and internet platforms.

Mistral's existing venture capital investors say that despite the high expectations set by its record-breaking €105mn seed round in June, when it was just four weeks old, the company is making rapid progress.

Jeannette zu Fürstenberg, co-founder of La Famiglia, an early Mistral investor that merged with US-based General Catalyst last month, believes the French start-up's emergence can be a "real eureka moment for Europe", adding: "Europe is so good at driving research but so bad at capturing the commercial upside."

Antoine Moyroud, a partner at Lightspeed Venture Partners, which led Mistral's first fundraising round, said he was "increasingly excited about the business" because of the speed with which it was moving — releasing its first AI model in September, three months ahead of schedule.

"They have outperformed our internal expectations," he said, despite "pretty aggressive forecasts", adding: "The ability to show flexibility and execution speed is important in a world which is moving so fast."

> 'The valuation of something that may have close to infinite return because it changes so much of society . . . is very hard to estimate'

Multibillion-dollar price tags for young AI companies with immature businesses have prompted some tech investors to draw parallels with the dotcom bubble.

"VCs all want a piece of the next big AI thing and they are willing to swallow huge valuations for that," said Mike Volpi, a partner at Index Ventures. Some venture capitalists were "too optimistic about the timeframes" for AI's transformative effects, he said, which was driving some to make "overvalued investments in the short term".

But Mensch, while refusing to discuss Mistral's latest funding talks, insisted that AI companies' soaring valuations simply reflected that "this is a revolution that is certainly comparable to the internet".

"The valuation of something that may have close to infinite return, because it changes so much of society that our jobs will never look the same, is very hard to estimate," he said.

Mistral is not yet making any money but Mensch expected that to change "before the end of the year", as it prepares to release a new platform for customers to access its AI models.

Pia d'Iribarne, partner at New Wave, a Paris-based investor in Mistral that counts French billionaire Xavier Niel among its backers, said that the "fundamentals are there" for big AI businesses to be built.

"That doesn't mean that there are not some crazy valuations and crazy investor behaviours right now in AI," she said. "But the high valuations for LLM companies are more linked to the price of compute and scarcity of teams, than that behaviour."

Mistral's edge over its larger and better-funded rivals was in its efficiency, Mensch argued. It launched its first AI model with a team of just 10 people, spending less than $500,000 on training costs, he said, in contrast to the tens of millions that rivals spent.

"We are happy to be the most capital-efficient [LLM] company," he said.

Another differentiator, said zu Fürstenberg, was Mistral's "open source" approach, in which the model was published publicly. This gave corporate customers more control over their data and visibility over its use, as well as attracting developer talent.

Despite its lower overheads, Mensch admitted: "We do need more capital." That was primarily to spend on the chips necessary to train LLMs, he said. "Graphics processing units are going to be our main cost for a while."

Venture investors are betting that there is room for only a handful of companies to profit from developing the models that underpin chatbots. But developing and training those models is costly, requiring massive computing power and deep technical expertise.

Even as new rivals such as Elon Musk's xAI emerge, Moyroud said Mistral might be the last new LLM developer with a credible chance at challenging OpenAI. "There is a growing sense today that the ship has sailed, in part because of the capital intensity," he said. "If someone was to go out to market [today] with similar ambitions and a similar quality team, I'm not sure they would get funded."

Additional reporting by Madhumita Murgia in San Francisco

Banks

UBS posts first quarterly loss since 2017 on costs of Credit Suisse deal

OWEN WALKER
EUROPEAN BANKING CORRESPONDENT

UBS has posted its first quarterly loss in almost six years as the Swiss lender laid bare the costs of integrating Credit Suisse following the state-orchestrated rescue of its rival.

The deal is expected to be a boon for UBS in the long run, cementing its position as a global wealth management powerhouse, but the banking industry's most complex takeover since the 2008 financial crisis has brought risks.

The cost of integrating its rival drove UBS to a net loss of $785mn in the third quarter, the bank said yesterday, larger than the $444mn expected by analysts as the bank shouldered $2.2bn of expenses tied to the deal. Stripping those out, the lender generated a pre-tax profit of $844mn.

Chief executive Sergio Ermotti told analysts that 2024 would be a "pivotal year" for the takeover, saying it would "probably [be] the one time in which we're going to incur the most cost in order to achieve the synergies that we will achieve in 2025 and 2026".

Despite the costs, investors took some comfort that UBS was managing to win back Credit Suisse clients who had fled during the turmoil of the March rescue.

UBS managed to attract $22bn of net new money into its wealth management business in the quarter with attractive interest rates. The group had $33bn of net new deposits, with two-thirds coming from Credit Suisse clients.

> 'UBS is still working hard to recapture assets from those who left Credit Suisse earlier this year'

Ermotti said Credit Suisse had lost 500 relationship managers in the previous 12 months, but had suffered just $20bn of asset outflows as a result.

"UBS is still working hard to recapture assets from those who left Credit Suisse earlier this year, most of which was due to instability fears," noted Citigroup analyst Andrew Coombs.

Credit Suisse, which is operating as a subsidiary of UBS and will be merged with the wider group next year, had signalled it expected a loss of at least $2.2bn in the quarter through exiting loans and winding down an investment management contract with US alternative investment manager Apollo.

UBS wealth management executives face acute pressure to retain big clients from both banks, especially in the Middle East, where several key relationship managers have defected to rivals.

The Swiss bank recently extended a $9bn credit facility to Qatar's former prime minister, Sheikh Hamad bin Jassim bin Jaber al-Thani, who was a client of UBS and Credit Suisse. He also oversaw the Qatar Investment Authority's investment in Credit Suisse during the 2008 financial crisis.

Echoing the performance of several European rivals, UBS's investment bank had a lacklustre quarter. It suffered a $230mn loss, largely driven by a fall in global markets revenues and a 50 per cent increase in operating costs, mostly tied to the integration.

In a sign that investors have broadly welcomed the deal, UBS shares have risen 26 per cent since the rescue and were up 3 per cent yesterday. The shares were given a boost over the summer when UBS said it would not rely on taxpayer money to complete the deal.

See Lex

Pharmaceuticals

Sanofi probed over launch of best-selling drug

ADRIENNE KLASA — PARIS

France's financial prosecutor has opened a preliminary investigation of pharmaceutical group Sanofi over allegations of market manipulation related to the launch of its hit drug Dupixent in 2017.

The prosecutor's office, which opened the probe in March, is looking into allegations of "dissemination of false or misleading information and price manipulation" concerning financial communications by the group, according to a judicial official. The next step may or may not be a formal investigation.

Sanofi said: "We stand by the accuracy of our accounts," adding that it "reserves the right to take legal action against any false or defamatory allegations". The probe was first reported by French publication La Lettre A.

Dupixent, which is used to treat asthma and eczema, is Sanofi's best-selling product. Sales increased 35 per cent in the first nine months of the year to €7.7bn, about a quarter of its total sales for the period. Shortly after he began in the role in September 2019, chief executive Paul Hudson said he wanted to increase sales of the drug and obtain approval for its wider use.

Dupixent sales subsequently quadrupled from €2bn in 2019 to €8.3bn in 2022. However, investors have become worried about the company's dependence on Dupixent, which it developed with US biotech Regeneron.

Sanofi has marketed new prescription drugs recently — including haemophilia treatment Altuviiio and Beyfortus for respiratory syncytial virus in young children — as it works to improve its drug pipeline. The company also acquired a type 1 diabetes treatment as part of its $2.9bn takeover of Provention Bio in March.

In October, Sanofi announced plans to spin off its consumer care division and increase investment in research and development as part of efforts to focus on new treatments for cancer and rare diseases. Sanofi said the spin-off could take place by the end of next year, most likely through a listing in Paris.

However, a cut to earnings forecasts because of the raised R&D budget saw the shares fall almost 20 per cent in a day, and they have stayed in that range.

As part of turnaround plans announced when he took over as chief, Hudson said he would shift the company to focus on speciality medicines for cancer and rare diseases, moving it away from the mass-market products that had been its core business.

Banks

Berlin-based fintech N26 retreats from Brazil

OLAF STORBECK — FRANKFURT

The German online bank N26 is pulling out of Brazil as it narrows its focus to Europe in an effort to cut losses.

The Berlin-based lender said yesterday that it would close its Brazilian operations over the next two months, admitting defeat in its attempt to take on Nubank, the South American country's largest online lender.

The retreat leaves N26, which was valued at $9bn in late 2021 just before rising interest rates hammered European and US fintechs, focused on continental Europe, including Germany, France, Italy and Spain. The lender had previously pulled out of the UK and US.

The future of N26's Brazilian operations had been in doubt for more than a year as it struggled to attract local investors to help fund its expansion and, more recently, decided against selling them, according to people familiar with the matter.

The closure is in line with the group's strategy of focusing on "its European core markets", N26 said.

Leaving Brazil is the latest setback for a company that has been in the cross-hairs of Germany's financial regulator. Last month, BaFin indicated it was willing to partially lift a cap on how quickly N26 could take on new clients that it had imposed in late 2021 over the group's organisational shortcomings.

Founded in 2013 by Valentin Stalf and Max Tayenthal, N26 raised $900mn in October 2021 but has struggled to staunch losses. Its most recent accounts show that it lost €172mn in 2021 while revenues increased 50 per cent to €182.4mn.

Last year, it significantly increased spending on anti-money laundering controls and compliance. In an attempt to cut costs, the group culled 4 per cent of its workforce earlier this year.

Its Brazilian operations have about 70 employees and N26 said that local staff could apply for jobs in its European offices. N26 had set up its operations in Brazil as a legally separate entity from its European operations.

N26 did not disclose how many clients it had attracted in South America's largest country, but it accounts for a fraction of N26's more than 8mn clients.

The bank had so far only been testing its products in Brazil and potential customers were invited to join a waiting list.

Over the past decade, N26 raised $1.8bn from investors including Peter Thiel's Valar Ventures and Li Ka-shing's Horizons Ventures.

WeWork casts pall over shared-office sector

Failure puts spotlight on flexible space providers and stokes fears over landlords struggling with shift to hybrid working

JOSHUA OLIVER

With its trendy sites and offers of free beer, WeWork succeeded in making flexible office space cool. There was one problem: the business could not make it pay.

WeWork's slide into US bankruptcy on Monday, under the weight of more than $13bn in office lease obligations, has cast a shadow over flexible workspace providers on both sides of the Atlantic and sharpened fears over distress for office landlords struggling with the move to home-working.

WeWork chief executive David Tolley said in the company's bankruptcy filing that it had amended 590 leases and cut future rent obligations by $12bn, but could "not overcome the legacy real estate costs and industry headwinds".

The question is whether problems for the flexible office sector remain confined to WeWork, and whether other flexible working companies can turn the shift to hybrid working spurred by the pandemic to their advantage.

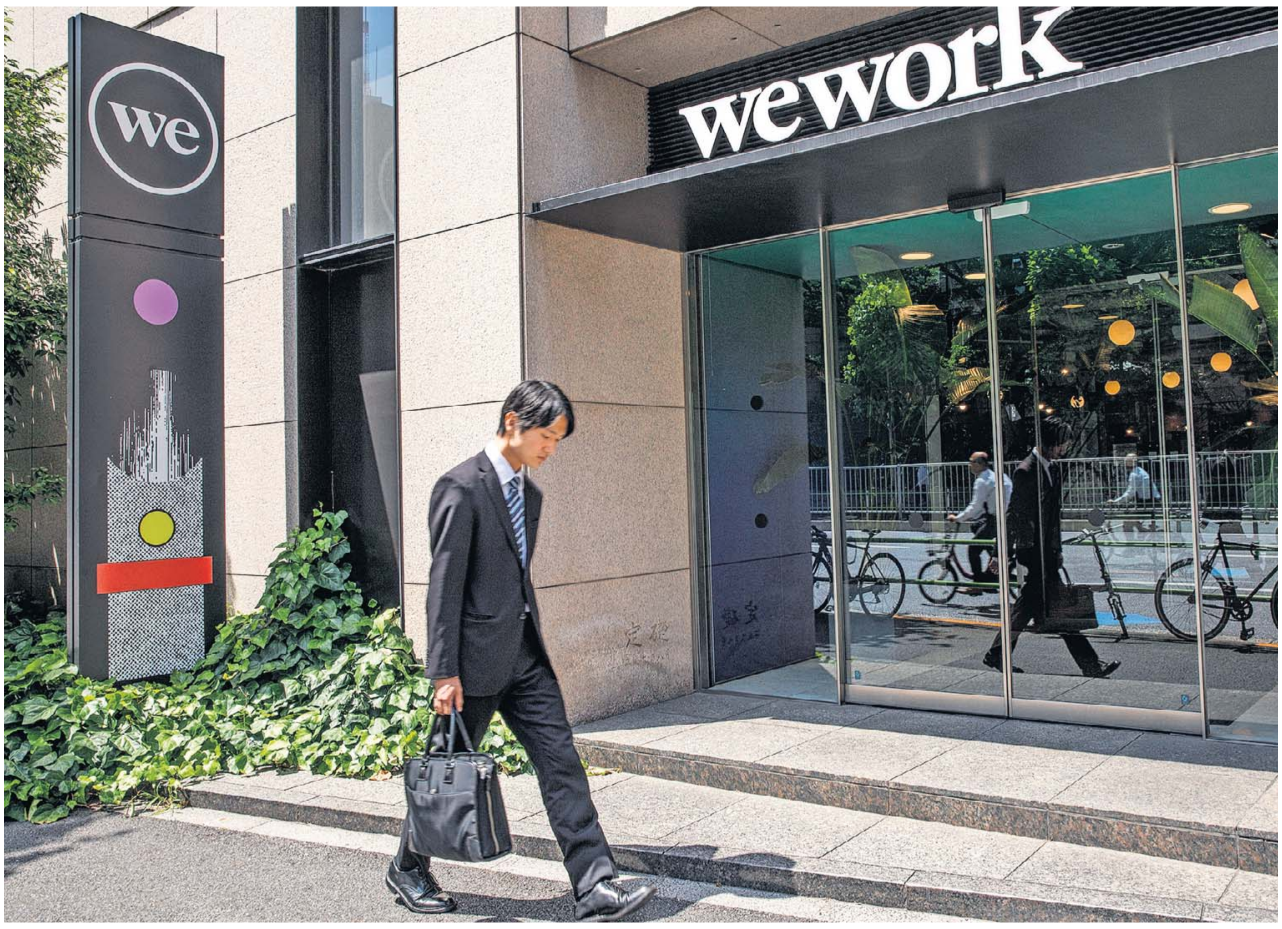
Mark Dixon, chief executive of the largest flexible office space group, IWG, argued that "the travails and tribulations with WeWork" had been a "sideshow" to a shift in the office market.

"The body blow is technology, not WeWork . . . Technology is changing how people work," Dixon said.

Flexible office brands hope that companies looking to save money on large static offices will see flexible space — ranging from desks by the hour to full floors with custom designs — as a substitute, despite the trouble for the sector's best-known name.

WeWork's bankruptcy had come "at the exact moment when the flex industry in general has been seeing record performance," said Jamie Hodari, chief executive of New York-based co-working provider Industrious.

Many companies were moving out of "oversized-headquarter space . . . into more flexible space at a more modest size. WeWork's bankruptcy has been less about the lack of demand than the specifics of their business model".



The question for the sector is whether problems remain confined to WeWork as other operators try to turn the shift to hybrid working to their advantage — Androniki Christodoulou

WeWork's bankruptcy compounds the challenges facing office owners. Vacancy rates have hit two-decade highs this year in London and big cities across the US, as companies slash office space.

WeWork, which provides 900,000 desks to clients at more than 700 sites, was already in talks to renegotiate many of its leases. As part of its Chapter 11 filing in New Jersey federal court late on Monday, the company asked the court for permission to scrap 69 leases in the US and Canada including about 40 sites in New York.

The loss of rents from WeWork's departure will hammer the value of the buildings they leave behind. Office values are already projected to fall about 50 per cent on average in cities such as San Francisco and New York in the next three years compared with 2019 levels, according to consultancy Capital Economics.

Its international sites are not part of the restructuring, but have nonetheless suffered disruption.

WeWork said yesterday that starting in October, it had withheld $78mn in rent due to US and international landlords. Landlord Helical last week said it had ended WeWork's leases over six floors on London's Old Street for "non-payment of rent". The companies reached a short-term deal to reoccupy the space after WeWork paid back rent and fees.

The process of extracting itself from undesirable leases will probably involve at least some court battles. WeWork's bankruptcy filing listed several multimillion dollar claims for back rent or lease cancellation fees, a number of which it disputes.

Still, property executives and analysts expect the direct impact from WeWork on the wider office market to be limited.

Real estate data firm CoStar said WeWork's retreat posed a "considerable risk" to specific landlords, but its footprint was "still quite small relative to the market as a whole". WeWork represented 0.73 per cent of occupancy in New York and less than half a per cent in San Francisco and Boston, CoStar said.

"These are embers around the edge of the fire," said Dixon.

IWG, which operates 3,455 sites under brands including Regus and Spaces, had taken over "quite a significant number of WeWorks" and would aim to secure more, he said.

> The bankruptcy 'has been less about the lack of demand than the specifics of their business model'

Hodari said some of WeWork's flagship sites would be too big for other companies to take over, but most would probably be snapped up.

"This is going to look like how the hotel industry works. When a Marriott doesn't work out, it becomes a Hyatt," he said. "These aren't going to all go dark. They are just going to be run by somebody else."

Cal Lee, who advises on flexible workspace at estate agency Savills, said he had "had calls from operators all this week and all last week wanting to take any WeWork spaces that come back to market".

Lee said WeWork had been "trailblazers", but "how they scaled, and the model that they used to scale, has ultimately caused this stress".

Other providers use different models that they argue are more sustainable. They are keen to avoid the expensive, long-term leases that dragged down the company founded by entrepreneur Adam Neumann.

These contracts left WeWork on the hook for rent payments even when the number of customers using their space plummeted during the pandemic. WeWork said its occupancy numbers had rebounded to 75 per cent in 2022, from 45 per cent in 2020.

The "big change" was that flexible working rivals were "not taking these [locations] on a full-rent market lease . . . They changed their business model to recognise that in order to get scale . . . Taking long-term leases is not as sustainable as management agreements and joint ventures," Lee said.

$13bn	900,000
Burden of office lease obligations at flexible space provider WeWork	Desks provided to WeWork clients across more than 700 sites

Under these partnership or management arrangements, landlords in effect outsource running office spaces to flexible workspace brands.

IWG reported yesterday that of 204 deals for new sites signed in the third quarter of this year, 200 were "capital-light".

Still, some 60 per cent of IWG centres operate on standard leases, compared with a minority that run as joint ventures, franchises, management agreements or where the rent varies by revenue. IWG's leases are frequently signed by special purpose corporate entities to limit the risk to the company overall.

Industrious had begun switching to management contracts in 2017, and was close to phasing out all traditional leases, Hodari said.

The Office Group, the flexible workspace business majority-owned by Blackstone, has traditionally owned its offices, but chief executive Enrico Sanna said it had "a growing number of management agreements".

Even with new business models, flexible office brands face challenges.

Some landlords have started to compete directly by running their own flexible working options.

"Flex space is not going anywhere," said Nikki Gibson, director at property management firm Ashdown Phillips & Partners. More landlords were wondering, "Maybe should we do this ourselves."

WeWork said some of its customers had reached deals directly with landlords to remain in their space.

The wider office market is awash with cheap space available for sublet from companies looking to cut back. Tolley partly blamed the "unprecedented prices and in significant volume" of second-hand space for the group's woes.

"Saddled with many . . . unsustainable leases, WeWork's existing business model has become increasingly difficult to maintain and must be repriced to align with the current real estate market," he said.

Technology

OpenAI to launch store for custom chatbots

MADHUMITA MURGIA — SAN FRANCISCO

OpenAI is launching custom versions of ChatGPT that can be adapted and tailored for specific applications, turning the chatbot interface into a digital platform like iOS or Android.

Known as GPTs, the tools can be built using plain English for cases such as tutoring a child in maths, creating a travel concierge, or designing a website.

The Microsoft-backed artificial intelligence company said it planned to launch a GPT Store in the coming weeks, to collate the best apps, and eventually split revenues with the most popular GPT creators.

The store's launch comes a year after the debut of ChatGPT, echoing Apple's decision to launch the iOS App Store a year after the iPhone, which brought it into the software services business.

In an event for developers on Monday, OpenAI said ChatGPT had 100mn weekly active users, and launched a new AI model, GPT-4 Turbo, for developers, which can analyse more than 300 pages of text in a single prompt, and is half the price of its previous offering.

"We believe if you give people better tools, they will do amazing things. Eventually you'll ask a computer for what you need and it will do all these tasks for you," said Sam Altman, chief executive of OpenAI. Allowing people to build these chatbots without coding made it more "accessible and gives agency to everyone", Altman said, adding that "gradual iterative deployment" was OpenAI's approach to creating autonomous AI safely.

Satya Nadella, the chief executive of Microsoft, joined Altman on stage, saying that OpenAI had "built something magical" and that ultimately the groups' partnership was about "getting benefits of AI broadly disseminated to everyone".

Some of the examples of GPTs showcased by the company include a computer science lesson planner from its partner Code.org, a non-profit that teaches children to code, as well as an Airbnb house manual, for which its AI models such as Dall-E2 automatically generated images and instructions based on user prompts. "We believe natural language will be a big part of how people use computers in the future. This is an interesting early example," Altman said.

CEO Sam Altman aims to split sales with the most popular GPT creators

Since launching its conversational chatbot last November, OpenAI has introduced a mobile app version, and added features including image generation and analysis to ChatGPT. The new custom GPTs can be created by existing ChatGPT Plus subscribers, and shared online using a link or designed for internal use by its enterprise customers, OpenAI said.

The tools can also be used to complete actions, such as booking restaurant tables. Altman said AI chatbots such as GPTs would start to handle online tasks autonomously, turning them into so-called agents. "They will gradually be able to plan and perform more complex actions on your behalf," he said.

As OpenAI expands its ambitions in building a viable business and developing cutting-edge AI, it is under pressure to raise significant capital for infrastructure and computing costs. The company is in talks with existing investors including Thrive Capital about selling shares at a valuation of $86bn, roughly three times what it was worth six months ago.

A stock sale at the level OpenAI is targeting would make the San Francisco-based group one of the world's most highly valued private companies.

Equities. Investor sentiment

IMF upgrades China growth outlook amid policy support

Shanghai surprise: China's economic activity will be higher than previously expected by IMF calculations
Wang Gang/VCG/Getty

Beijing officials optimistic but analysts say weak export data shows recovery is still fragile

CHENG LENG, HUDSON LOCKETT AND KAYE WIGGINS — HONG KONG
JOE LEAHY — BEIJING

The IMF has raised its forecasts for China's economic growth, citing stronger policy support from Beijing, as Chinese regulators used a gathering of top Wall Street heads in Hong Kong to push back against investor gloom over the country.

The fund said China's gross domestic product would grow 5.4 per cent in 2023, upgrading its previous forecast of 5 per cent.

It came as China released weaker than expected export data, adding to recent mixed readings on retail spending, manufacturing and consumer prices.

"The authorities have introduced numerous welcome measures to support the property market," the IMF's first deputy managing director, Gita Gopinath, said.

"But more is needed to secure a quicker recovery and lower economic costs during the transition."

Beijing has been battling to improve confidence in the economy, which has struggled to rebound after stringent Covid-19 lockdowns last year, a property sector meltdown, and weakness in export industries.

Foreign investors have dumped tens of billions of dollars worth of Chinese stocks and bonds this year — a trend exacerbated by much higher interest rates in the US.

The IMF said it had also upgraded its forecast for China's growth next year from 4.2 per cent to 4.6 per cent, but cautioned that weakness in the property sector and subdued external demand would persist.

Over the medium term, GDP growth was projected to decline gradually to about 3.5 per cent by 2028 because of weak productivity and an ageing population, said Gopinath.

"A strategy to contain the risks from the ongoing property sector adjustment and manage local government debt is needed to lift sentiment and boost near-term prospects," the fund said. "Supportive macroeconomic policies should complement these efforts."

But at a Hong Kong investor conference yesterday, one of the territory's flagship events for the global financial community, China's top officials said they were not "too" worried about the country's economy.

He Lifeng, China's vice-premier and a powerful Communist party official overseeing China's economic and finance affairs, said in a pre-recorded message that China would achieve its official growth target of 5 per cent this year.

"You may ask me, are you worried?" said another official, Zhang Qingsong, deputy governor at the People's Bank of China, who attended in person, on China's economy.

"Not too much," he told the event, which was attended by some of the most powerful executives in global finance, including Morgan Stanley's James Gorman, Goldman Sachs's David Solomon, Citadel's Ken Griffin, and Mark Rowan of Apollo Global Management.

Zhang said China's economic fundamentals were stable and its government debt was "lower than [in] many other advanced economies".

Many of China's largest developers have defaulted on their debts, prompting calls for a sector-wide bailout. But Zhang described this as "a natural selection and market-clearing process".

Sources: LSEG; Chinese National Bureau of Statistics

Zhang added: "Having said that, we need to carefully manage the pace to avoid a sharp downturn and unintended consequences . . . I prefer to let the market play its role but do policy adjustments if necessary. We are quite optimistic about the future of China's property market."

The positive messaging from regulators came after one-third of listed Chinese companies reported third-quarter results that fell short of expectations — the most in half a decade, according to an analysis by Morgan Stanley.

China's benchmark CSI 300 index has fallen more than 6 per cent this year.

But Wang Jianjun, vice-chair of the China Securities Regulatory Commission, the market watchdog, said the domestic debt and equity markets were "full of opportunities right now".

Wang added: "It's never too late to catch the China train — you can still ride the dragon to heaven."

> 'It's never too late to catch the China train — you can still ride the dragon to heaven'

China's exports dropped 6.4 per cent in October compared with the same period a year earlier, the sixth consecutive month of declines and worse than a Reuters survey of analysts that forecast a 3 per cent fall.

In one positive sign, China's imports expanded year-on-year for the first time since February, rising 3 per cent.

"The disappointing exports point to external headwinds to the still fragile recovery while the much better than expected imports suggest domestic demand could be bottoming out on policy support," said Citi analysts in a note.

Additional reporting by Chan Ho-him in Hong Kong and Tom Hale in Shanghai

See Markets Insight

Commodities

Chinese rivals pose risk to Albemarle's lithium share

HARRY DEMPSEY — LONDON

Albemarle, the largest lithium company, has warned it could lose market share to Chinese producers after a $4.2bn deal to buy an Australian rival foundered and a collapse in prices prompted a pullback on growth plans.

The US company last week revealed a review entailing a reduction and reordering of its capital expenditure plans in response to investor concerns over spending during a market downturn.

Last month, Gina Rinehart, Australia's richest woman, wrecked Albemarle's bid to take over Liontown Resources, a crucial acquisition for the company to grow its pool of resources after she built up a strategic stake.

Kent Masters, chief executive of Albemarle, acknowledged the group would be likely to lose market share to Chinese rivals as plummeting prices for the metal vital to batteries in electric cars have led it to pursue a more conservative approach.

"We're being a little more cautious and investing behind the market, so there's a risk we lose that share," he said. "This will probably be helpful for Chinese suppliers."

Albemarle is on course to hold a 13 per cent share of the global market this year versus 63 per cent for Chinese companies, according to Fastmarkets, while it is the biggest lithium group by market capitalisation.

> 'We're being a little more cautious and investing behind the market'
> Kent Masters, chief executive

The scaling back of growth plans by Albemarle highlights a dilemma facing western metals groups as they struggle to invest while commodity prices fall. In contrast, Chinese companies are pushing ahead with development plans.

Analysts say the inability of western groups to invest when cash flows drop is creating a problem for the US and Europe in the race against Beijing for critical minerals in the EV supply chain.

Despite the bumper profits over the previous two years, lithium producers have huge outlays of spending to meet forecasts of a big jump in demand.

Albemarle predicts the market will increase fourfold by 2030.

Lithium prices have dropped more than 70 per cent this year to just over $22,000 a tonne, according to Benchmark Mineral Intelligence, on weak EV demand in China and the battery supply chain using up stockpiled material rather than buying fresh material.

As a result, net income for Albemarle tumbled 65 per cent to $320mn in the third quarter and cut its annual sales growth forecast from 40-55 per cent three months ago to 30-35 per cent.

Executives at Albemarle said they were puzzled as to why lithium prices have fallen so low, given that they believe EV demand remains strong.

Albemarle says global sales in 2023 are on track to hit almost 15mn units, up more than 40 per cent year on year.

Fixed income

Turkey taps bond investors for $2.5bn as strong demand reveals shift in sentiment

ADAM SAMSON — ANKARA

Turkey has raised $2.5bn in its first deal on the dollar bond market since April as the country's broad economic policy shift lures back investors who abandoned Turkish assets in recent years.

The country received more than $7bn in bids yesterday for a new five-year dollar-denominated sukuk, a type of debt instrument compliant with Islamic religious law, according to a term sheet seen by the Financial Times.

High demand for the deal is the latest sign of how investor sentiment is slowly improving after President Recep Tayyip Erdoğan shook up his economic team following his re-election in May and set a path to end years of unconventional economic policies.

"The government has been clawing back . . . [investors'] trust in its story," said one of the people familiar with the bond deal, adding that Turkey was able to clinch better terms than it would have several months ago because anxiety about the country's economic trajectory had eased somewhat following elections in May.

Turkey is also taking advantage of a recent fall in US bond yields, prompted by concerns over the state of the American economy, to lock in lower borrowing costs than would have been available several weeks ago, the person said.

The five-year sukuk was sold with a yield of 8.5 per cent, according to the term sheet. Turkey's finance ministry declined to comment on the debt issuance.

The $2.5bn sukuk issuance will mean that Turkey has fulfilled its goal of raising $10bn on international capital markets this year. The previous $7.5bn was raised in conventional and green dollar bonds but a third person familiar with the deal said the sukuk would help draw in both western investors and those in the Gulf to whom Islamic finance is appealing.

Anxiety about Turkey's economic trajectory had eased since May

Turkey plans to raise another $10bn on international debt markets next year.

The deal comes at a time when the price of Turkish assets on financial markets has been improving. A conventional dollar-denominated bond maturing in October 2028 was trading with a yield of 8.1 per cent yesterday compared with a peak above 10 per cent in May.

Investors are also demanding a much lower premium to hold Turkish debt — the gap in yield between Turkey's five-year dollar bonds and that on US Treasuries has fallen to 3.6 percentage points from a high of nearly 7 percentage points in May, according to LSEG data.

Turkey's new economic management team, led by finance minister Mehmet Şimşek and central bank chief Hafize Gaye Erkan, has begun unwinding many of the unorthodox economic policies of Erdoğan prior to May's election.

Fixed income

Gilts rally after BoE's chief economist signals willingness to cut rates in 2024

MARY MCDOUGALL AND SAM FLEMING

UK gilts rallied sharply yesterday as traders seized on comments from a senior Bank of England policymaker suggesting that it may be willing to consider interest rate cuts in the middle of next year.

The yield on the interest rate-sensitive two-year gilt fell 0.09 percentage points to 4.62 per cent, its lowest level since June, after Huw Pill, the BoE's chief economist, said market expectations for cuts from next summer were not "unreasonable".

Swaps markets were now pricing in 0.75 percentage points of rate cuts next year, up from half a percentage point at the start of the month, as the market brought forward its expectations for the BoE's rate cuts.

The yield declines come as investors shift their focus from interest rates needing to stay high to curb global price pressures to the prospect of weaker economic growth.

Speaking after markets had closed on Monday, Pill said the BoE could be in a position to "consider or reassess" its stance on rates in the middle of next year, depending on how the economic prospects evolved.

"Huw Pill's dovish comments overnight have given fresh fuel to the gilt rally, causing the market to price even more in the way of rate cuts," noted Daniela Russell, head of UK rates strategy at HSBC.

"It was a bit of a surprise to hear him validate market expectations for cuts in the middle of next year and it marks a change from the persistent higher for longer narrative that we'd heard up until that point," she added.

> 'It marks a change from the persistent higher for longer narrative that we'd heard up until that point'

Benchmark 10-year gilt yields fell 0.11 percentage points yesterday to just below 4.27 per cent, the lowest level since September, while sterling fell 0.3 per cent against the dollar to $1.23.

Government bonds across the US and Europe have rallied sharply over the past week after a string of weaker than expected economic data and downgrades to the BoE's growth forecasts.

Benchmark US Treasury yields have fallen 0.28 percentage points over the past week, the biggest weekly decline since the collapse of Silicon Valley Bank in March.

"Global yields have been moving together since Friday's payroll data," said Lyn Graham-Taylor, a rates strategist at Rabobank. "It's all variations of a theme — we had a massive bid for bonds on Friday, an unwind on Monday and a bit of a bid again today."

Analysts attributed the rally in short-dated gilts to the market bringing forward its expectations for the BoE's rate cuts. The market has priced in a rate of 4.54 per cent by December next year, down from 4.75 per cent at the start of the month.

"The UK is playing catch-up in terms of pricing in rate cuts for next year as the global narrative has turned to a weaker growth outlook over the last week," said Megum Muhic, senior associate strategist at RBC Capital Markets.

The central bank has stressed that it expects to keep rates on hold for an extended period as it combats inflation.

Global constraints threaten higher Chinese growth

Michael Pettis

Markets Insight

While Chinese policymakers debate over whether or not debt levels will limit the country's ability to maintain many more years of high, investment-driven economic growth, it's not just internal constraints that matter. External ones will count just as much, even if they are less discussed both inside and outside China and less well understood.

Some simple arithmetic is useful here. Investment accounts for roughly 24 per cent of global gross domestic product, and consumption the remaining 76 per cent. Even in the highest investing economies, the actual investment share of GDP rarely exceeds 32-34 per cent, except for short periods of time.

China, however, is an extreme outlier. Investment last year accounted for about 43 per cent of its GDP and has averaged well over 40 per cent for the past 30 years. Consumption, on the other hand, accounts for roughly 54 per cent of China's GDP (with its trade surplus making up the balance).

Put another way, while China accounts for 18 per cent of global GDP, it accounts for only 13 per cent of global consumption and an astonishing 32 per cent of global investment.

Every dollar of investment in the global economy is balanced by $3.2 dollars of consumption and by $4.1 in the world excluding China. In China, however, it is offset by only $1.3 of consumption.

What is more, if China were to grow by 4-5 per cent a year on average for the next decade, while maintaining its current reliance on investment to drive that growth, its share of global GDP would rise to 21 per cent over the decade but its share of global investment would rise much more — to 37 per cent.

Alternatively, if we assume that every dollar of investment globally should continue to be balanced by roughly $3.2 dollars of consumption, the rest of the world would have to cut the investment share of its own GDP by a full percentage point a year to accommodate China.

Is that likely? Probably not, given that the US, India, the EU and several other major economies have made very explicit their intentions to expand the role of investment in their economies.

But without this kind of accommodation from the rest of the world, any major expansion in China's share of global investment risks generating much more global supply than demand. It will be especially painful for low-consuming economies that will be competing producers, even perhaps for China itself.

> A major expansion in its share of global investment risks generating much more supply than demand

The imbalance may be an even bigger problem when we consider that, since 2021, China has been shifting investment away from the bloated property sector towards infrastructure and manufacturing. In the past two years, while investment in China's property sector has declined — and is expected to fall further — total investment hasn't.

This is in part because of an increase in the amount of investment directed by Beijing into industry and manufacturing. The result has been — after a decade of decline — a rising manufacturing share of China's GDP.

But if China's share of global GDP rises over the next decade, driven by a continued reliance on manufacturing, how easily can the rest of the world absorb the country's expansion?

Currently, the manufacturing sector globally comprises roughly 16 per cent of the world's GDP and as little as 11 per cent of the US economy. China is once again an outlier with a manufacturing share of GDP at 27 per cent — higher than that of any other major country.

If its economy were to grow over the next decade at 4-5 per cent a year even without a further increase in the manufacturing share of the country's GDP, China's share of global manufacturing will rise from 30 per cent to 37 per cent.

Can the rest of the world absorb such an increase? Only if it is willing to accommodate the rise in Chinese manufacturing by allowing its own manufacturing share of GDP to decline by half a percentage point or more.

The point is that, without a major and politically difficult restructuring of its sources of growth away from investment and manufacturing and towards an increasing reliance on consumption, China cannot lift its share of global GDP without an accommodation from an increasingly reluctant rest of the world.

Without that contentious accommodation, the global economy would find it extremely difficult to absorb further Chinese growth.

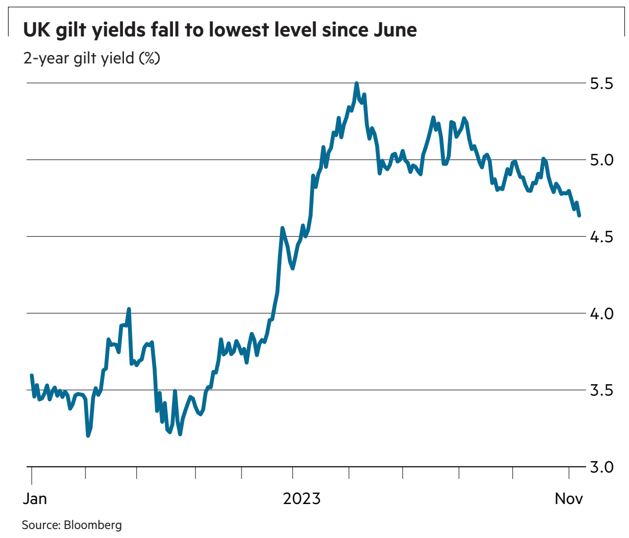
Many more years of high growth in China are possible only if the country were to implement a major restructuring of its economy in which a much greater role for domestic consumption replaces its over-reliance on investment and manufacturing.

Michael Pettis is a senior fellow at Carnegie China

The day in the markets

What you need to know

- **Wall Street on track for seventh straight session of gains**
- **European stocks fall along with indices in Asia on contrasting economic fortunes**
- **Dollar rallies following last week's sell-off and oil prices decline**



US stocks advanced yesterday, putting them on course for their seventh consecutive session of gains, as bullish investors snapped up risk assets in the hope that major central banks have finished raising interest rates.

Wall Street's benchmark S&P 500 index added 0.2 per cent in afternoon New York trade, extending a run that began last Monday and that was given fresh impetus by the US Federal Reserve's decision to leave rates unchanged at a 22-year high.

The index last rose seven days in a row in November 2021.

The tech-heavy Nasdaq Composite gained 0.8 per cent, taking its gain since late October to more than 8 per cent.

Equities across the Atlantic slipped, however, with the region-wide Stoxx Europe 600 losing 0.2 per cent and London's FTSE 100 down 0.1 per cent. Chinese and Japanese stocks also fell.

The moves reflect the contrasting economic fortunes of each region, said analysts and investors.

"Europe is getting worse, the US is at an inflection point and China hasn't managed to get going," said Hani Redha, a portfolio manager at PineBridge Investments.

Even US stocks might soon feel the pinch from higher rates, however, according to analysts at BlackRock.

Third-quarter results have so far beaten "muted" revenue expectations, they said, but higher financing costs will eventually "crunch earnings and profit margins".

The increasingly gloomy global outlook is also weighing on crude oil prices, which fell to their lowest level since August despite the ongoing military actions in the Middle East.

Brent crude, the global benchmark, dropped 3.6 per cent to $82.08 a barrel.

Core government bond prices surged, reversing Monday's losses.

Yields on 10-year US Treasuries fell 7 basis points to 4.58 per cent while short- and long-dated UK gilt yields also plunged, reflecting higher prices.

Rate-sensitive two-year gilt yields fell to their lowest level since June.

The dollar rallied, partially reversing a sell-off last week. The US Dollar index, a measure of the currency's strength against a basket of six global peers, strengthened 0.5 per cent.

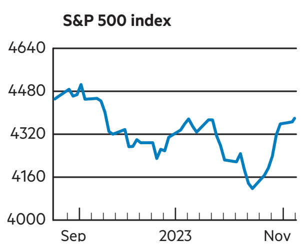
The gauge had dropped roughly 1.7 per cent between Wednesday and Friday last week. But the world's de facto reserve currency remained 2.1 per cent higher since the start of the year, LSEG data showed. **George Steer**

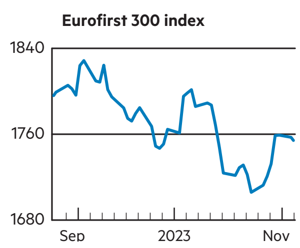
Markets update

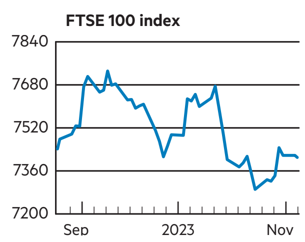
	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4379.32	1754.19	32271.82	7410.04	3057.27	119068.60
% change on day	0.31	-0.17	-1.34	-0.10	-0.04	0.54
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	105.659	1.069	150.500	1.230	7.285	4.869
% change on day	0.422	-0.466	0.511	-0.726	0.093	-0.497
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.587	2.659	0.872	4.439	2.676	11.123
Basis point change on day	-3.510	-8.000	0.290	-10.700	1.000	-6.400
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	438.47	82.25	78.02	1984.60	23.21	3672.80
% change on day	-0.15	-3.44	-3.46	-0.49	2.52	1.02

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







Biggest movers

%	US		Eurozone		UK	
Ups	Gen Digital	8.54	Amadeus It	4.91	Beazley	7.08
	Expedia	7.75	Deutsche Boerse	3.80	Associated British Foods	6.84
	Match	4.92	Cap Gemini	2.99	Ocado	3.81
	Adobe	3.30	Sap	2.38	Frasers	3.03
	Bio-rad Laboratories Inclass A	3.21	Novozymes	2.10	Natwest	2.85
Downs	Air Products & Chemicals	-10.94	Cnh Industrial	-7.46	Anglo American	-3.54
	Emerson Electric Co	-7.68	Klepierre	-5.40	Antofagasta	-3.41
	Constellation Energy	-4.52	Casino Guichard	-5.27	Endeavour Mining	-2.42
	Marathon Oil	-4.27	Oci	-5.07	Glencore	-2.35
	Eqt	-4.04	Galp Energia	-4.92	Centrica	-2.30

Prices taken at 17:00 GMT

Based on the constituents of the FTSE Eurofirst 300 Eurozone

All data provided by Morningstar unless otherwise noted.

Wall Street

Sinking to the bottom of the S&P 500 index was industrial gases group **Air Products and Chemicals**, which reported an 11 per cent year-on year slide in quarterly sales to $3.2bn — almost 5 per cent below market estimates.

Datadog, a monitoring platform for cloud apps, jumped on the back of a chunky earnings beat, with the group posting third-quarter earnings of 45 cents per share, more than 30 per cent above analysts' estimates.

A revenue projection of $564mn to $568mn for this quarter also comfortably surpassed the $545.5mn that Wall Street was expecting.

TripAdvisor became the latest tourism-linked group to post robust results, benefiting from a post-pandemic demand for excursions.

The online travel group rose sharply on reporting third-quarter revenue of $533mn, up 16 per cent year on year, while an underlying profit of $127mn was 13 per cent ahead of expectations.

Sector peers **Expedia**, **Airbnb** and **Booking** rose in tandem after the update.

A downgrade weighed on **Sonos**, the speaker and soundbar maker, which had its rating lowered from "buy" to "neutral" by Bank of America.

The broker said the premium brand was not immune to industry-wide headwinds. *Ray Douglas*

Europe

Spanish parent company Telefónica sent **Telefónica Deutschland** soaring on news that it was seeking to buy the shares it did not already own in the German group.

The Madrid-based company, which directly or indirectly held a 71.8 per cent stake, offered €2.35 per share for remaining holdings — nearly 37 per cent above Monday's closing price.

The rationale behind the move was based on a "strong" commitment to Germany's "attractive and stable" market, said Telefónica, and "efforts to simplify the group's structure".

Forecast-beating results buoyed Sweden's **Sinch**, with the cloud computing group posting a 5 per cent year-on-year rise in core profits to SKr848mn ($77.5mn) in the third quarter — more than 3 per cent ahead of analysts' estimates.

Laurinda Pang, chief executive, said it could again turn its attention "towards growth" having stabilised margins and "significantly" reduced its leverage.

Finland's **Outokumpu** fell sharply on reporting adjusted core profits of €51mn in the quarter, down 83 per cent year on year and 45 per cent below consensus expectations, said Citi.

Heikki Malinen, chief executive, said the market environment in Europe "was even more difficult than during the pandemic", prompting a move to cut about 200 jobs in Germany. *Ray Douglas*

London

Heading the FTSE 100 index was insurer **Beazley**, which posted a 9 per cent rise in gross written premiums for the nine months to September 30, helped by "very strong" property growth, noted Numis.

Beazley was joined by **Associated British Foods** at the top of the blue-chip benchmark.

The Primark owner announced plans to buy back a further £500mn of stock and unveiled a special dividend of 12.7p per share on top of its 33.1p final payout.

This came on the back of a 4 per cent rise in underlying operating profit to £1.5bn for its financial year, helped by "carefully selected price increases" and "good footfall", it said.

Timepiece retailer **Watches of Switzerland** topped the FTSE 250 mid-cap index following the release of a reassuring update, said Jefferies.

During the quarter, WofS achieved 11 per cent sales growth on a constant currency basis in the US and set out plans to more than double sales and profits by 2028.

The Restaurant Group retreated after disclosing that the owner of PizzaExpress, Wheel Topco, would not be making an offer for the Wagamama owner "due to market conditions", it said.

TRG said last month it had received a request for diligence information from Wheel Topco. *Ray Douglas*

MARKET DATA

WORLD MARKETS AT A GLANCE

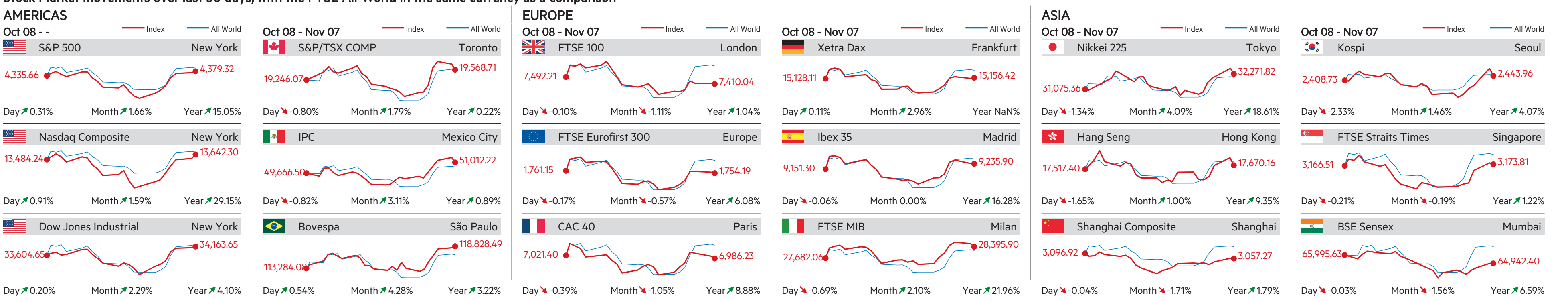
FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.31%	0.91%	0.20%	-0.10%	-0.17%	-1.34%	-1.65%	-0.15%	-0.466%	-0.726%	0.511%	0.231%	-2.08%	-0.49%

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

AMERICAS | EUROPE | ASIA



Country	Index	Latest	Previous
Argentina	Merval	622377.75	637284.15
Australia	All Ordinaries	7176.60	7192.30
	S&P/ASX 200	6977.10	6997.40
	S&P/ASX 200 Res	5858.40	5869.00
Austria	ATX	3161.22	3199.74
Belgium	BEL 20	3462.94	3474.01
	BEL Mid	9093.68	9732.34
Brazil	IBovespa	119068.60	118431.25
Canada	S&P/TSX 60	1178.44	1186.86
	S&P/TSX Comp	19586.12	19743.94
	S&P/TSX Div Met & Min	1559.87	1574.39
Chile	S&P/CLX IGPA Gen	28401.85	28126.54
China	FTSE A200	9475.08	9513.56
	FTSE B35	9000.71	8988.96
	Shanghai A	3205.38	3206.57
	Shanghai B	234.04	232.75
	Shanghai Comp	3057.27	3058.41
	Shenzhen A	2006.79	2003.38
	Shenzhen B	1073.70	1077.10
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1375.72	1381.54
Denmark	OMXC Copenahgen 20	2188.43	2184.37
Egypt	EGX 30	23393.41	23059.15
Estonia	OMX Tallinn	1789.18	1795.60
Finland	OMX Helsinki General	9433.61	9487.08
France	CAC 40	6986.23	7013.73
	SBF 120	5300.13	5322.77
Germany	M-DAX	25107.61	24908.68
	TecDAX	2972.92	2942.51
	XETRA Dax	15152.64	15135.97
Greece	Athens Gen	1228.87	1237.37
	FTSE/ASE 20	2996.85	3027.61
Hong Kong	Hang Seng	17670.16	17966.59
	HS China Enterprise	6087.10	6182.05
	HSCC Red Chip	3375.82	3440.07
Hungary	Bux	57271.67	57400.67
India	BSE Sensex	64942.40	64958.69
	Nifty 500	17187.80	17159.40
Indonesia	Jakarta Comp	6843.79	6878.84
Ireland	ISEQ Overall	8223.07	8206.67
Israel	Tel Aviv 125	1722.41	1741.64
Italy	FTSE Italia All-Share	30264.46	30451.86
	FTSE Italia Mid Cap	40005.72	39964.84
	FTSE MIB	28395.90	28592.60
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	32271.82	32708.48
	S&P Topix 150	2037.39	2061.31
	Topix	2332.91	2360.46
Jordan	Amman SE	2408.69	2397.75
Kenya	NSE 20	1428.66	1442.67
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1385.10	1390.20
Lithuania	OMX Vilnius	942.81	940.34
Luxembourg	LuxX	1360.99	1365.97
Malaysia	FTSE Bursa KLCI	1463.37	1464.67
Mexico	IPC	51210.38	51633.63
Morocco	MASI	11988.80	12007.23
Netherlands	AEX	735.74	735.34
	AEX All Share	995.38	995.28
New Zealand	NZX 50	11223.86	11261.27
Nigeria	SE All Share	70613.60	70479.62
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	53735.73	53860.37
Philippines	Manila Comp	6131.32	5973.78
Poland	Wig	72368.08	72823.52
Portugal	PSI 20	6227.35	6389.93
	PSI General	4463.40	4564.77
Romania	BET Index	14635.77	14576.97
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	10945.97	10948.86
Singapore	FTSE Straits Times	3173.81	3180.53
Slovakia	SAX	323.75	323.75
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	71572.99	73293.69
	FTSE/JSE Res 20	55019.95	57546.20
	FTSE/JSE Top 40	65630.37	67353.06
South Korea	Kospi	2443.96	2502.37
	Kospi 200	327.29	334.16
Spain	IBEX 35	9235.90	9241.50
Sri Lanka	CSE All Share	10871.81	10791.99
Sweden	OMX Stockholm 30	2116.06	2123.50
	OMX Stockholm AS	786.63	788.55
Switzerland	SMI Index	10571.03	10576.75
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1408.30	1417.21
Turkey	BIST 100	7844.80	7844.80
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2593.00	2613.60
	FTSE 100	7410.04	7417.76
	FTSE 4Good UK	6673.55	6671.25
	FTSE All Share	4017.63	4020.77
	FTSE techMARK 100	6064.20	6021.02
USA	DJ Composite	11207.09	11196.46
	DJ Industrial	34163.65	34095.86
	DJ Transport	14493.64	14502.97
	DJ Utilities	853.81	854.33
	Nasdaq 100	15299.97	15154.93
	Nasdaq Cmp	13642.30	13518.78
	NYSE Comp	15393.68	15440.50
	S&P 500	4379.32	4365.98
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	61609.38	59815.18
Vietnam	VNI	1080.29	1089.66
Cross-Border	DJ Global Titans ($)	512.26	509.91
	Euro Stoxx 50 (Eur)	4153.37	4158.64
	Euronext 100 ID	1308.06	1315.23
	FTSE 4Good Global ($)	11222.09	11196.81
	FTSE All World ($)	438.47	439.13
	FTSE E300	1754.19	1757.09
	FTSE Eurotop 100	3513.30	3518.91
	FTSE Global 100 ($)	3015.47	3003.47
	FTSE Gold Min ($)	1739.83	1748.50
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3038.25	3024.00
	FTSE World ($)	801.24	802.19
	FTSEurofirst 100 (Eur)	4740.50	4749.85
	FTSEurofirst 80 (Eur)	5631.47	5633.08
	MSCI ACWI Fr ($)	665.45	662.77
	MSCI All World ($)	2889.44	2883.80
	MSCI Europe (Eur)	1794.35	1797.05
	MSCI Pacific ($)	2737.63	2704.12
	S&P Euro (Eur)	1829.14	1831.08
	S&P Europe 350 (Eur)	1801.22	1804.03
	S&P Global 1200 ($)	3185.63	3187.95
	Stoxx 50 (Eur)	3871.84	3877.54

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICAS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	123.9	217.84	-1.43
Nvidia	84.0	459.78	2.27
Apple	49.4	181.48	2.25
Microsoft	36.2	361.74	5.21
Amazon.com	36.0	142.81	3.07
Advanced Micro Devices	30.6	113.61	1.86
Meta Platforms	20.3	319.69	3.89
Alphabet	11.8	131.12	0.87
Adobe	9.9	584.09	18.64
Chevron	9.0	143.38	-3.62

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Gen Digital	18.94	1.49	8.54
Expedia	120.24	8.65	7.75
Match	29.85	1.40	4.92
Adobe	584.09	18.64	3.30
Bio-rad Laboratories Inclass A	298.14	9.28	3.21
Downs			
Air Products & Chemicals	259.44	-31.86	-10.94
Emerson Electric Co	84.69	-7.05	-7.68
Constellation Energy	119.09	-5.64	-4.52
Marathon Oil	25.48	-1.14	-4.27
Eqt	40.64	-1.71	-4.04

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Shell	167.9	2626.00	-47.50
Imperial Brands	145.2	1803.50	8.50
Astrazeneca	142.5	10230.00	-46.00
Bp	115.8	481.05	-10.45
Natwest	99.7	195.20	5.40
Rio Tinto	88.8	5231.00	-104.00
Relx	83.0	2893.00	38.00
Hsbc Holdings	83.0	608.30	-1.00
Unilever	80.1	3890.00	35.50
Pearson	79.2	964.60	10.60

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Watches Of Switzerland	587.00	68.00	13.10
Direct Line Insurance	170.20	12.65	8.03
Beazley	567.50	37.50	7.08
Associated British Foods	2250.00	144.00	6.84
Next	7328.00	[illegible]	[illegible]
Downs			
4imprint	4435.00	-605.00	-12.00
Cab Payments Holdings	62.00	-4.70	-7.05
Harbour Energy	228.00	-11.20	-4.68
Ferrexpo	75.40	-3.45	-4.38
Telecom Plus	1580.00	-70.00	-4.24

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Santander	440.4	3.52	-0.02
Unicredit	254.4	23.56	0.13
Nestle N	251.7	103.55	-0.26
Roche Gs	239.6	245.73	-0.78
Ubs N	190.0	20.85	0.37
Novartis N	173.0	87.50	-0.06
Eni	172.2	15.01	-0.39
Intesa Sanpaolo	140.6	2.56	0.00
Sap Se O.n.	119.4	131.78	3.06
Asml Holding	118.2	599.20	7.50

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Deutsche Boerse Na O.n.	165.30	6.05	3.80
Capgemini	173.80	5.05	2.99
Sap Se O.n.	131.78	3.06	2.38
Ubs N	20.85	0.37	1.83
Asml Holding	599.20	7.50	1.27
Downs			
Orsted A/s Dk 10	4.91	-0.19	-3.63
Neste	31.49	-1.01	-3.11
Eni	15.01	-0.39	-2.54
Mowi	14.67	-0.33	-2.17
Adyen	672.30	-14.10	-2.05

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Lasertec	4404.5	27580.00	580.00
Mitsubishi Heavy Industries,	777.1	8318.00	-207.00
Toyota Motor	766.1	2832.00	-14.00
Mitsubishi Ufj Fin	729.2	1260.00	-9.50
Kawasaki Kisen Kaisha,	654.1	4617.00	-143.00
Tokyo Electron	556.7	21215.00	-295.00
Advantest	459.3	4193.00	-78.00
Sony	441.7	13155.00	-70.00
Sumitomo Mitsui Fin	433.2	7288.00	-52.00
Keyence	417.8	60500.00	-1660.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Asahi Kasei	994.60	40.90	4.29
Hitachi Zosen	858.00	35.00	4.25
Screen Holdings Co Ltd	8502.00	213.00	2.57
Lasertec	27580.00	580.00	2.15
Nippon Suisan Kaisha	694.70	13.20	1.94
Downs			
Ajinomoto Co.	5371.00	-611.00	-10.21
Shimizu	997.50	-92.50	-8.49
Ntt Data	1783.00	-125.50	-6.58
Keio	4381.00	-275.00	-5.91
Fuji Electric Co.,	6126.00	-381.00	-5.86

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Nov 07 price(p)	%Chg week	%Chg ytd
Winners			
Ocado	550.20	18.2	-10.7
Associated British Foods	2250.00	11.1	42.6
Beazley	567.50	10.3	-16.3
Bt	124.05	10.0	11.2
Natwest	195.20	9.5	-26.4
Barratt Developments	449.70	8.6	13.8
Melrose Industries	506.80	8.5	26.0
Segro	769.40	7.9	1.3
Smith & Nephew	989.80	7.5	-10.7
Scottish Mortgage Investment Trust	686.40	6.9	-4.9
Rentokil Initial	444.00	6.5	-12.6
Next	7328.00	6.4	26.1
Losers			
Hikma Pharmaceuticals	1764.00	-7.2	13.8
Bp	481.05	-4.3	1.2
Centrica	150.85	-4.1	56.7
Antofagasta	1303.50	-3.1	-15.5
Gsk	1424.80	-2.2	10.5
Bae Systems	1079.50	-2.2	25.8
Rightmove	465.40	-1.6	-9.1
Standard Chartered	622.40	-1.2	0.0
Compass	2050.00	-1.1	6.7
Bunzl	2900.00	-1.1	5.4
Whitbread	3293.00	-1.1	28.1
Haleon	326.50	-0.9	-0.5

FTSE 250	Nov 07 price(p)	%Chg week	%Chg ytd
Winners			
Wizz Air Holdings	1827.00	18.1	-3.7
Watches Of Switzerland	587.00	17.2	-28.8
Workspace	547.50	13.5	23.3
Persimmon	1145.50	12.7	-5.5
Direct Line Insurance	170.20	12.5	-22.6
Derwent London	2050.00	12.5	-13.3
Oxb	336.20	12.1	-29.9
Urban Logistics Reit	116.80	12.1	-13.2
Hammerson	24.26	10.1	1.6
Helios Towers	66.50	9.8	-37.1
Target Healthcare Reit	79.10	9.7	-0.6
Quilter	87.65	9.7	-5.6
Losers			
4imprint	4435.00	-11.7	4.3
Harbour Energy	228.00	-10.2	-25.1
Aston Martin Lagonda Global Holdings	205.20	-6.2	33.3
Ithaca Energy	160.40	-4.0	-12.0
Int Distributions Services	243.20	-3.7	13.9
Bakkavor	84.80	-3.6	-11.3
Nb Private Equity Partners	1522.00	-3.2	-4.9
Mobico	60.75	-2.8	-53.4
Essentra	145.20	-2.3	-38.3
888 Holdings	80.05	-1.9	-8.0
Renishaw	3028.00	-1.8	-17.7
Ashmore	166.80	-1.7	-30.5

FTSE SmallCap	Nov 07 price(p)	%Chg week	%Chg ytd
Winners			
Xp Power	1330.00	21.4	-35.3
Superdry	41.75	19.1	-67.4
Pod Point Holdings	25.85	17.5	-57.2
Chrysalis Investments	64.50	16.2	-15.6
Riverstone Energy	706.00	14.2	4.1
Residential Secure Income	60.80	13.4	-27.6
Funding Circle Holdings	38.30	12.6	-28.5
Molten Ventures	261.60	11.1	-26.4
Hochschild Mining	103.40	10.5	47.3
Life Science Reit	67.60	10.1	-6.5
Helical	210.50	9.6	-36.9
Galliford Try Holdings	237.00	9.5	50.3
Losers			
Seraphim Space Investment Trust	29.45	-8.4	-34.7
Enquest	14.92	-7.7	-30.3
Int Personal Finance	122.00	-6.9	68.3
Luceco	105.80	-5.5	3.9
Tullow Oil	31.40	-5.4	-14.5
Rank	64.20	-4.5	-21.6
Abrdn Diversified Income And Growth	74.40	-4.4	-20.0
Fisher (James) & Sons	285.00	-4.0	-27.0
Renewi	567.00	-3.4	-4.8
Kin And Carta	104.00	-3.2	-51.4
Troy Income & Growth Trust	63.80	-3.0	-7.5

Industry Sectors	Nov 07 price(p)	%Chg week	%Chg ytd
Winners			
Real Estate Investment Trusts	2086.10	7.5	-6.4
Household Goods	10865.86	7.0	9.7
Food Producers	6891.37	6.7	21.5
Nonlife Insurance	3211.73	6.0	-3.9
Mobile Telecommunications	2036.41	5.4	-4.4
Life Insurance	5938.22	4.3	-15.7
Industrial Transportation	3581.24	4.0	3.4
Support Services	9240.15	4.3	-6.9
Health Care Equip & Services	10549.56	4.0	-3.4
Travel & Leisure	6763.39	3.8	8.9
Equity Investment Instruments	10522.94	3.7	-6.5
Banks	3433.34	3.4	4.5
Losers			
Oil & Gas Producers	8765.26	-1.9	7.9
General Retailers	3596.24	-1.3	6.7
Pharmaceuticals & Biotech.	19796.11	-0.8	-5.8
Industrial Metals	6324.38	-0.3	-19.3
Gas Water & Multiutilities Index	5965.15	0.2	5.2
Mining	9207.75	0.2	-17.5
Media	10496.20	0.7	15.4
Aerospace & Defense	7622.11	1.0	48.5
Food & Drug Retailers	4009.74	1.0	-2.5
General Industrials	6153.07	1.4	1.7
Electricity	9864.21	1.6	-7.8
Software & Computer Services	2143.73	1.8	21.0

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

CURRENCIES

Nov 7	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	350.0283	0.0041	374.0058	-2.0772	430.5021	-3.2330
Australia	Australian Dollar	1.5570	0.0192	1.6637	0.0113	1.9150	0.0093
Bahrain	Bahrainin Dinar	0.3772	-	0.4030	-0.0022	0.4639	-0.0035
Bolivia	Bolivian Boliviano	6.9100	-	7.3833	-0.0411	8.4987	-0.0600
Brazil	Brazilian Real	4.8685	-0.0243	5.2020	-0.0551	5.9878	-0.0751
Canada	Canadian Dollar	1.3750	0.0074	1.4692	-0.0003	1.6911	-0.0036
Chile	Chilean Peso	888.7000	7.6000	949.5774	2.8808	1093.0179	1.1962
China	Chinese Yuan	7.2850	0.0068	7.7840	-0.0360	8.9599	-0.0590
Colombia	Colombian Peso	4012.6850	30.6850	4287.5616	9.1060	4935.2276	6.9010
Costa Rica	Costa Rican Colon	534.1250	-1.2950	570.7135	-4.5678	656.9238	-6.5459
Czech Republic	Czech Koruna	23.0543	0.2715	24.6336	0.1546	28.3546	0.1231
Denmark	Danish Krone	6.9795	0.0380	7.4576	-0.0007	8.5841	-0.0175
Egypt	Egyptian Pound	30.8064	-0.0635	32.9167	-0.2515	37.8890	-0.3637
Hong Kong	Hong Kong Dollar	7.8200	-0.0002	8.3556	-0.0467	9.6178	-0.0726
Hungary	Hungarian Forint	353.8606	0.5868	378.1006	-1.4738	435.2154	-2.5464
India	Indian Rupee	83.2688	0.0531	88.9728	-0.4381	102.4128	-0.7045
Indonesia	Indonesian Rupiah	15630.0000	92.5000	16700.7083	6.4404	19223.4495	-29.9795
Israel	Israeli Shekel	3.8772	-0.0147	4.1428	-0.0389	4.7687	-0.0541
Japan	Japanese Yen	150.5000	0.7650	160.8095	-0.0731	185.1009	-0.4443
..One Month		150.4992	0.7635	160.8089	-0.0742	185.1000	-0.4460
..Three Month		150.4978	0.7605	160.8078	-0.0765	185.0983	-0.4496
..One Year		150.4917	0.7485	160.8032	-0.0855	185.1000	-0.4551
Kenya	Kenyan Shilling	151.3000	0.1000	161.6643	-0.7923	186.0848	-1.2758
Kuwait	Kuwaiti Dinar	0.3088	0.0001	0.3299	-0.0017	0.3797	-0.0027
Malaysia	Malaysian Ringgit	4.6715	0.0350	4.9915	0.0098	5.7455	0.0002
Mexico	Mexican Peso	17.5190	-0.0270	18.7191	-0.1332	21.5467	-0.1955
New Zealand	New Zealand Dollar	1.6866	0.0141	1.8022	0.0051	2.0744	0.0019
Nigeria	Nigerian Naira	806.5000	7.0000	861.7466	2.7250	991.9195	1.2131
Norway	Norwegian Krone	11.1961	0.1728	11.9631	0.1191	13.7702	0.1106
Pakistan	Pakistani Rupee	285.0000	0.5000	304.5230	-1.1576	350.5233	-2.0169
Peru	Peruvian Nuevo Sol	3.7686	0.0056	4.0267	-0.0164	4.6350	-0.0280
Philippines	Philippine Peso	56.1150	0.2150	59.9590	-0.1027	69.0162	-0.2527
Poland	Polish Zloty	4.1736	0.0292	4.4595	0.0065	5.1331	-0.0025
Romania	Romanian Leu	4.6494	0.0249	4.9679	-0.0009	5.7183	-0.0122
Russia	Russian Ruble	92.3013	-0.0737	98.6240	-0.6281	113.5219	-0.9453
Saudi Arabia	Saudi Riyal	3.7514	-0.0001	4.0084	-0.0224	4.6139	-0.0348
Singapore	Singapore Dollar	1.3551	0.0056	1.4479	-0.0020	1.6666	-0.0056
South Africa	South African Rand	18.3819	0.0857	19.6411	-0.0173	22.6080	-0.0639
South Korea	South Korean Won	1307.9500	10.6000	1397.5469	3.6110	1608.6561	1.0352
Sweden	Swedish Krona	10.9341	0.0471	11.6831	-0.0144	13.4479	-0.0428
Switzerland	Swiss Franc	0.9003	0.0032	0.9620	-0.0019	1.1073	-0.0044
Taiwan	New Taiwan Dollar	32.1930	0.0640	34.3983	-0.1227	39.5944	-0.2185
Thailand	Thai Baht	35.5750	0.0725	38.0119	-0.1337	43.7539	-0.2393
Tunisia	Tunisian Dinar	3.1538	0.0061	3.3698	-0.0123	3.8788	-0.0217
Turkey	Turkish Lira	28.5020	0.0610	30.4544	-0.1040	35.0548	-0.1881
United Arab Emirates	UAE Dirham	3.6731	-	3.9247	-0.0218	4.5175	-0.0340
United Kingdom	Pound Sterling	0.8131	0.0061	0.8688	0.0017	-	-
..One Month		0.8131	0.0061	0.8687	0.0017	-	-
..Three Month		0.8132	0.0061	0.8685	0.0017	-	-
..One Year		0.8133	0.0061	0.8675	0.0017	-	-
United States	United States Dollar	-	-	1.0685	-0.0059	1.2299	-0.0093
..One Month		-	-	1.0684	-0.1707	1.2299	-0.0092
..Three Month		-	-	1.0681	-0.1707	1.2300	-0.0092
..One Year		-	-	1.0666	-0.1707	1.2302	-0.0092
Vietnam	Vietnamese Dong	24325.0000	-20.0000	25991.3085	-166.1595	29917.5472	-249.8213
European Union	Euro	0.9359	0.0052	-	-	1.1511	-0.0022
..One Month		0.9358	0.0052	-	-	1.1510	-0.0022
..Three Month		0.9354	0.0052	-	-	1.1507	-0.0022
..One Year		0.9340	0.0051	-	-	1.1497	-0.0022

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 Nov 07	Day's chge%	Euro Index	£ Strlg Nov 06	£ Strlg Nov 03	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7410.04	-0.10	6646.97	7417.76	7417.73	7299.99	3.91	2.51	10.21	256.97	7874.35
FTSE 250 (250)	17761.71	0.08	15932.65	17747.47	17983.84	18559.57	3.77	1.02	26.13	543.37	15228.21
FTSE 250 ex Inv Co (168)	18287.93	0.25	16404.69	18242.20	18576.59	18965.98	3.96	0.89	28.33	586.59	16019.96
FTSE 350 (350)	4060.15	-0.08	3642.05	4063.36	4070.73	4032.87	3.89	2.31	11.13	138.56	8556.31
FTSE 350 ex Investment Trusts (265)	4013.40	-0.08	3600.11	4016.66	4023.52	3972.31	3.94	2.34	10.86	139.11	4373.38
FTSE 350 Higher Yield (133)	3481.43	-0.53	3122.92	3500.06	3499.95	3500.93	5.52	2.39	7.58	158.82	8376.94
FTSE 350 Lower Yield (217)	4224.18	0.42	3789.19	4206.58	4222.71	4146.22	2.11	2.08	22.73	93.29	5314.38
FTSE SmallCap (223)	5879.19	-0.04	5273.76	5881.71	5901.36	6004.50	4.16	-0.38	-63.90	193.00	10218.26
FTSE SmallCap ex Inv Co (115)	4884.91	-0.07	4381.87	4888.22	4931.41	4797.58	4.39	-0.35	-65.37	153.72	8818.05
FTSE All-Share (573)	4017.63	-0.08	3603.90	4020.77	4028.19	3993.09	3.89	2.25	11.43	136.98	8549.52
FTSE All-Share ex Inv Co (380)	3940.25	-0.08	3534.49	3943.45	3950.51	3899.46	3.94	2.30	11.01	136.41	4359.27
FTSE All-Share ex Multinationals (513)	1027.54	0.27	764.82	1024.81	1034.36	1043.22	4.33	1.47	15.74	38.48	2271.07
FTSE Fledgling (72)	10073.69	0.10	9036.33	10063.41	9992.06	11311.18	3.06	-0.44	-73.48	269.95	22396.18
FTSE Fledgling ex Inv Co (31)	14941.81	0.19	13403.14	14914.18	14683.71	14764.92	2.47	-1.47	-27.47	382.39	32244.80
FTSE All-Small (295)	4081.88	-0.04	3661.54	4083.33	4094.84	4189.93	4.10	-0.38	-64.32	132.73	9096.08
FTSE All-Small ex Inv Co (146)	3677.22	-0.06	3298.55	3679.35	3708.38	3611.99	4.31	-0.37	-62.03	114.87	8404.79
FTSE AIM All-Share (682)	698.63	0.11	626.68	697.88	697.25	824.81	2.10	1.09	43.90	12.40	834.78
FTSE All-Share Technology (17)	2241.31	1.62	1898.39	2205.64	2228.70	1884.58	1.72	1.55	37.60	32.85	3299.60
FTSE All-Share Telecommunications (6)	1289.19	-0.72	1091.95	1298.50	1298.70	1618.88	8.18	1.48	8.25	59.61	2070.62
FTSE All-Share Health Care (12)	13760.13	0.11	11654.86	13745.56	13719.86	13822.87	2.57	1.51	25.73	319.71	13022.83
FTSE All-Share Financials (257)	4495.07	0.19	3807.34	4486.45	4484.26	4334.77	4.52	2.44	9.07	193.16	5212.56
FTSE All-Share Real Estate (51)	757.06	0.43	670.81	753.81	777.16	822.38	4.81	-2.93	-7.09	30.38	830.35
FTSE All-Share Consumer Discretionary (81)	4972.90	0.59	4212.06	4943.67	4965.92	4432.44	2.37	1.97	21.43	109.61	5391.72
FTSE All-Share Consumer Staples (22)	17729.65	0.76	15017.06	17596.41	17624.11	19260.21	4.47	1.59	14.07	641.13	16887.51
FTSE All-Share Industrials (83)	6700.00	0.55	5674.92	6663.38	6718.40	6109.98	2.31	2.26	19.11	146.28	7930.32
FTSE All-Share Basic Materials (21)	7473.86	-2.22	6330.38	7643.27	7634.41	8572.60	6.24	2.34	6.86	458.77	10805.04
FTSE All-Share Energy (15)	9053.24	-1.91	7668.12	9229.80	9176.78	9019.61	3.97	4.88	5.16	275.77	11364.66
FTSE All-Share Utilities (8)	8671.37	-0.01	7344.68	8672.41	8769.33	7948.45	5.00	2.00	10.01	339.77	13750.49
FTSE All-Share Software and Computer Services (16)	2430.73	1.64	2058.83	2391.42	2416.73	2033.04	1.70	1.59	36.96	35.00	3785.01
FTSE All-Share Technology Hardware and Equipment (1)	3897.07	-1.01	3300.83	3936.94	3926.97	4806.18	4.12	-0.47	-51.13	142.95	5225.30
FTSE All-Share Telecommunications Equipment (1)	218.51	1.14	185.08	216.05	225.55	592.82	6.40	1.51	10.33	13.99	324.13
FTSE All-Share Telecommunications Service Providers (5)	2033.33	-0.75	1722.24	2048.79	2047.29	2494.07	8.22	1.48	8.21	93.30	2978.38
FTSE All-Share Health Care Providers (1)	11184.14	-0.45	9472.99	11234.52	11284.90	10848.66	0.23	4.26	104.32	43.16	10420.92
FTSE All-Share Medical Equipment and Services (2)	4996.82	0.61	4232.32	4966.29	4979.32	5191.26	2.90	0.62	55.30	144.86	4959.68
FTSE All-Share Pharmaceuticals and Biotechnology (9)	19727.80	0.08	16709.50	19711.70	19670.03	19777.56	2.56	1.56	25.00	456.10	16811.32
FTSE All-Share Banks (12)	3385.72	-0.11	2867.71	3389.35	3362.15	3007.07	5.69	3.67	4.79	191.73	3159.84
FTSE All-Share Finance and Credit Services (8)	11276.51	1.49	9551.23	11111.14	11106.94	10505.65	1.88	1.91	27.88	220.71	15464.38
FTSE All-Share Investment Banking and Brokerage Services (32)	8417.87	0.17	7129.96	8403.83	8529.23	8111.39	5.33	1.87	10.04	382.13	12419.31
FTSE All-Share Closed End Investments (193)	10786.21	-0.03	9135.95	10789.83	10818.93	11441.26	3.12	1.15	27.96	278.53	6934.81
FTSE All-Share Life Insurance (6)	6043.68	-0.06	5119.01	6047.38	6055.57	6327.44	5.41	0.40	45.79	327.63	7772.00
FTSE All-Share Nonlife Insurance (6)	3634.85	3.11	3078.73	3525.34	3545.85	3504.67	2.87	1.12	31.22	86.97	7933.25
FTSE All-Share Real Estate Investment and Services (10)	1862.77	0.22	1577.77	1858.76	1903.34	1997.82	2.73	0.82	44.88	40.95	5685.72
FTSE All-Share Real Estate Investment Trusts (41)	1890.39	0.47	1601.17	1881.57	1942.16	2058.26	5.17	-3.28	-5.89	81.91	2999.00
FTSE All-Share Automobiles and Parts (3)	1508.25	-2.22	1277.49	1542.54	1543.68	1356.37	1.23	-3.35	-24.36	18.60	1585.68
FTSE All-Share Consumer Services (1)	3379.22	-0.29	2862.21	3389.11	3382.52	3085.66	1.81	1.17	47.07	61.00	4366.12
FTSE All-Share Household Goods and Home Construction (11)	9038.17	2.44	7655.35	8823.23	8944.44	8213.91	6.50	1.91	8.08	513.37	8600.22
FTSE All-Share Leisure Goods (2)	28033.46	0.70	23744.41	27837.73	28244.31	17377.14	4.28	1.00	23.32	1198.55	32743.74
FTSE All-Share Personal Goods (4)	20924.11	1.63	17722.78	20588.66	20892.44	26838.33	3.11	2.23	14.45	496.10	16781.82
FTSE All-Share Media (10)	10763.68	0.70	9116.86	10689.12	10683.17	9190.08	2.45	1.93	21.16	262.54	7768.14
FTSE All-Share Retailers (21)	2190.07	1.19	1854.99	2164.38	2193.34	1740.33	2.60	2.90	13.25	45.58	2920.66
FTSE All-Share Travel and Leisure (29)	6632.79	-0.05	5617.99	6636.13	6665.69	6225.31	0.86	2.01	57.53	57.29	6916.72
FTSE All-Share Beverages (5)	24798.77	0.29	21004.62	24727.86	24840.08	27831.04	2.57	2.03	19.17	620.51	20366.10
FTSE All-Share Food Producers (8)	7064.81	4.11	5983.91	6785.82	6878.49	5542.76	2.25	2.67	16.66	91.63	6976.18
FTSE All-Share Tobacco (2)	28143.82	0.37	23837.89	28040.46	28179.22	36616.11	8.76	1.63	7.02	1826.19	28465.74
FTSE All-Share Construction and Materials (15)	8459.20	-0.59	7164.96	8509.66	8609.06	7047.07	4.02	2.53	9.83	261.08	10646.63
FTSE All-Share Aerospace and Defense (8)	7982.07	0.39	6760.84	7951.14	7929.11	5010.98	1.58	3.84	16.48	126.01	9911.14
FTSE All-Share Electronic and Electrical Equipment (11)	9977.04	1.12	8450.58	9867.01	9981.96	10333.09	1.83	2.42	22.64	165.33	10029.83
FTSE All-Share General Industrials (7)	4951.60	0.59	4194.02	4922.79	4966.81	4890.47	3.65	1.54	17.83	156.37	6758.91
FTSE All-Share Industrial Engineering (6)	13353.32	-0.10	11310.30	13366.26	13495.35	15742.44	2.46	2.22	18.30	321.07	18304.29
FTSE All-Share Industrial Support Services (29)	8926.08	0.85	7560.41	8850.86	8973.37	9511.03	2.41	1.37	30.29	197.40	10486.78
FTSE All-Share Industrial Transportation (7)	5361.29	0.32	4541.03	5344.01	5424.50	5286.90	1.82	3.81	14.41	90.85	5708.03
FTSE All-Share Industrial Materials (1)	14102.63	1.08	453.79	13952.60	14402.69	16203.02	2.45	3.29	12.43	345.06	18156.24
FTSE All-Share Industrial Metals and Mining (8)	6811.33	-2.44	5769.21	6981.42	6960.17	7725.78	6.57	2.46	6.20	443.99	11142.74
FTSE All-Share Precious Metals and Mining (5)	8862.53	-1.92	7506.59	9035.67	9030.11	9288.29	3.32	-1.42	-21.16	294.42	6443.40
FTSE All-Share Chemicals (7)	9390.86	0.24	7954.08	9368.27	9562.81	12590.98	3.75	1.41	18.96	269.95	9648.57
FTSE All-Share Oil. Gas and Coal (13)	8794.91	-1.91	7449.31	8966.46	8914.35	8756.07	3.98	4.88	5.15	267.74	11449.86
FTSE Sector Indices											
Non Financials (316)	4905.65	-0.16	4400.48	4913.44	4925.92	4916.60	3.71	2.18	12.39	154.65	9165.08

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7420.08	7420.48	7418.38	7409.55	7413.42	7424.69	7442.58	7422.33	7432.24	7448.34	7403.76
FTSE 250	17978.01	17992.50	17895.89	17917.16	17898.75	17898.51	17888.55	17779.34	17770.48	17978.01	17743.66
FTSE SmallCap	5895.21	5889.72	5888.70	5889.76	5890.18	5889.26	5892.01	5877.05	5876.22	5898.32	5872.61
FTSE All-Share	4029.07	4027.73	4025.64	4022.26	4023.34	4027.80	4036.55	4023.75	4026.89	4039.07	4018.85

Time of FTSE 100 Day's high:14:03:45 Day's Low10:12:17 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7256.94(07/07/2023)
Time of FTSE All-Share Day's high:14:04:00 Day's Low12:18:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 3933.17(27/10/2023)
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FT 30 INDEX

	Nov 06	Nov 03	Nov 02	Nov 01	Oct 31	Yr Ago	High	Low
FT 30	2593.00	2613.60	2587.60	2533.90	2518.20	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2613.6	2617.5	2608.7	2607.7	2607.9	2608.2	2611.1	2600.5	2600.2	2622	2593.0

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

FT WILSHIRE 5000 INDEX SERIES

	Nov 06		Nov 06
FT Wilshire 5000	43792.70	FT Wilshire Mid Cap	5347.95
FT Wilshire 2500	5624.56	FT Wilshire Small Cap	4836.97
FT Wilshire Mega Cap	5811.47	FT Wilshire Micro Cap	4243.19
FT Wilshire Large Cap	5735.58		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Aerospace & Defense	48.38	Banks	4.31	Pharmace & Biotech	-5.91
Leisure Goods	21.54	Utilities	1.82	Health Care	-6.13
Food Producers	20.31	Automobiles & Parts	0.80	Equity Invest Instr	-6.75
Software & Comp Serv	19.84	Household Goods & Ho	0.59	Real Est Invest & Tr	-7.19
Food & Drug Retailer	17.29	Beverages	31.66	Electricity	-7.55
Media	15.99	FTSE 100 Index	-0.56	Real Est Invest & Se	-7.64
Construct & Material	15.91	NON FINANCIALS Index	-1.38	Mobile Telecomms	-7.90
General Retailers	14.78	FTSE All{HY-}Share Index	-1.41	Personal Goods	-8.38
Consumer Services	12.77	Financials	-2.00	Consumer Goods	-9.49
Technology	9.29	Oil Equipment & Serv	-2.44	Health Care Eq & Srv	-10.21
Industrials	8.64	Nonlife Insurance	-3.53	Beverages	-11.29
Travel & Leisure	8.23	Support Services	-4.28	Industrial Metals &	-13.94
Oil & Gas Producers	7.93	Industrial Eng	-4.61	Life Insurance	-15.74
Oil & Gas	7.78	Telecommunications	-4.61	Mining	-19.46
Financial Services	5.34	Industrial Transport	-4.87	Basic Materials	-20.09
Gas Water & Multi	5.30	FTSE SmallCap Index	-5.78	Tobacco	-21.05
Fixed Line Telecomms	4.57	FTSE 250 Index	-5.79	Chemicals	-27.43
		Electronic & Elec Eq	-5.83	Tech Hardware & Eq	-47.33

FTSE GLOBAL EQUITY INDEX SERIES

Nov 7 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	10094	741.56	0.3	1.7	9.0	1213.65	11.1	2.2
FTSE Global All Cap	10094	741.56	0.3	1.7	9.0	1213.65	11.1	2.2
FTSE Global Large Cap	2002	679.26	0.6	2.0	11.7	1146.08	13.9	2.1
FTSE Global Mid Cap	2293	896.74	-0.3	0.9	1.5	1380.87	3.5	2.4
FTSE Global Small Cap	5799	919.26	-0.5	0.5	2.0	1351.50	3.8	2.2
FTSE All-World	4295	439.13	0.4	1.8	9.8	761.22	12.0	2.2
FTSE World	2624	802.19	0.3	1.9	10.8	1865.73	12.9	2.2
FTSE Global All Cap ex UNITED KINGDOM In	9815	784.34	0.3	1.7	9.3	1258.28	11.3	2.1
FTSE Global All Cap ex USA	8327	506.07	0.8	2.5	3.5	927.49	6.5	3.2
FTSE Global All Cap ex JAPAN	8664	772.42	0.3	1.5	9.0	1274.95	11.0	2.2
FTSE Global All Cap ex Eurozone	9452	784.96	0.4	1.6	9.2	1255.57	11.2	2.1
FTSE Developed	2119	737.25	0.3	1.7	11.0	1213.64	13.0	2.1
FTSE Developed All Cap	5738	761.38	0.2	1.6	10.0	1234.68	12.0	2.1
FTSE Developed Large Cap	777	704.56	0.5	2.0	13.3	1180.43	15.4	2.0
FTSE Developed Europe Large Cap	197	401.58	0.1	1.5	6.1	821.06	9.4	3.3
FTSE Developed Europe Mid Cap	343	583.15	-0.4	2.2	2.9	1033.47	6.0	3.3
FTSE Dev Europe Small Cap	738	772.69	-0.8	2.0	-3.4	1315.93	-0.6	3.4
FTSE North America Large Cap	221	958.86	0.3	1.6	16.7	1462.82	18.3	1.5
FTSE North America Mid Cap	418	1102.91	-0.7	0.2	1.0	1558.34	2.4	2.0
FTSE North America Small Cap	1299	1085.08	-1.1	-0.3	2.2	1467.36	3.5	1.8
FTSE North America	639	612.95	0.1	1.3	13.6	956.30	15.1	1.6
FTSE Developed ex North America	1480	273.76	0.8	2.7	5.2	540.38	8.3	3.1
FTSE Japan Large Cap	164	414.56	1.6	4.6	11.7	624.65	14.4	2.2
FTSE Japan Mid Cap	348	551.64	0.9	2.7	4.2	790.72	6.8	2.5
FTSE Global wi JAPAN Small Cap	918	617.04	1.1	2.8	3.8	920.33	6.6	2.6
FTSE Japan	512	168.80	1.4	4.2	10.2	284.89	12.8	2.2
FTSE Asia Pacific Large Cap ex Japan	1219	662.55	2.1	2.6	-1.4	1242.87	1.2	3.0
FTSE Asia Pacific Mid Cap ex Japan	902	987.80	2.2	1.7	2.7	1784.43	5.0	2.9
FTSE Asia Pacific Small Cap ex Japan	2559	559.61	2.3	2.0	4.8	980.10	7.1	2.6
FTSE Asia Pacific Ex Japan	2121	530.34	2.1	2.5	-0.9	1057.18	1.6	3.0
FTSE Emerging All Cap	4356	709.61	1.4	2.0	0.8	1275.44	3.6	3.2
FTSE Emerging Large Cap	1225	646.47	1.4	2.1	-0.6	1169.00	2.3	3.2
FTSE Emerging Mid Cap	951	1070.18	1.3	2.1	4.7	1934.26	7.7	3.3
FTSE Emerging Small Cap	2180	804.05	1.4	1.0	6.7	1379.83	9.6	2.9
FTSE Emerging Europe	150	140.48	1.3	-1.8	9.3	306.56	13.7	3.3
FTSE Latin America All Cap	251	776.19	-0.2	8.7	11.2	1628.56	16.9	7.2
FTSE Middle East and Africa All Cap	326	682.77	1.1	1.6	-5.7	1295.76	-2.5	3.8
FTSE Global wi UNITED KINGDOM All Cap In	279	322.01	0.0	0.7	2.5	681.98	5.9	3.9
FTSE Global wi USA All Cap	1767	1045.85	0.0	1.1	12.9	1537.25	14.4	1.6
FTSE Europe All Cap	1469	449.65	-0.1	1.6	4.8	882.44	8.1	3.3
FTSE Eurozone All Cap	642	443.48	-0.4	2.3	7.1	863.34	10.3	3.3
FTSE EDHEC-Risk Efficient All-World	4295	469.80	0.0	1.6	1.4	758.59	3.7	2.7
FTSE EDHEC-Risk Efficient Developed Europe	540	323.49	-0.3	1.6	3.1	586.93	6.3	3.5
Oil & Gas	138	407.77	-0.5	1.9	-0.2	869.04	3.4	4.3
Oil & Gas Producers	89	416.40	-0.4	1.7	2.3	912.54	6.0	4.3

Nov 7 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	27	279.49	-0.6	4.9	0.6	539.74	4.4	4.7
Basic Materials	422	580.58	0.6	3.0	-2.9	1107.34	0.3	3.7
Chemicals	208	774.44	0.4	2.4	-0.6	1408.32	1.8	2.9
Forestry & Paper	18	253.69	1.2	2.2	0.7	532.90	4.3	4.5
Industrial Metals & Mining	114	514.70	2.2	2.6	4.1	1021.15	7.5	3.8
Mining	82	876.40	-0.1	4.3	-10.3	1791.18	-6.1	4.9
Industrials	841	505.91	0.4	0.9	3.7	823.34	5.6	2.1
Construction & Materials	162	623.71	0.1	0.6	12.0	1071.44	14.1	2.0
Aerospace & Defense	37	937.86	-0.1	9.1	3.6	1484.62	5.0	1.5
General Industrials	82	258.61	0.6	1.2	8.4	467.77	10.7	2.4
Electronic & Electrical Equipment	170	596.33	1.5	0.3	-0.6	870.38	0.9	1.7
Industrial Engineering	169	1019.88	0.2	-1.0	3.8	1655.09	5.7	2.1
Industrial Transportation	131	883.16	-0.2	-1.4	-2.1	1482.04	0.7	3.5
Support Services	90	522.49	0.3	-0.2	3.4	789.73	4.9	1.6
Consumer Goods	581	561.38	0.4	0.8	4.4	966.92	6.6	2.5
Automobiles & Parts	144	568.01	0.9	-5.6	30.3	941.16	33.4	2.1
Beverages	73	735.34	0.2	5.6	-5.1	1277.12	-3.3	2.6
Food Producers	133	670.92	0.1	3.0	-6.9	1184.85	-4.8	2.8
Household Goods & Home Construction	63	557.91	0.5	4.0	3.9	964.45	6.4	2.5
Leisure Goods	57	259.07	1.1	4.1	12.8	371.70	14.3	1.4
Personal Goods	99	896.77	0.1	2.1	-3.0	1404.08	-1.6	2.0
Tobacco	12	899.24	-0.2	0.7	-9.9	2717.77	-5.3	7.1
Health Care	353	701.02	0.7	-1.1	-3.8	1136.67	-2.2	1.9
Health Care Equipment & Services	133	1291.63	0.1	-1.3	-6.4	1600.43	-5.5	1.1
Pharmaceuticals & Biotechnology	220	484.63	1.1	-0.9	-2.1	848.91	-0.1	2.4
Consumer Services	438	583.06	0.4	4.0	13.6	842.23	14.8	1.2
Food & Drug Retailers	66	297.92	0.4	2.6	-5.2	485.40	-3.0	2.6
General Retailers	144	1046.27	0.6	4.9	17.5	1442.97	18.5	0.9
Media	80	340.43	-0.6	2.7	17.5	495.59	18.9	1.2
Travel & Leisure	148	485.55	0.6	3.0	9.7	717.24	10.8	1.3
Telecommunication	82	126.30	0.2	6.0	-1.9	310.69	2.1	4.5
Fixed Line Telecommuniations	29	96.28	-0.3	4.5	-4.3	274.96	0.4	5.7
Mobile Telecommunications	53	151.14	0.5	6.8	-0.6	318.51	3.0	4.0
Utilities	209	301.32	-0.1	7.2	-6.5	728.53	-3.5	3.8
Electricity	151	337.89	0.1	7.9	-7.6	803.10	-4.8	3.6
Gas Water & Multiutilities	58	304.18	-0.5	5.5	-3.7	764.37	-0.4	4.2
Financials	853	262.06	-0.1	1.8	1.0	520.66	4.1	3.4
Banks	273	195.03	0.3	1.7	-1.6	437.49	2.7	4.7
Nonlife Insurance	70	399.34	0.2	3.6	9.1	686.62	12.2	2.8
Life Insurance	50	216.18	0.1	2.6	-5.1	432.72	-1.6	4.0
Financial Services	218	452.82	-0.3	0.8	6.7	699.01	8.3	1.7
Technology	378	626.65	0.9	2.0	41.7	825.08	42.8	0.8
Software & Computer Services	180	957.35	0.7	2.0	41.2	1164.45	42.0	0.5
Technology Hardware & Equipment	198	548.64	1.1	1.9	42.2	780.07	43.7	1.1
Alternative Energy	22	97.29	-0.6	-7.5	-46.8	140.15	-46.6	0.6
Real Estate Investment & Services	140	231.84	0.6	-0.1	-7.7	464.00	-5.2	2.8
Real Estate Investment Trusts	102	402.58	-1.2	3.4	-7.5	979.81	-4.4	4.3
FTSE Global Large Cap	2002	679.26	0.6	2.0	11.7	1146.08	13.9	2.1

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

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1993	12.00	Intertek Group PLC	3871	25.00
Admiral Group PLC	2509	29.00	Jd Sports Fashion PLC	134.20	2.20
Airtel Africa PLC	115.00	-1.30	Kingfisher PLC	217.90	-0.90
Anglo American PLC	2139.5	-78.50	Land Securities Group PLC	604.60	7.80
Antofagasta PLC	1303.5	-46.00	Legal & General Group PLC	221.80	-0.30
Ashtead Group PLC	4922	23.00	Lloyds Banking Group PLC	42.05	-0.08
Associated British Foods PLC	2250	144.00	London Stock Exchange Group PLC	8454	140.00
Astrazeneca PLC	10230	-46.00	M&G PLC	203.70	-0.90
Auto Trader Group PLC	628.40	10.40	Marks And Spencer Group PLC	225.20	6.20
Aviva PLC	405.80	-0.90	Melrose Industries PLC	506.80	-0.20
B&M European Value Retail S.A.	532.40	0.60	Mondi PLC	1351.5	-
Bae Systems PLC	1079.5	3.00	National Grid PLC	990.20	7.00
Barclays PLC	136.22	-0.08	Natwest Group PLC	195.20	5.40
Barratt Developments PLC	449.70	9.90	Next PLC	7328	122.00
Beazley PLC	567.50	37.50	Ocado Group PLC	550.20	20.20
Berkeley Group Holdings (The) PLC	4246	57.00	Pearson PLC	964.60	10.60
BP PLC	481.05	-10.45	Pershing Square Holdings LTD	2972	32.00
British American Tobacco PLC	2522	8.50	Phoenix Group Holdings PLC	463.70	-6.40
Bt Group PLC	124.05	-0.15	Prudential PLC	902.00	2.40
Bunzl PLC	2900	25.00	Reckitt Benckiser Group PLC	5530	42.00
Burberry Group PLC	1692	-4.50	Relx PLC	2893	38.00
Centrica PLC	150.85	-3.55	Rentokil Initial PLC	444.00	4.10
Coca-Cola Hbc AG	2118	-3.00	Rightmove PLC	465.40	2.50
Compass Group PLC	2050	-6.00	Rio Tinto PLC	5231	-104.00
Convatec Group PLC	209.80	1.20	Rolls-Royce Holdings PLC	226.00	1.90
Croda International PLC	4489	50.00	Rs Group PLC	695.40	13.40
Dcc PLC	4589	21.00	Sage Group PLC	982.00	19.40
Dechra Pharmaceuticals PLC	3778	-8.00	Sainsbury (J) PLC	271.50	1.00
Diageo PLC	3188	10.50	Schroders PLC	384.50	0.90
Diploma PLC	2958	48.00	Scottish Mortgage Investment Trust PLC	686.40	10.40
Endeavour Mining PLC	1692	-42.00	Segro PLC	769.40	11.40
Entain PLC	941.00	6.60	Severn Trent PLC	2658	6.00
Experian PLC	2645	34.00	Shell PLC	2626	-47.50
F&C Investment Trust PLC	881.00	7.00	Smith & Nephew PLC	989.80	6.20
Flutter Entertainment PLC	13550	-120.00	Smith (Ds) PLC	292.40	1.90
Frasers Group PLC	833.50	24.50	Smiths Group PLC	1621.5	9.50
Fresnillo PLC	550.80	-5.80	Smurfit Kappa Group PLC	2788	20.00
Glaxosmithkline PLC	1424.8	19.80	Spirax-Sarco Engineering PLC	8378	-8.00
Glencore PLC	431.60	-10.40	Sse PLC	1661.5	-9.50
Haleon PLC	326.50	3.75	St. James's Place PLC	658.00	0.20
Halma PLC	1893	20.00	Standard Chartered PLC	622.40	-9.60
Hargreaves Lansdown PLC	727.80	-3.00	Taylor Wimpey PLC	115.15	2.00
Hikma Pharmaceuticals PLC	1764	-37.00	Tesco PLC	277.00	1.10
Howden Joinery Group PLC	637.80	5.00	Unilever PLC	3890	35.50
HSBC Holdings PLC	608.30	-1.00	Unite Group PLC	922.50	11.00
Imi PLC	1491	2.00	United Utilities Group PLC	1068.5	1.50
Imperial Brands PLC	1803.5	8.50	Vodafone Group PLC	78.17	-0.69
Informa PLC	717.00	1.40	Weir Group PLC	1744.5	-1.00
Intercontinental Hotels Group PLC	5830	52.00	Whitbread PLC	3293	-1.00
International Consolidated Airlines Group S.A.	149.65	0.35	Wpp PLC	719.00	-4.80

UK STOCK MARKET TRADING DATA

	Nov 07	Nov 06	Nov 03	Nov 02	Nov 01	Yr Ago
Order Book Turnover (m)	51.20	278.89	278.89	278.89	684.37	199.40
Order Book Bargains	567994.00	590872.00	590872.00	590872.00	689694.00	572302.00
Order Book Shares Traded (m)	1487.00	1583.00	1583.00	1583.00	2086.00	1657.00
Total Equity Turnover (£m)	4830.12	10555.64	10555.64	10555.64	8241.12	6703.94
Total Mkt Bargains	1064049.00	1132855.00	1132855.00	1132855.00	1417884.00	1133924.00
Total Shares Traded (m)	4603.00	5113.00	5113.00	5113.00	5514.00	6113.00

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

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information. For all queries e-mail ft.reader.enquiries@morningstar.com

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UK RIGHTS OFFERS

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

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
Greatland Gold	Pre	**0.000**	0.000	**21.120L**	11.366L	**0.440L**	0.280L	**0.00000**	0.00000	-	**0.000**	0.000
Scottish Mortgage Investment Trust	Int			**371.136L**	2572.908L	**26.820L**	178.920L	**1.60000**	1.60000	Dec 15	**4.100**	3.670

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

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

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Pwr Cons Corp	5.19	-0.04	8.15	5.01	1.86	8.07	9312.42
SaicMtr	14.92	-0.09	15.65	13.09	4.43	10.86	23928.2
ShenwanHong	0.08	0.00	0.15	0.07	-	5.76	91.70
ShgPdgBk	6.91	-0.03	8.22	6.77	5.76	5.84	27841.13
Sinopec Corp	4.02	-0.05	5.47	3.30	9.55	8.03	12722.33
Sinopec Oil	1.92	-0.01	2.39	1.90	-	65.94	3576.35
Denmark (kr)							
DanskeBk	167.35	-0.85	170.80	117.45	-	338.28	20672.91
MollerMrsk	9826	-194.00	17265	9800	20.12	1.48	10506.22
NovoB	705.70	4.60	742.20	399.40	0.87	47.92	347327.13
Italy (€)							
Enel	6.12	-0.03	6.38	4.68	6.30	15.49	66471.38
ENI	15.01	-0.39	15.83	11.69	5.79	5.71	54151.23
Generali	18.83	-0.07	20.06	15.63	6.09	7.14	31364.23
IntSPaolo	2.56	0.00	2.64	1.99	6.31	7.81	50088.29
Unicred	23.56	0.13	24.09	12.10	4.14	5.56	44926.93
Japan (¥)							
AstellasPh	1783	-1.50	2360.5	1779.5	3.39	30.04	21439.4
Bridgestne	5862	-34.00	6134	4548	3.26	10.80	27798.67
Canon	3665	-54.00	3912	2790.5	3.57	14.20	32480.02
CntJpRwy	3402	-65.00	3926	2984	0.80	12.64	23282.79
SEB	123.60	-0.65	139.40	105.20	5.35	7.91	23917.65
SvnskaHn	96.58	-0.64	112.90	83.92	5.58	7.80	17178.14
Swedbank	180.15	-2.70	219.90	161.60	5.30	7.01	18650.98
Telia Co	24.52	-0.10	29.79	20.98	6.19	-6.45	8817.91
Volvo	219.35	-3.65	235.60	183.68	3.13	11.70	31866.51
Switzerland (SFr)							
ABB	31.02	-0.07	35.74	27.78	2.58	19.36	64841.14
CredSuisse	0.82	0.01	5.86	0.66	11.88	-0.31	3611.19
Nestle	99.62	-0.25	116.84	97.09	2.88	28.27	295424.45
Novartis	84.18	-0.06	90.16	69.89	3.62	26.85	212937.27
BakerHu	34.04	-0.90	37.58	26.12	1.98	86.76	34252.2
Bank of NY	45.02	0.03	52.26	39.65	3.18	13.53	34619.83
BankAm	28.15	-0.18	38.60	24.96	3.02	8.36	222771.56
Baxter	34.31	-0.19	56.92	31.01	3.27	-6.34	17372.22
BectonDick	257.34	-1.76	287.32	217.70	1.35	48.10	74656.54
BerkshHat	524087.48	-2362.50	566569.97	434837.1	-	9.11	301518.01
Biogen	247.73	-0.90	319.76	233.76	-	13.96	35877.08
BlackRock	649.75	-3.47	785.65	596.18	2.94	19.62	97009.39
Boeing	190.58	-2.37	243.10	160.63	-	-26.27	115296.48
Booking Holdings	3026.41	54.98	3251.71	1797.92	-	27.44	108018.92
JPMrgnCh	143.81	-0.27	159.38	123.11	2.69	9.56	415755.91
Kimb-Clark	121.13	0.34	147.87	116.32	3.74	25.82	40934.8
KinderM	16.46	-0.22	19.36	15.89	6.56	15.32	36575.75
KLA Corp	503.48	4.62	520.19	328.43	1.00	21.55	68439.2
Kraft Heinz	33.24	-0.05	42.80	30.68	4.66	13.42	40770.15
Kroger	45.30	0.14	50.41	42.62	2.19	21.16	32585
LasVegasSd	48.57	-0.62	65.58	39.41	-	717.23	37131.32
LibertyGbl	15.95	-0.38	21.89	15.01	-	-2.26	2732.64
Lilly (E)	595.15	-0.04	629.97	302.14	0.69	85.68	564973.02
Bco Provncl	17.99	1.49	79400	6.80	-	8.19	204.48

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
SHOP	82.85	82.79	0.06	0.07	17.93	27.7	13.07
Advanced Micro	113.61	111.75	1.86	1.66	13.25	15.3	5.92
DominRes	45.81	45.59	0.22	0.47	5.27	13.6	9.84
Murata Mfg	2852.50	2883.00	-30.50	-1.06	363.00	13.2	7.78
CardinalHlth	102.55	101.66	0.89	0.88	10.66	12.7	14.04
Starbucks	103.84	104.03	-0.19	-0.18	11.79	12.6	11.90
MitsubishiEle	1892.00	1908.00	-16.00	-0.84	210.00	11.4	7.22
AscBrFd	2250.00	2106.00	144.00	6.84	80.00	11.1	13.28
S&P Global	387.05	384.65	2.40	0.62	35.34	10.8	6.33
Qualcomm	119.98	119.93	0.05	0.04	10.94	10.1	8.30
Toyota	2832.00	2846.00	-14.00	-0.49	272.00	10.0	9.99
BT	124.05	124.20	-0.15	-0.12	11.45	10.0	9.35
Ambev	13.57	13.51	0.06	0.44	1.15	9.8	2.81
Adobe	584.09	565.45	18.64	3.30	33.39	9.8	10.99
VF Cp	16.15	15.95	0.20	1.25	1.22	9.6	-0.62
MitsuiFud	893.85	894.97	-1.12	-0.13	79.28	9.6	-0.92
Natwest Group	195.20	189.80	5.40	2.85	11.60	9.5	-12.74
SK Hynix	130400.00	133000.00	-2600.00	-1.95	13900.00	9.5	8.31
USBancorp	34.88	35.27	-0.39	-1.11	3.39	9.4	9.51
Mnstr Bvrg	55.86	56.14	-0.28	-0.50	5.04	9.3	11.83

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
MollerMrsk	9826.00	10020.00	-194.00	-1.94	-1705.00	-16.2	-25.56
Aptiv	74.90	74.45	0.45	0.60	-12.75	-14.1	-22.72
AirProd	259.44	291.30	-31.86	-10.94	8.86	-8.1	-7.74
ChinaPcIns	17.64	19.02	-1.38	-7.26	0.02	-7.2	-6.67
Swisscom	511.00	515.60	-4.60	-0.89	-28.40	-6.1	-5.16
DuPont	68.50	69.54	-1.04	-1.50	-3.34	-6.0	-9.04
AstellasPh	1783.00	1784.50	-1.50	-0.08	-109.00	-5.8	-12.00
Nutrien	73.36	73.71	-0.35	-0.47	-3.76	-5.3	-8.55
HumanaInc	498.23	487.31	10.92	2.24	-36.38	-4.9	0.00
Emerson	84.69	91.74	-7.05	-7.68	2.77	-4.8	-10.91
Ch Rail Gp	3.60	3.72	-0.12	-3.23	-0.05	-4.5	-9.07
BP	481.05	491.50	-10.45	-2.13	-11.10	-4.3	-4.94
Cigna	296.25	306.84	-10.59	-3.45	-2.36	-4.2	2.78
Equinor	358.90	373.00	-14.10	-3.78	-1.45	-4.2	5.42
Marathon Ptl	145.29	149.92	-4.63	-3.09	-1.33	-3.9	1.43
ConocPhil	114.38	118.47	-4.09	-3.45	-0.33	-3.7	-0.81
EOG Res	121.84	126.42	-4.58	-3.62	0.17	-3.5	0.97
BOE Tech	0.56	0.58	-0.02	-3.45	0.00	-3.4	9.09
ValeroEngy	122.73	125.82	-3.10	-2.46	-1.18	-3.4	-3.02
SHK Props	78.85	80.40	-1.55	-1.93	-1.00	-3.1	-6.12

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Nov 07	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Nov 07	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

Nov 07	Rate	Current	Since	Last
US	Fed Funds	5.25-5.50	26-07-2023	5.00-5.25
US	Prime	8.50	26-01-2023	8.25
US	Discount	5.50	01-08-2023	5.25
Euro	Repo	4.0	14-09-2023	3.438
UK	Repo	5.25	03-08-2023	5.00
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	204.35	1.24	2.45	0.31	2.47	9.32
Corporates(£)	331.30	-0.18	1.24	2.53	2.27	4.74
Corporates(€)	214.41	-0.21	0.53	3.43	1.38	4.75
Eurozone Sov(€)	209.57	-0.47	0.66	0.99	1.72	-0.48
Gilts(£)	259.53	-0.52	1.31	-3.72	2.37	-4.72
Overall(£)	272.66	-0.41	1.24	-2.09	2.26	-2.46
Overall(€)	207.40	-0.34	0.63	1.57	1.61	0.95
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	739.19	4.35	-	-	-4.93	20.27
Eurozone Govt Bond	110.04	-0.19	-	-	0.20	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	416.85	-1.59	-34.12	-37.77	475.45	409.66
Europe 5Y	77.60	-0.30	-8.27	-8.21	90.18	75.15
Japan 5Y	73.13	2.12	-5.98	-5.87	80.75	70.54
Senior Financials 5Y	89.73	-0.45	-9.09	-9.90	103.71	87.01
Markit CDX						
Emerging Markets 5Y	213.20	6.77	-19.27	-18.78	245.20	206.43
Nth Amer High Yld 5Y	471.39	7.09	-52.15	-21.10	527.65	464.30
Nth Amer Inv Grade 5Y	71.27	1.37	-9.94	-4.05	81.85	69.90

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

VOLATILITY INDICES

	Nov 07	Day Chng	Prev	52 wk high	52 wk low
VIX	14.96	0.07	14.89	30.81	12.68
VXD	13.58	1.33	12.25	29.87	3.10
VXN	18.47	-0.18	18.65	32.73	5.85
VDAX	15.81	-0.41	16.22	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

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

GILTS: UK CASH MARKET

Nov 07	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Tr 0.125pc '24	98.91	4.97	-0.20	-0.60	0.00	54.35	98.91	96.10	35.55
Tr 2pc '25	95.61	4.53	-1.31	-1.95	-3.21	41.12	97.82	92.80	39.93
Tr 0.125pc '26	91.32	4.26	-1.39	-3.18	-4.05	29.48	92.38	87.71	35.32
Tr 1.25pc '27	90.17	4.14	-1.66	-4.39	-6.12	18.29	93.30	86.03	40.99
Tr 0.5pc '29	82.88	4.18	-1.65	-4.78	-6.07	18.41	87.71	78.59	28.92
Tr 1pc '32	77.87	4.21	-2.09	-5.18	-6.24	16.30	110.34	74.53	35.96
Tr 4.25pc '36	98.11	4.45	-1.98	-4.91	-5.32	13.81	110.66	94.63	31.68
Tr 4.5pc '42	97.41	4.71	-1.88	-4.66	-4.85	17.75	117.12	92.93	28.35
Tr 3.75pc '52	84.72	4.73	-1.87	-4.64	-5.02	23.18	110.80	79.70	25.11
Tr 4pc '60	88.71	4.65	-1.90	-4.52	-4.91	28.10	122.75	83.11	25.13

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

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Nov 07	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.63	0.16	2386.01	0.78	1.83	4.31
2 5 - 10 Years	144.08	0.56	3113.15	1.81	-0.11	4.18
3 10 - 15 Years	148.27	0.89	3513.22	2.49	-1.60	4.46
4 5 - 15 Years	143.95	0.66	3206.77	2.03	-0.59	4.29
5 Over 15 Years	189.88	1.57	3365.42	4.39	-9.70	4.67
7 All stocks	128.88	0.76	2940.56	2.27	-2.78	4.53

Index Linked	Nov 07	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	333.32	0.16	0.90	2.22	2843.04	0.90	3.39
2 Over 5 years	501.19	1.58	4.80	-9.25	3838.87	4.80	-8.69
3 5-15 years	452.52	0.84	2.30	0.78	3687.18	2.30	1.69
4 Over 15 years	533.63	2.09	6.59	-15.78	3961.08	6.59	-15.42
5 All stocks	484.78	1.26	3.92	-7.14	3790.37	3.92	-6.49

Yield Indices	Nov 07	Nov 06	Yr ago		Nov 07	Nov 06	Yr ago
5 Yrs	4.11	4.18	3.38	20 Yrs	4.70	4.79	3.98
10 Yrs	4.32	4.41	3.75	45 Yrs	4.53	4.63	3.54
15 Yrs	4.58	4.67	3.96				

Real yield	inflation 0% Nov 07	Dur yrs	Previous	Yr ago	inflation 5% Nov 07	Dur yrs	Previous	Yr ago
Up to 5 yrs	0.90	2.42	0.97	-1.41	0.57	2.44	0.63	-2.01
Over 5 yrs	1.16	18.73	1.25	0.22	1.14	18.78	1.22	0.20
5-15 yrs	0.77	9.34	0.86	0.00	0.68	9.35	0.77	-0.09
Over 15 yrs	1.26	24.75	1.35	0.27	1.25	24.76	1.33	0.26
All stocks	1.15	15.19	1.24	0.20	1.12	15.27	1.20	0.17

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

BONDS: INDEX-LINKED

	Price Nov 06	Yield Nov 06	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	106.58	2.018	1.948	0.70	5.25	67722.41	8
Fr 0.10%' 25	97.78	1.824	1.851	-0.03	12.79	245291.91	18
Swe 1.00%' 25	128.27	1.538	1.514	0.04	35.93	230065.56	7
UK 0.125%' 26	98.67	0.692	0.612	0.23	13.45	499533.62	31
	-	-	-	-	-	-	-
UK 2.00%' 35	239.34	0.909	0.826	1.57	9.08	499533.62	31
US 0.625%' 26	95.42	2.798	2.734	0.37	42.42	1603374.70	48
US 3.625%' 28	105.13	2.399	2.339	0.85	16.78	1603374.70	48

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

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	4.68	2.10	0.02	Netherlands	2.87	0.30	-1.79
Austria	3.12	0.55	-1.54	New Zealand	5.13	2.55	0.47
Canada	3.83	1.26	-0.83	Norway	3.83	1.25	-0.83
Denmark	2.81	0.24	-1.84	Portugal	3.05	0.48	-1.61
Finland	3.07	0.49	-1.59	Spain	3.39	0.82	-1.27
Germany	2.57	0.00	-2.08	Sweden	1.31	-1.27	-3.35
Italy	2.12	-0.45	-2.54	Switzerland	1.06	-1.52	-3.60
Japan	0.51	-2.06	-4.15	United States	4.66	2.08	0.00

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

COMMODITIES

www.ft.com/commodities

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

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

POWERED BY MORNINGSTAR

MANAGED FUNDS SERVICE

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

Fund	Bid	Offer	D+/-	Yield
Volare Offshore Strategy Fund Limited				
Bridge Fund	£ 2.1302	-	0.0111	2.40
Global Equity Fund	£ 3.3256	-	0.0315	1.53
Global Fixed Interest Fund	£ 0.7207	-	-0.0024	6.56
Income Fund	£ 0.6110	-	0.0029	3.44
Sterling Fixed Interest Fund	£ 0.6610	-	0.0014	4.89
UK Equity Fund	£ 1.8000	-	-0.0007	3.51

Algebris Investments (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Algebris Financial Credit I EUR	€ 178.68	-	-1.75	0.00
Algebris Financial Credit R EUR	€ 152.73	-	-1.52	0.00
Algebris Financial Credit Rd EUR	€ 87.74	-	-0.87	6.40
Algebris Financial Income I EUR	€ 188.13	-	0.52	0.00
Algebris Financial Income R EUR	€ 169.77	-	0.44	0.00
Algebris Financial Income Rd EUR	€ 98.84	-	0.26	5.24
Algebris Financial Equity B EUR	€ 177.75	-	-0.68	0.00
Algebris Financial Equity R EUR	€ 148.12	-	-0.58	0.00
Algebris IG Financial Credit I EUR	€ 99.04	-	-0.11	0.00
Algebris IG Financial Credit R EUR	€ 97.06	-	-0.12	0.00
Algebris Global Credit Opportunities I EUR	€ 132.09	-	-0.42	0.00
Algebris Global Credit Opportunities R EUR	€ 128.48	-	-0.42	0.00
Algebris Global Credit Opportunities Rd EUR	€ 108.48	-	-0.34	4.11
Algebris Core Italy I EUR	€ 138.25	-	-0.98	0.00
Algebris Core Italy R EUR	€ 130.33	-	-0.93	0.00
Algebris Sust. World B	€ 103.33	-	-0.27	0.00
Algebris Sust. World R	€ 101.94	-	-0.28	0.00

The Antares European Fund Limited
Other International

Fund	Bid	Offer	D+/-	Yield
AEF Ltd Usd	$ 543.22	-	6.29	0.00
AEF Ltd Eur	€ 493.92	-	5.61	0.00

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

Fund	Bid	Offer	D+/-	Yield
Artemis Corporate Bond I Acc	99.43	-	0.21	4.73
Artemis Positive Future Fund	58.37	-	-0.05	0.00
Artemis Target Return Bond I Acc	110.12	-	0.06	4.33

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

Fund	Bid	Offer	D+/-	Yield
Emerging Markets Equity Fund	$ 120.07	-	1.40	0.00
Emerging Markets Equity ESG Fund	$ 135.50	-	1.93	0.00
Emerging Markets Frontier Equity Fund	$ 178.08	-	1.84	1.05
Emerging Markets Blended Debt Fund	$ 53.39	-	-0.06	5.05
Emerging Markets Blended Debt ESG Fund	$ 87.21	-	-0.99	0.00
Emerging Markets Active Equity Fund	$ 117.62	-	0.77	0.00
Emerging Markets Corporate Debt Fund	$ 58.37	-	1.07	6.57
Emerging Markets Debt Fund	$ 57.34	-	-0.22	5.66
Emerging Markets Local Currency Bond Fund	$ 62.50	-	0.17	5.07

Atlantas Sicav (LUX)
Regulated

Fund	Bid	Offer	D+/-	Yield
American Dynamic	$ 8565.71	-	354.24	-
American One	$ 7276.48	-	356.51	-
Bond Global	€ 1539.82	-	11.05	0.00
Eurocroissance	€ 1262.49	-	51.60	0.00
Far East	$ 953.16	-	38.75	0.00

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

Fund	Bid	Offer	D+/-	Yield
Blue Whale Growth USD T	$ 10.07	-	-0.02	-

Brooks Macdonald International Fund Managers Limited (JER)
Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4UF
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Fund	Bid	Offer	D+/-	Yield
Brooks Macdonald International Investment Funds Limited				
Euro High Income	€ 1.2078	-	-0.0012	2.50
High Income	£ 0.6353	-	0.0010	3.77
Sterling Bond	£ 1.2290	-	0.0021	2.06
Brooks Macdonald International Multi Strategy Fund Limited				
Balanced Strategy A	£ 0.9132	-	0.0020	0.02
Balanced Strategy	£ 0.9126	-	0.0020	1.06
Cautious Balanced Strategy A	£ 0.8825	-	0.0010	-
Growth Strategy A	£ 0.9232	-	0.0023	-
High Growth Strategy A	£ 0.9230	-	0.0028	0.77
Cautious Balanced Strategy	£ 1.2348	-	0.0015	0.00
Growth Strategy	£ 1.9325	-	0.0048	0.00
High Growth Strategy	£ 2.7075	-	0.0079	0.00
US$ Growth Strategy	$ 1.7379	-	0.0038	0.00

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

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

Fund	Bid	Offer	D+/-	Yield
Global Leaders Fund USD C	$ 21.97	-	0.11	0.00
Global Leaders Sustainable Fund USD C	$ 13.21	-	0.05	-
Global Sustainable Total Return Bond GBP B	£ 9.09	-	-0.03	0.91
Global Sustainable Total Return Bond USD B	$ 9.64	-	-0.03	0.00
US Equity Growth Fund USD B	$ 50.44	-	0.03	0.00
US Flexible Equity Fund USD B	$ 26.32	-	0.01	0.00
US Mid-Cap Growth Fund USD C	$ 16.92	-	-0.07	0.00
US Small Cap Blend Fund USD B	$ 21.24	-	-0.22	-
US Smaller Companies Fund USD B	$ 32.88	-	-0.34	0.00
US Sustainable Growth Fund USD C	$ 26.34	-	0.02	0.00
US Sustainable Value Fund USD C Acc	$ 10.78	-	0.00	-

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

Fund	Bid	Offer	D+/-	Yield
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£ 130.09	130.68	-0.34	-
Capital Gearing Portfolio GBP P	£ 35717.52	35814.86	-84.99	-
Capital Gearing Portfolio GBP V	£ 173.69	174.65	-0.41	-
Dollar Fund Cls D Inc	£ 155.36	155.83	-0.72	1.30
Dollar Hedged GBP Inc	£ 88.45	88.71	-0.27	1.29
Real Return Cls A Inc	£ 185.30	185.86	-0.76	1.80

Chartered Asset Management Pte Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
CAM-GTF VCC	$ 367120.35	[illegible]	-5076.36	-
CAM GTi VCC	$ 780.49	-	-32.39	-
RAIC VCC	$ 1.64	1.64	0.03	2.06

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

Fund	Bid	Offer	D+/-	Yield
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 16.15	-	-0.04	0.00
EUR Accumulating Class (H)	€ 10.54	-	-0.03	0.00
EUR Distributing Class	€ 11.29	-	-0.02	2.45
EUR Distributing Class (H)	€ 7.30	-	-0.02	2.54
GBP Distributing Class	£ 12.06	-	0.00	2.18
GBP Distributing Class (H)	£ 7.92	-	-0.02	2.51
USD Accumulating Class	$ 12.50	-	-0.03	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 30.72	-	-0.09	-
GBP Accumulating Share Class	£ 40.94	-	-0.02	0.00
GBP Distributing Share class	£ 27.24	-	-0.01	-
EUR Accumulating Share Class	€ 43.04	-	-0.10	-
GBP Distributing Class (H)	£ 13.98	-	-0.04	0.26
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 39.37	-	-0.15	-
GBP Accumulating Share Class	£ 49.61	-	-0.07	0.00
GBP Distributing Share Class	£ 29.52	-	-0.04	0.86
EUR Accumulating Share Class	€ 47.62	-	-0.16	0.00
GBP Distributing Class (H)	£ 15.41	-	-0.05	0.17

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

Fund	Bid	Offer	D+/-	Yield
Vietnam Equity (UCITS) Fund A USD	$ 26.69	-	0.08	0.00

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

Fund	Bid	Offer	D+/-	Yield
EdenTree Short Dated Bond Cls B	93.52	-	0.11	2.49

Euronova Asset Management UK LLP (CYM)
Regulated

Fund	Bid	Offer	D+/-	Yield
Smaller Cos Cls One Shares	€ 49.56	-	0.28	0.00
Smaller Cos Cls Two Shares	€ 31.49	-	0.17	0.00
Smaller Cos Cls Three Shares	€ 15.72	-	0.09	0.00
Smaller Cos Cls Four Shares	€ 20.71	-	0.11	0.00

FIL Investment Services (UK) Limited (1200)F (UK)
Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP
Callfree: Private Clients 0800 414161
Broker Dealings: 0800 414 181

Fund	Bid	Offer	D+/-	Yield
OEIC Funds				
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.83	-	0.00	2.99
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.94	-	0.00	1.61
Emerging Mkts NAV	£ 7.21	-	-0.16	2.08
American Fund W-ACC-GBP	£ 58.66	-	0.84	0.00
Cash Fund W-ACC-GBP	£ 1.07	-	0.00	1.77
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-	0.01	-
Sustainable Global Equity Fund W-ACC-GBP	£ 32.38	-	0.18	0.44
Japan Fund W-ACC-GBP	£ 6.12	-	-0.03	1.41
Japan Smaller Companies Fund W-ACC-GBP	£ 3.49	-	-0.02	0.67
Select 50 Balanced Fund PI-ACC-GBP	£ 1.14	-	0.00	-
Special Situations Fund W-ACC-GBP	£ 41.98	-	-0.14	3.45
Short Dated Corporate Bond Fund W-ACC-GBP	£ 10.92	-	0.02	3.69
Sustainable Water & Waste W-ACC-GBP	£ 1.11	-	0.01	0.57
Sustainable Water & Waste W-INC-GBP	£ 1.09	-	0.00	-
UK Select Fund W-ACC-GBP	£ 3.64	-	0.02	2.60
Global Enhanced Income W-ACC-GBP	£ 2.40	-	0.02	4.37
Index UK Gilt Fund P-ACC-GBP	£ 0.72	-	0.01	2.11
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.89	-	0.00	1.73
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 0.96	-	0.00	1.46

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	€ 167.04	-	-0.59	0.00
American Fund USD Class	$ 179.52	-	-0.44	0.00
American Fund GBP Hedged	£ 87.31	-	-0.21	0.00
American Fund GBP Unhedged	£ 144.86	-	-0.57	0.00

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

Fund	Bid	Offer	D+/-	Yield
Foord International Fund | R	$ 46.18	-	0.08	0.00
Foord Global Equity Fund (Lux) | R	$ 15.87	-	0.05	0.00
Regulated				
Foord Global Equity Fund (Sing) | B	$ 19.03	-	0.07	0.00
Foord International Trust (Gsy)	$ 45.03	-	0.08	0.00

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

Fund	Bid	Offer	D+/-	Yield
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£ 98.10	-	-0.32	1.30
LAPIS GBL MED DEV 25.YLD-Na-D	£ 83.22	-	0.06	-
LAPIS GBL TOP 50 DIV.YLD-Na-D	£ 114.68	-	-0.32	3.02

Guinness Global Investors

Fund	Bid	Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 18.82	-	0.02	2.18
Guinness Global Innovators Y GBP Acc	£ 29.20	-	0.03	0.00
Guinness Sustainable Global Equity Y GBP Acc	£ 10.46	-	-0.06	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	-	0.01	0.00
Holiday Property Bond Ser 2	£ 0.63	-	0.00	0.00

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

Fund	Bid	Offer	D+/-	Yield
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.13	-	0.00	3.18

M & G Securities (1200)F (UK)
PO Box 9038, Chelmsford, CM99 2XF
www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.06	-	0.00	-
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 39.32	-	0.09	2.84
M&G Charity Multi Asset Fund Inc	£ 0.84	-	0.00	4.28
M&G Charity Multi Asset Fund Acc	£ 104.97	-	0.08	4.08

MMIP Investment Management Limited (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£ 3080.40	3086.41	-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

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	$ 88.00	-	2.54	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	$ 97.76	-	-0.49	0.00
Milltrust Laurium Africa Fund SP A	$ 96.59	-	1.00	0.00
Milltrust Marcellus India Fund SP	$ 132.77	-	1.45	0.00
Milltrust Singular ASEAN Fund SP Founders	$ 123.36	-	1.25	0.00
Milltrust SPARX Korea Equity Fund SP A	$ 118.07	-	4.67	0.00
Milltrust Xingtai China Fund SP A	$ 89.94	-	1.85	0.00
The Climate Impact Asia Fund SP A	$ 71.94	-	2.10	0.00
The Climate Impact Asia Fund (Class B)	$ 71.04	-	2.07	0.00

Mirabaud Asset Management (LUX)
www.mirabaud.com, marketing@mirabaud-am.com
Please find more details on our website: www.mirabaud-am.com
Regulated

Fund	Bid	Offer	D+/-	Yield
Mir. - Glb Strat. Bd I USD	$ 115.95	-	-0.16	0.00
Mir. - DiscEur D Cap GBP	£ 148.88	-	-0.53	0.00
Mir. - UKEq HA Cap I GBP	£ 127.45	-	-1.51	0.00

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

Fund	Bid	Offer	D+/-	Yield
Oasis Crescent Global Equity Fund USD A (Dist)	$ 34.39	-	-0.02	-
Oasis Crescent Global Income Fund USD A (Dist)	$ 9.83	-	0.01	3.73
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.03	-	0.00	1.36
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.42	-	-0.01	0.82
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 7.47	-	-0.10	2.07
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.93	-	0.00	2.82
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.45	-	-0.03	0.71

Omnia Fund Ltd
Other International Funds

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

Orbis Investments (U.K.) Limited (GBR)
28 Dorset Square, London, NW1 6QG
www.orbis.com 0800 358 2030
Regulated

Fund	Bid	Offer	D+/-	Yield
Orbis OEIC Global Cautious Standard	£ 12.05	-	-0.02	0.00
Orbis OEIC Global Balanced Standard	£ 20.02	-	-0.02	0.37
Orbis OEIC Global Equity Standard	£ 23.62	-	0.07	2.43

Platinum Capital Management Ltd
Other International Funds

Fund	Bid	Offer	D+/-	Yield
Platinum All Star Fund - A	$ 150.35	-	-	-
Platinum Global Growth UCITS Fund	$ 8.29	-	0.08	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 9.42	-	-0.70	0.00
Platinum Global Dividend UCITS Fund	$ 43.91	-	0.05	0.00

Polar Capital Funds Plc (IRL)
Regulated

Fund	Bid	Offer	D+/-	Yield
Artificial Intelligence I USD ACC	$ 16.83	16.83	0.12	0.00
Asian Stars I USD Acc $	$ 13.95	-	0.36	0.00
Biotechnology I USD	$ 36.23	36.23	-0.34	0.00
China Stars I USD Acc $	$ 9.64	9.64	0.19	0.00
Emerging Market Stars I USD Acc	$ 11.21	-	0.25	0.00
European Ex UK Inc EUR Acc	€ 15.00	15.00	-0.05	0.00
Financial Opps I USD	$ 13.46	-	-0.08	2.48
Global Convertible I USD	$ 13.17	13.17	-0.02	0.00
Global Insurance I GBP	£ 10.65	-	-0.01	0.00
Global Technology I USD	$ 78.91	-	0.45	0.00
Healthcare Blue Chip Fund I USD Acc	$ 17.96	17.96	-0.02	0.00
Healthcare Dis I Acc USD $	$ 10.69	-	-0.18	0.00
Healthcare Opps I USD	$ 61.62	-	-0.64	0.00
Income Opportunities B2 I GBP Acc	£ 3.02	3.02	0.00	0.00
Japan Value I JPY	¥ 178.65	178.65	-1.62	0.00
North American I USD	$ 35.26	35.26	0.10	0.00
Smart Energy I USD Acc $	$ 8.61	8.61	-0.01	0.00
Smart Mobility I USD Acc $	$ 7.94	7.94	0.06	0.00
UK Val Opp I GBP Acc	£ 11.88	11.88	-0.06	-

Private Fund Mgrs (Guernsey) Ltd (GSY)
Regulated

Fund	Bid	Offer	D+/-	Yield
Monument Growth 31/10/2023	£ 527.55	532.57	2.14	0.00

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

Fund	Bid	Offer	D+/-	Yield
Prusik Asian Equity Income B Dist	$ 168.42	-	-2.83	6.21
Prusik Asia Fund U Dist.	£ 192.23	-	0.71	0.00
Prusik Asia Sustainable Growth Fund A Acc	$ 81.06	-	-0.05	0.00

Purisima Investment Fds (CI) Ltd (JER)
Regulated

Fund	Bid	Offer	D+/-	Yield
PCG B ✠	316.03	-	-3.14	0.00
PCG C ✠	306.86	-	-3.04	0.00

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

Fund	Bid	Offer	D+/-	Yield
RAM Systematic Emerg Markets Eq	$ 224.76	224.76	2.34	-
RAM Systematic European Eq	€ 505.79	505.79	-1.83	-
RAM Systematic Funds Global Sustainable Income Eq	$ 151.03	151.03	-0.27	0.00
RAM Systematic Long/Short European Eq	€ 152.17	152.17	0.34	-

Ruffer LLP (1000)F (UK)
2nd floor, 20-22 Bedford Row, London, WC1R 4EB
Order Desk and Enquiries: 0345 601 9610
Authorised Inv Funds

Fund	Bid	Offer	D+/-	Yield
Authorised Corporate Director - Waystone Management (UK) Limited				
LF Ruffer Diversified Rtrn C Acc	98.52	-	-0.24	1.77
LF Ruffer Diversified Rtrn C Inc	96.04	-	-0.23	1.80
LF Ruffer Equity & General C Acc	556.98	-	-0.21	1.38
LF Ruffer Equity & General C Inc	496.44	-	-0.19	1.40
LF Ruffer Gold C Acc	241.69	-	-1.70	0.43
LF Ruffer Gold C Inc	145.66	-	-1.03	0.43
LF Ruffer Total Return C Acc	522.36	-	-1.53	2.49
LF Ruffer Total Return C Inc	318.15	-	-0.93	2.54

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

Fund	Bid	Offer	D+/-	Yield
Rubrics Emerging Markets Fixed Income UCITS Fund	$ 138.63	-	-0.44	0.00
Rubrics Global Credit UCITS Fund	$ 16.87	-	-0.05	0.00
Rubrics Global Fixed Income UCITS Fund	$ 167.93	-	-0.75	0.00

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

Fund	Bid	Offer	D+/-	Yield
Slater Growth A Acc	558.83	558.83	-3.45	0.00
Slater Income A Inc	128.93	128.93	-0.73	5.22
Slater Recovery A Acc	289.34	289.34	-3.16	0.00
Slater Artorius	245.17	245.17	0.31	0.61

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	$ 243.94	-	0.68	0.00
SF Global Best Ideas Eq D GBP INC	£ 298.67	-	0.40	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	$ 856.79	-	-1.21	0.00
Superfund Green Silver	$ 715.28	-	1.24	0.00
Regulated				
Superfund Green US$	$ 640.58	-	2.52	0.00

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

Fund	Bid	Offer	D+/-	Yield
Aptus Global Financials B Acc	£ 5.24	-	-0.02	3.81
Aptus Global Financials B Inc	£ 3.25	-	-0.02	3.94

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$ 440.36	-	-2.51	0.00
Tosca Mid Cap GBP	£ 120.64	-	-6.43	0.00
Tosca Opportunity B USD	$ 252.81	-	-15.03	0.00
Pegasus Fund Ltd A-1 GBP	£ 28.54	-	0.00	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

Fund	Bid	Offer	D+/-	Yield
Authorised Corporate Director - Waystone Management (UK) Limited				
Trojan Investment Funds				
Trojan Ethical Global Inc O Acc	102.04	-	1.10	2.66
Trojan Ethical Global Inc O Inc	96.96	-	1.04	2.70
Trojan Ethical O Acc	128.71	-	0.35	0.07
Trojan Ethical O Inc	128.61	-	0.35	0.08

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Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA. The Investment Association, Camomile Court 23 Camomile Street, London EC3A 7LL. Tel: +44 (0)20 7831 0898.)

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Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action.

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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.

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ARTS

Egyptian relic rises from the ruins

Hollywood's historic Egyptian Theatre has reopened after a $70mn restoration, funded by Netflix. Christopher Grimes reports from Los Angeles

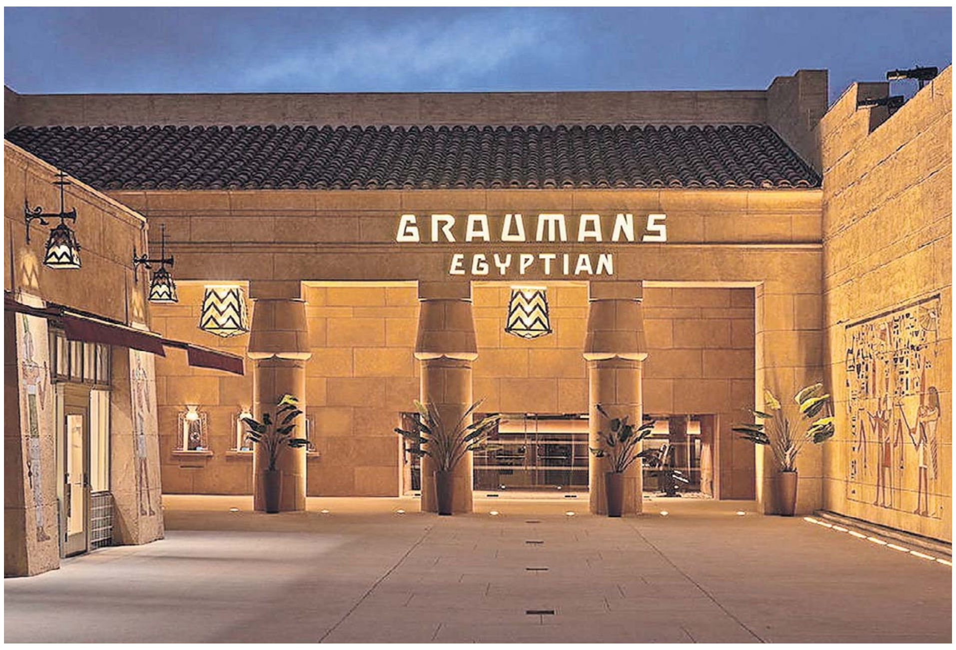
For most of the silent film era, the place to catch a movie in Los Angeles was downtown, where a six-block stretch of Broadway was lined with a dozen cinemas fronted with grand marquees and buzzing neon. Among them was the Million Dollar Theater, owned by the vaudeville entrepreneur Sid Grauman.

In the early 1920s, Grauman decided to open a grand new cinema about 12km away in Hollywood, then a sleepy industry town where the business of movie-making was conducted. The idea was to turn Hollywood into an entertainment centre — and Grauman knew he had the showbusiness nous to make it happen.

The moment arrived on October 18 1922, when Grauman's Egyptian Theatre opened its doors for the debut of Douglas Fairbanks' latest silent film, *Robin Hood*. Grauman rolled a red carpet across the courtyard in front of his sphinx- and scarab-adorned cinema and the template for the star-studded Hollywood premiere was set.

For a while it was not so certain that the Egyptian itself would endure as long as Grauman's innovations in the field of glitz and hype. The cinema closed in 1992 and was badly damaged in an earthquake two years later. The American Cinematheque, a non-profit, reopened the Egyptian in 1998 and began restoration efforts but struggled to finance all the necessary work.

After years of concern about its condition, the Egyptian reopened this week after a four-year, $70mn-plus restoration funded by Netflix — a company that has built its $190bn market value by making it extremely easy for people to watch movies from the comfort of their sofa at home.



Above: renovated courtyard of the Egyptian Theatre. Below: the interior — Yoshihiro Makino/Netflix

This isn't the first time the streaming pioneer has rescued an old cinema. It also restored the Paris Theater in New York, preventing it from suffering the indignity of being turned into a chain pharmacy.

This embrace of cinemas by the company that has thoroughly disrupted Hollywood may seem puzzling, especially at a time when other tech companies are discovering the charms of the box office. Apple is launching original films including *Killers of the Flower Moon* and *Napoleon* exclusively in thousands of cinemas before they arrive on its streaming service, an idea that Netflix rejects for its own films.

Yet Ted Sarandos, Netflix co-chief executive, says there is a logic to saving classic movie houses. "We premiere our films and series in theatres almost every night, and we were renting theatres to do that," he told the FT this week. "We realised there was an opportunity to put our money to good use and preserve a great building like [the Egyptian] or the Paris."

He is not buying the argument, mostly made by cinema owners, that Netflix films would perform better on the streaming service if they had a good run in a movie house first. "We're not trying to preserve the economics of exhibition, just the experience of exhibition," he says.

Whatever the reasons, Netflix has paid for a beautiful restoration and much-needed structural work. The neon "Egyptian" vertical blade sign facing Hollywood Boulevard has been restored, along with the 1922 Egyptian-style hieroglyphics and other artwork. (Of the hieroglyphs, Egyptian Theatre expert Mark Simon says: "They tell absolutely no story whatsoever.")

State-of-the art sound systems have also been installed — an important upgrade for a room designed for silent films — along with an array of digital and film projectors. The Egyptian will be one of only five cinemas in the US that can project nitrate film, the exquisite but highly flammable medium used from the 1890s until the 1950s.

Netflix plans to show its own movies in the cinema during the week, then turn it over to American Cinematheque, which will curate a weekend programme that includes both recent and classic films. This month alone it will screen David Lean's *Lawrence of Arabia*, Jean-Luc Godard's *Alphaville*, Stanley Kubrick's *2001: A Space Odyssey* and Ridley Scott's *Alien*.

Now that it is back to being a working cinema, Sarandos hopes the Egyptian will become an important part of the fabric of Hollywood again.

"The Hollywood sign and this building are the most iconic symbols of Hollywood, and they both just celebrated their 100th anniversary," he says. "What is Hollywood without its icons?"

egyptiantheatre.com

Fun-size Nutcracker is a witty delight

DANCE

Nutcracker
Southbank Centre, London
★★★★☆

Louise Levene

The shopping list for a traditional *Nutcracker* calls for a full orchestra, snowflakes (24), a ballerina, a dozen or more soloists (assorted sizes), sundry character players and entire ballet schools of mice and toy soldiers. Drew McOnie's fun-size 60-minute production, which premiered at London's Southbank Centre last weekend, gets by with four musicians, six performers and a 30 sq m dance-floor. If the sofa were flat-pack, the props and costumes could probably fit into the back of a black cab. And it's terrific: fast-moving, witty and zestily danced.

Rethinks of the 1892 Tchaikovsky/Ivanov classic tend to be sabotaged by memories of more orthodox readings. The ballet's set pieces are so exquisitely tailored to the music that new routines can feel tin-eared and inadequate. McOnie sidesteps odious comparisons by using a bold rearrangement of the score by jazz composer Cassie Kinoshi.

It isn't the first jazz *Nutcracker* — David Bintley's much-missed *Nutcracker Sweeties* for Birmingham Royal Ballet in 1997 used the snarling Duke Ellington/Billy Strayhorn version — but Kinoshi's deployment of the versatile four-piece band lets us hear it all afresh. Tempi are radically altered and familiar melodies are shuffled among unexpected instruments — Sugar Plum Fairy on flute, anyone? The musicians, dominated by Parthenope Wald-Harding's fruity alto sax, sit level with the dance-floor dressed in striped pyjamas to match Clive, our unhappy hero.

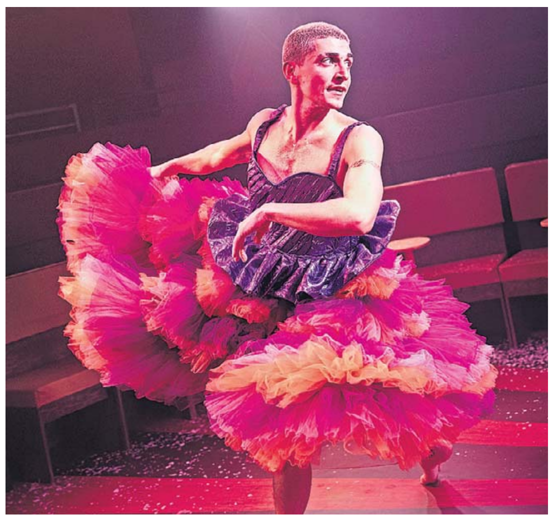
Matthew Bourne's 1992 *Nutcracker* downgraded the act one setting from the velvet-lined Stahlbaum mansion to a nightmarish orphanage. McOnie scales it back further still. Young Clive lives in a seedy bedsit with his loveless father and Christmas is just a spindly plastic tree, a few scraps of tinsel and an unwanted Action Man doll. Clive's nap on the sofa triggers the dream sequence. After a pas de deux with a life-size tree fairy (Patricia Zhou), he embarks on a bromance with Action Man (Amonik Melaco). Together they visit Dreamland, a sequinned world of unabashed gender fluidity.

Clive wakes up and his father, repentant, recites a letter to Santa vowing to accept his son's rejection of gender-specific gifting before presenting the lad with a pink model jeep. This heavy-handed moral lesson has the shelf life of a mince pie and McOnie's sudden, bizarre reliance on text is not only unnecessary (dance told us loud and clear) but risks overbalancing the show — Matthew Bourne has a much lighter touch in such matters. Fortunately, strong performances and clever choreography save the day.

Mark Samaras is utterly persuasive as the unhappy youngster and powers impressively through his duets with Zhou and Melaco and McOnie works miracles with the minuscule stage. His tiny ensemble mimic skaters with their gliding chassés in the snow scene (shades of Frederick Ashton's *Les Patineurs*) and solos are generously distributed including a whirling skirt dance to a slo-mo *danse espagnole* for Chanelle Anthony.

Soutra Gilmour has transformed an unpromising space under the Royal Festival Hall into the Tuff Nutt Jazz Club. The traverse staging heightens the immediacy of the performance so that each half of the audience can glimpse the happy smiles opposite.

To January 6, southbankcentre.co.uk



Mark Samaras as Clive in 'Nutcracker' — Mark Senior

Ambitious portrait of an activist icon

OPERA

X: The Life and Times of Malcolm X
Metropolitan Opera, New York
★★★☆☆

George Grella

The Metropolitan Opera has often been slow in staging works that address contemporary subject matter. But they have followed their recent production of Jake Heggie's hard-hitting *Dead Man Walking* with another operatic take on the modern world, Anthony Davis's *X: The Life and Times of Malcolm X*. Nearly 40 years after it was first performed, it has reached the Met in a new staging by Robert O'Hara.

With a libretto by the poet Thulani Davis, it traces the personal transformation of one of the most consequential American figures of the 20th century, from boyhood to his assassination in 1965.

Baritone Will Liverman sings the title role. His stage presence is notable, reflecting a subtle progression from passive young adult to figure of commanding stature. His foil is tenor Victor Ryan Robertson in the dual role of Street (a metaphorical character) and Nation of Islam leader Elijah Muhammad. Robertson is excellent, insouciant as Street and imperious as Elijah, the yin to Malcolm's yang. The entire opera hinges on their musical relationship.

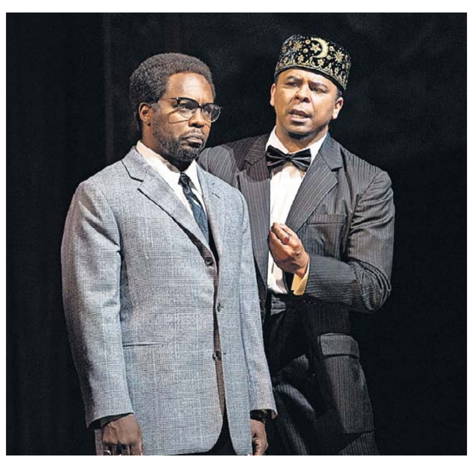
The score is a near-classic American mélange, with touches of Stravinsky and Hindemith, African music, dance music and plenty of jazz, with Davis's ensemble Episteme incorporated within the orchestra. The Episteme players fill their brief improvised solo spaces with expressive imagination, and the whole orchestra, under conductor Kazem Abdullah, has an impressive light-footedness along with its typically beautiful sound. The chorus, surprisingly, had a couple of rough moments trying to keep the beat in quick, odd-metered music.

The costumes by Dede Ayite and wigs by Mia Neal do an excellent job of showing cultural moments and even class distinctions through their details, and Rickey Tripp's choreography defines each historic moment in which it appears. It adds great dynamism in act one but then almost disappears, and the direction in the final two acts is inert.

The key turning point is Malcolm's pilgrimage to Mecca. This scene is one where the stasis on stage suits the ceremony of the moment, and the music and Liverman's singing bring out the depths of the character.

The assassination at the end is not upsetting but exalted; there's confusion as to whether one should even feel loss. Yet, though deeply ambitious, this production doesn't quite hit the emotional resonances it seeks.

To December 2, metopera.org



Will Liverman as Malcolm and Victor Ryan Robertson as Elijah Marty Sohl/The Metropolitan Opera

FT BIG READ. MONETARY POLICY

FT Series A borrowing binge during a decade of easy money has left US companies saddled with $13tn of debt. As central banks raise interest rates, businesses are having to find new ways to cope.

By Harriet Clarfelt

Can corporate America pay its debts?

FT montage/Bloomberg

The US economy may be growing faster than pessimists had predicted, but business is still brisk for bankruptcy lawyers. "Things have really accelerated," says Thomas Lauria, global head of restructuring at White & Case. His team is on track for record revenues this year.

Hedge funds are spying opportunities ahead as companies are forced into financial restructurings that could involve debt changing hands for well below its face value. Buyers of that debt could make big gains if the company goes on to make a recovery. "It's going to become more of a credit-picker's market," predicts Mike Scott, head of global high-yield and credit opportunities at Man Group GLG.

Such activity is a sign that high borrowing costs are starting to bite in corporate America, whose overall borrowings now total $13tn, according to Federal Reserve data. Businesses that grew accustomed to cheap debt over a decade of ultra-low rates must now adjust to a world where financing costs more.

A lot more; since March 2022, the Fed has raised interest rates from near zero to a range of 5.25 to 5.5 per cent. The European Central Bank, the Bank of England and others have followed suit. Even though the Fed and the BoE held rates last week, suggesting the cycle may have peaked, many expect borrowing costs to remain high.

If that is the case, then more companies are going to need to either repay their loans, or refinance them at substantially higher cost. More than $3tn of corporate debt is due for repayment over the coming five years.

"So many companies have really benefited greatly from the zero cost of capital," says Greg Peters, co-chief investment officer at PGIM fixed income. "You'll be in this persistently higher-than-normal distressed default environment as a consequence."

As well as raising finance costs, higher rates may also cut consumers' spending power. Investors are starting to fret that this one-two punch could trigger a wave of debt defaults, possibly leading to more company failures and job losses.

Moody's, the rating agency, says global default rates on riskier debt reached 4.5 per cent in the year to September, above the long-run average of 4.1 per cent. In the US, the rate was 4.9 per cent, and Moody's predicts it will peak at 5.4 per cent, but if conditions worsen it could soar as high as 14 per cent.

Market participants say that defaults so far have been mostly driven by business- and industry-specific issues. "For the most part, [tighter monetary policy] has been a compounding effect for companies that were otherwise struggling," says one senior restructuring lawyer.

"They just haven't recovered in terms of business performance and profitability — and now they've got the interest burden on top . . . it's creating a tremendous amount of liquidity pressure."

These defaults are already having a stark human cost. In April, the 52-year-old retailer Bed Bath & Beyond finally succumbed to bankruptcy, after refinancing its debts nine months earlier. Almost 500 stores are closing, and 14,000 people losing their jobs.

In a possible sign of more defaults to come, Moody's "B3N negative and lower" roster — a distressed debt watchlist — rose to 240 companies during the third quarter of this year, up from 177 companies a year ago.

Companies have responded to rising borrowing costs by extending the maturity profile of debt, offering additional collateral in return for lower interest rates or tapping newer sources of borrowing, such as the private debt market.

Those that have run into trouble have pursued resolutions other than traditional insolvency in an attempt to buy more time for restructuring.

But an extended period of more subdued demand and elevated financing costs could still spell trouble for many. "Interest rates are simply biting harder and harder, and having more significant implications," says Torsten Slok, chief economist at investment firm Apollo.

"The most highly levered companies are going to be more vulnerable."

Concerns multiplying

If the pressure on corporate borrowers wasn't high enough already, last month the yield on 10-year US government bonds exceeded 5 per cent for the first time since 2007.

Average funding costs for the $8.6tn market in the highest quality corporate bonds, known as investment grade, are now above 6 per cent, according to Ice BofA data. Although that is three times their lows of below 2 per cent in late 2020, market participants are relatively sanguine about the health of these high-quality companies.

"They have smaller debt stacks [compared with] the size of their overall capitalisation. They're less levered," says Maureen O'Connor, global head of Wells Fargo's high-grade debt syndicate.

There is more concern about less creditworthy borrowers in the $1.3tn non-investment grade market, often called junk or high-yield. Coupons now average 9.4 per cent, more than double their lows in late 2021. The picture is similar in Europe. "When interest rates are 1 or 2 [per cent] you can incur a lot of debt and you can afford the debt service," says Lauria at White & Case. "When they go up to 5, 6, 7, 8, 9, 10, things become more challenging."

Bond yields in that territory are cheering for investors after years of meagre returns, but they are a burden for smaller companies in particular. A recent survey by the National Federation of Independent Businesses showed that US small-caps were paying almost 10 per cent interest on short-term loans in September, up from lows of 4.1 per cent in mid-2020.

Higher rates have put a stop to most debt-backed buyout activity and made refinancing existing borrowings more challenging. Sub-investment-grade companies carry more credit risk, reflected in the higher interest costs of their debt, and have almost $570bn of bonds maturing over the next five years.

But roughly half of this market is rated BB or equivalent — the highest rating outside of investment grade, leaving PGIM's Peters to observe that the so-called junk bond market "is a lot less junky these days". He says leverage "has been pulled out of the high-yield bond market and put into the leveraged loan market and private markets".

It is these markets where concerns are most acute. Leveraged loans are typically raised by heavily indebted companies with low credit ratings and their coupons move up and down with prevailing interest rates.

They grew rapidly during the era of cheap money, becoming a mainstay for risky borrowers and debt-financed buyouts. At $1.4tn, the US leveraged loan market is now worth more than its high-yield bond market and accounts for much of the non-investment grade debt due to mature over the next five years.

But as the Fed has tightened, loan issuers have felt the pain of rising borrowing costs quicker than their counterparts in the fixed-rate bond market, and warning signals about issuers' ability to service their debts are already flashing.

Cash interest coverage on new loans dropped to 3.16 times by the end of September, its lowest level since 2007 if compared with previous full years. Interest cover has also declined for existing loans, data from PitchBook LCD shows, signalling that earnings are not growing quickly enough to keep pace with borrowing costs.

Leveraged loans are mostly bought by so-called collateralised loan obligations, which package up the loans and sell them on as investment products spanning different credit ratings. But they cannot hold large amounts of very risky debt, such as that rated CCC or below.

A flurry of downgrades to that rating could trigger a process that cuts off cash flows to the bottom tier of investors in the CLO. Many CLOs are also exiting their reinvestment periods this year — the timeframe over which they can buy new debt — potentially further shrinking demand for leveraged loans.

Investors and analysts expect higher-for-longer rates to expose businesses whose weaknesses had been masked by easy access to cheap money.

"We're seeing quite a few companies that have very heavily leveraged balance sheets who are concerned — and their counterparties are concerned — about their ability to refinance that debt as it matures," says Lauria.

PGIM's Peters expects a "natural Darwinian winnowing out process" rather than a "cataclysmic type of situation". But Slok, at Apollo, says a few high-profile casualties could have an outsized impact. "If [interest rates] stay at these levels for the next nine months, you will begin to have household names in the high-yield index begin to be at risk of defaulting," he says.

"People would start looking at credit metrics for companies that are similar and begin to ask the hard questions".

The riskiest borrowers in the high-yield bond market are already paying 10 full percentage points more than government bonds of comparable maturity, more than double the average spread for all high-yield of just over 4 points.

Services, consumer products and healthcare have dominated Moody's B3N register. Healthcare companies have already been hit by lower reimbursement rates and rising staff costs, and many are backed by private equity firms that loaded them with borrowings when debt was cheap.

Just this month, for example, helicopter ambulance company Air Methods filed for Chapter 11 bankruptcy, citing its "unsustainable" debt load and the "strain caused by tightening financial markets" as contributing factors.

How borrowers responded

Many corporate treasurers took advantage of cheap money when rates were low to push out debt maturities, giving themselves breathing room for tougher funding environments. During 2021, as the mood music on interest rates began to change, there was a frenzy of borrowing on seven-year tenors, with the result that the amount of debt due to mature peaks in 2028, though it will rise each year up until then.

In the loan market, a trend towards refinancing several tranches of debt in one agreement when the first tranche matures could mean maturities are moved forward and refinancing risks increased, according to Moody's.

Market participants agree that many companies will survive tougher credit conditions, a sentiment reflected in the premium paid by high-yield borrowers in the US and Europe over their government equivalents. This spread is narrower than it was earlier this year in both the US and Europe.

Andrzej Skiba, head of Bluebay US fixed income at RBC Global Asset Management, predicts "a pretty benign default cycle" for US junk bonds, partly because many "old economy" companies that were struggling a few years ago chose to restructure in 2020. "That was like a washout event for the asset class," he says. "You have very few problematic names on the horizon."

Businesses facing refinancing have already shown resourcefulness in the face of higher interest rates. Some high-yield bond issuers have pledged collateral, giving lenders enhanced security over their assets or cash flows in return for lower borrowing costs.

Those that had borrowed at low rates have also tried to push deadlines for repayment further out in to the future. "We had a lot of 'amend and extends' in September in the loan market," says Nick Kraemer, head of ratings performance analytics at S&P Global Ratings, "but not necessarily a lot of defaults."

Companies arranging new debt have shortened the windows over which they borrow to avoid locking in high yields.

But creative financial engineering has also altered the composition of defaults. Many borrowers are now opting for so-called distressed exchanges, reaching agreements that involve creditors receiving assets worth less than the face value of bonds or loans rather than resorting to bankruptcy proceedings.

"If we look at the first three-quarters of this year, distressed exchanges comprise roughly two-thirds of all corporate family defaults in the US," says Julia Chursin, senior analyst at Moody's. She adds that 78 per cent of them were done by private-equity owned companies.

Distressed exchanges can be more appealing to private-equity firms, because they often leave a creditor company's equity less impaired. But Chursin notes that historically, half of all issuers who chose distressed exchanges have ended up seeking another restructuring or, like Bed Bath & Beyond and healthcare provider Envision, filing for bankruptcy. "Whether it's another distressed exchange or a bankruptcy, it is still a haircut for investors," she adds.

Public markets, in which parcels of debt can be traded, are not the only option for companies trying to refinance or simply avoid default. Private credit, where specialist firms lend directly to borrowers, has exploded in size; UBS put its value at $1.55tn this year, up from $1tn in 2019. Businesses, from tech firm Hyland Software to shoemaker Cole Haan, have refinanced their debt with new loans from private debt this year.

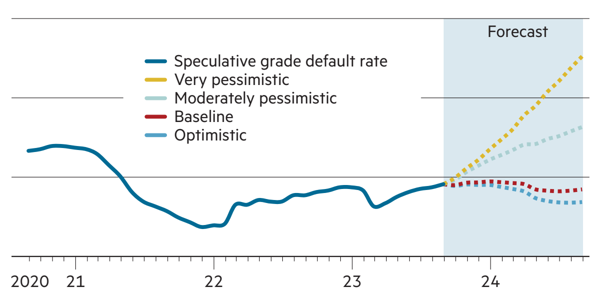
Negotiating with just a handful of lenders rather than a big syndicate can be quicker, easier and bring more certainty of a deal getting over the line, say analysts and investors. But if a creditor company fails to recover, its fate rests in the hands of that same small handful of lenders, rather than a bigger group of investors — a situation that could limit the range of avenues still open to the troubled borrower.

Lending standards also tend to be more exacting, while companies backed by private credit "are still dealing with the same macro environment that everybody else is", notes S&P's Kraemer. And with no publicly visible pricing, mounting stress in private debt is hard for investors to track.

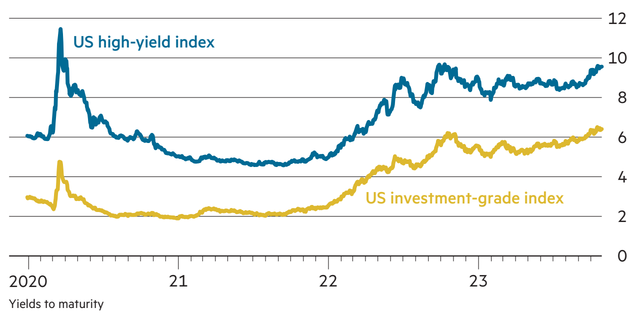
For Bluebay's Skiba, "the clock is ticking" in both the leveraged loan and private credit markets. "One or two fires" in a portfolio might be containable, he says, but distress on multiple fronts could easily lead to a situation "where some of those owners say, 'I just can't inject equity everywhere, I cannot just provide new cheques to those portfolio companies right, left and centre.'

"That's when you have accidents occurring. That's when you have the default rate picking up."

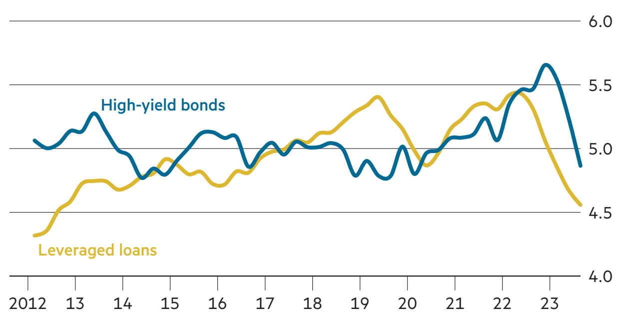
Default rates are rising and could go much higher
Global speculative grade default rate (%)



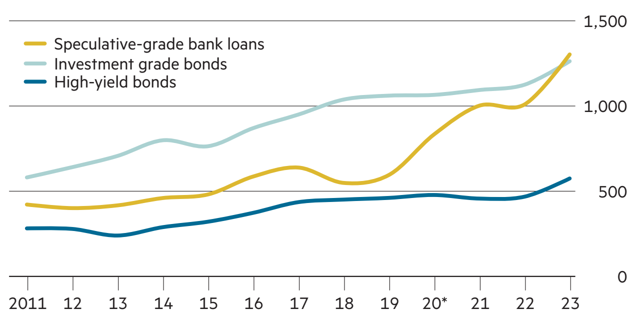
Corporate bond yields have risen sharply
Per cent



Debt service costs are eating up more of company profits
Debt/ebitda ratio on new lending (average over past four quarters)



Over $3tn of debt will need refinancing in the coming years
Five-year maturities ($bn)



Sources: Moody's; Ice Data Services; PitchBook LCD
* 2020 data is an average of two readings due to Covid-19

'Interest rates are simply biting harder and harder, and having more significant implications'

'We're seeing quite a few companies that have very heavily leveraged balance sheets who are concerned about their ability to refinance'

FT Series
Higher for longer
This is part of a series about the impact of interest rates across businesses, governments and economies
Full series at ft.com/higher-longer

Helicopter ambulance group Air Methods cited its 'unsustainable' debt load when it filed for bankruptcy

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Sunak is harming the UK's climate reputation

Mandating North Sea oil and gas licensing is not a good use of parliament time

Even by the usual standards of governments a year away from an election, Prime Minister Rishi Sunak's legislative agenda unveiled in yesterday's King Speech is thin gruel. Given the scale of challenges facing the UK, it is especially unfortunate that it put so much focus on drawing short-term political divides with the Labour opposition. Nowhere is this more evident than in the plan to mandate annual licensing rounds for North Sea oil and gas drilling. This is unlikely to significantly slow the decline in production from a dwindling reserve — even if the Conservatives manage to win the election. But by playing politics over the energy transition it further dents the UK's reputation as a leader on climate change.

The government bills the move as promoting UK energy independence, and evidence of Sunak's more "pragmatic, proportionate and realistic" approach to meeting its 2050 net zero target since he watered down key policies in September. Though briefly paused for a review a couple of years ago, however, North Sea licensing rounds take place fairly regularly. Using scarce parliamentary time to legislate to hold them annually changes little — but is a way of forcing Labour to repeal the law if it wants to go ahead with its plan to stop new drilling.

Energy companies will surely not alter investment plans for now but will wait to see what happens at the next election. Even if the Conservative government — and the new law — survive, the North Sea is a declining province many of whose best assets are tapped out. It will have to compete for investment, in an era in which global fossil fuel demand is forecast soon to have peaked, with newer and more attractive regions. Continued licensing rounds are likely at best to make the slope of decline a little less steep. The impact in terms of preserving jobs and tax receipts, and displacing "dirtier" imports of liquefied natural gas, is likely to be limited.

A sounder way to bolster energy security would be to bear down much harder on demand for oil and gas, and go all-out to expand homegrown clean energy sources. Instead, the Sunak government recently delayed a ban on the sale of petrol cars and eased the transition away from gas boilers. It ought to be organising mass home insulation schemes, advancing the switch to heat pumps and removing blocks on onshore wind. While the King's Speech did mention efforts to secure "record" investment in renewables, the waters were muddied by the twin focus on oil and gas.

The UK Tories are not alone in making political capital out of the "green backlash" intensified by the cost of living crisis. Parties, particularly of the right, have been doing the same in Europe and the US. The government points out, too, that the UK has a strong climate record, having cut emissions by more than any G7 country and, in 2019, becoming the first big economy to enact a binding net zero pledge.

> Britain will now struggle to speak with the same authority as when it hosted COP26 in Glasgow two years ago

None of that makes Sunak's dilution of climate policies less regrettable. It also adds to the chopping and changing of policymaking that investors cite as a big disincentive to put money into the UK. That looks particularly short-sighted given the volume of private capital globally now looking for a home in supporting the green transition.

Three weeks ahead of the COP28 climate conference in the United Arab Emirates, moreover, Britain will now struggle to speak with the same authority as when it hosted COP26 in Glasgow in 2021. The impression that rich economies such as the UK are treating climate change with less urgency than before — and trying to hang on to what they can of fossil fuel production — will only make it harder to persuade developing countries to forgo the carbon economy.

Opinion Society

Science needs diversity more than ever

Andy Carter

Anjana Ahuja

The machinery of government can move surprisingly quickly, especially when oiled by outrage. Within days of the UK's leading scientific research funding agency assembling an advisory committee on equality, diversity and inclusion, the secretary of state for science was publicly demanding its dissolution.

In a letter subsequently published on X, Michelle Donelan accused two committee members of extremist views in connection with the war in Gaza. The committee is now suspended and several academics on other advisory panels have resigned in protest.

Cool heads must now prevail to stop science becoming a new front in a damaging culture war. Researchers should be free to speak out as individuals, including on sensitive political matters, while staying on the right side of the law. Ministers who vaunt the values of free speech and intellectual liberty should foster, not stifle, an academic atmosphere that makes room for opposing views and difficult challenges, often derived from an EDI perspective. If nothing else, the public inquiry into Covid-19 has exposed the importance of widening research participation and questioning orthodoxy.

> If nothing else, the public inquiry into Covid-19 exposed the importance of questioning orthodoxy

The row began on October 28, when Donelan publicly posted a letter addressed to UK Research and Innovation, the science funding agency that will disburse nearly £9bn over the next financial year and which oversees Research England, the home of the new EDI committee. In the letter, she expressed "disgust and outrage" at social media content circulated by two named members, unearthed by the Policy Exchange think-tank. One member had reposted a Guardian article about the home secretary cracking down on signs of support for Hamas and called the story "disturbing"; the other had reposted material condemning violence on both sides and referring to Israel's "genocide and apartheid".

Accusing the UKRI's chief executive Dame Ottoline Leyser of failing to conduct due diligence, Donelan said she wanted the group closed down and an investigation launched. Leyser responded publicly — and pointedly — that the committee would be suspended pending an investigation based on the Nolan principles of public life and lawful freedom of speech. The University and College Union condemned the "worrying level of political interference" and claimed the academics' views had been misrepresented.

Donelan's intervention appears ill-judged on several fronts. Professor John Womersley, a special adviser to the College of Science and Engineering at the University of Edinburgh and a former chief executive of the Science and Technology Facilities Council, described it as "an imposition of ministerial control on what should be an arms-length body. Government has the right to demand accountability and transparency but not to impose micromanagement." Singling out individual academics for censure on social media is unwarranted.

One wonders, though, whether the cogs of ministerial apoplexy are spinning in pursuit of a wider goal: to put the boot into the business of EDI. In her complaint, Donelan expresses concern that "in recent years UKRI has been going beyond the requirements of equality law in ways which add burden and bureaucracy to funding requirements." The secretary of state had already launched a much-mocked campaign with the strapline: *Kicking Woke Ideology out of science*.

But the belief that EDI creates burdens without benefits is misguided. First, underrepresentation is a live issue on UK lab benches. Only 9 per cent of chemistry professors are female — and, in total, only one is black. There are no black physics professors. The Royal Society is piloting career development fellowships targeting researchers of black heritage.

Second, the Covid-19 inquiry has shown how people cut from the same cloth can engage in harmful groupthink. Women, said one civil servant, seemed "invisible" in pandemic planning, whether it was female health workers unable to find protective equipment to fit them or those at risk of domestic abuse during lockdowns.

One frustrated modeller observed a lack of ethnic and gender diversity among scientists recruited to Sage, and a failure to stress-test assumptions; one Downing Street adviser, a rarity for having attended a state school, lamented that these missing perspectives created "problems in decision-making, policy development and culture".

Perhaps it should not surprise us that Covid hit marginalised communities disproportionately hard. When scientists, researchers and policymakers view problems through the same narrow lens, they miss the bigger picture.

The writer is a science commentator

Letters

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Spain's Catalan amnesty will not foster genuine reconciliation

Your editorial "Amnesty for Catalan secessionists is a gamble worth taking" (November 7) asserts that an amnesty law for hundreds of individuals charged with or convicted of various crimes, including misappropriation of funds, perverting the course of justice and membership of a terrorist organisation, is the appropriate policy for Catalonia and Spain. However, the proposed amnesty is of dubious legality, immoral and undemocratic.

Spain's General Council of the Judiciary, the body governing the country's judiciary, expressed concern that the amnesty "entails the degradation, if not abolition, of the rule of law in Spain". Even the Sanchez government, previously opposed to the amnesty, found it "unthinkable in a democratic state" as it compromises the judiciary. However, the legal debate, while crucial, should not overshadow the moral dilemma. The amnesty is unjust as it exempts citizens from the law, benefiting the government, rather than seeking justice.

Sanchez's motivation for the pardon measure is opportunistic, driven by the need for parliamentary support rather than genuine reconciliation. Regardless of the stated purpose of the law once it is introduced, its preponderant objective is maintaining political power rather than fostering unity. In fact, pro-independence leaders have consistently reaffirmed their refusal to abandon their cause, emphasising their intent to proceed with a referendum on self-determination.

Beyond its legal and moral concerns, the amnesty raises questions about its democratic legitimacy. The public consensus for such an exceptional resource is lacking, with around two-thirds of Spaniards, including nearly half of Socialist voters, opposing it, according to polls. Notably, the Socialist party decided to hide this option from voters in the July elections, recognising a lack of popular support.

Opposing this amnesty is not ideological, but centres on upholding the constitution and our democratic institutions. The beneficiaries of this amnesty are not Catalan and Spanish citizens but, instead, the public representatives who undermined Spanish democracy, eroded the rule of law, and a prime minister seeking to maintain power in a partisan manoeuvre that disregards the broader interests of the Spanish people. The rule of law will be the clear loser of this political gamble.

Pablo Aldrey
Barcelona, Spain

Leave credit to the yield curve, not to central banks

Soumaya Keynes' column (Opinion, November 3) highlights the fundamental flaw in monetary policy, as practised in the US, the UK and many other countries — the assumption that central bankers, as central planners, can do a better job than the financial markets in varying nominal interest rates, in response to changing economic conditions, so as to maximise economic output while maintaining level prices and financial stability.

In effect, central bankers, as central planners, are assumed to be better equipped through their presumed forecasting skills than the financial markets to continually vary interest rates in a manner that will produce solid, non-inflationary economic growth.

History teaches otherwise. Policy tools are poor proxies for the actual give and take of the credit markets, which reflects what is happening in the real economy, not in some flawed model. By now, the decades of the wasteful economic volatility triggered by central bank interest-rate manipulations should have taught that financial markets are much better equipped than central bank bureaucrats to vary the price of credit, across the yield curve, in a manner that maximises economic output in a more stable financial manner than central banks have ever produced.

Bert Ely
President, Ely & Company, Alexandria, VA, US

Lurches in money supply are proven British menace

We write to express our concern about UK monetary developments (The Big Read, November 4). In April 2021 we signed a letter to you warning that the then rapid growth of the quantity of money — of more than 15 per cent in the previous 12 months — would result in well above-target inflation. The position today is very different. In the year to September the quantity of money fell by 4.2 per cent.

By "the quantity of money" we mean the M4x aggregate prepared by the Bank of England, with the series starting at the end of 1997. The 4.2 per cent fall is the largest to have been recorded in the subsequent 26 years of data. Indeed, until 2023 no annual decline in this measure of money had occurred at all, not even in the Great Recession of 2008 and 2009.

Whereas in early 2021 the worry was above-target inflation, now it is of a needlessly severe recession. If the quantity of money continues to slide, there is a possibility in 2025 or 2026 of beneath-target inflation or even deflation. It cannot be overlooked that the monetary contraction has already been accompanied by balance-sheet strain and asset price weakness. According to the Nationwide index, house prices dropped by 3.3 per cent in the year to October, while the FTSE 250 index of UK company shares is off by 30 per cent from its last peak in autumn 2021.

Large fluctuations in money growth are a menace to the British economy. In our view the Bank of England is again mismanaging monetary policy. Lurches in only a few years from much above-target inflation to deflation are destructive and unnecessary, and can have tragic consequences for households and companies. We recommend stability in money growth at a low rate. Stability in money growth should prevent big swings in demand, output and employment, while an appropriately low increase in money contributes to on-target inflation.

Juan Castañeda
Director, The Vinson Centre, University of Buckingham
Professor Tim Congdon
University of Buckingham
John Greenwood
Chief Economist, International Monetary Monitor
Julian Jessop
Independent Economist
See list of signatories at www.ft.com/letters

India's electoral bonds

Nathan Punwani says "the ruling government in New Delhi is anything but a centralising autocracy" (Letters, November 6).

May I suggest it is precisely because Narendra Modi's Bharatiya Janata party is losing state elections that it is introducing electoral bonds with the aim of reversing the trend and further entrenching its power.

Martin Staniforth
Leeds, West Yorkshire, UK

City looks to the chancellor to realise space ambition

Your newspaper has highlighted the economic opportunities in space ("The pursuit of space-based solar energy", The Big Read, October 18) and the risks apparent there ("The satellite industry needs a sustainable insurance market", Inside Business, September 28).

The UK has a long involvement with the space industry through our world-beating science and technology base and satellite manufacturing capabilities. We are a leader in recognising the need for effective sustainability standards as exemplified by the ambitions of Astra Carta, a call to action to put sustainability at the heart of space activity, a vision originally outlined by King Charles.

This plays to strengths in our legal community and opens up commercial opportunities in dealing with the increasing dangers of space debris.

The UK financial services sector could have a key role in the growth of the space economy, predicted by Citi to be worth more than $1tn by 2040, and reap the enormous associated benefits. Almost everything needed is in place, whether bond markets, insurance, institutional capital, law or the regulatory environment. London has the infrastructure required to become the world's pre-eminent space finance and investment centre.

Joint action is now required between the government and the finance sector to realise this vision — neither can do it independently. Building on the chancellor's Mansion House compact to mobilise pension fund investment into productive assets, now is the time for a clear signal from government to galvanise participants across London's financial ecosystem and cohere behind this ambition.

We call upon the government to state an explicit target in the forthcoming space sector plan that the UK and the City of London becomes the pre-eminent global centre for space finance within the next decade. Led by the Department for Science, Innovation and Technology, this can be achieved through collaboration with the UK financial and professional services sector, which is ready to rise to the challenge.

Sally Bridgeland
Chair, Impax Asset Management Group; Non Executive Director, Pension Insurance Corporation, RSA and Royal London
Lord Cromwell
House of Lords, London SW1, UK
Sir William Russell
Lord Mayor, City of London (2019 — 2021)
Ian Taylor
Former Minister for Science & Space and former Chair National Space Academy Steering Group
See list of signatories at www.ft.com/letters

Best advocate for a deaf child is an informed parent

We read with great interest Sarah Neville's article "World-first gene therapy trial launched to cure type of deafness" (Report, October 12).

We welcome gene therapy research, such as the OTOF trial featured. And we'll be sure to inform the parents of deaf children about this.

However, it's vital to understand that deafness is not a barrier to achievement or happiness, nor should deaf children ever be seen as objects of pity. We firmly believe that, with the right support right from the start, a deaf child can lead a fulfilled and happy life. We'll continue to give parents all the information they need in an impartial and balanced way, so they can continue to make informed choices about their deaf child's future. The very best advocate for a deaf child is an informed parent.

Susan Daniels
Chief Executive, National Deaf Children's Society, London EC1, UK

Does AI undermine the case for Stem skills?

As the sages at the Bletchley Park summit ("Summit exposes tensions over AI development despite emollient Chinese tone", Report, November 4) wind up the event with entreaties to "regulate" artificial intelligence, they have, en passant, contributed greatly to the boosterism of AI that emanates from the IT community and the commentariat at large. The possibility that AI may, like other IT tropes, fail to live up to its promise, seems to have been overlooked. Worse still, AI is considered to be such a success that, according to the recent report from the IBM Institute for Business Value, some business leaders are "rushing to reorganise, elevating new [AI] skills while deprioritising those that have become obsolete". What might these "obsolete" skills be? The IBV survey found that Stem skills (science, technology, engineering and maths) are "plummeting in importance".

After all, why bother learning anything "scientific" when you can just ask ChatGPT? A new generation of students may consult their favourite large language model, but without Stem skills they will be in no position to evaluate the answers.

Neil McNaughton
Editor, Oil IT Journal, Sèvres, France

Correction

● Vivendi controls 24 per cent of the votes and 17 per cent of the share capital in Telecom Italia, not vice versa as wrongly stated in a Lex note in some editions on November 7.

Opinion

Iran's interests are overtaking the Palestinian tragedy

Kim Ghattas

Lebanon, and perhaps much of the world, breathed a sigh of relief on Friday when Hassan Nasrallah, leader of the powerful Lebanese paramilitary group Hizbollah, finally spoke after four weeks of silence. He sounded like a warrior but didn't declare war. Lebanon would be spared all-out confrontation with Israel — for now. Many Palestinians felt betrayed, not out of a desire for more conflict, but out of desperation for some back-up amid the devastating Israeli pounding of Gaza.

But Nasrallah's speech was an opening gambit in Tehran's negotiations with the US for its future place in the region, at a critical juncture not only for the Middle East but for the Islamic Republic. Tehran's top priorities are regime stability, amid domestic political and economic pressures, safeguarding as many of its regional assets as possible and ensuring a smooth succession for the 84-year-old Supreme Leader Ali Khamenei when the time comes.

Iran has spent the past 44 years using the Palestinian cause to advance its own interests and enhance its standing with Arabs — it promises to liberate Jerusalem by using proxies to attack Israel far from its own borders, threatens America and generally plays a disruptive role. But the Palestinian element of the strategy appears to have run its course after Hamas's incursion into Israel on October 7 brought not only retaliatory wrath down upon Gaza, but also the largest US military build-up in the region in many years.

Whether Iran knew of Hamas's plans or not, it seems not to have anticipated the scale of the operation and the backlash. Tehran is suddenly staring at the very real prospect of direct confrontation with the US and Israel — and it appears to have quietly decoupled its interests from those of the Palestinians.

> Whether Tehran knew of Hamas's plans or not, it seems not to have anticipated the backlash

Over the past year, both Nasrallah and the head of Iran's Quds Force, Esmail Qaani, spoke of co-ordinating Iran's proxies and unifying fronts against Israel. But in his speech, Nasrallah said the Hamas operation was "the result of a 100 per cent Palestinian decision". So much for unity. This of course conveniently helps avoid direct retaliation. But Nasrallah added that those who thought the operation or its timing served Iran's interests were wrong. Tehran is setting its own course.

Last month, Khaled Meshaal, a top Hamas official, complained that the group had expected more support from Hizbollah. But when he spoke, Nasrallah made clear the cavalry wasn't coming. Iran views Lebanon as a forward defence base with Hizbollah as a key line of defence should the regime come under direct threat — it cannot sacrifice this asset for the Palestinians.

Instead, Tehran will increasingly poke America in Syria and Iraq while Hizbollah will do just enough from southern Lebanon to show it is helping Hamas. Sixty-one Hizbollah fighters have already been killed, a high number that has shocked their base, considering the low-intensity warfare on the border. Nasrallah explained it away by claiming that Hizbollah's tactics are keeping one-third of Israel's army busy on its northern border.

Nasrallah did warn escalation was possible if the war on Gaza doesn't stop or if Israel oversteps the rules of engagement with Hizbollah. Nasrallah understands the rhythm of war well. He knows no US administration has ever called on Israel to cease fire within days or even a couple of weeks of a conflict erupting. He chose to speak after four weeks and more than 10,000 Palestinian deaths, his warning conveniently coinciding with President Joe Biden's first call for "tactical pauses". Israeli prime minister Benjamin Netanyahu now appears to have tacitly agreed to such pauses.

There are now two wars evolving in parallel: the direct one between Hamas and Israel, and the indirect one waged by Tehran. This also means parallel tracks of diplomacy: the first is the immediate urgent task of protecting Palestinian civilians, releasing Israeli hostages, bringing in aid to Gaza and reaching a ceasefire. Biden has also put the peace process and a two-state solution back on the agenda. But the longer Israel's attack on Gaza continues, even with pauses, the harder it will be for Arabs to engage and for Saudi Arabia to salvage efforts at normalisation.

Iran also benefits from the war dragging on. It may be in a tight spot now but it is adept at turning moments of jeopardy into opportunity. This weekend, Nasrallah will speak again while Iran's president, Ebrahim Raisi, will make his first visit to Riyadh to attend the summit of the Organisation of Islamic Cooperation. The Saudis should ask Raisi not just what Iran wants but what it's willing to give up, from Lebanon to Iraq.

The writer is author of 'Black Wave' and distinguished fellow at Columbia University's Institute of Global Politics

A Trump win would change the world

Martin Wolf Economics

His second term could have profound implications for America, its allies and the global economy

On November 19 1919, the US Senate repudiated the Versailles Treaty. With that decision, the US withdrew its might from maintaining what had been agreed in the aftermath of the first world war, leaving this task to the British and French, who lacked both the will and the means to do so. The second world war followed. After that conflict, the US played a far more productive role. Today, the world is still in many ways the one the US made. But for how much longer will that be the case? And what might follow it? The outcome of the next presidential election might answer these questions, not just decisively, but, alas, very badly.

Recent polls suggest that almost 55 per cent of US voters disapprove of Joe Biden's performance. They also suggest that Trump is slightly ahead of Biden in head-to-head polling before the election now a year away. Finally, they suggest that Trump is ahead of Biden in five of the six most important "battleground" states. In all, a Trump victory is clearly and disturbingly plausible. (See charts.)

What would that mean? The most important answer is that the US, not just the world's most powerful democracy, but its saviour in the 20th century, is no longer committed to democratic norms. The most fundamental of such norms is that power has to be won in free and fair elections. Whether US presidential elections are "fair" is debatable. But they do have rules. Efforts by the incumbent to overthrow those rules amount to insurrection. That Trump attempted to do so is not debatable. Neither is the absence of evidence of fraud to support his attempted coup. He is properly under indictment. Yet he might still win a presidential election. One reason why he might do so is that close to 70 per cent of people who identify as Republicans say they believe his lies. This is shocking, though, alas, not that surprising.

What would another Trump presidency mean for the US, beyond an endorsement of a man who attempted to overthrow the constitution? Obviously, the answer would depend partly on the balance in Congress. Yet it would be wrong to draw additional comfort from how he behaved last time. Then he relied on quite traditional figures from the military and business. Next time will be different. "Maga" is now a cult with a sizeable number of believers.

A crucial domestic plan of Trump's is to replace the career civil service with loyal servants of the president. The excuse is the alleged existence of a "deep state", by which critics mean knowledgeable career civil servants whose loyalty is to the law and the state, not to the person in power. One reason this is objectionable is that modern government cannot run without such people. The bigger reason is that if the intelligence, homeland security and internal revenue services, the military, the Federal Bureau of Investigation and the Department of Justice are subservient to the whims of the head of state, one has autocracy. Yes, it's that simple. With a vengeful head of state, abuses of power could be pervasive. This would not be the US we have known. It might be more like Viktor Orbán's Hungary or even Recep Tayyip Erdoğan's Turkey.

What might this mean for the world?

Most obviously, embrace by the US of a man and a party that have repudiated the central norm of liberal democracy would dishearten those who believe in it and encourage despots and their lackeys everywhere. It is hard to exaggerate the effect of such a betrayal by the US.

> We would have to adapt to the fact that the country's president had openly tried to subvert its democracy

The mixture of this despair with Trump's avowedly transactional approach would weaken, if not destroy, the trust on which current US alliances are based. Americans are right to decry the freeriding of most allies. There is no doubt, above all, that Europeans (among which the UK is included) must do more. But the alliance needs a leader. For the foreseeable future, the US has to be that leader. With Russia threatening Europe, and China a peer competitor, alliances are going to be more important than ever — not just for its allies, but for the US, too. Trump neither understands nor cares about this.

Then there are the implications for the world economy. Trump is proposing to introduce a 10 per cent across-the-board tariff on all imports. This would be a contemporary (albeit milder) version of the infamous Smoot-Hawley tariff of 1930. It would surely lead to retaliation. It would also do huge damage to the World Trade Organization, by repudiating US commitments to lower tariff barriers over many decades.

As important is likely to be the impact on efforts to tackle climate change. The US itself would presumably reverse many measures in Biden's Inflation Reduction Act. As significant might be a likely US withdrawal from efforts to promote investment in clean energy in emerging and developing countries.

Prospective relations with China must also be in question. Here the changes might not be that dramatic, because hostility to China's rise is bipartisan. But the opposition to China would be less about ideology under Trump, who cares not a whit about such differences between autocracies and democracies. He rather prefers the former. It would become just a contest over power, with Trump trying to keep the US number one. How differently that would turn out is unclear. Trump might seek to turn Russia against China, as Nixon did China against the Soviet Union. Abandonment of Ukraine might be his bait.

A second Trump presidency might not ruin the US forever. But both it and the rest of the world would lose their innocence. We would have to adapt to the reality that the US had re-elected a man who had openly tried to subvert its democracy. It is possible that the indictments against Trump will save the day. But that fragile hope highlights today's threat to democracy.

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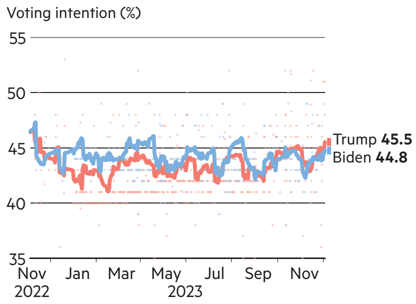
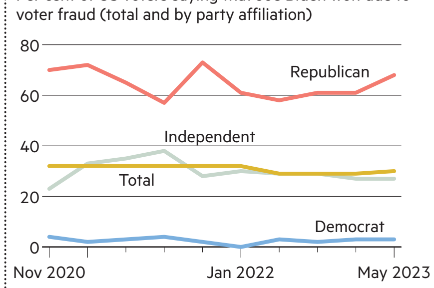
National polls suggest Donald Trump and Joe Biden are neck and neck
Voting intention (%)



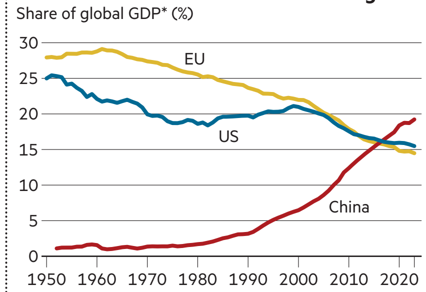
Source: FT calculations based on data from FiveThirtyEight • Latest poll Nov 3

Voters are deeply divided over who won the 2020 presidential election
Per cent of US voters saying that Joe Biden won due to voter fraud (total and by party affiliation)



Source: Monmouth University Polling Institute

The purchasing power of China's GDP is still smaller than those of the US and EU together
Share of global GDP* (%)



* At purchasing power parity. EU current composition throughout
Source: The Conference Board

Economic sanctions risk losing their bite as a US policy weapon

Elina Ribakova

In recent decades, the US has increasingly wielded financial sanctions as a foreign policy tool, leveraging its position at the heart of the global financial system to ensure compliance, all at a fraction of the cost of military action. With Russia's war in Ukraine and the more competitive relationship with China, America is experimenting with new economic policy weapons, such as a price cap on Russian oil sales and controls on technology exports to Russia and China. But so far, these measures have yielded mixed results. As it confronts a daunting set of geopolitical challenges, the US needs a comprehensive framework for economic statecraft to alter the private sector's risk calculus.

America functions as the central node in the global financial architecture, granting it the power to threaten to disconnect uncooperative actors from access to the US dollar and international payment systems. For example, when the US unilaterally pulled out of the Iran nuclear deal in 2018, the threat of American sanctions shattered all European efforts to stay engaged with Iran.

However, the success of US financial sanctions did not come overnight. It required investments in domestic institutional infrastructure, the alignment of objectives (including anti-money laundering and counter-terrorist financing efforts), and the imposition of multibillion-dollar fines to clean up the international banking system after 9/11. It took years, if not decades, for the US to establish its credibility.

Today's challenges extend beyond finance to markets where the US lacks an absolute competitive advantage, such as global commodities and technology. The oil price cap has not been an indisputable success, with evidence of Russia selling above the cap using G7

> Enhanced implementation and enforcement in the private sector would discourage bad actors

shipping and insurance services. Even when Russia appears to be selling oil below the cap, for instance, to India, inflated transport costs allow Russian-affiliated companies, including oil traders, to capture some of the market arbitrage. Moreover, Russia is reducing its reliance on G7 companies. Shifting most of its exports to a shadow fleet will put them beyond the reach of the US and its allies.

Despite being under severe US, EU and UK export restrictions, Russia continues to import critical components for its war on Ukraine. China, among others, aids in producing dual-use goods for the Russian military. A few hundred government officials responsible for export controls in the US Department of Commerce cannot police the entire world. The burden of proof required to demonstrate that a company knowingly sent a component to Russia is excessively high. Consequently, only intermediaries end up on the sanctions list, bound to re-emerge under a new name at the same address shortly after. Despite the undisputed global reach of the US dollar, there is no infrastructure to "follow the money" and utilise financial sector data to pursue those violating export controls and the oil price cap.

The steps taken by the US now are being closely observed by other nations, particularly China. This situation could either serve as a prelude to future confrontation or as a positive demonstration of US power. By expanding beyond financial sanctions, the US risks spreading itself too thin and losing credibility. America needs a doctrine of economic statecraft supported by a revamped and strengthened institutional infrastructure and private sector co-operation. Budget spending on the US public sector responsible for economic statecraft must be compared to the costs of inaction or military intervention.

The private sector, although reluctant to be the sharp end of US foreign policy, also plays a crucial role in implementing and enforcing sanctions. Changing corporate risk calculations to ensure compliance with sanctions is crucial, in much the same way as banks tightened their scrutiny of financial transactions to avoid large penalties. While corporations may argue that tracing their shipments is challenging and reporting requirements are burdensome, they can, like banks in the past, develop sophisticated compliance systems. Enhanced sanctions implementation and enforcement in the private sector would discourage bad actors and level the playing field. In the worst-case scenario, hefty fines can be a powerful deterrent, much as with banks.

In the absence of stepped-up enforcement and improved private sector compliance efforts, the effectiveness of sanctions will inevitably be eroded — and with it the credibility of US economic statecraft.

The writer is a non-resident senior fellow at the Peterson Institute for International Economics. She is a director of the International Affairs Program and vice-president for foreign policy at the Kyiv School of Economics

Lex.

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Short selling ban: the big thwart

It took just one day for the euphoria to wear off. News of a short selling ban in South Korea on Monday sparked a 6 per cent jump in the country's benchmark Kospi index, the most in more than three years. The next day a sharp share price reversal triggered a circuit breaker. That should not surprise. Short selling bans historically have had little lasting impact on market activity.

Korean regulators ordered a full ban on short selling — the first such restriction in three years — that will last to the end of June. Hopes abound for this blunt policy instrument in Korea. Retail investors count on the ban to encourage short covering to boost stock prices. Politicians yearn to win favour from voters.

During the 2008 financial crisis US regulators banned the short selling of financial stocks, for just over two weeks. That did little to stabilise markets. A previous prohibition had the opposite effect in 1932, sparking a market drop of more than 50 per cent.

Short trading bans often curtail trading liquidity, pushing bid to offer spread costs up. The Federal Reserve estimated that extra trading expenses resulting from the US ban in 2008 were more than $1bn.

The timing of Korea's prohibition is peculiar. Though down since midsummer, Korea's Kospi index is up this year. Without a looming crisis, one suspects the latest restrictions have a political angle. National legislature elections are coming in April. Market curbs are often welcomed by retail investors who sometimes see short sellers as vultures in the market.

It is true that nearly all short selling is done by foreign and institutional investors. But the practice is hardly pervasive there. Of total market value, short selling activity accounts for less than 1 per cent of the local market turnover.

These curbs complicate hedging processes. That can dent confidence in Korea's equity market and deter capital market activity. Institutional investors turned net sellers of Korean stocks yesterday. Shares of electric vehicle battery parts company EcoPro Materials, the country's second-largest listing this year, priced the same day at the bottom of its marketed range.

Short sellers contribute to market liquidity and effective price discovery. Keeping markets as open as possible is the best way to enhance their efficiency.

Bowlero: alley cats

In 2000, a Harvard sociologist published *Bowling Alone*, about the fraying of US social bonds. The book pointed to a decline in bowling league participation, once a sacred institution of middle-class domestic life.

Bowlero hopes it can get Americans to fill those alleys again; they just need good food, drink and music. The founder-led and private-equity-backed company went public through a Spac merger in 2021. Today it has more than 300 sites across the US.

With an enterprise value of $4bn and a stock price at about $11, it is one of the very few Spac listings that trades above the $10 issuance price.

Bowlero's high ebitda margins, above 30 per cent, help. Also, it is growing quickly through capital-intensive dealmaking and site remodels. In the past two years, capital expenditures have exceeded cash flow from operations. Not surprisingly, Bowlero's own customised free cash flow calculation presents a more favourable picture.

To raise cash, the company recently completed a $439mn sale-leaseback transaction with Vici Properties, best known as a Las Vegas casino landlord.

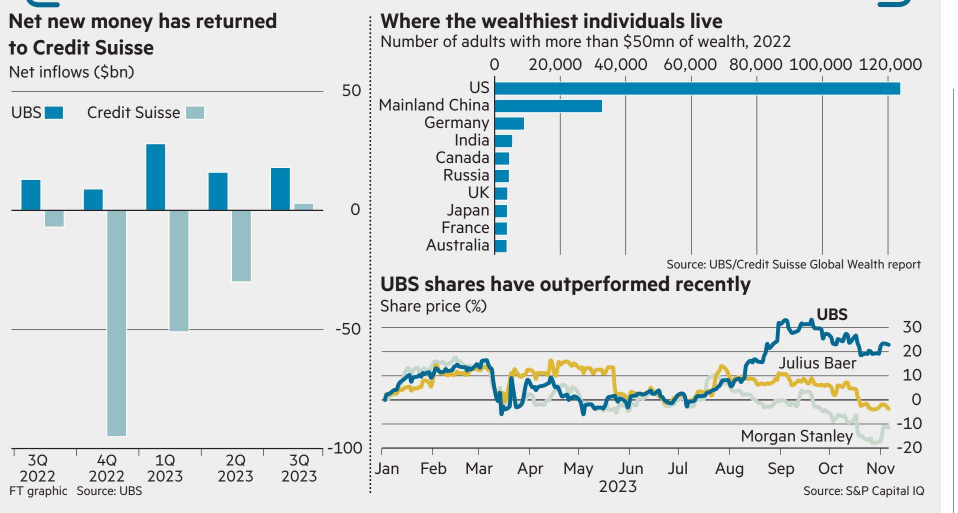
Eventually, Bowlero hopes to have a large base of sites that are supposed to mint big free cash flow. One peer is Topgolf, the virtual driving range/entertainment centres owned by Callaway, the golf kit manufacturer.

Both offer a nightclub-like atmosphere expecting customers to pay up for booze. Sport offers a filler for socialising, a model that has worked post the pandemic.

Of some 4,000 US bowling alleys, many are independently owned. That leaves a big roll-up opportunity for Bowlero. But the soaring cost of capital squeezes the economics of its earlier investment plans. Moreover, higher interest rates may damp any sizzle in discretionary consumer spending, leaving lanes underutilised. If gathering with friends becomes too expensive, Bowlero's model may prove a gutter ball.

UBS: wealthy prospects

The Swiss bank's shares have performed strongly since its March takeover of Credit Suisse. Its wealth management arm has announced $22bn of net inflows in the latest quarter. The US is home to the greatest number of the wealthiest individuals, those with more than $50mn in assets.



The ranks of the rich shrank last year. That does not necessarily mean wealth managers such as UBS have less in their coffers.

A mood of caution persists among clients, according to boss Sergio Ermotti. But the bank still struck an upbeat tone yesterday. Shares rose as much as 4 per cent as it reported a stronger than expected inflow into its wealth arm in the third quarter.

UBS's $3.3bn takeover of Credit Suisse in March might have been a cue for mass departures of disgruntled clients. But the wealth unit reported $22bn of net inflows, with the Credit Suisse Wealth Management business notching up its first quarterly net inflows since the beginning of 2022.

Yes, clients left. But the bank has lured some back, while winning new customers and more business from existing ones. The departure of 500 relationship managers has so far resulted in a loss of just $20bn of assets under management, a half per cent of the total.

Securing client loyalty does not come cheap. Their cash is being funnelled into higher-yielding products faster than before. That has reduced the wealth arm's net interest income by 3 per cent over the quarter.

Even given its scale, rivals circle. Citi has made growing its wealth business a strategic priority. Morgan Stanley, the largest wealth manager, is pushing deeper into the market. Outgoing chief executive James Gorman has promised to triple its assets under management to $20tn.

UBS's invested global wealth assets of $3.6tn put it behind its more highly valued rival Morgan Stanley. Buying Credit Suisse will add tens of billions of dollars in equity. But since then, the UBS price-to-book value at 0.9 is closing the gap with the 1.4 times of Morgan Stanley. UBS's share price has performed over six months, up 28 per cent. Its rival's has fallen.

Scale has advantages. UBS should achieve greater operating efficiency and pricing power as a result of bulking up. Better to capture more of the 53 per cent rise of clients in the $50mn-plus club since 2017. These quarterly results suggest that it will succeed.

Ceres Power/hydrogen: flat balloon

Hydrogen is 14 times lighter than air. But market forces have brought any related stocks back to earth with a thud.

A hydrogen hype cycle in early 2021 lifted the market capitalisation of companies such Ceres Power close to that of FTSE 100 utility Centrica. Ceres, worth £2.7bn in early 2021, today stands at just £419mn. Ceres has created technology that can produce hydrogen from steam. Its first 1MW electrolyser will shortly be shipped to a Shell research and development centre in India, it said yesterday.

This is not the turning point for Ceres. The solid oxide electrolyser is just a prototype. Its fuel cell technology — which turns hydrogen and oxygen into electricity — is more advanced. But it does not intend to manufacture either product.

Ceres licenses its technology and hopes to reap royalties from manufacturing partners. It thus has a less capital-intensive business than, say, local peer ITM Power which does make its equipment. Bosch of Germany and South Korea's Doosan are early fuel cell partners for Ceres. Both have factories due to open next year. However, a hoped-for joint venture in China is yet to materialise.

Its growth investment rose 67 per cent last year to £58.4mn, including £12.4mn in capital expenditure as it developed its electrolyser prototype. This should soon peak. Meanwhile, revenues, £22.1mn in 2022, are set to nearly triple by the end of 2025 as Ceres hopes to start receiving royalties. It should turn a profit in 2027, according to Visible Alpha estimates.

Cash should not be a concern for Ceres, though. It raised £181mn in early 2021. At the end of June, cash stood at £161mn. Though it should get through around £50mn this year, that pace will fall in coming years.

Cleanly produced hydrogen will be needed in large quantities to meet 2050 net zero targets. Even so, UK companies that help produce it will remain niche investments for a couple more years yet.

Bumble: heart breaker

Dating apps seem a little lovelorn. Last year marked the lowest number of downloads in four years, according to data from Sensor Tower.

That decline is dragging on market values. Bumble's share price has dropped 70 per cent since it listed in early 2021. Chinese social media company Hello Group, which owns dating site Tantan, is down 64 per cent. Match Group, owner of Tinder and Hinge, has fallen 83 per cent.

The odds of a near-term turnaround are slim. On Monday, Bumble founder and chief executive Whitney Wolfe Herd declared she was stepping down as CEO, and would be replaced by Slack CEO Lidiane Jones.

Bumble says this is an opportunity for investment in new technology such as artificial intelligence. But there is no proof that AI gimmicks will increase paying users.

Founded in 2014, Bumble set itself apart by giving women the ability to message first. It is the second most used dating app in the US but has never approached Tinder's popularity. Hinge, which focuses on relationships, presents a new threat. In the last quarter it reported a 44 per cent increase in revenue on the previous year, more than twice the pace of Bumble's growth.

Herd's departure comes six months after Bumble president Tariq Shaukat announced his own departure. Investor Blackstone is also stepping back. It remains the biggest shareholder but its stake has dropped from 46 per cent to 27 per cent over the past two years, according to S&P Global data.

On the plus side, free cash flow rose 28 per cent in the first six months of the year. Bumble has the means to invest in new ideas. It should prioritise enticing paying users to part with more money. Revenue per paying user dropped 3 per cent in the last quarter. If Bumble is going to invest in AI, it needs to find tools that users are willing to pay for.

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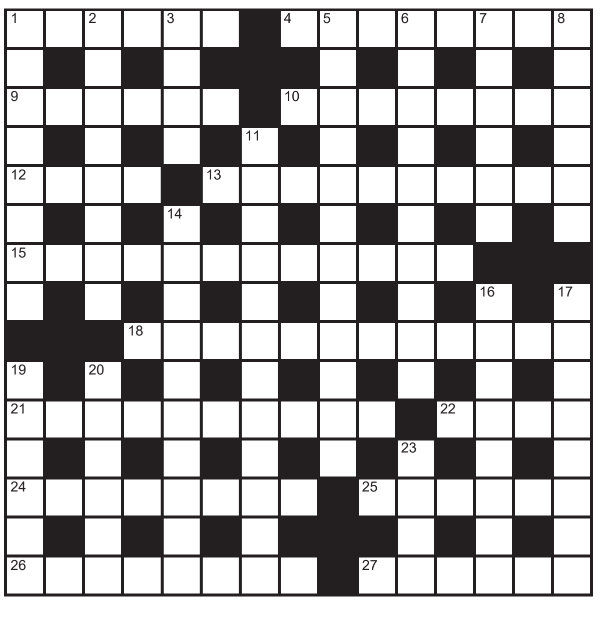
CROSSWORD

No 17,569 Set by BASILISK



ACROSS

1 Dignified witness snubbed by court (6)
4 Primate wasted some time hosting Queen in the morning (8)
9 Add gloves, masks and gowns, as well as trousers (6)
10 Roofer who used to be a cabinetmaker? (8)
12 Support person voting for introduction of policy (4)
13 They have crowns on support underwear worn by King (4,6)
15 Daddy seen dancing round Barbie's partner in raucous group (4,8)
18 Graduate fled working group (8,4)
21 Lie about almost threatening removal man (10)
22 Personal protection supplied by chain letters (4)
24 Assume that man had said "pay attention" (4,4)
25 Further education policy linked to Pride? (6)
26 Mate that is protecting low fence (8)
27 Somewhere systematically suppressing thoughtcrime? (6)

DOWN

1 Disorganised career impressed no-one ultimately (8)
2 Academic paper that's opening negotiating position (8)
3 Match pitch (4)
5 Part of sportsman's yard creates problem for some members? (8,4)
6 What might use race circuit? (10)
7 Monstrous individual's journey encapsulating *Hard Times* (6)
8 Force hospital to charge part of NHS (6)
11 Whip up leader of Great Britain keen on winning cases (5,2,1,4)
14 Emirs and Sikhs involved in fights (10)
16 Ratify allies bombing stores for example (8)
17 Seemingly more mature playboy's last affair (8)
19 Writer revolutionary state suppressed (4-2)
20 Metal coin (6)
23 First couple to leave decadent festival (4)*

JOTTER PAD

Solution 17,568

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A		E		X						R		E		Y
C	A	R	T	O	F	F		B	O	T	T	L	E	
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U	N	I	V	E	R	S	A	L		S	O	C	H	I
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