FINANCIAL TIMES

WEDNESDAY 9 AUGUST 2023 EUROPE

The rising commodities superpowers
SERIES BEGINS, PAGE 15

The liberalism-growth link is not dead yet
MARTIN SANDBU, PAGE 17

Universal and Google in talks over licensing AI-made music

- Artists to be paid for voice and tunes
- Push to monetise threat to industry

ANNA NICOLAOU — NEW YORK
MADHUMITA MURGIA — LONDON

Google and Universal Music are in talks to license artists' melodies and voices for songs generated by artificial intelligence as the music business attempts to monetise one of its biggest threats.

The discussions, confirmed by four people familiar with the matter, aim to strike a landmark partnership for an industry that is grappling with the implications of new AI technology.

The rise of AI has bred a surge in "deep fake" songs that can convincingly mimic the voices, lyrics or sound of established artists, often without their consent.

Discussions between Google and Universal Music are at an early stage and no product launch is imminent, but the goal is to develop software for fans to create tracks legitimately, and pay the owners of the copyright, said people close to the situation. Artists would have the choice to opt in, the people said.

Warner Music, the third biggest music label, has also been speaking to Google about a product, said a person familiar with the matter.

"An artist's voice is often the most valuable part of their livelihood and public persona, and to steal it, no matter the means, is wrong," Universal Music general counsel Jeffrey Harleston told US lawmakers last month.

Frank Sinatra's voice has been used on a version of hip hop classic "Gangsta's Paradise", while Johnny Cash has been deployed on pop hit "Barbie Girl". A YouTube user named PluggingAI offers songs imitating the voices of deceased rappers Tupac and Notorious B.I.G.

Music executives liken the rise of AI-generated songs to the earlier days of Google-owned YouTube, when ordinary people began using popular songs as the soundtracks to videos they created.

The music industry spent years battling with YouTube over copyright infringement but eventually established a system that now pays the music industry about $2bn a year for these user-generated videos.

As AI has gained traction, some big stars have expressed anxiety that their work will be diluted by fake versions of their songs and voices.

The issue was thrust into the spotlight this year when an AI-produced song that mimicked the voices of Drake and The Weeknd went viral online. Universal Music, home to Drake, Taylor Swift and other big-selling musicians, had the song removed from streaming platforms over copyright infringement.

Drake in April slammed another song that used AI to mimic his voice, calling it "the final straw", while rapper Ice Cube has called cloning tracks "demonic".

While some stars have expressed frustration at the use of AI to imitate them, other artists have embraced it. Grimes, the electronic artist, has offered to let people use her voice in AI-generated songs and split the royalties. "There's some good stuff," she told Wired magazine this week.

For Google, creating a music product could help the company compete with rivals such as Microsoft, who beat the search giant to the punch by investing $10bn in leading AI company OpenAI, which has developed the market-leading model known as GPT-4.

Google and Universal Music declined to comment.

Big thaw Antarctica on the edge as ice retreat threatens world with environmental upheaval

Tourists in a boat near Horseshoe Island, Antarctica, in February this year — Sebnem Coskun/Anadolu Agency via Getty Images

Global warming threatens a cascade of extreme environmental events in Antarctica with knock-on effects across the world, according to a report commissioned by the UK government.

Today the sea area that has refrozen in the Antarctic winter is about 14.7mn sq km — 1.4mn sq km less than last year, itself a record low.

"I'm staggered by the amount of change we've seen already in the past few years," said Martin Siegert, a glaciology professor at the University of Exeter and lead author of the study published in Frontiers in Environmental Science.

Melting ice contributes to rising sea levels, while shrinking ice cover means that more solar radiation is absorbed by seas and land rather than being reflected back into space.

Figures from the European Earth observation agency showed July was officially the hottest month ever recorded, surpassing the previous record set in 2019 by 0.3C. The agency said the average global temperature in July was about 1.5C warmer than that of the pre-industrial period of 1850 to 1900, before human-induced climate change began to take effect.

Antarctica's exposure page 2
Pilita Clark page 16

Briefing

▸ SoftBank fund's recovery fails to produce profit
The tech investor has failed to turn a profit for a third quarter in succession, despite a recovery at its flagship Vision Fund. It saw a $3bn loss.— PAGE 6; LEX, PAGE 18

▸ Trade blow for China
Exports and imports have fallen more sharply than expected, adding to a trade slump that is fuelling growth fears for the second-largest economy.— PAGE 4

▸ Blinken backs Niger push
Top US diplomat Antony Blinken has said Washington supports a return to constitutional order after a coup that toppled elected leader Mohamed Bazoum.— PAGE 4

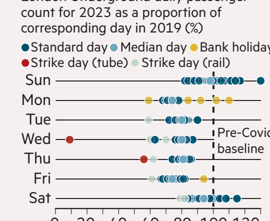
▸ EU uses Ukraine gas tanks
Companies keen to avoid winter shortages have pumped large volumes of gas into the country's vast storage facilities, which are far from the front lines.— PAGE 2

▸ $555mn messaging fines
Nine Wall Street companies have agreed to pay up over violations in the latest round of charges filed by US regulators that centre on record-keeping.— PAGE 7

▸ Russian missiles hit hotel
Rockets have struck residential districts and a hotel popular with the media in Pokrovsk, in the east of Ukraine, killing seven people and injuring dozens.— PAGE 2

Datawatch

Mind the gap
London Underground daily passenger count for 2023 as a proportion of corresponding day in 2019 (%)



Source: Department for Transport

Passenger numbers on the London Underground remain significantly below 2019 levels. While weekends have fully recovered, Mondays and Fridays have seen drops of 26 per cent as commuters work from home for part of the week

Disney's Iger finds more in his inbox than he expected

Analysis ▸ PAGE 8

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

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Italian bank shares slump after Meloni hits lenders with surprise windfall tax

SILVIA SCIORILLI BORRELLI — MILAN
AMY KAZMIN — LONDON

Italy's rightwing coalition has sent bank shares tumbling with a surprise 40 per cent windfall tax on lenders' profits resulting from higher interest rates.

The hasty measure unveiled late on Monday came after bumper profits for lenders following rate rises, combined with political pressure on Giorgia Meloni's government over the impact on households of inflation and higher rates.

One senior banking executive called the tax, which the finance minister had previously ruled out, a "cold shower".

Shares in Intesa Sanpaolo and UniCredit, the two biggest banks, dropped 8.6 per cent and 5.9 per cent respectively yesterday. Shares in state-owned Monte dei Paschi di Siena fell 10.8 per cent, while Banco BPM, the third-largest bank, shed 9.1 per cent. BPER Banca, Mediobanca and Banca Generali were also down.

Analysts at Jefferies and Equita estimated the government could raise more than €4.5bn from the tax, higher than the €2bn-€3bn suggested by Italian officials. Intesa and UniCredit would be the biggest contributors, analysts said, but the capital impact would be larger on smaller banks.

Analysts at Jefferies said the capital impact, on average, would be "sizeable but manageable". The investment bank said the cost would amount to an average of 60 basis points on core tier one capital, a ratio used as a key measure of banks' financial health.

Meloni's government said it would use the sums raised by the levy, which still needs parliamentary approval, to fund measures to help families and small businesses. Her administration has criticised banks for failing to pass on interest rate rises to small savers. The levy follows moves by European countries such as Spain and Hungary to impose windfall taxes on lenders.

Analysts expect the ill-received draft measure to be tweaked before parliamentary approval. "The government was hoping to obtain €2bn-€3bn, and the Milan bourse just lost over €10bn on the news . . . not the smartest move," said one senior banking executive, speaking on condition of anonymity.

The tax will be applied to the net interest income generated from the gap between lending and deposit rates.

Italy's five largest banks reported aggregate profits of €10.5bn in the first half of 2023, up 64 per cent from a year earlier, according to DBRS Morningstar.

Lex page 18

World Markets

STOCK MARKETS

	Aug 8	Prev	%chg
S&P 500	4468.60	4518.44	-1.10
Nasdaq Composite	13779.06	13994.40	-1.54
Dow Jones Ind	35123.93	35473.13	-0.98
FTSEurofirst 300	1813.72	1816.97	-0.18
Euro Stoxx 50	4288.33	4337.50	-1.13
FTSE 100	7527.42	7554.49	-0.36
FTSE All-Share	4108.61	4122.15	-0.33
CAC 40	7269.47	7319.76	-0.69
Xetra Dax	15774.93	15950.76	-1.10
Nikkei	32377.29	32254.56	0.38
Hang Seng	19184.17	19537.92	-1.81
MSCI World $	3003.77	2986.54	0.58
MSCI EM $	1016.31	1018.02	-0.17
MSCI ACWI $	692.42	689.00	0.50
FT Wilshire 2500	5858.67	5810.53	0.83
FT Wilshire 5000	45677.20	45308.40	0.81

CURRENCIES

Pair	Aug 8	Prev	Pair	Aug 8	Prev
$/€	1.095	1.100	€/$	0.914	0.909
$/£	1.272	1.277	£/$	0.786	0.783
£/€	0.861	0.862	€/£	1.162	1.161
¥/$	143.150	142.345	¥/€	156.700	156.630
¥/£	182.102	181.797	£ index	82.189	81.959
SFr/€	0.959	0.962	SFr/£	1.114	1.117

CRYPTO

	Aug 8	Prev	%chg
Bitcoin ($)	29600.47	29189.82	1.41
Ethereum	1845.51	1827.35	0.99

COMMODITIES

	Aug 8	Prev	%chg
Oil WTI $	81.50	81.94	-0.54
Oil Brent $	84.97	85.34	-0.43
Gold $	1931.70	1942.45	-0.55

GOVERNMENT BONDS

Yield (%)	Aug 8	Prev	Chg
US 2 yr	4.78	4.78	0.00
US 10 yr	4.01	4.10	-0.09
US 30 yr	4.18	4.27	-0.09
UK 2 yr	4.90	4.92	-0.01
UK 10 yr	4.48	4.55	-0.07
UK 30 yr	4.53	4.59	-0.06
JPN 2 yr	0.01	0.02	-0.01
JPN 10 yr	0.61	0.62	-0.02
JPN 30 yr	1.55	1.60	-0.05
GER 2 yr	2.91	2.97	-0.05
GER 10 yr	2.46	2.60	-0.13
GER 30 yr	2.55	2.69	-0.14

Prices are latest for edition
Data provided by Morningstar

INTERNATIONAL

Supply security

Bloc boosts gas storage in western Ukraine

Underground facilities are far from the front lines of conflict with Russia

SHOTARO TANI AND DAVID SHEPPARD — LONDON
ALICE HANCOCK — BRUSSELS

Europe's energy industry, intent on avoiding gas shortages during the coming winter, is shipping large volumes of the fuel into Ukrainian storage, despite the risks associated with the war.

As the war and continued sanctions force the EU to wean itself off Russian gas, traders have spotted an unusual opportunity presented by Ukraine's ample storage capacity. Naftogaz, the country's energy company, said the number of non-Ukrainian companies injecting gas in the country reached 19 this year from four in 2021.

The capacity booked on pipelines into Ukraine from the EU reached a nearly three-year high in July, according to data from the state gas system manager, while the volume planned for this is on course to double.

Oleksiy Chernyshov, chief executive of Naftogaz, said: "[This] is a great opportunity for the EU to build strategic gas reserves."

Ukraine has more gas storage capacity than any country in the EU; a legacy of its role as a key transit country for Russian gas. The storage tanks are largely underground in the west, far from the front lines. The storage caverns are also underground, affording some protection from long-range strikes.

However, European traders were cautious about using the facilities in the early days of the war.

After a mild winter last year, the refilling of EU storage facilities started from a high base, and is now close to 90 per cent of capacity. The region uses three times more gas during the winter months, compared with the height of summer.

EU gas storage facilities can only hold a maximum of about 100bn cubic metres, compared with annual demand in the bloc of 350 bcm to 500 bcm, depending on the weather and other conditions. The Ukrainian facilities will provide a further 10 bcm of storage.

"The continent is running out of options to store any gas supply surplus while consumption lulls," noted Natasha Fielding, head of European gas pricing at Argus, a price reporting agency.

The move follows efforts by Ukraine and the EU to better integrate their energy systems after Russia's invasion drove prices to a record level, threatening blackouts in winter. Before the conflict, most natural gas used by EU households and businesses came from Russia.

The glut of gas has helped push down the European benchmark price to just €30 per megawatt hour, but that is expected to rise again this winter. Think-tank Bruegel said last month that traders could collectively make about €2bn by using the Ukrainian sites ahead of an expected rise in prices later this year.

Yuriy Onyshkiv at Refinitiv said utilising the storage could help "stabilise the market and ensure security of supply in winter when demand peaks".

Brussels wants companies to increase their use of Ukraine's gas storage and has held talks with banks about providing guarantees for traders, although no scheme has been established yet.

Ukraine has a so-called "customs warehouse" system to attract foreign customers, with gas stored there exempt from custom duties for three years, allowing it to be easily reimported to the EU. The country's own gas demand has fallen sharply as Russia's invasion has disrupted industries.

UN figures show that, by the end of 2022, 5.7mn had left Ukraine since the conflict began, or more than 13 per cent of the prewar population.

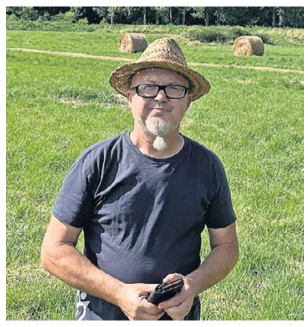
Ukraine aims to have about 14.5 bcm of gas in storage for domestic use before late October. It has nearly 9 bcm.

Turów. Mining

Poland digs in to defy EU over lignite backlash

Warsaw has embraced the plant as a symbol of sovereign power despite calls to shut it

RAPHAEL MINDER — BOGATYNIA
BARBARA ERLING — WARSAW



Pollution fears: Turów power plant is fired by lignite from the local mine. Top right, Radek Gawlik, farmer and environmental activist; Thomas Zenker, mayor of Zitau
Krzysztof melech/Alamy; Raphael Minder

Poland's Turów mine is viewed by its EU neighbours as unwanted evidence of Warsaw's refusal to abandon polluting coal, but for its rightwing government, it is a source of political pride.

Far from preparing to close the mine, the ruling Law and Justice party (PiS) in June held its convention in the mining region of Lower Silesia, close to the smoke that billows from the power plant fired by Turów's lignite, considered one of the dirtiest fossil fuels.

As Poland prepares for a tight general election, which president Andrzej Duda announced yesterday would be held on October 15, the mine has become a symbol of PiS defiance against EU interventionism. "What is happening around the mine is nothing more than an attack on our sovereignty," PiS founder Jarosław Kaczyński told party supporters.

In the south-west between Germany and the Czech Republic, Turów is an open pit mine whose lignite fuels an adjacent plant that generates about 7 per cent of Poland's electricity. Turów's concession was due to expire in 2020, but Warsaw brought in a law to extend its life, prompting the Czech Republic to sue in the European Court of Justice.

The mine is so important for Warsaw that it has in effect been paying the EU to keep it open. Poland defied the court's 2021 interim order for it to stop mining and refused to pay the resulting daily fine of €500,000. In response, the European Commission began deducting the fine from EU funds earmarked for Poland, withholding €68mn in total, while Poland paid €45mn to the Czech Republic to cover environmental damage and to get Prague to drop its lawsuit.

Brussels has also excluded the region around Turów from subsidies for places that shift from fossil fuel production.

Turów is a sideshow to a wider feud between Brussels and Warsaw over sovereignty, money and rule of law. The commission has withheld billions of euros in EU pandemic recovery funds in an effort to force Warsaw to guarantee Polish judicial independence; Warsaw has in turn told Brussels to stop interfering with domestic reforms.

PiS delegates met in Lower Silesia in a show of defiance and with an eye to the upcoming elections: as a swing constituency, its voters are key to the party's chances of getting a third term in office.

Turów now employs only about 2,400 miners from 6,000 two decades ago, but they have welcomed the government's support. Taxes paid by the power plant's operator, state-controlled PGE, fund one-third of the budget of the local municipality of Bogatynia.

"If the government gives the green light for the mine and the preservation of jobs in Turów, it's incomprehensible that foreign institutions like the EU want to oppose it," said Piotr Kubiś, a coal miner who chairs the local branch of the Solidarity 80 trade union.

The legal battle over the mine has run from Luxembourg to courts in Warsaw. A Polish court sided in June with environmentalists to stop an expansion, to be overruled a month later by a higher court. Justice minister Zbigniew Ziobro called the initial ruling "shameful."

As well as pollution concerns, environmentalists blame the mine for using underground water needed in the surrounding countryside. Citing scientific reports, which the Poles contest, Thomas Zenker, mayor of the German border town of Zittau, warns that mining has exacerbated shifts in tectonic plates.

"You cannot guarantee the safety of buildings on ground that is sinking," he said, pointing to a town map where the ground is six centimetres lower than six years ago. "All the specialists say there is an impact from Turów on our city."

But Wojciech Dobrołowicz, mayor of Bogatynia, said the war in Ukraine showed the EU needed more home-grown energy. Germany reactivated some coal-fired plants last year to offset spiralling energy prices.

"The Germans and Czechs also have coal power plants, which is why I don't understand why everybody attacks Turów," Dobrołowicz said.

Poland has its own environmental grievances: in July, its government complained to Brussels about thousands of tonnes of waste allegedly dumped by German companies on Polish territory.

Dobrołowicz envisions a future without lignite, when Bogatynia could contribute more to Poland's wind energy production. Renewables supplied a record quarter of Polish electricity production in May, according to think-tank Instrat. But the mayor wants Poland to dictate the pace of change.

The fight over Turów comes amid broader tensions between Berlin and Warsaw. As well as demanding German reparations last year for losses inflicted by the Nazis in the second world war, Poland has accused Germany of having aided Russian president Vladimir Putin by embracing him as an economic partner until his invasion of Ukraine.

Elżbieta Witek, the Polish parliament's Speaker, said during her party's convention that the mine should be defended "out of love for Poland".

But the mine's few opponents see the defence of coal — it provides 65 per cent of Polish electricity — as a step backwards. "PiS is a return to communist beliefs about the state economy, with everything in the hands of politicians in Warsaw who don't care about neighbouring countries," said farmer and environmental activist Radek Gawlik.

Fatal attack

Donetsk hotel popular with journalists hit by Russian missiles

ISOBEL KOSHIW — KYIV

Russian missiles struck residential areas and a hotel popular with journalists in the eastern Ukrainian town of Pokrovsk on Monday, killing at least seven people and injuring dozens.

The Druzhba was one of only a handful of hotels still operating in the Ukrainian-controlled part of Donetsk region and was considered by many as being a safe distance from the front line.

Ukrainian authorities yesterday said seven people had been killed, including five civilians, and 67 people had been injured. Interior minister Ihor Klymenko said some of the rescuers were hit by a second round of missiles as they arrived at the scene to help extract victims from the debris.

Klymenko said search and rescue operations were resuming yesterday after being suspended at night "due to the high threat of repeated shelling".

Images from the first attack, 40 minutes before the strike on the hotel, show civilians dressed in summer clothing trying to sift through the rubble of a damaged apartment block and loading the injured into ambulances. In his nightly address, Ukraine president Volodymyr Zelenskyy said Russia had used short-range Iskander ballistic missiles to attack "normal residential buildings" in Pokrovsk.

> Zelenskyy said Russia had used short-range Iskander ballistic missiles to attack 'residential buildings'

The town has been hit intermittently since the start of the full invasion but never on this scale. Considered a safe distance from the front line by many, at 41 miles from any active fighting, the hotel was often fully booked, as was the restaurant next door, one of the few that stayed open throughout the invasion. It was the main place where journalists, soldiers and volunteers would come to rest after a day in the field.

Images show that one side of the hotel, including several floors, was taken out in the attack. All the hotel windows appear to have been blown out. A rocket also smashed through the top of a nearby residential building.

The attack is reminiscent of one on a restaurant in neighbouring Kramatorsk in June when 11 people were killed and more than 60 injured as they had dinner. Both attacks make the prospect of staying in the region more difficult for journalists, aid workers and volunteers.

Russia also attacked Kharkiv and Kherson overnight, killing a total of seven people, including two rescue workers and two police officers, and injuring a further 13.

Ukraine's intelligence service said it had detained a woman who was allegedly gathering information on Zelenskyy's travel details to help Russian forces carry out an assassination attempt.

In a separate case, the intelligence service said it had arrested a group of women in Ukraine's Donetsk region for allegedly working for both the Russian security services and the Wagner paramilitary group.

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Environment

Antarctica's exposure to climate change worsens global threat

CLIVE COOKSON AND CAMILLA HODGSON
LONDON

Antarctica faces a catastrophic cascade of extreme environmental events as global warming increases, which will affect climate across the world, scientists have warned in a report commissioned by the UK government.

Under the obligations of the Antarctic Treaty that came into force in 1961 and its subsequent 1998 protocol on environmental protection, signatories must protect the region from the "considerable stress and damage" it faces from accelerating ice melting and rising temperatures, the scientists said.

"Nations must understand that by continuing to explore, extract and burn fossil fuels anywhere in the world, the environment of Antarctica will become ever more affected in ways inconsistent with their pledge," said Martin Siegert, University of Exeter glaciology professor and the study's lead author. "I'm staggered by the amount of change we've seen already."

In March 2022, the most extreme "heatwave" ever recorded anywhere in the world took place over the ice dome of East Antarctica where temperatures hit 38.5C above the seasonal norm. "If London experienced an anomaly like that, the temperature would be close to 60C," he told journalists ahead of the report's publication in Frontiers in Environmental Science.

The heatwave illustrated the way extreme events can be linked in cascades, the scientists said. It was caused by an "atmospheric river" of warm wet air flowing south from Australia, which also caused the break-up of sea ice and the collapse of the Conger ice shelf covering an area the size of Rome.

Today, the area that has refrozen in the Antarctic winter is about 14.7mn sq km — 1.4mn sq km less than last year, which was itself a record low. The amount of sea ice missing this year compared with the average of the past five decades is 2.4mn sq km, an area 10 times greater than the UK.

"We are seeing a new world developing," said Caroline Holmes, climate scientist at the British Antarctic Survey.

The prevalence of extreme temperatures was underlined yesterday by data showing July was officially the hottest month ever recorded, surpassing the previous record set in 2019 by 0.3C. Scientists at the European earth observation agency said the average global temperature in July was about 1.5C warmer than that of the pre-industrial period of 1850 to 1900, before human-induced climate change began to take effect.

The assessment comes after researchers at the Copernicus Climate Change Service and the World Meteorological Organization had predicted the month would exceed the highest recorded temperatures by a considerable extent.

The year so far has been the third-warmest in history, and may go on to surpass 2016 as the hottest on record, aid Samantha Burgess, deputy director of Copernicus.

Fragile: emperor penguins on sea ice in the Weddell Sea in Antarctica

Since the satellite record began in the 1990s, ice loss from Antarctica has contributed 7.2mm to global sea level rise, said Anna Hogg, polar scientist at Leeds university.

Ocean-driven melting and ice-shelf collapse are accelerating the flow of water into the ocean.

As well as reinforcing the need for global action to cut greenhouse gas emissions, the expected changes required more action to protect Antarctica's own fragile and vulnerable environments, said Jane Rumble, head of the polar regions department at the UK Foreign Office, which commissioned the report.

The treaty and its environmental protocol "set out the tools we might use to enhance the resilience of Antarctica against climate change", she said. For example, "we've been looking at terrain to afford extra protection for emperor penguins due to lack of sea ice . . . They breed on sea ice so they are a very climate vulnerable species."

Pilita Clark see Letters page

INTERNATIONAL

Pakistan poll postponement raises concerns for democracy

Delay adds to political tension after jailing of opposition leader Khan

FARHAN BOKHARI — ISLAMABAD
BENJAMIN PARKIN — MUMBAI

Pakistan's jailing of opposition leader Imran Khan and moves to delay national elections have thrown the nation into political uncertainty that analysts fear threatens its fragile democracy.

Prime Minister Shehbaz Sharif plans to dissolve his government today and hand over power to a caretaker administration, the standard practice ahead of a general election that the constitution says must then be held within 90 days.

But the decision on Saturday by a Sharif-led committee to redraw electoral boundaries based on a recently completed census means ministers now expect the elections to be delayed until early next year. That means the nuclear-armed south Asian nation of 241mn faces a prolonged period without a government backed by parliament.

News of the election delay came hours after an Islamabad court sentenced Khan to three years in prison on corruption allegations.

"In isolation, Imran Khan's disqualification and arrest seems like the legal process proceeding as intended," said Uzair Younus, director of the Pakistan Initiative at the Atlantic Council, a Washington-based think-tank.

However, Younus said the sequence of events "points to the fact that Pakistan's democratic backsliding has accelerated in recent weeks".

"The odds of having timely, free and fair elections in the country are near zero," he said.

Members of Khan's Pakistan Tehreek-e-Insaf party have denounced his imprisonment as a brazen attempt to prevent the PTI, which many analysts consider the country's most popular political group, from mounting an electoral challenge. "The elections are being delayed for only one reason, and that is because they believe Imran Khan will get more votes," said Zulfi Bukhari, a PTI spokesperson. Khan's lawyer yesterday said he had filed a petition challenging the conviction.

Khan's jailing was the culmination of months of escalating tension between the PTI and both Sharif's government and the military, which controls much of Pakistan's political decision-making from behind the scenes.

Since he was removed from office by a parliamentary no-confidence vote last year, Khan has criticised Sharif and army chief Asim Munir, adding to his already large following among Pakistanis fed up with the country's economic mismanagement.

After some pro-Khan protests turned violent in May, authorities arrested thousands of PTI supporters and pressured senior figures to quit the party, leaving it severely weakened.

Sharif's government denies there is any political motivation behind Khan's imprisonment, which stems from allegations he illegally sold gifts received while prime minister between 2018 to 2022. Khan has denied the allegations.

The former premier and cricket star was arrested by a government anti-corruption agency in a different case in May but was released after the Supreme Court ruled the arrest illegal. The government has also defended redrawing electoral boundaries as necessary to ensure constituencies properly reflect a population the census found had increased by 34mn between 2017 and 2022.

High court: lawyers show support for Imran Khan in Lahore. Below, Shehbaz Sharif
Arif Ali/AFP/Getty Images; Xinhua/Shutterstock

But analysts said the election delay and Khan's imprisonment threatened to undermine democratic processes in a country that has since independence in 1947 oscillated between civilian and military rule. They added the government's moves were unlikely to have been made without army approval.

Critics repeatedly accused Khan while in office of using corruption allegations to sideline and jail political opponents, including members of Sharif's Pakistan Muslim League-Nawaz party. Yet the decision to redraw electoral boundaries threatens to backfire for the PML-N.

"There are obvious questions to ask," said Moonis Ahmar, a political scientist. "Why was the census not done before? And why is this being introduced at the eleventh hour to delay elections?"

While the PML-N hopes the intervening months will allow it to consolidate support against the PTI, others in Sharif's 13-party coalition, including its main ally the Pakistan People's party, have publicly criticised the proposal.

"We are not threatened by Imran Khan," a PPP minister from Sharif's outgoing cabinet said. "We want to face Imran Khan politically and a delay will only make him more popular."

> 'Why was the census not done before? And why is this being introduced at the eleventh hour to delay elections?'

The caretaker prime minister, who will be appointed by Pakistan's president Arif Alvi in consultation with the ruling and opposition parties, or by the election commission if they cannot agree, will have to manage the country's economic crisis until the election.

Sharif in June secured a $3bn loan from the IMF, narrowly helping to avoid national default. But inflation remains near record levels and economists estimate debt repayments for the current financial year, which runs to next June, total about $25bn. Analysts warn that avoiding further financial crises will require deep economic reforms.

Ghazi Salahuddin, a commentator for paper The News International, said such reforms would not happen unless Pakistan had an elected government backed by consensus on the need for action.

"National consensus and national agreement in a divided Pakistan will be hard to achieve," he said.

INTERNATIONAL

Trade headwinds

China exports drop fuels fears for growth

Performance worst since start of Covid as imports also suffer severe decline

THOMAS HALE — SHANGHAI
ANDY LIN AND HUDSON LOCKETT
HONG KONG

China's exports and imports fell more sharply than expected in July, adding to a prolonged trade slump that is fuelling concerns over growth prospects for the world's second-largest economy.

Exports declined 14.5 per cent year on year in dollar terms, official data showed yesterday, the steepest fall since the start of the coronavirus pandemic in February 2020. Imports tumbled 12.4 per cent, the biggest decline since a wave of Covid infections hit the mainland in January and one of the worst in recent years.

Economists polled by Reuters had forecast falls of 12.5 and 5 per cent respectively.

Weakness in international trade is one of the main sources of pressure for policymakers in Beijing, who are also grappling with a paralysed property sector and flagging domestic demand since anti-pandemic measures were lifted in December.

China's exports helped prop up its economy during three years of closure to the world but have struggled this year as high global inflation and rising interest rates damped demand for its goods. Exports have declined year on year in each of the past three months, dropping 12.4 per cent in June, when imports also shed 6.8 per cent.

> 'Pretty much all the recovery in import volumes [this year] was unwound in July'

Manufacturing activity has also contracted for four straight months, according to purchasing managers' indices, reflecting a weaker export environment and undercutting one of the anticipated engines of China's economic recovery.

July's unexpectedly severe fall in imports also signalled disappointing domestic consumption.

"The imports data was pretty bad," said Julian Evans-Pritchard, head of China economics at Capital Economics. "On our estimates, pretty much all the recovery in import volumes since the start of the year was unwound in July."

In Hong Kong, the Hang Seng China Enterprises index shed 2.2 per cent yesterday following the trade data release. "There's a lot of selling happening today on the back of this export data," said Louis Tse, managing director of Hong Kong-based broker Wealthy Securities.

President Xi Jinping's government has set a cautious growth target of 5 per cent this year, the lowest in decades.

In the second quarter, the economy added 6.3 per cent compared with the same period last year, when Shanghai and other big cities were locked down, but growth was just 0.8 per cent in quarter-on-quarter terms.

Beijing has not enacted a major stimulus but has gradually cut cornerstone borrowing rates and taken steps to encourage activity.

Inflation data, which is set to be released today, has for months been edging closer to deflation.

See Companies and Markets

South America. October election

Argentine rightwing radical champions austerity

Presidential contender wins over the young but business community voices doubts

CIARA NUGENT — BUENOS AIRES

Argentina's radical rightwing presidential candidate has claimed the austerity imposed by the IMF is "tiny" compared with what Latin America's third-largest economy needs and accused the fund of acting in its own interests.

Javier Milei, an economist and congressman, said the fund, which has provided Argentina with 22 bailout packages, most recently in 2022 to replace a failed 2018 deal, "doesn't care" about the country's deep-rooted challenges.

"The IMF are just a bunch of bureaucrats who know that a bank's business is to charge interest," Milei, 52, told the Financial Times. "If I'm elected it will be to solve Argentina's problems."

Argentina and the fund reached a deal last month after protracted talks to prevent the economy sliding into arrears. The fund would release $7.5bn on condition Buenos Aires weakened the artificially inflated peso and cut spending to hit a budget deficit target set before this year's drought damaged exports.

What the fund had called for was "tiny compared to the austerity package I'm proposing", said Milei, who would "overshoot all the targets" of the $44bn IMF programme if elected.

Milei, who rose to prominence as a television panellist railing at economic mismanagement, is running in October's presidential election on a promise to dramatically shrink the state and dollarise the economy to stamp out inflation, which hit 115.6 per cent in June.

The economist and leader of the Freedom Advances party said his austerity and dollarisation plans would "slash Argentina's country risk", fuel demand for government debt and remove the need for the fund's lifelines.

Though Freedom Advances is trailing United for the Homeland, the ruling Peronist coalition, and Together for Change, the pro-business opposition bloc, analysts said Milei had made a significant impact on the elections.

He had, they said, dragged political debate to the right after two decades of leftward drift under the influence of Cristina Fernández de Kirchner, the former Peronist president.

"Milei has made it OK for politicians to talk about things that had become politically incorrect: cutting social programmes, fiscal responsibility, government waste," said Ana Iparraguirre, a political consultant in Buenos Aires and partner at GBAO, a US strategy firm. "That impact will be lasting."

Milei's views, from climate denial to legalising the sale of human organs, have drawn comparisons with Donald Trump, former US president, and Jair Bolsonaro, former Brazil president.

But Milei, whose campaign has focused more on the economy than nationalism or social conservatism, played those down. "We agree that the enemy is socialism. After that, each of us has their own particularities."

Some polls have shown particularly strong support for Milei among the young. At a surprise campaign appearance in a Buenos Aires mall early this month, dozens of teens and 20-somethings crowded Milei for selfies.

The business community, however, is wary of Milei's irascible persona, his short temper and extreme vision of a market-driven society.

Milei, who has named his dogs Milton, Murray, Robert and Lucas after US economists, said "market failures do not exist". He rules out state subsidies to stimulate nascent industries such as green energy and insists all infrastructure be built by the private sector.

Gustavo Weiss, president of Argentina's construction business association, said "only 15 to 20 per cent" of projects can be delivered solely by the private sector, citing the long horizon for returns or lack of profit in areas such as paving city streets. "The market can't solve everything. Even the most liberal countries in the world know that."

Sovereign bond prices have risen in recent months largely on expectations a centre-right candidate will win in October. Candidates for Freedom Advances have averaged 4 per cent of the vote in recent provincial elections, which Milei blames on the difficulty of "translating voters' trust in [him] to others".

Success for Milei at a mandatory primary poll on Sunday, the first date in the electoral calendar, "would be chaos" for the market, said Fernando Marull of FMyA, an economic consultancy.

Milei's commitment to dollarisation is a concern for investors. "The Argentine economy isn't closely linked to the US, so the decisions the US makes about monetary policy will often not be appropriate," said Alejandro Werner, a former IMF western hemisphere director.

> 'Milei has made it OK for politicians to talk about things that had become politically incorrect'

Milei dismissed a scenario in which Argentines are hit by US rate rises during a local downturn. "If you are afraid, you should get a fixed-rate loan, or if you are on a variable rate, you cover yourself from the risk using derivatives."

Milei cited a "menu" of options to raise the $40bn he claims is necessary to convert pesos at the market exchange rate. One is to offer government debt held by public sector entities to the market, which critics say could sink bond prices. Another is to establish a trust in the US holding Argentine assets, such as shares in YPF, the state energy group, to use as collateral to back new bonds.

Milei is an anglophile — a fan of Margaret Thatcher and Winston Churchill — and sang in a Rolling Stones tribute band in his teens. But as an economic role model, he cites Ireland, where a low- tax regime has lured multinationals to post profits in Dublin. "They did reforms, and their per capita GDP [gross domestic product] has more than sextupled in the last 30 years," he said. "I'd like [Argentina] to look like Ireland."

Mobbed: Javier Milei greets his supporters at a rally in Buenos Aires on Monday
Juan Ignacio Roncoroni/EPA-EFE

Africa

Blinken backs efforts to restore Niger's elected rulers following coup

FELICIA SCHWARTZ — WASHINGTON
AANU ADEOYE — LAGOS

US secretary of state Antony Blinken said Washington supported west African efforts to restore constitutional order in Niger, whose neighbours have threatened military action unless the new junta reverses last month's coup.

Niger's democratically elected president, Mohamed Bazoum, was deposed last month by presidential guard chief General Omar Tchiani, the latest coup in a volatile region that removed one of its few pro-western leaders.

The junta has already ignored a deadline from the Economic Community of West African States, the regional grouping led by Nigeria, which warned that the use of force was an option to restore Bazoum. Tchiani yesterday began forming a cabinet, appointing Ali Mahamane Lamine Zeine, a former finance minister, as prime minister.

"We are supporting the efforts of Ecowas in Africa to restore constitutional order in Niger," Blinken said yesterday as he described the coup as "extremely troubling", a day after his deputy was denied a meeting with Tchiani during a visit to the country.

Blinken said in a separate BBC interview that while the coup "was not instigated by Russia or by Wagner . . . they tried to take advantage of it". He was referring to the Kremlin-linked Wagner mercenary group which is active in neighbouring countries such as Mali.

"Every single place that Wagner group has gone, death, destruction and exploitation have followed," he added.

Victoria Nuland, acting US deputy secretary of state, had travelled to Niger's capital, Niamey, to warn the junta that US aid would be cut off if democratic order were not restored.

She delivered the message to General Moussa Salaou Barmou, the new defence chief and head of Niger's special forces, making it "absolutely clear what is at stake in our relationship and the economic and other kinds of support that we will legally have to cut off if democracy is not restored".

She added it was "not easy to get traction" on a diplomatic path and that the junta had so far denied US requests to restore constitutional order. "They are quite firm in their view of how they want to proceed and it does not comport with the constitution of Niger," Nuland said.

US and European officials remain hopeful that a mediated solution to the crisis can be found before an emergency summit of west African leaders tomorrow. Although Ecowas defence chiefs have met to discuss their next steps, the threat of military action in Niger has gone down badly in Nigeria, where the opposition and members of President Bola Tinubu's party are against it.

The US has suspended more than $100mn in development, security and law enforcement aid since the July 26 coup. US officials said hundreds of millions of dollars of extra assistance would be at stake if the junta did not reinstate the elected government. There are also 1,100 US troops in Niger on a security co-operation mission that has been paused since the coup.

Nuland said: "We were not granted an opportunity to see . . . Mr Tchiani, so we were left to have to depend on Mr Barmou to make clear . . . what is at stake."

Investment index

China crams for revamped World Bank business survey

SUN YU AND JOE LEAHY — BEIJING
COLBY SMITH — WASHINGTON

If there is one thing China takes seriously, it is a test. From the ancient *keju* civil service exam to today's ultra-competitive *gaokao* university entrance exam, a high ranking has been vital to success.

That might help explain Beijing's latest obsession: acing the World Bank's ease of doing business index, the world's premier ranking of countries as investment destinations, which is being revamped and set to be relaunched next year.

Local government officials in cities such as Shanghai have been swotting up since June on how their jurisdictions can achieve a good score in the annual index that ranks countries according to their investment and business conditions. Beijing has also suggested 71 changes for the new survey, to be known as the Business Ready index.

The system will be based on consultations with mainly private sector experts and a survey of private sector companies. Given the dominance of the government in its economy, China could "fall significantly", vice-finance minister Wang Dongwei warned in a recent conference. He urged his counterparts in China's large cities and provinces to prepare well. "This is an opportunity for us to showcase . . . Chinese-style modernisation," Wang said.

The rollout of Business Ready, which will start as a pilot programme next year before being widened to include China among 180 countries, follows the World Bank's suspension of its earlier Doing Business report in 2020 after "data irregularities" were found that critics said had overstated China's ranking. China shot up to 31 in 2020 from 78 four years earlier.

The controversy sparked a scandal centred around Kristalina Georgieva, the former World Bank chief executive who later joined the IMF as managing director. She was accused of pressuring World Bank staff to manipulate data to China's benefit, allegations she has denied. After an internal investigation, the IMF said she had its full confidence.

Replying to questions about the Business Ready system, the World Bank said it believed growing the private sector was the surest way of lifting people out of poverty and fully utilising the talents of young people.

"This requires attracting investment — and this project is another important step in our efforts to do so," it said. "Business Ready will offer countries a reliable, standardised way to measure their progress in improving incentives for investment." The revamped rankings would be a source of "huge unease for the Chinese government because business confidence is way down", said Shaun Rein, founder of China Market Research, a Shanghai-based consultancy that advises foreign investors.

> 'Multinationals will take this survey seriously and will look to see whether or not China is still investable'

"Multinationals will take this survey seriously and they will look to see whether or not China is still investable."

A senior official in Shanghai said the biggest challenge for China under the new methodology would be its planned nationwide survey of more than 2,000 private companies, many of which are suffering from growing state intervention and only just emerging from the effects of Covid-19 lockdowns.

"The improvements China has made, such as faster approval of business licences, are all superficial," said Ma Liang, a professor at Renmin University in Beijing and an expert on China's business climate. "There is little progress on more structural issues, like giving private companies the same access to government contracts as state firms."

Multiple officials and scholars said Beijing could press private sector survey respondents to react positively. But "there could be a backlash from private companies if local authorities push too hard", said an official in Wuhan who has worked on business climate surveys.

The index also covers areas that might not favour China, such as arbitration in disputes with the state, forced labour, collective bargaining and state-owned enterprises' dominance.

Martin Sandbu see Opinion

Constitutional change

Central African Republic leader cleared to run again

ANDRES SCHIPANI — NAIROBI
AANU ADEOYE — LAGOS

The president of the Central African Republic has won a vote to override a constitutional bar on running for a third term, which could cement the operations of Russian Wagner mercenaries in the group's main client state.

Mathias Morouba, head of the National Elections Authority, announced on Monday that 95.3 per cent of the 1.1mn citizens who voted on July 30 had approved a new constitution that could allow President Faustin-Archange Touadéra to run again in 2025.

The provisional results must be ratified by the constitutional court by August 27, but analysts consider this a given. "These results clearly reflect the choice of the Central African people," said Evariste Ngamana, Touadéra's campaign manager and deputy president of the National Assembly.

The president owes his survival to the Wagner fighters who arrived in 2018 to instruct the CAR army and then helped thwart an attempted rebellion in 2020. The CAR has since become a vehicle for Russia's African ambitions and a "client state" of Moscow, according to western officials in Bangui, the capital. Some of the estimated 1,500 Wagner fighters are central to Touadéra's personal security.

In mid-July, a Russian group known as the Officers' Union for International Security, which is associated with Wagner and sent in military instructors after the deal with Touadéra, said that "fresh" and "experienced Wagner fighters stand ready to fully support the government of the republic".

The run-up to the vote was marked by a boycott from the main opposition parties and civil society organisations, which consider it unlawful, as well as criticism from rebel groups that still control parts of the country and want to topple Touadéra. "These results are a joke," said Crepin Mboli-Goumba, a member of the opposition. "This referendum, this process — they are illegal."

Collision course Beijing regulators' onerous licensing regime is thwarting Big Tech's electric-vehicle ambitions ➔ COMPANIES

Companies & Markets

SoftBank hit by $3.3bn loss after forecasts of net profit

- Third consecutive quarter in the red
- Vision Fund's revival provides hope

LEO LEWIS — TOKYO

SoftBank Group failed to turn a profit for a third consecutive quarter, recording a ¥477.6bn ($3.3bn) loss for the three-month period ending in June, despite a recovery at its flagship Vision Fund investment unit.

The quarterly loss in net income defied analyst predictions that the group would return to profit following a steady recovery in the tech-heavy Nasdaq index. SoftBank founder Masayoshi Son had also told shareholders in June the company was "going on the counter-offensive", raising hopes of a revival.

Based on an average of four analysts surveyed by Refinitiv ahead of yesterday's results, the market had expected SoftBank to make a ¥75bn group-wide profit in the first quarter of the financial year that began in April. But the group sustained losses partly as a result of share price declines at Alibaba, Deutsche Telekom and T-Mobile.

> 'I think [the Japanese investment group's] good and bad experiences will make it more astute'

In his earnings presentation that included an image of light at the end of a tunnel, SoftBank's chief financial officer Yoshimitsu Goto said the company was going to invest with caution.

"We want to strike a good balance between the gas and the brake for our investment activities," said Goto, who outlined plans for the company to expand its investment in artificial intelligence-related technologies.

Although SoftBank's April-to-June loss was heavier than expected, it was significantly better than the group's performance in the same quarter a year earlier, when it made a loss of ¥3.2tn.

Richard Kaye, a portfolio manager at Comgest and a long-term investor in SoftBank, said the company was starting to be understood again as a major innovator. "I think SoftBank will become adventurous again, and its good and bad experiences will make it more astute," said Kaye.

The depth of SoftBank's losses were partially offset by an improvement at the Vision Fund unit, which booked an investment gain of ¥159.8bn due to a recovery in global tech valuations.

The gains included those attributable to subsidiaries of SoftBank, such as UK chip designer Arm.

SoftBank yesterday confirmed Arm's valuation at $45.2bn at the end of June, a rise of about 13 per cent from the previous quarter.

Arm, as analysts pointed out, simultaneously recorded a 10.8 per cent year-on-year drop in sales and an overall loss of ¥9.5bn for the same three-month period. SoftBank blamed the decline on slowing revenues in the semiconductor industry.

David Gibson, a longtime SoftBank analyst at MST Financial, said the company was "once again getting creative with its presentations to spin a more positive story".

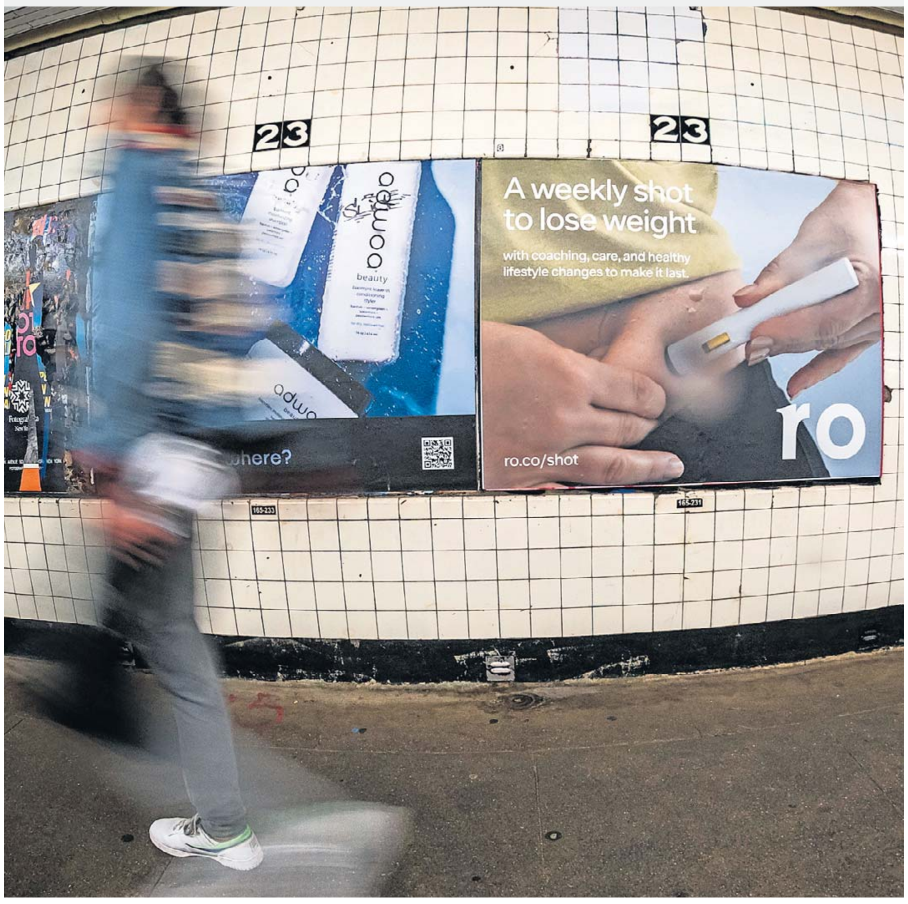
Son is planning to float Arm in the US this year and analysts believe he may seek a valuation for the company of as much as $80bn.

Before the April-to-June period, the Vision Fund had logged five consecutive quarters of losses, battered by the sharp plunge in global tech valuations.

The Vision Fund segment, which includes Vision Funds 1 and 2 as well as the $7.6bn LatAm Funds, recorded a pre-tax profit of ¥61bn for the most recent quarter, against a ¥2.3tn loss in the same period a year earlier.

See Lex

Hearty cheer Investors send Novo up 17% as study shows obesity drug reduces cardio risk



A New York subway poster extols the weight-loss benefits of Novo Nordisk's Wegovy — Richard B. Levine/Sipa/Reuters

HANNAH KUCHLER — LONDON
JAMIE SMYTH — NEW YORK

Novo Nordisk's best-selling obesity drug cuts the risk of heart attacks or strokes, say the findings of a trial that sent shares in the Danish pharmaceuticals group and main rival Eli Lilly to records yesterday.

The preliminary results of the study found that patients who took the Wegovy drug had a 20 per cent lower chance of suffering a cardiovascular event such as a heart attack or stroke than those who received a placebo.

Analysts said the results of the late-stage trial would press public health systems and private health insurers to cover a new class of weight-loss drugs called GLP-1 agonists developed by Novo and US drugmaker Lilly.

In the US, some health insurers have been reluctant to cover the drugs because of their high cost and the sheer number of people who qualify to take them, with obesity affecting about 40 per cent of the population.

Evan Seigerman, analyst at BMO Capital Markets, said that the health benefits demonstrated by Novo's trial made it "unethical" not to provide potentially life-saving medications to those in need.

Expanding coverage for Wegovy and Lilly's diabetes drug, Mounjaro, which is expected to be approved to treat weight loss in the autumn, could unlock a market worth more than $100bn a year, he said.

Novo's shares closed 17.3 per cent higher in Copenhagen yesterday while Lilly was up 13.5 per cent in early afternoon trading in New York.

Lilly was also boosted by the publication of results that showed sales of Mounjaro hit almost $1bn in the second quarter. It raised its full-year annual sales forecast by $2.2bn to the range of $33.4bn to $33.9bn.

Lilly's shares have risen 75 per cent over the past year, making it the most valuable drugmaker by market capitalisation.

Novo said that the Wegovy trial, which enrolled 17,604 adults aged 45 or older, had achieved its primary objective by showing a statistically significant reduction in major cardiac events for patients who received 2.4mg of semaglutide, the main ingredient in Wegovy, compared with those who took the placebo.

Martin Holst Lange, executive vice-president for development at Novo, said that until now there had been no approved weight-management drug that also reduced the risk of heart attack or stroke. It showed that the drug had "the potential to change how obesity is regarded and treated".

Novo expects to file for regulatory sign-off to expand what Wegovy can be used for, to include lower cardiac risks, in the US and the EU this year.

See Lex

Zoom recalls staff to the office as home working fades

RICHARD WATERS — SAN FRANCISCO

Zoom, the videoconferencing group that became synonymous with working from home in the pandemic, has joined the parade of companies requiring workers to show up in person.

The San Francisco-based software company has told employees who live within 50 miles of one of its locations that they will have to come to the office at least two days a week.

Zoom called its new work requirements "a structured hybrid approach" that was designed to put it "in a better position to use our own technologies, continue to innovate, and support our global customers". It added that it would "continue to leverage the entire Zoom platform to keep our employees and dispersed teams connected and working efficiently".

Zoom's shares leapt 15-fold from its initial public offering price the year before the pandemic after companies turned to its easy-to-use video meetings to keep their operations ticking over when offices were forced to close.

> 'To let employees work anywhere has sort of become a fashion'
>
> Eric Yuan, Zoom chief executive

Its stock market value peaked at more than $140bn, making it the tech sector's most visible winner from the Covid-19 crisis, before falling back more than 85 per cent as many of its customers began calling staff back to work.

Zoom has sought to turn the new hybrid work arrangements adopted by many of its customers into a new business opportunity. However, its Zoom Rooms offering — which is designed to improve the experience of online meetings involving people who are in the office with others working remotely — has not caught on with anything like the force of its original service.

The company reported revenue growth in its latest quarter of 3 per cent, a far cry from the growth of more than 400 per cent it recorded in 2020.

"I think hybrid work is going to stay," creating a new business opportunity for the company, chief executive Eric Yuan told investors on an earnings call in May. "To let employees work anywhere has sort of become a fashion."

See Lex

Vodafone's merger plan highlights sector pressure to consolidate

INSIDE BUSINESS
TELECOMS

Nic Fildes

Vodafone's network in its home market was once considered sacrosanct for a company that spread from Newbury to all corners of the world. Yet the plan to merge its UK business with smaller rival Three is the latest step to get its sprawling house in order.

Vodafone and CK Hutchison's Three have been here before. They engineered an equal-split merger in Australia in 2009, which acts as a precursor to this proposed deal.

It did not go well. The term "Vodafail" entered the Australian vernacular as the merger was mishandled and a network meltdown enraged the locals. The combined company lost a staggering 1mn customers — or almost 20 per cent of the base — as the dream of creating a stronger player receded into the reality of running a company placed a distant third in a three-player market.

The deal nonetheless became a template for markets including the US, Germany, Italy and Ireland, where regulators were swayed by arguments that consolidation into a telecoms triumvirate market structure would create stronger mobile players better able to invest in new 4G and 5G networks.

That "four-to-three" trend signalled the beginning of the end of the global aspirations of telecoms groups that had planted flags. The cost and bureaucracy of running networks from San Francisco to Soweto to Sydney to Suva, as Vodafone did, overwhelmed those ambitions. In-market consolidation became the order of the day.

Britain has been slow to join the party, largely because its four-to-three trend was stopped in its tracks when the merger of O2 and Three in 2016 was blocked on competition grounds. The Vodafone-Three proposal, and the merger of Orange and MásMóvil in Spain, will test whether the regulatory mood in Europe has changed.

Vodafone has learnt the lessons from its Australian troubles more than a decade ago. It will hold a 51 per cent stake in the combined UK business, which means it will retain control of the network in its home market. That was not the case in Australia where a former Hutchison executive presided over the Vodafail era that only really ended when the mobile company was folded into local broadband company TPG.

> The Vodafone-Three proposal, and Orange and MásMóvil's in Spain, will test whether regulators' mood has changed

It also provides an acid test over the impact of the merger on consumers. Vodafone, Three and TPG's combination did not trigger a sharp rise in the cost of telecoms in the already pricey Australian market, according to analysts. They argue that the companies would have been unlikely to survive as standalone businesses, so combining them at least preserved competition.

Arguably the biggest winner from the concentration of telecoms players was Telstra, the incumbent, which has grown its market value to A$49bn (£25bn) compared with the £20bn that the entire Vodafone Group commands and the £11bn value of its British equivalent BT.

Vodafone and Three had a 26 per cent share of the Australian mobile market when they merged but that has dwindled to 18 per cent, according to New Street Research, as a collapse in tourist and international student numbers during Covid hit it harder than its rivals. Telstra remains a dominant force with 50 per cent of the market while Singtel-owned Optus has 32 per cent.

More worrying is that only Telstra is covering its cost of capital, with Optus and Vodafone/TPG achieving returns on invested capital of only 1.2 per cent, according to New Street. Even in a three-player market, the going is tough.

That point was underlined further this week when TPG said it was in talks to sell its fibre assets to a Macquarie-owned rival for A$6bn to reduce debt. The sale will strengthen its balance sheet, but analysts pondered what the company will stand for in the future given that it will have undone the benefits of bringing mobile and fixed-line networks under one roof.

Some executives at Vodafone have privately argued for years that markets such as Australia can only really support two healthy operators because of the power of Telstra. Competition from cloud players including Amazon and Microsoft is building in the once-lucrative enterprise telecoms market. And there is the looming threat of low-Earth orbiting satellite groups such as OneWeb and Elon Musk's Starlink, which are targeting the wireless sector. So the pressure on mobile-only operators could become more intense over time. The onus could soon be on regulators to decide whether there is even room for three players, never mind four.

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Financials

Watchdogs issue $555mn of messaging fines

Wells Fargo among those penalised by CFTC and SEC over record-keeping

STEFANIA PALMA — WASHINGTON

Nine Wall Street companies have agreed to pay a total of $555mn in fines over messaging violations in the latest round of record-keeping charges filed by US regulators.

The US Securities and Exchange Commission accused broker-dealers including Wells Fargo and BNP Paribas of "widespread and longstanding failures . . . to maintain and preserve electronic communications", and said yesterday it had agreed to receive combined penalties of $289mn from these companies.

The SEC charged nine parent companies, five of which faced similar charges brought by the Commodity Futures Trading Commission. The derivatives regulator yesterday imposed $266mn in fines on five swap dealers and futures brokers — BNP Paribas, Société Générale, Wells Fargo, Bank of Montreal and Wedbush Securities — for messaging violations.

The charges are the latest step in a sweeping regulatory challenge against record-keeping failures, with long-running investigations costing some bankers their jobs and pushing businesses to crack down on the illicit use of external messaging platforms.

"While some broker-dealers and investment advisers have heeded this message, self-reported violations, or improved internal policies and procedures, today's actions remind us that many still have not," Gurbir Grewal, director of the SEC's enforcement division, said in a statement.

According to the SEC, companies admitted that from at least 2019, staff communicated about business matters via platforms including WhatsApp and Signal. The companies failed to keep a "substantial majority" of these messages, the regulator said.

The CFTC said that firms failed to "maintain, preserve or produce records that were required to be kept under CFTC record-keeping requirements" as well as "diligently supervise" business matters.

"The commission's message could not be more clear — record-keeping and supervision requirements are fundamental, and registrants that fail to comply with these core regulatory obligations do so at their own peril," Ian McGinley, the CFTC's director of enforcement, said in a statement.

Wells Fargo agreed to the highest total penalty of $200mn, while BNP Paribas and Société Générale had the second-largest fines at $110mn. Wells Fargo said it was "pleased to resolve this matter", while BNP Paribas and Société Générale declined to comment.

The other companies named in the regulatory orders — Bank of Montreal, Mizuho, Houlihan Lokey Capital, Moelis & Company, Wedbush Securities and SMBC Nikko Securities America — agreed to pay total fines from $9mn to $60mn. Moelis, Houlihan Lokey, Mizuho and SMBC declined to comment, while the others did not immediately respond to a request for comment.

Grewal said the SEC had brought 30 enforcement actions and imposed more than $1.5bn in penalties in connection with record-keeping failures, while McGinley said the CFTC had brought challenges against 18 businesses and ordered more than $1bn in penalties.

Eleven separate Wall Street banks and brokers in September agreed to pay more than $1.8bn in fines over similar charges brought by US regulators.

Support services

Dentons severs Dacheng link as Beijing takes tougher line on regulation

JOE MILLER — NEW YORK

Dentons, the largest western law firm in China by staff, is hiving off its operation in the country in response to Beijing's intensifying regulation, which has hit foreign companies.

The firm informed clients on Monday that it was making the move owing to the "evolving regulatory environment for Chinese law firms", including requirements "relating to data privacy, cyber security, capital control and governance".

The decision by Dentons comes amid worsening prospects for foreign companies in the country as the Chinese government expands cyber security and data protection laws on national security grounds. China broadened its anti-espionage laws in April to cover any "documents, data, materials or items related to national security and interests".

Lawyers for Dacheng, the firm in China, would operate in a separate entity to which Dentons would refer clients, Dentons said.

Dentons had merged with Chinese group Dacheng in 2015. But the Dacheng name will no longer be used by Dentons, and the Chinese entity will not contribute to the firm's global profit pool.

The group is already regionally separated under the Swiss *Verein* system, which allows merged entities to remain somewhat independent.

Prospects are worsening for foreign businesses as cyber security and data laws are broadened

Several other firms have said that they are considering similar moves in response to China's rules, but few have publicly announced a separation.

The decision to, in effect, leave China was outlined in an email sent to clients by Dentons partners and seen by the Financial Times.

In the email, Dentons said that Dacheng "will no longer be a member of the Dentons Group and will instead operate as a separate and independent legal entity under a 'preferred firm' relationship with Dentons".

It said the firm's Hong Kong offices would remain a part of Dentons itself.

"We expect the most notable change you will see is an update to our firm's logo and branding, which will return to our pre-2015 approach that does not include the Chinese characters and will roll out in the coming weeks."

Dentons said that it would "continue working together [with Dacheng] to meet our clients' needs" across China and the more than 80 countries in which the firm does business".

Foreign businesses operating in China have been alarmed by raids on global companies. In March, Mintz Group employees in China were detained following a raid by authorities, while in April, China's state security services carried out raids on management consultancy Bain's Shanghai office.

In May, authorities visited the offices of Capvision, which specialises in connecting consultants and investors with a network of 450,000 experts.

Dentons became the largest western law firm in China by number of personnel when it joined forces with Dacheng in 2015.

Additional reporting by Thomas Hale in Shanghai

Automobiles. State planning

China tech's EV effort collides with bureaucracy

Strict licensing regime sets in with just two output approvals granted since start of the year

RYAN MCMORROW AND NIAN LIU — BEIJING
GLORIA LI AND QIANER LIU — HONG KONG

Red tape is frustrating the efforts of Big Tech in China to launch electric vehicles, with car rollouts from search group Baidu, smartphone maker Xiaomi and ride-hailing group Didi all being stalled.

A stricter licensing regime was affecting the tech groups that had been latecomers to China's EV boom — they were having difficulty securing regulatory approvals to begin making and selling debut cars, according to six people close to the companies.

"We have hundreds of engineers waiting around doing nothing," said a member of staff at one of the companies.

Public records show only two approvals for new electric-car production since the start of the year.

Industry insiders say that regulators have tightened approvals to tackle growing overcapacity and a spate of EV company failures that have left customers complaining of owning vehicles that cannot be repaired or serviced.

Eunice Lee, a sector analyst at Bernstein, estimates that China has the capacity to make close to 40mn vehicles a year and rising, but there is domestic demand for just 20mn to 25mn.

Several of the people close to the tech groups said they were hopeful that regulators would relent, pointing to officials' charm offensive to restore private sector confidence.

But the rules enforced by China's state planner and the Ministry of Industry and Information Technology have throttled the dreams of billion-dollar start-ups such as Niutron, backed by US investment group Coatue.

The start-up has been almost bankrupted and was forced to lay off most of its workforce after failing to obtain an EV production licence.

Baidu's electric-vehicle arm Jidu has delayed the launch of its Robo-01 model, despite pledges that deliveries would start in the third quarter.

The search group partnered with carmaker Geely Holding to set up Jidu in 2021, with Baidu holding a majority stake and keen to make a vehicle that showcases its self-driving technology.

The two groups have invested $1bn in the project and are working to raise another $400mn for Jidu as losses balloon in the run-up to full production at Geely's Zhejiang car plant, documents seen by the Financial Times say. Staff at Jidu sales outlets in Beijing are telling prospective customers that the group will provide an update soon and deliver vehicles before the end of the year.

Question marque: the launch of Baidu EV business Jidu's Robo-01 has been held up by the need to secure certain paperwork concerning new energy vehicle production
CFoto/Sipa/Reuters

It was being held up by MIIT rules that required both the marque and its contract manufacturer to have new energy vehicle production licences, according to two people close to the companies.

Jidu had so far failed to obtain one, and talks between Baidu and Geely were likely to lead to the latter taking a greater role in the partnership, the people said.

"If Jidu would like to use Geely's mass production credentials, Geely needs to at the very least hold a 50 per cent stake in the joint venture under normal circumstances," said analyst Shi Ji at brokerage CMB International.

Analysts point to a partnership between Huawei and carmaker Seres as a possible model to sidestep the regulations, with Huawei supplying technology and marketing knowhow but having no direct stake in its partner.

EV start-up Niutron has taken a similar route after failing to receive approval for its debut sport utility vehicle.

In June, its carmaker partner Dorcen received MIIT approval to launch an SUV that closely resembles Niutron's car but without using its marque.

Two former employees said that Niutron remained involved as a supplier but could not have its name on the car.

Even some of the existing leading EV makers are finding it difficult to obtain approvals.

Nasdaq-listed Nio, which took over a factory in Chuzhou this year to make cars for its budget sub-brand codenamed Firefly, and Xpeng, which has a factory in Wuhan, were waiting for licences, according to two people close to the companies.

China's ride-hailing leader Didi has been pushing ahead with a project known as Da Vinci, which involves taking a stake in state-backed Guoji Zhijun and making cars at its plant in Ganzhou. But Didi's name has yet to appear in MIIT's monthly list of new approvals.

Smartphone maker Xiaomi has test cars rolling off production lines at its factory complex outside Beijing. Several

> 'We have hundreds of engineers waiting around doing nothing'

workers leaving the plant said they were ironing out final issues before starting mass production.

"All the machines are in place. We're almost ready," said one worker.

Xiaomi, which has pledged $10bn to the venture, has still not received permission from MIIT to start mass-producing vehicles.

Chief executive Lei Jun had been lobbying city officials to help ensure that his group gained a production licence once held by Beijing Borgward, an EV maker that failed last year, said two people close to the company.

"The Beijing city government values us highly," said one employee. "But this licensing issue has dragged on too long. Everyone is asking about it internally. We've been hearing it'd be solved since the start of the year."

Xiaomi has said that it will start delivering vehicles in the first half of next year and did not respond to requests for comment.

Baidu declined to comment. Jidu, Geely, Xpeng, Didi, Niutron, Coatue and Niu did not respond to requests for comment.

Technology

TSMC to build €10bn German chip plant

KATHRIN HILLE — TAIPEI
LAURA PITEL — BERLIN

Taiwan Semiconductor Manufacturing Company, with three corporate allies, is to go ahead with a €10bn plant in Germany as the world's largest contract chipmaker seeks to diversify globally in response to customer concerns over geopolitical tension.

The Taiwan-based group has teamed up with automotive supplier Bosch and chipmakers Infineon and NXP to build the factory in the eastern city of Dresden, the four companies said yesterday. TSMC approved an equity investment of up to €3.5bn in European Semiconductor Manufacturing Company.

The German government has offered TSMC half of the total — €5bn — in subsidies to support the project, according to a person familiar with the details.

The economy ministry in Berlin said its support was in line with the criteria of the European Chips Act. Economy minister Robert Habeck, who has fought for subsidies to lure chipmakers, said the factory would be "a significant contribution to securing the supply of semiconductor chips to Germany and Europe".

The move adds to Berlin's strategy to become a European hub for chip manufacturing, backed by generous state support. The EU as a whole is, meanwhile, seeking to double its share of the global semiconductor market from 10 to 20 per cent by the end of the decade.

Intel said in June that it planned to build two wafer fabrication sites in eastern Germany in the single biggest instance of foreign direct investment in the country's history. The chipmaker Infineon, meanwhile, broke ground on its chip factory in Dresden in May.

The joint venture unveiled yesterday, of which the Taiwanese company will own 70 per cent while its European partners will each hold one-tenth, aims to start construction next year. Production is scheduled to start by the end of 2027, the companies said.

"This investment in Dresden demonstrates TSMC's commitment to serving our customers' strategic capacity and technology needs," said CC Wei, TSMC's chief executive.

The decision highlights TSMC's strategic shift from almost exclusive reliance on its Taiwan manufacturing base to several regional production hubs, as governments and chip buyers from around the world fear the repercussions on semiconductor supplies should China attack Taiwan.

While TSMC reluctantly responded in 2019 to pressure from Washington to build a fabrication plant, or fab, in the US, management has pivoted to defending fab investments abroad as a move to keep global customers from defecting to rivals, such as Intel and Samsung.

Banks

Rogers steps down as Goldman's chief of staff

JOSHUA FRANKLIN — NEW YORK

John Rogers, Goldman Sachs' chief of staff and one of the bank's most influential executives, is stepping back from his role.

Rogers, 67, is handing over his responsibilities to Russell Horwitz, a former Goldman partner who left the group in 2020, the bank announced in a memo to staff yesterday.

Rogers, dubbed the "board whisperer" by some insiders, is remaining at Goldman as executive vice-president and secretary to the board.

Horwitz, whose role starts on September 5, was previously at Goldman for 16 years and held several positions including deputy chief of staff. He most recently worked as chief global affairs officer at Citadel, the investment company run by Ken Griffin.

"The opportunity to go back in this capacity, it felt right for a million reasons," Horwitz told the Financial Times.

As chief of staff, Horwitz will oversee operations in Goldman's executive office and will manage corporate communications, government and regulatory affairs, and corporate engagement.

The change in such an important role comes at a sensitive time for Goldman and chief executive David Solomon following a series of recent senior departures as well as slowdowns in investment banking and trading activity.

John Rogers will remain as executive vice-president and board secretary

Like many who have worked at Goldman, Rogers' career has blended Wall Street finance with politics. He previously worked in the White House under Gerald Ford, Ronald Reagan and George HW Bush before joining Goldman in 1994.

He is the first person at Goldman to have the chief of staff role and, along with his position as secretary to the board, he was viewed as having significant influence in both the management committee and the board of directors.

Horwitz joined Goldman in 2004 and was made a partner in 2012. He previously worked at the Securities and Exchange Commission and was special assistant to the national economic adviser and deputy director of communications research at the White House during the Clinton administration.

At Goldman, he was a key aide to Lloyd Blankfein, Solomon's predecessor as chief, after the 2008 financial crisis.

Iger's return to Disney spooked by TV's decline

Staff cheered when ex-chief was reinstalled but traditional networks have become a drag and the shares are languishing

CHRISTOPHER GRIMES IN — LOS ANGELES
ORTENCA ALIAJ AND ANNA NICOLAOU
NEW YORK

Bob Iger's retirement from Disney only lasted 11 months, but since his return as chief executive in November he has admitted to being surprised by the number of problems he has discovered at the company.

The decline of the traditional TV business has been worse than he thought, leading to a serious drop-off in advertising and questions about whether the networks remain core assets for Disney.

A number of box office disappointments, including *Haunted Mansion*, have prompted analysts to conclude that Disney's vaunted film studios have lost their creative spark.

"In some cases the challenges are greater than I had anticipated," Iger told CNBC last month. "The disruption of the [traditional TV] business has happened to a greater extent than even I was aware of."

For years the thriving TV business helped pay for splashy acquisitions that marked Iger's first 15-year tenure, including hit machines Pixar and Marvel. Later, TV subsidised its expensive push into streaming. But it has now become a drag on the company.

"He's got some very tough decisions," said a shareholder. "What do you do with linear [TV]? Linear is a big problem. It still spits tonnes of cash but it's a declining [business]. And if you try to sell it, I don't know who's going to buy it."

With the stock down 21 per cent over the past year, Iger has been unusually willing to float ideas publicly about the parts of Disney he might want to get rid of.

He wondered aloud earlier this year whether the Hulu streaming service remained essential, only to say later that it was. He told CNBC that the model behind traditional TV networks, including ABC, was "definitely broken", noting that they "may not be core to Disney".

Iger recently retained two former Disney executives, Kevin Mayer and Tom Staggs, to help him examine options for the TV business, including ESPN, the sports network that for years was the company's growth engine. Iger is said to be seeking partners to run ESPN, which could include sporting leagues or other media groups. It was also examining options for its Indian TV business, according to three sources.

While the TV business is a big headache for Iger, he also faces the challenge of slashing the losses in Disney's streaming businesses, which the company has forecast will not turn its first profit until 2024.

Streaming and the TV networks are expected to be a drag on Disney's earnings when it reports quarterly results today, along with the weaker-than-expected box office performance of summer films including *Indiana Jones and the Dial of Destiny*.

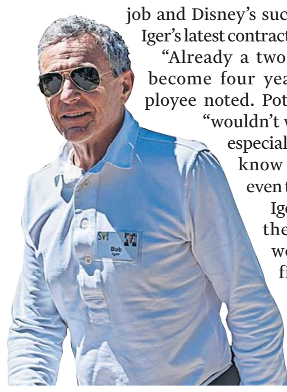
Disney is expected to earn 96 cents a share, down from $1.09 a year earlier, on revenue of $22.4bn. Operating losses in the Disney+ streaming service are expected to total $760mn, up $100mn from the previous quarter, according to Citi estimates. Its streaming business is expected to lose 3mn subscribers from the previous quarter.

'Haunted Mansion' is among box office disappointments that have led analysts to conclude that Disney, led by Bob Iger, below, might have lost its creative edge

Investors are also expecting an update on the $5.5bn cost-cutting initiative Iger announced shortly after his return, which has eyed 7,000 job cuts.

Iger's return was cheered by investors and employees, who hoped that the veteran chief could stabilise Disney following the pandemic and the bumpy tenure of his successor, Bob Chapek.

But he has recently drawn criticism after being awarded a two-year extension to his contract, which renewed old doubts about his willingness to leave the job and Disney's succession planning. Iger's latest contract ends in 2026.



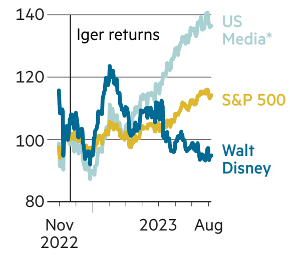
"Already a two-year tenure has become four years," one ex-employee noted. Potential successors "wouldn't wait for that long, especially when they don't know if Iger will leave even then".

Iger, long considered the voice of Hollywood, came under fire from striking writers and actors when he said that their expectations were "not realistic".

> 'What do you do with linear? If you try to sell it, I don't know who's going to buy it'

Stock performance

Prices rebased (Nov 20 2022=100)



* Includes Alphabet, Amazon, Apple, AT&T, Comcast, Discovery (Warner Bros. Discovery), Meta Platforms, Netflix and ViacomCBS (Paramount)
Source: Refinitiv

There have been internal tensions, including with former chief financial officer Christine McCarthy, who had played a role in unseating Chapek. Disney cited medical reasons when it announced in June that she was stepping down, but three people familiar with the situation said she departed after tensions between her and Iger.

"This is pretty well known in the company," said a former employee. "She was independent-minded, and Iger thought that she wasn't sufficiently loyal."

McCarthy could not be reached for comment. She has been replaced on an interim basis by Kevin Lansberry, but the company has started to search for a full-time CFO.

As it looks to cut costs, Disney is examining its options in India, where it lost the rights to stream Indian Premier League cricket last year in a record $6.2bn auction. It retained the broadcast rights.

"They are certainly looking at options to pare down the liabilities in India," said an executive familiar with the business.

"I suspect an outright sale will be one of the options, but it's not the first or the only option. Iger would want to spin it into a strategic pivot rather than a fire sale." Disney declined to comment.

Other former executives said that it would be a mistake for Disney to exit the India business altogether.

"It hasn't been pretty, and there's a lot of sunk costs there," said a former Disney executive. "But selling would mean they lose their foothold in what's going to be the fastest-growing market that they can get into, because they'll never get into China."

Also hanging over Iger is a looming transaction with Comcast, which owns one-third of the Hulu streaming service.

In 2019 the companies agreed that either side could force a transaction starting in January 2024, with Comcast holding the right to "put" the stake to Disney, or Disney being able to "call" the stake from Comcast.

Disney is expected to buy out the Comcast stake, which could fetch $9bn or more. "Comcast is going to strangle him on the price at a time when he can least afford another . . . acquisition," said the shareholder.

"He'll be getting further into debt."

Energy

German fusion start-up Marvel works with US university to build laser research facility

TOM WILSON — LONDON
PATRICIA NILSSON — FRANKFURT

A German start-up is in a partnership with Colorado State University to build the first laser facility dedicated to commercial fusion energy research as optimism grows over the technology's potential to deliver zero-carbon power.

The $150mn partnership between Munich-based Marvel Fusion and the US university aims to advance the development of a laser-based approach to producing commercially viable power by fusing atoms.

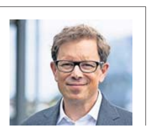
Interest in the approach has increased since scientists at the US government-run National Ignition Facility used the world's largest laser to achieve a net energy gain in a fusion reaction for the first time in December. It repeated the breakthrough in July, achieving an even higher energy output, the Financial Times reported at the weekend.

Whereas the NIF was established primarily to simulate reactions in nuclear weapons, the Colorado facility will be the first site specifically designed to develop the technology needed for a laser-based fusion power station, chief executive Moritz von der Linden said.

"There is momentum in fusion worldwide," he told the FT. "People realise that energy demand and climate change are pressing issues that will not be met by renewables only."

Magnetic confinement, which remains the most widely studied approach to fusion, uses huge magnets to hold two hydrogen isotopes — usually deuterium and tritium — in place while they are heated to temperatures hotter than the sun.

Laser fusion is based on an alternative theory known as inertial confinement, in which the lasers are fired at a tiny capsule of the hydrogen fuel, triggering an implosion. The NIF, which was built between 1997 and 2009, uses 192 ageing lasers to heat the fuel to more than 3mn degrees centigrade. The Colorado facility will initially have only three lasers but each laser will be more powerful than the equivalent at the NIF. And whereas the NIF can make a maximum of one shot a day, the Colorado system will be able to deliver 10 flashes per second. "What we do with lasers today was unthinkable even five years ago," von der Linden said.



Power play: Moritz von der Linden is aiming to develop the technology for laser-based fusion power stations

In the NIF breakthrough in December, the reaction produced about 3.15 megajoules of energy, which was about 150 per cent of the 2.05MJ of energy in the lasers.

Scientists estimate that a laser-based power station would require several fusion reactions a second, with each reaction generating between 30 and 100 times the energy in the lasers.

Most scientists believe commercially viable fusion power is still decades away but the potential is hard to ignore. Fusion reactions emit no carbon, produce no long-lived radioactive waste and a small cup of fuel could in theory power a house for hundreds of years.

Marvel has chosen to work with Colorado State University rather than an institution in Europe due to "speed", von der Linden said. In February, he told the FT it was a "disadvantage" to be in Germany owing to the higher levels of private capital and government support available in the US.

Speaking from Colorado, he said the funding gap remained. "Here in the US, investors have shown greater commitment and risk appetite and greater support for this tech."

However, there were European initiatives "in the right direction", he added, citing the UK government's support for the fusion industry around Oxford, France's inclusion of fusion in its France 2030 programme and Germany's recent publication of its fusion study.

"We see [the Colorado facility] as an important stepping stone to demonstrate the technology to then be able to build a power plant, but that doesn't necessarily mean that this will be in the US too," von der Linden said.

Asset management. Regional hub

Sovereign clients and low tax lure hedge funds to Dubai

Gulf glamour: more hedge fund employees are asking for relocation to Middle East locations
Christopher Pike/Bloomberg

New York and London-based firms are opening subsidiaries in the UAE at a rapid pace

COSTAS MOURSELAS — LONDON
ORTENCA ALIAJ — NEW YORK

A growing number of top hedge funds are setting up shop in Dubai, as the lure of low taxes and the region's deep-pocketed investors cements the emirate's status as an industry hub.

Quant investor AQR, and multi-strategy firms such as Sculptor and Lighthouse Partners, are among the funds to establish a presence in the city over the past year, according to regulatory disclosures and people in the industry.

The moves highlight how the aftermath of the Covid pandemic has added impetus to the Dubai authorities' two-decade push to become the regional base for the hedge fund industry.

Of the 40 funds registered in the emirate as of July, more than a third arrived in the past 12 months, according to figures from the Dubai International Regulatory Authority. Most are subsidiaries of London or New York-based firms.

Executives and traders say the absence of personal income tax in the United Arab Emirates has left the city well-placed in an escalating war for hedge fund talent that has seen in-demand portfolio managers offered millions of dollars in signing bonuses.

But hedge fund executives also admit a local presence is as much a long-term business decision and signal to the region's wealthy state-backed investors.

"The sovereign wealth funds of Saudi Arabia and the UAE are an important source of capital for hedge funds, so there has always been a need to travel there," said Sean McGould, chief executive and chief investment officer at Lighthouse Partners, which opened its Dubai office in April and currently has one employee based there. "It's important to have an office there to show commitment on the ground."

'Dubai has reached a certain size and scale where there are now intra-hedge fund moves'

Industry insiders said the number of hedge funds in Dubai is nearing a critical mass that has made it feasible to hire from competitors in the region, rather than attract talent from abroad.

"Dubai has reached a certain size and scale where there are now intra-hedge fund moves," said an executive at a multibillion-dollar family office that has an office in Dubai.

Credit specialist hedge fund King Street Capital Management, which has $23bn under management, opened its Dubai office in March, though its presence is still small. Managing director Reda Zebdi is the only employee in the office for now but the hedge fund said it intends to grow "naturally".

"Since Covid, many firms, including King Street, have tried to move closer to investors in the region" he said. "When an ecosystem is building and building fast, we want to be part of it."

Izzy Englander's Millennium Management was one of the first big US hedge funds to move to the city when it hired a Dubai-based portfolio manager in 2020. The near $60bn-in-assets firm now has about 50 people working there, mostly investment professionals, said people familiar with the matter.

A spokesperson for Millennium declined to comment.

The talent war among so-called multi-strategy firms — the hedge fund giants that increasingly dominate the industry — has led others to follow suit. Steve Cohen's Point72 Asset Management, ExodusPoint Capital Management and, more recently, Balyasny Asset Management have all opened Dubai offices.

Balyasny, which has $21bn under management, plans to have 10 teams led by portfolio managers on the ground by the end of the year, according to a person familiar with the matter. However, not every member of the PM teams will necessarily move to Dubai.

But the move to the UAE is not just about tax and raising capital. Dubai and Abu Dhabi are increasingly seen by wealthy hedge funders as attractive alternative cities to London, New York and Hong Kong after the pandemic.

'When an ecosystem is building and building fast, we want to be part of it'

Hedge fund firms say they saw an increase in inquiries from employees keen to relocate to the Middle East during lockdowns in Europe and the US. Dubai's Covid restrictions were less harsh than in London and Hong Kong.

"We were actually open in Dubai because it had a very short lockdown stint and, as a result, we became an interesting option for a large number of portfolio managers," said a senior employee at one large hedge fund.

The city is not the only one in UAE to benefit from the hedge fund rush. UK macro hedge fund giant Brevan Howard, which has $33bn in assets, announced that it was opening an office in Abu Dhabi earlier this year.

Co-founder Trifon Natsis and chief compliance officer Ryan Taylor have both moved to the city. The firm wants to hire more than 100 people there over the next 12 months, according to a person familiar with its strategy.

Despite the rush to the Gulf, so far no major hedge fund has moved its headquarters to the UAE. But for portfolio managers keen to maximise their earnings, the UAE has become a popular alternative destination.

"It's a compelling draw for people, especially if you're used to constant strikes in London, a high tax burden and public services being severely impacted," said an executive at a large fund that just opened an office in the UAE. "It's exciting to see the real buzz and enthusiasm."

Property

Top China developer misses bond payments

THOMAS HALE — SHANGHAI
HUDSON LOCKETT, CHENG LENG AND KAYE WIGGINS — HONG KONG

Country Garden, China's biggest private developer by sales, has missed interest payments on two international bonds as it battles to stave off a liquidity crisis that has derailed the real estate sector and dragged on economic growth.

The $500mn bonds, which are due in February 2026 and August 2030, and were already trading at distressed levels, fell to 13 and 11 cents on the dollar respectively on reports of $22.5mn in missed coupon payments.

Country Garden, which had almost $200bn in liabilities as of the end of 2022, was one of a handful of private companies to survive a liquidity crunch that has ravaged the country's real estate sector since the default of Evergrande almost two years ago.

An official default would be a blow for an industry that typically drives more than a quarter of China's economic activity but has been paralysed by construction delays, declining home sales, and lack of funding. The second-largest economy grew 0.8 per cent in the second quarter compared with the first.

"Country Garden has been held out by many in China as one of the better developers, yet it has suffered from the same problems everyone else has suffered," said Andrew Lawrence, Asia property analyst at TS Lombard. "I think this will resonate perhaps more domestically than Evergrande."

Country Garden has been hit by 'the same problems everyone else has suffered'
Andrew Lawrence, TS Lombard

Country Garden confirmed it had not yet made the payments and said yesterday that it was experiencing "liquidity pressures" because of "a deterioration in sales and the refinancing environment" as well as tight rules on use of funds. It was still trying to "actively optimise" its debt arrangements and "protect the rights of creditors". The bonds have 30-day grace periods.

Evergrande, the world's most indebted developer, originally missed coupons on its own international bonds in September 2021, sparking a wave of defaults across China's property sector.

The group, locked in an opaque restructuring process with international creditors, last month disclosed $81bn of losses in 2021 and 2022.

Country Garden was included in a government list of "high-quality" developers eligible for support from state banks in November. But it has come under scrutiny this year over its sales, which in July 2023 were less than half their level during the same period last year and a quarter of the comparable period in 2021. Its shares in Hong Kong are down 28.5 per cent this month.

Last week it cancelled a $300mn share placement offered at a discount of 17.7 per cent at the last minute, according to a document produced by sole bookrunner JPMorgan.

Additional reporting by Andy Lin in Hong Kong

Fixed income

S&P drops ESG scores from corporate borrower ratings amid political backlash

PATRICK TEMPLE-WEST — NEW YORK

S&P Global has stopped handing out scores to corporate borrowers on ESG criteria, at a time of rising questions about their utility and political attacks on such metrics.

The debt rating agency has since 2021 published scores from one to five for a company's exposure to each element of environmental, social and governance risks. Payments company Visa, for example, had received a two for "E" and "S" and a three for "G". FirstEnergy, an Ohio utility that has been charged with corruption, received a four score for "G", S&P's second-lowest grade.

Late last week S&P reversed course, saying that only text, not numerical scores, would comprise analysis of a company's ESG matters.

"We have determined that the dedicated analytical narrative paragraphs in our credit rating reports are most effective at providing detail and transparency on ESG credit factors material to our rating analysis," the agency said.

The U-turn puts S&P at odds with debt rating rival Moody's, which still rates ESG criteria on a one to five scale.

S&P is influential, with debt ratings that can affect a company's borrowing costs. As Republicans target Wall Street's use of ESG more broadly, conservative state attorneys-general last year opened an investigation into S&P's use of the factors.

Tom Lyon, a professor at University of Michigan's business school who has studied ESG ratings, said the S&P move was "just the latest example of a company crumpling in the face of these Republican attacks". Their attacks have also overshadowed real concerns about ESG ratings sold by S&P and other financial firms, Lyon said. "They are not that reliable and they disagree."

The agency will no longer assess ESG criteria using a scale of one to five

The move comes amid scepticism over ESG ratings from some investors. Marcus Moore, a portfolio manager for Osterweis in San Francisco, said he did not pay much attention to specific ESG credit scores from rating agencies and that the numbers should not be a deciding factor for investors.

"We will continue to read S&P's reports and get a feel for what they are thinking about" on ESG, Moore said.

S&P said its ESG credit indicators were not sustainability ratings or a standalone assessment of an company's ESG performance. "The ESG credit indicators were intended to illustrate and summarise the relevance of ESG credit factors on our rating analysis," S&P said. "This update does not affect our ESG principles criteria or our research and commentary on ESG-related topics, including the influence that ESG factors can have on creditworthiness."

Additional reporting by George Russell in Hong Kong and Harriet Clarfelt in New York

Currencies

Cross-border debt surge helps Beijing's effort to widen global use of renminbi

HUDSON LOCKETT AND CHENG LENG
HONG KONG

Sales of cross-border debt denominated in renminbi have boomed this year, as relatively low yields in China's bond market boost Beijing's drive to increase the international footprint of its currency.

Sales of renminbi-denominated "panda" bonds by foreign issuers in China have risen to Rmb75bn ($10.4bn) so far in 2023, already surpassing the full-year record set in 2021.

Issuance of renminbi-denominated "dim sum" bonds in Hong Kong is also at a new high over the same period, having topped Rmb320bn, according to Bloomberg and Chinese data provider Wind.

That takes the value of cross-border renminbi issuance to nearly Rmb400bn, up more than a fifth from last August and potentially on track to top record full-year sales of Rmb466bn from 2022.

Bankers and traders said this year's rush had been facilitated by growing expectations that US interest rates would stay higher for longer while Chinese rates would remain relatively depressed as Beijing sought to bolster a shaky economic recovery.

It has benefited both the so-called panda market, which connects foreign issuers to a largely Chinese domestic investor base, and the more established dim sum market, typically used by Chinese borrowers to tap foreign capital.

"Onshore funding costs are cheaper than offshore, even on an after-swap basis for the dollar," said Clifford Lee, global head of fixed income at DBS, referring to currency swaps that allow investors to exchange two currencies for a set period before swapping them back.

'If firms swap the amount issued into other currencies, it could [put] pressure on the renminbi'

Cross-border sales of renminbi debt began to pick up a lot last year as rate rises by the US Federal Reserve pushed yields on dollar bonds above their renminbi counterparts, making the latter a source of relatively cheap financing.

The rise in panda bond sales has also been boosted by changes that took effect at the start of this year allowing issuers to take the funds raised out of China, albeit with official permission. Those efforts have attracted more foreign companies, said Lee, whose group has run renminbi bond deals in China's onshore market this year for Mercedes-Benz and Crédit Agricole, among others.

Policymakers' recent support for the renminbi has also helped slow depreciation against the dollar and encouraged further issuance by foreign corporates wary that the funds they raised could fall in value. But analysts warned that authorities would keep an eye out for any impact on the exchange rate.

"While this may be good news for renminbi internationalisation, the impact on the currency is mixed," said Gary Ng, senior economist at Natixis in Hong Kong. "If firms swap the amount issued into other currencies, it could apply more downward pressure on the renminbi instead."

A Shanghai-based banker at one European bank pointed out that some foreign issuers of panda bonds had been forced to offer rates that were higher than their local counterparts.

Narrow stock rally can humble macro forecasters

Toby Nangle

Markets Insight

This year has been marked by strong equity markets, and what looks to be an astonishingly narrow rally. Of the 16.9 per cent returned by the S&P 500 index in the first half of this year, 12.9 per cent derived from the performance of only 10 companies.

With such a high proportion of a market's value created by so few groups, it feels fair to question the tool kits of asset allocators and, more broadly, the product line-up of fund management firms.

Narrow stock market returns are, after all, the norm. Research by Arizona State University's Professor Hendrik Bessembinder shows that more than half of the $55.1tn in net wealth generated by the US equity market between 1926 and 2022 came from the performance of fewer than 0.3 per cent of the market's stocks, with the other half of this net wealth coming from the next best 3.1 per cent of stocks.

Moreover, almost three-fifths of stocks actually destroyed wealth over the period. In quant-speak, the distribution of compound stock returns has been very positively skewed.

In addition, the skewness of equity returns turns out not to be a particularly North American phenomenon. In the 30 years ending in December 2020 the proportion of net wealth contributed by the best 1 per cent of emerging market stocks was more than 80 per cent.

Looking at the entire global stock universe outside the US, the proportion rises still further to more than 90 per cent. Winners have won big. Most individual stocks over the past 30 years have failed to outperform dollars stored under the mattress, let alone local currency interest-bearing cash deposits — even after taking into account dividends.

Bessembinder's work has typically been surveyed in terms of what it means for active stockpickers — with some seeing it as a rationalisation for chasing moonshots and others for pursuing passive index investing. Less examined has been what it means for asset allocators.

Developed market stock index returns have been dominated by global companies — even if they each carry a domestic tilt. As such, connecting local macroeconomic developments to the performance of a region's equity index can be something of a dark art.

> The skewness of equity returns turns out not to be a particularly North American phenomenon

Single large stocks with an economic fate that has little to do with their listing jurisdiction have dominated national index returns. For example, the photolithography machine-maker ASML accounts for more than a fifth of the total net wealth created by Dutch stocks in the 30 years up to 2020. Global fast-fashion retailer Inditex accounts for more than a sixth of Spanish stock returns. Global luxury brands LVMH and L'Oréal collectively account for almost a quarter of the returns from French stocks. These are not outliers. One cannot explain long-term returns without reference to such companies in pretty much any region.

If it becomes hard to explain equity index returns without reference to specific superstar groups, it stands to reason that it must be even harder to forecast equity index returns without taking a view on some individual companies.

It's easy today to focus on whether the "magnificent seven" that have powered the S&P 500 rally — Apple, Microsoft, Google owner Alphabet, Amazon, Nvidia, Tesla and Meta — might stumble. With more than a quarter of the US market's valuation riding on them, the question is not at all trivial. But 30 years ago, five of these seven had not even listed. It's hard to take a view on companies that don't yet exist.

I've been as guilty as the next asset allocator in explaining my preference for US over European stocks or vice versa with reference to macroeconomic outlook. Given that financials, utilities and property groups will carry a strong domestic flavour, this is still forgivable.

But when constructing a long-term strategic asset allocation, it is becoming increasingly untenable to justify regional preferences with reference to local macroeconomic forecasts. This may explain why long-term return forecasts for equity markets — or capital market assumptions, as they are known — have such a lousy record.

The biggest single investment decision any institutional or individual investor is likely to make in their portfolio is their choice of strategic asset allocation. To create a strategic asset allocation one must make reasonable guesses about future market returns. Bessembinder's research shows quite how invariably such reasonable guesses will be blindsided by the fate of single stocks.

Toby Nangle is a former global head of asset allocation at a fund manager

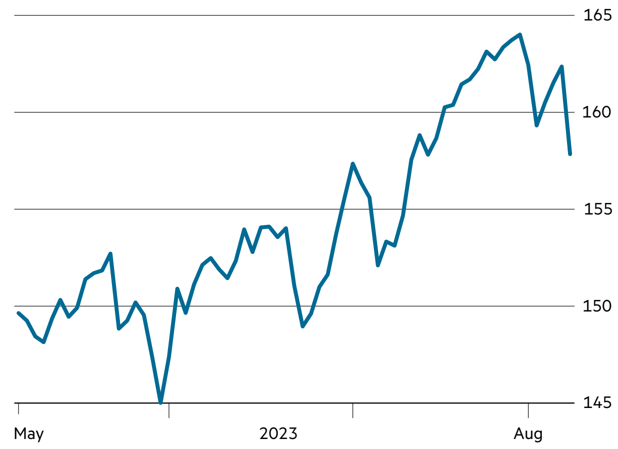
The day in the markets

What you need to know

- US financials retreat after Moody's downgrades midsized lenders
- Banks also fall in Europe following Italy's plan to introduce windfall tax
- Drop in Chinese exports leads Asian bourses lower, amplifying growth fears

European bank stocks hit lowest level in a month

Stoxx 600 banks index



Source: Refinitiv

Global equities retreated yesterday, dragged lower by financial stocks after Italy hit its banks with a windfall tax and Moody's cut the credit rating of several midsized US lenders.

Wall Street's benchmark S&P 500 was down 1 per cent while the Nasdaq Composite was down 1.3 per cent.

Banks were among the biggest decliners after Moody's cut the ratings of 10 midsized US banks overnight, citing possible declines in deposits and weaker profitability.

The news reignited investor concerns over the health of the US banking sector. The KBW Bank index fell 2.6 per cent.

The agency also placed four larger lenders on review, leaving the door open for more downgrades. Shares of US Bancorp and Truist Financial fell almost 3 per cent each, both on Moody's list.

Financial stocks were lower in Europe, too, after Italy's deputy prime minister announced a 40 per cent windfall tax on banks that have recently profited from rising interest rates.

The region-wide Stoxx Europe 600 index ended the day 0.2 per cent lower, with the Stoxx Europe 600 banks index down 2.7 per cent. The Cac 40 in Paris lost 0.7 per cent and the Dax in Frankfurt fell 1.1 per cent.

Italian lender Intesa Sanpaolo was among the top decliners, down 8.7 per cent, and domestic rival UniCredit fell 5.9 per cent. The shockwaves spread across Europe. Germany's Commerzbank dropped 3.3 per cent.

Asian markets were lower after new data showed China's exports fell by the most since the beginning of the pandemic, amplifying concerns over the country's economic growth.

Hong Kong's Hang Seng index suffered a drop of 1.8 per cent, led by declines in consumer goods and property, while China's benchmark CSI 300 was down 0.3 per cent.

The moves came after official data showed China's exports declined 14.5 per cent year on year in July, the most since February 2020. The country's imports fell 12.4 per cent, much higher than the 5 per cent decline forecast in a Reuters poll of economists.

A slowdown in global and domestic demand for goods weighed on the second-largest economy, which also grappled with a weak property sector.

Investor attention is turning to China's inflation figures, due out today, with expectations of a 0.4 per cent deflation in July after prices were stagnant in the previous month. **Daria Mosolova**

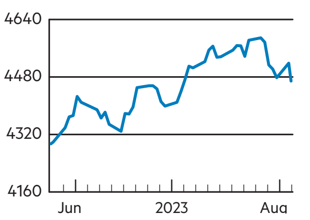
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4468.60	1813.72	32377.29	7527.42	3260.62	119119.56
% change on day	-1.10	-0.18	0.38	-0.36	-0.25	-0.22
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	102.708	1.095	143.150	1.272	7.212	4.922
% change on day	0.648	-0.455	0.566	-0.392	0.265	0.230
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.011	2.464	0.606	4.478	2.644	10.490
Basis point change on day	-9.370	-13.200	-1.670	-7.000	-2.100	-6.200
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	451.85	84.97	81.50	1931.70	23.40	3768.70
% change on day	-1.02	-0.43	-0.54	-0.55	-0.23	-0.71

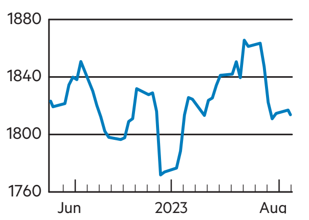
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

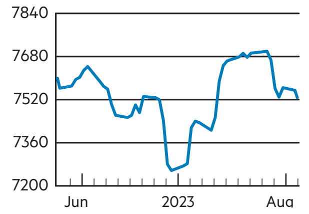
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Eli Lilly & Co	16.53	Novo Nordisk	17.26	Beazley	5.16
	Organon & Co	9.66	Casino Guichard	3.40	Intercontinental Hotels	2.33
	Broadridge Fin Solutions	5.75	Telecom Italia	2.17	Hiscox Ltd	1.64
	Fox	5.12	Sanofi	1.40	Admiral	1.51
	Fox	4.82	Ucb	1.33	Astrazeneca	1.32
Downs	Int Flavors & Fragrances	-17.45	Intesa Sanpaolo	-8.67	Abrdn	-11.67
	Dexcom	-9.17	Unicredit	-5.94	Fresnillo	-3.37
	Sealed Air	-7.74	Deutsche Bank	-4.24	Melrose Industries	-2.98
	Insulet	-6.43	Porsche	-3.61	Glencore	-2.65
	Resmed	-5.30	Commerzbank	-3.55	Barclays	-2.48

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

Heading the S&P 500 index was **Eli Lilly**, which hit an all-time high following positive clinical data from Danish rival Novo Nordisk.

Eli Lilly's diabetes drug Mounjaro was expected to gain regulatory approval for weight loss and compete against Novo's Wegovy, an obesity drug that was shown yesterday to also reduce the risk of heart attacks and strokes.

But Bank of America was more cagey about these treatments, expecting "pushback" from insurers "regardless of the scope of the cardiovascular benefit, which isn't too surprising given the cost of these therapies (at about $16,000 annually)".

At the tail-end of the blue-chip benchmark was flavours and fragrances specialist **IFF**, which reported core profits of $510mn in the second quarter — 9 per cent below Wall Street estimates.

Customer destocking led IFF to trim its guidance, forecasting full-year sales of between $11.3bn and $11.6bn, down from an earlier estimate of $12.3bn.

Cannabis company **Tilray** surged on news it was buying eight beer and beverage brands from drinks group Anheuser-Busch for $85mn in cash.

Jefferies said the deal would create long-term value for Tilray, moving it from the ninth-largest craft beer business in the US to the fifth. *Ray Douglas*

Europe

Positive clinical data sent Denmark's **Novo Nordisk** to a record high. A double-blind trial revealed that its best-selling obesity drug significantly reduced the risk of heart attacks and strokes.

A 20 per cent lower chance of suffering a cardiovascular event was "at the very top end of market expectations", noted Citi, which expected demand for this class of medication to "rise significantly".

The results broadened the scope of the group's Wegovy drug, which had already generated headlines for its potential to aid weight loss.

Italian lenders fell sharply after the country's government surprised markets by announcing a 40 per cent windfall tax on net interest income earned in 2022 and 2023.

Intesa Sanpaolo, **UniCredit**, **BPER** and **Monte dei Paschi** dived in response to a policy that was expected to hit banks' net profit by about 19 per cent in 2023, said Citi.

Healthcare group **Mithra** surged more than 25 per cent on news it was expanding a partnership, only to turn sharply lower in a messy closing auction.

Hungary's Gedeon Richter will manufacture and supply the "native oestrogen" for the Belgium company's contraceptive Estelle and Donesta, a candidate to treat postmenopausal symptoms. *Ray Douglas*

London

A broker's backing helped **Beazley** leap to the top of the FTSE 100 index, with Berenberg lifting its share price target for the insurer. Analyst Tryfonas Spyrou noted that Beazley was the second worst-performing insurer among European peers, "which, in our view, completely confounds reality, as underwriting conditions across around 60 per cent of Beazley's book are fundamentally among the best in many decades".

Asset manager **Abrdn** was adrift at the bottom of the blue-chip benchmark after posting an operating profit of £127mn for the half year, missing the consensus estimate by more than 4 per cent.

Assets under management of £495.7bn also fell short of RBC Europe's £500bn estimate. Stephen Bird, chief executive, said there was "still work to do to complete our transformation".

Topping the FTSE 250 index was **TI Fluid Systems**, which raised its full-year guidance and laid out plans to buy back up to €40mn worth of shares. The automotive fluid group said it was benefiting from "efficiency improvements" and "revenue outperformance in all regions".

Wealth manager **Quilter** joined TI near the head of the mid-cap index after saying profits for this year were expected to be "meaningfully ahead" of market expectations. *Ray Douglas*

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

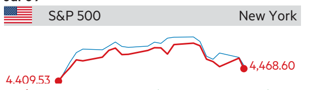
Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-1.10%	-1.54%	-0.98%	-0.36%	-0.18%	0.38%	-1.81%	-1.02%	-0.455%	-0.392%	0.566%	-0.116%	-2.44%	-0.55%

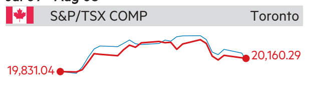
Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

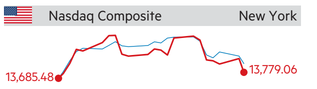
Jul 09 - Aug 08 — Index — All World

S&P 500 New York


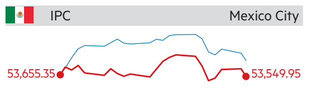
Day -1.10% Month 1.59% Year 7.94%

S&P/TSX COMP Toronto


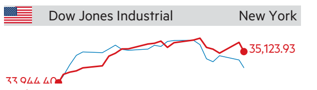
Day -0.54% Month 1.50% Year 2.33%

Nasdaq Composite New York


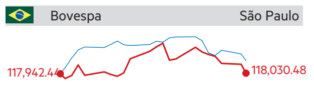
Day -1.54% Month 0.90% Year 9.01%

IPC Mexico City


Day -0.71% Month -0.49% Year 13.27%

Dow Jones Industrial New York


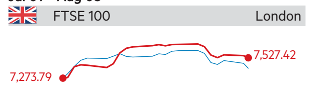
Day -0.98% Month 4.11% Year 6.97%

Bovespa São Paulo


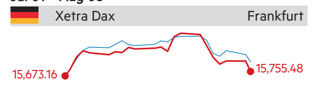
Day -0.22% Month 0.17% Year 9.87%

EUROPE

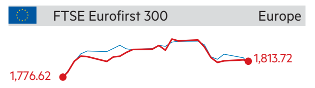
Jul 09 - Aug 08 — Index — All World

FTSE 100 London


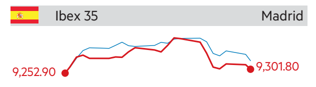
Day -0.36% Month 3.68% Year 0.56%

Xetra Dax Frankfurt


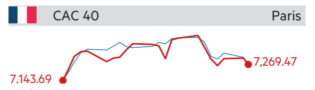
Day -1.10% Month -4.09% Year NaN%

FTSE Eurofirst 300 Europe


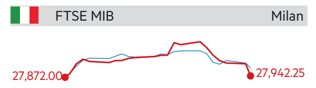
Day -0.18% Month 2.21% Year 5.13%

Ibex 35 Madrid


Day -0.61% Month 0.57% Year 13.88%

CAC 40 Paris


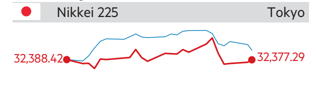
Day -0.69% Month 2.22% Year 12.32%

FTSE MIB Milan


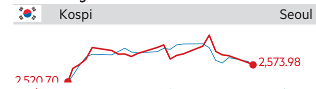
Day -2.12% Month 0.59% Year 23.71%

ASIA

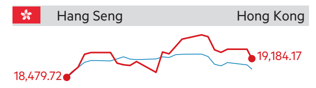
Jul 09 - Aug 08 — Index — All World

Nikkei 225 Tokyo


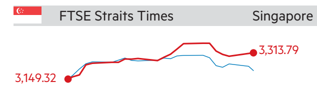
Day 0.38% Month -0.11% Year 14.82%

Kospi Seoul


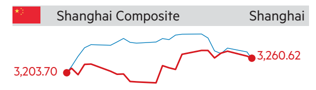
Day -0.26% Month 1.87% Year 3.34%

Hang Seng Hong Kong


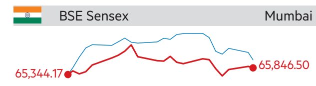
Day -1.81% Month 4.55% Year -4.95%

FTSE Straits Times Singapore


Day 0.12% Month 5.48% Year 0.87%

Shanghai Composite Shanghai


Day -0.25% Month 2.00% Year 1.04%

BSE Sensex Mumbai


Day -0.16% Month 0.86% Year 12.77%

Country	Index	Latest	Previous
Argentina	Merval	473529.86	452400.89
Australia	All Ordinaries	7519.70	7519.90
	S&P/ASX 200	7311.10	7309.20
	S&P/ASX 200 Res	6089.50	6117.10
Austria	ATX	3167.52	3206.41
Belgium	BEL 20	3699.10	3716.02
	BEL Mid	10128.19	10178.11
Brazil	Ibovespa	119119.56	119379.50
Canada	S&P/TSX 60	1204.59	1211.22
	S&P/TSX Comp	20127.19	20236.04
	S&P/TSX Div Met & Min	1730.83	1735.46
Chile	S&P/CLX IGPA Gen	31963.26	32216.58
China	FTSE A200	10433.49	10454.93
	FTSE B35	9000.71	8988.96
	Shanghai A	3418.19	3426.81
	Shanghai B	275.20	275.24
	Shanghai Comp	3260.62	3268.83
	Shenzhen A	2145.54	2152.67
	Shenzhen B	1214.66	1212.70
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1360.67	1366.93
Denmark	OMXC Copenahgen 20	2189.22	2001.94
Egypt	EGX 30	17839.48	17697.49
Estonia	OMX Tallinn	1867.86	1867.21
Finland	OMX Helsinki General	9626.18	9689.67
France	CAC 40	7269.47	7319.76
	SBF 120	5543.32	5579.85
Germany	M-DAX	27911.39	28027.25
	TecDAX	3121.59	3161.63
	XETRA Dax	15774.93	15950.76
Greece	Athens Gen	1311.19	1320.65
	FTSE/ASE 20	3172.80	3193.67
Hong Kong	Hang Seng	19184.17	19537.92
	HS China Enterprise	6587.75	6734.31
	HSCC Red Chip	3707.71	3765.94
Hungary	Bux	55076.08	54490.58
India	BSE Sensex	65846.50	65953.48
	Nifty 500	16949.25	16956.35
Indonesia	Jakarta Comp	6868.81	6886.37
Ireland	ISEQ Overall	9018.03	9114.39
Israel	Tel Aviv 125	1881.42	1867.60
Italy	FTSE Italia All-Share	29936.73	30549.80
	FTSE Italia Mid Cap	41478.30	41874.49
	FTSE MIB	27942.25	28547.61
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	32377.29	32254.56
	S&P Topix 150	1995.53	1988.55
	Topix	2291.73	2283.93
Jordan	Amman SE	2444.37	2444.37
Kenya	NSE 20	1594.19	1582.44
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1416.23	1416.23
Lithuania	OMX Vilnius	968.08	968.08
Luxembourg	LuxX	1507.20	1506.85
Malaysia	FTSE Bursa KLCI	1451.00	1445.81
Mexico	IPC	53649.17	54032.83
Morocco	MASI	12106.05	12142.00
Netherlands	AEX	767.00	772.13
	AEX All Share	1031.69	1039.25
New Zealand	NZX 50	11868.75	11934.24
Nigeria	SE All Share	65198.08	64267.38
Norway	Oslo All Share	1017.37	1005.88
Pakistan	KSE 100	47429.83	47429.83
Philippines	Manila Comp	6472.97	6507.78
Poland	Wig	69800.55	70846.61
Portugal	PSI 20	6035.66	6040.21
	PSI General	4459.59	4437.71
Romania	BET Index	13079.92	13126.15
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11271.94	11351.48
Singapore	FTSE Straits Times	3313.79	3309.87
Slovakia	SAX	322.71	322.71
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	76837.44	77013.74
	FTSE/JSE Res 20	60048.04	60509.29
	FTSE/JSE Top 40	71341.31	71586.14
South Korea	Kospi	2573.98	2580.71
	Kospi 200	337.95	339.68
Spain	IBEX 35	9301.80	9358.60
Sri Lanka	CSE All Share	11724.22	11681.66
Sweden	OMX Stockholm 30	2194.44	2209.83
	OMX Stockholm AS	822.16	827.63
Switzerland	SMI Index	11057.32	11107.47
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1518.44	1534.67
Turkey	BIST 100	7380.07	7470.10
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2730.40	2756.80
	FTSE 100	7527.42	7554.49
	FTSE 4Good UK	6822.92	6839.71
	FTSE All Share	4108.61	4122.15
	FTSE techMARK 100	6454.01	6488.15
USA	DJ Composite	11814.36	11924.41
	DJ Industrial	35123.93	35473.13
	DJ Transport	16246.17	16396.15
	DJ Utilities	881.70	887.47
	Nasdaq 100	15161.22	15407.85
	Nasdaq Cmp	13779.06	13994.40
	NYSE Comp	16072.25	16208.23
	S&P 500	4468.60	4518.44
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	35450.87	34987.30
Vietnam	VNI	1242.23	1241.42
Cross-Border	DJ Global Titans ($)	514.81	521.71
	Euro Stoxx 50 (Eur)	4288.33	4337.50
	Euronext 100 ID	1357.32	1368.68
	FTSE 4Good Global ($)	11196.47	11264.96
	FTSE All World ($)	451.85	456.50
	FTSE E300	1813.72	1816.97
	FTSE Eurotop 100	3602.96	3603.11
	FTSE Global 100 ($)	3029.59	3054.71
	FTSE Gold Min ($)	1747.30	1755.73
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3153.18	3135.72
	FTSE World ($)	824.45	832.82
	FTSEurofirst 100 (Eur)	4846.40	4882.59
	FTSEurofirst 80 (Eur)	5808.43	5868.24
	MSCI ACWI Fr ($)	692.42	689.00
	MSCI All World ($)	3003.77	2986.54
	MSCI Europe (Eur)	1851.33	1850.25
	MSCI Pacific ($)	2823.67	2826.42
	S&P Euro (Eur)	1898.13	1916.75
	S&P Europe 350 (Eur)	1861.56	1865.53
	S&P Global 1200 ($)	3281.38	3314.40
	Stoxx 50 (Eur)	3963.68	3949.05

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

STOCK MARKET: BIGGEST MOVERS

AMERICAS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	133.8	246.83	-4.62
Nvidia	85.2	443.36	-10.81
Apple	60.1	177.87	-0.99
Eli Lilly & Co	44.9	529.12	75.04
Amazon.com	36.6	139.01	-0.21
Advanced Micro Devices	34.9	111.65	-5.16
Microsoft	30.8	323.31	-6.80
Meta Platforms	23.8	310.73	-5.93
Alphabet	12.4	130.62	-0.91
Johnson & Johnson	9.7	172.54	-0.56

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Eli Lilly & Co	529.12	75.04	16.53
Organon & Co	23.91	2.11	9.66
Broadridge Fin Solutions	175.70	9.55	5.75
Fox	34.78	1.70	5.12
Fox	32.64	1.50	4.82
Downs			
Intl Flavors & Fragrances	66.32	-14.02	-17.45
Dexcom	109.88	-11.09	-9.17
Sealed Air	40.67	-3.41	-7.74
Insulet	244.09	-16.76	-6.43
Resmed	176.77	-9.90	-5.30

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Hsbc Holdings	215.5	634.60	-9.50
Unilever	165.4	4087.50	-3.00
Shell	162.9	2372.00	-4.50
Glencore	156.5	444.60	-12.10
Rio Tinto	147.3	4906.50	-60.00
Astrazeneca	131.1	11030.00	144.00
Bp	130.3	480.00	-3.10
Glaxosmithkline	124.8	1365.00	12.80
Diageo	104.6	3314.50	1.00
Dechra Pharmaceuticals	103.7	3764.00	4.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Ti Fluid Systems	149.80	20.00	15.41
Quilter	80.85	9.55	13.39
Beazley	530.00	26.00	5.16
Dunelm	1181.00	31.00	2.70
Me Int	158.20	4.00	2.59
Downs			
Abrdn	193.00	-25.50	-11.67
Vanquis Banking	117.00	-6.00	-4.88
Fresnillo	544.20	-19.00	-3.37
Helios Towers	83.10	-2.90	-3.37
Melrose Industries	527.00	-16.20	-2.98

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Novo Nordisk B A/s	1135.8	171.76	25.29
Intesa Sanpaolo	880.0	2.34	-0.22
Unicredit	557.1	21.28	-1.35
Nestle N	237.6	108.52	-0.33
Novartis N	219.2	93.85	0.14
Roche Gs	190.0	277.91	1.67
Richemont N	171.4	136.32	-3.49
Ing Groep N.v.	165.5	12.89	-0.30
Stellantis	162.8	17.55	-0.25
Asml Holding	151.8	614.30	-10.90

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Novo Nordisk B A/s	171.76	25.29	17.26
Sanofi	95.59	1.32	1.40
A.p. M_ller - M_rsk A A/s	1720.58	14.76	0.87
Iberdrola	10.83	0.07	0.65
Eni	23.61	0.15	0.64
Downs			
Intesa Sanpaolo	2.34	-0.22	-8.67
Unicredit	21.28	-1.35	-5.94
Infineon Tech.ag Na O.n.	33.63	-1.22	-3.50
Bnp Paribas Act.a	57.59	-1.96	-3.29
Credit Agricole	11.47	-0.34	-2.85

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Advantest	865.6	17855.00	-785.00
Kawasaki Kisen Kaisha,	770.9	4838.00	266.00
Mitsubishi Ufj Fin.,	751.6	1129.50	-4.00
Toyota Motor	537.8	2423.50	-20.50
Softbank.	518.3	7022.00	105.00
Shin-etsu Chemical Co.,	479.9	4509.00	-84.00
Tokyo Electron	466.6	20695.00	-180.00
Mitsubishi Heavy Industries,	517.2	7588.00	270.00
Nippon Yusen Kabushiki Kaisha	416.8	3910.00	73.00
Kawasaki Heavy Industries,	392.1	3698.00	-63.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Meiji Holdings Co.,	3650.00	344.00	10.41
Comsys Holdings	3093.00	255.50	9.00
Kawasaki Kisen Kaisha,	4838.00	266.00	5.82
Takara Holdings	1313.50	66.00	5.29
Tokyo Gas Co.,	3370.00	147.00	4.56
Downs			
Sharp	864.50	-47.60	-5.22
Advantest	17855.00	-785.00	-4.21
Z Holdings	422.00	-18.00	-4.09
Nippon Paper Industries Co Ltd	1323.00	-52.00	-3.78
Sumitomo Metal Mining Co.,	4611.00	-136.00	-2.86

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Aug 08 price(p)	%Chg week	%Chg ytd
Winners			
Rolls-royce Holdings	207.90	12.2	-
Convatec	227.20	10.4	-2.4
Bae Systems	1026.50	10.0	19.7
Smurfit Kappa	3192.00	4.3	3.6
Taylor Wimpey	117.90	3.3	15.9
Hiscox Ltd	1113.00	3.2	2.6
Beazley	530.00	1.8	-
Admiral	2150.00	0.9	0.5
Pearson	852.60	0.9	-9.2
Shell	2372.00	0.9	1.8
Melrose Industries	527.00	0.6	30.9
Intercontinental Hotels	5790.00	0.3	22.2
Losers			
Abrdn	193.00	-15.4	2.7
Ocado	850.20	-9.3	36.1
Bt	112.35	-8.2	0.1
Anglo American	2156.50	-7.9	-
Fresnillo	544.20	-7.9	-
Endeavour Mining	1686.00	-7.9	-3.4
Wpp	792.80	-6.9	-3.3
Smith & Nephew	1110.00	-5.7	0.1
Glencore	444.60	-5.6	-
Hargreaves Lansdown	798.20	-5.0	-7.0
Imi	1547.00	-4.9	20.7
Croda Int	5530.00	-4.8	-

FTSE 250	Aug 08 price(p)	%Chg week	%Chg ytd
Winners			
Ti Fluid Systems	149.80	15.1	12.1
Hilton Food	705.00	9.0	26.4
Quilter	80.85	6.3	-
Pantheon Int	279.00	6.3	7.7
Just	86.70	5.1	4.7
Domino's Pizza	412.40	5.0	40.0
Hikma Pharmaceuticals	2194.00	4.2	41.1
Hipgnosis Songs Fund	80.70	4.0	1.9
Wood (john)	157.20	4.0	15.9
Indivior	1858.00	3.9	0.3
Primary Health Properties	96.00	3.8	-
Derwent London	2172.00	3.8	-7.9
Losers			
Capita	19.94	-26.0	-
Ferrexpo	81.50	-12.0	-
Jupiter Fund Management	101.20	-11.9	-
Mobico	84.05	-8.7	-
Moneysupermarket.com	251.00	-8.6	30.6
Future	745.00	-8.0	-
Morgan Advanced Materials	253.50	-8.0	-
Vanquis Banking	117.00	-7.9	-
Puretech Health	204.00	-7.7	-
Close Brothers	838.00	-7.4	-
Aston Martin Lagonda Global Holdings	359.80	-7.0	-
Bank Of Georgia	3065.00	-6.4	17.3

FTSE SmallCap	Aug 08 price(p)	%Chg week	%Chg ytd
Winners			
Card Factory	103.40	18.0	33.2
Pendragon	19.20	13.7	0.0
Saga	140.40	10.2	10.5
Palace Capital	255.00	8.5	19.2
Xp Power	2180.00	8.5	7.1
Hochschild Mining	81.75	7.3	16.4
Tt Electronics	166.20	7.2	-4.9
Seraphim Space Investment Trust	45.50	6.3	0.7
Restaurant	44.05	6.3	41.4
Sabre Insurance	148.20	6.2	37.8
Pharos Energy	24.30	5.7	5.2
Pphe Hotel	1045.00	4.0	-
Losers			
Oxford Biomedica	380.00	-15.6	-
Superdry	64.70	-14.8	-50.8
Lsl Property Services	245.00	-13.1	-2.0
Norcros	144.50	-13.0	-
Videndum	525.00	-12.5	-50.7
Luceco	118.00	-8.0	21.4
Vh Global Sustainable Energy Opportunities	81.00	-7.5	-
Phoenix Spree Deutschland	188.00	-6.9	-
Motorpoint	100.00	-6.5	-
Capital & Regional	55.60	-6.4	-
Ncc	94.00	-6.4	-53.0
Zotefoams	375.00	-6.2	13.0

Industry Sectors	Aug 08 price(p)	%Chg week	%Chg ytd
Winners			
Aerospace & Defense	7277.86	8.3	41.6
Nonlife Insurance	3011.04	1.6	-
Oil & Gas Producers	8217.49	0.3	1.0
Real Estate Investment Trusts	2135.10	0.3	-4.3
Household Goods	11038.61	0.3	11.1
Industrial Transportation	4094.40	-0.5	18.0
Construction & Materials	9173.72	-0.7	33.2
Real Estate & Investment Service	2287.41	-0.9	7.9
General Financial	12913.59	-0.9	11.7
Travel & Leisure	7658.59	-1.1	23.5
Pharmaceuticals & Biotech.	20677.34	-1.1	2.5
Health Care Equip & Services	10240.67	-1.1	-6.4
Losers			
Mining	9265.24	-7.3	-
Industrial Metals	6252.79	-5.4	-
Mobile Telecommunications	1896.99	-4.2	-
Electronic & Electrical Equip.	9293.99	-3.5	7.6
Chemicals	10040.97	-3.4	-
Industrial Engineering	14304.02	-3.1	0.8
Electricity	9967.17	-3.0	-6.4
Food & Drug Retailers	4154.43	-3.0	0.7
Life Insurance	6310.30	-2.8	-10.6
Banks	3641.53	-2.8	10.7
Support Services	10394.32	-2.8	4.6

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

CURRENCIES

Aug 8	Currency	DOLLAR Closing Mid	Day's Change	EURO Closing Mid	Day's Change	POUND Closing Mid	Day's Change
Argentina	Argentine Peso	284.1715	1.0025	311.0697	-0.5159	361.4954	-0.1555
Australia	Australian Dollar	1.5357	0.0133	1.6811	0.0059	1.9536	0.0093
Bahrain	Bahrainin Dinar	0.3770	0.0002	0.4127	-0.0020	0.4796	-0.0017
Bolivia	Bolivian Boliviano	6.9100	-	7.5641	-0.0394	8.7902	-0.0349
Brazil	Brazilian Real	4.9223	0.0113	5.3882	-0.0156	6.2617	-0.0104
Canada	Canadian Dollar	1.3469	0.0091	1.4743	0.0023	1.7133	0.0048
Chile	Chilean Peso	866.3650	13.1200	948.3706	9.5006	1102.1054	12.3788
China	Chinese Yuan	7.2124	0.0191	7.8950	-0.0201	9.1749	-0.0121
Colombia	Colombian Peso	4075.5200	39.6400	4461.2983	20.3985	5184.4820	30.0341
Costa Rica	Costa Rican Colon	541.6800	-0.1600	592.9526	-3.2622	689.0726	-2.9413
Czech Republic	Czech Koruna	22.1738	0.1389	24.2726	0.0266	28.2073	0.0654
Denmark	Danish Krone	6.8067	0.0351	7.4510	-0.0002	8.6588	0.0104
Egypt	Egyptian Pound	30.9005	0.0262	33.8254	-0.1472	39.3086	-0.1227
Hong Kong	Hong Kong Dollar	7.8140	0.0068	8.5536	-0.0370	9.9402	-0.0308
Hungary	Hungarian Forint	356.9863	4.2349	390.7767	2.6260	454.1232	3.6048
India	Indian Rupee	82.8363	0.0900	90.6771	-0.3729	105.3762	-0.3036
Indonesia	Indonesian Rupiah	15217.5000	32.5000	16657.9213	-50.9353	19358.2358	-35.4027
Israel	Israeli Shekel	3.7232	0.0368	4.0756	0.0192	4.7363	0.0281
Japan	Japanese Yen	143.1500	0.8050	156.6998	0.0702	182.1015	0.3048
..One Month		143.1479	0.8036	156.6993	0.0691	182.1006	0.3030
..Three Month		143.1479	0.8009	156.6993	0.0671	182.0990	0.2997
..One Year		143.1420	0.7890	156.6937	0.0580	182.1006	0.2934
Kenya	Kenyan Shilling	143.3500	0.1500	156.9188	-0.6557	182.3559	-0.5327
Kuwait	Kuwaiti Dinar	0.3078	0.0003	0.3369	-0.0014	0.3915	-0.0012
Malaysia	Malaysian Ringgit	4.5825	0.0235	5.0163	-0.0002	5.8294	0.0069
Mexico	Mexican Peso	17.2070	0.1405	18.8357	0.0566	21.8891	0.0925
New Zealand	New Zealand Dollar	1.6537	0.0144	1.8102	0.0064	2.1037	0.0100
Nigeria	Nigerian Naira	755.5000	-19.7500	827.0117	-26.0363	961.0737	-29.0412
Norway	Norwegian Krone	10.2229	0.1618	11.3000	0.1192	13.1318	0.1545
Pakistan	Pakistani Rupee	287.8000	2.4000	315.0417	1.0012	366.1112	1.6110
Peru	Peruvian Nuevo Sol	3.7034	0.0182	4.0539	-0.0011	4.7111	0.0045
Philippines	Philippine Peso	56.2650	0.2350	61.5908	-0.0620	71.5749	0.0158
Poland	Polish Zloty	4.0746	0.0493	4.4603	0.0310	5.1833	0.0423
Romania	Romanian Leu	4.5200	0.0215	4.9478	-0.0021	5.7499	0.0046
Russia	Russian Ruble	97.0500	1.3500	106.2362	0.9326	123.4576	1.2338
Saudi Arabia	Saudi Riyal	3.7518	0.0003	4.1069	-0.0210	4.7727	-0.0186
Singapore	Singapore Dollar	1.3493	0.0081	1.4770	0.0012	1.7164	0.0035
South Africa	South African Rand	18.9975	0.2812	20.7957	0.2012	24.1668	0.2632
South Korea	South Korean Won	1315.6000	9.5500	1440.1280	3.0130	1673.5785	5.5494
Sweden	Swedish Krona	10.7400	0.1320	11.7565	0.0841	13.6623	0.1143
Switzerland	Swiss Franc	0.8759	0.0014	0.9588	-0.0034	1.1142	-0.0026
Taiwan	New Taiwan Dollar	31.8140	0.1260	34.8253	-0.0426	40.4707	0.0002
Thailand	Thai Baht	34.9525	0.1200	38.2609	-0.0671	44.4632	-0.0233
Tunisia	Tunisian Dinar	3.0946	0.0146	3.3875	-0.0016	3.9366	0.0029
Turkey	Turkish Lira	27.0145	0.0170	29.5716	-0.1352	34.3652	-0.1148
United Arab Emirates	UAE Dirham	3.6731	0.0002	4.0208	-0.0207	4.6726	-0.0183
United Kingdom	Pound Sterling	0.7861	0.0031	0.8605	-0.0011	-	-
..One Month		0.7861	0.0031	0.8604	-0.0011	-	-
..Three Month		0.7861	0.0031	0.8602	-0.0011	-	-
..One Year		0.7858	0.0031	0.8588	-0.0011	-	-
United States	United States Dollar	-	-	1.0947	-0.0057	1.2721	-0.0051
..One Month		-	-	1.0945	-0.1825	1.2721	-0.0051
..Three Month		-	-	1.0942	-0.1825	1.2721	-0.0051
..One Year		-	-	1.0927	-0.1825	1.2718	-0.0050
Vietnam	Vietnamese Dong	23725.5000	-4.5000	25971.2602	-140.1048	30181.2991	-125.6803
European Union	Euro	0.9135	0.0047	-	-	1.1621	0.0014
..One Month		0.9134	0.0047	-	-	1.1620	0.0014
..Three Month		0.9130	0.0047	-	-	1.1617	0.0014
..One Year		0.9116	0.0047	-	-	1.1604	0.0014

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

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	£ Strlg Aug 08	Day's chge%	Euro Index	£ Strlg Aug 07	£ Strlg Aug 04	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7527.42	-0.36	6817.65	7554.49	7564.37	7482.37	3.79	2.01	13.10	184.21	7921.89
FTSE 250 (250)	18841.54	-0.11	17064.95	18861.67	18934.62	20118.44	3.47	0.54	53.03	378.96	16008.43
FTSE 250 ex Inv Co (168)	19538.55	-0.08	17696.24	19554.83	19636.70	20576.25	3.60	0.37	75.08	408.44	16953.71
FTSE 350 (350)	4149.41	-0.32	3758.16	4162.85	4169.80	4168.67	3.74	1.82	14.67	99.00	8661.00
FTSE 350 ex Investment Trusts (265)	4098.55	-0.33	3712.09	4112.28	4118.32	4094.36	3.79	1.87	14.09	99.44	4422.96
FTSE 350 Higher Yield (137)	3469.17	-0.67	3142.06	3492.46	3501.32	3568.43	5.47	1.91	9.58	110.92	8233.40
FTSE 350 Lower Yield (213)	4431.81	0.03	4013.93	4430.50	4433.97	4349.12	1.99	1.58	31.84	70.35	5546.23
FTSE SmallCap (225)	6186.06	-0.57	5602.77	6221.53	6251.03	6515.11	3.69	-0.16	-170.40	131.05	10641.02
FTSE SmallCap ex Inv Co (116)	5120.05	-0.19	4637.27	5129.65	5155.95	5337.29	3.71	0.76	35.64	106.68	9156.15
FTSE All-Share (575)	4108.61	-0.33	3721.21	4122.15	4129.32	4132.82	3.74	1.78	15.03	97.76	8659.62
FTSE All-Share ex Inv Co (381)	4025.08	-0.33	3645.55	4038.50	4044.61	4023.67	3.79	1.86	14.20	97.48	4410.06
FTSE All-Share ex Multinationals (514)	1063.19	-0.34	798.95	1066.83	1070.33	1161.31	4.23	1.27	18.61	28.37	2327.16
FTSE Fledgling (76)	10711.05	-0.25	9701.09	10737.53	10706.15	12259.24	3.08	0.47	69.67	209.34	23675.12
FTSE Fledgling ex Inv Co (31)	15213.54	-0.72	13779.04	15324.60	15367.48	16416.49	2.41	-0.50	-82.26	303.08	32654.06
FTSE All-Small (301)	4297.29	-0.55	3892.09	4321.20	4339.98	4546.05	3.66	-0.13	-207.54	90.66	9479.75
FTSE All-Small ex Inv Co (147)	3849.91	-0.21	3486.90	3857.90	3877.35	4018.29	3.66	0.73	37.63	80.07	8718.55
FTSE AIM All-Share (710)	758.84	-0.11	687.28	759.63	763.41	919.91	1.91	1.24	42.41	8.66	902.01
FTSE All-Share Technology (17)	2162.17	-0.17	1894.96	2165.91	2169.76	1965.67	1.77	1.52	37.16	25.69	3172.61
FTSE All-Share Telecommunications (6)	1218.58	-0.96	1067.99	1230.33	1244.57	1933.05	8.61	1.52	7.64	59.04	1956.31
FTSE All-Share Health Care (12)	14421.31	1.04	12639.10	14273.46	14280.25	14697.06	2.49	1.37	29.26	216.12	13551.13
FTSE All-Share Financials (257)	4688.84	-0.81	4109.38	4726.93	4713.98	4710.98	4.05	2.52	9.80	140.91	5376.02
FTSE All-Share Real Estate (51)	793.09	0.43	727.13	789.72	795.29	1048.19	4.49	-2.66	-8.38	21.83	860.20
FTSE All-Share Consumer Discretionary (82)	5109.84	-0.12	4478.36	5116.06	5129.75	4676.55	2.37	1.41	29.97	83.75	5511.64
FTSE All-Share Consumer Staples (22)	18217.00	-0.14	15965.71	18241.68	18255.10	19914.04	4.31	1.59	14.56	487.36	17202.82
FTSE All-Share Industrials (85)	7159.14	-0.53	6274.41	7197.06	7181.32	6317.93	2.19	1.83	24.99	101.50	8418.77
FTSE All-Share Basic Materials (21)	7506.56	-1.87	6578.88	7649.99	7747.22	8154.37	6.75	2.16	6.85	255.80	10557.59
FTSE All-Share Energy (14)	8502.24	-0.34	7451.52	8531.51	8579.96	7704.99	4.02	1.61	15.42	177.65	10552.99
FTSE All-Share Utilities (8)	8411.29	0.52	7371.81	8367.57	8440.70	9296.09	5.12	2.02	9.67	327.98	13318.62
FTSE All-Share Software and Computer Services (16)	2342.53	-0.19	2053.04	2346.97	2351.81	2122.71	1.75	1.57	36.49	27.49	3636.02
FTSE All-Share Technology Hardware and Equipment (1)	4141.26	1.34	3629.48	4086.44	3986.77	4882.75	3.79	-0.49	-54.33	89.37	5483.39
FTSE All-Share Telecommunications Equipment (1)	352.52	-0.06	308.96	352.74	350.06	621.44	3.98	1.47	17.07	9.21	515.90
FTSE All-Share Telecommunications Service Providers (5)	1894.12	-0.99	1660.04	1913.00	1936.42	2992.92	8.77	1.52	7.49	93.30	2774.47
FTSE All-Share Health Care Providers (1)	10856.68	1.65	9514.99	10680.35	10806.30	11272.06	0.23	4.26	101.26	43.16	10115.80
FTSE All-Share Medical Equipment and Services (2)	5549.06	-0.49	4863.30	5576.23	5589.82	5551.71	2.71	0.60	61.41	92.56	5450.67
FTSE All-Share Pharmaceuticals and Biotechnology (9)	20616.67	1.12	18068.83	20388.69	20395.61	21024.45	2.48	1.42	28.41	310.15	17445.21
FTSE All-Share Banks (12)	3592.56	-1.46	3148.58	3645.96	3616.40	3326.14	4.54	4.36	5.06	147.76	3311.96
FTSE All-Share Finance and Credit Services (8)	11137.59	0.58	9761.19	11073.03	10990.71	11421.10	1.89	2.00	26.44	157.57	15186.36
FTSE All-Share Investment Banking and Brokerage Services (31)	8774.70	-1.25	7690.31	8885.46	8852.59	8783.47	5.08	2.03	9.70	260.40	12764.84
FTSE All-Share Closed End Investments (194)	11219.35	-0.27	9832.85	11249.57	11308.36	12376.21	2.97	0.21	156.67	193.77	7157.35
FTSE All-Share Life Insurance (6)	6421.40	-0.99	5627.84	6485.33	6497.40	6871.87	5.00	0.58	34.76	215.96	8107.77
FTSE All-Share Nonlife Insurance (6)	3412.13	2.30	2990.46	3335.27	3332.96	3328.17	4.91	1.23	16.53	56.37	7381.83
FTSE All-Share Real Estate Investment and Services (10)	2165.55	0.50	1897.93	2154.70	2181.18	2590.87	2.29	1.68	26.00	27.34	6566.42
FTSE All-Share Real Estate Investment Trusts (41)	1942.36	0.41	1702.32	1934.41	1946.05	2615.95	4.93	-3.05	-6.64	59.23	3044.50
FTSE All-Share Automobiles and Parts (3)	1919.55	1.66	1682.33	1888.27	1905.95	1892.33	0.23	-14.07	-30.51	2.74	1999.95
FTSE All-Share Consumer Services (1)	3300.10	0.48	2892.27	3284.44	3290.21	3159.85	1.85	1.17	45.97	61.00	4263.88
FTSE All-Share Household Goods and Home Construction (11)	9190.03	-0.38	8054.31	9225.34	9261.86	10519.58	7.49	1.98	6.73	287.84	8529.31
FTSE All-Share Leisure Goods (2)	30246.63	-0.32	26508.71	30344.13	30472.86	20549.10	3.90	1.02	25.16	1021.44	35105.73
FTSE All-Share Personal Goods (4)	26495.20	-1.13	23220.89	26797.71	26884.87	25317.82	2.46	2.59	15.75	496.10	21250.02
FTSE All-Share Media (10)	10106.98	0.03	8857.94	10103.64	10114.19	9495.17	2.54	1.98	19.90	214.48	7260.84
FTSE All-Share Retailers (22)	2248.56	-0.16	1970.68	2252.19	2272.87	2047.47	2.53	3.58	11.06	36.54	2986.27
FTSE All-Share Travel and Leisure (29)	7464.23	-0.36	6541.79	7491.02	7496.18	6044.52	0.74	-5.98	-22.51	37.78	7761.79
FTSE All-Share Beverages (5)	25771.77	0.05	22586.86	25759.72	25899.06	29602.25	2.41	2.08	19.96	273.41	20876.45
FTSE All-Share Food Producers (8)	6768.20	-1.05	5931.78	6839.79	6850.52	6399.67	2.32	2.38	18.15	84.77	6676.54
FTSE All-Share Tobacco (2)	28388.68	-0.48	24880.36	28526.64	28554.48	34686.52	8.58	1.64	7.10	1250.28	28133.26
FTSE All-Share Construction and Materials (15)	9673.20	-0.65	8477.77	9736.64	9749.86	7360.30	2.64	0.56	67.98	193.11	12077.09
FTSE All-Share Aerospace and Defense (8)	7619.71	-0.43	6678.06	7652.80	7549.86	5084.90	1.62	3.39	18.23	78.25	9402.55
FTSE All-Share Electronic and Electrical Equipment (11)	10947.60	-0.49	9594.68	11001.23	11014.36	10639.40	1.67	2.41	24.77	113.43	10950.11
FTSE All-Share General Industrials (7)	5056.06	-0.84	4431.23	5098.92	5104.21	5099.23	3.46	1.41	20.43	93.04	6813.66
FTSE All-Share Industrial Engineering (6)	15727.03	-1.07	13783.46	15896.56	15936.23	16169.52	1.99	2.37	21.18	225.43	21414.01
FTSE All-Share Industrial Support Services (30)	10014.00	-0.20	8776.45	10033.60	10035.56	10026.68	2.13	1.41	33.36	169.95	11731.86
FTSE All-Share Industrial Transportation (8)	6130.56	-0.82	5372.94	6181.29	6186.17	5187.93	1.88	3.12	17.03	19.07	6451.09
FTSE All-Share Industrial Materials (1)	18753.50	-2.60	624.40	19253.59	19953.72	12252.29	1.81	3.34	16.53	231.04	23988.00
FTSE All-Share Industrial Metals and Mining (8)	6735.73	-1.92	5903.32	6867.63	6956.17	7210.63	7.23	2.25	6.15	243.73	10690.39
FTSE All-Share Precious Metals and Mining (5)	8874.73	-1.55	7777.98	9014.71	9140.41	9708.06	3.80	-1.04	-25.24	169.32	6362.02
FTSE All-Share Chemicals (7)	11131.31	-1.53	9755.69	11304.69	11418.83	13967.82	3.20	1.62	19.23	208.53	11372.10
FTSE All-Share Oil. Gas and Coal (13)	8254.24	-0.34	7234.17	8282.64	8329.71	7479.10	4.03	1.61	15.41	172.47	10625.17
FTSE Sector Indices											
Non Financials (318)	**4987.09**	**-0.18**	**4516.85**	**4996.29**	**5011.74**	**5018.05**	**3.65**	**1.53**	**17.90**	**109.44**	**9232.93**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7531.91	7551.12	7540.74	7520.07	7505.51	7504.32	7507.21	7520.06	7518.90	7552.45	7487.56
FTSE 250	18846.56	18895.38	18898.20	18864.55	18847.83	18853.88	18874.47	18850.39	18839.78	18900.60	18832.43
FTSE SmallCap	6215.16	6216.81	6208.76	6205.48	6201.69	6197.70	6195.82	6192.34	6187.23	6220.53	6185.98
FTSE All-Share	4111.25	4121.55	4116.76	4106.23	4099.00	4098.58	4100.50	4105.60	4104.70	4122.09	4090.88

Time of FTSE 100 Day's high:08:00:15 Day's Low11:36:15 FTSE 100 2010/11 High: 8014.31(20/02/2023) Low: 7256.94(07/07/2023)
Time of FTSE All-Share Day's high:08:01:00 Day's Low11:38:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 3957.08(07/07/2023)

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FT 30 INDEX

	Aug 08	Aug 07	Aug 04	Aug 03	Aug 02	Yr Ago	High	Low
FT 30	2730.40	2756.80	2757.60	2741.90	2764.00	0.00	2895.30	2454.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2756.8	2747.2	2747.7	2736.2	2730.7	2731	2730.8	2729.3	2728.9	2756.8	2725.0

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

FT WILSHIRE 5000 INDEX SERIES

	Aug 07		Aug 07
FT Wilshire 5000	45677.20	FT Wilshire Mid Cap	5792.41
FT Wilshire 2500	5858.67	FT Wilshire Small Cap	5328.57
FT Wilshire Mega Cap	5957.72	FT Wilshire Micro Cap	4878.69
FT Wilshire Large Cap	5931.68		

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FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Aerospace & Defense	41.65	Real Est Invest & Se	5.79	Health Care	-1.61
Construct & Material	32.78	Industrial Eng	5.57	Pharmace & Biotech	-1.67
Leisure Goods	31.13	Oil Equipment & Serv	4.78	Personal Goods	-2.12
Automobiles & Parts	28.29	Industrial Transport	2.83	Equity Invest Instr	-3.08
General Retailers	18.44	Household Goods & Ho	2.77	Fixed Line Telecomms	-3.62
Food & Drug Retailer	17.53	Industrial Metals &	2.63	Real Est Invest & Tr	-4.67
Travel & Leisure	16.35	Financials	2.25	Consumer Goods	-6.12
Industrials	15.81	Oil & Gas	1.22	Electricity	-6.59
Software & Comp Serv	15.58	Oil & Gas Producers	1.20	Beverages	-7.81
Food Producers	15.26	FTSE 100 Index	1.02	Nonlife Insurance	-9.44
Consumer Services	14.36	Gas Water & Multi	0.82	Life Insurance	-10.47
Banks	10.68	FTSE All{HY-}Share Index	0.82	Telecommunications	-11.14
Media	9.06	NON FINANCIALS Index	0.26	Chemicals	-13.86
Technology	8.62	Beverages	31.66	Mobile Telecomms	-13.95
Support Services	7.94	FTSE 250 Index	-0.06	Basic Materials	-19.59
Financial Services	7.34	FTSE SmallCap Index	-0.86	Mining	-20.29
Electronic & Elec Eq	6.31	Health Care Eq & Srv	-0.90	Tobacco	-20.36
		Utilities	-1.18	Tech Hardware & Eq	-28.45

FTSE GLOBAL EQUITY INDEX SERIES

Aug 8 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9487	774.44	0.5	2.9	13.8	1261.46	15.5	2.1
FTSE Global All Cap	9487	774.44	0.5	2.9	13.8	1261.46	15.5	2.1
FTSE Global Large Cap	1937	700.89	0.5	2.8	15.3	1177.07	17.0	2.1
FTSE Global Mid Cap	2232	964.59	0.4	2.9	9.2	1477.72	10.7	2.1
FTSE Global Small Cap	5318	1002.14	0.2	3.6	11.2	1466.44	12.6	2.0
FTSE All-World	4169	456.50	0.5	2.8	14.1	787.57	15.8	2.1
FTSE World	2657	832.82	0.5	2.7	15.0	1927.61	16.7	2.1
FTSE Global All Cap ex UNITED KINGDOM In	9207	818.84	0.5	2.9	14.1	1307.66	15.7	2.1
FTSE Global All Cap ex USA	7700	530.96	-0.1	2.8	8.6	967.01	11.0	3.1
FTSE Global All Cap ex JAPAN	8064	808.02	0.5	3.0	14.0	1327.82	15.7	2.1
FTSE Global All Cap ex Eurozone	8848	817.85	0.5	2.9	13.8	1301.71	15.3	2.0
FTSE Developed	2146	765.55	0.6	2.7	15.2	1254.32	16.8	2.0
FTSE Developed All Cap	5765	794.90	0.5	2.8	14.8	1283.00	16.4	2.0
FTSE Developed Large Cap	812	725.25	0.6	2.7	16.6	1209.51	18.2	2.0
FTSE Developed Europe Large Cap	205	423.25	0.0	2.8	11.8	862.04	14.8	3.2
FTSE Developed Europe Mid Cap	345	632.20	-0.2	4.5	11.6	1114.70	14.3	3.1
FTSE Dev Europe Small Cap	733	858.11	-0.5	3.1	7.3	1454.43	9.9	3.1
FTSE North America Large Cap	233	981.48	0.9	2.8	19.5	1491.64	20.7	1.5
FTSE North America Mid Cap	413	1195.17	0.7	2.5	9.4	1681.10	10.5	1.7
FTSE North America Small Cap	1315	1198.78	0.4	4.2	12.9	1614.59	13.9	1.6
FTSE North America	646	634.11	0.8	2.8	17.5	985.42	18.6	1.6
FTSE Developed ex North America	1500	286.78	-0.1	2.6	10.2	562.43	12.7	3.1
FTSE Japan Large Cap	175	421.51	0.0	1.0	13.6	629.21	15.2	2.3
FTSE Japan Mid Cap	340	565.56	0.0	1.9	6.9	803.36	8.5	2.4
FTSE Global wi JAPAN Small Cap	908	629.77	0.3	1.9	5.9	930.37	7.7	2.6
FTSE Japan	515	171.92	0.0	1.2	12.3	287.47	13.9	2.3
FTSE Asia Pacific Large Cap ex Japan	1123	696.67	-0.1	3.8	3.7	1298.58	5.8	3.0
FTSE Asia Pacific Mid Cap ex Japan	839	1029.59	0.3	4.2	7.0	1848.94	8.8	2.9
FTSE Asia Pacific Small Cap ex Japan	2089	577.59	-0.1	2.2	8.1	1006.40	10.0	2.6
FTSE Asia Pacific Ex Japan	1962	557.10	0.0	3.9	4.1	1103.53	6.1	3.0
FTSE Emerging All Cap	3722	743.23	-0.1	3.6	5.5	1328.81	8.0	3.3
FTSE Emerging Large Cap	1125	680.93	-0.1	3.9	4.7	1224.96	7.2	3.3
FTSE Emerging Mid Cap	898	1103.47	-0.1	3.2	8.0	1982.42	10.4	3.3
FTSE Emerging Small Cap	1699	821.71	0.1	1.7	9.1	1402.55	11.4	2.9
FTSE Emerging Europe	151	142.09	0.4	10.3	10.6	308.53	14.5	3.0
FTSE Latin America All Cap	251	810.73	-0.9	-0.1	16.2	1680.83	20.6	8.3
FTSE Middle East and Africa All Cap	332	719.51	-0.6	1.7	-0.7	1353.54	1.9	3.6
FTSE Global wi UNITED KINGDOM All Cap In	280	339.22	0.0	3.9	8.0	711.52	10.5	3.8
FTSE Global wi USA All Cap	1787	1088.97	0.8	3.0	17.5	1594.64	18.6	1.5
FTSE Europe All Cap	1469	477.80	-0.1	3.2	11.4	933.81	14.3	3.2
FTSE Eurozone All Cap	639	476.24	-0.2	2.9	15.0	925.10	18.2	3.1
FTSE EDHEC-Risk Efficient All-World	4169	498.50	0.4	3.3	7.6	800.42	9.4	2.6
FTSE EDHEC-Risk Efficient Developed Europe	550	347.81	-0.2	4.1	10.9	628.31	13.8	3.3
Oil & Gas	137	408.79	-0.1	5.6	0.1	862.34	2.6	4.6
Oil & Gas Producers	90	412.30	0.0	6.5	1.2	893.96	3.8	4.8

Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	26	281.46	0.0	3.9	1.3	538.19	4.1	4.8
Basic Materials	404	610.78	-0.1	2.7	2.2	1153.00	4.5	4.0
Chemicals	202	824.20	0.5	2.0	5.7	1490.55	7.7	2.9
Forestry & Paper	19	245.06	-0.6	6.8	-2.7	509.66	-0.3	4.1
Industrial Metals & Mining	104	547.79	-0.6	5.7	10.8	1076.02	13.3	4.0
Mining	79	905.24	-0.7	1.4	-7.4	1815.83	-4.8	5.8
Industrials	810	549.95	0.4	3.1	12.8	891.23	14.4	2.0
Construction & Materials	162	672.49	0.0	6.3	20.7	1151.87	22.6	1.9
Aerospace & Defense	36	970.71	1.2	2.4	7.3	1531.50	8.3	1.5
General Industrials	79	274.65	0.5	3.3	15.1	493.98	16.9	2.3
Electronic & Electrical Equipment	158	661.16	0.0	0.2	10.3	961.97	11.5	1.5
Industrial Engineering	160	1125.74	0.7	3.8	14.5	1818.56	16.1	1.9
Industrial Transportation	128	987.67	0.2	3.1	9.5	1649.00	12.0	3.4
Support Services	87	570.16	0.5	3.0	12.8	857.86	13.9	1.5
Consumer Goods	563	606.19	0.1	0.6	12.7	1039.08	14.6	2.3
Automobiles & Parts	133	620.45	-0.4	-2.1	42.3	1024.48	45.2	1.9
Beverages	71	793.81	0.7	2.2	2.4	1370.76	3.8	2.4
Food Producers	137	723.28	-0.1	0.9	0.4	1272.52	2.3	2.6
Household Goods & Home Construction	61	593.52	0.9	5.2	10.5	1019.65	12.5	2.4
Leisure Goods	54	266.71	0.0	1.1	16.1	381.04	17.1	1.2
Personal Goods	94	988.05	0.1	1.1	6.9	1542.12	8.1	1.8
Tobacco	13	944.40	0.4	-1.1	-5.3	2810.90	-2.1	6.6
Health Care	339	731.87	0.9	3.5	0.5	1182.37	1.7	1.8
Health Care Equipment & Services	133	1408.56	0.8	3.1	2.1	1740.95	2.8	1.0
Pharmaceuticals & Biotechnology	206	491.96	1.0	3.8	-0.6	857.97	1.0	2.3
Consumer Services	426	614.22	0.9	5.4	19.6	884.58	20.5	1.1
Food & Drug Retailers	69	313.71	0.1	2.3	-0.2	507.34	1.4	2.4
General Retailers	139	1094.35	1.0	7.1	22.9	1505.74	23.6	0.9
Media	77	353.36	0.9	3.6	21.9	512.93	23.1	1.2
Travel & Leisure	141	527.36	1.3	3.6	19.1	776.61	20.0	1.2
Telecommunication	82	122.78	-0.2	-3.9	-4.6	298.98	-1.7	4.7
Fixed Line Telecommuniations	29	92.72	-0.4	-5.8	-7.9	261.90	-4.3	6.0
Mobile Telecommunications	53	147.61	0.0	-2.9	-2.9	308.11	-0.3	4.1
Utilities	203	310.16	-0.2	-1.6	-3.7	744.51	-1.4	3.6
Electricity	146	348.13	-0.2	-2.0	-4.8	821.29	-2.7	3.5
Gas Water & Multiutilities	57	312.37	-0.2	-0.5	-1.1	779.81	1.6	4.1
Financials	850	273.41	0.6	4.3	5.4	539.39	7.8	3.2
Banks	272	206.17	0.2	5.3	4.0	458.11	7.6	4.3
Nonlife Insurance	71	382.70	0.7	2.6	4.6	655.21	7.1	3.0
Life Insurance	51	226.09	0.2	3.9	-0.7	447.92	1.8	3.8
Financial Services	211	473.38	1.3	5.2	11.6	728.05	12.8	1.6
Technology	355	627.13	0.6	1.6	41.8	824.10	42.6	0.8
Software & Computer Services	179	944.41	1.1	3.1	39.3	1147.28	39.9	0.5
Technology Hardware & Equipment	176	557.53	0.0	0.1	44.5	790.55	45.6	1.1
Alternative Energy	21	135.75	-1.6	-6.7	-25.8	195.47	-25.6	0.4
Real Estate Investment & Services	138	246.66	-0.2	3.7	-1.8	490.18	0.1	2.8
Real Estate Investment Trusts	107	434.32	1.0	0.2	-0.3	1046.79	2.1	4.1
FTSE Global Large Cap	1937	700.89	0.5	2.8	15.3	1177.07	17.0	2.1

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

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1917	-8.50	Jd Sports Fashion PLC	146.00	-0.80
Abrdn PLC	193.00	-25.50	Johnson Matthey PLC	1725	-39.50
Admiral Group PLC	2150	32.00	Kingfisher PLC	237.20	-3.30
Airtel Africa PLC	114.20	-1.60	Land Securities Group PLC	637.60	2.20
Anglo American PLC	2156.5	-44.00	Legal & General Group PLC	227.60	-1.20
Antofagasta PLC	1582.5	-28.50	Lloyds Banking Group PLC	42.69	-0.49
Ashtead Group PLC	5692	-48.00	London Stock Exchange Group PLC	8274	68.00
Associated British Foods PLC	1976.5	-24.50	M&G PLC	196.15	-2.05
Astrazeneca PLC	11030	144.00	Melrose Industries PLC	527.00	-16.20
Auto Trader Group PLC	621.60	-	Mondi PLC	1295.5	-17.00
Aviva PLC	382.70	-1.80	National Grid PLC	975.80	10.40
B&M European Value Retail S.A.	537.20	3.60	Natwest Group PLC	237.00	-3.10
Bae Systems PLC	1026.5	3.50	Next PLC	6842	-36.00
Barclays PLC	147.08	-3.74	Ocado Group PLC	850.20	-2.60
Barratt Developments PLC	456.60	-0.70	Pearson PLC	852.60	9.00
Beazley PLC	530.00	26.00	Pershing Square Holdings LTD	2994	26.00
Berkeley Group Holdings (The) PLC	4269	-19.00	Persimmon PLC	1133.5	-9.00
BP PLC	480.00	-3.10	Phoenix Group Holdings PLC	537.00	-2.80
British American Tobacco PLC	2544	-12.50	Prudential PLC	1010.5	-16.00
Bt Group PLC	112.35	-1.05	Reckitt Benckiser Group PLC	5666	6.00
Bunzl PLC	2782	-8.00	Relx PLC	2581	9.00
Burberry Group PLC	2182	-28.00	Rentokil Initial PLC	608.20	1.00
Centrica PLC	138.75	-0.30	Rightmove PLC	575.40	5.60
Coca-Cola Hbc AG	2260	2.00	Rio Tinto PLC	4906.5	-60.00
Compass Group PLC	2002	9.50	Rolls-Royce Holdings PLC	207.90	-1.60
Convatec Group PLC	227.20	1.60	Rs Group PLC	772.00	-9.40
Crh PLC	4640	-29.00	Sage Group PLC	936.80	0.80
Croda International PLC	5530	-100.00	Sainsbury (J) PLC	268.70	-1.70
Dcc PLC	4379	-33.00	Schroders PLC	434.70	-8.60
Diageo PLC	3314.5	1.00	Scottish Mortgage Investment Trust PLC	695.80	2.20
Endeavour Mining PLC	1686	-23.00	Segro PLC	747.40	6.20
Entain PLC	1371	-32.50	Severn Trent PLC	2475	-1.00
Experian PLC	2864	-5.00	Shell PLC	2372	-4.50
F&C Investment Trust PLC	855.00	-9.00	Smith & Nephew PLC	1110	-10.50
Flutter Entertainment PLC	14905	-195.00	Smith (Ds) PLC	299.70	-5.70
Frasers Group PLC	805.00	-7.00	Smiths Group PLC	1659.5	-18.00
Fresnillo PLC	544.20	-19.00	Smurfit Kappa Group PLC	3192	-20.00
Glaxosmithkline PLC	1365	12.80	Spirax-Sarco Engineering PLC	10785	-85.00
Glencore PLC	444.60	-12.10	Sse PLC	1632	5.00
Haleon PLC	322.85	-0.05	St. James's Place PLC	920.00	3.60
Halma PLC	2132	-3.00	Standard Chartered PLC	741.80	-5.20
Hargreaves Lansdown PLC	798.20	-8.40	Taylor Wimpey PLC	117.90	-0.45
Hiscox LTD	1113	18.00	Tesco PLC	252.00	0.20
HSBC Holdings PLC	634.60	-9.50	Unilever PLC	4087.5	-3.00
Imi PLC	1547	-38.00	Unite Group PLC	948.50	1.00
Imperial Brands PLC	1817	-8.50	United Utilities Group PLC	974.80	1.40
Informa PLC	748.40	-1.00	Vodafone Group PLC	71.96	-0.72
Intercontinental Hotels Group PLC	5790	132.00	Weir Group PLC	1799.5	-31.00
International Consolidated Airlines Group S.A.	168.75	0.90	Whitbread PLC	3471	-9.00
Intertek Group PLC	4252	-5.00	Wpp PLC	792.80	-15.80

UK STOCK MARKET TRADING DATA

	Aug 08	Aug 07	Aug 04	Aug 03	Aug 02	Yr Ago
Order Book Turnover (m)	39.20	115.91	115.91	115.91	97.75	75.55
Order Book Bargains	527042.00	492275.00	492275.00	492275.00	594174.00	604731.00
Order Book Shares Traded (m)	1370.00	1259.00	1259.00	1259.00	1526.00	1614.00
Total Equity Turnover (£m)	5062.34	3974.31	3974.31	3974.31	8975.92	9771.74
Total Mkt Bargains	731022.00	681219.00	681219.00	681219.00	789038.00	809425.00
Total Shares Traded (m)	7573.00	5284.00	5284.00	5284.00	5809.00	7453.00

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

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

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

POWERED BY MORNINGSTAR

UK RIGHTS OFFERS

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

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

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
abrdn	Int			**169.000L**	326.000L	**7.700L**	14.200L	**0.00000**	7.30000	-	**7.300**	14.600
Fletcher King	Pre	**3.079**	2.967	**0.192**	0.134	**2.270**	1.620	**0.75000**	0.50000	Oct 27	**0.750**	0.500
Goodwin	Pre	**185.742**	144.108	**22.129**	19.941	**206.810**	169.140	**57.50000**	53.90000	Apr 12	**57.500**	53.900
H&T Group	Int	**101.687**	77.756	**8.750**	6.719	**16.260**	13.150	**6.50000**	5.00000	Oct 6	**16.500**	13.000
InterContinental Hotels Group	Int	**2226.000**	1794.000	**567.000**	299.000	**2.653**	1.174	**48.30000**	81.87000	Oct 5	**0.000**	0.000
InterContinental Hotels Group	Pre	**2226.000**	1794.000	**567.000**	299.000	**2.653**	1.174	**48.30000**	81.87000	Oct 5	**48.300**	0.000
PHSC	Pre	**3.438**	3.571	**0.305**	0.578L	**0.000**	0.000	**1.00000**	0.50000	Oct 13	**1.500**	1.000
Quilter	Int	**1579.000**	5034.000L	**28.000**	37.000	**0.400**	9.800	**0.00000**	1.20000	-	**3.300**	5.750
Rotork	Int	**334.691**	280.014	**60.246**	44.590	**5.300**	3.900	**2.55000**	2.40000	Sep 22	**6.850**	6.450
RSA Insurance Group Ltd	Int	**1532.000**	1854.000	**55.000**	224.000			**3.68750**	3.68750	Oct 2	**3.688**	3.688
SIG	Int	**1423.400**	1358.500	**12.200**	26.200	**0.400**	1.400	**0.00000**	0.00000	-	**0.000**	0.000
TI Fluid Systems	Int	**1768.100**	1559.500	**58.900**	19.800	**0.064**	0.001	**0.00000**	0.98700	-	**1.500**	2.500
Zotefoams	Int	**64.631**	59.045	**7.394**	5.704	**11.530**	9.420	**2.28000**	2.18000	Oct 6	**6.900**	6.580

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

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
07/31	0.05	AIM	MET1	Metals One PLC	4.15	0.10	5.70	4.25	865.1
07/06	335.00		CABP	CAB Payments Holdings Plc	263.00	-7.00	337.00	257.94	66839.7

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Lilly (E)	529.12	454.08	75.04	16.53	0.99	16.8	17.03
Eli Lilly	529.12	454.08	75.04	16.53	0.99	16.8	17.03
NovoB	1279.80	1091.40	188.40	17.26	-8.80	16.3	19.16
Amgen	263.06	252.94	10.12	4.00	20.82	13.3	20.29
RollsRoyce	207.90	209.50	-1.60	-0.76	24.25	12.2	38.72
Perrigo	39.90	36.80	3.10	8.42	0.45	9.8	22.25
Booking Holdings	3189.62	3243.01	-53.40	-1.65	328.70	9.4	20.95
Humanainc	492.13	494.67	-2.54	-0.51	36.56	7.4	14.41
Cognizant	70.16	71.33	-1.18	-1.65	5.48	6.5	7.30
TrnCan	48.20	48.19	0.01	0.02	2.94	6.5	-7.25
Aflac	76.65	77.95	-1.30	-1.67	5.84	6.3	9.45
McKesson	427.96	422.23	5.73	1.36	17.21	5.7	3.17
Amazon	139.01	142.22	-3.21	-2.26	10.53	5.6	7.16
Midea	0.39	0.37	0.02	5.41	0.00	5.4	6.76
Regen Pharm	778.23	774.74	3.49	0.45	35.67	5.3	12.44
GileadSci	79.52	80.67	-1.15	-1.43	4.99	5.1	6.81
GuosenSec	10.17	10.29	-0.12	-1.17	0.60	5.0	13.89
Emerson	96.05	97.22	-1.18	-1.21	5.59	4.8	7.97
21stC Fox A	34.78	33.08	1.70	5.12	-0.18	4.6	2.13
Marathon Ptl	140.59	140.00	0.59	0.42	5.06	4.2	19.17

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Cielo	4.08	4.17	-0.09	-2.16	-0.55	-11.9	-12.47
JohnsonCn	61.06	62.57	-1.51	-2.41	-7.46	-12.8	-8.76
SHOP	77.13	77.52	-0.39	-0.50	-9.88	-11.8	-6.29
Qualcomm	116.76	119.34	-2.58	-2.16	-12.74	-11.6	-9.15
IntSPaolo	2.34	2.56	-0.22	-8.67	-0.05	-10.4	-0.47
HangSeng	106.50	108.00	-1.50	-1.39	-10.70	-10.3	-0.37
CK Hutchison	43.40	44.30	-0.90	-2.03	-3.80	-9.8	-5.65
Zoom	65.90	68.66	-2.76	-4.02	-4.25	-9.6	0.35
China Vanke	9.94	10.42	-0.48	-4.61	-0.56	-9.5	16.67
Apple	177.87	178.85	-0.99	-0.55	-16.76	-9.1	-6.69
Atlas Copco	127.68	127.00	0.68	0.54	-13.24	-9.0	-4.67
BMW	101.46	103.74	-2.28	-2.20	-7.12	-8.5	-8.50
BT	112.35	113.40	-1.05	-0.93	-8.95	-8.2	-8.26
Telefonica	3.52	3.51	0.00	0.06	-0.31	-8.1	-3.17
Anglo American	2156.50	2200.50	-44.00	-2.00	-142.00	-7.9	-2.07
MitsubishiEle	1889.00	1880.00	9.00	0.48	-171.00	-7.9	-5.45
SBI NewA	573.10	567.90	5.20	0.92	-76.50	-7.8	-3.45
SingTel	2.46	2.47	-0.01	-0.40	-0.19	-7.5	-0.81
Bradesco	13.74	13.88	-0.14	-1.01	-0.97	-7.5	-5.24
Analog Devices	184.72	190.10	-5.38	-2.83	-9.36	-7.4	-0.28

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

BONDS: GLOBAL INVESTMENT GRADE

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

Aug 08	Rate	Current	Since	Last
US	Fed Funds	5.25-5.50	26-07-2023	5.00-5.25
US	Prime	8.50	26-01-2023	8.25
US	Discount	5.25	04-05-2023	5.00
Euro	Repo	4.25	01-08-2023	3.424
UK	Repo	5.25	03-08-2023	5.00
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25

INTEREST RATES: MARKET

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

BOND INDICES

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

VOLATILITY INDICES

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

BONDS: BENCHMARK GOVERNMENT

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

GILTS: UK CASH MARKET

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

GILTS: UK FTSE ACTUARIES INDICES

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

COMMODITIES

www.ft.com/commodities

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

BONDS: INDEX-LINKED

Representative stocks from each major market Source: Merrill 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

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

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

MANAGED FUNDS SERVICE

abrdn Capital (CI) Limited (JER)
PO Box 189, St Helier, Jersey, JE4 9RU 01534 709130

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
abrdn Capital Offshore Strategy Fund Limited				
Bridge Fund	£2.1476	-	0.0026	2.38
Global Equity Fund	£3.3404	-	0.0013	1.52
Global Fixed Interest Fund	£0.7427	-	0.0009	6.22
Income Fund	£0.6168	-	0.0005	3.33
Sterling Fixed Interest Fund	£0.6613	-	0.0038	4.73
UK Equity Fund	£1.8288	-	-0.0055	3.45

Algebris Investments (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Algebris Financial Credit I EUR	€177.94	-	-0.52	0.00
Algebris Financial Credit R EUR	€152.37	-	-0.46	0.00
Algebris Financial Credit Rd EUR	€ 89.04	-	-0.26	6.10
Algebris Financial Income I EUR	€189.07	-	-0.15	0.00
Algebris Financial Income R EUR	€171.03	-	-0.13	0.00
Algebris Financial Income Rd EUR	€100.80	-	-0.07	4.89
Algebris Financial Equity B EUR	€180.56	-	0.68	0.00
Algebris Financial Equity R EUR	€150.85	-	0.57	0.00
Algebris IG Financial Credit I EUR	€ 99.32	-	0.28	0.00
Algebris IG Financial Credit R EUR	€ 97.46	-	0.27	0.00
Algebris Global Credit Opportunities I EUR	€131.72	-	0.53	-
Algebris Global Credit Opportunities R EUR	€128.27	-	0.52	-
Algebris Global Credit Opportunities Rd EUR	€109.38	-	0.44	-
Algebris Core Italy I EUR	€150.57	-	-0.17	0.00
Algebris Core Italy R EUR	€142.22	-	-0.16	0.00
Algebris Sust. World B	€110.33	-	-0.13	-
Algebris Sust. World R	€109.21	-	-0.13	-

The Antares European Fund Limited

Fund	Bid	Offer	D+/-	Yield
Other International				
AEF Ltd Usd	$522.80	-	-7.91	0.00
AEF Ltd Eur	€476.73	-	-7.18	0.00

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

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Artemis Corporate Bond I Acc	97.91	-	0.56	4.17
Artemis Positive Future Fund	65.32	-	-0.27	0.00
Artemis Target Return Bond I Acc	107.77	-	0.04	3.95

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

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Emerging Markets Equity Fund	$127.96	-	0.42	-
Emerging Markets Equity ESG Fund	$146.27	-	0.58	-
Emerging Markets Frontier Equity Fund	$192.21	-	0.57	0.94
Emerging Markets Blended Debt Fund	$ 52.43	-	-0.06	5.12
Emerging Markets Blended Debt ESG Fund	$ 88.86	-	-0.08	0.00
Emerging Markets Active Equity Fund	$125.64	-	0.20	0.00
Emerging Markets Corporate Debt Fund	$ 57.85	-	0.04	7.43
Emerging Markets Debt Fund	$ 57.67	-	0.03	5.76
Emerging Markets Local Currency Bond Fund	$ 64.35	-	-0.21	-

Atlantas Sicav (LUX)

Fund	Bid	Offer	D+/-	Yield
Regulated				
American Dynamic	$7133.06	-	-120.92	0.00
American One	$7714.14	-	-92.93	0.00
Bond Global	€1521.74	-	-6.03	0.00
Eurocroissance	€1371.60	-	-33.48	0.00
Far East	$1030.42	-	-38.85	0.00

Blue Whale Investment Funds ICAV (IRE)
www.bluewhale.co.uk, info@bluewhale.co.uk

Fund	Bid	Offer	D+/-	Yield
FCA Recognised - Ireland UCITS				
Blue Whale Growth USD T	$ 10.70	-	0.08	-

Brooks Macdonald International Fund Managers Limited (JER)
5 Anley Street, St Helier, Jersey, JE2 3QE
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Fund	Bid	Offer	D+/-	Yield
Brooks Macdonald International Investment Funds Limited				
Euro High Income	€1.2137	-	0.0019	2.50
High Income	£0.6345	-	0.0017	3.77
Sterling Bond	£1.2217	-	0.0034	2.06
Brooks Macdonald International Multi Strategy Fund Limited				
Balanced Strategy A	£0.9232	-	0.0011	-
Balanced Strategy	£0.9238	-	0.0011	-
Cautious Balanced Strategy A	£0.8866	-	0.0008	-
Growth Strategy A	£0.9383	-	0.0010	0.01
High Growth Strategy A	£0.9420	-	0.0016	0.72
Cautious Balanced Strategy	£1.2420	-	0.0010	0.00
Growth Strategy	£1.9666	-	0.0022	0.00
High Growth Strategy	£2.7667	-	0.0045	0.00
US$ Growth Strategy	$1.8231	-	0.0066	0.00

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

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

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
CG Portfolio Fund Plc				
Absolute Return Cls M Inc	£132.30	132.90	0.53	1.69
Capital Gearing Portfolio GBP P	£36337.45	36537.81	142.23	1.71
Capital Gearing Portfolio GBP V	£176.73	177.70	0.69	1.71
Dollar Fund Cls D Inc	£158.05	158.52	1.18	1.29
Dollar Hedged GBP Inc	£ 92.95	93.23	1.16	1.21
Real Return Cls A Inc	£190.07	190.64	1.29	1.79

Chartered Asset Management Pte Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
CAM-GTF VCC	$319433.95	319433.95	14317.04	-
CAM GTi VCC	$780.49	-	-32.39	-
RAIC VCC	$ 1.64	1.64	0.03	2.06

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

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Dodge & Cox Worldwide Funds plc - Global Bond Fund				
EUR Accumulating Class	€ 15.97	-	0.01	0.00
EUR Accumulating Class (H)	€ 10.75	-	0.07	-
EUR Distributing Class	€ 11.30	-	0.01	2.39
EUR Distributing Class (H)	€ 7.54	-	0.05	-
GBP Distributing Class	£ 12.00	-	0.04	3.34
GBP Distributing Class (H)	£ 8.15	-	0.05	2.36
USD Accumulating Class	$ 16.68	-	0.08	0.00
Dodge & Cox Worldwide Funds plc-Global Stock Fund				
USD Accumulating Share Class	$ 32.38	-	0.10	-
GBP Accumulating Share Class	£ 41.80	-	0.00	-
GBP Distributing Share class	£ 27.87	-	0.00	-
EUR Accumulating Share Class	€ 44.19	-	-0.11	-
GBP Distributing Class (H)	£ 14.80	-	0.05	0.23
Dodge & Cox Worldwide Funds plc-U.S. Stock Fund				
USD Accumulating Share Class	$ 40.98	-	0.01	-
GBP Accumulating Share Class	£ 50.02	-	-0.15	-
GBP Distributing Share Class	£ 29.83	-	-0.09	-
EUR Accumulating Share Class	€ 48.28	-	-0.27	-
GBP Distributing Class (H)	£ 16.09	-	0.00	0.15

Dragon Capital
www.dragoncapital.com
Fund information:info@dragoncapital.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Vietnam Equity (UCITS) Fund A USD	$ 29.95	-	0.28	0.00

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

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
EdenTree Short Dated Bond Cls B	92.39	-	0.21	2.11

Euronova Asset Management UK LLP (CYM)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Smaller Cos Cls One Shares	€ 54.93	-	0.40	0.00
Smaller Cos Cls Two Shares	€ 34.95	-	0.25	0.00
Smaller Cos Cls Three Shares	€ 17.44	-	0.12	0.00
Smaller Cos Cls Four Shares	€ 22.99	-	0.17	0.00

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

Fund	Bid	Offer	D+/-	Yield
OEIC Funds				
Index Sterling Corporate Bond Fund P-ACC-GBP	£ 0.82	-	0.00	2.99
Sustainable Multi Asset Balanced Fund W-ACC-GBP	£ 0.94	-	0.00	1.55
Emerging Mkts NAV	£ 7.21	-	-0.16	1.99
American Fund W-ACC-GBP	£ 58.28	-	0.25	-
Cash Fund W-ACC-GBP	£ 1.05	-	0.00	1.79
Sustainable Emerg Mkts Equity Fund A-ACC Shares	£ 1.52	-	0.01	-
Sustainable Global Equity Fund W-ACC-GBP	£ 34.02	-	-0.02	0.40
Global High Yield Fund W-ACC-GBP	£ 14.06	-	-0.04	5.08
Japan Fund W-ACC-GBP	£ 6.05	-	-0.02	1.40
Japan Smaller Companies Fund W-ACC-GBP	£ 3.47	-	-0.03	0.64
Select 50 Balanced Fund PI-ACC-GBP	£ 1.14	-	0.00	1.37
Special Situations Fund W-ACC-GBP	£ 42.70	-	-0.13	3.29
Short Dated Corporate Bond Fund W-ACC-GBP	£ 10.66	-	0.02	3.77
Sustainable Water & Waste W-ACC-GBP	£ 1.17	-	0.00	0.51
Sustainable Water & Waste W-INC-GBP	£ 1.15	-	0.00	0.51
UK Select Fund W-ACC-GBP	£ 3.72	-	0.03	2.49
Global Enhanced Income W-ACC-GBP	£ 2.37	-	0.00	4.32
Index UK Gilt Fund P-ACC-GBP	£ 0.71	-	0.00	-
Sustainable Multi Asset Conservative Fund W-ACC-GBP	£ 0.89	-	0.00	1.68
Sustainable Multi Asset Growth Fund W-ACC-GBP	£ 0.97	-	0.00	-

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

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
American EUR Unhedged Class	€168.76	-	2.13	0.00
American Fund USD Class	$185.73	-	2.01	0.00
American Fund GBP Hedged	£ 90.55	-	0.98	0.00
American Fund GBP Unhedged	£145.41	-	1.41	0.00

Foord Asset Management
Website: www.foord.com - Email: info@foord.com

Fund	Bid	Offer	D+/-	Yield
FCA Recognised - Luxembourg UCITS				
Foord International Fund | R	$ 49.27	-	-0.15	0.00
Foord Global Equity Fund (Lux) | R	$ 17.32	-	0.04	0.00
Regulated				
Foord Global Equity Fund (Sing) | B	$ 20.70	-	0.05	0.00
Foord International Trust (Gsy)	$ 48.03	-	-0.14	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
LAPIS GBL F OWD 50 DIV.YLD-Na-D	£103.89	-	-0.07	1.19
LAPIS GBL MED DEV 25.YLD-Na-D	£ 93.67	-	0.33	-
LAPIS GBL TOP 50 DIV.YLD-Na-D	£117.15	-	0.36	2.90

Guinness Global Investors

Fund	Bid	Offer	D+/-	Yield
Guinness Global Equity Income Y GBP Dist	£ 19.05	-	-0.14	2.13
Guinness Global Innovators Y GBP Acc	£ 29.29	-	-0.19	-

Fund	Bid	Offer	D+/-	Yield
Guinness Sustainable Global Equity Y GBP Acc	£ 11.40	-	-0.06	0.00

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

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

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

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Janus Henderson Instl UK Index Opportunities A Acc	£ 1.14	-	0.00	2.90

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

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
M&G Charibond Charities Fixed Interest Fund (Charibond) Inc	£ 1.06	-	0.01	-
M&G Charibond Charities Fixed Interest Fund (Charibond) Acc	£ 38.62	-	0.22	2.43
M&G Charity Multi Asset Fund Inc	£ 0.86	-	-0.01	3.93
M&G Charity Multi Asset Fund Acc	£106.27	-	-0.13	3.73

MMIP Investment Management Limited (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Multi-Manager Investment Programmes PCC Limited				
UK Equity Fd Cl A Series 01	£3080.40	3080.41	-231.75	-
Diversified Absolute Rtn Fd USD Cl AF2	$1688.02	-	45.93	-
Diversified Absolute Return Stlg Cell AF2	£1579.00	-	-1.96	-
Global Equity Fund A Lead Series	£1747.16	1747.16	-5.31	-

Marwyn Asset Management Limited (CYM)

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

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
British Innovation Fund	£121.92	-	2.89	0.00
MAI - Buy & Lease (Australia)	A$103.45	-	0.50	0.00
MAI - Buy & Lease (New Zealand)	NZ$ 91.20	-	-6.06	0.00
Milltrust Global Emerging Markets Fund - Class A	$ 95.03	-	-0.06	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Milltrust Alaska Brazil Fund SP A	$102.57	-	-0.92	0.00
Milltrust Laurium Africa Fund SP A	$ 97.78	-	-1.24	0.00
Milltrust Marcellus India Fund SP	$133.63	-	1.05	0.00
Milltrust Singular ASEAN Fund SP Founders	$129.46	-	-0.27	0.00
Milltrust SPARX Korea Equity Fund SP A	$130.59	-	-1.08	0.00
Milltrust Xingtai China Fund SP A	$100.15	-	1.27	0.00
The Climate Impact Asia Fund SP A	$ 81.64	-	-0.32	0.00
The Climate Impact Asia Fund (Class B)	$ 80.72	-	-0.32	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Mir. - Glb Strat. Bd I USD	$116.50	-	-0.14	0.00
Mir. - DiscEur D Cap GBP	£159.13	-	-0.88	0.00
Mir. - UKEq HA Cap I GBP	£132.64	-	-0.44	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Oasis Crescent Global Equity Fund USD A (Dist)	$ 36.10	-	0.12	0.49
Oasis Crescent Global Income Fund USD A (Dist)	$ 9.99	-	0.00	3.37
Oasis Crescent Global Low Equity Fund USD D (Dist)	$ 12.41	-	0.02	1.16
Oasis Crescent Global Medium Equity Fund USD A (Dist)	$ 13.85	-	0.02	0.66
Oasis Crescent Global Property Equity Fund USD A (Dist)	$ 8.00	-	0.05	-
Oasis Crescent Global Short Term Income Fund USD A (Dist)	$ 0.93	-	0.00	2.47
Oasis Crescent Variable Fund GBP A (Dist)	£ 9.57	-	-0.01	0.67

Omnia Fund Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Estimated NAV	$922.59	-	3.14	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Orbis OEIC Global Cautious Standard	£ 12.08	-	-0.01	0.00
Orbis OEIC Global Balanced Standard	£ 20.18	-	0.01	-
Orbis OEIC Global Equity Standard	£ 23.51	-	0.03	2.37

Platinum Capital Management Ltd

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Platinum All Star Fund - A	$150.49	-	-	-
Platinum Global Growth UCITS Fund	$ 8.78	-	0.04	0.00
Platinum Essential Resources UCITS Fund SICAV USD Class E	$ 10.26	-	0.03	0.00
Platinum Global Dividend UCITS Fund	$ 46.48	-	-0.04	0.00

Polar Capital Funds Plc (IRL)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Artificial Intelligence I USD ACC	$ 17.40	17.40	0.05	0.00
Asian Starts I USD Acc $	$ 14.80	-	-0.03	0.00
Biotechnology I USD	$ 37.87	37.87	-0.05	0.00
China Stars I USD Acc $	$ 11.11	11.11	0.04	0.00
Emerging Market Stars I USD Acc	$ 11.88	-	-0.01	-
European Ex UK Inc EUR Acc	€ 14.96	14.96	0.05	0.00
Financial Opps I USD	$ 14.47	-	0.01	2.19
Global Convertible I USD	$ 13.73	13.73	0.08	0.00
Global Insurance I GBP	£ 10.04	-	-0.04	0.00
Global Technology I USD	$ 80.60	-	-0.39	0.00
Healthcare Blue Chip Fund I USD Acc	$ 19.28	19.28	-0.09	0.00
Healthcare Dis I Acc USD $	$ 12.68	-	0.10	0.00
Healthcare Opps I USD	$ 67.06	-	-0.27	0.00
Income Opportunities B2 I GBP Acc	£ 2.97	2.97	0.01	-
Japan Value I JPY	¥169.85	169.85	0.72	0.00
North American I USD	$ 35.90	35.90	0.22	0.00
Smart Energy I USD Acc $	$ 10.40	10.40	0.00	0.00
Smart Mobility I USD Acc $	$ 9.76	9.76	-0.02	0.00
UK Val Opp I GBP Acc	£ 12.27	12.27	0.01	0.00

Private Fund Mgrs (Guernsey) Ltd (GSY)

Fund	Bid	Offer	D+/-	Yield
Regulated				
Monument Growth 01/08/2023	£545.20	550.41	1.85	0.00

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Prusik Asian Equity Income B Dist	$176.20	-	-0.14	5.64
Prusik Asia Fund U Dist.	£197.93	-	-1.64	0.00
Prusik Asia Sustainable Growth Fund A Acc	$ 87.60	-	-0.52	0.00

Purisima Investment Fds (CI) Ltd (JER)

Fund	Bid	Offer	D+/-	Yield
Regulated				
PCG B ✣	328.25	-	-0.52	0.00
PCG C ✣	318.89	-	-0.50	0.00

Ram Active Investments SA
www.ram-ai.com

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
RAM Systematic Emerg Markets Eq	$229.85	229.85	-0.38	-
RAM Systematic European Eq	€525.19	525.19	-0.30	-
RAM Systematic Funds Global Sustainable Income Eq	$155.75	155.75	0.79	0.00
RAM Systematic Long/Short European Eq	€143.81	143.81	0.34	-

Ruffer LLP (1000)F (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 601 9610

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
LF Ruffer Diversified Rtrn C Acc	99.72	-	-0.21	1.90
LF Ruffer Diversified Rtrn C Inc	97.90	-	-0.21	1.91
LF Ruffer Equity & General C Acc	577.06	-	-2.34	0.75
LF Ruffer Equity & General C Inc	521.34	-	-2.11	0.76
LF Ruffer Gold C Acc	233.53	-	-1.93	0.00
LF Ruffer Gold C Inc	141.34	-	-1.17	0.00
LF Ruffer Total Return C Acc	536.84	-	0.24	2.97
LF Ruffer Total Return C Inc	330.42	-	0.15	3.03

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
Rubrics Emerging Markets Fixed Income UCITS Fund	$139.96	-	1.13	0.00
Rubrics Global Credit UCITS Fund	$ 16.91	-	0.06	0.00
Rubrics Global Fixed Income UCITS Fund	$170.34	-	0.90	0.00

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

Fund	Bid	Offer	D+/-	Yield
FCA Recognised				
Slater Growth A Acc	586.82	586.82	-0.80	0.00
Slater Income A Inc	132.41	132.41	-0.48	5.22
Slater Recovery A Acc	304.23	304.23	-0.51	0.00
Slater Artorius	256.44	256.44	-2.19	0.58

STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

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

Fund	Bid	Offer	D+/-	Yield
Regulated				
SF Global Best Ideas Eq B USD ACC	$250.64	-	0.61	-
SF Global Best Ideas Eq D GBP INC	£298.09	-	-0.71	-

SUPERFUND INVEST BETTER

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

Fund	Bid	Offer	D+/-	Yield
Other International Funds				
Other International Funds				
Superfund Green Gold	$918.80	-	-5.02	0.00
Superfund Green Silver	$784.57	-	-19.35	0.00
Regulated				
Superfund Green US$	$692.33	-	-1.51	0.00

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

Fund	Bid	Offer	D+/-	Yield
Authorised Funds				
Aptus Global Financials B Acc	£ 5.28	-	0.01	3.43
Aptus Global Financials B Inc	£ 3.28	-	0.01	3.52

Toscafund Asset Management LLP
www.toscafund.com

Fund	Bid	Offer	D+/-	Yield
Tosca A USD	$441.67	-	11.18	0.00
Tosca Mid Cap GBP	£133.22	-	4.19	0.00
Tosca Opportunity B USD	$252.81	-	-15.03	0.00
Pegasus Fund Ltd A-1 GBP	£ 31.58	-	0.87	0.00

Troy Asset Mgt (1200) (UK)
65 Gresham Street, London, EC2V 7NQ
Order Desk and Enquiries: 0345 608 0950

Fund	Bid	Offer	D+/-	Yield
Authorised Inv Funds				
Authorised Corporate Director - Link Fund Solutions				
Trojan Investment Funds				
Trojan Ethical O Acc	127.67	-	0.40	0.07
Trojan Ethical Global Inc O Acc	104.00	-	1.02	2.68
Trojan Ethical Global Inc O Inc	99.48	-	0.98	2.72
Trojan Ethical O Inc	127.57	-	0.39	0.08

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

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure.

Different share classes are issued to reflect a different currency, charging structure or type of holder.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

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

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

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

Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name.

The symbols are as follows: ✠ 0001 to 1100 hours; ♦ 1101 to 1400 hours; ▲ 1401 to 1700 hours; # 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available. Historic pricing: The letter H denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing at any time. Forward pricing: The letter F denotes that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.

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OPERA

Orfeo; Pelléas et Mélisande
Santa Fe Opera
★★★★☆

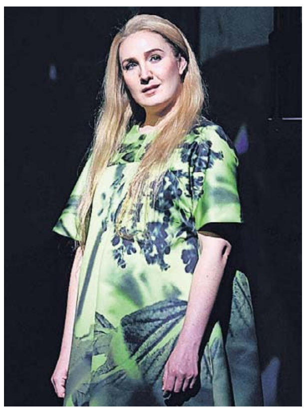
George Loomis

While most US opera companies struggle in a post-pandemic world, Santa Fe Opera, the country's leading summertime opera destination, projects an enviable sense of normality with a well-balanced, five-opera season. This year the slot normally occupied by a premiere is taken by Monteverdi's *Orfeo* (1607), which is also the season's high point.

Universally acknowledged as history's first great opera, it is performed in a new orchestration for modern instruments by the gifted composer Nico Muhly and staged by the disruptive director Yuval Sharon — a striking combination. Purists will insist on sticking with Monteverdi's own specifications, but in the US, where period-instrument ensembles are fewer in number than in Europe, the new orchestration could help win a larger audience for this masterpiece, particularly in light of Muhly's thorough professionalism (even if one can quibble over a few decorative touches).

Conducting Santa Fe's exemplary orchestra and chorus, the Baroque expert Harry Bicket, who is also the company's music director, has the music sounding fresh and as vital as ever. He also brings out the opera's dazzling musical variety, which makes other operas from the dawn of the art form's existence sound monotonous in comparison.

Bicket's stipulation that the new edition keep Monteverdi's vocal parts and bass line intact also serves as a check on flights of fancy by Sharon, who has staged a truncated *Götterdämmerung* in a parking garage and had the acts of *La bohème* performed in reverse order. Here his staging has an appealing down-home quality as well as whimsical details.



Above: Amber Norelai and Rolando Villazón in 'Orfeo'. Below: Samantha Hankey in 'Pelléas et Mélisande' — Curtis Brown

The action takes place on and within a large sphere (sets by Yuki Nakase Link), only the top of which is visible when nymphs and shepherds gather for Orfeo and Euridice's wedding. Following the latter's fatal snakebite, the sphere rises to accommodate Orfeo in his rescue mission to the underworld, where he sings his elaborate aria "Possente spirto" while suspended in mid-air, even venturing acrobatic feats. Euridice's final utterances, after the underworld reclaims her, are sung not by the singer but played on an old gramophone — a lame joke that spoils the moment's poignancy. Heading a large and accomplished cast, the irrepressible Rolando Villazón sings Orfeo with charisma but little vocal bloom. Still, this *Orfeo* warms the heart. ★★★★☆

Debussy's *Pelléas et Mélisande*, despite its impressionistic haze, works best in performances that stress musical and dramatic clarity. Bicket, again at the helm, encourages crisp instrumental articulation and invests the musical flow with rhythmic pulse in a well-organised reading; in particular, the splendid interludes unfold eloquently.

Likewise, the cast is unusually able. Huw Montague Rendall sings and acts as if born to portray Pelléas. His voice ideally fits a role that straddles tenor and baritone ranges and has a natural timbre that, along with his expressive manner, underscores the character's boyish emotional makeup. Samantha Hankey, recently a splendid Octavian in *Der Rosenkavalier* at the Met, has the makings of a fine Mélisande, but her portrayal needs more fragility and less volume. In excellent voice as Golaud, who loses Mélisande to his half-brother, Zachary Nelson vividly conveys the character's growing anguish and subsequent remorse.

If only the drama were on a comparable level. But the production by Netia Jones, who also designed the sets, costumes and projections, is difficult to parse; presenting much of the action simultaneously by silent doubles clarifies little. The constant presence of a glassed-in enclosure with a grassy floor suggests, along with other details, that Jones seeks to make a point about nature, but it is hard to tie that to the plot's essential love triangle. This is a *Pelléas* worth seeing for the music. ★★★☆☆

'Orfeo' to August 24, 'Pelléas et Mélisande' to August 18, santafeopera.org

DANCE

The Australian Ballet: Jewels
Royal Opera House, London
★★★☆☆

Louise Levene

David Hallberg, director of The Australian Ballet since 2021, could hardly have picked a trickier work for his company's latest London visit: George Balanchine's *Jewels*, a triptych that displays every facet of ballet technique — lyrical, neoclassical, imperial. The choreography switches register with polyglot panache and its three plotless acts offer the dancer no hiding place.

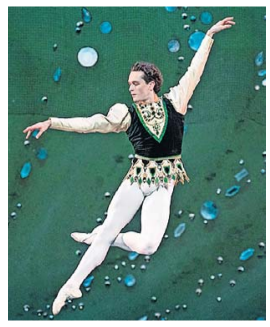
Despite these challenges, the 1967 masterpiece has found its way into dozens of repertoires around the world, an audience favourite and a reliable "applause-machine" (in American writer Lincoln Kirstein's phrase). Australian Ballet came late to the party, only premiering *Jewels* this May at the Sydney Opera House. Wednesday's opening of the sellout London season was impeccably drilled by the Balanchine Trust's Sandra Jennings, but the Royal Opera House stage is peopled with ghosts of past performances by the Mariinsky, Bolshoi and Royal Ballets which can't help but overshadow Hallberg's brightest.

Emeralds, the softest but by far the hardest of the three stones, requires subtleties of style and phrasing that the Australian corps and soloists have yet to master. They weren't helped by murky lighting or by Peter Harvey's dingy reworking of his original 1967 set designs. The choreography, like Fauré's score, conjures the atmosphere and romance of 19th-century France and demands windblown *port de bras* and complete surrender to the music (rather than a collective count under the breath). The corps, picture-perfect in Barbara Karinska's rhinestone-studded gowns, joined the dots conscientiously but the torsos were unyielding, the phrasing unmusical and any fragrance had evaporated.

That said, the applause from the gods trickled down into the auditorium long after the stalls had stopped clapping: testament to the brilliant-cut geometry of Balanchine's ensembles — Busby Berkeley would have angled a giant mirror above the stage.

Rubies is set to Stravinsky's jazzily syncopated *Capriccio for Piano and Orchestra*, strongly played by Andrew Dunlop and the ever-versatile Royal Ballet Sinfonia. There are few things more irritating (or more ageing) than a crush bar-fly telling you that you should have seen Verdy/Villella/Farrell, but balletgoers with long memories could not help missing the bravura brinkmanship of Diana Vishneva, Alexandra Ansanelli or Steven McRae. The two ballerina roles were low on allure and felt underpowered but the impressive Brett Chynoweth provided welcome shots of sass and sex in the *pas de deux* and in his own musically alert solo, brimming with frisky jumps and easy turns.

Diamonds, which mines Tchaikovsky's Third Symphony for the dance encoded within it, is a sublime synthesis of every Petipa vision scene and *grand pas de deux*. The vast cast was led with great charm by Benedicte Bemet, ably partnered by Birmingham and English National Ballet old boy Joseph Caley. Bemet, a product of the Australian Ballet School, is not built on queenly lines but commands attention with her slo-mo pirouettes, shimmering *pas de bourrée* and gyroscopic *chaînés*.



Callum Linnane in 'Emeralds'

The company was at its best in the triumphant polonaise, in which clusters and rivières of dance erupt from the score — 16 couples flooding the stage with choreographic treasures.

roh.org.uk

Joseph Caley and Benedicte Bemet in 'Diamonds' — Tristram Kenton

Charmless Shrek sinks into the swamp

THEATRE

Shrek the Musical
Opera House, Manchester
★★☆☆☆

Matt Barton

Once upon a time, a film about the spiky companionship between an ogre and a donkey, shackled together on a quest to rescue a princess, became an unlikely hit. DreamWorks turned William Steig's book, *Shrek*, into a cult movie coveted for its child-pleasing fantasy and knowing undercutting of fairytale conventions. That understanding sinks without trace into the swampy bog of this musical adaptation.

Those edges and quirks have been flattened and blunted into an anodyne, woefully unimaginative rehash that feels as charmless and awkward as the ogre. The plot is consequently slight, comprising Shrek and Donkey's walk to and from the castle to save the princess, whom Lord Farquaad demands to marry. The cast replicate the accents of the film — Shrek's Scottish, Princess Fiona and Donkey's American, Farquaad's RP — to resemble workaday approximations of the zany originals.

Antony Lawrence has Shrek's cumbersome, ungainly movements, but not the rankled, crotchety cantankerousness, and is neutered further by light slapstick that renders him cuddly and likeable. James Gillan is a foppish, man-child Farquaad, though he never ventures beyond hackneyed pantomime camp.

The show is padded with limp scenes of two characters talking in front of projected backdrops that look increasingly ropey. Disappointingly, these graphics supply the final climax, rather than the giant flying dragon puppet that adds magic and spectacle to a single scene. Jeanine Tesori's music is equally lacklustre: an overload of soggy solos about longing and loneliness that sound even more similar with Shrek's limited range, and crucially miss the film's punky pop-rock.

Writer David Lindsay-Abaire and directors Samuel Holmes and Nick Winston seem uninterested in the story's self-aware playfulness with genre. The supporting fairytale ensemble are not winking references, but a messy clump of downtrodden misfits whose self-pity overpowers any irony.

Not only does this version squander subversive opportunities, but it undoes the film's nuances. Joanne Clifton's Fiona, in particular, shows little independence. Brandon Lee Sears's Donkey doesn't slide from garrulousness to jealousy over Shrek's falling for Fiona; he is reduced to a semi-present bystander brought on to provide occasional equine kicks of energy.

There's an overreliance on dance sequences to do the same. Winston nicely choreographs the dancers who welcome us to Farquaad's kingdom with mechanical limb twitches like wind-up toys. But the rest are drawn-out, rinse-and-repeat routines where costumes are the only variation.

As in the film, there's a sequence of bonding over flatulence; but this show is mostly just flat. Wherever the source material is, it's in a kingdom far, far away.

To August 12, then touring the UK and Ireland to 2024, shrekuktour.com

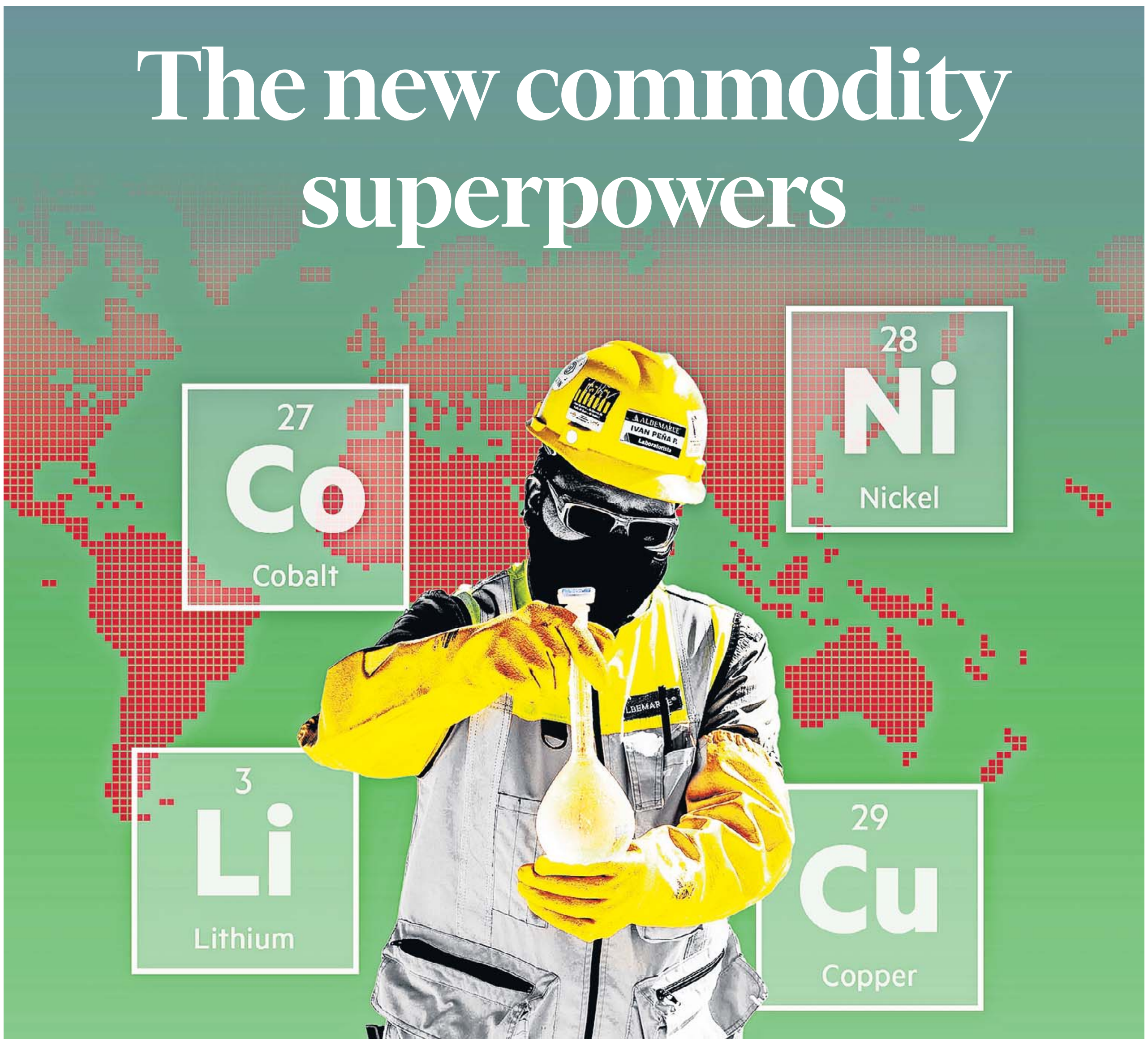
Brandon Lee Sears as Donkey and Antony Lawrence as Shrek
Marc Brenner

FT BIG READ. TRADE

FT series Part one examines how countries that produce the metals central to electric vehicles and other technologies needed for the energy transition want to rewrite the rules of mineral extraction.

By Leslie Hook, Harry Dempsey and Ciara Nugent

The new commodity superpowers

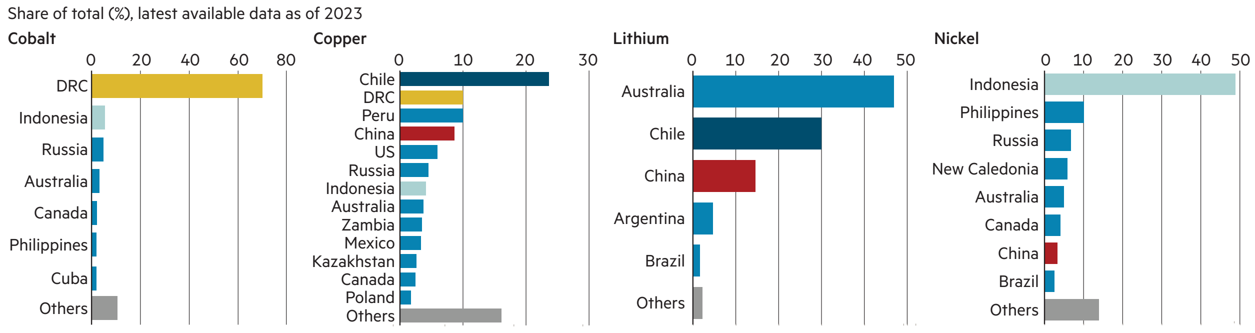


A worker at a Chilean lithium mine. Chile is one of the countries that will profit from the battery metals boom

FT montage/Bloomberg

In critical minerals, mining is led by Indonesia, Chile and the DRC

Share of total (%), latest available data as of 2023



Sources: Irena; USGS; US Department of the Interior

The red-brown landscape of Tenke-Fungurume, one of the world's largest copper and cobalt mines in the Democratic Republic of Congo, is covered by tens of thousands of dusty sacks.

The bags stacked up by the roadside and piled next to buildings contain a stash of cobalt hydroxide powder equivalent to almost a tenth of the world's annual consumption — and worth about half a billion dollars.

The haphazard stockpiles of this bright green powder, a key ingredient in electric car batteries, point to how the DRC, the world's largest producer of cobalt, is starting to flex its muscles when it comes to the metals needed for the energy transition.

CMOC, the Chinese operator of the Tenke-Fungurume mine, agreed in April to pay $800mn to the government to settle a tax dispute which had seen the company slapped with an export ban for the previous 10 months.

And now the DRC government is undertaking a sweeping review of all its mining joint ventures with foreign investors. "We're not satisfied. None of these contracts create value for us," says Guy Robert Lukama, head of the DRC's state-owned mining company Gécamines. He would like to see more jobs, revenue and higher-value mineral activities captured by the DRC.

At the entrance to his office, a cabinet display of highly mineralised rocks makes his point about the riches on offer. Lukama also advocates government intervention to keep cobalt prices high: "Excess of supply needs to be organised properly. Some export quotas will be useful," he says.

The DRC is far from alone. As the world moves from an energy system built on fossil fuels to one powered by electricity and renewables, global demand for materials such as copper, cobalt, nickel and lithium is transforming the fortunes of the countries that produce them.

The mining of certain metals is highly concentrated among just a few countries. For cobalt, the DRC accounts for 70 per cent of global mining. In nickel, the top three producers (Indonesia, the Philippines and Russia) account for two-thirds of the market. While for lithium, the top three producers (Australia, Chile and China) account for more than 90 per cent.

Demand is only going to grow in coming years. Under current plans, none of these key commodities will have enough operating mines by 2030 to build the infrastructure necessary to limit global warming to 1.5C above preindustrial levels, according to the International Energy Agency.

By the end of this decade, the nascent lithium market needs to triple in size, while copper supply will be short by 2.4mn tonnes, it says.

The growing demand for these commodities is starting to shake up both the economics and the geopolitics of the energy world.

The supply chains for some of these metals are becoming entangled in the rising tensions between the west and China, which dominates processing capacity for lithium, cobalt and rare earths and is considering restricting exports of some materials. Governments from Washington to Brussels to Tokyo are assessing where they can reliably source critical minerals without going through Beijing's orbit.

This shift is also transforming some smaller and historically under-developed countries into commodity superpowers. And their governments are now intent on rewriting the rules of mineral extraction.

Many are trying to capture more of the value of their minerals by doing more processing and value-added manufacturing domestically. Some are also attempting to control the supply, by nationalising mineral resources, introducing export controls, and even proposing cartels.

Where once some of these resource-rich countries were victims of exploitation that can date back to colonial times, now they are becoming empowered to take back control of their fates.

Just in the past 12 months, Zimbabwe and Namibia banned exports of raw lithium; Chile increased state control over lithium mining; while Mexico plunged its nascent lithium industry into uncertainty with a new review of mining concessions. Meanwhile, Indonesia added export controls on bauxite (a key ingredient in aluminium) to its pre-existing ban on exports of raw nickel ore.

"Every government will seek a deal with the mining industry that's a fair one, that is a winner for the country and the winner for the industry," says Jakob Stausholm, CEO of Rio Tinto, which has itself recently been to the negotiating table in Chile and in Mongolia.

While he dismisses the idea that rising "nationalism" is behind this, he does acknowledge there has been a change. "It's probably going to be more and more difficult just to mine and extract and export; very often a nation wants to have some processing facilities associated with the mining."

> 'It's probably going to be more and more difficult just to mine and extract and export; very often a nation wants to have some processing facilities'

The subtle shift in power towards the producers of sought-after battery metals is similar to other commodities shifts of the past, like the rise of coal during the 19th century or the rise of tin during the 20th. But how far will producers go to take advantage of this moment? And how long can they make it last?

Indonesia's opportunity

The poster child for harnessing value from materials is Indonesia, which produces nearly half of the world's nickel, a key ingredient in electric car batteries.

Years of export controls on raw nickel have already succeeded in building an extensive domestic smelting industry, as well as battery plants and several electric vehicle factories.

After the country banned exports of raw nickel in 2014, it attracted more than $15bn of foreign investment in processing, primarily from China. Today Indonesia has banned exports of everything from nickel ore to bauxite, with an export ban on copper concentrate coming into effect next year.

Not everyone agrees with these policies, however: the EU has challenged them at the World Trade Organization and won an initial hearing. Indonesia is appealing against the verdict.

But government officials say the country's efforts to build domestic industry and encourage manufacturing are straight from the same playbook that western countries used a century ago. "This is not something we are doing out of the blue," says investment minister Bahlil Lahadalia. "We are learning from our developed country counterparts, who in the past have resorted to these unorthodox policies."

He points to the way the UK banned exports of raw wool during the 16th century to stimulate its domestic textile industry. Or the US, which used high import taxes during the 19th and 20th centuries to encourage more manufacturing to take place domestically.

Lahadalia wants to take things one step further, by creating an Opec-style cartel to keep prices high for nickel and other battery materials. "Indonesia is studying the possibility to form a similar governance structure [to Opec] with regard to the minerals we have," he says.

Whether or not that happens, the rise of nickel has certainly given Indonesia a higher profile. When President Joko Widodo, or "Jokowi" as he is typically known, visited the US last year, he met both President Joe Biden in Washington and Tesla CEO Elon Musk in an out-of-the way stopover in Boca Chica, Texas.

Jokowi later said he encouraged Musk to build Tesla's entire supply chain in the country, "from upstream to downstream."

Indonesia's president Joko Widodo. The rise of nickel has given the country a higher profile

Not every country will follow the same trajectory as Indonesia, however.

A new report from the International Renewable Energy Agency finds that metals producers will be able to wield influence in the short term, while production is concentrated and demand is growing, but they are unlikely to have the kind of lasting geopolitical power enjoyed by oil and gas producers.

One challenge is that battery metals like lithium are well distributed around the globe — at least in terms of geological reserves, if not in actual mine production. Today's high lithium prices are making it efficient to develop deposits that were previously too expensive to access, and fuelling the broader expansion of hard-rock lithium mining in places such as China and Australia.

An example of how mineral production can shift is lithium mining in South America. Chile is today the region's dominant producer, but neighbouring Argentina, which has more business-friendly mining policies, could eventually overtake it.

Argentina's 23 provinces control their own natural resources and have enthusiastically courted mining business. With roughly $9.6bn of lithium investment announced in the past three years, and 38 projects in the pipeline, officials say Argentina's production should go up six-fold over the next five years.

"Investment in lithium has never stopped and I think that has to do with the fact that we are open to private investment, and with uncertainty about the policies being rolled out in other countries," says Fernanda Ávila, Argentina's mining minister.

Argentina's position as an anomaly among South American lithium-holding countries has helped it attract investment, even as it has dried up in other sectors of the economy amid triple-digit inflation.

While some politicians in South America's "lithium triangle" — Chile, Argentina and Bolivia — have floated the idea of an Opec-style lithium cartel, Ávila is less than enthusiastic about the idea. Although "we have a very good relationship with our neighbouring countries", she says, "that's not a topic that's on the agenda".

This is another reason why producing battery metals is different than producing oil: it is very hard to form a successful cartel. During the 20th century, several key commodities were controlled by cartels. Tin was managed through the International Tin Council from the 1950s to the 1980s — and Indonesia, Bolivia and the then Belgian Congo were all producer members.

John Baffes, head of the commodities unit at the World Bank, says successful cartels have three characteristics: a small number of producers who share a well-defined objective over a short timetable. He thinks it will be difficult for battery metals producers to form cartels. "You may have some countries that come together, to create an environment that may be beneficial for them, such as keeping prices high," says Baffes. "But that will be the seeds of failure, because more entities will come in, from outside of the group."

> 'We are learning from our developed country counterparts who in the past have resorted to these unorthodox policies'

The speed at which battery technologies are evolving, and their ingredients changing, could also undercut efforts at cartelisation. Unlike oil, which is very hard to replace as a fuel source, battery metals have a higher risk of substitution. The laboratories developing new battery chemistries are constantly evolving their formulas to use less of the metals that are expensive or hard to acquire. This is already starting to happen with cobalt, which carmakers are trying to reduce in their batteries due to its high cost, as well as concerns about human rights in the DRC.

In a cautionary tale of how quickly the demand outlook can change, the use of cobalt-free batteries in China has surged from 18 per cent of the EV market in 2020 to 60 per cent this year, according to Rho Motion, an EV consultancy.

"One of the consequences of the rise in non-cobalt batteries is that shortages previously forecast for cobalt for around 2024 and 2025 may not materialise," says Andries Gerbens, a trader at Darton Commodities.

The recent fall in prices of cobalt, nickel and lithium could damp efforts by producer countries to extract more rent and build up domestic manufacturing. After cobalt and lithium experienced a huge price rally in 2021 and 2022, driven primarily by demand from electric vehicle batteries, the market this year has been much calmer.

A slowdown in China's production of electric vehicles, combined with an increase in production of cobalt hydroxide and lithium carbonate, has brought their prices down 30 per cent and 40 per cent respectively, during the first six months of the year, according to Benchmark Mineral Intelligence.

Veteran miners say this cycle has played out many times before. Resource nationalism tends to increase when commodity prices are high, or when elections are approaching, says Mick Davis, founder of Vision Blue Resources. During these times, "[politicians] inevitably try to capture more of the rent than they initially envisioned and agreed", says Davis. "The result always ends in tears."

Carpe diem

Yet while the cycle still allows producer countries to flex their powers, they are intent on seizing the moment however they can.

This year Chile, the world's second-largest lithium producer, announced a plan to semi-nationalise the industry: it will give greater control of two huge lithium mines in the Atacama Desert to a state mining company when the current contracts end, with both those projects and all future ones becoming public-private partnerships.

President Gabriel Boric said the plan to increase state control of lithium is the best chance Chile has to become a "developed economy" and to distribute wealth in a more just way. "No more 'mining for the few'. We have to find a way to share the benefits of our country among all Chileans," he said.

And many producers are succeeding in taking steps up the value chain. In the DRC, construction of the country's second copper smelter is under way near the Kamoa-Kakula copper mine.

Chile, meanwhile, is offering preferential prices on lithium carbonate to companies who set up value-added lithium projects in the country. The first taker is China's BYD, one of the world's largest electric-vehicle manufacturers, which is planning to build a lithium cathode factory in northern Chile.

Argentina is set to open a small lithium ion battery factory — Latin America's first — in September. Owned by state energy research company Y-TEC, the plant in the province of Buenos Aires will use lithium mined in Argentina by US firm Livent to produce the equivalent of 400 EV batteries a year.

Indonesia's attempts to build out an electric vehicle industry are bearing fruit at an even larger scale. This year, Ford announced an investment in a multibillion-dollar nickel processing facility. This summer, Hyundai broke ground on a battery plant, its second manufacturing facility in the country.

As the energy transition starts to recast the systems of power and wealth that dominated the 20th century, the new battery metals producers are just getting started.

"It is absolutely essential that we rewrite the legacy of the mining industry, so that mineral rich countries can capture more of the economic value," says Elizabeth Press, director of planning at Irena, and author of the report on critical minerals. "We see a greater awareness from both sides that things cannot continue as they were."

Tomorrow **The new energy order:** How China cornered the market for clean tech

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

Staying out of Horizon would harm British science

To be an innovation superpower, the UK needs to rejoin the EU programme

Britain's government has shown some welcome pragmatism on post-Brexit issues of late. Last week it ditched the requirement for most companies to use a "UKCA" quality assurance mark, allowing them to stick with the EU's CE scheme. It further delayed introducing border controls on animal and plant products coming from the EU, too — again to avoid piling extra costs on business. Now it should show realism on another hangover from its EU exit, and agree to rejoin the bloc's €95.5bn Horizon Europe science initiative.

As the world's largest multilateral research programme, Horizon facilitates co-operation and offers grants to scientists in areas from climate change to cancer to AI. It has pulled in non-EU countries as associate members including Israel, Turkey and New Zealand. South Korea and Japan are interested in joining. The strength of the UK's universities in attracting grants helped it, as an EU member, to receive more money from the scheme than it put in.

In its post-Brexit Trade and Cooperation Agreement, the UK negotiated associate membership of Horizon. But rejoining was held up by the row over trading arrangements with Northern Ireland. After Prime Minister Rishi Sunak resolved that dispute in February, agreement to re-enter the initiative was expected to follow swiftly. Instead, a hoped-for breakthrough last month failed to materialise. Sunak has now pushed back a decision on whether to rejoin until after the summer break, dismaying scientists.

The government is haggling over the terms, questioning whether the cost of the UK's £2bn-a-year contribution is worthwhile. Since Britain is joining the latest seven-year programme at least two years late (and no longer being an EU member may have some impact on its pulling power) there are concerns it will this time extract less funding than it provides. Though it has rightly been let off contributions for the two missed years, the government is pushing for "value for money" terms going forward.

London is also cavilling over a correction mechanism negotiated in its EU trade deal that kicks in if it receives significantly more or less than it contributes to Horizon — but which exposes it to bigger risk on the downside. No government, say officials, can splash out £2bn a year in a cost of living crisis without ensuring it is well spent.

Britain's universities and scientific community say they recognise the need for value — but are urging the government to get on and do a deal. A "pay to play" element is justified, they say, given the vital access Horizon provides to cross-border collaboration and talent in a globalised research environment. An alternative, go-it-alone, UK funding scheme the government has been working on, called Pioneer, is seen as a poor substitute. The Nobel laureate Sir Paul Nurse, who wrote an independent review of UK research and innovation, has been emphatic that the UK must rejoin Horizon.

> An alternative, go-it-alone, funding scheme the government has been working on, called Pioneer, is seen as a poor substitute

The UK could enhance its continued attractiveness as a partner by, for example, removing visa frictions for scientists. Since British participation would enhance the programme, the EU could also afford to show some flexibility. Some associate members, such as Israel and Turkey, have negotiated correction mechanisms for their contributions with symmetrical upside and downside limits. Brussels could offer the UK something similar.

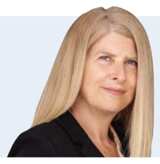
Ultimately, however, the Sunak government must decide where its priorities lie. Its ambitions for the UK to be a "science and technology superpower" will appear hollow if it continues to stand aside — even for another year — from the world-leading research initiative on its doorstep.

Opinion Environment

Climate politics has entered a new phase

Andy Carter

Pilita Clark



Who do you think said this: oil production is "very significant" for our country because we need secure domestic energy supplies. Or this: we will take "proactive and prudent steps" to advance our climate policies without disrupting people's lives. Or this: the "stability and consistency" of our climate policies makes them better than those of other countries.

Here's a clue. It wasn't Rishi Sunak, although the UK prime minister has spent weeks insisting domestic oil supplies are vital, and his "pragmatic and proportionate" net zero plans won't add "hassle to people's lives".

Nor was it Sunak's energy secretary, Grant Shapps, who repeatedly says the UK has decarbonised faster than any other G7 nation and over-delivered on its carbon budgets. It was not in fact anyone in any western nation struggling to decarbonise and keep the lights on affordably.

> It is the extent to which leaders manage the energy transition that will ultimately define them

All three comments came in the past two years from China — the first two from President Xi Jinping, the third from his climate envoy Xie Zhenhua. They echo Sunak and Shapps because of this: the clean energy transition needed to tackle climate change is rarely as unique as it feels.

Parallels abound even in the UK, birthplace of the fossil-fuelled industrial revolution that drove global warming, and China, the world-leading greenhouse gas polluter that will shape the future of that warming.

It's the extent to which governments manage the energy transition that will ultimately define them. And 2023 is turning into a year like no other for exposing leaders and laggards as rising temperatures press governments to enter uncharted political waters.

Unlike previous energy transitions from, say, horses to cars or wood to coal, this one has a deadline. The climate extremes seen this year have come when average global temperatures are 1.1C higher than they were before the industrial revolution.

To limit warming to 1.5C, greenhouse gas emissions must nearly halve by 2030 and come down to nearly zero by 2050. That's hard, when more than 75 per cent of those emissions come from burning fossil fuels that still supply about 80 per cent of the world's energy. How do you pay for this transition? Can you repurpose fossil fuel infrastructure? What do you do with redundant coal, oil and gas workers?

I still remember learning on a 2014 trip to Beijing that policymakers there were as divided about climate action as those back then in London. No surprise, since China's coal companies alone then had about 5mn workers.

China had climate sceptics, too, with one big difference. They claimed climate change was a capitalist plot to stop developing countries industrialising. Western sceptics said it was a socialist hoax designed to undermine capitalism.

But it's what happened next that is instructive. By 2014, China's sceptics were wilting as Beijing embraced a sweeping green growth strategy.

While western leaders mocked wind turbines (Donald Trump) or demanded ministers cut the "green crap" (the UK's David Cameron) or approvingly brandished coal in parliament (Australia's Scott Morrison), China was steadily becoming a green energy juggernaut. Today it is a leader in the manufacture and deployment of renewables, batteries and electric vehicles, with a grip on many critical minerals these technologies need.

To be clear, its fossil fuel thirst is still huge. It issued permits for the equivalent of two new coal power plants a week in 2022 and its emissions are on track to soar to a new annual record this year as its Covid-scarred economy rebounds. But it may also be close to a turning point. This year, renewables and other low-carbon power sources overtook fossil fuel generating capacity for the first time.

Some analysts think these cleaner technologies may soon meet all new energy demand. That could start relegating fossil fuels to structural decline faster than expected and, if it does, some countries will be much more ready to deal with the fallout.

The Biden administration has pushed the US into the clean energy race with the green incentive-packed Inflation Reduction Act it championed. The EU, Japan, Canada and others have this year set out measures in response. But not the UK. As Sunak's government lags behind in polls ahead of an expected 2024 election, it has delayed its IRA response, vowed to "max out" fossil fuel reserves and review green transport policies.

As with so much else in transition politics, this might bring short-term gains for Sunak. But the long-term dangers of falling behind in the global economy of the future have never been so apparent.

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Letters

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Harvesting capital gains tax isn't always a win-win for HMRC

As Emma Agyemang notes, capital gains tax (CGT) is reaching record levels in the UK as more taxpayers get trapped in the net ("Britons paid record £16.7bn in capital gains tax in 2021-22", Report, FT.com, August 3). In fact, HM Revenue & Customs' revenue from the tax has almost doubled in the last five years. However, there is another side to the story.

The reduction of the CGT annual exemption is projected to bring in a further £8bn to the Treasury's coffers by 2027, no doubt causing a squeeze on individuals not previously liable to pay this tax, which in many cases applies to inflationary gains. But by the same logic, the chronically underfunded and understaffed HMRC will now also be required to process a huge uptick in transactions and connected returns, many of which will be relatively small once the annual exemption is reduced again next year to £3,000.

The question remains whether HMRC's systems are ready to deal with the required increase in the reporting of gains, for the large number of small gains. It is not yet clear if the increased income from CGT on these additional small gains will be worth the administrative burden on HMRC, as their costs risk dwarfing the amount of tax collected.

Then consider the added impact on the taxpayer, and we've got a lose-lose situation.

Katharine Arthur
Head of Private Clients, Haysmacintyre
London EC4, UK

Use TTIP as blueprint for better transatlantic ties

I read with interest Stuart Eizenstat's piece "Wanted: a new framework for US-EU relations" (Opinion, July 31). While the former US ambassador to the EU made a convincing case for a transatlantic rapprochement beyond Nato and trade, he surprisingly omits to refer to the most ambitious yet failed transatlantic agreement ever negotiated between the EU and the US — the Transatlantic Trade & Investment Partnership (TTIP). That omission is all the more noticeable as TTIP — if only it had been concluded — would have prevented the emergence of today's starkly different transatlantic approaches to artificial intelligence and climate change.

Rather than conveniently brushing TTIP aside, we must take that framework as a promising blueprint when designing better transatlantic relations.

Alberto Alemanno
Jean Monnet Professor of EU Law, HEC, Paris, France

Tool of modern warfare familiar to Italian opera

Thank you for the outstanding article by Professor Michael Miklaucic on the "grey zone" of modern warfare, a highly effective weapon used by Russia and China to interfere in elections in other countries (Opinion, August 1).

Miklaucic urges the democratic world to beware, and to fight fire with fire. While he addresses his warning to the tense international situation, it can surely be equally applied to internal conflicts within illiberal societies, wherever human rights and rule of law are undermined with lies, false news and outright slandering of opponents, to shape the "hearts and minds" of the domestic electorate.

La Calunnia, as Gioachino Rossini tells us in *The Barber of Seville*, is a very handy tool: it spreads quietly, surreptitiously, until it becomes a deadly cyclone.

Like Aladdin's genie of the Arabian Nights, once it is let out of the bottle, it cannot be easily squeezed back into it.

Eva C Hoffman Jedruch
Summit, NJ, US

Water reckoning awaits mining's energy transition

Adair Turner, chair of the Energy Transitions Commission (Opinion, July 20) underscores the need to "separate myths from real concerns" regarding the mining industry's ability to supply raw materials for the energy transition.

Indeed. But take water. We are led to believe that concerns over the water footprint for new mines are unwarranted given that the total additional requirements amount to just 0.2 per cent of global agricultural consumption. If only groundwater was as fungible and easily transported as electrons.

Away from the report headlines, there is a caveat that consumption may exceed the carrying capacity of local watersheds in some regions. Indeed, the energy transition will be dependent on water-scarce locations (eg Chile, Peru, Australia and the US south-west).

The International Energy Agency estimates that roughly half of current copper and lithium production is concentrated in areas of elevated water stress. Nascent technologies to extract resources via less water-intensive processes (eg leaching, geothermal brine) could be transformative in this regard.

Given competing demands, prudent governance is necessary. For example, downstream of the Colorado River in Arizona, planned mines will have internalised the finger-pointing between the homebuilding sector in Phoenix's sprawling suburbs, which faces the prospect of a "sudden stop" due to water insecurity, and the agricultural industry, where groundwater permits for ultra-thirsty alfalfa, cotton, wheat and pecan farms, and the virtual water trade, have become liabilities.

This stewardship reckoning is under way in the mining sector, where risk management teams have ample case studies on the impact of water-driven social licence issues on operational integrity. Targets on reuse, recycling and freshwater withdrawals have been established (albeit, still non-binding), and more progressive players are beginning to incorporate natural capital assessments. While desalination has emerged as a marketed panacea, challenges remain given the carbon footprint and impact of brine discharge on marine ecosystems.

Also absent in the report was any recognition of the root cause which drives profligacy in these sectors: the price of water does not reflect its value. Blunted price signalling undermines conservation and skews cost/benefit analyses for supply-side decision-making. The situation requires pragmatism from regulators: water should be re-priced to account for its growing scarcity and end users need to become more sentimental about the value of every drop.

Mark Eisinger
Tangier, Morocco

Britain is prey to muddled thinking on nuclear power

It was depressing to read that Grant Shapps, the energy secretary, is proposing an international competition to select the future provider of small modular reactors for the UK ("Clean hydrogen projects need cash to lift off", Report, FT.com, July 18).

We have a provider — Rolls-Royce SMR Ltd — that is currently going through the process of regulatory approval. It is likely to be a perfectly satisfactory solution even if it might not be the best in class in all aspects.

The probability of achieving export success is vanishingly small if a producer is not supported by its government. Instead of a competition why don't we place an order for 10 SMRs subject to the design achieving regulatory approval.

Any disadvantages of perhaps not getting best in class would be outweighed by the increased possibility of export success, the consequent creation of long-term, high value jobs, the pull-through effect on skills creation, the establishment of a supply chain that can serve the global industry and increased energy security.

We have an opportunity to be at the leading edge. What ideology drives this sort of muddled thinking?

John Rose
Former Chief Executive, Rolls-Royce Holdings PLC (not a shareholder)
Advisory Board COP28, London SW13, UK

Remembering an FT journalist's diamond scoop

Your report on the new diamond deal between Botswana and De Beers ("De Beers and Botswana strike deal on diamond sales after tense talks", Report, July 1; and "De Beers' outlook loses shine after Botswana cuts latest diamond deal", Report, August 2) reminded me that it was one of your former staffers, Robert Oakeshott — who happened to be volunteering in Botswana in August 1967 — who gave you the scoop that geologists contracted by De Beers had uncovered evidence of a "kimberlite pipe" at Orapa ("The Letlhakane diamonds", September 7, 1967).

Through the wise leadership of its president, Sir Seretse Khama, Botswana became one of the first countries in Africa to strike a deal with a resource-hungry major multinational which was at least as beneficial to the resource country as it was to the corporation.

The original deal, and those that followed, enabled this newly independent nation to transform itself from one of the poorest countries in the world into today's politically stable, middle-income country.

Botswana's history of deals with De Beers have been to her long-term benefit and there is no reason to suppose that this latest one will not also be.

Kevin Shillington
Author, 'History of Africa'
Gillingham, Dorset, UK

How rural bank closures affect local communities

Andy Haldane's article on the topic of the proposed central bank digital currency is timely ("The real scandal of central bank digital currency", Opinion, August 1). The last bank in Chipping Norton closed a few days ago and increasingly cash and cheques are actively being discouraged in our restaurants, bars and sporting venues. This represents a huge challenge for people with no access to credit cards or the internet through lack of resources, training, age or disability. There will be further hurdles for rail travellers with the closure of ticket offices.

It is time the government honoured its pledge to maintain cash and cheques and the ability to obtain cash whenever and wherever needed.

Simon Randall
Director, Movement for the Continuation of Cash and Cheques
Chipping Norton, Oxfordshire, UK

Retiring executives should take up not-for-profit roles

Something Oliver Balch could have mentioned in his piece "How CEOs can avoid the pitfalls of retirement" (Work & Careers, Report, August 7) is not-for-profit work. With their careers behind them, senior executives have a wealth of experience, both of business and people. UK charities, large and small, are crying out for business expertise and creative approaches to their problems.

Although not yet retired, I have recently built a portfolio career, combining my business interests with several NFP activities.

I'm chair of a care charity, and trustee of an arts charity and haven't been happier. As my business activities recede, I can spend more time with the charities. They appreciate my business background and I'm able to add demonstrable value.

Robin Fawcett
London SW6, UK

Where sloppy podcasts blur the boundaries

You can only applaud Jemima Kelly ("Advertising has hit a new low in the age of podcasts", Opinion, August 3) for drawing our attention to the "level of grift" in podcasts. Russell Brand recommending underwear to Republican presidential candidate Ron DeSantis is but the tip, as it were, of the iceberg.

Podcasts are what we used to call radio, and on radio content was content and advertising was advertising.

But by calling radio programmes podcasting, much sexier than boring old radio, you could start to blur the boundaries and, as Kelly pointed out, "the devaluing of truth" is much more easily enabled.

We need to tune into radio and tune out of the sloppy ways of the podcast.

Robert Bruce
London W9, UK

Opinion

The oneness of DeSantis and Sunak

POLITICS

Janan Ganesh

Neither man has an alternative career in audiobook narration awaiting him upon retirement. Ron DeSantis speaks in a sort of monotone nag. Rishi Sunak can sound adenoidal. If you share my belief that people are defined as much by their voice as by their looks, it is a miracle these two have got as far as the Florida governorship and 10 Downing Street. On first listen, Americans of a certain vintage would call one a Poindexter, while older Brits would regard the other as a swot.

And they'd be right. These are men of exam-passing, credential-hoarding diligence. Each is family-minded and has passed through the kind of established institutions that modern conservatives are meant to define themselves against. DeSantis is a product of the Ivy League and the US Navy. Stanford and Goldman Sachs gave us Sunak, who was also said to be the dutiful creature of Her Majesty's Treasury in his time there.

The parallels go on. Sunak helped to bring down Boris Johnson as UK prime minister. DeSantis is challenging Donald Trump for the Republican nomination at the next US presidential election, and becoming ever more explicit about his failure to win the last one. ("Of course he lost.") And so, to belabour the school metaphor, diehard fans of both those fallen leaders resent this pair for snitching in class.

Sunak is a sunnier character than DeSantis, who could illuminate a stage by getting off it. He is also the more reliable friend of Ukraine. Other than that, their oneness is striking. Inside both of these politicians is what Freudians would recognise as the same "conflict". Having spent their lives amassing establishment bona fides, they now belong to movements that regard themselves as near-revolutionary. The outward awkwardness of each man is at least in part the result of having to flit between mental worlds. Trump and Johnson really are nihilists. The other two are just very, very conservative. In pretending otherwise, each comes across as a playground nerd acting the lad (or jock).

Rightwing grassroots smell this a mile off, and mind. But they might not have a choice. And so we come to the ultimate symmetry between Sunak and DeSantis. Both still have a chance of passing their electoral tests in 2024. The case that Sunak is underpriced (though still unlikely) to remain prime minister is one I have made before. It rests on: the limited value of voting-intention polls this far out from an election, the competitiveness of his personal ratings with those of the Labour party leader, and the historic rarity of Britain turning decisively left when it isn't in a good mood, whether amid postwar demobilisation (1945), cultural renewal (the mid-1960s) or economic boom (1997).

> Inside both of them is what Freudians would recognise as the same 'conflict'

But it is worth putting in a word for DeSantis, too. Depending on your betting exchange or turf accountant of choice, £10 on Trump to be the Republican candidate pays out little over £13. The same wager on DeSantis returns £80. Trump should be strongly favoured, no doubt, but this is quite the margin for a 77-year-old facing a battery of criminal charges, including the almost magnificent "Conspiracy to defraud the United States".

It is not that I predict a plea deal for Trump to withdraw, or a new stinginess among donors who see his legal bills mounting, or a health scare. But DeSantis must look at the historic record and see that a big part of becoming president is just sticking it out. Bill Clinton and Barack Obama weren't leading the primaries at the start of 1992 or 2008 respectively. Trump himself didn't break clear of other Republicans until November 2015. If "events" transpire, DeSantis is still there.

And if he does get to face the general electorate, he and Sunak will be perverse beneficiaries of the men they slew. Because Trump and Johnson are so beyond the pale in *tactics*, it is possible for others to be ferocious in *doctrine* without seeming extreme. As long as a conservative politician doesn't break the law, or threaten the constitutional order, they can get away with more strident policies and rhetoric than a swing voter might have tolerated a decade ago. (Remember that Mitt Romney was considered a hardliner in 2012.)

Sunak gave a well-intentioned but reckless subsidy to dine out during the pre-vaccine phase of the pandemic. DeSantis picks cultural fights that are sometimes warranted but more often exhausting. Yet each man will seem at least house-trained compared with recent leaders of their party. "Rightwing, but not feral," is quite the commendation now. A political scientist might say that the Overton window of acceptable ideas has widened. In plainer speech: voters are grateful for small mercies.

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West must not abandon 'gentle commerce'

ECONOMICS

Martin Sandbu

One of the oldest and most persistent ideas of the western enlightenment is the civilising force of free economic exchange. The belief that trade and political concord reinforce one another — at times called *doux commerce* or "gentle commerce" — goes back at least as far as Montesquieu's writings 300 years ago.

This belief motivated some of the weightiest economic decisions of the past 50 years: Washington's welcome of China into the World Trade Organization; Germany's determination to tie itself to Russia in a relationship of energy-based interdependence; and the EU's confidence that its granting of membership could turn poor, unstable neighbours at risk of authoritarianism into bulwarks of liberal democracy.

In each case, an overarching confidence in the link between economic growth and political liberalism joined more selfish motives to tip the scales in favour of deeper economic ties.

Granting China permanent market access while tying it into the global architecture of trading rules would, many thought, strengthen its reformers. Germany's pipeline policy paired industrialists' interest in cheap gas with the nobler justification of *Wandel durch Handel*, or "change through trade": that Russia's elites would conclude from economic rewards of ties with the west that they should emulate its example. The EU accession process demonstrated its power to drive liberalising reforms many times over since the 1980s.

But in the past 20 years, the modern incarnation of the *doux commerce* thesis has taken some significant knocks. Far from "westernising" poorer, less democratic countries, today's consensus is that economic integration undermined liberal democracy in the west while giving autocracies the added appeal of economic strength.

The charge sheet looks damning enough. The "China shock" is blamed for hollowing out manufacturing and creating demoralised "left-behind" regions in the US and beyond. Since Xi Jinping rose to the top in Beijing, he has increased repression inside China and aggression outside, burying hopes for political liberalisation or support for the rules-based global order.

Moscow's assault on Ukraine has put paid to *Wandel durch Handel* — and should have done so when Putin's Russia first attempted to dismember Ukraine in 2014. The spell of EU integration has been broken, with not just prospective but current members, from Turkey to Hungary, turning their backs on pluralist liberalism. And through it all, the global financial crisis and its political aftermath undermined western countries' credibility as examples of the notion that prosperity and liberal democratic governance go hand in hand.

But look closer and the story these events tell is more complex, and more flattering for the old view of liberalism and prosperity's codependence.

Start with China. Expectations of a strong rebound once Beijing abandoned its repressive version of "zero Covid" have given way to economic pessimism. Waning growth prospects look like a consequence of Xi's shift from a developmental to a security state.

As Adam Posen highlights in a new essay, the extreme arbitrariness of Beijing's Covid policy "reinforced the sense among Chinese people that their jobs, businesses, and everyday routines remain at the mercy of the party". Arbitrary political interventions kill the willingness to spend and invest in illiquid assets, as "risk aversion and greater precautionary savings act as a drag on growth, rather like what happens in the aftermath of a financial crisis".

> The EU accession process has shown its power to drive liberalising reforms many times since the 1980s

Rather than disproving the old liberal belief, China increasingly looks like it was at most a temporary exception that confirms the rule.

We also cannot dismiss the EU's power to drive liberal reforms. In some cases it remains strong, most evidently in Ukraine where it has fuelled economic and governance reforms for a decade. In Hungary and Poland, the very fact of EU membership has restrained their authoritarian slide: just imagine what Viktor Orbán or Jarosław Kaczyński could have wrought had their countries been outside the bloc. As for Turkey, its liberalising era ended when it became clear EU membership was not in fact on offer, due to opposition from members such as France.

Far from refuting claims of a link between liberal economic exchange and political liberalisation, these cases rather show that, over time, liberalism and prosperity decline (or hold up) together.

If anything disproves the thesis, it would seem to be Russia — and other petrostates like Saudi Arabia. But recognise these for the special cases they are: not diverse webs of deepening economic exchange so much as monopolised supplies of essential inputs. The west's mistake was not to believe in the power of *doux commerce*, but in seeing these ties as *bona fide* commerce rather than geostrategic shakedowns.

Consider, too, how liberal democracies substituted for Russian energy in record time. In a vindication for the liberalism-prosperity link, their political system helped address economic emergencies when it mattered most.

Besides, Russia has only begun to be tested by its far-from-complete economic isolation. To achieve the hoped-for political effects, it must be cut off more thoroughly and for longer. The west would do well to rediscover the patience and courage of its convictions.

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It is time to revive a 'government of all the talents'

Patience Wheatcroft

Nobel Prize-winning scientists and economists, the inventor of the world wide web, the designer responsible for much of Apple's phenomenal success and entrepreneurial business brains aplenty: there's no doubt that, to quote the hit TV show, Britain's got talent. Yet there seems to have been a distinct shortage of the stuff around the cabinet table of late. The approaching general election may bring a change of government and some different faces but the range of career experience and expertise will be similar, with more than enough former lawyers to defend against any allegations of incompetence.

With the UK facing massive problems on so many fronts, is it reasonable to expect any government, no matter how skilful its members might be as politicians, to come up with the right solutions? There is a desperate housing shortage, the NHS is close to breaking point, domestic and overseas security threats abound, GDP growth is by far the lowest of the G7 and the fallout from Brexit continues to damp trade. Simultaneously, issues of global magnitude such as climate change and the march of AI affect British lives and jobs, while the cost of living crisis is the primary concern of most families.

One can only marvel that there are volunteers willing to confront such a daunting list of challenges — and answer to an unsympathetic electorate for their success or failure. But perhaps the politicians should admit that they don't have all the answers and seek help from those better placed to find them.

When he finally succeeded in taking over from Tony Blair in 2007, Gordon Brown announced that he would have a "government of all the talents". His experiment in embracing outsiders, who were inevitably branded the Goats, was based on good sense. He put a military man who had been chief of defence intelligence in as a security minister. The former director-general of the CBI, Digby Jones, was installed as a trade minister. A leading surgeon, with ideas for reforming the NHS, became a minister in the department of health and, a little later Paul Myners, a grandee of the Square Mile was drafted in to be City minister and help negotiate a way through the banking crisis.

In order to take on their ministerial responsibilities, each was made a peer and that was where the experiment encountered difficulties. For a politician, standing at the despatch box fielding questions is a step up the career ladder from being a mere backbencher.

> Successors to Gordon's Goats need to be recruited to find answers to specific problems

For the Goats, however, it was very different. Each had achieved success in their chosen field and did not necessarily enjoy facing new colleagues in the House of Lords to field questions that might be way outside their areas of expertise. A City minister in the Lords could be challenged on any of the issues that come under the Treasury; a security minister must account for progress across the entire Home Office brief, from immigration to dangerous dogs.

Jones did not enjoy the role. When he resigned in 2009, he was replaced by Mervyn Davies, formerly chief executive and then chair of Standard Chartered bank. He told the Institute for Government that taking on the role was like "going to a new school and you don't know anybody there and you don't know the rules and you don't know the masters". He lasted little more than a year before heading back into business.

So we need a new approach and a means of exploiting talent from outside the ranks of politicians but without making unwilling experts into generalist ministers. But that must not mean putting them in charge of yet more commissions or advisory bodies, either, lest it prove a waste of their ability to get things done.

John Armitt, who undoubtedly delivered as chair of the Olympic Delivery Authority, now chairs the National Infrastructure Commission. Its numerous reports spell out what needs to be done to improve the UK's vital underpinnings, but in this role he can only deliver reports, not results. Armitt's commission called for regulation of utilities to ensure more investment in future proofing and a better balance between the interests of shareholders and consumers. That was in 2019; recent events in the water industry demonstrate how little changed since then without someone to put his ideas into practice.

The successors to Gordon's Goats need to be recruited to find answers to specific problems — and empowered to implement them. They could be made answerable to parliament through the ministers with whom they work, and without being ennobled. We need the dream team of British talent, not more ministers.

The writer chairs the FT's appointments and oversight committee

Britain's Chinese student diaspora is living in fear

Lyndon Li Shixiang

Fear and apprehension stalks Chinese students in the UK, where the Chinese Communist party's influence is rapidly growing. As a member of this diaspora, I know that though many of us remain deeply committed to our culture and heritage, we are also highly anxious about the extent to which the party is surveilling our actions overseas.

There are layers to this. Some Chinese university students of my acquaintance are under pressure from relatives back home to stop making comments that could be interpreted as disloyal to the party. The fear is that an entire family could be made to suffer for one member's misdeeds abroad.

Last year, a secret group of Chinese students asked me to help them organise an event at the University of York. They wanted to draw attention to the A4 Revolution last November, in which young people staged peaceful demonstrations across China by holding up blank sheets of paper to protest against Covid controls and threats to freedom of speech.

Two students asked to meet at an off-campus pub. "We assume there will be fewer Chinese people frequenting pubs, so it will be safer for us to speak there," one explained. When a Chinese-looking person walked in, they abruptly suspended our conversation for fear of being overheard.

Later, I suggested that NGOs and the media might help provide some protection. But they were wary of being associated with "foreign influences", which are cast by the party as China's greatest foes, responsible for every crisis, from social turmoil to natural disasters. This may seem bizarre, but citizens know they must play within the rules of what is politically acceptable.

> A worry is that an entire family could be made to suffer for one member's misdeeds abroad

"We are the only children in the family, and if we get discovered demonstrating overseas, our parents may lose their jobs or even their pensions," one said. "We just want to do something because . . . the courageous efforts of those in China compel us to take action in support."

It is not just young people who are afraid. I used to chat often with the owner of a Chinese restaurant in my university town. One day, he was expressing his disgust at the party's corruption and ruthlessness. But when another Chinese student entered, he fell silent, fearing that some in the Chinese student population might be pressured to boycott his eatery if it emerged he had been overheard talking in this way.

Public criticism of the government from overseas has had consequences in the past. Last year, a demonstrator at a peaceful protest against the suppression of democracy in Hong Kong, outside the Chinese consulate in Manchester, learned this lesson brutally. Diplomats dragged him off the street and beat him up. Footage of the incident showed the consul-general, Zheng Xiyuan, participating in this attack. Zheng had previously told Chinese students in the UK that they should "refrain from distorting" China's policies.

Such intimidation has led to self-censorship, especially on sensitive topics such as Taiwan or Xinjiang. The situation has not been helped by prominent media outlets associated with the CCP establishing offices in London.

Chinese students who choose to speak out should be given special assistance, legal protection and even mental health support for the trauma that results from struggling between loyalty and freedom of expression.

Many of us who come to Britain admire the great liberties that the country offers in comparison with China. But our right to such freedom is limited by CCP intimidation and bullying.

No one, regardless of who they are or where they are from, should be forced to live in fear of expressing their ideas. The British government has a role to play in ensuring this is true for the Chinese diaspora living in its borders.

The writer is a dissident Chinese student, currently studying for a higher degree in law in the UK

Lex.

Twitter: @FTLex

Italy bank tax: blunt instrument

Windfall taxes are a blunt policy tool. They may fill government coffers in the short term. But they also hit investor confidence and future business prospects. That is doubly true when levies are big and haphazard.

A surprise windfall tax on Italian banks is a prime example. A draft official text primes them for pain. The populist government of Giorgia Meloni is trying to nab 40 per cent of the extra profits lenders are raking in from high interest rates. The move appears to be a legislative afterthought to appease voters who believe Italy has stinted on support for lower-income voters.

The grab's complexity is confirmed by nervy reworking of its parameters. The starting point is the net interest income, or NII, each bank earned in 2021, before policy rates rose. Each bank is liable to pay 40 per cent of what remains after deducting 110 per cent of 2021 NII from 2023 NII. The exception is if the government would net more by charging 40 per cent on the remainder of a second sum: 2022 NII minus 105 per cent of 2021 NII.

The clear target is 2023 net income. That is expected to be a bumper €32bn across the sector, says broker Equita, almost 70 per cent more than in 2021.

A rough-and-ready calculation suggests the government might raise about €4.5bn. That would have been about 3 per cent of the sector's market value before investors marked the sector down by 8 per cent.

Banks may be able to ease the blow. They could, for example, reduce NII in the second half of the year by paying depositors more. That would reduce short-term profits in return for higher market share. But any such wheezes could attract regulatory scrutiny.

Global investors should be more alarmed by the manner of the reform than its fine print. The unexpected announcement was made in the absence of the finance minister. Officials revised figures in an early press release, implying that their modelling of the tax's consequences had been wrong or non-existent.

Governments that mount tax raids on a whim can expect to forfeit receipts via higher risk premiums on their financings. The shareholders who finance the quasi-public utility of commercial banking will wonder whether their pockets will be picked just once, or repeatedly.

European bank stocks are cheap for the reason that these institutions are the playthings of politicians.

SoftBank/AI: machine longing

A bygone advertisement for men's cologne advised users to "splash it all over". Masayoshi Son is the latest boss to do so with artificial intelligence, the buzzy technology that adds allure to any business.

AI will help humanity build a richer, happier and brighter future, says the SoftBank founder. He hopes it will have the same effect on the Japanese investment group by ensuring a successful IPO for chip designer Arm.

SoftBank reported a loss of ¥477.6bn ($3.3bn) in the quarter to June, a large miss on expectations. Since such losses are frequent, the focus was on a rarer occurrence — a profit of ¥61bn for SoftBank's Vision Fund, a welcome change from a ¥2.3tn loss last year.

The AI boom is an even bigger break. It has lifted the whole tech sector even as Son seeks a valuation of $60bn-$70bn for Arm in the largest US listing expected this year. That range would justify the surge in SoftBank shares, which are up 57 per cent from last year's low. It would be the triumph Son has been waiting for since the 2014 listing of Alibaba, a core holding.

However, Son is overstating Arm's AI credentials by including the number of cumulative Arm-based chips shipped under "AI strategy" in presentations.

Advanced chips by Nvidia are key to AI development. Arm's power-efficient units play a more auxiliary role streamlining data workloads for AI applications. Arm would need to overhaul its model to justify a $70bn valuation close to SoftBank's own market cap. Arm's strategy of taking a small cut of customer chip sales has only ever generated modest profits.

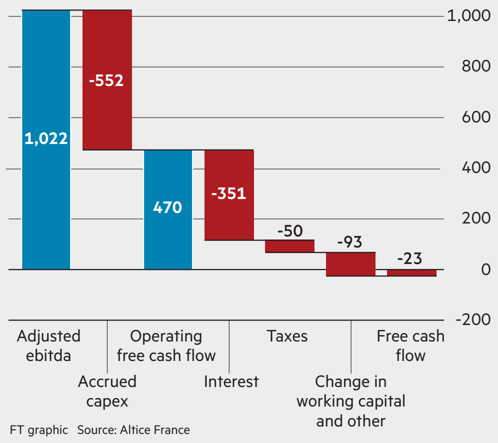
The other dissonance for SoftBank investors is Son's continued preference for investing in online consumer groups. These have less scope to create and exploit intellectual property than some other tech businesses.

That helps explain why SoftBank is making a loss on 72 per cent of its portfolio companies. Arm needs to earn top dollar for SoftBank because these never will.

Altice/Drahi: Pat explanations

The French operating company of telecoms billionaire Patrick Drahi has struggled operationally. Altice France also holds some €30bn debt, which worries its investors and lenders as its bond prices drop. Drahi plans to sell assets to reduce debt; his holding in BT Group is potentially in the line of fire.

Altice France is bleeding cash
€mn



FT graphic Source: Altice France

Drahi has built up a stake in BT Group
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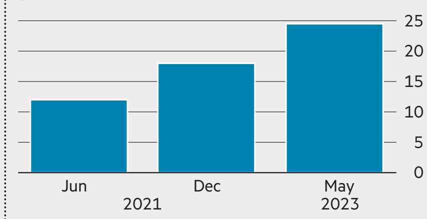
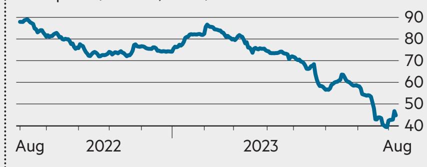


Altice France
Bond price (Euro 8%, 2027)



Source: Bloomberg

Patrick Drahi avoids public appearances. When the French telecoms tycoon speaks up, people tune in to hear what he sounds like as well as what he has to say. A criminal probe into business partner Armando Pereira and steep debts prompted him to address investors yesterday.

They were modestly reassured. But actions will speak louder than Drahi's confident performance.

Drahi's Altice group has such steep borrowings that asset sales are needed. One holding that might fit the bill is a 24.5 per cent exposure to UK telecoms business BT Group that includes a big chunk of cash equities.

Drahi did not need the headache of a probe into alleged corruption, of which he denies all knowledge. His Altice companies — Altice France, Altice International and Altice USA — have some $60bn of net debt outstanding. The largest part is owed by the private French company.

Its bond prices have sunk well below par. Altice France's 8 per cent 2027 euro-denominated bond trades at just under 45 cents to the euro.

The company announced ho-hum second-quarter earnings. Bondholders were more interested in whether Altice France can sell French data centres.

But this would raise little more than €1bn. Altice France alone holds about €30bn of net debt, more than six times trailing ebitda.

That brings us back to BT. Excitable analysts have speculated whether Drahi wants to buy the whole group. In reality, he could not afford to cover the £31bn enterprise value.

Altice International, less leveraged than Altice France at 4.6 times net debt to ebitda, provides only some £300mn annually in dividends to him, thinks fund manager Federated Hermes.

Selling the BT investment would not garner much. At current prices BT is worth £2.7bn to Drahi, assuming the exposure is overwhelmingly in shares. Traders' gossip is that he has borrowed heavily against the investment. That might leave little more than half a billion pounds of actual equity.

Investors might also read a sale as a sign of desperation. Drahi's investor call appearance already hints at that.

IWG/WFH: scary home companions

Mark Dixon knows how to weather a crisis. The veteran boss of IWG has seen more than a few. The trend for working from home will be a tough test of the flexible-office business.

He used an upbeat half-year results presentation to assert that the opportunity is just as great.

Everyone knew offices would reopen post-pandemic. No one could accurately predict levels of occupancy. These have proved lower than most employers and landlords hoped. Even Zoom, the US videoconferencing business buoyed by lockdowns, is now mandating some compulsory attendance.

Overcapacity abounds, as much as 25-30 per cent in big cities. Some big names in UK banking and professional services are halving their space requirements. The challenge for landlords is to upgrade old stock.

Flexible offices look a like a good option for employers who would rather not commit to long leases. IWG is positioning itself to exploit that. But shareholders have heard that story before. Under its old name of Regus, IWG had big plans when it listed more than two decades ago. Returns to shareholders have been modest.

The company should break even this year after three straight annual losses. The shares hover at decade lows.

Worryingly, a mismatch between long-term leases and short-term tenants is contributing to the implosion of US flexible-space group WeWork.

Tweaks to the model are reducing risk at IWG. A capital-light approach to new deals means that property owners are sharing tenant exposure. In return they benefit from access to IWG's skills in running flexible office space cheaply.

IWG is deleveraging. Net debt excluding leases fell £54mn to £658mn in the first half. That is about 1.5 times forecast adjusted ebitda. Include leases, and net debts rise to more than £6bn.

IWG deserves credit for tenacity. But its record suggests it is a specialist with a defensible niche. It is not poised for boom times on the back of WFH.

Obesity drugs: weighty considerations

Drugs that help users slim down are helping pharma stocks bulk up.

Second-quarter results from Eli Lilly showed how quickly demand is rising. Sales of its diabetes drug, Mounjaro, widely expected to be approved for weight loss this year, hit $980mn in the quarter, making it the company's second-biggest treatment.

Eli Lilly and Novo Nordisk are soaring. The US group is up 77 per cent over the past year. It now boasts a market cap of over $500bn, making it the world's most valuable drugmaker. The Danish corporation behind the Wegovy and Ozempic weight-loss treatments has vaulted into the number three spot after its shares climbed 85 per cent.

That compares with a 13 per cent gain for the NYSE Arca Pharmaceutical Index over the same period. Eli Lilly commands the higher premium. The shares are priced at almost 46 times 2024 earnings, a third higher than Novo Nordisk. Drug companies typically trade in the low teens.

More than 40 per cent of US adults are considered obese. One estimate reckons the market for this new class of drugs, known as GLP-1, could be worth as much as $150bn by 2031.

But weight loss alone is not the only reason investors should invest. In the US, the government and many insurers do not pay out for weight-loss drugs. At current prices of over $1,000 a month, Mounjaro, Ozempic and Wegovy are beyond the reach of most Americans.

To convince insurers to cover the treatment, the weight-loss drugs need to offer other health benefits.

On this front both Novo Nordisk and Eli Lilly have promising news. The Danish group yesterday reported in a study that Wegovy had reduced the risk of heart attacks and strokes by 20 per cent. Earlier this summer, Eli said another weight-loss drug it is testing helped cut bad cholesterol by a fifth.

Drugs that simultaneously tackle obesity, diabetes and heart disease would be good for public health as well as the pharma industry's bottom line.

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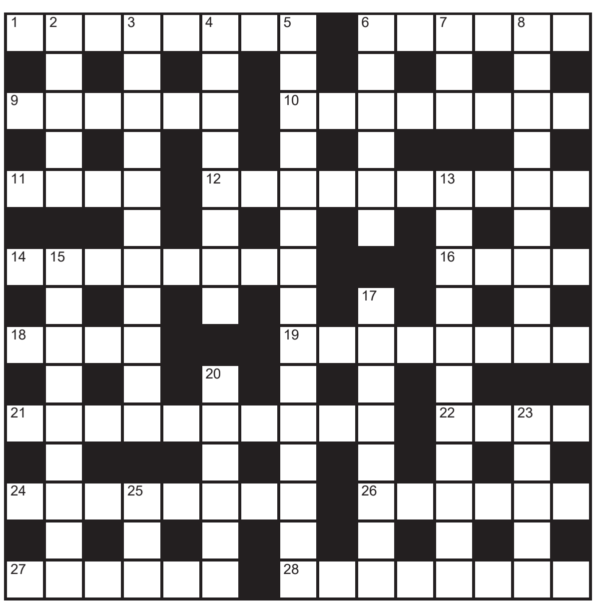
CROSSWORD
No 17,490 Set by JULIUS



ACROSS

1 Macbeth cast, holding Oscar: "it was a huge sacrifice" (8)
6 Carp sent back, found to contain Australian drug (6)
9 Old King returns Austen novel, pronouncing it "lightweight" (6)
10 Remove hair from pâté deli sent out (8)
11 Boyfriend beginning to boil water in Paris (4)
12 Grim-sounding works of folklore? (5,5)
14 Kick boxing American referee without shoes (8)
16 Hate getting undressed — it's a curse (4)
18 Reptile starts to climb right over carport (4)
19 Small-scale industrial production he cannot put to work (8)
21 Arranging brief drink which should stimulate the network (10)
22 Water to quench thirst son left out (4)
24 Headmaster is keen to embrace star sign (8)
26 Rio van driver regularly drops off a member of the band's crew (6)
27 Shrewd, like boy king (Egypt's first) (6)
28 Fielding work puts moonset roughly around 1st of June (3,5)

DOWN

2 Weird energy on one of the Great Lakes (5)
3 Security vehicle hit our ma on N Yorks racecourse (8,3)
4 Flood at an end, wolf heads north (8)
5 Provider of shuttle service? (9,6)
6 He liked to eat his spinach with olive oil, we're told (6)
7 Member of Parliament known for wisdom? (3)
8 Genuine gold, later titanium clubs (9)
13 Getting drunk a lot, old man guzzles Iberia's premier sherry (11)
15 With which luvvies greet Keira's sis at play? (3,6)
17 Wolfgang's trombone picks up a measure of radiation (8)
20 Set fire to brown coal Liberal chucked away (6)
23 King and knight originally inherited iron blade (5)
25 Seymour occasionally shot bird (3)*

JOTTER PAD

Solution 17,489

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