FINANCIAL TIMES

TUESDAY 15 AUGUST 2023 ASIA

The shift in middle-class shopping habits
BIG READ, PAGE 15

Was the right to disconnect a waste of time?
SARAH O'CONNOR, PAGE 17

Saudi Arabia and UAE buy Nvidia chips to power AI drive

- Latest entrants in global tech race
- Fears of misuse in autocratic states

FT REPORTERS

Saudi Arabia and the United Arab Emirates are snapping up thousands of high-performance Nvidia chips crucial for building artificial intelligence software, joining a global AI arms race that is choking the supply of Silicon Valley's hottest commodity.

The Gulf powerhouses aim to be leaders in AI as they pursue ambitious plans to turbocharge their economies. But the push has raised concerns about potential misuse of the technology by the oil-rich states' autocratic leaders.

According to people familiar with the moves, Saudi Arabia has purchased at least 3,000 H100 chips — a $40,000 processor described by Nvidia chief Jensen Huang as "the world's first computer [chip] designed for generative AI" — via King Abdullah University of Science and Technology.

The UAE has also secured access to thousands of Nvidia chips and has developed its own open-source large language model, known as Falcon, at the state-owned Technology Innovation Institute in Abu Dhabi.

A person familiar with Abu Dhabi's thinking said the UAE wanted to "own and control its own computational power and talent, have their own platforms and not be dependent on the Chinese or the Americans", adding that they were "attracting the best global talent as well".

The Gulf states' purchases of Nvidia chips come amid a race among the world's tech companies to obtain the scarce commodity for AI development. Last week the Financial Times reported that leading Chinese tech groups such as Tencent and Alibaba were also rushing to buy Nvidia's high-performance chips.

The most advanced LLMs are owned by US companies including Microsoft-backed OpenAI and Google, which are primary buyers of Nvidia's chips.

According to multiple people close to Nvidia and TSMC, its manufacturer, the chipmaker will ship about 550,000 of its latest H100 chips globally this year, primarily to US tech companies. Nvidia declined to comment.

In Saudi Arabia, Kaust will receive 3,000 of the chips, worth about $120mn, this year, according to two people close to the university's AI labs.

Kaust will use these chips to build its own LLM — software that can generate humanlike text, images and code — similar to OpenAI's ChatGPT, according to multiple people close to the university.

The Saudi LLM is mainly being developed at Kaust by Chinese staff, who have been prevented from working in the US after graduating from Chinese universities on the US entity list, say two Kaust insiders. Kaust did not respond to requests for comment.

Human rights experts have raised concerns that the software developed in the Gulf states may lack the ethical guardrails that large tech groups are trying to build into AI technology.

Iverna McGowan, director of the Center for Democracy and Technology in Brussels, said crackdowns in the region on human rights defenders — paired with AI's "discriminatory impacts" — was a "frightening thought".

Reporting by Madhumita Murgia and Andrew England in London, Qianer Liu and Eleanor Olcott in Hong Kong, and Samer Al-Atrush and Simeon Kerr in Dubai

Big numbers Rouble slides as sanctions and squeezed oil revenues hurt Russian economy

Yuri Kadobnov/AFP

Muscovites walk past a currency exchange office yesterday as the rouble slid to its lowest level against the dollar in more than 16 months.

The drop below Rbs100 raises economic pressure on Moscow after western sanctions limited capital inflows and European countries weaned themselves off Russia's energy supplies, reducing the revenues it receives from oil exports. Ballooning deficits from increased military spending, as well as a growing reliance on imports, have also contributed to the rouble's fall while speeding up inflation.

The central bank said it would hold an emergency meeting this morning, a month earlier than expected, where it may raise rates from 8.5 per cent.

Policymakers, who are struggling to keep Russia's economy stable while fuelling Putin's war machine and mitigating the impact of sanctions, have been squabbling over who is to blame for the falling currency. Rising inflation has pitched central bank governor Elvira Nabiullina against her hardline critics, who have pushed for lower rates to stimulate borrowing.

Odesa air strikes page 2
Central bank meeting page 4
Gideon Rachman page 17
Lex page 18

Briefing

▸ **Agnelli family spends €2.6bn on stake in Philips**
The billionaire Italian family has taken a 15 per cent share of the 132-year-old Dutch company, backing its shift from electronics to health.— PAGE 6; LEX, PAGE 18

▸ **Hawaii death toll rises**
Almost 100 people have been confirmed dead after last week's wildfires, with more expected as rescuers scour ruins of buildings. — PAGE 4; RAGHURAM RAJAN, PAGE 17

▸ **US Steel rejects $7.3bn bid**
The Pittsburgh-based company has thrown out an offer from rival Cleveland-Cliffs, hours after it said it had hired advisers to evaluate bids.— PAGE 8; LEX, PAGE 18

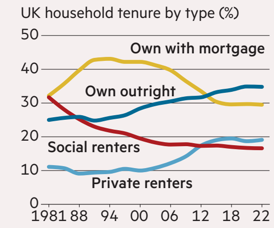
▸ **CVC revives listing push**
The secretive firm that is one of Europe's biggest buyout groups has reignited plans for a market listing that could come before the end of the year.— PAGE 10

▸ **Meloni owns windfall tax**
The Italian premier has taken full responsibility for the decision to impose the bank levy, whose shock unveiling last week sent tremors through markets.— PAGE 2

▸ **Neymar joins Saudi club**
The Brazilian footballer has joined Al-Hilal, the biggest coup in a summer of spending for the kingdom's league that now stands at more than €600mn.— PAGE 6

Datawatch

Sheltered from rate rises
UK household tenure by type (%)



Sources: DOE Labour Force Survey Housing; ONS Labour Force Survey; English Housing Survey

Interest rate rises are boosting mortgage payments for a smaller share of Britons than in the recent past. Nearly 35 per cent of households own their home outright, against 25 per cent at the 1981 rate spike. Comparatively fewer have mortgages

Foxconn seeks to keep lid on India expectations

Analysis ▸ PAGE 9

Rival US firms poach London partners from each other in fight for top lawyers

WILL LOUCH AND ARASH MASSOUDI — LONDON
JAMES FONTANELLA-KHAN — NEW YORK

US law firm Paul, Weiss, Rifkind, Wharton & Garrison has launched an international raid on rival Kirkland & Ellis, poaching a number of senior partners as the battle for top lawyers intensifies.

New York-based Paul Weiss is hiring at least four partners that specialise in private equity at Kirkland's London office, including debt financing specialist Neel Sachdev. The firm is also expected to hire Roger Johnson, a former senior partner at Kirkland who left this month.

Paul Weiss has also poached a team of Los Angeles-based lawyers from Kirkland led by Eric Wedel, and is in talks to a hire a number of other partners from that office, according to people with direct knowledge of the matter.

The swoop comes just days after Alvaro Membrillera, the head of Paul Weiss's London office and a private equity lawyer, was poached to join Kirkland with one other partner.

The fight for talent underscores the demand for leading private equity lawyers, who can fetch annual pay packages of up to $20mn, rivalling top bankers.

Law firms have benefited from the emergence of private equity as a big source of dealmaking, building relationships that give a consistent flow of work even if the pace of new deals slows. Kirkland made an industry-leading $6.5bn in net revenues in 2022.

Partners at Kirkland earned $7.5mn on average last year, the highest of any law firm, according to data provider The American Lawyer, compared with $5.7mn at Paul Weiss. Pay for star lawyers can be significantly higher.

US firms also pay substantially more than the leading UK "magic circle" law firms. UK market leader Freshfields recently said it paid its partners £2.1mn on average. The wage gap has made it easier for US firms to poach top lawyers from British rivals. Kirkland has dominated the UK private equity market over the past few years after hiring lawyers from Freshfields.

Sachdev is leaving Kirkland after more than 20 years at the firm. He advises private equity groups on the financing of leveraged buyouts, with clients including Bain Capital, BC Partners and Warburg Pincus. Johnson's clients include EQT.

Paul Weiss and Sachdev declined to comment. Johnson did not respond to a request for comment. Kirkland said it appreciated its departing lawyers "contributions to the partnership".

World Markets

STOCK MARKETS

	Aug 14	Prev	%chg
S&P 500	4480.79	4464.05	0.37
Nasdaq Composite	13733.69	13644.85	0.65
Dow Jones Ind	35286.61	35281.40	0.01
FTSEurofirst 300	1819.76	1816.53	0.18
Euro Stoxx 50	4326.43	4321.33	0.12
FTSE 100	7507.15	7524.16	-0.23
FTSE All-Share	4096.80	4105.93	-0.22
CAC 40	7348.84	7340.19	0.12
Xetra Dax	15904.25	15832.17	0.46
Nikkei	32059.91	32473.65	-1.27
Hang Seng	18773.55	19075.19	-1.58
MSCI World $	2972.73	2984.81	-0.40
MSCI EM $	997.72	1008.34	-1.05
MSCI ACWI $	684.68	687.94	-0.47
FT Wilshire 2500	5783.61	5789.18	-0.10
FT Wilshire 5000	45089.80	45131.60	-0.09

CURRENCIES

Pair	Aug 14	Prev	Pair	Aug 14	Prev
$/€	1.091	1.097	€/$	0.917	0.911
$/£	1.266	1.271	£/$	0.790	0.787
£/€	0.861	0.863	€/£	1.161	1.159
¥/$	145.435	144.740	¥/€	158.590	158.809
¥/£	184.142	184.014	£ index	82.098	81.993
SFr/€	0.959	0.961	SFr/£	1.113	1.113

CRYPTO

	Aug 14	Prev	%chg
Bitcoin ($)	29618.14	29285.00	1.14
Ethereum	1852.51	1839.47	0.71

COMMODITIES

	Aug 14	Prev	%chg
Oil WTI $	82.59	83.19	-0.72
Oil Brent $	86.18	86.81	-0.73
Gold $	1915.80	1920.90	-0.27

GOVERNMENT BONDS

Yield (%)	Aug 14	Prev	Chg
US 2 yr	4.93	4.88	0.06
US 10 yr	4.17	4.14	0.03
US 30 yr	4.26	4.26	0.00
UK 2 yr	5.04	5.02	0.03
UK 10 yr	4.66	4.62	0.04
UK 30 yr	4.71	4.68	0.03
JPN 2 yr	0.01	0.01	0.00
JPN 10 yr	0.61	0.58	0.03
JPN 30 yr	1.59	1.54	0.05
GER 2 yr	3.06	3.03	0.02
GER 10 yr	2.63	2.62	0.01
GER 30 yr	2.70	2.70	0.01

Prices are latest for edition
Data provided by Morningstar

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

Subscribe In print and online

www.ft.com/AsiaSubs
Tel: (852) 5803 3388
Fax: (852) 2905 5590
email: subseasia@ft.com

No: 41,402 ★

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

33>
9 770307 176821

INTERNATIONAL

Kremlin tactics

Air strikes aim to choke Kyiv grain exports

Moscow launches drones and missiles at Odesa after cargo vessel action

ROMAN OLEARCHYK — KYIV

Russia yesterday intensified its campaign to choke Ukraine's grain exports with air strikes on the Black Sea city of Odesa a day after a warship fired warning shots at a cargo vessel bound for a Danube port.

"At night, Russian terrorists attacked Odesa with three waves of attacks: two waves of attack drones, a total of 15 drones, and eight Kalibr missiles," Oleg Kiper, the region's governor, said yesterday. Debris caused by the "downing of the missiles", which were all intercepted, damaged three buildings, he added.

Posting a video of a damaged supermarket on Twitter, Andriy Yermak, Ukrainian president Volodymyr Zelenskyy's chief of staff, wrote: "Russians are insane terrorists." No fatalities were reported.

The foreign ministry condemned the "provocative" firing by the Russian warship on a cargo vessel heading to Izmail, the Ukrainian river port on the Danube delta that borders Romania.

Zelenskyy slammed Russia for indiscriminate shelling of villages in the southern Kherson region on Sunday. Seven people, including a family of four with a 22-day-old baby, were killed.

"We will not leave any crime of Russia unanswered," he said. "Our soldiers have the opportunity to restore justice to Ukraine . . . along the entire length of the front from the Kharkiv region to Kherson."

His comments refer to Kyiv's counter-offensive along a more than 1,000km frontline — stretching from north-eastern Kharkiv to the southern region of Kherson — which has struggled to make significant territorial gains since it was launched in June.

Hanna Maliar, Ukraine's deputy defence minister, said yesterday that troops had "certain successes" in the move to liberate Urozhayne, a village in the south of the eastern Donetsk region.

Ukraine's push in Donetsk and southern parts of the adjacent Zaporizhzhia region is an attempt to sever Russia's land bridge along the Azov Sea coastline to Crimea. Russia has used the peninsula, which it illegally annexed in 2014, as a staging ground for its full-scale invasion launched in February 2022.

Yesterday's strikes on Odesa came a day after a Russian warship moved to reinforce a naval blockade of Ukrainian ports by firing warning shots and conducting a forced inspection of a Palau-flagged Turkish cargo vessel.

It marked the first time Russia acted on its threat to treat commercial vessels heading to Ukraine's ports as military targets and challenges the Black Sea maritime rights of two Nato members — Turkey and Romania.

"Russia should not be able to block international routes in the Black Sea, particularly those leading to Ukrainian ports," Kyiv said yesterday. "Ukraine urges its partners to strengthen their efforts to preserve the functioning of the grain initiative, which is crucial to ensuring global food security."

US secretary of state Antony Blinken announced yesterday a security package valued at $200mn for Kyiv, including air defence munitions, artillery rounds, anti-armour capabilities and additional mine-clearing equipment.

Politics. Strategic move

Europe's biggest party shifts to the right

EPP accused of courting radicals in effort to remain continent's dominant force

ALICE HANCOCK, ANDY BOUNDS AND SAM FLEMING — BRUSSELS

Change of tack: Manfred Weber, EPP leader, is putting greater emphasis on stronger defence, a more competitive economy and 'if needed' a border fence to keep out migrants
Horacio Villalobos/Corbis/Getty Images

Europe's largest political party fought the last election almost as environmentalists, championing the EU's plan to cut emissions and nurture nature. The bloc's Green Deal was its "man on the moon moment", said the centre-right European People's party in 2019.

Soaring inflation, a war and a surge in immigration have since brought the EPP back down to earth. Ahead of EU-wide elections in June 2024, with populist and hard-right parties gaining ground, the EPP has shifted to counter, or even adopt, them.

Manfred Weber, EPP leader, emphasised stronger defence, a more competitive economy and "if needed" a border fence to keep out migrants. "I would see as a headline for the next five years: stability and security for Europe," Weber told the Financial Times. Jobs, defence, migration and the "fight against criminals" must be prioritised, he said.

The EPP has been the European parliament's biggest party for 25 years by sensing where the centre ground lies. But recent national elections in Finland, Italy, the Netherlands and Sweden showed voters rewarding parties championing hardline limits on migration and promoting industry over climate.

Polling in July by Europe Elects, an election data analyst, suggested the more rightwing European Conservatives and Reformists group could jump from 62 to 82 seats, while the Greens, who enjoyed their best result in 2019, could lose about a third of their MEPs.

According to the poll, the EPP would lose 20 seats but would just about remain the EU's largest political force.

Led by Weber, a Bavarian politician from the Christian Social Union, a party aligned with former German chancellor Angela Merkel's Christian Democratic Union, the EPP is shifting its stances in the hope of mopping up voters on Europe's hard right.

Weber has said the EPP should be a "bridge builder" at the centre of European politics. But lawmakers from other parties say that Weber is overly focused on courting the hard right, not least Brothers of Italy, Italian premier Giorgia Meloni's party with post-fascist origins, that risk drawing rightwing policies into the mainstream.

"It is a danger to the EU," said Iratxe García Pérez, president of the Socialists and Democrats group to which German chancellor Olaf Scholz belongs.

Spain's conservative Partido Popular, once a fascist party that moved towards the centre and joined the EPP in 1991, came first in national elections in July but failed to win an outright majority. Analysts said voters turned against the PP because of talk of an alliance with Spain's hard-right Vox party.

"The EPP has traditionally been less concerned with ideology and more concerned with having the biggest party on the right in each country as a member and that worked well until there was a decline in the centre right across Europe," said Simon Hix, professor of comparative politics at the European University Institute. "They are now in a situation where the political spectrum is more fragmented . . . and so they have an incentive to do deals with more extreme parties."

The EPP is forecast to lose seats in the next election but remain the EU's largest party

European parliament seat projection for June 2024 election

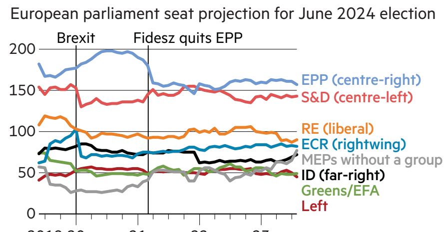


Chart shows projections since the 2019 European parliament election
Source: Europe Elects

The EPP said the Spanish election bore out Weber's message that fighting for the centre ground was not going to bring home the results when it came to next year's EU-wide vote.

"The switch between left and right voters was in such small groups it was impossible to campaign on that," the EPP said. But Weber said the EPP was not copying the politics of the hard right to win voters. He would never work with politicians such as Marine Le Pen of France's National Rally or Germany's AfD. EPP allies must be pro-EU, pro-rule of law and pro-Ukraine, he said.

In Poland, he has said, EPP-affiliated parties should build a "firewall" against the ruling Eurosceptic PiS when Poles vote in the autumn. Only Donald Tusk's Civic Platform party was capable of returning Warsaw to a less antagonistic relationship with Brussels.

Internally, EPP officials fear Weber has gone too far to court rightwing voters. Tom Vandenkendelaere, a Belgian Christian Democrat MEP, said many national delegations were against such a pivot. "Meloni has been well behaved in government but what about when she is in opposition?"

> 'The political spectrum is more fragmented and so they have an incentive to do deals with more extreme parties'
> Simon Hix, politics professor

A loud campaign against a European Commission proposal to protect biodiversity also ended in embarrassment for the EPP chair in June when lawmakers voted for the law to be approved.

Hix pointed out, however, that the vote was close and the law was passed only in a much diluted form. "The only reason he lost was because a few MEPs broke away from the EPP. The worrying thing from a centrist progressive point of view is that the next majority in the European parliament could be an anti-environmental one."

Europe's largest political group faces an "existential choice", said Philippe Lamberts, the longtime leader of the parliament's Greens, who is stepping down at the next election.

"Either they chase their voters who they believe have gone to the far right and . . . become like the far right, which to me is suicidal because people will always prefer the original to the copy, or they make the bet . . . of rejuvenating the traditional Christian Democrats vision, adapting it to the 21st century."

Finance minister

Lindner backs delivery of German cruise missiles to Ukraine

LAURA PITEL — BERLIN
PATRICIA NILSSON — LONDON
ROMAN OLEARCHYK — KYIV

Germany's finance minister has thrown his weight behind Kyiv's calls for Berlin to supply cruise missiles, increasing the pressure on Chancellor Olaf Scholz to send weapons needed to bolster Ukraine's counteroffensive against Russia.

Christian Lindner, who as leader of the liberal Free Democratic party (FDP) is one of the most senior members of Scholz's three-way ruling coalition, used a visit to the Ukrainian capital yesterday to express "sympathy" for the idea of delivering Taurus missiles to the country's armed forces.

Lindner said Germany would discuss with its allies what was needed and what was possible. "Since I know that many have sympathy for such support, as I do myself, I hope that these questions will be clarified soon, very soon," he said.

He later added in an interview with broadcaster ARD that a decision on Taurus would be "faster and at shorter notice" than in the past. Lindner's comments were an apparent reference to the tortuous earlier deliberations in Berlin over whether or not to supply Ukraine with modern Leopard 2 battle tanks.

Scholz, who has faced mounting pressure to supply the missiles from both Ukrainian officials and German members of parliament, has refused to commit to supply the weapons, which have a range of around 500km. "As in the past, we will always check every single decision very carefully," the chancellor told broadcaster ZDF on Sunday.

Fearful of escalation with Moscow, Scholz has taken a more cautious approach to weapons deliveries than his Green and liberal coalition partners. Last week, news magazine Der Spiegel reported that officials were examining whether it was possible to limit the range of the Taurus, to make sure they could not reach targets in Russia.

But Ukraine's ambassador to Berlin, Oleksii Makeiev, wrote yesterday on social media platform X that limiting the range of the Taurus was "like forbidding the football players of the national team to enter the opponent's half of the field or to take penalties".

Lindner's intervention came as Rheinmetall announced it was on track to ship its Luna drone system to Ukraine before the end of the year, as part of an "extensive" military aid package launched by Berlin last month. Germany's largest defence contractor said the order would give Kyiv access to "one of the newest systems" for unmanned airborne reconnaissance, real-time object detection and classification.

Rheinmetall confirmed that the Luna drones were pure reconnaissance systems, meaning they could not be used for attacks on Russian targets.

Oleksandr Dmitriiev, an adviser to Ukraine's defence minister, welcomed the announcement and said the Taurus missiles were "also very much needed".

He described the German drones as a "very powerful system which could give us a strong advantage because the enemy does not have its capabilities". He said Ukraine needed quickly "hundreds of thousands of drones, both the kamikaze and surveillance variants".

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

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

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

Letters to the editor
letters.editor@ft.com

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

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

Italy

Meloni bears 'full responsibility' for windfall tax on banks

SILVIA SCIORILLI BORRELLI — MILAN

Giorgia Meloni has taken "full responsibility" for the decision to impose a one-off windfall tax on banks, which she described as her own.

"I would do it again because I believe that the right things must be done," Italy's prime minister told the country's three largest newspapers. "This is a decision that I took on my own."

The unexpected declaration last week severely damaged the rightwing government's credibility with investors and sent shockwaves through financial markets. Italian bank stocks lost up to 10 per cent on the day the 40 per cent tax on lenders' net interest income was announced.

Less than 24 hours later, the government was forced to partially backtrack, with the finance ministry announcing a cap on the levy that substantially watered down its effect on lenders' balance sheets.

The one-off levy will be applied to banks' net interest income for 2022 or 2023, if it exceeds 2021's by certain thresholds. The tax will be capped at 0.1 per cent of lenders' total assets.

Meloni said there might have been "issues" with the way the announcement was managed.

"I did not involve the coalition as much as usual because it was an issue that did not have to circulate too widely," she added.

Finance minister Giancarlo Giorgetti, who had previously spoken critically about such taxes, was fully "involved" in the decision, Meloni said.

Several of her coalition partners, including foreign minister Antonio Tajani, a member of the liberal Forza Italia party, said they had been blindsided by the decision.

Analysts and bankers have argued that the windfall tax should not have been decided by the prime minister's office but should have been the subject of thorough discussions between lenders and the Treasury.

Meloni admitted that some members of her government were unhappy about having been kept in the dark. But she said it was necessary, given the sensitivity of the matter, adding: "I would do it again.

"I have utmost respect for the banking system and I don't want to hit lenders but there was an imbalance," she added.

Italy's government has been critical of banks' reluctance to pass on the European Central Bank's interest rate rises to depositors while swiftly increasing borrowing rates. Lenders have reaped large profits from rising interest rates over the past year.

People close to the discussions in Rome and Milan said the government's most radical members — including transport minister and far-right League party leader Matteo Salvini and undersecretary Giovanbattista Fazzolari, a member of Meloni's Brothers of Italy party — had pushed the PM to introduce the measure before the summer break in an effort to reinvigorate public support for the coalition.

Giorgia Meloni: her tax decision damaged government credibility

Fazzolari suggested yesterday that the government might go further and intervene in airport and toll road concessions.

"We should expect the state to act again when it comes to relations with the large financial, economic and industrial players," he told conservative daily La Verità.

The government has come under fire for its cancellation of the so-called citizens' income, a monthly allowance for poor jobseekers, and a series of subsidies for home renovations and energy upgrades that had boosted the country's economic growth since their introduction a couple of years ago.

Negotiations between the government and opposition parties to introduce a minimum wage — which Italy, unlike most European countries, lacks — have also come to a halt.

"I doubt the issue of low salaries can be solved by introducing a minimum wage," Meloni said.

INTERNATIONAL

Alarm grows at hostage ordeal of overthrown Niger president

UN concerned by conditions inside residence after power and water cut

DAVID PILLING — LONDON
AANU ADEOYE — LAGOS

The coup that deposed Niger's president Mohamed Bazoum sent ripples from Abuja to Washington and unnerved regional leaders to such an extent that they threatened to invade.

But at the centre of the drama is a straightforward hostage situation, now in its 20th day.

The putsch began in the early hours on July 26 when heavily armed members of the elite presidential guard led by General Omar Tchiani surrounded the Arabesque whitewashed presidential palace and locked Bazoum in his residence, along with his wife and 20-year-old son.

For much of his time in captivity, Bazoum, a former teacher who dresses in a red fez and flowing robes, was allowed to maintain contact with the outside world, although he was warned he would be killed along with his family if there were any attempt to free him.

According to an account from a family member relayed to the Financial Times via an intermediary, Bazoum got wind of the coup in the early hours when he was woken by a security guard who warned him that "there was trouble" and he should take refuge in the residence's secure basement.

A group of soldiers fronted by Colonel Amadou Abdramane that evening appeared on television to announce that Bazoum had been removed, with Tchiani proclaiming himself head of the new ruling junta a few days later.

In those early days of confusion, Bazoum received calls from, among others, Antony Blinken, US secretary of state, who visited him this year in the capital, Niamey, and French president Emmanuel Macron, according to an associate who has kept in daily contact.

At one point he dictated an article for the Washington Post. "I write this as a hostage. Niger is under attack," Bazoum said. "I am just one of hundreds of citizens who have been arbitrarily and illegally imprisoned."

However, he was able to maintain contact with the outside world and was pictured smiling with Chad leader Mahamat Idriss Déby. His personal chef was also permitted to come and go, bringing in fresh supplies of the types of food — mainly fish and vegetables — that the president likes to eat.

That treatment stopped several days ago when the water and electricity to the residence was cut, leaving Bazoum and his family in sweltering conditions, and deliveries of fresh food ceased.

The move coincided with renewed pressure by the Nigeria-led Economic Community of West African States, which has ratcheted up pressure on the junta to relinquish power and return to the constitutional arrangement.

According to his associate, Bazoum and his family are now eating basic food and living in squalid conditions, although an ally said he had been visited by a doctor over the weekend.

"Even now his spirits are still high," the associate said, adding that Bazoum's ability to communicate with the outside world was more restricted, though not impossible. "He refuses to sign the [resignation] paper; he'll never sign," he said of efforts to force Bazoum to quit.

But the pressure has not relented. The junta said on Sunday that Bazoum could be charged with "high treason", a crime that carries a possible death sentence.

It is all a long way from the days when Bazoum, elected in 2021, enjoyed the privileges and protocols of a president.

Coup supporters at a rally near Niamey. Below, Chad leader Mahamat Idriss Déby, left, pays Mohamed Bazoum a visit
AFP /Getty Images; Facebook/AFP/Getty Images

Those ran from attending glitzy events in Washington and Paris, when he delighted audiences with his liberal take on girls' education and the practice of polygamy, to visits to the farthest reaches of Niger, a country of desert and semi-desert twice the size of France.

On one such expedition to Diffa, in the far east, a part of the country where terror group Boko Haram makes raids across the border from Nigeria, he was accompanied by a presidential sweeper who ensured the red carpet on which he walked was free from desert sand.

On that trip, witnessed by the Financial Times, he addressed troops protecting villagers from Boko Haram raids, telling them that the politicians in Niamey had not forgotten them.

The state would help local people move back into their gutted villages, he said. Within minutes of his departure, Boko Haram shot at the soldiers he had been addressing, according to accompanying officials.

Bazoum has been considered an ally of the west. Under his presidency Niger has continued with a programme to help stem the flow of refugees to Europe through Nigerien territory.

> 'I am just one of hundreds of citizens who have been arbitrarily and illegally imprisoned'
> Mohamed Bazoum

It has also remained committed to hosting US, French and European troops to help fight Islamist groups linked to al-Qaeda and Isis spilling over Niger's borders with Mali and Burkina Faso. Bazoum defended the presence of French troops, the subject of hostility from crowds who have come out in support of the coup. "It's true that French policy in Africa is not a great success right now," he told the FT in an interview this year. "But is it France's fault? I don't think so."

UN secretary-general António Guterres said late last week that he was "concerned" for Bazoum's health and safety.

Ecowas — which has ordered troops to stand by for a possible invasion — condemned the threat to charge the president and warned that it held Tchiani's self-proclaimed National Council for the Safeguard of the Homeland "fully and solely responsible for the safety, security and physical integrity of President Bazoum and members of his family".

Monetary emergency

Plunging rouble forces crisis rate meeting

Russia central bank to act after currency weakens in fallout from invasion

MAX SEDDON AND ANASTASIA STOGNEI
RIGA

Russia's central bank has been forced into an emergency interest rate meeting after the rouble fell below Rbs100 to the dollar amid discord among policymakers over how to deal with the economic fallout from the invasion of Ukraine.

Today's meeting comes after the central bank, which had not been due to convene until September 15, said it might increase its interest rate from 8.5 per cent. It was to announce the decision at 10.30am Moscow time.

Nearly a year and a half after Vladimir Putin ordered the invasion, the rouble's precipitous slide prompted rare public disagreement among Russian officials yesterday as the Kremlin sought to assuage anxiety about the currency while continuing to praise the debt-fuelled growth that had weakened it.

Maxim Oreshkin, Putin's economic adviser, yesterday wrote an article for state newswire Tass that included thinly veiled criticism of the central bank, claiming that "a strong rouble is in the interests of the Russian economy", which he said was otherwise recovering.

Oreshkin blamed the rouble's fall on the bank's easing of monetary policy, which he said had led to Rbs12.8tn ($129bn) in debt-fuelled demand that was outstripping the budget deficit and overheating the economy.

Anatoly Aksakov, head of the finance committee in the Duma, however, told news site Ura.ru that "businesses are overloaded and raising production levels" in his native region of Chuvashia in central Russia. "People are getting their salaries. The [region] is living life to the fullest, everyone has a smile on their face and there is no stress that the dollar rate is nearing 100 roubles."

The view farther from Moscow, where the economic consequences of the war have not so far hit home, was less sanguine. In Surgut, a Siberian oil town, the rolling ticker running across a local news agency's offices was replaced with text that said: "Putin is a dickhead and a thief. 100 roubles to the dollar — you've lost your fucking mind!" The news agency said the ticker had been hacked.

The central bank, which dropped exchange-rate targeting and switched to a free float in 2014, insists that the rouble is under pressure from other factors, including a drop in export volumes and rising demand for imports amid an increase in government borrowing.

The central bank said the potential rate rises at its next scheduled meetings were required in order to stabilise inflation at its target of 4 per cent, but added the rouble's decline did not threaten Russia's financial stability. Ballooning deficits from increased military spending, a drop in export revenues and a growing reliance on imports have all contributed to the rouble's fall while speeding up inflation.

Price rises soared past the central bank's target rate to 4.3 per cent in July and are expected to rise to between 5 per cent and 6.5 per cent this year.

Rising inflation has pitched central bank governor Elvira Nabiullina, who has tamed previous rises with aggressive rate tightening, against her hard-line critics, who have pushed for lower rates to stimulate borrowing.

Gideon Rachman see Opinion; **see Lex**

Natural disaster

Hawaii braced for wildfires death toll to run well beyond 100

MYLES MCCORMICK — NEW YORK

Almost 100 people have been confirmed dead after wildfires ripped through Hawaii last week, with dozens more fatalities expected as rescue crews scour the ruins of burnt-out buildings.

The official death toll rose to 96 yesterday in what has become the deadliest natural disaster in the state's history.

"We are prepared for many tragic stories," Hawaii governor Josh Green told CBS *Mornings* yesterday.

"They will find 10 to 20 people per day probably until they finish. And it's probably going to take 10 days. It's impossible to guess, really."

The number of people unaccounted for has fallen in recent days after temporary mobile hotspots were set up to boost reception.

"As we put up some temporary cell capacity people are calling each other, so the number of missing went from in the two thousands down to 1,300," said Green.

"Our hearts will break, beyond repair perhaps, if that means that many more dead. None of us think that but we are prepared for many tragic stories."

President Joe Biden last week declared a major disaster in the state and ordered federal aid to support the affected areas.

Officials have told tourists to stay away from the islands, a popular holiday destination. About 46,000 people had been flown out of Kahului Airport since Wednesday, the Hawaii Tourism Authority said.

> 'We are prepared for many tragic stories. They will find 10 to 20 people a day probably until they finish'

The fires began a week ago and quickly engulfed Lahaina in western Maui.

More than 2,200 structures have been destroyed in the town, with the damage estimated at $5.5bn, according to a report released over the weekend by the Pacific Disaster Center and the Federal Emergency Management Agency.

Maui officials said yesterday that the Lahaina fire was now 85 per cent contained.

Shares in Hawaii Electric Industries, the state's main power supplier, dropped more than 40 per cent in early trading yesterday after a class-action lawsuit was filed against the company over the weekend, alleging it had "inexcusably kept their power lines energised during forecast high fire danger conditions".

Andrew Bischof, an analyst at Morningstar, said the market reaction was a "key near-term concern" for the company as it contended with the fallout.

The state's attorney-general has been tasked with carrying out a review of the cause of the fires.

Strong winds from Hurricane Dora, which passed hundreds of miles to the south of the island, fanned the flames.

The devastation in Hawaii has come during a summer of unusually high wildfire activity in Canada, and authorities said July was the hottest month on record globally.

US society. Humanitarian provision

Migrant influx tests New Yorkers' compassion

Refugee numbers challenge city with liberal self-image and legal obligation to shelter

JOSHUA CHAFFIN — NEW YORK

New arrivals: pedestrians pass migrants waiting in a queue outside the Roosevelt Hotel last month. Below, New York City mayor Eric Adams
John Minchillo/AP

The pavement outside Manhattan's Roosevelt Hotel was teeming with traffic, much of it streaming to and from nearby Grand Central Station. But Giselle Rondon was oddly stationary.

That seems fitting since Rondon, 36, is trapped in a kind of purgatory. For the past six weeks, Rondon, her husband and two children have been living at the Roosevelt.

The 1920s brick behemoth closed during the pandemic, but it was given new life last year as a processing centre for tens of thousands of migrants streaming into New York City from all corners of the globe.

Rondon and her family began the journey that brought them to the Roosevelt in 2018 when they fled their home in Aragua, Venezuela, as their life there deteriorated. They are now desperate to check out and begin a new life in the US. But that is hard without jobs, and for that they need work permits, which may take a year or more to secure.

"We don't want clothes, we don't want food. We want the opportunity to work," she said.

The family is one snapshot from a slow-building migration crisis that New York City officials say is threatening to overwhelm them.

Since last spring, nearly 100,000 migrants have arrived. More than 57,000 asylum seekers, such as Rondon, are under the city's care, straining a shelter system that was already struggling to cope with a homeless population inflated by the pandemic and a chronic shortage of affordable housing.

The crisis seized public attention last week when hundreds of destitute asylum seekers were found sleeping on the pavement outside the Roosevelt as there was no space inside.

The pavement was soon cleared but Mayor Eric Adams, who has pleaded for more federal help, was far from reassuring. "It's not going to get any better," he told citizens, as officials announced that another 2,300 or so newcomers had arrived the previous week.

Adams fears that the city's bill for feeding and sheltering so many migrants could exceed $12bn by July 2025. "New Yorkers' compassion may be limitless but our resources are not," he said.

The city's latest move is to displace recreational football players and picnickers to open an emergency shelter for roughly 2,000 adults on Randall's Island. In what was either a ploy to awaken the public, or the truth, officials have not denied reports that Central Park or Brooklyn's Prospect Park might be put to similar use.

Many of the asylum seekers are coming via Texas, put on Manhattan-bound buses by the state's Republican governor, Greg Abbott, in a calculated act of border state resentment. That is posing a particular challenge for a city with a unique legal obligation to provide shelter and a liberal self-image as a metropolis built by immigrants.

On the ground, some New Yorkers were trying to make good on the city's promise. Josh Jordan and Josh Ferguson, two aspiring Broadway actors, passed by the Roosevelt on a recent afternoon to hand out bananas, crackers and other goods they bought at a store. They were moved to do so after seeing a report on TikTok about the migrants' plight.

"I figured at least being seen by someone was important," said Jordan, 21, who had moved to New York only two weeks earlier from Nashville. Arguably, that made him less a New Yorker than many of those he was trying to help.

Elsewhere in the city, there are signs of patience wearing thin. In Sunset Park, Brooklyn, hundreds of residents, many themselves immigrants, attended a recent protest at the plan to house dozens of asylum seekers in their recreation centre. They carried placards that read: "Stop Stealing Our Park" and "Save Our City!".

The strain is spreading to an array of social services. Some public schools, for example, are waiting to find out whether they will need to expand their capacity or even convert to bilingual education, according to Andrew Heinrich, founder of Project Rousseau, a charity that helps migrant families.

Beneath the swirl of politics, many of the Roosevelt's new residents sounded resolved, viewing this as another chapter set against the much larger journeys they had made. In the meantime, they seemed grateful for whatever assistance they were receiving.

> 'We don't want clothes, we don't want food. We want the opportunity to work'

"It's a roof," said Yineth Palencia, 24, gazing at her three year-old daughter, when asked about the hotel's conditions.

She and her partner, Robinson Maldonado, 27, had not chosen New York City, they said. Rather, they were given a plane ticket to the city by the Sacred Heart church in El Paso, Texas, after spending five days there.

Their friend, Carlos Gutierrez, had come to New York by bus from Texas. He had tried to sell bottled water on the pavement outside the Roosevelt but the authorities put a stop to it. He was loath to work illegally for fear of putting his immigration claim in jeopardy.

Even though he had no clear path forward, Gutierrez appeared perplexed when asked if he might go home.

"People who make it to this country have dreams," he said.

Integrity grants. Disbursement

African Development Bank's anti-corruption fund unused since launch

Inactivity of $55mn pot, unveiled in 2016, puts focus on institution's efficiency

DAVID PILLING — LONDON

The African Development Bank has admitted that a $55mn integrity fund launched with great fanfare seven years ago has not been put into operation and has not disbursed any money on its stated anti-corruption purpose.

Non-governmental organisations that have applied for grants from the fund, initiated in November 2016 as a way of combating corruption in Africa, have been told it is not yet up and running.

Failure to deploy the money, collected from companies that settled alleged corruption cases with the Abidjan-based development bank, could raise questions about the efficiency of an institution through which western governments channel billions of dollars to development projects.

In addition to its 54 African member countries, the triple A rated bank has 27 non-regional members, including the UK, Japan, China and the US, its second-largest shareholder after Nigeria. The AfDB has access to authorised capital of $250bn, money available to be disbursed to infrastructure, power, agriculture and other projects.

"For them to sit on a significant pot of money — tens of millions of dollars — with no transparency is very surprising and disappointing," said Joshua Meservey, senior fellow at the Hudson Institute think-tank and an expert on corruption. "This fund was meant to target corruption, a cancer across the continent that undermines economies, development and even political systems. What have you been doing with $55mn for seven years?"

When the AfDB's board approved the Africa Integrity Fund it said it would be seeded with $55.25mn collected from companies that had settled alleged corruption or misconduct cases with it. The bank has the power to investigate such allegations on projects to which it has lent money. The fund would disburse grants to African enforcement agencies, tax authorities, educational institutions and civil society groups involved in fighting corruption, it said.

"We are confident that the AIF will become a model for others," Anna Bossman, then director of the bank's integrity and anti-corruption department, said at the time.

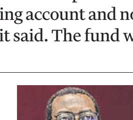
The AfDB confirmed to the Financial Times that the integrity fund had never been put into operation and that no grants had been made. "The Africa Integrity Fund was not operationalised to mitigate risks regarding conflict of interest, transparency and due process which were identified during the process of implementation," it said.

It had decided that the funds should be managed by an external body, it added, to prevent commingling of funds with bank resources.

"Management has identified an independent institution to deploy the funds. The proposal to formally close the Africa Integrity Fund (which requires a board resolution) and appoint the independent institution will shortly be submitted to the board of directors for approval," it said, without specifying the institution. The AfDB did not explain why it had taken seven years to seek alternative arrangements but said it had followed "customary and prudent" procedures for the implementation of any new initiative.

The $55.25mn had been kept in a separate, interest-bearing account and now stood at $57.03mn, it said. The fund was "intact 100 per cent", a senior executive at the bank said.

Akinwumi Adesina, AfDB's president, is said to have had second thoughts about using fines to fight corruption



The money to establish the fund came from international companies investigated by the bank. One substantial penalty was paid by Hitachi in 2015 after a probe into what the AfDB called "sanctionable practices" in pursuing a power plant contract in South Africa, though the exact sum has not been made public.

Hitachi settled with the AfDB on the basis that part of the fine would be used to combat corruption in Africa. The bank said it had "not breached the terms of any settlement".

When the fund was launched, the AfDB said it provided a framework through which "financial penalties resulting from the bank's sanctions regime are reinvested into anti-corruption measures".

But some bank officials, including Akinwumi Adesina, the president, have had second thoughts about using fines — what one person referred to as "fruit from the poison tree" — to fight corruption, according to one current and one former AfDB executive. The integrity fund was an "innovative instrument", the bank said, but after board approval, "aspects of its practical implementation raised some serious concerns".

Organisations applying for grants from the fund said they had not been told it had been mothballed.

The Pavocat Stellenbosch Academy, a South African-based organisation with a counter-corruption mandate, applied for a grant this year.

"We were aware of the fund and the conditions of the fund when it was set up in 2016 because we can read," said James Stuart, co-founder of Pavocat. "And what we got is: 'Well we haven't operationalised the account.' We didn't get an explanation of why not."

Several former AfDB officials said that internal questioning of the integrity fund in the years after board approval received short shrift.

The bank's governance was publicly questioned in 2020 when whistleblowers accused Adesina of ignoring bank procedures and appointing friends, including fellow Nigerians.

Steven Mnuchin, then US Treasury secretary, expressed "deep reservations" about an internal inquiry into the allegations and pushed for an independent probe. In July 2020, an external panel chaired by Mary Robinson, former president of Ireland, cleared Adesina of misconduct. He was unanimously re-elected to a new five-year term in August 2020.


capital·com
Online
Trading-
Platform

Storm barrier The Federal Home Loan Banks play a vital role as all-season liquidity provider and crisis shock absorber ➔ OPINION

Companies & Markets

Agnellis back Philips' pivot to healthcare with 15% punt

- Billionaire Italian family buys stake
- Dutch group hurt by product recall

SILVIA SCIORILLI BORRELLI — MILAN
OLIVER TELLING — LONDON

Italy's billionaire Agnelli family has bought a 15 per cent stake in Dutch conglomerate Philips in a roughly €2.6bn transaction, backing the group's effort to shift from consumer electronics to healthcare after a costly product recall.

As part of the deal announced yesterday, Exor, the Agnellis' holding company, can increase its stake to 20 per cent and gain a seat on Philips' board.

Exor said that it intended to be a "long-term minority investor".

The investment comes as 132-year-old Philips, once best known for lightbulbs, shifts from electronics to health tech — a move marred by the recall of millions of the company's respiratory devices since 2021. The controversy, which was followed by a US inquiry and the exit of its former chief executive, has led to its share price tumbling more than 60 per cent since April 2021.

> 'Our work on healthcare has reinforced our view there are opportunities for us in this sector'

For Exor, which has a market capitalisation of €19.5bn and is the largest shareholder of Stellantis, Ferrari and CNH Industrial, the deal marks a continued push into a more diverse pool of investments for a family once synonymous with the Italian car industry.

Exor has been expanding into healthcare after its sale of US reinsurer Partner Re for €9.3bn in 2021, buying minority stakes in health groups such as France's Institut Mérieux and Italy's Lifenet.

The company also has a 24 per cent stake in French shoemaker Christian Louboutin, and has in recent years invested in technology groups such as Welltec, in 2016, and Uber rival Via Transportation, in 2020. Lingotto, the London-based investment company owned by Exor, last month poured millions into British chipmaker Optalysys.

John Elkann, scion of the Agnelli dynasty and Exor's chief executive, has focused on expanding its mix of investments, particularly since the merger of his family's Fiat Chrysler Automobiles group with France's Peugeot to create Paris-listed Stellantis in 2021.

The Agnellis' business was historically focused on the automotive sector, alongside investments in Turin's La Stampa newspaper and football club Juventus. Exor, which reacquired La Stampa from Italy's billionaire De Benedetti family in 2020, is also an investor in The Economist.

Roy Jakobs, Philips' chief executive, said that Exor had engaged with the company in late 2022 and conducted its own analysis of the effects of the recall.

"Reflecting on 2022, I can confidently share with you that our work on healthcare has reinforced our view that there are real opportunities for us in this sector and our interest has only grown," Elkann wrote to shareholders in April.

Despite potential payouts for personal-injury claims still looming over the company, he said that this was "part of the package" that Exor had bought into, adding that the investment "shows their confidence in what we are doing and where we are taking the business".

Jakobs said Philips was capitalising on demand from a healthcare sector under strain from staff shortages. He pointed to Philips' use of artificial intelligence to help automate patients' medical reports, and its development of "command centres" with screens to help nurses watch multiple beds at once.

Exor said it acquired the 15 per cent stake through "on-market" purchases of the stock and that existing Philips shareholders would not be diluted.

See Lex

Hotshots Saudi Pro League flexes financial muscles as Neymar joins Al-Hilal from PSG

Strike a deal: Brazil star Neymar will reportedly play for Al-Hilal against Al-Fayha on Saturday — Aurelien Meunier/Getty

SAMUEL AGINI — LONDON
SAMER AL-ATRUSH — DUBAI

Brazilian footballer Neymar has joined Saudi Arabia's Al-Hilal, the biggest coup in an unprecedented summer of transfer spending for the kingdom's league, according to the country's state-owned media.

Neymar, 31, is arguably the best-known player to move this summer to the Saudi Pro League, the top level of professional football in the country.

Paris Saint-Germain, owned by state-backed Qatar Sports Investments since 2011, is to receive about €90mn for Neymar, according to one person with knowledge of the deal.

He can expect to earn several times the €25mn a year he earned at PSG, the person said. Neymar and PSG did not immediately respond to requests for comment.

Al-Hilal, which finished third in last season's Saudi Pro League, had already spent €178mn on players this summer, says Transfermarkt, which tracks signings — more than any other Saudi club. The Neymar transfer would take Saudi clubs' spending this summer to more than €600mn.

Saudi Arabia's $650bn sovereign wealth fund, the Public Investment Fund (PIF), in June took ownership of Al-Hilal and Saudi Pro League rivals Al Ittihad, Al Ahli, and Al Nassr, supercharging their ability to buy players. The swoop for Neymar is symbolic of how Saudi Arabia has flaunted its financial might in the world's most popular sport.

It also shows how the PIF has challenged Qatar — host of the 2022 Fifa World Cup — for sporting supremacy.

Saudi state television Al Ekhbariya reported that Neymar would play his first match with Al-Hilal on Saturday against Al-Fayha. Saudi sports officials did not immediately respond to a request for comment. Neymar's departure comes as PSG is in the middle of an overhaul that has seen another big star, Lionel Messi, leave the club after the team failed to win the Champions League.

Questions have also swirled around whether star French striker Kylian Mbappé will stay on at PSG since he has been embroiled in a spat with the club over not renewing his contract that runs out next year.

Al-Hilal made a bid of €300mn for him but was rebuffed by Mbappé, who was this week "reinstated" into first-team training after "very constructive and positive discussions".

The sale of Neymar may also give PSG more time and money to negotiate a planned exit for Mbappé to stop him from leaving for free next year.

The €222mn paid by PSG for Neymar to FC Barcelona in 2017 remains the all-time transfer record. *Additional reporting by Leila Abboud in Paris*

Missed China trust payment fuels property exposure fears

THOMAS HALE — SHANGHAI

Entities linked to Chinese conglomerate Zhongzhi have failed to make payments, investors have said, raising concern over the country's wealth management industry and its exposure to a troubled property sector.

Beijing-based Zhongzhi, founded in 1995, has grown into an enterprise with stakes in everything from financial businesses to mining groups. Investments are estimated to total at least Rmb1tn ($140bn).

It holds a "strategic stake" in Zhongrong International Trust, which last week failed to repay the proceeds of two products, according to weekend stock market disclosures. KBC Corporation, part of the semiconductor supply chain, and Nacity Property Service Group said they had not received Rmb60mn and Rmb30mn respectively.

The disclosures come at a time of speculation about the company's health and its exposure to a property cash crunch that has derailed the real estate sector and dragged on China's growth.

Trust companies such as Zhongrong International Trust have been an important source of financing for the property sector, which drives more than a quarter of China's economic activity but has suffered dozens of developer defaults. It is difficult to gauge the group's exposure to real estate but delays in payments could be seen as a sign of the threat of property and economic woes spreading more broadly.

In early August, police were called to Zhongzhi's headquarters in Beijing, where several retail investors sought to "resolve" issues with management, people at the scene said. The investors did not provide further details.

Zhongrong International Trust, the majority of which is owned by Zhongzhi and an affiliated company, according to data from corporate information provider Tianyancha, published a statement on its website saying that "criminals have forged its corporate seal, official letters and other documents".

Criminals were trying to trick customers into accessing certain websites or joining groups on QQ, a social media platform. "The above behaviour has nothing to do with our company," it said.

Zhongzhi did not respond to a request for comment.

Additional reporting by Wang Xueqiao in Shanghai and Hudson Lockett in Hong Kong

See Markets

Sunak's support for Farage in NatWest row prolongs political risk

INSIDE BUSINESS
FINANCE

Patrick Jenkins

A 25 per cent chance of survival is not a risk that any banker worth their salt would accept on a client loan application. But those are the career odds confronting the next chief executive of NatWest following the departure of Alison Rose, the part-state-owned bank's third boss in four to be ousted by the UK government.

The ejections began in 2008, when Fred Goodwin was (rightly) turfed out of what was then Royal Bank of Scotland, having turned a proud institution into a vast, poorly controlled, cut-throat organisation for staff and customers alike. Goodwin was fired when the government rescued RBS in a £46bn bailout and later stripped of his knighthood.

Five years later, replacement boss Stephen Hester was ejected after falling out with ministers, mainly over the scale of his pay, despite making good progress in fixing the group's many complex problems.

After a relatively benign six years, during which amiable New Zealander Ross McEwan ran the bank before leaving on his own terms, Rose took the top job in 2019 — she worked her way up from NatWest graduate trainee. Well regarded in many quarters before last month, she suffered a swift fall from grace after mishandling a row with Nigel Farage, the rightwing firebrand whom the group's wealth unit, Coutts, had decided to ditch as a client.

When the row first erupted via a series of Farage tweets beginning on June 29, the former UK Independence party leader pushed the line that his "debanking" was an example of a leftist establishment taking revenge on the man they blamed for Brexit. This seemed far-fetched, and far less plausible than the alternative explanation hinted at by NatWest: Coutts' wealth threshold. If a customer fell below it and was also a "politically exposed person" more costly to maintain due to constant risk assessments, he or she would no longer be commercially viable.

The truth turned out to be somewhere in the middle. A Farage "subject access request" to obtain personal data from internal NatWest files relating to his account suggested that his "xenophobic" and "racist" views had also been part of the decision-making. Farage had been deemed "at odds with our position as an inclusive organisation".

> It will be distasteful to many that Farage has emerged the hero and Rose the villain in this affair. It is also unjust

Rose was forced out despite the backing of NatWest's board after admitting that she had steered the BBC to report, wrongly, that Farage's account was being closed solely for commercial reasons — a potential breach of client confidentiality.

Farage has triumphed once again as a campaigning man of the people, just as he did galvanising the Brexit vote seven years ago — this time fighting for the debanked masses from the paradoxical perch of a spurned customer of the elite Coutts brand. Last week, the Financial Conduct Authority, which regulates banks, told lenders that they must submit data on how many customers had been debanked.

It will be distasteful to many that Farage has emerged the hero and Rose the villain in this affair. It is also unjust — both sides appeared disingenuous.

Fundamentally, though, the episode has caused huge damage to NatWest, some of it self-inflicted. Coutts' risk managers were misguided to a customer's political views. And Rose made a serious error of judgment in engaging in discussion, however tangentially, about a customer.

The board's view, however, was that her years of sound judgments, which led to the bank shedding weak units, correcting pay excess and espousing fairer treatment of customers, outweighed the error and they backed her.

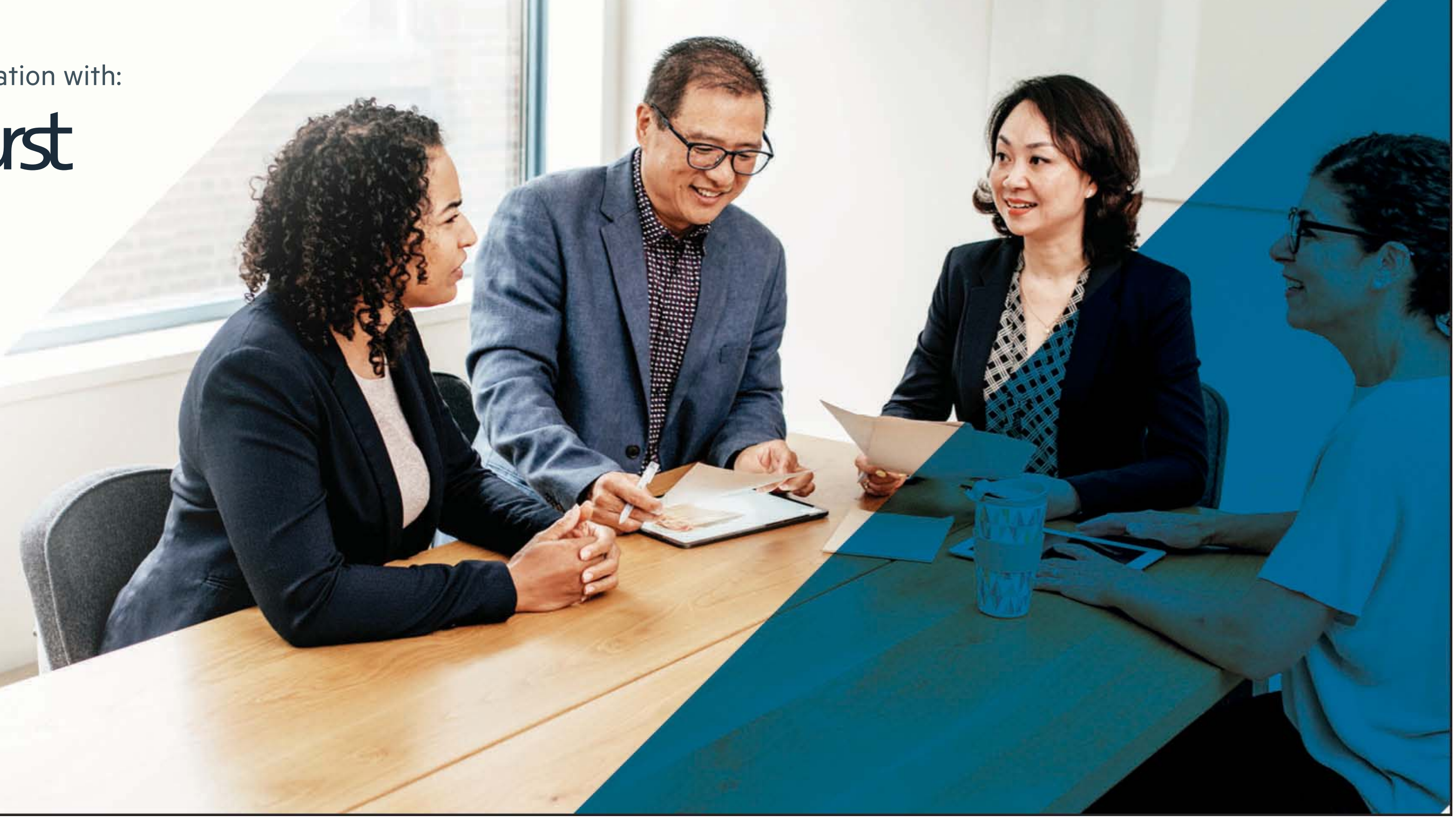
The government's decision to overrule the board — exceeding any influence that a 39 per cent shareholder should have — has not only deprived the bank of an able chief executive; it has also shaken investors.

NatWest shares fell 12 per cent during the peak of the episode, sharply underperforming peers.

How was Farage able to secure the backing of Conservative MPs, right up to Prime Minister Rishi Sunak? The explanation echoes the decision by David Cameron to call the 2016 Brexit referendum. Pacifying the right has been the priority. Once again economic interests have been sublimated to political ones.

Earlier in the year, I wrote in favour of a rapid mass sell-off of the state's remaining NatWest stake, arguing that one reason to do so was to counter "the real, perceived or prospective risk of ongoing political interference in the running of the bank". It is unfortunate how soon that risk has materialised.

patrick.jenkins@ft.com



Industrials

US Steel rejects $7.3bn offer from rival

Cleveland-Cliffs' approach rebuffed hours after sale advisers were brought in

PATRICK TEMPLE-WEST — NEW YORK

US Steel has rejected a $7.3bn acquisition bid from rival Cleveland-Cliffs, the largest North American producer of flat-rolled steel, hours after it said it had hired financial advisers to evaluate offers for the company.

Cleveland-Cliffs said it had proposed a shares-and-cash acquisition for a total of $35 per share of US Steel stock — which represented a 43 per cent premium on US Steel's closing price of $22.72 on Friday — but that the offer was rebuffed on Sunday.

US Steel was valued at $5bn at Friday's closing price.

US Steel said earlier on Sunday that it was considering strategic options and had already received multiple unsolicited bids that ranged from the possible acquisition of the whole company to specific assets.

Cleveland-Cliffs chief executive Lourenco Goncalves said in a statement that he hoped to continue to engage with its fellow North American steelmaker on a possible deal. US Steel declined to comment on the offer.

The acquisition would create the only US steel company to be a top-10 producer in the world, Cleveland-Cliffs said. Ohio-based Cleveland-Cliffs has been a major steel acquirer in North America in recent years.

> The United Steelworkers union had said 'it will not endorse anyone other than Cliffs for a transaction'

In 2020, it bought the bulk of the US steelmaking assets of Luxembourg-based ArcelorMittal, the world's second-largest steelmaker, for $1.4bn in a shares-and-cash deal.

A year earlier, Cleveland-Cliffs acquired US steel producer AK Steel for $1.1bn.

Cleveland-Cliffs said it had support from the United Steelworkers union to acquire US Steel and that the union had said "it will not endorse anyone other than Cliffs for a transaction".

Pittsburgh-based US Steel has been a symbol of US manufacturing since it was formed in 1901.

Financier J.P. Morgan bought it from Carnegie and combined it with a rival to form "the nucleus" of the company.

The company said that its production helped build Chicago's Willis Tower and the United Nations Building in New York — as well as supplying hundreds of millions of tonnes of steel output for the US military effort during the second world war.

But US Steel has struggled in recent years and its share price has diverged from that of Cleveland-Cliffs.

US Steel's share price is down 24 per cent from five years ago and lags behind a Standard & Poor's materials benchmark index. Cleveland-Cliffs' share price is up 42 per cent from its level five years ago.

In US Steel's quarterly financial report on July 28, the company said chief executive David Burritt adopted a stock sale plan on June 6 that will sell only if shares trade at a minimum of $49.87, according to VerityData.

See Lex

Financial services

BDO partners in line for large windfall after $1.3bn Apollo debt rejig deal

STEPHEN FOLEY — NEW YORK

Senior partners at the accounting firm BDO USA are in line for a big windfall after the arrangement of a $1.3bn debt deal with Apollo Global Management, according to people familiar with the situation.

The private capital group is providing $1.3bn in debt financing to fund purchases of shares by a new employee trust, as well as to refinance some of BDO's existing obligations.

The trust will use a portion of the funds to buy a minority stake in the firm from existing partners, the people said.

The financial restructuring comes after BDO USA decided to abandon the traditional partnership model used by other large accounting firms, in search of tax advantages and greater flexibility.

The firm legally became a corporation at the start of last month, turning its 860 partners into employee-shareholders, although they continue to use the term "partner".

The largest shareholdings went to executives at the top of the firm and those with longer tenures.

BDO is the sixth-largest accounting firm in the US by revenue, having increased annual revenues from about $600mn a decade ago to $2.8bn in the financial year just ended, under the longtime leadership of chief executive Wayne Berson.

> 'We are establishing a new model where everyone that contributes to our success [can] benefit from it'

The debt deal with Apollo marks one of the largest deployments of private capital into professional services and will be watched closely by the rest of the accounting sector, which has typically shied away from loading businesses up with leverage.

Private equity groups have taken a greater interest in the sector in recent years as consolidation has gathered pace.

A wave of leveraged buyouts of smaller accounting firms stalled, however, in the wake of higher interest rates and scepticism from regulators and management teams about handing private equity an ownership stake.

Berson told the Financial Times last year that BDO had also considered taking a private equity investment, but decided against it.

Under the transaction with Apollo, ownership of BDO USA will remain in the hands of employees, shared among the partners and a tax-efficient retirement savings vehicle known as an employee stock ownership plan, or ESOP.

BDO said that "much of the private debt that will help fund the creation of the ESOP is not incremental debt but is a refinancing of our current line of credit to take advantage of tax benefits an ESOP offers".

The ESOP will be overseen by an independent trustee representing the interests of participants, it said.

"We are establishing a new model where everyone that contributes to our success has the opportunity to benefit from it," BDO added.

The deal was being voted on at a shareholder meeting in Florida that concluded on Friday, according to a person familiar with the situation, although the vote itself remains open.

Apollo declined to comment.

The creation of the ESOP was announced internally yesterday, without financial details.

Energy. Biofuels

Airlines link with corn sector in subsidies push

Oil groups, farmers and carriers join forces in campaign for tax credits amid update to US rules

CLAIRE BUSHEY — CHICAGO

Corn famers' US lobbying is centred on the landmark IRA climate law that Joe Biden signed last year — Tannen Maury/EPA-EFE

Jets cross the sky 30,000ft above millions of acres of corn that blankets the US heartland. As airlines face pressure to cut emissions, they have joined forces with farmers to lobby in Washington so that corn helps power those planes.

Their push has encountered resistance from environmental groups that say refining corn into biofuels has minimal benefits for Earth's climate.

New tax rules that could make or break corn ethanol's prospects as a so-called sustainable aviation fuel may be released as soon as next month.

Airlines have pledged net zero emissions by 2050. But their plan hinges on sustainable aviation fuel that is in scarce supply, made mainly from cooking oil or animal fats.

The US biofuels industry, the world's largest, was supercharged by a 2007 law that forced blending increasing amounts of ethanol into petrol. The industry now faces the threat of declining demand, however, as more battery-powered cars arrive on American roads.

With airlines in need of a product and biofuel refiners looking for a new market, they have allied to include ethanol in the plane-fuel mix.

Their lobbying campaign is centred on tax credits for aviation fuel established in the Inflation Reduction Act, the landmark climate law signed by President Joe Biden a year ago. The credits are worth $1.25 a gallon for fuels that reduce emissions by at least 50 per cent compared with jet fuel, and up to $1.75 per gallon for further reductions.

Carriers such as United Airlines and Alaska Airlines have joined farm groups, US biofuel refinery owners such as Archer Daniels Midland and Green Plains, and international oil companies including BP and Shell, to push federal tax officials to embrace an analysis of greenhouse gas emissions that would make ethanol eligible for more generous tax credits.

The International Air Transport Association estimates that airlines will globally need 450bn litres of sustainable fuel a year to meet its mid-century carbon goals, but last year refiners made about 300mn litres.

Tom Michels, United's director for government affairs, said the aviation industry wants to create incentives to make more sustainable fuel. He said using biofuels that are now on the market will reduce emissions more quickly than holding out for advanced fuels that are not available at industrial scale. "The fuels that are available to us today will not be as good as the fuels available to us in 20 years," Michel said. "That doesn't mean we should wait 20 years for the perfect fuel. My question would be: are these fuels better than oil?"

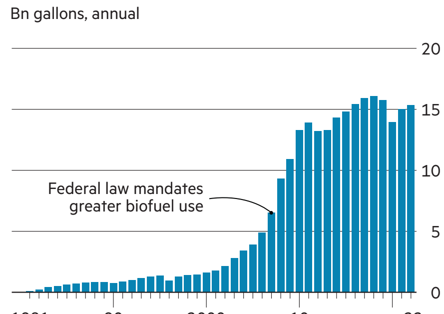
The airlines, refiners and farmers prefer an analysis known as Greet, based on a model developed at the federal Argonne National Laboratory. The IRA law already designates Greet as the tool to measure emissions for renewable diesel, another form of biofuel.

But for aviation, environmentalists want tax officials to use a standard known as Corsia, established by the UN's governing body for aviation. Corsia penalises fuels more harshly than Greet for changes in land use associated with planting crops, as when trees are cut down. Ethanol's overall emissions look higher using the Corsia model.

Ethanol gives "the illusion of climate action from these airlines" while reducing emissions less than newer sustainable fuels, said aviation analyst Lucca Ewbank of InfluenceMap, an environmental think-tank. Incentives for ethanol could discourage refiners from scaling up less carbon-intensive alternatives, she said.

US fuel ethanol production reaches plateau

Bn gallons, annual



Source: EIA

"If you've got this fuel that's cheaper and readily available, and you're getting the tax credit for it, that may incentivise not investing money, time and R&D in these new fuels," she said.

The Biden administration is split over which model to endorse, with White House senior climate adviser John Podesta charged with resolving the divide, according to a report in early August from Reuters.

The farmer-backed biofuel industry is influential in Washington, operating refineries in the Midwest that buy more than a third of the US corn crop. Legislation promoting the Greet standard has appeared in the US House and Senate, making bedfellows of Democrats and Republicans from Illinois to Nebraska.

Linking fuel-tax credits to lower carbon intensity would be relatively straightforward "in the absence of the power of the corn lobby", said Ryan Todd, an analyst at Piper Sandler.

"The question is whether the power of the US agricultural industry manages to water it down to their benefit."

If airlines can persuade the government to extend tax credits to ethanol, potential supply of what counts as sustainable aviation fuel grows larger and, probably, cheaper, Todd said. "So you can see where the incentives would lie."

At $7.98 a gallon, sustainable aviation fuel costs more than two and a half times the US industry's standard petroleum-based fuel, known as Jet A.

> 'The fuels that are available to us today will not be as good as the fuels available to us in 20 years'

Airlines are reluctant to commit to buying a product that would raise their costs compared with competitors, while refiners hesitate to invest capital in research or new factories without guaranteed customers.

Ethanol currently sells for $2.18 a gallon, though the fuel requires additional processing to power aircraft. So-called ethanol-to-jet is "an even more nascent and small part of the already nascent and small (but growing) SAF industry", said Thomas Dwyer, head of Americas biofuel pricing at Argus Media.

Aviation is "a potentially large market for ethanol producers", said Geoff Cooper, chief executive of the Renewable Fuels Association. But if the IRS opts for the emissions analysis favoured by environmentalists, biofuels will flow instead towards renewable diesel and trucking, and regulators will in effect "eliminate the only viable form of SAF in the near term".

The question of land use change can seem abstract. But scientists at the University of Wisconsin-Madison published a paper last year that found that the Renewable Fuel Standard enacted by the 2007 law increased US cropland by 2.1mn hectares, causing "enough domestic land use change emissions such that the carbon intensity of corn ethanol produced under [the standard] is no less than gasoline".

The RFA called the paper's findings "preposterous" and said that it had been "discredited by academic researchers and technical experts".

Airlines

Carriers rush to avoid cancellations after Pratt & Whitney product recall

SYLVIA PFEIFER — LONDON
CLAIRE BUSHEY — CHICAGO
PHILIP GEORGIADIS — LONDON

Airlines in the US and Europe are rushing to find spare parts and engines and avoid flight cancellations after engine maker Pratt & Whitney issued a product recall last month.

P&W's announcement in July that more than 1,000 engines would need to be removed from Airbus aircraft and inspected has forced a number of carriers — including Spirit Airlines, JetBlue Airways and Hawaiian Airlines in the US and Wizz Air in Europe — to change flight schedules or ground aircraft.

Wizz has cut its growth target, is considering temporarily scrapping some flights or routes, and had warned that the engine problems were putting pressure on maintenance operations. Spirit said this month that with fewer aircraft to fly, "we will likely be overstaffed" in the fourth quarter and early in 2024.

JetBlue chief operating officer Joanna Geraghty told investors this month that the company was looking to lease engines to minimise the fallout of removing "a handful" of engines from aircraft next month. "We are trying to take whatever self-help measures are available, but as you know, the supply is pretty constrained."

P&W issued the recall after it discovered that contamination in the metal used to manufacture certain engine parts could cause cracks. Parent RTX said that about 1,200 of the company's 3,000 geared turbofan engines would need to be inspected earlier than planned. Roughly 200 of these inspections will take place by mid-September.

The GTF engine is one of two that can be used in the Airbus A320neo narrowbody, the best-selling aircraft. The recalls threatened RTX's free cash flow, said Melius Research analyst Rob Spingarn, but "arguably worse is the damage to Pratt's reputation as a provider of reliable large commercial engines".

RTX has promised to compensate airlines. Chief executive Greg Hayes said on an earnings call last month that the recall was "not an existential threat" to either RTX or P&W, but "it will be expensive".

Aircraft engine supply has been tight for more than a year as the big manufacturers have struggled to meet demand.

P&W's current manufacturing woes add to continued durability issues that have dogged its GTF engine. More than 57 airlines have their GTF powered aircraft parked or stored, according to consultancy IBA. Analysis by data provider Cirium found that about 11 per cent of the GTF-powered A320 fleet delivered so far is parked, compared with just over 2 per cent for aircraft powered by Leap engines made by CFM International. Almost one-third of those parked aircraft belong to Indian carrier Go First, whose operations remain suspended pending bankruptcy proceedings.

The P&W engine recall was "simply another unwelcome issue which leaves airlines potentially short of capacity", said Rob Morris, head of Cirium's consultancy business Ascend.

Wizz has cut its summer growth target from 30 to 25 per cent year on year because of the recall. Chief executive József Váradi said it had added to the "creep" of supply chain problems.

At the same time, airlines are extending lease agreements in response to booming travel demand, and demand for older aircraft is outstripping supply.

Aengus Kelly, chief executive at lessor AerCap, said about 40 per cent of used aircraft sales in the second quarter went to airlines, up from 20 per cent before the pandemic. Engines are in demand too, representing up to 40 per cent of AerCap's second-quarter asset sales.

Lufthansa bought four wide-bodied A350s in May that Latam Airlines offloaded during a bankruptcy process, while Finnair leased two A330s to Qantas after the closure of Russian airspace limited its long-haul operations.

Foxconn finds limits to 'China plus one' in India

Reluctance of iPhone supplier to expand at scale in subcontinent reflects key role existing facilities will play in future

KATHRIN HILLE — TAIPEI
JOHN REED — NEW DELHI

When Foxconn chair Young Liu was in Tamil Nadu two weeks ago to discuss more investment by the iPhone manufacturer in the southern Indian state, two ministers from neighbouring Karnataka sought him out for their own meeting — and later produced documents claiming Foxconn also intended to build two factories in their state.

While Foxconn insisted it had not committed to any project, the Karnataka government's lobbying was a sign of the intense competition brewing in India to attract more investment from the world's biggest contract electronics manufacturer, as Apple and other technology companies diversify away from their reliance on China.

Multinationals' desire for a "China plus one" strategy, following supply-chain disruptions and geopolitical Washington-Beijing tensions, is driving Foxconn into a renewed push into India, where it first invested 15 years ago but where it still employs only some 50,000 of its 1mn global workforce.

In recent months the group has broken ground for a factory near Hyderabad, the capital of Telangana state, that government officials said would make smart headphones, and it has acquired land near the airport in Bengaluru, the Karnataka capital, for an iPhone plant.

Another site near Hyderabad and two more in Karnataka are at the planning stage, according to an internal Foxconn presentation reviewed by the Financial Times.

Foxconn said yesterday that it now expected a slight drop in revenue, rather than flat growth, this year as it reported a 1 per cent fall in second-quarter net earnings compared with last year.

But Liu also told investors that the company expected to invest "several billion dollars" in India and to start making key components for consumer electronics and some electric-vehicle components next year in Karnataka, Telangana and Tamil Nadu, its largest existing iPhone assembly hub.

"Ever since 2018 there has been this move to try to have a more geographically diversified tech supply chain," said Gokul Hariharan, head of Asian technology research at JPMorgan. "During the pandemic, we saw some of these things delayed. But since last year, when things started to normalise a bit, diversification has picked up."

India now accounts for $10bn of Foxconn's annual revenue, according to the presentation. That is 4.6 per cent of the company's $216bn 2022 revenue, more than double the 2 per cent registered in 2021.

Still, the push into India is also revealing the limits to Foxconn's willingness and ability to diversify. Foxconn executives and other observers dismiss the expectation that India could come even close to matching China's role as a global technology manufacturing hub.

"China can still supply the US and a lot of other foreign markets," said a Foxconn executive. "In India, building a supply chain to satisfy the growing domestic market, that is reasonable — and then that can become a production base for a limited region, the markets in the vicinity of India."

Workers at a Foxconn plant in Tamil Nadu, the Chinese group's biggest existing iPhone assembly facility Karen Dias/Bloomberg

Liu has said that China accounts for 75 per cent of Foxconn's global operations, up from 70 per cent before the pandemic. He has not given a target for a more distributed footprint, reflecting a decidedly cautious attitude towards India.

According to Foxconn's internal presentation, it has nine campuses in India with 36 factories. Its operations are concentrated mainly in Tamil Nadu and Andhra Pradesh, producing smartphones, feature phones — mobile phones with fewer functions than smartphones — television sets and set-top boxes for customers including Sony, Xiaomi and Apple.

In a domestic market dominated by Chinese-made feature phones and Android devices, Indians are starting to buy upscale iPhones in greater numbers. Apple this year opened its first two stores in the country, in Mumbai and New Delhi.

For Narendra Modi's government, electronics is a key part of its "Make in India" programme meant to boost investment in the country's chronically underperforming manufacturing sector. Seeking to secure more of the factory jobs that have for decades gone to China and south-east Asia's export-led economies, India is offering investors billions of dollars' worth of production-linked incentives (PLI).

But a person close to Foxconn said India's subsidies were hard to get. "Money under PLI is disbursed only based on previous-year shipments, and even under new policies that allow subsidies to be disbursed upfront, like for semiconductor ventures, many have not qualified," the person said.

One example is the agreement struck last year between Foxconn and Indian resources group Vedanta. The companies said they intended to set up a semiconductor and display production complex in Modi's native state of Gujarat.

However, Foxconn severed its partnership with the heavily indebted Indian company last month after the pair failed to secure government approval for a chipmaking subsidy. Both companies have said they intend to reapply separately under a modified call for projects by the government.

> Executives said in private that subsidies were the decisive factor for any new project

Executives said in private that subsidies were the decisive factor for any new project. If the level of budget support was right, Foxsemicon, the group's chip-tool subsidiary, could consider setting up a plant in Bengaluru, said people familiar with the company's decision making.

Foxconn is also exploring opportunities in India for electric vehicles. But while the company's hopes for future growth and higher margins rest on this segment, executives believe it will be years until the market is mature enough to justify a significant move.

That leaves the group's traditional main business of smartphone manufacturing.

Liu said yesterday that Foxconn would help bring smaller suppliers to India by developing more large industrial parks.

But people familiar with the company's plans said smartphone component production in India would be limited largely to Foxconn group companies for the time being because a big portion of the China-based supply chain consists of Chinese producers, which are having difficulty gaining admission to India.

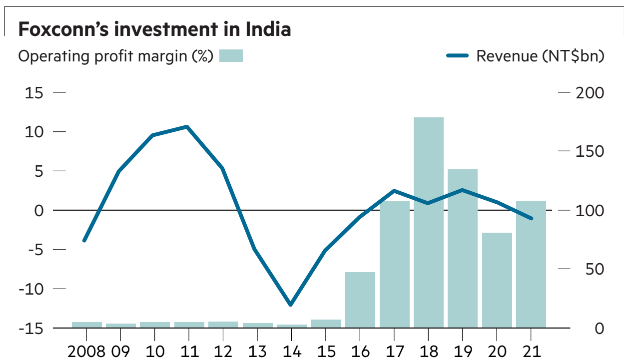
Another important question is how far Foxconn can make its India operation more cost-effective, which is key in a business with razor-thin profit margins. Neither India, nor any other of the newer production bases such as Vietnam, can accommodate single campuses with 100,000 workers such as those Foxconn operates in China, according to industry executives, who argue that most Indian workers refuse to leave their homes for a faraway job and live in a dormitory.

With Apple pushing for a faster increase in production, Foxconn is testing the limits of those assumptions, expanding its 24 existing dormitories and building new ones. A person familiar with its India operations said that while it was "highly unlikely" that any single India campus would house 100,000 employees or more, there was significant room for scaling up operations with a network of bases not far from one another where at least part of the staff lived on-site.

Still, analysts believe this would incur steep costs and even then have limits.

"China will still be the primary location for the high-volume consumer products," said JPMorgan's Hariharan. "They will probably add one or two locations for different products, but we will not get one big hub again — that may just not be feasible."

Foxconn's investment in India



Source: company data

Financials

Mastercard to take minority stake in South Africa's MTN

JOSEPH COTTERILL — JOHANNESBURG

Mastercard has agreed to take a minority stake in the financial technology unit of South Africa's MTN, Africa's biggest mobile company by subscribers, valuing the arm that covers payments and remittances at more than $5bn.

The global payments provider is expected to finalise its investment "in the very near term", Ralph Mupita, MTN's chief executive, said yesterday. "This is a really key milestone towards driving the acceleration of our [fintech] services," he added.

MTN has been seeking to unlock value in one of Africa's largest mobile money networks while global investors are being enticed by fintech assets that are growing quickly on the continent outside traditional banking.

The announcement sent MTN shares 7 per cent higher by lunchtime on the Johannesburg stock market yesterday.

The size of the MTN fintech stake and the amount paid by Mastercard were not disclosed. The $5.2bn valuation excludes cash and debt and "there will be fuller disclosures on Mastercard's investment amount", Mupita said.

Mastercard has invested $100mn in the mobile money business of Airtel Africa, MTN's rival, valuing that unit at the time in 2021 at more than $2.6bn.

MTN said that on a standalone basis the fintech unit could achieve earnings before interest, taxes, depreciation and amortisation of more than 30 per cent of revenue. Based on this margin and figures for the unit's performance in 2022, that would imply Mastercard is investing at a valuation of about 16 times trailing ebitda.

The overall value of transactions on MTN's MoMo mobile-money platform increased by more than 61 per cent to $135bn in the six months to the end of June, the company said in interim results that were released yesterday. Transaction volumes were 8.3bn, up more than 37 per cent.

Numbers of MoMo users, however, stayed flat at 60.5mn, partly because of currency volatility in Nigeria, where users fell about 39 per cent to 7mn.

Overall MTN subscribers rose by 3.6 per cent to just under 292mn in the six-month period while headline earnings per share, a benchmark profit measure in South Africa, rose by 7 per cent to 542 rand cents a share.

The company flagged currency weakness against the US dollar in Nigeria, MTN's biggest market, and South Africa as a risk to earnings in the second half of this year, such as raising the cost of capital investment.

The Nigerian naira dropped in June as the country exited a currency peg. It also struggled with cash shortages ahead of elections in February. MTN said in 2021 that it was seeking a minority investment or listing for the fintech unit at a valuation of more than $5bn.

Public Notice

HSBC

15 August 2023

HSBC BANK PLC
NOTICE OF REDEMPTION AND CANCELLATION OF LISTING

To the holders of US$500,000,000 Undated Floating Rate Primary Capital Notes, ISIN Code: XS0015190423 (the 'Notes')

Notice is hereby irrevocably given to the holders of the Notes that, pursuant to Condition 5(c) (*Repayment at the Option of the Bank*) of the terms and conditions of the Notes (the '**Conditions**') and subject to Condition 2 (*Status and Subordination*) of the Notes, on the Interest Payment Date (as defined in the Conditions of the Notes) falling in September 2023 (expected to be 29 September 2023) (the '**Redemption Date**'), HSBC Bank plc will exercise its option to redeem all of the outstanding Notes at 100 per cent. of their principal amount, together with accrued but unpaid interest from (and including) 31 March 2023 to (but excluding) the Redemption Date. On or after the Redemption Date, unless payment is improperly withheld or refused or is not made by reason of Condition 2 (*Status and Subordination*) of the Notes, interest in respect of the Notes will cease to accrue.

Any Coupons (as defined in the Conditions of the Notes) maturing after the Redemption Date shall be void and payments of the principal of the Notes, together with the above-mentioned accrued interest, will be made upon presentation and surrender of the Notes and the Coupons maturing on or before the Redemption Date as provided in Condition 6 (*Payments*) of the Notes. For these purposes, the place of payment is at the specified office of any Paying Agents, being at the date hereof: Citibank, N.A., London Branch, Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

For Notes which are held through Euroclear Bank SA/NV ('**Euroclear**') or Clearstream Banking, S.A. ('**Clearstream, Luxembourg**'), holders should look to Euroclear and/or Clearstream, Luxembourg for repayment on the Redemption Date.

The listing of the Notes on the Official List of the Financial Conduct Authority and the admission of the Notes to trading on the Main Market of the London Stock Exchange plc will be cancelled by HSBC Bank plc on, or shortly after, 2 October 2023.

Capitalised terms used but not otherwise defined herein shall have the relevant meanings given to them in the trust deed relating to the Notes dated 16 September 1985 as amended or supplemented from time to time, between, among others, HSBC Bank plc and The Law Debenture Trust Corporation p.l.c., copies of which are available for inspection at the specified offices of the Trustee or the Paying Agents.

ends/more

Investor enquiries to:
Greg Case +44 (0) 20 7992 3825 investorrelations@hsbc.com

Media enquiries to:
Press Office +44 (0) 20 7991 8096 pressoffice@hsbc.com

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the '**Securities Act**'), or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or the benefit of, US persons, as defined in Regulation S under the Securities Act, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

ends/all

Fixed income. M&A

ICE's $12bn mortgage tech deal builds heft in US home loans

Lender anxiety rises after FTC drops fight against exchange group's Black Knight takeover

JENNIFER HUGHES — NEW YORK
NIKOU ASGARI — LONDON

Intercontinental Exchange moved a step closer to realising seven-year-old dreams of transforming the US home loan market this week after a US regulator dropped opposition to its $12bn takeover of mortgage software specialist Black Knight.

But for others in the mortgage market the move has failed to allay anxieties about the control ICE will have over technology that could become the backbone of a fragmented $12tn industry.

Last Monday the Federal Trade Commission agreed to end a court case aiming to halt the ICE-Black Knight deal on competition grounds. The move followed two planned divestitures of Black Knight units. A final settlement is due this month.

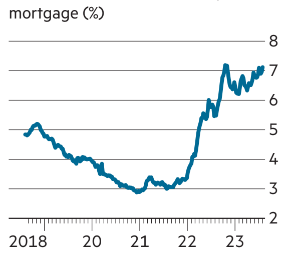
Under founder and chief executive Jeffrey Sprecher, Atlanta-based ICE has grown from operating commodity exchanges and clearing houses to becoming a vast data-centric business that ranges from bond prices to running the New York Stock Exchange — and now the mortgage industry.

ICE obtained control of mortgage data repository MERS in 2016 and bought loan origination platform Ellie Mae for $11bn in 2020. The deal for Black Knight would mark its largest purchase and bring cumulative investment in the mortgage industry to more than $23bn.

The attraction for ICE is the chance to apply its experience automating mar-

Rising rate pain

Cost of new standard US 30-year mortgage (%)



Sources: Mortgage Bankers Association; Bloomberg

kets to a notoriously complex process.

More than 4,000 lenders provided home loans in the US last year, 60 per cent of which were made by independent mortgage companies, not banks.

Applying for a loan is cumbersome, involving several rounds of discussions over paper documentation such as tax returns and credit scores — all as the lender's own borrowing costs shift along with interest rates, which have more than doubled in the past two years.

After a deal is completed, loan payments need to be monitored, while regulations stipulate documents must be stored for several years.

"There's only a single-digit percentage of mortgages today in this country that have gone through a digital note process. That's the opportunity," Sprecher told an industry conference two months ago. "Our goal is to be able to provide software that can underwrite a mortgage while you're filling out the application. Right now, it's about a 60-day process even for the most eligible and capable."

The potential for a streamlined process has excited many in the industry, particularly smaller performers who do not have the means to develop their own technology, while high interest rates have weighed heavily on the demand for new home loans.

Black Knight's remaining units, after the divestitures, include market data as well as products that help with post-deal administration of loans.

"They're definitely going to be a major player," said Patrick Moley, analyst at Piper Sandler. "When you combine ICE's expertise in electronification of fixed income and capital markets, and an outdated mortgage industry, it is a good business over the long term if they can succeed in reducing some frictions in the industry."

ICE estimates 30 per cent of its revenues will flow from its mortgage tech unit after the Black Knight deal, with a bigger share of those from recurring sources such as software leases.

This would leave the group less exposed to housing market ups and downs, especially at a time when climbing interest rates have weakened housing market activity. Operating profit in ICE's mortgage tech segment was $99mn in the second quarter, down 28 per cent from a year earlier.

Beyond the potential to streamline the industry, ICE executives have also discussed building tradeable products based on the company's new data trove.

Last year ICE launched mortgage futures based on its own index tracking mortgage rates, as an interest rate-hedging tool

"What ICE is really good at is monetising data, and this gives them even more data to monetise," said Andrew Bond, senior equity research analyst at Rosenblatt Securities.

Homing in: ICE estimates 30 per cent of its revenues will flow from its mortgage tech unit after the Black Knight deal — David Paul Morris/Bloomberg

'Our goal is to be able to provide software that can underwrite a mortgage while you're filling out the application'

Yet the deal has aroused strong reservations in the US mortgage industry, where small lenders are particularly worried ICE's dominance will make it hard to switch technology providers and could add to their costs. When the FTC sued to block the deal in March, it said it would drive up costs to lenders and homebuyers.

"Our members feel very vulnerable because these services are so integral to their operations and the transition is so difficult and problematic," said Scott Olson, executive director of the Community Home Lenders of America, whose members have reported bundling pressure from ICE, where they are pushed to buy services they do not want in order to get the ones they do.

ICE did not respond to a request for comment on this point.

Black Knight is in arbitration with PennyMac, one of the largest standalone lenders, over what it felt were anti-competitive practices designed to maintain Black Knight's market-leading position.

David Stevens, a former head of the Mortgage Bankers Association and a Federal Housing Administration commissioner in the Obama administration, worked directly with ICE officials as a board member of MERS when the exchange group took control. He also expressed reservations about the Black Knight deal.

"I'm a big fan of ICE. They're really smart people but this is related to fundamental [market] implications," he said. "Here we have a very sophisticated, very competitive company being given the opportunity to become the largest monoline entity in the mortgage technology space, which could theoretically begin to crowd out newcomers."

See Opinion

Equities

CVC Capital revives plans for mega-euro stock listing

KAYE WIGGINS — HONG KONG
WILL LOUCH, ARASH MASSOUDI AND IVAN LEVINGSTON

One of Europe's biggest buyout groups, CVC Capital Partners, has revived plans for a multibillion-euro stock market listing that could come before the end of the year, according to people familiar with the matter.

The secretive firm, which owns the maker of PG Tips tea and has made big bets on rugby and Formula One, pushed back a planned listing last year as markets plummeted following Russia's invasion of Ukraine.

But a rebound in markets and the firm's raising of a record €26bn buyout fund last month have made conditions look more favourable, the people said. But they cautioned that no final decision had been taken and the plan could still change.

An IPO would mark a crucial test of investors' confidence in the private equity industry given that the era of ultra-low interest rates that propelled its rise has ended. CVC was valued at about €15bn when it agreed to sell a minority stake to Blue Owl's Dyal Capital unit in 2021.

Private equity groups Bridgepoint, TPG and Antin Infrastructure Partners all went public in recent years during the industry's boom, when cheap debt and lofty valuations for portfolio companies helped drive its revenues higher. But as rates rise and economic growth slows, shares in some of CVC's listed rivals have fallen.

CVC's ambition [is] to become a large financial institution managing a wider range of assets

Going public is central to CVC's ambitions to expand beyond its roots as a pioneer of highly leveraged corporate takeovers in Europe to become a large financial institution managing a wider range of assets.

Many of its Wall Street rivals, such as Blackstone and Apollo, now oversee empires where leveraged buyouts are not always their largest business.

Led by managing partner Rob Lucas, CVC has 25 offices around the world and manages €140bn in assets, its website claims. It has expanded in private credit, and in 2021 bought Glendower Capital, a secondaries business which buys stakes in other private equity funds and invests in deals where buyout groups sell companies to themselves.

CVC plans to use some of the money raised in an IPO to buy other asset management businesses, which could include an investment firm specialising in infrastructure, two people familiar with the matter said. The Financial Times reported last year CVC was planning to float 10 per cent of its business on the Amsterdam stock exchange.

CVC declined to comment.

Becoming a public company would mark a departure for the group, which has prized secrecy despite having bought stakes in household names such as UK retailer Debenhams.

Financials

Argentina faces heightened volatility after radical libertarian's primary win

MARY MCDOUGALL — LONDON
CIARA NUGENT — BUENOS AIRES
JENNIFER HUGHES — NEW YORK

Markets in Argentina reeled yesterday after the shock victory of Javier Milei, a radical libertarian economist and outsider candidate, in the country's primary poll ahead of its presidential election later this year.

Bonds and equities both swung wildly after outsider Milei won more than 30 per cent of the vote on pledges to dollarise the country's economy and slash spending.

The central bank responded quickly by devaluing its official exchange rate by as much as 18 per cent to 350 pesos per dollar to stabilise markets.

It lifted interest rates 21 percentage points to 118 per cent as it runs out of ways to defend the currency.

Uncertainty created by the result, which leaves October's vote wide open, deepened anxiety among investors around Argentina's fragile economy.

Inflation is running above 115 per cent, foreign exchange reserves are at dangerously low levels and the peso has lost more than half of its value against the dollar over the past 12 months. Four in 10 Argentines are living in poverty.

"The primary election result was a political earthquake," said Paul Greer emerging markets debt and FX portfolio manager at Fidelity International.

"We've had a huge injection of uncertainty and the market has repriced to reflect that."

Prices for Argentina's most liquid dollar-denominated bonds fell as much as 15 per cent on market opening before settling to be down 6 to 7 per cent. The

Javier Milei's poll victory caused bonds and equities to swing wildly

benchmark Merval stock index veered between initial losses of 3 per cent and gains of a similar amount.

The New York-traded Global X MSCI Argentina ETF was down almost 2 per cent at midday, recovering from a 7 per cent fall soon after the open.

Milei has no executive experience and has spent just two years as a congressional representative.

The "blue dollar", the black market exchange rate, rose to 685 pesos per dollar yesterday, from 605 on Friday.

Thierry Larose, emerging markets bond fund manager at Vontobel, said the devaluation of the exchange rate would boost Argentina's dollar and local bonds as the "massive gap" between the official and unofficial exchange rates had caused a "permanent drain" on foreign exchange reserves.

The board of the IMF is set to meet in the next two weeks to approve a $7.5bn disbursement to Argentina, provisionally agreed in late July after months of negotiations over the country's failure to meet key targets. Argentina is the largest debtor to the IMF, after securing a $44bn loan programme last year to refinance a 2018 loan.

Property

Country Garden suspends trading in at least 10 of its mainland China bonds

THOMAS HALE — SHANGHAI
HUDSON LOCKETT — HONG KONG

Shares in Country Garden fell to a record low yesterday after the Chinese developer suspended trading in at least 10 of its mainland bonds, spurring a sell-off in property-linked stocks.

The company missed international bond payments last week in a sign that a two-year liquidity crisis across the sector was threatening to escalate.

Shares in the group fell as much as 18.4 per cent in Hong Kong following a statement over the weekend that said several bonds issued by the company and its subsidiaries would be suspended from trading this week.

Shares in developer Jinmao Holdings also fell as much as 9.8 per cent after the company issued a profit warning on Friday. A Hong Kong index tracking the mainland property sector dropped as much as 4.8 per cent.

One of the Shanghai-listed Country Garden bonds in question matures next month and was last trading at 27 cents on the dollar, compared with close to par in January this year when China lifted Covid restrictions. The bond was trading at 50 cents a few weeks ago.

Until recently Country Garden was seen as a safer prospect than many peers. Its fight to survive is a test of the health of China's property sector, and Beijing's policies towards it, as homebuyer confidence dips.

Yesterday analysts at Morgan Stanley downgraded Country Garden to underweight, warning that the company's

The stock suffered a drop of 18.4% amid signs that a sector liquidity crisis is threatening to escalate

"worsening liquidity may lead to higher chance of default in the near term".

Beijing has so far stopped short of bailing out any of the country's developers, dozens of which have defaulted since the failure of Evergrande in 2021, and focused on completion of residential properties. But officials have stepped up supportive rhetoric about the sector amid concerns over defaults.

"Two weeks ago, the government insisted that it was going to support the property sector, and that simply isn't happening," said Dickie Wong, head of research at Hong Kong-based Kingston Securities. "The next 30 days are going to be really critical for Country Garden."

Beijing launched a deleveraging campaign in 2020 designed to cool house prices. It limited access to credit at private homebuilders.

Evergrande last month disclosed losses of $81bn over 2021 and 2022, revealing the scale of the debt crisis at the company, which is going through an opaque restructuring process.

A number of listed companies in China said in stock exchange filings over the weekend that they had not received payments due from companies linked to Zhongzhi Enterprise Group.

Country Garden on Friday said that it would "spare no effort in self-rescue" as it disclosed expected losses of Rmb45bn to Rmb55bn ($6.2bn to $7.6bn) for the first half. From January to July, its sales were Rmb140.8bn, down 61 per cent compared with the same period in 2021 before a sector-wide cash crunch took hold.

Additional reporting by Wang Xueqiao in Shanghai

COMPANIES & MARKETS

The day in the markets

What you need to know

- Wall Street moves up as investors await data and earnings reports
- Philips leads gains in Europe as it pivots from electronics to health tech
- Country Garden suspends trading in at least 10 of its mainland bonds

Wall Street stocks moved higher yesterday as investors prepared for data and earnings reports from the US retail sector this week, hoping to gauge the Federal Reserve's next policy move.

The benchmark S&P 500 gained 0.4 per cent per cent, while the tech-focused Nasdaq Composite added 0.7 per cent.

Traders will watch US retail sales data today, followed by earnings reports from many of the country's consumer goods groups, as measures of the strength of household spending more than a year after borrowing costs started to climb.

US stocks closed a second successive week of declines last Friday, after fresh data pointed to persistent price pressures and raised doubts as to whether the Fed was done with tightening.

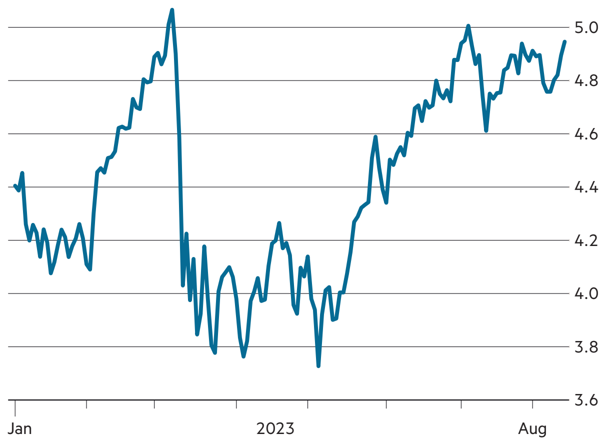
The dollar, which tends to strengthen when investors expect higher rates, rose 0.2 per cent against a basket of six peer currencies, trading at its highest level since the beginning of July.

In government debt markets, yields on policy-sensitive two-year US Treasuries rose 0.05 percentage points to 4.95 per cent, while yields on the benchmark 10-year notes were flat at 4.17 per cent.

The region-wide Stoxx Europe 600 closed up 0.2 per cent, after switching between minor gains and losses in the day. Germany's Dax rose 0.5 per cent and France's Cac 40 rose 0.1 per cent.

Cautious investors turn to short-term US bonds

Two-year Treasury bond yield (%)



Source: Refinitiv

Shares in Amsterdam-based Philips led gains in Europe, up 4.4 per cent, after the billionaire Agnelli family took a 15 per cent stake in the Dutch group to support its pivot from electronics to health tech.

Equities were down in Asia, as China's flagging property sector heightened investors' concerns over the health of the world's second-largest economy.

Chinese property developer Country Garden suspended trading in at least 10 of its mainland bonds. The group, once the largest developer in China by sales, missed international bond payments last week, bolstering investor fears that a two-year liquidity crisis across the country's real estate sector was threatening to escalate.

Hong Kong's Hang Seng index fell 1.6 per cent, with the Hang Seng Mainland Properties index — which tracks China's real estate developers — down 3.7 per cent. In mainland China, the benchmark CSI 300 fell 0.7 per cent.

Japan's Topix lost 1 per cent and South Korea's Kospi slipped 0.8 per cent.

Brent crude fell 0.7 per cent to $86.18 a barrel, while US marker West Texas Intermediate fell by the same margin to $82.54. **Daria Mosolova**

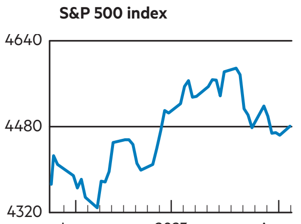
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4480.79	1819.76	32059.91	7507.15	3178.43	117155.45
% change on day	0.37	0.18	-1.27	-0.23	-0.34	-0.77
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	103.093	1.091	145.435	1.266	7.253	4.953
% change on day	0.244	-0.547	0.480	-0.393	0.254	1.469
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.168	2.633	0.614	4.658	2.620	10.655
Basis point change on day	2.550	1.200	2.960	4.100	-2.000	16.300
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	451.04	86.18	82.59	1915.80	22.69	3674.90
% change on day	-0.11	-0.73	-0.72	-0.27	-0.48	-1.27

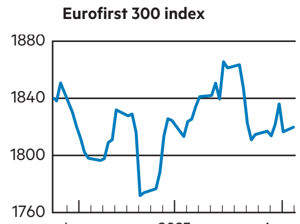
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

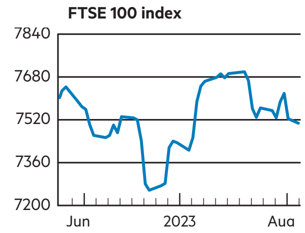
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Steel Dynamics	5.75	Philips	4.31	B&m Eur Value Retail S.a.	3.01
	Nvidia	5.32	Telecom Italia	2.14	Airtel Africa	2.94
	Micron Technology	4.89	Saipem	1.84	Jd Sports Fashion	2.20
	Teledyne	4.35	Talanx	1.72	Coca-cola Hbc Ag	1.71
	Nucor	3.78	Colruyt	1.71	Hargreaves Lansdown	1.70
Downs	Fortrea Holdings	-11.46	Fresen.med.care	-4.04	Ocado	-4.33
	Key	-4.02	Repsol	-1.81	Anglo American	-3.58
	Paramount Global	-3.54	Galp Energia	-1.78	Entain	-3.24
	Fifth Third Ban	-3.27	Thales	-1.73	Persimmon	-3.01
	Truist Fin	-3.10	Oci	-1.66	Fresnillo	-2.81

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

Metal producer **US Steel** surged after disclosing that it had rebuffed a takeover bid from peer Cleveland-Cliffs this year.

Details of the private offer, made public by Cliffs, revealed an offer comprising $17.50 in cash and 1.023 shares of Cliffs' stock. This represented a 42 per cent premium to US Steel's share price as of the market close on July 28, when the bid was made.

US Steel instead "invited" Cliffs to participate in a strategic review "to evaluate . . . alternatives for the company after receiving multiple unsolicited proposals".

Hawaiian Electric Industries, the largest supplier of electricity to the US state, plummeted as investors digested the potential fallout triggered by deadly wildfires on Maui.

Electric-truck maker **Nikola** fell sharply on announcing a voluntary recall of about 209 battery-electric vehicles following preliminary results from probes.

A "temporary hold" on new BEV sales was also in place, it said.

Early findings from a third-party investigator found the probable cause of a truck fire at the group's headquarters in June was probably a "coolant leak inside a single battery pack", said Nikola.

Tesla slipped following reports that it had cut the price of some of its electric vehicles in China. *Ray Douglas*

Europe

French vaccine maker **Valneva** tumbled after revealing the US Food and Drug Administration had delayed completion of its regulatory review for a marketing application of VLA1553, its candidate for a mosquito-borne viral disease.

Valneva said the FDA's pushback from August to November was "to allow sufficient time to . . . agree on the phase 4 programme", adding that "no additional clinical data" had been requested.

Max Herrmann, Stifel healthcare analyst, said another important marker for this vaccine was its inclusion in US guidelines from the Advisory Committee on Immunisation Practices, which would next be reviewed in February 2024.

The backing of the billionaire Agnelli family buoyed **Philips**, which has been navigating a costly product recall of its respiratory devices. The Italian family, through its holding company Exor, bought a 15 per cent stake in the medical-equipment maker, with an option to increase this to 20 per cent.

Germany's **Nagarro**, a digital engineer, sank following another cut to its full-year guidance on Friday after markets closed.

"Adverse currency movements and scale-backs in a few projects" were partly to blame, it said. Jefferies described Nagarro's half-year results released yesterday as "weak . . . especially on profitability". *Ray Douglas*

London

Heading the FTSE 100 index was variety store chain **B&M European**, which had its price target lifted by Deutsche Bank.

B&M raised its margins "despite [currency] headwinds and inflationary pressures", noted the broker, while the collapse of rival Wilko into administration offered a "further opportunity for B&M to take market share".

"This is in addition to an acceleration in the pace of new store openings in the UK and France," said analysts.

In the top half of the FTSE mid-cap 250 index was trading platform **Plus500**, which announced that it would be returning $120mn to shareholders through dividends and share buybacks.

Jefferies flagged a stabilisation in active customer numbers and a 16 per cent rise in average revenue per user against the second half of last year, a better comparative period than the first half of 2022 when market volatility (and trading volumes) were higher owing to the outbreak of the Russia-Ukraine war.

A vote of confidence by its founder sent **On The Beach** higher. A regulatory filing disclosed that Simon Cooper, the former chief executive, had bought 2.8mn shares at 88.1 pence each.

This made Cooper the travel retailer's largest shareholder with a 7.5 per cent stake, according to data from Refinitiv. *Ray Douglas*

Traders are not pricing in Fed's benign neglect

Matthew Klein

Markets Insight

Markets are currently pricing in the most benign possible outcome: that US inflation continues to decelerate even as real output keeps growing briskly. While this is possible, it is at least as likely that inflation will stabilise at a rate roughly 2 percentage points faster than the Federal Reserve's 2 per cent yearly goal.

In that scenario, shorter-term interest rates would remain at their current levels for some time, if not go higher, which in turn would pull up longer-term yields and push down valuation multiples. That could spell trouble for asset prices.

At first glance, this seems like an odd time to be expressing concern. US inflation has already slowed from roughly 10 per cent a year in the first half of 2022 to about 3 per cent a year. This slowdown has coincided with robust growth in real consumer spending and millions of extra jobs. Having made it this far, it feels churlish to suggest that inflation will not decelerate painlessly to 2 per cent from here.

But the slowdown in inflation reflects the unwinding of temporary disruptions associated with the coronavirus pandemic and Russia's full-scale invasion of Ukraine. These events reduced the supply of goods and services, pushing up prices. As conditions have normalised, many prices have stopped rising or even dropped outright.

These swings have masked the modest but persistent acceleration in underlying price pressures. Just as investors and policymakers were right to look through the "transitory" inflation of 2021-22, they should also strip out the "transitory" disinflation of 2022-23 to get a handle on where such pressures will settle in the years ahead.

Since inflation is just the difference between changes in nominal spending and real production, that means focusing on wage trends: the largest and most reliable source of financing for consumer spending.

Since 1929, the average American worker's hourly wage has grown about 1.6 percentage points faster than the personal consumption expenditure price index each year. Wages have grown at least 3 percentage points faster than prices in only 17 of the past 92 years for which we have data, of which only five occurred after 1956.

Between 2000 and 2019, average hourly wages consistently grew just 1 percentage point faster than prices each year. Wages have grown 4 or more percentage points faster than prices only a handful of times: at the beginning of the Great Depression, during the rationing and price controls of the second world war and the Korean war, in the late 1990s productivity boom, and during the first year of the pandemic.

> Having made it this far, it feels churlish to suggest that inflation will not decelerate painlessly to 2%

Now, however, the best data suggests that US wages are rising at a yearly rate of about 5 per cent. Moreover, persistent wage growth means interest rates may stay "higher for longer"— unless consumers spend a much lower share of their incremental earnings, real output per worker rises sharply, or both.

Federal Reserve boss Jay Powell agrees. At his recent press conference, he said "we want wages to be going up at a level that's consistent with 2 per cent inflation over time" and that "wages are probably an important issue going forward". This explains Fed officials' continued focus on "softening" the job market via higher interest rates. That presents a risk that interest rates may not come down as quickly as implied by market prices, which in turn could affect other asset valuations.

Futures in Sofr, the floating interest rate benchmark, currently imply that short-term interest rates will drop to 3.5 per cent by the end of 2025, while breakeven inflation rates imply that prices will rise almost exactly 2 per cent a year from now for the next three decades.

Meanwhile, credit spreads are tighter than they were in 2019 and earnings multiples on stocks have jumped.

By some measures, prospective returns on stocks relative to bonds are lower than at any point since mid-2007, implying extreme optimism about profit growth. This combination only makes sense if inflation returns to 2 per cent — and wage growth decelerates — without *any* hit to real output.

Many Fed officials would be unwilling to force the economy into a downturn just because inflation stabilised around 4 per cent a year, instead of 2 per cent. It was not long ago that many leading economists were recommending 4 per cent inflation targets or, in what amounts to roughly the same thing, a 5 to 6 per cent yearly nominal income growth target. But while a policy of benign neglect might make sense, it is not currently priced in.

Matthew Klein is publisher of The Overshoot research service and co-author of 'Trade Wars are Class Wars'

MARKET DATA

WORLD MARKETS AT A GLANCE

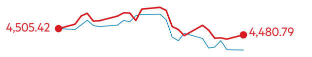
FT.COM/MARKETSDATA

Change during previous day's trading (%)

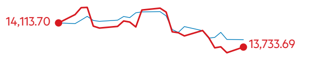
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
0.37%	0.65%	0.01%	-0.23%	0.18%	-1.27%	-1.58%	-0.11%	-0.547%	-0.393%	0.480%	-0.232%	-1.09%	-0.27%

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

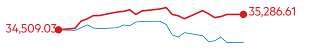
AMERICAS Jul 15 - Index All World

S&P 500 New York


Day 0.37% Month -0.49% Year 4.74%

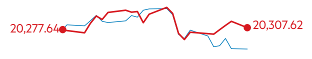
Nasdaq Composite New York


Day 0.65% Month -2.61% Year 5.35%

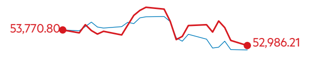
Dow Jones Industrial New York


Day 0.01% Month 2.30% Year 4.57%

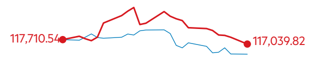
Jul 15 - Aug 14 Index All World

S&P/TSX COMP Toronto


Day -0.50% Month 0.21% Year 0.61%

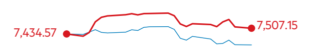
IPC Mexico City


Day -0.07% Month -1.04% Year 8.92%

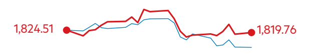
Bovespa São Paulo


Day -0.77% Month -0.47% Year 3.89%

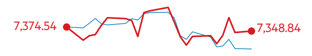
EUROPE Jul 15 - Aug 14 Index All World

FTSE 100 London


Day -0.23% Month 0.88% Year -0.01%

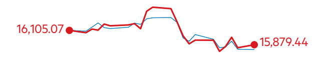
FTSE Eurofirst 300 Europe


Day 0.18% Month -0.31% Year 5.10%

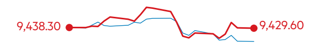
CAC 40 Paris


Day 0.12% Month -0.28% Year 12.13%

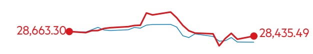
Jul 15 - Aug 14 Index All World

Xetra Dax Frankfurt


Day 0.46% Month -0.30% Year NaN%

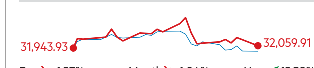
Ibex 35 Madrid


Day -0.05% Month -0.52% Year 12.25%

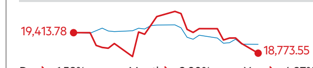
FTSE MIB Milan


Day 0.57% Month -1.18% Year 23.79%

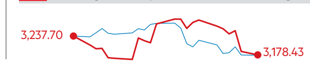
ASIA Jul 15 - Aug 14 Index All World

Nikkei 225 Tokyo


Day -1.27% Month -1.04% Year 12.39%

Hang Seng Hong Kong


Day -1.58% Month -2.90% Year -6.87%

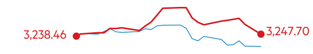
Shanghai Composite Shanghai


Day -0.34% Month -1.79% Year -3.00%

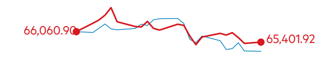
Jul 15 - Aug 14 Index All World

Kospi Seoul


Day -0.79% Month -0.79% Year 1.70%

FTSE Straits Times Singapore


Day -1.41% Month 0.26% Year -0.69%

BSE Sensex Mumbai


Day 0.12% Month -0.32% Year 9.89%

Country	Index	Latest	Previous
Argentina	Merval	506921.32	480252.62
Australia	All Ordinaries	7493.10	7554.20
	S&P/ASX 200	7277.00	7340.10
	S&P/ASX 200 Res	6007.00	6091.60
Austria	ATX	3148.32	3147.14
Belgium	BEL 20	3687.05	3684.94
	BEL Mid	10131.49	10133.18
Brazil	IBovespa	117155.45	118065.74
Canada	S&P/TSX 60	1216.80	1223.54
	S&P/TSX Comp	20305.18	20407.57
	S&P/TSX Div Met & Min	1673.16	1718.19
Chile	S&P/CLX IGPA Gen	31623.36	31863.14
China	FTSE A200	10089.61	10183.92
	FTSE B35	9000.71	8988.96
	Shanghai A	3332.01	3343.31
	Shanghai B	269.80	272.26
	Shanghai Comp	3178.43	3189.25
	Shenzhen A	2091.81	2094.55
	Shenzhen B	1178.39	1190.03
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1359.01	1359.56
Denmark	OMXC Copenhagen 20	2134.92	2139.22
Egypt	EGX 30	17856.07	17710.20
Estonia	OMX Tallinn	1862.77	1865.18
Finland	OMX Helsinki General	9630.37	9695.66
France	CAC 40	7348.84	7340.19
	SBF 120	5596.27	5590.14
Germany	M-DAX	28017.23	28084.25
	TecDAX	3148.40	3128.26
	XETRA Dax	15904.25	15832.17
Greece	Athens Gen	1278.87	1286.86
	FTSE/ASE 20	3088.97	3109.01
Hong Kong	Hang Seng	18773.55	19075.19
	HS China Enterprise	6423.84	6540.63
	HSCC Red Chip	3659.21	3701.54
Hungary	Bux	55928.79	56114.41
India	BSE Sensex	65401.92	65322.65
	Nifty 500	16825.55	16860.15
Indonesia	Jakarta Comp	6910.17	6879.98
Ireland	ISEQ Overall	8833.26	8828.27
Israel	Tel Aviv 125	1912.71	1912.71
Italy	FTSE Italia All-Share	30449.52	30287.14
	FTSE Italia Mid Cap	41906.26	41903.92
	FTSE MIB	28435.49	28274.74
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	32059.91	32473.65
	S&P Topix 150	1979.70	2002.00
	Topix	2280.89	2303.51
Jordan	Amman SE	2432.39	2443.02
Kenya	NSE 20	1594.02	1594.44
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1372.87	1372.87
Lithuania	OMX Vilnius	972.09	965.52
Luxembourg	LuxX	1496.90	1494.31
Malaysia	FTSE Bursa KLCI	1457.00	1457.16
Mexico	IPC	53204.46	53242.16
Morocco	MASI	12016.87	12055.65
Netherlands	AEX	766.21	765.16
	AEX All Share	1030.06	1029.36
New Zealand	NZX 50	11826.42	11836.71
Nigeria	SE All Share	65325.37	65204.82
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	48424.40	47808.34
Philippines	Manila Comp	6329.19	6405.91
Poland	Wig	70153.27	70503.71
Portugal	PSI 20	6036.84	6046.26
	PSI General	4450.63	4466.00
Romania	BET Index	13067.87	13072.33
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	11546.15	11424.12
Singapore	FTSE Straits Times	3247.70	3294.28
Slovakia	SAX	320.96	322.71
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	76160.87	76974.26
	FTSE/JSE Res 20	58389.02	60366.64
	FTSE/JSE Top 40	70633.37	71434.25
South Korea	Kospi	2570.87	2591.26
	Kospi 200	336.33	338.98
Spain	IBEX 35	9429.60	9434.30
Sri Lanka	CSE All Share	11392.22	11596.16
Sweden	OMX Stockholm 30	2203.30	2203.40
	OMX Stockholm AS	825.32	825.54
Switzerland	SMI Index	11110.11	11081.63
Taiwan	Weighted Pr	16915.54	16942.30
Thailand	Bangkok SET	1535.16	1531.38
Turkey	BIST 100	7722.76	7714.38
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2711.20	2719.40
	FTSE 100	7507.15	7524.16
	FTSE 4Good UK	6806.04	6818.17
	FTSE All Share	4096.80	4105.93
	FTSE techMARK 100	6392.94	6417.01
USA	DJ Composite	11846.78	11858.14
	DJ Industrial	35286.61	35281.40
	DJ Transport	16224.76	16209.85
	DJ Utilities	884.69	894.06
	Nasdaq 100	15147.14	15028.07
	Nasdaq Cmp	13733.69	13644.85
	NYSE Comp	16117.34	16143.38
	S&P 500	4480.79	4464.05
	Wilshire 5000	42053.18	41446.59
Venezuela	IBC	35896.43	35896.43
Vietnam	VNI	1236.84	1232.21
Cross-Border	DJ Global Titans ($)	514.50	511.97
	Euro Stoxx 50 (Eur)	4326.43	4321.33
	Euronext 100 ID	1365.27	1364.89
	FTSE 4Good Global ($)	11225.08	11174.07
	FTSE All World ($)	451.04	451.54
	FTSE E300	1819.76	1816.53
	FTSE Eurotop 100	3618.92	3611.76
	FTSE Global 100 ($)	3028.45	3013.67
	FTSE Gold Min ($)	1744.29	1734.02
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3109.85	3129.42
	FTSE World ($)	823.76	824.19
	FTSEurofirst 100 (Eur)	4880.67	4872.40
	FTSEurofirst 80 (Eur)	5866.83	5852.34
	MSCI ACWI Fr ($)	684.68	687.94
	MSCI All World ($)	2972.73	2984.81
	MSCI Europe (Eur)	1852.32	1872.91
	MSCI Pacific ($)	2795.40	2808.18
	S&P Euro (Eur)	1912.93	1909.52
	S&P Europe 350 (Eur)	1867.73	1864.39
	S&P Global 1200 ($)	3279.96	3278.70
	Stoxx 50 (Eur)	3978.31	3973.51

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

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nvidia	155.2	430.30	21.75
Tesla	132.6	237.10	-5.55
Apple	33.9	179.01	1.22
Advanced Micro Devices	33.2	110.27	2.70
Amazon.com	27.4	139.44	1.03
Meta Platforms	25.8	304.30	2.66
Microsoft	25.1	322.95	1.94
Johnson & Johnson	19.7	172.28	-1.57
Alphabet	10.1	131.10	1.54
Eli Lilly & Co	9.1	539.07	11.92

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Steel Dynamics	108.18	5.88	5.75
Nvidia	430.30	21.75	5.32
Micron Technology	67.52	3.15	4.89
Teledyne	400.07	16.68	4.35
Nucor	172.82	6.30	3.78
Downs			
Fortrea Holdings	27.13	-3.51	-11.46
Key	11.10	-0.47	-4.02
Paramount Global	14.73	-0.54	-3.54
Fifth Third Ban	26.88	-0.91	-3.27
Truist Fin	30.75	-0.99	-3.10

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Hsbc Holdings	149.3	621.50	-3.30
Prudential	139.8	1001.50	-7.00
Shell	131.7	2393.50	-22.50
Diageo	103.6	3379.00	23.50
Lloyds Banking	101.5	42.84	-0.11
Astrazeneca	88.3	11114.00	84.00
Glencore	87.4	433.80	-10.90
Rio Tinto	81.3	4647.00	-79.00
Bp	78.0	481.75	-4.65
Rolls-royce Holdings	68.7	209.00	1.30

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Watches Of Switzerland	744.50	44.50	6.36
Cls Holdings	130.00	4.00	3.17
Wetherspoon (J.d.)	680.00	20.50	3.11
B&m Eur Value Retail S.a.	554.00	16.20	3.01
Tbc Bank	2795.00	80.00	2.95
Downs			
Ocado	796.20	-36.00	-4.33
W.a.g Payment Solutions	92.00	-4.00	-4.17
Anglo American	2074.00	-77.00	-3.58
Energean	1143.00	-39.00	-3.30
Entain	1270.00	-42.50	-3.24

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Asml Holding	205.7	604.60	-1.10
Novo Nordisk B A/s	192.9	166.20	-0.35
Unicredit	186.6	22.32	0.17
Nestle N	174.1	108.98	0.44
Inditex	168.2	33.56	0.26
Ubs N	167.4	18.98	0.35
Roche Gs	164.6	276.20	-0.31
Novartis N	145.4	94.82	0.15
Intesa Sanpaolo	130.9	2.44	0.01
Stellantis	130.7	16.90	0.05

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Ubs N	18.98	0.35	1.87
Sap Se O.n.	127.08	1.88	1.50
Henkel Ag+co.kgaa Vzo	71.44	1.04	1.48
Dt.telekom Ag Na	19.00	0.21	1.12
Mowi	15.92	0.15	0.97
Downs			
Orsted A/s Dk 10	9.96	-0.30	-2.91
Neste	32.34	-0.60	-1.82
Mercedes-benz Grp Na O.n.	68.58	-1.01	-1.45
Totalenergies	56.37	-0.80	-1.40
Basf Se Na O.n.	46.31	-0.45	-0.96

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Sony	765.5	12175.00	-390.00
Advantest	703.8	17780.00	-580.00
Softbank .	690.5	6631.00	-196.00
Kawasaki Kisen Kaisha,	656.4	4928.00	-72.00
Tokyo Electron	648.2	20270.00	-180.00
Mitsubishi Ufj Fin,.	537.9	1110.00	-11.50
Recruit Hldgs Co Ltd	481.5	4947.00	240.00
Toyota Motor	413.0	2408.00	-21.00
Daikin Industries,	407.4	25080.00	-290.00
Fast Retailing Co.,	394.7	33590.00	-910.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Nippon Sheet Glass ,	817.00	78.00	10.55
Ngk Insulators,	1970.00	178.50	9.96
Sharp	912.30	51.80	6.02
Fujikura	1212.00	65.50	5.71
Nissan Chemical Industries,	6473.00	330.00	5.37
Downs			
Mitsui E&s Co.	496.00	-45.00	-8.32
Credit Saison Co.,	2141.00	-138.00	-6.06
Pacific Metals Co.,	1493.00	-79.00	-5.03
Inpex	2014.00	-102.00	-4.82
Ricoh ,	1181.50	-59.00	-4.76

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Aug 14 price(p)	%Chg week	%Chg ytd
Winners			
Beazley	541.50	7.4	-
Intercontinental Hotels	5974.00	5.6	26.1
Admiral	2234.00	5.5	4.4
Haleon	337.45	4.5	3.2
B&m Eur Value Retail S.a.	554.00	3.8	34.4
Coca-cola Hbc Ag	2326.00	3.0	17.6
Airtel Africa	119.00	2.8	6.5
Gsk	1386.00	2.5	-3.5
Reckitt Benckiser	5790.00	2.3	0.6
Centrica	142.05	2.2	47.1
Astrazeneca	11114.00	2.1	-1.1
Rightmove	581.20	2.0	13.6
Losers			
Abrdn	182.50	-16.5	-3.8
Entain	1270.00	-9.5	-4.1
Flutter Entertainment	14020.00	-7.2	24.1
Fresnillo	525.40	-6.7	-
Antofagasta	1503.00	-6.7	-2.9
Ocado	796.20	-6.6	28.8
Rio Tinto	4647.00	-6.4	-
Anglo American	2074.00	-5.7	-
Glencore	433.80	-5.0	-
Spirax-sarco Eng	10345.00	-4.8	-2.2
Rs	748.80	-4.2	-
Wpp	775.20	-4.1	-5.7

FTSE 250	Aug 14 price(p)	%Chg week	%Chg ytd
Winners			
Quilter	82.00	15.0	-11.9
Iwg	169.40	12.9	1.4
Fdm (holdings)	594.00	11.0	-
Tbc Bank	2795.00	10.5	23.8
Hill & Smith	1724.00	10.2	46.9
Ti Fluid Systems	139.80	7.7	4.8
Tp Icap	167.00	7.7	-4.9
Watches Of Switzerland	744.50	6.7	-9.8
Me Int	164.00	6.4	41.7
Baltic Classifieds	210.50	5.7	48.1
Spire Healthcare	224.00	5.7	-1.8
Wetherspoon (J.d.)	680.00	5.5	52.0
Losers			
Savills	882.00	-10.5	7.4
Aston Martin Lagonda Global Holdings	334.40	-9.5	-
Cls Holdings	130.00	-7.9	-
Derwent London	2004.00	-7.1	-
Aj Bell	297.40	-6.4	-
Crest Nicholson Holdings	202.00	-5.7	-
Octopus Renewables Infrastructure Trust	90.60	-5.2	-9.4
Vanquis Banking	116.60	-5.2	-
Close Brothers	822.00	-4.8	-
Gcp Infrastructure Investments	73.10	-4.6	-
The Renewables Infrastructure	109.80	-4.5	-
Just	82.00	-4.4	1.5

FTSE SmallCap	Aug 14 price(p)	%Chg week	%Chg ytd
Winners			
On The Beach	104.40	23.0	-
Secure Trust Bank	684.00	20.4	-8.8
Sig	33.65	17.9	14.4
De La Rue	57.10	17.9	-
Saga	147.40	12.0	18.3
Luceco	127.40	9.8	26.9
Jpmorgan Global Core Real Assets	79.30	8.9	-9.8
Xp Power	2300.00	8.0	13.0
The Gym	114.00	6.7	4.6
Palace Capital	250.00	6.4	16.8
Tt Electronics	174.40	6.3	-0.3
Seraphim Space Investment Trust	47.70	6.2	5.5
Losers			
Oxford Biomedica	346.00	-13.8	-
Reach	73.35	-10.7	-
Funding Circle Holdings	44.80	-8.6	-
Phoenix Spree Deutschland	184.00	-7.8	-
Asos	398.70	-7.6	-
Kin And Carta	64.00	-7.2	-
Speedy Hire	34.40	-7.0	-
Helical	243.00	-6.7	-
Schroders Capital Global Innovation Trust	13.00	-6.5	-
Lindsell Train Investment Trust	922.00	-6.3	-
Greencore	86.15	-5.9	34.5
Norcros	145.00	-5.8	-

Industry Sectors	Aug 14 price(p)	%Chg week	%Chg ytd
Winners			
Health Care Equip.& Services	10644.60	5.9	-2.3
Nonlife Insurance	3033.67	3.3	-9.3
Personal Goods	31883.64	2.2	3.8
Pharmaceuticals & Biotech.	20905.87	2.2	-0.6
Beverages	26160.09	1.8	-6.2
General Retailers	3534.84	1.3	5.2
General Financial	12967.85	1.0	12.2
Software & Computer Services	2101.79	0.9	18.7
Electricity	9984.95	0.5	-6.3
Food & Drug Retailers	4168.86	0.2	1.1
Oil & Gas Producers	8276.31	0.2	1.8
Gas Water & Multiutilities index	5689.40	0.2	0.4
Losers			
Industrial Metals	6018.44	-5.7	-
Automobiles & Parts	1816.97	-3.5	21.8
Travel & Leisure	7452.29	-3.1	19.9
Chemicals	9917.84	-2.9	-
Banks	3600.38	-2.7	9.4
Mining	9166.62	-2.6	-
Industrial Engineering	14081.92	-2.6	1.9
Household Goods	10835.91	-2.2	9.2
Construction & Materials	9044.02	-2.2	31.6
Industrial Transportation	4048.66	-2.0	16.8
Food Producers	6550.41	-1.9	15.3
Real Estate Investment Trusts	2088.45	-1.7	-6.3

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

CURRENCIES

Aug 14	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	349.9750	62.6527	381.6313	66.3809	443.1185	77.8333
Australia	Australian Dollar	1.5426	0.0079	1.6821	-0.0017	1.9532	0.0021
Bahrain	Bahrainin Dinar	0.3770	-	0.4111	-0.0025	0.4773	-0.0020
Bolivia	Bolivian Boliviano	6.9100	-	7.5350	-0.0466	8.7491	-0.0359
Brazil	Brazilian Real	4.9531	0.0717	5.4011	0.0452	6.2713	0.0654
Canada	Canadian Dollar	1.3467	0.0048	1.4685	-0.0038	1.7051	-0.0009
Chile	Chilean Peso	862.9200	11.9900	940.9738	7.3325	1092.5805	10.7568
China	Chinese Yuan	7.2532	0.0184	7.9093	-0.0288	9.1836	-0.0143
Colombia	Colombian Peso	4034.7150	53.3450	4399.6676	31.3026	5108.5281	46.8413
Costa Rica	Costa Rican Colon	536.5700	-	585.1044	-3.6207	679.3745	-2.7898
Czech Republic	Czech Koruna	22.0638	0.1444	24.0595	0.0096	27.9359	0.0689
Denmark	Danish Krone	6.8341	0.0432	7.4523	0.0012	8.6530	0.0193
Egypt	Egyptian Pound	30.9003	-0.1113	33.6953	-0.3306	39.1242	-0.3022
Hong Kong	Hong Kong Dollar	7.8201	0.0013	8.5275	-0.0513	9.9014	-0.0390
Hungary	Hungarian Forint	353.1341	4.8247	385.0761	2.9107	447.1183	4.2978
India	Indian Rupee	82.9463	0.0981	90.4490	-0.4521	105.0218	-0.3065
Indonesia	Indonesian Rupiah	15315.0000	100.0000	16700.2899	6.3565	19391.0061	47.5238
Israel	Israeli Shekel	3.7453	0.0178	4.0841	-0.0057	4.7421	0.0032
Japan	Japanese Yen	145.4350	0.6950	158.5900	-0.2188	184.1416	0.1274
..One Month		145.4342	0.6935	158.5895	-0.2200	184.1406	0.1256
..Three Month		145.4329	0.6908	158.5884	-0.2220	184.1389	0.1222
..One Year		145.4268	0.6787	158.5838	-0.2314	184.1406	0.1158
Kenya	Kenyan Shilling	143.7000	0.1000	156.6981	-0.8600	181.9448	-0.6200
Kuwait	Kuwaiti Dinar	0.3078	0.0002	0.3356	-0.0019	0.3897	-0.0013
Malaysia	Malaysian Ringgit	4.6170	0.0300	5.0346	0.0018	5.8458	0.0141
Mexico	Mexican Peso	17.0725	0.1015	18.6168	-0.0038	21.6162	0.0403
New Zealand	New Zealand Dollar	1.6727	0.0074	1.8240	-0.0032	2.1178	0.0007
Nigeria	Nigerian Naira	775.2500	-	845.3738	-5.2314	981.5777	-4.0308
Norway	Norwegian Krone	10.4727	0.0662	11.4200	0.0020	13.2599	0.0297
Pakistan	Pakistani Rupee	288.1200	-0.1300	314.1814	-2.0869	364.8012	-1.6633
Peru	Peruvian Nuevo Sol	3.7045	0.0242	4.0396	0.0016	4.6904	0.0115
Philippines	Philippine Peso	56.7850	0.4550	61.9214	0.1160	71.8979	0.2832
Poland	Polish Zloty	4.0852	0.0451	4.4547	0.0220	5.1724	0.0362
Romania	Romanian Leu	4.5314	0.0300	4.9413	0.0023	5.7374	0.0146
Russia	Russian Ruble	101.3000	2.0488	110.4629	1.5643	128.2603	2.0780
Saudi Arabia	Saudi Riyal	3.7515	-0.0004	4.0908	-0.0258	4.7499	-0.0200
Singapore	Singapore Dollar	1.3567	0.0058	1.4794	-0.0028	1.7178	0.0003
South Africa	South African Rand	19.0813	0.2000	20.8072	0.0907	24.1596	0.1551
South Korea	South Korean Won	1330.8000	5.8000	1451.1751	-2.6162	1684.9836	0.4544
Sweden	Swedish Krona	10.8245	0.0156	11.8036	-0.0559	13.7053	-0.0364
Switzerland	Swiss Franc	0.8794	0.0038	0.9589	-0.0018	1.1134	0.0003
Taiwan	New Taiwan Dollar	31.9340	0.1120	34.8225	-0.0926	40.4330	-0.0236
Thailand	Thai Baht	35.0775	-	38.2504	-0.2367	44.4131	-0.1824
Tunisia	Tunisian Dinar	3.0955	0.0084	3.3755	-0.0117	3.9193	-0.0055
Turkey	Turkish Lira	27.0520	0.0020	29.4989	-0.1804	34.2517	-0.1381
United Arab Emirates	UAE Dirham	3.6731	-	4.0053	-0.0248	4.6506	-0.0191
United Kingdom	Pound Sterling	0.7898	0.0032	0.8612	-0.0018	-	-
..One Month		0.7898	0.0032	0.8611	-0.0018	-	-
..Three Month		0.7898	0.0032	0.8609	-0.0018	-	-
..One Year		0.7895	0.0032	0.8595	-0.0018	-	-
United States	United States Dollar	-	-	1.0905	-0.0067	1.2661	-0.0052
..One Month		-	-	1.0903	-0.1809	1.2662	-0.0052
..Three Month		-	-	1.0900	-0.1809	1.2662	-0.0052
..One Year		-	-	1.0885	-0.1809	1.2658	-0.0052
Vietnam	Vietnamese Dong	23825.0000	65.0000	25980.0992	-89.4020	30165.9125	-41.2786
European Union	Euro	0.9171	0.0056	-	-	1.1611	0.0024
..One Month		0.9169	0.0056	-	-	1.1610	0.0024
..Three Month		0.9166	0.0056	-	-	1.1608	0.0024
..One Year		0.9151	0.0056	-	-	1.1594	0.0024

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

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Aug 14	Day's chge%	Euro Index	£ Strlg Aug 11	£ Strlg Aug 10	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7507.15	-0.23	6799.22	7524.16	7618.60	7500.89	3.87	1.97	13.12	216.55	7934.39
FTSE 250 (250)	18761.43	-0.20	16992.21	18799.70	18993.81	20338.96	3.49	0.54	52.66	396.21	15954.90
FTSE 250 ex Inv Co (168)	19484.08	-0.21	17646.72	19525.82	19738.39	20837.04	3.61	0.34	81.06	423.34	16919.28
FTSE 350 (350)	4137.32	-0.22	3747.17	4146.56	4197.30	4184.46	3.82	1.78	14.68	114.84	8668.61
FTSE 350 ex Investment Trusts (265)	4088.06	-0.23	3702.55	4097.58	4147.90	4109.60	3.87	1.83	14.14	115.70	4429.06
FTSE 350 Higher Yield (137)	3449.80	-0.55	3124.48	3468.88	3510.33	3576.21	5.62	1.86	9.58	131.72	8236.30
FTSE 350 Lower Yield (213)	4430.93	0.11	4013.09	4426.04	4481.50	4372.76	1.99	1.58	31.78	77.46	5553.98
FTSE SmallCap (225)	6178.59	-0.20	5595.94	6191.19	6234.07	6619.96	3.72	0.10	268.56	141.55	10646.14
FTSE SmallCap ex Inv Co (116)	5125.13	-0.02	4641.83	5126.15	5162.47	5469.08	3.74	0.75	35.61	117.81	9185.09
FTSE All-Share (575)	4096.80	-0.22	3710.47	4105.93	4155.68	4149.90	3.82	1.75	15.00	113.25	8667.15
FTSE All-Share ex Inv Co (381)	4014.95	-0.23	3636.34	4024.20	4073.37	4039.87	3.87	1.81	14.24	113.35	4416.23
FTSE All-Share ex Multinationals (514)	1059.47	-0.18	795.49	1061.33	1072.56	1177.39	4.27	1.26	18.51	30.17	2322.93
FTSE Fledgling (76)	10684.17	-0.02	9676.65	10686.59	10638.61	12389.86	3.10	0.52	62.52	214.94	23628.13
FTSE Fledgling ex Inv Co (31)	15030.51	0.25	13613.12	14993.69	14987.76	16694.88	2.47	-0.36	-111.29	323.36	32304.92
FTSE All-Small (301)	4291.80	-0.19	3887.08	4300.16	4327.40	4617.91	3.69	0.12	229.44	97.69	9483.11
FTSE All-Small ex Inv Co (147)	3851.88	-0.01	3488.65	3852.27	3878.53	4116.38	3.70	0.72	37.41	88.32	8741.65
FTSE AIM All-Share (709)	754.96	-0.21	683.77	756.57	757.39	933.20	1.92	1.23	42.37	8.90	897.69
FTSE All-Share Technology (17)	2190.04	0.38	1914.11	2181.83	2198.32	1997.42	1.75	1.52	37.64	25.69	3213.51
FTSE All-Share Telecommunications (6)	1230.84	-0.31	1075.76	1234.68	1240.66	1933.56	8.52	1.52	7.71	59.61	1976.90
FTSE All-Share Health Care (12)	14564.68	0.64	12729.64	14472.64	14627.09	14120.03	2.44	1.39	29.55	276.44	13742.60
FTSE All-Share Financials (257)	4657.72	-0.22	4070.88	4667.96	4718.39	4782.34	4.41	2.36	9.59	164.12	5366.82
FTSE All-Share Real Estate (51)	777.30	-0.43	710.69	780.66	797.76	1061.22	4.60	-2.79	-7.79	24.03	845.40
FTSE All-Share Consumer Discretionary (82)	5070.76	-0.09	4431.88	5075.26	5155.82	4745.49	2.40	1.33	31.18	86.87	5472.83
FTSE All-Share Consumer Staples (22)	18335.17	0.31	16025.08	18278.25	18536.19	19807.59	4.29	1.59	14.65	487.36	17314.41
FTSE All-Share Industrials (85)	7124.62	-0.01	6226.97	7125.47	7200.95	6365.93	2.22	1.81	24.81	110.01	8388.10
FTSE All-Share Basic Materials (21)	7249.70	-2.13	6336.29	7407.53	7545.83	8162.72	6.40	2.34	6.66	325.28	10290.42
FTSE All-Share Energy (14)	8563.88	-0.95	7484.89	8646.26	8712.65	7926.02	4.20	1.53	15.53	270.81	10744.35
FTSE All-Share Utilities (8)	8390.50	-0.41	7333.36	8425.14	8491.39	9287.02	5.14	2.02	9.65	327.98	13285.70
FTSE All-Share Software and Computer Services (16)	2371.78	0.37	2072.96	2362.95	2380.86	2152.61	1.72	1.57	36.94	27.49	3681.42
FTSE All-Share Technology Hardware and Equipment (1)	4345.58	0.58	3798.07	4320.66	4345.58	5259.06	3.61	-0.49	-57.01	89.37	5753.93
FTSE All-Share Telecommunications Equipment (1)	348.05	0.00	304.20	348.05	353.41	616.97	4.02	1.48	16.85	13.99	516.29
FTSE All-Share Telecommunications Service Providers (5)	1914.70	-0.32	1673.46	1920.89	1929.49	2994.46	8.68	1.52	7.57	93.30	2804.62
FTSE All-Share Health Care Providers (1)	11284.90	0.67	9863.08	11209.33	10856.68	11199.66	0.22	4.26	105.26	43.16	10514.80
FTSE All-Share Medical Equipment and Services (2)	5496.77	-1.10	4804.22	5557.75	5606.45	5403.55	2.74	0.60	60.83	92.56	5399.30
FTSE All-Share Pharmaceuticals and Biotechnology (9)	20841.78	0.73	18215.87	20690.81	20915.96	20177.86	2.43	1.43	28.72	401.27	17712.93
FTSE All-Share Banks (12)	3552.21	-0.46	3104.66	3568.49	3596.75	3372.19	5.41	3.70	5.00	187.54	3311.26
FTSE All-Share Finance and Credit Services (8)	11183.26	0.15	9774.25	11166.73	11271.91	11359.63	1.88	2.09	25.39	161.19	15253.60
FTSE All-Share Investment Banking and Brokerage Services (31)	8731.97	-0.15	7631.81	8744.88	8893.03	8948.27	5.10	2.03	9.65	268.78	12714.74
FTSE All-Share Closed End Investments (194)	11125.55	-0.11	9723.81	11137.31	11254.97	12445.92	3.00	0.39	85.23	206.03	7105.25
FTSE All-Share Life Insurance (6)	6431.27	-0.11	5620.98	6438.05	6565.03	7128.05	4.99	0.58	34.82	215.96	8120.22
FTSE All-Share Nonlife Insurance (6)	3438.55	0.36	3005.32	3426.34	3430.46	3537.34	4.87	1.23	16.66	56.37	7438.97
FTSE All-Share Real Estate Investment and Services (10)	2139.86	0.06	1870.25	2138.53	2168.33	2597.65	2.32	1.30	33.11	27.34	6488.51
FTSE All-Share Real Estate Investment Trusts (41)	1900.58	-0.53	1661.13	1910.70	1955.59	2653.28	5.05	-3.17	-6.24	65.68	2988.89
FTSE All-Share Automobiles and Parts (3)	1826.28	-1.06	1596.18	1845.91	1895.32	1989.66	0.24	-14.07	-29.03	2.74	1902.77
FTSE All-Share Consumer Services (1)	3321.53	0.35	2903.04	3309.99	3324.83	3189.33	1.84	1.17	46.26	61.00	4291.57
FTSE All-Share Household Goods and Home Construction (11)	9022.26	-1.28	7885.53	9138.87	9256.93	10487.64	7.62	1.74	7.54	287.84	8373.61
FTSE All-Share Leisure Goods (2)	30793.99	-0.24	26914.18	30867.39	30897.52	20255.83	3.83	1.02	25.62	1021.44	35741.02
FTSE All-Share Personal Goods (4)	27362.86	0.35	23915.34	27267.52	27369.50	25567.96	2.38	2.59	16.27	496.10	21945.91
FTSE All-Share Media (10)	10045.98	0.32	8780.26	10014.29	10214.71	9476.21	2.61	1.94	19.75	232.24	7229.68
FTSE All-Share Retailers (22)	2267.96	1.00	1982.21	2245.42	2271.78	2026.62	2.51	3.57	11.16	37.41	3013.20
FTSE All-Share Travel and Leisure (29)	7273.48	-0.89	6357.08	7339.15	7500.02	6416.13	0.76	-5.94	-22.04	38.95	7564.64
FTSE All-Share Beverages (5)	26271.64	0.73	22961.61	26080.66	26444.26	29366.53	2.36	2.08	20.34	273.41	21281.37
FTSE All-Share Food Producers (8)	6716.92	0.28	5870.63	6697.90	6790.56	6430.38	2.33	2.38	18.01	84.77	6625.95
FTSE All-Share Tobacco (2)	28445.66	0.39	24861.72	28335.12	28905.73	35317.59	8.57	1.64	7.12	1250.28	28189.72
FTSE All-Share Construction and Materials (15)	9538.65	0.10	8336.85	9529.21	9640.19	7442.48	2.68	0.56	67.04	193.11	11909.10
FTSE All-Share Aerospace and Defense (8)	7599.53	0.33	6642.04	7574.21	7610.32	4997.23	1.62	3.39	18.18	78.67	9378.16
FTSE All-Share Electronic and Electrical Equipment (11)	10952.20	-0.10	9572.31	10963.42	11038.18	10635.59	1.68	2.40	24.78	124.63	10965.90
FTSE All-Share General Industrials (7)	5015.02	-0.27	4383.16	5028.79	5070.51	5276.52	3.49	1.41	20.27	93.04	6758.35
FTSE All-Share Industrial Engineering (6)	15494.51	-0.94	13542.32	15642.30	15720.33	16026.75	2.02	2.36	20.92	225.43	21097.42
FTSE All-Share Industrial Support Services (30)	10036.48	0.00	8771.96	10036.93	10199.19	10128.71	2.13	1.42	33.08	172.58	11761.28
FTSE All-Share Industrial Transportation (8)	6065.79	-0.05	5301.55	6068.60	6157.45	5229.82	2.08	2.85	16.85	81.21	6447.65
FTSE All-Share Industrial Materials (1)	18153.39	-1.89	602.76	18503.45	18978.54	15302.86	1.87	3.34	16.01	231.04	23220.38
FTSE All-Share Industrial Metals and Mining (8)	6484.00	-2.28	5667.06	6635.24	6765.45	7197.16	6.84	2.45	5.96	314.73	10398.90
FTSE All-Share Precious Metals and Mining (5)	8796.10	-1.25	7687.86	8907.87	8889.49	9957.92	3.77	-1.06	-25.02	172.59	6307.98
FTSE All-Share Chemicals (7)	10991.45	-1.01	9606.61	11103.49	11294.90	14205.02	3.24	1.62	18.99	208.53	11229.21
FTSE All-Share Oil. Gas and Coal (13)	8314.04	-0.95	7266.54	8394.06	8458.51	7693.83	4.20	1.53	15.53	262.92	10817.79
FTSE Sector Indices											
Non Financials (318)	**4978.38**	**-0.22**	**4508.92**	**4989.52**	**5051.93**	**5022.65**	**3.64**	**1.52**	**18.04**	**126.48**	**9248.12**

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	7516.32	7527.57	7508.25	7505.78	7504.34	7495.62	7490.99	7491.14	7505.61	7529.86	7476.91
FTSE 250	18785.03	18794.39	18802.88	18779.24	18783.13	18780.65	18767.93	18735.02	18770.05	18806.08	18724.75
FTSE SmallCap	6191.73	6185.57	6186.45	6185.27	6186.34	6185.64	6178.80	6172.90	6178.29	6191.73	6171.51
FTSE All-Share	4101.91	4107.25	4098.67	4096.81	4096.28	4092.20	4089.60	4088.58	4096.35	4108.32	4082.73

Time of FTSE 100 Day's high:08:01:00 Day's Low12:30:45 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 Low13:48:00 FTSE 100 2010/11 High: 4377.36(16/02/2023) Low: 3957.08(07/07/2023)

FT 30 INDEX

	Aug 14	Aug 11	Aug 10	Aug 09	Aug 08	Yr Ago	High	Low
FT 30	2711.20	2719.40	2753.40	2736.40	2730.40	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
2719.4	2717.9	2713.5	2712.8	2712.9	2709.5	2707.7	2705.7	2712	2719.8	2702.6

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

FT WILSHIRE 5000 INDEX SERIES

	Aug 11		Aug 11
FT Wilshire 5000	45089.80	FT Wilshire Mid Cap	5713.66
FT Wilshire 2500	5783.61	FT Wilshire Small Cap	5248.83
FT Wilshire Mega Cap	5884.27	FT Wilshire Micro Cap	4799.47
FT Wilshire Large Cap	5857.35		

Source: Wilshire. Wilshire Advisors LLC (Wilshire) is an investment advisor registered with the SEC. Further information is available at https://www.wilshire.com/solutions/indexes . Wilshire® is a registered service mark. Copyright ©2023 Wilshire. All rights reserved.

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Aerospace & Defense	41.27	Electronic & Elec Eq	6.37	Utilities	-1.42
Leisure Goods	33.50	Industrial Eng	5.25	Fixed Line Telecomms	-1.62
Construct & Material	31.04	Real Est Invest & Se	4.80	Personal Goods	-1.63
Automobiles & Parts	22.06	Household Goods & Ho	3.47	Health Care Eq & Srv	-1.63
General Retailers	19.50	Industrial Transport	2.26	Equity Invest Instr	-3.88
Software & Comp Serv	17.26	Oil & Gas	1.95	Consumer Goods	-5.45
Food & Drug Retailer	15.60	Oil & Gas Producers	1.92	Beverages	-6.02
Industrials	15.30	Industrial Metals &	1.76	Electricity	-6.42
Travel & Leisure	14.52	Financials	1.44	Real Est Invest & Tr	-6.79
Food Producers	14.38	FTSE 100 Index	0.74	Nonlife Insurance	-8.74
Consumer Services	13.37	FTSE All{HY-}Share Index	0.53	Telecommunications	-10.18
Technology	9.86	Gas Water & Multi	0.43	Life Insurance	-10.34
Banks	9.44	NON FINANCIALS Index	0.08	Mobile Telecomms	-13.44
Media	8.48	Beverages	31.66	Chemicals	-14.97
Oil Equipment & Serv	8.04	FTSE 250 Index	-0.49	Tobacco	-20.20
Support Services	7.78	Pharmace & Biotech	-0.60	Basic Materials	-22.40
Financial Services	7.20	Health Care	-0.64	Mining	-23.28
		FTSE SmallCap Index	-0.98	Tech Hardware & Eq	-29.58

FTSE GLOBAL EQUITY INDEX SERIES

Aug 14 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9482	765.79	-0.5	0.6	12.6	1247.94	14.3	2.1
FTSE Global All Cap	9482	765.79	-0.5	0.6	12.6	1247.94	14.3	2.1
FTSE Global Large Cap	1937	693.38	-0.5	0.9	14.0	1165.04	15.8	2.2
FTSE Global Mid Cap	2229	953.42	-0.4	-0.2	8.0	1461.07	9.5	2.1
FTSE Global Small Cap	5316	988.15	-0.2	0.0	9.6	1446.35	11.1	2.0
FTSE All-World	4166	451.54	-0.5	0.7	12.9	779.38	14.6	2.2
FTSE World	2655	824.19	-0.4	0.6	13.8	1908.54	15.5	2.1
FTSE Global All Cap ex UNITED KINGDOM In	9202	809.60	-0.4	0.6	12.8	1293.31	14.4	2.1
FTSE Global All Cap ex USA	7697	526.64	-1.0	0.9	7.7	959.75	10.2	3.1
FTSE Global All Cap ex JAPAN	8060	798.83	-0.5	0.7	12.7	1313.36	14.4	2.1
FTSE Global All Cap ex Eurozone	8843	808.38	-0.4	0.6	12.4	1287.25	14.0	2.1
FTSE Developed	2144	757.69	-0.4	0.7	14.0	1242.04	15.7	2.0
FTSE Developed All Cap	5762	786.49	-0.4	0.6	13.6	1270.00	15.2	2.0
FTSE Developed Large Cap	812	718.03	-0.4	0.9	15.4	1198.07	17.1	2.0
FTSE Developed Europe Large Cap	205	422.49	-1.5	1.4	11.6	861.58	14.8	3.2
FTSE Developed Europe Mid Cap	345	624.25	-1.6	1.6	10.2	1101.34	12.9	3.1
FTSE Dev Europe Small Cap	733	848.86	-1.4	0.6	6.1	1439.15	8.8	3.2
FTSE North America Large Cap	233	969.95	-0.1	0.9	18.1	1474.63	19.3	1.6
FTSE North America Mid Cap	411	1179.27	-0.1	-1.1	8.0	1659.18	9.1	1.7
FTSE North America Small Cap	1315	1180.74	0.1	0.0	11.2	1590.72	12.3	1.6
FTSE North America	644	626.47	-0.1	0.5	16.1	973.89	17.3	1.6
FTSE Developed ex North America	1500	285.04	-1.1	0.9	9.6	559.45	12.1	3.1
FTSE Japan Large Cap	175	416.79	-0.2	-0.2	12.3	622.17	13.9	2.3
FTSE Japan Mid Cap	340	568.06	-0.2	1.4	7.3	806.93	9.0	2.3
FTSE Global wi JAPAN Small Cap	907	624.77	-0.2	0.0	5.1	922.97	6.9	2.6
FTSE Japan	515	170.50	-0.2	0.1	11.3	285.10	12.9	2.3
FTSE Asia Pacific Large Cap ex Japan	1123	683.97	-1.1	0.5	1.8	1275.63	3.9	3.0
FTSE Asia Pacific Mid Cap ex Japan	838	1017.05	-0.5	1.3	5.7	1827.12	7.5	2.9
FTSE Asia Pacific Small Cap ex Japan	2089	568.29	-0.5	-0.7	6.4	990.49	8.3	2.6
FTSE Asia Pacific Ex Japan	1961	547.31	-1.0	0.6	2.2	1084.72	4.3	3.0
FTSE Emerging All Cap	3720	730.94	-0.9	0.7	3.8	1307.48	6.2	3.3
FTSE Emerging Large Cap	1125	669.28	-1.0	0.8	2.9	1204.60	5.4	3.3
FTSE Emerging Mid Cap	897	1090.57	-0.4	1.0	6.7	1960.18	9.1	3.3
FTSE Emerging Small Cap	1698	807.03	-0.5	-0.8	7.1	1378.05	9.5	2.9
FTSE Emerging Europe	151	144.12	1.2	8.9	12.1	312.94	16.1	3.0
FTSE Latin America All Cap	250	805.70	-1.1	0.2	15.4	1670.61	19.9	8.4
FTSE Middle East and Africa All Cap	332	719.20	-0.6	0.8	-0.7	1353.76	1.9	3.6
FTSE Global wi UNITED KINGDOM All Cap In	280	336.40	-1.4	2.0	7.1	708.35	10.0	3.8
FTSE Global wi USA All Cap	1785	1074.65	-0.1	0.4	16.0	1574.22	17.1	1.5
FTSE Europe All Cap	1469	475.84	-1.5	1.5	10.9	930.95	14.0	3.2
FTSE Eurozone All Cap	639	473.25	-1.6	0.8	14.2	919.39	17.5	3.1
FTSE EDHEC-Risk Efficient All-World	4166	495.06	-0.3	0.9	6.9	795.24	8.7	2.6
FTSE EDHEC-Risk Efficient Developed Europe	550	344.73	-1.6	1.7	9.9	623.35	12.9	3.3
Oil & Gas	137	418.61	0.6	5.6	2.5	884.40	5.2	4.5
Oil & Gas Producers	90	423.34	0.6	6.8	4.0	919.59	6.8	4.7

Aug 14 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	26	287.48	0.7	3.8	3.5	549.81	6.3	4.7
Basic Materials	404	603.43	-0.9	0.3	1.0	1140.40	3.3	4.0
Chemicals	202	816.89	-0.7	0.2	4.8	1477.61	6.8	2.9
Forestry & Paper	19	240.84	-1.2	4.0	-4.4	500.92	-2.0	4.1
Industrial Metals & Mining	104	539.64	-1.3	2.6	9.2	1060.01	11.6	4.1
Mining	79	891.81	-0.8	-1.3	-8.7	1795.21	-5.9	5.6
Industrials	810	543.32	-0.5	-0.1	11.4	880.87	13.0	2.0
Construction & Materials	162	661.95	-0.7	2.0	18.9	1134.09	20.7	1.9
Aerospace & Defense	36	963.96	-0.2	0.0	6.5	1520.85	7.6	1.5
General Industrials	79	270.92	0.0	-0.1	13.5	487.63	15.4	2.3
Electronic & Electrical Equipment	158	649.64	-0.5	-3.1	8.3	945.46	9.6	1.6
Industrial Engineering	160	1112.88	-0.6	0.3	13.2	1798.27	14.8	2.0
Industrial Transportation	128	977.42	-0.8	0.6	8.4	1633.73	11.0	3.5
Support Services	87	564.77	-0.6	0.2	11.7	850.18	12.9	1.5
Consumer Goods	563	596.77	-0.8	-1.5	11.0	1022.99	12.8	2.4
Automobiles & Parts	133	600.52	-1.1	-4.9	37.7	991.59	40.5	1.9
Beverages	71	788.43	-0.4	1.5	1.8	1361.64	3.1	2.4
Food Producers	137	716.95	-0.5	-0.4	-0.5	1261.38	1.4	2.6
Household Goods & Home Construction	61	588.35	0.2	3.6	9.5	1010.98	11.5	2.4
Leisure Goods	54	258.98	-0.6	-4.3	12.7	370.03	13.7	1.2
Personal Goods	94	984.21	-1.4	-1.3	6.5	1536.12	7.7	1.8
Tobacco	13	933.81	-1.0	-2.4	-6.4	2779.43	-3.2	6.7
Health Care	339	742.42	0.1	4.4	1.9	1199.66	3.2	1.8
Health Care Equipment & Services	133	1391.23	0.0	0.5	0.9	1719.53	1.5	1.1
Pharmaceuticals & Biotechnology	206	507.81	0.1	7.0	2.6	885.91	4.3	2.2
Consumer Services	424	607.96	-0.5	2.7	18.4	875.90	19.4	1.1
Food & Drug Retailers	69	314.11	-0.2	1.5	-0.1	508.50	1.6	2.4
General Retailers	139	1081.02	-0.2	4.4	21.4	1487.88	22.1	0.9
Media	75	349.48	-1.3	1.0	20.6	507.39	21.7	1.2
Travel & Leisure	141	522.64	-0.7	0.3	18.1	769.98	19.0	1.2
Telecommunication	82	123.59	-0.2	-3.0	-4.0	301.11	-1.0	4.7
Fixed Line Telecommuniations	29	94.47	0.2	-3.3	-6.1	266.82	-2.6	5.8
Mobile Telecommunications	53	147.68	-0.4	-2.9	-2.9	308.50	-0.2	4.1
Utilities	203	312.22	0.0	-1.4	-3.1	750.07	-0.7	3.6
Electricity	146	350.31	0.0	-1.8	-4.2	827.21	-2.0	3.5
Gas Water & Multiutilities	57	314.74	-0.1	-0.4	-0.4	786.12	2.4	4.0
Financials	849	270.39	-0.3	1.9	4.2	533.78	6.7	3.2
Banks	272	203.36	-0.4	2.8	2.6	452.47	6.3	4.4
Nonlife Insurance	71	382.50	-0.3	1.7	4.5	654.88	7.0	3.0
Life Insurance	51	222.38	-0.8	1.1	-2.4	440.59	0.2	3.8
Financial Services	211	467.55	-0.3	2.5	10.2	719.35	11.4	1.6
Technology	355	608.39	-0.9	-1.9	37.6	799.76	38.4	0.9
Software & Computer Services	179	921.67	-0.6	0.2	36.0	1119.88	36.5	0.6
Technology Hardware & Equipment	176	537.48	-1.3	-3.9	39.3	762.51	40.5	1.2
Alternative Energy	21	131.71	-1.0	-11.5	-28.0	189.72	-27.7	0.4
Real Estate Investment & Services	137	244.36	-0.6	1.3	-2.7	485.62	-0.8	2.8
Real Estate Investment Trusts	107	431.47	-0.1	-2.0	-0.9	1040.22	1.5	4.1
FTSE Global Large Cap	1937	693.38	-0.5	0.9	14.0	1165.04	15.8	2.2

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1910	2.50	Jd Sports Fashion PLC	146.45	3.15
Abrdn PLC	182.50	-4.50	Johnson Matthey PLC	1693.5	-14.50
Admiral Group PLC	2234	27.00	Kingfisher PLC	233.70	-1.40
Airtel Africa PLC	119.00	3.40	Land Securities Group PLC	622.80	-2.60
Anglo American PLC	2074	-77.00	Legal & General Group PLC	233.10	3.00
Antofagasta PLC	1503	-13.00	Lloyds Banking Group PLC	42.84	-0.11
Ashtead Group PLC	5624	2.00	London Stock Exchange Group PLC	8290	20.00
Associated British Foods PLC	1982	9.50	M&G PLC	194.50	-1.10
Astrazeneca PLC	11114	84.00	Melrose Industries PLC	527.40	2.80
Auto Trader Group PLC	624.00	1.40	Mondi PLC	1289	-0.50
Aviva PLC	383.80	-1.70	National Grid PLC	975.20	-5.80
B&M European Value Retail S.A.	554.00	16.20	Natwest Group PLC	235.10	-0.90
Bae Systems PLC	1018	1.50	Next PLC	6968	68.00
Barclays PLC	145.88	-0.72	Ocado Group PLC	796.20	-36.00
Barratt Developments PLC	450.20	-4.00	Pearson PLC	832.00	-0.60
Beazley PLC	541.50	4.00	Pershing Square Holdings LTD	3000	30.00
Berkeley Group Holdings (The) PLC	4258	-15.00	Persimmon PLC	1095.5	-34.00
BP PLC	481.75	-4.65	Phoenix Group Holdings PLC	539.80	2.20
British American Tobacco PLC	2553.5	12.00	Prudential PLC	1001.5	-7.00
Bt Group PLC	115.20	0.20	Reckitt Benckiser Group PLC	5790	12.00
Bunzl PLC	2795	-13.00	Relx PLC	2586	18.00
Burberry Group PLC	2231	-21.00	Rentokil Initial PLC	609.20	-1.80
Centrica PLC	142.05	0.70	Rightmove PLC	581.20	4.60
Coca-Cola Hbc AG	2326	39.00	Rio Tinto PLC	4647	-79.00
Compass Group PLC	2015	7.00	Rolls-Royce Holdings PLC	209.00	1.30
Convatec Group PLC	221.60	-1.80	Rs Group PLC	748.80	1.60
Crh PLC	4559	6.00	Sage Group PLC	953.40	7.40
Croda International PLC	5460	-68.00	Sainsbury (J) PLC	266.50	0.10
Dcc PLC	4438	-13.00	Schroders PLC	435.00	0.50
Diageo PLC	3379	23.50	Scottish Mortgage Investment Trust PLC	670.80	4.80
Endeavour Mining PLC	1677	-13.00	Segro PLC	731.60	-5.40
Entain PLC	1270	-42.50	Severn Trent PLC	2397	-6.00
Experian PLC	2866	3.00	Shell PLC	2393.5	-22.50
F&C Investment Trust PLC	853.00	2.00	Smith & Nephew PLC	1106	-13.50
Flutter Entertainment PLC	14020	-315.00	Smith (Ds) PLC	296.70	-1.70
Frasers Group PLC	804.50	5.50	Smiths Group PLC	1633	-8.50
Fresnillo PLC	525.40	-15.20	Smurfit Kappa Group PLC	3130	4.00
Glaxosmithkline PLC	1386	15.00	Spirax-Sarco Engineering PLC	10345	-125.00
Glencore PLC	433.80	-10.90	Sse PLC	1633	-7.50
Haleon PLC	337.45	0.05	St. James's Place PLC	899.60	2.60
Halma PLC	2128	-7.00	Standard Chartered PLC	751.40	-3.60
Hargreaves Lansdown PLC	801.20	13.40	Taylor Wimpey PLC	116.45	-1.25
Hiscox LTD	1063	-7.00	Tesco PLC	250.40	-0.80
HSBC Holdings PLC	621.50	-3.30	Unilever PLC	4096	13.50
Imi PLC	1552	-4.00	Unite Group PLC	937.50	-5.00
Imperial Brands PLC	1810	2.00	United Utilities Group PLC	953.60	-4.00
Informa PLC	735.00	-1.60	Vodafone Group PLC	72.19	-0.51
Intercontinental Hotels Group PLC	5974	24.00	Weir Group PLC	1837	-10.50
International Consolidated Airlines Group S.A.	166.90	0.75	Whitbread PLC	3522	23.00
Intertek Group PLC	4259	7.00	Wpp PLC	775.20	-4.40

UK STOCK MARKET TRADING DATA

	Aug 14	Aug 11	Aug 10	Aug 09	Aug 08	Yr Ago
Order Book Turnover (m)	98.69	83.65	83.65	167.95	131.77	39.20
Order Book Bargains	435776.00	488621.00	488621.00	431915.00	433388.00	527042.00
Order Book Shares Traded (m)	1436.00	1231.00	1231.00	1271.00	1424.00	1370.00
Total Equity Turnover (£m)	4160.21	6250.17	6250.17	5314.79	6554.93	5062.34
Total Mkt Bargains	615742.00	669551.00	669551.00	624214.00	619060.00	731022.00
Total Shares Traded (m)	6227.00	5196.00	5196.00	5432.00	6959.00	7573.00

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

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 UK.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
CentralRic Group	Int	396.400	334.600	13.300	15.800	0.034	0.026	0.00000	0.00000	-	1.200	0.000
Insig AI	Pre	2.092	1.708	21.428L	3.245L	17.890L	4.400L	0.00000	0.00000	-	0.000	0.000
Stelrad Group	Int	157.043	150.110	10.261	4.695	6.270	0.520	2.92000	2.92000	Oct 27	7.640	3.404

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	4.40	0.09	5.70	4.10	917.2
07/06	335.00		CABP	CAB Payments Holdings Plc	250.00	-1.50	337.00	246.50	63535.8

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

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	25.13	-0.22	26.08	22.21	6.29	10.04	48957.84
BHP Group	44.75	-0.98	50.05	36.13	9.63	10.02	146955.81
CmwBkAu	103.70	-0.70	111.38	89.66	3.54	18.59	112678.35
CSL	263.00	-3.08	314.21	255.87	1.20	35.90	82239.27
NatAusBk	28.33	-0.23	32.83	25.10	3.32	14.39	57657.05
Telstra	4.27	0.01	4.46	3.71	2.46	33.11	31983.12
Wesfarmers	50.72	-0.17	52.79	42.43	3.68	24.86	37284.92
Westpac Bank	21.91	-0.24	24.50	20.03	4.25	15.20	49840.12
Woolworths	38.31	-0.03	40.35	31.67	2.96	41.65	30265.89
Belgium (€)							
AnBshInBv	51.48	0.32	62.01	45.56	1.01	26.34	97520.2
KBC Grp	65.26	0.48	72.46	45.53	5.14	10.88	29687.01
Brazil (R$)							
Ambev	14.41	0.05	16.88	12.60	3.92	21.69	45832.94
Bradesco	13.76	-0.05	17.72	11.15	6.05	6.35	14808.07
Cielo	3.78	-0.15	6.22	3.76	3.86	12.75	2073.39
ItauHldFin	23.64	-0.09	26.04	19.53	3.28	9.32	23665.03
Petrobras	33.50	0.03	42.08	23.61	14.36	4.76	50337.11
Vale	62.17	-3.34	96.30	61.90	20.95	2.77	56972.99
Canada (C$)							
Bausch Hlth	11.47	0.15	13.81	6.52	-	-3.45	3082.19
BCE	56.42	-0.36	66.05	55.40	6.18	18.93	38221.79
BkMontrl	117.51	-0.72	137.64	111.88	3.84	9.06	62551.35
BkNvaS	64.13	-0.47	81.98	63.05	5.77	8.04	57400.23
Brookfield	58.88	11.29	63.88	41.28	1.09	19.91	69948.82
CanadPcR	108.36	-0.82	112.96	90.84	0.70	26.01	74952.12
CanImp	55.77	-0.23	68.74	53.58	10.73	3.87	38044.72
CanNatRs	82.70	-0.52	84.25	61.23	2.41	12.85	67089.79
CanNatRy	157.57	0.34	175.39	144.71	1.56	22.95	77096.57
Enbridge	47.92	-1.46	57.59	47.63	6.95	16.75	71975.57
GtWesLif	39.56	-0.24	40.75	27.99	4.86	11.14	27355.21
ImpOil	74.04	-0.59	79.83	55.26	1.39	21.35	32115.06
Manulife	25.98	-0.20	27.50	20.81	4.49	7.36	35366.91
Nutrien	86.24	-3.20	132.75	70.69	2.69	12.41	31667.74
RylBkC	127.00	-0.57	140.18	116.75	3.49	11.31	131668.25
SHOP	74.59	0.30	93.83	33.00	-	2.59	66642.92
Suncor En	42.32	-0.34	50.37	36.39	2.47	15.33	40920.48
ThmReut	180.38	2.66	187.70	141.11	1.13	12.46	60819.85
TntoDom	85.95	-0.31	94.05	76.32	3.79	10.79	117175.87
TrnCan	49.06	-0.27	66.54	43.70	7.07	26.47	37504.97
China (HK$)							
AgricBkCh	2.63	-0.04	3.28	2.22	8.43	3.31	10337.77
Bk China	2.71	-0.05	3.45	2.51	8.53	3.22	28978.46
BkofComm	4.43	-0.11	5.65	3.84	8.21	3.51	19833.87
BOE Tech	0.67	-	0.85	0.53	-	10.36	17.05
Ch Coms Cons	4.31	0.01	5.52	3.09	4.91	3.43	2435.2
Ch Evrbrght	2.24	-0.03	2.78	2.04	11.11	2.91	3631.7
Ch Rail Cons	5.24	-0.04	7.46	3.75	5.20	2.67	1391.26
Ch Rail Gp	4.74	-0.06	6.30	3.48	4.51	3.66	2550.23
ChConstBk	4.20	-0.07	5.70	4.12	9.19	2.93	129123.33
China Vanke	9.85	-0.19	17.78	9.32	15.02	4.26	2779.26
ChinaCitic	3.49	-0.07	4.74	2.92	8.36	3.10	6641.76
ChinaLife	12.30	-0.36	15.84	8.53	5.77	5.16	11704
ChinaMBank	33.15	-1.00	53.00	25.40	4.48	5.86	19461.2
ChinaMob	66.30	0.10	70.20	46.85	5.05	9.81	173582.64
ChinaPcIns	18.82	-0.24	26.50	12.10	7.25	5.88	6679.09
ChMinsheng	2.81	-0.05	3.52	2.19	9.09	3.49	2989.73
ChMrchSecs	15.03	0.02	15.88	12.12	3.20	12.20	15379.8
Chna Utd Coms	5.40	0.14	6.45	3.32	2.28	24.64	23053.93
ChShenEgy	22.35	-0.15	28.70	20.70	9.53	6.50	9652.91
ChShpbldng	4.46	0.01	5.32	3.40	-	-301.65	13579.33
ChStConEng	5.90	0.04	7.35	4.68	4.00	4.16	33611.24
ChUncHK	5.75	0.05	6.58	3.27	2.84	12.25	24789.52
CNNC Intl	7.30	0.11	7.52	5.81	1.88	17.36	19005.08
CSR	4.08	-0.18	5.26	2.37	5.27	10.75	2280.52
Daqin	7.08	0.03	8.21	6.18	7.45	9.76	14804.84
GuosenSec	9.71	-0.11	10.90	8.43	2.60	10.15	11817.04
HaitongSecs	5.16	-0.04	6.01	3.77	5.79	5.37	2249.77
HngzhHikVDT	34.96	-0.30	48.84	28.10	2.52	17.48	43902.1
Huneg Pwr	4.47	0.02	5.28	2.62	4.60	-4.81	2686.74
IM Baotou Stl	1.84	-	2.24	1.76	-	28.50	7890.19
Ind&CmBkCh	3.50	-0.07	4.73	3.37	9.02	3.08	38845.54
IndstrlBk	15.96	-0.14	18.27	15.01	5.35	3.98	45711.94
Kweichow	1803	-31.00	1939.5	1359	1.18	36.95	312265.62
Midea	0.35	-0.03	0.38	0.32	-	-3.64	13.48
New Ch Life Ins	20.10	-0.35	25.00	12.04	7.92	3.66	2657.97
PetroChina	5.77	-0.10	5.99	3.01	4.30	11.16	15567.61
PingAnIns	49.85	-1.60	64.15	31.30	5.23	7.60	47475.32
PngAnBnk	11.67	-0.22	15.74	10.39	1.64	6.34	31222.55
Pwr Cons Corp	5.78	0.03	8.38	5.61	1.69	10.93	10416.57
SaicMtr	14.47	-0.33	16.62	13.09	4.52	6.59	23308.27
ShenwanHong	0.11	-0.01	0.18	0.07	-	3.06	120.99
ShgPdgBk	7.10	-0.13	8.22	6.64	7.13	4.13	28732.26
Sinopec Corp	4.38	-0.07	5.47	3.06	3.31	5.06	13879.8
Sinopec Oil	2.16	0.02	2.39	1.82	-	653.33	4040.96
Denmark (kr)							
DanskeBk	161.10	-0.35	170.80	91.28	1.21	11.30	20324.24
MollerMrsk	13320	90.00	20500	11100	2.49	2.22	14545.11
NovoB	1238.6	-2.60	1293.6	734.50	0.74	61.14	311288.21
Finland (€)							
Nokia	3.55	0.01	5.20	3.41	-	12.56	21812.42
SampoA	40.60	-0.58	49.97	37.98	4.11	8.86	22622.21
France (€)							
Airbus Grp	130.64	-0.10	138.76	86.52	-	24.56	112597.22
AirLiquide	162.76	1.14	167.94	114.48	1.65	30.80	92957.2
AXA	27.96	0.12	30.34	21.79	4.99	9.65	68731.95
BNP Parib	59.68	0.13	67.02	41.53	4.37	8.81	80328.13
ChristianD	763.50	-6.50	872.00	578.50	0.89	28.58	150283.51
Cred Agr	11.58	0.03	12.03	8.11	6.73	6.49	38209.43
Danone	54.91	0.38	61.88	46.78	3.44	19.16	40582.87
EDF	12.00	-	12.05	7.27	3.97	9.44	53889.44
Engie SA	14.55	0.05	15.56	11.35	3.55	10.51	38627.83
EssilorLuxottica	176.14	0.84	188.40	137.05	0.60	55.08	87123.53
Hermes Intl	1928.4	3.60	2050.5	1161.5	0.23	84.90	221994.5
LOreal	415.50	3.20	442.60	300.70	0.94	51.91	242835.9
LVMH	816.20	-4.20	904.60	594.90	0.84	35.05	446837.04
Orange	10.32	0.05	11.87	9.08	5.67	35.11	29923.27
PernodRic	198.25	1.85	218.00	170.90	1.53	30.70	55263.06
Renault	37.50	-0.32	43.96	26.87	-	-28.72	12092.67
Safran	147.66	0.50	152.42	89.45	0.28	151.46	68795.94
Sanofi	97.61	0.54	105.18	77.01	3.20	20.24	134594.24
Sant Gbn	61.08	0.08	62.14	35.20	2.17	14.98	34231.86
Schneider	160.04	0.70	167.98	111.24	1.56	28.95	99969.09
SocGen	25.61	0.08	28.39	19.23	2.11	4.44	22920.89
Total	56.58	-0.59	60.93	46.11	4.65	11.15	154137.5
UnibailR	49.68	0.06	73.09	39.68	-	-7.44	7615.7
Vinci	103.48	-0.12	112.40	80.84	2.53	23.54	67301.4
Vivendi	8.04	-0.06	10.22	7.59	7.27	-14.73	9034.03
Germany (€)							
Allianz	224.30	1.05	228.40	156.22	4.17	14.53	98646.02
BASF	46.36	-0.40	53.77	37.90	6.94	7.87	45120.03
Bayer	52.71	0.14	65.66	47.01	3.70	53.01	56467.56
BMW	100.10	0.11	113.46	68.44	1.85	5.47	65710.39
Continental	78.92	0.36	79.24	44.44	-	-10.63	14669.21
Deut Bank	9.98	0.04	12.36	7.46	-	10.07	22194.5
Deut Tlkm	19.01	0.23	23.13	17.36	3.08	22.42	103377.71
DeutsPost	44.73	0.54	45.03	29.68	3.02	11.57	60466.66
E.ON	11.19	0.11	12.29	7.28	4.09	6.38	32229.82
Fresenius Med	45.15	-2.42	49.62	26.19	2.89	13.99	14445.91
Fresenius SE	29.92	-0.22	31.77	23.51	3.23	19.45	18071.44
HenkelKgaA	64.04	0.24	70.10	56.55	2.79	17.46	18130.89
Linde	349.80	0.35	358.85	272.55	1.04	55.74	186122.31
Mercedes-Benz	68.84	-0.27	76.10	50.65	1.91	7.06	80339.26
MuenchRkv	350.20	3.00	356.10	230.10	2.73	17.16	52114
SAP	127.14	1.94	129.54	81.25	1.42	29.24	170020.08
Siemens	138.72	1.30	167.00	95.07	2.46	21.40	121014.12
Volkswgn	136.50	-0.60	204.30	136.00	3.43	4.73	43923.19
Hong Kong (HK$)							
AIA	71.90	-1.00	93.65	57.25	1.74	17.60	105984.97
BOC Hold	22.30	-0.40	28.25	22.00	5.22	10.95	30149.66
Ch OSLnd&Inv	17.18	-0.22	23.75	14.58	6.56	4.08	24044.81
ChngKng	42.60	-0.50	55.20	41.60	3.88	9.37	19662.98
Citic Ltd	7.98	-0.19	10.86	7.01	6.32	3.53	29685.16
Citic Secs	15.62	-0.22	19.18	11.82	2.87	7.69	5233.39
CK Hutchison	42.60	-0.45	54.55	38.80	5.01	5.16	20864.17
CNOOC	13.00	-0.08	13.36	9.28	3.26	10.85	74703.52
HangSeng	104.90	-1.70	135.50	103.70	5.45	16.14	25645.75
HK Exc&Clr	304.60	-5.40	382.40	208.20	2.82	32.85	49383.4
MTR	34.50	-0.50	43.00	33.45	3.34	23.89	27415.11
SandsCh	28.20	-0.40	31.45	12.50	-	-29.79	29185.46
SHK Props	91.25	-1.55	115.90	83.10	5.09	9.97	33813.18
Tencent	333.20	-2.60	411.00	188.69	0.45	12.54	401173.68
India (Rs)							
Bhartiartl	867.05	-3.50	901.40	686.20	-	177.70	62561.43
HDFC Bk	1610.9	-7.90	1757.5	1365	-	26.22	146629.77
Hind Unilevr	2533.1	31.30	2769.65	2393	1.32	65.14	71754.29
HsngDevFin	2724.3	-23.05	2927.4	2160	0.90	21.87	61324.4
ICICI Bk	959.55	6.70	1008.7	796.00	0.22	29.24	80954.54
Infosys	1393.55	21.70	1672.6	1185.3	2.27	26.43	69725.89
ITC	449.20	0.45	499.70	308.55	2.50	35.93	67487.47
L&T	2659.9	21.40	2690	1787.4	0.71	42.35	45075.99
OilNatGas	178.00	0.80	180.45	123.50	5.33	4.84	26996.9
Reliance	2577.25	30.10	2856	2180	0.28	28.31	210232.01
SBI NewA	560.80	-13.35	629.55	499.35	2.14	15.01	60339.3
SunPhrmInds	1134.25	1.90	1169.7	856.80	0.69	40.57	32809.77
Tata Cons	3449.85	1.05	3575	2950.1	1.10	31.63	152195.03
Israel (ILS)							
TevaPha	36.24	-	38.52	26.37	-	27.35	10953.03
Italy (€)							
Enel	6.05	0.05	6.38	3.96	5.90	28.89	67116.35
ENI	14.01	-0.03	14.98	10.43	4.69	6.05	51589.77
Generali	18.64	0.18	19.67	13.67	7.69	10.74	31694.03
IntSPaolo	2.45	0.01	2.64	1.64	1.46	77.73	48744.87
Unicred	22.32	0.17	23.30	8.97	0.52	33.99	47236.42
Japan (¥)							
AstellasPh	2224	-23.50	2360.5	1823.5	2.44	29.05	27673.46
Bridgestne	5576	-83.00	6067	4548	3.51	11.00	27363.3
Canon	3587	-77.00	3912	2790.5	3.21	15.06	32895.86
CntJpRwy	18140	-105.00	18570	14920	0.85	-29.51	25694.23
Denso	9685	-118.00	10090	6389	1.71	23.03	52471.87
EastJpRwy	8080	-79.00	8325	6706	1.46	-7.03	20996.97
Fanuc	4102	-89.00	24930	4047	13.01	4.23	28291.74
FastRetail	33590	-910.00	37550	24750	1.84	13.68	73497.04
Fuji Hvy Ind	2613	-13.00	2806	1980	2.53	26.04	13819.62
Hitachi	9243	21.00	9633	5983	1.47	11.75	59629.15
HondaMtr	4483	-187.00	4707	3001	3.40	8.23	55836.86
JapanTob	3115	5.00	3252	2318.5	5.18	13.76	42837
KDDI	4205	28.00	4560	3873	3.37	12.22	66578.92
Keyence	59460	-1020.00	71890	47240	0.40	43.11	99433.62
MitsbCp	7110	-79.00	7455	3946	2.29	13.76	70275.95
MitsubEst	1041.16	-8.48	1053.08	904.42	-	-	-
MitsubishiEle	1849.5	-17.50	2105	1273	2.55	14.34	27306.01
MitsuiFud	936.36	-16.55	1147.48	776.93	-	-	-
MitUFJFin	1110	-11.50	1163	632.60	2.77	9.76	96836.16
Mizuho Fin	2317.5	-22.50	2451.5	1537	3.98	9.61	40462.82
Murata Mfg	8055	-104.00	8736	6438	1.76	14.03	37429.06
Nippon TT	164.20	0.60	178.90	146.96	75.50	0.45	102234.02
Nissan Mt	607.10	-16.90	665.00	408.10	-	16.72	17618.83
Nomura	537.20	-4.90	592.50	464.30	5.05	-31.34	11685.41
Nppn Stl	3350	-23.00	3430	1960.5	2.82	4.49	21890.04
Panasonic	1597.5	-53.00	1796	1006.5	1.85	13.70	26958.32
Seven & I	6165	115.00	6619	5246	1.97	19.90	37576.34
ShnEtsuCh	4547	-55.00	21055	3797	7.53	3.69	63283.86
Softbank	6631	-196.00	7297	4766	0.78	4.83	67023.33
Sony	12175	-390.00	14100	9213	0.58	13.19	105570.67
SumitomoF	6374	-66.00	6771	3962	3.70	10.52	58620.07
Takeda Ph	4447	-5.00	4645	3663	4.78	13.54	48383.2
TokioMarine	3080	-29.00	3421	2492	8.43	4.25	42408.64
Toyota	2408	-21.00	2549	1764	2.50	9.21	270130.84
Mexico (Mex$)							
AmerMvl	16.21	-0.21	20.25	15.67	1.88	14.04	40066.97
FEMSA UBD	193.18	3.10	194.58	121.35	0.98	169.10	24454.31
WalMrtMex	68.03	0.10	79.15	64.81	0.69	36.30	69579.67
Netherlands (€)							
ASML Hld	605.20	-0.50	698.10	376.10	0.54	47.92	266047.93
Heineken	90.96	0.92	106.30	78.28	1.05	16.17	57132.32
ING	13.09	-0.01	13.55	8.43	4.47	10.92	51665.02
Unilever	47.56	0.25	50.93	43.94	3.01	24.41	151524.96
Norway (Kr)							
DNB	211.90	-0.30	212.80	168.05	9.12	12.20	31212.56
Equinor	319.70	-13.20	410.95	278.70	1.71	12.42	91675.74
Telenor	109.55	-0.20	134.95	87.60	9.12	16.67	14639.07
Qatar (QR)							
QatarNtBk	16.67	0.11	23.00	14.31	3.18	12.79	42299.79
Saudi Arabia (SR)							
AlRajhiBnk	72.70	0.70	7317	0.00	3.10	13.14	77507.4
NatnlcomBnk	36.40	0.40	1552.5	0.00	3.74	13.02	58210.5
SaudiBasic	88.00	0.70	2115	0.00	3.46	12.20	70364.34
SaudiTelec	41.55	0.15	8480	0.00	9.03	7.83	55371.95
Singapore (S$)							
DBS	33.56	-0.06	36.40	30.30	3.45	13.81	63795.9
JardnMt US$	46.92	-1.01	57.80	42.60	3.43	8.35	13593.99
OCBC	12.60	-0.48	13.39	11.42	3.13	12.61	41745.21
SingTel	2.41	-0.03	2.82	2.31	2.92	40.83	29328.89
UOB	28.78	-0.20	31.40	25.91	3.24	12.85	35514.23
South Africa (R)							
Firstrand	71.89	-0.65	73.42	58.60	4.09	11.48	21134.14
MTN Grp	135.86	6.36	159.50	107.35	-	16.34	13416.15
Naspers N	3325.82	-30.53	3567.84	1694.37	0.20	15.77	75908.62
South Korea (KRW)							
HyundMobis	233000	-	250000	189500	1.80	8.68	16507.69
KoreaElePwr	18640	-320.00	22750	16500	6.89	-10.40	8991.74
SK Hynix	114900	-400.00	129000	73100	1.40	7.85	62855.03
SmsungEl	67300	-200.00	73600	51800	2.25	11.13	301898.41
Spain (€)							
BBVA	7.20	0.02	7.56	4.40	5.03	10.05	46849.48
BcoSantdr	3.60	0.00	3.87	2.33	2.07	7.39	63471.15
CaixaBnk	3.82	-0.02	4.14	2.85	0.69	25.77	31258.53
Iberdrola	10.88	-0.06	12.25	9.09	3.78	19.14	75340.52
Inditex	33.56	0.26	35.60	20.53	0.64	36.31	114055.78
Repsol	13.86	-0.26	15.54	11.05	4.22	8.67	19299.19
Telefonica	3.65	0.02	4.37	3.22	9.24	2.73	22887.69
Sweden (SKr)							
AtlasCpcoB	126.15	-0.45	140.95	89.48	6.47	7.60	18190.71
Ericsson	53.70	0.34	81.32	49.79	4.68	7.14	15291.73
H & M	167.72	0.54	189.58	98.25	4.19	20.86	22239.12
Investor	210.05	0.40	223.60	158.22	1.86	8.15	35354.94
Nordea Bk	120.96	-0.86	134.94	91.55	13.50	12.74	39998.5
SEB	127.65	-0.40	133.50	101.15	8.84	9.63	24951.47
SvnskaHn	94.94	-0.12	112.90	83.92	5.88	8.41	17057.41
Swedbank	194.85	-1.85	219.90	131.10	8.35	9.39	20377.13
Telia Co	21.55	-0.12	38.91	21.12	10.37	6.86	7828.28
Volvo	226.45	0.10	233.85	154.42	3.21	13.31	33231.04
Switzerland (SFr)							
ABB	33.99	0.18	35.74	23.86	2.21	17.18	72746.08
CredSuisse	0.82	0.01	5.86	0.66	11.32	-1.32	3611.19
Nestle	104.50	0.42	117.56	103.42	2.37	19.11	317296.87
Novartis	90.92	0.14	93.95	73.32	2.99	10.41	235478.79
Richemont	129.45	-0.85	161.10	91.80	1.36	32.52	76844.15
Roche	264.85	-0.30	335.85	256.05	3.00	18.69	211603.72
Swiss Re	85.56	0.38	99.68	68.18	6.24	21.78	30892.21
Swisscom	534.40	-0.20	619.40	443.40	3.71	16.75	31481.16
UBS	20.70	0.38	20.85	13.88	1.72	9.87	71665.22
Zurich Fin	414.70	0.30	458.30	384.60	4.36	14.56	70956.76
Taiwan (NT$)							
Chunghwa Telecom	117.00	-1.00	128.00	105.50	3.94	23.63	28421.81
Formosa PetChem	81.00	-0.90	90.00	75.20	0.79	14.48	24162.41
HonHaiPrc	110.00	1.50	116.50	98.00	3.92	10.29	47752.46
MediaTek	672.00	-7.00	795.00	533.00	5.94	8.87	33659.07
TaiwanSem	541.00	-5.00	594.00	370.00	2.13	19.97	439320.14
Thailand (THB)							
PTT Explor	35.75	-	38.25	29.50	5.55	9.61	29110.55
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	2074	-77.00	3648.5	2066	8.60	4.11	35124.54
AscBrFd	1982	9.50	2139	1223	0.31	32.76	19414.03
AstraZen	11114	84.00	12828.45	9499.21	1.86	1881.82	218098.68
Aviva	383.80	-1.70	471.00	366.70	5.56	50.50	13306.77
Barclays	145.88	-0.72	198.86	128.12	2.06	3.54	28602.77
BP	481.75	-4.65	570.57	4.75	3.27	17.48	105419.94
BrAmTob	2553.5	12.00	3536.5	2511	8.44	8.64	72303.89
BT	115.20	0.20	165.75	22.98	-	11.18	14490.72
Compass	2015	7.00	2250	1760	0.69	49.03	44107.7
Diageo	3379	23.50	3960	3246	2.15	25.99	96135.54
GlaxoSmh	1386	15.00	1609	16.64	5.77	16.00	71862.32
Glencore	433.80	-10.90	583.25	410.95	2.04	15.88	68015.36
HSBC	621.50	-3.30	665.60	434.70	2.60	13.58	155081.56
Imperial Brands	1810	2.00	2185	1692.5	7.63	6.05	20749.19
Jardine Mathes.	62.50	-	53.91	46.89	2.57	11.12	18107.94
LlydsBkg	42.84	-0.11	54.33	38.51	6.00	5.95	34814.92
LSE Group	8290	20.00	8893.86	7052	0.93	84.76	52973.88
Natl Grid	975.20	-5.80	1229.21	844.29	5.04	22.73	45537.66
Natwest Group	235.10	-0.90	310.00	210.90	4.47	9.26	26589.91
Prudential	1001.5	-7.00	1357.5	782.40	1.18	16.26	34911.95
ReckittB	5790	12.00	6752	5502	3.02	-25.05	52605.26
RELX	2586	18.00	2735	2124	1.84	34.12	61967.57
RioTinto	4647	-79.00	6354	4473	10.81	4.86	73610.55
RollsRoyce	209.00	1.30	212.00	64.44	-	142.18	22272.6
Shell PLC	2393.5	-22.50	2613.5	2140.5	2.53	12.61	202633.24
StandCh	751.40	-3.60	799.40	515.60	1.18	16.85	26533.35
Tesco	250.40	-0.80	307.23	194.35	3.65	12.75	22640
Unilever	4096	13.50	4868.64	3797.5	3.54	21.03	130511.24
Vodafone	72.19	-0.51	124.20	69.73	10.72	-161.50	24736.95
WPP	775.20	-4.40	1082	713.00	3.42	14.77	10549.68
United States of America ($)							
21stC Fox A	34.02	-0.58	37.26	28.02	1.29	14.73	9153.3
3M	103.35	-1.20	152.30	92.38	5.35	10.92	57048.42
AbbottLb	105.96	0.65	115.83	93.25	1.59	28.77	183869.85
Abbvie	152.32	0.14	168.11	130.96	3.19	25.26	268843.09
Accenture	311.04	1.99	327.93	242.80	1.11	33.78	206624.2
Activision Bli.	91.03	-0.18	93.67	70.94	0.48	28.31	71622.25
Adobe	520.90	12.45	552.94	274.73	-	54.82	237423.94
Advanced Micro	110.27	2.70	132.83	54.57	-	45.90	178160.08
AEP	80.21	-0.90	105.60	79.70	3.50	17.30	41322.27
Aflac	76.76	0.31	78.43	56.03	1.61	12.85	45598.04
AirProd	291.05	2.26	328.56	224.75	1.93	32.70	64656.4
Allstate	107.39	-1.65	142.15	100.57	2.82	6.77	28090.41
Alphabet	131.10	1.54	133.74	83.34	-	1.25	777786.64
Altria	43.62	-0.12	51.57	40.35	7.54	34.82	77399.61
Amazon	139.44	1.03	146.57	81.43	-	2.30	1430704.79
AmerAir	15.74	0.09	19.08	11.65	-	-4.50	10283.92
AmerExpr	165.87	0.60	182.15	130.65	1.05	17.23	122156.43
AmerIntGrp	59.89	-0.64	64.88	45.66	2.00	5.92	42635.67
AmerTower	186.30	-0.81	282.47	178.17	2.61	35.21	86844.77
Amgen	261.81	-0.70	296.67	211.71	2.51	27.24	140042.48
Amphenol Corp	87.61	0.40	90.28	65.21	0.83	37.34	52255.33
Analog Devices	184.79	1.58	200.10	133.48	1.41	66.38	92655.48
Aon Cp	323.43	2.63	347.37	266.35	0.58	62.34	65613.21
Apple	179.01	1.22	198.23	124.17	0.45	31.76	2798683.87
Applied Materi.	140.50	1.67	153.28	71.12	0.63	20.73	118437.29
Aptiv	97.58	-1.13	124.88	77.96	-	53.80	27596.58
ArcherDan	84.82	-	98.28	69.92	1.63	18.94	45472.14
AT&T	14.32	-0.06	22.84	13.43	13.58	5.55	102337.94
Autodesk	211.19	3.23	235.01	179.61	-	99.90	45136.88
AutomData	252.16	-0.66	274.92	201.46	1.42	41.76	103886.61
AutoZone	2502.74	18.91	2750	2050.21	-	24.19	45439.67
Avago Tech	847.12	17.36	923.18	415.07	1.66	51.18	349592
BakerHu	35.30	-0.18	36.48	20.42	1.96	87.40	35642.3
Bank of NY	45.43	-0.58	52.26	36.22	2.67	11.74	35380.09
BankAm	30.91	-0.39	38.60	26.32	2.36	9.26	245582.62
Baxter	42.93	-0.31	62.24	37.35	2.36	18.15	21739.96
BectonDick	283.09	0.78	287.32	215.90	1.11	52.39	82126.84
BerkshHat	544299.98	1399.98	556117	393012.25	-	9.79	313146.66
Biogen	272.10	-1.58	319.76	193.65	-	27.99	39406.43
BlackRock	691.26	-4.35	785.65	503.12	2.23	19.35	103206.94
Boeing	236.67	0.95	243.10	120.99	-	-35.41	142379.14
Booking Holdings	3220.67	14.44	3251.71	1616.85	-	122.30	114952.66
Bristol-Myers	61.58	0.35	81.44	59.71	3.05	21.11	128646.96
Broadcom	847.12	17.36	923.18	415.07	1.66	51.18	349592
Cadence Design	227.99	1.92	248.16	138.76	-	97.56	61965.4
CapOne	108.49	-1.89	120.94	83.93	1.72	4.31	41382.58
CardinalHlth	92.81	0.43	95.10	64.99	1.97	51.44	23629.44
Carnival	16.69	-0.10	19.55	6.11	-	-2.13	18675.06
Caterpillar	282.57	-2.66	293.88	160.60	1.42	25.55	144136.41
Centene Corp	66.66	0.90	98.53	61.34	-	31.27	36092.29
CharlesSch	62.63	-1.45	86.63	45.00	1.07	23.67	110872.57
Charter Comms	426.46	-1.48	484.27	297.66	-	18.64	63828.67
Chevron Corp	163.95	-0.20	189.68	140.46	3.03	21.55	306134.85
Chipotle Mexic.	1859.75	13.20	2175.01	1344.05	-	86.88	51306.06
Chubb	201.81	0.04	231.37	173.78	1.47	11.20	82890.42
Cigna	290.94	1.43	340.11	240.50	1.29	19.79	86110.98
Cintas Corp	492.67	2.66	518.71	370.93	0.69	46.20	50125.02
Cisco	53.86	0.07	54.14	38.61	2.59	20.46	219482.63
Citigroup	44.12	-0.46	54.56	40.01	4.32	4.65	85880.96
CME Grp	206.00	0.23	209.31	166.55	1.63	30.23	74098.2
Coca-Cola	61.14	-0.04	65.47	54.02	2.57	29.07	264368.82
Cognizant	70.79	0.71	72.71	51.33	1.27	18.70	35751.88
ColgtPlm	76.17	-0.73	83.81	67.84	2.20	31.95	62969.09
Comcast	46.53	0.50	46.87	28.39	2.01	16.37	191482.41
ConocPhil	117.45	-0.36	138.49	91.53	1.55	20.70	140645.28
Constellation	267.75	0.07	273.65	208.12	1.07	-1289.68	49078.58
Corning	32.30	-0.13	37.73	28.98	2.78	26.99	27551.32
Corteva	51.73	-0.68	68.43	51.51	0.96	23.34	36716.09
Corteva	51.73	-0.68	68.43	51.51	0.96	23.34	36716.09
Costco	564.30	1.34	571.16	447.90	0.53	48.19	250039.11
CrownCstl	103.20	-1.22	184.92	102.20	4.95	41.35	44753.46
CSX	30.75	-	34.70	25.80	1.19	18.17	61694.65
CVS	74.45	-0.42	107.26	66.34	2.51	13.39	95623.5
Danaher	257.60	2.18	303.82	221.22	0.33	31.44	190199.5
Deere	436.94	1.87	450.00	328.62	0.84	25.67	128107.37
Delta	44.24	0.07	49.81	27.20	-	56.80	28464.9
Devon Energy	50.03	-0.39	78.82	44.03	3.68	12.77	32051.02
Digital Realty	121.82	1.49	135.20	85.76	3.56	21.94	36876.05
DiscFinServ	102.85	-0.71	122.50	87.64	1.71	6.17	25707.15
Disney	88.34	-0.69	126.48	84.07	-	54.94	161633.51
Dollar General	164.07	-0.79	261.59	151.27	0.97	17.09	35986.2
DominRes	48.65	-0.94	86.28	48.32	4.84	16.31	40709
DukeEner	92.80	-1.02	113.67	83.76	3.93	20.14	71521.66
DuPont	76.53	0.21	78.74	49.52	1.47	25.35	35131.94
Eaton	219.76	1.40	225.76	129.85	1.29	44.02	87684.24
eBay	44.18	-0.32	50.75	35.92	1.52	124.37	23510.71
Ecolab	184.00	-0.37	191.41	131.04	0.99	50.34	52444.82
Edwards Lifesc.	80.35	0.94	105.45	67.13	-	36.11	48843.04
Elevance	472.23	-1.83	549.52	412.00	0.95	19.33	111279.05
Eli Lilly	539.07	11.92	542.30	296.32	0.59	94.23	511736.55
Emerson	95.84	0.10	99.65	72.41	1.98	22.39	54772.5
EOG Res	131.37	-0.96	150.88	98.52	1.15	17.59	76491.61
Equinix	776.09	1.92	821.63	494.89	1.38	150.13	72614.34
EquityResTP	65.29	-1.13	80.89	54.60	3.45	20.38	24747.03
Exelon	39.98	-0.53	47.23	35.19	3.58	24.58	39788.86
ExxonMb	111.38	-0.45	119.92	83.89	2.93	22.11	445875.61
Fedex	266.70	0.93	270.95	141.92	1.00	15.35	67077.82
Fidelity NIS	56.07	-0.22	103.62	48.57	2.60	89.52	33219.54
Fiserv	114.23	2.00	122.39	87.03	-	62.66	71750.87
FordMtr	12.18	0.04	16.68	10.90	0.77	2.93	47884.13
Franklin	27.70	-0.21	32.88	20.24	3.81	7.84	13821.69
GenDyn	226.42	-0.57	256.86	202.35	1.93	20.97	61822.3
GenElectric	115.70	1.10	117.96	48.29	0.26	-38.08	125925.36
GenMills	72.52	-0.15	90.89	71.20	2.65	20.49	42437.45
GenMotors	34.14	0.25	43.63	31.11	-	5.45	46973.41
GileadSci	79.86	-0.14	89.74	61.45	3.32	17.33	99506.71
GoldmSchs	338.01	-2.72	389.58	287.75	1.80	6.08	111432.12
Halliburton	40.39	-0.32	41.68	23.30	0.61	24.28	36287.79
HCA Hold	269.65	0.07	304.86	178.32	0.67	13.63	73340.2
Hew-Pack	32.07	-0.70	35.32	24.08	2.45	6.19	31619.61
Hilton Worldwi.	154.92	0.08	157.14	116.39	-	113.51	40513.68
HiltonWwde	154.92	0.08	157.14	116.39	-	113.51	40513.68
HomeDep	330.62	-0.49	347.25	265.61	1.88	22.56	332397.26
Honywell	189.95	-0.73	220.96	166.63	1.86	25.69	126116.15
HumanaInc	498.31	4.40	571.30	423.29	0.53	23.51	61743.35
IBM	142.36	-0.76	153.21	115.55	4.30	29.23	129690.85
IDEXX Laborato.	507.97	2.46	564.74	317.06	-	63.18	42167.4
IllinoisTool	237.24	-0.19	264.19	180.27	1.86	29.82	71739.08
Illumina	176.03	-4.45	248.87	175.62	-	37.36	27865.55
Intcntl Exch	114.83	0.84	117.85	88.60	1.07	17.11	64339.41
Intel	35.08	0.19	37.19	24.59	3.70	7.72	146894.1
Intuit	502.38	4.61	514.14	352.63	0.48	67.30	140716.64
John&John	172.28	-1.57	181.04	150.11	2.27	23.60	447750.48
JohnsonCn	59.28	-0.11	70.43	48.82	1.81	28.96	40329.37
JPMrgnCh	154.67	0.22	159.38	101.28	2.30	10.77	449484.21
Kimb-Clark	128.22	0.26	147.87	108.74	3.43	25.74	43362.1
KinderM	17.70	-0.08	19.36	16.00	5.87	40.90	39438.53
KLA Corp	483.01	4.03	517.30	250.20	0.75	26.59	66037.16
Kraft Heinz	34.33	-0.23	42.80	32.73	4.36	44.78	42161.21
Kroger	48.53	-0.16	52.00	41.82	1.52	23.70	34833.98
LasVegasSd	55.91	-0.50	65.58	33.38	-	-39.61	42740.24
LibertyGbl	18.47	-0.06	22.27	15.22	-	0.84	3164.68
Lilly (E)	539.07	11.92	542.30	296.32	0.59	94.23	511736.55
Linde	382.59	0.77	393.67	262.47	1.04	55.91	186683.7
Lockheed	453.31	-0.74	508.10	381.55	2.29	20.82	114157.72
Lowes	225.30	1.61	237.21	176.50	1.26	19.83	132018.54
Lyondell	99.35	0.19	101.30	71.46	4.18	6.34	32208.99
Marathon Ptl	148.73	-1.02	149.76	89.40	1.46	78.76	59468.81
Marsh&M	192.69	0.84	194.16	148.11	1.30	31.71	95179.94
MasterCard	398.25	3.27	405.19	276.87	0.53	48.63	375171.45
McDonald's	288.36	-0.27	299.35	230.58	1.70	30.72	210142.59
McKesson	436.76	-3.30	441.00	331.75	0.38	52.91	58919.96
Medtronic	83.14	-0.31	95.60	75.77	2.80	24.27	110609.91
Merck	108.75	1.31	119.65	84.52	2.27	23.94	275955.43
Meta	304.30	2.66	326.20	88.09	-	23.64	676331.87
Metlife	63.86	0.21	77.36	48.95	2.78	9.35	48023.25
Microsoft	322.95	1.94	366.78	213.43	0.67	36.79	2399442.19
Mnstr Bvrg	59.14	0.96	60.47	42.81	-	24.62	61950.23
MondelezInt	73.73	-0.24	78.59	54.72	1.69	25.94	100303.61
Monsanto	10.07	0.02	11.13	9.56	-	51.84	251.75
MorganStly	87.28	-0.42	100.99	74.67	2.25	11.63	144620.04
Netflix	426.76	5.10	485.00	211.73	-	40.62	189118.69
NextEraE	68.52	-0.40	91.35	67.91	2.22	96.29	138664.88
Nike	107.63	-0.46	130.22	82.22	1.02	30.09	131854.75
NorfolkS	214.32	-1.59	264.22	196.33	1.81	18.93	48653.91
Northrop	431.24	0.19	556.27	429.10	1.34	10.60	65246.48
NXP	206.20	2.00	225.57	132.08	1.02	32.49	53157.51
Occid Pet	65.15	-0.69	77.13	55.51	0.06	33.83	57637.03
Oracle	115.29	2.23	127.54	60.78	1.05	46.63	312926.92
Pepsico	184.50	0.46	196.88	160.98	2.15	35.95	253979.12
Perrigo	39.21	-0.28	42.21	30.78	2.29	-42.80	5308.91
Pfizer	36.18	0.14	54.93	34.66	4.03	9.85	204270.82
Phillips66	115.23	-1.41	117.29	74.02	2.94	41.50	51310.53
PhilMorris	96.08	-0.08	105.62	82.85	4.77	17.63	149149.33
PNCFin	127.24	-2.70	176.34	110.31	3.53	10.72	50673.91
PPG Inds	138.88	2.24	152.89	107.40	1.60	32.60	32706.87
ProctGmbl	156.52	-0.50	158.38	122.18	2.14	28.46	368965.56
Prudntl	95.12	-0.09	110.96	75.37	4.52	5.22	34528.56
PublStor	283.31	-3.61	357.13	270.13	2.64	30.71	49814.25
Qualcomm	114.07	-0.55	152.91	101.47	2.20	13.98	127296.54
Raytheon	86.37	-0.47	108.84	80.27	2.17	35.81	125712.83
Regen Pharm	804.55	-2.40	837.55	572.22	-	11.96	85878.13
S&P Global	389.09	1.40	428.65	279.32	0.74	33.27	123808.44
Salesforce	210.63	1.93	238.22	126.34	-	150.80	205153.62
Schlmbrg	59.67	0.02	62.78	33.80	0.78	48.36	84802.17
Sempra Energy	142.58	-1.77	176.47	136.54	2.88	38.04	44863.31
Shrwin-Will	275.29	1.57	283.80	195.24	0.75	42.19	70790.44
SimonProp	119.15	0.28	129.95	86.02	5.61	18.63	38984.81
SouthCpr	81.53	-0.63	87.59	42.42	3.67	19.87	63027.64
Starbucks	100.61	-0.38	115.48	81.67	1.71	29.09	115238.58
StateSt	71.56	-2.12	94.74	58.62	2.85	10.65	22801.9
Stryker	285.49	3.38	306.93	200.80	0.85	58.62	108422.9
Sychrony Fin	34.25	-0.52	40.89	26.59	2.47	4.83	14322.77
T-MobileUS	139.31	0.97	154.38	124.92	-	61.84	163892.26
Target	129.95	-1.11	183.89	125.08	2.29	9.77	59977.36
TE Connect	133.72	0.68	146.60	104.76	1.38	19.44	41979.87
Tesla Mtrs	237.10	-5.55	314.67	101.81	-	51.76	752554.09
TexasInstr	169.09	2.89	188.12	145.97	2.33	21.90	153523.49
TheTrvelers	166.61	-0.25	194.45	149.65	2.03	10.99	38144.08
ThrmoFshr	540.43	-3.35	609.85	475.77	0.18	29.71	208578.84
TJX Cos	86.80	0.91	87.81	59.78	1.13	34.07	99753.9
Truist Financial Corp	30.75	-0.99	53.34	25.56	5.66	7.36	40951.6
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	229.69	0.20	242.36	183.69	1.88	22.70	139982.95
UPS	175.35	-1.27	209.39	154.87	2.18	12.78	126826.41
USBancorp	38.77	-0.70	49.93	27.27	4.24	8.13	59425.41
UtdHlthcre	511.87	3.86	558.10	445.68	1.02	30.29	474147.81
ValeroEngy	136.27	-2.79	160.16	97.73	2.69	64.22	48121.42
Verizon	33.44	0.08	46.05	31.25	7.09	6.72	140583.1
VertexPharm	350.79	0.93	367.00	276.57	-	41.65	90537.08
VF Cp	20.12	-0.49	48.20	16.77	9.15	7.06	7824.03
Visa Inc	242.79	2.75	250.58	174.60	0.51	43.00	390111.96
Walgreen	29.08	-0.28	42.29	28.14	6.17	4.50	25099.33
WalMartSto	160.73	-0.47	162.78	128.07	1.29	34.97	432819.39
Walt Disney	88.34	-0.69	126.48	84.07	-	54.94	161633.51
Waste Manage.	161.81	0.87	175.98	148.31	1.33	40.35	65540.65
WellsFargo	43.78	0.05	48.84	35.25	1.65	9.47	79814.72
Williams Cos	35.13	-0.26	35.79	27.80	4.36	30.30	42726.8
Workday	229.10	2.64	240.18	128.72	-	2023.02	47193.57
Yum!Brnds	135.06	0.86	143.25	103.97	1.38	27.73	37843.93
Zoetis	191.19	0.36	194.99	124.15	0.49	47.90	88007.99
Zoom	67.09	0.49	113.79	60.45	-	15.80	16831.2
Venezuela (VEF)							
Bco de Vnzla	4.24	-	4.59	1.04	154.35	-	491.12
Bco Provncl	8.90	-	79400	6.80	-	0.00	106.00

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

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Lilly (E)	539.07	527.15	11.92	2.26	73.07	18.7	20.04
Eli Lilly	539.07	527.15	11.92	2.26	73.07	18.7	20.04
NovoB	1238.60	1241.20	-2.60	-0.21	149.80	13.5	18.44
AstellasPh	2224.00	2247.50	-23.50	-1.05	236.50	10.6	10.80
Seven & I	6165.00	6050.00	115.00	1.90	290.00	7.0	-0.03
MTN Grp	135.86	129.50	6.36	4.91	2.50	7.0	-0.25
UBS	20.70	20.32	0.38	1.87	0.95	6.9	14.40
Fresenius SE	29.92	30.14	-0.22	-0.73	2.09	6.7	6.56
Perrigo	39.21	39.49	-0.28	-0.71	2.69	6.5	15.19
Marathon Ptl	148.73	149.75	-1.02	-0.68	9.75	6.2	25.54
CNOOC	13.00	13.08	-0.08	-0.61	0.80	5.9	7.05
Zoetis	191.19	190.83	0.36	0.19	10.14	5.8	11.10
VF Cp	20.12	20.61	-0.49	-2.38	1.55	5.6	4.95
ValeroEngy	136.27	139.06	-2.79	-2.01	9.77	5.4	20.03
Allianz	223.95	223.25	0.70	0.31	9.25	4.6	4.60
SAP	127.08	125.20	1.88	1.50	3.64	4.5	4.41
SampoA	40.60	41.18	-0.58	-1.41	2.25	4.3	3.57
ImpOil	74.08	74.62	-0.54	-0.72	3.51	4.2	14.35
PetroChina	5.77	5.87	-0.10	-1.70	0.33	4.2	-0.17
ExxonMb	111.38	111.83	-0.45	-0.40	4.63	3.9	10.36

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 %
New Ch Life Ins	20.10	20.45	-0.35	-1.71	-2.25	-11.5	-1.48
ChinaMBank	33.15	34.15	-1.00	-2.93	-3.25	-11.4	-2.22
ChinaLife	12.30	12.66	-0.36	-2.84	-1.14	-10.9	-2.39
Midea	0.35	0.38	-0.03	-7.89	-0.01	-10.3	-9.09
ShenwanHong	0.11	0.11	-0.01	-4.42	-0.01	-10.0	-11.48
ChinaPcIns	18.82	19.06	-0.24	-1.26	-1.79	-9.7	-9.08
Aptiv	97.58	98.70	-1.13	-1.14	-8.45	-8.9	-12.03
PingAnIns	49.85	51.45	-1.60	-3.11	-3.05	-8.5	-4.04
Citic Secs	15.62	15.84	-0.22	-1.39	-1.20	-8.3	8.77
GenMotors	34.14	33.89	0.25	0.74	-3.20	-8.0	-14.71
China Vanke	9.85	10.04	-0.19	-1.89	-0.66	-7.9	-6.19
Vale	62.34	65.51	-3.17	-4.84	-2.05	-7.7	-9.09
Bausch Hlth	11.21	11.32	-0.11	-0.97	-0.82	-7.7	0.45
GuosenSec	9.71	9.82	-0.11	-1.12	-0.69	-7.6	7.41
Ch Rail Cons	5.24	5.28	-0.04	-0.76	-0.39	-7.6	-8.39
Carnival	16.69	16.79	-0.10	-0.62	-1.25	-7.5	-3.08
Cielo	3.86	3.93	-0.07	-1.78	-0.24	-7.4	-14.00
Siemens	138.04	137.42	0.62	0.45	-11.42	-7.3	-7.35
Ch Rail Gp	4.74	4.80	-0.06	-1.25	-0.29	-6.9	-8.30
Applied Materi.	140.50	138.83	1.67	1.20	-11.55	-6.6	-1.51

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Aug 14	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

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

BONDS: GLOBAL INVESTMENT GRADE

Aug 14	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-

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

INTEREST RATES: OFFICIAL

Aug 14	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	3.438	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

Aug 14 (Libor: Aug 11)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	5.06157	0.010	4.136	-0.002	5.42496	5.62618	5.84334	6.04143
Euro Libor	-0.64957	-0.064	-0.224	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	-0.043	0.001	4.20130	5.47090	4.74470	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.02617	0.07165	0.04867
Euro Euribor				0.017	3.63800	3.78100	3.92800	4.05600
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.010	5.39000	5.53000	5.67000	
Euro CDs				0.000	3.67000	3.74000	3.84000	

Aug 14	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	3.39	3.69	3.45	3.75	3.52	3.82	3.59	3.89	3.69	3.99	3.76	4.06
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	5.13	5.33	5.15	5.35	5.29	5.49	5.43	5.63	5.57	5.77	5.68	5.88
Japanese Yen	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15	0.05	-0.05	0.15	0.00	0.20

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

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	205.85	-0.36	-1.80	1.05	-0.24	0.99
Corporates(£)	324.71	-0.74	-0.85	0.49	2.42	-7.43
Corporates(€)	213.20	-0.33	-0.35	2.84	1.16	-3.43
Eurozone Sov(€)	210.83	-0.52	-0.70	1.59	0.80	-8.56
Gilts(£)	256.10	-1.34	-2.05	-5.00	0.99	-17.67
Overall(£)	268.52	-1.16	-1.69	-3.58	1.32	-15.05
Overall(€)	207.75	-0.47	-0.61	1.74	0.86	-7.20
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	704.77	-1.93	-	-	5.45	1.57
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	404.25	1.47	4.32	17.04	510.17	376.12
Europe 5Y	71.88	0.32	0.68	1.35	101.15	66.40
Japan 5Y	62.81	-0.22	-1.87	-8.03	99.54	61.83
Senior Financials 5Y	82.01	0.43	1.60	0.96	124.01	76.46
Markit CDX						
Emerging Markets 5Y	202.65	2.15	2.37	-2.07	265.81	189.34
Nth Amer High Yld 5Y	430.07	-1.49	-5.21	0.18	511.98	408.40
Nth Amer Inv Grade 5Y	66.06	-0.71	-2.02	-1.01	88.71	62.55

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

VOLATILITY INDICES

	Aug 14	Day Chng	Prev	52 wk high	52 wk low
VIX	14.98	0.14	14.84	34.85	12.73
VXD	12.90	-0.59	13.49	34.44	3.10
VXN	20.55	0.10	20.45	40.18	5.85
VDAX	17.32	-0.49	17.81	93.30	-

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

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	79.28	4.09	0.06	-0.08	-0.10	0.79
	02/50	1.00	93.65	1.98	0.06	-0.02	-0.03	0.57
Austria	02/29	0.50	87.13	3.07	0.08	0.04	-0.12	1.93
	02/47	1.50	70.18	3.35	0.06	0.05	-0.02	1.50
Belgium	06/27	0.80	92.10	3.00	0.06	0.03	-0.17	2.06
	06/47	1.60	68.31	3.60	0.07	0.06	0.01	1.42
Canada	03/25	1.25	94.75	4.81	0.06	0.10	-0.01	1.66
	06/30	1.25	85.16	3.74	0.08	0.10	0.08	0.96
	12/48	2.75	86.99	3.53	0.03	0.04	0.14	0.63
Denmark	11/29	0.50	87.08	2.78	0.09	0.05	-0.12	1.58
	11/39	4.50	119.81	2.95	0.07	0.03	-0.03	1.40
Finland	09/24	0.00	96.30	3.53	0.07	0.05	-0.08	2.95
	09/29	0.50	86.16	3.02	0.07	0.05	-0.10	1.82
France	05/28	0.75	90.24	2.97	0.08	0.05	-0.14	1.92
	05/48	2.00	75.28	3.51	0.07	0.05	0.01	1.44
Germany	08/29	0.00	85.93	2.56	0.08	0.05	-0.11	1.82
	08/48	1.25	74.42	2.66	0.07	0.05	0.06	1.46
Greece	-	-	-	-	-	-	-	-
	01/28	3.75	100.94	3.51	0.03	-0.01	-0.23	0.89
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	94.87	2.97	0.06	0.03	-0.23	2.11
	02/45	2.00	78.17	3.45	0.06	0.08	0.00	1.42
Italy	02/25	0.35	95.34	3.66	0.04	0.02	-0.21	2.20
	05/30	0.40	91.94	1.67	0.06	0.05	-0.35	1.19
	03/48	3.45	84.92	4.47	0.08	0.00	-0.11	1.19
Japan	04/25	0.05	99.96	0.07	0.00	-0.01	0.04	0.07
	12/29	0.10	98.69	0.31	0.00	-0.05	0.08	0.23
	12/49	0.40	77.16	1.45	0.00	-0.06	0.19	0.37
Netherlands	07/27	0.75	92.26	2.87	0.08	0.03	-0.18	2.04
	01/47	2.75	96.50	2.96	0.07	0.05	0.04	1.45
New Zealand	05/31	1.50	78.76	4.82	0.04	0.00	0.05	1.41
	09/40	2.50	117.37	2.83	0.04	-0.01	-0.02	1.01
Norway	08/30	1.38	84.88	3.88	-0.06	-0.20	-0.03	1.09
Poland	-	-	-	-	-	-	-	-
	07/27	2.50	90.45	5.24	0.03	-0.08	-0.22	-0.56
	04/47	4.00	80.30	5.51	-0.01	-0.03	-0.21	-0.59
Portugal	04/27	4.13	103.72	3.03	0.06	0.02	-0.10	1.95
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	84.91	3.33	0.08	0.03	-0.12	1.73
	10/46	2.90	83.19	4.03	0.08	0.04	0.00	1.48
Sweden	06/30	0.13	113.28	0.97	0.06	0.10	-0.06	2.27
	03/39	3.50	108.27	2.84	0.06	0.08	0.05	1.41
Switzerland	04/28	4.00	113.34	1.04	0.06	0.06	-0.09	0.73
	06/29	0.00	94.08	1.05	0.06	0.05	-0.09	0.74
United Kingdom	-	-	-	-	-	-	-	-
	07/27	1.25	87.82	4.67	0.15	0.14	-0.41	2.77
	07/47	1.50	53.85	4.75	0.15	0.14	0.02	2.25
United States	-	-	-	-	-	-	-	-
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

GILTS: UK CASH MARKET

Aug 14	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 2.25pc '23	99.82	5.17	-0.58	0.19	0.39	137.16	100.00	97.34	35.92
Tr 0.125pc '24	97.77	5.09	0.59	2.21	-1.36	134.56	97.78	94.34	35.55
Tr 2pc '25	94.04	5.08	0.99	2.83	-2.68	163.21	100.43	92.80	39.93
Tr 0.125pc '26	89.24	4.82	0.84	2.77	-2.23	148.45	94.20	86.33	35.32
Tr 1.25pc '27	87.74	4.70	0.86	2.84	-1.26	143.52	97.20	85.65	40.99
Tr 0.5pc '29	80.17	4.66	0.87	2.87	0.43	136.55	93.28	78.21	28.92
Tr 1pc '32	75.43	4.53	0.89	2.49	2.26	114.69	119.81	74.54	35.96
Tr 4.25pc '36	96.15	4.66	0.87	2.42	3.10	90.20	122.10	94.91	31.68
Tr 4.5pc '42	96.29	4.80	0.84	2.56	3.90	85.33	132.01	93.79	28.35
Tr 3.75pc '52	84.44	4.74	0.64	2.38	4.18	86.61	127.95	82.51	25.11
Tr 4pc '60	89.30	4.61	0.44	2.22	4.06	86.64	140.54	87.32	25.13

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

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Aug 14	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	80.19	-0.07	2331.10	0.53	-2.97	4.90
2 5 - 10 Years	139.49	-0.26	3008.75	-0.27	-12.98	4.53
3 10 - 15 Years	145.74	-0.41	3405.65	-1.35	-18.57	4.67
4 5 - 15 Years	139.90	-0.30	3100.88	-0.57	-14.56	4.58
5 Over 15 Years	187.74	-0.47	3314.48	-3.05	-30.63	4.69
7 All stocks	126.52	-0.27	2872.69	-0.99	-17.12	4.68

Index Linked	Aug 14	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	324.60	-0.11	0.24	-0.70	2768.05	0.24	0.43
2 Over 5 years	498.28	-0.36	-1.76	-27.12	3813.26	-1.71	-26.69
3 5-15 years	439.83	-0.42	-0.30	-13.56	3581.61	-0.19	-12.78
4 Over 15 years	538.59	-0.32	-2.74	-34.70	3993.58	-2.73	-34.45
5 All stocks	479.77	-0.30	-1.32	-23.45	3748.44	-1.28	-22.93

Yield Indices	Aug 14	Aug 11	Yr ago		Aug 14	Aug 11	Yr ago
5 Yrs	4.60	4.55	1.77	20 Yrs	4.79	4.75	2.50
10 Yrs	4.59	4.55	2.11	45 Yrs	4.51	4.48	2.30
15 Yrs	4.73	4.69	2.41				

Real yield	inflation 0% Aug 14	Dur yrs	Previous	Yr ago	inflation 5% Aug 14	Dur yrs	Previous	Yr ago
Up to 5 yrs	1.64	2.63	1.59	-2.59	1.37	2.65	1.32	-3.07
Over 5 yrs	1.16	19.01	1.14	-0.93	1.14	19.06	1.12	-0.95
5-15 yrs	1.00	9.53	0.96	-1.65	0.92	9.55	0.88	-1.72
Over 15 yrs	1.20	25.04	1.19	-0.81	1.19	25.05	1.18	-0.82
All stocks	1.18	15.40	1.16	-0.95	1.14	15.47	1.12	-0.97

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

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

POWERED BY MORNINGSTAR

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Sep	82.28	-0.91	Corn♦	Sep	470.25	-4.25
Brent Crude Oil‡		86.18	-0.63	Wheat♦	Sep	616.75	-10.00
RBOB Gasoline†	Oct	2.92	-0.05	Soybeans♦	Sep	1343.75	6.50
Natural Gas†	Sep	2.82	0.05	Soybeans Meal♦	Sep	412.50	2.20
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)✠	Sep	2651.00	22.00
Aluminium		2147.00	-31.50	Cocoa (ICE US)♥	Sep	3323.00	26.00
Aluminium Alloy		2150.00	-75.00	Coffee(Robusta)✠	Sep	2625.00	-47.00
Copper		8259.00	-36.00	Coffee (Arabica)♥	Sep	154.65	-3.15
Lead		2101.00	-28.00	White Sugar✠		693.70	-3.40
Nickel		20185.00	-90.00	Sugar 11♥		24.11	-0.22
Tin		25320.00	-1135.00	Cotton♥	Oct	87.09	-2.20
Zinc		2349.00	-49.00	Orange Juice♥	Sep	300.00	-2.05
Precious Metals (PM London Fix)				Live Cattle♣	Aug	180.33	-0.78
Gold		1915.80	-5.10	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2269.00	-11.00	Lean Hogs♣	Oct	81.48	1.15
Platinum		911.00	10.00				
Palladium		1324.00	55.00		Aug 11	% Chg Month	% Chg Year
Bulk Commodities							
Iron Ore		105.37	0.77	S&P GSCI Spt	585.12	4.03	-13.01
Baltic Dry Index		1129.00	-8.00	DJ UBS Spot	104.86	0.26	-14.89
Richards Bay ICE Futures		110.00	1.00	TR/CC CRB TR	313.01	5.01	-0.81
				LEBA EUA Carbon	58.91	-1.98	129.94
				LEBA UK Power	1048.00	-37.43	-39.60

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

BONDS: INDEX-LINKED

	Price Aug 11	Yield Aug 11	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	106.55	2.178	2.132	-0.13	5.25	67654.23	8
Fr 0.10%' 25	98.80	0.882	0.867	0.19	12.79	244607.31	18
Swe 1.00%' 25	127.59	1.263	1.229	0.28	35.93	227282.77	7
UK 0.125%' 26	96.32	1.568	1.441	-0.17	13.45	496772.55	31
	-	-	-	-	-	-	-
UK 2.00%' 35	237.48	0.958	0.826	-1.99	9.08	496772.55	31
US 0.625%' 26	95.31	2.634	2.622	-0.05	42.42	1619389.89	48
US 3.625%' 28	106.83	2.085	2.040	-0.42	16.78	1619389.89	48

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

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	4.09	1.53	-0.19	Netherlands	2.87	0.31	-1.40
Austria	3.07	0.51	-1.20	New Zealand	4.82	2.26	0.55
Canada	3.74	1.18	-0.53	Norway	3.88	1.32	-0.39
Denmark	2.78	0.22	-1.49	Portugal	3.03	0.47	-1.24
Finland	3.02	0.46	-1.25	Spain	3.33	0.77	-0.94
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

Ancient tragedy dazzles anew

MUSIC/THEATRE

Trojan Women; As Far As Impossible
Festival Theatre/Royal Lyceum, Edinburgh

Fergus Morgan

Yi So-yeon in 'Trojan Women' at the Edinburgh International Festival — Jess Shurte

This operatic adaptation of the Greek tragedy *Trojan Women*, staged at Edinburgh's Festival Theatre, has gained a global reputation. Produced by the National Changgeuk Company of Korea and directed by Singaporean hotshot Ong Keng Sen, it premiered in Seoul in 2016 then toured the world, visiting London in 2018. In Edinburgh for a short run (which ended on Friday), Euripides's 2,500-year-old study of the fate of ancient Ilium's female inhabitants resonated afresh.

It is a spectacular show, visually and musically (performed in Korean with English surtitles). Changgeuk is a contemporary kind of Korean musical, descended from the older opera form pansori, heavy in epic arias and stately choreography. Here, designer Cho Myung Hee reimagines the ruins of Troy as a curving space, backed by a giant window, dominated by a swooping structure like a modernist bus shelter, and splashed with starry projections. It could be the observation deck of a spaceship.

The score — written by Ahn Sook-Sun with contributions from *Parasite* film score composer and K-pop star Jung Jae-Il, and played live by a 10-strong orchestra — sounds like something out of sci-fi, too, all thundering drums and sawing strings. At its bombastic best, it blows the audience away.

The production progresses solemnly, allowing room for the shifting power dynamics to unfold. Kim Kum-mi puts in a titanic performance as Queen Hecuba, lamenting her losses in throaty song. Yi So-yeon is formidable as Cassandra and Choi Ho-Sung's self-pitying Menelaus provides comic relief.

The eight-strong all-female chorus captivates, too. Dressed in white, they toy with blood-red balls of wool, fretting over their prospects under the victorious Greeks.

The most surprising appearance, though, is that of male actor Kim Jun-soo as mythological beauty Helen. Euripides already explores myriad misfortunes that have befallen women through the centuries — forced marriage, domestic abuse, victim-blaming — but this clever casting slides a new lens over his tragedy, one that taps into contemporary conversations around gender. It is a deft decision in a dazzling production. ★★★★☆

Across town, the Royal Lyceum Theatre hosts the UK premiere of *As Far As Impossible*. Created by Portuguese theatremaker and Festival d'Avignon director Tiago Rodrigues with the Comédie de Genève in 2022, the show is a verbatim collection of stories from aid workers around the world. Four supremely understated performers — Adrien Barazzone, Beatriz Brás, Baptiste Coustenoble and Natacha Koutchoumov — recount these tales exactly as they were told, verbal tics and all, the matter-of-fact delivery contrasting compellingly with the harrowing content.

There are flashes of humour, but mostly these stories are horrific — amputations and operations amid falling bombs, impossible decisions and dreadful discoveries in stressful situations. Rodrigues is unspecific — organisations, countries, conflicts and people are never identified — but he includes plenty of authenticating detail, such as the fact that corpses smell like pineapple, or that aid workers have a lot of sex. A lot.

There is no romanticising here. Rodrigues makes plain the toll these experiences have on aid workers and the warped mindset they develop to deal with them: "When I got there, the genocide was over," says one, as if she has missed a party. Rodrigues also emphasises the futility they feel: "It is like holding an umbrella in front of a tsunami," observes another. In one story, he addresses the crimes committed by aid workers themselves. This is no love letter, but a warts-and-all portrait of humanitarian work.

The performances are understated, but the staging is not. Throughout, the cast tug two racks of ropes, slowly erecting a great white marquee over the stage — a symbol of the precarious world in which they work. Underneath the canvas, Gabriel Ferrandini scores the show with theatre-shaking peals of virtuoso drumming.

At more than two hours with no interval, *As Far As Impossible* does test the patience — and the posterior. The pace is glacial at times and the text could do with some judicious cuts. It is an unforgettable show nonetheless, gripping and galling in equal measure. ★★★★☆

eif.co.uk

From shaky Schumann to blazing Bartók

CLASSICAL

BBC Proms
Royal Albert Hall, London

Richard Fairman

The small number of top-flight visiting orchestras has been one of the main topics of conversation around this year's BBC Proms. Other summer festivals have their fair share, so is the reason a cut to the budget or persistent post-Brexit visa problems?

Whatever the case, those that do come are very welcome. The Budapest Festival Orchestra and Iván Fischer, its co-founder and long-term music director, are among the most close-knit partnerships in the orchestral world, offering concerts that can be grippingly individual.

They came for three Proms at the weekend, marking the orchestra's 40th anniversary. Each of the main evening concerts offered a standard programme, with Hungarian-born pianist András Schiff as the soloist in each, leaving Fischer's customary quirks mostly for the encores (each of these concerts featured one in which the players put down their instruments and sang as a choir).

However, their first concert — an early Romantic programme of Weber, Schumann and Mendelssohn — was disappointing. Presumably reckoning that the Royal Albert Hall is uncommonly vast, Fischer fielded a sizeable orchestra, resulting in playing that seemed on the heavy side, at least now that the lighter, transparent style of period performances has infiltrated so widely.

The Overture to Weber's *Der Freischütz* was notable for the novelty of its four horns summoning the supernatural woodland atmosphere from either side of the organ loft. Mendelssohn's Symphony No 3, the *Scottish*, had overcast gloom to spare, but the storm was not very stormy, nor the Scots snap to the rhythms very snappily Scottish. In the final minutes, each section of the orchestra stood one by one, an entertaining but not necessarily helpful effect.

In between, Schiff sounded ill at ease in Schumann's Piano Concerto. He understands that a piano in Schumann's time would have had less power than a present-day grand, but his lighter-than-usual clarity came at the price of underprojection, pale tone colours and, whenever a technical difficulty beckoned, fluffed notes. ★★★☆☆

The good news is that the second Prom was on an altogether higher level. It opened with a guaranteed winner, Ligeti's wild and zany *Mysteries of the Macabre*, a 10-minute music theatre piece sung and acted by Anna-Lena Elbert. Her voice was rather small for this venue, but her energy was not found wanting.

The all-Hungarian first half went on to Bartók's Piano Concerto No 3, in which Schiff was a pianist reinvigorated. There were no fumbles this time, just crisp articulation together with a keen feel for the music's blend of cool neoclassicism and, in the finale, energetic Hungarian folk dances. It is probably the Bartók concerto that suits him best.

Most impressive of all was Beethoven's Symphony No 3, the *Eroica*, in which Fischer really put his Budapest players through their paces. It takes long experience of working together, not to mention hours of rehearsal, to get every phrase of a symphony on this scale weighted with the exact amount of attack on every note. Here was trenchant playing, high drama, plenty of drive, but nothing felt hard-driven or exaggerated. It must be some years since the BBC Proms heard an *Eroica* as distinguished as this. The Fischer/Budapest team was back on form. ★★★★☆

bbc.co.uk/proms

András Schiff at the BBC Proms — Chris Christodoulou

Expertly performed — and empty

MUSIC THEATRE

Die Erdfabrik
Gebläsehalle, Duisburg
★★☆☆☆

Shirley Apthorp

The venue is a performance in itself. A steampunk fantasy of gigantic machinery in a series of interlocking foyers gives way to a cavernous concrete hall. Built in 1902 as the bellows of a pump house serving the industrial complex of Duisburg-Nord, the hall is now part of a Landschaftspark — stylish transformations of former factory buildings into fashionable event platforms.

This year's Ruhrtriennale brings Greek-born composer Georges Aperghis together with philosopher/poet Jean-Christophe Bailly for *Die Erdfabrik*, an ostensibly genre-bending multimedia creation that muses on the darkness of the coal mines below. In the end, it barely qualifies as music theatre. It is chamber music, performed with extraordinary finesse by five musicians who also recite chunks of Bailly's laboured poetry, enhanced by moody lighting (Daniel Lévy) and scratchy video animation (Jeanne Apergis, the composer's granddaughter).

Singer Donatienne Michel-Dansac emits peeps and whimpers, unearthly sounds and effects. Trumpeter Marco Blaauw uses a variety of instruments to echo the vocal effects and produce equally strange sounds of his own. Percussionists Christian Dierstein and Dirk Rothbrust bash, brush and churn a range of startling objects, from anvils and rocks to a gigantic wooden windmill filled with stones. Sophie Lücke does remarkable things to her double bass.

The musicians perform with ferocious focus, taking their turn at playing melodicas, bird whistles and percussive objects, and of course at speaking. To be fair, they do all of these things exceptionally well.

In a programme book interview, Aperghis declares that he loves fragments, and the evening is certainly fragmentary. Unfortunately, form and forward motion are entirely absent, since there is no narrative and no dramaturgy. What we get is 75 minutes of sound effects, impressively presented, but in no way innovative. There is a depressing absence of any kind of interaction with the performance space; this is a work that could be presented in any kind of black box, anywhere. What is the point of commissioning a work for an industrial ruin if you end up with something so generic?

Die Erdfabrik is hollow intellectual grandstanding, all the more galling for the fact that it purports to be about the grim lives of long-dead local miners (none of whose families were consulted for the production). It is both clever and vacuous.

Over the years, the Ruhrtriennale has been home to some exceptional acts of creative invention. This was not one of them.

To August 20, ruhrtriennale.de

Video animation accompanies the musical performance in 'Die Erdfabrik' Heinrich Brinkmöller-Becker

FT BIG READ. CONSUMER INDUSTRIES

Rising inflation and interest rates are eating into the spending power of a historically influential demographic group, but younger members are feeling more of the impact than older ones. *By Laura Onita*

The squeezed middle-class consumer

Alan Plampton, a retired accountant from Cromarty in Scotland, has been monitoring rising food prices more closely over the past year.

But he refuses to skimp. "We want to have a quality product where possible at the best value," says the 70-year-old, who lives with his wife. "But . . . there's no point in paying a cheaper price if it's rubbish or it doesn't last as long."

For Joe and Hannah, who are 30 years younger, the impact of the UK's cost of living crisis is more acute. "I feel like the elasticity that we had with shopping has reached the maximum point," says Joe, a transport planner in London. "I think we've cut back on everything we could."

Impromptu trips to Tesco Express convenience stores to buy ingredients for a single meal, or to more upmarket Waitrose for a small shop are no longer the norm, adds Hannah, a teacher. "We've absolutely become more price sensitive and price conscious," says Joe. The couple asked the Financial Times not to use their surname.

A long squeeze on incomes in the UK has intensified since the pandemic and Russia's invasion of Ukraine pushed up the price of many goods. It is changing how Britain's middle-class consumers, whose power and influence grew in the second half of the 20th century, view their financial situations.

The squeeze is about to get more acute after the Bank of England raised interest rates 14 times to try to get inflation under control, sending mortgage rates to their highest levels since February 2008. The size and speed of the increases are causing angst in the 1.4mn British households expected to roll off fixed-rate mortgage deals this year, and exacerbating a split between older and younger consumers in similar socio-economic brackets.

"Suddenly those middle-class households that were otherwise protected, or at least more protected from price rises, are now in a situation where their main expenditure item is about to rocket," says Rich Shepherd, a senior analyst at market research group Mintel.

Food and apparel retailers, restaurants and airlines could soon find that the financial wriggle room of some better-off consumers is shrinking as they prioritise financial resilience. A key question for such companies will be whether these changes are a temporary response to events, or a more permanent shift in consumer behaviour.

"Brands just need to understand the mechanics of where finances are and how that has impacted [consumers'] mindset," adds Shepherd.

The long expansion

In the 1950s, the National Readership Survey devised a socio-economic grading system based on the occupation of the chief earner to segment households.

In that system, "middle class" is generally defined as A and B consumers — people in higher and intermediate managerial roles in administrative and professional occupations. The NRS system is still widely used, although income — the UK median disposable household income in 2022 was just under £33,000 — is also used as a proxy.

After two decades during which incomes grew, home ownership rose and access to credit widened, by the early 2000s it was routine for households to have credit from multiple lenders, amplifying their spending power.

The growth of Asian manufacturing meant the prices of many goods fell in real terms. Households spent proportionately less on essentials and had more money to devote to indulgences. The combination of rising financial firepower, more choice and cheaper products meant retail sales grew steadily.

Retailers with an established high street presence, such as Next, Marks and Spencer and John Lewis, responded by opening more stores. But the onset of the global financial crisis of 2008/9, when a year-long recession was followed by a long period of very low interest rates and weak wage growth, helped drive big changes in behaviour.

"What the recession brought was the acceptance of Primark, Aldi, Lidl, B&M, and [the idea of] shopping across ranges," says Lisa Hooker, leader of industry for consumer at PwC. Previously, she adds, a lot of the value end of the market "was seen as a compromise on quality and I think over the years, coupled with the recession, the value-end improved their quality".

Nowhere was this more obvious than at the two German discounters Aldi and Lidl. Their first UK stores had opened in the 1990s, selling around 800 basic products from spartan stores for much less than traditional supermarkets.

But a so-called claret offensive involving high-quality wines, lobsters for £5, luxury ranges and British produce increased their appeal to more discerning buyers. They opened hundreds more stores, often in smarter locations.

"The real revelation for Aldi and Lidl was a change in their real estate strategy," says one former supermarket executive. "They recognised that they needed to be in good retail locations with car parks. There was a natural shift to presenting themselves to a more middle-class customer by virtue of their location strategy."

The years after the financial crisis also saw the rise of the smartphone, which helped turbocharge online shopping and brought new competition for middle-class spending. The result was a new era of savvier shoppers during which customer loyalty went out of the window. James Bailey, executive director at Waitrose, points out that the number of retail brands that shoppers buy from in a month "has been gradually creeping up" for more than a decade. "Before that, most people would spend most of their money doing one big shop."

Because of that change and the growth of alternative sales channels, he says "there isn't really such a thing as 'a Waitrose shopper' — it's a surprising spread of customers, with a slight bias to more affluent, older customers".

That reflects wider divisions within the consumer group. "You've got quite an interesting split, not just in terms of socio-economic groups but also age groups," says Philip Shaw, chief economist at Investec, who adds that well-off retirees represent "quite a more potent consumer group".

They and the highest earners have the healthiest finances while younger people still living at home have more disposable incomes, said PwC in a recent survey. The middle-aged consumer, typically between 35 to 54, often with children and mortgages, remains under the greatest financial pressure.

The years after the financial crash also witnessed a move from buying things to doing things, leading one executive at furniture retailer Ikea to proclaim the world had "hit peak stuff".

Low-cost airlines expanded their networks and private equity-owned restaurant chains, helped by cheap borrowing, opened hundreds of new outlets.

The Covid-19 lockdowns that started in 2020 and continued intermittently through 2021, brought the experience economy to a halt and boosted retailers such as Currys and DIY chain B&Q, as people stuck at home splashed the cash on gadgets and home renovations.

But the long-term trend appears to be reasserting itself in the aftermath of the pandemic, despite surging prices for everything from package holidays to festival tickets and the uncertainty about mortgage rates.

Shepherd says middle-class consumers who are used to spending more on themselves and more on experiences "still want and need those everyday indulgences" even when times are tight. "It can't just be doom and gloom."

Monthly figures from Barclaycard, which processes about half the UK's credit and debit card transactions, show consistent growth in spending on entertainment and travel, with airlines and travel agents particular beneficiaries.

Shaw at Investec believes government financial support helped support household finances. The Covid-era furlough scheme blunted the impact of lockdowns on incomes and unemployment, while the lengthy closures of non-essential retail and hospitality restricted spending, leading to a pile-up of savings that are now being run down.

"Our estimates suggest it might have been up to about £180bn at the peak and we now think that more than halved to around £75bn," he says. "It's extremely likely that it's better-off households that have bigger cash piles even proportionately to income."

When the party ends

State relief from sharply rising energy costs has also helped. But there will be much less protection from the impact of rising mortgage rates.

"I do think we are going to see headwinds intensify and the intensity of cutbacks will be focused more on middle and high-income households because of what's happening with mortgage rates," says Richard Lim, chief executive of Retail Economics.

Survey evidence already points to this. Roughly two-thirds of middle-class households are finding it harder to save and would prioritise putting money aside if their finances improved significantly, according to Mintel.

"This cautiousness is perhaps something that you would expect to see lower down the income scales, lower down the socio-economic scales," says Shepherd.

Joe, one half of the London couple, says "we're going to have to look at utilities and mortgage payments again" if inflation does not ease. "It would be another chapter and I would hope we don't have to get to that point."

The proportion of more affluent shoppers saying they had moved to cheaper options at supermarkets has risen from 28 per cent in April 2022 to 40 per cent a year later, according to the Institute of Grocery Distribution. Those who said they were prepared to eat perceived lower quality food has risen from 16 per cent to 23 per cent.

'Suddenly those middle-class households that were otherwise protected . . . are now in a situation where their main expenditure item is about to rocket'

Supermarkets report more interest in their premium ready meal ranges as consumers think twice about eating out — spending in restaurants has fallen for the past five months in a row, according to Barclaycard data.

"I'm not prepared to go to PizzaExpress and spend £100 on a meal, when I can go to M&S and buy a pizza deal for £12 with two sides and a nice bottle of wine," says Catherine Shuttleworth, who runs digital marketing agency Savvy. Its research found that AB consumers were ordering fewer takeaway meals, and doing more cooking from scratch in response to budget pressure.

Demand for some big-ticket items has started to soften; sofa retailer DFS warned last month that the market has been "significantly worse than expected", while the boss of bike and car parts seller Halfords said customers were "thinking carefully about big ticket discretionary spend".

But Lim points out that a hard core of determined spenders remains. "What we're seeing is a polarisation in the market. There's about 15 per cent of consumers that say that they are undeterred in their spending. These are consumers that are basically 'keep calm, carry on; the cost of living crisis doesn't really impact me'."

They may live in one of almost a third of UK homes that are now owned outright, they may be protected from rising rates by a fixed-rate mortgage for a few years to come, or they may have benefited from wage growth that hit a record high of 7.3 per cent this year and has been skewed towards higher earners.

"They are the most affluent consumers and they spend disproportionately," adds Lim, pointing out that the top 20 per cent of UK households account for 40 per cent of consumer spending.

Such resilience is why middle-class consumers still matter so much to retailers, restaurateurs and hoteliers alike. Their spending power extends beyond basic needs, and factors such as quality or provenance can rank higher than price when purchasing goods.

"The supermarkets are going to be fighting to keep their middle-class shoppers on the basis that when things get better again, they are the ones that will trade up and will spend more," says Shuttleworth. Retailers had been deploying various tactics to hold on to fickle middle-class shoppers even before the cost of living crisis, from revamped loyalty schemes and price-matching to new lower-cost ranges.

Ocado, the online supermarket known for selling Navarrico jarred chickpeas and rose harissa paste to middle England, has refined its marketing efforts to retain existing shoppers and attract new ones. Chief executive Tim Steiner said last month he does not want "the wrong customers" who respond to promotions but cannot be converted into regular shoppers. "You throw a bigger voucher at it, you acquire 20,000 customers that week, but the problem is, they don't stick with you," he says.

The quid pro quo is that middle-class consumers are demanding. Manfred Abraham, chief executive of Yonder Consulting, says they expect companies to stick to their values irrespective of the impact on their operating costs. Cutting back on sustainability or customer service is likely to put them off.

Bailey agrees, saying that while value has become more important "for obvious reasons", Waitrose customers still care most about quality, service and ethics. "[They] don't want cheaper cuts of meat that come from abroad. They want British beef, they want the sourcing and credentials we give them, but for certain meal occasions they do want us to offer them an alternative to eating out and they want the option to put 'essentials' mince in a bolognese," he adds, referring to the firm's entry-level product range.

Even while many consumers focus on finding the lowest prices, brands will have to continue innovating in anticipation of better times, says Shepherd at Mintel. He adds that previous downturns have included "a period where people have to bunker down a little bit and focus on functionality and price".

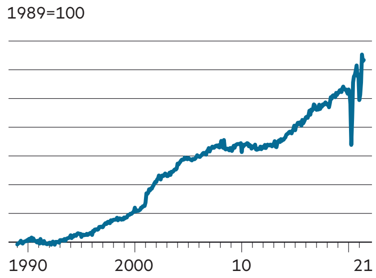
"But when they get out of that period they want to get out, get new products and try new things."

1.4mn UK households set to come off a fixed-rate mortgage this year

£180bn Peak savings built up during Covid-19. The current figure is put at £75bn

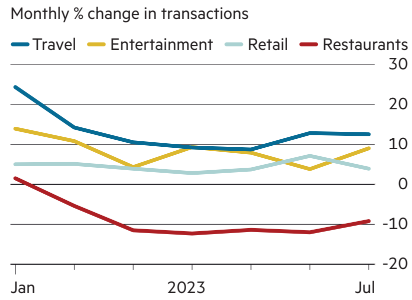
Retail sales volumes have doubled over three decades

Seasonally adjusted volume sales index, excluding fuel, 1989=100



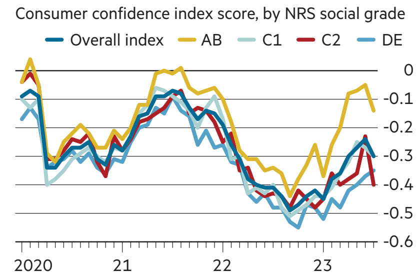
Spending on travel and entertainment has boomed in 2023

Monthly % change in transactions

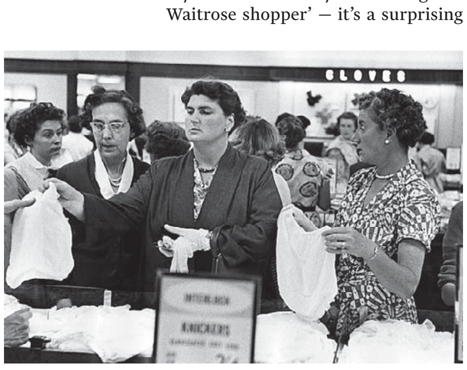


Middle-class consumers have been less downbeat about their finances than lower-income groups

Consumer confidence index score, by NRS social grade



Sources: ONS; Barclaycard; GfK



Above: middle-class shoppers now use both discount and upmarket stores; below: NRS's system of socio-economic classification dates back to the 1950s

FT montage/Getty/Charles Hewitt/Picture Post/Hulton Archive

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

India's economic rise is not guaranteed

Without reform New Delhi will be unable to capitalise on the country's potential

Last year on the 75th anniversary of its independence from British rule, India's prime minister, Narendra Modi, urged the nation to "dominate the world". India's rising role in the global economy is indeed becoming harder to ignore. In April, it overtook China as the world's most populous country. The IMF expects its economy to grow over 6 per cent this year, and investors increasingly see the country as an alternative to China. On Tuesday, as India celebrates 76 years of freedom, a look back at the progress made since Modi's rallying cry only underscores the good, the bad, and the ugly sides of the country's new assertiveness.

Optimism surrounding India's economy has boomed this year. Its stock market has surged as foreign investors have bought into its national growth story. Multinationals have shown an interest in shifting manufacturing to the country as part of "China plus one" diversification strategies, particularly as tensions between Washington and Beijing mount. The government has also played a part. It committed to raising capital spending by a third in its budget in February, building on promising investment in its road, rail and renewable energy infrastructure.

For all the positivity, India's economic limitations have also been on full display. This year, the Adani group — led by billionaire Gautam Adani, who has close ties to Modi — was accused of "brazen stock manipulation and accounting fraud" by the short seller Hindenburg. Adani denies all the allegations. The affair was a reminder of the country's longstanding problems with weak corporate governance as well as the government's championing of industrial conglomerates. Investors remain cautious about the business environment.

Democratic values have also taken a beating under Modi's Hindu nationalist Bharatiya Janata party. Press freedoms have declined across the country, and political opponents have been undermined. Rahul Gandhi, leader of India's Congress party, was sentenced to two years in prison in March for making defamatory remarks about the prime minister. The conviction was suspended earlier this month. Meanwhile, there has been a troubling rise in targeted attacks on religious minorities, including Muslims and Christians, as outlined in a recent US State Department report.

If India wants to capitalise on its economic advantages, New Delhi will need to make significant changes. First it should embrace domestic and international competition. This means shifting away from its support of national champions, increasing trust in its regulatory institutions, and quashing its protectionist instincts. Indeed, under Modi's "Make in India" initiative, tariffs on foreign components which are intended to support the growth of domestic supply chains have made relocation to India a much less attractive proposition.

> Social unrest and a weak rule of law is not an effective recipe for sustainable growth

Next, it must invest in its people. India is home to roughly one in five of the world's population aged below 25, but it also has large numbers of illiterate adults. It will need to boost spending on skills and education in order to benefit from its demographic dividend. Modi must also change course on the country's descent into illiberalism. Social unrest and a weak rule of law is not an effective recipe for sustainable growth.

Ever since India announced itself to the world with a series of liberalising market reforms in 1991, the country's economy has attracted high expectations. Poverty has fallen, a middle class has emerged, and its low-cost and youthful workforce has grown. But it has tended to underwhelm relative to forecasts. Without reform and commitment to democratic values, the momentum will stall and India's economy will have yet another false dawn.

Opinion Technology

US industry is getting its way on China

Ewan White

Oren Cass

Last week, officials briefing reporters on President Joe Biden's long-awaited executive order restricting American investment in China used the words "narrow" and "narrowly" no fewer than 10 times in half an hour. They emphasised that new rules would reach just three "national security sensitive technologies": advanced semiconductors, quantum computing and artificial intelligence.

The rules will apply only to the "subset" of technologies in those three categories that are "specifically designed for military or intelligence end-uses" and only to particular categories of private investment such as venture capital, private equity and joint ventures.

The approach reflects "our longstanding commitment to open investment," the officials insisted. The action is "not an economic one" and the goal is "not decoupling our economies". To illustrate the point, "investments in entities engaged in the development of less-advanced semiconductors or AI systems designed for certain dual-use capabilities that pose national security risks" can, subject to certain conditions, proceed.

> Semiconductor leaders insist that access to Beijing's market is vital to their own success

More than anything, what this rhetoric reflects is the administration's "consultations with over 175 industry stakeholders". Leaders in the semiconductor industry, especially, have been vocal opponents of any efforts to curtail their sales and investment abroad, insisting that access to the Chinese market is vital to their own and, by implication, US economic success.

"Overly broad, ambiguous, and at times unilateral restrictions risk diminishing the US semiconductor industry's competitiveness," the Semiconductor Industry Association has warned.

That message clearly resonates in the Treasury department, which has reportedly led the push against interference with free trade and capital flows. Intruding even to protect national security, Treasury secretary Janet Yellen has suggested, "harms our own narrow economic interests". Testifying before Congress in June, she asserted, "we gain and China gains from trade and investment that is as open as possible".

The most popular arguments for this view, offered by Intel chief executive Pat Gelsinger and Nvidia boss Jensen Huang, hold that access to the Chinese market is crucial to investment in the US, both because profits realised in China can be reinvested at home, and because meeting Chinese demand provides the impetus for building US capacity.

"If I have 25 per cent to 30 per cent less market, I need to build less factories," said Gelsinger at the Aspen Security Forum last month. In May, Huang told the Financial Times: "If the American tech industry requires one-third less capacity [due to the loss of the Chinese market], no one is going to need American fabs, we will be swimming in fabs."

But the goal of redeveloping advanced semiconductor fabrication in the US is not to export the chips to China; it is to supply an American market that is today wholly dependent on imports.

Indeed, the Intel experience refutes more broadly the idea that reaping profits in China is somehow vital to investment and competitiveness in the US. The company's world-beating years pushing the frontier of microelectronics came at a time when it had lower sales and lower profits, and a much greater need to innovate.

The second argument that industry will reach for is a self-defeating one. Pulling out of China is what President Xi Jinping *wants* the US to do, because he aspires to indigenous Chinese leadership in these fields. "If [China] can't buy from . . . the United States, they'll just build it themselves," says Huang.

If China's goal is to become self-sufficient in these technologies and supplant American producers, and its policy is to aggressively transfer technology from American producers so long as they remain in the market, the argument in favour of remaining is what, exactly?

As the former General Electric chief executive Jeffrey Immelt famously remarked of the Chinese, before his company disavowed it: "I am not sure that in the end they want any of us to win or any of us to be successful."

The real argument is next quarter's profit.

One can perhaps forgive the lobbyists their poor arguments; they are only doing their job. What's unforgivable is those in the Biden administration failing to do theirs, and to distinguish the private from the public interest.

The writer is executive director of American Compass

Letters

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

Arguments about a deep-sea resource grab do not hold water

Contrary to his warning that seabed mining risks a frenzied resource grab to the exclusion of developing states ("Countries must unite to stave off the threat of a deep-sea resource grab", Opinion, August 11), Professor Guy Standing ignores the core tenet of the UN Convention on the Law of the Sea that was written to ensure the participation of developing states.

In fact our sponsoring state, Nauru, was the first developing state to sponsor exploration in a "reserved area", helping to realise the UNCLOS vision of enabling countries lacking finances or technical capacity to participate.

To that list can be added Tonga and Kiribati, which followed shortly thereafter and which share the view that this new industry could provide key energy transition metals, while supporting economic diversification to help them adapt to life in a warming world. And while Standing makes much of the potential impacts of collecting one type of deep-sea resource — seafloor nodules — it is thanks to exploration activity sponsored by these pioneering states that we now know the extent to which his claims don't hold water.

The ocean is indeed a valuable carbon sink but just 2 per cent of oceanic carbon is found in the sediment over which nodule collectors will crawl, and there is no mechanism for CO_2 in this mud to rise 4km to the surface.

No less paper thin are his arguments about radiation: alpha radiation is not uncommon for mineral ores in general, can be shielded with a single sheet of A4, and uranium levels found in nodules are comparable to those found in granite kitchen worktops.

Climate change is the challenge of our generation and we must avoid dismissing promising solutions through knee-jerk reactions or conjecture. As the Mercury rises, cool heads must prevail.

Gerard Barron
Chairman & Chief Executive
The Metals Company
Vancouver, BC, Canada

What Thatcher said on EU in 1975 is worth recalling

David Coombs in his letter (August 2) speculates about the possibility that Poland could follow Britain's lead, and exit the EU, but without providing evidence of significant political support for an inherently unlikely and disruptive choice, given the proximity of the war in Ukraine.

It's worth recalling the advice of Margaret Thatcher at the time of the UK's 1975 referendum on leaving the EEC. She favoured remaining and argued that if the vote be lost, the UK should negotiate the best exit terms available with Brussels and put them to a second referendum, giving the people the chance to reconsider their decision.

This is what Ireland did after initial referendum defeats for ratification of the Nice and Lisbon treaties in 2001 and 2008 without subsequent popular regrets.

But given the fact that neither government nor opposition in Britain is advocating rejoining the single market or the customs union, and still less the EU, the best Britain and its neighbours can look forward to is the working out of a bespoke form of external association between Britain and the EU, to borrow the concept that was once Eamon de Valera's ideal arms-length Irish relationship with the Commonwealth.

Martin Mansergh
Tipperary, County Tipperary, Ireland

Put government failings on national risk register too

With regard to the piece on the Cabinet Office's national risk register (Report, August 3), Grant Shapps claims to be bolstering energy security through new North Sea oil and gas production. But this will do nothing to lower household exposure to volatile gas markets this winter, or any winter. North Sea fossil fuels are sold on international markets.

This false "energy security" narrative is an attempt to distract from the truth that the government has failed to take near-term steps which could have protected vulnerable households from energy security threats. The flagship energy efficiency scheme for fuel-poor homes has collapsed, renewable projects have been delayed and hindered, and the government has failed to move forward with the promised social tariff. As a result, we're heading into another year of sky-high bills. The government's failure to address the cost of living crisis is now a national security risk.

Juliet Phillips
Senior Policy Advisor, Clean Economy,
London SE1, UK

Imagine an FT column with phoney product ads

As always, I enjoyed Jemima Kelly's article on the trend of host-read adverts delivered by the presenters of podcasts ("Advertising has hit a new low in the age of podcasts", Opinion, August 3). The piece would have been even better (and would have further emphasised her point) if she had inserted an "ad" for a phoney product in the middle of her column.

Of course, if I was more clever, I would have done the same in this letter to the editor.

Warren Smith
Montreal, QC, Canada

Trump's legal travails don't deserve front page photos

While the in-depth reporting means Donald Trump's legal issues are well covered by your newspaper, is it necessary to be subjected to pictures of the man as well (Report, August 3)? This constant front page exposure only feeds his outsized ego.

Robin Cox
Baltimore, MD, US

OUTLOOK

BRITAIN

Mining Cornwall's past with lithium as its future

by George Parker

Boris Johnson called it the "Klondike of lithium", and now Cornwall stands on the cusp of a 21st-century mining revival, breathing new life into an industry which has fed legend and romance for at least two millennia.

The granite peninsula, which juts into the hostile seas around south-west England, is scattered with relics of the county's mining industry. Ruined engine houses are almost as ubiquitous on the Cornish coast as 4x4 vehicles and west London families in Billabong wetsuits, who come for the surf.

This is where Ross Poldark strode the cliffs — played by Aidan Turner in the hugely popular BBC novel adaptation — moodily contemplating his precarious mining investments, his thought processes aided by the frequent removal of his shirt.

But Poldark, who sought to extract copper and tin from Cornwall's volcanic underbelly in a historically accurate central plotline, was not able to call upon the help of the UK Infrastructure Bank, which last week announced a £24mn investment in the mining company Cornish Lithium.

The company said the cash would "significantly accelerate" its efforts to create a domestic supply of battery-grade lithium, vital for the transition to electric vehicles. Cornwall hopes to become a European lithium hub.

Cornwall's mining industry is embedded in the Celtic region's history and self-image, spawning a host of legends and tales of varying degrees of improbability. Joseph of Arimathea is said to have travelled there on a tin trading mission, bringing along a teen Jesus for the ride. "And did those feet in ancient time Walk upon England's mountains green?" asked William Blake.

Cornwall's culinary gift to the world, the pasty, is said to owe its thick pastry rim to the fact that miners with traces of arsenic or tin oil on their hands would use it as a handle, afterwards discarding it as toxic waste. Good story, although Glyn Hughes, a food history researcher, recently claimed the whole thing was made up and that research going back to the 18th century could find no mention of this practice.

Miners would, however, sometimes offer the last bite of their pasty to "knockers" — whiskery little folk who lived underground, committing acts of mischief or playing a key industrial safety role, knocking on mine walls to warn of impending collapse.

What is certain is that a diaspora of Cornish miners took their skills and pasties around the world, settling particularly in Australia, Michigan, South Africa and Mexico, where an annual international pasty festival is held in Real del Monte.

China clay mining also shaped the region's interior, creating a white lunar landscape punctuated by conical spoil heaps, the famous "Cornish Alps". It also played a key role in the history of the FT.

In 1893 the newspaper said it was going pink: "In order to provide outward features which will distinguish the Financial Times from other journals, a new heading and distinctive features will be introduced, and the paper will be slightly tinted."

China clay played a key role in the production of paper and the FT chose the red and pink clay from the Bodelva pit for its new look. The old mine now contains the biodomes of the Eden Project. But china clay mining has been in decline for years and when the last Cornish tin mine closed at South Crofty in 1998, it was as if part of the soul of the region had been torn away.

Cornwall has found other ways of making money, of course, not least by rebranding itself as a "premium" holiday destination favoured by privately educated youth wearing Jack Wills polo shirts; much of Britain's political and media class are there over the summer.

It has a thriving arts university at Falmouth and the creation of a spaceport seemed destined to move Cornwall into an exciting new era, although the first launch in January saw Virgin Orbit's LauncherOne rocket mission end in failure.

But mining has been at the core of Cornish identity since the Bronze Age. There is something about the rock, forged from fire and thrusting far out into the Atlantic, that has proved irresistible. Lithium may be about to add another layer to the legend.

george.parker@ft.com

Opinion

Beware of performative policymaking

EMPLOYMENT

Sarah O'Connor

If anything can be said to be trendy in the world of employment law, it is probably the "right to disconnect".

France, Belgium, Spain, Portugal, Italy, Luxembourg, Colombia, Peru, Argentina, Costa Rica and Thailand have all brought in new rules over the past six years which, broadly speaking, give employees the right to disconnect from work technology out of hours. If it wins the next election, the UK's Labour party has said it will introduce a right to disconnect too, "learning from countries where it has been introduced successfully".

It's easy to see why the idea appeals to politicians. It makes them seem forward-thinking — that they are on top of the changing world of work and have something to say about it. It also speaks to a real unease that many people feel about the dissolving boundaries between work and life.

The idea tends to poll pretty well, too. An Ipsos poll in the UK last year found 60 per cent of adults in favour of "a law giving employees the right to ignore work-related communication outside of their official working or on-call hours" and only 11 per cent against. That poll also suggested the problem of not being able to switch off is not confined to highly paid professionals, though it is felt most acutely by them. Just over 80 per cent of people paid over £55,000 a year said they check and reply to work messages outside their usual hours, as did 65 per cent of people paid less than £55,000 a year.

It's equally easy to see why critics have predicted the laws will be a disaster, particularly the more draconian ones such as Portugal's, which bans employers from contacting employees out of hours.

These policies pay no regard to the reality of how modern companies work, they say. Employees in different time-zones have different working hours — are they no longer allowed to communicate? What about people who want to choose their own hours on the fly, taking time off to pick up their kids, or going for a run in the daylight, then catching up later in the evening? Are we really going to tie companies and workers up in expensive red tape rather than just let them figure it out for themselves?

> It's easy to see why the idea of a 'right to disconnect' appeals to politicians

But for all the debate whenever one of these new rights is announced, something has always bothered me: why do we never hear how they're actually going?

The answer, from what I can tell, is that they have had less impact than proponents hoped or critics feared. In Ireland, Siobhra Rush, an employment partner at Lewis Silkin in Dublin, says the country's "code of practice" on the right to disconnect caused "a big furore" when it began in 2021. But she hasn't actually seen it feature in any employment cases.

The biggest change in working culture she has seen is new disclaimers at the bottom of people's emails which say something like "I'm sending this in my working hours, but unless it's flagged as urgent, I don't expect a response outside of yours."

Perhaps that's to be expected in Ireland, which took a softly-softly approach, but the story seems to be similar in Portugal, which was at the other end of the spectrum. Inês Reis, the head of labour and employment at Portuguese law firm pbbr, tells me "nothing has really changed" as a result of the law. She doesn't know of any complaints so far, though she says that — as in Ireland — employees are adding disclaimers to their emails explaining they don't expect an urgent response.

Nadia D'Agostino, a principal associate at Eversheds Sutherland, agrees the law in Portugal "has not created a big cultural shift". She says there isn't much impetus for employers to comply, because the fines are relatively low, nor is there much incentive for employees to report them.

"It's a difficult claim to bring," D'Agostino says. "There are no automatic financial rewards you would get; you'd have to bring a damages claim [so] it's easier for the employees to do the work and bring overtime claims."

Was it a waste of time, then? I wouldn't go that far. The new rights and codes do seem to have prompted employers and employees to be more thoughtful about when to communicate outside core working hours. Many of the European laws require companies and workers to agree on a policy that works for them, which seems reasonable enough given the complexities of different organisations.

But there is a lesson here for voters: don't fall for performative policymaking. Whether you think a new proposed law sounds great or awful, stop to ask first how the government plans to enforce it.

sarah.oconnor@ft.com

Putin, de Gaulle and national greatness

GLOBAL AFFAIRS

Gideon Rachman

France cannot be France without greatness," wrote Charles de Gaulle in the opening of his memoirs. His nation, he insisted, must always be in "the first rank".

Vladimir Putin feels the same way about Russia. Back when I was still able to visit that country, Fyodor Lukyanov — a foreign policy thinker close to Putin — told me that the Russian president was driven by the fear that his nation might permanently lose its status as a great power.

That fear and paranoia reached its tragic apogee with the full-scale invasion of Ukraine in 2022. But instead of restoring Russian grandeur, Putin's war has disgraced and isolated his nation.

Unlike Putin, de Gaulle's belief in national greatness did not depend on the subordination of a neighbour. He ended France's war in Algeria and accepted Algerian independence in 1962. By contrast, even after 30 years of Ukrainian independence, Putin could not accept Ukraine's right to shape its own destiny.

The dilemmas faced by Putin and de Gaulle were similar in some ways. The French leader was intent on rebuilding national grandeur after the humiliation of defeat and occupation in the second world war. Putin regarded the break-up of the Soviet Union after 1991 as a humiliation for Russia and a "geopolitical tragedy". Both leaders' writings display a preoccupation with their nation's history — and their own destiny in shaping it.

The difference lies in the way that de Gaulle and Putin defined "national greatness". Unlike Putin, de Gaulle was a genuine war hero who was wounded several times fighting for his country. While Putin cowered at the end of a long desk to avoid Covid-19, de Gaulle walked through Paris under fire during the city's liberation in 1944.

When he returned to power as France's president in 1958, many on the French reactionary right assumed and hoped de Gaulle would redouble the fight to keep Algeria. Instead, he made peace and accepted independence. In doing so, he freed his fellow countrymen of the burden of a dishonourable war.

De Gaulle was wise enough to realise that fighting a losing colonial conflict would destroy French greatness rather than rebuild it. As the academic Frederick Starr has written: "De Gaulle succeeded because he envisioned a better future for France without Algeria than with it."

Freed of its colonial burden in Algeria, France was able to forge a new future. Modern France is not a superpower, but it remains a leader in Europe. It is a global player in culture, diplomacy, business, sport and military affairs. France retains some of the badges of great-power status, such as nuclear weapons and a permanent seat on the UN security council. But its grandeur today rests on culture and the global respect it inspires, rather than on raw power or territory.

Putin, by contrast, was unable to imagine Russia as a post-imperial power. He still defines Russian greatness through his country's ability to control territory and inspire fear. It was de Gaulle who was born in the 19th century, but it is Putin who clings to a 19th-century imperialistic view of national grandeur.

In the 21st century, however, the bloodbath that Putin has unleashed in Ukraine has inspired disgust rather than admiration in the rest of Europe, isolating Russia from its neighbours and reducing its influence in the wider world. Just 17 African leaders travelled to St Petersburg for the recent Russia-Africa summit, compared with 43 who attended the same event in 2019. Putin is unable to travel to this month's Brics summit in South Africa for fear of arrest. So much for national greatness.

> Both leaders' writings display a preoccupation with history — and their own destiny in shaping it

In the past, Russia and France fought for control of Europe — with French troops briefly occupying Moscow in 1812 and Russian troops entering Paris two years later.

That intertwined history creates a kind of mutual regard. Much to the irritation of many in east and central Europe, modern France has always seen Russia as a great power that deserves respect and a vital place in the continental order. Successive French presidents — including de Gaulle and Emmanuel Macron — reached out to the Kremlin. De Gaulle coined the phrase that Europe extended "from the Atlantic to the Urals". Macron made an ill-fated effort at rapprochement with Putin, shortly before the 2022 Ukraine invasion.

Yet, in the end, de Gaulle and his heirs have chosen profoundly different paths from Putin. Perhaps the greatest contrast is that de Gaulle understood that French grandeur was inseparable from the way it treated its own people and from political liberty.

While de Gaulle was often accused of being an instinctive authoritarian, he ran for power in genuine elections — and accepted the rules and culture of democracy. In 1968, France was shaken by street uprisings. (Some things never change.) A year later, de Gaulle lost a referendum, stepped down as president and retired.

By contrast, Putin has been unable to separate his vision of national grandeur from his personal power and wealth. He clings on in the Kremlin. Those who disagree with his policies are beaten up in the streets, imprisoned, driven into exile or die in suspicious circumstances. Russia needed its own de Gaulle. Instead, it has ended up with a pale imitation of Ivan the Terrible.

gideon.rachman@ft.com

Unilateral action on climate change can have unintended consequences

Raghuram Rajan

There is nowhere to hide. Whether you are being baked in Athens, Rome, Phoenix, or Tehran, or drenched in Beijing or Delhi, climate volatility is not far from you. With global talks on climate change going nowhere, countries and regions are feeling the pressure to do something on their own, rather than waiting for global agreement. Action is usually good, but some of it has serious adverse spillovers on other countries, especially poor ones. Uncoordinated action can be profoundly unfair.

Europe is probably most advanced among regions in taking action against climate change, with its cap and trade scheme for emissions (EU ETS). Fearing that EU companies that pay the implicit carbon tax will be at a disadvantage to foreign firms, and even choose to shift production abroad, the EU has settled on a carbon border adjustment mechanism (CBAM), which will levy a border tariff on imported goods, proportional to the untaxed emissions on the imports. Both the direct emissions from a company's production and the emissions that were generated in the power it uses will be tariffed.

The US has its own approach. Rather than taxing emissions, it will subsidise clean energy use and generation with nearly $400bn of tax incentives, grants, and loan guarantees under the Inflation Reduction Act. Since some of these schemes are open-ended, the actual funding may be substantially more. To ensure its producers do not decamp to the US, the EU is trying to match some of these subsidies with its €2tn post-Covid recovery fund.

Finally, for many developing countries damaged by Covid and food inflation, budgets are tight. For now, there is little prospect of climate action funding coming from industrial countries despite past promises. Given that developing countries in the global south will bear much of the effects of climate change, and given that environmental disruptions will probably get much worse before they get better, developing countries are better off spending their own funds on adaptation — moving people to higher ground, shifting farmers to hardier crops, or reviving traditional water storage techniques — than on reducing emissions.

> Everything is made more unequal for developing countries by the US subsidising green energy

Each of these actions makes sense taken alone; together they have unintended effects. So, CBAM passes muster under World Trade Organization rules (which prohibit giving domestic companies an unfair advantage) because the EU will levy a similar carbon tax on its own producers. But if the EU subsidises clean energy production to match the US, any EU manufacturer will have lower effective emissions since more of the power they use will be clean. For an Egyptian producer, whose government is strapped for funds and has modest possibilities for increasing green power, the playing field will become unfairly tilted.

If that Egyptian producer cannot compete, exports fall, lay-offs increase, tax collections fall and the country becomes even less able to afford climate action of any kind. And even if Egypt does improve its fiscal situation, would it not make more sense for the government to spend more on helping its farmers adapt at this juncture than spending scarce budgetary resources on replacing existing energy sources with green energy?

In sum, the CBAM alone is a sensible policy, though the global playing field would really be level only if other countries had an equal opportunity cost of funding green investment. For developing countries, though, not only are the direct costs of financing much higher, adaptation is becoming much more critical, and so the opportunity cost of devoting scarce funds to green energy is increasing. And everything is made yet more unequal for developing countries by the subsidies the US is pouring into green energy, which Europe is striving to match.

Ideally, a global agreement would take all of these concerns into account. For instance, I have proposed a scheme whereby countries emitting carbon per capita above the global average should pay into a fund, and those below the global average should receive. High emitters (largely rich countries) would pay, giving poor countries transfers they could then leverage so that they have enough resources to fund mitigation and adaptation.

Are we letting the perfect be the enemy of the good in pushing for a just global agreement? Not if the unintended consequences of unilateral action tend to pile up in countries and among people least able to bear them. The industrialised world can do better.

The writer is a former central banker and a professor of finance at the University of Chicago's Booth School of Business

Federal Home Loan Banks provide a vital safety net

Mark Williams

Most federally insured US financial institutions, including more than 80 per cent of banks covered by the Federal Deposit Insurance Corporation, rely on their regional Federal Home Loan Bank and hasty reforms could produce many unintended consequences for the country's financial system.

For over 90 years, FHLBs have supported residential housing finance and community development, including providing reliable, on-demand liquidity that is useful in good economic times, but vital to financial system resiliency in times of crisis. Stretching from Boston to San Francisco, the 11 FHLBs are privately owned by their members, self-capitalised, independently operated and regulated by the Federal Housing Finance Agency. They are also risk averse in their operations.

FHLBs are not well-known, but boom or bust they work behind the scenes to meet member borrowing needs by expanding and contracting their balance sheets. Funds are raised in the capital markets by issuing consolidated debt through the Office of Finance. While the federal government doesn't directly guarantee this debt and FHLBs receive no federal funding, they can raise funds at favourable rates and pass the savings on to members. That small members borrow at the same rates as the biggest serves as a great equaliser.

Investors find FHLB debt attractive due to strict collateralisation polices, implied guarantee status and the "super lien" position allowing for a priority claim should the FDIC become the receiver of a FHLB member.

> Their role as an all-season liquidity provider and crisis shock absorber remains essential

Over the past decade, FHLB advances have averaged about $610bn a year but in times of market crisis lending can spike. During the 2008 Great Recession advances topped $1tn, in the pandemic they hit $800bn in 2020 and this March reached $1.1tn. At these times the FHLBs' high collateral requirements have safeguarded taxpayers from loss.

Yet despite FHLBs' success as liquidity provider, a misguided movement is afoot. Recently, some have claimed the March bank failures are proof that the system needs to be curtailed or even abolished. That is a dangerous view.

Should the FHLBs' role as on-demand liquidity provider be curtailed, the banking system would become more brittle and less liquid. The cost of member funding would increase, lending would decline and higher rates would be borne by consumers and businesses. The Fed would be forced to step in.

It was well documented that Silvergate Capital, Silicon Valley Bank, Signature Bank and First Republic all borrowed from their local FHLB before failing earlier this year. However, these troubled institutions represented less than one-tenth of 1 per cent of FHLB membership. During this period, lending surged. But many healthy member banks, out of caution, also increased borrowing to bolster their liquidity. That helped to inoculate them.

The recent bank runs tested the FHLBs and proved the system carried out its stabiliser role as designed. The 2023 bank failures weren't caused by FHLB lending but by a lack of strong regulatory oversight and poor risk management. If FHLBs had not provided on-demand liquidity, the entire burden would have fallen to the Fed, which is not positioned to make loans at the same speed and as discretely. Healthy members could have been discouraged from prudent borrowing, potentially fuelling a deeper deposit run.

The role FHLBs play as an all-season liquidity provider and crisis shock absorber remains essential. To simply disband or fundamentally change the system would be the equivalent of removing a storm barrier that for 90 years has successfully protected a fragile coastline. Policymakers and regulators need to tread cautiously as they reassess the role of the FHLBs.

The writer is on the finance faculty of Boston University Questrom School of Business and is a former Federal Reserve bank examiner

Lex.

Twitter: @FTLex

Cleveland-Cliffs/US Steel: run of the mill

Andrew Carnegie made Pittsburgh the epicentre of US steel production in the 19th century. Lourenco Goncalves wants Cleveland to be steel's US hub in the 21st century. To that end, Ohio's Cleveland-Cliffs, headed by Goncalves, has announced a $10bn unsolicited cash-and-stock offer for US Steel.

The Pittsburgh-based target group traces its roots to Carnegie. The original "robber baron" is remembered both as a merciless capitalist and a principled philanthropist.

Cliffs' shares have risen 50 per cent in the past five years. The integrated iron ore miner and steelmaker has become an industry consolidator.

In recent years Cliffs bought AK Steel and the US operations of ArcelorMittal for $6bn in total.

Adding US Steel would reinforce the kingpin status of Cliffs. The former has rebuffed the offer for now, believing a better deal may be out there.

US Steel was once a dominant US company. But deindustrialisation followed by cheap Chinese steel exports undermined this. If Cliffs buys US Steel, the combination would produce 31mn metric tons of steel annually. But that would make it only the tenth biggest producer, as Cliffs points out, perhaps with an eye to any antitrust objections.

US steel groups are in a much better position than previously. Donald Trump's tariffs on cheap steel imports are one reason. Joe Biden's onshore infrastructure programmes have boosted prospects for the likes of US Steel, Cleveland Cliffs, Nucor, and Steel Dynamics.

Goncalves took over Cliffs a decade ago amid the commodity supercycle bust. The company, formerly known as Cliffs Natural Resources, then ducked out of the metallurgical coal business.

US Steel shareholders, Goncalves said, should be excited to take Cliffs shares, which trade at 5.6 times forward annual ebitda, compared with just 3.5 times for its target.

Cliffs aims to hit a juicy $500mn in cost savings and other benefits. For comparison, US Steel's trailing fourth-quarter ebitda was $2.5bn.

Cliffs still has a lot of work to do to win over shareholders in US Steel. But it has sewn up the support of trades unionists. The United Steelworkers backed the deal on Sunday.

Some things have changed for the better since the days of Carnegie, whose bloody conflicts with trade unions still mar his memory.

Rouble/oil: this bear's watching

The rouble is a petrocurrency. Crude is a quarter of Russian exports, the largest component. Brent has risen by a fifth in the past two months. Despite that, Russia's currency has sunk nearly as much against the dollar. Yesterday alone it lost some 2 per cent. One might expect the two to move more in tandem.

Russia must be feeling increasingly desperate to lift crude exports. But it has promised Opec+ to cut its output by 500,000 barrels a day from this month.

Do not blame the coalition of western states for its $60 a barrel price cap on Russia's Urals blend. That has not worked. The price of Urals has climbed to more than $73 in recent weeks, narrowing the discount with Brent. Indian buyers, for example, are willing to pay up for Russia's crude from producers such as Lukoil and Rosneft, according to analysis by the FT.

In rouble terms, the international Urals price has risen 60 per cent since mid-June. The promise to Opec+ leaves Russia pressing its nose against the glass of a sweet-shop window.

It could use more export revenues. Its current account surplus has dwindled in parallel with falling energy export revenues and higher arms imports. Inflation may start rising. Producer price indices could increase 20 per cent year on year in the second half, believes Capital Economics, a consultancy. Russia's central bank president Elvira Nabiullina may soon raise interest rates.

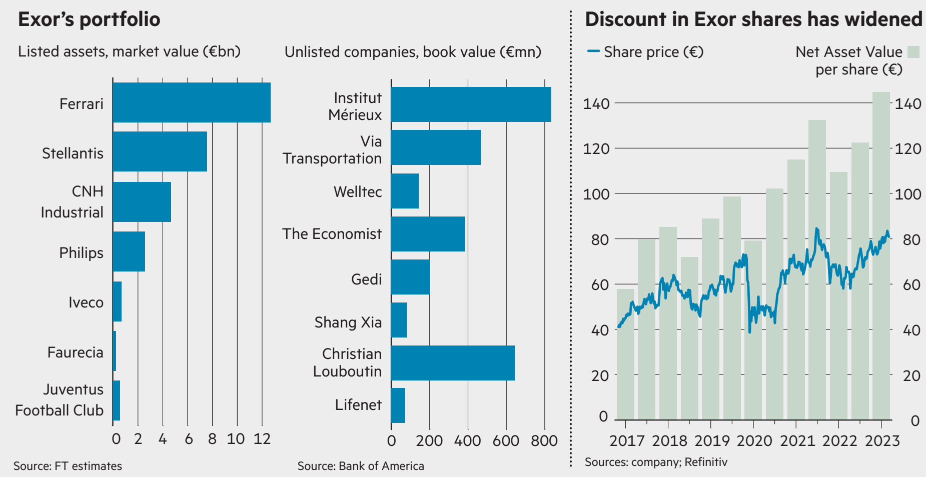
Share prices on the Moscow Exchange have soared as an inflation hedge. State-owned Rosneft's stock is up over half this year in rouble terms. Even global energy shares of a typically sedate kind have found their mojo. The MSCI all-country world energy index has outrun its broader world market benchmark since the spring.

The weak rouble offers Russia an incentive to boost oil exports just when Saudi Arabia reduces supply, partly to support this fellow member of Opec+.

That is not sustainable.

Agnellis/Philips: exogamous Exor

Exor has valuable assets. Its stakes in listed companies, including Stellantis, Ferrari and industrial machinery maker CNH, are worth about €29bn at market prices. Non-listed companies, investments and funds bring net asset value to just above €33bn. Exor's discount to that has widened, to over 40 per cent.



Italy's Agnelli family, which built its wealth on carmaker Fiat, has embarked on a high-stakes bet on troubled Dutch medical technology business Philips.

While there is some logic to its opportunistic swoop, outside investors in family holding company Exor might have preferred a buyback.

Exor's sudden acquisition of a 15 per cent exposure to Philips stock, worth €2.6bn, is not a complete surprise. It had alerted investors of its desire to reinvest €9.3bn of proceeds from the sale of insurer PartnerRe. The investment group identified luxury and healthcare as sectors where it could diversify risk.

Exor appears to have acquired what it describes as its "shareholding" via a deal with an investment bank. This may have side-stepped disclosure requirements, which in the Netherlands kick in after the 3 per cent threshold has been breached.

With cash burning a hole in Exor's pocket, Philips must have screened as cheap. The group's stock is down some 60 per cent since it announced a recall of its sleep apnoea product in August 2021. It has embarked on a turnaround programme, appointing new chief executive Roy Jakobs in late 2022, cutting staff and setting aside €575mn for litigation costs.

Philips investors are going to be on tenterhooks for quite some time. As Lex has pointed out, legal liabilities are, by their nature, hard to quantify and often larger than expected. Nor was Exor short of alternative investment propositions. One above all: its own stock.

Exor — 53 per cent controlled by the Agnelli family — has valuable assets. It has stakes in listed companies including Stellantis, Ferrari and industrial machinery maker CNH. These are valued at some €29bn at market prices. Non-listed investments and funds might be worth €5.8bn, according to Bank of America.

Subtract €1.6bn of net debt, and net asset value would be just above €33bn. Exor trades at a discount of over 40 per cent to that.

A better opportunity than Philips lies closer to home.

Tesla/China: biters bit

What is the cheapest way to buy a Tesla? Buy it in China. Some models are half the price in China compared with Europe and the US. The US electric-car maker is leading a cut-throat price war among EV makers in China. It is upending the largest car market.

Tesla launched another round of price cuts yesterday. High-end, long-range versions of the Model Y sport utility vehicle dropped Rmb14,000 to as low as Rmb299,900 ($41,300).

Other models are even cheaper when an extended insurance subsidy is accounted for.

Tesla has cut prices several times in China. The most recent round was last month. The difference this time has been a sell-off in local carmaker stocks. Shares in China's biggest EV maker BYD have dropped more than 5 per cent. Smaller peer Leapmotor Technologies is down 6 per cent.

The price war is partly the result of overcapacity. There were more than 500 registered EV makers in China back in 2019. Their prospects appeared to be underpinned partly by low costs. Purely indigenous businesses were not the only contenders. Byton, a Chinese-German electric-vehicle brand co-founded by former BMW and Nissan executives, also bet big on China.

Four years later, the picture is bleaker. About 400 of the EV makers have disappeared. Two promising makers that investors had expected to become China's Teslas, Li Auto and Xpeng, still run on negative operating margins. BYD, which has become the world's largest EV maker by sales, still has margins below 5 per cent despite record sales numbers this year.

Customers had been expected to buy Chinese for patriotic reasons. Instead Tesla's popularity has continued to soar. The company is intent on locking in steep market share. Its sales hit a record in the second quarter.

Local manufacturers have little choice but to cut prices faster and deeper than Tesla. Defensive consolidation is inevitable. A good time for investors to cut holdings further.

YouGov/City: poll dancer

Free markets, like free elections, are a great way of finding out what people think. Polling and market research group YouGov gives insights into both.

One growing consensus is that the London bourse is not the best place to be listed. Reinforcing that view, YouGov is thinking of ditching its Aim listing and joining the migration to the US. Shares barely budged in response.

YouGov is best known for politics: it publishes voter polls and was co-founded by Nadhim Zahawi, a UK politician whose family sold a large stake in 2018. But the bulk of the company's sales come from market research. The US is the largest market for these services, accounting for about half of YouGov's sales.

A sharp derating in YouGov shares irks co-founder Stephan Shakespeare. The stock has fallen from almost 60 times forward earnings at the end of 2021 to 22 times today.

But moving to the US might result in a larger, deeper capital market ignoring YouGov as much as the City has. The group is worth £1bn. Sales last year were in the low hundreds of millions.

US-listed Gartner trades at a decent premium. Shares in the technology sector research business change hands at over 30 times forward earnings. But it is a much bigger business: it has a market cap of $26bn and forecast sales approaching $6bn. It merits inclusion in the S&P 500, which makes it an obligatory investment for passive funds.

Smaller peer Forrester Research points to a different outcome. Its sales were about double YouGov's last year and it is growing more slowly. Both of those facts are reflected in a forward price-to-earnings ratio of 15 times and a substantial discount to YouGov.

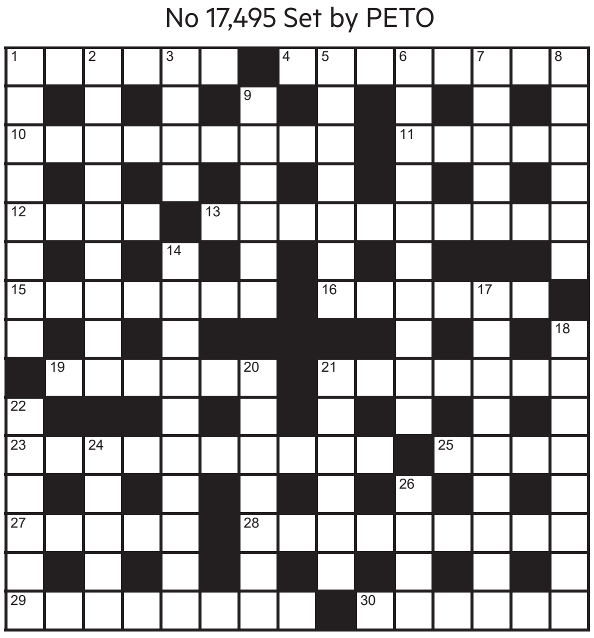
YouGov raised capital to fund the acquisition of a division of German peer GfK in July. The deal was YouGov's largest. Investors only demanded a 3.7 per cent discount for the £51mn placement. That shows that the UK market still has a taste for the scale of risk on offer. No opinion poll required.

FT **Lex on the web**
For notes on today's stories go to **www.ft.com/lex**

NIKKEI Asia The voice of the Asian century

CROSSWORD

No 17,495 Set by PETO



ACROSS

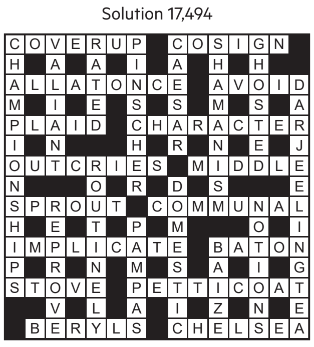
1 Labour leader overwhelmed by swing voter's disgust (6)
4 Agreement to kill Bond (8)
10 Conclude with former head of state having time in art gallery (9)
11 American novel's heroine brought about something advantageous (5)
12 By no means all acclaim amuses prayer leader (4)
13 Macron's refusal to admit working on moral discernment is straightforward (2-8)
15 Defoe's last good book's a typical example (7)
16 Arrange it for the most part with a solicitor (3,3)
19 Staggered by Republican employing a slippery customer (6)
21 Shorten brigade training (7)
23 Right after, this revolutionary order of architecture becomes affected (10)
25 Not a slave released ultimately left (4)
27 Why they say Heather embraces telling porkies (5)
28 Extremely theatrical behaviour from Hindu god after tune's cut short (9)
29 Bear's stomach (8)
30 One involved in plot against the French college official (6)

DOWN

1 Keep in mind Lear's regularly ignored servant (8)
2 Realist rambling in the middle of Provence is adaptable (9)
3 Put in position face up (4)
5 Single start not entirely involving a great deal of effort (7)
6 Conservative maintaining model fled earlier vanishing quickly (10)
7 Crime of American frontiersman initially dismissed (5)
8 Fictional wizard with time for power of rock (6)
9 Georgia has learning in abundance (6)
14 Jovial king finding terrible ogre a fear inducing sight (5,5)
17 Secret known by worker (9)
18 Fellow finding note after return of oddly rejected dairy produce (8)
20 Cross about pal almost becoming someone to walk all over (7)
21 Nursed by David Lynch with great enthusiasm (6)
22 Fellow powerless to rent out house in the Alps (6)
24 Expertise shown in section on ice (5)
26 An advantage to move gradually (4)*

JOTTER PAD

Solution 17,494



You can now solve our crosswords in the FT crossword app at ft.com/crosswordapp