# FINANCIAL TIMES

WEDNESDAY 15 FEBRUARY 2023 INTERNATIONAL NEWSPAPER OF THE YEAR ASIA



Condo makeover for Manhattan office space
BIG READ, PAGE 15

The new interventionism is laden with risk
MARTIN WOLF, PAGE 17


## Beijing boost
## Xi offers Raisi reassurance

Chinese president Xi Jinping welcomes his Iranian counterpart Ebrahim Raisi to Beijing yesterday, the first such visit in 20 years.

Xi pledged to increase trade with Iran and "constructively support" efforts to revive its nuclear deal with world powers, an effort to offer reassurance on his commitment to a 25-year co-operation agreement with Tehran signed in 2021.

The remarks were a response to Iranian complaints that the deal had failed to deliver. Raisi said relations with China were "moving forward" but that "what has been done is still behind what should have been done".

Iran's concerns focus on Beijing's deepening ties with its Gulf neighbours and potential appetite for Russian oil. However, analysts said tension between the US and China gave Beijing an incentive to strengthen ties with Tehran.

**Trade vow** page 3

West Asia News Agency/handout via Reuters

# Russia masses aircraft within striking range of Ukraine targets, west warns

- New phase as land forces stutter
- Nato speeds air defence deliveries
- Ammunition needs critical

FELICIA SCHWARTZ AND HENRY FOY — BRUSSELS

Western intelligence shows Russia massing aircraft within striking range of Ukraine, an indication that Moscow is preparing to throw its jets and helicopters into the war to support its stuttering land offensive.

The prospect of an air war in Ukraine has prompted Kyiv's allies to prioritise rapid shipments of air defence assets and artillery ammunition, western officials said, to respond to the shift in approach by Moscow as the war enters its next phase.

Intelligence shared among Nato allies shows Russia is assembling fixed-wing and rotary aircraft close to the border with Ukraine, according to two officials briefed on its contents.

In meetings with allied countries supporting Ukraine yesterday, US defence secretary Lloyd Austin highlighted the threat of Russia's significant air force. "He was very clear that we have a short window of time to help the Ukrainians to prepare for an offensive and that they had some pretty specific needs," a senior US administration official said.

"The Russian land forces are pretty depleted so it is the best indication that they will turn this into an air fight. If the Ukrainians are going to survive . . . they need to have as many air defence capabilities and as much ammunition . . . as possible," the official added.

Austin said later yesterday that the US did not see imminent signs of a "massive aerial attack" from Russia on Ukraine but that Washington and its allies were rushing as much air defence capability to the country as they could.

"We do know Russia has substantial aircraft . . . and a lot of capability left," he said. Ukraine's air defences were "not enough and we're going to keep pushing until we get more because that threat is out there", he added.

Russia has used its sizeable air forces sparingly since Vladimir Putin launched the invasion last year, relying instead on missiles, artillery and troops.

Western analysts have suggested that this could be because of fear in Moscow that Ukraine's air defence systems posed a threat to Russian aircraft or because its fleet was in poor condition.

But intelligence assessments indicate that Russia's air force is "actually quite preserved", a senior Nato diplomat said.

"More than 80 per cent probably is safe and available . . . So we are expecting that they're preparing to launch an air campaign and they've been trying to [disable] Ukrainian air defences with attacks," the person added.

Some 54 western allies used a meeting at Nato's headquarters yesterday to lay out additional pledges of military equipment for Ukraine. The US is expected to announce another assistance package this week, which will include air defence and ammunition, said people familiar with the matter.

Ukrainian and Nato officials have recently warned of ammunition shortages, with western capitals concerned by the impact of strained defence supply chains and dwindling domestic stockpiles.

Those immediate needs trumped longer-term requests for materiel, such as fighter jets, or quicker shipments of western battle tanks, officials said, given Russia's new offensive, which Nato said on Monday had already begun.

"What Ukraine tells us that they really need is ammunition and additional air defence capabilities," a western official said.

*Additional reporting by Laura Pitel in Berlin*


**Inside, Page 2**

- German defence minister criticises allies for tank delivery delays
- Nato suggests Finland and Sweden could join alliance separately


## Briefing

▸ **Wall Street bank bosses upbeat over US economy**
Top brass at Goldman Sachs, Bank of America and Wells Fargo have said that confidence in the economy has improved over the past few months.— PAGE 6

▸ **US inflation concerns**
The consumer price index has registered a smaller decline than expected for January, heightening worries over the persistence of inflation.— PAGE 4; MARKETS, PAGE 11

▸ **Biden set to tap Brainard**
The president is poised to name Fed vice-chair Lael Brainard as his top economic adviser as part of a wider shake-up of the White House economy team.— PAGE 4

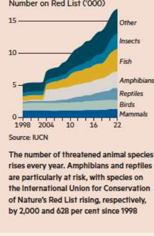
▸ **Air India buys 470 planes**
The airline has announced one of the biggest aviation orders, in which it will buy 250 planes from Airbus and 290 from Boeing, as India's market rebounds.— PAGE 6

▸ **Shipping costs plummet**
The cost of moving a container from China to the US west coast has fallen from $9,682 in March to $1,444 now, as demand eases and supply chains improve.— PAGE 4

▸ **BBC raid after Modi film**
Tax officials have searched Indian bureaus, weeks after a report critical of the premier's actions during deadly riots in Gujarat when he was top official.— PAGE 3

## Datawatch

**Endangered species**
Number on Red List ('000)




Source: IUCN

The number of threatened animal species rises every year. Amphibians and reptiles are particularly at risk, with species on the International Union for Conservation of Nature's Red List rising, respectively, by 2,000 and 628 per cent since 1998

**US military struggles to explain close encounters**

Analysis ▸ PAGE 3

# Singapore wealth fund cools on China for fear of risks in abrupt policy shifts

KAYE WIGGINS — HONG KONG
MERCEDES RUEHL AND LEO LEWIS — SINGAPORE

Singapore's sovereign wealth fund has put the brakes on private investments in China as it steps up scrutiny of risks in the world's second-biggest economy.

GIC, one of the world's biggest investors in private equity, has scaled back commitments to China-focused funds over the past year, five people with knowledge of the matter said. It has also significantly slowed the pace of its direct investments in Chinese companies.

Although GIC was an early backer of China's growth story, some of the fund's most senior figures have struck a more cautious tone in internal discussions over the past year, two of the people said.

The fierce debate inside one of Asia's most powerful sovereign wealth funds reflects concern over how Chinese president Xi Jinping's policies might affect investors, despite the end of "zero-Covid" curbs that hit growth last year.

"They have dramatically decreased investments," said one executive who had tried to tap GIC for funds to invest in China, adding that the "pivot" came at a time when it was difficult to find other places to invest in on the same scale.

ITjuzi, a data provider that monitors investments in China, recorded just two direct investments in Chinese groups by GIC last year, down from 16 in 2021.

Senior managers are uneasy at the geopolitical risk from souring US-China relations and fear that Xi's "common prosperity" drive to reduce inequality might have unintended negative consequences, two people close to GIC's decision-making process said.

GIC, chaired by Singapore prime minister Lee Hsien Loong, has an estimated $700bn under management and has reaped impressive returns from China over almost three decades.

Its investments in the country, which it does not quantify, have been hit by the property crisis and Beijing's crackdown on tech companies. The fund owns a stake in Ant Group, whose $37bn initial public offering was halted by Chinese regulators in 2020.

The fund was "burnt bad" by the crackdown on Ant and has become wary of unexpected moves from Beijing that could hit its investments or its ability to exit them, one of the people said.

GIC said it still had "significant exposures" to China and that it "continues to explore long-term opportunities".

*Additional reporting by Hudson Lockett in Hong Kong and Ryan McMorrow in Beijing*

**'Crowded trade'** page 10

## World Markets

**STOCK MARKETS**

| | Feb 14 | Prev | %chg |
|---|---|---|---|
| S&P 500 | 4105.05 | 4137.29 | -0.78 |
| Nasdaq Composite | 11814.51 | 11891.79 | -0.65 |
| Dow Jones Ind | 33901.87 | 34245.93 | -1.00 |
| FTSEurofirst 300 | 1824.43 | 1823.01 | 0.08 |
| Euro Stoxx 50 | 4250.86 | 4241.36 | 0.22 |
| FTSE 100 | 7953.85 | 7947.60 | 0.08 |
| FTSE All-Share | 4345.08 | 4345.77 | -0.02 |
| CAC 40 | 7213.81 | 7208.59 | 0.07 |
| Xetra Dax | 15380.56 | 15397.34 | -0.11 |
| Nikkei | 27602.77 | 27427.32 | 0.64 |
| Hang Seng | 21113.76 | 21164.42 | -0.24 |
| MSCI World $ | 2810.04 | 2783.91 | 0.94 |
| MSCI EM $ | 1013.53 | 1013.67 | -0.01 |
| MSCI ACWI $ | 652.26 | 646.87 | 0.83 |
| FT Wilshire 2500 | 5391.44 | 5330.25 | 1.15 |
| FT Wilshire 5000 | 42111.75 | 41637.19 | 1.14 |

**CURRENCIES**

| Pair | Feb 14 | Prev | Pair | Feb 14 | Prev |
|---|---|---|---|---|---|
| $/€ | 1.072 | 1.072 | €/$ | 0.933 | 0.933 |
| $/£ | 1.216 | 1.214 | £/$ | 0.823 | 0.824 |
| £/€ | 0.882 | 0.883 | €/£ | 1.134 | 1.132 |
| ¥/$ | 132.815 | 132.800 | ¥/€ | 142.357 | 142.355 |
| ¥/£ | 161.469 | 161.167 | £ index | 77.999 | 77.706 |
| SFr/€ | 0.988 | 0.988 | SFr/£ | 1.121 | 1.118 |

**CRYPTO**

| | Feb 14 | Prev | %chg |
|---|---|---|---|
| Bitcoin ($) | 21997.10 | 21790.33 | 0.95 |
| Ethereum | 1540.71 | 1506.28 | 2.29 |

**COMMODITIES**

| | Feb 14 | Prev | %chg |
|---|---|---|---|
| Oil WTI $ | 78.79 | 80.14 | -1.68 |
| Oil Brent $ | 85.17 | 86.61 | -1.66 |
| Gold $ | 1856.05 | 1859.70 | -0.20 |

**GOVERNMENT BONDS**

| Yield (%) | Feb 14 | Prev | Chg |
|---|---|---|---|
| US 2 yr | 4.63 | 4.54 | 0.09 |
| US 10 yr | 3.78 | 3.72 | 0.06 |
| US 30 yr | 3.83 | 3.79 | 0.04 |
| UK 2 yr | 3.83 | 3.68 | 0.16 |
| UK 10 yr | 3.52 | 3.40 | 0.12 |
| UK 30 yr | 3.89 | 3.81 | 0.07 |
| JPN 2 yr | -0.06 | -0.06 | 0.00 |
| JPN 10 yr | 0.50 | 0.50 | 0.00 |
| JPN 30 yr | 1.48 | 1.49 | -0.01 |
| GER 2 yr | 2.84 | 2.77 | 0.07 |
| GER 10 yr | 2.44 | 2.37 | 0.07 |
| GER 30 yr | 2.36 | 2.32 | 0.05 |

Prices are latest for edition
Data provided by Morningstar


| | |
|---|---|
| Australia | A$7.00(inc GST) |
| China | RMB30 |
| Hong Kong | HK$33 |
| India | Rup220 |
| Indonesia | Rp45,000 |
| Japan | ¥650(inc JCT) |
| Korea | W4,500 |
| Malaysia | RM11.50 |
| Pakistan | Rupee 350 |
| Philippines | Peso 140 |
| Singapore | S$5.80(inc GST) |
| Taiwan | NT$140 |
| Thailand | Bht140 |
| Vietnam | US$4.50 |

**Subscribe In print and online**
www.ft.com/AsiaSubs
Tel: (852) 5803 3388
Fax: (852) 2905 5590
email: subseasia@ft.com


© THE FINANCIAL TIMES LTD 2023


No: 41,248 ★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai

9 770307 176838 07



BRITAIN'S HEALTHIEST WORKPLACE
Vitality

Understand how to prevent employee burnout.

Take part in the UK's largest workplace-wellbeing survey to get the data and insight into your workforce's mental health.

Participate for free at:
vitality.co.uk/bhw

IN PARTNERSHIP WITH AON EUROPE UNIVERSITY OF CAMBRIDGE FT

Britain's Healthiest Workplace is commissioned by Vitality Corporate Services Limited (VCSL). VCSL is registered in England and Wales with registration number 05933141, 3 More London Riverside, London, SE1 2AQ. VCSL is authorised and regulated by the Financial Conduct Authority.

Ukraine

# Berlin chides allies for tank delivery delays

Pistorius says capitals that put pressure on Germany have yet to follow through

GUY CHAZAN IN BERLIN AND HENRY FOY
BRUSSELS

**Germany's defence minister has voiced frustration with European partners who spent months pressing Berlin to supply tanks to Ukraine but have failed to deliver any heavy armour themselves.**

Boris Pistorius said progress made by other countries in sending German-made Leopards had "not been exactly breathtaking, to put it mildly". Asked if he could understand those countries, he said: "As I'm in a diplomatic arena right now, I would just say — not much."

For months, the German chancellor was reluctant to provide Ukraine with main battle tanks in case that increased the risk of a direct confrontation between Nato and Russia.

But late last month, Olaf Scholz agreed to send 14 Leopard 2A6s after the US committed to providing 31 M1 Abrams tanks, insisting that weapons deliveries be co-ordinated with allies, and Germany would not "go it alone".

Berlin also said it would let allies re-export German-made tanks to Ukraine, and that it wanted to team up with its allies to create two battalions of Leopard 2s, equating to about 90 tanks.

In addition, Berlin has approved the export to Ukraine of 178 Leopard 1 tanks decommissioned in Germany two decades ago and sold to private companies.

Officials in Berlin hoped the flurry of announcements would prompt allies to follow through on their promises. Thirteen European armies operate about 2,000 Leopard 2s, according to the International Institute for Strategic Studies. But so far, apart from Germany, only Poland has approved substantial deliveries. Late last month, Canada said it would send four and Norway said yesterday it would send eight.

> Berlin hoped the flurry of announcements would prompt allies to follow through on their promises

The relatively small commitments have triggered fears that Ukraine might lack the heavy armour to deter Russia.

Pistorius said Portugal had agreed to send three Leopard 2A6s — an "appropriate contribution" for a relatively small country. But there were "no talks under way" on sending more, he added.

He also said Poland would supply Leopard 2A4s but expressed doubt about their "condition and whether they are operational".

Poland, however, said the Leopard coalition was gradually taking shape. Defence minister Mariusz Blaszczak said he had agreed with Pistorius that Poland would form a group of nations providing the 2A4s while Germany would concentrate on the 2A6s.

Canada had delivered tanks to Poland with instructors and Warsaw was awaiting deliveries from Norway. Warsaw was also in "advanced talks" with Spain.

Nato officials said Berlin was waiting for the coalition to gel before sending its own contingent. The plan was to send the two battalions in one delivery.

Germany has started training Ukrainian tank crews, raising the possibility deliveries could be delayed if other countries still dragged their feet.

Jens Stoltenberg, Nato secretary-general, said on Monday that "speed and urgency" were critical. "My top priority is to ensure that the pledges allies have made for infantry fighting vehicles, for armour, for battle tanks, that they are delivered as soon as possible because every day counts," he added.

*Additional reporting by Barbara Erling in Warsaw*

Turkey. Earthquake

# Erdoğan blamed for building standards amnesty

Reprieve was designed to relieve slum misery but is linked to deadly collapses

ADAM SAMSON — ANKARA
AYLA JEAN YACKLEY — ISTANBUL

**President Recep Tayyip Erdoğan is facing a backlash for overseeing a 2018 amnesty for faults in millions of buildings across Turkey, regularising poor construction practices that were exposed in last week's earthquake.**

Erdoğan's government approved 7.4mn applications within 18 months, granting legal status to buildings that had breached a broad set of basic licensing, design and safety rules. The scheme raised TL24bn, at the time about $4.2bn, in building registration fees, according to the environment ministry.

Urban planners said the scheme, a vote-winning measure pushed through before the 2018 presidential election that Erdoğan won, had a scope that was broader than many past amnesties in Turkey, defying warnings about the implications for earthquake resilience.

Duygu Cihanger Ribeiro, a professor at the Middle East Technical University in Ankara and board member of Turkey's Chamber of City Planners, said the "huge scope" applied to "almost everything that can be illegally built".

In the wake of the February 6 disaster, Kemal Kılıçdaroğlu, leader of the opposition CHP party, said the government had turned "houses into graves" through the amnesty and on top of that "took money for it".

The criticisms underscore how the quake has become a political issue for Erdoğan just three months before a general election. He was already facing public discontent over his government's early response to the quake, which critics have said was slow and disorganised.

The quake, which has now surpassed the 1939 natural disaster in fatalities, has killed more than 35,000 people in Turkey, 3,580 in neighbouring Syria and toppled thousands of buildings. Civil engineers and earthquake specialists said the destruction was significantly worsened by insufficient building standards in the quake-prone areas.

Erdoğan's 2018 amnesty was among the biggest in a string of populist measures launched since the 1940s, often ahead of elections, Ribeiro said. The cumulative effect was that builders came to expect that "illegal actions will be legalised", she said.

Buğra Gökçe, a city planner and deputy secretary-general at the opposition-controlled Istanbul municipality, said: "Every amnesty expanded upon the last one . . . and gave citizens the sense that the state would forgive infractions, encouraging more and more illegal building. The message is: 'following the rules is foolish'."

Turkey's Chamber of City Planners said "such amnesties formalise the illegally produced built environment, thus invalidating all planning processes in the simplest terms". The 2018 scheme "legalised low-quality buildings and structures" and there was "no doubt the [quake-hit] region is suffering from this negligence today".

About half of Turkey's stock of buildings, or about 13mn units, does not comply with standards, according to a 2019 estimate by the environment ministry. The government said at the time that part of the reason for the 2018 amnesty was to bring these buildings into the fold so they could benefit from utilities such as electricity.

The 2018 amnesty was the first to include illegal units built after Turkey's last big deadly tremor, in 1999, in İzmit, in north-western Kocaeli province.

"With the zoning reconciliation, we have solved the problem of 205,000 citizens from Hatay," Erdoğan said before local elections in 2019. The province of Hatay, in southern Turkey, was one of those hardest-hit last week. The president similarly hailed the amnesty programme in a speech in Kahramanmaraş, another devastated area.

Gökçe said it was difficult to ascertain how many of the buildings that came down had been included in the amnesty. "Some of the destroyed buildings [did] but we can't say this was the only reason they all collapsed," he said.

Amnesty programmes began in the late 1940s, but were initially focused on helping the lowest rung of society. They were aimed at "overnight buildings", occupied by those who could not afford regular accommodation.

However, over the years they became a tool that was often deployed before elections, according to research by Meltem Şenol Balaban at Middle East Technical University. The latest round in 2018 was so wide that it helped those with small building units as well as major developers, Ribeiro said.

> 'Every amnesty expanded upon the last one and gave citizens the sense that the state would forgive infractions'

"An effort that began to give the poor living in slums a reprieve was expanded to benefit the people building high-rise developments," Gökçe said.

"This gave legitimacy to projects that skimped on concrete quality [or] added an extra floor not in the project, because they knew they would get an amnesty anyway."

Turkish people go to the polls in May for presidential and parliamentary elections that were already set to be the toughest in Erdoğan's two decades in power. The president's popularity has been affected by a severe cost of living crisis, which economists have partly blamed on his unorthodox economic policies. Turkey's opposition is also set to field a unified candidate to stand against him.

**See Opinion**

Life savers: rescuers search for survivors in a south-east Turkey quake zone last week. Inset, Recep Tayyip Erdoğan
Ozan Kose/AFP/Getty Images

Defence

# Nato suggests Finland and Sweden might join alliance separately

HENRY FOY — BRUSSELS
RICHARD MILNE — OSLO

**Nato has for the first time openly acknowledged the possibility of Finland and Sweden joining the military alliance separately, breaking a taboo over their previous insistence they join as a pair.**

The prospect of the two Nordic neighbours being delinked represents an admission that diplomatic efforts to lift Turkey's block on Sweden joining have so far failed and a willingness among Nato officials to allow Finland to skirt that dispute.

"So the main question is not whether Finland and Sweden are ratified together," secretary-general Jens Stoltenberg said yesterday. "The main question is that they are both ratified as full members as soon as possible. And I am confident that both will be full members, and are working hard to get both ratified as soon as possible."

Both were in a better security position than they were before Russia's full-scale invasion of Ukraine almost a year ago, he said.

It is the first time Stoltenberg has veered from the official line from Nato, Helsinki and Stockholm that the two applications should be treated as one joint bid. Other officials from the alliance told the Financial Times that his comment reflected a shift in attitude.

Recep Tayyip Erdoğan, Turkey's president, has indicated he is willing to ratify Finland's Nato membership but not Sweden's, accusing Stockholm of harbouring Kurdish activists and allowing a Koran to be burnt in front of Turkey's embassy in the Swedish capital.

Asked about the possibility of Finland being approved first, Ulf Kristersson, Swedish prime minister, said that "we will always respect each other's decisions". He insisted that would not be a "failure" and underscored that both countries wanted to proceed together but that their applications were "formally" separate.

Hungary has also dragged its feet on ratifying the two countries' applications, but its opposition is seen as less insurmountable. Viktor Orbán, Hungarian prime minister, blamed the delays on alleged work overload in parliament stemming from his dispute with Brussels over EU funds. He said Budapest would approve both bids in a parliamentary session starting this month.

Finnish officials have publicly committed themselves to joining with Sweden. Last year, the Finnish president and centre-left government spent considerable time convincing their more reluctant neighbour that joining Nato would be the right response to the current security environment.

But senior Finnish officials said that if Turkey were only to ratify Helsinki's application, it would be unthinkable for Finland — with its 1,300km long border with Russia, the longest of any EU country — to refuse to accept it.

"It is essential that Finland is in Nato as soon as possible. Of course, we want Sweden in there too, but if we have to wait a month or two extra for that, I do not see that as a problem," said one senior European diplomat.

*Additional reporting by Marton Dunai in Budapest*

FT FINANCIAL TIMES
MAKE A WISE INVESTMENT
Subscribe today at ft.com/subscribetoday
FT Weekend
FINANCIAL TIMES

FINANCIAL TIMES
6th Floor, Nan Fung Tower
Central, Hong Kong

**Subscriptions and Customer Service**
Tel: (852) 5803 3388, subseasia@ft.com

**Advertising**
Tel: (852) 2868 2863 asiaads@ft.com, www.ftasia.net

**Letters to the editor**
letters.editor@ft.com

**Published by**
The Financial Times (HK) Limited, 6th Floor, Nan Fung Tower, 88 Connaught Road Central, Hong Kong
Asia Editor: Robin Harding

**Printed by**
**Australia:** Spotpress Pty Ltd, 24-26 Lillian Fowler Place, Marrickville, NSW 2204
**Hong Kong:** Kin Ming Printing Co Ltd, 15/F BLK A, 18 Ka Yip Street, Ming Pao Industrial Centre, Chai Wan; Representative; Angela Mackay; ISSN 1025-918X
**Japan:** Nikkei Tokyo Newspaper Printing Center, Inc., 1-10-5, Shinonome, Koto-Ku, Tokyo 135-0062
Representative; Hiroko Hoshino; ISSN 0915-9460
**South Korea:** Maeil Business Newspaper, 30-1, 1-Ga, Pil-Dong, Jung-Ku, Seoul, 100-728
**Singapore:** SPH Media Limited, 2 Jurong Port Road, 619088
Representative, Anjali Mahindroo

© Copyright The Financial Times Limited 2023. All rights reserved.
Reproduction of the contents of this newspaper in any manner is not permitted without the publisher's prior consent. 'Financial Times' and 'FT' are registered trade marks of The Financial Times Limited.

The Financial Times and its journalism are subject to a self-regulation regime under the FT Editorial Code of Practice: www.ft.com/editorialcode

**Reprints** are available of any FT article with your company logo or contact details inserted if required (minimum order 100 copies). One-off copyright licences for reproduction of FT articles are also available.
For both services phone +44 20 7873 4816, or alternatively, email syndication@ft.com

Debt reduction

# Brussels urges end to stalemate over reform of budget rules

SAM FLEMING — BRUSSELS

**Brussels has urged EU capitals to unblock talks over reforming the union's budget rules as soon as possible, as policymakers seek to foster public investment in priorities such as the green transition and avoid overly draconian debt-reduction plans.**

Paolo Gentiloni, the economics commissioner, said EU leaders needed to be aware of the "urgency" of the need to amend the rules, as Brussels seeks to rapidly push through a legislative overhaul of its debt and deficit pact.

Enforcement of the stability and growth pact has been suspended since the early months of the Covid-19 economic crisis, but policymakers including Gentiloni say it will be reimposed next year.

"If you go back to the normal, previous situation, I don't think this is a good message for our countries and for the economy," the commissioner said. The union, he added, "should have fiscal rules that are considered fit for purpose, and the existing ones are only partially fit, and on this everyone agrees".

The commission presented proposals in November to simplify the EU's labyrinthine budget pact and give individual states greater ownership of debt-reduction plans.

Talks on the reforms have been blocked by a political stand-off over the degree to which fiscal plans should be tailored to the needs of individual member states. German finance minister Christian Lindner is particularly sceptical about the thrust of the commission's proposals, which he worries would water down fiscal discipline in the single currency area.

Officials are concerned a failure to make progress on the revised framework by next month would undermine hopes of getting legislation through before European elections next year. They would also like to have a political consensus in place on the new regime in time for the reimposition of the pact in 2024.

The commission reforms would, among other things, ditch an EU rule that requires a 1/20th-a-year reduction in debt ratios by member states with debt above the EU's ceiling of 60 per cent of gross domestic product.

Gentiloni said there was one central political point that needed to be resolved in the discussions between EU capitals: the question of how much "differentiation" there should be between member states' public debt reduction plans, which he said was needed given their sharply varying debt burdens.

The rules would, on the other hand, also need to ensure there was a "common framework" underpinning the pact. "We need a political consensus very soon, and then a certain amount of time to give the European parliament the possibility to discuss our legislative proposals," Gentiloni said. "This is not something the parliament will do in a couple of months."

Paolo Gentiloni: commissioner says there is an urgent need to take action

Officials are hoping a deal can be struck at the Ecofin meeting of finance ministers next month, teeing up a consensus among EU leaders at a summit in late March.

"It's not always obvious for member states, for ministers and leaders, to be aware of the urgency of this subject," said Gentiloni. "But if we don't address this issue, this issue will address us."

The need to update the budget rules has become more urgent, given the global race to boost investment in the green agenda, especially given EU fears that the US's $369bn Inflation Reduction Act will lead to corporate spending being diverted to the US.

Member states are debating ways of making it easier to reorient EU funds towards the green transition, something that was discussed in a Brussels summit last week.

Italy and other southern member states have also floated the idea of giving capitals an extra year to spend their share of the EU's €800bn NextGenerationEU pandemic recovery fund.

**US green tax credits** see Companies

2023/2/15 21:46 Financial Times Asia





# Pentagon struggles to damp UFO conspiracy theories

## Lack of explanation about sightings stirs rumours and angers Beijing

DEMETRI SEVASTOPULO — WASHINGTON

Standing at the White House podium on Monday, National Security Council spokesperson John Kirby sought to reassure the American public about the three targets the US had shot down in recent days.

"I don't think the American people need to worry about aliens," Kirby said about the unidentified flying objects that were taken out over the weekend — over Alaska on Friday, Canada's Yukon on Saturday and Lake Huron in Michigan on Sunday.

Kirby was not the first US official to confront questions about extraterrestrials. A day earlier, General Glen VanHerck, head of North American Aerospace Defense Command (Norad), which has taken centre stage in recent operations, said he had "not ruled anything out" in determining the nature and origin of the objects.

The Pentagon has released some details about a suspected Chinese spy balloon that was shot down off the coast of South Carolina this month. But officials have struggled to explain a spate of aerial objects, sparking conspiracy theories and a diplomatic furore with Beijing.

Norad, known to the public mainly for its Santa tracker, scrambled jets in response to the three unexplained objects, which pilots could not identify because of the fighters' higher relative speeds and the objects' high altitude and size, roughly that of a small car.

"That's a very small object, especially when fighters are flying at about 0.8 Mach [just under the speed of sound, about 614mph]," said Charlie Moore, a retired F-16 pilot, whose call sign was "Tuna", and former deputy head of US Cyber Command. "So it can be very difficult to get good fidelity on exactly what these devices might be carrying or what they might be doing."

Unlike with the alleged Chinese spy balloon — a 200ft tall craft with a payload the size of three school buses that spent a week over North America — Norad had less time to monitor the other objects, which were shot down relatively quickly. US officials have said the three objects were roughly similar in size. Kirby said they appeared to have no propulsion capabilities or ability to manoeuvre and were likely "being moved by the prevailing winds".

VanHerck on Sunday said he was not ready to call the objects "balloons". But one person familiar with the situation said the US had concluded that at least two were balloons. Major General Paul Prévost, director of staff for the Canadian Strategic Joint Staff, called the object over Lake Huron a "suspected balloon".

US and Canadian officials have stressed they will struggle to draw conclusions until they retrieve debris from the three aircraft, an endeavour complicated by geography, terrain and treacherous weather conditions.

Prévost said the search area over the Yukon was 3,000 sq km. The object over Alaska fell on sea ice near Deadhorse, a northern town with Arctic weather conditions. Search teams have not determined where in Lake Huron the third object fell.

The White House is also facing questions about why the military is suddenly finding so many potential threats. US fighter jets under Norad shot down four objects in nine days after taking no "kinetic" action in North America over the command's 65-year history.

Officials said part of the reason for the higher number of incidents was that Norad had enhanced its radar capabilities after the balloon incursion. Moore said early warning and surveillance systems had traditionally been optimised for craft below 50,000ft moving at relatively high speeds.

"Now we're seeing things well above 50,000ft and that can [also] be completely stationary," he said. "Those type of targets would have been filtered out in the past." Moore added: "Now we've had to go back and recalibrate . . . our systems so that we're making sure we're seeing all those types of vehicles or targets. That has increased the number that we're seeing."

David Deptula, a former F-15 pilot who was deputy air force chief of staff for intelligence, said balloons posed particular challenges for radar systems.

"These balloons do not have a very high radar cross-section because they are made from thin material and there is not a lot of equipment on them, so they are difficult to detect," said Deptula.

Recent incidents should be a "wake-up call", he added. "Just like the air force, Norad has been underfunded and allowed to atrophy over the past 30 years."

Prévost said the object over Lake Huron was first detected over southern Alberta, over 1,000 miles away. Asked if that meant Canada had a "domain awareness gap", he said: "There are gaps we're turning our heads to now. They're smaller in size and harder to find through air surveillance radar."

Dennis Wilder, former head of China analysis at the CIA, said the US had been exposed by its inattention to potential threats in "near space" — roughly the area between 12 and 60 miles above sea level — as China increased activity.

"Everyone has been thinking about space as a big deal and so people have not been as focused on 'near space'," said Wilder. "This is partly because we haven't been thinking about near space so much ourselves."

See The FT View

Deflated: US Navy sailors recover a suspected Chinese spy balloon off the South Carolina coast last week
US Navy/Reuters

Locations of aerial objects downed over North America

Feb 10: near Deadhorse, Alaska
Feb 11: central Yukon
Feb 12: Lake Huron
Feb 4: off the coast of South Carolina
GREENLAND
CANADA
US
MEXICO
Source: FT research

'Just like the air force, Norad has been underfunded and allowed to atrophy over the past 30 years'

Raisi visit

# Xi reassures Iran on ties and vows to boost trade

KATHRIN HILLE — TAIPEI
NAJMEH BOZORGMEHR — TEHRAN

Chinese president Xi Jinping pledged to step up trade and investment co-operation with Iran and "constructively participate" in efforts to revive its nuclear deal with world powers, as he sought to reassure Tehran about the two nations' bilateral relationship.

Speaking during a visit yesterday to Beijing by Iran president Ebrahim Raisi — the first such trip by an Iranian leader in more than 20 years — Xi said: "No matter how the international and regional situation changes, China will unswervingly develop friendly co-operation with Iran and promote the development of [the] China-Iran comprehensive strategic partnership."

Raisi's three-day visit comes as a 25-year co-operation deal signed in 2021 has failed to deliver economic benefits expected by Tehran and Beijing. Xi's push to deepen ties with Iran's regional rivals, including Saudi Arabia, has also rattled the Islamic Republic.

During their meeting, Raisi said the two countries' relations were "moving forward" but that "what has been done is still behind what should have been done", according to Iranian media.

"After the two countries signed this agreement in 2021, the relationship has not yet achieved a breakthrough," said Fan Hongda, an Iran expert at Shanghai International Studies University. "Some Iranian officials have expressed dissatisfaction with China's investment in Iran. At present, the most urgent need in Iran is economic development, therefore the more Chinese investment the better."

According to a readout of the meeting with Raisi, Xi said China was willing to work with Iran to implement the 2021 deal, "deepen practical co-operation in trade, agriculture, industry, infrastructure and other fields, and import more high-quality Iranian agricultural products".

One area of concern for Tehran is Iran's oil sales to China, its main customer. There has been widespread speculation China could increase purchases from Russia and buy less from Iran as western sanctions imposed over the Ukraine war put pressure on Moscow to find alternative customers for its oil.

The growing tensions between Washington and Beijing give China an incentive to further strengthen ties with Tehran, say analysts.

"China supports Iran in safeguarding national sovereignty and resisting unilateralism and bullying," Xi said.

But while China and Iran are expected to sign economic agreements in Beijing, Chinese analysts have doubts they would bring firm commitments.

On the 2015 nuclear accord, Xi said China would "continue to constructively participate in the negotiations" on reviving "the implementation of the comprehensive agreement on the Iranian nuclear issue, support Iran in safeguarding its legitimate rights and interests, and promote the early and proper resolution of the Iranian nuclear issue".

UK broadcaster

# BBC offices in India searched after Modi documentary

JOHN REED AND JYOTSNA SINGH
NEW DELHI
JASMINE CAMERON-CHILESHE — LONDON

Tax officials in India have searched BBC news bureaus in the country's two largest cities, weeks after the broadcaster aired programmes critical of Prime Minister Narendra Modi's actions during deadly religious riots in Gujarat when he was the state's top ruling official.

"The income tax authorities are currently at the BBC offices in New Delhi and Mumbai and we are fully co-operating," the British broadcaster said yesterday. "We hope to have this situation resolved as soon as possible."

The BBC's World Service reported that officials in New Delhi said they had a warrant for the search, and that some employees' phones had been taken. Calls to some of its reporters yesterday went unanswered.

"The Indian tax authorities are conducting searches at BBC offices in Delhi & Mumbai," Jannat Jalil, a BBC World Service journalist and presenter, said on Twitter. "This comes weeks after a BBC documentary questioned the role of PM Narendra Modi during the Gujarat riots in 2002."

India's income tax department could only confirm that the agency was "doing some action" at the BBC. "It is a limited action, a survey," a spokesperson told the Financial Times, denying the raids were "a search operation, as wrongly quoted in the media".

The BBC last month aired a two-part documentary that raised questions about Modi's actions during the 2002 religious riots in which more than 1,000 people died, mostly from the minority Muslim population.

The report claimed that Modi, who served as Gujarat's chief minister at the time before rising to national office in 2014, was "directly responsible" for the "climate of impunity" that enabled the violence. His government rejected the film as a "propaganda piece" and the product of a "colonial mindset", and invoked an emergency law to block it from being circulated online.

The UK's Foreign, Commonwealth & Development Office is understood to be closely monitoring the situation.

The Editors Guild of India said the use of tax surveys marked a "continuation of a trend of using government agencies to intimidate and harass press organisations that are critical of government policies". The action "undermines constitutional democracy", it said.

India has a record of conducting tax or regulatory inspections of institutions and companies that are out of official favour. Last year, tax inspectors investigated a leading think-tank, the local arm of Oxfam and a fund that supports independent news outlets.

India's ranking on press freedom indices has fallen in recent years, as media outlets and journalists that criticised the government faced lawsuits and pressure not to publish controversial reports.

*Additional reporting by Arjun Neil Alim*

FT series. Russia in Africa

# Moscow plays 'disrupter' in effort to cultivate economic links and influence

Continent cheers investment but, for many, diplomatic relations are more important

TOM WILSON — LONDON

At the inaugural Russia-Africa summit in the Black Sea resort of Sochi in 2019, Russian president Vladimir Putin promised to double trade with African states within five years as he sought to win new friends with offers of nuclear power plants and fighter jets.

Three years on, few of those promises have materialised and yet Russian influence on the continent is growing faster than at any point since the end of the cold war.

Russian trade with Africa in 2021, the most recent full-year figure available, was worth $15.6bn, up 25 per cent on 2018, and just a tenth of the continent's trade with China, according to IMF data. However, Moscow remains the biggest exporter of arms to Africa and, through investments and trading relationships in goods from diamonds to citrus fruit, has become a useful partner for African states.

"Russia did not really have Africa as one of its foreign policy priorities, but a lot has changed in recent years, particularly since the full-scale invasion of Ukraine," said Eleonora Tafuro, a Russia expert at the Italian Institute for International Political Studies.

As Russia has become isolated from Europe and the US, expanding diplomatic and trade relationships with friendly states in Africa was critical to the Kremlin's narrative that Moscow had "alternatives", said Tafuro.

Sergei Lavrov, Russia's foreign minister, has visited Mali, South Africa and Angola this year. In July, he toured Egypt, the Republic of Congo, Uganda and Ethiopia.

"Russia has chosen the politics-first course, in which economic preferences are a natural consequence of successful political co-operation," Russian academic Kirill Babaev wrote in November for Valdai, the Kremlin's foreign policy think-tank. "This approach is likely to be efficient," he added, "since the reverse — first the economy, then everything else — has proven to be unsteady."

Russian engagement in Africa is not new. The Soviet Union backed the UN General Assembly's declaration affirming independence for colonised nations in 1960 and helped fund liberation movements in South Africa, Angola, Mozambique and elsewhere.

Ties frayed with the collapse of the Soviet Union in 1991, before investments by Russian state mining and energy companies restored engagement in the 2000s. A concerted pursuit of African opportunities began after Putin regained the presidency in 2012, spearheaded by a handful of Russian companies, including state-owned VTB Bank.

However, controversy has surrounded some of VTB's African activities, not least its involvement with Credit Suisse in the provision of $2bn of loans to Mozambique in 2013 and 2014 in an affair known as the "tuna bond" scandal. Three former Credit Suisse executives have pleaded guilty to handling bribes.

VTB executives would regularly take calls from Lavrov asking them to target deals with particular countries, according to a person familiar with the workings of the bank. VTB said the suggestion of government involvement in its decision-making was "politically biased and incorrect".

Despite its growing influence on the continent, Russia has lacked the economic muscle to compete head to head with China, the US or EU.

Instead, Moscow has tended to play the role of "disrupter", said Joseph Siegle, at the Africa Center for Strategic Studies in Washington.

"Russia's engagement in Africa has been fairly consistent since the early 2000s, where they have realised they do not have a strong hand to play vis-à-vis other external actors so the best thing they can do is be the spoiler."

The tactic, aimed at undermining western interests, has often succeeded, most recently in Central African Republic, where mercenaries from Wagner Group have helped expand Moscow's influence — and gained access to lucrative gold and diamond mining areas in the process, according to the US Treasury.

The most successful pillar of Russia's conventional trade with Africa is arms, managed mainly by state-controlled Rosoboronexport. Between 2010 and 2021, Russian arms exports to Africa dwarfed those of every other supplier and were three times greater than those of China, the second-biggest over the period, according to the Stockholm International Peace Research Institute.

It has also increased exports of oil to Africa since the Ukraine invasion, sending 214,000 barrels a day of refined petroleum products in December, roughly three times more than in the same month in 2021, according to commodity analytics provider Kpler.

Putin is likely to seek to strengthen commercial ties further at the follow-up Russia-Africa summit due to be held in St Petersburg in July. But politics is again likely to trump business, say analysts.

While African governments welcome trade and investment, Russia's political support, particularly given its permanent seat on the UN Security Council, was of greater value to many, said Priyal Singh, senior researcher at the Institute for Security Studies in Pretoria, South Africa.

"No matter how meagre the commercial engagement can be, being a friend to the Kremlin, for a lot of African states, is a way of getting Russian support to keep them off the agenda of the UN Security Council," he said. "That is the value of having Moscow as a friend."

Close ties: a Russian military vehicle in Bangui, Central African Republic

FT Russia in Africa
This is the fourth in a series.
For previous articles, go to ft.com/russiainafrica

2023/2/15 21:46 Financial Times Asia



Cost of living

# US inflation fall unlikely to ease price fears

Slight drop and strong jobs figures put pressure on Fed over tightening

JAMES POLITI — WASHINGTON
HARRIET CLARFELT — NEW YORK

The US consumer price index rose at a rate of 6.4 per cent last month compared with a year earlier, a smaller decline than expected, in data that will heighten concerns about the persistence of high inflation in the economy.

Economists expected a deceleration in the annual CPI to 6.2 per cent from the 6.5 per cent pace recorded in December, according to the consensus forecast published by Reuters. Stripping out energy and food prices, the "core" CPI measure rose at an annual rate of 5.6 per cent in January, also slightly below the 5.7 per cent rise the previous month. This compared with economists' expectations of a 5.5 per cent gain in the year-on-year measure.

The January inflation data was being closely watched as vital guidance to investors, economists and US central bankers. An unexpectedly strong jobs report for last month stoked expectations that the Federal Reserve might have to be more aggressive in tightening monetary policy to cool the economy.

"The Fed will be determined not to take its foot off the gas too early and miss the soft landing it is hoping for," said Marcus Brookes, chief investment officer at Quilter Investors. "With inflation falling, but at a much more gradual pace than on the way up, the opportunity for policy mis-step is greater."

Trading on Wall Street was choppy, with US stocks and government bonds swinging between gains and losses after the CPI announcement. The S&P 500 share index was 0.3 per cent higher in early trading. The technology-heavy Nasdaq Composite was up 0.6 per cent.

The two-year Treasury yield, which closely tracks interest rate expectations, was up 0.05 percentage points to 4.58 per cent, reflecting a decline in price.

Those moves came as pricing in the futures market indicated that investors were expecting US interest rates to peak at 5.25 per cent in July, before falling to about 5 per cent by December — implying one interest rate cut before the year-end. As recently as early February, two cuts were priced in for 2023.

On a monthly basis, the CPI rose 0.5 per cent last month against 0.1 per cent in December. The "core" measure increased at an unchanged pace of 0.4 per cent. Energy prices rose 2 per cent on a monthly basis, while food and clothing costs rose at a faster pace than the previous month.

Housing costs rose at a pace of 0.7 per cent, slightly slower than in December but still a rapid clip for a cost that represents a big chunk of disposable income for many households. But used car prices continued to dip, and the price of new cars rose at a slower pace.

Economists at Lazard wrote: "To pause the tightening cycle, the Fed will need to see more muted price gains and less tightness in the labour market. The wait for both is ongoing."

The Fed has raised interest rates from near-zero to a target range of between 4.5 and 4.75 per cent over the past year. As inflation has eased since peaking last summer, the central bank has slowed the pace of rate rises, from 0.75 percentage points and 0.5 percentage points in the second half of last year to 0.25 percentage points last month.

US politics. 2024 election

# Haley launches Republican challenge to Trump

Former UN ambassador breaks with her old boss to run for the White House

LAUREN FEDOR — WASHINGTON

In the days following January 6 2021, when mobs of Donald Trump supporters stormed the US Capitol, Nikki Haley tore into the then president, saying he had "let us down" and "lost any sort of political viability".

But within three months, Haley, Trump's one-time ambassador to the UN, had changed her tune, telling a reporter in her home state of South Carolina that she would support Trump if he sought another four years in the White House, adding: "I would not run if President Trump ran."

Yesterday, less than two years later, Haley, the 51-year-old former governor of South Carolina long seen as a rising star in the Republican party, made another U-turn by launching her own campaign for president.

She becomes the first Republican to challenge Trump for the party's nomination in 2024, in a significant affront to her former boss that underscores the growing divisions in the party over who should be its standard-bearer heading into next year's presidential election.

"Republicans have lost the popular vote in seven of the last eight presidential elections. That has to change," Haley said in a campaign launch video yesterday that made no direct mention of the former president. "It is time for a new generation of leadership to rediscover fiscal responsibility, secure our border and strengthen our country, our pride and our purpose."

While Trump continues to command support from a significant plurality of the party's grassroots, elected Republicans and deep-pocketed donors have increasingly called for the party to move in a new direction, especially after a relatively disappointing performance in November's midterm elections.

Haley is likely to be the first in a number of former Trump administration officials and one-time allies to enter the race in the coming weeks and months. Other possible candidates include Mike Pence, Trump's vice-president, and Mike Pompeo, his secretary of state. Ron DeSantis, the Republican governor of Florida, is seen as a favourite among the grassroots. All face a delicate political dance as they seek to carve out their own lane in what could be a crowded primary field, while not stoking the ire of Trump and his supporters.

"You have got 10 or 11 candidates who are scared to death of Donald Trump. The only one that shows any courage or leadership is the one that jumps out of the foxhole first," said one Republican donor who urged Haley to run, before adding: "You know, it's always the first one out of the foxhole to get shot."

A poll conducted last month by North Star Opinion Research, a Republican polling firm, found the majority of likely primary and caucus voters were ready to move on from Trump, believing either he cannot win or that he is too focused on the past rather than the future. The survey found that in a hypothetical 10-way ballot, DeSantis led with 39 per cent of the vote, followed by Trump on 28 per cent, Pence on 9 per cent and Haley and former congresswoman Liz Cheney on 4 per cent each.

Whit Ayres, the veteran Republican pollster and strategist who conducted the poll, said it was "not at all unusual for people to start way back in the pack", and argued that with a year left to go until the Iowa caucuses, the race was "wide open" for Haley or another challenger to gain ground.

"All the reticence about Trump refers to his personal characteristics, not his policy positions. It is all about his behaviour, his mouth, his divisiveness, his combativeness," Ayres said. "If you can offer many of the things that Republicans liked about Trump, without all the deleterious personal characteristics, you can present a very attractive face."

Haley is described by observers as a formidable politician who has repeatedly beaten the odds at the ballot box. A traditional economic and social conservative, she has drawn frequent parallels with Margaret Thatcher, even paraphrasing the former UK prime minister in the title of her most recent book: *If You Want Something Done . . . Leadership Lessons from Bold Women.*

The daughter of Indian immigrants, she worked as a book-keeper for her family's small business before entering local politics. In 2004 she took up a seat in South Carolina's state legislature, and six years later was elected as its first female governor.

Trump tapped her in 2017 as his ambassador to the UN. She voluntarily stepped down from the role two years later and, unlike many Trump appointees, left office in the president's good graces and untainted by scandal. "She is one of the very few people who came out of the Trump administration with her reputation enhanced," said Ayres.

But Chip Felkel, a longtime Republican strategist in Greenville, South Carolina, questioned whether Haley's more recent flip-flopping on Trump would undercut her credibility, both with his loyalists and conservatives looking for a clean break with the former president.

"If she is going to do this, she has got to make that break . . . go all in and tell people who are ready to get past the chaos why she is the alternative," he said.

Haley's supporters insist she will be able to thread the needle. Alex Stroman, the former executive director of the South Carolina Republican party, said: "Nikki's entire career has been about speaking out when she thinks she needs to speak out, and then supporting policies that she believes in."

*Additional reporting by Courtney Weaver*

**Janan Ganesh** see Opinion

**Candidates: Donald Trump, then president, in 2018 with Nikki Haley, who left office in his good graces but is now challenging him for the Republican nomination** Evan Vucci/AP

'It is time for a new generation of leadership to strengthen our country, our pride and our purpose'

Lael Brainard

## Biden poised to name Fed vice-chair for top economic advisory role

JAMES POLITI — WASHINGTON

President Joe Biden is set to name Lael Brainard, vice-chair of the US Federal Reserve, as his top economic adviser, bringing the central bank's second-in-command to the White House to serve as one of Washington's leading financial policymakers.

Brainard will become the next director of the National Economic Council, the main White House job co-ordinating economic policy across the government, two people familiar with the matter said. She will replace Brian Deese, who is leaving the administration after more than two years in the role.

Brainard's departure marks an abrupt exit from the central bank's leadership for the former Treasury under-secretary for international affairs. Although she has been on the board of governors at the Fed since 2014, she has been vice-chair only since May last year.

Brainard's move is part of a broader shake-up of Biden's economic team after November's midterm elections. The overhaul is also expected to involve the elevation of Jared Bernstein to the chair of the White House council of economic advisers, taking over from Cecilia Rouse.

Janet Yellen, Treasury secretary, is expected to remain in her post.

In her years at the Fed, Brainard has been known for her dovish approach to monetary policy and her tougher stance on financial regulation, supporting more rigorous capital requirements for banks. In a speech at the University of Chicago's business school last month, Brainard said "inflation remains high" and policy "will need to be sufficiently restrictive for some time" to get it down to the Fed's 2 per cent target.

But she also expressed some confidence that the US might secure a "soft landing", avoiding a recession — a view shared by the White House.

Brainard has long been thought one of the most talented economic policymakers of her generation within the Democratic party. She had been considered a contender for Treasury secretary before Yellen was chosen and for chair of the US central bank before Biden decided to nominate Jay Powell to a second term.

Progressive Democrats have been sceptical of Brainard in the past, particularly because she was seen as sympathetic to more open trade and engagement with China while she worked at the Treasury department under former president Barack Obama. But they have largely supported her approach at the Fed.

Brainard's appointment comes at a political inflection point within the White House. With Republicans in control of the House of Representatives, Biden's expansive economic legislative agenda is expected to grind to a halt.

But Brainard will be in charge of managing the White House's response to expected fiscal brinkmanship by congressional Republicans over the debt ceiling and may have to help negotiate an agreement with Congress to avoid a default on US debt. The White House and the Fed declined to comment on her appointment.

Global trade

## Container shipping costs plunge as consumer spending drops

OLIVER TELLING AND VALENTINA ROMEI
LONDON
RICHARD MILNE — COPENHAGEN

The price of shipping goods on vital global routes has fallen 85 per cent below its peak as the cost of living crisis hits consumer spending and pandemic-related supply chain disruption eases.

This month it cost $1,444 to ship a standard 40ft steel container from eastern China to the US west coast at short notice, according to shipping data specialist Xeneta, down from a peak of $9,682 in March last year. The widespread delays and queues, which hit ports at the height of the pandemic, have also dissipated.

Kiel Institute, a German think-tank, said despite a monthly gain of 2.1 per cent last month, the quantity of goods shipped was down 5 per cent from January 2022 levels.

Ninety per cent of goods reach retailers by ship. Demand has plunged as inflation has surged, triggering a severe cost of living crisis in several economies and leading central banks to attempt to restrict spending with higher interest rates. The reopening of bars and restaurants and other facilities closed during the pandemic has led to more spending on services, too.

In the US, spending on goods is now down 5.4 per cent in real terms from the March 2021 peak. In the UK, sales volumes are back below pre-pandemic levels after rising 10 per cent above them in April 2021. With inflation still high and central bank rates set to rise further, demand is expected to remain weak for the rest of the year.

Shipping group Maersk predicts demand for containers — a proxy for trade — will fall by 2.5 per cent this year.

The S&P monthly survey of purchasing managers found new export orders contracted across the world throughout the second half of last year and in January. Last month the IMF forecast global trade growth would decline to 2.4 per cent this year, from 5.4 per cent in 2022.

Leah Fahy, at research firm Capital Economics, said while China's reopening had "somewhat improved" the outlook, "weak demand elsewhere will keep trade subdued for some time".

After two years of bumper profits, shipping groups have warned investors of the risk to their bottom line. Maersk, the second biggest container shipping group, last week said operating profits this year would be between $2bn and $5bn, down from $31bn last year and $20bn in 2021.

But the fall in prices has been welcomed by importers, which are also having to adjust to reduced demand caused by the cost of living crisis. "It's a fairly significant positive," said Jonas Samuelson, chief executive of consumer appliances producer Electrolux.

With many clients on long-term contracts, which have proved less volatile than short-term rates, shipping groups are likely to retain the benefits of higher rates for at least this quarter before new agreements reflect the decline in prices.

Shipping a 40ft steel container from east China to the US west coast costs $1,444, down from a $9,682 peak

In a bid to put a floor under freight rates, groups are also cutting sailings. In 2022, carriers cancelled or skipped 1,639 shipments between east Asia and Europe or North America, a 40 per cent increase on the previous year, according to data provider eeSea.

Despite this, the drop-off in shipping volumes leaves companies with a looming overcapacity problem. As demand for container space soared during the pandemic, many carriers ploughed money into new ships. Last month, the total cargo capacity of vessels on order was equivalent to 30 per cent of the active global fleet, according to Jonathan Roach, analyst at shipping broker Braemar. This compares with 13 per cent in January 2019.

The delivery of these vessels could add to excess shipping capacity, depressing freight rates further.

If that does happen, however, shipping groups are likely to resort to the same tactics used during the initial shock of the pandemic. As factories shuttered, the groups took scores of vessels out of action. This created the "most favourable supply and demand dynamic ever", said John McCown, a founder of advisory firm Blue Alpha Capital, leading to surging rates when demand for goods soared.

There are challenging geopolitical conditions, too. Russia's full-scale invasion of Ukraine and pressure on businesses to decouple from China have added yet more headaches.

Vincent Clerc, Maersk chief executive, said despite the recent improvements customers were well aware that shipping services would continue, from time to time, to be disrupted by global events. "I don't think any of them are looking at the coming years and saying, 'Our problems are solved'."

North Africa

## Tunisia begins crackdown by arresting opposition figures

HEBA SALEH — CAIRO

Tunisian authorities have launched a widescale crackdown against opposition figures and critics of increasingly authoritarian president Kais Saied, who has ruled by decree since suspending parliament in 2021.

Noureddine Bhiri, a former justice minister and senior leader of Nahda, the moderate Islamist party that was the largest in the dissolved assembly, was arrested on Monday night. Nahda said in a statement that it condemned Bhiri's "kidnapping".

Noureddine Bouttar, a secular critic of Saied who heads the independent Mosaique FM, a leading radio station, was also detained.

The men were seized in a wave of arrests since the weekend. Others held include at least two judges, according to news reports, as well as Kamel Ltaief, a politically influential construction magnate, and Khayam Turki, founder of an economic think-tank who was once mooted as a potential prime minister by Nahda and two secular parties.

"This is a dramatic escalation and part of the steady march towards greater repression since Saied's coup," said Monica Marks, Tunisia specialist and professor at New York University in Abu Dhabi. "We are firmly in the realm of extrajudicial abductions happening outside the rule of law . . . There doesn't seem to be any unifying principle behind the arrests. They span the political spectrum from secularists to Islamists," she added.

Until Saied's power grab in July 2021, Tunisia was seen as the only democracy to have emerged from the Arab uprisings of 2011.

Saied, a political novice with no party affiliation and who is a former professor of constitutional law, was elected president by a landslide in 2019 in what analysts saw as a rebuke to a fractious political class that had failed to address the country's economic challenges.

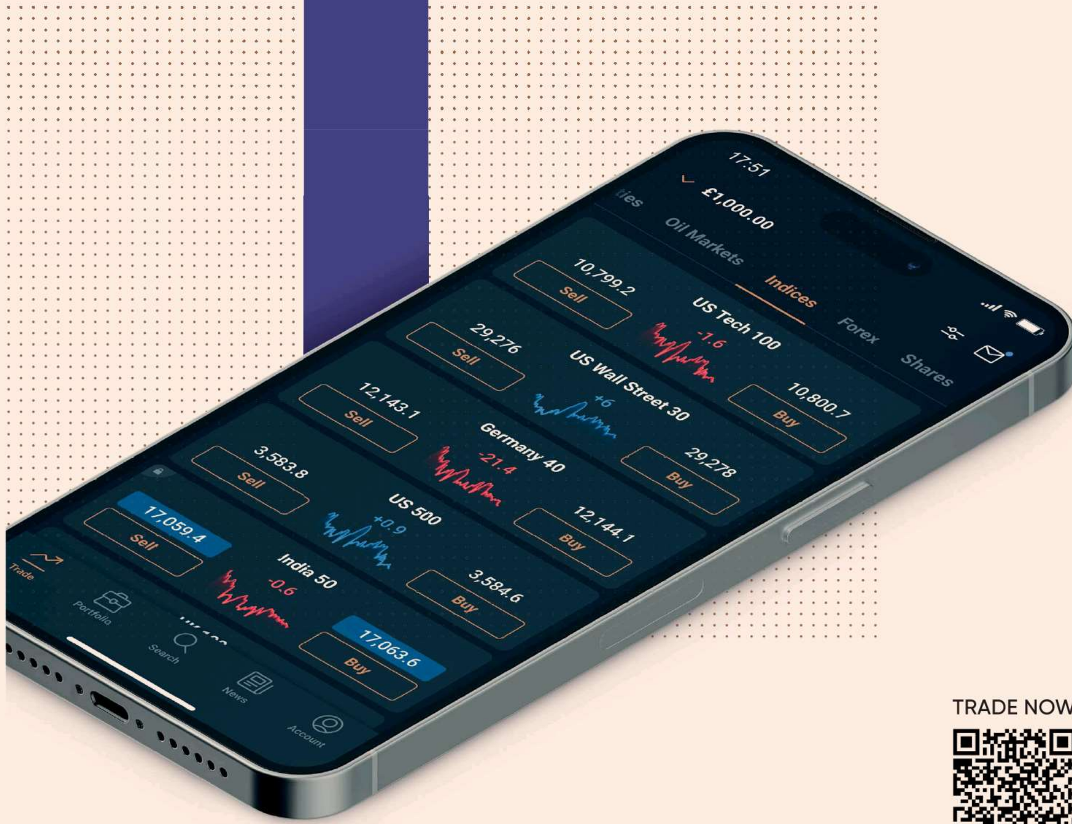
However, Saied has set about redesigning the political system to give the president sweeping powers. A new charter shaped by Saied was adopted in a referendum last July on a 30 per cent turnout. It reduced the powers of parliament and gave the president extensive authority over the government and judiciary.

https://ft.pressreader.com/v99f/20230215 4/18

# Nº 1 OVERALL CLIENT SATISFACTION & MOBILE PLATFORM*

Celebration of Investment Awards – Best Platform for 'New Investors'

Overall Client Satisfaction




TRADE NOW

capital·com

*Investment Trends 2021 UK Leverage Trading Report

Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **84% of retail investor accounts lose money when trading spread bets and CFDs with this provider.** You should consider whether you understand how spread bets and CFDs work and whether you can afford to take the high risk of losing your money.

Capital Com (UK) Limited ("CCUK") is registered in England and Wales with company registration number 10506220. Authorised and regulated by the Financial Conduct Authority, under register number 793714. Capital.com services are not available for customers from all regions.

**Branching out** Apple's diversification strategy to shift manufacturing from China to India will be a long process ➜ COMPANIES

# Companies & Markets

## US bank chiefs upbeat about 'soft landing' for economy

- Corporate data 'better than thought'
- Fears of inflation-led recession ease

JOSHUA FRANKLIN — NEW YORK

Executives at some of Wall Street's biggest banks said that the US economy was holding up better than corporate leaders had expected and that the mood was more optimistic than it was a few months ago.

The comments from top brass at Goldman Sachs, Bank of America and Wells Fargo reflect the growing belief that the Federal Reserve may achieve a so-called "soft landing" for the US economy in its battle to tame inflation while avoiding a recession.

"The consensus has shifted to be a little bit more dovish in the CEO community that we can navigate through this in the US with a softer economic landing than what people would have expected six months ago," Goldman chief executive David Solomon told an industry conference organised by Credit Suisse yesterday.

> 'Those consumers have money. They're employed . . . and they have a lot of capacity to borrow'

Solomon's brighter view was echoed by BofA chief Brian Moynihan yesterday, who said profit margins at midsize companies were holding up "better than they thought" and consumer spending, which accounts for about two-thirds of US economic activity, remained strong.

"If you look at the consumer, they keep spending money," Moynihan told the BofA Securities financial services conference. "Those consumers have money. They're employed, and they're spending money and they have a lot of capacity to borrow."

Wells Fargo chief financial officer Michael Santomassimo also said that "spending data is still really healthy".

The comments mark a shift in tone from late last year when top US bank executives, while highlighting a resilient consumer, issued wary outlooks for the global economy. Solomon said at the time that some of Goldman's clients "sound extremely cautious". But, at the midpoint of the current US earnings season, corporate America's top leaders have been split on the chances of the country escaping a recession.

S&P Global's risk appetite index, which surveys data from about 300 US equity market institutional investors, this week showed that risk appetite from investors remained negative but the degree of risk aversion had fallen to the lowest since November.

In its battle to reduce inflation, the Fed has lifted its main interest rate from near zero to a target range between 4.5 per cent and 4.75 per cent in less than a year.

This has fuelled concerns that the US economy could tip into a recession in 2023 and that unemployment will rise.

Recent data has indicated a surprising level of resilience in the labour market during the second half of 2022 and into the start of this year, raising hopes that the Fed may be able to bring down inflation and avoid a recession.

However, new data yesterday showed the US consumer price index declined by less than economists anticipated, serving as a reminder of the persistence of high inflation in the US.

Despite his more optimistic tone, Solomon issued a caveat that inflation was "still sticky" and that "it's still uncertain exactly what the trajectory will be of tamping down inflation".

"I think we're in an environment where we're probably going to have kind of more sluggish, slower growth for a period of time until we get a lot of this to rebalance," Solomon said.

## Soaring ambition Air India to buy 470 jets in effort to position country as international hub

Ready for take-off: Air India's order is among the biggest the industry has ever seen — Himanshu Bhatt/NurPhoto via Getty Images

CHLOE CORNISH — MUMBAI
CLAIRE BUSHEY — CHICAGO
SYLVIA PFEIFER — LONDON

Air India will buy 470 planes from Airbus and Boeing in one of the biggest aviation orders globally, as the country's air-passenger market rebounds from early pandemic lows.

The carrier plans to buy 40 long-distance wide-body A350 jets, as well as 140 A320neo and 70 A321neo single-aisle aircraft from Airbus. From rival Boeing, it said it would buy 190 of the narrow-body 737 Max jets, 20 twin-aisle 787s and 10 777Xs, with the option to purchase another 70 jets.

The deal is part of an overhaul by owner Tata Sons of the recently privatised carrier and eclipses previous records for a single airline.

Airbus did not disclose the financial terms. The list price for the planes from Boeing totals $34bn, although airlines typically receive discounts as high as 50 per cent. Still, the price tag makes it the third-largest sale in the US company's history.

Tata Sons chair Natarajan Chandrasekaran announced the Airbus purchase yesterday at a virtual event attended by India's prime minister, Narendra Modi, French president Emmanuel Macron and Tata patriarch Ratan Tata.

The family conglomerate bought Air India from the government last year, returning the airline to its original owners. The airline had been nationalised in 1953. Tata has promised to modernise the carrier.

"Air India is not yet another project," said Chandrasekaran, adding it was akin to a "national" project. "A lot of emotions are involved in this project, there are huge expectations."

He said that Air India had options to "increase the fleet size" as the carrier grew, and the company is expected to buy more planes from Boeing.

Airbus chief executive Guillaume Faury hailed the deal as "historic", and said that the A350 and A320neo planes had been chosen "to script Air India's revival".

"The time is right for India to turn into an international hub," he added.

The deal is also a welcome boost for Britain's Rolls-Royce, whose Trent XWB engines power Airbus's A350 jets. It will also create 450 manufacturing jobs in the UK, where Airbus builds commercial aircraft wings.

Boeing predicted that within the next decade India will become the third-largest market for air travel, behind the US and China. It expects regional traffic will grow at 7 per cent annually through 2041, nearly double the world average.

Today's order leaves Air India "well positioned to achieve its expansion plans", said Stan Deal, chief executive of Boeing's commercial jet business.

The aircraft will be delivered over several years. Both Boeing and Airbus have struggled to deliver planes amid persistent supplychain issues since the peak of the pandemic.

Airbus's Scherer said that the company would deliver the first of the six A350-900s at the end of 2023. The 34 A350-1000s will be delivered a couple of years later, while the 210 single-aisle aircraft will be handed over "from the tail-end of the decade", given supply-chain constraints.

## Adani says shares rout is 'temporary' volatility

CHLOE CORNISH — MUMBAI

Indian tycoon Gautam Adani has dismissed a share-price rout triggered by a short-seller assault on his conglomerate as "temporary" volatility.

At the quarterly earnings release of his Adani Enterprises yesterday, the ports-to-power mogul said his conglomerate's biggest division "will continue to work with the twin objectives of moderate leverage and looking at strategic opportunities to expand and grow".

Adani's comments came hours after home affairs minister Amit Shah said that India's ruling Bharatiya Janata party had "nothing to hide" over US short seller Hindenburg Research's assault on the billionaire.

Adani, regarded as a close ally of Narendra Modi, has painted the threat to his conglomerate as a "calculated attack on India". Opposition politicians have used the longstanding relationship between Modi and fellow Gujarat native Adani to needle the prime minister, who has not directly addressed the issue.

Adani Enterprises shares rose as high as Rs1,889 yesterday, up 9 per cent on the opening price of Rs1,735 and up from a low of Rs1,017 on February 3, according to National Stock Exchange of India data. The stock is still down about 45 per cent since Hindenburg published a report last month alleging stock manipulation and fraud.

The Adani Group has denied the allegations but Adani Enterprises had to cancel a $2.4bn share sale that was intended to broaden its investor base.

India's regulator told the Supreme Court on Monday that it was investigating allegations made in the Hindenburg report and share trading before and after its publication, Reuters reported.

Adani Enterprises said it had made "no material financial adjustment" to its quarterly results, which refer to a period before the Hindenburg report was released. The Adani Group's biggest unit by market cap, Enterprises reported profit after tax of Rs8.2bn ($99mn) for the three months to the end of December; it posted a Rs120mn loss for the same period last year.

Adani Enterprises said earnings had been boosted by increased profits at units including its coal-trading division, a 40 per cent year-on-year rise in passenger numbers at its airports, and rising solar-panel manufacturing capacity.

Quarterly revenues rose 42 per cent year on year to Rs270bn.

Presented by FT LIVE
In association with FT Scoreboard

BUSINESS OF FOOTBALL SUMMIT
New Money & the Battle for Growth

March 1-2, 2023 | Online and In-Person at The Biltmore Mayfair, London

Join leading investors, club and league executives, regulators, broadcasters, and other key influencers from the football industry, as they share their insights in discussion with FT journalists, both in-person at The Biltmore Mayfair, London and virtually before a global audience.

Speakers include:

**Richard Masters,** Chief Executive, *Premier League*
**Javier Tebas,** President, *LaLiga*
**Gerry Cardinale,** Founder, Managing Partner and Chief Investment Officer, *RedBird Capital Partners,* Owner, *AC Milan*
**Rafaela Pimenta,** President, Italian Association of Football Agents; Chairman and Founder, *One Sports Business Strategy*
**Kieron O'Connor,** Blogger, *Swiss Ramble*
**Amanda Stavely,** Founder and CEO, *PCP Capital Partners*

**Book now: businessoffootball.live.ft.com**

Lead sponsors: aws, cognizant
Associate sponsor: Sportsology Group

## SoftBank needs Son to work his magic on chip designer Arm

INSIDE BUSINESS ASIA
Kana Inagaki

In what he claimed was his last presentation to investors in November, Masayoshi Son lamented that his entrepreneurial knack would be wasted as SoftBank shifted to a full defensive mode to cut losses. To avoid that, he pledged to devote himself entirely to growing Arm, the UK chip designer owned by the Japanese technology group.

Four months on, it's not exactly clear to the outside world what the 65-year-old founder is up to. For the first time in decades, and being true to his word, Son did not appear on stage last week as SoftBank revealed fresh investment losses of $5.5bn for the latest quarter.

What was clear, though, to investors was just how much the future of SoftBank, which Son dubs as "a vision capitalist", rests on one company: Arm.

Following a historic selldown in Alibaba, an investment on which Son built his name as one of the world's greatest technology visionaries, Arm now accounts for a bigger percentage of SoftBank's net asset value than the Chinese ecommerce group. At 16 per cent, Arm is also bigger than the 13 per cent share of the overall NAV for SoftBank's domestic mobile business.

In a note to clients, Macquarie analyst Paul Golding said it seemed "prudent" for Son to focus on Arm considering that SoftBank's future and its share performance "now rests squarely with" the British chip subsidiary and the Vision Funds, one of which holds a 25 per cent stake in Arm.

The good news is that Arm's performance has improved during the October to December quarter. Its three-month revenue increased from $581mn to $746mn, and its pre-tax profit increased 77 per cent from a year earlier for the nine-month period. At its earnings presentation last week, executives said SoftBank was on track to list Arm's shares during the fiscal year to March 2024.

But that is where the good news ends. After launching its first Vision Fund in 2017, Son unveiled a grand plan to turn SoftBank into a "strategic holding company" from a telecoms group. Since then, it has committed $162bn in investments via the two Vision Funds and a Latin American fund, but cumulative losses stand at $4.8bn.

> As one analyst put it, the Japanese tech group is now looking more like a 'momentum investor' than a 'vision capitalist'

As one analyst put it, SoftBank is now looking more like a "momentum investor" than a "vision capitalist". It invested in struggling office company WeWork, collapsed Greensill Capital and cryptocurrency exchange FTX as valuations of technology start-ups were soaring.

Now it is in full protective mode, hoarding cash and reducing debt to survive a prolonged tech rout, higher interest rates and a global economic slowdown. That is a relief for some investors, but it does raise questions of whether, with valuations falling, the Vision Funds are missing an opportunity to invest in good start-ups at reasonable prices.

Following the frantic pace of deal activity in recent years, the Vision Funds made only two investments in the last quarter. Navneet Govil, finance chief of the Vision Funds, says their late-stage portfolio is worth more than $37bn and will be ready to list once market conditions improve. That includes the Vision Fund I's 25 per cent stake in Arm, which SoftBank bought for $33bn in 2016 and it now estimates is worth ¥2.6tn ($20bn).

With the massive sale of its stake in Alibaba, Arm will be one of the last major assets SoftBank can monetise.

The question is whether Son is now going on an offensive to make sure that Arm's initial public offering, most likely in the US, succeeds.

Before the IPO, analysts say it makes sense for SoftBank to first assemble a consortium of the biggest technology companies that would buy some of SoftBank's stake in Arm — an idea that has previously been floated by US chipmaker Qualcomm. If SoftBank then lists Arm, it will ensure that its semiconductor technology remains widely available and, crucially, allow Arm's share price to avoid an overhang if investors fear that the Japanese group will keep selling its stake in its British subsidiary to plug its losses.

The Vision Funds are mostly dormant for now but Son can no longer walk away from them since he owes the company he founded more than $5bn due to the widening losses at the group's various investment vehicles. If SoftBank shuts down the Vision Funds, Son will face the obligation to repay the money the company fronted him to invest in the technology-related funds. For SoftBank's fortunes to recover, Son needs a rebound in global markets but, more immediately, he needs to work his magic on Arm.

*kana.inagaki@ft.com*

# FT NON-EXECUTIVE DIRECTOR DIPLOMA

**Available 100% online**

**Financial Times Non-Executive Director Diploma**

Cohort 20: **14th March 2023 | Asia**

**Develop the skills and knowledge to secure non-executive positions and succeed in them.**

The Financial Times Non-Executive Director Diploma is a fully-accredited postgraduate qualification that will improve your board effectiveness and contribution.

Available in Hong Kong, London and 100% online, the 6-month course covers the whole range of skills and knowledge needed for any non-executive role and is delivered through a combination of face-to-face and online learning.

**bdp.ft.com**
**ftnedasiainfo@ft.com**
**+852 5969 1565**

FT BOARD DIRECTOR PROGRAMME

Travel & leisure

# Betting group Flutter weighs US listing

UK owner of Paddy Power and FanDuel looks to build on share of growing market

ARJUN NEIL ALIM AND AKILA QUINIO
LONDON

Flutter, the world's largest listed gambling company, is considering a US listing as it looks to consolidate its position in the growing American market.

The FTSE 100 company, which owns Paddy Power and FanDuel, said its board had reached the view that "an additional US listing of Flutter's ordinary shares will yield a number of long-term strategic and capital market benefits". The company will consult shareholders on the proposal, before potentially taking it to a vote at its annual meeting in April, where it would require 75 per cent approval. It said the move would "take precedence" over a previously mooted IPO of FanDuel in the US.

The betting group said the US was now its largest country by revenue and that a listing would enable Flutter to expand its profile there, allowing it to access US capital markets and attract local talent with share incentives. It would also leave the door open to shifting its primary listing from London to the US in the future.

The company had considered a separate listing of FanDuel, but this was complicated by the fact that Fox, the Murdoch-owned media corporation, could claim its option to buy almost 20 per cent of the company. An IPO could not take place "without Fox's consent or approval from the arbitrator", according to Fox. Flutter denied that Fox could block an IPO.

> 'An additional US listing . . . will yield a number of long-term strategic and capital market benefits'

Flutter said that the location for the listing would be determined after discussions with shareholders, but it would be between the NYSE and the Nasdaq.

The news comes as Flutter, along with competitors such as 888, are being hit with heavier regulation in the UK and Ireland as governments seek to tackle problem gambling.

Flutter's group revenues were up 11 per cent to £3.4bn in the six months to June 30, driven by strong results in the US. The group acquired FanDuel for $158mn in 2018. It was valued at $22bn in November. FanDuel has said it will be profitable by its full-year 2023 earnings.

The US Supreme Court struck down a federal ban on sports betting in 2018 kicking off a race between gambling companies to grab market share in a relatively immature and lucrative market.

Analysts at Jefferies said that the "move makes sense", adding that they would expect a "premium valuation" for the company in the US.

Analysts at Davy Research also viewed the announcement "positively", adding that it would allow access to "new US domestic investors as well as enhancing liquidity".

Flutter's FanDuel bet heavily on the Super Bowl, airing a $7mn 30-second commercial and offering $10mn of free bets to qualifying customers. Its chief executive, Amy Howe, told CNN that they were expecting about 17mn bets on the game.

See Lex

Energy. Subsidies

# Middlemen gain in rush for US green tax credits

Brokers and lawyers say Biden's $370bn package of incentives is triggering a financing revolution

STEPHEN FOLEY AND DEREK BROWER
NEW YORK

The Biden administration's $370bn package of subsidies for clean energy is generating a surge of activity for consultants, lawyers and brokers, after allowing green tax credits to be sold on the open market for the first time.

Veterans of clean-energy finance say the groundbreaking structure of the incentives in the Inflation Reduction Act could turn out to be as significant as their unprecedented size, bringing new sources of capital as well as a host of opportunities for middlemen.

Entrepreneurs are already exploring new products, including trading platforms for tax credits, to capitalise on the legislation.

Meanwhile, the first sale of an IRA tax credit could come any moment, lawyers and consultants told the Financial Times, as financial term sheets from renewables developers are already circulating.

"The market is now. People are working feverishly to get this up and running," said Greg Matlock, renewable-energy leader for the Americas at the consulting firm EY. "This is a burgeoning industry on multiple fronts."

The IRA has been hailed as the largest package of support for the energy transition by any country, extending government largesse deep into the supply chain for green technologies and causing consternation in Europe that it could pull significant investment away to the US.

The law gives developers of renewable-energy projects and manufacturers new ways to get the value of tax credits upfront — a critical element, since projects typically do not make taxable profits for years.

Companies that do have tax liabilities they want to offset have been able to invest in "tax equity" partnerships with developers, but the deals represent complex, long-term commitments so the participants have been limited to big banks and a few other groups.

"Tax equity favours certain kinds of project and certain kinds of investors, but we don't need JPMorgan now to tell us we have a good project," said John Gimigliano of KPMG's national tax practice. "It is the democratisation of finance."

More companies are expected to become buyers of tax credits, said Elias Hinckley, partner at the law firm Baker Botts, now that they do not have to endure the "brain damage" of a tax equity partnership. EY's Matlock said that the credits would appeal to companies that did not have significant tax liabilities every year but wanted to step into the market occasionally.

**The Inflation Reduction Act has been hailed as the largest support package for the energy transition by any country** — Irfan Khan/Los Angeles Times/Getty Images

The IRA is designed to spark an influx of capital into nascent sectors such as hydrogen, renewable gas and especially battery manufacturing — among the new technologies considered critical as the Biden administration tries to compete with China in a global clean-energy race and decarbonise the American economy in an effort to tackle climate change.

On top of a 30 per cent investment tax credit, further tax breaks are available to certain developers complying with wage requirements or locating projects in former fossil-fuel areas.

Stacked up, the credits will be equivalent to 50 per cent of a project's fair value, but as much as 60-65 per cent of developers' hard costs, said lawyers at Vinson & Elkins. Early indications suggest that tax investors could buy $1 of tax credits for about 90 cents.

The IRA has also allowed developers of solar-energy projects to take tax credits based on annual production instead of based on the initial investment, meaning they can be sold in smaller chunks to a wider range of buyers.

"There's only so many tax investors that can write the big cheque," said Mike Joyce, a Vinson & Elkins deal lawyer.

"The IRA has unlocked and dealt with some of the capacity logjam."

Lawyers and consultants said they had seen a big uptick in work since the passage of the law, with more to come as new financial structures are developed and buyers and sellers of tax credits start needing due diligence work.

Erik Underwood, who had worked as a corporate financier on renewables projects for Marathon Capital and Aela Energia, founded the start-up Basis Climate in October, two months after the IRA's passage. Basis is aiming to be a marketplace for tax credits on relatively small solar projects.

"The IRA is a sea change for climate finance," Underwood said. "Our view is that it will enable the next thousand companies to participate in climate projects."

> 'The market is now. People are working feverishly to get this up and running'

The IRA has created an opportunity for new kinds of insurance products, too, said Jordan Tamchin, tax insurance practice leader at CAC Specialty, a broker. There can be significant subjectivity in calculating the value of a tax credit, and therefore a risk that the Internal Revenue Service might claw back some or all of it in an audit, he said.

He predicted the first tax credit transfer could be finalised by the end of this month.

Baker Botts attorney Hinckley said uncertainty remained over implementation of the law, as the US Treasury works to put out guidance on the transfer of credits and other provisions.

Traditional tax equity structures could dominate for a while, he said, with sales of credits happening at the margins. But activity spurred by the IRA will rise quickly. "I'd characterise it as 95 per cent enthusiasm and 5 per cent activity at the moment, but in the next few months that will change and there will be a lot of dollars flowing," he said.

Industrials

# Toshiba profits slump as crisis deepens with departure of operations boss

ERI SUGIURA — TOKYO

**Toshiba's quarterly operating profits fell almost 90 per cent, as turmoil at the scandal-ridden Japanese industrial conglomerate deepened with the resignation of a top executive over improper entertainment expenses.**

The disappointing results — far below analysts' forecasts — come as Toshiba considers a $15bn buyout proposal from a consortium led by a Japanese private equity firm, in what would be the country's largest take-private deal.

Toshiba's chief operating officer Goro Yanase resigned after auditors found he had repeatedly submitted entertainment expenses without reporting the names of attendees, in violation of company rules.

The alleged misconduct took place when he was a board member of a subsidiary in 2019, before his nomination as chief operating officer.

The company posted an operating profit of ¥5.3bn ($40.1mn) for the October-December quarter, far less than a consensus estimate of ¥38bn, according to S&P Global Market Intelligence.

Its hard-drive business was hit by a drastic weakening of demand as manufacturers and businesses curbed spending in the face of a recession. The conglomerate also recorded a ¥10.2bn impairment charge for its Toshiba TEC printing business as the subsidiary's share price fell.

> 'We feel strongly that there is an urgent need to transform the company'
> Akihiro Watanabe, Toshiba chair

Toshiba cut its full-year operating profit forecast by a quarter and now expects to post one of ¥95bn for the fiscal year to March. It is the second downward revision since November.

The company blamed one-off factors for its poor performance, but the abrupt resignation of the chief operating officer is another blow to its reputation. It has lurched from accounting fraud to financial crisis and a protracted battle with activist investors.

The 147-year-old enterprise last week received a final acquisition proposal from Japan Industrial Partners, which has teamed up with financial services group Orix, Chubu Electric, chipmaker Rohm and other Japanese companies. If the proposal is approved by Toshiba's board and activist shareholders, it would conclude an eight-year saga that has brought the industrial conglomerate to the brink of collapse.

"With the aim of acting in the best interests of shareholders and other stakeholders . . . the company will conduct necessary negotiations," said Toshiba chair Akihiro Watanabe in a statement yesterday.

"We feel strongly that there is an urgent need to transform the company. We believe it is important to reach a final conclusion on the strategic alternatives of the company as soon as possible and to start working towards a new stage."

Masahiko Ishino, a senior analyst at advisory company Tokai Tokyo Research Institute, said: "I don't think there are no business opportunities for Toshiba, but [the latest earnings results and the chief operating officer's departure] shows it is in a difficult situation. It could be questionable that banks are financing the massive buyout."

See Lex

Automobiles

# Ford to axe 3,800 European jobs as it cuts model range and prepares for switch to electric

PETER CAMPBELL — LONDON

**Ford will cut 3,800 jobs across Europe, or 11 per cent of its workforce in the region, as it pares back its range of models and prepares to stop selling engine-driven cars later this decade.**

The US carmaker, which will shed the jobs over the next two years, will make most of the cuts in product development, such as designers, engineers and testers, while about one in five back-office roles will disappear as well.

It will cut 2,300 German jobs, with 1,700 from product development, while the UK will lose 1,300 roles, with 1,000 from product development. Another 200 jobs will be lost elsewhere. The company currently has 34,000 staff in Europe, including 6,500 in the UK.

Ford has been cutting back its line-up in Europe, where it struggles to turn a profit. The brand has ditched smaller cars such as the Fiesta and Focus from the region and is preparing to launch a series of electric-only models, which are less complicated to develop.

"The amount of [product development] work needed to be done is less because of that simplification," Ford's UK boss Tim Slatter said. "The demand on the product development activities globally is reducing [because] the reality is once the technology is developed, it's much easier to repeatedly install in future vehicles."

In Europe, the company expects to sell only electric cars by 2030 and will phase out engine-driven vans by 2035.

The UK site at Dunton, where most of its UK cuts will fall, is responsible for engineering Transit vans.

The cuts make up just over 40 per cent of Ford's European product development team, roughly in line with chief executive Jim Farley's predictions that it needed 40 per cent fewer staff to develop battery models. Last summer, Ford cut about 3,000 product development roles in the US, Canada and India.

Germany's IG Metall union, which represents 2.2mn German employees, warned last month that Ford's planned cuts would be "unimaginable" for workers. It also raised questions over "the future of the German Ford sites" including its flagship plant in Cologne, which makes the Fiesta.

Ford is in talks to sell its Saarlouis plant in Germany but has said it is investing €2bn at its Cologne factory to produce electric models.

The carmaker also announced £380mn of investment in its Halewood plant in Liverpool to produce electric components for battery vehicles.

"These are difficult decisions, not taken lightly," said Ford's European boss Martin Sander. "We recognise the uncertainty it creates for our team and I assure them we will be offering them our full support in the months ahead."

Ford has also been making cuts to operations to try to boost its profitability as it grapples with chip shortages and rising costs. Sander said earlier this year that the electric vehicle unit was not likely to make a profit until 2025.

Licensing deal

### New US factory to use EV battery tech from China

Ford plans to license technology from Chinese battery group CATL to use in a $3.5bn factory it plans to build in Michigan as it accelerates a push into electric vehicles.

The carmaker's deal with the world's biggest battery producer comes as new US tax credits for EVs take effect under the Inflation Reduction Act climate law passed last year. But the law prevents cars containing parts from a "foreign entity of concern" — a reference to China, Russia, Iran and North Korea — from receiving these tax credits.

The licensing agreement with CATL differs from other recent deals struck between car companies and battery-makers, in which General Motors, Stellantis and Ford have formed joint ventures with manufacturers LG, SK and Samsung, all of which are headquartered in South Korea.

Sam Abuelsamid, an analyst at Guidehouse Insights, said: "It's likely CATL and Ford looked at the political landscape and decided this was the best solution to minimise any political blowback."

The plant would be wholly owned by a Ford subsidiary and employ 2,500 workers when it opened in three years, executives said. The company will pay to use CATL's formula to make lithium iron phosphate batteries, a chemistry that is cheaper but less energy dense than today's EV batteries containing nickel, cobalt and manganese.

Ford and CATL agreed last year that the Mustang Mach-E vehicle would begin using CATL batteries this year, followed by the F-150 Lightning truck in 2024. The new lithium iron phosphate batteries will be available for both.

CATL employees will help the plant start operations, and some of the equipment will come from China.

Ford expected that consumers who bought EVs with these batteries initially would qualify for half of the $7,500 tax credit available for consumer vehicle purchases, Marin Gjaja, the company's chief customer officer, said. That sum could rise to the full amount based on where the carmaker procured minerals.

*Claire Bushey in Chicago*

2023/2/15 21:46 Financial Times Asia





# Apple faces a long road making its manufacturing shift to India work

## US group's effort to unwind dependence on China-centred supply-chain strategy runs into obstacles

PATRICK MCGEE — SAN FRANCISCO
JOHN REED — NEW DELHI

**Apple is hitting stumbling blocks in its effort to increase production in India, as the US tech giant faces pressure to cut its manufacturing reliance on China.**

The iPhone maker has been sending product designers and engineers from California and China to factories in southern India to train locals and help establish production, according to four people familiar with the operations.

It comes as Apple attempts to unwind its dependence on a China-centred supply-chain strategy, following months of Covid-19 disruption that led to it reporting its first decline in quarterly revenues in three and a half years this month.

Apple is building up nascent operations in India in an overdue diversification strategy, following the blueprint it set in China two decades ago, with engineers and designers often spending weeks or months at a time in factories to oversee manufacturing.

While Apple has been producing lower-end iPhones in India since 2017, last September was significant with Indian suppliers building flagship models within weeks of their launch in China, where virtually all iPhones and other Apple hardware are made.

But its experience in recent months has demonstrated the scale of the work to be done in the country.

At a casings site in Hosur run by India's Tata, one of Apple's suppliers, about one of every two components coming off the production line is in good enough shape to eventually be sent to Foxconn, Apple's assembly partner for building iPhones, according to a person familiar with the matter.

This 50 per cent "yield" fares badly compared with Apple's goal for zero defects. Two people who have worked in Apple's offshore operations said the factory is on a plan towards improving proficiency but the road ahead is long.

Jue Wang, consultant at Bain, said Apple is at the start of its expansion into India. "We're not talking the same scale of the Zhengzhou factory" — a factory hub in China known as "iPhone City" that employs some 300,000 workers — "and everybody acknowledges there will be different efficiency, but it is happening", she said.

In China, suppliers and government officials took a "whatever it takes" approach to win iPhone orders. Former Apple employees describe instances in which they would estimate a certain task might take several weeks, only to show up the next morning to find it completed at inexplicable speed.

Operations in India are not running at that sort of pace, said a former Apple engineer briefed on the matter: "There just isn't a sense of urgency."

A person involved in Apple operations said the process of expanding to India is slow in part because of logistics, tariffs and infrastructure. This person said Apple's diversification into south-east Asia has been smoother thanks to the Regional Comprehensive Economic Partnership, a free trade agreement among 10 regional nations.

Mark Zetter, president of Venture Outsource, a consultancy for the contract electronics industry, said such inertia has been a problem for years.

Five years ago, when Zetter did research for the Indian think-tank Gateway House, he found contract manufacturers would "frequently claim they can fulfil any need" for an electronics client.

But in reality they would be "slow to respond to customer concerns after the deal is signed" and "lack flexibility" to respond to changes. The Apple engineers have also, at times, been housed at city-centre hotels in Chennai, the capital of the southern Indian state of Tamil Nadu, two hours away from the factories where they are working.

This requires four hours of daily commuting, with occasionally poor WiFi connections along the route.

Apple declined to comment.

Despite these teething issues, analysts say India's potential for Apple is huge. Bain, the global consultancy, estimates manufacturing exports from India could more than double from $418bn in 2022 to more than $1tn in 2028, driven by policy support and low costs. It estimates electronics exports will grow at an annual rate of up to 40 per cent.

Vivek Wadhwa, a Silicon Valley-based entrepreneur and academic who last month met government officials including Prime Minister Narendra Modi, said the central government is encouraging businesses to take advantage of Apple's need to diversify from China.

Provincial governments "are bending over backwards to bring industry in, and they will do what China has done", he said. "But these are baby steps. Apple is now getting its feet on the ground, learning what does and doesn't work . . . Give it three years and you'll see it scaling up."

Wadhwa acknowledged that the fragmented, bureaucratic government in India was something to which Apple would need to adapt. He suggested its engineers learn the art of *jugaad* — a way of "making do" or transcending obstacles. "Because everything in India is an obstacle," he said.

Recent jobs ads from Apple make clear it has big ambitions in the country, which is on track to surpass China as the world's most populous nation this year.

One ad tells prospective employees they will "grow nascent operations in India to service all product lines of business at Apple while simultaneously building the factory of the future".

"India" was also mentioned 15 times in Apple's earnings call this month, with chief executive Tim Cook saying he is "very bullish on India". He called the market "hugely exciting" and "a major focus", and confirmed plans to soon open Apple Stores in the country.

Tata has ambitious plans to become a full-service Apple supplier like the Taiwanese, and it has the approval and backing of the Indian government, according to people in India familiar with its plans.

The Indian conglomerate is in talks to buy an iPhone assembly plant outside Bangalore in the neighbouring state of Karnataka from Wistron, a Taiwanese rival to Foxconn that is seeking to exit after experiencing labour unrest and protests in 2020.

One person familiar with the plans said Apple was facilitating discussions that would allow Tata to take majority ownership, rather than a 50:50 joint-venture structure. Bloomberg first reported on the talks. Tata declined to comment on its plans. Wistron did not reply to a request for comment.

Meanwhile, India's government has given the preliminary go-ahead to Apple's Chinese component suppliers to begin operation, in joint ventures with Indian partners, according to a person familiar with plans.

The move is significant as the Indian government has a border dispute with China. It had banned dozens of Chinese apps and launched tax and other regulatory proceedings against phonemakers since a clash at its northern frontier in 2020 that left at least 24 dead.

This month, finance minister Nirmala Sitharaman said India intended to provide customs duty relief on the import of parts and inputs used in mobile phones, such as camera lenses, in a bid to "defend domestic value addition in manufacturing of mobile phones".

An electronics industry executive in Tamil Nadu said Apple is late to the game.

"They should have started this exercise five years ago," he said. "They should have started diversification earlier so they would reap the benefit at this time."

'But these are baby steps. Apple is now getting its feet on the ground, learning what does and doesn't work'

**Diversification drive: Apple has set its sights on India to be a main hub for manufacturing**
FT montage/AFP via Getty Images

**In India, Apple is only just behind Samsung in value share, but from selling far fewer devices**
Market share, 2022 (%)

| | Volume | Value |
|---|---|---|
| Other | 31 | 22 |
| Oppo | 10 | 9 |
| Xiaomi | 20 | 14 |
| Vivo | 16 | 15 |
| Apple | 4 | 18 |
| Samsung | 19 | 22 |

**India's manufacturing exports are set to increase sharply**
Value ($bn)



Sources: Counterpoint Research; Bain

---

Personal goods

# Louis Vuitton appoints US artist Pharrell to head design of menswear

ADRIENNE KLASA — PARIS
LAUREN INDVIK — LONDON

**Louis Vuitton has appointed the artist Pharrell Williams to take over menswear design following the death of Virgil Abloh.**

The luxury giant, the flagship brand of Bernard Arnault's LVMH group, has been on a growth streak emerging from the pandemic, and is looking to consolidate its position at the top of the market.

The appointment of Williams, a multiple Grammy winner, at the helm of menswear design is the first big move by Pietro Beccari, Louis Vuitton's recently appointed chief executive, who previously led Dior. Williams will present his first collection in Paris in June.

"I am glad to welcome Pharrell back home, after our collaborations in 2004 and 2006 for Louis Vuitton . . . His creative vision beyond fashion will undoubtedly lead Louis Vuitton towards a new and very exciting chapter," Beccari said on the label's Instagram page.

Williams takes over the position vacated by Abloh, who died in November 2021. A pioneering designer, Abloh was the first African American to head a major label at a European luxury house.

LVMH's success has propelled it to become Europe's largest group by stock market capitalisation. Bernard Arnault, whose family controls the group, is now the richest man in the world after recently outpacing Tesla's Elon Musk.

The appointment of Williams is a coup for LVMH, which has been increasingly working with cultural influencers and artists, such as the label's extensive collaboration with Japanese artist Yayoi Kusama. It will also allow the brand to tap the links to the American music industry and streetwear on which Abloh capitalised. The news was first reported by the Wall Street Journal.

Williams has been close to the newly appointed Louis Vuitton chief executive for some time, attending pivotal shows at Dior and collaborating with Beccari on a jewellery collection in the 2010s.

The musician said last year that he is also working on a collection with Tiffany & Co, another LVMH-owned brand, following similar partnerships with Adidas and LVMH rival Chanel.

Williams first rose to prominence as a producer and musician as part of the group the Neptunes in the 1990s, before becoming a hitmaker known for smash singles such as "Happy" as well as being a producer for artists ranging from Beyoncé to Justin Timberlake.

He has since won 13 Grammy awards and been nominated for an Oscar twice, while also branching into design and entrepreneurship.

Louis Vuitton became the world's first $10bn luxury brand back in 2018. The group has survived the pandemic with aplomb, despite the hit to the key Chinese market arising from President Xi Jinping's zero-Covid policy and the surge in cases at the end of last year.

The company reported record profits for 2022 at the end of January.

The group spans dozens of brands, including Moët champagne and Cheval Blanc hotels. All five of Arnault's children work for the group, and speculation is rife about who will succeed him.

A recent reshuffle shifted Beccari into his current position at Louis Vuitton from his role as chief executive at Dior, the group's second-biggest label, which was taken over by Arnault's daughter, Delphine.

*Additional reporting by Leila Abboud in Paris*

---

Oil & gas

# First crude exports from Energean project bolster Israel's energy security

DAVID SHEPPARD — ENERGY EDITOR

**Israel's first stream of oil exports has launched from Energean's Karish development in the eastern Mediterranean, a landmark moment for a country once vulnerable to a lack of domestic energy supplies.**

The nation's first overseas crude shipment was loaded on Monday from the Energean Power Floating Production Storage and Offloading unit, a giant vessel used to develop the Karish gasfield.

Energean's FPSO is part of a development that has been politically controversial because of its location on a once-disputed maritime border between Israeli and Lebanese waters.

Israel in July shot down three drones believed to have been launched towards the FPSO by Lebanon's Iran-backed Hizbollah group, before the project's start-up.

But, after years of indirect negotiations, a US-backed agreement was reached in October that demarcated a maritime border between the Karish gasfield and the Qana gasfield on the Lebanese side. Energean started production at Karish late last year and France's TotalEnergies is due to begin drilling the Qana gasfield later in 2023.

The crude loading on Monday was still deemed sensitive enough to take additional security measures, however.

The Seliger Aframax tanker, capable of carrying about 700,000 barrels of crude, was visible on satellite tracking next to the Energean Power FPSO late on Sunday evening but then turned off its tracking device. This was done as a security measure, according to one person familiar with its operation.

A firefighting vessel, the EDT Aurora, was also positioned near the tankers on Monday afternoon. Vitol, the world's largest independent oil trader, has a deal to offtake and market the Karish cargoes internationally, Energean said. Vitol declined to comment.

Energean, listed in London, has grown rapidly since being founded by Greek banker Mathios Rigas in 2007. Its shares have about doubled since 2019 to give it a market capitalisation of £2.2bn.

Rigas said he was happy to help Israel join "the club of international oil exporters" and said it was a "milestone" for the company. Israel's lack of domestic gas and oil production was a point of weakness for much of its history following its 1948 independence, with many of the world's largest oil producers in the Middle East refusing to supply it.

But, in the past decade, multiple discoveries in the waters of the eastern Mediterranean have helped reduce Israel's dependence on imported fossil fuels.

Israel is now self-sufficient in natural gas, which has reduced its reliance on coal and helped smooth ties with its neighbours through export agreements to Egypt and Jordan, although it still imports the majority of its crude oil.

While Karish is primarily a gasfield, the success of its associated oil production is crucial to the economics of the project for Energean, according to people familiar with the matter.

The price Energean receives for the gas it produces at Karish is lower than international prices because Israel is a relatively isolated market. But the associated oil can be shipped internationally by tanker, with Energean expected to get closer to the global price for its crude, to be known as Karish Blend.

Israel's largest gasfield, Leviathan, which started in 2019, also produces some associated crude oil that is sent to domestic refineries.

Energean's oil and gas production, which includes operations in Israel, Egypt, Italy and Croatia, is expected to rise with the ramp-up of Karish from about 41,000 barrels of oil equivalent a day to 150,000 boe/d by the end of the year and 200,000 boe/d in 2024.

Israel is still largely reliant on imported crude for its 300,000 b/d refining sector, with domestic demand of about 250,000 b/d. It exports a small volume of refined oil products, such as petrol and diesel, according to the US Energy Information Administration.

**Energean's FPSO loaded its first ship with crude on Monday**

CODEL Digital Certainty
www.codelmark.com
13 Feb 2023
21EDB7F47C861621CB7FDC638277E619
5ABC0185319ED452E68CFE668BF89910
12 Feb 2023
FF7F1E30D623E86A446E69B88EB59562
40837F3E470067F089B8329832EC606B

Legal Notices

**NOTICE UNDER SECTION 131A OF THE LABUAN COMPANIES ACT, 1990**

Notice is hereby given that:-

**GeoMinerals Consultants Pte. Ltd. (Company No. LL14750)** intends to apply to the Labuan Financial Services Authority (Labuan FSA) for a declaration of dissolution of the Company and that the Labuan FSA may dissolve the Labuan Company unless written objection is made to the Labuan FSA as below within 30 days from the date of this Notice:-

Labuan Financial Services Authority
Level 17, Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000 Labuan F.T., Malaysia.

Date: 15 February 2023

Fixed income. Poor incentives

# Sustainability bonds stumble amid greenwashing scrutiny

Issuance of debt that aims to uphold climate pledges falls as scepticism on penalties grows

KENZA BRYAN

The market for a class of bonds once touted as the future of green investing is flagging as investors worry that the debt does not impose sufficiently stringent penalties on companies for missing their climate targets.

Last year, $60bn of so-called sustainability linked bonds (SLBs) were issued around the world, a 37 per cent decline on 2021's total. Dwindling sales came as a disappointment to analysts who expected rapid growth that would eclipse the longer established market for green bonds. Barclays had expected 2022 issuance of more than $200bn.

Sustainability-linked debt aims to tie companies to their climate promises by punishing them with higher interest rates if they miss environmental targets.

Investors have frequently viewed them as preferable to green bonds, which allow issuers to raise cash for specific green projects but do not impose any obligations on the company as a whole to meet goals such as cutting emissions or water usage or overhauling their supply chains.

In practice, however, the "step-up" in coupon payments embedded in the bonds' terms have been too small to provide much incentive to issuers to clean up their act, analysts said.

Meanwhile, some environmentally conscious investors simply do not want to hold debt issued by companies at risk of reneging on their green promises.

"Both myself and the market are quite concerned about the quality of these instruments [SLBs]," said Charlotte Edwards, head of ESG fixed income research at Barclays.

Investors will probably be a bit more "picky" about what they are buying in 2023, she added.

A symptom of market dysfunction for some is that SLBs have not so far benefited from the elusive "greenium", a lower borrowing cost that companies hope to achieve when they issue bonds with a sustainability label.

While Barclays' analysis of hundreds of green bonds and their vanilla equivalents suggests green bond yields are 0.05 percentage points lower — representing a cheaper borrowing cost for issuers — it has not observed any comparable spread for SLBs.

This might be because the reward promised to investors for an issuer's climate failure is not particularly high: generally 0.25 percentage points, lower than the typical 1.25 percentage point penalty built into some bonds to protect investors in case of a fall in the issuer's credit rating.

Polish oil refiner PKN Orlen became the first SLB issuer to pay a coupon step-up last year, the interest payments on its two bonds worth 2bn zlotys (£368mn) rising by one-twentieth and one-tenth of a percentage point, respectively, after its sustainability rating was slashed by data provider MSCI.

Some policymakers worry that the bonds are giving a free ride to companies to burnish their green credentials.

Paul Tang, a lawmaker leading the European parliament's efforts to bring sustainable debt instruments into regulation, said SLBs in their current form were a "greenwash machine".

Esma, the financial sector regulator for the EU, warned this month that SLBs could be considered a "free lunch" for issuers, for example because of the widespread use of call options, which means issuers could recall a bond before a step-up takes place, as well as low step-up rates.

"We are not against the instrument itself but it needs work," Tang said, highlighting EU proposals to make companies tie step-up objectives to formal transition plans.

As companies currently set their own targets, accountability for slow progress is low. Most issuers who tie SLBs to emissions targets, like the supermarket Tesco, exclude big chunks of their carbon footprint from scope.

Brazilian meatpacker JBS was hit by an SEC complaint by an NGO last month for issuing $3.2bn of SLBs tied to a tiny part of its emissions. JBS has rejected the premise of the claim and said the bonds' focus on direct emissions was a reflection of poor data availability. Others like Sembcorp, the Singapore power provider, have simply moved high-emitting assets off balance sheet after issuance.

Julien Lefournier, a lecturer in green finance at Paris universities and former Crédit Agricole banker, compared the practice of SLB issuers choosing their own objectives to the French televised singing contest *École des fans*, in which children give each other marks and every contestant is awarded first place. "They called this the democratisation of green finance, it was meant to be open to everyone — but it has become a big joke," he said.

Blue sky thinking: Enel says it has a clear trajectory ahead for achieving net zero emissions by 2040

A test of the market's maturity could come later this year and next year when Edwards expects a flood of coupon step-ups for index-eligible SLBs.

Italy's state-owned energy company Enel, which issued the first SLB in 2019 and 27 others since, could be responsible for many of these.

One SLB is linked to a target of 60 per cent renewable installed generation capacity, which it fell short of in its latest results, and which Italy's turn to coal since the start of the Ukraine war may have pushed out of reach. This target is for 2022, based on data due to be published in April or May.

Enel said it was on a clear trajectory to achieving net zero emissions by 2040. If it did fail to meet the objective, this would be as a result of the gas crisis and the Italian government's decision to temporarily maximise production from coal-fired power plants, Enel added.

More step-ups could turn out to be a good thing if they give investors confidence the market is capable of making issuers pay for climate failure.

A Morgan Stanley report last month recommended issuers start setting goals that are trickier to meet, "otherwise the bond's impact is de minimis".

'Both myself and the market are quite concerned about the quality of these instruments'

An enduring catch-22 is that, when step-ups do happen, they can look bad for investors who buy SLBs in part to hit green financing targets.

"If you're a sustainable investor you don't want the step-up to be triggered," said Eric Pedersen, head of responsible investments at Nordea Asset Management, which manages €239bn. "It would be a sad extra dollar if the coupon were raised for that reason."

FT

Our global team gives you market-moving news and views, 24 hours a day ft.com/markets

Equities

## Turkey leans on pension funds to prop up stocks

ADAM SAMSON — ANKARA
GEORGE STEER — LONDON

The government of President Recep Tayyip Erdoğan has ordered private pension funds to boost their holdings of Turkish stocks after a sell-off in the wake of last week's earthquake prompted authorities to halt trading on Istanbul's equities bourse.

The decision, announced yesterday, came a day before Istanbul's stock exchange reopens and is aimed at bolstering financial markets.

It was closed six days ago as traders rushed to sell equities following the devastating earthquake on February 6.

Erdoğan is battling criticism over his handling of the response to the earthquake, which has killed more than 31,000 people in Turkey and thousands more in Syria, as well as the building standards put in place before the disaster.

Turkey's Bist 100 equity index has tumbled 18 per cent this year in a slide that had started even before last Monday's quake as investors fretted about a tightly contested election scheduled for May.

Turkey's stock market was suspended on February 8 after two days of tumultuous trading.

The Turkish lira has also remained under pressure, trading yesterday near an all-time low of TL18.85 to the dollar.

Borsa Istanbul, the exchange's operator, did not respond to a request for comment on whether it would proceed with this week's reopening.

'It may be politically expedient but it is hard to see how it benefits pension fund investors'

Private pension funds will be required to allocate 30 per cent of the funds the government contributes to match individual pension contributions to Turkish stocks, said an announcement in the Official Gazette yesterday. The previous requirement was 10 per cent.

The government matches 30 per cent of pension contributions up to a yearly minimum wage, according to HSBC.

Funds will also be allowed to increase the weighting of a single stock in their portfolio to 5 per cent, from 1 per cent previously.

Murat Gülkan, chief executive of OMG Capital Advisors in Istanbul, said investors were likely to react positively but said regulatory changes designed to keep the Bist 100 buoyant may "impede healthy price discovery and will lead to greater problems down the line".

Forcing pension funds to up their stakes in local stocks after a big rally since 2019, which has only recently reversed, "may be politically expedient ahead of elections but it is hard to see how it benefits pension fund investors", Gülkan added.

Erdoğan has already promised to provide families affected by the earthquake TL10,000 ($530) in aid but economists expect more measures in the coming weeks to dull the financial blow from the disaster.

Equities

## China reopening bets now a 'crowded trade', fund manager survey warns

CHRIS FLOOD

Global fund managers are becoming increasingly nervous over the durability of the rally in Chinese equities, with one in five of the view that it has become the market's "most crowded trade".

Allocations by global fund managers to emerging market equities, including China, increased for a third month in succession in February, according to a widely watched Bank of America monthly survey that canvassed the views of 262 participants who oversee combined assets of $763bn.

Chinese blue-chip stocks in Shanghai have risen 14 per cent since the start of November as investors warmed to President Xi Jinping's decision to drop its zero-Covid policy.

But fund managers have become concerned about the rapid increase in the popularity of Chinese stocks, a potential warning sign that momentum could flag.

It was the first time a "long China equities" position featured as the most crowded trade in the survey's history, which dates back to 1985.

The reopening of the Chinese economy is expected to push up inflation globally, adding to the uncertainty over the outlook for monetary policy in the US and Europe.

Just over two-thirds of the survey's respondents said they believed that inflation would rise as a consequence of China reopening and the biggest "tail risk" for fund managers was that inflation would stubbornly remain "higher for longer".

US consumer price data was higher than expected yesterday, increasing investor worries that the US Federal Reserve would have to raise rates further.

Chinese blue-chip stocks in Shanghai rose 14 per cent since November 1

"It is clearly good for global economic growth that China's economy is reopening but if this does translate into higher inflationary pressures, as we have seen on other parts of the world during the post pandemic recovery, then that could pose problems for central banks [outside of China]," said Michael Hartnett, chief investment strategist at BofA global research.

The BoA survey found that a net 46 per cent of fund managers had moved to an "overweight" allocation in emerging market equities in February, helped by increased optimism about the outlook for the Chinese economy and growing confidence that the rise of the US dollar has peaked.

Some strategists argued that the rally in Chinese equities still had further to run. Société Générale estimates that the Shanghai market is trading on a price to earnings multiple for this year of 11.6 times with earnings growth forecast at 18.8 per cent, the bank found.

That compared with a multiple of 12.4 times and earnings growth of 6.7 per cent for emerging markets.

Asset management

## Hedge fund Element to slim down after taking $1bn hit in equities rally

LAURENCE FLETCHER

Jeffrey Talpins' Element Capital, one of the world's biggest macro hedge funds, is planning to shrink its asset base in an effort to improve performance after a run of poor returns, including losing more than $1bn in last month's market rally.

New York-based Element, which manages about $12bn in assets and has one of the sector's best long-term records, suffered a 9.6 per cent loss last month, according to people who had seen the numbers, as equity markets rose strongly on hopes that interest rate rises were almost done.

Element will now let investors exit its fund more easily than usual by temporarily relaxing its redemption terms, the people said.

The move, which has not previously been reported, is aimed at reducing the firm's assets in order to make it more nimble and able to respond quickly to market moves, the people said. Element declined to comment.

January proved a tough month for some hedge funds as equities rallied, led by more speculative stocks that were hard hit last year, and bond markets also gained on hopes that central banks were finally succeeding in taming inflation.

Those market moves inflicted heavy losses on funds that had been positioning for higher rates, including some computer-driven funds betting on falling bond and equity prices.

Element's loss follows two years of negative returns, the first annual losses in its 18-year history. It suffered an 8.9 per cent drop in 2021 after taking a roughly $1bn hit in the bond market tumult of October that year.

The move is aimed at making it more nimble and able to respond quickly to market moves

Last year, it lost a further 3.4 per cent after betting that inflation would prove more transitory than it eventually did.

That decline came even as rivals such as Caxton, Rokos and Brevan Howard were making big gains from the huge sell-off in global government bonds and the rally in the US dollar as interest rates were raised sharply to combat inflation.

Element will now relax its redemption terms that allow investors to withdraw only 25 per cent of their money each quarter and instead permit unlimited exits before the end of March. It will also allow clients to give less notice before pulling their money out.

The move highlights a growing concern among hedge fund managers that becoming too large can potentially hurt their performance by making them slower to react to big market moves.

While losing assets reduces the amount that firms can earn in management fees, many believe that it is more important not to damage their performance record.

Firms such as Millennium and Citadel are among those to have returned some capital to clients in recent years.

Element has been closed to any new inflows for nearly five years, during which time it has already handed back more than $5.5bn to investors, but the firm nevertheless feels it needs to shrink further as it looks to prosper in the current market environment.

## The day in the markets

### What you need to know

- **Wall Street stocks lower after inflation data raises rate fears**
- **Consumer price index puts pressure on Fed over interest rates**
- **US government bonds slide with UK gilts also hit by selling pressure**

**US interest rate expectations jump after inflation data**
Where markets expect US rates to be in July (%)
Source: Bloomberg

Wall Street equities softened yesterday after inflation slowed less than expected, raising investors' expectations that the US Federal Reserve will respond with further interest rate rises this year to combat increasing prices.

Wall Street's blue-chip S&P 500 and the tech-heavy Nasdaq Composite slid 0.4 per cent and 0.3 per cent, respectively, in morning trade in New York.

Fund managers turned bearish after year-on-year US consumer price inflation fell to 6.4 per cent in January from 6.5 per cent the previous month, marginally higher than economists had expected.

Annual core inflation, which strips out volatile food and energy prices, fell to 5.6 per cent from 5.7 per cent in December, also slightly above expectations, with prices rising 0.4 per cent month on month.

The strong number drew fresh concern that stubbornly high inflation would push the US central bank to raise rates higher than the market expected, as chair Jay Powell warned last week.

"The Fed ended the year thinking the economy is slowing, inflation is coming steadily down, the labour market is cooling," said Neil Shearing, chief economist at Capital Economics. "January data threw all of that up in the air. The labour market is red hot, the economy looks like it's in a better place and inflation is coming down more slowly. Put it all together and if you're Jay Powell, you're suddenly sleeping less easily."

The US Dollar index, a measure of the currency's strength against a basket of six of its peers, rallied following the inflation data but later gave up those gains to trade flat on the day.

US government bonds sold off with the yield on two-year Treasuries rising 8 basis points to 4.62 per cent, having earlier dipped 3bp. The yield on 10-year Treasuries rose 5bp to 3.77 per cent.

Pricing in the futures market shows investors now expect rates to peak just below 5.27 per cent in July — up from 5.18 per cent in the same month before yesterday's inflation numbers — with at most a single interest rate cut in the remainder of the year.

Earlier this month, they were expecting a peak of about 5 per cent in May with two interest rate cuts by the end of 2023.

Across the Atlantic, the region-wide Stoxx Europe 600 fell 0.2 per cent and London's FTSE added 0.1 per cent.

UK government bonds sold off sharply after the US inflation data with the yield on the interest rate-sensitive two-year gilt rising 17bp to 3.81 per cent, its highest level since late October. **George Steer**

### Markets update

| | US | Eurozone | Japan | UK | China | Brazil |
|---|---|---|---|---|---|---|
| **Stocks** | **S&P 500** | **Eurofirst 300** | **Nikkei 225** | **FTSE100** | **Shanghai Comp** | **Bovespa** |
| Level | 4105.05 | 1824.43 | 27602.77 | 7953.85 | 3293.28 | 108156.94 |
| % change on day | -0.78 | 0.08 | 0.64 | 0.08 | 0.28 | -0.62 |
| **Currency** | **$ Index (DXY)** | **$ per €** | **Yen per $** | **$ per £** | **Rmb per $** | **Real per $** |
| Level | 102.942 | 1.072 | 132.815 | 1.216 | 6.817 | 5.159 |
| % change on day | -0.390 | 0.000 | 0.011 | 0.165 | -0.152 | -0.238 |
| **Govt. bonds** | **10-year Treasury** | **10-year Bund** | **10-year JGB** | **10-year Gilt** | **10-year bond** | **10-year bond** |
| Yield | 3.779 | 2.435 | 0.499 | 3.522 | 2.890 | 12.906 |
| Basis point change on day | 5.640 | 6.800 | 0.000 | 12.300 | -0.400 | -7.100 |
| **World Index, Commods** | **FTSE All-World** | **Oil - Brent** | **Oil - WTI** | **Gold** | **Silver** | **Metals (LMEX)** |
| Level | 428.59 | 85.17 | 78.79 | 1856.05 | 21.99 | 4100.00 |
| % change on day | -0.41 | -1.66 | -1.68 | -0.20 | -0.59 | 0.02 |

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

S&P 500 Index | Eurofirst 300 Index | FTSE 100 Index

### Biggest movers

| % | US | | Eurozone | | UK | |
|---|---|---|---|---|---|---|
| Ups | Aptiv | 7.05 | Telefonica | 3.56 | Coca-cola Hbc Ag | 4.97 |
| | Zoetis | 4.88 | Arcelormittal | 2.77 | Vodafone | 3.43 |
| | Cadence Design Systems | 4.87 | Volkswagen | 2.57 | Bt | 3.13 |
| | Ecolab | 4.46 | Raiffeisen Bank Internat | 2.38 | Airtel Africa | 2.18 |
| | Arista Networks | 3.38 | Thales | 2.32 | Int Consolidated Airlines S.a. | 1.92 |
| Downs | Lumen | -5.42 | Thyssenkrupp | -9.82 | United Utilities | -2.05 |
| | Enphase Energy | -4.74 | Oci | -5.04 | Severn Trent | -1.90 |
| | Leidos Holdings | -4.55 | Galp Energia | -3.29 | Persimmon | -1.85 |
| | Paypal Holdings | -3.76 | Safran | -2.08 | Jd Sports Fashion | -1.44 |
| | Newmont | -3.54 | Mapfre | -1.26 | Land Securities | -1.21 |

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

Data analytics group **Palantir** surged on announcing that it was "profitable for the first time" last quarter — with net income "according to generally accepted accounting principles" of $31mn.

"A threshold has been crossed and this is the start of our next chapter," said Alexander Karp, a co-founder alongside executives including billionaire investor Peter Thiel.

A bullish outlook pushed **Zoetis** to near the top of the S&P 500 index with the animal health group forecasting 2023 revenue of $8.58bn to $8.73bn, the midpoint of which comfortably beat analysts' estimates.

**Cadence Design Systems** also climbed to near the top of the blue-chip benchmark after reporting better than expected guidance.

For its fiscal 2023 year, the computational software group forecast revenue of between $4bn and $4.06bn, significantly ahead of the $3.9bn that Wall Street had projected.

Cadence's upbeat outlook came on the back of "record results" last year, said Anirudh Devgan, chief executive.

Oncology group **Fusion Pharma** jumped after buying RadioMedix's drug candidate for targeting prostate cancers.

The experimental treatment was currently in a phase 2 clinical trial.
*Ray Douglas*

### Europe

Swedish online gambling group **Betsson** rallied, buoyed by the Fifa World Cup football tournament and strong results in Latin America.

Pontus Lindwall, chief executive, said the World Cup "contributed to new records for all possible key performance indicators". This led to revenue and operating income leaping 40 and 92 per cent year on year, respectively, for the final quarter of 2022.

In Latin America, where Betsson has struck several naming rights deals, it "recorded new highs on most key parameters", added Lindwall.

Germany's **Delivery Hero** sank after the meal delivery group placed a €1bn convertible bond with a coupon of 3.25 per cent, which, according to Citi, would add about €28mn of additional interest expense a year.

The proceeds would be used to redeem a convertible bond due in 2024 and pay down another convertible bond due in 2025.

Weaker profits weighed on Norwegian consumer goods company **Orkla**.

It faced "reduced consumer buying power in most of our markets" owing to higher inflation and interest rates, it said.

Preliminary results pushed Germany's **Bilfinger** up sharply with the construction group delivering double-digit growth in revenue and orders last year. *Ray Douglas*

### London

Rallying to the top of the FTSE 100 index was soft-drinks bottler **Coca-Cola HBC**, which posted a comparable operating profit of €930mn in 2022 — up 12 per cent on the previous year.

It was also ahead of the €867mn that analysts had expected. But Citi cautioned that this beat "was driven by higher than expected profits in emerging markets, while established and developing [markets] both substantially missed".

Joining Coca-Cola at the head of the blue-chip benchmark was **Vodafone**, following news that US telecoms group Liberty Global had acquired a nearly 5 per cent stake in its UK rival.

Russ Mould, investment director at AJ Bell, said that Liberty was "essentially getting its foot in the door should any new deals start to emerge".

Guarantor-loans provider **Amigo** surged after avoiding a fine from the UK financial regulator.

The Financial Conduct Authority publicly censured Amigo over its failure properly to assess the affordability of its lending, "especially to vulnerable consumers".

The FCA also planned to impose a fine almost £73mn but waived this penalty as it would have caused "serious financial hardship", threatening Amigo's ability to "pay redress to customers", said the watchdog. *Ray Douglas*

# Investors must not expect much relief from volatility

**Anne Walsh**

**Markets Insight**

Last year was such a white-knuckle year for interest rates and market valuations. Investors should be forgiven for hoping that 2023 will be different. It will be — but they should not expect much relief from volatility.

The strong US jobs figures for January show that real-time economic releases still have the power to surprise. But the more meaningful long-term matter for investors to keep in mind is that we have transitioned from a world of quantitative easing to one of tightening.

We believe that no one should be betting on the Federal Reserve pivoting from that in a quarter or two just because the US is close to a recession.

The days of making easy money during QE are over. The year-over-year growth rate of the M2 measure of money supply in the US neared 30 per cent post-Covid due to the massive pandemic policy response. But it did not drive goods and services inflation or real economic activity to the degree that Milton Friedman would have predicted.

Due to the big gap between economic and money supply growth, this excess liquidity showed up in inflated asset prices. Prices went up for everything, both for quality assets and for speculative ones that did not deserve capital. We believe that contraction in the Fed's balance sheet and M2 should have the opposite effect.

The Fed may be closer to the end of its hiking cycle than the beginning but QT will continue with the central bank's run-off strategy of reducing its balance sheet by not reinvesting the proceeds from maturing Treasuries and mortgage-backed securities (MBS). Its balance sheet reduction has barely started.

In April 2022, the Fed balance sheet peaked at about $9tn in assets and today it stands at $8.5tn.

The nominal cap amount of runoff is $95bn per month and it will be continuing on autopilot for the foreseeable future (although partly offset recently by slower prepayments on some MBS held by the Fed).

We do not expect a repeat of September 2019 when money markets were spooked by the fall in the aggregate size of the Fed's balance sheet from $4.4tn at the start of 2018 to $3.7tn and the central bank had to begin purchasing Treasuries again. The Fed has since put programmes in place that should help ease a similar dislocation in money markets.

> The S&P 500 could trough as low as 3,000 to 3,200, down from the current level of around 4,130

We are now in a consolidation period that marks the end of a secular bond bull market that lasted more than 35 years. This period will be characterised by reduced market liquidity, capital rationing and persistent volatility in asset prices. The silver lining for bond investors is that consolidation periods can endure for years before the next bond bear market begins.

Market participants have to be thoughtful and nimble about where to invest. A recession could come as early as the middle of the year.

Guggenheim research shows that the debt of all domestic non-financial corporate businesses is about five times pre-tax profit, a leverage ratio that is much lower than typical heading into a recession. Among the same companies, the current coverage of interest expenses by earnings before interest and tax is the highest for 50 years, at 16 times.

The consumer balance sheet is also strong with savings still higher than before the pandemic.

But the transition from QE to QT spells trouble for risk assets while a looming turn in the business cycle means the rates market should be a tailwind for fixed income investors as 10-year Treasury yields head back down towards 3 per cent from current levels around 3.7 per cent. Equity markets should decline as we move through an economic slowdown and finish meaningfully lower than they are today.

Based on analysis conducted by our research team of price-to-earnings multiples during times of slowing economic activity, the S&P 500 could trough as low as 3,000 to 3,200 during the forecast recessionary period, down from the current level of around 4,130.

Our view is that, along with the fall in equities prices, the lowest rated credit end of the markets — such as triple C rated bonds — will also come under price pressure, likely selling off as defaults rise and downgrade activity increases.

With equities likely to fall, and investment-grade corporate credit and structured credit yields at attractive levels, our view is that now is a good time for managers to start allocating defensively and move up in credit quality.

We may have started a new year but investors must be prepared for a bumpy ride. The good news of higher yields is that they are getting paid to prepare.

*Anne Walsh is chief investment officer for Guggenheim Partners Investment Management*

FT FINANCIAL TIMES

FT ENERGY SOURCE

PUTTING A CORK IN CLIMATE CHANGE

Explore the crucial issue of decarbonising energy, with Series Two of *FT Energy Source*.

The wine sector is facing challenges due to extreme weather events. Our new video looks at an agrovoltaic project to discover if renewable energy can help mitigate the effects of climate change.

**Watch *How technology is helping protect the wine sector from climate change* at channels.ft.com/energysource**

Supported by

IBERDROLA

# MARKET DATA

## WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

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

| Country | Index | Latest | Previous |
|---|---|---|---|
| Argentina | Merval | 260070.32 | 257927.11 |
| Australia | All Ordinaries | 7628.60 | 7614.50 |
| | S&P/ASX 200 | 7430.90 | 7417.80 |
| | S&P/ASX 200 Res | 6261.20 | 6275.20 |
| Austria | ATX | 3458.36 | 3437.86 |
| Belgium | BEL 20 | 3892.94 | 3896.88 |
| | BEL Mid | 10036.67 | 10000.69 |
| Brazil | IBovespa | 108156.94 | 108636.47 |
| Canada | S&P/TSX 60 | 1244.53 | 1249.82 |
| | S&P/TSX Comp | 20624.14 | 20702.23 |
| | S&P/TSX Div Met & Min | 1686.86 | 1666.80 |
| Chile | S&P/CLX IGPA Gen | 28249.83 | 28383.19 |
| China | FTSE A200 | 10919.52 | 10916.56 |
| | FTSE B35 | 9000.71 | 8988.96 |
| | Shanghai A | 3452.02 | 3442.41 |
| | Shanghai B | 296.17 | 296.87 |
| | Shanghai Comp | 3293.28 | 3284.16 |
| | Shenzhen A | 2289.84 | 2291.64 |
| | Shenzhen B | 1237.81 | 1241.35 |
| Colombia | COLCAP | 1261.61 | 1260.21 |
| Croatia | CROBEX | 2013.05 | 2011.29 |
| Cyprus | CSE M&P Gen | 68.46 | 68.68 |
| Czech Republic | PX | 1410.37 | 1398.10 |
| Denmark | OMXC Copenhagen 20 | 1927.82 | 1928.30 |
| Egypt | EGX 30 | 17430.98 | 17214.56 |
| Estonia | OMX Tallinn | 1887.34 | 1884.74 |
| Finland | OMX Helsinki General | 11298.38 | 11299.33 |
| France | CAC 40 | 7213.81 | 7208.59 |
| | SBF 120 | 5528.30 | 5522.16 |
| Germany | M-DAX | 28331.36 | 28509.10 |
| | TecDAX | 3265.94 | 3268.71 |
| | XETRA Dax | 15380.56 | 15397.34 |
| Greece | Athens Gen | 1093.00 | 1092.91 |
| | FTSE/ASE 20 | 2652.70 | 2664.19 |
| Hong Kong | Hang Seng | 21113.76 | 21164.42 |
| | HS China Enterprise | 7110.42 | 7144.45 |
| | HSCC Red Chip | 4006.34 | 3994.46 |
| Hungary | Bux | 46386.22 | 46233.47 |
| India | BSE Sensex | 61032.26 | 60431.84 |
| | Nifty 500 | 14968.90 | 14900.50 |
| Indonesia | Jakarta Comp | 6941.86 | 6900.14 |
| Ireland | ISEQ Overall | 8013.75 | 7960.34 |
| Israel | Tel Aviv 125 | 1831.78 | 1803.66 |
| Italy | FTSE Italia All-Share | 29796.59 | 29678.02 |
| | FTSE Italia Mid Cap | 44669.49 | 44494.21 |
| | FTSE MIB | 27498.26 | 27438.61 |
| Japan | 2nd Section | 7228.27 | 7239.06 |
| | Nikkei 225 | 27602.77 | 27427.32 |
| | S&P Topix 150 | 1714.31 | 1703.22 |
| | Topix | 1993.09 | 1977.67 |
| Jordan | Amman SE | 2732.89 | 2744.84 |
| Kenya | NSE 20 | 1680.96 | 1671.86 |
| Kuwait | KSX Market Index | 6633.44 | 6603.51 |
| Latvia | OMX Riga | 1192.25 | 1195.99 |
| Lithuania | OMX Vilnius | 993.75 | 992.49 |
| Luxembourg | LuxX | 1595.32 | 1586.68 |
| Malaysia | FTSE Bursa KLCI | 1483.97 | 1475.17 |
| Mexico | IPC | 52916.53 | 53050.83 |
| Morocco | MASI | 10664.00 | 10728.31 |
| Netherlands | AEX | 762.97 | 762.64 |
| | AEX All Share | 1048.57 | 1048.99 |
| New Zealand | NZX 50 | 12074.47 | 12075.18 |
| Nigeria | SE All Share | 54364.67 | 54327.30 |
| Norway | Oslo All Share | 1017.37 | 1006.88 |
| Pakistan | KSE 100 | 41150.16 | 41716.95 |
| Philippines | Manila Comp | 6791.24 | 6838.76 |
| Poland | Wig | 60101.46 | 60106.84 |
| Portugal | PSI 20 | 5885.78 | 5892.88 |
| | PSI General | 4349.71 | 4384.11 |
| Romania | BET Index | 12284.39 | 12336.14 |
| Russia | Micex Index | 2436.57 | 2445.30 |
| | RTX | 1245.71 | 1212.57 |
| Saudi-Arabia | TADAWUL All Share Index | 10496.59 | 10519.74 |
| Singapore | FTSE Straits Times | 3318.20 | 3324.70 |
| Slovakia | SAX | 332.11 | 332.11 |
| Slovenia | SBI TOP | - | - |
| South Africa | FTSE/JSE All Share | 79658.02 | 79770.21 |
| | FTSE/JSE Res 20 | 72849.66 | 73002.46 |
| | FTSE/JSE Top 40 | 73824.35 | 73757.01 |
| South Korea | Kospi | 2395.26 | 2380.34 |
| | Kospi 200 | 315.58 | 313.81 |
| Spain | IBEX 35 | 9263.20 | 9210.30 |
| Sri Lanka | CSE All Share | 8638.92 | 8790.72 |
| Sweden | OMX Stockholm 30 | 2232.45 | 2233.18 |
| | OMX Stockholm AS | 861.54 | 861.07 |
| Switzerland | SMI Index | 11231.91 | 11209.34 |
| Taiwan | Weighted Pr | 15654.48 | 15544.28 |
| Thailand | Bangkok SET | 1652.76 | 1664.89 |
| Turkey | BIST 100 | 4505.34 | 4505.34 |
| UAE | Abu Dhabi General Index | 9222.93 | 9251.11 |
| UK | FT 30 | 2730.00 | 2724.10 |
| | FTSE 100 | 7953.85 | 7947.60 |
| | FTSE 4Good UK | 7197.68 | 7193.81 |
| | FTSE All Share | 4345.06 | 4345.77 |
| | FTSE techMARK 100 | 6557.53 | 6600.09 |
| USA | DJ Composite | 11434.18 | 11532.67 |
| | DJ Industrial | 33901.87 | 34245.93 |
| | DJ Transport | 15116.90 | 15183.22 |
| | DJ Utilities | 941.70 | 951.80 |
| | Nasdaq 100 | 12427.64 | 12502.31 |
| | Nasdaq Cmp | 11814.51 | 11891.79 |
| | NYSE Comp | 15947.35 | 16052.25 |
| | S&P 500 | 4105.05 | 4137.29 |
| | Wilshire 5000 | 40945.41 | 41255.16 |
| Venezuela | IBC | 26525.37 | 26559.01 |
| Vietnam | VNI | 1038.64 | 1043.70 |
| Cross-Border | DJ Global Titans ($) | 442.48 | 445.01 |
| | Euro Stoxx 50 (Eur) | 4250.86 | 4241.36 |
| | Euronext 100 ID | 1354.57 | 1354.91 |
| | FTSE 4Good Global ($) | 10101.60 | 10165.32 |
| | FTSE All World ($) | 428.59 | 430.35 |
| | FTSE E300 | 1824.43 | 1823.01 |
| | FTSE Eurotop 100 | 3599.52 | 3596.97 |
| | FTSE Global 100 ($) | 2638.14 | 2652.55 |
| | FTSE Gold Min ($) | 1816.73 | 1817.35 |
| | FTSE Latibex Top (Eur) | 4440.00 | 4432.20 |
| | FTSE Multinationals ($) | 2830.40 | 2798.98 |
| | FTSE World ($) | 777.85 | 781.11 |
| | FTSEurofirst 100 (Eur) | 4907.61 | 4901.20 |
| | FTSEurofirst 80 (Eur) | 5787.81 | 5784.43 |
| | MSCI ACWI Fr ($) | 652.26 | 646.87 |
| | MSCI All World ($) | 2810.04 | 2783.91 |
| | MSCI Europe (Eur) | 1873.61 | 1857.13 |
| | MSCI Pacific ($) | 2758.93 | 2798.25 |
| | S&P Euro (Eur) | 1904.09 | 1902.96 |
| | S&P Europe 350 (Eur) | 1872.58 | 1871.67 |
| | S&P Global 1200 ($) | 3097.22 | 3113.63 |
| | Stoxx 50 (Eur) | 3943.41 | 3934.03 |

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

## STOCK MARKET: BIGGEST MOVERS

AMERICA — Downs

| Stock | Close price | Day's change | Day's chng% |
|---|---|---|---|
| Ecolab | 154.48 | 6.59 | 4.46 |
| Arista Networks | 140.59 | 4.59 | 3.38 |
| **Downs** | | | |
| Lumen | 3.84 | -0.22 | -5.42 |
| Enphase Energy | 202.50 | -10.07 | -4.74 |
| Leidos Holdings | 96.13 | -4.58 | -4.55 |
| Paypal Holdings | 76.46 | -2.99 | -3.76 |
| Newmont | 46.59 | -1.71 | -3.54 |

Based on the constituents of the S&P500

LONDON

| Stock | Close price | Day's change | Day's chng% |
|---|---|---|---|
| Vodafone | 97.22 | 3.22 | 3.43 |
| Darktrace | 256.50 | 7.90 | 3.18 |
| **Downs** | | | |
| Mitchells & Butlers | 157.70 | -7.40 | -4.48 |
| Bakkavor | 108.60 | -4.40 | -3.89 |
| Genuit | 316.00 | -12.50 | -3.81 |
| Bridgepoint | 240.20 | -9.40 | -3.77 |
| C&c | 154.00 | -5.50 | -3.45 |

Based on the constituents of the FTSE 350 index

EURO MARKETS

| Stock | Close price | Day's change | Day's chng% |
|---|---|---|---|
| Sartorius Ag Vzo O.n. | 452.70 | 9.30 | 2.10 |
| Orange | 9.90 | 0.20 | 2.04 |
| **Downs** | | | |
| Orsted A/s Dk 10 | 11.31 | -0.30 | -2.61 |
| Safran | 129.80 | -2.76 | -2.08 |
| Neste | 46.30 | -0.83 | -1.76 |
| Stellantis | 15.41 | -0.27 | -1.70 |
| Vestas Wind Systems A/s | 27.94 | -0.48 | -1.66 |

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

| Stock | Close price | Day's change | Day's chng% |
|---|---|---|---|
| Asahi Holdings, | 4438.00 | 129.00 | 2.99 |
| Jfe Holdings, | 1595.00 | 42.00 | 2.70 |
| **Downs** | | | |
| Recruit Hldgs Co Ltd | 4159.00 | -220.00 | -5.02 |
| Tsb Japan Steel Works, | 2585.00 | -97.00 | -3.62 |
| Rakuten . | 662.00 | -10.00 | -1.49 |
| Toho Z Co., | 2061.00 | -29.00 | -1.39 |
| Hitachi Construction Machinery Co., | 3095.00 | -40.00 | -1.28 |

Based on the constituents of the Nikkei 225 index

## UK MARKET WINNERS AND LOSERS

| FTSE 100 Losers | Feb 14 price(p) | %Chg week | %Chg ytd | FTSE 250 Losers | Feb 14 price(p) | %Chg week | %Chg ytd | FTSE SmallCap Losers | Feb 14 price(p) | %Chg week | %Chg ytd | Industry Sectors Losers | Feb 14 price(p) | %Chg week | %Chg ytd |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Glencore | 515.90 | -6.3 | -6.8 | Pz Cussons | 193.40 | -9.6 | -7.7 | Speedy Hire | 37.75 | -10.1 | -5.0 | General Industrials | 6505.03 | -3.0 | 7.5 |
| Endeavour Mining | 1847.00 | -5.4 | 5.4 | Redrow | 505.50 | -6.5 | 12.6 | Zotefoams | 368.00 | -8.9 | 8.2 | Chemicals | 12397.67 | -3.0 | 5.7 |
| Smith (ds) | 345.70 | -5.2 | 8.1 | Bakkavor | 108.60 | -6.4 | 12.6 | Greencore | 79.35 | -8.8 | 25.4 | Travel & Leisure | 7223.86 | -2.7 | 16.3 |
| Anglo American | 3213.00 | -5.1 | -0.3 | Genus | 2728.00 | -5.9 | -8.6 | Xaar | 165.00 | -8.5 | - | Nonlife Insurance | 3270.45 | -1.6 | -2.5 |
| Mondi | 1479.00 | -4.9 | 5.4 | Centamin | 100.55 | -5.7 | -10.9 | Macfarlane | 105.00 | -7.9 | 2.9 | Household Goods | 11397.53 | -1.5 | 15.1 |
| Johnson Matthey | 2232.00 | -4.3 | 5.4 | Puretech Health | 235.00 | -5.6 | - | Norcros | 206.00 | -7.6 | 16.1 | Software & Computer Services | 1881.24 | -1.5 | 6.7 |
| Fresnillo | 793.60 | -4.3 | -11.6 | Cranswick | 3016.00 | -5.5 | -1.0 | Nanoco | 25.00 | -7.4 | - | Support Services | 10451.93 | -1.1 | 5.3 |
| Scottish Mortgage Investment Trust | 739.00 | -3.8 | 2.6 | 888 Holdings | 67.85 | -5.3 | - | Ao World | 60.40 | -6.2 | 16.2 | Real Estate & Investment Servic | 2360.71 | -0.8 | 11.6 |
| Persimmon | 1409.50 | -3.8 | 16.7 | Mitchells & Butlers | 157.70 | -5.2 | 14.3 | Alfa Fin Software Holdings | 160.50 | -6.1 | -3.3 | Food Producers | 6467.81 | -0.8 | 14.0 |

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

## CURRENCIES

| Feb 14 | Currency | DOLLAR Closing Mid | DOLLAR Day's Change | EURO Closing Mid | EURO Day's Change | POUND Closing Mid | POUND Day's Change |
|---|---|---|---|---|---|---|---|
| Argentina | Argentine Peso | 192.0205 | 0.3515 | 205.8164 | 0.3569 | 233.4482 | 0.8374 |
| Australia | Australian Dollar | 1.4348 | -0.0016 | 1.5379 | -0.0019 | 1.7444 | 0.0011 |
| Bahrain | Bahrainin Dinar | 0.3770 | -0.0001 | 0.4040 | -0.0001 | 0.4583 | 0.0007 |
| Bolivia | Bolivian Boliviano | 6.9100 | - | 7.4065 | -0.0007 | 8.4008 | 0.0146 |
| Brazil | Brazilian Real | 5.1585 | -0.0123 | 5.5291 | -0.0137 | 6.2714 | -0.0039 |
| Canada | Canadian Dollar | 1.3352 | 0.0007 | 1.4311 | 0.0006 | 1.6232 | 0.0037 |
| Chile | Chilean Peso | 787.9600 | -2.3400 | 844.5717 | -2.5898 | 957.9596 | -1.1541 |
| China | Chinese Yuan | 6.8172 | -0.0104 | 7.3070 | -0.0118 | 8.2880 | 0.0020 |
| Colombia | Colombian Peso | 4805.8900 | -25.5100 | 5151.1741 | -27.8439 | 5842.7460 | -20.6750 |
| Costa Rica | Costa Rican Colon | 572.1100 | -3.6600 | 613.2137 | -3.9825 | 695.5406 | -3.2179 |
| Czech Republic | Czech Koruna | 22.1085 | -0.0479 | 23.6969 | -0.0536 | 26.8783 | -0.0108 |
| Denmark | Danish Krone | 6.9530 | 0.0027 | 7.4526 | 0.0022 | 8.4531 | 0.0182 |
| Egypt | Egyptian Pound | 30.5690 | 0.0976 | 32.7667 | 0.1015 | 37.1885 | 0.1839 |
| Hong Kong | Hong Kong Dollar | 7.8500 | 0.0001 | 8.4139 | -0.0008 | 9.5435 | 0.0169 |
| Hungary | Hungarian Forint | 353.5710 | -2.6724 | 378.9735 | -2.9012 | 429.8526 | -2.4868 |
| India | Indian Rupee | 82.7588 | 0.0325 | 88.7046 | 0.0263 | 100.6136 | 0.2165 |
| Indonesia | Indonesian Rupiah | 15159.5000 | -35.5000 | 16248.6696 | -39.6201 | 18430.1222 | -10.6376 |
| Israel | Israeli Shekel | 3.5217 | -0.0031 | 3.7747 | -0.0037 | 4.2815 | 0.0038 |
| Japan | Japanese Yen | 132.8150 | 0.0150 | 142.3572 | 0.0023 | 161.4694 | 0.3023 |
| ..One Month | | 132.8145 | 0.0140 | 142.3569 | 0.0019 | 161.4688 | 0.3013 |
| ..Three Month | | 132.8133 | 0.0117 | 142.3562 | 0.0003 | 161.4676 | 0.2989 |
| ..One Year | | 132.8078 | 0.0008 | 142.3522 | -0.0075 | 161.4688 | 0.2946 |
| Kenya | Kenyan Shilling | 125.5000 | 0.2500 | 134.5167 | 0.2550 | 152.5762 | 0.5719 |
| Kuwait | Kuwaiti Dinar | 0.3062 | 0.0002 | 0.3281 | 0.0001 | 0.3722 | 0.0008 |
| Malaysia | Malaysian Ringgit | 4.3485 | -0.0140 | 4.6609 | -0.0155 | 5.2867 | -0.0077 |
| Mexico | Mexican Peso | 18.5875 | -0.0428 | 19.9229 | -0.0477 | 22.5977 | -0.0121 |
| New Zealand | New Zealand Dollar | 1.5799 | 0.0075 | 1.6934 | 0.0078 | 1.9208 | 0.0124 |
| Nigeria | Nigerian Naira | 460.5000 | - | 493.5850 | -0.0476 | 559.8512 | 0.9852 |
| Norway | Norwegian Krone | 10.1512 | 0.0487 | 10.8805 | 0.0512 | 12.3412 | 0.0809 |
| Pakistan | Pakistani Rupee | 267.2500 | -2.4750 | 286.4508 | -2.6807 | 324.9082 | -2.4319 |
| Peru | Peruvian Nuevo Sol | 3.8587 | 0.0131 | 4.1359 | 0.0136 | 4.6911 | 0.0241 |
| Philippines | Philippine Peso | 54.8500 | 0.0700 | 58.7907 | 0.0694 | 66.6837 | 0.2023 |
| Poland | Polish Zloty | 4.4559 | -0.0080 | 4.7760 | -0.0090 | 5.4172 | -0.0002 |
| Romania | Romanian Leu | 4.5740 | 0.0028 | 4.9026 | 0.0025 | 5.5608 | 0.0132 |
| Russia | Russian Ruble | 73.6250 | -0.1500 | 78.9146 | -0.1684 | 89.5093 | -0.0245 |
| Saudi Arabia | Saudi Riyal | 3.7520 | -0.0006 | 4.0216 | -0.0010 | 4.5615 | 0.0074 |
| Singapore | Singapore Dollar | 1.3297 | -0.0005 | 1.4252 | -0.0006 | 1.6165 | 0.0023 |
| South Africa | South African Rand | 17.9163 | 0.0693 | 19.2035 | 0.0725 | 21.7816 | 0.1225 |
| South Korea | South Korean Won | 1269.4000 | -7.8500 | 1360.6012 | -8.5461 | 1543.2685 | -6.8110 |
| Sweden | Swedish Krona | 10.3715 | -0.0129 | 11.1166 | -0.0148 | 12.6091 | 0.0066 |
| Switzerland | Swiss Franc | 0.9222 | 0.0010 | 0.9885 | 0.0009 | 1.1212 | 0.0031 |
| Taiwan | New Taiwan Dollar | 30.2160 | -0.0305 | 32.3869 | -0.0358 | 36.7350 | 0.0276 |
| Thailand | Thai Baht | 33.8025 | -0.0850 | 36.2311 | -0.0946 | 41.0953 | -0.0308 |
| Tunisia | Tunisian Dinar | 3.0961 | 0.0009 | 3.3185 | 0.0007 | 3.7641 | 0.0078 |
| Turkey | Turkish Lira | 18.8423 | -0.0002 | 20.1960 | -0.0022 | 22.9074 | 0.0400 |
| United Arab Emirates | UAE Dirham | 3.6731 | - | 3.9369 | -0.0004 | 4.4655 | 0.0079 |
| United Kingdom | Pound Sterling | 0.8225 | -0.0015 | 0.8816 | -0.0016 | - | - |
| ..One Month | | 0.8226 | -0.0015 | 0.8815 | -0.0016 | - | - |
| ..Three Month | | 0.8228 | -0.0015 | 0.8813 | -0.0016 | - | - |
| ..One Year | | 0.8235 | -0.0015 | 0.8806 | -0.0017 | - | - |
| United States | United States Dollar | - | - | 1.0718 | -0.0001 | 1.2157 | 0.0021 |
| ..One Month | | - | - | 1.0717 | -0.1418 | 1.2158 | 0.0021 |
| ..Three Month | | - | - | 1.0713 | -0.1418 | 1.2160 | 0.0021 |
| ..One Year | | - | - | 1.0697 | -0.1418 | 1.2167 | 0.0021 |
| Vietnam | Vietnamese Dong | 23610.0000 | 37.5000 | 25306.3332 | 37.7917 | 28703.7941 | 95.9927 |
| European Union | Euro | 0.9330 | 0.0001 | - | - | 1.1343 | 0.0021 |
| ..One Month | | 0.9328 | 0.0001 | - | - | 1.1342 | 0.0021 |
| ..Three Month | | 0.9324 | 0.0001 | - | - | 1.1340 | 0.0021 |
| ..One Year | | 0.9306 | 0.0001 | - | - | 1.1332 | 0.0021 |

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

## FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

| | £ Strlg Feb 14 | Day's chge% | Euro Index | £ Strlg Feb 13 | £ Strlg Feb 10 | Year ago | Div yield% | Cover | P/E ratio | X/D adj | Total Return |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FTSE 100 (100) | 7947.60 | 0.83 | 7013.23 | 7882.45 | 7911.15 | 7661.02 | 3.44 | 1.79 | 16.24 | 4.08 | 8171.33 |
| FTSE 250 (250) | 20124.52 | 0.47 | 17758.55 | 20030.07 | 20277.34 | 22048.71 | 3.06 | 0.71 | 46.03 | 48.99 | 16804.44 |
| FTSE 250 ex Inv Co (170) | 20814.25 | 0.45 | 18367.19 | 20720.17 | 21025.68 | 22891.27 | 3.15 | 1.63 | 19.52 | 45.02 | 17729.42 |
| FTSE 350 (350) | 4388.11 | 0.78 | 3872.21 | 4354.32 | 4375.55 | 4314.19 | 3.39 | 1.65 | 17.88 | 3.45 | 8955.72 |
| FTSE 350 ex Investment Trusts (267) | 4330.70 | 0.78 | 3821.55 | 4297.03 | 4317.26 | 4230.69 | 3.43 | 1.86 | 15.64 | 2.96 | 4567.41 |
| FTSE 350 Higher Yield (133) | 3821.83 | 0.74 | 3372.51 | 3793.67 | 3792.36 | 3582.12 | 4.69 | 1.94 | 11.02 | 2.50 | 8804.04 |
| FTSE 350 Lower Yield (217) | 4495.60 | 0.82 | 3967.07 | 4459.13 | 4506.01 | 4692.75 | 2.00 | 0.94 | 53.18 | 4.17 | 5542.86 |
| FTSE SmallCap (230) | 6587.90 | 0.22 | 5813.39 | 6573.37 | 6616.00 | 7244.09 | 3.44 | -0.68 | -42.61 | 24.85 | 11140.00 |
| FTSE SmallCap ex Inv Co (122) | 5359.46 | 0.05 | 4729.37 | 5356.77 | 5388.58 | 6127.67 | 3.65 | 2.24 | 12.22 | 14.48 | 9410.57 |

## FT 30 INDEX

| | Feb 14 | Feb 13 | Feb 10 | Feb 09 | Feb 08 | Yr Ago | High | Low |
|---|---|---|---|---|---|---|---|---|
| FT 30 | 2730.00 | 2724.10 | 2707.80 | 2747.30 | 2748.20 | 0.00 | 2770.00 | 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| 2724.1 | 2743.6 | 2742.8 | 2742.9 | 2743.4 | 2741.7 | 2737.5 | 2739.6 | 2733.1 | 2750.6 | 2724.1 |

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

## FT WILSHIRE 5000 INDEX SERIES

## FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

| Sector | % | Sector | % | Sector | % |
|---|---|---|---|---|---|
| General Retailers | 19.99 | Electronic & Elec Eq | 9.47 | Industrial Metals & | 3.53 |
| Fixed Line Telecomms | 17.55 | Real Est Invest & Tr | 8.53 | Equity Invest Instr | 3.38 |
| Banks | 17.06 | Industrials | 8.41 | Personal Goods | 2.85 |
| Telecommunications | 15.60 | Leisure Goods | 8.17 | Software & Comp Serv | 2.81 |
| Construct & Material | 15.35 | Media | 8.14 | Health Care Eq & Srv | 2.61 |
| Mobile Telecomms | 14.82 | Support Services | 7.76 | Health Care | 2.58 |
| Food Producers | 13.45 | Life Insurance | 7.50 | Pharmace & Biotech | 2.58 |
| Oil & Gas Producers | 12.36 | FTSE 100 Index | 6.74 | Industrial Transport | 1.74 |
| Oil & Gas | 12.32 | FTSE All{HY-}Share Index | 6.62 | Technology | 1.29 |
| Real Est Invest & Se | 11.80 | FTSE 250 Index | 6.18 | Consumer Goods | 0.37 |
| Financial Services | 11.54 | NON FINANCIALS Index | 5.56 | Beverages | 31.66 |

## FTSE 100 SUMMARY

| FTSE 100 | Closing Price | Day's Change | FTSE 100 | Closing Price | Day's Change |
|---|---|---|---|---|---|
| 3I Group PLC | 1641.5 | -13.00 | Jd Sports Fashion PLC | 178.35 | -2.60 |
| Abrdn PLC | 214.00 | 3.00 | Johnson Matthey PLC | 2232 | -2.00 |
| Admiral Group PLC | 2223 | -11.00 | Kingfisher PLC | 277.10 | -0.50 |
| Airtel Africa PLC | 126.50 | 2.70 | Land Securities Group PLC | 702.80 | -8.60 |
| Anglo American PLC | 3213 | -22.50 | Legal & General Group PLC | 254.70 | -0.20 |
| Antofagasta PLC | 1702.5 | -9.50 | Lloyds Banking Group PLC | 53.79 | 0.72 |
| Ashtead Group PLC | 5588 | -44.00 | London Stock Exchange Group PLC | 7658 | 26.00 |
| Associated British Foods PLC | 1910 | 5.50 | M&G PLC | 200.30 | 0.80 |
| Astrazeneca PLC | 11518 | 96.00 | Melrose Industries PLC | 141.50 | -1.05 |

## UK STOCK MARKET TRADING DATA

## UK RIGHTS OFFERS

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

## UK COMPANY RESULTS

## UK RECENT EQUITY ISSUES

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

# MARKET DATA

## FT500: THE WORLD'S LARGEST COMPANIES

| Stock | Price | Day Chg | 52 Week High | 52 Week Low | Yld | P/E | MCap m |
|---|---|---|---|---|---|---|---|
| **Australia (A$)** | | | | | | | |
| ANZ Bank | 25.75 | 0.05 | 28.11 | 20.78 | 5.49 | 11.52 | 53899.92 |
| BHP Group | 47.72 | -0.15 | 53.72 | 35.83 | 8.07 | 11.96 | 168481.74 |
| CmwBkAu | 109.25 | -0.05 | 111.38 | 86.98 | 3.00 | 21.93 | 128559.16 |
| CSL | 307.75 | 2.74 | 314.21 | 240.10 | 0.92 | 47.04 | 103429.02 |
| NatAusBk | 31.61 | 0.23 | 33.75 | 25.43 | 2.66 | 17.97 | 69191.86 |
| Telstra | 4.14 | 0.04 | 4.17 | 3.62 | 2.26 | 35.95 | 33338.91 |
| Wesfarmers | 48.70 | -0.11 | 55.19 | 40.03 | 3.42 | 26.73 | 38489.45 |
| Westpac Bank | 23.86 | 0.16 | 24.67 | 18.80 | 3.49 | 18.53 | 58353.35 |
| Woolworths | 36.28 | 0.22 | 39.63 | 31.67 | 2.79 | 44.17 | 30759.09 |
| **Belgium (€)** | | | | | | | |
| AnBshInBv | 54.71 | -0.08 | 58.72 | 45.56 | 0.93 | 28.65 | 101870.21 |
| KBC Grp | 70.76 | 0.18 | 78.00 | 45.53 | 4.63 | 12.08 | 31639.72 |
| **Brazil (R$)** | | | | | | | |
| Ambev | 13.11 | -0.02 | 16.88 | 12.60 | 4.31 | 19.74 | 40028.23 |
| Bradesco | 11.97 | 0.04 | 17.72 | 11.43 | 6.95 | 5.52 | 11301.89 |
| Cielo | 5.24 | -0.11 | 6.22 | 2.26 | 2.79 | 17.68 | 2759.74 |
| ItauHldFin | 22.65 | -0.05 | 26.04 | 18.86 | 3.43 | 8.93 | 21770.91 |
| Petrobras | 30.22 | -0.01 | 42.08 | 23.61 | 15.92 | 4.29 | 43600.05 |
| Vale | 86.80 | 0.09 | 107.11 | 61.90 | 15.00 | 3.86 | 80412.46 |
| **Canada (C$)** | | | | | | | |
| Bausch Hlth | 9.87 | 0.11 | 32.80 | 5.10 | - | -3.12 | 2675.08 |
| BCE | 61.20 | 0.08 | 74.09 | 55.66 | 5.43 | 21.57 | 41803.06 |
| BkMontrl | 134.68 | -0.79 | 154.47 | 113.73 | 3.19 | 10.91 | 71584.48 |
| BkNvaS | 73.75 | -0.42 | 94.33 | 63.19 | 4.77 | 9.71 | 65824.6 |
| Brookfield | 58.88 | 11.29 | 63.88 | 41.28 | 1.09 | 19.91 | 69946.82 |
| CanadPcR | 105.57 | -0.90 | 111.43 | 86.12 | 0.68 | 26.62 | 73574.1 |
| CanImp | 62.10 | -0.09 | 82.83 | 53.58 | 9.18 | 4.53 | 42167.06 |
| CanNatRs | 80.74 | -0.72 | 88.18 | 58.75 | 2.35 | 13.17 | 66655.69 |
| CanNatRy | 158.91 | -1.98 | 175.39 | 137.26 | 1.47 | 24.31 | 80031.93 |
| Enbridge | 52.82 | -1.72 | 59.69 | 48.88 | 6.00 | 19.40 | 80107.59 |
| GtWesLif | 35.82 | -0.15 | 40.19 | 27.99 | 5.11 | 10.60 | 25002.02 |
| ImpOil | 70.74 | -0.48 | 79.83 | 52.28 | 1.38 | 21.43 | 30950.05 |
| Manulife | 26.10 | -0.10 | 27.83 | 20.81 | 4.25 | 7.77 | 36324.51 |
| Nutrien | 101.86 | -2.98 | 147.93 | 89.80 | 2.16 | 15.40 | 38747.16 |
| RylBkC | 138.44 | -0.55 | 146.05 | 116.75 | 3.05 | 12.95 | 143690.72 |
| SHOP | 65.65 | 0.62 | 113.43 | 33.00 | - | 2.39 | 69897.19 |
| Suncor En | 46.29 | 0.58 | 53.62 | 36.23 | 2.15 | 17.61 | 46378.57 |
| ThmReut | 165.22 | 1.59 | 166.21 | 119.23 | 1.18 | 11.99 | 58910.6 |
| TntoDom | 93.10 | -0.46 | 108.24 | 77.27 | 3.33 | 12.28 | 127042.47 |
| TrnCan | 56.17 | 0.53 | 74.44 | 52.70 | 5.88 | 31.83 | 42825.83 |
| **China (HK$)** | | | | | | | |
| AgricBkCh | 2.77 | - | 3.10 | 2.22 | 7.71 | 3.62 | 10846.81 |
| Bk China | 2.94 | - | 3.19 | 2.51 | 7.56 | 3.62 | 31318.21 |
| BkofComm | 4.81 | - | 5.74 | 3.84 | 7.28 | 3.96 | 21453.17 |
| BOE Tech | 0.61 | -0.07 | 0.86 | 0.55 | - | 9.79 | 15.46 |
| Ch Cons Cons | 4.04 | -0.02 | 5.15 | 3.09 | 5.05 | 3.34 | 2273.97 |
| Ch Evrbrght | 2.38 | - | 3.05 | 2.04 | 10.08 | 3.20 | 3844.07 |
| Ch Rail Cons | 4.91 | -0.05 | 5.82 | 3.75 | 5.35 | 2.60 | 1298.68 |
| Ch Rail Gp | 4.24 | - | 5.88 | 3.46 | 4.86 | 3.39 | 2272.54 |
| ChConstBk | 4.97 | 0.02 | 6.14 | 4.12 | 7.48 | 3.59 | 152215.42 |
| China Vanke | 14.94 | -0.14 | 21.50 | 9.96 | 9.55 | 6.70 | 3628.48 |
| ChinaCitic | 3.76 | 0.02 | 4.08 | 2.92 | 7.47 | 3.47 | 7128.26 |
| ChinaLife | 14.00 | 0.24 | 15.14 | 8.53 | 4.89 | 6.09 | 13270.96 |
| ChinaMBank | 45.75 | 0.35 | 69.60 | 25.40 | 3.13 | 8.39 | 26756.05 |
| ChinaMob | 56.80 | -0.20 | 57.50 | 46.85 | 5.68 | 8.72 | 148045.48 |
| ChinaPcIns | 22.05 | 0.30 | 24.95 | 12.10 | 5.97 | 7.15 | 7795.65 |
| ChMinsheng | 2.87 | 0.01 | 3.23 | 2.19 | 8.58 | 3.69 | 3041.98 |
| ChMrchSecs | 14.05 | -0.02 | 16.81 | 12.06 | 3.09 | 12.64 | 15296.46 |
| Chna Utd Coms | 4.96 | -0.08 | 5.60 | 3.30 | 2.24 | 25.08 | 22527.32 |
| ChShenEgy | 23.45 | - | 27.65 | 18.20 | 8.75 | 7.08 | 10089.48 |
| ChShpbldng | 3.67 | -0.01 | 4.17 | 3.36 | - | -275.04 | 11888.59 |
| ChStConEng | 5.49 | 0.03 | 6.40 | 4.67 | 3.88 | 4.29 | 33276.14 |
| ChUncHK | 5.80 | 0.21 | 5.83 | 3.27 | 2.71 | 12.71 | 22607.73 |
| CNNC Intl | 6.03 | 0.02 | 8.40 | 5.78 | 2.05 | 15.89 | 16673.75 |
| CSR | 3.65 | - | 3.69 | 2.37 | 5.68 | 9.98 | 2032.41 |
| Daqin | 6.71 | 0.01 | 7.09 | 5.95 | 7.10 | 10.24 | 14633.24 |
| GuosenSec | 9.47 | -0.03 | 11.10 | 8.43 | 2.41 | 10.97 | 12262.02 |
| HaitongSecs | 5.30 | - | 7.12 | 3.77 | 5.44 | 5.73 | 2302 |
| Hngzh HikVDT | 36.18 | -0.42 | 49.25 | 28.10 | 2.19 | 20.04 | 48341.68 |
| Hunng Pwr | 4.17 | 0.03 | 4.80 | 2.62 | 4.75 | -4.66 | 2496.89 |
| IM Baotou Stl | 2.06 | 0.02 | 2.75 | 1.75 | - | 35.36 | 9572.22 |
| In&CmBkCh | 4.03 | - | 4.87 | 3.37 | 7.55 | 3.67 | 44558.33 |
| IndstrlBk | 17.05 | 0.10 | 23.22 | 15.01 | 4.52 | 4.71 | 51957.05 |
| Kweichow | 1843.79 | -12.56 | 2077 | 1359 | 1.04 | 41.86 | 339753.17 |
| Midea | 0.41 | - | 0.58 | 0.32 | - | -4.43 | 15.72 |
| New Ch Life Ins | 20.50 | 0.10 | 24.00 | 12.04 | 7.49 | 3.87 | 2700.55 |
| PetroChina | 4.13 | - | 4.49 | 3.01 | 5.79 | 6.29 | 11100.55 |
| PingAnIns | 58.30 | 0.25 | 67.45 | 31.30 | 4.31 | 9.22 | 55311.66 |
| PngAnBnk | 13.96 | 0.14 | 16.77 | 10.39 | 1.24 | 8.40 | 39737.9 |
| Pwr Cons Corp | 7.03 | -0.02 | 9.33 | 6.65 | 1.25 | 14.73 | 11334.55 |
| SaicMtr | 14.92 | 0.04 | 19.29 | 13.77 | 3.95 | 7.53 | 25570.19 |
| ShenwanHong | 0.10 | 0.00 | 0.18 | 0.06 | - | 2.94 | 112.23 |
| ShgPdgBk | 7.24 | 0.01 | 8.67 | 6.64 | 6.31 | 4.67 | 31172.6 |
| Sinopec Corp | 4.21 | 0.01 | 4.32 | 3.06 | 3.32 | 5.05 | 13290.26 |
| Sinopec Oil | 2.16 | 0.02 | 2.37 | 1.70 | - | 723.94 | 4299.46 |
| **Denmark (kr)** | | | | | | | |
| DanskeBk | 147.90 | -0.20 | 148.90 | 91.28 | 1.29 | 10.62 | 18339.74 |
| MollerMrsk | 15425 | 220.00 | 23940 | 13185 | 2.10 | 2.63 | 18574.48 |
| NovoB | 994.00 | - | 1001.4 | 620.70 | 0.90 | 50.22 | 249114.95 |
| **Finland (€)** | | | | | | | |
| Nokia | 4.36 | 0.01 | 5.20 | 4.12 | - | 15.80 | 26342.26 |
| SampoA | 45.33 | -0.63 | 49.97 | 35.85 | 3.59 | 10.13 | 25089.21 |
| **France (€)** | | | | | | | |
| Airbus Grpe | 115.98 | 0.38 | 120.78 | 86.52 | - | 22.32 | 97983.88 |
| AirLiquide | 144.44 | -0.28 | 153.40 | 114.48 | 1.81 | 27.98 | 81040.89 |
| AXA | 28.22 | -0.18 | 28.96 | 20.34 | 4.83 | 9.98 | 71135.17 |
| BNP Parib | 64.38 | 1.06 | 64.71 | 40.67 | 3.96 | 9.73 | 85175.59 |
| ChristianDior | 799.50 | 2.50 | 813.00 | 513.00 | 0.83 | 30.64 | 154684.24 |
| Cred Agr | 11.56 | 0.02 | 13.76 | 8.09 | 6.59 | 6.63 | 37712.02 |
| Danone | 50.67 | 0.08 | 58.14 | 46.48 | 3.65 | 18.10 | 36705.05 |
| EDF | 11.81 | 0.03 | 12.07 | 6.64 | 3.93 | 9.53 | 49191.85 |
| Engie SA | 13.24 | 0.11 | 14.68 | 9.79 | 3.81 | 9.79 | 34559.71 |
| EssilorLuxottica | 171.40 | -0.70 | 184.70 | 132.70 | 0.60 | 54.87 | 82239.25 |
| Hermes Intl | 1712.5 | 1.00 | 1757 | 957.60 | 0.25 | 77.18 | 193776.45 |
| LOreal | 387.75 | -1.90 | 393.60 | 300.45 | 0.98 | 49.59 | 222427.93 |
| LVMH | 810.50 | 0.20 | 825.70 | 535.00 | 0.82 | 35.62 | 436145.03 |
| Orange | 9.93 | 0.22 | 11.94 | 9.08 | 5.76 | 3458.59 | 28297.67 |
| PernodRic | 187.15 | -1.55 | 203.50 | 166.60 | 1.59 | 29.66 | 51743.19 |
| Renault | 42.10 | 0.57 | 42.23 | 20.47 | - | -33.01 | 13344.38 |
| Safran | 129.76 | -2.80 | 132.76 | 87.85 | 0.32 | 1362.57 | 59422.53 |
| Sanofi | 88.11 | 0.46 | 106.08 | 76.45 | 3.46 | 18.70 | 119073.76 |
| Sant Gbn | 52.78 | 0.10 | 63.20 | 35.20 | 2.45 | 13.25 | 29178.82 |
| Schneider | 151.48 | -1.98 | 156.54 | 110.02 | 1.63 | 28.05 | 92724.48 |
| SocGen | 26.51 | 0.06 | 34.88 | 18.34 | 1.99 | 4.70 | 22964.96 |
| Total | 59.98 | 0.44 | 60.93 | 43.60 | 4.29 | 12.10 | 168382.14 |
| UnibailR | 60.75 | 0.70 | 73.09 | 39.68 | - | -9.09 | 9035.28 |
| Vinci | 107.62 | -0.56 | 109.16 | 80.74 | 2.38 | 25.06 | 68117.81 |
| Vivendi | 9.76 | -0.02 | 12.16 | 7.59 | 5.86 | -18.30 | 11535.04 |
| **Germany (€)** | | | | | | | |
| Allianz | 220.15 | 0.35 | 227.55 | 156.22 | 4.15 | 14.60 | 95168.74 |
| BASF | 51.06 | -0.61 | 68.95 | 37.90 | 6.15 | 8.88 | 48919.29 |
| Bayer | 60.46 | 0.91 | 67.99 | 47.01 | 3.15 | 62.24 | 63664.81 |
| BMW | 97.74 | 0.13 | 99.49 | 67.56 | 1.85 | 5.47 | 63066.35 |
| Continental | 68.36 | 0.26 | 92.52 | 44.44 | - | 11.06 | 14654.71 |
| Deut Bank | 11.55 | 0.18 | 14.15 | 7.46 | - | 11.93 | 25590.7 |
| Deut Tlkm | 20.51 | 0.18 | 20.67 | 14.47 | 2.79 | 24.75 | 109620.11 |
| DeutsPost | 41.02 | 0.16 | 52.37 | 29.68 | 3.21 | 10.90 | 54477.67 |
| E.ON | 10.04 | 0.04 | 12.33 | 7.28 | 4.46 | 5.85 | 28409.95 |
| Fresenius Med | 37.35 | 0.21 | 63.66 | 26.19 | 3.42 | 11.85 | 11729.97 |
| Fresenius SE | 28.30 | 0.09 | 38.11 | 19.76 | 3.03 | 9.39 | 16941.18 |
| HenkelKgaA | 63.65 | 0.20 | 72.50 | 56.55 | 2.74 | 17.78 | 17724.05 |
| Linde | 308.20 | -4.20 | 334.70 | 244.00 | 1.15 | 50.28 | 162713.93 |
| Mercedes-Benz | 71.48 | 0.01 | 77.90 | 50.19 | 1.80 | 7.51 | 81966.17 |
| MuenchRkv | 324.90 | -2.40 | 334.10 | 205.15 | 2.87 | 16.30 | 48788.43 |
| SAP | 109.90 | -0.22 | 112.28 | 81.35 | 1.60 | 25.87 | 144712.71 |
| Siemens | 145.02 | -1.14 | 152.20 | 93.67 | 2.30 | 22.90 | 132123.22 |
| Volkswgn | 167.95 | 4.35 | 260.00 | 144.35 | 2.72 | 5.96 | 53121.04 |
| **Hong Kong (HK$)** | | | | | | | |
| AIA | 86.30 | 0.25 | 93.65 | 57.25 | 1.40 | 21.92 | 128495.93 |
| BOC Hold | 26.50 | 0.50 | 32.40 | 23.55 | 4.24 | 13.50 | 35691.8 |
| Ch OSLnd&Inv | 20.05 | 0.05 | 27.35 | 14.58 | 5.41 | 4.94 | 27954.98 |
| ChngKng | 51.35 | 0.95 | 57.00 | 42.90 | 3.12 | 11.66 | 23511.51 |
| Citic Ltd | 9.04 | -0.04 | 9.40 | 7.01 | 5.38 | 4.15 | 33500.35 |
| Citic Secs | 17.24 | -0.06 | 19.96 | 11.82 | 2.51 | 8.81 | 5754.19 |
| CK Hutchison | 49.25 | 0.25 | 60.45 | 38.80 | 4.18 | 6.19 | 24029.43 |
| CNOOC | 11.46 | 0.06 | 12.54 | 8.54 | 3.57 | 9.92 | 65076.73 |
| HangSeng | 125.50 | -1.30 | 168.40 | 110.00 | 4.39 | 20.04 | 30565.32 |
| HK Exc&Clr | 337.20 | 2.20 | 441.60 | 208.20 | 2.45 | 37.73 | 54460.81 |
| MTR | 41.50 | - | 43.70 | 33.45 | 2.68 | 29.82 | 32788.19 |
| SandsCh | 29.10 | 0.35 | 30.70 | 12.50 | - | -31.89 | 30001.97 |
| SHK Props | 111.70 | 2.60 | 115.90 | 83.10 | 4.01 | 12.66 | 41233.64 |
| Tencent | 378.60 | -8.00 | 458.71 | 188.69 | 0.38 | 14.78 | 460993.42 |
| **India (Rs)** | | | | | | | |
| Bhartiartl | 775.20 | 6.60 | 860.55 | 628.75 | - | 165.84 | 55882.54 |
| HDFC Bk | 1673.7 | 15.35 | 1722.1 | 1271.6 | - | 28.43 | 112804.38 |
| Hind Unilevr | 2579.6 | -1.40 | 2741.6 | 1927 | 1.24 | 69.24 | 73237.04 |
| HsngDevFin | 2718.75 | 18.90 | 2933.8 | 2026 | 0.85 | 23.19 | 60012.12 |
| ICICI Bk | 865.30 | 14.65 | 958.20 | 642.15 | 0.23 | 27.51 | 72973.65 |
| Infosys | 1593.25 | 25.80 | 1923.3 | 1360 | 1.90 | 31.54 | 81012.88 |
| ITC | 386.45 | 12.25 | 388.20 | 207.00 | 2.78 | 32.17 | 57966.48 |
| L&T | 2191.65 | -11.65 | 2273.3 | 1456.35 | 0.82 | 36.43 | 37214.8 |
| OilNatGas | 148.45 | 0.30 | 189.80 | 119.85 | 6.13 | 4.21 | 22566.13 |
| RelianceIn | 2378.1 | 54.75 | 2856.15 | 2222 | 0.29 | 27.27 | 194423.07 |
| SBI NewA | 540.85 | 3.35 | 629.55 | 430.70 | 0.74 | 15.11 | 58324.66 |
| SunPhrmInds | 1006.75 | -8.50 | 1072.15 | 789.90 | 0.74 | 37.59 | 29187.64 |
| Tata Cons | 3500.1 | 17.70 | 3854.1 | 2960.1 | 1.04 | 33.49 | 154751.56 |
| **Israel (ILS)** | | | | | | | |
| TevaPha | 36.21 | 0.25 | 38.52 | 23.83 | - | 30.17 | 11408.62 |
| **Italy (€)** | | | | | | | |
| Enel | 5.38 | -0.02 | 6.66 | 3.96 | 6.49 | 26.28 | 58626.46 |
| ENI | 14.83 | 0.06 | 14.98 | 10.43 | 4.33 | 6.55 | 57297.19 |
| Generali | 18.25 | -0.02 | 21.55 | 13.67 | 7.67 | 10.77 | 30927.6 |
| IntSPaolo | 2.50 | 0.00 | 2.87 | 1.56 | 1.39 | 81.44 | 52118.14 |
| Unicred | 18.93 | 0.25 | 19.02 | 7.75 | 0.60 | 29.51 | 45384.53 |
| **Japan (¥)** | | | | | | | |
| AstellasPh | 1930 | 14.50 | 2205 | 1782 | 2.47 | 28.75 | 26677.66 |
| Bridgestne | 4875 | 28.00 | 5509 | 4042 | 3.52 | 10.97 | 26196.43 |
| Canon | 2881 | 17.00 | 3516 | 2538.5 | 3.51 | 13.79 | 28931.77 |
| CntJpRwy | 15325 | 10.00 | 17920 | 14730 | 0.88 | -28.43 | 23769.53 |
| Denso | 7295 | 33.00 | 8678 | 6389 | 1.99 | 19.78 | 43278.68 |
| EastJpRwy | 6859 | -15.00 | 8280 | 6373 | 1.51 | -6.81 | 19517.66 |
| Fanuc | 22980 | 305.00 | 24930 | 18740 | 2.04 | 27.04 | 34934.89 |
| FastRetail | 81540 | 840.00 | 88230 | 54310 | 0.67 | 37.87 | 65122.51 |
| Fuji Hvy Ind | 2117 | -3.50 | 2684 | 1664.5 | 2.74 | 24.06 | 12260.25 |
| Hitachi | 6954 | -34.00 | 7463 | 4750 | 1.71 | 10.09 | 49116.66 |
| HondaMtr | 3326 | 10.00 | 3755 | 3001 | 4.01 | 6.97 | 45389.7 |
| JapanTob | 2720 | 52.50 | 2871.5 | 2000 | 5.20 | 13.70 | 40959.22 |
| KDDI | 4021 | 31.00 | 4636 | 3671 | 3.09 | 13.33 | 69715.05 |
| Keyence | 60130 | 790.00 | 62100 | 44880 | 0.34 | 49.72 | 110108.63 |
| MitsbCp | 4646 | 18.00 | 4845 | 3740 | 3.08 | 10.26 | 51567.06 |
| MitsubEst | 1019.04 | 6.19 | 1020.58 | 876.51 | | | |
| MitsubishiEle | 1524.5 | 7.50 | 1545 | 1225.5 | 2.72 | 13.48 | 24646.37 |
| MitsuiFud | 961.70 | 20.07 | 1007.12 | 684.38 | | | |
| MitUFJFin | 972.60 | 6.30 | 983.00 | 632.60 | 2.77 | 9.75 | 94195.87 |
| Mizuho Fin | 2117 | 10.50 | 2137 | 1436.5 | 3.82 | 10.01 | 40474.27 |
| Murata Mfg | 7582 | 81.00 | 8811 | 6438 | 1.64 | 15.06 | 38578.82 |
| Nippon TT | 3876 | 16.00 | 4128 | 3256 | 2.80 | 12.07 | 105702.83 |
| Nissan Mt | 482.40 | -0.80 | 627.00 | 408.10 | - | 15.15 | 15330.14 |
| Nomura | 540.50 | 5.50 | 562.20 | 460.30 | 4.41 | -35.96 | 13159.21 |
| Nppn Stl | 2889.5 | 52.50 | 2904 | 1838 | 2.87 | 4.41 | 20675.03 |
| Panasonic | 1165 | -9.00 | 1325 | 1006.5 | 2.22 | 11.39 | 21526 |
| Seven & I | 6089 | 46.00 | 6187 | 5041 | 1.75 | 22.42 | 40639.58 |
| ShnEtsuCh | 19385 | 135.00 | 19665 | 14185 | 1.55 | 17.96 | 59086.13 |
| Softbank | 5850 | 38.00 | 7180 | 4210 | 0.78 | 4.86 | 75889.62 |
| Sony | 11780 | 70.00 | 13105 | 9213 | 0.53 | 14.55 | 111851.4 |
| SumitomoF | 5837 | 60.00 | 5879 | 3672 | 3.55 | 10.99 | 60415.41 |
| Takeda Ph | 4212 | 36.00 | 4264 | 3250 | 4.42 | 14.62 | 50179.65 |
| TokioMarine | 2717.5 | 33.50 | 2970.5 | 2037 | 8.38 | 4.27 | 41740.01 |
| Toyota | 1882.5 | 6.00 | 2282.5 | 1787.5 | 2.80 | 8.21 | 231246.19 |
| **Mexico (Mex$)** | | | | | | | |
| AmerMvl | 18.55 | -0.11 | 21.45 | 15.67 | 1.72 | 15.36 | 42142.31 |
| FEMSA UBD | 157.08 | 0.25 | 168.96 | 120.63 | 1.26 | 131.53 | 18263.77 |
| WalMrtMex | 71.07 | -0.33 | 82.93 | 64.81 | 0.69 | 36.27 | 66764.37 |
| **Netherlands (€)** | | | | | | | |
| ASML Hld | 621.10 | 0.50 | 642.00 | 376.10 | 0.52 | 50.35 | 268378.57 |
| Heineken | 91.22 | -0.16 | 99.54 | 77.50 | 1.02 | 16.60 | 56317.95 |
| ING | 13.06 | -0.06 | 13.42 | 7.90 | 4.38 | 11.15 | 52149.27 |
| Unilever | 48.39 | 0.19 | 49.09 | 39.36 | 2.96 | 24.84 | 148765.36 |
| **Norway (Kr)** | | | | | | | |
| DNB | 193.50 | 1.80 | 213.80 | 168.05 | 9.29 | 11.97 | 29724.16 |
| Equinor | 328.15 | -1.85 | 410.95 | 254.60 | 1.56 | 13.69 | 102651.49 |
| Telenor | 115.15 | 1.65 | 139.35 | 87.60 | 8.08 | 18.82 | 15874.81 |
| **Qatar (QR)** | | | | | | | |
| QatarNtBk | 16.20 | 0.20 | 27.00 | 15.98 | 3.13 | 13.02 | 41087.42 |
| **Saudi Arabia (SR)** | | | | | | | |
| AlRajhiBnk | 76.30 | -0.40 | 7317 | 0.00 | 2.82 | 14.42 | 81342.2 |
| Natnlcombnk | 48.20 | -0.80 | 2070 | 0.00 | 2.70 | 18.03 | 57525.78 |
| SaudiBasic | 94.50 | 1.40 | 2115 | 0.00 | 3.09 | 13.70 | 75558.69 |
| SaudiTelec | 36.40 | - | 8480 | 0.00 | 9.86 | 7.17 | 48506.8 |
| **Singapore (S$)** | | | | | | | |
| DBS | 35.06 | -0.26 | 37.09 | 29.45 | 3.11 | 15.33 | 67861.03 |
| JardnMt US$ | 51.45 | -0.49 | 61.47 | 42.60 | 3.00 | 9.54 | 14902.46 |
| OCBC | 12.97 | -0.05 | 13.54 | 11.20 | 2.86 | 13.79 | 43840.61 |
| SingTel | 2.50 | 0.01 | 2.88 | 2.38 | 2.65 | 45.01 | 31036.68 |
| UOB | 30.26 | 0.03 | 33.33 | 25.91 | 2.90 | 14.36 | 38110.54 |
| **South Africa (R)** | | | | | | | |
| Firstrand | 65.54 | 0.73 | 79.34 | 59.16 | 4.04 | 11.60 | 20520.24 |
| MTN Grp | 144.44 | 1.62 | 211.49 | 115.46 | - | 19.27 | 15190.89 |
| Naspers N | 3431.73 | -32.70 | 3496.45 | 1392.5 | 0.18 | 18.05 | 83419.04 |
| **South Korea (KRW)** | | | | | | | |
| HyundMobis | 213000 | 5500 | 233000 | 189500 | 1.80 | 8.67 | 15820.64 |
| KoreaElePwr | 19170 | -130.00 | 25100 | 16500 | 6.13 | -11.68 | 9694.7 |
| SK Hynix | 93400 | 2800 | 134000 | 73100 | 1.58 | 6.97 | 53565.01 |
| SmsungEl | 63200 | 300.00 | 75600 | 51800 | 2.19 | 11.41 | 297219.35 |
| **Spain (€)** | | | | | | | |
| BBVA | 6.88 | 0.04 | 6.96 | 3.97 | 5.14 | 9.83 | 44435.57 |
| BcoSantdr | 3.50 | 0.02 | 3.57 | 2.32 | 2.08 | 7.36 | 63012.59 |
| CaixaBnk | 4.00 | -0.03 | 4.12 | 2.45 | 0.64 | 27.61 | 32156.46 |
| Iberdrola | 10.75 | 0.05 | 11.49 | 8.47 | 3.74 | 19.36 | 74277.2 |
| Inditex | 28.29 | 0.16 | 29.20 | 18.55 | 0.74 | 31.33 | 94504.74 |
| Repsol | 15.43 | 0.16 | 16.23 | 10.98 | 3.70 | 9.88 | 22772.79 |
| Telefonica | 3.66 | 0.13 | 5.06 | 3.22 | 9.00 | 2.81 | 22668.38 |
| **Sweden (SKr)** | | | | | | | |
| AtlasCpcoB | 111.06 | -1.20 | 123.16 | 22.08 | 6.76 | 7.27 | 16714.16 |
| Ericsson | 59.96 | 0.16 | 116.22 | 58.61 | 3.86 | 8.67 | 17762.23 |
| H & M | 127.74 | -0.38 | 182.84 | 98.25 | 5.07 | 17.27 | 17990.28 |
| Investor | 203.85 | -0.75 | 212.90 | 158.22 | 1.76 | 8.60 | 35809.84 |
| Nordea Bk | 125.56 | 0.18 | 126.54 | 85.25 | 11.97 | 14.37 | 44239.64 |
| SEB | 124.95 | -0.05 | 130.50 | 91.64 | 8.31 | 10.24 | 25957.05 |
| SvnskaHn | 105.75 | 0.10 | 112.90 | 80.88 | 4.86 | 10.18 | 19829.36 |
| Swedbank | 203.60 | -2.00 | 207.50 | 124.50 | 7.35 | 10.67 | 22222.09 |
| Telia Co | 26.37 | 0.43 | 41.70 | 25.76 | 7.80 | 9.13 | 10398.05 |
| Volvo | 205.35 | -0.45 | 218.65 | 148.24 | 3.25 | 13.12 | 31450.72 |
| **Switzerland (SFr)** | | | | | | | |
| ABB | 31.11 | -0.16 | 32.22 | 23.84 | 2.43 | 15.61 | 66279.79 |
| CredSuisse | 2.78 | 0.05 | 8.13 | 2.65 | 3.26 | -4.57 | 12077.63 |
| Nestle | 111.30 | 0.34 | 127.00 | 103.42 | 2.24 | 20.22 | 331896.57 |
| Novartis | 80.42 | - | 88.42 | 73.32 | 3.41 | 9.14 | 209615.33 |
| Richemont | 142.50 | 0.20 | 143.50 | 90.28 | 1.25 | 35.55 | 80660.38 |
| Roche | 278.40 | -0.80 | 404.20 | 276.30 | 2.87 | 19.51 | 212094.4 |
| Swiss Re | 95.24 | 0.16 | 100.10 | 68.18 | 5.64 | 24.07 | 32789.46 |
| Swisscom | 569.60 | 3.40 | 587.40 | 443.40 | 3.51 | 17.73 | 31995.65 |
| UBS | 20.25 | 0.24 | 20.41 | 13.10 | 1.56 | 10.91 | 77395.22 |
| Zurich Fin | 438.20 | 1.00 | 461.70 | 376.20 | 4.16 | 15.27 | 71493.87 |
| **Taiwan (NT$)** | | | | | | | |
| Chunghwa Telecm | 114.00 | 0.50 | 132.50 | 105.50 | 3.68 | 25.34 | 29267.61 |
| Formosa PetChem | 83.40 | 0.60 | 103.50 | 75.20 | 0.69 | 16.41 | 26292.89 |
| HonHaiPrc | 102.00 | 1.00 | 116.00 | 98.00 | 3.84 | 10.50 | 46797.16 |
| MediaTek | 732.00 | 1.00 | 1135 | 533.00 | 4.96 | 10.63 | 38747.05 |
| TaiwanSem | 545.00 | 4.00 | 646.00 | 370.00 | 1.92 | 22.15 | 467701.08 |
| **Thailand (THB)** | | | | | | | |
| PTT Explor | 32.75 | 0.50 | 40.75 | 30.75 | 5.60 | 9.51 | 27673.54 |
| **United Arab Emirates (Dhs)** | | | | | | | |
| Emirtestele | 24.30 | 0.70 | 38.98 | 11.60 | 2.75 | 27.17 | 57535.64 |
| **United Kingdom (p)** | | | | | | | |
| Anglo American | 3213 | -22.50 | 4292.5 | 2487.5 | 5.55 | 6.36 | 52248.37 |
| AscBrFd | 1910 | 5.50 | 1964 | 1223 | 0.32 | 31.57 | 18224.49 |
| AstraZen | 11518 | 96.00 | 11816 | 8287 | 1.80 | 1950.22 | 217020.55 |
| Aviva | 443.00 | 0.80 | 606.58 | 341.92 | 4.82 | 58.29 | 15126.52 |
| Barclays | 187.32 | 1.00 | 202.35 | 132.06 | 1.60 | 4.55 | 36156.4 |
| BP | 560.10 | 2.70 | 570.57 | 4.75 | 2.81 | 20.32 | 123040.42 |
| BrAmTob | 3111 | 9.50 | 3645 | 2893 | 6.93 | 10.52 | 84565.74 |
| BT | 138.30 | 4.20 | 201.40 | 110.55 | - | 13.43 | 16698.09 |
| Compass | 1896.5 | 3.50 | 1970.5 | 1494 | 0.74 | 46.14 | 40297.05 |
| Diageo | 3520 | -17.50 | 4067 | 3282.5 | 2.06 | 27.08 | 96843.42 |
| GlaxoSmh | 1470 | -17.60 | 2753.96 | 1280.92 | 5.44 | 16.97 | 73177.93 |
| Glencore | 515.90 | 0.10 | 583.25 | 5.07 | 1.72 | 18.89 | 79555.05 |
| HSBC | 609.20 | -4.50 | 620.50 | 434.70 | 2.65 | 13.31 | 147892.07 |
| Imperial Brands | 2022 | -13.00 | 2185 | 1434.23 | 6.83 | 6.76 | 22853.63 |
| Jardine Mathes | 62.50 | - | 56.00 | 46.89 | 2.47 | 11.59 | 18103.08 |
| LlydsBkg | 53.79 | 0.72 | 54.33 | 38.10 | 4.78 | 7.47 | 44080.67 |
| LSE Group | 7658 | 26.00 | 8612 | 6230 | 1.00 | 78.30 | 47197.51 |
| Natl Grid | 1054.5 | 0.50 | 1271.45 | 844.29 | 4.66 | 24.58 | 47130.99 |
| Natwest Group | 305.00 | 1.20 | 310.00 | 196.92 | 3.44 | 12.01 | 35673.09 |
| Prudential | 1283.5 | -10.00 | 1357.5 | 782.40 | 0.92 | 20.84 | 42906.12 |
| ReckittB | 5740 | -50.00 | 6824 | 5400 | 3.04 | -24.84 | 49949.43 |
| RELX | 2421 | -10.00 | 2474 | 2056 | 1.97 | 31.94 | 56195.43 |
| RioTinto | 6018 | 41.00 | 6354 | 4436.95 | 8.35 | 6.29 | 91436.73 |
| RollsRoyce | 108.36 | -1.10 | 122.10 | 64.44 | - | 73.71 | 11023.3 |
| Shell PLC | 2560.5 | 15.50 | 2571.5 | 1833.4 | 2.36 | 13.49 | 216490.82 |
| StandCh | 721.60 | -8.20 | 797.40 | 431.30 | 1.23 | 16.18 | 25395.15 |
| Tesco | 245.80 | 2.90 | 300.30 | 194.35 | 3.72 | 12.52 | 21892.36 |
| Unilever | 4266.5 | 4.50 | 4299.5 | 3267.5 | 3.39 | 21.90 | 131178.55 |
| Vodafone | 97.22 | 3.22 | 139.92 | 83.24 | 7.96 | -217.49 | 32067.82 |
| WPP | 984.80 | 1.20 | 1221.5 | 713.00 | 2.69 | 18.76 | 12821.98 |
| **United States of America ($)** | | | | | | | |
| 21stC Fox A | 35.50 | -0.19 | 43.71 | 28.02 | 1.19 | 16.01 | 10540.56 |
| 3M | 113.19 | -2.09 | 159.59 | 107.07 | 4.69 | 12.46 | 62311.1 |
| AbbottLb | 106.67 | -1.85 | 125.57 | 93.25 | 1.51 | 30.16 | 185987.01 |
| Abbvie | 152.47 | -1.26 | 175.91 | 134.09 | 3.06 | 26.34 | 269640.22 |
| Accenture | 284.12 | -4.23 | 345.30 | 242.95 | 1.17 | 32.14 | 187061.34 |
| Activision Bli. | 76.26 | -0.33 | 82.00 | 70.94 | 0.55 | 24.70 | 59683.01 |
| Adobe | 371.88 | -3.12 | 482.53 | 274.73 | - | 40.76 | 170246.66 |
| Advanced Micro | 84.29 | 1.16 | 125.67 | 54.57 | - | 36.54 | 135905.5 |
| AEP | 90.11 | -0.98 | 105.60 | 80.30 | 2.99 | 20.24 | 46304.26 |
| Aflac | 69.47 | -1.12 | 74.02 | 52.07 | 1.71 | 12.11 | 43195.65 |
| AirProd | 280.39 | -6.31 | 328.56 | 216.24 | 1.92 | 32.81 | 62269.81 |
| Allstate | 134.68 | -1.83 | 144.46 | 111.85 | 2.16 | 8.84 | 35718.43 |
| Alphabet | 92.64 | -1.97 | 143.79 | 83.34 | - | 0.92 | 551763.84 |
| Altria | 47.46 | -0.39 | 57.05 | 40.35 | 6.66 | 39.46 | 85056.51 |
| Amazon | 97.94 | -1.61 | 170.83 | 81.43 | - | 1.68 | 1003565.38 |
| AmerAir | 16.56 | 0.05 | 21.42 | 11.65 | - | -4.93 | 10761.12 |
| AmerExpr | 179.86 | -1.47 | 199.55 | 130.65 | 0.93 | 19.46 | 133850.5 |
| AmerIntGrp | 61.32 | -0.64 | 65.73 | 47.05 | 1.67 | 6.31 | 45559.53 |
| AmerTower | 214.15 | -3.12 | 282.47 | 178.17 | 2.18 | 42.15 | 99707.11 |
| Amgen | 240.24 | -3.42 | 296.67 | 214.39 | 2.63 | 26.04 | 128282.45 |
| Amphenol Corp | 80.38 | -0.73 | 82.86 | 61.67 | 0.87 | 35.68 | 47794.31 |
| Analog Devices | 179.91 | -0.54 | 182.75 | 133.48 | 1.39 | 67.30 | 91179.73 |
| Anthem | 482.58 | 12.71 | - | - | - | - | - |
| Aon Cp | 313.90 | -7.53 | 341.98 | 246.21 | 0.57 | 63.01 | 64931.14 |
| Apple | 151.70 | -2.15 | 179.61 | 124.17 | 0.51 | 28.03 | 2400189.21 |
| Applied Materl. | 116.10 | -0.43 | 143.79 | 71.12 | 0.73 | 17.84 | 97881.38 |
| Aptiv | 120.75 | 7.96 | 147.05 | 77.96 | - | 69.34 | 32715.81 |
| ArcherDan | 81.52 | -0.38 | 98.88 | 70.02 | 1.63 | 18.96 | 44781.73 |
| AT&T | 19.09 | -0.18 | 22.84 | 14.46 | 9.78 | 7.70 | 136018.8 |
| Autodesk | 225.65 | 1.65 | 235.01 | 163.20 | - | 111.17 | 48686.86 |
| AutomData | 223.74 | -3.62 | 274.92 | 192.26 | 1.54 | 38.59 | 92707.01 |
| AutoZone | 2543.51 | - | 2610.05 | 1703.32 | - | 25.61 | 47730.67 |
| Avago Tech | 595.75 | -5.37 | 645.31 | 415.07 | 2.27 | 37.48 | 248955.67 |
| BakerHu | 32.20 | -0.58 | 39.78 | 20.42 | 2.06 | 83.03 | 32247.26 |
| Bank of NY | 51.71 | -0.21 | 62.89 | 36.22 | 2.26 | 13.92 | 41796.16 |
| BankAm | 35.57 | -0.08 | 48.37 | 29.31 | 1.97 | 11.10 | 285357.91 |
| Baxter | 40.01 | -0.49 | 86.96 | 38.58 | 2.43 | 17.62 | 20191.93 |
| BectonDick | 242.21 | -5.04 | 277.29 | 215.90 | 1.25 | 46.69 | 68763.82 |
| BerkshHat | 471435 | -5065.00 | 544389.26 | 393012.25 | - | 8.83 | 281364.67 |
| Biogen | 286.73 | -3.74 | 311.88 | 187.16 | - | 30.72 | 41288.8 |
| BlackRock | 728.93 | -7.98 | 768.65 | 503.12 | 2.03 | 21.25 | 109482.06 |
| Boeing | 216.63 | 0.98 | 221.33 | 113.02 | - | -33.75 | 129596.64 |
| Booking Holdings | 2433.28 | 10.25 | 2715.66 | 1616.85 | - | 96.23 | 94385.44 |
| Bristol-Myers | 72.32 | -0.85 | 81.44 | 65.82 | 2.49 | 25.82 | 153763.92 |
| Broadcom | 595.75 | -5.37 | 645.31 | 415.07 | 2.27 | 37.48 | 248955.67 |
| Cadence Design | 194.75 | 9.05 | 198.87 | 132.32 | - | 86.79 | 53423.04 |
| CapOne | 114.84 | -2.53 | 160.54 | 86.98 | 1.56 | 4.75 | 43834.26 |
| CardinalHlth | 79.24 | -0.22 | 81.57 | 49.70 | 2.22 | 45.74 | 20415.32 |
| Carnival | 11.62 | -0.02 | 23.64 | 6.11 | - | -1.54 | 12938.63 |
| Caterpillar | 242.44 | -5.71 | 266.04 | 160.60 | 1.58 | 22.83 | 126168.04 |
| Centene Corp | 73.06 | -0.02 | 98.53 | 68.73 | - | 35.70 | 41370.93 |
| CharlesSch | 80.53 | 0.11 | 93.16 | 59.35 | 0.80 | 31.70 | 146230.05 |
| Charter Comms | 393.81 | -6.32 | 615.60 | 297.66 | - | 17.93 | 60115.65 |
| Chevron Corp | 171.25 | 0.24 | 189.68 | 130.52 | 2.78 | 23.44 | 331135.6 |
| Chipotle Mexic. | 1617.69 | 3.38 | 1754.56 | 1196.28 | - | 78.70 | 44683.59 |
| Chubb | 213.40 | -2.10 | 231.37 | 173.78 | 1.34 | 12.34 | 88571.73 |
| Cigna | 298.73 | 0.17 | 340.11 | 218.52 | 1.20 | 21.16 | 91333.41 |
| Cintas Corp | 437.28 | -10.71 | 470.23 | 343.86 | 0.75 | 42.71 | 44436.6 |
| Cisco | 47.34 | -0.52 | 57.69 | 38.61 | 2.83 | 18.72 | 194512.68 |
| Citigroup | 51.03 | 0.03 | 67.48 | 40.01 | 3.59 | 5.61 | 98837.6 |
| CME Grp | 185.26 | 0.05 | 251.99 | 166.55 | 1.74 | 28.31 | 66642.36 |
| Coca-Cola | 59.77 | -0.83 | 67.20 | 54.02 | 2.52 | 29.60 | 258476.16 |
| Cognizant | 66.15 | -1.68 | 93.47 | 51.33 | 1.30 | 18.20 | 33995.9 |
| ColgtPlm | 73.02 | -0.75 | 83.81 | 67.84 | 2.20 | 31.90 | 60987.34 |
| Comcast | 38.70 | -0.39 | 48.42 | 28.39 | 2.32 | 14.18 | 162795.88 |
| ConocPhil | 113.34 | 1.03 | 138.49 | 78.30 | 1.54 | 20.80 | 141223.46 |
| Constellation | 224.93 | -3.61 | 261.53 | 207.59 | 1.22 | -1128.34 | 41499.18 |
| Corning | 35.18 | -0.49 | 42.44 | 28.98 | 2.45 | 30.62 | 29755.64 |
| Corteva | 61.74 | -0.73 | 68.43 | 49.01 | 0.77 | 29.01 | 44009.69 |
| Corteva | 61.74 | -0.73 | 68.43 | 49.01 | 0.77 | 29.01 | 44009.69 |
| Costco | 499.81 | -6.64 | 612.27 | 406.51 | 0.57 | 44.45 | 221780.21 |
| CrownCstl | 139.10 | -2.64 | 199.97 | 121.71 | 3.52 | 58.04 | 60236.98 |
| CSX | 30.93 | -0.70 | 38.63 | 25.80 | 1.13 | 19.03 | 65027.5 |
| CVS | 88.67 | -1.20 | 109.69 | 84.60 | 2.02 | 16.60 | 113862.18 |
| Danaher | 255.66 | -4.22 | 303.82 | 233.71 | 0.32 | 32.50 | 186110.94 |
| Deere | 404.65 | -10.68 | 448.40 | 283.81 | 0.87 | 24.75 | 120244.6 |
| Delta | 38.69 | 0.09 | 46.27 | 27.20 | - | 51.73 | 24809.52 |
| Devon Energy | 62.98 | -0.56 | 79.40 | 48.86 | 2.81 | 16.75 | 41170.03 |
| Digital Realty | 111.33 | -1.64 | 153.50 | 85.76 | 3.74 | 20.88 | 32009.85 |
| DiscFinServ | 114.67 | -1.48 | 129.12 | 87.64 | 1.47 | 7.17 | 31330.8 |
| Disney | 106.77 | -0.89 | 156.73 | 84.07 | - | 69.16 | 195048.21 |
| Dollar General | 228.37 | -5.15 | 262.21 | 183.25 | 0.67 | 24.78 | 51056.66 |
| DominRes | 57.96 | -0.69 | 88.78 | 57.18 | 3.90 | 20.24 | 48292.46 |
| DukeEner | 99.14 | -0.90 | 116.33 | 83.76 | 3.53 | 22.40 | 76344.02 |
| DuPont | 75.91 | -0.46 | 84.08 | 49.52 | 1.42 | 26.18 | 37711.25 |
| Eaton | 171.61 | -2.71 | 175.61 | 122.50 | 1.59 | 35.80 | 68249.3 |
| eBay | 48.43 | -0.50 | 60.39 | 35.92 | 1.33 | 141.99 | 26280.98 |
| Ecolab | 154.48 | 6.59 | 186.13 | 131.04 | 1.13 | 44.02 | 44000.24 |
| Edwards Lifesc. | 76.62 | -0.99 | 131.10 | 67.13 | - | 35.87 | 47371.12 |
| Eli Lilly | 349.12 | -0.16 | 384.44 | 231.87 | 0.87 | 63.55 | 331721.36 |
| Emerson | 85.54 | -1.38 | 100.00 | 72.41 | 2.13 | 20.81 | 48874.7 |
| EOG Res | 132.00 | -1.28 | 150.88 | 92.16 | 1.10 | 18.41 | 77535.41 |
| Equinix | 723.55 | -15.32 | 776.35 | 494.89 | 1.42 | 145.77 | 66955.95 |
| EquityResTP | 65.82 | -0.31 | 94.32 | 57.38 | 3.29 | 21.40 | 24874.62 |
| Exelon | 41.64 | 0.45 | 50.71 | 35.19 | 3.30 | 26.66 | 41379.42 |
| ExxonMb | 116.22 | -1.58 | 119.63 | 74.03 | 2.70 | 24.02 | 478628.06 |
| Fedex | 209.73 | -1.93 | 248.76 | 141.92 | 1.23 | 12.57 | 52935.25 |
| Fidelity NIS | 67.48 | 1.48 | 112.74 | 56.53 | 2.08 | 112.21 | 40041.25 |
| Fiserv | 115.53 | -0.92 | 117.49 | 87.03 | - | 64.66 | 73364.79 |
| FordMtr | 13.07 | -0.02 | 18.48 | 10.61 | 0.69 | 3.27 | 51173.36 |
| Franklin | 31.30 | -0.46 | 32.88 | 20.24 | 3.24 | 9.23 | 15658.08 |
| GenDyn | 231.26 | -1.62 | 256.86 | 207.42 | 1.81 | 22.31 | 63464.69 |
| GenElectric | 82.57 | -0.11 | 83.99 | 46.77 | 0.35 | -28.30 | 89942.39 |
| GenMills | 75.31 | -1.30 | 88.34 | 61.67 | 2.45 | 22.16 | 44400.64 |
| GenMotors | 42.32 | 0.30 | 50.57 | 30.33 | - | 7.04 | 59021.05 |
| GileadSci | 85.70 | -1.79 | 89.74 | 57.17 | 2.97 | 19.37 | 107488.7 |
| GoldmSchs | 370.50 | -3.52 | 389.58 | 277.84 | 1.57 | 6.94 | 124873.67 |
| Halliburton | 38.63 | -0.64 | 43.99 | 23.30 | 0.61 | 24.18 | 34926.17 |
| HCA Hold | 257.97 | -2.15 | 279.02 | 164.47 | 0.67 | 13.58 | 72932.43 |
| Hew-Pack | 30.14 | -0.20 | 41.47 | 24.08 | 2.50 | 6.06 | 29601.87 |
| Hilton Worldwi. | 149.50 | 0.50 | 167.99 | 108.41 | - | 114.08 | 39834.37 |
| HiltonWwde | 149.50 | 0.50 | 167.99 | 108.41 | - | 114.08 | 39834.37 |
| HomeDep | 316.57 | -6.96 | 357.42 | 264.51 | 1.89 | 22.50 | 324081.08 |
| Honywell | 199.33 | -4.04 | 220.96 | 166.63 | 1.70 | 28.07 | 133180.4 |
| HumanaInc | 501.26 | -0.69 | 571.30 | 408.20 | 0.50 | 24.63 | 63459.04 |
| IBM | 135.31 | -2.04 | 153.21 | 115.55 | 4.35 | 28.93 | 122337.34 |
| IDEXX Laborato. | 495.06 | -1.62 | 560.92 | 317.06 | - | 64.13 | 40999.36 |
| IllinoisTool | 236.42 | -3.06 | 246.98 | 173.52 | 1.79 | 30.95 | 72122.68 |
| Illumina | 208.90 | -7.04 | 371.16 | 173.45 | - | 46.18 | 32859.97 |
| Intcntl Exch | 108.01 | -1.18 | 137.40 | 88.60 | 1.10 | 16.76 | 60361.52 |
| Intel | 28.22 | -0.33 | 52.51 | 24.59 | 4.42 | 6.47 | 116746.14 |
| Intuit | 415.46 | -2.63 | 539.33 | 339.36 | 0.55 | 57.96 | 116713.25 |
| John&John | 161.89 | -0.86 | 186.69 | 155.72 | 2.32 | 23.09 | 423258.75 |
| JohnsonCn | 64.91 | -0.79 | 69.60 | 45.52 | 1.59 | 33.02 | 44607.08 |
| JPMrgnCh | 141.84 | -0.73 | 156.10 | 101.28 | 2.40 | 10.29 | 416045.78 |
| Kimb-Clark | 128.28 | -1.83 | 144.53 | 108.74 | 3.30 | 26.82 | 43293.76 |
| KinderM | 18.25 | -0.14 | 20.20 | 15.78 | 5.46 | 43.92 | 41026.06 |
| KLA Corp | 399.53 | -3.17 | 428.56 | 250.20 | 0.88 | 22.91 | 55326.82 |
| Kraft Heinz | 39.89 | -0.45 | 44.87 | 32.73 | 3.60 | 54.19 | 48856.34 |
| Kroger | 44.10 | -0.54 | 62.78 | 41.82 | 1.60 | 22.42 | 31564.17 |
| LasVegasSd | 57.41 | -0.11 | 60.34 | 28.88 | - | -42.36 | 43876.93 |
| LibertyGbl | 20.96 | -0.13 | 29.08 | 15.22 | - | 1.00 | 3602.21 |
| Lilly (E) | 349.12 | -0.16 | 384.44 | 231.87 | 0.87 | 63.55 | 331721.36 |

## FT500: TOP 20

| | Close price | Prev price | Day change | Day change % | Week change | Week change % | Month change % |
|---|---|---|---|---|---|---|---|
| Schlmbrg | 56.72 | 57.31 | -0.60 | -1.04 | 3.42 | 5.2 | 0.49 |
| Unilever | 48.42 | 48.20 | 0.22 | 0.46 | 2.14 | 5.1 | 2.41 |

Based on the FT Global 500 companies in local currency

## FT500: BOTTOM 20

| | Close price | Prev price | Day change | Day change % | Week change | Week change % | Month change % |
|---|---|---|---|---|---|---|---|
| Bausch Hlth | 9.78 | 9.76 | 0.02 | 0.20 | -0.55 | -5.1 | -0.41 |
| Anglo American | 3213.00 | 3235.50 | -22.50 | -0.70 | -151.50 | -5.1 | -10.86 |

Based on the FT Global 500 companies in local currency

## BONDS: HIGH YIELD & EMERGING MARKET

| | Red date | Coupon | S* | M* | F* | Bid price | Bid yield | Day's chge yield | Mth's chge yield | Spread vs US |
|---|---|---|---|---|---|---|---|---|---|---|
| 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.

## INTEREST RATES: OFFICIAL

| Feb 14 | Rate | Current | Since | Last |
|---|---|---|---|---|
| US | Fed Funds | 4.50-4.75 | 01-02-2023 | 4.25-4.50 |
| US | Prime | 7.50 | 15-12-2022 | 6.25 |
| US | Discount | 4.50 | 15-12-2022 | 3.25 |
| Euro | Repo | 1.873 | 31-01-2023 | 0.53 |
| UK | Repo | 4.00 | 02-02-2023 | 3.50 |
| 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

| Feb 14 (Libor: Feb 13) | Over night | Change Day | Change Week | Change Month | One month | Three month | Six month | One year |
|---|---|---|---|---|---|---|---|---|
| US$ Libor | 4.55886 | 0.000 | 0.006 | 0.010 | 4.58786 | 4.86357 | 5.15200 | 5.50500 |
| Euro Libor | -0.64957 | -0.064 | 0.000 | 0.001 | -0.61943 | -0.58057 | -0.55600 | -0.48571 |
| £ Libor | 0.18063 | -0.005 | 0.000 | -0.002 | 3.96290 | 4.20060 | 4.54220 | 0.81363 |
| Swiss Fr Libor | | | | -0.002 | -0.77540 | -0.75300 | -0.70280 | -0.55320 |
| Yen Libor | | | | 0.000 | -0.06005 | -0.02617 | 0.07165 | 0.04867 |
| Euro Euribor | | | | 0.027 | 2.40200 | 2.65400 | 3.10200 | 3.51000 |
| Sterling CDs | | | | 0.000 | 0.50000 | 0.63000 | 0.78500 | |
| US$ CDs | | | | 0.000 | 4.55000 | 4.85000 | 5.13000 | |
| Euro CDs | | | | 0.000 | 2.39000 | 2.73000 | 3.05000 | |

| Feb 14 | Short term | | 7 Days notice | | One month | | Three month | | Six month | | One year | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Euro | 2.14 | 2.44 | 2.19 | 2.49 | 2.24 | 2.54 | 2.58 | 2.88 | 2.90 | 3.20 | 3.24 | 3.54 |
| Sterling | | | | | 0.45 | 0.55 | 0.58 | 0.68 | 0.71 | 0.86 | 0.90 | 1.05 |
| US Dollar | 4.38 | 4.58 | 4.40 | 4.60 | 4.45 | 4.65 | 4.75 | 4.95 | 5.03 | 5.23 | 5.31 | 5.51 |
| Japanese Yen | -0.25 | -0.05 | -0.20 | 0.00 | -0.15 | 0.05 | -0.10 | 0.10 | -0.05 | 0.15 | 0.00 | 0.20 |

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

## BOND INDICES

| | Index | Day's change | Month's change | Year change | Return 1 month | Return 1 year |
|---|---|---|---|---|---|---|
| **Markit IBoxx** | | | | | | |
| ABF Pan-Asia unhedged | 208.49 | -0.62 | -1.99 | 2.34 | -1.10 | -4.32 |
| Corporates( £) | 335.34 | -0.16 | -0.20 | 3.78 | 0.32 | -10.36 |
| Corporates(€) | 211.81 | -0.12 | 0.03 | 2.17 | 0.04 | -9.17 |
| Eurozone Sov(€) | 211.86 | 0.00 | -0.29 | 2.09 | -1.10 | -13.44 |
| Gilts( £) | 274.49 | -0.14 | -0.89 | 1.83 | -0.82 | -18.60 |
| Overall( £) | 284.66 | -0.14 | -0.72 | 2.22 | -0.53 | -16.44 |
| Overall(€) | 208.18 | -0.04 | -0.22 | 1.95 | -0.85 | -12.39 |
| **FTSE** | | | | | | |
| Sterling Corporate (£) | - | - | - | - | - | - |
| Euro Corporate (€) | 104.47 | -0.05 | - | - | 0.54 | -1.73 |
| Euro Emerging Mkts (€) | 728.35 | 0.91 | - | - | -3.17 | -2.15 |
| Eurozone Govt Bond | 110.04 | -0.19 | - | - | -0.34 | -0.64 |

| CREDIT INDICES | Index | Day's change | Week's change | Month's change | Series high | Series low |
|---|---|---|---|---|---|---|
| **Markit iTraxx** | | | | | | |
| Crossover 5Y | 400.55 | -3.09 | 3.22 | -14.23 | 668.92 | 378.58 |
| Europe 5Y | 77.18 | -0.62 | 1.82 | -2.24 | 142.08 | 72.18 |
| Japan 5Y | 75.74 | -1.26 | 3.67 | -5.41 | 119.29 | 70.25 |
| Senior Financials 5Y | 85.40 | -1.35 | 1.19 | -3.08 | 155.06 | 80.37 |
| **Markit CDX** | | | | | | |
| Emerging Markets 5Y | 232.54 | -2.72 | 6.61 | 5.54 | 335.29 | 212.13 |
| Nth Amer High Yld 5Y | 431.98 | -9.61 | 6.76 | 7.97 | 625.47 | 408.01 |
| Nth Amer Inv Grade 5Y | 71.31 | -1.46 | 1.24 | 0.85 | 110.98 | 67.24 |

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

## VOLATILITY INDICES

| | Feb 14 | Day Chng | Prev | 52 wk high | 52 wk low |
|---|---|---|---|---|---|
| VIX | 19.62 | -0.72 | 20.34 | 37.79 | 17.97 |
| VXD | 17.78 | -0.19 | 17.97 | 45.37 | 3.27 |
| VXN | 25.40 | -1.86 | 27.26 | 44.02 | 5.85 |
| VDAX | 18.91 | -0.97 | 19.88 | 93.30 | - |

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

## BONDS: BENCHMARK GOVERNMENT

| | Red Date | Coupon | Bid Price | Bid Yield | Day chg yield | Wk chg yield | Month chg yld | Year chg yld |
|---|---|---|---|---|---|---|---|---|
| Australia | - | - | - | - | - | - | - | - |
| | 05/32 | 1.25 | 80.55 | 3.76 | 0.05 | 0.30 | 0.17 | - |
| | 02/50 | 1.00 | 96.63 | 1.67 | 0.04 | 0.30 | 0.17 | 1.08 |
| Austria | 02/29 | 0.50 | 87.32 | 2.82 | 0.00 | 0.11 | 0.22 | 2.36 |
| | 02/47 | 1.50 | 74.43 | 3.01 | 0.00 | 0.09 | 0.19 | 2.11 |
| Belgium | 06/27 | 0.80 | 92.38 | 2.68 | 0.02 | 0.14 | 0.21 | 2.38 |
| | 06/47 | 1.60 | 72.76 | 3.23 | -0.01 | 0.05 | 0.20 | 2.04 |
| Canada | 03/25 | 1.25 | 94.67 | 4.00 | 0.01 | 0.15 | 0.35 | 2.39 |
| | 06/30 | 1.25 | 87.90 | 3.12 | -0.03 | 0.11 | 0.24 | 1.33 |
| | 12/48 | 2.75 | 92.73 | 3.16 | -0.04 | 0.06 | 0.21 | 1.02 |
| Denmark | 11/29 | 0.50 | 87.54 | 2.53 | 0.01 | 0.12 | 0.18 | 2.14 |
| | 11/52 | 0.25 | 55.09 | 2.37 | -0.01 | 0.05 | 0.20 | 1.78 |
| Finland | 09/24 | 0.00 | 95.69 | 2.83 | 0.02 | 0.19 | 0.23 | 2.99 |
| | 09/29 | 0.50 | 86.37 | 2.80 | 0.01 | 0.10 | 0.19 | 2.37 |
| France | 05/28 | 0.75 | 90.55 | 2.70 | 0.02 | 0.13 | 0.22 | 2.32 |
| | 05/48 | 2.00 | 80.61 | 3.12 | -0.01 | 0.05 | 0.18 | 1.99 |
| Germany | 08/29 | 0.00 | 86.04 | 2.34 | 0.02 | 0.12 | 0.25 | 2.19 |
| | 08/50 | 0.00 | 54.07 | 2.26 | 0.00 | 0.06 | 0.21 | 1.80 |
| Greece | - | - | - | - | - | - | - | - |
| | 01/28 | 3.75 | 101.11 | 3.50 | 0.01 | 0.20 | 0.18 | 1.78 |
| Ireland | - | - | - | - | - | - | - | - |
| | 05/26 | 1.00 | 94.86 | 2.67 | 0.05 | 0.20 | 0.30 | 2.45 |
| | 02/45 | 2.00 | 81.60 | 3.17 | 0.00 | 0.09 | 0.21 | 2.09 |
| Italy | 02/25 | 0.35 | 94.63 | 3.20 | -0.01 | 0.16 | 0.21 | 2.52 |
| | 05/30 | 0.40 | 91.07 | 1.72 | 0.00 | 0.01 | -0.06 | 1.67 |
| | 03/48 | 3.45 | 88.09 | 4.23 | -0.03 | 0.01 | 0.08 | 1.78 |
| Japan | 04/25 | 0.05 | 100.05 | 0.03 | -0.02 | -0.03 | -0.12 | -0.06 |
| | 12/29 | 0.10 | 98.01 | 0.39 | -0.01 | 0.04 | -0.11 | 0.27 |
| | 12/49 | 0.40 | 76.18 | 1.48 | -0.04 | -0.03 | -0.08 | 0.63 |
| Netherlands | 07/27 | 0.75 | 92.49 | 2.57 | 0.02 | 0.14 | 0.23 | 2.39 |
| | 01/47 | 2.75 | 102.95 | 2.58 | 0.00 | 0.08 | 0.21 | 2.03 |
| New Zealand | 05/31 | 1.50 | 81.01 | 4.26 | 0.10 | 0.41 | 0.23 | 1.46 |
| | 09/40 | 2.50 | 120.91 | 2.38 | 0.14 | 0.37 | 0.22 | 1.25 |
| Norway | 08/30 | 1.38 | 88.30 | 3.15 | 0.05 | 0.21 | 0.25 | 0.99 |
| Poland | - | - | - | - | - | - | - | - |
| | 07/27 | 2.50 | 86.09 | 6.17 | 0.10 | 0.35 | 0.23 | 2.18 |
| | 04/47 | 4.00 | 77.50 | 5.74 | 0.00 | -0.17 | -1.15 | 1.67 |
| Portugal | 04/27 | 4.13 | 104.86 | 2.87 | 0.02 | 0.16 | 0.23 | 2.36 |
| Spain | - | - | - | - | - | - | - | - |
| | 10/29 | 0.60 | 85.27 | 3.06 | 0.01 | 0.13 | 0.21 | 2.13 |
| | 10/46 | 2.90 | 88.57 | 3.63 | -0.01 | 0.06 | 0.15 | 1.86 |
| Sweden | 06/30 | 0.13 | 113.00 | 0.54 | 0.02 | 0.40 | 0.64 | 2.07 |
| | 03/39 | 3.50 | 114.51 | 2.40 | 0.02 | 0.47 | 0.61 | 1.60 |
| Switzerland | 04/28 | 4.00 | 113.57 | 1.26 | 0.02 | 0.09 | 0.25 | 1.12 |
| | 06/29 | 0.00 | 92.16 | 1.29 | 0.01 | 0.09 | 0.26 | 1.10 |
| United Kingdom | 07/23 | 0.75 | 98.70 | 3.77 | 0.11 | 0.23 | 0.24 | 2.47 |
| | 07/27 | 1.25 | 91.35 | 3.37 | 0.03 | 0.25 | 0.09 | 1.99 |
| | 07/47 | 1.50 | 62.57 | 3.89 | 0.00 | 0.12 | 0.12 | 2.22 |
| United States | - | - | - | - | - | - | - | - |
| | 03/25 | 0.50 | 92.09 | 4.45 | 0.03 | 0.11 | 0.35 | 2.69 |
| | 02/30 | 1.50 | 86.23 | 3.76 | -0.02 | 0.11 | 0.27 | 1.82 |
| | 02/50 | 0.25 | 70.88 | 1.56 | -0.01 | 0.04 | 0.06 | 1.46 |

## COMMODITIES

www.ft.com/commodities

| Energy | | Price* | Change | Agricultural & Cattle Futures | | Price* | Change |
|---|---|---|---|---|---|---|---|
| Crude Oil† | Mar | 79.03 | -1.11 | Corn♦ | Mar | 686.50 | 1.50 |
| Brent Crude Oil‡ | | 85.17 | -1.44 | Wheat♦ | Mar | 788.50 | -3.50 |
| RBOB Gasoline† | Mar | 2.51 | -0.02 | Soybeans♦ | Mar | 1538.00 | -4.75 |
| Natural Gas† | Mar | 2.53 | 0.12 | Soybeans Meal♦ | Mar | 501.30 | -2.70 |
| **Base Metals (♠ LME 3 Months)** | | | | Cocoa (ICE Liffe)⊕ | Mar | 2032.00 | 4.00 |
| Aluminium | | 2426.50 | 0.50 | Cocoa (ICE US)♥ | Mar | 2640.00 | 19.00 |
| Aluminium Alloy | | 2150.00 | -75.00 | Coffee(Robusta)⊕ | Mar | 2067.00 | 23.00 |
| Copper | | 9011.00 | 51.00 | Coffee (Arabica)♥ | Mar | 179.60 | 2.55 |
| Lead | | 2102.50 | -12.00 | White Sugar⊕ | | 568.60 | 9.60 |
| Nickel | | 26950.00 | 480.00 | Sugar 11♥ | | 21.37 | 0.17 |
| Tin | | 27000.00 | -575.00 | Cotton♥ | Mar | 85.52 | -0.12 |
| Zinc | | 3112.50 | -5.00 | Orange Juice♥ | Mar | 233.60 | 0.75 |
| **Precious Metals (PM London Fix)** | | | | Live Cattle♣ | Feb | 162.25 | 1.05 |
| Gold | | 1856.05 | -3.65 | Feeder Cattle♣ | May | 134.88 | - |
| Silver (US cents) | | 2198.50 | -13.00 | Lean Hogs♣ | Apr | 86.43 | 3.10 |
| Platinum | | 944.00 | -22.00 | | | | |
| Palladium | | 1555.00 | 2.00 | | Feb 13 | % Chg Month | % Chg Year |
| **Bulk Commodities** | | | | | | | |
| Iron Ore | | 123.76 | -1.38 | S&P GSCI Spt | 595.76 | -0.69 | -8.73 |
| Baltic Dry Index | | 563.00 | -53.00 | DJ UBS Spot | 108.41 | -2.34 | -2.48 |
| Richards Bay ICE Futures | | 142.50 | -2.85 | TR/CC CRB TR | 297.65 | 0.99 | 6.41 |
| | | | | LEBA EUA Carbon | 58.91 | -1.98 | 129.94 |
| | | | | LEBA UK Power | 1048.00 | -37.43 | -39.60 |

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

## BONDS: INDEX-LINKED

| | Price Feb 13 | Yield Feb 13 | Yield Prev | Month return | Value stock | Market | No of stocks |
|---|---|---|---|---|---|---|---|
| Can 4.25%' 26 | 110.98 | 1.273 | 1.320 | -0.14 | 5.25 | 73025.09 | 8 |
| Fr 0.25%' 24 | 100.42 | -0.043 | -0.073 | 0.16 | 17.92 | 252027.14 | 17 |
| Swe 1.00%' 25 | 126.48 | 0.331 | 0.229 | -0.46 | 35.53 | 217308.34 | 6 |
| UK 0.125%' 24 | 99.79 | 0.313 | 0.287 | 0.35 | 15.24 | 582320.52 | 31 |
| UK 2.50%' 24 | 373.07 | 0.641 | 0.620 | 0.32 | 6.82 | 582320.52 | 31 |
| UK 2.00%' 35 | 247.56 | 0.208 | 0.193 | 0.05 | 9.08 | 582320.52 | 31 |
| US 0.625%' 26 | 96.65 | 1.811 | 1.810 | -0.21 | 42.42 | 1619687.91 | 47 |
| US 3.625%' 28 | 109.99 | 1.602 | 1.579 | -0.79 | 16.78 | 1619687.91 | 47 |

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 | 3.76 | 1.41 | 0.00 | Netherlands | 2.57 | 0.23 | -1.19 |
| Austria | 2.82 | 0.48 | -0.94 | New Zealand | 4.26 | 1.91 | 0.50 |
| Canada | 3.12 | 0.78 | -0.64 | Norway | 3.15 | 0.81 | -0.61 |
| Denmark | 2.53 | 0.19 | -1.23 | Portugal | 2.87 | 0.53 | -0.89 |
| Finland | 2.80 | 0.46 | -0.96 | Spain | 3.06 | 0.72 | -0.70 |
| Germany | 2.34 | 0.00 | -1.42 | Sweden | 0.54 | -1.80 | -3.22 |
| Italy | 1.72 | -0.62 | -2.04 | Switzerland | 1.29 | -1.05 | -2.47 |
| Japan | 0.39 | -1.95 | -3.37 | United States | 3.76 | 1.42 | 0.00 |

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

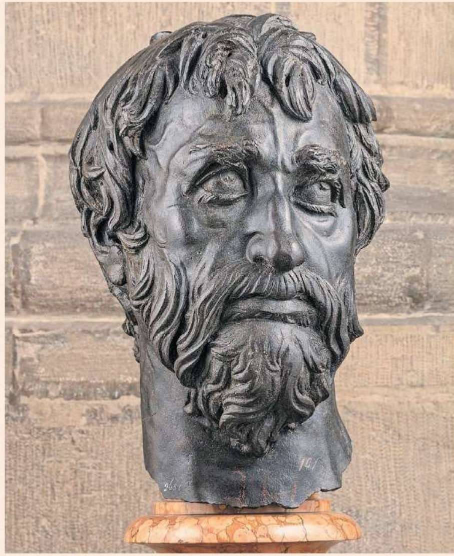

# Equity Research from Morningstar

Make confident investment decisions powered by our independent global insights and a consistent methodology across our qualitative and quantitative universes.

Get your next investing idea from one of the world's largest independent analyst teams at morningstar.com/products/research/institutional

# Donatello and the dawning of a new world

*Now arrived in London, this show at the V&A of the sculptor's work is both fascinating and revelatory, writes Jackie Wullschläger*



Clockwise, from above: Donatello's 'Head of a Bearded Man'; 'David'; 'Pazzi Madonna' Bruno Bruchi; Antje Voigt

Reimagined for the sleek, glossy underground hangar of the Victoria and Albert Museum's Sainsbury Gallery, the tremendous touring Donatello retrospective arrives in London — the UK's first show ever devoted to the artist — as a rather different beast from its initial iteration in Florence. Although smaller — about half the works by Donatello have come, plus many contextual pieces — it remains fascinating and revelatory, and the cultural repositioning itself is illuminating.

Only the virtuoso opening is the same: the larger than life marble "David", all compressed energy, stands with the head of Goliath at his feet. Carved in stone which imitates every texture — soft fabric against flesh, hard rock lodged in the giant's forehead, delicate amaranth wreath — he looks at once real and archaic. Donatello was 22 when he conceived this sculpture for Florence's cathedral in 1408. It ended up instead on Piazza della Signoria, a symbol of civic freedom. The shift from sacred to secular location was emblematic. Donatello, born into the medieval Gothic age, ushered in Renaissance humanism with his individualised, expressive figures: one of art's foundational stories.

Florence's grand, old-school show unfolded this historically, in a labyrinthine layout across two weathered palazzi between streets Donatello himself once trod. The V&A's installation in a single bright, open-plan gallery is spectacular in another way — immersive, modern. Themes are foregrounded over biography, and the all-over jumble brings a vibrant sense of the clashing influences and currents shaping Donatello: classicism, Catholic piety, republicanism, the new science of perspective, traditional goldsmithing.

A dramatic row of portrait heads curving across the centre of the space wonderfully recalls typical V&A fashion shows. The silver-plated "Reliquary Bust of San Rossore" is no idealised martyr but a character we might glimpse at a Florence coffee bar: animated face, dark eyes, tousled hair, furrowed brow, stubbled jawline, thoughtful downward gaze. So too the painted terracotta bust representing politician Niccolò da Uzzano, looking up, showing his strong aquiline nose and heavy eyelids. Every element is vivid, from the moles on his neck to the folds of his red gown.

Later comes the psychologically intense bronze "Head of a Bearded Man", with flowing locks and eyes raised to heaven: it may depict a condottiere mercenary nicknamed Gattamelata ("honeyed cat"), or a biblical prophet, or a pagan river god.

Some of the most gripping, intricate pieces of theatre combine attenuated Gothic figures and metalwork with fresh, realistic representation, architectural perspective (Donatello was a pupil of Brunelleschi) and abstract patterning: the damascened bronze/copper reliefs "Crucifixion" enacted in a chiselled rocky landscape and "Miracle of the Mule", framed by barrel-vaulted architecture; the tempestuous openwork "Lamentation over the Dead Christ". Mary is collapsing, the Magdalene rushes forward with raised arms, St John withdraws in silent grief. This desperately emotive multi-figure frieze anticipates not only Rodin's "The Burghers of Calais" but Picasso's distraught women in "Guernica".

The freestanding sculptures are more purely classical; the highlight is the laughing winged child "Attis Amorino" with his trousers down, curly pigtail, belt adorned with gilded poppy seedpods and snake winding around his sandals — inebriated as a wine god, mischievous as a Cupid, sexy, baffling, amusing.

His cousin sprites, joyous little "Spiritelli", are bizarre fusions, derived from the pagan putto, adapted as celebratory figures associated with Christian baptism. "Spiritello with a Tambourine", gleefully about to strike the instrument, and the graceful "Dancing Spiritello", each balanced on cockle shells, were made for Siena Cathedral — their balletic movements inspired Botticelli's "Primavera" — and are reunited here from collections in Florence and Berlin. A pair from Paris perch on candlesticks, as if about to take flight. In contrapposto pose astride a tortoise, "Winged Putto with a Fantastic Fish", originally part of a fountain, stares out impudently.

Donatello, said Vasari, "took delight in all things, set his hand to doing everything, without considering whether it was insignificant or prestigious". The V&A's reduced-scale show gives full scope to the smaller pieces, their exhilarating detail, sometimes playful, sometimes condensing deep spiritual mystery into pocket-sized carvings.

Among Donatello's signature shallow reliefs, *rilievo stiacciato*, partly carved, partly drawn in fine chiselled lines to achieve astonishingly dynamic effects of light on pale marble, the two luminous "sky" pieces appear together for the first time. "The Ascension with Christ giving the Keys to St Peter" has Mary, Apostles and angels interconnecting, overlapping, reacting, against a line of trees, diminishing in linear perspective to lead us to the city of Jerusalem, beneath clouds whipped by a breeze animating the entire scene. "Madonna of the Clouds" sets the still, watchful child and flowing figure of the Virgin in heaven: wind, airy atmosphere, flying angels are made permanent — eternal — in compact marble. Material, technique and meaning are inextricable.

Images of the Madonna and Child were a generic Gothic formula. In multiple and hybrid media — the painted terracotta "Madonna of the Apple"; the bronze relief "Chellini Madonna", its outer side hollowed out for recasting; the Louvre's "Piot Madonna", the long-fingered terracotta Virgin encased within a tondo of wax medallions — Donatello revitalised the trope. Infusing it with tenderness and emotional nuance, he influenced painters' and sculptors' treatment of the motif for centuries.

With sumptuous draperies giving the bodies volume and warm presence, and the delicately incised faces, cheeks fused, held within a perspectival window, Berlin's marble "Pazzi Madonna", the show's most beautiful work, perfectly balances abstraction and naturalism. Interestingly, it shares characteristics with the "Dudley Madonna" — the Virgin with wriggling baby on her lap, her gossamer dress and veil built in refined gradation of planes — which the V&A downgrades to a copy, possibly 19th-century. Florence however upholds the attribution for that and for others which the V&A demotes — notably the affecting scene of angels weeping over the dead Christ, "Imago Pietatis", almost universally accepted as Donatello's.

> Born into the medieval Gothic age, Donatello ushered in Renaissance humanism

It's an academic quarrel, but it seems to me that grouping these exquisite works with Victorian copies/pastiches — especially when Donatello's most famous sculpture, the later, lithe, sensual bronze "David", is here only in 19th-century plaster reproduction — is distorting, blurring true distinctions between master and imitator.

London's show is called *Donatello: Sculpting the Renaissance* — the artist as maker of forms. Berlin, the exhibition's second venue, had *Donatello: Inventor of the Renaissance* and Florence simply *Donatello: The Renaissance*, thus asserting grander claims: that Donatello, as Francesco Caglioti, the curator who conceived the project put it, was not merely "shaper of an age on the level of Giotto, Raphael and Caravaggio, but . . . a phenomenon of rupture that introduced new ways of thinking, producing and experiencing art". This show brings us fantastically close to that phenomenon; there's no need to play down genius.

*To June 11, vam.ac.uk*

FT FINANCIAL TIMES

EUROPE EXPRESS

**A fresh look at the trends transforming the continent**

Europe Express is the agenda-setting FT newsletter on European affairs.

Written each weekday by Henry Foy and by Tony Barber at weekends, it offers punchy insights, exclusive daily news and original perspectives.

**Sign up now at ft.com/newsletters***

*Available to Premium subscribers

# Sinfonia heads east for new adventure

CLASSICAL

**Britten Sinfonia**
Milton Court, London
**London Symphony Orchestra**
Barbican, London

*Richard Fairman*

One of the most bizarre of Arts Council England's recent funding decisions was to cut the entire portfolio grant to the Britten Sinfonia. Presented under the banner of "levelling-up", it delivered a body blow to an orchestra founded to bring high-quality music to the previously impoverished east of England. Where was the logic in that?

Based in Cambridge, the medium-sized Britten Sinfonia finds itself left with precious little time to plan its survival. An announcement is expected imminently of an appeal to raise £400,000 annually to replace the grant it has lost for the next three years.

Nobody could accuse the orchestra of lacking a sense of adventure. Taking a Middle Eastern theme, its latest concert presented a rare performance of Delius's complete incidental music to *Hassan*, a verse play by James Elroy Flecker. *Hassan* scored a big hit at its premiere in 1923, but even with a vivid linking narration, devised by Meurig Bowen (Britten Sinfonia's artistic director) and spoken with panache by broadcaster Zeb Soanes, it was obvious that the play is a lot of hokum. Generous helpings of racism and sexism surely make it unrevivable today, but Delius's music deserves rescuing and the Britten Sinfonia's performance, conducted by Jamie Phillips, showed how imaginatively it uses its modest resources. An orchestra of fewer than 30, together with chorus, creates a lightly suggestive Middle Eastern atmosphere, rising to a visionary pilgrim's procession at the end as Hassan sets off on the golden road to Samarkand.

Joseph Tawadros plays the oud with the Britten Sinfonia

Given the subject matter, it was a neat idea to precede *Hassan* with half an hour of music played on the oud by Egyptian-Australian Joseph Tawadros. This is surely the kind of programming that Arts Council England professes it wants to promote. ★★★★☆

The future of the London Symphony Orchestra looks more secure. The LSO suffered a 10 per cent cut to its grant, and Simon Rattle's decision to leave as music director has been a blow, but at least the succession is well in hand.

As Antonio Pappano prepares to take up the role of chief conductor in 2024, his appearances assume extra significance, especially this concert which had no soloist, only three hefty pieces for large (or super-large) orchestra.

As the spotlight has fallen recently on black British composers, Samuel Coleridge-Taylor's *Ballade in A Minor* has become a popular concert opener, thanks to its stirring ideas, even if it falls short on subtlety. By way of contrast, Liszt's *Die Ideale* is imaginatively fluid in its layout and style, but lacks a burning sense of where it is going. One of his last tone poems, it was welcome here as the work is a rarity in the concert hall.

Finally, Pappano and the LSO let rip with Strauss's *Ein Heldenleben*. Rich colours, deep textures and generosity of decibels kept the emotional heat at maximum, when a cooler air might have prevailed from time to time, but for a well-played performance with a strong grip on the drama this delivered the goods. The high-class solo violin of Roman Simovic deserves a special mention. ★★★★☆

*brittensinfonia.com*
*lso.co.uk*

FT BIG READ. COMMERCIAL PROPERTY

A growing roster of New York's towers are being rendered obsolete by remote working. Developers spot a chance to meet demand for homes and replenish once-bustling business districts.
*By Joshua Chaffin*

# Turning offices into condos

Over the past quarter century, Nathan Berman has mastered a peculiar trade in New York City property development: converting out-of-fashion office buildings into residential towers.

Berman, now 63, a child of Holocaust survivors, emigrated with his family from Ukraine when he was 14 and took a meandering path to real estate. He worked as an art dealer for years, before dabbling in property in the 1990s.

What intrigued him about conversions was the realisation that he could give new life to a fading work of art. The 18 projects he has since completed, he says, are a way of "paying homage to the skill, artistry and sheer effort" of previous craftsmen.

These days, conversions are the talk of the city's property developers and Berman has become their unexpected man of the hour. Fellow developers, lenders and urban planners are all seeking his expertise as they grapple with a growing roster of New York City office towers being rendered obsolete by the rise of remote working.

"He sort of wrote the book on this," says Marty Burger, chief executive of Silverstein Properties, which owns the World Trade Center, among other properties. Last year, Silverstein partnered with Berman's company, Metro Loft, to buy and convert 55 Broad Street, a 30-storey office tower in the financial district. It is now raising a $1.5bn fund to pursue other conversions.

'Five years ago, people looked at me like I had two heads. Conversions weren't as mainstream. But its time has come'

"Right now, I bet you every major developer has a feasibility study on their desk on residential conversion," says Dan Shannon, managing partner at MdeAS Architects, adding: "I would seriously doubt the Chrysler Building's next life will be as an office building — at least not the top [section]."

For city officials, conversions are a way to chip away at a chronic shortage of housing on a highly-regulated island where new construction is a notoriously slow and expensive undertaking. The shortage has grown so acute that in January the median monthly rent for a Manhattan apartment increased by 15 per cent from the previous year to a record $4,097. The city's exorbitant cost of housing is widely blamed for its related crisis of homelessness.

A panel appointed last year by Mayor Eric Adams to envision a "new" New York City has identified conversions as a top priority and recommended tax incentives and zoning changes to hasten them. "The need for housing is desperate and the opportunity offered by underused office space is clear," Adams told a gathering of civic leaders in January. The mayor has also announced separate proposals to make it easier and faster to build housing in New York.

Yet even some panel members doubt that conversions will create much, if any, affordable housing without generous government subsidies. In any case, there are myriad reasons — from architecture to economics — why conversions have been such a rarity.

"It's almost like surgery," is how Berman describes his painstaking work. He sounds bemused by the sudden buzz surrounding it. "Five years ago, people looked at me like I had two heads," he says. "Conversions weren't as mainstream. But now its time has come."

### The neat logic of repurposing

What has brought them forward is the Covid pandemic. Nearly three years ago it shut down New York City and ripped up decades-long patterns in the way people work and live. Armies of commuters rode public transit into central business districts such as Midtown and Lower Manhattan in the morning and then fled in the evening.

For a time, developers consoled themselves that workers would eventually return to the office five days a week and life would resume as normal. But most now accept that the pre-Covid days are gone and remote working is here to stay.

"The genie is out of the bottle," Scott Rechler, chief executive of RXR, one of the city's leading developers, concedes.

In this emerging era, the newest and most modern buildings are still fetching record rents. But their many dated and middling competitors are fast losing tenants and collapsing in value. By Berman's estimate, that lower class could cover about 20 per cent of New York's 460mn square feet of office space.

The options, then, for owners are either to spend money to gussy up dated offices and hope that they can become competitive, convert them, or surrender them to lenders.

For investors, residential conversions have a neat logic, according to Max Herzog, senior managing director, at JLL, the property services company. While office buildings are plummeting in value, so-called multifamily housing — essentially, rental apartments — have become prized by investors as New York City rents have surpassed pre-pandemic levels. "The market is just so ripe for these conversions," Herzog says. "It's very hard to create new supply of residential in this city. Really, one of the only ways to bring new supply to the city is to convert these buildings."

If successful, the initiative could leave a lasting imprint on the city, according to Vishaan Chakrabarti, the renowned architect and a member of Mayor Adams' panel.

The example that Chakrabarti and others point to is Lower Manhattan. As New York rebuilt from the 9/11 terror attacks, authorities prioritised the conversion of office buildings, and — with the help of federal financial incentives — eventually lured tens of thousands of residents to the neighbourhood. An area that once went dark after 5pm is now a swirl of office workers, baby strollers, schools and restaurants.

| $1.5bn | 323 |
|---|---|
| Cost of gutting One Wall Street (above) to create 566 condos | Buildings suitable for conversions in Manhattan below 96th Street |

Chakrabarti is hopeful that conversions could replenish a neighbourhood like Midtown Manhattan, where local businesses have been devastated by the lack of commuters, leading to vacant storefronts and other signs of decay. New residents would help to sustain those businesses, and so enhance the neighbourhood's appeal for corporate and retail tenants. They would eventually justify investments in things like public parks and wider sidewalks.

"9/11 transformed Lower Manhattan in fundamental ways and I do think Covid is going to change Midtown in ways that we still don't fully understand," says Chakrabarti, who directed the Manhattan office of city planning under former mayor Michael Bloomberg. And yet, like Berman, he acknowledges that conversions can be daunting, saying: "I think you need a certain amount of intestinal fortitude because it's a big risk."

### 'People want windows'

One developer likens the buzz around conversions to the burst of enthusiasm last year for turning office buildings into life sciences laboratories to serve the biotech industry — until developers discovered the complications.

That may again be the case. Many office buildings are simply not fit to be converted. In a residential building, New York City requires operable windows and minimum amounts of natural light and ventilation in each habitable room. A typical residential tower might have a 30ft depth on either side of a core housing an elevator.

By contrast, many modern office buildings lack operable windows and their floor plates tend to be far larger to suit corporate tenants. The depth from the edge to the core might be 45ft or more. A crucial challenge, then, for designers is what to do with all that windowless interior space?

One solution is to carve an interior room and call it a "home office", thus skirting the window requirement. But it is hardly ideal, says Shannon: "People want windows!"

Elevators are also an issue. Office buildings tend to have many of them to accommodate a rush of traffic in the morning and evening. For a residential building, that would be excessive.

The list goes on and becomes ever more technical — from the ratio of treads-to-risers on stairs to the amount of open space that must be left behind a residential building. A vital measure called the floor-area ratio — which limits the size of each floor relative to the size of the lot — also differs and allows for the far greater density of office buildings compared to residential ones.

"It's not simple. And sometimes the buildings are old and they need repair," says Gloria Glas, an Argentine-born architect at SLCE, who has spent a career mastering the Byzantine building codes of her adopted city.

Developers can petition for waivers but that takes time and often requires them to make other concessions to win approval. In property development, time really is money.

Some buildings are off limits because they have been landmarked or because they are in neighbourhoods where residential buildings are restricted. The latter is a remnant of an earlier era when planners wanted to separate housing from the noise and pollution of manufacturing in areas such as the Garment District. Since then, manufacturing has largely departed and the ideal touted by developers is the blended "live-work-play" neighbourhood.

Then there is the question of vacancy. Some of the bigger conversions of recent years have involved office buildings that were empty or nearly so. But if tenants must first be removed, that can become a costly ordeal.

"There are buildings that are just not well equipped to be converted based on their floor plate size, based on their ceiling height, based on their mechanicals, based on whether you have to move the elevators," says Burger. "Then you have to look at whether you can get it for the right price."

Silverstein used artificial intelligence to rank all the properties below 96th Street on a series of conversion criteria. Of 2,500 or so buildings, it identified 323 that were suitable. If the company could convert a fraction of those over the next seven or eight years, Burger estimates, it might amount to 10,000 to 15,000 new units of housing. That is a sliver of the 500,000 new units Mayor Adams has pledged to build over the next decade.

Downtown offers the best terrain for conversions. Many of its buildings hail from the pre-air conditioning era and so tend to have smaller floor plates and operable windows. The underlying real estate is less expensive than it is in Midtown. And, by a quirk of zoning, more buildings are eligible. Those built before 1977 can be converted under the most lenient rules. In Midtown, the cut-off date is 1961. The city's office adaptive reuse task force suggests a new across-the-board 1990 date, estimating it would add 120mn sq ft of office space to the eligibility pool.

### Possibilities at a price

Berman and Downtown go way back. The developer cut his teeth with loft conversions in Tribeca before tackling his first full building conversion at 17 John Street. Once a part of Insurance Row, the 120,000 sq ft building was nearly vacant by the mid-1990s — a time when, Berman says, the neighbourhood "was being given away".

He and his partners paid $5.2mn for the building, and then spent $14mn on the conversion. A dozen years later, they sold it for $85mn. "At the time, it was a huge building for me," Berman recalls.

By 2014, he had graduated to 180 Water Street. It was nearly five-times the size and required extensive surgery. To solve the depth problem, Berman and his architect, Avinash Malhotra, cut a 30ft by 40ft core from the centre of the building. "It was the only way to bring light and air to an impossibly deep space," he explains.

Zoning rules allowed them to then restore the lost space with additional floors. When they were finished, a 25-storey, 1970s office building had morphed into a 29-storey tower with 580 rental apartments.

Nathan Berman, above, whose expertise on how to convert office space into residential use is being sought. Top, the 55 Broad Street building, and below, 180 Water Street: two conversions in Manhattan's financial district
Ben Franke/FT

'9/11 transformed Lower Manhattan . . . I think Covid is going to change Midtown in ways we still don't fully understand'

Metro Loft will soon attempt to top that feat by carving two shafts into 25 Water Street, a squat 1.1mn sq ft building it is now converting with GFP, a family-owned New York developer. "What we have basically learnt along the way . . . is that every building is convertible in New York City," says Berman. "The difference is how efficient and how expensive it's going to be."

The city's rental properties tend to have firm price points. A downtown studio may rent for $3,700 per month — whether it is 390 sq ft or 440 sq ft. For Berman, that margin matters. Fifty feet saved can be meaningful for an investor's return — particularly when extrapolated over an entire building.

Berman's talent is solving the "puzzle" of a conversion layout. He fusses over matters such as how to apportion closet space or whether a bathroom should be shared or en suite. "This is where the art comes in," he says. "You're looking for the optimum layout."

While Berman converts offices into rental units, Harry Macklowe is trying a different approach in what may be the city's grandest office conversion. He has spent $1.5bn to gut One Wall Street, the Art Deco headquarters built for Irving Trust in 1928, and turn it into 566 luxury condominiums. The job has taken five years, a span that would break many other developers.

Macklowe, the visionary behind Apple's "glass cube" Manhattan store, is optimistic about office conversions in a city where, he says, there are no barriers to location in terms of where New Yorkers are willing to live. But he worries about the numbers. Projects only "pencil", as developers say, if they can buy the underlying asset at a sufficiently low price to justify the investment.

Since the onset of the pandemic, investors have been awaiting a fire sale of distressed office buildings that always seems to be just a quarter away. "Everyone always says, 'It's a recession. It's a great buying opportunity.' Then you go to the market and no one wants to sell at a reasonable price," says Burger.

Hence, developers are clamouring for incentives. The 1970s-era 421a tax abatement that has been the city's main inducement to encourage the construction of rental housing expired last year. Opponents complain it enriched already wealthy developers without delivering enough affordable housing. Mayor Adams and New York governor Kathy Hochul are vowing to push for some sort of replacement, although it would need the support of the state legislature.

In the meantime, Berman should have plenty of puzzles to solve. "We are talking to a lot of people," he says. "Trying to figure out what to do with these buildings."

# The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

## The mysterious objects in North America's skies

*China's spy balloon and three unidentified craft show warning system gaps*

Not since the 1950s and the launch of the Soviet Sputnik has there been so much paranoia about mysterious flying objects over North America. Today, as then, geopolitical shifts have combined with rapid technological advances to leave the public feeling a deep unease. Shooting down an alleged Chinese spy balloon in North American airspace, as the US did on February 4, was unprecedented; the military has since downed three more unidentified objects. The discovery of the four craft has exposed gaps in surveillance and intelligence that must be addressed. But the US authorities should be wary of fanning a 1950s-style "red scare".

US officials now say with high confidence that the balloon downed by a US fighter off North Carolina had been engaged in surveillance, and not weather research as Beijing asserted. The US military says it has recovered electronic components, including sensors, from the airship.

The origin and nature of the three objects shot down over Alaska, Canada's Yukon, and Lake Huron at the weekend is still a mystery. US officials say all were smaller than the "spy" balloon and were at lower altitudes, and appeared to have no propulsion capabilities. Only the possibility they might be extraterrestrial — which lit up social media after a US general said he had "not ruled anything out" — has now been firmly denied.

Washington says the Chinese spy balloon entered US airspace on January 28 but has not said if it was tracking the balloon earlier; the Pentagon acknowledged its presence only after photographers snapped it over Montana. The three later devices appear to have been detected because the military recalibrated its radar surveillance after the spy balloon episode. It is not known if such overflights are new phenomena, or regular ones that have finally been spotted thanks to increased vigilance.

The US military also revealed that the US had failed to detect four previous flights by Chinese spy balloons over its airspace which had been revealed by later intelligence analysis. But if US intelligence was aware of China's spy balloon programme for a year or so, as some officials suggest, the question arises of why radar systems had not been effectively recalibrated earlier.

What certainly seems to have been revealed is what General Glen VanHerck, head of North American Aerospace Defense Command, has called a "domain awareness gap" — or deficiencies in warning and surveillance systems. The spy balloon was in "near space", where the US has not previously focused monitoring efforts. Gen VanHerck warned last year of other domain awareness "challenges" including the need to detect hypersonic and submarine threats. He suggested investments in over-the-horizon radar would improve readiness, but better use of artificial intelligence was also needed to discern patterns in data.

> Russia's war on Ukraine, and unexplained blasts that crippled a Baltic gas pipeline, have already laid bare the vulnerability of critical subsea infrastructure

Recent events suggest the US and its allies urgently need to review air and sea surveillance capabilities. Russia's war on Ukraine, and unexplained blasts that crippled a Baltic gas pipeline, have already laid bare the vulnerability of critical subsea infrastructure.

The White House suggested yesterday that the three flying objects might yet prove to have a "commercial or otherwise benign purpose". If they do turn out to be linked to the Chinese state, Washington will see them as serious provocations. Yet the spy balloon affair has exposed the need for safeguards in the relationship. That will require the resumption of genuine military-to-military communications. The US-Soviet rivalry of which Sputnik was an early symbol was ultimately managed without leading to war. That must be the goal, too, for Washington and Beijing.

---

Opinion Employment

## A war for climate talent is hotting up in the City

Andy Carter

Pilita Clark

In 2017, Eugenie Mathieu was a senior Greenpeace campaign strategist in New York, trying to stop ancient forests being chopped down to make toilet paper. A year later, she was back in her home city of London helping to run a natural capital investment fund at Aviva Investors, the asset manager.

This is by no means a conventional career path in the City of London. At least, it wasn't.

As competition for green business experts grows, financial firms are snapping up staff from environmental non-profit groups at a pace — and price — that industry veterans say is striking.

"We've lost people to banks on what are without doubt for us insane salaries," says Mark Campanale, founder of the London-based Carbon Tracker Initiative think-tank that studies the energy transition's effect on capital markets. He says at least 10 per cent of his 50-odd staff have gone to banks or fund managers in the past 12 months, a few on salaries of "well into six figures", and one on £400,000.

> Sustainability manager is the second fastest-growing job title in the UK, according to LinkedIn

The ShareAction non-profit that pushes financial firms to use their clout to tackle climate change is also watching staff leave for City jobs, though chief executive, Catherine Howarth, says it could have been worse.

"It's more of a steady trickle than the flood of leavers I feared it might become," she told me.

This is not just a European phenomenon. In the US, the BlackRock asset manager giant in 2021 hired a climate science expert from the World Wildlife Fund and the chief strategy officer from the Rocky Mountain Institute clean energy non-profit.

The traffic goes both ways. Howarth and Campanale have long hired senior finance executives keen for a change. Carbon Tracker has had two ex-heads of research from global banks and Campanale doubts they will be the last.

Still, the shift of climate campaigners to the financial sector is the more recent trend and the question is: does it matter?

Perhaps. ShareAction's Howarth says her organisation now has allies spread across the big companies, regulators and government departments it hopes to influence.

What is clear is that, as climate change becomes a more pressing concern, the market for people who know their way around a carbon footprint is hot. Sustainability manager is the second fastest-growing job title in the UK, LinkedIn reported last month, up from seventh fastest this time last year. And globally, demand for green talent and skills has been outstripping supply.

The thirst is fierce in finance because of rising investor interest in environmental issues, plus a thicket of new rules to tackle greenwashing and climate risk.

Even private equity firms — many of which have been slow to make climate change a priority — are taking a closer interest in sustainability specialists.

That's not just because of investor pressure to cut emissions, or green regulations facing companies that firms invest in, says Duncan Ramsay of the ECI private equity firm.

"You can get loans now for an organisation that will have cheaper rates if you're hitting certain ESG targets, which will usually be around carbon intensity, so that puts a chunk of work on to the business."

It's all keeping green corporate job headhunters busy.

"We've quadrupled in size since Covid," says Helen Pradas-Page of Acre, a recruitment firm that specialises in sustainability.

A hiring spike spurred by ESG rules, plus growing demand for more specialist knowledge in investment teams, means it is sometimes possible to include people from a non-profit background, she adds.

"The caveat is that when people move sectors in that way, they have to understand the pragmatism required to deliver a scalable investment strategy in a competitive market. Having solely activist aims won't work."

Business experience also matters. One person who left a non-profit for a City job told me having more than a decade of corporate experience was vital. "It really helped to have that on my CV because it gave people confidence I wasn't a nutter tree-hugger."

I doubt this trend is temporary. Regulators and investors may be driving demand for green expertise today, but tomorrow's workforce is set to propel it much further.

Younger workers are already "climate quitting" for more environmentally friendly jobs, a KPMG survey of 6,000 UK workers showed last month.

"Plastics" was the one-word piece of career advice that the film *The Graduate* made famous in the 1960s. "Climate" is the term today.

*pilita.clark@ft.com*

---

# Letters

**Email:** letters.editor@ft.com
Include daytime telephone number and full address
**Corrections:** corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

## No substitute for experience if UK wants tech entrepreneurs

I admire your columnist John Thornhill, in part, because he is a fellow entrepreneur, but a corrective is due (Opinion, February 10).

His basic premise that the government has hindered the opportunity for the UK to be a tech company powerhouse is off the mark.

The big point he misses, as does Kate Bingham ("Britain is losing its chance to be a life sciences superpower", Opinion, January 24), is that there is a dearth of experienced entrepreneurial management in the UK.

The vast majority of managerial talent for biotech companies has not come from academia, big pharma or elite business schools but from successful companies started by entrepreneurs. The veterans of Genentech, Chiron and Cetus in the San Francisco Bay Area have started hundreds of companies. Likewise, in Boston with Genzyme, Biogen, etc.

Companies started by entrepreneurs are typically very focused, give employees broad exposure to the product development process and endow them with more individual authority and responsibility for the success of their product. What Britain needs are big successes, companies like Intel, Google and Genentech, that then become the finishing schools for an army of talent. Government has very little role in making that happen.

There is a rub: unlike 40 years ago, today's venture capitalists are not investing to create big successful independent companies. VCs are now transactional.

Examine the "deal sheets" of VCs: they list how many of their investments become acquisitions by Google or GSK or other large companies. The investment thesis is to be acquired. At least in biotech, there are reasons for this: drug development is painfully slow, capital intensive, operates in a heavily regulated environment for reasons of safety, and often ends in failure.

But if successful independent companies are the source of effective managerial talent, under current investment strategies, that pool will be even smaller.

No biotech company failed because of insufficient research and development tax credits. They fail because they are trying to do something very hard: defy the disease process. They occasionally succeed because management has learned how to deal with the inevitable setbacks and problems that are part of every drug development programme. That you learn the hard way, through (serial) experience.

**Hugh Young Rienhoff Jr**
*Chief Executive, Imago BioSciences*
*San Carlos, CA, US*

### Why a British return to the EU fold looks unlikely

Gideon Rachman asks, "Why not reverse Brexit inside a decade?" (Opinion, February 7). There are plenty of reasons why not.

Public opinion is anti-Brexit rather than pro-EU, and if the economy picks up and people feel better off in 2024 or beyond, Brexit will have a diminishing effect on voting intentions.

Reopening the debate about Brexit would throw a spotlight on issues like joining the euro; that would complicate a simple narrative that reversing Brexit would make us richer.

Even during the time of Labour prime minister Tony Blair, who was in favour of the euro, opinion polls showed that those against joining the single currency outnumbered those in favour by large margins. The UK would not secure another opt-out from joining the euro. No legal steps have yet been taken against a country for not doing enough to join the euro, but no UK political party could guarantee that no such steps would ever be taken.

What UK political parties could do would be to pledge that in government they would never agree to the UK joining the euro. That might reassure some voters but complicate rejoining the EU.

Then there is the question of the UK becoming liable for the debt of other member states, along the lines of the post-pandemic €850bn recovery fund. President Emmanuel Macron of France has refused to rule out future joint EU debt.

Common debt requires unanimity. Some UK political parties might pledge to block future EU joint debt initiatives if the UK did join the EU. Although it's unclear how this would play out, the joint debt issue has the potential to dissuade some Brits from voting to re-join the EU.

It also has the potential to set alarm bells ringing in Brussels about the prospect of a British return to the fold.

Some member states might favour the option of common debt to support their overstretched finances. But in such circumstances, unanimous support for a UK return to the EU could not be guaranteed.

Yet another sticking point on the EU side would be some member states seeing the return of the UK as an obstacle to the reforms that would make further EU enlargement possible, because the UK would be likely to block the abolition of national vetoes.

For all these reasons, the UK will not be returning to the EU anytime soon.

**Derrick Wyatt KC**
*Emeritus Professor of Law*
*University of Oxford*
*Adviser, Fide Fundación (Spain)*
*Abingdon, Oxfordshire, UK*

LILT

BANX

### Big Oil should make way for those who can deliver

Pilita Clark cites an idea UK academics have been pushing — that fossil fuel companies pay for a repackaged form of carbon offsetting. We believe this is unwise (Opinion, February 8).

An age-old problem in the world of carbon markets is determining whether a project would have happened anyway, without the additional finance. It is very plausible that cement plants and factories will attempt carbon capture and storage even without this so-called "carbon takeback obligation". The UK government already has plans for CCS that exceed the targets the academics suggest. That's one reason why market-based emission schemes have such a poor track record. Recent reports that the majority of voluntary carbon credits are "worthless" is the latest of many such findings about offsets and the difficulty establishing "additionality". And that assumes these CCS projects even work. A 2021 study found that 78 per cent of all large-scale CCS projects globally had failed. Despite claiming to be a world leader in the technology, the UK still has no commercially operational facility.

If we want fossil fuel producers to build green infrastructure instead of paying taxes, it would be quicker, cheaper and easier to mandate a progressive shift to clean energy on a timescale compatible with 1.5C targets. If big oil companies deem this impossible, they should just return cash to shareholders, and clear the field for those who can deliver the solutions we really need.

**Doug Parr**
*Chief Scientist and Policy Director*
*Greenpeace, London N1, UK*
**Bertie Harrison-Broninski**
*Assistant Editor, Land and Climate Review, London SE16, UK*

### Republicans could win in 2024, but not with Trump

Regarding your editorial "Trump and the future of the Republicans" (FT View, February 3), Donald Trump is the leader of a conspiracy-riddled dystopian belief system which attempted to overthrow constitutional procedure on January 6 2021.

Nevertheless, I suspect that some Democrats and many Republicans and independents admire the record of the one-term Trump administration while at the same time loudly decrying the former president's behaviour.

Perhaps there are even enough voters who think like this to provide an electoral majority in the presidential election in 2024 if only the divisive Trump would cease his antic behaviour, declare victory on many policy fronts and step away from the fray in favour of a less irritating candidate.

But analysis of this sort is not Trump's style even as he descends into legal jeopardy with indictments littering his nightmares. Instead, ego dwarfs any chance of such a move and any chance to right the Republican party.

**Paul Bloustein**
*Cincinnati, OH, US*

### Groundless assertions about a trusted profession

The job of the consultant is to be a trusted adviser. To understand a client's problems and ambitions. To bring to bear expertise and broad experience to give the client a new perspective. To rigorously analyse the best possible evidence. If I were to apply that approach — familiar to every member of the Management Consultancies Association — to Henry Mance's interview with Mariana Mazzucato, I would be faced with an immediate intractable problem: there was no evidence to back up any of the assertions she made (February 13).

The consultancy profession in the UK has enjoyed considerable growth in recent times during the pandemic and in downturns.

The reason for that is the value we add and the problems we solve by making our clients, in the public and private sectors, partners. We deliver tangible results, upskill civil servants, transfer knowledge and then leave our clients.

If there is a "big con" here — the title of Mazzucato's book — it is to pretend that the world she describes is anything like reality.

It isn't.

**Tamzen Isacsson**
*Chief Executive*
*Management Consultancies Association*
*London EC3, UK*

### Computers are not a threat — those handling them are

The threat posed by writing or art that is generated by artificial intelligence is less about the computers coming for our jobs and stealing our work, and more about the humans wielding them unscrupulously ("Art and artificial intelligence collide in landmark lawsuit over copyright", Report, January 21).

On the face of it, the anti-AI ire is a public relations problem. Those creating work from AI apps are showing off how clever the tech is by finding endless ways to dupe the public. No one likes being tricked. When a human uses written words from another source, they quote or acknowledge it. Artists are either inspired by previous artists' works to create their own originals, or are mocked as "derivative" and laughed off the proverbial stage. Intellectual property laws exist and Dante's ninth circle of hell is the holding pen for fraudsters because plagiarism and conmen are not valued for a reason.

Perhaps AI's handlers need a lesson in history, or at least a refresher in humanity. AI-generated anything should be a tool, not a solution aimed to replace people's livelihoods or their creative reasons for being. Worse than that, it should not be a way for someone to cheat and therefore get through life as a fraud. Otherwise, there will be a premium on guaranteed "human-created" works because we want to believe that what we see and read is true and reliable — with consequences for those betraying that trust.

If someone is going to intentionally trick you, at least you can try for justice and hold them accountable. Computers don't have intention, so there's no circle of hell to send them for being dishonest.

**Michele Perez**
*Fort Lee, NJ, US*

### How a Lucy chatbot can call out corporate-speak

Given all the buzz surrounding ChatGPT, I suggest you develop a Lucy Kellaway version of ChatGPT to call out — and root out — corporate-speak (Report, February 13). You'd be performing a community service.

**Jenny Raybould**
*Princeton, NJ, US*

### Correction

● The Turkish environment minister reported on Sunday that 170,000 earthquake-damaged buildings had been reviewed by the ministry, not 17,000 as wrongly stated in articles on February 13.

# Opinion

## How the temperature of US politics came down

AMERICA
Janan Ganesh

Is the US learning to live with division? I don't put this thought forward with much confidence. I will regret it when pandemonium flares again. But the midterm elections of last November passed more or less without incident. The end of the federal right to abortion, an affront to liberal America, has not sparked civil strife. The street protests of 2020 haven't spread to become the ambient noise of the times.

Small mercies, true, but not ones you would have counted on a while back. Mark them. History consists of what doesn't happen, not just what does.

Even if we confine ourselves to the actual, there are glints in the dark. Take the applause that broke out among Republicans in parts of Joe Biden's State of the Union address this month. Or the bipartisan legislation passed in the last Congress. It is hard to flag these things without incurring the charge of complacency. So, to stipulate: no, Red and Blue America aren't saying, "Oh, come here, you" to each other and skipping hand-in-hand around maypoles. Polls continue to reveal a nation that is divided and that thinks of itself as such. It is just that division — even, at times, violent division — is something the US might be coming to manage.

A few things are helping to turn an acute condition chronic. One is Biden himself. White, old, non-Ivy League and, with apologies to his hometown of Scranton, non-metropolitan, no Democratic president since Jimmy Carter has been so superficially digestible for conservatives. He also deals in the big-government populism that Donald Trump invoked in the abstract without enacting in law.

The infrastructure spree, the industrial subsidies: this is politically ambiguous stuff, as hard for jingoist Republicans to oppose as for statist Democrats. The right can't "other" Biden as it did Barack Obama and Bill Clinton. He is so confounding an opponent that Republicans have turned ever more on themselves, which is worse for the party than it is for the republic.

> At the age of 80, Biden can only be a fleeting balm. A more lasting one is China

At 80, Biden can only be a fleeting balm. A more lasting one is China. The US has the unifying external rival now that it has missed since the fall of the Soviet Union. Yes, Republicans fault Biden for taking his time to down a Chinese balloon over *terra Americana*. But such tactical bickering is pro forma. The point is that both parties face the same way on, bar climate change, the largest question of the century. Kevin McCarthy, the Republican speaker of the House of Representatives, is untribal when China is the subject. Partisanship feeds on low stakes. The Newt Gingrich congressional Republicans, the strident turn in cable news: it all started when the US had nothing exterior to detain it in the 1990s.

So, we have a personal factor (Biden) and a structural one (China). How neat and journalistic. But also how lacking in the element of mystery that tends to govern these things. At the end of the 1960s, the US was bound for total civic breakdown. There were political assassinations and riots from which some cities have never recovered. Whereas the military stands out today as the one binding institution — the toast of Red and Blue voters alike — soldiers back from Vietnam inspired far from universal goodwill. Imagine a nation so troubled that Lyndon Johnson, as tenacious a seeker and hoarder of power as democratic politics has known, gives up its highest office without a fight.

The breakdown never came. And not for any lack of precipitating events: Watergate might have done it, or the Opec oil crisis. Instead, by 1984, 49 states were voting the same way (for Ronald Reagan). The Great Moderation in economics and politics began.

The taming of the 1960s chaos is hard to attribute to any policy. It is hard to credit to any act of leadership. Intellectuals remain incurious about what happened. There is lots to read and watch on the strife — on the fire last time — but not on its petering out. Was it that the baby boomers, a generation vast in number, entered their thirties and settled down?

For whatever reason, the crisis burnt out. Or was sublimated into milder forms. The year 1968 was the peak of something, not the start of it. America's challenge is to ensure that the Capitol siege of 2021 comes to be seen in the same way.

One test of a civilised country is whether a citizen can go days at a time without thinking about politics. Ask yourself, wherever you live, how often US politics enters your thoughts nowadays. Indifference, more than the bridges and the upgraded power grid, more than Made In America, might turn out to be the central achievement of the Biden years.

janan.ganesh@ft.com

## Interventionism could hinder global trade

Martin Wolf Economics

Security concerns are driving the fashion for active industrial policy, but there are potential downsides

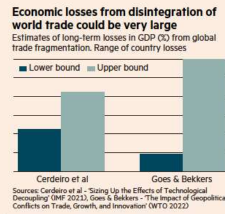
We are all interventionists now. In the US, not long ago the bastion of free market thinking, fear of China, worries over the security of supply chains, aspirations for re-industrialisation and hopes of a green transformation are combining to reshape trade and industrial policies. The EU shares US worries over China, mostly in terms of the technological threat. But it is also concerned by the "America First" character of US policymaking, notably the $369bn Inflation Reduction Act. This growing belief in the ability of governments to reshape their economies for the better may have been inevitable, given economic disappointments and geopolitical tensions. But what does it imply?

A big question is what these shifts towards economic nationalism and interventionism will do to the world economy. As things stand today, deep disintegration seems unlikely, though it is, alas, imaginable. It would also be very costly, as Geoeconomic Fragmentation and the Future of Multilateralism, a recent discussion note from the IMF, points out. Moreover, the deeper the disintegration the bigger such costs will be. Technological decoupling would be the most costly of all, especially for emerging and low-income countries. Beyond this are the inevitable geopolitical costs. As James Bacchus, former head of the World Trade Organization appellate body, has rightly noted, containing these costs in today's world poses huge challenges. (See charts.)

A narrower question is how well the new interventionism will work in its own terms. Will the US federal government, which is the most active and potent player, obtain the results it wants from the policies it is now committed to employ? There are good reasons for doubt. Successful intervention is hard.

It is not that theoretical arguments for intervention are lacking. On the contrary, ever since Alexander Hamilton, arguments for infant industry protection (and other such interventions) have been well known. The core argument is that markets on their own will fail to exploit available opportunities. Harvard's Ricardo Hausmann has recently restated these arguments. To such infant industry arguments we can add those for protecting economic, technological or military security.

Yet in practice it is quite difficult to make such interventionism work. Too often, for example, it is assumed that the successes of Japan, South Korea and more recently China are due to far-sighted government interventionism. This is exaggerated: the main engine was market competition. Moreover, government intervention becomes more difficult the closer an economy is to the technological frontier: innovation is usually harder than copying. Not least, there is a political economy of intervention, with losers picking governments rather than governments picking winners. The more open to lobbying a state is, the greater the chances of such capture. This is particularly applicable to the US.



**Economic losses from disintegration of world trade could be very large**

Estimates of long-term losses in GDP (%) from global trade fragmentation. Range of country losses



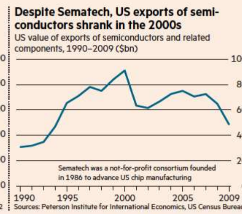
Sources: Cerdeiro et al - 'Sizing Up the Effects of Technological Decoupling' (IMF 2021), Goes & Bekkers - 'The Impact of Geopolitical Conflicts on Trade, Growth, and Innovation' (WTO 2022)

**Protectionist actions have greatly increased in the recent past**

Trade restrictions imposed



Sources: Global Trade Alert, IMF



**Despite Sematech, US exports of semiconductors shrank in the 2000s**

US value of exports of semiconductors and related components, 1990–2009 ($bn)



Sources: Peterson Institute for International Economics, US Census Bureau

Helpfully, in 2021, the Peterson Institute for International Economics published a briefing entitled Scoring 50 Years of US Industrial Policy. It details some grotesquely expensive policies of industrial protection, noting that "US consumers and taxpayers are currently paying more than $900,000 a year for every job saved by Trump's steel tariffs, extended by Biden". Sometimes, alas, bipartisanship can be foolish.

> Many of these programmes could turn out to be a huge waste of money

What did work? As expected, the star has been Darpa, perhaps the most successful innovation programme in world history. Another success was Operation Warp Speed, the vaccination programme of the Trump administration — a triumph many Republicans have wished to disown. Another was the North Carolina Research Triangle Park. Encouragement of foreign automobile assembly worked quite well, as did tax credits for solar panels.

Yet what is striking is how often such programmes failed to make industries competitive, save jobs at reasonable cost or advance the technological frontier. This was notably true for trade measures and firm-specific subsidies. The big successes were in combining public and private outlays on research and development, as one might expect.

Given this, one must wonder whether today's subsidy programmes will work.

Against this, there are legitimate security reasons for promoting production of computer chips, whatever the costs. Again, in the absence of better policies, subsidies for the green transition should push the economy in the right direction. Moreover, subsidies have the advantage of being transparent, while protection is a hidden tax on consumers transferred to producers. Tariffs also bias production towards the home market, while subsidies are neutral between domestic and foreign markets. Yet subsidies are not neutral across countries: those with the deepest pockets will win. Moreover, subsidies, especially subsidies limited to domestic producers, will cause friction. The outcome will be a subsidy war. This may lower emissions of high-income countries. But it will not solve global climate change, which depends on successful co-operation towards a global transformation.

The new interventionism has many causes and many goals. In theory, it might lead to better outcomes, especially where the case for government intervention is strong, as with climate change or national security. But there are also large potential risks, not least that many of these programmes will turn out to be a huge waste of money, as so many interventionist programmes have been in the past. Moreover, these interventions will worsen the trade wars now under way. Fragmentation is very easy to start. But it will be hard to control and even harder to reverse.

martin.wolf@ft.com

## *Syria's earthquake is not a free pass for Assad*

Kim Ghattas

It is a certain kind of dictator who uses a deadly earthquake to rehabilitate himself with the international community while posing for pictures in a disaster zone with his wife. Then again, President Bashar al-Assad also took a victory lap around Aleppo last summer with his family, as though on a cultural day trip, despite his own forces having dropped barrel bombs on the city for years.

Assad, a pariah for the past decade, has reason to feel confident again. He's received condolence calls from allies such as Russia's Vladimir Putin but also from those who had shunned him, such as Egypt's president Abdel Fattah al-Sisi. The UAE's foreign minister Abdullah bin Zayed al-Nahyan has returned for a second visit, after breaking the ice in November 2021. Syrian officials are back on international media, calling for an end to western sanctions and claiming they are hampering relief efforts. In fact these sanctions contain exemptions for humanitarian aid, which have continued to flow to Damascus through the UN in recent years.

More than 60 aircraft carrying international aid have now landed in Syrian government-held areas, including Aleppo — mostly from friendly countries such as Iran, Iraq and the UAE. But Saudi Arabia, which had been reluctant to rekindle ties with Damascus, has sent a plane carrying 35 tonnes of aid to Aleppo, the first of several. Every effort should be made to help the Syrian people affected by the earthquake, whether in government or opposition-held territories. But this must not lead to Assad being welcomed back into the international community: rewarding impunity will only breed future instability.

Since Barack Obama's infamous 2013 U-turn on his red line over chemical weapons, followed by Russia's full-on military intervention to prop up Assad, the US approach has been to cauterise the Syrian wound. Toppling Assad is too costly, but withdrawing American troops from the north-west would hand him a victory. As the influx of refugees into Europe abated and the threat of terrorism was contained, the status quo, though disastrous for Syrian civilians, was accepted by all. The diplomatic momentum created by the earthquake will make this difficult to maintain.

> The president is positioning himself as a solution to the wicked problems he has created

Beyond sending humanitarian aid and tweaking sanctions to allow some financial transactions, the US is unlikely to envisage a wholesale change of policy towards Syria. A state department spokesman told me that "now is not the time for the regime to leverage natural disaster to their benefit". But this is precisely what Damascus is doing — alongside its allies Russia and Iran — and the US should not simply cede the ground.

Before the earthquake, Assad's grip over the territory under his control looked untenable, with the economy collapsing, day-long power cuts and Iran doubling the price of its oil supplies to Syria and demanding prior payment. Now, Assad looks set to benefit directly from international aid destined to Syrians. Repeated investigations have shown that regime officials, including some under sanctions, siphon off aid. The government skims funds by manipulating the exchange rate. Assad is also positioning himself as a solution to the wicked problems he has created — by making the minor concession of allowing aid to enter rebel-held north-western Syria through more than one border crossing, for three months. Russia has repeatedly vetoed UN resolutions to expand aid delivery to the north-west. Assad will now expect a reward.

In 1990, when George HW Bush built his coalition against Saddam Hussein to liberate Kuwait, he was eager for Arab participation, and Syria got on board. The unspoken, unwritten quid pro quo was that Hafez al-Assad would gain full control of nearby Lebanon, 15 years into a civil war in which Syria was also an actor. After Kuwait was liberated, Bush declared a new world order. The US extracted further concessions from Damascus such as help with the release of American hostages still held in Lebanon. At the time, it looked like a good deal. But the Lebanese paid the price, living under a 15-year Syrian occupation that entrenched corruption, sectarianism and the stranglehold of Hizbollah. It has now all come crashing down.

The UAE and Jordan are among those arguing that ostracising Assad for 12 years has led nowhere. They are not wrong. But with more than a half million dead, millions displaced and fleeing abroad, and thousands still missing in Assad's dungeons, there is no return to the way things were. The price to be exacted from Assad should be high, verifiable, and any concessions to him reversible. Syrians should neither be forgotten nor offered as a sacrifice in hasty compromises because the region and the west have been worn out by his intransigence.

*The writer is author of 'Black Wave'*

Twitter: @FTLex

## Flutter/City: failing a Brailsford test

The theory of marginal gains popularised by controversial sports coach Dave Brailsford is that numerous small improvements bring victory. The City of London seems to be suffering the inverse: numerous marginal losses that diminish competitiveness. A primary US listing for gambling group Flutter would figure as one of those.

The London stock market is suffering a trickle of defections. Last year, for example, Australian miner BHP ditched its dual listing in favour of a main quote back home. Plumbing group Ferguson switched its primary listing to New York.

Each departure marginally reduces the City's status. The stocks disappear from the flagship FTSE 100 index. Incomers of lower value replace them. Liquidity takes a hit. Opportunities for City bankers and advisers diminish.

That is a problem for a financial centre beset by Brexit-related business leakage. But Dublin-based Flutter has no patriotic reason for sticking with London and plenty of financial motives for switching to New York.

Flutter's lossmaking US business FanDuel generated just under a quarter of £6.3bn in group revenues last year. But it should become Flutter's main sales engine as sports betting takes off in the US. FanDuel should start producing cash profits this year.

Market liquidity is another issue. Investors trade about 2.8 per cent of the market worth of Nasdaq-listed rival DraftKings daily. The figure for Flutter in London is 0.5 per cent.

Flutter hopes for a valuation uplift in New York. Lex calculates this could be worth some £5bn on top of the current enterprise value of £27bn. That values FanDuel in line with US peers and the non-US business at a conservative 12 times ebitda multiple.

Flutter bosses are doubtless also aware their pay would rise towards US norms. But they will have to persuade investors on two counts. First, to approve a US additional listing. Second, to make this the primary quote.

US activist ValueAct will hardly object. UK long funds will be less of a pushover. Meanwhile, Fox might have preferred a separate listing for FanDuel, on which it holds options.

Flutter's flight would trigger new lamentation in the City. The prospect of another marginal loss strengthens the case for multiple, marginal improvements. Despite obituaries for globalisation, the market for capital remains resolutely international.

## Toshiba: discounting the worst

Three is a lucky number in Japan. Not for Toshiba it seems. In the past week, the electronics conglomerate has received a buyout offer at a discount to market value, suffered the resignation of its chief operating officer over the inappropriate use of entertainment expenses, and reported worse than expected third-quarter results after the market close. Toshiba increasingly faces a buyer's market from acquirers.

It will get worse. Toshiba slashed this year's operating earnings estimate for the second time in a row yesterday. This comes after Toshiba's operating profit fell 88 per cent to ¥5.3bn ($40.4mn) in the December end period. Hard disc drive sales fell. Also, it booked an impairments for its power and printer businesses. Chief operating officer Goro Yanase's resignation adds corporate governance concerns to an already tainted image.

But the timing is opportune for buyers. Toshiba received a $15bn buyout proposal from a consortium led by Japan Industrial Partners last week. That price was then at a discount to Toshiba's market value. That has become a premium.

Shares are down a quarter from a June high. Of its six main businesses, its infrastructure systems unit and its energy systems business, with its 40 per cent stake in chipmaker Kioxia, are already worth more than its group market value. Infrastructure and energy systems together account for just a third of group net sales.

Toshiba needs the restructuring its buyers would help it achieve. A persistent conglomerate discount will only worsen. The group has lost more than $2bn since Bain's buyout plan first surfaced last year.

The struggling conglomerate has received eight buyout offers in recent years. But its eroding earnings, and lossmaking units, will eventually deter all buying interest. Toshiba will have to settle for a much lower price if this happens. Missing the market's earning expectations in such dramatic fashion should increase the chances of a deal.

## Thyssenkrupp: a test of mettle

The German conglomerate's steel division is expected to be the biggest contributor to operating profits this year, and the most valuable division. Delays to the demerger and listing of the steel and hydrogen units have hurt the stock price, contributing to its long-term underperformance.

FT graphic Source: Visible Alpha

Steel makers extract carbon, nitrogen and more from impure pig iron. Thyssenkrupp's corporate transformation will also require some extraction — that of its steel and hydrogen businesses from the rest of its activities. As the group's first-quarter cash burn shows, that will not be an easy task.

Thyssenkrupp has been through a painful retrenchment, including the €17bn disposal of its elevator unit.

But further divestments would be desirable. The group has a market value of €4bn, compared with a sum-of-the-parts valuation nearer €6bn.

The biggest nugget of value is the steel division, which Thyssenkrupp has much-delayed plans to spin off.

This should generate €825mn of ebitda in 2023, according to Visible Alpha estimates. At a 20 per cent discount to ArcelorMittal, it would be worth €2.8bn. An initial public offering of Thyssenkrupp's hydrogen business, Nucera, might value the electrolyser business at €2bn, Lex has estimated, in perhaps more ebullient times.

The residual businesses — industrial components, automotive, etc — could be worth about €4.5bn, say analysts.

Subtract €3.3bn — the net effect of its cash, capitalised costs, pension liabilities and minorities — and that results in an equity value of €6bn, a 50 per cent premium to the market cap.

Trouble is, neither steel nor hydrogen are an easy sell as standalone units at this time. Thyssen Steel faces a high wall of capital expenditure. It needs to catch up on lost years pursuing a combination with Tata Steel. Plus, European climate targets mean it has to go green.

Thyssenkrupp has earmarked €2bn for a hydrogen-fed direct reduction plant. Turning all its steel mills green might take €7bn-€10bn of investment. This venture requires a parent with strong shoulders.

Nucera is in a similar spot. It also needs clarity on green hydrogen rules and subsidies, which will determine the size of its addressable market. With capital markets still choppy, its IPO will have to wait.

All of this makes Thyssenkrupp's restructuring a long game. There is latent value to capture, but only for the most patient shareholders.

## Fintech regulation: about time

Buy now, pay later is about immediacy. That cannot be said of efforts to police this form of short-term credit. Yesterday, the UK government published draft proposals aimed at improving consumer protection. They arrived more than two years after an official review called for urgent regulation of a practice that carried significant potential harm.

Short-term interest-free loans can be an attractive option for shoppers and retailers. Merchants will subsidise credit if it leads to more sales. But the expansion of BNPL has encouraged people to amass unaffordable debts. Last year, Fitch reported delinquency rates at some large US BNPL providers had more than doubled, while credit card late payments were relatively flat.

BNPL has tended to escape regulations aimed at interest-bearing loans. In the UK — a market worth £5.7bn in 2021 — the watchdog had to use consumer rights legislation to force providers to redraft their terms last year. But in recent months, regulators in the US, Australia and the EU have announced plans for tougher measures.

Companies have had time to prepare. Sweden's Klarna insists it is ready, and has already stepped up its affordability checks. But BNPL providers have also been hit by slowing spending, higher funding costs, bigger credit losses and intensifying competition.

Apple announced a plan to enter the market in June, while mainstream lenders have announced BNPL products as a defensive move. Tougher regulation should benefit the latter, as they already scrutinise consumers' financial records relatively carefully.

The strain has shown. Klarna's valuation dropped from $46bn to $7bn in July. Shares of US-listed Affirm, which recently announced job cuts and a big quarterly loss, are down 71 per cent over the past year. Earlier this month, Australia's Openpay, which floated in 2019, went into receivership after running up heavy losses.

After several years of rapid growth, some big bills are coming due.

## Burger King: tatty patty

In the battle for US fast food supremacy, Burger King's rivals have taken a bite out of its market share. Wendy's has overtaken the former number two burger chain in terms of sales in recent years. Last year, Burger King pulled in $10.3bn in US systemwide sales, compared with Wendy's $11.7bn. McDonald's remains the undisputed leader, with $13.4bn.

For owner Restaurant Brands International, Burger King is the meat of its portfolio. The business accounts for 29 per cent of total group revenues but 42 per cent of its adjusted ebitda. The stock is up just 12 per cent over the past five years, trailing far behind the shares of McDonald's and Wendy's. RBI also trades at a discount to its rivals on a price to forward earnings basis.

Fierce price competition and a mature menu may be the issues. Like-for-like sales growth at Burger King in the US grew just 2.2 per cent last year, compared with an rise of 3.9 per cent at Wendy's and 5.9 per cent at McDonald's. Profitability has been poor. RBI's 33 per cent ebitda margin is a third less than McDonald's, according to S&P Global Market Intelligence.

Newly appointed chief executive Joshua Kobza needs to follow a recipe for shareholder value at Burger King and the Popeyes chain by boosting margins and paying down borrowings.

There are reasons to give RBI the benefit of the doubt. The company said in September it would spend $400mn on advertising and store renovations. In November, it brought in Patrick Doyle as executive chair. He made Domino's a digital powerhouse when he ran the pizza chain from 2010 to 2018. Sales at Tim Hortons, RBI's Canadian coffee chain, have rebounded nicely.

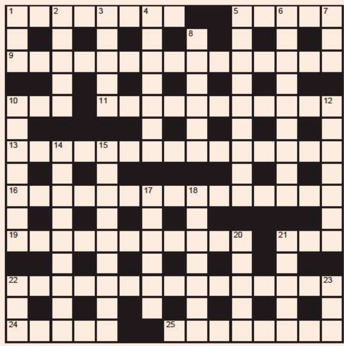
RBI's net debt of $12.2bn, equal to about 5.1 times adjusted ebitda, is very high but manageable. The $1.4bn of free cash flow RBI generated last year easily covered dividends and buybacks, after interest payments. If Kobza can reduce leverage, profitability should improve. RBI and Burger King may reclaim their crowns yet.

FT Lex on the web
For notes on today's stories go to www.ft.com/lex

NIKKEI Asia The voice of the Asian century

## CROSSWORD

No 17,333 Set by IO



**ACROSS**

1 See 13
5 Artist's paintbrush not initially fit for purpose (5)
9/22 "That was delivery No.6!", wealthy Lord's partner squeals (hers is 22dn 21dn 23) (3,3,4,5,3,4,5)
10 Mr Harrison is devastating in audition (3)
11 As passed by flimsy model on display in airshows? (6,5)
13/1/16/19 Excited Kenneth Wolstenholme positively precipitates "Hoorah!" with it (4,6,3,2,3,5,4,5,3,3,4,2,2,3)
21 Be good enough for a spell (3)
22 See 9
24 Crossword solution: a record number of competitors (5)
25 In a bad way: a medical officer wants Nil By Mouth (8)

**DOWN**

1 Fish, a Japanese delicacy — you shouldn't have one (3)
2 Translation of 1924: alphanumerically the Only Way? (5)
3 Foul — or not? Nuts this man's taken out (2-3)
4 New boundary of experience's pushed by cold sausage (7)
5 European city government supports not drinking in the House (9)
6 In hospital, woman dips into books on a king's wife (9)
7 He's evasive, the Bow Street Blackguard (3)
8 Vicious Prince Henry given authority to go ahead (6)
10 Dish picked up books for teacher (7)
12 Undershirt? A feature of this, not buttoned (7)
14 With boosting check most gentle nurses peak (2,7)
15 Hole in one nameless gland (9)
17 What's seen regularly dropping from birch if colder? (6)
18 Afternoon spent just about managing to cycle round Spain? (7)
20 Again stitch up European runner (should it be Neckar in this grid?) (5)
21 See 22
22/21/23 Biggest game of tournament, perhaps? That settles it! (3,5,3)*

JOTTER PAD

Solution 17,332

You can now solve our crosswords in the new FT crossword app at ft.com/crosswordapp

Get the business insights you need to succeed in Asia
Visit asia.nikkei.com

Baker McKenzie.
The international law firm leading and closing complex deals every day.
We help our clients to maximize deal certainty and value with seamless and multidisciplinary legal advice, wherever they are.
We are a Transactional Powerhouse.
bakermckenzie.com/transactional
TRANSACTIONAL POWERHOUSE